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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 2022

FINANCIAL HIGHLIGHTS OF THE 2022 ANNUAL RESULTS ANNOUNCEMENT

- Contracted sales reached RMB35.202 billion, aggregated sales area was 2,598,417 square meters and the average selling price was RMB13,548 per square meter;
- Revenue amounted to RMB20,013.4 million, representing a decrease of 25.0% as compared with 2021. Revenue from commercial operations and hotel operations increased by 8.0% to RMB675.5 million (2021: RMB625.7 million);
- Gross profit and gross profit margin were RMB1,665.6 million and 8.3%, respectively;
- Net loss amounted to RMB3,937.8 million (2021: net profit of RMB1,865.7 million).

STATEMENTS AND NOTES

The board (the “**Board**”) of directors (the “**Directors**”) of Redsun Properties Group Limited (the “**Company**”) is pleased to announce the consolidated results of the Company and its subsidiaries (collectively, the “**Group**”) for the year ended 31 December 2022 (the “**Reporting Period**”), together with the comparative figures for the corresponding period of the previous year as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

Year ended 31 December 2022

		2022	2021
	<i>Notes</i>	<i>RMB'000</i>	<i>RMB'000</i>
REVENUE	5	20,013,430	26,666,979
Cost of sales		<u>(18,347,866)</u>	<u>(21,585,691)</u>
Gross profit		1,665,564	5,081,288
Other income and gains	5	809,815	339,106
Selling and distribution expenses		(690,781)	(956,619)
Administrative expenses		(690,747)	(944,380)
Fair value (losses)/gains on investment properties		(549,024)	276,442
Other expenses	5	(1,321,707)	(29,221)
Finance costs	7	(1,972,632)	(961,636)
Share of profits and losses of:			
Joint ventures		(3,327)	(52,304)
Associates		<u>(582,788)</u>	<u>372,136</u>
(LOSS)/PROFIT BEFORE TAX	6	(3,335,627)	3,124,812
Income tax expense	8	<u>(602,180)</u>	<u>(1,259,161)</u>
(LOSS)/PROFIT FOR THE YEAR		<u>(3,937,807)</u>	<u>1,865,651</u>
Attributable to:			
Owners of the parent		(3,881,520)	1,245,840
Non-controlling interests		<u>(56,287)</u>	<u>619,811</u>
		<u>(3,937,807)</u>	<u>1,865,651</u>

CONSOLIDATED STATEMENT OF PROFIT OR LOSS (CONTINUED)

Year ended 31 December 2022

	<i>Notes</i>	2022 <i>RMB'000</i>	2021 <i>RMB'000</i>
(LOSS)/EARNINGS PER SHARE			
ATTRIBUTABLE TO ORDINARY EQUITY			
HOLDERS OF THE PARENT	<i>10</i>		
Basic			
— For (loss)/profit for the year		<u>RMB(1.16)</u>	<u>RMB0.37</u>
Diluted			
— For (loss)/profit for the year		<u>RMB(1.16)</u>	<u>RMB0.37</u>

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Year ended 31 December 2022

	2022	2021
	<i>RMB'000</i>	<i>RMB'000</i>
(LOSS)/PROFIT FOR THE YEAR	<u>(3,937,807)</u>	<u>1,865,651</u>
OTHER COMPREHENSIVE INCOME		
OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF TAX	<u>—</u>	<u>—</u>
TOTAL COMPREHENSIVE (LOSS)/INCOME FOR THE YEAR	<u>(3,937,807)</u>	<u>1,865,651</u>
Attributable to:		
Owners of the parent	(3,881,520)	1,245,840
Non-controlling interests	<u>(56,287)</u>	<u>619,811</u>
	<u>(3,937,807)</u>	<u>1,865,651</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2022

	<i>Notes</i>	2022 RMB'000	2021 <i>RMB'000</i>
NON-CURRENT ASSETS			
Property, plant and equipment		618,651	768,749
Investment properties		13,971,380	14,114,116
Right-of-use assets		32,736	79,925
Other intangible assets		7,550	11,068
Investments in joint ventures		3,124,617	2,452,470
Investments in associates		9,230,128	11,739,053
Deferred tax assets		1,141,385	1,418,552
		<u>28,126,447</u>	<u>30,583,933</u>
Total non-current assets			
CURRENT ASSETS			
Inventories		156,439	84,768
Properties under development		36,360,756	49,232,765
Completed properties held for sale		5,459,328	6,099,195
Trade receivables	<i>11</i>	5,385	4,615
Prepayments, other receivables and other assets		12,626,940	15,374,105
Due from related companies		12,756,524	13,678,744
Financial assets at fair value through profit or loss		160,630	516,908
Tax recoverable		1,222,095	1,134,543
Cash and bank balances		4,858,420	16,039,258
		<u>73,606,517</u>	<u>102,164,901</u>
Total current assets			

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

As at 31 December 2022

	<i>Notes</i>	2022	2021
		<i>RMB'000</i>	<i>RMB'000</i>
CURRENT LIABILITIES			
Trade and bills payables	12	7,356,598	6,706,397
Other payables and accruals		4,177,803	8,905,585
Contract liabilities		26,250,397	33,192,419
Interest-bearing bank and other borrowings		6,155,668	6,865,131
Senior notes		10,409,067	4,521,504
Lease liabilities		46,833	51,200
Due to related companies		8,819,596	10,342,353
Tax payable		3,387,567	3,632,094
		<u>66,603,529</u>	<u>74,216,683</u>
Total current liabilities		66,603,529	74,216,683
		<u>7,002,988</u>	<u>27,948,218</u>
NET CURRENT ASSETS		7,002,988	27,948,218
		<u>35,129,435</u>	<u>58,532,151</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		35,129,435	58,532,151
NON-CURRENT LIABILITIES			
Interest-bearing bank and other borrowings		7,726,403	14,879,782
Senior notes		—	7,868,698
Lease liabilities		1,327,587	1,664,779
Deferred tax liabilities		2,276,978	2,373,037
		<u>11,330,968</u>	<u>26,786,296</u>
Total non-current liabilities		11,330,968	26,786,296
		<u>23,798,467</u>	<u>31,745,855</u>
Net assets		23,798,467	31,745,855
EQUITY			
Equity attributable to owners of the parent			
Share capital		28,411	28,409
Share premium		1,888,469	1,887,875
Other reserves		10,006,208	13,850,176
		<u>11,923,088</u>	<u>15,766,460</u>
Non-controlling interests		11,875,379	15,979,395
		<u>23,798,467</u>	<u>31,745,855</u>
Total equity		23,798,467	31,745,855

NOTES TO FINANCIAL STATEMENTS

31 December 2022

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.

Going concern basis

The Group recorded a net loss of RMB3,937,807,000 for the year ended 31 December 2022. As at 31 December 2022, (i) the Group’s total bank and other borrowings and senior notes amounted to RMB24,291,138,000, out of which RMB16,564,735,000 will be due for repayment within the next twelve months, while its cash and cash equivalents amounted to RMB2,462,494,000; (ii) the Group had not repaid an aggregate amount of principal and interests of RMB1,831,801,000 for a senior note and an aggregate amount of interests of RMB475,673,000 for certain senior notes and interest-bearing bank and other borrowings according to their scheduled repayment dates, triggering events of default for the corresponding senior notes and interest-bearing bank and other borrowings amounted to RMB9,133,129,000; and (iii) such events of default triggered cross-defaults of certain interest-bearing bank and other borrowings with an aggregate amount of RMB1,503,874,000, which were payable on demand if requested by the lenders.

The above conditions indicate the existence of a material uncertainty which cast significant doubt over the Group's ability to continue as a going concern. In view of such circumstances, the directors of the Company have undertaken a number of plans and measures to improve the Group's liquidity and financial position, including:

- (a) The Group has appointed financial advisors to assist it with a holistic restructuring of its offshore debts, in order to reach a consensual solution with all the stakeholders as soon as practicable;
- (b) The Group has been actively negotiating with several banks and financial institutions on the extension for repayments of certain borrowings;
- (c) The Group has been actively negotiating with several financial institutions to obtain new loans at a reasonable cost for ensuring delivery of its property projects under development;
- (d) The Group will continue to seek for other alternative financing and borrowings to finance the settlement of its existing financial obligations and future operating and capital expenditures;
- (e) The Group has prepared a business strategy plan mainly focusing on the acceleration of the sales of properties;
- (f) The Group has implemented measures to speed up the collection of outstanding sales proceeds and effectively control costs and expenses; and
- (g) The Group will continue to seek suitable opportunities to dispose of its equity interests in certain project development companies in order to generate additional cash inflows.

The directors have reviewed the Group's cash flow projections prepared by management, which cover a period of not less than twelve months from 31 December 2022. They are of the opinion that, taking into account the abovementioned plans and measures, the Group will have sufficient working capital to finance its operations and to meet its financial obligations as and when they fall due within twelve months from 31 December 2022. Accordingly, the directors are satisfied that it is appropriate to prepare the consolidated financial statements on a going concern basis.

Notwithstanding the above, significant uncertainties exist as to whether the Group is able to achieve its plans and measures as described above. Whether the Group will be able to continue as a going concern would depend upon the following:

- (a) successfully completing the holistic restructuring of its offshore debts;
- (b) successfully negotiating with the Group's existing lenders for the renewal or extension for repayment of the Group's bank and other borrowings;
- (c) successfully securing project development loans for qualified project development;
- (d) successfully obtaining additional new sources of financing as and when needed;
- (e) successfully carrying out the Group's business strategy plan including the acceleration of the sales of properties;
- (f) successfully implementing measures to speed up the collection of outstanding sales proceeds and effectively control costs and expenses; and

- (g) successfully disposing of the Group's equity interests in project development companies when suitable.

