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# 三盛控股

Sansheng Holdings (Group) Co. Ltd.

## Sansheng Holdings (Group) Co. Ltd.

三盛控股（集團）有限公司

*(Incorporated in the Cayman Islands with limited liability)*

(Stock Code: 2183)

### UNAUDITED ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2021

The board of directors (the “**Board**”) of Sansheng Holdings (Group) Co. Ltd. (the “**Company**”) is pleased to announce the unaudited results of the Company and its subsidiaries (collectively, the “**Group**”) for the year ended 31 December 2021, together with the audited comparative figures for the previous year as follows. For the reasons explained in the paragraph headed “Review of Unaudited Annual Results” in this announcement, the auditing process for the annual results of the Group for the year ended 31 December 2021 has not been completed.

#### FINANCIAL HIGHLIGHTS

- As of 31 December 2021, the aggregated contracted sales of the Group increased to approximately RMB31,388.6 million as compared to the same period last year.
- For the year ended 31 December 2021, the total revenue of the Group increased to approximately RMB9,906.5 million (for the year ended 31 December 2020: approximately RMB8,778.6 million).
- For the year ended 31 December 2021, the profit of the Group decreased to approximately RMB666.3 million (for the year ended 31 December 2020: approximately RMB850.9 million).
- For the year ended 31 December 2021, the profit attributable to the equity shareholders of the Company decreased to approximately RMB598.9 million (for the year ended 31 December 2020: approximately RMB809.2 million).
- The Group’s basic earnings per share for the year of 2021 was RMB1.22 (for the year ended 31 December 2020: RMB1.65).
- The Board did not recommend the payment of any final dividend for the year ended 31 December 2021 (for the year ended 31 December 2020: RMB0.20 per share).

## CONSOLIDATED STATEMENT OF PROFIT OR LOSS

*FOR THE YEAR ENDED 31 DECEMBER 2021 (Expressed in Renminbi)*

	<i>Note</i>	<b>2021</b> <b>RMB'000</b> <b>(Unaudited)</b>	2020 <b>RMB'000</b> <b>(Audited)</b>
<b>Revenue</b>	3	<b>9,906,486</b>	8,778,600
Cost of sales		<u><b>(7,757,358)</b></u>	<u>(6,280,703)</u>
<b>Gross profit</b>		<u><b>2,149,128</b></u>	<u>2,497,897</u>
Net valuation gain on investment properties		<b>65,629</b>	48,801
Other income	4	<b>83,503</b>	74,876
Selling and marketing expenses		<b>(621,453)</b>	(495,583)
Administrative expenses		<u><b>(524,439)</b></u>	<u>(362,660)</u>
<b>Profit from operations</b>		<b>1,152,368</b>	1,763,331
Finance costs	5(a)	<b>(52,124)</b>	(59,708)
Share of profit less losses of joint ventures		<u><b>41,727</b></u>	<u>(13,634)</u>
<b>Profit before taxation</b>	5	<b>1,141,971</b>	1,689,989
Income tax	6(a)	<u><b>(475,711)</b></u>	<u>(839,061)</u>
<b>Profit for the year</b>		<u><b>666,260</b></u>	<u>850,928</u>
<b>Attributable to:</b>			
Equity shareholders of the Company		<b>598,876</b>	809,237
Non-controlling interests		<u><b>67,384</b></u>	<u>41,691</u>
<b>Profit for the year</b>		<u><b>666,260</b></u>	<u>850,928</u>
<b>Earnings per share</b>			
Basic (RMB)	8	<u><b>1.22</b></u>	<u>1.65</u>

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER  
COMPREHENSIVE INCOME**

*FOR THE YEAR ENDED 31 DECEMBER 2021 (Expressed in Renminbi)*

	<b>2021</b> <i>RMB'000</i> <b>(Unaudited)</b>	2020 <i>RMB'000</i> (Audited)
<b>Profit for the year</b>	<b>666,260</b>	850,928
<b>Other comprehensive income for the year (after tax and reclassification adjustments):</b>		
<i>Item that may be reclassified subsequently to profit or loss:</i>		
Exchange differences on translation of financial statements of foreign operations	<u>11,736</u>	<u>52,262</u>
<b>Other comprehensive income for the year</b>	<u>11,736</u>	<u>52,262</u>
<b>Total comprehensive income for the year</b>	<u><b>677,996</b></u>	<u>903,190</u>
<b>Attributable to:</b>		
Equity shareholders of the Company	<b>610,612</b>	861,499
Non-controlling interests	<u>67,384</u>	<u>41,691</u>
<b>Total comprehensive income for the year</b>	<u><b>677,996</b></u>	<u>903,190</u>

