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CHINA NEW TOWN DEVELOPMENT COMPANY LIMITED

中國新城鎮發展有限公司

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

(Stock Code: 1278)

2024 FINAL RESULTS ANNOUNCEMENT; RETIREMENT OF INDEPENDENT AUDITOR; AND RESIGNATION OF A JOINT COMPANY SECRETARY

The board of directors (the “**Board**”) of China New Town Development Company Limited (the “**Company**”) announces the audited consolidated financial results of the Company and its subsidiaries (the “**Group**”) for the year ended 31 December 2024 (the “**Year**”) together with the comparative figures for the year ended 31 December 2023 as set out below:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the financial year ended 31 December 2024

(Amount expressed in thousands of Renminbi unless otherwise stated)

	<i>Notes</i>	2024	2023
Operating income		412,194	427,389
Revenue	5	337,369	337,482
Other income	6	74,825	89,907
Operating expenses		(311,780)	(213,955)
Cost of sales	8	(56,249)	(38,441)
Selling and administrative expenses	8	(112,713)	(113,393)
Finance costs	9	(94,401)	(91,192)
Other expenses	7	(49,570)	(15,483)
Reversal of impairment losses on financial assets		1,153	44,554

	<i>Notes</i>	2024	2023
Operating profit		100,414	213,434
Share of losses of joint ventures and associates		<u>(31,772)</u>	<u>(12,351)</u>
Profit before tax		68,642	201,083
Income tax	10	<u>(12,768)</u>	<u>(49,827)</u>
Profit for the year		<u>55,874</u>	<u>151,256</u>
Other comprehensive income			
<i>Other comprehensive income that may be reclassified to profit or loss in subsequent periods:</i>			
Share of other comprehensive income of associates		2,582	2,518
Other comprehensive income for the year, net of tax		<u>2,582</u>	<u>2,518</u>
Total comprehensive income for the year, net of tax		<u>58,456</u>	<u>153,774</u>
Profit attributable to:			
Equity holders of the parent		44,317	140,858
Non-controlling interests		<u>11,557</u>	<u>10,398</u>
		<u>55,874</u>	<u>151,256</u>
Total comprehensive income attributable to:			
Equity holders of the parent		46,899	143,376
Non-controlling interests		<u>11,557</u>	<u>10,398</u>
		<u>58,456</u>	<u>153,774</u>
Earnings per share (RMB per share) attributable to ordinary equity holders of the parent:			
Basic and diluted profit for the year	12	<u>0.0046</u>	<u>0.0145</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2024

(Amounts expressed in thousands of Renminbi unless otherwise stated)

	Notes	2024	2023
Assets			
Non-current assets			
Investment in joint ventures		197,830	225,599
Investment in associates		226,070	172,921
Debt instruments at amortised cost	13	1,436,490	942,974
Financial assets at fair value through profit or loss	14	119,947	216,545
Investment property	15	1,465,700	1,485,700
Property, plant and equipment	16	7,736	8,439
Right-of-use assets	17	18,370	29,387
Other assets		1,479	1,341
		<u>3,473,622</u>	<u>3,082,906</u>
Total non-current assets			
Current assets			
Land development for sale	18	781,066	780,537
Prepayments		2,581	2,271
Other receivables	19	610,644	640,837
Trade receivables	20	45,629	42,913
Debt instruments at amortised cost	13	1,879,280	1,849,131
Other assets		6,369	7,234
Financial assets at fair value through profit or loss	14	51,097	19,176
Cash and bank balances	21	1,045,466	1,454,360
		<u>4,422,132</u>	<u>4,796,459</u>
Total current assets			
		<u>7,895,754</u>	<u>7,879,365</u>
Total assets			
Equity and liabilities			
Equity			
Attributable to:			
Equity holders of the parent:			
Share capital		4,070,201	4,070,201
Accumulated losses		(484,202)	(498,349)
Foreign currency translation reserve		12,386	9,804
Other reserves		607,839	607,839
		<u>4,206,224</u>	<u>4,189,495</u>
Non-controlling interests		492,186	480,629
		<u>4,698,410</u>	<u>4,670,124</u>
Total equity			

	<i>Notes</i>	2024	2023
Non-current liabilities			
Interest-bearing loans and borrowings	22	2,192,759	2,019,354
Other liabilities		5,900	6,054
Deferred tax liabilities	10	147,149	145,257
Total non-current liabilities		<u>2,345,808</u>	<u>2,170,665</u>
Current liabilities			
Interest-bearing loans and borrowings	22	108,088	299,295
Trade payables	24	86,762	110,450
Other payables and accruals	25	262,153	166,869
Advance from customers		30,267	38,786
Current income tax liabilities		23,215	40,687
Contract liabilities	26	341,051	382,489
Total current liabilities		<u>851,536</u>	<u>1,038,576</u>
Total liabilities		<u>3,197,344</u>	<u>3,209,241</u>
Total equity and liabilities		<u>7,895,754</u>	<u>7,879,365</u>
Net current assets		<u>3,570,596</u>	<u>3,757,883</u>
Total assets less current liabilities		<u>7,044,218</u>	<u>6,840,789</u>

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the financial year ended 31 December 2024

(Amounts expressed in thousands of Renminbi unless otherwise stated)

	Attributable to equity holders of the parent						Non-controlling interests	Total equity
	Share capital	Other reserves	Foreign currency translation reserve	Accumulated losses	Total			
As at 1 January 2023	4,070,201	607,839	7,286	(619,620)	4,065,706	470,231	4,535,937	
Profit for the year	—	—	—	140,858	140,858	10,398	151,256	
Other comprehensive income	—	—	2,518	—	2,518	—	2,518	
Total comprehensive income	—	—	2,518	140,858	143,376	10,398	153,774	
Interim 2023 dividend	—	—	—	(19,587)	(19,587)	—	(19,587)	
As at 31 December 2023	4,070,201	607,839	9,804	(498,349)	4,189,495	480,629	4,670,124	
Profit for the year	—	—	—	44,317	44,317	11,557	55,874	
Other comprehensive income	—	—	2,582	—	2,582	—	2,582	
Total comprehensive income	—	—	2,582	44,317	46,899	11,557	58,456	
Dividend	—	—	—	(30,170)	(30,170)	—	(30,170)	
As at 31 December 2024	4,070,201	607,839	12,386	(484,202)	4,206,224	492,186	4,698,410	

CONSOLIDATED STATEMENT OF CASH FLOWS

For the financial year ended 31 December 2024

(Amounts expressed in thousands of Renminbi unless otherwise stated)

	Notes	2024	2023
Cash flow from operating activities			
Profit before tax		68,642	201,083
Adjustments for:			
Reversal of impairment losses on financial assets		(1,153)	(44,554)
Depreciation of property, plant and equipment	8	1,173	1,175
Depreciation of right-of-use assets	8	11,629	11,866
Amortisation of intangible assets		156	1,270
Net fair value loss/(gain) on an investment property	6&7	19,631	(1,456)
Net loss/(gain) on financial instruments at fair value through profit or loss		2,837	(44,439)
Share of losses of joint ventures and associates		31,772	12,351
Interest from debt instruments at amortised cost and dividend income from other investment		(184,996)	(179,361)
Interest income from bank deposits	6	(27,074)	(27,650)
Interest expense on lease liabilities	23	648	786
Interest expense on loans and borrowings	9	93,753	90,406
Foreign exchange (gain)/loss	6&7	(823)	12,209
(Gain)/loss on disposal of property, plant and equipment		(11)	19
		16,184	33,705
Increase in land development for sale		(529)	(823)
Increase in prepayments		(310)	(552)
Decrease/(increase) in other receivables and other assets		22,439	(28,467)
Decrease in trade receivables		12,219	2,672
(Decrease)/increase in advances from customers		(8,519)	18,938
Decrease in contract liabilities		(41,438)	(13,826)
Increase in trade and other payables		58,186	71
		58,232	11,718
Income tax paid		(28,348)	(31,758)
Net cash inflow/(outflow) from operating activities		29,884	(20,040)

	<i>Notes</i>	2024	2023
Cash flows from investing activities			
Purchases of property, plant and equipment		(483)	(458)
Proceeds from disposal of property, plant and equipment		24	—
Investments in joint ventures and associates		(34,570)	(4,318)
Capital expenditure on an investment property		(1,669)	(5,225)
Investments in debt instruments at amortised cost		(2,546,409)	(2,601,000)
Proceeds from recovery of debt instruments at amortised cost		2,026,070	1,506,600
Interest received from debt instruments at amortised cost and other investment		171,535	168,294
Investments in financial assets at fair value through profit or loss		—	(49,132)
Proceeds from redemption of financial assets at fair value through profit or loss		59,062	895,625
Interest received from bank deposits		27,074	27,650
Investment income from financial assets at fair value through profit or loss		2,778	20,306
Payments for intangible assets		(166)	(30)
Investment losses from derivatives		—	(29,894)
		<u>(296,754)</u>	<u>(71,582)</u>
Net cash outflow from investing activities			
Cash flows from financing activities			
Proceeds from loans and borrowings		643,004	1,511,690
Repayment of loans and borrowings		(656,587)	(394,502)
Payment of lease liabilities	23	(12,317)	(12,482)
Dividends paid		(30,059)	(19,483)
Interest paid		(86,915)	(43,590)
		<u>(142,874)</u>	<u>1,041,633</u>
Net cash (outflow)/inflow from financing activities			
Net (decrease)/increase in cash and cash equivalents		(409,744)	950,011
Effect of exchange rate changes on cash and cash equivalents		850	97
Cash and cash equivalents at beginning of year		<u>1,454,360</u>	<u>504,252</u>
		<u><u>1,045,466</u></u>	<u><u>1,454,360</u></u>
Cash and cash equivalents at end of year			

NOTES TO FINANCIAL STATEMENTS

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

1. CORPORATE INFORMATION

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

The Group and its subsidiaries are new town developers in Mainland China and have been engaged in the investment and operation of new type of urbanization and primary land development in the People’s Republic of China (the “PRC”) since 2002. Since 2014, the Group’s business models have been further optimized. With the business strategy of “investment + downstream operation”, on top of fixed income investment in projects, the Group introduces brands of urbanization to the region in the field of people’s livelihood improvement at the same time, such as education, tourism, healthcare, etc.

