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港龍中國地產
GANGLONG CHINA PROPERTY

Ganglong China Property Group Limited
港龍中國地產集團有限公司
(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 6968)

**ANNOUNCEMENT OF ANNUAL RESULTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

FINANCIAL HIGHLIGHTS

- Revenue for the year ended 31 December 2021 amounted to approximately RMB10,369 million, representing a year-on-year increase of approximately 149% as compared to the year ended 31 December 2020.
- Net profit for the year ended 31 December 2021 amounted to approximately RMB1,102 million, representing an increase of 72% as compared to the year ended 31 December 2020.
- As of 31 December 2021, the Group's liabilities to assets ratio after excluding contract liabilities was approximately 64% (as at 31 December 2020: 82%).
- As of 31 December 2021, the Group's net gearing ratio (calculated as the total borrowings net of restricted cash, pledged time deposits and cash and cash equivalents divided by total equity) was 24% (as at 31 December 2020: 41%).
- As of 31 December 2021, total cash to short term debt ratio (calculated as cash and bank balances divided by short term bank and other borrowings) was 2.5 times (as at 31 December 2020: 1.1 times).
- As of 31 December 2021, the Group had contract liabilities of approximately RMB27,240 million, as compared to approximately RMB20,980 million as of 31 December 2020, representing an increase of approximately 30%.

The board (the “**Board**”) of directors (the “**Directors**”) of Ganglong China Property Group Limited (the “**Company**”) is pleased to announce the consolidated annual results of the Company and its subsidiaries (collectively, the “**Group**”) for the year ended 31 December 2021 with the comparative figures for the year ended 31 December 2020 as follows:

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2021**

	<i>Notes</i>	2021 <i>RMB'000</i>	2020 <i>RMB'000</i>
Revenue	3	10,368,685	4,171,331
Cost of sales	4	<u>(7,968,312)</u>	<u>(2,654,238)</u>
Gross profit		2,400,373	1,517,093
Other income and other gains, net		87,289	26,172
Selling and marketing expenses	4	(514,368)	(388,552)
General and administrative expenses	4	(626,590)	(461,659)
Fair value gains on investment properties		<u>2,120</u>	<u>10,100</u>
Operating profit		1,348,824	703,154
Finance income	5	43,575	38,735
Finance costs	5	(281,605)	(121,702)
Finance costs, net	5	(238,030)	(82,967)
Share of results of joint ventures and associates		<u>393,009</u>	<u>403,436</u>
Profit before income tax		1,503,803	1,023,623
Income tax expenses	6	(401,622)	(381,684)
Profit and total comprehensive income for the year		<u>1,102,181</u>	<u>641,939</u>
Profit attributable to:			
Owners of the Company		480,936	960,748
Non-controlling interests		621,245	(318,809)
		<u>1,102,181</u>	<u>641,939</u>
Earnings per share attributable to owners of the Company (expressed in RMB)			
– Basic and diluted	7	0.30	0.68

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2021**

	<i>Notes</i>	2021 RMB'000	2020 <i>RMB'000</i>
ASSETS			
Non-current assets			
Property, plant and equipment		138,939	67,975
Investment properties		183,020	180,900
Investments accounted for using the equity method		1,619,884	1,468,834
Deferred income tax assets		409,496	347,836
Total non-current assets		2,351,339	2,065,545
Current assets			
Properties under development		36,670,782	32,108,351
Completed properties held for sale		2,375,337	295,960
Trade and other receivables and prepayments	8	1,804,477	1,128,141
Amounts due from associates		129,850	175,789
Amounts due from joint ventures		253,761	426,390
Amounts due from non-controlling interests		3,960,807	2,578,961
Tax recoverable		1,497,073	670,214
Restricted cash		4,608,272	2,211,490
Pledged time deposits		71,657	37,727
Cash and cash equivalents		2,304,919	4,547,628
Total current assets		53,676,935	44,180,651
Total assets		56,028,274	46,246,196

	<i>Notes</i>	2021 RMB'000	2020 RMB'000
EQUITY			
Capital and reserves attributable to the owners of the Company			
Share capital	10	14,900	14,919
Reserves		<u>3,826,972</u>	<u>3,679,095</u>
		3,841,872	3,694,014
Non-controlling interests		<u>6,435,880</u>	<u>792,679</u>
Total equity		<u>10,277,752</u>	<u>4,486,693</u>
LIABILITIES			
Non-current liabilities			
Borrowings		6,736,574	2,590,967
Lease liabilities		157,124	18,049
Deferred income tax liabilities		<u>80,188</u>	<u>110,402</u>
Total non-current liabilities		<u>6,973,886</u>	<u>2,719,418</u>
Current liabilities			
Trade payables, bills payables and other payables	9	5,076,982	5,836,270
Lease liabilities		16,629	12,151
Contract liabilities		27,240,235	20,979,809
Amounts due to associates		705,827	1,159,616
Amounts due to joint ventures		804,488	914,191
Amounts due to non-controlling interests		1,858,586	3,761,926
Tax payable		315,876	325,482
Borrowings		<u>2,758,013</u>	<u>6,050,640</u>
Total current liabilities		<u>38,776,636</u>	<u>39,040,085</u>
Total liabilities		<u>45,750,522</u>	<u>41,759,503</u>
Total equity and liabilities		<u>56,028,274</u>	<u>46,246,196</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. GENERAL INFORMATION

The Company was incorporated in the Cayman Islands on 8 October 2018 as an exempted company with limited liability under the Companies Law of the Cayman Islands. The address of its registered office is 4th Floor, Harbour Place, 103 South Church Street, P.O. Box 10240, Grand Cayman KY1-1002, Cayman Islands. The principal place of business of the Company and its subsidiaries (collectively referred to as the “**Group**”) in the People’s Republic of China (the “**PRC**”) is located at No. 11 Building, Portmix South District, No. 2177 Shenkun Road, Minhang District, Shanghai, PRC. The principal place of business of the Company in Hong Kong is located at Suites 3620–22, 36/F, Two Pacific Place, 88 Queensway, Hong Kong.

The Company is an investment holding company. The Group is principally engaged in the development of real estate projects in the PRC. The Company’s shares were listed on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) since 15 July 2020.

The consolidated financial statements are presented in Renminbi (“**RMB**”), unless otherwise stated.

