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Redsun Properties Group Limited

弘陽地產集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1996)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2021

FINANCIAL HIGHLIGHTS OF THE 2021 ANNUAL RESULTS ANNOUNCEMENT

- Contracted sales reached RMB87.22 billion. Contracted average selling price increased from RMB14,622 per sq.m. in 2020 to RMB16,887 per sq.m. in 2021, representing a year-on-year increase of 15.5%;
- Revenue amounted to RMB26,667.0 million, representing an increase of 32.3% as compared with 2020. Revenue from commercial operations and hotel operations increased by 15.3% to RMB625.7 million (2020: RMB542.9 million);
- Gross profit and gross profit margin were RMB5,081.3 million and 19.1%, respectively;
- Net profit amounted to RMB1,865.7 million, representing an increase of 0.6% as compared with 2020 (2020: RMB1,854.9 million);
- As at 31 December 2021, the “Three Red Lines” indications of the Group were in green lights, with gearing ratio (excluding contract liabilities) of 68.1%, net gearing ratio of 57.0%, cash to short-term debt ratio of 1.41 times. The Group had cash and bank balances on hand of approximately RMB16.04 billion.

STATEMENTS AND NOTES

The board (the “**Board**”) of directors (the “**Directors**”) of Redsun Properties Group Limited (the “**Company**”) is pleased to announce the audited consolidated results of the Company and its subsidiaries (collectively, the “**Group**”) for the year ended 31 December 2021 (the “**Reporting Period**”), together with the comparative figures for the corresponding period of the previous year as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the year ended 31 December 2021

		2021	2020
	<i>Notes</i>	<i>RMB'000</i>	<i>RMB'000</i>
REVENUE	5	26,666,979	20,158,701
Cost of sales		<u>(21,585,691)</u>	<u>(15,650,959)</u>
Gross profit		5,081,288	4,507,742
Other income and gains	5	339,106	632,630
Selling and distribution expenses		(956,619)	(927,623)
Administrative expenses		(944,380)	(990,669)
Fair value gains on investment properties		276,442	258,949
Other expenses		(29,221)	(39,356)
Finance costs	7	(961,636)	(725,412)
Share of profits and losses of:			
Joint ventures		(52,304)	(85,034)
Associates		372,136	528,110
PROFIT BEFORE TAX		3,124,812	3,159,337
Income tax expense	8	(1,259,161)	(1,304,397)
PROFIT FOR THE YEAR		<u>1,865,651</u>	<u>1,854,940</u>
Attributable to:			
Owners of the parent		1,245,840	1,660,967
Non-controlling interests		619,811	193,973
		<u>1,865,651</u>	<u>1,854,940</u>

CONSOLIDATED STATEMENT OF PROFIT OR LOSS (CONTINUED)

For the year ended 31 December 2021

	<i>Notes</i>	2021 <i>RMB'000</i>	2020 <i>RMB'000</i>
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT	<i>10</i>		
Basic			
— For profit for the year		<u>RMB0.37</u>	<u>RMB0.50</u>
Diluted			
— For profit for the year		<u>RMB0.37</u>	<u>RMB0.50</u>

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2021

	2021 <i>RMB'000</i>	2020 <i>RMB'000</i>
PROFIT FOR THE YEAR	<u>1,865,651</u>	<u>1,854,940</u>
OTHER COMPREHENSIVE INCOME		
OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF TAX	<u>—</u>	<u>—</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u>1,865,651</u>	<u>1,854,940</u>
Attributable to:		
Owners of the parent	1,245,840	1,660,967
Non-controlling interests	<u>619,811</u>	<u>193,973</u>
	<u>1,865,651</u>	<u>1,854,940</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2021

	<i>Notes</i>	2021 RMB'000	2020 RMB'000
NON-CURRENT ASSETS			
Property, plant and equipment		768,749	820,826
Investment properties		14,114,116	12,973,827
Right-of-use assets		79,925	99,437
Other intangible assets		11,068	11,180
Investments in joint ventures		2,452,470	1,977,217
Investments in associates		11,739,053	9,572,816
Loan receivables		—	211,721
Deferred tax assets		1,418,552	1,045,864
		<hr/>	<hr/>
Total non-current assets		30,583,933	26,712,888
CURRENT ASSETS			
Inventories		84,768	42,046
Properties under development		49,232,765	48,499,979
Completed properties held for sale		6,099,195	3,795,722
Trade receivables	<i>11</i>	4,615	7,067
Prepayments, other receivables and other assets		15,374,105	11,601,756
Due from related companies		13,678,744	8,801,141
Financial assets at fair value through profit or loss		516,908	428,521
Tax recoverable		1,134,543	630,969
Cash and bank balances		16,039,258	18,525,081
		<hr/>	<hr/>
Total current assets		102,164,901	92,332,282

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)*As at 31 December 2021*

	<i>Notes</i>	2021 RMB'000	2020 <i>RMB'000</i>
CURRENT LIABILITIES			
Trade and bills payables	12	6,706,397	6,244,841
Other payables and accruals		8,905,585	8,376,013
Contract liabilities		33,192,419	29,383,224
Interest-bearing bank and other borrowings		6,865,131	8,766,941
Senior notes		4,521,504	2,671,726
Lease liabilities		51,200	35,509
Due to related companies		10,342,353	8,068,242
Tax payable		3,632,094	2,904,848
		<hr/>	<hr/>
Total current liabilities		74,216,683	66,451,344
		<hr/>	<hr/>
NET CURRENT ASSETS		27,948,218	25,880,938
		<hr/>	<hr/>
TOTAL ASSETS LESS CURRENT LIABILITIES		58,532,151	52,593,826
		<hr/>	<hr/>
NON-CURRENT LIABILITIES			
Interest-bearing bank and other borrowings		14,879,782	13,285,233
Other payables and accruals		—	200,345
Senior notes		7,868,698	7,581,168
Lease liabilities		1,664,779	1,745,635
Deferred tax liabilities		2,373,037	2,377,861
		<hr/>	<hr/>
Total non-current liabilities		26,786,296	25,190,242
		<hr/>	<hr/>
Net assets		31,745,855	27,403,584
		<hr/> <hr/>	<hr/> <hr/>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)*As at 31 December 2021*

	2021	2020
	<i>RMB'000</i>	<i>RMB'000</i>
EQUITY		
Equity attributable to owners of the parent		
Share capital	28,409	28,275
Share premium	1,887,875	2,257,437
Other reserves	<u>13,850,176</u>	<u>12,894,625</u>
	15,766,460	15,180,337
Non-controlling interests	<u>15,979,395</u>	<u>12,223,247</u>
Total equity	<u><u>31,745,855</u></u>	<u><u>27,403,584</u></u>

NOTES TO THE FINANCIAL STATEMENTS

31 December 2021

1. CORPORATE AND GROUP INFORMATION

Redsun Properties Group Limited was incorporated as an exempted company with limited liability in the Cayman Islands. The registered office of the Company is located at Walkers Corporate Limited, 190 Elgin Avenue, George Town, Grand Cayman, KY1-9008, Cayman Islands.

During the year, the Group was involved in the following principal activities:

- Property development
- Commercial property investment and operations
- Hotel operations

In the opinion of the directors, the holding company of the Company is Redsun Properties Group (Holdings) Limited, which is incorporated in the British Virgin Islands.

2. BASIS OF PREPARATION

These financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRSs”) (which include all International Financial Reporting Standards, International Accounting Standards (“IASs”) and Interpretations) issued by the International Accounting Standards Board (“IASB”) and the disclosure requirements of the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention, except for investment properties and financial assets at fair value through profit or loss which have been measured at fair value. These financial statements are presented in Renminbi (“RMB”) and all values are rounded to the nearest thousand except when otherwise indicated.

2.1 Going Concern Basis

As at 31 December 2021, the Group reported a current portion of interest-bearing bank loans, other borrowings and senior notes of RMB11,386,635,000 in aggregate. The consolidated financial statements have been prepared on a going concern basis with the validity depending on the accomplishment of future financing activities with certain financial institutions and the Group’s ability to generate sufficient cash flows from future operations to cover the Group’s operating costs and to meet its financial commitments. These conditions indicate the existence of a material uncertainty which may cast significant doubt on the Group’s ability to continue as a going concern.

The Directors have given careful consideration to the future liquidity and performance of the Group and its available sources of financing in assessing the Group's ability to continue as a going concern for at least the next twelve months from the end of the reporting period and to meet its repayment obligations, as and when they fall due. Certain measures have been and are being taken to manage its liquidity needs and to improve its financial position which include the following:

- a) the Group expects to continue to generate positive operating cash flows for the next twelve months by implementing various strategies to improve the Group's income from sales of properties and rentals from investment properties to generate additional operating cash inflows and putting extra efforts on the collection of trade debtors to improve the debtor turnover days;
- b) The Group is actively negotiating with several financial institutions to obtain new loans and borrowings at a reasonable cost. Certain financial institutions have indicated their intention to grant new or renew loans and borrowings to the Group;
- c) The Group continues to monitor capital expenditure to balance and relieve cash resource to support operations; and
- d) The Group continues to take actions to tighten cost controls over various operating expenses.

The directors of the Company have reviewed the Group's cash flow forecast covering a period of twelve months from the end of the reporting period. They are of the opinion that, taking into account of the above-mentioned plans and measures, the Group will have sufficient working capital to finance its operations and meet its financial obligations as and when they fall due in the foreseeable future. The Group has met all three red lines requirements and has been greenlighted by the end of 2021. Accordingly, the directors believe it is appropriate to prepare the consolidated financial statements of the Group for the year ended 31 December 2021 on a going concern basis.

Notwithstanding the above, given the volatility of the property sector in China and the uncertainties to obtain continuous support by the banks and the Group's creditors, material uncertainties exist as to whether management of the Company will be able to achieve its plans and measures as described above.

Should the going concern assumption be inappropriate, adjustments may have to be made to write down the values of assets to their recoverable amounts, to provide for any further liabilities that might arise, and to reclassify non-current assets and non-current liabilities as current assets and current liabilities, respectively. The effects of these adjustments have not been reflected in the consolidated financial information.

2.2 Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries (collectively referred to as the “**Group**”) for the year ended 31 December 2021. A subsidiary is an entity (including a structured 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 (i.e., existing rights that give the Group the current ability to direct the relevant activities of the investee).

When the Company has, directly or indirectly, 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 with the other vote holders of the investee;
- (b) rights arising from other contractual arrangements; and
- (c) the Group’s voting rights and potential voting rights.

The financial statements of the subsidiaries are prepared for the same reporting period as the Company, using consistent accounting policies. The results of subsidiaries are consolidated from the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

Profit or loss and each component of other comprehensive income are attributed to the owners of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. 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.

The Group reassesses 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 described above. 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 (i) the assets (including goodwill) and liabilities of the subsidiary; (ii) the carrying amount of any non-controlling interest; and (iii) the cumulative translation differences recorded in equity; and recognises (i) the fair value of the consideration received; (ii) the fair value of any investment retained; and (iii) any resulting surplus or deficit in profit or loss. The Group’s share of components previously recognised in other comprehensive income is reclassified to profit or loss or retained profits, as appropriate, on the same basis as would be required if the Group had directly disposed of the related assets or liabilities.

3. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The Group has adopted the following revised IFRSs for the first time for the current year's financial statements.

Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16	<i>Interest Rate Benchmark Reform — Phase 2</i>
Amendment to IFRS 16	<i>Covid-19-Related Rent Concessions beyond 30 June 2021</i> (early adopted)

The nature and the impact of the revised IFRSs are described below:

- (a) Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 address issues not dealt with in the previous amendments which affect financial reporting when an existing interest rate benchmark is replaced with an alternative risk-free rate (“**RFR**”). The amendments provide a practical expedient to allow the effective interest rate to be updated without adjusting the carrying amount of financial assets and liabilities when accounting for changes in the basis for determining the contractual cash flows of financial assets and liabilities, if the change is a direct consequence of the interest rate benchmark reform and the new basis for determining the contractual cash flows is economically equivalent to the previous basis immediately preceding the change. In addition, the amendments permit changes required by the interest rate benchmark reform to be made to hedge designations and hedge documentation without the hedging relationship being discontinued. Any gains or losses that could arise on transition are dealt with through the normal requirements of IFRS 9 to measure and recognise hedge ineffectiveness. The amendments also provide a temporary relief to entities from having to meet the separately identifiable requirement when an RFR is designated as a risk component. The relief allows an entity, upon designation of the hedge, to assume that the separately identifiable requirement is met, provided the entity reasonably expects the RFR risk component to become separately identifiable within the next 24 months. Furthermore, the amendments require an entity to disclose additional information to enable users of financial statements to understand the effect of interest rate benchmark reform on an entity's financial instruments and risk management strategy.

The Group had certain interest-bearing bank and other borrowings denominated in United States dollars based on the London Interbank Offered Rate (“**LIBOR**”) as at 31 December 2021. For the LIBOR-based borrowings, since the interest rates of these instruments were not replaced by RFRs during the year, the amendments did not have any impact on the financial position and performance of the Group. If the interest rates of these borrowings are replaced by RFRs in a future period, the Group will apply the above-mentioned practical expedient upon the modification of these instruments provided that the “economically equivalent” criterion is met.