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

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

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

2. BASIS OF PREPARATION

These consolidated financial statements of the Group have been prepared in accordance with IFRS Accounting Standards issued by the International Accounting Standards Board (the “IASB”) and the disclosure requirements of the Hong Kong Companies Ordinance.

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

The Group has prepared the financial statements on the basis that it will continue to operate as a going concern.

(a) Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries for the year ended 31 December 2024. A subsidiary is an entity, directly or indirectly, controlled by the Company. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if, and only if, the Group has:

- (a) Power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee)
- (b) Exposure, or rights, to variable returns from its involvement with the investee
- (c) The ability to use its power over the investee to affect its returns

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

- (a) The contractual arrangement(s) with the other vote holders of the investee
- (b) Rights arising from other contractual arrangements
- (c) The Group’s voting rights and potential voting rights

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

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

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

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

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

(b) Operating cycle

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

3. CHANGES IN ACCOUNTING POLICY AND DISCLOSURES

New and amended standards and interpretations

The Group applied for the first-time certain standards and amendments, which are effective for annual periods beginning on or after 1 January 2024 (unless otherwise stated). The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

Amendments to IFRS 16 — Lease Liability in a Sale and Leaseback

The amendments in IFRS 16 specify the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction, to ensure the seller-lessee does not recognise any amount of the gain or loss that relates to the right of use it retains.

Since the Group has no sale and leaseback transactions with variable lease payments that do not depend on an index or a rate occurring from the date of initial application of IFRS 16, the amendments had no impact on the Group’s consolidated financial statements.

Amendments to IAS 1 — Classification of Liabilities as Current or Non-current

The amendments to IAS 1 specify the requirements for classifying liabilities as current or non-current. The amendments clarify:

- What is meant by a right to defer settlement
- That a right to defer must exist at the end of the reporting period
- That classification is unaffected by the likelihood that an entity will exercise its deferral right
- That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification

In addition, an entity is required to disclose when a liability arising from a loan agreement is classified as non-current and the entity's right to defer settlement is contingent on compliance with future covenants within twelve months.

The Group has reassessed the terms and conditions of its liabilities as at 1 January 2023 and 2024 and concluded that the classification of its liabilities as current or non-current remained unchanged upon initial application of the amendments. Accordingly, the amendments had no impact on the Group's consolidated financial statements.

Supplier Finance Arrangements — Amendments to IAS 7 and IFRS 7

The amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures clarify the characteristics of supplier finance arrangements and require additional disclosure of such arrangements.

The disclosure requirements in the amendments are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk.

The amendments had no impact on the Group's consolidated financial statements.

4. OPERATING SEGMENT INFORMATION

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

- Land development segment, which provides land infrastructure development, and construction of ancillary public facilities;
- Urbanization development segment, which is responsible for investments in new town projects;
- Property leasing segment, which provides property leasing services of investment property; and
- Others segment, which includes the provision of other services.

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

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

An analysis by operating segment is as follows:

<i>RMB'000</i>	Year ended 31 December 2024					Total
	Land development	Urbanization development	Property leasing	Others	Reconciliation and eliminations	
Segment results						
External sales	18,919	184,996	133,454	—	—	337,369
Intersegment sales	—	—	—	—	—	—
Total segment sales	<u>18,919</u>	<u>184,996</u>	<u>133,454</u>	<u>—</u>	<u>—</u>	<u>337,369</u>
Results						
Depreciation	(969)	(10,963)	(132)	(738)	—	(12,802)
Share of losses of joint ventures and associates	(18,581)	—	(9,668)	(3,523)	—	(31,772)
Fair value loss on investment property	—	—	(19,631)	—	—	(19,631)
Fair value loss on financial instruments at fair value through profit or loss	—	(28,334)	—	—	—	(28,334)
Segment profit/(loss)	<u>18,785</u>	<u>81,785</u>	<u>73,981</u>	<u>(11,508)</u>	<u>(94,401)¹</u>	<u>68,642</u>
Segment assets	<u>1,000,399</u>	<u>4,677,230</u>	<u>1,662,532</u>	<u>555,593</u>	<u>—</u>	<u>7,895,754</u>
Segment liabilities	<u>500,460</u>	<u>122,726</u>	<u>66,089</u>	<u>36,858</u>	<u>2,471,211²</u>	<u>3,197,344</u>
Other disclosures						
Investments in joint ventures and associates	<u>56,999</u>	<u>—</u>	<u>140,351</u>	<u>226,550</u>	<u>—</u>	<u>423,900</u>
Capital expenditure ³	<u>11</u>	<u>453</u>	<u>(350)</u>	<u>—</u>	<u>—</u>	<u>114</u>
Interest income	<u>20</u>	<u>203,185</u>	<u>406</u>	<u>8,459</u>	<u>—</u>	<u>212,070</u>

¹ Profit/(loss) for each operating segment does not include finance costs of RMB94,401 thousand.

² Liabilities in segments do not include current income tax liabilities of RMB23,215 thousand, interest-bearing loans and borrowings of RMB2,300,847 thousand, and deferred tax liabilities of RMB147,149 thousand as these liabilities are managed on a group basis.

³ Capital expenditure consists of additions of property, plant and equipment of RMB483 thousand and cost adjustment of investment property of RMB369 thousand.

RMB'000

Year ended 31 December 2023

	Land development	Urbanization development	Property leasing	Others	Reconciliation and eliminations	Total
Segment results						
External sales	13,374	179,361	144,747	—	—	337,482
Intersegment sales	—	—	—	—	—	—
Total segment sales	<u>13,374</u>	<u>179,361</u>	<u>144,747</u>	<u>—</u>	<u>—</u>	<u>337,482</u>
Results						
Depreciation	(1,018)	(11,446)	(194)	(383)	—	(13,041)
Share of (losses)/gains of joint ventures and associates	(8,436)	—	(4,775)	860	—	(12,351)
Fair value gain on investment property	—	—	1,456	—	—	1,456
Fair value gain/(loss) on financial instruments at fair value through profit or loss	—	24,984	—	(851)	—	24,133
Segment (loss)/profit	<u>(5,430)</u>	<u>142,934</u>	<u>102,927</u>	<u>51,844</u>	<u>(91,192)¹</u>	<u>201,083</u>
Segment assets	<u>931,699</u>	<u>4,827,304</u>	<u>1,552,831</u>	<u>567,531</u>	<u>—</u>	<u>7,879,365</u>
Segment liabilities (restated)	<u>562,677</u>	<u>41,771</u>	<u>77,640</u>	<u>22,560</u>	<u>2,504,593²</u>	<u>3,209,241</u>
Other disclosures						
Investments in joint ventures and associates	<u>75,580</u>	<u>—</u>	<u>150,019</u>	<u>172,921</u>	<u>—</u>	<u>398,520</u>
Capital expenditure ³	<u>6</u>	<u>452</u>	<u>(1,456)</u>	<u>—</u>	<u>—</u>	<u>(998)</u>
Interest income	<u>1</u>	<u>198,434</u>	<u>104</u>	<u>8,472</u>	<u>—</u>	<u>207,011</u>

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

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

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

5. REVENUE

<i>RMB'000</i>	<i>Notes</i>	2024	2023
Land development	(a)	18,919	13,374
Property management	(a)	32,306	34,632
Revenue from contracts with customers	(a)	51,225	48,006
Rental income		101,148	110,115
Interest from debt instruments at amortised cost	(b)	183,600	174,806
Others	(c)	1,396	4,555
Revenue from other sources		286,144	289,476
Total revenue		337,369	337,482

(a) Revenue from contracts with customers

Disaggregated revenue information

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

	Year ended 31 December 2024		
	Land development	Property leasing	Total
Segments			
Type of goods or service			
Land development	18,919	—	18,919
Property management	—	32,306	32,306
Total revenue from contracts with customers	18,919	32,306	51,225
Timing of revenue recognition			
Services tendered over time	18,919	32,306	51,225

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

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

Land development

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

Revenue of RMB18.92 million (2023: RMB13.37 million) was recognised in respect of construction of the ancillary public facilities with the fulfilment of the performance obligation in 2024, of which RMB18.92 million (2023: RMB13.37 million) was released from contract liabilities.

Property management services

The performance obligation is satisfied over time as property management services are rendered and short-term advances are normally required before rendering the services. Property management service contracts are billed based on the time incurred. The amount of revenue recognised in the current year that was included in the contract liabilities at the beginning of 2024 was RMB5,475 thousand (2023: RMB5,927 thousand).