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

*AT 31 DECEMBER 2021 (Expressed in Renminbi)*

	<i>Note</i>	<b>2021</b> <b>RMB'000</b> <b>(Unaudited)</b>	2020 <b>RMB'000</b> <b>(Audited)</b>
<b>Non-current assets</b>			
Investment properties		1,828,941	2,389,545
Property, plant and equipment		952,243	938,787
Properties under development	9	110,312	110,312
Prepaid lease payments		420,482	434,981
Interests in joint ventures		349,005	536,591
Deferred tax assets		836,052	547,132
		4,497,035	4,957,348
<b>Current assets</b>			
Inventories and other contract costs		40,326,647	38,318,281
Trade and other receivables	10	7,003,969	5,033,465
Prepaid lease payments		14,499	14,499
Prepaid tax		752,869	662,294
Financial assets at fair value through profit or loss		48,399	85,420
Restricted deposits		1,106,591	119,217
Fixed deposits held at banks with maturity over three months		20,667	—
Cash and cash equivalents		4,252,202	7,385,858
		53,525,843	51,619,034
Assets of disposal group classified as held for sale		2,243,883	—
		55,769,726	51,619,034
<b>Current liabilities</b>			
Bank loans and other borrowings	11	3,639,275	3,255,522
Bonds payable	12	1,070,450	931,544
Due to Fuzhou Sansheng		99,500	650,000
Trade and other payables	13	6,914,551	7,133,975
Lease liabilities		8,729	3,252
Contract liabilities		27,317,055	20,204,783
Current taxation		2,202,244	1,731,768
		41,251,804	33,910,844
Liabilities directly associated with assets of disposal group classified as held for sale		1,331,421	—
		42,583,225	33,910,844
<b>Net current assets</b>		13,186,501	17,708,190
<b>Total assets less current liabilities</b>		17,683,536	22,665,538

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION (Continued)***AT 31 DECEMBER 2021 (Expressed in Renminbi)*

	<i>Note</i>	<b>2021</b> <b>RMB'000</b> <b>(Unaudited)</b>	<b>2020</b> <b>RMB'000</b> <b>(Audited)</b>
<b>Non-current liabilities</b>			
Bank loans and other borrowings	11	<b>9,693,784</b>	13,278,836
Bonds payable	12	<b>459,828</b>	459,828
Due to Fuzhou Sansheng		<b>136,393</b>	2,420,193
Lease liabilities		<b>17,359</b>	10,727
Deferred tax liabilities		<b>284,466</b>	334,050
		<b>10,591,830</b>	16,503,634
<b>NET ASSETS</b>			
		<b>7,091,706</b>	6,161,904
<b>CAPITAL AND RESERVES</b>			
Share capital		<b>39,354</b>	39,354
Reserves		<b>2,535,703</b>	2,019,736
<b>Total equity attributable to equity shareholders of the Company</b>			
		<b>2,575,057</b>	2,059,090
<b>Non-controlling interests</b>			
		<b>4,516,649</b>	4,102,814
<b>TOTAL EQUITY</b>			
		<b>7,091,706</b>	6,161,904

## NOTES:

### 1. GENERAL AND BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS

#### (a) Statement of compliance

These financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards (HKFRSs), which collective term includes all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards (HKASs) and Interpretations issued by the Hong Kong Institute of Certified Public Accountants (HKICPA), accounting principles generally accepted in Hong Kong and the disclosure requirements of the Hong Kong Companies Ordinance. These financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

The HKICPA has issued certain amendments to HKFRSs that are first effective or available for early adoption for the current accounting period of the Group. Note 2 provides information on any changes in accounting policies resulting from initial application of these developments to the extent that they are relevant to the Group for the current accounting period reflected in these financial statements.