- (b) Amendment to IFRS 16 issued in March 2021 extends the availability of the practical expedient for lessees to elect not to apply lease modification accounting for rent concessions arising as a direct consequence of the Covid-19 pandemic by 12 months. Accordingly, the practical expedient applies to rent concessions for which any reduction in lease payments affects only payments originally due on or before 30 June 2022, provided the other conditions for applying the practical expedient are met. The amendment is effective retrospectively for annual periods beginning on or after 1 April 2021 with any cumulative effect of initially applying the amendment recognised as an adjustment to the opening balance of retained profits at the beginning of the current accounting period. Earlier application is permitted. The amendment did not have any impact on the financial position and performance of the Group as the Group does not have any rent concessions arising as a direct consequence of the Covid-19 pandemic as at 31 December 2021.

The Group has changed its accounting policy of the classification of the interest paid in the consolidated statement of cash flows from operating activities to financing activities during the period (the “**Policy Change**”) so as to provide more reliable and relevant information of cash flows generated from financial liabilities. In the opinion of the directors of the Company, it is more appropriate to reflect all cash flows of the Group’s borrowings as financing activities in the consolidated statement of cash flows and the Policy Change can result in a consistent presentation which is beneficial to users of the financial statements to understand all the related cash flows of the same financial liabilities and provides more comparable information with industry peers. The comparative amounts have been restated accordingly. The adoption of the Policy Change has had no impact on the consolidated statements of profit or loss, comprehensive income, financial position and changes in equity.

4. OPERATING SEGMENT INFORMATION

For management purposes, the Group is organised into business units based on their products and services and has three reportable operating segments as follows:

- (a) Property development;
- (b) Commercial property investment and operations;
- (c) Hotel operations.

Management monitors the results of the Group’s operating segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on reportable segment profit/loss, which is a measure of adjusted profit/loss before tax. The adjusted profit/loss before tax is measured consistently with the Group’s profit before tax except that bank interest income, fair value gains on financial assets at fair value through profit or loss, equity-settled share-based payments, investment income, non-lease-related finance costs as well as head office and corporate expenses are excluded from such measurement.

Segment assets exclude unallocated head office and corporate assets as these assets are managed on a group basis.

Segment liabilities exclude unallocated head office and corporate liabilities as these liabilities are managed on a group basis.

The Group's operations are mainly conducted in Mainland China. Management considered that there is one reportable geographic segment as all revenues from external customers are generated in Mainland China and the Group's significant non-current assets are located in Mainland China.

Year ended 31 December 2021	Property development <i>RMB'000</i>	Commercial property investment and operations <i>RMB'000</i>	Hotel operations <i>RMB'000</i>	Total <i>RMB'000</i>
Segment revenue:				
Sales to external customers	<u>26,041,292</u>	<u>583,545</u>	<u>42,142</u>	<u>26,666,979</u>
Revenue				<u><u>26,666,979</u></u>
Segment results	3,328,089	516,502	(5,668)	3,838,923
<i>Reconciliation:</i>				
Bank interest income				142,683
Fair value losses on financial assets at fair value through profit or loss				(1,511)
Equity-settled share-based payments				30,852
Investment income				15,860
Finance costs (other than interest on lease liabilities)				(881,387)
Corporate and other unallocated expenses				<u>(20,608)</u>
Profit before tax				<u><u>3,124,812</u></u>
Segment assets	116,685,419	14,998,542	304,679	131,988,640
<i>Reconciliation:</i>				
Corporate and other unallocated assets				<u>760,194</u>
Total assets				<u><u>132,748,834</u></u>
Segment liabilities	98,573,434	2,376,133	14,673	100,964,240
<i>Reconciliation:</i>				
Corporate and other unallocated liabilities				<u>38,739</u>
Total liabilities				<u><u>101,002,979</u></u>
Other segment information				
Share of profits and losses of:				
Joint ventures	(52,304)	—	—	(52,304)
Associates	372,136	—	—	372,136
Impairment losses recognised	658,838	—	—	658,838
Fair value gains on investment properties	—	276,442	—	276,442
Depreciation and amortisation	83,538	12,535	13,589	109,662
Investments in associates	11,739,053	—	—	11,739,053
Investments in joint ventures	2,452,470	—	—	2,452,470
Capital expenditure*	25,469	788,589	133	814,191

* Capital expenditure consists of additions to property, plant and equipment, intangible assets and investment properties including assets from the acquisition of subsidiaries.

Year ended 31 December 2020	Property development <i>RMB'000</i>	Commercial property investment and operations <i>RMB'000</i>	Hotel operations <i>RMB'000</i>	Total <i>RMB'000</i>
Segment revenue:				
Sales to external customers	19,615,845	505,224	37,632	20,158,701
Revenue				<u>20,158,701</u>
Segment results	3,250,552	466,000	(3,255)	3,713,297
<i>Reconciliation:</i>				
Bank interest income				149,315
Fair value gains on financial assets at fair value through profit or loss				28,434
Equity-settled share-based payments				(71,031)
Investment income				90,882
Finance costs (other than interest on lease liabilities)				(644,835)
Corporate and other unallocated expenses				<u>(106,725)</u>
Profit before tax				<u>3,159,337</u>
Segment assets	104,646,023	13,454,368	322,914	118,423,305
<i>Reconciliation:</i>				
Corporate and other unallocated assets				<u>621,865</u>
Total assets				<u>119,045,170</u>
Segment liabilities	89,558,825	2,025,905	23,441	91,608,171
<i>Reconciliation:</i>				
Corporate and other unallocated liabilities				<u>33,415</u>
Total liabilities				<u>91,641,586</u>
Other segment information				
Share of profits and losses of:				
Joint ventures	(85,034)	—	—	(85,034)
Associates	528,110	—	—	528,110
Impairment losses recognised	19,265	—	—	19,265
Impairment losses written off	(32,010)	—	—	(32,010)
Fair value gains on investment properties	—	258,949	—	258,949
Depreciation and amortisation	82,073	15,152	13,201	110,426
Investments in associates	9,572,816	—	—	9,572,816
Investments in joint ventures	1,977,217	—	—	1,977,217
Capital expenditure*	79,796	346,908	10,026	436,730

* Capital expenditure consists of additions to property, plant and equipment, intangible assets and investment properties including assets from the acquisition of subsidiaries.

5. REVENUE, OTHER INCOME AND GAINS

An analysis of revenue is as follows:

	2021 <i>RMB'000</i>	2020 <i>RMB'000</i>
Revenue from contracts with customers	26,121,788	19,710,126
<i>Revenue from other sources</i>		
Rental income from investment property operating leases	<u>545,191</u>	<u>448,575</u>
	<u><u>26,666,979</u></u>	<u><u>20,158,701</u></u>

Revenue from contracts with customers

(a) *Disaggregated revenue information*

For the year ended 31 December 2021

Segments	Property development <i>RMB'000</i>	Commercial property investment and operations <i>RMB'000</i>	Hotel operations <i>RMB'000</i>	Total <i>RMB'000</i>
Type of goods or services				
Sale of properties	25,473,527	—	—	25,473,527
Hotel operations	—	—	42,142	42,142
Project management services	567,240	—	—	567,240
Others	<u>525</u>	<u>38,354</u>	—	<u>38,879</u>
Total revenue from contracts with customers	<u><u>26,041,292</u></u>	<u><u>38,354</u></u>	<u><u>42,142</u></u>	<u><u>26,121,788</u></u>
Timing of revenue recognition				
Goods transferred at a point in time	25,473,527	—	—	25,473,527
Services transferred over time	<u>567,765</u>	<u>38,354</u>	<u>42,142</u>	<u>648,261</u>
Total revenue from contracts with customers	<u><u>26,041,292</u></u>	<u><u>38,354</u></u>	<u><u>42,142</u></u>	<u><u>26,121,788</u></u>

For the year ended 31 December 2020

Segments	Property development <i>RMB'000</i>	Commercial property investment and operations <i>RMB'000</i>	Hotel operations <i>RMB'000</i>	Total <i>RMB'000</i>
Type of goods or services				
Sale of properties	19,057,718	—	—	19,057,718
Hotel operations	—	—	37,632	37,632
Project management services	530,733	30,285	—	561,018
Others	27,394	26,364	—	53,758
	<u>19,615,845</u>	<u>56,649</u>	<u>37,632</u>	<u>19,710,126</u>
Timing of revenue recognition				
Goods transferred at a point in time	19,057,718	—	—	19,057,718
Services transferred over time	558,127	56,649	37,632	652,408
	<u>19,615,845</u>	<u>56,649</u>	<u>37,632</u>	<u>19,710,126</u>
Total revenue from contracts with customers				

Set out below is the reconciliation of the revenue from contracts with customers to the amounts disclosed in the segment information:

For the year ended 31 December 2021

Segments	Property development <i>RMB'000</i>	Commercial property investment and operations <i>RMB'000</i>	Hotel operations <i>RMB'000</i>	Total <i>RMB'000</i>
Revenue from contracts with customers				
External customers	<u>26,041,292</u>	<u>38,354</u>	<u>42,142</u>	<u>26,121,788</u>

For the year ended 31 December 2020

Segments	Property development <i>RMB'000</i>	Commercial property investment and operations <i>RMB'000</i>	Hotel operations <i>RMB'000</i>	Total <i>RMB'000</i>
Revenue from contracts with customers				
External customers	<u>19,615,845</u>	<u>56,649</u>	<u>37,632</u>	<u>19,710,126</u>

The following table shows the amount of revenue recognised in the current reporting period that was included in the contract liabilities at the beginning of the reporting period:

	2021 <i>RMB'000</i>	2020 <i>RMB'000</i>
Revenue recognised that was included in contract liabilities at the beginning of the reporting period:		
Sale of properties	<u>17,860,962</u>	<u>16,707,793</u>

(b) Performance obligations

Information about the Group's performance obligations is summarised below:

Sale of properties

The performance obligation is satisfied upon delivery of the completed properties.

Hotel operations

The performance obligation is satisfied when services are rendered. Short-term advances are sometimes required before rendering the service.

Project management services

For project management services, the Group recognises revenue in the amount that equals to the right to invoice which corresponds directly with the value to the customer of the Group's performance to date. The Group has elected the practical expedient not to disclose the remaining performance obligations for these types of contracts. The majority of the project management service contracts do not have a fixed term. The term of the contracts for pre-delivery and project management services is generally set to expire when the counterparties notify the Group that the services are no longer required.

The amounts of transaction prices allocated to the remaining performance obligations (unsatisfied or partially unsatisfied) as at 31 December are as follows:

	2021	2020
	<i>RMB'000</i>	<i>RMB'000</i>
Amounts expected to be recognised as revenue:		
Within one year	26,832,142	23,429,240
After one year	7,511,530	8,389,238
	<u>34,343,672</u>	<u>31,818,478</u>

The amounts of transaction prices allocated to the remaining performance obligations which are expected to be recognised as revenue after one year relate to the sale of completed properties with a significant financing component and are to be satisfied within three years.

	2021	2020
	<i>RMB'000</i>	<i>RMB'000</i>
Other income and gains		
Bank interest income	142,683	149,315
Interest income from associates and joint ventures	—	5,357
Investment income	15,860	90,882
Forfeiture of deposits	8,880	12,509
Government grants	6,473	4,490
Fair value gain on financial assets at fair value through profit or loss	—	28,434
Gain on remeasurement of pre-existing interests in the acquired subsidiaries	65,541	31,221
Gain on disposal of subsidiaries	61,620	251,984
Gain on disposal of associates and joint ventures	12,681	22,845
Others	25,368	35,593
	<u>339,106</u>	<u>632,630</u>

6. PROFIT BEFORE TAX

	2021 <i>RMB'000</i>	2020 <i>RMB'000</i>
Cost of inventories sold	20,626,744	15,435,983
Cost of services provided	263,928	191,767
Impairment of financial assets included in prepayments, other receivables and other assets	2,457	3,429
Impairment losses written off for properties completed held for sale	—	(32,010)
Impairment losses recognised for properties under development and completed properties held for sale	658,838	19,265
Depreciation of items of property, plant and equipment	72,456	67,798
Depreciation of right-of-use assets	33,357	37,503
Amortisation of other intangible assets	3,849	5,125
Fair value gains on investment properties	(276,442)	(258,949)
Losses on disposal of items of property, plant and equipment	925	5,319
Gains on disposal of subsidiaries	(61,620)	(251,984)
Gain on remeasurement of pre-existing interests in the acquired subsidiaries	(65,541)	(31,221)
Gains on disposal of associates and joint ventures	(12,681)	(22,845)
Share of losses/(gains) of:		
Joint ventures	52,304	85,034
Associates	(372,136)	(528,110)
Auditor's remuneration	6,680	5,580
Employee benefit expense (including directors' and chief executive's remuneration):		
Wages and salaries	933,338	943,153
Equity-settled share-based payments	(30,852)	71,031
Pension scheme contributions and social welfare*	91,564	46,890
Less: Amount capitalised	(337,430)	(303,024)
	<u>656,620</u>	<u>758,050</u>

* There are no forfeited contributions that may be used by the Group as the employer to reduce the existing level of contributions.