(b) The detailed information of revenue from interest and similar income is as follows:

<i>RMB'000</i>	2024	2023
Interest income		
Liyang High-tech Zone Industrial Base Quality Improvement and Upgrading Phase I Project	29,823	2,381
Wuxi Gaoxin District Industrial Park Project	28,774	14,544
Yangzhou Hanjiang Industrial Park Infrastructure Project	21,904	10,063
Yangzhou Hanjiang Industrial Park Sewage Treatment Project	17,259	—
Zhuji Pingfengwu Ecological Cemetery Project	16,330	—
Wuxi Liangxi District Food Science and Technology Innovation Center Project	15,173	11,590
Wuxi Xinwu District Canal Culture and Technology Industrial Park Construction Project	11,509	5,881
Jiangyin Changjing Industrial Park Sewage-treatment Plant Project	11,106	6,402
Yangzhou Jiangdu People's Hospital New Project	5,998	18,860
Wuxi Liangxi District Pharmaceutical Distribution Supply Chain Industry Project	5,988	—
Wuxi Guojin Commercial Factoring Fixed Income Phase II Project	4,890	—
Hubei Daye Advanced Manufacturing Standard Plant Construction Project	4,677	17,414
Jingjiang Furuite Aluminum New Material Project	1,642	—
Liyang High-tech District Intelligent Internet Vehicle Test Center Project	906	—
Taizhou Xinghua Urban Regeneration Project	542	—
Jiangsu Taizhou Jiangyan District New Infrastructure Industrial Park Project	528	—
Yangzhou Guangling Science and Technology Entrepreneurship Park Project	21	—
Chengdu Jintang Huaizhou New City General Aviation Industrial Park Project	—	25,927
Taizhou Jingjiang Huaxin Science and Technology Innovation Park Standard Plant Construction Project	—	21,382
Yangzhong Changwang Operation Area Logistics Park Construction Project	—	15,484
Wuxi Guojin Commercial Factoring Fixed Income Project	—	7,293
Suqian Yanghe Bio-tech Industrial Park Project	—	6,635
Yancheng Sheyang Ruiyang Technology Fixed Income Project	—	4,488
Lianyungang Liandao Cultural Tourism Project	—	3
Others	6,530	6,459
	183,600	174,806

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

	2024	2023
CDB (Beijing) — BOCOMM New-Type Urbanization Development Fund (the “Urbanization Fund”)	<u>1,396</u>	<u>4,555</u>
6. OTHER INCOME		
<i>RMB’000</i>	2024	2023
Interest income from bank deposits	27,074	27,650
Investment income from financial assets at fair value through profit or loss	25,497	20,306
Foreign exchange gain, net	823	—
Gain on disposal of property, plant and equipment	11	—
Net fair value gain on financial instruments at fair value through profit or loss	—	24,133
Fair value gain on investment property	—	1,456
Others	<u>21,420</u>	<u>16,362</u>
	<u>74,825</u>	<u>89,907</u>
7. OTHER EXPENSES		
<i>RMB’000</i>	2024	2023
Net fair value loss on financial instruments at fair value through profit or loss	28,334	—
Fair value loss on investment property	19,631	—
Bank charges	1,387	1,548
Foreign exchange loss, net	—	12,209
Loss on disposal of property, plant and equipment	—	19
Others	<u>218</u>	<u>1,707</u>
	<u>49,570</u>	<u>15,483</u>

8. EXPENSE BY NATURE

<i>RMB'000</i>	2024	2023
Cost of land development	18,979	4,031
Depreciation of property, plant and equipment	1,173	1,175
Depreciation of right-of-use assets	11,629	11,866
Audit fees and non-audit fees	3,353	4,056
<i>Audit fees</i>		
— Auditor of the Company	2,700	2,500
— Other auditors	440	688
<i>Non-audit fees</i>		
— Auditor of the Company	—	600
— Other auditors	213	268
Employee benefits	55,641	53,839
Utility expenses	13,147	13,104
Advertising	680	714
Rental expenses	1,166	1,390
Property management service expenses	28,414	25,555
Intermediary and professional service charges	4,925	3,307
Other expenses	29,855	32,797
	<u>168,962</u>	<u>151,834</u>
Total cost of sales, selling and administrative expenses		

9. FINANCE COSTS

<i>RMB'000</i>	2024	2023
Interest on loans and borrowings	93,753	90,406
Interest on lease liabilities	648	786
	<u>94,401</u>	<u>91,192</u>

No borrowing cost has been capitalised for the year ended 31 December 2024 (2023: Nil).

10. INCOME TAX AND DEFERRED TAX

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

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

Hong Kong profits tax has been provided at the rate of 16.5% (2023: 16.5%) on the estimated assessable profits arising in Hong Kong during the year.

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

Mainland China — withholding tax

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

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

The major components of income tax are as follows:

<i>RMB'000</i>	2024	2023
Income tax (credit)/charge:		
Current income tax	(4,402)	22,420
Deferred tax	1,892	17,454
Withholding tax	15,278	9,953
	<hr/>	<hr/>
Income tax charge as reported in profit or loss	12,768	49,827
	<hr/> <hr/>	<hr/> <hr/>

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

Year ended 31 December 2024

RMB'000	HK and BVI		Mainland China		Total	
Profit before tax	<u>61,650</u>		<u>6,992</u>		<u>68,642</u>	
Tax at the statutory tax rate	15,413	25.0%	1,748	25.0%	17,161	25.0%
Effect of subsidiaries applying the non-statutory tax rate	6,814	11.0%	—	—	6,814	9.9%
Income not subject to tax	(33,904)	(55.0%)	(609)	(8.7%)	(34,513)	(50.3%)
Profit and losses attributable to joint ventures and associates	93	0.2%	7,802	111.6%	7,895	11.5%
Non-deductible expenses for tax purposes	6,095	9.9%	4,634	66.3%	10,729	15.6%
Adjustments in respect of current tax of previous periods	—	—	(18,496)	(264.5%)	(18,496)	(26.9%)
Utilisation/adjustment of previously unrecognised tax losses	—	—	(4,354)	(62.3%)	(4,354)	(6.3%)
Unrecognised tax losses and deductible temporary differences	—	—	12,254	175.2%	12,254	17.9%
Effect of withholding tax*	<u>15,278</u>	<u>24.8%</u>	<u>—</u>	<u>—</u>	<u>15,278</u>	<u>22.3%</u>
Income tax as reported in the statement of profit or loss and other comprehensive income	<u>9,789</u>	<u>15.9%</u>	<u>2,979</u>	<u>42.6%</u>	<u>12,768</u>	<u>18.7%</u>

Year ended 31 December 2023

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

* In 2024, the HK and BVI companies received interest and dividend income from Mainland China amounting to RMB125,640 thousand (2023: RMB89,576 thousand), after the deduction of the withholding tax of RMB15,278 thousand (2023: RMB9,953 thousand).

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

Deferred income tax relates to the following:

<i>RMB'000</i>	Consolidated statement of financial position		Consolidated statement of profit or loss	
	2024	2023	2024	2023
Deferred tax assets/(liabilities)				
Fair value change and depreciation of investment property	(81,180)	(81,553)	373	(6,041)
Fair value change of financial instruments at fair value through profit or loss	(6,014)	(8,470)	2,456	(3,291)
Accrued expenses	133	121	12	28
Taxable timing difference for interest accrued	(27,402)	(21,987)	(5,415)	(1,623)
Provision for expected credit losses (“ECLs”)	225	1,057	(832)	(992)
Right-of-use assets	(3,411)	5,611	(9,022)	4,568
Lease liabilities	2,413	(6,593)	9,006	(4,564)
Effect of withholding tax at 10% on the distributable profits of the Group’s subsidiaries in Mainland China	(33,443)	(33,443)	—	(5,539)
Loss available for offsetting against future taxable income	1,530	—	1,530	—
Net deferred tax liabilities	(147,149)	(145,257)		
Deferred income tax charge			(1,892)	(17,454)
Deferred tax movements:				
			2024	2023
As of 1 January			(145,257)	(127,803)
Deferred tax income recognised in profit or loss			(1,892)	(17,454)
As at 31 December			(147,149)	(145,257)
Deferred tax assets			—	—
Deferred tax liabilities			(147,149)	(145,257)

As at 31 December 2024, the unrecognized deductible temporary differences amounting to RMB262,337 thousand (2023: RMB228,086 thousand) and the unrecognized accumulated tax losses amounting to RMB136,012 thousand (2023: RMB134,497 thousand) mainly arose from those subsidiaries that have been loss-making for years. The unrecognized tax losses of RMB136,012 thousand (2023: RMB134,497 thousand) will expire in the coming one to five years. The Group estimated that there was no taxable income to utilise these tax losses and deductible temporary differences and there are no other tax planning opportunities or other evidence of recoverability in the near future.

11. DIVIDENDS

The Board proposed a final dividend of HK\$0.0039 per ordinary share for the year ended 31 December 2024 (2023: HK\$0.0034). The proposed final dividend for the year is subject to the approval of the Company's shareholders at the forthcoming annual general meeting.

12. EARNINGS PER SHARE

The calculation of the basic earnings per share amounts is based on the profit attributable to ordinary equity holders of the parent, and the weighted average number of ordinary shares of 9,726,246,417 (2023: 9,726,246,417) in issue during the year.

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

<i>RMB'000</i>	2024	2023
Profit attributable to ordinary equity holders of the parent for basic and diluted earnings per share	<u>44,317</u>	<u>140,858</u>
Weighted average number of ordinary shares used to calculate basic and diluted earnings per share	<u>9,726,246,417</u>	<u>9,726,246,417</u>
Basic and diluted earnings per share (<i>RMB</i>)	<u>0.0046</u>	<u>0.0145</u>

The Group had no potential dilutive ordinary shares in issue during the years ended 31 December 2024 and 2023.