The consolidated financial statements have been approved for issue by the Board of the Company on 25 March 2022.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of the consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1 Basis of preparation

The consolidated financial statements of the Group have been prepared in accordance with Hong Kong Financial Reporting Standards (“**HKFRSs**”) issued by Hong Kong Institute of Certified Public Accountants (“**HKICPA**”), and disclosure requirements of the Hong Kong Companies Ordinance Cap. 622 (“**HKCO**”). The consolidated financial statements have been prepared under the historical cost convention, except as modified by investment properties which are measured at fair value.

The preparation of the consolidated financial statements in conformity with HKFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group’s accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements.

(a) *New and amendments to standards adopted by the Group*

The following new and amendments to standards have been adopted by the Group for the first time for the financial year beginning on or after 1 January 2021:

Amendments to HKFRS 16	COVID-19 Related Rent Concessions
Amendments to HKFRS 9, HKAS 39, HKFRS 7, HKFRS 4 and HKFRS 16	Interest Rate Benchmark Reform – Phase 2

The adoption of the above new and amendments to standards did not have significant financial impact on the consolidated financial statements.

(b) *New standard and amendments to existing standards issued but not yet effective for the financial year beginning on or after 1 January 2022 and have not been early adopted by the Group:*

		Effective for accounting periods beginning on or after
Amendments to HKAS 16	Property, Plant and Equipment: Proceeds before intended use	1 January 2022
Amendments to HKAS 37	Onerous Contracts – Cost of Fulfilling a Contract	1 January 2022
Amendments to HKFRS 3	Reference to the Conceptual Framework	1 January 2022
Annual Improvements Projects	Annual Improvements to HKFRS Standards 2018 to 2020	1 January 2022
Revised Accounting Guideline 5	Merger Accounting for Common Control Combinations	1 January 2022
Amendments to HKFRS 1 and HKFRS Practice Statement 2	Disclosure of Accounting Policies	1 January 2023
Amendments to HKFRS 12	Deterred Tax Related to Assets and Liabilities Arising from a Single Transaction	1 January 2023
Amendments to HKFRS 8	Definition of Accounting Estimates	1 January 2023
Amendments to HKAS 1	Classification of Liabilities as Current or Non-current	1 January 2023
Hong Kong Interpretation 5 (2020)	Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause	1 January 2023
HKFRS 17	Insurance Contracts	1 January 2023
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	To be determined

Certain new accounting standards, amendments to accounting standards and interpretations have been published that are not mandatory for 31 December 2021 reporting periods and have not been early adopted by the Group. These standards, amendments or interpretations are not expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

3. REVENUE AND SEGMENT INFORMATION

The executive directors of the Company (the “**Executive Directors**”) has been identified as the chief operating decision-maker. Management determines the operating segments based on the Group’s internal reports, which are then submitted to the Executive Directors for performance assessment and resources allocation.

The Executive Directors assess the performance of the operating segment based on a measure of profit before income tax and regard these to be only one operating segment – property development. Accordingly, segment disclosures are not presented. No geographical segment analysis is presented as the majority of the assets and operation of the Group are located in Mainland China, which is considered as one geographical location in an economic environment with similar risk and returns.

For the years ended 31 December 2021 and 2020, there was no transaction with a single external customer that amounted to 10% or more of the Group’s revenue.

The revenue from contracts with customers recognised during the years ended 31 December 2021 and 2020 are sales of properties in the PRC, all of which recognised at a point in time.

The revenue from external parties is derived from numerous external customers and the revenue reported to the Executive Directors is measured in a manner consistent with that in the consolidated financial statements.

	Year ended 31 December	
	2021	2020
	<i>RMB’000</i>	<i>RMB’000</i>
Sales of properties	<u>10,368,685</u>	<u>4,171,331</u>

4. EXPENSES BY NATURE

	Year ended 31 December	
	2021	2020
	RMB'000	RMB'000
Cost of properties sold – including construction cost, land cost, capitalised interest expenses	7,917,295	2,623,888
Other taxes and surcharges	51,017	30,350
Employee benefit expenses	545,997	406,604
Management and consulting services fee	47,197	47,553
Donation	144	2,334
Advertising and promotion expenses	188,195	140,722
Office expenses	126,343	79,931
Depreciation on property, plant and equipment and right-of-use assets	37,831	19,669
Entertainment expenses	42,811	39,196
Recruitment fee	3,270	3,123
Motor vehicle expenses	3,111	2,678
Auditors' remuneration		
– Audit services	4,565	4,894
– Non-audit services	645	796
Guarantee fee	–	2,143
Legal and professional service fees	58,099	27,242
Listing expenses	–	16,541
Travelling and transportation expenses	15,586	12,683
Sales commission	50,326	34,414
Others	16,838	9,688
	<u>9,109,270</u>	<u>3,504,449</u>

5. FINANCE COSTS, NET

	Year ended 31 December	
	2021	2020
	RMB'000	RMB'000
Finance income		
– Interest income from bank deposits	(43,575)	(38,735)
Finance costs		
– Bank and other borrowings	917,041	405,922
– Amount due to associates and a joint venture	40,139	17,229
– Amounts due to non-controlling interests	30,785	197,787
– Lease liabilities	6,305	1,249
– Less: capitalised interest	(712,665)	(500,485)
	<u>281,605</u>	<u>121,702</u>
Finance costs, net	<u>238,030</u>	<u>82,967</u>

6. INCOME TAX EXPENSES

	Year ended 31 December	
	2021	2020
	RMB'000	RMB'000
Current income tax:		
– PRC corporate income tax	362,756	348,677
– PRC land appreciation tax	53,804	213,948
	<u>416,560</u>	<u>562,625</u>
Deferred income tax	<u>(14,938)</u>	<u>(180,941)</u>
	<u>401,622</u>	<u>381,684</u>

PRC corporate income tax

The income tax provision of the Group in respect of operations in PRC has been calculated at the applicable tax rate on the estimated assessable profits for the year, based on the existing legislation, interpretations and practices in respect thereof.

The corporate income tax rate applicable to the group entities located in mainland China is 25% according to the Corporate Income Tax Law of the People's Republic of China (the "CIT Law").