### 2. OVERVIEW OF NEW AND AMENDED STANDARDS ADOPTED BY THE GROUP

#### Changes in accounting policies

The Group has applied the following amendments to HKFRSs issued by the HKICPA to these financial statements for the current accounting period:

- Amendment to HKFRS 16, *Covid-19-related rent concessions beyond 30 June 2021*
- Amendments to HKFRS 9, HKAS 39, HKFRS 7, HKFRS 4 and HKFRS 16, *Interest rate benchmark reform – phase 2*

Other than the amendment to HKFRS 16, the Group has not applied any new standard or interpretation that is not yet effective for the current accounting period. Impacts of the adoption of the amended HKFRSs are discussed below:

**Amendment to HKFRS 16, Covid-19-related rent concessions beyond 30 June 2021 (2021 amendment)**

The Group previously applied the practical expedient in HKFRS 16 such that as lessee it was not required to assess whether rent concessions occurring as a direct consequence of the COVID-19 pandemic were lease modifications, if the eligibility conditions are met. One of these conditions requires the reduction in lease payments affect only payments originally due on or before a specified time limit. The 2021 amendment extends this time limit from 30 June 2021 to 30 June 2022.

The Group has early adopted the 2021 amendment in this financial year. With the extended time limit, certain rent concessions that were previously ineligible for the practical expedient because of the original time limit, become eligible. Accordingly, these rent concessions, which were previously accounted for as lease modifications, are now accounted for as negative variable lease payments, and are recognised in profit or loss in the period in which the event or condition that triggers those payments occurred. The amendments do not have an impact on the opening balance of equity at 1 January 2021 as the Group did not have such rent concessions.

**Amendments to HKFRS 9, HKAS 39, HKFRS 7, HKFRS 4 and HKFRS 16, Interest rate benchmark reform – phase 2**

The amendments provide targeted reliefs from (i) accounting for changes in the basis for determining contractual cash flows of financial assets, financial liabilities and lease liabilities as modifications, and (ii) discontinuing hedge accounting when an interest rate benchmark is replaced by an alternative benchmark rate as a result of the reform of interbank offered rates (“**IBOR reform**”). The amendments do not have an impact on these financial statements as the Group does not have contracts that are indexed to benchmark interest rates which are subject to the IBOR reform.

### 3. REVENUE AND SEGMENT REPORTING

#### (a) Revenue

The principal activities of the Group are property development and sale, property investment and related services.

Revenue are net of sales related taxes and discounts allowed. All the revenue are generated in Mainland China.

	2021 <i>RMB'000</i> (Unaudited)	2020 <i>RMB'000</i> (Audited)
<b>Revenue from contracts with customers within the scope of HKFRS 15</b>		
Sale of properties	9,534,602	8,646,232
Hotel revenue	33,829	22,899
Construction and design services income	127,187	20,091
Consultation service income	88,760	–
Project management services	26,292	–
	<u>9,810,670</u>	<u>8,689,222</u>
<b>Revenue from other sources</b>		
Gross rentals from investment properties	95,816	89,378
	<u>9,906,486</u>	<u>8,778,600</u>

The Group's customer base is diversified. None of the Group's client with whom transactions have exceeded 10% of the Group's revenue.

- (i) Revenue expected to be recognised in the future arising from contracts with customers in existence at the reporting date.

The following table includes revenue expected to be recognised in the future related to performance obligations that are unsatisfied (or partially unsatisfied) at 31 December 2021 and 31 December 2020.

	2021 <i>RMB'000</i> (Unaudited)	2020 <i>RMB'000</i> (Audited)
<b>Remaining performance obligations expected to be satisfied:</b>		
Within 1 year	12,211,431	14,541,623
1 year to 2 years	18,748,740	4,619,882
2 years to 3 years	428,384	4,966,450
	<u>31,388,555</u>	<u>24,127,955</u>

These amounts represent revenue expected to be recognised in the future from pre-completion sales contracts for properties under development entered into by the customers with the Group. These amounts include the significant financing components of the pre-completion properties sales contracts under which the Group obtains significant financing benefits from the customers.