13. DEBT INSTRUMENTS AT AMORTISED COST

<i>RMB'000</i>	2024	2023
Investments in debt instruments related to:		
Wuxi Gaoxin District Industrial Park Project	500,000	500,000
Yangzhou Hanjiang Industrial Park Sewage Treatment Project	500,000	—
Zhuji Pingfengwu Ecological Cemetery Project	401,000	—
Nanchang Science and Technology Park Project of Chinese Academy of Sciences	400,000	400,000
Liyang High-tech District Intelligent Internet Vehicle Test Center Project	400,000	—
Wuxi Liangxi District Pharmaceutical Distribution Supply Chain Industry Project	351,000	—
Jiangsu Taizhou Jiangyan District New Infrastructure Industrial Park Project	280,000	—
Wuxi Xinwu District Canal Culture and Technology Industrial Park Construction Project	200,000	200,000
Taizhou Xinghua Urban Regeneration Project	200,000	—
Jiangyin Changjing Industrial Park Sewage-treatment Plant Project	150,000	150,000
Yangzhou Guangling Science and Technology Entrepreneurship Park Project	100,000	—
Jingjiang Furuite Aluminum New Material Project	70,000	—
Yangzhou Hanjiang Industrial Park Infrastructure Project	—	500,000
Liyang High-tech Zone Industrial Base Quality Improvement and Upgrading Phase I Project	—	500,000
Wuxi Liangxi District Food Science and Technology Innovation Center Project	—	351,000
Yangzhou Jiangdu People's Hospital New Project	—	268,213
Hubei Daye Advanced Manufacturing Standard Plant Construction Project	—	200,000
Others	122,707	90,000
	<u>3,674,707</u>	<u>3,159,213</u>
Accrued interest	54,354	40,893
	<u>3,729,061</u>	<u>3,200,106</u>
Less: allowance for ECLs	(413,291)	(408,001)
	<u>3,315,770</u>	<u>2,792,105</u>
Amounts due in the next 12 months classified as current assets	<u>1,879,280</u>	<u>1,849,131</u>
Amounts classified as non-current assets	<u>1,436,490</u>	<u>942,974</u>

As at 31 December 2024, the Group was entitled to fixed returns ranging from 5.85% to 10.00% (2023: 5.88% to 10.00%) per annum before tax for debt instruments at amortised cost.

Movements of ECL allowance during the year ended 31 December 2024 and 2023 are as follows:

RMB'000	2024	2023
At beginning of year	408,001	396,588
Credit loss recognised in profit or loss	5,290	11,413
At end of year	413,291	408,001

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

	12-month ECLs Stage 1	Lifetime ECLs Stage 2	Stage 3	Total
Gross carrying amount as at 1 January 2024	2,800,106	—	400,000	3,200,106
New debt instruments	2,546,409	—	—	2,546,409
Recovery	(2,066,963)	—	—	(2,066,963)
Accrued interest	54,354	—	—	54,354
Foreign currency exchange	(4,845)	—	—	(4,845)
At 31 December 2024	3,329,061	—	400,000	3,729,061

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

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

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

	12-month ECLs Stage 1	Lifetime ECLs Stage 2	Stage 3	Total
ECL allowance as at 1 January 2024	28,001	—	380,000	408,001
Provision and remeasurement	23,564	—	—	23,564
Reversal	(18,274)	—	—	(18,274)
At 31 December 2024	<u>33,291</u>	<u>—</u>	<u>380,000</u>	<u>413,291</u>
	12-month ECLs Stage 1	Lifetime ECLs Stage 2	Stage 3	Total
ECL allowance as at 1 January 2023	16,588	—	380,000	396,588
Provision and remeasurement	26,304	—	—	26,304
Reversal	(14,891)	—	—	(14,891)
At 31 December 2023	<u>28,001</u>	<u>—</u>	<u>380,000</u>	<u>408,001</u>

14. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

<i>RMB'000</i>	<i>Notes</i>	2024	2023
— Wealth management products	(a)	13,071	17,508
— Equity instruments	(b)	157,973	216,545
— Derivatives	(c)	—	1,668
		<u>171,044</u>	<u>235,721</u>
Current portion		<u>51,097</u>	<u>19,176</u>
Non-current portion		<u>119,947</u>	<u>216,545</u>

Notes :

- (a) In 2024, the Group invested in wealth management products mainly issued by China Merchants Bank Co., Ltd (“**China Merchants Bank**”) and Ping An Bank Co., Ltd (“**Ping An Bank**”) as part of cash management for the short term. They were mandatorily classified as financial assets at fair value through profit or loss as their contractual cash flows are not solely payments of principal and interest.

(b) The list of equity instruments projects and their fair value are as follows:

	2024	2023
Jiangsu Hong-tu Software Venture Capital Investment Ltd.	51,348	52,877
XN Crane International Limited	—	51,197
WeRide Inc.	38,026	43,872
Shenzhen Zhongke Micro-Light Medical Equipment Technology Co., Ltd.	11,638	11,638
Shenzhen Sibiomics Co., Ltd.	10,143	10,143
Gongqingcheng Xuhui Guanding Investment Management Partnership (Limited Partnership)	21,818	21,818
Yixing Zengyang Xinzhan Equity Investment Partnership (Limited partnership)	25,000	25,000
	<u>157,973</u>	<u>216,545</u>

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

15. INVESTMENT PROPERTY

<i>RMB'000</i>	2024	2023
At beginning of year	1,485,700	1,485,700
Subsequent expenditure and cost adjustment	(369)	(1,456)
(Loss)/gain from increase in fair value	(19,631)	1,456
	<u>1,465,700</u>	<u>1,485,700</u>

16. PROPERTY, PLANT AND EQUIPMENT

<i>RMB'000</i>	Buildings	Furniture, fixtures and equipment	Motor vehicles	Total
Original cost				
At 1 January 2023	19,465	10,421	4,762	34,648
Additions	—	458	—	458
Disposals	—	(337)	—	(337)
At 31 December 2023	19,465	10,542	4,762	34,769
Additions	—	483	—	483
Disposals	—	(63)	(202)	(265)
At 31 December 2024	19,465	10,962	4,560	34,987
Accumulated depreciation				
At 1 January 2023	10,922	9,815	4,736	25,473
Provided during the year	852	303	20	1,175
Disposals	—	(318)	—	(318)
At 31 December 2023	11,774	9,800	4,756	26,330
Provided during the year	852	321	—	1,173
Disposals	—	(56)	(196)	(252)
At 31 December 2024	12,626	10,065	4,560	27,251
Net carrying amount				
At 1 January 2023	8,543	606	26	9,175
At 31 December 2023	7,691	742	6	8,439
At 31 December 2024	6,839	897	—	7,736

17. RIGHT-OF-USE ASSETS

<i>RMB'000</i>	Buildings	Motor vehicles	Land	Total
At 31 December 2023	9,581	491	1,609	11,681
Additions	29,572	—	—	29,572
Depreciation expense	(11,487)	(222)	(157)	(11,866)
At 31 December 2023	27,666	269	1,452	29,387
Additions	612	—	—	612
Depreciation expense	(11,250)	(222)	(157)	(11,629)
As at 31 December 2024	17,028	47	1,295	18,370

18. LAND DEVELOPMENT FOR SALE

<i>RMB'000</i>	2024	2023
The Mainland China — Shenyang Lixiang New Town Modern Agriculture Co., Ltd (“Shenyang Lixiang”)	<u>781,066</u>	<u>780,537</u>

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

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

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

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

As a result of the aforementioned, the Board assessed the net realisable value of the land development for sale and determined an impairment loss of RMB109 million was incurred and recognised for the year ended 31 December 2022. As at 31 December 2024, the Board reassessed the net realisable value of the land development for sale, with no additional impairment nor reversal of impairment was made.

19. OTHER RECEIVABLES

<i>RMB'000</i>	Notes	2024	2023
Balances due from Wuxi Project		20,977	20,977
Due from SREI	(i)	89,854	89,896
Balances due from entities disposed of		24,384	24,384
Due from joint ventures		496,416	495,600
Due from associates	(ii)	1,956	1,395
Others		<u>55,876</u>	<u>78,912</u>
		689,463	711,164
Less: allowance for ECLs		<u>(78,819)</u>	<u>(70,327)</u>
Other receivables, net		<u>610,644</u>	<u>640,837</u>

The Group has assessed the ECLs based on its historical credit loss experience, adjusted for forward-looking factors to the debtors and the economic environment. The loss rate of Stage 1 and Stage 2 was estimated to be 1% to 9% (2023: 1%), and the loss rate of Stage 3 was estimated to be 100% (2023: 100%). The movements in allowance of impairment are as follows:

	2024	2023
At beginning of year	70,327	126,235
Credit loss/(reversal of credit loss) recognised in profit or loss	<u>8,492</u>	<u>(55,908)</u>
At end of year	<u><u>78,819</u></u>	<u><u>70,327</u></u>

Notes:

- (i) The balances due from SREI is in relation to the Disposal Assets in 2017, after a series of settlements made between the Company and SREI. As at 31 December 2024, the balance due from SREI of RMB89,854 thousand (2023: RMB89,896 thousand) is secured by the shares and related rights of the Company owned by SREI.
- (ii) The balances due from joint ventures are shareholder's loans lent to Nanjing Guofa Real Estate Co., Ltd. and Beijing Guowan Real Estate Co., Ltd. ("**Guowan Real Estate**") to facilitate their daily operations, which are unsecured and interest-free and should be repayable on demand.