PRC land appreciation tax ("LAT")

Pursuant to the requirements in relation to LAT in the PRC, all income from the sale or transfer of state-owned land use rights, building and their attached facilities in the PRC is subject to LAT at progressive rates ranging from 30% to 60% of the appreciation value, with an exemption provided for sales of ordinary residential properties if their appreciation values do not exceed 20% of the sum of the total deductible items.

The Group has made provision of LAT for sales of properties according to the aforementioned progressive rate.

PRC withholding tax

Pursuant to the Detailed Implementation Regulations for implementation of the Corporate Income Tax Law issued on 6 December 2017, dividends distributed from the profits generated by the PRC companies after 1 January 2008 to their foreign investors shall be subject to this withholding income tax of 10%, a lower 5% withholding tax rate may be applied when the immediate holding companies of the PRC subsidiaries are incorporated in Hong Kong and fulfill the requirements to the tax treaty arrangements between the PRC and Hong Kong.

Hong Kong profits tax

The applicable Hong Kong profits tax rate is 16.5% for the year ended 31 December 2021 (year ended 31 December 2020: 16.5%). Hong Kong profits tax has not been provided as the Group did not have any assessable profits for the year ended 31 December 2021 (year ended 31 December 2020: same).

Overseas income tax

The Company was incorporated in the Cayman Islands as an exempted company with limited liability under the Companies Law of the Cayman Islands and, is exempted from Cayman Islands income tax. The Company's direct subsidiary in the British Virgin Islands (the "BVI") was incorporated under the Business Companies Act of the BVI and is exempted from BVI income tax.

7. EARNINGS PER SHARE

(a) Basic

Basic earnings per share is calculated by dividing the profit attributable to owners of the Company by the weighted average number of ordinary shares in issue during the respective years.

	Year ended 31 December	
	2021	2020
Profit attributable to owners of the Company (<i>RMB'000</i>)	480,936	960,748
Weighted average number of ordinary shares in issue (<i>in thousand</i>)	1,630,249	1,415,823
Basic earnings per share (<i>RMB</i>)	0.30	0.68

(b) Diluted

The Company did not have any potential dilutive shares outstanding during the years ended 31 December 2021 and 2020. Accordingly, diluted earnings per share is the same as the basic earnings per share.

8. TRADE AND OTHER RECEIVABLES AND PREPAYMENTS

	As at 31 December	
	2021	2020
	<i>RMB'000</i>	<i>RMB'000</i>
Trade receivables from third parties (<i>Note (a)</i>)	46,984	8,071
Other receivables	1,010,465	657,699
Prepayments	747,028	462,371
Total trade and other receivables and prepayments	1,804,477	1,128,141

The carrying amounts of the trade and other receivables and prepayments approximate their fair values and are denominated in RMB.

(a) Trade receivables from third parties

Ageing analysis of the trade receivables based on invoice dates is as follows:

	As at 31 December	
	2021	2020
	<i>RMB'000</i>	<i>RMB'000</i>
0–30 days	46,984	8,071

As at 31 December 2021, trade receivables of RMB46,984,000 (2020: RMB8,071,000) were overdue but not impaired and fully relate to certain customers that have good settlement record with the Group.

For these past due trade receivables, the Group has assessed the expected credit losses by considering historical loss experiences, existing market conditions and forward-looking information. Based on the assessment, expected credit loss rate of trade receivables is close to zero. Therefore, the loss allowance provision for these receivables balances was not material.

9. TRADE PAYABLES, BILLS PAYABLES AND OTHER PAYABLES

	As at 31 December	
	2021	2020
	RMB'000	RMB'000
Trade payables (<i>Note (a)</i>)	4,437,831	4,665,565
Bills payables	22,990	65,659
Other payables	616,161	1,105,046
	<u>5,076,982</u>	<u>5,836,270</u>

(a) The ageing analysis of the trade payables based on invoice dates or contractual terms is as follows:

	As at 31 December	
	2021	2020
	RMB'000	RMB'000
0–30 days	3,849,597	4,279,766
31–60 days	251,814	120,017
61–90 days	294,878	22,810
Over 90 days	41,542	242,972
	<u>4,437,831</u>	<u>4,665,565</u>

10. SHARE CAPITAL

	Number of shares	Share capital HK\$
Authorised:		
At 1 January 2020, 31 December 2020, 1 January 2021 and 31 December 2021	10,000,000,000	100,000,000
	<u>Number of shares</u>	<u>Share capital RMB'000</u>
Issued:		
At 1 January 2020	1,000	–
Shares issued pursuant to the Capitalisation issue (<i>Note (a)</i>)	1,199,999,000	10,979
Shares issued under the global offering (<i>Note (b)</i>)	430,618,000	3,940
	<u>1,630,618,000</u>	<u>14,919</u>
At 31 December 2020 and 1 January 2021	1,630,618,000	14,919
Cancellation of shares (<i>Note (c)</i>)	(2,077,000)	(19)
	<u>1,628,541,000</u>	<u>14,900</u>

The Company was incorporated on 8 October 2018 with an authorised share capital of HK\$380,000, divided into 38,000,000 shares of HK\$0.01 each.

Pursuant to the written resolutions of the shareholders of the Company dated 20 June 2020, the authorised share capital of the Company was increased from HK\$380,000 divided into 38,000,000 shares of par value of HK\$0.01 each to HK\$100,000,000 divided into 10,000,000,000 shares of par value of HK\$0.01 each by the creation of an additional 9,962,000,000 shares of par value of HK\$0.01 each.

(a) Capitalisation issue

On 15 July 2020, the capitalisation issue pursuant to the Shareholders' resolution dated 20 June 2020 was effected. The Company issued 1,199,999,000 shares at par value of HK\$0.01 each to holders of shares on the register of members of the Company on 15 July 2020, by way of capitalisation of an amount of HK\$11,999,990 (equivalent to RMB10,979,000) to the credit of the share premium account of the Company.

(b) Global offering

On 15 July 2020, the Company issued a total of 400,000,000 ordinary shares at a price of HK\$3.93 per share as a result of the completion of the global offering.

30,618,000 shares were issued upon the partially exercise of the over-allotment option on 5 August 2020 at a price of HK\$3.93 per share.

Number of total issued shares of the Company was increased to 1,630,618,000 shares upon completion of the capitalisation issue, the global offering and the exercise of over-allotment option.