**(b) Segment reporting**

*Operating segment*

The Group's operating activities are attributable to a single operating segment focusing on property development and property investment. This operating segment has been identified on the basis of internal management reports prepared in accordance with accounting policies conform with HKFRS 8, that are regularly reviewed by the chief operating decision maker ("CODM") (i.e. the executive directors of the Company). The CODM regularly reviews property portfolio by locations and considers them as one single operating segment since most of the properties are developed by the Group for sales. No revenue analysis, operating results or other discrete financial information is available for the assessment of performance of the respective locations.

*Geographical information*

Information about the Group's non-current assets (other than deferred tax assets) is presented base on the geographical location of the assets as follows:

	<b>2021</b>	2020
	<b><i>RMB'000</i></b>	<i>RMB'000</i>
	<b>(Unaudited)</b>	(Audited)
Mainland China	<b>3,638,182</b>	4,372,003
Hong Kong	<b>22,801</b>	38,213
	<b><u>3,660,983</u></b>	<u>4,410,216</u>

#### 4. OTHER INCOME

	2021 <i>RMB'000</i> (Unaudited)	2020 <i>RMB'000</i> (Audited)
Net exchange gain	1,944	44,300
Interest income on bank deposits	52,679	9,832
Forfeited deposits from customers	7,172	11,907
Compensations to customers	(966)	(1,878)
Net gain on disposal of property, plant and equipment	2,038	124
Donation	(565)	(1,000)
Fair value changes on derivative financial instruments	18,317	2,368
Service fee income	11,350	7,540
Others	(8,466)	1,683
	<u>83,503</u>	<u>74,876</u>

#### 5 PROFIT BEFORE TAXATION

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

##### (a) Finance costs

	2021 <i>RMB'000</i> (Unaudited)	2020 <i>RMB'000</i> (Audited)
Interest on bank loans and other borrowings	1,369,407	1,117,707
Interest on bonds	148,605	152,165
Interest on payables to Fuzhou Sansheng Property Co., Ltd# (福州三盛置業有限公司) ("Fuzhou Sansheng")	17,075	45,997
Interest on lease liabilities	2,158	1,416
Interest accrued on significant financing component of contract liabilities	1,593,289	996,390
	<u>3,130,534</u>	<u>2,313,675</u>
Less: interest expense capitalised into inventories, construction in progress and investment properties*	(3,078,410)	(2,253,967)
	<u>52,124</u>	<u>59,708</u>

# The English translation of the name is for reference only. The official name of the entity is in Chinese.

\* The borrowing costs have been capitalised at a weighted average rate of 7.94% per annum (2020: 8.69%).

(b) **Staff costs**

	<b>2021</b> <b>RMB'000</b> <b>(Unaudited)</b>	2020 <i>RMB'000</i> (Audited)
Salaries, wages and other benefits	<b>359,631</b>	205,776
Retirement benefits scheme contributions	<b>21,407</b>	3,086
	<b>381,038</b>	208,862

***Hong Kong***

The Group participates in a defined contribution scheme under Mandatory Provident Fund Scheme (“**MPF Scheme**”). For members of the MPF Scheme, both the Group and the employee contribute 5% of the employee’s relevant income to the Scheme according to the MPF ordinance.

***Mainland China***

The employees of the Group in the Mainland China are members of state-managed retirement benefit schemes operated by the respective local governments in relevant jurisdictions. The Group is required to contribute and recognise a specified percentage of payroll costs to the schemes to fund the benefits. The only obligations of the Group with respect to these schemes are to make the specified contributions and recognise the respective retirement pay in accordance with terms set out in the schemes and relevant jurisdiction requirements.