20. TRADE RECEIVABLES

<i>RMB'000</i>	2024	2023
Receivables from land development for sale	32,218	47,218
Others	<u>17,462</u>	<u>14,681</u>
	49,680	61,899
Less: allowance for ECLs	<u>(4,051)</u>	<u>(18,986)</u>
Trade receivables, net	<u><u>45,629</u></u>	<u><u>42,913</u></u>

The above balances are unsecured and interest-free. The fair values of the trade receivables as at the end of each reporting period approximate to their carrying amounts. No trade receivables were written off in 2024 (2023: Nil).

The Group applies a simplified approach in calculating ECLs for trade receivables. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has assessed the ECLs based on its historical credit loss experience, adjusted for forward-looking factors to the debtors and the economic environment. The loss rate was estimated to be ranging from 1% to 100% (2023: ranging from 1% to 100%). The movements in allowance of impairment are as follows:

<i>RMB'000</i>	2024	2023
At beginning of year	18,986	19,045
Reversal of credit loss recognised in profit or loss	<u>(14,935)</u>	<u>(59)</u>
At end of year	<u><u>4,051</u></u>	<u><u>18,986</u></u>

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

	2024	2023
Within 6 months	13,715	10,999
6 months to 1 year	—	—
1 year to 2 years	—	19
2 years to 3 years	19	—
Over 3 years	<u>31,895</u>	<u>31,895</u>
	<u><u>45,629</u></u>	<u><u>42,913</u></u>

21. CASH AND BANK BALANCES

<i>RMB'000</i>	2024	2023
Cash at banks	<u><u>1,045,466</u></u>	<u><u>1,454,360</u></u>

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

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

RMB equivalent of the following currencies :

<i>RMB'000</i>	2024	2023
RMB	990,222	1,451,240
HKD	5,577	1,210
EUR	—	1,242
USD	<u>49,667</u>	<u>668</u>
	<u><u>1,045,466</u></u>	<u><u>1,454,360</u></u>

22. INTEREST-BEARING BANK BORROWINGS

Details of interest-bearing bank borrowings are as follows:

Current interest-bearing loans and borrowings

<i>RMB'000</i>	2024	2023
Lease liabilities	11,639	11,677
Bank loans — secured	55,886	94,764
Bank loans — unsecured	—	15,019
Guaranteed bonds	40,563	40,563
Other borrowings	—	137,272
	<u>108,088</u>	<u>299,295</u>

Non-current interest-bearing loans and borrowings

<i>RMB'000</i>	2024	2023
Lease liabilities	1,265	12,284
Bank loans — secured	549,124	510,380
Guaranteed bonds	1,498,194	1,496,690
Other borrowings	144,176	—
	<u>2,192,759</u>	<u>2,019,354</u>
	<u>2,300,847</u>	<u>2,318,649</u>

The interest-bearing bank borrowings are repayable as follows:

<i>RMB'000</i>	2024	2023
Within 6 months	6,047	53,162
6 months to 9 months	27,992	47,364
9 months to 12 months	74,049	198,769
Current interest-bearing loans and borrowings	<u>108,088</u>	<u>299,295</u>
1 year to 2 years	56,443	116,354
2 years to 5 years	1,899,602	1,795,620
Over 5 years	236,714	107,380
Non-current interest-bearing loans and borrowings	<u>2,192,759</u>	<u>2,019,354</u>
	<u>2,300,847</u>	<u>2,318,649</u>

The Group's interest-bearing loans and borrowings bore interest ranging from 3.88% to 7% per annum for the year ended 31 December 2024 (2023: ranging from 4.05% to 7% per annum).

Bank loans — secured

As at 31 December 2024, bank borrowings of RMB605,010 thousand (2023: RMB605,144 thousand) were secured by the investment property, whose carrying amount at 31 December 2024 was RMB1.466 billion (2023: RMB1.486 billion).

Guaranteed bonds

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

23. LEASE LIABILITIES

<i>RMB'000</i>	2024	2023
At 1 January	23,961	6,156
New leases	612	29,501
Interest expense	648	786
Payments	<u>(12,317)</u>	<u>(12,482)</u>
At end of year	<u>12,904</u>	<u>23,961</u>
Current	11,639	11,677
Non-current	1,265	12,284

24. TRADE PAYABLES

<i>RMB'000</i>	2024	2023
Payable for land development for sale	<u>86,762</u>	<u>110,450</u>
An ageing analysis of the Group's trade payables is as follows:		
<i>RMB'000</i>	2024	2023
Within 1 year	1,177	8,432
1 to 2 years	—	—
Over 2 years	<u>85,585</u>	<u>102,018</u>
	<u>86,762</u>	<u>110,450</u>

Trade payables are non-interest-bearing.

25. OTHER PAYABLES AND ACCRUALS

<i>RMB'000</i>	2024	2023
Payroll and welfare	11,269	11,725
Other taxes payable	21,436	23,045
Amounts due to related parties	20,469	1,717
Payable for intermediary and professional service charges	9,809	10,203
Dividend payables	359	207
Payable for investment property	5,767	7,805
Deposits	102,304	35,273
Others	90,740	76,894
	<u>262,153</u>	<u>166,869</u>

Terms and conditions of the above liabilities are as follows:

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

26. CONTRACT LIABILITIES

<i>RMB'000</i>	2024	2023
Contract liabilities arising from:		
Land development	338,095	377,014
Property management	2,956	5,475
	<u>341,051</u>	<u>382,489</u>

As at 31 December 2024, the contract liabilities arising from land development for sale represent the amounts received or receivable from the land authorities or local governments to fulfil the performance obligation of land development services. The amounts received or receivable are non-refundable unless the Group fails to complete the development work. The contract liabilities are classified as current liabilities as the remaining development work is expected to be provided within the normal operating cycle.

27. FAIR VALUE AND FAIR VALUE HIERARCHY

Fair values of financial assets and liabilities

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

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

Fair value hierarchy

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

- Level 1: fair values measured based on quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2: fair values measured based on valuation techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly
- Level 3: fair values measured based on valuation techniques for which any inputs which have a significant effect on the recorded fair value are not based on observable market data (unobservable inputs)

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

Quantitative disclosures of assets and liabilities measured at fair value as at 31 December 2024:

	Date of valuation	Total	Fair value measurement using		
			Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Assets/liabilities measured at fair value:					
Financial assets at fair value through profit or loss (Note 14)	31 December 2024	171,044	—	51,097	119,947
Investment property (Note 15)	31 December 2024	1,465,700	—	—	1,465,700

There were no transfers of fair value measurement between Level 1 and Level 2 during the year ended 31 December 2024. Financial assets at fair value through profit or loss of shares in WeRide Inc. were transferred out of Level 3 to Level 2 during the year ended 31 December 2024, whose amount was RMB43,872 thousand as at 31 December 2023 and RMB38,026 thousand as at 31 December 2024. Since WeRide Inc. had been listed in 2024 and had a restricted period of sale, the fair value could be measured by significant observable inputs.

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

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

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

Assets and liabilities in Level 2

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

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

Assets and liabilities in Level 3

The significant unobservable inputs used in the fair value measurements categorised within Level 3 of the fair value hierarchy as at 31 December 2024 and 2023 are shown below:

	Valuation technique	Significant unobservable inputs	31 December 2024	31 December 2023
Office	Income approach	Net yield	5.5%	5.5%
		Estimated rental value (per square metre and per month)	83	83
		Long term vacancy rate	19–28%	18%
Retail	Income approach	Net yield	5.5%	5.5%
		Estimated rental value (per square metre and per month)	163	165
		Long term vacancy rate	25%	25%
Car park	Income approach	Net yield	5.5%	5.5%
		Estimated rental value (per square metre and per month)	390	390
		Long term vacancy rate	30%	30%
Non-listed equity investments	Discounted cashflow approach	Discount rate	6.5%	7.0%
	Market valuation approach	Discounts for lack of marketability	25.6%	30%, 32%

Sensitivity analysis of the significant unobservable inputs to fair value:

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

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

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

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

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

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

	Year ended 31 December 2024	Year ended 31 December 2023
At beginning of year	165,348	120,306
Total (losses)/gains recognised in profit or loss	(1,529)	5,099
Transfer to level 2	(43,872)	—
Purchases	—	42,721
Disposals	—	(2,778)
	<hr/>	<hr/>
At end of year	<u>119,947</u>	<u>165,348</u>

28. SUBSEQUENT EVENT

As of 21 March 2025, there was no significant event occurred after the reporting period.

MANAGEMENT DISCUSSION AND ANALYSIS

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

Operating Results

Revenue

Our results from operation primarily refers to our performance in land development, urbanization development and property leases. During the year ended 31 December 2024 (the “**Year 2024**”), the Group recorded revenue of RMB337 million, basically the same as that in the same period of last year. In Year 2024, the Group recorded revenue of RMB18.919 million from land development, representing an increase of 41% over that in the same period of the year ended 31 December 2023 (the “**Year 2023**”), mainly due to the commencement of the construction of two school projects in the eastern part of SGLD, thus the land development revenue carried forward increased. Urbanization development revenue and other income increased by 3% on a combined basis to RMB185 million, mainly attributable to the increase of the balance of investment in urbanization projects compared to the same period of last year, resulting an increase in the revenue of investment projects. For Year 2024, it recorded revenue from investment properties of RMB133 million, including income from property leases of RMB101 million and income from property management fee of RMB32 million, representing a decrease of RMB11 million over that in the same period of last year, mainly due to the decrease of rental rate.