7. FINANCE COSTS

An analysis of finance costs is as follows:

	2021 <i>RMB'000</i>	2020 <i>RMB'000</i>
Interest on bank loans, senior notes and other loans	2,829,591	3,101,521
Interest expense arising from revenue contracts	884,128	988,930
Interest on lease liabilities	80,249	80,577
	<u>3,793,968</u>	<u>4,171,028</u>
Total interest expense on financial liabilities not at fair value through profit or loss	3,793,968	4,171,028
Less: Net foreign exchange gains on financing activities	(157,040)	(280,495)
Interest capitalised	(2,675,292)	(3,165,121)
	<u>961,636</u>	<u>725,412</u>

8. INCOME TAX

The Group is subject to income tax on an entity basis on profits arising in or derived from the tax jurisdictions in which members of the Group are domiciled and operate. Pursuant to the rules and regulations of the Cayman Islands and British Virgin Islands, the Group's subsidiaries incorporated in the Cayman Islands and British Virgin Islands are not subject to any income tax. The Group's subsidiaries incorporated in Hong Kong are not liable for income tax as they did not have any assessable profits currently arising in Hong Kong for the year ended 31 December 2021.

Subsidiaries of the Group operating in Mainland China were subject to PRC corporate income tax at a rate of 25% for the year.

LAT is levied at progressive rates ranging from 30% to 60% on the appreciation of land value, being the proceeds from the sale of properties less deductible expenditures including land costs, borrowing costs and other property development expenditures. The Group has estimated, made and included in taxation a provision for LAT according to the requirements set forth in the relevant Mainland China tax laws and regulations. The LAT provision is subject to the final review and approval by the local tax bureau.

	2021 <i>RMB'000</i>	2020 <i>RMB'000</i>
Current tax:		
CIT	1,411,727	1,001,774
LAT	189,887	651,629
Deferred tax	<u>(342,453)</u>	<u>(349,006)</u>
Total tax charge for the year	<u><u>1,259,161</u></u>	<u><u>1,304,397</u></u>

9. DIVIDENDS

	2021 <i>RMB'000</i>	2020 <i>RMB'000</i>
Proposed final — Nil (2020: HK14.5 cents) per ordinary share	<u>—</u>	<u>405,428</u>

The actual amount of the 2020 final dividend paid during the year ended 31 December 2021 was RMB402,984,000.

10. EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

The calculation of the basic earnings per share amount is based on the profit for the year attributable to ordinary equity holders of the parent, and the weighted average number of ordinary shares of 3,331,131,422 (2020: 3,319,132,811) in issue during the year, as adjusted to reflect the rights issue during the year.

The calculation of the diluted earnings per share amounts is based on the profit for the year attributable to ordinary equity holders of the parent. The weighted average number of ordinary shares used in the calculation is the number of ordinary shares in issue during the year, as used in the basic earnings per share calculation, and the weighted average number of ordinary shares assumed to have been issued at no consideration on the deemed exercise of all dilutive potential ordinary shares into ordinary shares.

The calculations of basic and diluted earnings per share are based on:

	2021 <i>RMB'000</i>	2020 <i>RMB'000</i>
Earnings		
Profit attributable to ordinary equity holders of the parent, used in the basic earnings per share calculation	<u>1,245,840</u>	<u>1,660,967</u>
	Number of shares	
	2021	2020
Shares		
Weighted average number of ordinary shares in issue during the year used in the basic earnings per share calculation	3,331,131,422	3,319,132,811
Effect of dilution — weighted average number of ordinary shares:		
Share options	<u>9,626,194</u>	<u>31,973,846</u>
	<u>3,340,757,616</u>	<u>3,351,106,657</u>

The weighted average number of ordinary shares shown above has been arrived at after deducting the shares held by the trustee under the Company's share award scheme.

11. TRADE RECEIVABLES

	2021 <i>RMB'000</i>	2020 <i>RMB'000</i>
Trade receivables	4,615	7,067
Impairment	<u>—</u>	<u>—</u>
	<u>4,615</u>	<u>7,067</u>

The Group's trade receivables arise from the leasing of investment properties. The Group seeks to maintain strict control over its outstanding receivables. Overdue balances are reviewed regularly by management.

Consideration in respect of properties is payable by the purchasers in accordance with the terms of the related sale and purchase agreements. The Group normally requires its customers to make payment of monthly/quarterly charges in advance in relation to the leasing of investment properties and provision of property management services. In view of the aforementioned and the fact that the Group's trade receivables relate to a large number of diversified customers, there is no significant concentration of credit risk. The Group does not hold any collateral or other credit enhancements over its trade receivable balances. Trade receivables are non-interest-bearing.

An ageing analysis of the trade receivables as at the end of the reporting period, based on the invoice date and net of loss allowance, is as follows:

	2021 <i>RMB'000</i>	2020 <i>RMB'000</i>
Within 1 month	2,195	2,397
1 to 3 months	1,817	1,857
3 to 6 months	—	1,800
6 to 12 months	590	1,000
Over 12 months	13	13
	<u>4,615</u>	<u>7,067</u>

12. TRADE AND BILLS PAYABLES

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

	2021 <i>RMB'000</i>	2020 <i>RMB'000</i>
Within 1 year	5,923,463	5,663,672
Over 1 year	782,934	581,169
	<u>6,706,397</u>	<u>6,244,841</u>

The trade payables are unsecured and interest-free and are normally settled based on the progress of construction.

EXTRACT OF INDEPENDENT AUDITOR’S REPORT

The following is an extract of the independent auditor’s report on the Group’s annual financial statements for the year ended 31 December 2021:

Basis for opinion

We conducted our audit in accordance with Hong Kong Standards on Auditing (“**HKSAs**”) issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”). Our responsibilities under those standards are further described in the *Auditor’s responsibilities for the audit of the consolidated financial statements* section of our report. We are independent of the Group in accordance with the HKICPA’s *Code of Ethics for Professional Accountants* (the “**Code**”), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material uncertainty relating to going concern

We draw attention to Note 2.1 to the consolidated financial statements, which states that the Group reported the current portion of interest-bearing bank loans, other borrowings and senior notes of RMB11,386,635,000 in aggregate, as at 31 December 2021. The consolidated financial statements have been prepared on a going concern basis with the validity depending on the accomplishment of future financing activities with certain financial institutions and the Group’s ability to generate sufficient cash flows from future operations to cover the Group’s operating costs and to meet its financial commitments. These conditions indicate the existence of a material uncertainty which may cast significant doubt on the Group’s ability to continue as a going concern. Our opinion is not modified in respect of this matter.

CHAIRMAN’S STATEMENT

Dear shareholders,

On behalf of the Board, I hereby present to all shareholders the annual results of the Group as of 31 December 2021.

In 2021, China’s real estate market has experienced a transition from robust in the first half of the year to deep adjustment in the second half of the year. Market trading volume was high at first and became lower later as the market activity plunged sharply in the second half of the year. The tightening of financing policy of property enterprises, together with the general industry trend of “houses are for living, not for speculation” and constant regulations and controls by policies had a profound impact on the development of both the industry and the Company.

Despite the tremendous pressure, the Company had adapted to the changes in the industry through the concerted efforts of all employees. The Company has been attaching importance to steady operation and sustainable development, resulting in an overall stable and orderly operation.

During the Reporting Period, with steady development and strengthened foothold, the Group gave full play to the advantage of dual-driven synergic development and achieved contracted sales of RMB87.22 billion, representing a slight increase as compared to last year. Average unit price for contracted sales amounted to approximately RMB16,887 per sq.m., representing a year-on-year increase of 15.5%. Recognized sales revenue was RMB26.67 billion, representing a year-on-year increase of 32.3%.

During the Reporting Period, with a solid financial position, the Group remained stable in earnings. The net profit for the year was RMB1.87 billion, with a core net profit of RMB1.47 billion, a gross profit margin of 19.1% and a net profit margin reaching 7%, which maintained at the average level in the industry. With a stable growth in asset scale and continuous optimization in debt structures, the Group continued to maintain at the green tier in the “Three Red Lines” assessment.

As a comprehensive property enterprise with the dual-driven synergic development in property development and commercial real estate, the Group is dedicated to becoming a respected creator of a better life. In 2021, the Group continued to put into practice the investment strategy of “penetrating the Greater Jiangsu Region, strengthening foothold in major metropolitan areas and expanding into core cities”. Through the synergic development in property development and commercial real estate, the Group realized quality layout and diversified its land reserves. In respect of regional layout, the Group strengthened its foothold in the leading cities within developed metropolitan areas in China. In respect of investment structure, the layout focus was located in first-tier and premium second-tier cities. With extensive and diversified channels, sufficient and reasonable land banks, premium and healthy structure, and active and effective strategies, a solid foundation was laid for the Group to sustain steady and quality development in the future.

During the Reporting Period, the position of Nanjing Hong Yang Plaza as a commercial benchmark property has been consolidating and the Weifang Project in Shandong under the commercial/property linkage was launched. New plazas and expansion of commercial light assets also made certain progresses. At the same time, the Company fully exploited advantages of resources from other excellent commercial projects to create Redsun’s representative and benchmark properties. Meanwhile, we constantly paid attention to customer experience and tenant satisfaction and promoted the brand of “Hong Yang Plaza”, which enhanced our influence in the industry.

In order to adapt to the industry development trend, the Company further carried out regional integration in 2021. By concentrating on core cities, we constantly promoted the upgrade of our organizational efficiency where we further specified the organizational positioning at each level and focused on the direction of strategic operation. We continuously improved the recruitment and evaluation criteria of talents and made efforts to energize our team. We used incentive means to strengthen operation results, put into practice the concept of realizing value for customers and maximizing the shareholders’ value, so as to create a cohesive atmosphere with the same desires from top to bottom.

In 2021, the Company continued to fulfill its corporate social responsibilities from targeted poverty alleviation to support for rural revitalization. The Company announced the Charity 3.0 Strategic Plan and took up the charity mission of “Bringing children out from the mountains and changing their fates with education”. We focused on the “Dream Transforming +” Caring Plan and organized the Yan’an charitable walk, with a view to facilitating the improvement of learning and growth environment of the underprivileged teenagers.

In the face of sporadic outbreak of novel coronavirus in multiple places, the Company proactively responded to government calls by strictly implementing the anti-pandemic requirements and actively assuming social responsibilities to protect the safety of property owners and tenants in the community and show support for the frontline epidemic prevention personnel. At the same time, we set up “Hongyang Charity Day” to promote the development of public welfare towards professionalization, branding and institutionalization, leveraging Jiangsu Hongyang Charity Foundation (江蘇弘陽濟困基金會) and under the guidance of party building.

After reshuffling, the industry will develop in a more healthy and reasonable manner. In the future, the Company will compete for product and service quality, operation capabilities, strategic selection and risk control capabilities. The industry has changed from upholding the principle of “land is king” to that of “cash is king”; from the pursuit of scale to the pursuit of stability; and from nationwide expansion to regional cultivation. What we need in the future are quality development as well as sustainable growth that will bring profits and cash flows. “Quality and Efficacy Enhancement” is always on the move.

Looking ahead, we will continue to uphold the core values of “professionalism and building credibility for the long term”, the corporate spirit of “Health, Hard work and Benevolence”, and the “talent-, fighter- and contributor-oriented” talent concept, so that the team culture of “practicality, vitality and affinity” can be strengthened constantly.

The Company will enshrine upon the “Yan’an Spirit” in the new era which emphasizes hard work. We are perseverant and persistent in generating income and saving expenditure externally while reducing costs and increasing efficiency internally. Under the annual theme of “Customer Value Year”, we will improve the Company’s product and service quality with steady development, in order to be a good enterprise that constantly creates value for customers.

Finally, on behalf of the Board again, I would like to extend my wholehearted gratitude to all shareholders, bondholders, customers and partners for their support and to all employees for their contribution and hard work in year 2021.

Redsun Properties Group Limited
Zeng Huansha
Chairman

Hong Kong

30 March 2022

MANAGEMENT DISCUSSION AND ANALYSIS

REVIEW FOR 2021

According to the National Bureau of Statistics, in 2021, the GDP of China increased by 8.1% year-on-year with an average growth rate of 5.1% over the past two years, achieving one of the best economic performance among major economies around the globe, and marking a good start for the “14th Five-year Plan” period of China against the backdrop of the COVID-19 pandemic and an era of rapid changes. Under the policy keynote of “growth stability”, in the second half of 2021, the trend of economic development continued, albeit shrinking demand, excessive supply and weakened expectations pressing against the economic development of China, coupled with the complexity, severity and uncertainty of the external economic environment. Robust monetary policy remained moderately flexible with stepped-up cross-cyclical adjustments.