(c) Cancellation of shares

During the year ended 31 December 2021, the Group acquired 3,914,000 of the Company's shares through purchases from the Hong Kong Stock Exchange in November and December 2021. The total amount paid to acquire shares was RMB13,147,000 (equivalent to HK\$16,032,000). During the year ended 31 December 2021, 2,077,000 shares were cancelled and deducted from share capital and share premium amounting to RMB19,000 and RMB6,997,000 respectively.

11. DIVIDEND

	Year ended 31 December	
	2021	2020
	RMB'000	RMB'000
Final dividend for the year ended 31 December 2020 of RMB0.18 per ordinary share	—	293,511

The Board does not recommend the payment of dividend for the year ended 31 December 2021 (2020: RMB0.18 per ordinary share).

12. SUBSEQUENT EVENTS

After another wave of outbreak of Coronavirus Disease 2019 (“**COVID-19 outbreak**”) in early 2022, a series of precautionary and control measures have been and continued to be implemented across the region. The Group will pay close attention to the development of the COVID-19 outbreak and evaluate its impact on the financial position and operating results of the Group. As at the date of this results announcement, the Group was not aware of any material adverse effects on the financial statements as a result of the COVID-19 outbreak.

MANAGEMENT’S DISCUSSION AND ANALYSIS

GENERAL OVERVIEW

Ganglong China Property is an established property developer in the Yangtze River Delta Region. The Company was successfully listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) (Stock Code: 6968.HK) by way of the Global Offering on 15 July 2020 (the “**Listing**”). This marked an important milestone in the development of the Company.

Headquartered in Shanghai, the Group is an active real estate developer in the Yangtze River Delta region, one of the most prosperous and dynamic regions in China. The Group primarily focused in the cities of Shanghai, Hangzhou, Nanjing, Suzhou, Nantong, Huzhou, Taizhou, Yancheng and Greater Bay Area, etc., and has achieved strategic geographic coverage in those regions. Adhering to our core value of “striving for innovation, building with integrity”, the Group believes that we have developed splendid reputation in our market for constant innovation, excellent quality of our various products and credibility.

At the beginning of 2021, the real estate market was severely affected by the impact of COVID-19. With the gradual effectiveness of the Central and Local government policies, such as multiple decrease in interest rate, supportive policies on both the supply and demand sides as well as the implementation of major plans, and renewed confidence from home buyers, resulting in active investment in the market arising from the pre-accumulated market demand, and thus the market gradually recovered. At the same time, the Group seized the opportunities of the sales window period and stepped up the promotion efforts with innovative marketing model. Thanks to the efforts by all of our employees, the amount of contracted sales of the Group for the year ended 31 December 2021 was approximately RMB30,041 million.

In terms of the macro-economy in the coming year, the real estate market will benefit from the stable financial environment. The reduction of financing costs of property developers and the reduction of costs of home ownership are conducive to the recovery and development of the market. In terms of policy, the regulation and control of the real estate market will adhere to the position of “housing without speculation”. Although there is adjustment pressure to the national real estate market size, there is still room for the suppressed demand during the short-term epidemic, the demand for investment value preservation driven by the improvement of credit environment, and the demand for home improvement driven by the epidemic. The Group will seize the opportunities of the sales window, implement a strategy of “high turnover”, and maintain enthusiasm for construction. Facing the uncertainty of the epidemic and economic development, the current situation of real estate products and services, and the trend of demand for home in the post-epidemic era, we will focus on sales proceeds and reach our sales targets, and, at the same time, increase our effort on exploration of gaining footholds in cities with potential and product innovation, so as to better enhance the quality of our products, as well as to achieve sustainable and stable quality growth.

In the coming year, with the backing of the Yangtze River Delta cities that we have deeply rooted for years, the Group will continue to find opportunities in Anhui, South China, Midwest China and other regional hot spots, to achieve national layout. We will make full use of the listing on the Stock Exchange as a platform to achieve diversified financing channels and promote the business development of the Group to reward all of our Shareholders.

BUSINESS REVIEW

The Group derives its revenue primarily from sales of properties. For the year ended 31 December 2021, the Group recorded a total revenue of approximately RMB10,369 million, representing a year-on-year increase of approximately 149%.

Contracted sales

For the year ended 31 December 2021, including those of joint ventures and associates, the Group recorded unaudited contracted sales of approximately RMB30,041 million. Contracted gross floor area (“GFA”) sold was approximately 2,504,000 sq.m.. The average selling price (“ASP”) of our contracted sales for the year ended 31 December 2021 was approximately RMB11,997 per sq.m..

As of 31 December 2021, the Group had contract liabilities of approximately RMB27,240 million, as compared to approximately RMB20,980 million as of 31 December 2020, representing an increase of approximately 30%.

Sales of properties

For the year ended 31 December 2021, the revenue of the Group from sales of properties increased by approximately 149% year-on-year to approximately RMB10,369 million. The Group recognised total GFA of approximately 953,264 sq.m., representing an increase of approximately 118% as compared to 2020. The ASP of the properties recognised as property sales was approximately RMB10,877 per sq.m., representing an increase of approximately 14% year-on-year.

The following table sets out the recognised sales and GFA sold by type of properties and city for the year ended 31 December 2021:

	Recognised GFA <i>sq.m.</i>	Recognised ASP <i>RMB/sq.m.</i>	Recognised revenue <i>RMB'000</i>
<i>Residential, retail and commercial</i>			
Huzhou	186,215	8,986	1,673,410
Haian	146,022	11,266	1,645,042
Nantong	134,244	12,097	1,623,925
Shanghai	40,945	31,893	1,305,844
Hangzhou	52,543	19,394	1,019,006
Yancheng	97,890	9,955	974,495
Huaian	101,501	8,813	894,484
Changzhou	60,973	9,613	586,125
Taixing	54,901	7,493	411,350
Lianyungang	4,417	6,358	28,085
Panzhou	1,859	9,722	18,077
<i>Car parks and garage/storage</i>	71,754	2,632	188,842
Total	953,264	10,877	10,368,685

Land reserves

Leveraging on the Group's deep understanding of the property markets and intensive studies on the target cities, the Group continued to strategically select and acquire parcels of land at strategic and advantageous locations in those regions and cities in order to further develop the Group's presence in those markets. As of 31 December 2021, the Group (together with its joint ventures and associates) had 77 projects with land reserves amounting to 9,846,448 sq.m., of which 70 projects were located in 28 cities in the Yangtze River Delta region. Moreover, the Group had arranged its layout in the Guangdong-Hong Kong-Macau Greater Bay Area and Southwest China and has successfully obtained quality projects in Guangzhou and Chengdu as of 31 December 2021.