Other income

For Year 2024, other income amounted to RMB74,825 thousand, representing a decrease of 16.8% over that in the same period of Year 2023. It was mainly because the interest income from bank deposits decreased by RMB576 thousand over that in the same period of Year 2023; net fair value gain on financial instruments at fair value through profit or loss decreased by RMB24,133 thousand over that in the same period of Year 2023; and investment income from financial instruments at fair value through profit or loss increased by RMB5,191 thousand over that in the same period of Year 2023. Besides, foreign exchange gain of RMB823 thousand was recognised in Year 2024.

Cost of sales, selling and administrative expenses

For Year 2024, cost of sales amounted to RMB56,249 thousand, including primarily land development cost of RMB18,979 thousand and cost of property management service of RMB37,270 thousand. The cost of sales was increased by 46.3% over that in the same period of Year 2023, mainly due to the land development cost carried forward of two school projects in the eastern part of SGLD with an increase of RMB14,948 thousand. Cost of property management service and other property operations increased by 11.2%, which was due to an increase in asset operation management services expenditure. Selling and administrative expenses of RMB113 million was recorded in 2024, which remained unchanged as compared to the same period of Year 2023.

Other expenses

For Year 2024, other expenses amounted to RMB49,570 thousand, representing an increase of 220% over that in the same period of Year 2023, mainly due to the transfer of RMB19,334 thousand of the fair value changes recognised in previous years in respect of the Giant Biogene Project to other expenses as a result of the disposal of Giant Biogene Project, the loss of RMB19,631 thousand from the fair value changes of the investment properties of Year 2024 and the loss of RMB5,847 thousand from fair value changes of WeRide Project, the financial assets for trading recognised in Year 2024.

Reversal of impairment losses on financial assets

Reversal of impairment losses on financial assets of RMB1,153 thousand was recorded for Year 2024, which was mainly due to the reversal of impairment losses on the receivables of SGLD of RMB15,000 thousand. In addition, the impairment provision for the borrowings made by the shareholders of Guowan amounted to RMB8,716 thousand and the provision for impairment losses on debt instruments amounted to RMB5,290 thousand. Reversal of impairment losses on financial assets of RMB44,554 thousand were recorded for Year 2023.

Finance costs

For Year 2024, total net finance costs amounted to RMB94,401 thousand, representing an increase of RMB3,209 thousand over that in the same period of Year 2023, mainly due to interest expenses of RMB19,819 thousand for the new guaranteed bonds and the decrease of RMB11,357 thousand of interests of bank loans. No interest capitalization was accrued for years 2024 and 2023.

Share of losses from joint ventures and associates

For the Year 2024, the Group's share of losses from joint ventures and associates was RMB31,772 thousand, including shares of loss of RMB17,986 thousand from Beijing Guowan Real Estate Co., Ltd (“**Beijing Guowan**”), loss of RMB9,668 thousand from Nanjing Guoying Zhongxi Development Company Limited (“**Nanjing Guoying**”), loss of RMB2,985 thousand from Meidi Elderly Care Service (Shanghai) Co., Ltd.* (美邸養老服務(上海)有限公司) (“**Meidi Elderly Care**”) and loss of RMB694 thousand from Kaiyuan Education Fund LP. As most of the other joint ventures and associates were under construction, no stable income was derived at this stage.

Taxation

For the Year 2024, the Group recorded current income tax expense of RMB12,768 thousand, such income tax was mainly attributable to i) current income tax credit of RMB4,402 thousand; ii) deferred income tax expense of RMB1,892 thousand; and iii) withholding tax of RMB15,278 thousand.

Financial Position

Investment in joint ventures

The balance as at 31 December 2024 decreased by RMB27,769 thousand over that at the end of 2023, mainly due to share of losses of RMB28,249 thousand from joint ventures.

Investment in associates

The balance as at 31 December 2024 increased by RMB53,149 thousand over that at the end of 2023, mainly due to the new capital contribution of RMB50 million to Meidi Elderly Care, the new capital contribution of RMB4,090 thousand to Yixing Kaihe Oxygen Enhancement Private Equity Investment Fund Partnership (Limited Partnership)* (宜興市開禾增氧私募股權投資基金合夥企業(有限合夥)), the increase in the share of loss of RMB3,523 thousand from associates and the increase in share of other comprehensive income arising from associates of RMB2,582 thousand due to foreign currency translation.

Debt instruments at amortised cost (non-current assets)

The balance of debt instruments at amortised cost (non-current assets) for Year 2024 amounted to RMB1,436 million, representing an increase of RMB494 million over that at the end of Year 2023. Such increase was mainly due to (i) the reclassification of Jiangyin Changjing Industrial Park Sewage-treatment Plant Project of RMB150 million from non-current assets to current assets; (ii) the additions of Wuxi Liangxi District Pharmaceutical Distribution Supply Chain Industry Project of RMB351 million, and Liyang High-tech District Intelligent Internet Vehicle Test Center Project of RMB400 million.

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

The balance as at 31 December 2024 amounted to RMB120 million, representing a decrease of RMB96,598 thousand over that at the end of Year 2023. It was mainly due to the decrease of RMB51,197 thousand in the disposal of the Giant Biogene Project in Year 2024 and the reclassification of the WeRide Project to current assets of RMB38,026 thousand.

Right-of-use assets

The balance as at 31 December 2024 decreased by RMB11,017 thousand over that at the end of Year 2023, which was mainly due to the depreciation in right-of-use assets of RMB11,629 thousand in Year 2024.

Other receivables

The balance as at 31 December 2024 decreased by RMB30,193 thousand over that at the end of Year 2023. This was mainly due to the refund of tax reserve certificates of RMB21,927 thousand in Year 2024 by the Hong Kong Inland Revenue Department.

Trade receivables

The balance as at 31 December 2024 increased by RMB2,716 thousand over that at the end of Year 2023, which was mainly due to the increase of rental receivables of Wuhan Chuguang Industry New Development Co. Ltd. (“**Wuhan Company**”).

Debt instruments at amortised cost (current assets)

The balance as at 31 December 2024 amounted to RMB1,879 million, representing an increase of RMB30 million as compared to the balance as at the end the Year 2023. This was mainly due to the collection of the debt instruments on expiration of RMB1,819 million, with the reversal of allowance for ECLs of RMB18,192 thousand; the additions of Yangzhou Hanjiang Industrial Park Sewage Treatment Project of RMB500 million, Zhuji Pingfengwu Ecological Cemetery Project of RMB401 million, Jiangsu Taizhou Jiangyan District New Infrastructure Industrial Park Project of RMB280 million, Taizhou Xinghua Urban Regeneration Project of RMB200 million, Yangzhou Guangling Science and Technology Entrepreneurship Park Project of RMB100 million, Jingjiang Furuite Aluminum New Material Project of RMB70 million, and the reclassification of Jiangyin Changjing Industrial Park Sewage-treatment Plant Project of RMB150 million from non-current assets to current assets.

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

The balance as at 31 December 2024 amounted to RMB51,097 thousand, which was due to the Group's major purchases of the wealth management products issued by China Merchants Bank and Ping An Bank of RMB13,071 thousand and the reclassification of WeRide Project to current assets of RMB38,026 thousand.

Other current assets

The balance as at 31 December 2024 of RMB6,369 thousand mainly comprises the value-added tax to be deducted in Mainland China.

Interest-bearing bank borrowings

The balance as at 31 December 2024 decreased by RMB17,802 thousand as compared with the balance as at the end of 2023. This was mainly due to the drawdown of RMB642 million of the borrowings from China Merchants Bank by Wuhan Company, as well as the repayment of the borrowings of RMB604 million to Bank of China, and the long-term borrowings of RMB37.21 million and the short-term borrowings of RMB15 million to China Merchants Bank, a decrease of RMB11,057 thousand in lease liabilities and an increase of RMB6,904 thousand in the accrued interest of other borrowings due to shareholder loans obtained from Huzhou Tongchuang Jintai Huizhong Enterprise Management Partnership (Limited Partnership)* (湖州同創金泰匯眾企業管理合夥企業(有限合夥)). The borrowings were denominated in RMB. Details of the bank borrowings are set out in Note 22 to the financial statements.

Guaranteed bonds

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

Trade payables

The balance as at 31 December 2024 decreased by RMB23,688 thousand as compared with the balance as at the end of 2023, which was mainly due to the payment of SGLD of the construction expenditure of Plot D1-3 kindergarten project.

Other payables and accruals

The balance as at 31 December 2024 increased by RMB95,284 thousand as compared with the balance as at the end of Year 2023, which was mainly due to the increase of RMB70,000 thousand in the amount payable to Jingjiang Furuite Aluminum New Material Project for guarantee deposit and RMB20,000 thousand in the amount payable to Meidi Elderly Care for investment in Year 2024.

Contract liabilities

The balance as at 31 December 2024 decreased by RMB41,438 thousand as compared with the balance as at the end of Year 2023, which was mainly due to the recognition of revenue from the two schools projects in the eastern part of SGLD carried out by SGLD, which resulted in a carry forward of contract liabilities of RMB18,919 thousand. SGLD received RMB20,000 thousand of contract liabilities carried forward from the management fee for the construction of schools in the eastern part of SGLD.

Cash and bank balances

Overall, cash and cash equivalents for the Year 2024 decreased by RMB409 million as compared with the balance as at the end of Year 2023, with a balance of RMB1,045 million as at 31 December 2024, which were mainly due to net cash inflow from operating activities of RMB30 million, net cash outflow from investing activities of RMB297 million, and net cash outflow from financing activities of RMB143 million during the Year 2024. Cash and bank balances were denominated in RMB, Hong Kong dollar, Euro and United States dollar.