In the real estate sector of China, in 2021, the aggregate sales area of nationwide commodity housing totaled 1,794.33 million square meters, representing an increase of 1.9% from year 2020 and an increase of 4.6% from year 2019, or an average growth rate of 2.3% over the two years. Sales amount of commodity housing totaled RMB18,193 billion, representing an increase of 4.8% from year 2020 and an increase of 13.9% from year 2019, or an average growth rate of 6.7% over two years. In 2021, real estate policies were generally tightened at the beginning and loosened subsequently. Lending to property developers, home mortgages and grant of land were all tightened in the first three quarters of the year to curb the excessive expansion of real estate, and thus lowering credit risk exposure in relation to property developers. After September, the regulatory authorities’ frequent releases of signals of maintaining stability brought the real estate sector to a period of moderation in regulatory restrictions, whilst alleviation of risks associated with highly leveraged property developers is still in progress in the short run.

Under the new situation, albeit immense pressure, the Company upheld its core values of “professionalism and building credibility for the long term”, and adhered to the dual-driven synergic development in property development and commercial real estate. With concerted efforts and devotions of the team, the Group adapted to industry changes, emphasized steady operation and sustainable development, and secured an orderly and stable operation on the whole.

Contracted sales maintained steady growth and the sales structure continued to be optimized. During the Reporting Period, the Company achieved contracted sales of RMB87.22 billion, representing a slight increase over that of the previous year. The average contracted sales unit price was approximately RMB16,887 per sq.m, representing a year-on-year increase of 15.5%. The sales of the first-tier and new first-tier cities accounted for more than 40% of the overall sales. The Yangtze River Delta and Jiangsu maintained a leading position. The average price in the Great Bay Area and Chengdu Chongqing metropolitan area increased significantly, and the efficiency and quality of our return on investment emerged from the industry.

Our revenue grew steadily and profits remained sustainable. During the Reporting Period, the sales revenue recognized by the Company was RMB26.67 billion, representing a year-on-year increase of 32.3% compared with that of 2020, which realized a steady growth; the gross profit was RMB5.08 billion, with a year-on-year increase of 12.7%. The net profit was RMB1.87 billion, and the core net profit was RMB1.47 billion, which remained at the industry average level.

Maintaining the dual-driven synergic development in property development and commercial real estate, our business competitiveness continued to increase. In 2021, real estate and commerce were synergistically empowered, and our commercial competitiveness and industrial competitiveness continued to improve. The commercial benchmark position of Nanjing Hong Yang Plaza has been continuously consolidated, the diversified land acquisition mode of commercial and residential linkage has been further consolidated, and some new high-quality commercial and residential plots in the center of Weifang, Shandong Province have been obtained. In terms of expansion, light and heavy assets have advanced in line in a stable fashion.

We invested in a more effective and efficient way to achieve high-quality development. We will continue to implement the investment strategy of “penetrating the Greater Jiangsu Region, strengthening foothold in major metropolitan areas and expanding into core cities” and focus on expanding into the first- and second-tier cities. As of the end of 2021, the Company had a total land reserve of 18.78 million sq.m. With a stable land reserve, the sustainable development of the Company can be supported. The core is to penetrate the Greater Jiangsu Region. For three consecutive years, our land reserve in Jiangsu has been maintained at more than 50% of our overall land reserve, and our land reserve in the Yangtze River Delta has been maintained at more than 67% of our overall land reserve.

We integrated our operation for the upgrade of power strengths. Creating a cross cycle resource and capital operation and scheduling ability, we strengthened our foothold in the cities to achieve a leading initial sell-through rate of projects, thereby facilitating the formation of advantage in sales scale in regional sectors; we improved our service quality

by creating the competitive “six-integration” system. The New Hongqiao Purchase Alliance led by the Company constantly realized cost optimization through scale effect; the level of delivery was improved through strict product control, and thus our customer satisfaction and industry ranking reached a record high, and the total annual delivery and delivery rate also maintained a high-level of steady growth. We upgraded the product system of “Redsun Community 2.0”, created the “I-hawk system” IP and built green and healthy houses.

We adhere to a sound financial structure and healthy financial management. During the Reporting Period, the Group continued to achieve the green tier in the “Three Red Lines” assessment, which consistently met the regulatory requirements. With steady increase in the scale of assets, our debt structure was continuously optimized and the credit rating of the Company remained stable.

BUSINESS REVIEW

1. Sales of Properties

As of 31 December 2021, the Group achieved contracted sales of approximately RMB87.22 billion, representing a slight increase as compared to last year. The contracted sales in gross floor area of the Group was approximately 5.165 million sq.m., representing a decrease of 12.7% as compared to 5.916 million sq.m. in the corresponding period last year.

Details of the contracted sales of the Group as at 31 December 2021 are set out as below:

Region	Contracted Sales Area in Total Gross Floor Area (sq.m.)	Contracted Sales Amount (RMB'000)	Average Contracted Selling Price (RMB/sq.m.)
Nanjing	522,041	12,068,693	23,118
Wuxi	431,433	7,738,967	17,938
Yancheng	310,239	4,390,482	14,152
Chongqing	294,942	3,523,183	11,945
Suzhou	277,217	5,995,613	21,628
Chengdu	257,516	4,767,073	18,512
Xuzhou	232,970	2,628,644	11,283
Foshan	224,535	4,280,747	19,065
Changzhou	224,479	3,174,438	14,141

Region	Contracted Sales Area in Total Gross Floor Area (sq.m.)	Contracted Sales Amount (RMB'000)	Average Contracted Selling Price (RMB/sq.m.)
Hefei	201,421	2,674,378	13,278
Nantong	195,774	3,199,213	16,341
Suqian	179,391	1,690,426	9,423
Ningbo	170,651	5,671,599	33,235
Wuhan	130,118	2,157,037	16,578
Anqing	111,887	920,537	8,227
Jiaxing	106,881	1,623,094	15,186
Nanchang	92,618	1,109,382	11,978
Hangzhou	89,287	3,558,793	39,858
Guangzhou	86,845	1,972,954	22,718
Changsha	84,795	1,065,260	12,563
Xiangyang	70,930	612,175	8,631
Yangzhou	63,626	567,102	8,913
Jinan	61,976	739,197	11,927
Huai'an	61,327	931,474	15,189
Zhenjiang	59,332	640,945	10,803
Huzhou	56,937	1,100,948	19,336
Chuzhou	54,180	579,339	10,693
Wenzhou	50,172	1,240,815	24,731
Xianyang	49,882	438,460	8,790
Xi'an	47,761	496,863	10,403
Zhengzhou	42,542	362,366	8,518
Wuhu	42,509	480,670	11,307
Qingdao	28,588	462,440	16,176
Jiangmen	15,978	172,537	10,798
Kaifeng	13,225	135,136	10,218
Fuyang	7,313	73,590	10,063
Shaoxing	7,207	139,783	19,395
Bozhou	3,970	41,268	10,396
Taizhou	807	19,448	24,108
Others	201,632	3,774,671	18,720
Total	<u>5,164,934</u>	<u>87,219,740</u>	<u>16,887</u>

2. Land Bank

As at 31 December 2021, the Group had a land bank with an aggregate gross floor area of approximately 18,782,301 sq.m., including completed properties totaled 1,906,232 sq.m., rentable area held for investment totaled 1,003,361 sq.m., and properties under development totaled 15,872,708 sq.m.

Details of the land bank of the Group (including acquired in process) as at 31 December 2021 are set out as below:

Region	Name of Project	Area of Land (sq.m.)	Completed Total Gross Floor Area for Sale (sq.m.)	Rentable Area Held for Investment (sq.m.)	Total Gross Floor Area under Development (sq.m.)	Total Area of Land Bank (sq.m.)	The Group's Interests
Nanjing	Nanjing Hong Yang Plaza (南京弘陽廣場)	230,871	—	504,424	—	504,424	100%
Nanjing	Nanjing Jiangbei New District Chengnanhe Road Project (南京江北新區城南河路項目)	66,057	—	—	179,419	179,419	25%
Nanjing	Lishui Times Joy Residence (formerly: Shiqiu Project) (溧水時光悅府(原名稱: 石湫項目))	131,964	163,856	—	7,805	171,661	48%
Nanjing	Nanjing Zhuangyuanfang Xiyue Garden (formerly: Lishui Zhuangyuanfang Project) (南京狀元坊熹樾花園 (原名稱: 溧水狀元坊項目))	67,192	—	—	162,507	162,507	31%
Nanjing	Nanjing Kangjian Road Glance River Joy Residence (南京康健路望江悅府)	65,227	—	—	145,258	145,258	47%
Nanjing	Nanjing Jiangning Tangshan Tianrun Road Project (南京江寧湯山天潤路項目)	68,029	—	—	141,810	141,810	33%
Nanjing	Lukou Lakeside Mansion (formerly: Lukou Project) (祿口雲溪環園(原名稱: 祿口項目))	73,686	—	—	111,849	111,849	47%
Nanjing	Lishui Sunrise Joy Shangchen (溧水昕悅尚宸)	41,931	—	—	98,681	98,681	48%
Nanjing	Qilin Garden in the East (麒麟領東苑)	67,810	54,932	—	14,110	69,042	33%
Nanjing	Nanjing Qinhuai Laochengdong Project (南京秦淮老城東項目)	31,813	—	—	66,126	66,126	33%
Nanjing	Nanjing Jiangbei New District Xinhua Road Project (南京江北新區新華路項目)	18,130	—	—	50,807	50,807	51%
Nanjing	Nanjing Yaohuamen Qiyao Meizhu (南京堯化門樓堯美著)	14,670	—	—	42,727	42,727	82%

Region	Name of Project	Area of Land (sq.m.)	Completed Total Gross Floor Area for Sale (sq.m.)	Rentable Area Held for Investment (sq.m.)	Total Gross Floor Area under Development (sq.m.)	Total Area of Land Bank (sq.m.)	The Group's Interests
Nanjing	Xiaolongwan Garden of Joy and Happiness (formerly: Land Lot No. 2017G57) (小龍灣悅禧苑 (原名稱: 2017G57地塊))	58,024	21,041	—	12,831	33,872	100%
Nanjing	Nanjing Land Lot No. 2017G27 (南京·2017G27地塊)	68,644	16,759	—	4,626	21,385	20%
Nanjing	Qiaolin Shiguang Boyueyuan (橋林時光泊月園)	28,188	10,993	—	4,204	15,197	48%
Nanjing	Nanjing No. 2018G01 (南京2018G01)	7,025	429	—	14,341	14,770	48%
Nanjing	Wave of Swallow New Garden (燕瀾新苑)	61,145	9,016	—	2,808	11,824	47%
Nanjing	Solaris Loving City Section 6 Store (旭日愛上城六區商舖)	989	—	7,301	—	7,301	100%
Nanjing	Puzhu North Road Project (浦珠北路項目)	7,232	6,232	—	—	6,232	69%
Nanjing	Solaris Loving City Section 8 (旭日愛上城八區)	40,552	5,986	—	—	5,986	100%
Nanjing	Residence of Bamboo and Water (竹水居)	52,763	5,426	—	—	5,426	50%
Nanjing	3rd-4th Floor of Redsun Tower (弘陽大廈3-4層)	277	—	4,964	—	4,964	100%
Nanjing	Solaris Jingcheng Store (旭日景城商舖)	1,371	—	4,450	—	4,450	100%
Nanjing	Sea Joy Garden (海悅花園)	57,503	3,761	—	—	3,761	49%
Nanjing	Mountain and Lake View Garden in Times (時光山湖花園)	14,338	3,290	—	282	3,572	25%
Nanjing	Garden of Joy and Elegance (昕悅雅苑)	32,246	3,137	—	—	3,137	49%
Nanjing	Loving Garden (愛上花園)	77,367	3,115	—	—	3,115	99%
Suzhou	Xiangcheng Shangchen View Mansion (formerly: Fuyuan Road Project) (相城天境上辰 (原名稱: 富元路項目))	154,101	—	—	424,786	424,786	76%
Suzhou	Suzhou Lumu Heaven Billow (蘇州陸慕天境瀾庭)	37,963	—	—	81,149	81,149	60%
Suzhou	Upper Sunny Masterpiece Garden (上熙名苑)	44,701	29,426	—	16,647	46,073	50%
Suzhou	Luyuan Architecture (昃源名築)	60,961	321	—	8,957	9,278	99%
Suzhou	Shangshui Garden of Elegance (上水雅苑)	69,325	3,092	—	—	3,092	99%