Should the Group be unable to operate as a going concern, adjustments may have to be made to write down the carrying values of assets to their recoverable amounts, to provide for any further liabilities which might arise, and to reclassify non-current assets and non-current liabilities as current assets and current liabilities, respectively. The effect of these adjustments has not been reflected in the consolidated financial statements.

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 2022. 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).

Generally, there is a presumption that a majority of voting rights results in control. 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 3	<i>Reference to the Conceptual Framework</i>
Amendments to IAS 16	<i>Property, Plant and Equipment: Proceeds before Intended Use</i>
Amendments to IAS 37	<i>Onerous Contracts — Cost of Fulfilling a Contract</i>
<i>Annual Improvements to IFRSs 2018–2020</i>	Amendments to IFRS 1, IFRS 9, Illustrative Examples accompanying IFRS 16, and IAS 41

The nature and the impact of the revised IFRSs that are applicable to the Group are described below:

- (a) Amendments to IFRS 3 replace a reference to the previous *Framework for the Preparation and Presentation of Financial Statements* with a reference to the *Conceptual Framework for Financial Reporting* (the “**Conceptual Framework**”) issued in March 2018 without significantly changing its requirements. The amendments also add to IFRS 3 an exception to its recognition principle for an entity to refer to the Conceptual Framework to determine what constitutes an asset or a liability. The exception specifies that, for liabilities and contingent liabilities that would be within the scope of IAS 37 or IFRIC 21 if they were incurred separately rather than assumed in a business combination, an entity applying IFRS 3 should refer to IAS 37 or IFRIC 21 respectively instead of the Conceptual Framework. Furthermore, the amendments clarify that contingent assets do not qualify for recognition at the acquisition date. The Group has applied the amendments prospectively to business combinations that occurred on or after 1 January 2022. As there were no business combinations during the year, the amendments did not have any impact on the financial position and performance of the Group.
- (b) Amendments to IAS 16 prohibit an entity from deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognises the proceeds from selling any such items, and the cost of those items as determined by IAS 2 *Inventories*, in profit or loss. The Group has applied the amendments retrospectively to items of property, plant and equipment made available for use on or after 1 January 2021. Since there was no sale of items produced prior to the property, plant and equipment being available for use, the amendments did not have any impact on the financial position or performance of the Group.
- (c) Amendments to IAS 37 clarify that for the purpose of assessing whether a contract is onerous under IAS 37, the cost of fulfilling the contract comprises the costs that relate directly to the contract. Costs that relate directly to a contract include both the incremental costs of fulfilling that contract (e.g., direct labour and materials) and an allocation of other costs that relate directly to fulfilling that contract (e.g., an allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract as well as contract management and supervision costs). General and administrative costs do not relate directly to a contract and are excluded unless they are explicitly chargeable to the counterparty under the contract. The Group has applied the amendments prospectively to contracts for which it has not yet fulfilled all its obligations at 1 January 2022 and no onerous contracts were identified. Therefore, the amendments did not have any impact on the financial position or performance of the Group.

- (d) *Annual Improvements to IFRSs 2018–2020* sets out amendments to IFRS 1, IFRS 9, Illustrative Examples accompanying IFRS 16, and IAS 41. Details of the amendment that is applicable to the Group are as follows:

IFRS 9 Financial Instruments: clarifies the fees that an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability. These fees include only those paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf. The Group has applied the amendment prospectively from 1 January 2022. As there was no modification or exchange of the Group's financial liabilities during the year, the amendment did not have any impact on the financial position or performance of the Group.

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; and
- (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 (loss)/profit, which is a measure of adjusted (loss)/profit before tax. The adjusted (loss)/profit 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 2022	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	19,337,943	647,780	27,707	20,013,430
Revenue				<u>20,013,430</u>
Segment results	(781,742)	(843,084)	(1,509)	(1,626,335)
<i>Reconciliation:</i>				
Bank interest income				44,214
Fair value loss on financial assets at fair value through profit or loss				(161,705)
Investment loss				(17,866)
Gain on repurchase of senior notes				551,274
Finance costs (other than interest on lease liabilities)				(1,891,699)
Corporate and other unallocated expenses				<u>(233,510)</u>
Loss before tax				<u>(3,335,627)</u>
Segment assets	86,257,029	14,689,404	431,263	101,377,696
<i>Reconciliation:</i>				
Corporate and other unallocated assets				<u>355,268</u>
Total assets				<u>101,732,964</u>
Segment liabilities	75,569,661	1,970,480	14,183	77,554,324
<i>Reconciliation:</i>				
Corporate and other unallocated liabilities				<u>380,173</u>
Total liabilities				<u>77,934,497</u>
Other segment information				
Share of profits and losses of:				
Joint ventures	(3,327)	—	—	(3,327)
Associates	(582,788)	—	—	(582,788)
Impairment losses recognized on properties under development and properties held for sale	977,301	—	—	977,301
Impairment losses write-off on properties under development and properties held for sale	(174,380)	—	—	(174,380)
Fair value loss on investment properties	—	(549,024)	—	(549,024)
Depreciation and amortisation	71,357	12,915	12,958	97,230
Investments in associates	9,230,128	—	—	9,230,128
Investments in joint ventures	3,124,617	—	—	3,124,617
Capital expenditure*	12,960	809,210	54	822,224

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 loss 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 on properties under development and properties held for sale	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.

5. REVENUE, OTHER INCOME AND GAINS, OTHER EXPENSES

An analysis of revenue is as follows:

	2022 <i>RMB'000</i>	2021 <i>RMB'000</i>
Revenue from contracts with customers	19,394,334	26,121,788
<i>Revenue from other sources</i>		
Rental income from investment property operating leases	<u>619,096</u>	<u>545,191</u>
	<u><u>20,013,430</u></u>	<u><u>26,666,979</u></u>

Revenue from contracts with customers

a) *Disaggregated revenue information*

For the year ended 31 December 2022

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>
Types of goods or services				
Sale of properties	19,282,505	—	—	19,282,505
Hotel operations	—	—	27,707	27,707
Project management services	55,438	—	—	55,438
Others	<u>—</u>	<u>28,684</u>	<u>—</u>	<u>28,684</u>
Total revenue from contracts with customers	<u><u>19,337,943</u></u>	<u><u>28,684</u></u>	<u><u>27,707</u></u>	<u><u>19,394,334</u></u>
Timing of revenue recognition				
Goods transferred at a point in time	19,282,505	—	—	19,282,505
Services transferred over time	<u>55,438</u>	<u>28,684</u>	<u>27,707</u>	<u>111,829</u>
Total revenue from contracts with customers	<u><u>19,337,943</u></u>	<u><u>28,684</u></u>	<u><u>27,707</u></u>	<u><u>19,394,334</u></u>

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>
Types 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	525	38,354	—	38,879
Total revenue from contracts with customers	<u>26,041,292</u>	<u>38,354</u>	<u>42,142</u>	<u>26,121,788</u>
Timing of revenue recognition				
Goods transferred at a point in time	25,473,527	—	—	25,473,527
Services transferred over time	567,765	38,354	42,142	648,261
Total revenue from contracts with customers	<u>26,041,292</u>	<u>38,354</u>	<u>42,142</u>	<u>26,121,788</u>

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 2022

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>19,337,943</u>	<u>28,684</u>	<u>27,707</u>	<u>19,394,334</u>

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>

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:

	2022 <i>RMB'000</i>	2021 <i>RMB'000</i>
Revenue recognised that was included in contract liabilities at the beginning of the reporting period:		
Sale of properties	<u>14,799,659</u>	<u>17,860,962</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:

	2022 <i>RMB'000</i>	2021 <i>RMB'000</i>
Amounts expected to be recognised as revenue:		
Within one year	23,284,933	26,832,142
After one year	<u>4,057,858</u>	<u>7,511,530</u>
	<u>27,342,791</u>	<u>34,343,672</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.