(c) **Other items**

	<b>2021</b> <b>RMB'000</b> <b>(Unaudited)</b>	2020 <i>RMB'000</i> (Audited)
Depreciation and amortisation		
– owned property, plant and equipment	<b>22,375</b>	42,811
– right-of-use assets	<b>23,896</b>	25,673
Cost of inventories	<b>7,537,490</b>	6,249,525
Rentals income from investment properties		
less direct outgoings of RMB10,447,000 (2020: RMB9,453,000)	<b>(85,369)</b>	(79,925)

## 6. INCOME TAX IN THE CONSOLIDATED STATEMENT OF PROFIT OR LOSS

### (a) Taxation in the consolidated statement of profit or loss represents:

	2021 <i>RMB'000</i> (Unaudited)	2020 <i>RMB'000</i> (Audited)
<b>Current tax</b>		
PRC Corporate Income Tax (“CIT”)	465,381	562,468
Withholding tax	191	205
Land Appreciation Tax (“LAT”)	252,026	515,986
<b>Deferred tax</b>		
Origination and reversal of temporary differences	<u>(241,887)</u>	<u>(239,598)</u>
	<u><b>475,711</b></u>	<u><b>839,061</b></u>

- (i) Pursuant to the rules and regulations of the Cayman Islands and the British Virgin Islands (“BVI”), the Group is not subject to any income tax in the Cayman Islands and the BVI.
- (ii) The provision for Hong Kong Profits Tax for 2021 is calculated at 16.5% (2020: 16.5%) of the estimated assessable profits for the year. No provision for Hong Kong Profits Tax has been made in the consolidated financial statements as the Group has no assessable profit in Hong Kong for both years.
- (iii) The provision for CIT is calculated based on the estimated taxable income at the rates applicable to subsidiaries of the Group in Mainland China. The income tax rates applicable are 25% (2020: 25%).
- (iv) Withholding tax includes tax on interest income received from a subsidiary in Mainland China at 7% (2020: 7%) of the amount received and withholding tax on profits retained by Mainland China subsidiaries.
- (v) LAT is levied on properties developed by the Group for sale, at progressive rates ranging from 30% to 60% on the appreciation of land value, which under the applicable regulations is calculated based on the proceeds of sales of properties less deductible expenditures including lease charges of land use rights, borrowing costs and relevant property development expenditures.

(b) **Reconciliation between tax expense and accounting profit at applicable tax rates:**

	<b>2021</b>	2020
	<b>RMB'000</b>	<b>RMB'000</b>
	<b>(Unaudited)</b>	<b>(Audited)</b>
Profit before taxation	<b>1,141,971</b>	1,689,989
Less: LAT	<b>252,026</b>	515,986
	<hr/>	<hr/>
Profit before CIT	<b>889,945</b>	1,174,003
	<hr/> <hr/>	<hr/> <hr/>
Notional tax calculated at applicable income tax rate of the relevant group entities concerned	<b>185,720</b>	220,526
Tax effect of non-deductible expenses	<b>69,070</b>	40,843
Tax effect of non-taxable income	<b>(52,102)</b>	(659)
Tax effect of unused tax losses not recognised	<b>59,586</b>	50,724
Utilisation of previously unrecognised tax losses	<b>(18,073)</b>	(367)
Over provision of CIT in respect of previous year	<b>(20,707)</b>	–
Withholding tax ( <i>note 6(a)(iv)</i> )	<b>191</b>	12,008
	<hr/>	<hr/>
CIT expense	<b>223,685</b>	323,075
Add: LAT	<b>252,026</b>	515,986
	<hr/>	<hr/>
Income tax expense	<b>475,711</b>	839,061
	<hr/> <hr/>	<hr/> <hr/>

## 7. DIVIDENDS

### (i) Dividends payable to equity shareholders of the Company attributable to the year

	<b>2021</b> <i>RMB'000</i> (Unaudited)	2020 <i>RMB'000</i> (Audited)
No final dividend proposed after the end of the reporting period (2020: RMB0.20 per share)	–	98,119

### (ii) Dividends payable to equity shareholders of the Company attributable to the previous financial year, approved and paid during the year

	<b>2021</b> <i>RMB'000</i> (Unaudited)	2020 <i>RMB'000</i> (Audited)
Final dividend in respect of the previous financial year, approved and paid during the year, of RMB0.20 per share (2020: Nil)	<b>98,119</b>	–

No dividend was declared for the year ended 31 December 2021 (2020: RMB98,119,000).