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Changshu	Changshu Guli Tieqin Road Project (常熟古里鐵琴路項目)	40,805	—	—	87,356	87,356	34%
Changshu	Hefeng Architecture in Xinhua Road (新華路和風名築)	45,742	58,682	—	—	58,682	40%
Changshu	Shang Jun Hua Court (尚雋華庭)	39,410	12,798	—	—	12,798	47%
Changshu	Changshu No. 005 (常熟005)	17,361	4,023	—	—	4,023	31%
Taicang	Taicang Wutang River Luminaries (formerly: Wutang River Project) (太倉吳塘河明月辰光(原名稱: 吳塘河項目))	33,325	—	—	55,183	55,183	32%
Zhangjiagang	Zhangjiagang Chengdong Tangyue Royalty (formerly: Zhangjiagang Jiangcheng Road) (張家港城東棠樾世家(原名稱: 張家港蔣乘路))	44,590	—	—	102,095	102,095	43%
Zhangjiagang	Tang Qiao Cloud Mansion (formerly: Tang Qiao Fumin Road Project) (塘橋雲築(原名稱: 塘橋富民路項目))	40,317	—	—	70,271	70,271	47%
Zhangjiagang	Beautiful in Ten (十里錦繡)	98,783	21,647	—	—	21,647	16%
Zhangjiagang	Sunrise Joy Masterpiece Residence (昕悅名邸)	47,706	4,957	—	—	4,957	69%
Zhangjiagang	Star Great Tang Masterpiece Residence (星盛唐名邸)	36,829	4,691	—	—	4,691	50%
Hangzhou	Fuchun Bay Jichen Residence (富春灣濟宸府)	39,313	—	—	111,939	111,939	33%
Hangzhou	Hangzhou Binyao Mansion (formerly: Binjiang Pule Project) (杭州濱耀學府(原名稱: 濱江浦樂項目))	44,633	—	—	101,545	101,545	26%
Hangzhou	Hangxing Road Project (杭行路項目)	18,703	2,280	—	—	2,280	30%
Wenzhou	Yueqing Central District Junlan Hezhu (樂清中心區君蘭和著)	41,342	—	—	80,682	80,682	34%
Wenzhou	Huichang River Prosperous Seasons (formerly: Huichang River B03 Project) (會昌河潮啟四季(原名稱: 會昌河B03項目))	25,721	—	—	65,203	65,203	48%
Wenzhou	Huichang River West Lakeside Seasons (formerly: Huichang River B07 Project) (會昌河西湖四季(原名稱: 會昌河B07項目))	19,967	—	—	52,565	52,565	48%

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Wenzhou	Guanghuaqiao Jiangbin ONE (廣化橋江濱ONE)	21,191	—	—	41,022	41,022	47%
Foshan	Nanyou Park No. 1 (南油公園一號)	67,582	—	—	176,419	176,419	31%
Foshan	Foshan Lakeside Mansion (formerly: Lv Dao Hu) (佛山綠島湖公館(原名稱: 綠島湖))	51,240	—	—	165,077	165,077	31%
Foshan	Foshan Jihua North Joy River No. 1 (佛山季華北悅江一號)	33,220	—	—	89,035	89,035	47%
Foshan	Foshan Zhangcha Sunrise Joy Residence Project (佛山張槎昕悅府項目)	17,059	—	—	46,901	46,901	48%
Foshan	Hongyang Shan Xin Garden (弘陽山馨花園)	63,132	11,648	—	—	11,648	95%
Foshan	Benevolence Lake Project (博愛湖項目)	44,156	3,001	8,011	—	11,012	95%
Guangzhou	Guangzhou Zengcheng Times (廣州增城時光薈)	53,392	—	—	186,536	186,536	34%
Guangzhou	Guangzhou Jiaoxin Project (廣州濶心項目)	88,941	—	—	148,882	148,882	34%
Chengdu	Central Road Fanjin 108 (formerly: Central Road) (中環路梵錦108(原名稱: 中環路項目))	72,114	32,263	41,650	64,014	137,927	47%
Chengdu	Chengdu Xinglonghu Lakeside Yun Jing Garden (formerly: Tianfu Xinqu 42 mou)(成都 興隆湖湖畔雲璟花園(原名 稱:天府新區42畝))	28,432	—	—	79,751	79,751	32%
Chengdu	Qionglai Chang'an Avenue Project (邛崃長安大道項目)	39,809	32,367	—	4,208	36,575	94%
Chengdu	Shuangliu Heyuan Project (雙流合園項目)	19,794	—	—	35,187	35,187	48%
Chengdu	Dujiangyan DJY2017-10 (都江堰DJY2017-10)	39,064	5,461	—	—	5,461	95%
Chengdu	Dujiangyan DJY2017-09 (都江堰DJY2017-09)	26,393	3,156	—	—	3,156	95%
Hefei	Luijiang Lakeside Shade Mountain (廬江湖畔樾山)	161,263	—	—	343,680	343,680	48%
Hefei	Longzi Lake Times (龍子湖湖語時光)	68,461	—	—	138,007	138,007	28%
Hefei	Fengle Oriental Jade (formerly: Yaohai Prosper and Joy) (豐樂翡麗東方(原名稱: 瑤海豐樂))	59,233	29,481	—	53,762	83,243	32%
Hefei	Mountain View Yard (望麓別院)	139,536	28,558	—	—	28,558	25%

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Hefei	In Times (時光里)	42,621	8,561	—	—	8,561	98%
Hefei	Purple Breeze (紫氣東來)	28,081	6,674	—	—	6,674	50%
Hefei	Moon Bay Joy and Magnificence (月亮灣和悅風華)	26,380	4,491	—	—	4,491	37%
Hefei	Sunrise Joy Garden (昕悅花園)	37,254	3,634	—	—	3,634	80%
Pengzhou	Chinoiserie Mansion (formerly: Pengzhou 50+55 mou Project) (彭州玖峯(原名稱: 彭州50+55畝項目))	70,603	—	—	155,287	155,287	66%
Qingdao	Jimo Yunhai Road Beauty Collection In Times (即墨雲海路集美時光)	116,220	—	—	190,754	190,754	35%
Qingdao	Jinshatan Beyond the Sea (金沙灘天賦雲海)	14,077	—	—	106,592	106,592	28%
Wuhan	Wuhan Xiao Jun Shan Aesthetics of Life (formerly: Xiao Jun Shan) (武漢小軍山天璽尚院 (原名稱: 小軍山))	128,129	—	—	370,338	370,338	45%
Wuhan	Yin Yue Residence (印月府)	106,207	63,363	—	108,772	172,135	95%
Wuhan	Wuhan Jiangxia Huangjia Hunan Road Project (武漢江夏黃家湖南路項目)	25,290	—	—	60,303	60,303	95%
Xi'an	Xi'an Jinghe New Town The Polaris Mansion (西安涇河新城北宸天樾)	95,017	—	—	271,699	271,699	32%
Xi'an	Yan Liang Sunrise Joy Residence (閻良昕悅府)	24,649	—	—	70,299	70,299	48%
Changsha	Black Stone Sunrise Joy Residence (formerly: Black Stone Project) (黑石昕悅府 (原名稱: 黑石項目))	32,684	—	—	119,978	119,978	95%
Changsha	Changsha Xinglian Road Natural Bustling (formerly: Xinglian Road) (長沙興聯路 雲瀟賦(原名稱: 興聯路))	16,111	—	—	52,124	52,124	48%
Changsha	Changsha Wayao Road Sunrise Joy Court (formerly: Wayao Road) (長沙瓦窯路昕悅棠 (原名稱: 瓦窯路))	34,269	—	—	44,336	44,336	48%
Changsha	Deyi In Times (德一時光里)	12,956	17,951	—	—	17,951	67%
Changsha	Wanhou Road Project (formerly: Wanhou Road) (萬侯路項目(原名稱: 萬侯路))	21,967	1,206	—	14,978	16,184	95%
Zhengzhou	Zhongmou Hong Yang Residence (中牟弘陽府)	119,924	—	—	318,326	318,326	90%

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Chongqing	Chongqing Jieshi Xiao Feng Jiang Nan 141 mou Project (重慶界石曉風江南141畝項目)	94,061	—	—	206,447	206,447	30%
Chongqing	Beibei Utopia (formerly: Beibei Project) (北碚樾景臺(原名稱: 北碚項目))	109,540	—	—	188,186	188,186	47%
Chongqing	Bishan Sunrise Joy Residence (formerly: Bishan 295) (璧山昕悅府(原名稱: 璧山295))	106,259	48,174	—	133,594	181,768	45%
Chongqing	Chongqing Babin Road Glistening River (formerly: Babin Road Project) (重慶巴濱路一曲晴江(原名稱: 巴濱路項目))	66,926	—	—	148,658	148,658	48%
Chongqing	Taojia Times Billow(formerly: Cypress View • Seattle) (陶家時光瀾庭(原名稱: 柏景•西雅圖))	89,273	40,034	—	49,975	90,009	100%
Chongqing	Chongqing Jieshi Xiao Feng Jiang Nan 71 mou Project (重慶界石曉風江南71畝項目)	47,039	—	—	81,228	81,228	30%
Chongqing	Shapingba District Dayangshi Group Subregion C No. C11-1/03 (沙坪壩區大楊石組團C分區C11-1/03號)	8,749	13,502	—	—	13,502	46%
Chongqing	Chongqing Central Park Sunrise Joy Court (formerly: Central Park) (重慶中央公園昕悅棠(原名稱: 中央公園))	39,636	902	—	10,272	11,174	95%
Chongqing	Guan Yin Tang (觀音塘)	14,785	6,249	—	—	6,249	47%
Changzhou	Phoenix East Phoenix One (formerly: Phoenix East Project) (鳳凰東錦鳳合鳴(原名稱: 鳳凰東項目))	115,615	—	30,863	228,373	259,236	26%
Changzhou	Changzhou Jintan Huaxi Yuanzhu Garden (常州金壇花溪源著花園)	129,243	—	—	218,468	218,468	35%
Changzhou	Changzhou Hong Yang 1936 (formerly: Sang Ma Land Lot CD) (常州弘陽1936(原名稱: 桑麻CD地塊))	156,115	22,208	120,580	68,735	211,523	70%
Changzhou	Changzhou Yaoguan Yuhushangguan Garden (常州遙觀昱湖上觀花苑)	58,093	—	—	111,451	111,451	60%
Changzhou	Changzhou Hong Yang Plaza (常州弘陽廣場)	43,590	—	85,030	4,835	89,865	100%

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Changzhou	Sanmao Longyun Tiancheng (formerly: Sanmao Land Lot) (三毛龍運天城(原名稱: 三毛地塊))	108,486	72,702	—	16,086	88,788	31%
Changzhou	Xi Xia Shu Yun Xi (西夏墅雲禧)	36,712	—	—	78,631	78,631	35%
Changzhou	Shang Mao Yun Feng (商貿雲峯)	50,921	39,620	—	28,576	68,196	57%
Changzhou	The Bund No.1 Garden (外灘一號花園)	126,695	32,493	—	—	32,493	85%
Changzhou	Golden Seal and Heaven Shire (金璽天郡)	88,719	32,421	—	—	32,421	50%
Changzhou	Emperor Looks at the First Court (君望甲第)	67,225	2,394	—	16,312	18,706	40%
Changzhou	Sang Ma Land Lot A (桑麻A地塊)	44,524	—	11,690	—	11,690	70%
Changzhou	Hong Yang Upper City Phase I — III (弘陽上城一 — 三期)	111,700	6,831	—	—	6,831	100%
Haimen	Jianghai Road The One World (formerly: Jianghai Road Zuo An Gong Yuan) (江海路水 岸觀瀾苑(原名稱: 江海路左 岸公元))	75,028	—	—	27,984	27,984	66%
Jiangyin	Xinqiao Leiden Town (formerly: Jing Garden of Superior Class) (新橋萊頓小鎮(原名 稱: 上品環苑))	203,609	97,914	—	13,723	111,637	20%
Jiangyin	Yunting Tangyue Jinyuan (formerly: Yunting Primary School Project) (雲亭棠樾錦 園(原名稱: 雲亭小學項目))	92,953	71,964	—	—	71,964	48%
Jiangyin	Sunrise Joy Residence (昕悅府)	138,902	37,230	—	—	37,230	100%
Nantong	Nantong Gaotie Xincheng Honored Palace (formerly: Pingchao Gaotie Xincheng) (南通高鐵新城時光峯匯 (原名稱: 平潮高鐵新城))	84,022	—	—	184,218	184,218	56%
Nantong	Nantong Antai Road Project (南通安泰路項目)	53,761	—	—	116,056	116,056	28%
Nantong	Upper Joy Garden (上悅花園)	82,741	45,741	—	—	45,741	25%
Nantong	Oriental Cloud Garden (東方雲苑)	86,652	8,653	1,163	—	9,816	17%
Nantong	Sutong (蘇通)	47,405	7,341	—	—	7,341	36%
Nantong	Zisheng Road Junlan Tianyue (資生路君蘭天悅)	40,689	5,372	—	—	5,372	42%
Nantong	Xitong Times Billow (錫通時光樾瀾庭)	38,920	5,251	—	—	5,251	48%