An analysis of other income and gains is as follows:

	2022 <i>RMB'000</i>	2021 <i>RMB'000</i>
Other income and gains		
Bank interest income	44,214	142,683
Investment income	—	15,860
Gain on repurchase of senior notes	551,274	—
Forfeiture of deposits	5,522	8,880
Government grants	22,035	6,473
Gain on remeasurement of pre-existing interests in the Acquired Subsidiaries	—	65,541
Gain on disposal of subsidiaries	—	61,620
Gain on disposal of associates and joint ventures	142,589	12,681
Others	44,181	25,368
	<u>809,815</u>	<u>339,106</u>

An analysis of other expenses is as follows:

	2022 <i>RMB'000</i>	2021 <i>RMB'000</i>
Other expenses		
Impairment of financial assets	708,848	2,457
Losses on disposal of subsidiaries	352,661	—
Fair value loss on financial assets at fair value through profit or loss	161,705	1,511
Losses on disposal of items of property, plant equipment	15,927	925
Losses on remeasurement of pre-existing interests in joint ventures	9,258	—
Investment loss	17,866	—
Penalty	5,449	4,572
Others	49,993	19,756
	<u>1,321,707</u>	<u>29,221</u>

6. (LOSS)/PROFIT BEFORE TAX

The Group's (loss)/profit before tax from continuing operations is arrived at after charging/(crediting):

	2022	2021
	RMB'000	RMB'000
Cost of inventories sold	17,173,775	20,626,744
Cost of services provided	267,915	263,928
Impairment of financial assets	708,848	2,457
Impairment losses recognised for properties under development and completed properties held for sale	977,301	658,838
Depreciation of items of property, plant and equipment	66,433	72,456
Depreciation of right-of-use assets	27,279	33,357
Amortisation of other intangible assets	3,518	3,849
Fair value losses/(gains) on investment properties	549,024	(276,442)
Fair value loss on financial assets at fair value through profit or loss	161,705	1,511
Losses on disposal of items of property, plant and equipment	15,927	925
Losses/(gains) on disposal of subsidiaries	352,661	(61,620)
Losses/(gains) on remeasurement of pre-existing interests in the Acquired Subsidiaries	9,258	(65,541)
Gains on disposal of associates and joint ventures	(142,589)	(12,681)
Share of losses/(gains) of:		
Joint ventures	3,327	52,304
Associates	582,788	(372,136)
Auditor's remuneration	6,000	6,680
Employee benefit expense (including directors' and chief executive's remuneration):		
Wages and salaries	396,395	933,338
Equity-settled share-based payments	—	(30,852)
Pension scheme contributions and social welfare*	68,758	91,564
Less: Amount capitalised	(129,148)	(337,430)
	336,005	656,620

* There was no forfeiture of contributions under the Defined Contribution Schemes, and there were no forfeited contributions available for the Group to reduce its existing level of contributions to the Defined Contribution Schemes as at 31 December 2022.

7. FINANCE COSTS

An analysis of finance costs is as follows:

	2022 <i>RMB'000</i>	2021 <i>RMB'000</i>
Interest on bank loans, senior notes and other loans	2,848,279	2,829,591
Interest expense arising from revenue contracts	863,489	884,128
Interest on lease liabilities	80,933	80,249
	<hr/>	<hr/>
Total interest expense on financial liabilities not at fair value through profit or loss	3,792,701	3,793,968
Less: Net foreign exchange losses/(gains) on financing activities	682,647	(157,040)
Interest capitalised	(2,502,716)	(2,675,292)
	<hr/>	<hr/>
	1,972,632	961,636
	<hr/> <hr/>	<hr/> <hr/>

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 2022.

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.

	2022 <i>RMB'000</i>	2021 <i>RMB'000</i>
Current tax:		
CIT	274,649	1,411,727
LAT	145,813	189,887
Deferred tax	181,718	(342,453)
	<hr/>	<hr/>
Total tax charge for the year	602,180	1,259,161
	<hr/> <hr/>	<hr/> <hr/>

9. DIVIDENDS

The board of directors has resolved not to pay dividend during the year ended 31 December 2022 (2021: Nil).

10. (LOSS)/EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

The calculation of the basic (loss)/earnings per share amount is based on the (loss)/profit for the year attributable to ordinary equity holders of the parent, and the weighted average number of ordinary shares of 3,338,543,386 (2021: 3,331,131,422) in issue during the year.

Diluted loss per share for the year ended 31 December 2022 was the same as the basic loss per share as the share options had an anti-dilutive effect on the basic loss per share during the year. For the year ended 31 December 2021, diluted earnings per share amounts are calculated by dividing the profit attributable to the shareholders of the Company by the weighted average number of ordinary shares in issue during the year, as used in the basic earnings per share calculation, plus the weighted average number of ordinary shares that would be issued on the deemed exercise of all the dilutive potential ordinary shares into ordinary shares.

The calculations of basic and diluted (loss)/earnings per share are based on:

	2022 <i>RMB'000</i>	2021 <i>RMB'000</i>
(Loss)/earnings		
(Loss)/profit attributable to ordinary equity holders of the parent, used in the basic (loss)/earnings per share calculation	<u>(3,881,520)</u>	<u>1,245,840</u>
	Number of shares	
	2022	2021
Shares		
Weighted average number of ordinary shares in issue during the year used in the basic earnings per share calculation	3,338,543,386	3,331,131,422
Effect of dilution — weighted average number of ordinary shares:		
Share options	<u>—</u>	<u>9,626,194</u>
	<u>3,338,543,386</u>	<u>3,340,757,616</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

	2022 <i>RMB'000</i>	2021 <i>RMB'000</i>
Trade receivables	5,385	4,615
Impairment	—	—
	<u>5,385</u>	<u>4,615</u>

The carrying amounts of trade and other receivables approximate their respective fair values as at 31 December 2022 and 2021.

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:

	2022 <i>RMB'000</i>	2021 <i>RMB'000</i>
Within 1 month	3,751	2,195
1 to 3 months	824	1,817
3 to 6 months	796	—
6 to 12 months	—	590
Over 12 months	14	13
	<u>5,385</u>	<u>4,615</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:

	2022 <i>RMB'000</i>	2021 <i>RMB'000</i>
Within 1 year	5,867,845	5,923,463
Over 1 year	1,488,753	782,934
	<u>7,356,598</u>	<u>6,706,397</u>

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

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 2022.

In 2022, in face of the complexity and severity of the external economic environment, shrinkage of financing, resurgence of COVID-19 pandemic and the international landscape, the real estate industry entered a normalized cold-winter stage. The aggregated sales area of nationwide commodity housing totaled 1,360 million square meters, representing a decrease of 24% from the previous year, and sales amount was RMB13.3 trillion, representing a decrease of 27%, against the backdrop of continual decline in property sales, dampened sentiment in both supply and demand, and ongoing general pressure on operating results of real estate enterprises.

In the second half of 2022, the state government stepped up policy adjustments by introducing various favorable policies on the industry, with the continual release of sales-end and financing-end policies coupled with the relaxation of pandemic control measures. The gradual amplification of policy effect translated into the gradual recovery of the real estate market.

Rising to challenges and tackling problems in difficult times has become a norm. The Company has taken the initiatives to embrace such reality and focus on customer values. In such adversity, the Company strengthened its foothold, remained focused and achieved breakthrough, adjusting its strategies in a timely manner according to market changes. On operation side, it made swift decisions and remained highly responsible, embracing difficulties and adopting the active management of its offshore debts, thereby resolving risks, adapting to rapid market changes, and strenuously push ahead the virtuous cycle of operation.

During the Reporting Period, with strengthened foothold, the Group carried on with the dual-driven synergic development in property development and commercial real estate and achieved contracted sales of RMB35.202 billion; aggregate contracted sales in gross floor area of 2.5984 million square meters, and average selling price of RMB13,548 per square meter. Recognized sales revenue amounted to RMB20,013.4 million, representing a decrease of approximately 25% as compared to the previous year. The gross profit was RMB1,665.6 million; the net loss was RMB3,937.8 million.

Strengthened foothold

In 2022, in face of the difficult industry environment, the Group adhered to stability and strengthening foothold and focused on its development strategy, returned to its stronghold, took the initiatives to undergo organizational reforms, adapted to changes, optimized management hierarchy and uplifted efficiency.

The Group adhered to the dual-driven development in property development and commercial real estate, with multiple measures to foster steady operation. It took the initiatives to manage debts, boost industry confidence in development, worked together to reach the optimal solutions for all stakeholders, in its efforts in undergoing such an exceptional period for the industry. During the Reporting Period, the successful opening of Anqing Hong Yang Plaza further intensified the urban-industrial integration model of “Dual Mall + Entertainment Performance”. Benchmark projects including Nanjing Hong Yang Plaza focused on first mall economy, diversified realignments and the introduction of multiple items, with a view to continually uplifting new trends and diversifying new consumption experience.

Quality delivery

In 2022, the Group delivered nearly 60 projects in aggregate, totaling approximately 40,000 new flats, fulfilling the commitment of creating homes for those property owners who selected and trusted the Company. By means of our meticulous craftsmanship, we built and delivered benchmarking projects and received high recognition of the market. Meanwhile, adhering to its customer-oriented strategic direction, the Group made “transparent construction sites” available for viewing by the public, thereby property owners became more reassured in their experience of home purchase and project delivery.

From the viewing of transparent construction sites prior to project completion to the meticulous delivery of quality products, the Company is always committed to delivering high-quality residences, with ceaseless efforts in fostering product enhancement and service enhancement, extending the sincerity and quality underlying its products, and bringing customer satisfaction beyond the pre-set annual goals.

Customer value

2022 is the “Customer Value Year” of the Company. Being customer-oriented, the Group remains its steadfast commitment to the service philosophy of “Quality First and Customer First”, with ceaseless efforts in enhancing product system development and service standardization, living up to the expectations of property owners and customers, and doing its best to uplift both product quality and customer service delivery.

Geek culture

The “Geek Spirit” of “Health, Hard Work and Benevolence” represents an integral part of the corporate culture of the Company. The Group has been persistently practicing the geek culture, building team cohesion, incentivizing organizational vitality, and creating a vibe of health, vitality and persistent hard work.

Charity

Caring for and supporting underprivileged teenagers has been an integral part of the charitable deeds of the Group. The Group has always cared about the underprivileged teenagers in Jiangsu, making its donations to the 2022 “Dream House” campaign in ten cities in Jiangsu, and arranging volunteers’ visits to different places in the province to bring warm love to children. The “Dream Transforming +” Caring Plan has been honoured as one of China’s “Glorious Stars” 2022, testifying the recognition by state bodies of the Group’s precise efforts in supporting underprivileged teenagers and its persistent performance of social responsibilities.