The following table sets out the GFA breakdown of the total land reserve of our Group by province or cities as of 31 December 2021:

Province	Total land reserve⁽¹⁾ (sq.m.)	Percentage of total land bank (%)
Jiangsu	4,978,470	51%
Guangdong	1,756,075	18%
Anhui	1,509,928	15%
Zhejiang	761,797	8%
Guizhou	470,634	5%
Henan	192,223	2%
Sichuan	144,519	1%
Shanghai	32,802	0%
Total	9,846,448	100%

Notes:

- (1) Total land reserve equals to the sum of (i) The total GFA available for sale and total leasable GFA for completed properties; (ii) total GFA for properties under development; and (iii) total GFA for properties held for future development.
- (2) For projects developed by our subsidiaries, joint ventures or associated companies, 100% of total GFA are accounted for the respective projects.

For the year ended 31 December 2021, the Group (together with its joint ventures and associates) acquired 9 new parcels of quality land in Hai'an, Nantong, Jingjiang, Taizhou, Yizheng, Changzhou, Funing, Guangde and Shunde, providing new land reserves of 1,208,236 sq.m. in terms of total GFA, at a weighted average attributable land cost of approximately RMB4,901 per sq.m..

Particulars of the land parcels are set out in the following table:

Name of Project	City	The Group's Equity Interest	Total GFA (sq.m.)	Total Consideration (RMB'000)	Average land cost (RMB/sq.m.)
Tian Cui Ge	Hai'an	24%	62,747	322,502	5,140
Long Xi Hua Yuan	Nantong	40%	81,919	383,665	4,683
Jun Yuan Ya Ju	Jingjiang	34%	183,015	878,320	4,799
Shang He Feng Hua Yuan	Taizhou	34%	149,307	1,363,000	9,129
Han Yuan	Yizheng	60%	147,588	495,000	3,354
Qin Hu Chun Qiu Hua Yuan	Changzhou	50%	86,718	482,000	5,558
Wen Lan Fu	Funing	40%	207,254	404,770	1,953
Gang Long Xing He Ying Hua Yuan	Guangde	100%	117,911	306,212	2,597
Foshan Shunde	Foshan	100%	171,777	1,261,456	7,344
Total			<u>1,208,236</u>	<u>5,896,925</u>	

Note: For projects developed by our subsidiaries, joint ventures or associated companies, 100% of total GFA are accounted for the respective projects.

FINANCIAL REVIEW

Overall performance

During the year ended 31 December 2021, total revenue of the Group was approximately RMB10,369 million, representing a year-on-year increase of approximately 149%. Gross profit was approximately RMB2,400 million, representing a year-on-year increase of approximately 58%. Net profit of the Group increased by 72% year-on-year to approximately RMB1,102 million for the year ended 31 December 2021.

Revenue

For the year ended 31 December 2021, the Group recorded a total revenue of approximately RMB10,369 million, representing a year-on-year increase of approximately 149%. The increase was primarily attributable to the significant growth in recognised sales of properties, driven by an increase in the Group's property projects delivered during the year.

Cost of sales

The cost of sales of the Group represents the costs incurred directly for sale of properties, which comprised construction costs, land costs and capitalised interest.

For the year ended 31 December 2021, the cost of sales of the Group was approximately RMB7,968 million, representing a year-on-year increase of approximately 200%.

Gross profit

For the year ended 31 December 2021, the gross profit of the Group was approximately RMB2,400 million, representing a significant period-on-period increase of approximately 58%. Gross profit margin was primarily affected by the selling prices, the construction costs and land costs of our properties delivered. For the year ended 31 December 2021, the Group recorded a gross profit margin of approximately 23%, as compared to approximately 36% in 2020. The decrease in the gross profit margin was mainly due to the higher land costs of the properties delivered during current year.

Other income and other gains, net

The Group had other income of approximately RMB87 million for the year ended 31 December 2021, as compared to approximately RMB26 million for the year ended 31 December 2020. During the year ended 31 December 2021, it primarily consisted of management and consulting service income of approximately RMB20 million and fair value gains on disposal of listed securities investment of approximately RMB44 million, respectively. The management and consulting services mainly comprise of the assignment of staff and personnel to support the operation of the relevant project companies including but not limited to services with respect to managerial, operational, financial and marketing aspects and are provided exclusively to the Group's joint ventures and associates in relation to the property development projects.

Fair value gains on investment properties

The Group develops and holds certain retail units for rental income and/or capital appreciation. The fair value gain on investment properties amounted to approximately RMB2 million for the year ended 31 December 2021, as compared to approximately RMB10 million in 2020. The fair value of the investment properties of the Group had a stable growth during the years ended 31 December 2021 and 2020.

Selling and marketing expenses

The Group's selling and marketing expenses increased by approximately 32% year-on-year from approximately RMB389 million for the year ended 31 December 2020 to approximately RMB514 million for the year ended 31 December 2021. The increase was primarily attributable to the increase in marketing and advertising costs and staff costs, driven by the increase in number of property projects held by the Group's subsidiaries during the year.

General and administrative expenses

The Group's general and administrative expenses increased by approximately 36% year-on-year from approximately RMB462 million for the year ended 31 December 2020 to approximately RMB627 million for the year ended 31 December 2021. The significant increase in our general and administrative expenses was primarily due to an increase in number of property projects held by the Group's subsidiaries and the scale of operation during the year.

Finance costs – net

Net finance costs of the Group increased by approximately 187% year-on-year from approximately RMB83 million for the year ended 31 December 2020 to approximately RMB238 million for the year ended 31 December 2021. The increase was primarily attributable to the increase in interest-bearing debts for the purposes of properties development business and the full year interest impact of the issuance of interest-bearing senior notes for refinancing and general working capital purpose.

Share of results of joint ventures and associates

The Group accounts for the results of joint ventures and associates using the equity method, which mainly represent the share of profits related to the projects delivered during the relevant period that have been offset by losses incurred by other joint ventures and associates.