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Nantong	Center Creation Metropolis Garden (中創都市花苑)	47,963	2,040	1,035	—	3,075	23%
Rugao	Wanshou Road Zi Yun Ji (formerly: Wanshou Road Project) (萬壽路紫雲集 (原名稱: 萬壽路項目))	89,669	2,770	—	119,173	121,943	28%
Wuxi	Wuxi Qingyuan Avenue Time's Lakeside (formerly: Wuxi Qingyuan Avenue) (無錫慶源大道時光汎樾 (原名稱: 無錫慶源大道))	57,962	—	—	112,537	112,537	48%
Wuxi	Yangjian Platinum Residence (formerly: Yangjian Project) (羊尖鉞悅名邸 (原名稱: 羊尖項目))	63,050	—	—	109,523	109,523	38%
Wuxi	Liyuan The Art of Shine (formerly: Liyuan Project) (利源長江映 (原名稱: 利源項目))	39,021	—	—	84,872	84,872	28%
Wuxi	Jade Seal (formerly: Wuxi Yangshan) (無錫陽山悅陽九璽 (原名稱: 無錫陽山))	28,166	—	—	44,427	44,427	29%
Wuxi	Huishan Chengtie Zhan Time's Garden (formerly: Huishan Chengtie Zhan) (惠山城鐵站時光玖境 (原名稱: 惠山城鐵站))	15,017	—	—	41,717	41,717	25%
Wuxi	Sunrise Joy Court (昕悅棠)	85,122	10,876	—	—	10,876	100%
Wuxi	Wuxi Sanwan Qing (無錫三萬頃)	800,000	9,122	—	—	9,122	100%
Xuzhou	Dawu Park Avenue (大吳公園大道)	213,207	16,880	—	466,434	483,314	51%
Xuzhou	Xuzhou Songshan Road One Sino Long (formerly: Songshan Road Project) (徐州嵩山路山河瓏胤 (原名稱: 嵩山路項目))	142,721	—	—	361,626	361,626	25%
Xuzhou	Suqian Shinsun Mansion Huayuan (formerly: Suyu Project) (宿遷祥生府花苑 (原名稱: 宿豫項目))	90,007	—	—	244,275	244,275	30%
Xuzhou	Metropolitan City in Xinyuan Avenue (新元大道大都會)	90,236	—	—	229,089	229,089	85%
Xuzhou	Dawu Shugang Road Project (大吳疏港大道項目)	65,828	—	—	182,340	182,340	48%
Xuzhou	East Lake Joy Residence in Pengzu Avenue (彭祖大道東湖悅府)	70,905	—	—	182,063	182,063	19%

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Xuzhou	Xuzhou Damiao Heping Gongguan (formerly: Zhongtian Shiming Road Project) (徐州大廟和平公館 (原名稱: 中天仕名路項目))	55,614	—	—	154,856	154,856	48%
Xuzhou	Xuzhou Chengdong Guipingshan Tianqing (徐州城東翠屏山天卿)	28,525	—	—	69,079	69,079	32%
Xuzhou	Taoloushan Land Lot Project C (陶樓山C地塊項目)	24,514	—	—	67,973	67,973	50%
Xuzhou	Taoloushan Land Lot Project A (陶樓山A地塊項目)	26,358	—	—	67,546	67,546	50%
Xuzhou	Taoloushan Land Lot Project B (陶樓山B地塊項目)	25,157	—	—	63,517	63,517	50%
Xuzhou	Phoenix Hill Puyue Residence (鳳凰山璞樾門第)	59,770	—	—	24,328	24,328	82%
Xuzhou	Xuzhou Landscape of the Peach Garden (徐州山水桃花源)	104,284	11,439	—	—	11,439	75%
Xuzhou	Nine Pleasures Splendid Residence (九悅華府)	181,244	10,212	—	—	10,212	33%
Xuzhou	Joyful Beautiful Scenery Harmonious Residence (欣欣麗景和府)	26,646	1,424	—	2,338	3,762	33%
Xuzhou	Jiawang District Commercial Building (徐州賈汪區商辦樓)	2,474	—	—	2,134	2,134	79%
Haining	Longxing Road Beichen Yipin (formerly: Longxing Road Project) (隆興路北辰一品 (原名稱: 隆興路項目))	42,030	12,219	—	—	12,219	32%
Ningbo	Cixi Chengdong Shangdongchen Residence (慈溪城東上東辰府)	84,775	—	—	186,366	186,366	30%
Ningbo	Ningbo Yaojiang Qingyu (formerly: Yaojiang New City Project) (寧波姚江晴雨 (原名稱: 姚江新城項目))	88,930	—	—	151,617	151,617	17%
Ningbo	Chen Po Du Yong Chao Yin Residence (formerly: Chen Po Du) (陳婆渡涌潮印府 (原名稱: 陳婆渡))	40,148	—	—	78,863	78,863	31%
Taizhou (台州)	Wenling Jiuzhu in Times (溫嶺時代玖著)	14,338	7,062	—	—	7,062	48%
Tongxiang	Wuzhen Joy Court (formerly: Wuzhen Longxiang Avenue Project) (烏鎮昕悅棠 (原名稱: 烏鎮龍翔大道項目))	42,811	3,262	—	—	3,262	95%
Jinan	Jiqi Road Leisure's Mansion (formerly: Jiqi Road Project) (濟齊路君逸府 (原名稱: 濟齊路項目))	34,290	—	—	91,722	91,722	43%

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Nanchang	Yao Lake Times Sky Shade (瑤湖時光天樾)	102,269	—	—	223,314	223,314	61%
Nanchang	Nanchang Qingshan Lake Avenue Times Garden (南昌青山湖大道時光玖悅)	20,182	—	—	65,514	65,514	47%
Nanchang	New Power Hong Yang Residence (新力弘陽府)	43,410	7,112	—	41,996	49,108	37%
Nanchang	Zhong Da Hong Yang (formerly: Qing Yun Pu) (中大弘陽(原名稱: 青雲譜))	29,452	27,771	—	—	27,771	46%
Nanchang	Wanli (灣里)	13,717	10,538	—	—	10,538	93%
Danyang	Phoenix Terrace (鳳熹臺)	88,498	15,751	—	—	15,751	20%
Huai'an	Huai'an Eco-City Grand One (淮安生態新城泓著大觀)	82,734	—	—	181,820	181,820	51%
Huai'an	Heyi Road Yunhe Fenghua (合意路運河風華)	68,362	—	—	167,564	167,564	46%
Huai'an	Huai'an Fengdeng Road Jinyuefu (formerly: Huai'an Fengdeng Road) (淮安豐登路金樾府 (原名稱: 淮安豐登路))	41,476	—	—	129,626	129,626	32%
Jurong	Jurong B Project (formerly: Jurong Land Lot No. B) (句容B項目(原名稱: 句容B地塊))	38,731	—	—	74,274	74,274	18%
Jurong	Jurong C Ziyue Residence (formerly: Land Lot No. 2018-J1-06) (句容C紫悅府(原名稱: 2018-J1-06號地塊))	72,609	69,013	—	—	69,013	31%
Suqian	Wutaishan Heyue Garden (五臺山和樾花園)	139,947	—	—	371,486	371,486	19%
Taizhou (泰州)	Wave of Swallow Garden (燕瀾花園)	56,230	10,637	—	—	10,637	99%
Yancheng	Yancheng Haikuo Road Project (鹽城海闊路項目)	100,491	—	—	267,326	267,326	33%
Yancheng	Dongjin Road Sunrise Joy Residence (東進路昕悅府)	103,847	—	—	241,025	241,025	32%
Yancheng	Yancheng Wengang Road Jingyaoshangdong (formerly: Yancheng Wengang Road Project) (鹽城文港路晶耀上東 (原名稱: 鹽城文港路項目))	60,421	—	—	156,933	156,933	31%
Yancheng	Begonia View Residence in Yanzhen Road (鹽枕路觀棠府)	69,049	10,096	—	—	10,096	31%

Region	Name of Project	Area of Land (sq.m.)	Completed Total Gross Floor Area for Sale (sq.m.)	Rentable Area Held for Investment (sq.m.)	Total Gross Floor Area under Development (sq.m.)	Total Area of Land Bank (sq.m.)	The Group's Interests
Yangzhou	Yangzhou City Two Central Mansion (揚州二城和光昕悅)	23,234	—	—	42,233	42,233	67%
Yizheng	Yizheng 39 Yuejiang Bay (formerly: Yizheng 39) (儀征39悅江灣(原名稱: 儀征39))	66,358	37,388	—	—	37,388	48%
Yizheng	Yizheng 38 Yuedi Bay (儀征38悅堤灣)	69,788	27,801	—	—	27,801	50%
Yizheng	Yizheng Yuelong Bay (儀征悅龍灣)	27,589	5,893	—	8,012	13,905	47%
Zhenjiang	Xiaoni Hill No. 2 Four Seasons Magnificence (小牛山二號四季風華)	20,536	—	—	78,525	78,525	33%
Zhenjiang	Zhoujiazhuang Project (周家莊項目)	16,168	—	—	42,463	42,463	48%
Zhenjiang	Xiaoni Hill No. 1 Four Seasons Magnificence (小牛山一號四季風華)	28,920	—	—	31,250	31,250	31%
Anqing	Anqing Hong Yang Upper City (安慶弘陽上城)	147,547	—	80,000	244,279	324,279	95%
Bengbu	Bengbu Xin Hong (蚌埠新弘)	32,646	6,233	—	—	6,233	47%
Chuzhou	Jingzi Road Times Magnificence (敬梓路時光風華)	55,719	—	—	123,684	123,684	47%
Chuzhou	Times Billow (Garden In Times (Chuzhou Times Billow) (時光里花園(滁州時光瀾庭))	89,886	21,364	—	—	21,364	39%
Chuzhou	Garden with Art Atmosphere (藝境花園)	60,189	15,149	—	—	15,149	33%
Chuzhou	Glory Residence (正榮府)	80,867	7,920	—	—	7,920	30%
Chuzhou	New City Hong Yang Garden at Mingfa North (明發北站新城弘陽苑)	8,782	2,515	—	—	2,515	99%
Fuyang	Yingzhou Hong Yang Residence (潁州弘陽府)	38,297	39,412	—	5,522	44,934	44%
Huzhou	Huzhou Southwest Development Zone Qinlan Residence (formerly: Huzhou South Taihu New District Project) (湖州西南開發區沁瀾府 (原名稱: 湖州南太湖 新區項目))	30,200	—	—	78,204	78,204	36%
Huzhou	Ren Huang 58 Yan Lan Residence (formerly: Huzhou Ren Huang No. 58#) (仁皇58燕瀾府(原名稱: 湖州仁皇58#))	102,218	10,795	—	—	10,795	96%
Huzhou	Huzhou 2018-43 (湖州2018-43)	48,652	6,627	—	—	6,627	96%

Region	Name of Project	Area of Land (sq.m.)	Completed Total Gross Floor Area for Sale (sq.m.)	Rentable Area Held for Investment (sq.m.)	Total Gross Floor Area under Development (sq.m.)	Total Area of Land Bank (sq.m.)	The Group's Interests
Ma'anshan	Sunny Side of the Yangtze River Peacock City (長江熙岸孔雀城)	97,340	2,146	—	27,612	29,758	20%
Weifang	Weifang Kuiwen North District Project (濰坊奎文北項目)	202,107	—	102,200	624,388	726,588	100%
Wuhu	Mengxi Road Shiguang Lane (夢溪路時光里)	74,135	—	—	136,371	136,371	37%
Jiangmen	Liyue Guoyue Residence (formerly: Liyue Project) (禮樂國樾府(原名稱: 禮樂項目))	30,231	54,255	—	4,285	58,540	31%
Hengyang	Yangliu Road Sunrise Joy Residence (楊柳路昕悅府)	36,912	—	—	120,919	120,919	95%
Xianyang	Zhonghua West Road Yulong Fu (中華西路鈺瓏府)	39,136	—	—	147,049	147,049	45%
Xiangyang	Xiangzhou Park 1873 (襄州公園1873)	93,846	—	—	260,002	260,002	48%
Xiangyang	Taiziwan Lu Yun Ting (檯子灣路雲庭)	29,569	—	—	64,209	64,209	76%
Xiangyang	Prime Watery Court (襄御瀾庭)	45,761	16,069	—	—	16,069	94%
Bozhou	Verse of River and Mountain (formerly: Bozhou Land Lot No. 2017-217 (江山賦(原名 稱: 亳州2017-217號地塊))	201,216	117	—	180,374	180,491	39%
Kaifeng	Zhong Yi Hu Yan Lan Residence (formerly: Kaifeng Yan Lan Residence) (中意湖燕瀾府(原名稱: 開封燕瀾府))	63,533	50,272	—	—	50,272	44%
Meishan	Renshou In Times (仁壽時光里)	68,107	22,589	—	95,368	117,957	94%
	Other Projects	599,696	42,762	—	792,022	834,784	
Total		<u>13,533,073</u>	<u>1,906,232</u>	<u>1,003,361</u>	<u>15,872,708</u>	<u>18,782,301</u>	

3. Commercial Operations

For the year ended 31 December 2021, the Group achieved rental income of approximately RMB583.5 million, representing an increase of 15.5% as compared to the corresponding period last year.