Looking forward, we will adhere to focused development and strengthening regional foothold, explore the full potentials of Jiangsu as our stronghold, consolidate quality resources, uplift efficiency, and focus on intensive management. Meanwhile, we will ensure cash flow safety, quality and efficacy enhancement, commence financial and operational businesses based on cash flow, ensure operational safety, and achieve steady, orderly and high-quality and sustainable development of the Company.

“Customer Value Year” will remain the main theme of the Company in 2023. With a customer-oriented mindset, we will uplift the quality of our products and services, aim at the trilateral targets of products, services and resources, and continually create values for customers. “Guarantee of property delivery” will remain the keynote, for which we will uphold customer value, attain high-quality delivery and enhance our brand influence.

We will constantly uphold the core values of “professionalism and building credibility for the long term”, adhere to a flat and highly efficient organizational structure and the corporate culture of practicality, advocate the spirit of “setting good role model, taking actions and going first”, and continually build a team culture of hard work, practicality and efficiency.

Finally, on behalf of the Board again, I would like to extend my whole-hearted gratitude to all parties for their understanding and support of the Company in 2022, and to all employees for being dedicated to overcoming challenging times together and for their selfless contribution and hard work!

Redsun Properties Group Limited
Zeng Huansha
Chairman

Hong Kong

30 March 2023

MANAGEMENT DISCUSSION AND ANALYSIS

REVIEW FOR 2022

According to the National Bureau of Statistics, in 2022, the GDP of China increased by 3% year on year with a compounded average annual growth rate of 4.5% over the past three years of COVID-19 pandemic as compared to the base figures in 2019, still achieving one of the best economic performance among major economies around the globe. In 2021, the Central Economic Work Conference spelt out the three aspects of pressure facing China's economy, namely "shrinkage in demand, impact of supply, and weakened expectation". In 2022, China's economic growth slackened, under the three aspects of pressure and unexpected factors. As the pandemic-related measures draw to an end, the focus of the social and economic development of the country was gradually turning to "growth stability".

In the real estate sector of China, the aggregate sales area of nationwide commodity housing totaled 1,360 million square meters, representing a decrease of 24% from the previous year; sales amount of commodity housing totaled RMB13.3 trillion, representing a decrease of 27% from the previous year. Since the beginning of 2022, with the series of unfavorable factors including macroeconomic downturn, resurgence of the COVID-19 pandemic in various parts of the country and suspension of construction in various pre-sold projects, the real estate market demonstrated a pattern of intensive adjustment. In the second half of 2022, a number of supervisory bodies released substantial policies favorable to the market, including the relaxation of the "Four Restrictions" in support of the demand side, the "guarantee of project delivery" and policies on real estate financing. Under the successive launch of rescue policies including credit policy, household registration policy, talents policy, population policy and affordable-housing policy, the industry is now in an easing cycle. However, whilst the weak expectation on residents' income and the wait-and-see sentiment of potential home purchasers remain unchanged, the pressure on adjustment of the real estate market will still exist in the short run.

In 2022, under the difficult environment in the industry, the Company upheld its core values of "professionalism and building credibility for the long term", adhered to the strategy of sound and focused development, returned to its stronghold, and adopted various measures to foster sound operations. Trying its best in delivering good quality and uplifting customer services, the Group delivered nearly 60 projects in aggregate during the year, totaling approximately 40,000 new flats, fulfilling the commitment of creating homes for the property owners.

Maintaining the dual-driven synergic development in property development and commercial real estate, the Group has three primary business segments namely property development and sales, commercial property investment and operations, and hotel operations, among which property development and sales is the core business of the Group. The Group's revenue is primarily generated from the sales of residential properties and ancillary shops developed by the Group, rentals from the investment in and operation of commercial properties, and service fees from hotel operations.

During the Reporting Period, the Group achieved contracted sales of RMB35.202 billion, aggregate contracted sales in gross floor area of 2,598,417 square meters, and average selling price of RMB13,548 per square meter.

During the Reporting Period, the Group's recognized sales revenue amounted to RMB20,013.4 million, representing a decrease of approximately 25% as compared to the previous year. The gross profit was RMB1,665.6 million; the net loss was RMB3,937.8 million.

1. Property business

During the Reporting Period, the Group's revenue from its property business amounted to RMB19,337.94 million. As at 31 December 2022, the Group's total gross floor area of land bank was approximately 14,983,550 sq.m., of which gross floor area of land bank attributable to the Group was approximately 7,484,348 sq.m.

2. Commercial property investment and operations

During the Reporting Period, the Group's sales revenue from commercial operations amounted to approximately RMB647.78 million.

3. Hotel operations

During the Reporting Period, the Group's sales revenue from hotel operations amounted to approximately RMB27.71 million.

BUSINESS REVIEW

1. Sales of Properties

As of 31 December 2022, the Group achieved contracted sales of approximately RMB35.202 billion, and contracted sales in gross floor area of approximately 2,598,417 sq.m.

Details of the contracted sales of the Group as at 31 December 2022 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	289,907	5,701,769	19,668
Xuzhou	258,172	2,565,394	9,937
Suzhou	186,370	3,389,112	18,185
Foshan	172,011	2,853,042	16,586
Chengdu	135,358	1,668,272	12,325
Yancheng	133,684	1,739,122	13,009
Wuxi	119,594	1,902,456	15,908
Changzhou	101,417	1,201,018	11,842
Chongqing	101,351	881,508	8,698
Wuhan	94,311	1,109,233	11,761
Guangzhou	87,014	1,679,831	19,305
Nanchang	85,234	859,565	10,085
Anqing	82,540	546,600	6,622
Suqian	72,126	576,493	7,993
Huai'an	65,358	915,055	14,001
Wenzhou	62,993	1,473,183	23,387
Nantong	50,113	695,338	13,875
Changsha	49,311	479,477	9,724
Zhenjiang	46,934	427,717	9,113
Huzhou	44,836	506,627	11,300
Hefei	38,050	317,890	8,355
Jinan	37,842	514,450	13,595
Xi'an	37,767	450,001	11,915
Qingdao	37,448	487,039	13,006
Xiangyang	34,795	246,136	7,074
Zhengzhou	31,092	153,557	4,939
Ningbo	21,819	472,706	21,665
Weifang	20,816	204,709	9,834
Jiangmen	18,852	169,698	9,002
Hengyang	14,129	101,773	7,203
Yangzhou	14,116	204,202	14,466
Fuyang	7,986	62,868	7,872
Bozhou	7,218	57,389	7,951

Region	Contracted		Average Contracted Selling Price (RMB/sq.m.)
	Sales Area in Total Gross Floor Area (sq.m.)	Contracted Sales Amount (RMB'000)	
Chuzhou	4,815	41,202	8,557
Kaifeng	3,122	39,115	12,530
Wuhu	2,138	21,944	10,262
Jiaxing	1,117	14,686	13,145
Hangzhou	915	33,068	36,122
Others	25,746	438,883	17,047
Total	<u>2,598,417</u>	<u>35,202,128</u>	<u>13,548</u>

2. Land Bank

As at 31 December 2022, the Group had a land bank with an aggregate gross floor area of approximately 14,983,550 sq.m., including completed properties totaled 2,371,873 sq.m., rentable area held for investment totaled 966,596 sq.m., and properties under development totaled 11,645,081 sq.m.

Details of the land bank of the Group (including acquired in process) as at 31 December 2022 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
Anqing	Anqing Hong Yang Upper City (安慶弘陽上城)	147,547	10,854	80,000	162,597	253,451	95%
Bengbu	Huadi Hongyang Residence (華地弘陽府)	32,646	263	—	5,065	5,328	48%
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	82,175	—	98,316	180,491	40%
Changshu	Shanghu Shang Jun Hua Court (尚湖尚雋華庭)	39,410	—	—	12,798	12,798	48%
Changshu	Shanghu Shuangjing Hua Court (尚湖雙璟華庭)	17,361	—	—	4,023	4,023	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
Changshu	Hefeng Architecture in Xinhua Road (新華路和風名築)	45,742	45,381	—	13,300	58,682	40%
Changshu	Changshu Guli Tieqin Road Project (常熟古里鐵琴路項目)	40,805	—	—	87,356	87,356	32%
Changzhou	Commercial and Trading Peak (商貿雲峯)	50,921	49,407	—	18,789	68,196	57%
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	15,847	30,086	213,303	259,236	49%
Changzhou	Golden Seal and Heaven Shire (金璽天郡)	88,719	30,154	—	—	30,154	50%
Changzhou	Emperor Looks at the First Court (君望甲第)	67,225	10,625	—	8,082	18,706	40%
Changzhou	Sang Ma Land Lot A (桑麻A地塊)	44,524	—	11,690	—	11,690	70%
Changzhou	Yanlan Fenghua (燕瀾風華)	126,695	26,630	—	5,863	32,493	85%
Changzhou	Changzhou Hong Yang Plaza (常州弘陽廣場)	43,590	—	85,030	4,835	89,866	100%
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	6,038	105,818	151,535	263,390	70%
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	Hong Yang Upper City Phase I-III (弘陽上城一-三期)	111,700	6,831	—	—	6,831	100%
Changzhou	Xi Xia Shu Yun Xi (西夏墅雲禧)	36,712	29,548	—	—	29,548	35%
Changzhou	Changzhou Yaoguan Yuhushanguan Garden (常州遙觀昱湖上觀花苑)	58,093	—	—	111,451	111,451	57%
Chengdu	Dujiangyan DJY2017-09 (都江堰DJY2017-09)	26,393	2,741	—	—	2,741	95%
Chengdu	Dujiangyan DJY2017-10 (都江堰DJY2017-10)	39,064	4,671	—	—	4,671	95%