Share of results of joint ventures and associates slightly decreased from approximately RMB403 million for the year ended 31 December 2020 to approximately RMB393 million for the year ended 31 December 2021. The decrease was primarily attributable to the decrease in revenue from sales of properties of the joint ventures and associates. This was in line with the increase in the number of the Group's consolidating projects throughout the years.

Income tax expenses

Income tax expenses increased by 5% from RMB382 million for the year ended 31 December 2020 to RMB402 million for the year ended 31 December 2021, which was primarily attributable to the combined effect of (a) increase in the number of projects delivered during the year and (b) decrease in land appreciation tax expenses due to the decrease in gross profit margin for the projects delivered during the year. The effective tax rates, excluding the share of results of joint ventures and associates, were 36% and 62% for the years ended 31 December 2021 and 2020.

Profit and total comprehensive income for the year

As a result of the significant increase in the Group's property projects delivered during the year, the Group's profit and total comprehensive income significantly increased by approximately 72% from approximately RMB642 million for the year ended 31 December 2020 to approximately RMB1,102 million for the year ended 31 December 2021. The profit attributable to owners of the Company was approximately RMB481 million for the year ended 31 December 2021.

The basic and diluted earnings per share of the Company is RMB0.30 per share for the year ended 31 December 2021, representing an decrease of approximately 56% from RMB0.68 per share for the year ended 31 December 2020.

Liquidity and financial resources

The Group has always pursued a prudent treasury management policy and actively manages its liquidity position with sufficient standby banking facilities to cope with daily operation and demands for capital for future development.

During the year ended 31 December 2021, the Group had financed its working capital, capital expenditure and other capital requirements primarily through (i) proceeds from issuance of the senior notes as described below; (ii) cash generated from operations, including proceeds from the pre-sale and sales of our properties; and (iii) bank loans, trust financing and financing from non-controlling interests, and other financings.

As of 31 December 2021, the Group had total cash (including restricted cash, pledged time deposits and cash and cash equivalents) of approximately RMB6,985 million as compared to approximately RMB6,797 million as of 31 December 2020. The increase was primarily due to the increase in proceeds from sales of properties. Substantially all of the Group's cash and cash equivalents are denominated in RMB.

During the year ended 31 December 2021, the aggregate new borrowings from bank and other trust financing arrangement obtained by the Group amounted to approximately RMB7,331 million, net proceeds from the issuance of the senior notes were approximately RMB51 million and repayment of borrowings from bank and trust financing arrangement was approximately RMB6,529 million. As of 31 December 2021, the Group's total bank and other borrowings amounted to approximately RMB9,495 million, representing an increase of approximately 10% compared to approximately RMB8,642 million as of 31 December 2020. Amongst the bank and other borrowings, approximately RMB2,758 million (as at 31 December 2020: approximately RMB6,051 million) will be repayable within one year and approximately RMB6,737 million (as at 31 December 2020: approximately RMB2,591 million) will be repayable after one year.

Senior notes

In December 2020, the Company issued 13.5% senior notes with a principal amount of US\$150 million due in December 2021 (the “**2021 Senior Notes**”) which were listed on Singapore Exchange Securities Trading Limited (“**SGX**”). The 2021 Senior Notes bear interest at a fixed rate of 13.5% per annum, payable semi-annually in arrears.

In November 2021, the completion of the exchange offer and the concurrent new money issuance had resulted in the issuance of US\$31.3 million additional new notes in the concurrent new money issuance and US\$126.7 million new notes pursuant to the exchange offer, for an aggregate principal amount of US\$158 million (the “**2022 Senior Notes**”). In December 2021, all outstanding 2021 Senior Notes with principal amount of US\$23.3 million were due and redeemed by the Company in full at maturity. The 2022 Senior Notes bear interest at a fixed rate of 13.5% per annum, payable semi-annually in arrears.

The issuance of the abovementioned senior notes was for the purpose of general working capital of the Group.

Key financial ratios

As of 31 December 2021, the Group's net gearing ratio (calculated as the total borrowings net of restricted cash, pledged time deposits and cash and cash equivalents divided by total equity) was 24%, an decrease of 17 percentage points as compared with 41% as of 31 December 2020. As of 31 December 2021, the Group's liabilities to assets ratio after excluding contract liabilities was approximately 64% (as at 31 December 2020: 82%). As of 31 December 2021, total cash to short term debt ratio (calculated as cash and bank balances divided by short term bank and other borrowings) was 2.5 times (as at 31 December 2020: 1.1 times). The decrease in both net gearing ratio and liabilities to assets ratio was primarily attributable to the increase in total equity by delivery of more projects and capital contribution by non-controlling interest. The Group actively monitors and manages its cash to short-term debt ratio, net gearing ratio and liabilities to assets ratio. As of 31 December 2021, these indicators have improved as compared to the ratios as of 31 December 2020. The Group will continue to manage its working capital efficiently through working capital management policies and continue to utilise the Group's available financial resources including proceeds from sales and pre-sales of property projects and draw down of banking facilities and other borrowings and optimise the payment schedule to contractors through negotiation based on the latest construction progress.

The Group's current ratio is calculated based on its total current assets divided by its total current liabilities as of the respective dates. The Group's current ratio had increased from approximately 1.13 times as of 31 December 2020 to approximately 1.38 times as of 31 December 2021. The improvement of current ratio was mainly due to the decrease in the proportion of short-term borrowings over total borrowings from bank and other trust financing arrangements from approximately 70% as at 31 December 2020 to approximately 29% as at 31 December 2021.

Foreign exchange risk

The Group mainly operates its business in China. Other than the offshore senior notes which are denominated in US\$, the Group did not have any other material direct exposure to foreign exchange fluctuations for the year ended 31 December 2021. The Directors expect that any fluctuation of RMB's exchange rate will not have any material adverse effect on the operation of the Group.

As of 31 December 2021, the Group has not entered into any hedging transactions. The Group manages its foreign exchange risk by closely monitoring the movement of the foreign currency rates and will consider hedging significant foreign currency exposure should the need arise.

Interest rate risk

The Group's interest rate risk arises from its borrowings. Except for the offshore senior notes the interest rate of which is fixed, most of the Group's borrowings are denominated in RMB, and their interest rates on the Group's borrowings are primarily affected by the benchmark interest rates set by the People's Bank of China. The Group manages its interest rate risk by closely monitoring the trend of interest rate fluctuation and its impact on the Group's interest rate risk exposure, as well as regulating the debt portfolio of the Group.