The increase was mainly due to the increase in rental income from Nanjing Hong Yang Plaza, as well as the increase in rental income from Hefei Hong Yang Plaza grandly opened during the period and Yanjiao Hong Yang Plaza and Hengyang Hong Yang Plaza grandly opened in the second half of 2020.

4. Hotel Operations

For the year ended 31 December 2021, the Group achieved sales revenue of approximately RMB42.1 million from its hotel operations, representing an increase of 12.0% as compared to the corresponding period last year.

The increase was mainly due to the increase in occupancy rate as the hotel industry was gradually recovering from the effects of the novel coronavirus epidemic during the period.

FINANCIAL REVIEW

1. Revenue

For the year ended 31 December 2021, the Group's revenue amounted to approximately RMB26,667.0 million, representing an increase of 32.3% from approximately RMB20,158.7 million for the same period last year. The revenue mainly included income generated from property sales, commercial operations and hotel operations, of which income generated from: (i) property sales increased by 32.8% to approximately RMB26,041.3 million as compared to the same period last year, accounting for 97.6% of the total recognized revenue; (ii) commercial operations increased by 15.5% to approximately RMB583.5 million as compared to the same period last year; and (iii) hotel operations increased by 12.0% to approximately RMB42.1 million as compared to the same period last year.

Details of recognized revenue are set out as follows:

	2021		2020		Year-on-year change (%)
	Recognized Revenue (RMB'000)	Percentage of Total Recognized Revenue (%)	Recognized Revenue (RMB'000)	Percentage of Total Recognized Revenue (%)	
Property sales	26,041,292	97.6	19,615,845	97.3	32.8
Commercial operations	583,545	2.2	505,224	2.5	15.5
Hotel operations	42,142	0.2	37,632	0.2	12.0
Total	<u>26,666,979</u>	<u>100.0</u>	<u>20,158,701</u>	<u>100.0</u>	<u>32.3</u>

2. Cost of Sales

For the year ended 31 December 2021, the cost of sales of the Group was approximately RMB21,585.7 million, representing an increase of 37.9% as compared to that of approximately RMB15,651.0 million for the same period last year. The increase was primarily due to the increased number of projects delivered during the year. Several projects delivered during the year included Wuhan Yin Yue Residence (印月府) project, Ren Huang 58 Yan Lan Residence (仁皇58燕瀾府) project in Huzhou, Central Road Fanjin 108 (中環路梵錦108) project in Chengdu, Xiaolongwan Garden of Joy and Happiness (小龍灣悅禧苑) project in Nanjing, and Foshan Benevolence Lake (博愛湖) project.

3. Gross Profit and Gross Profit Margin

For the year ended 31 December 2021, the Group's gross profit was approximately RMB5,081.3 million, representing an increase of 12.7% from approximately RMB4,507.7 million for the corresponding period last year. Such increase was primarily attributable to the increased number of projects delivered during the year. For the year ended 31 December 2021, the gross profit margin was 19.1%, as compared to 22.4% for the corresponding period last year. The decrease in gross profit margin was mainly due to the decrease in the percentage of revenue recognized for products with higher gross profit margin as compared with the corresponding period last year.

4. *Changes in Fair Value of Investment Properties*

For the year ended 31 December 2021, the Group recognized fair value gains on investment properties of approximately RMB276.4 million. The fair value gains on investment properties recorded were primarily due to an appreciation of the overall capital value.

5. *Selling and Distribution Expenses*

For the year ended 31 December 2021, the Group's selling and distribution expenses amounted to approximately RMB956.6 million, representing an increase of 3.1% from approximately RMB927.6 million for the corresponding period last year. Such increase was due to the launch of new property projects of the Group for presale in 2021.

6. *Administrative Expenses*

For the year ended 31 December 2021, the Group's administrative expenses amounted to approximately RMB944.4 million, representing a decrease of 4.7% from approximately RMB990.7 million for the corresponding period last year. Such decrease was mainly due to the Group's further development in major metropolitan areas and core cities, and the strengthened control in administrative expenses and costs.

7. *Share of Profits and Losses of Joint Ventures and Associates*

For the year ended 31 December 2021, the Group's share of profits and losses of joint ventures and associates amounted to approximately RMB319.8 million, representing a decrease of 27.8% from approximately RMB443.1 million for the corresponding period last year, mainly due to the increase in share of relevant expenses as a result from the increased number of joint ventures and associates newly held by the Group. There were still profit carried forward from several cooperation projects such as Sanmao Longyun Tiancheng (三毛龍運天城) project in Changzhou, Begonia View Residence in Yanzhen Road (鹽枕路觀棠府) project in Yancheng, Xinqiao Leiden Town (新橋萊頓小鎮) project in Jiangyin and Nine Pleasures Splendid Residence (九悅華府) project in Xuzhou.

8. Finance Costs

For the year ended 31 December 2021, the Group's finance costs expended amounted to approximately RMB961.6 million, representing an increase of 32.6% from approximately RMB725.4 million for the corresponding period last year. Such change in finance costs was mainly due to the increase in borrowings resulted from the Group's land acquisitions and expansion of property development during the Reporting Period.

9. Income Tax Expense

For the year ended 31 December 2021, the Group's income tax expense amounted to approximately RMB1,259.2 million, representing a decrease of 3.5% from approximately RMB1,304.4 million for the corresponding period last year. The Group's income tax expense included provisions for the corporate income tax and land appreciation tax net of deferred tax during the year.

During the year ended 31 December 2021, the provision made for land appreciation tax by the Group was approximately RMB189.9 million, as compared with approximately RMB651.6 million for the corresponding period last year.

10. Profit for the Reporting Period

As a result of the aforementioned factors, the Group's profit before tax decreased by 1.1% to approximately RMB3,124.8 million for the year ended 31 December 2021 from approximately RMB3,159.3 million for the corresponding period last year. For the year ended 31 December 2021, net profit amounted to RMB1,865.7 million, representing an increase of 0.6% as compared with the corresponding period last year.

For the year ended 31 December 2021, core net profit increased by 3.5% to RMB1,472.7 million as compared with the same period last year (2020: RMB1,422.8 million). Core net profit attributable to owners of the parent decreased by 30.8% to RMB854.8 million as compared with the same period last year (2020: RMB1,235.9 million).

Note 1: Core net profit excluded non-recurring profits or loss items and their related tax effects, comprising fair value gain on investment properties, fair value gain on financial assets and foreign exchange differences, net, etc.

LIQUIDITY, FINANCE AND CAPITAL

1. Cash Position

As at 31 December 2021, the Group's cash and bank balances were approximately RMB16.04 billion (as at 31 December 2020: approximately RMB18.53 billion), of which, restricted cash amounted to approximately RMB1.10 billion (as at 31 December 2020: RMB2.86 billion), and pledged deposits amounted to approximately RMB1.05 billion (as at 31 December 2020: RMB3.25 billion).

2. Borrowings and Pledged Assets

As at 31 December 2021, the Group's total borrowings (including interest-bearing bank and other borrowings and senior notes) amounted to approximately RMB34.14 billion (as at 31 December 2020: approximately RMB32.31 billion), of which, interest-bearing bank and other borrowings were approximately RMB21.74 billion (as at 31 December 2020: approximately RMB22.05 billion) and senior notes were approximately RMB12.39 billion (as at 31 December 2020: approximately RMB10.26 billion).

The Group's total borrowings were repayable as follows:

	31 December 2021 RMB'000	31 December 2020 RMB'000
Interest-bearing bank loans and other borrowings:		
Repayable within one year	6,865,131	8,766,941
Repayable in the second year	6,317,484	7,171,834
Repayable within two to five years	7,584,458	4,989,532
Repayable beyond five years	977,840	1,123,867
	<hr/>	<hr/>
Sub-total	21,744,913	22,052,174
	<hr/>	<hr/>
Senior notes:		
Repayable within one year	4,521,504	2,671,726
Repayable in the second year	4,266,964	4,512,641
Repayable within two to five years	3,601,734	3,068,527
	<hr/>	<hr/>
	12,390,202	10,252,894
	<hr/>	<hr/>
Total borrowings	34,135,115	32,305,068
	<hr/>	<hr/>

As at 31 December 2021, except for the borrowings in the amount of RMB13,117.2 million (as at 31 December 2020: RMB10,757.1 million) denominated in US\$ and the borrowings in the amount of RMB15.1 million (as at 31 December 2020: RMB69.3 million) denominated in HK\$, the remaining borrowings of the Group were denominated in RMB.

As at 31 December 2021, except for certain bank and other borrowings of RMB5,451,461,000 (as at 31 December 2020: RMB9,193,579,000) with fixed interest rates, all of the Group's bank and other borrowings bear interest at floating interest rates.

As at 31 December 2021, assets with an aggregate value of approximately RMB39,283.8 million (as at 31 December 2020: approximately RMB33,984.5 million) have been pledged to banks and other financial institutions to secure the credit facilities granted to the Group and its joint ventures and associates.

3. *Financing Activities*

On 13 January 2021, the Group issued US\$350 million 7.3% 4-year senior notes. Please refer to the Company's announcement dated 7 January 2021 for further details.

On 21 May 2021, the Group issued US\$210 million 7.3% 3-year senior notes. Please refer to the Company's announcement dated 18 May 2021 for further details.

On 20 September 2021, the Group issued US\$200 million 9.5% 2-year senior green notes. Please refer to the Company's announcement dated 14 September 2021 for further details.

4. *Gearing Ratio*

As at 31 December 2021, the Group's net gearing ratio (total borrowings less cash and bank balances divided by total equity) was approximately 57.0%, as compared with approximately 50.3% as at 31 December 2020. As at 31 December 2021, the Group's debt to asset ratio (total debts divided by total assets) was approximately 76.1%, as compared with approximately 77.0% as at 31 December 2020. As at 31 December 2021, the Group's current ratio (current assets divided by current liabilities) was approximately 1.38 times, as compared with approximately 1.39 times as at 31 December 2020.

As of 31 December 2021, cash to short-term debt ratio (cash and bank balances divided by short-term borrowings) was approximately 1.41 times, as compared with approximately 1.62 times as at 31 December 2020.

5. Capital and Property Development Expenditure Commitments

As at 31 December 2021, the Group had capital and property development expenditure commitments contracted but not provided for of approximately RMB10.13 billion (as at 31 December 2020: approximately RMB10.09 billion).

6. Contingent Liabilities

Pursuant to the mortgage contracts, the banks require the Group to provide guarantees to the purchasers in respect of their mortgage loans. Such mortgage guarantees provided to the purchasers are usually released when the title deeds of the respective properties are pledged to the banks as security to continue to support the mortgage loans, which generally takes place after the delivery of relevant properties to the purchasers. If the purchasers are in default on their mortgage loans, the Group shall be liable to the repayment of the outstanding mortgage principal amount together with the accrued interest and penalties owed by the defaulting purchasers to the banks and the Group shall be entitled to take over the legal title and possession of the related properties.

As at 31 December 2021, the Group provided guarantees of approximately RMB11.44 billion to certain banks in respect of the mortgage loans granted to certain purchasers of the Group's properties (as at 31 December 2020: approximately RMB12.52 billion).

As at 31 December 2021, the Group provided guarantees of approximately RMB6.61 billion to certain joint ventures, associates and etc. (as at 31 December 2020: approximately RMB3.94 billion). Save as disclosed in this results announcement, the Group had no other material contingent liabilities as at 31 December 2021.

CORPORATE GOVERNANCE AND OTHER INFORMATION

1. Material Investments, Acquisitions and Disposals

On 10 June 2021, Guangzhou Hongyu Real Estate Development Co., Ltd* (廣州市弘裕房地產開發有限公司) (“**Guangzhou Hongyu**”), an indirect wholly-owned subsidiary of the Company, entered into a cooperation development agreement (the “**Cooperation Development Agreement**”) with Guangzhou Merchants Property Development Limited* (廣州招商房地產有限公司) (“**Guangzhou Merchants**”), Wuhan Dabenyang Commercial Management Co., Ltd.* (武漢大本營商業管理有限公司) (“**Wuhan Dabenyang**”) and Guangzhou Zhaoying Real Estate Co., Ltd.* (廣州招贏房地產有限責任公司) (the “**Project Company**”), pursuant to which Wuhan Dabenyang agreed to acquire an aggregate of 33% of the equity interest in the Project Company by way of transfer and contribution to the registered capital and the capital reserve of the Project Company.

As at 10 June 2021, the registered capital of the Project Company was RMB10,000,000 which was held as to 60% by Guangzhou Merchants and 40% by Guangzhou Hongyu. Upon completion of the transfer of 6% of the equity interest in the Project Company by Guangzhou Hongyu to Wuhan Dabenying, without premium, for the consideration of RMB1.00, the Project Company would be held by Guangzhou Merchants, Guangzhou Hongyu and Wuhan Dabenying as to 60%, 34% and 6%, respectively.