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
Chengdu	Central Road Fanjin 108 (formerly: Central Road Project) (中環路梵錦108 项目名称: 中環路項目))	72,114	15,359	41,730	63,033	120,122	47%
Chengdu	Shuangliu Heyuan Project (雙流合園項目)	19,794	16,257	—	18,929	35,187	48%
Chengdu	Qionglai Hong Yang Weilai Shiguang (邛崃弘陽未崃時光)	39,809	10,439	—	—	10,439	94%
Chengdu	Chengdu Xinglonghu Lakeside Yun Jing Garden (formerly: Tianfu Xinqu 42 mou) (成都興隆湖湖畔雲璟花園 项目名称: 天府新區42畝))	28,432	—	—	79,751	79,751	32%
Chuzhou	Metropolitan Art Atmosphere (都會藝境)	60,189	8,009	—	—	8,009	33%
Chuzhou	Hong Yang Garden (弘陽苑)	8,782	1,851	—	—	1,851	100%
Chuzhou	Glory Residence (正榮府)	80,867	3,611	—	—	3,611	30%
Chuzhou	Garden In Times (Chuzhou Times Billow) (時光里花園(滁州時光瀾庭))	89,886	1,757	—	—	1,757	40%
Chuzhou	Jingzi Road Times Magnificence (敬梓路時光風華)	55,719	13,625	—	—	13,625	47%
Danyang	Phoenix Terrace (鳳熹台)	88,498	15,751	—	—	15,751	20%
Foshan	Hongyang Shan Xin Garden (弘陽山馨花園)	63,132	6,627	—	—	6,627	95%
Foshan	Benevolence Lake No. 1 (博愛湖一號)	44,156	4,600	8,011	—	12,610	95%
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	Nanyou Park No. 1 (南油公園一號)	67,582	—	—	176,419	176,419	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 (佛山張槎昕悅府)	17,059	—	—	46,901	46,901	48%
Fuyang	Yingzhou Hong Yang Residence (潁州弘陽府)	38,297	15,203	—	—	15,203	45%

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Guangzhou	Guangzhou Wanjing No. 1 (廣州灣璟壹號)	32,387	—	—	122,471	122,471	12%
Guangzhou	Zengcheng Times (增城時光薈)	53,392	—	—	186,536	186,536	17%
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	6,447	—	—	6,447	67%
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	33%
Hangzhou	Hangxing Road Project (杭行路項目)	18,703	—	—	2,280	2,280	30%
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%
Hefei	Changfeng In Times (長豐時光里)	42,621	8,561	—	—	8,561	100%
Hefei	Yaohai Joy Residence (瑤海昕悅府)	37,254	3,634	—	—	3,634	80%
Hefei	Glance River Terrace (望江台)	139,536	28,558	—	—	28,558	25%
Hefei	Dongfangyin (東方印)	28,081	6,674	—	—	6,674	51%
Hefei	Moon Bay Joy and Magnificence (月亮灣和悅風華)	26,380	3,237	—	—	3,237	38%
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	Longzi Lake Times (龍子湖湖語時光)	68,461	26,156	—	111,851	138,007	29%
Hefei	Lujiang Lakeside Shade Mountain (廬江湖畔樾山)	161,263	73,337	—	270,343	343,680	48%
Hengyang	Yangliu Road Sunrise Joy Residence (楊柳路昕悅府)	36,912	26,044	—	—	26,044	95%

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Huzhou	Ren Huang 43 Yan Lan Residence (仁皇43燕瀾府)	48,652	6,627	—	—	6,627	97%
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	97%
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%
Huai'an	Heyi Road Yunhe Fenghua (合意路運河風華)	68,362	—	—	167,564	167,564	47%
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%
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%
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	43,532	—	41,838	85,370	43%
Jiangmen	Liyue Guoyue Residence (formerly: Liyue Project) (禮樂國樾府(原名稱: 禮樂 項目))	30,231	56,968	—	—	56,968	31%
Jiangyin	Yunting Joy Residence (雲亭昕悅府)	138,902	20,731	—	—	20,731	100%
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	80,152	—	31,485	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	33,406	—	—	33,406	48%

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Jurong	Jurong C Ziyue Residence (formerly: Land Lot No. 2018-J1-06) (句容C紫悦府(原名稱：2018-J1-06號地塊))	72,609	34,896	—	—	34,896	31%
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%
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	36,463	—	—	36,463	44%
Ma'anshan	Hexian Peacock City (和縣孔雀城)	97,340	2,146	—	—	2,146	20%
Meishan	Renshou In Times (仁壽時光里)	68,107	19,915	—	35,889	55,804	95%
Nanchang	Nanchang Hong Yang Residence (南昌弘陽府)	43,410	12,140	—	—	12,140	44%
Nanchang	Yao Lake Times Sky Shade (瑤湖時光天樑)	102,269	96,522	—	126,792	223,314	63%
Nanchang	Zhong Da Hong Yang (formerly: Qing Yun Pu) (中大弘陽(原名稱：青雲譜))	29,452	24,853	—	—	24,853	47%
Nanchang	Wanli In Times (灣裡時光里)	13,717	6,229	—	—	6,229	95%
Nanchang	Nanchang Qingshan Lake Avenue Times Garden (南昌青山湖大道時光玖悅)	20,182	—	—	65,514	65,514	44%
Nanjing	Solaris Loving City Section 8 (旭日愛上城八區)	40,552	4,992	—	—	4,992	100%
Nanjing	Shiguang Chunxiao (時光春曉)	32,246	449	—	—	449	49%
Nanjing	Binhuli (濱湖里)	52,763	5,426	—	—	5,426	51%
Nanjing	Qilin Garden in the East (麒麟領東苑)	67,810	448	—	—	448	33%
Nanjing	Yanlan Qijin (燕瀾七緡)	57,503	3,482	—	—	3,482	49%
Nanjing	Shiguang Yinxiang (時光印象)	61,145	119	—	—	119	48%
Nanjing	Gaoxin G27 Yinyue Residence (高新G27印悦府)	68,644	—	—	21,385	21,385	20%

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Nanjing	Mountain and Lake View in Times (時光山湖)	14,338	826	—	—	826	25%
Nanjing	Shidai Tianyue (formerly: Nanjing Land Lot No. 2017G36) (時代天樾(原名稱: 南京· 2017G36地塊))	54,173	—	—	78,508	78,508	15%
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	15,894	—	—	15,894	100%
Nanjing	Gaoxin Xingyuecheng Phase 2 (高新星悅城二期)	7,025	—	—	14,770	14,770	49%
Nanjing	Gaochun Pinglan Residence (formerly: Gaochun Land Lot No. 02-03) (高淳平瀾府(原名稱: 高淳 02-03地塊))	102,787	13,437	—	—	13,437	12%
Nanjing	Solaris Jingcheng Store (旭日景城商鋪)	1,371	—	4,450	—	4,450	100%
Nanjing	Solaris Loving City Section 6 Store (旭日愛上城六區商鋪)	989	—	7,301	—	7,301	100%
Nanjing	Nanjing Hong Yang Plaza (南京弘陽廣場)	230,871	—	491,888	—	491,888	100%
Nanjing	3rd-4th Floor of Redsun Tower (弘陽大廈3-4層)	277	—	4,964	—	4,964	100%
Nanjing	Lishui Times Joy Residence (formerly: Shiqiu Project) (溧水時光悅府(原名稱: 石湫 項目))	131,964	38,128	—	—	38,128	48%
Nanjing	Lukou Lakeside Mansion (formerly: Lukou Project) (祿口雲溪環園(原名稱: 祿口 項目))	73,686	21,125	—	—	21,125	47%
Nanjing	Puzhu North Road Shangshang Joy Garden (浦珠北路尚上悅苑)	7,232	6,033	—	—	6,033	70%
Nanjing	Lishui Sunrise Joy Shangchen (溧水昕悅尚宸)	41,931	10,632	—	—	10,632	48%
Nanjing	Qiaolin Shiguang Boyueyuan (橋林時光泊月園)	28,188	5,435	—	—	5,435	48%

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Nanjing	Nanjing Times Avenue Lan Wan Jiu Zhu (formerly: Times Avenue Project) (南京時代大道攬灣玖築(原名稱:時代大道項目))	60,138	—	—	138,705	138,705	15%
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 Yaohuamen Qiyao Meizhu (南京堯化門棲堯美著)	14,670	—	—	42,727	42,727	83%
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 Jiangbei Core District Yuejiang Shidai (南京江北核心區越江時代)	66,057	—	—	179,419	179,419	25%
Nanjing	Nanjing Dachang Top Cloud Mansion (南京大廠雲玥美著)	18,130	—	—	50,807	50,807	48%
Nanjing	Nanjing Tangshan Yunchen Yuanlu (南京湯山雲辰原麓)	68,029	—	—	141,810	141,810	33%
Nanjing	Nanjing Qinhuai Chengdong Atmosphere of Mind (南京秦淮城東玖樾印象)	31,813	—	—	66,126	66,126	33%
Nantong	Yunyue Oriental (雲樾東方)	86,652	4,469	1,163	—	5,631	17%
Nantong	Upper Joy City (上悅城)	82,741	16,913	—	—	16,913	25%
Nantong	New Metropolitan (新都會)	109,890	9,018	—	—	9,018	13%
Nantong	Center Creation Metropolitan (中創大都會)	47,963	—	1,035	—	1,035	24%
Nantong	Sutong Yongjin Lanwan (蘇通雍錦瀾灣)	47,405	7,336	—	—	7,336	36%
Nantong	Zisheng Road Junlan Tianyue (資生路君蘭天悅)	40,689	1,611	—	—	1,611	98%