Gearing ratio (defined as net debt/the sum of shareholders equity and net debt) as at 31 December 2024 was 21%, which increased as compared with 16% as at 31 December 2023. This was mainly due to the increase in net debt as a result of the decrease in bank balance at the end of the year.

Market Overview

In 2024, Chinese economy achieved steady progress amidst a complex internal and external environment. The annual gross domestic product grew by 5.0% year-on-year, reaching a total of RMB134.9 trillion, demonstrating strong resilience. In terms of economic growth momentum, the consumption, investment and net exports contributed 44.5%, 25.2% and 30.3%, respectively. With a moderate recovery in consumption, the total retail sales of consumer goods increased by 3.5% for the year, while service consumption grew by 6.2%. However, low price levels and a slowdown in residents' income growth restricted the release of consumption potential. China's foreign trade performance in 2024 was remarkable, with the total import and export volume reaching a historic high of RMB43.85 trillion. Trade with countries along the "Belt and Road" accounted for over 50% of the total, and exports of high-tech products achieved significant growth. The accelerated formation of new quality productivity highlighted industrial institutionalisation. At the national policy level, the macroeconomic keynote shifted to a "more proactive fiscal policy + moderately loose monetary policy", with measures such as reserve requirement ratio cuts, interest rate reductions, and expanded special bond issuance to boost domestic demand. A series of real estate policies helped turn sales growth positive year-on-year in the fourth quarter, showing initial signs of market stabilization. In 2024, the global economy exhibited a divergent trend, and China strengthened its trade resilience amid external uncertainties by deepening regional cooperation and promoting the "dual circulation" strategy. Overall, Chinese economy in 2024 laid a solid foundation by balancing stable growth with structural adjustments, creating room for policy efforts in 2025.

Business Review

In 2024, the Group continued to deepen its reform and transformation path. In light of the complex domestic and international economic conditions, the Group consistently adjusted its business development direction leveraging the resource advantages of its shareholders, Wuxi Communications and CDB Capital. Starting with investments in urbanization projects, and relying on the business network and resource strengths of "local state-owned assets + central enterprise financial institutions", the Group actively explored strategic business transformation directions. It cultivated new business opportunities in areas aligned with the prospects of China's new economic development, such as the healthcare industries, strategic emerging industries and information technology innovation. The Group has already completed investments in several equity projects and accumulated a portfolio of high-quality projects. Additionally, capitalizing on Wuxi's strong industrial resource advantages as a key economic region in Jiangsu, the Group identified strategic emerging industries such as integrated circuits, biopharmaceuticals, high-end manufacturing and artificial intelligence as its business tracks and new primary business goals.

In 2024, in addition to accelerating project reserves and expansion, the Group continued to maintain the stable operation of high-quality assets. The occupancy rate of Wuhan Optical Valley property project remained stable, with office building average occupancy rate maintained at 90% and commercial shop average occupancy rate above 75% throughout the year. In terms of fixed-income project investments, leveraging its extensive customer resources accumulated over the years, the Group continued to expand project development and investment. By the end of 2024, the total fixed-income investment portfolio reached RMB3.14 billion, consistently contributing stable cash flow.

Meanwhile, the Group intensified efforts to resolve and revitalize its current stock of low-efficiency assets, achieving a significant breakthrough in addressing the debt issues of Nanjing Guoying project. By comprehensively reviewing stock projects such as Beijing Guowan, the Group formulated tailored solutions based on the specific conditions of each project. Leveraging its resource advantages, it promoted the implementation and advancement of solutions for stock of low-efficiency assets from multiple aspects. Moving forward, the Group will enhance communication with partners involved in these stock projects to ensure proper and steady resolution of subsequent issues.

Others

Material acquisitions and disposals of subsidiaries, associates and joint ventures

Formation of Wuxi Xinsheng Investment Partnership (Limited Partnership Partnership)* (無錫新晟投資合夥企業(有限合夥)) (the “**Wuxi Xinsheng Partnership**”)

On 15 December 2023, Xincheng Kaiyuan and Shanghai Jiatong Enterprises Co., Ltd.* (上海嘉通實業有限公司) (“**Shanghai Jiatong**”) (both are wholly-owned subsidiaries of the Company) entered into a limited partnership agreement with Wuxi Guosheng Asset Management Company Limited* (無錫國晟資產管理有限公司) (a wholly-owned subsidiary of Wuxi Tonghui Capital Company Limited* (無錫通匯資本有限公司) (“**Wuxi Tonghui**”)) and Wuxi Tonghui (a wholly-owned subsidiary of Wuxi Communications) to jointly set up Wuxi Xinsheng Partnership (the “**Limited Partnership Agreement**”). In connection with the Limited Partnership Agreement, on 15 December 2023, (1) the partners entered into the rights and obligations arrangement agreement, pursuant to which Wuxi Tonghui agreed to make up the shortfall for Xincheng Kaiyuan and Shanghai Jiatong, respectively, and to acquire the respective interests held by Xincheng Kaiyuan and Shanghai Jiatong in Wuxi Xinsheng (the “**Rights and Obligations Arrangement Agreement**”); and (2) Wuxi Communications entered into the guarantee agreement with each of Xincheng Kaiyuan and Shanghai Jiatong, respectively, pursuant to which Wuxi Communications agreed to provide a general guarantee to Xincheng Kaiyuan and Shanghai Jiatong (as the case may be) on the performance of the shortfall makeup and acquisition obligations of Wuxi Tonghui under the rights and obligations

arrangement agreement (the “**Guarantee Agreements**”). Accordingly, the transactions contemplated under the Limited Partnership Agreement, the Rights and Obligations Arrangement Agreement and the Guarantee Agreements constitute a major and connected transaction under the Rules Governing the Listing of Securities on the HKEx (the “**Listing Rules**”) and was approved by the independent shareholders of the Company at an extraordinary general meeting of the Company held on 22 March 2024. For details, please refer to the Company’s (i) announcements dated 15 December 2023, 8 January 2024, 28 February 2024 and 22 March 2024 respectively; and (ii) circular dated 6 March 2024.

Acquisition of 30% equity interest in Meidi Elderly Care

On 24 April 2024, Hainan Xincheng Kaiyuan Investment Co., Ltd* (海南新成開元投資有限責任公司) (“**Hainan Xincheng**”), an indirect wholly-owned subsidiary of the Company, entered into a capital increase agreement and a shareholders’ agreement with the existing shareholders of Meidi Elderly Care, prior to entering of the capital increase agreement, each of which are third parties independent of and not connected with the Company and its connected persons and Meidi Elderly Care (the “**Capital Increase Agreement**”), pursuant to which Hainan Xincheng has conditionally agreed to acquire approximately 30% equity interest in the Meidi Elderly Care by way of capital contribution of RMB50,000,000 (equivalent to approximately HK\$54,945,055) to Meidi Elderly Care, of which RMB17,543,858.57 will be accounted for the registered capital of Meidi Elderly Care and RMB32,456,141.43 will be accounted for the capital reserve of Meidi Elderly Care. Upon completion of the capital increase, the Company, through Hainan Xincheng, will hold approximately 30% equity interest of Meidi Elderly Care. As such, Meidi Elderly Care will become an associate of the Company, and its financial results will not be consolidated into the Group’s consolidated financial statements. The entering into of the Capital Increase Agreement constitutes a discloseable transaction and is subject to the reporting and announcement requirements under the Listing Rules. For details, please refer to the Company’s announcements dated 25 April 2024 and 16 May 2024 respectively. During the Year 2024, the Group has made a capital contribution of RMB30 million and the outstanding capital contribution of RMB20 million is included in other payables and accruals.

Formation of Yixing Kaihe Oxygen Enhancement Private Equity Investment Fund Partnership (Limited Partnership)* (宜興市開禾增氧私募股權投資基金合夥企業(有限合夥)) (the “**Yixing Kaihe Oxygen Partnership**”)

On 23 May 2024, Xincheng Kaiyuan, an indirect wholly-owned subsidiary of the Company, entered into a limited partnership agreement with Wuxi Kaihe Oxygenation Equity Investment Co., Ltd.* (無錫開禾增氧股權投資有限公司) (“**Wuxi Kaihe**”), Hainan Yunhu Enterprise Management Partnership (Limited Partnership)* (海南雲虎企業管理合夥企業(有限合夥)) (“**Hainan Yunhu**”) and Yixing New Kinetic Energy Industry Fund Partnership (Limited Partnership)* (宜興新動能產業基金合夥

企業(有限合夥)) (“**Yixing New**”), in relation to the establishment of the Yixing Kaihe Oxygen Partnership for the purpose of investment (the “**Yixing Kaihe Oxygen Limited Partnership Agreement**”). The total capital contribution committed to be subscribed by all partners to the Yixing Kaihe Oxygen Partnership is RMB1,000,000,000 on the initial closing date, which will be settled by the partners by instalments by way of cash per the payment notice of the fund manager. The capital contribution to be subscribed by each of Xincheng Kaiyuan, Wuxi Kaihe, Hainan Yunhu and Yixing New will be RMB409,000,000, RMB1,000,000, RMB400,000,000 and RMB190,000,000, respectively. The transaction contemplated under the Yixing Kaihe Oxygen Limited Partnership Agreement constitutes a major transaction under the Listing Rules. To the best knowledge, information and belief of the directors of the Company (the “**Directors**”) and having made all reasonable enquiries, no shareholder of the Company or any of their respective associates has any material interest in the Yixing Kaihe Oxygen Limited Partnership Agreement and the transaction contemplated thereunder. As such, none of the shareholders of the Company is required to abstain from voting if the Company were to convene a general meeting for the approval of the Yixing Kaihe Oxygen Limited Partnership Agreement and the transaction contemplated thereunder. The Company has obtained a written approval from Xitong International and CDBIH, being a closely allied group of shareholders of the Company, which, as at 23 May 2024, held 2,917,000,000 shares and 2,430,921,071 shares, respectively, representing approximately 29.99% and 24.99% of the issued share capital of the Company, respectively, for the Yixing Kaihe Oxygen Limited Partnership Agreement and the transaction contemplated thereunder in lieu of a resolution to be passed at a general meeting of the Company pursuant to Rule 14.44 of the Listing Rules. As such, no extraordinary general meeting was convened by the Company to approve the Yixing Kaihe Oxygen Limited Partnership Agreement and the transaction contemplated thereunder. For details, please refer to the Company’s (i) announcements dated 23 May 2024 and 13 June 2024 respectively; and (ii) circular dated 10 July 2024. During the Year 2024, Beijing Xincheng Kaiyuan made a capital contribution of RMB4,090 thousand to Yixing Kaihe Oxygen Partnership.