Pursuant to the Cooperation Development Agreement, each of Guangzhou Merchants, Guangzhou Hongyu and Wuhan Dabenying will contribute to the registered capital and the capital reserve of the Project Company in the amount of not less than RMB594,000,000, RMB612,000,000 and RMB594,000,000, respectively. Upon completion of the capital increase, (i) the registered capital of the Project Company will be increased from RMB10,000,000 to not less than RMB100,000,000, which will be held by Guangzhou Merchants, Guangzhou Hongyu and Wuhan Dabenying as to 33%, 34% and 33%, respectively; and (ii) the Project Company will become a subsidiary (instead of an associate) of the Company as Guangzhou Hongyu will control the composition of the majority of the board of directors of the Project Company.

The transaction constitutes an acquisition of the Project Company as a subsidiary of the Company, and the financial results of the Project Company will be consolidated to the consolidated financial statements of the Group.

Please refer to the announcement of the Company dated 10 June 2021 for further details.

Save as the aforesaid, there was no other material acquisition and disposal of subsidiaries, associated companies or joint ventures by the Group during the Reporting Period.

2. Employment and Remuneration Policies

As at 31 December 2021, the Group had a total of 3,097 employees, of which 2,462 employees were engaged in the real estate development business, 504 employees were engaged in the commercial property operation business and 131 employees were engaged in the hotel operation business.

The emolument of the employees of the Group is mainly determined based on the prevailing market level of remuneration and the individual performance and work experience of the employees. Bonuses are also distributed based on the performance of the employees. The Group provides employees with career development opportunities and considers if their remuneration should be raised or if they should be promoted with reference to their individual performance and potential. Other benefits provided by the Group include medical benefits and specialized training schemes.

3. *Events after the Reporting Period*

In January 2022 and up to 25 January 2022, the Group has repurchased the April 2022 Notes (as defined below) in an aggregate principal amount of US\$48.2 million, in the open market, representing approximately 10.71% of the aggregate principal amount of the April 2022 Notes originally issued. For further details, please refer to the announcements of the Company dated (i) 8 April 2019 in relation to the issue of US\$300,000,000 9.95% senior notes due 2022 (the “**Original Notes**”); (ii) 8 November 2019 in relation to the issue of US\$150,000,000 9.95% senior notes due 2022 to be consolidated and form a single class with the Original Notes (the “**Additional Notes**”, together with the Original Notes, the “**April 2022 Notes**”); and (iii) dated 25 January 2022 in relation to the partial repurchase of the April 2022 Notes.

As of the date of this announcement, the Group has cumulatively repurchased the April 2022 Notes in an aggregate principal amount of US\$190.402 million in the open market, representing approximately 42.3% of the aggregate principal amount of the April 2022 Notes originally issued. All the April 2022 Notes repurchased will be cancelled in accordance with its terms and indenture. The Company will make further announcement(s) when the repurchased April 2022 Notes have been cancelled.

Save as disclosed above, the Group had no significant event after the Reporting Period.

4. *Payment of Dividends*

The Board did not recommend payment of any dividend in respect of the year ended 31 December 2021 (2020: HK14.5 cents per ordinary share).

5. Purchase, Sale or Redemption of Any of the Company's Listed Securities

On 6 October 2021, the Group repurchased the 13% senior notes due 2021 in the aggregate principal amount of US\$100 million (the “**October 2019 Notes**”) in an aggregate principal amount of US\$3 million in the open market, representing approximately 3% of the aggregate principal amount of the October 2019 Notes originally issued. Please refer to the Company's announcement dated 7 October 2021 for further details.

On 11 October 2021, the Group further repurchased the October 2019 Notes in an aggregate principal amount of US\$5 million in the open market, representing approximately 5% of the aggregate principal amount of the October 2019 Notes originally issued. Please refer to the Company's announcement dated 11 October 2021 for further details.

On 12 October 2021 and 13 October 2021, the Group further repurchased the October 2019 Notes in an aggregate principal amount of US\$5 million and US\$2 million, respectively, in the open market, representing approximately 5% and 2% of the aggregate principal amount of the October 2019 Notes originally issued. Please refer to the Company's announcement dated 13 October 2021 for further details.

On 15 October 2021 and 18 October 2021, the Group further repurchased the October 2019 Notes in an aggregate principal amount of US\$1 million and US\$1 million, respectively, in the open market, representing approximately 1% and 1% of the aggregate principal amount of the October 2019 Notes originally issued. As at 18 October 2021, the Group had cumulatively repurchased the October 2019 Notes in an aggregate principal amount of US\$17 million in the open market, representing approximately 17% of the aggregate principal amount of the October 2019 Notes originally issued. Please refer to the Company's announcement dated 18 October 2021 for further details.

All the October 2019 Notes repurchased have been cancelled in accordance with its terms and indenture.

The October 2019 Notes matured on 30 October 2021 (the “**Maturity Date**”). The Group has redeemed the notes in full in accordance with the terms and conditions of the October 2019 Notes at their outstanding principal amount together with interest accrued to the Maturity Date. Please refer to the Company's announcement dated 31 October 2021 for further details.

6. *Currency Risk*

The Group primarily operates in the PRC and majority of the Group's transactions were denominated and settled in RMB.

7. *Corporate Governance*

The Group is committed to implementing high standards of corporate governance to safeguard the interests of the shareholders of the Company and enhance the corporate value as well as the responsibility commitments. The Company has adopted the Corporate Governance Code (the “**CG Code**”) as set out in Appendix 14 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) as its own code of corporate governance.

Saved as disclosed below, to the knowledge of the Director, the Group has complied with all applicable code provisions of the CG Code during the Reporting Period. The Directors will use their best endeavors to procure the Company to continue to comply with the CG Code.

The Board of the Company comprised only one single gender which does not comply with the requirement under the Listing Rule 13.92.

The Company will propose to appoint an additional director of a different gender to the Board who genuinely possesses the necessary skills, experience and caliber appropriate to the Company's business for the forthcoming year for purpose to fulfil and comply the requirement under the Listing Rule 13.92.

8. *Annual General Meeting*

The forthcoming annual general meeting (“**AGM**”) will be held on Tuesday, 28 June 2022 and its notice and all other relevant documents will be published and despatched to the Shareholders in April 2022.

9. *Closure of Register of Members*

For the purpose of determining the rights to attend and vote at the AGM, the register of members of the Company will be closed from Thursday, 23 June 2022 to Tuesday, 28 June 2022, both days inclusive, during which period no transfer of shares will be registered. All transfer documents of the Company accompanied by the relevant share certificates must be lodged with the branch share registrar of the Company in Hong Kong, Link Market Services (Hong Kong) Pty Limited at Suite 1601, 16/F Central Tower, 28 Queen's Road Central, Central, Hong Kong, for registration no later than 4:30 p.m. on Wednesday, 22 June 2022.

10. Compliance with the Model Code for Securities Transactions by Directors of Listed Issuers

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) set out in Appendix 10 to the Listing Rules as its code for dealing in securities of the Company by the Directors.

After specific enquiries made to all Directors, Directors have confirmed their compliance with the required standards set out in the Model Code for the Reporting Period.

11. Review of Annual Results by the Audit Committee

The Board has established its audit committee with written terms of reference in compliance with Rules 3.21 and 3.22 of the Listing Rules and code provision D.3 of the CG Code.

The primary duties of our audit committee are to review and monitor the Group’s financial reporting process, risk management and internal control system, to oversee the audit process, to provide recommendation and advice to the Board, and to perform other duties and responsibilities as may be assigned by the Board. Our audit committee consists of three members, including Mr. Leung Yau Wan John, Mr. Lee Kwok Tung Louis and Mr. Au Yeung Po Fung. Our audit committee is chaired by Mr. Leung Yau Wan John, who has appropriate professional qualifications.

Our audit committee has reviewed the Company’s audited consolidated financial statements for the year ended 31 December 2021 and confirmed that it has complied with all applicable accounting principles, standards and requirements, and made sufficient disclosures. Our audit committee has also discussed the matters of audit and financial reporting.

The figures in respect of the Group’s consolidated statement of financial position, consolidated statement of profit or loss, consolidated statement of comprehensive income and the related notes thereto for the year ended 31 December 2021 as set out in this announcement have been agreed by the Company’s auditor, Ernst & Young, to the amounts set out in the Group’s consolidated financial statements for the year. The work performed by Ernst & Young in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently, no assurance has been expressed by Ernst & Young on this preliminary announcement.

12. Publication of Annual Results and Annual Report on the Websites of the Stock Exchange and the Company

This annual results announcement is published on the website of the Stock Exchange (<http://www.hkexnews.hk>) and the website of the Company (<http://www.rsunproperty.hk>). The annual report will be despatched to the shareholders of the Company in due course, and available for viewing on the websites of the Stock Exchange and the Company.

OUTLOOK FOR 2022

Into 2022, under the adversity of a slowdown in economic growth, dampened property sales and investment activities, slackened consumption growth, as well as the widespread and frequent onset of COVID-19 pandemic, and in view of the upcoming convention of the Twentieth National Congress of China in 2022, “upholding stability and seeking progress while maintaining stability” will become the general keynote in the economy-related efforts of the central government and local governments in China in 2022. Proactive monetary policies and fiscal policies and various pro-growth policies will be rolled out successively.

“Houses are for living, not for speculation” remains the long-lasting general keynote in government policy, while the target of “Three Stabilities” (stable land prices, house prices and expectations) in the real estate market further solidifies through long-term mechanism. In the process of continual deepening of the adjustment trend of the real estate market, the expectations on credit improvements become more prominent, whilst the possibility of substantial credit loosening is remote under banks’ imposition of the “Two Red Lines” supervision. It is expected that relevant measures safeguarding the healthy development of the real estate market and those safeguarding the legitimate interests of house consumers will be put into thorough practice. Policies guaranteeing delivery of property projects may be further improved, rejuvenating market confidence.

Going forward, it is expected that the macroeconomic policies of China will remain consistent, stable, more precise and more coordinated. At high times of debt maturities when property enterprises face the pressure of liquidity and the risk of delayed delivery of property projects, the state will adopt prudent management of real estate financing, which reiterates the property enterprises’ own duty and liability and enforce the duty of management of the government. Whilst the industry’s scale remains, the overall performance of the real estate market will tend to becoming stable amidst changes. The industry will return to the essence of residence, the market will return to the essence of supply and demand, and the property enterprises will return to the essence of operation.

In terms of product strategies, the Group will conduct precise and thorough research on cities and customers and realize product research and innovation based on “scenario iteration” and “health/aesthetics/wisdom”. We will realize continuous upgrade through “Hongzhu construction craftsmanship” and “Hongxin service quality” to ensure the long-lasting competitiveness of our products.

In terms of operation strategies, the Group will be operation- and customer-oriented to forge the competitive “six integrations”, thereby enhancing the systemic institutional capabilities.

In terms of investment strategies, the Group will adhere to expanding its investment channels in a diversified manner. We will invest in the new first- and second-tier cities with strong foothold and make prudent investment decisions based on the principle of cash flow safety. By deepening our intensive and meticulous development in premium core cities, we aim to achieve a high realization rate for project investments. At the same time, through the implementation of the dual-driven synergic development in property development and commercial real estate, the efficiency of residential investment and the commercial operating profit will be improved, and mutual empowerment and linkage development can be achieved.

In terms of financial strategies, the Group will adhere to complying with the financial strategies and credit metrics management as required by the national policies as well as the green tier requirements under the “Three Red Lines” assessment. By sustaining our healthy financial strategies, we will improve the credibility level of the Company and expand our accessibility to capital markets with an aim to constantly reducing our finance costs and supporting the healthy and sustainable growth of the Company.

Going forward, the Group will enshrine upon the “Yan’an Spirit” in the new era which emphasizes hard work fostered by communists of the older generation, with an unyielding mindset ready for persistent efforts. The Group will constantly uphold the core values of “professionalism and building credibility for the long term”, the corporate spirit of “Health, Hard work and Benevolence”, the “talent-, fighter- and contributor-oriented” talent concept as well as the team culture of “practicality, vitality and affinity”. Persisting in strengthening foothold and establishing deep presence, having dual-driven development in property development and commercial real estate, adopting sustainable and stable development strategies which are profit-oriented and of high quality, and enhancing operating earnings level of assets held to control liabilities and increase interests, the Group seeks to continually create value for customers, obtain recognitions from customers, strengthen its brand influence, provide products and services of premium quality, put customers in the first place and reshape values.

APPRECIATION

On behalf of the Board, I would like to take this opportunity to extend my wholehearted gratitude to all shareholders, bondholders, customers and partners for their unfailing support and to all employees for their contribution and hard work to the Company in year 2021.

By order of the Board
Redsun Properties Group Limited
Zeng Huansha
Chairman

Hong Kong, 30 March 2022

As of the date of this announcement, the executive Directors are Mr. Zeng Huansha, Mr. Yuan Chun, Mr. Zeng Junkai and Mr. Lui Wai Pang; and the independent non-executive Directors are Mr. Lee Kwok Tung Louis, Mr. Leung Yau Wan John and Mr. Au Yeung Po Fung.