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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	57%
Nantong	Nantong Fuxing Road Guanjianghai (formerly: Nantong Fuxing Road Project) (南通富興路觀江海(原名稱:南通富興路項目))	69,966	115,140	—	—	115,140	19%
Nantong	Antai Road Jingchen Residence (安泰路璟宸府)	53,761	—	—	116,056	116,056	29%
Ningbo	Chen Po Du Yong Chao Yin Residence (formerly: Chen Po Du) (陳婆渡湧潮印府(原名稱:陳婆渡))	40,148	71,668	—	7,196	78,863	31%
Ningbo	Cixi Chengdong Shangdongchen Residence (慈溪城東上東辰府)	84,775	—	—	186,366	186,366	50%
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	Jinshatan Beyond the Sea (金沙灘天賦雲海)	14,077	—	—	106,592	106,592	29%
Qingdao	Jimo Yunhai Road Beauty Collection In Times (即墨雲海路集美時光)	116,220	—	—	190,754	190,754	35%
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	966	—	113,491	114,457	29%
Suzhou	Upper Sunny Masterpiece Garden (上熙名苑)	44,701	30,125	—	15,948	46,073	50%
Suzhou	Gusu Zhenghong Residence (姑蘇正弘府)	60,961	9,278	—	—	9,278	100%
Suzhou	Shangshui Garden of Elegance (上水雅苑)	69,325	2,187	—	—	2,187	100%

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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	48%
Suqian	Wutaishan Heyue Garden (五台山和樾花園)	139,947	—	—	371,486	371,486	19%
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	1,012	—	—	1,012	32%
Taizhou (泰州)	Taixing Jinjiang Residence (泰興襟江府)	56,230	6,348	—	—	6,348	100%
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	143	—	3,119	3,262	95%
Weifang	Weifang Kuiwen North District Project (濰坊奎文北項目)	202,107	—	93,430	633,158	726,588	100%
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	56,482	—	8,721	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%
Wenzhou	Guanghuaqiao Jiangbin ONE (廣化橋江濱ONE)	21,191	37,431	—	3,591	41,022	47%
Wenzhou	Yueqing Central District Junlan Hezhu (樂清中心區君蘭和著)	41,342	—	—	80,682	80,682	24%
Wuxi	Hong Yang Sanwan Qing (弘陽三萬頃)	800,000	9,174	—	—	9,174	100%

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Wuxi	Huishan Sunrise Joy Court (惠山昕悦棠)	85,122	4,512	—	—	4,512	100%
Wuxi	Liyuan The Art of Shine (formerly: Liyuan Project) (利源長江映(原名稱：利源 項目))	39,021	79,749	—	5,123	84,872	29%
Wuxi	Yangjian Platinum Residence (formerly: Yangjian Project) (羊尖鉞悅名邸(原名稱：羊尖 項目))	63,050	3,235	—	—	3,235	98%
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	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	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%
Wuhu	Mengxi Road Shiguang Lane (夢溪路時光里)	74,135	109,320	—	27,051	136,371	38%
Wuhan	NK1 Hong Yang Tian Yue (formerly: Yin Yue Residence) (NK1弘陽天悅(原名稱：印月 府))	106,207	46,135	—	117,379	163,514	95%
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	Wuhan Huangjia Hu Project (武漢黃家湖項目)	25,290	—	—	60,303	60,303	90%
Xi'an	Yan Liang Sunrise Joy Residence (閩良昕悅府)	24,649	8,423	—	—	8,423	48%
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%

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Xiangyang	Prime Watery Court (襄禦瀾庭)	45,761	12,976	—	—	12,976	95%
Xiangyang	Xiangzhou Park 1873 (襄州公園1873)	93,846	3,851	—	256,151	260,002	48%
Xiangyang	Taiziwan Lu Yun Ting (台子灣路雲庭)	29,569	8,189	—	—	8,189	76%
Xuzhou	Fengming Residence (鳳鳴府)	104,284	5,024	—	5,537	10,561	76%
Xuzhou	Jiawang District Commercial Building in Xuzhou (徐州賈汪區商辦樓)	2,474	—	—	2,134	2,134	80%
Xuzhou	Hong Yang Vanke Jieli (弘陽萬科結廬)	181,244	2,266	—	7,946	10,212	33%
Xuzhou	Beautiful Scenery Residence (麗景府)	26,646	1,321	—	2,000	3,321	33%
Xuzhou	East Lake Joy Residence in Pengzu Avenue (彭祖大道東湖悅府)	70,905	111,878	—	—	111,878	19%
Xuzhou	Metropolitan City in Xinyuan Avenue (新元大道大都會)	90,236	10,314	—	—	10,314	100%
Xuzhou	Phoenix Hill Puyue Residence (鳳凰山璞樾門第)	59,770	6,203	—	—	6,203	96%
Xuzhou	Dawu Park Avenue (大吳公園大道)	213,207	7,297	—	466,434	473,731	51%
Xuzhou	Dawu Shugang Road Project (大吳疏港大道項目)	65,828	—	—	182,340	182,340	48%
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	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	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	48%
Xuzhou	Taoloushan Land Lot Project C (陶樓山C地塊項目)	24,514	—	—	67,973	67,973	48%

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
Yancheng	Begonia View Residence in Yanzhen Road (鹽枕路觀棠府)	69,049	7,452	—	—	7,452	31%
Yancheng	Dongjin Road Sunrise Joy Residence (東進路昕悅府)	103,847	33,141	—	107,628	140,768	32%
Yancheng	Haikuo Road Fenglin Residence (海闊路鳳麟府)	100,491	8,202	—	158,662	166,865	33%
Yancheng	Yancheng Yandangshan Road Fengyue Residence (formerly: Yancheng Yandangshan Road Project) (鹽城雁蕩山路鳳樾府(原名稱： 鹽城雁蕩山路項目))	104,088	—	—	238,851	238,851	14%
Yangzhou	Yangzhou City Two Central Mansion (揚州二城和光昕悅)	23,234	—	—	42,233	42,233	64%
Yizheng	Yizheng 38 Yuedi Bay (儀征38悅堤灣)	69,788	13,304	—	—	13,304	50%
Yizheng	Yizheng 39 Yuejiang Bay (formerly: Yizheng 39) (儀征39悅江灣(原名稱： 儀征39))	66,358	10,127	—	—	10,127	48%
Yizheng	Yizheng Yuelong Bay (儀征悅龍灣)	27,589	10,252	—	—	10,252	98%
Zhangjiagang	Tang Qiao Xing Tang Residence (塘橋星唐府)	36,829	3,369	—	—	3,369	50%
Zhangjiagang	Daxin Sunrise Joy Masterpiece Residence (大新昕悅名邸)	47,706	307	—	—	307	70%
Zhangjiagang	Jinfeng Beautiful in Ten (錦豐十里錦繡)	98,783	1,145	—	20,502	21,647	16%
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	14,300	—	—	14,300	48%
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	13,783	—	88,312	102,095	43%
Changsha	Deyi In Times (德一時光里)	12,956	12,627	—	—	12,627	67%

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
Changsha	Black Stone Sunrise Joy Residence (formerly: Black Stone Project) (黑石昕悦府(原名稱: 黑石 項目))	32,684	9,915	—	41,938	51,853	95%
Changsha	Changsha Wanhou Residence (formerly: Wanhou Road) (長沙萬侯府(原名稱: 萬侯路))	21,967	126	—	15,364	15,491	95%
Changsha	Changsha Wayao Road Sunrise Joy Court (formerly: Wayao Road) (長沙瓦窯路昕悦棠(原名稱: 瓦窯路))	34,269	—	—	44,336	44,336	48%
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%
Zhenjiang	Zhenjiang Zhoujiazhuang Jingkou Times (鎮江周家莊京口時光)	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%
Zhenjiang	Xiaoni Hill No. 2 Four Seasons Magnificence (小牛山二號四季風華)	20,536	5,695	—	—	5,695	33%
Zhengzhou	Zhongmou Hong Yang Residence (中牟弘陽府)	119,924	—	—	318,326	318,326	95%
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	Shiqiaopu Tianchen Yipin (石橋鋪天宸一品)	8,749	7,484	—	—	7,484	50%
Chongqing	Bishan Sunrise Joy Residence (formerly: Bishan 295) (璧山昕悦府(原名稱: 璧山295))	106,259	650	—	133,594	134,245	45%
Chongqing	Guan Yin Tang Sunrise Joy Residence (觀音塘昕悦府)	14,785	6,249	—	—	6,249	48%
Chongqing	Beibei Utopia (formerly: Beibei Project) (北碚樾景臺(原名稱: 北碚項目))	109,540	521	—	46,192	46,713	47%

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
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	8,465	—	1,303	9,768	95%
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	21,626	—	12,255	33,881	48%
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	24%
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	24%
		<u>12,810,978</u>	<u>2,371,873</u>	<u>966,596</u>	<u>11,645,081</u>	<u>14,983,550</u>	

3. Commercial Operations

For the year ended 31 December 2022, the Group's sales revenue from commercial operations amounted to approximately RMB647.78 million, representing an increase of 11% as compared to the corresponding period last year.