Save as disclosed above, the Group did not have any material acquisitions and disposals of subsidiaries, associates and joint ventures during the Year 2024.

Foreign exchange exposure

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

Treasury policies

The Group has adopted a prudent financial management approach towards its treasury policies and thus maintained a healthy liquidity position throughout the Year 2024. The Board closely monitors the Group's liquidity position to ensure that the liquidity structure of the Group's assets, liabilities and other commitments can meet its funding requirements from time to time. Surplus cash will be invested appropriately so that the Group's cash requirements for the Group's strategy or direction from time to time can be met.

Pledge of assets

During the Year 2024, the Group pledged its investment property to secure the bank borrowings.

Contingent liabilities

As at 31 December 2024, the Group did not have any significant contingent liabilities.

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

Nil

- c) Potential business development of the Group in future:

Looking forward to the year 2025, the Group will continue to seek investment opportunities steadily amidst challenges. By sticking to business transformation, in response to national policies and being market-oriented, the Group will focus on expanding fixed-income investment business in new economic sectors such as strategic emerging industries and information technology application innovation industry. It will ensure the stable operation of high-quality operating assets, resolve stock of low-efficiency assets, actively seek out premium projects, and consistently create core value for shareholders in the long term.

APPRECIATION STATEMENT

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

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

The Company did not redeem any of its listed securities nor did the Company or any of its subsidiaries purchase or sell any of such securities (including sale of treasury shares, if any) during the Year 2024.

CORPORATE GOVERNANCE

During the Year 2024, the Company has complied with the code provisions set out in the Corporate Governance Code (“**CG Code**”) contained in Part 2 of Appendix C1 to the Listing Rules, except for code provision F.2.2 of the CG Code that the chairman of the Board (the “**Chairman**”) should attend the annual general meeting. The then Chairman Mr. Liu Yuhai, who resigned as a non-executive Director and ceased to be Chairman on 28 October 2024, did not attend the Company’s annual general meeting held on 21 June 2024 (the “**2024 AGM**”) due to other business engagements. Pursuant to the articles of association of the Company, Mr. Hu Zhiwei, an executive Director, acted as the Chairman of the 2024 AGM to ensure effective communication with shareholders.

DIRECTORS' COMPLIANCE WITH THE CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Listing Rules (the “**Model Code**”) as its code of conduct for dealings in securities of the Company by the Directors. Specific enquiries had been made by the Company to all Directors who have confirmed that they had complied with the required standard as set out in the Model Code throughout the Year 2024.

EMPLOYEE AND REMUNERATION POLICY

As at 31 December 2024, there were 92 (2023: 89) employees in the Group. During the Year 2024, the total staff cost including Directors’ remuneration amounted to approximately RMB55.64 million (2023: RMB53.84 million). Staff remuneration packages are determined in consideration of market conditions and the performance of the individuals concerned, and are subject to review from time to time. The Group also provides other staff benefits including medical insurance, and grants discretionary incentive bonuses to eligible staffs based on their performance and contributions to the Group. The Group also provides and arranges on-the-job training for its employees.

ANNUAL GENERAL MEETING

An annual general meeting of the Company will be held on Thursday, 19 June 2025 (the “**2025 AGM**”). The notice of the 2025 AGM will be published on the Company’s website (www.china-newtown.com) and the website of the HKEx (www.hkexnews.hk) in the manner prescribed under the Listing Rules in due course.

FINAL DIVIDEND

The Board has resolved to recommend the payment of final dividend of HK\$0.0039 per ordinary share of the Company (the “**Share**”) for the Year 2024 (2023: HK\$0.0034) payable to the shareholders whose names appear on the register of members of the Company (the “**Register of Members**”) at the close of business on Friday, 27 June 2025, being the record date for determining shareholders’ entitlement to the proposed final dividend. The proposed final dividend for the Year 2024 is subject to the approval of the shareholders at the 2025 AGM. It is expected that the final dividend will be paid to the shareholders by the Company on or before Friday, 18 July 2025.

CLOSURE OF REGISTER OF MEMBERS

For 2025 AGM

The Register of Members will be closed from Monday, 16 June 2025 to Thursday, 19 June 2025 (both days inclusive), during which period no transfer of Shares will be registered, for ascertaining shareholders’ entitlement to attend the forthcoming 2025 AGM. In order to qualify for attending and voting at the 2025 AGM, the shareholders must lodge all duly completed transfer forms accompanied by the relevant share certificates with the Company’s Hong Kong branch share registrar, Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, for registration no later than 4:30 p.m. on Friday, 13 June 2025. Shareholders whose names appear on the Register of Members at the close of business on Thursday, 19 June 2025 are entitled to attend and vote at the 2025 AGM.

For proposed final dividend

The Register of Members will be closed from Wednesday, 25 June 2025 to Friday, 27 June 2025 (both days inclusive), during which period no transfer of Shares will be registered, for ascertaining shareholders’ entitlement to receive the proposed final dividend. In order to be eligible to receive the proposed final dividend, the non-registered shareholders must lodge all duly completed transfer forms accompanied by the relevant share certificates with the Company’s Hong Kong branch share registrar, Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, for registration no later than 4:30 p.m. on Tuesday, 24 June 2025.

AUDIT COMMITTEE

The audit committee of the Board (the “**Audit Committee**”) comprises three independent non-executive Directors, namely Mr. Lo Wai Hung (committee chairman), Mr. Ji Jiaming and Mr. Yuan Kejian.

The Audit Committee has reviewed the accounting principles and standards adopted by the Group, and has discussed and reviewed the risk management and internal control, and reporting matters. The Group’s audited consolidated financial statements and final results for the Year 2024 have been reviewed by the Audit Committee.

RETIREMENT OF INDEPENDENT AUDITOR

The Board hereby announces that Ernst & Young has informed the Board and the Audit Committee on 12 March 2025 that, having taken into account a number of factors including the level of audit fees and their available internal resources in the light of current workflows, they will retire as the Independent Auditor upon the expiration of their current term of office at the forthcoming 2025 AGM and wishes not to seek for re-appointment at the forthcoming 2025 AGM.

Ernst & Young has confirmed with the Board and the Audit Committee that there are no circumstances connected with their retirement which need to be brought to the attention of the shareholders or creditors of the Company.

The Board and the Audit Committee have confirmed that there is no specific matter in respect of the retirement of Independent Auditor which should be brought to the attention of the shareholders or creditors of the Company. The Board is of the view that the retirement of Independent Auditor will not have any significant impact on the Company’s audit for the year ending 31 December 2025.

The Board would like to express its sincere gratitude to Ernst & Young for its professional and quality services rendered to the Group in the past years.

The Company is in the course of identifying a suitable replacement auditor and further announcement in relation to the proposed appointment of new Independent Auditor to fill the vacancy following the retirement of Ernst & Young, subject to the approval of the shareholders at the forthcoming 2025 AGM, will be made by the Company in accordance with the Listing Rules.

PUBLICATION OF FINAL RESULTS AND ANNUAL REPORT

The final results announcement of the Company is published on the websites of the Company (www.china-newtown.com) and the HKEx (www.hkexnews.hk). The 2024 annual report of the Company containing all information required by the Listing Rules will be available on the above websites in due course.

RESIGNATION OF JOINT COMPANY SECRETARY

The Board announces that Ms. Cheng Lucy (“**Ms. Cheng**”) has tendered her resignation as a joint company secretary of the Company with effect from 28 March 2025. Ms. Cheng has confirmed that she has no disagreement with the Board and there is no matter relating to her resignation which needs to be brought to the attention of the shareholders of the Company and HKEx.

Immediately following the resignation of Ms. Cheng, Ms. Mei Zhe, the other joint company secretary will be the sole company secretary of the Company.

The Board would like to thank Ms. Cheng for her valuable contributions during her tenure of service.

By order of the Board
China New Town Development Company Limited
Yang Meiyu
President and Executive Director

Hong Kong, 21 March 2025

As at the date of this announcement, the executive Directors are Mr. Hu Zhiwei (Vice Chairman), Ms. Yang Meiyu (President) and Mr. Shi Janson Bing; the non-executive Directors are Ms. Liu Yanhong (Chairman), Mr. Wang Hongxu and Mr. Feng Xiaoliang; and the independent non-executive Directors are Mr. Lo Wai Hung, Mr. Ji Jiaming and Mr. Yuan Kejian.

* *For identification purpose only*