Pledge of assets

As of 31 December 2021, certain of the Group's bank and other borrowings were secured by its pledged time deposit, equity interests of group companies, properties under development, completed properties held for sales and investment properties with total carrying values of approximately RMB18,082 million (31 December 2020: RMB14,880 million).

Commitments

As of 31 December 2021, the Group had commitments that are contracted but not provided for as follows:

	31 December 2021 (RMB'000)	31 December 2020 (RMB'000)
Contracted but not provided for	<u>8,101,524</u>	<u>15,725,006</u>

The amount represented capital commitment for construction contracts and agreed proposed development contracts determined based on current estimated budgets.

Financial guarantees and contingent liabilities

As of 31 December 2021, the Group's total financial guarantees are as follows:

	31 December 2021 (RMB'000)	31 December 2020 (RMB'000)
Guarantee in respect of mortgage facilities for certain purchasers	11,452,840	7,913,296
Guarantee provided for the borrowings of joint ventures	<u>288,926</u>	<u>615,000</u>
Total	<u>11,741,766</u>	<u>8,528,296</u>

During the year ended 31 December 2021, the Group had arranged for bank financing for certain purchasers of our properties and provided guarantees to secure obligations of such purchasers for repayments. Such guarantees periods start from the date of grant of mortgage, and terminate upon the earlier of (i) the issuance of the property ownership certificate to the purchaser; or (ii) the satisfaction of mortgage loans by the purchasers of our properties. Pursuant to the terms of these guarantees, upon default of mortgage payments by these purchasers, the bank may demand us to repay the outstanding mortgage principal of the loan together with accrued interest owed by the defaulting purchasers to the banks. Under such circumstances, the Group are entitled to forfeit the relevant purchaser's deposit and resell the property to recover any amounts paid by the Group to the bank. The Directors consider that the likelihood of default of payments by the purchasers is minimal and the Group's credit risk is significantly mitigated.

The Group also provided guarantee for borrowings of the Group's joint ventures and associates from time to time in proportion to its equity interests. The relevant borrowings were primarily from banks to finance property development projects of these joint ventures and associates, whereby the land use rights of the joint ventures and associates were pledged to the banks and our guarantee was provided in addition to the pledges. The Directors consider that the likelihood of default in payments by the joint ventures and associates is minimal and therefore the financial guarantee measured at fair value is immaterial and no liabilities was recognised.

As of 31 December 2021, the Group had no other material contingent liabilities.

Material acquisitions and disposals of subsidiaries, associates and joint ventures

During the year ended 31 December 2021, the Group did not have any material acquisition or disposal of subsidiaries, associates or joint ventures.

Future plans for material investments

The Group will continue to invest in its property development projects and acquire suitable land parcels, if it thinks fit. These investments would be funded by internal resources and external borrowings. Save as disclosed above, the Group did not have any future plans for material investments as of the date of this announcement.

Human resources

As of 31 December 2021, the Group had a total of 1,180 employees (31 December 2020: 1,465 employees). Total expenditure on salary and welfare of the Group's employees for the year ended 31 December 2021 amounted to approximately RMB546 million (for the year ended 31 December 2020: approximately RMB407 million). The Group has adopted a system of determining the remuneration of employees based on the performance of employees. In general, the Group provides competitive remuneration packages to employees, which include basic salaries, performance-based rewards and year-end bonus. The Group also pays social security insurance for the Group's employees, including medical insurance, work-related injury insurance, endowment insurance, maternity insurance, unemployment insurance and housing funds. In terms of employee training, the Group provides consistent and systematic training to employees based on their positions and expertise, in order to enhance their expertise in real estate and their related fields.

FUTURE OUTLOOK

After the outbreak of COVID-19 in early 2020, various prevention and monitoring measures have been and will be implemented all over the country by the Chinese government. The Group will closely focus on the development of the coronavirus pandemic and assess its impact on the Group's financial position and business result.

In 2022, the Group will adhere to the development strategy of “one body, two wings”, focus on its core business, and continuously improve its operating efficiency. We will be oriented by customers' demands, continue to improve the Group's core corporate competitiveness, such as product competitiveness and brand awareness. In addition, the Group will adhere to the philosophy of rational investment and stable expansion, and fully grasp the development opportunity of rotation of urban cycle to further promote the implementation of the strategy of “deepening presence in the Yangtze River Delta region and the key hub cities of China”.

In order to ensure the smooth implementation of the development strategy, the Group will continue to strengthen the refinement of management and improve its internal skills in 2022. The Group will further optimize the operation and financial management system, shorten the decision-making process, and improve the operation efficiency. In addition, the Group will continue to adopt sound financial control policies and further optimize the capital and debt structure through diversified financing channels.

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

During the year, the Group repurchased an aggregate of 3,914,000 ordinary shares at an aggregate consideration of approximately HK\$16,032,225 on the Stock Exchange as follows:

Date of Repurchase	No. of Shares repurchased	Consideration per share		Total Consideration Paid
		Highest HK\$	Lowest HK\$	HK\$
5 November 2021	803,000	4.2700	4.1300	3,366,390
8 November 2021	110,000	4.0900	4.0900	449,900
9 November 2021	120,000	4.1800	4.1100	499,704
15 November 2021	90,000	4.1600	4.1600	374,400
18 November 2021	809,000	4.0800	4.0000	3,268,117
22 November 2021	45,000	4.0900	4.0900	184,050
23 November 2021	50,000	4.1100	4.1100	205,500
1 December 2021	50,000	4.1500	4.1500	207,500
9 December 2021	391,000	4.1000	4.0500	1,595,436
10 December 2021	421,000	4.0600	4.0400	1,705,008
13 December 2021	200,000	4.1200	4.1200	824,000
15 December 2021	511,000	4.0600	4.0600	2,074,660
17 December 2021	300,000	4.0700	4.0700	1,221,000
20 December 2021	14,000	4.0400	4.0400	56,560
Total	<u>3,914,000</u>			<u>16,032,225</u>

The Board considers that the share repurchases were in the best interests of the Company and its shareholders and would lead to an enhancement of the net assets value per share and/or earnings per share of the Company. All the abovementioned repurchased shares were cancelled during the year.