It was due to the increase in operation income from Nanjing Hong Yang Plaza and the newly-opened Jinan Hong Yang Plaza.

4. Hotel Operations

For the year ended 31 December 2022, the Group achieved sales revenue of approximately RMB27.71 million from its hotel operations, representing a decrease of 34.2% as compared to the corresponding period last year.

It was due to the decrease in occupancy rate under the COVID-19 pandemic.

FINANCIAL REVIEW

1. Revenue

For the year ended 31 December 2022, the Group's revenue amounted to approximately RMB20,013.4 million, representing a decrease of 25.0% from approximately RMB26,667.0 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 decreased by 25.7% to approximately RMB19,337.9 million as compared to the same period last year, accounting for 96.6% of the total recognized revenue; (ii) commercial operations increased by 11.0% to approximately RMB647.8 million as compared to the same period last year; and (iii) hotel operations decreased by 34.2% to approximately RMB27.7 million as compared to the same period last year.

Details of recognized revenue are set out as follows:

	2022		2021		
	Recognized Revenue (RMB'000)	Percentage of Total Recognized Revenue (%)	Recognized Revenue (RMB'000)	Percentage of Total Recognized Revenue (%)	Year-on-year change (%)
Property sales	19,337,943	96.6	26,041,292	97.6	(25.7)
Commercial operations	647,780	3.3	583,545	2.2	11.0
Hotel operations	27,707	0.1	42,142	0.2	(34.3)
Total	<u>20,013,430</u>	<u>100.0</u>	<u>26,666,979</u>	<u>100.0</u>	<u>(25.0)</u>

2. Cost of Sales

For the year ended 31 December 2022, the cost of sales of the Group was approximately RMB18,347.9 million, representing a decrease of 15.0% as compared to that of approximately RMB21,585.7 million for the same period last year. The decrease was primarily due to the decreased number of projects delivered during the year. Several projects delivered during the year included Metropolitan City in Xinyuan Avenue (新元大道大都會) project in Xuzhou, Babin Road Glistening River (巴濱路一曲晴江) project in Chongqing, Yangjian Platinum Residence (羊尖鉞悅名邸) project in Wuxi, Haikuo Road Fenglin Residence (海闊路鳳麟府) project in Yancheng, and Lishui Times Joy Residence (溧水時光悅府) project in Nanjing.

3. Gross Profit and Gross Profit Margin

For the year ended 31 December 2022, the Group's gross profit was approximately RMB1,665.6 million, representing a decrease of 67.2% from approximately RMB5,081.3 million for the corresponding period last year. Such decrease was primarily attributable to the decreased number of projects delivered during the year. For the year ended 31 December 2022, the gross profit margin was 8.3%, as compared to 19.1% 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, and the increase in impairment recognised for properties under development and completed properties held for sale as compared with the corresponding period last year.

4. Changes in Fair Value of Investment Properties

For the year ended 31 December 2022, the Group recognized fair value loss on investment properties of approximately RMB549.0 million. The fair value loss on investment properties recorded were primarily due to a decrease of the overall capital value.

5. Selling and Distribution Expenses

For the year ended 31 December 2022, the Group's selling and distribution expenses amounted to approximately RMB690.8 million, representing a decrease of 27.8% from approximately RMB956.6 million for the corresponding period last year. Such decrease was due to the decrease in the launch of new property projects of the Group in 2022.

6. Administrative Expenses

For the year ended 31 December 2022, the Group's administrative expenses amounted to approximately RMB690.7 million, representing a decrease of 26.9% from approximately RMB944.4 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 2022, the Group's share of losses of joint ventures and associates amounted to approximately RMB586.1 million (2021: share of profits of RMB319.8 million) mainly due to the increase in losses incurred by the joint ventures and associates held by the Group. The main cooperation projects with profit carried forward during the period included: Phoenix East Phoenix One (鳳凰東錦鳳合鳴) project in Changzhou, Chen Po Du Yong Chao Yin Residence (陳婆渡湧潮印府) project in Ningbo, Liyuan The Art of Shine (利源長江映) project in Wuxi, and Hangxing Road Qinlan (杭行路沁瀾) project in Hangzhou.

8. Finance Costs

For the year ended 31 December 2022, the Group's finance costs expended amounted to approximately RMB1,972.6 million, representing an increase of 105.1% from approximately RMB961.6 million for the corresponding period last year. Such change in finance costs was mainly due to the exchange loss on US\$-denominated borrowings of the Group during the Reporting Period.

9. Income Tax Expense

For the year ended 31 December 2022, the Group's income tax expense amounted to approximately RMB602.2 million, representing a decrease of 52.2% from approximately RMB1,259.2 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 2022, the provision made for land appreciation tax by the Group was approximately RMB145.8 million, as compared with approximately RMB189.9 million for the corresponding period last year.

10. (Loss)/Profit for the Reporting Period

As a result of the aforementioned factors, the loss before tax was RMB3,335.6 million (2021: profit before tax: RMB3,124.8 million).

LIQUIDITY, FINANCE AND CAPITAL

1. Cash Position

As at 31 December 2022, the Group's cash and bank balances were approximately RMB4.86 billion (as at 31 December 2021: approximately RMB16.04 billion), of which, restricted cash amounted to approximately RMB1.82 billion (as at 31 December 2021: RMB1.10 billion), and pledged deposits amounted to approximately RMB0.58 billion (as at 31 December 2021: RMB1.05 billion).

2. Borrowings and Pledged Assets

As at 31 December 2022, the Group's total borrowings (including interest-bearing bank and other borrowings and senior notes) amounted to approximately RMB24.29 billion (as at 31 December 2021: approximately RMB34.14 billion), of which, interest-bearing bank and other borrowings were approximately RMB13.88 billion (as at 31 December 2021: approximately RMB21.74 billion) and senior notes were approximately RMB10.41 billion (as at 31 December 2021: approximately RMB12.39 billion).

The Group's total borrowings were repayable as follows:

	31 December 2022 RMB'000	31 December 2021 RMB'000
Interest-bearing bank loans and other borrowings:		
Repayable within one year or on demand	6,155,668	6,865,131
Repayable in the second year	4,794,753	6,317,484
Repayable within two to five years	2,149,150	7,584,458
Repayable beyond five years	782,500	977,840
	<u>13,882,071</u>	<u>21,744,913</u>
Sub-total		
Senior notes:		
Repayable within one year or on demand	10,409,067	4,521,504
Repayable in the second year	—	4,266,964
Repayable within two to five years	—	3,601,734
	<u>10,409,067</u>	<u>12,390,202</u>
Total borrowings	<u>24,291,138</u>	<u>34,135,115</u>

As at 31 December 2022, except for the borrowings in the amount of RMB11,237.9 million (as at 31 December 2021: RMB13,117.2 million) denominated in US\$ and nil denominated in HK\$ (as at 31 December 2021: RMB15.1 million), the remaining borrowings of the Group were denominated in RMB.

As at 31 December 2022, except for certain bank and other borrowings of RMB4,143,080,000 (as at 31 December 2021: RMB5,451,461,000) with fixed interest rates, all of the Group's bank and other borrowings bear interest at floating interest rates.

As at 31 December 2022, assets with an aggregate value of approximately RMB39,762.1 million (as at 31 December 2021: approximately RMB39,283.8 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. Gearing Ratio

As at 31 December 2022, the Group's net gearing ratio (total borrowings less cash and bank balances divided by total equity) was approximately 81.7%, as compared with approximately 57.0% as at 31 December 2021. As at 31 December 2022, the Group's debt to asset ratio (total debts divided by total assets) was approximately 76.6%, as compared with approximately 76.1% as at 31 December 2021. As at 31 December 2022, the Group's current ratio (current assets divided by current liabilities) was approximately 1.11 times, as compared with approximately 1.38 times as at 31 December 2021.

As of 31 December 2022, cash to short-term debt ratio (cash and bank balances divided by short-term borrowings) was approximately 0.29 times, as compared with approximately 1.41 times as at 31 December 2021.

4. Capital and Property Development Expenditure Commitments

As at 31 December 2022, the Group had capital and property development expenditure commitments contracted but not provided for of approximately RMB6.08 billion (as at 31 December 2021: approximately RMB10.13 billion).

OUTLOOK FOR 2023

Into 2023, the trend of global economic doldrums will remain prominent, and the weak demand resulting from COVID-19 is not going to see material improvements. In China, the growth of external demand may remain sluggish, with the momentum of economic growth stemming from the “rebalancing” of the structure of domestic and external demand, the structure of tertiary industries and the structure of investments and consumption. “Upholding stability and seeking progress while maintaining stability” will remain the keynote in 2023 and macroeconomic policies may become stronger than that in 2022. While the long-term positive fundamentals for China’s growth remain unchanged, it is anticipated that economic growth will gradually pick up upon lower base figures in 2023, with the prominent effects of various policies aiming at stabilizing the economy.

The Central Economic Work Conference spelt out the policy direction applicable to real estate supply and demand in December 2022. “Stability” will remain the keynote of the industry in 2023. It is anticipated that industry policies will focus on “ensuring the steady development of the real estate market” and “preventing and resolving the risks of the real estate industry”, and supportive policies will continue to prove their effectiveness.

In 2023, it is anticipated that real estate policies will remain easing in general, provide further and stronger support, support the city-specific policies in different regions of the country, and contribute to stabilizing the real estate market of China. In 2023, “guarantee of property delivery” will remain the crux of the issue and will form one of the pillars supporting the launch of various real estate policies. It is anticipated that policies on fostering the stabilization and recovery of the sales market and improving the capital financing channels of more healthy real estate enterprises will continue to be launched, which will be conducive to further lowering industry risks. The demand-side policies may be further fine-tuned, while the support for housing improvement demand will most likely be fortified.

2023 will also be the first year since the enforcement of the latest refined policies on the COVID-19 pandemic. “Stabilizing the Economy” will be the common goals throughout different regions in China. In future, differentiations across regions of the country and across different products and enterprises may become more prominent. In 2023, the Group will be faced with multiple challenges including the pressure on liquidity and delivery as well as profit restoration.

Going forward, the Group will go ahead and remain its focus on customer value. Against adversity, it will explore, focus and break through, making timely adjustments to its strategies according to market changes. We will rise to challenges, resolve risks, adapt to the rapid market changes, and fully foster the Group’s operations and achieve sound development.

Adhering to a customer-oriented philosophy and enhancing the quality of products and services

“Customer Value Year” will remain the main theme of the Company in 2023. We will continually create values for customers and aim at the trilateral targets of products, services and resources. “Guarantee of property delivery” will remain the keynote in 2023. It is anticipated that the number of delivery will reach a record high. Beyond timeliness, delivery has to be of high quality, with steadfast commitment to customer value, thereby attaining high-quality delivery and enhancing our brand influence.

Adhering to focused development, strengthening regional foothold, and exploring the full potentials of Jiangsu as our stronghold

In 2023, the Group will return to the essence of operation, focus on strengthening foothold, remain strategically calm, and focus on selected cities. Jiangsu is the place where the Company is rooted, where its brand influence stems from and where its resources are located. In future, our development will be more tilted towards Jiangsu and key cities in which we have already established presence, by consolidating premium resources, uplifting efficiency and focusing on intensive management.

Adhering to high-quality and sustainable development

We will commence financial and operational businesses based on cash flow, ensure operational safety, cash flow safety, quality and efficacy enhancement, profit restoration, and achieve steady, orderly and high-quality and sustainable development of the Company.

On financial strategies, apart from controlling costs, driving operation, ensuring safety, creating value and resolving risks, we will also seek high-quality development, strive for setting benchmarks by fabricating exquisite products, and thereby achieving sound and steady development.

Adhering to a flat and highly efficient organizational structure and the corporate culture of practicality

Regarding organizational structure, we will adhere to a flat management structure, with simplified rankings and providing key support to the first-tier and assisting business. We will conduct talent appraisal, optimize the system of manpower arrangement and uplift the efficacy per person. We will also build a team culture of hard work, practicality and efficiency, in advocacy of the spirit of “setting good role model, taking actions and going first”.

Destination being far away, we will arrive as long as we go. Things being difficult, we will achieve as long as we do.

In the year ahead, we will continue to uphold our core values of “professionalism and building credibility for the long term”, and cherish the same ideals and follow the same path as all employees and parties who have been dedicated to overcoming challenging times together with the Company!

CORPORATE GOVERNANCE AND OTHER INFORMATION

1. Material Investments, Acquisitions and Disposals

On 15 August 2022, the Company entered into an equity transfer agreement:

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), Guangzhou Merchants Property Development Limited* (廣州招商房地產有限公司) (“**Guangzhou Merchants**”), Wuhan Dabenying Commercial Management Co., Ltd.* (武漢大本營商業管理有限公司) (“**Wuhan Dabenying**”) and Guangzhou Zhaoying Real Estate Co., Ltd.* (廣州招贏房地產有限責任公司) (the “**Project Company**”) entered into an equity transfer agreement, pursuant to which Guangzhou Hongyu agreed to sell the 34% equity interests in the Project Company held by Guangzhou Hongyu as at 15 August 2022 (the “**Sale Shares**”) and the shareholder’s loan owed by the Project Company to Guangzhou Hongyu in the amount of RMB514,812,877.90 (the “**Sale Loan**”), and each of Guangzhou Merchants and Wuhan Dabenying agreed to purchase 50% of the Sale Shares and 50% of the Sale Loan, for an aggregate consideration of RMB856,812,677.90 (the “**Disposal**”). Upon completion of the Disposal, the Project Company ceased to be a subsidiary of the Company and the financial results of the Project Company were no longer consolidated with the financial statements of the Group.

Please refer to the announcement of the Company dated 15 August 2022 named “DISCLOSEABLE AND CONNECTED TRANSACTION — DISPOSAL OF EQUITY INTERESTS IN PROJECT COMPANY” 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 2022, the Group had a total of 2,136 employees, of which 1,673 employees were engaged in the real estate development business, 376 employees were engaged in the commercial property operation business and 87 employees were engaged in the hotel operation business.

* *for identification only*

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

The Group had no significant event after the Reporting Period.

4. Payment of Dividends

The Board does not recommend payment of any dividend in respect of the year ended 31 December 2022 (2021: Nil).

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

During the Reporting Period, the Group repurchased, on cumulative basis, the 9.95% senior notes in the aggregate principal amount of US\$190.402 million in the open market (the “**April 2022 Notes**”), representing approximately 42.3% of the aggregate principal amount of the April 2022 Notes originally issued. Please refer to the Company's announcements dated 25 January 2022 and 1 April 2022 for further details. All the April 2022 Notes repurchased have been cancelled in accordance with its terms and indenture.

Save as disclosed above, the Group has not purchased, sold or redeemed any of the Company's listed securities during the Reporting Period.

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 Directors, the Group has complied with all applicable code provisions under Part 2 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 as soon as reasonably practicable, who genuinely possesses the necessary skills, experience and caliber appropriate to the Company's business for the forthcoming year for the purpose of fulfilling and complying with the requirement under the Listing Rule 13.92.

8. Annual General Meeting

The forthcoming annual general meeting (“AGM”) will be held on Tuesday, 27 June 2023 and its notice and all other relevant documents will be published and despatched to the Shareholders in April 2023.

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 Wednesday, 21 June 2023 to Tuesday, 27 June 2023, 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 Tuesday, 20 June 2023.

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 (all are independent non-executive Directors), 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 consolidated financial statements for the year ended 31 December 2022 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 2022 as set out in this announcement have been agreed with the auditor of the Company, Ernst & Young.

12. Extract of Independent Auditor's Report

The following is an extract of the report from Ernst & Young, the auditor of the Company, on the Group's consolidated financial statements for the year ended 31 December 2022:

Disclaimer of opinion

We do not express an opinion on the consolidated financial statements of the Group. Because of the potential interaction of the multiple uncertainties and their possible cumulative effect on the consolidated financial statements as described in the Basis for Disclaimer of Opinion section of our report, it is not possible for us to form an opinion on the consolidated financial statements. In all other respects, in our opinion, the consolidated financial statements have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

Basis for disclaimer of opinion

Material uncertainty relating to going concern

As set out in note 2.1 to the consolidated financial statements, the Group recorded a net loss of RMB3,937,807,000 for the year ended 31 December 2022. As at 31 December 2022, (i) the Group's total bank and other borrowings and senior notes amounted to RMB24,291,138,000, out of which RMB16,564,735,000 will be due for repayment within the next twelve months, while its cash and cash equivalents amounted to RMB2,462,494,000; (ii) the Group had not repaid an aggregate amount of principal and interests of RMB1,831,801,000 for a senior note and an aggregate amount of interests of RMB475,673,000 for certain senior notes and interest-bearing bank and other borrowings according to their scheduled repayment dates, triggering events of default for the corresponding senior notes and interest-bearing bank and other borrowings amounted to RMB9,133,129,000; and (iii) such events of default triggered cross-defaults of certain interest-bearing bank and other borrowings with an aggregate amount of RMB1,503,874,000, which were payable on demand if requested by the lenders. These conditions, together with other matters set out in note 2.1 to the consolidated financial statements, indicate the existence of material uncertainties which cast significant doubt on the Group's ability to continue as a going concern.

The directors of the Company have been undertaking measures to improve the Group's liquidity and financial position, which are set out in note 2.1 to the consolidated financial statements. The validity of the going concern assumption on which the consolidated financial statements have been prepared depends on the outcome of these measures, which are subject to multiple uncertainties, including: (i) successfully completing the holistic restructuring of its offshore debts; (ii) successfully negotiating with the Group's existing lenders for the renewal or extension for repayment of the Group's bank and other borrowings; (iii) successfully securing

project development loans for qualified project development; (iv) successfully obtaining additional new sources of financing as and when needed; (v) successfully carrying out the Group's business strategy plan including the acceleration of the sales of properties; (vi) successfully implementing measures to speed up the collection of outstanding sales proceeds and effectively control costs and expenses; and (vii) successfully disposing of the Group's equity interests in project development companies when suitable.

Should the Group fail to achieve the above-mentioned plans and measures, it might not be able to continue to operate as a going concern, and adjustments would have to be made to write down the carrying values of the Group's assets to their recoverable amounts to provide for any further liabilities which might arise, and to reclassify non-current assets and non-current liabilities as current assets and current liabilities, respectively. The effect of these adjustments has not been reflected in the consolidated financial statements.

13. 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 (www.hkexnews.hk) and the website of the Company (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.

APPRECIATION

On behalf of the Board, I would like to take this opportunity to extend my wholehearted gratitude to all parties for their unfailing support and to all employees for their contribution and hard work to the Company in year 2022.

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

Hong Kong, 30 March 2023

As of the date of this announcement, the executive Directors are Mr. Zeng Huansha, 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.