On 1 December 2021, the Company redeemed the outstanding US\$23,300,000 13.5% 2021 Senior Notes at maturity, in full at their principal amount together with interest accrued to maturity date and such senior notes were cancelled and delisted from the SGX.

Save as disclosed above, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's shares or other listed securities during the year.

DIVIDEND

During the year, a final dividend of RMB0.18 per share for the year ended 31 December 2020, amounting to approximately RMB293 million, was declared and paid to the shareholders of the Company.

The Board does not recommend the payment of dividend for the year ended 31 December 2021.

ANNUAL GENERAL MEETING AND CLOSURE OF THE REGISTER OF MEMBERS

For determining the entitlement to attend and vote at the 2022 AGM

The annual general meeting of the Company (the "2022 AGM") is scheduled to be held on Thursday, 26 May 2022. The register of members of the Company will be closed from Monday, 23 May 2022 to Thursday, 26 May 2022, both days inclusive, during which period no share transfer will be effected, for the purpose of ascertaining Shareholders' entitlement to attend and vote at the 2022 AGM. In order to be eligible to attend and vote at the 2022 AGM, all transfer documents accompanied by the relevant share certificates must be lodged with the Company's Hong Kong branch share registrar, Tricor Investor Services Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong, for registration not later than 4:30 p.m. on Friday, 20 May 2022.

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Articles, or the laws of the Cayman Islands, being the jurisdiction in which the Company is incorporated, which would oblige the Company to offer new Shares on a pro-rata basis to its existing shareholders.

USE OF NET PROCEEDS FROM THE GLOBAL OFFERING AND THE ISSUE OF THE OVER-ALLOTMENT SHARES

The net proceeds from the Listing amounted to HK\$1,611.7 million after deducting the underwriting fees and commissions and other listing expenses borne by the Company. The Company had fully used the proceeds raised from the Global Offering in accordance with its development strategies, market conditions and intended use of such proceeds as set out in the section headed “Future Plans and Use of Proceeds” in the prospectus of the Company dated 29 June 2020 (the “**Prospectus**”).

An analysis of the planned usage of the net proceeds as stated in the Prospectus and the actual utilization of the net proceeds for the period from the Listing Date up to the date of this announcement are set out as below:

Business objective as stated in the Prospectus	Percentage of total net proceeds	Intended use of net proceeds <i>HK\$'000</i>	Actual use of net proceeds as at the date of this announcement <i>HK\$'000</i>	Proceeds unused <i>HK\$'000</i>
To fund land costs of potential development projects	60%	967,020	967,020	–
To finance the construction costs for the development of our existing projects	30%	483,510	483,510	–
General working capital	10%	161,170	161,170	–

SUFFICIENCY OF PUBLIC FLOAT

According to the information that is publicly available to the Company and within the knowledge of the Board, as at the date of this announcement, the Company has maintained the public float as required under the Listing Rules.

CORPORATE GOVERNANCE

The Company recognises the importance of good corporate governance for enhancing the management of the Company as well as preserving the interests of the shareholders as a whole. The Company has adopted the code provisions set out in the Corporate Governance Code of the Appendix 14 of the Listing Rules (the “**CG Code**”), as its own code to govern its corporate governance practices. Save for the deviation in relation to the chairman of the Board and chief executive officer being the same individual, the Board considers that, the Company has complied, to the extent applicable and permissible, the CG Code during the year ended 31 December 2021.

Pursuant to paragraph A.2.1 of the CG Code, the roles of chairman and chief executive officer should be separate and should not be performed by the same individual. Mr. Lui Ming is currently the Chairman of the Board and the chief executive officer of the Group, responsible for strategic planning and managing of the Group’s overall business and operations. Mr. Lui Ming has been responsible for the overall management of the Group since the establishment of the Group. The Board believes that the current structure enables the Group to make and implement business decision swiftly and effectively which promotes the Group’s development in line with other strategies and business direction. The Board considers that the balance of power and authority, accountability and independent decision making under the present arrangement will not be impaired because of the diverse background and experience of the non-executive Directors and independent non-executive Directors. Further, the audit committee of the Company, which consists of a majority of independent non-executive Directors, has free and direct access to the Company’s external auditors and independent professional advisers when it considers necessary. Therefore, the Directors consider that the deviation from paragraph A.2.1 of the CG Code is appropriate in such circumstance.

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

MODEL CODE FOR SECURITIES TRANSACTIONS

During the year ended 31 December 2021, the Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Listing Rules (the “**Model Code**”) as its own code of conduct regarding dealings in the securities of the Company by the Directors and the Group’s senior management who, because of his/her office or employment, is likely to possess inside information in relation to the Company or its securities. The Directors and the Group’s senior management have complied with the Model Code during the year ended 31 December 2021.

EVENT AFTER THE YEAR END DATE

Save as disclosed elsewhere in this announcement, there were no other material subsequent events took place after 31 December 2021 and up to the date of this announcement.

REVIEW OF FINANCIAL STATEMENTS

Audit Committee

The audit committee of the Company, comprising Mr. Chan Pak Hung, Mr. Lui Wing Nam, Mr. Guo Shaomu and Ms. Tang Lo Nar, has discussed with the management and the Board and reviewed this announcement of annual results of the Group for the year ended 31 December 2021.

Scope of work of PricewaterhouseCoopers

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

PUBLICATION OF ANNUAL RESULTS ANNOUNCEMENT AND ANNUAL REPORT

This announcement is published on the website of the Stock Exchange (www.hkexnews.hk) and the Company's website (www.glchina.group). The annual report of the Company for the year ended 31 December 2021 will be despatched to the Shareholders and published on the aforesaid websites in due course.

By Order of the Board
Ganglong China Property Group Limited
Lui Ming
Chairman and executive director

Hong Kong, 25 March 2022

As of the date of this announcement, the executive directors of the Company are Mr. Lui Ming (Chairman), Mr. Lui Jin Ling, and Mr. Lui Chi Chung Jimmy. The non-executive directors of the Company are Mr. Lui Wing Mau and Mr. Lui Wing Nam. The independent non-executive directors of the Company are Mr. Chan Pak Hung, Mr. Guo Shaomu, and Ms. Tang Lo Nar.