## 8. EARNINGS PER SHARE

The calculation of basic earnings per share is based on the profit attributable to equity shareholders of the Company of RMB598,876,000 (2020: RMB809,237,000) and the weighted average number of ordinary shares in issue of 490,594,000 (2020: 490,594,000) during the year.

No dilutive earnings per share is presented as there were no dilutive potential ordinary shares in issue during both years.

## 9. PROPERTIES UNDER DEVELOPMENT

The amount comprised project design and pre-development costs, professional fees, amortisation of prepaid lease payments capitalised and other related fees and taxes that are directly attributable to the development of the Group's prepaid lease payments.

At 31 December 2021, the Group has not yet obtained the approval on the planning design scheme from the relevant government authorities as a result of certain additional requirements imposed by the local government. The Group is continuously negotiating with the relevant government authorities and have obtained an initial compensation plan proposed by the relevant local government authorities. The director was of the opinion that no impairment provision is necessary with reference to the compensation plan.

## 10. TRADE AND OTHER RECEIVABLES

	2021 <i>RMB'000</i> (Unaudited)	2020 <i>RMB'000</i> (Audited)
Trade receivables, net of loss allowance ( <i>note (a)</i> )		
– related parties	107,429	–
– third parties	157,621	34,905
Other receivables ( <i>note (b)</i> )	799,050	694,075
Amounts due from joint ventures ( <i>note (c)</i> )	493,916	22,606
Amounts due from non-controlling interests ( <i>note (d)</i> )	4,320,004	2,172,412
	<hr/>	<hr/>
Financial assets measured at amortised cost	5,878,020	2,923,998
Prepaid VAT and surcharges	686,236	1,416,474
Deposits and prepayments ( <i>note (e)</i> )	439,713	692,993
	<hr/>	<hr/>
	<b>7,003,969</b>	<b>5,033,465</b>
	<hr/> <hr/>	<hr/> <hr/>

### Notes:

- (a) As at 31 December 2021, trade receivables from related parties mainly represent receivables from construction and design services and consultation services provided to related parties. Trade receivables from third parties mainly represent receivables from local government for ancillary properties developed and rental receivables. The above receivables are with ageing of within one year based on the invoice date.
- (b) Other receivables as at 31 December 2021 include an amount of RMB575,938,000 (2020: RMB410,415,000) representing advances from pre-sale of certain property projects in Changzhou, Xuzhou and Danyang deposited in certain institutions designated by Housing Security and Real Estate Administration under the local regulatory policy. The amount will be released in installments according to the progress of the construction of property development projects. Since certain institutions are ultimately held by the local government with good credibility, the Group considers that the credit risk is low.
- (c) Amounts due from joint ventures are unsecured, interest free and expected to be settled within one year.
- (d) Amounts due from non-controlling interests are unsecured, interest free and repayable on demand. As the amounts could be recovered by offsetting with the expected distributable profits to the respective non-controlling interests, management considered that the risk of default in repayment from these entities is remote.
- (e) Other deposits and prepayment mainly represent deposits and prepayment on land use rights, construction cost and deposits of water and electricity, gas and public maintenance funds paid on behalf of the customers.

## 11. BANK LOANS AND OTHER BORROWINGS

	2021 <i>RMB'000</i> (Unaudited)	2020 <i>RMB'000</i> (Audited)
<b>Current</b>		
Secured		
– Bank loans	1,009,618	539,660
– Other borrowings	<u>2,629,657</u>	<u>2,715,862</u>
	----- 3,639,275	----- 3,255,522
<b>Non-current</b>		
Secured		
– Bank loans	6,823,597	7,551,200
– Other borrowings	<u>2,870,187</u>	<u>5,727,636</u>
	----- 9,693,784	----- 13,278,836
	<u><u>13,333,059</u></u>	<u><u>16,534,358</u></u>

At 31 December 2021, all non-current interest-bearing bank loans and other borrowings were repayable as follows:

	2021 <i>RMB'000</i> (Unaudited)	2020 <i>RMB'000</i> (Audited)
After 1 year but within 2 years	7,486,694	7,816,136
After 2 years but within 5 years	<u>2,207,090</u>	<u>5,462,700</u>
	<u><u>9,693,784</u></u>	<u><u>13,278,836</u></u>

Bank loans and other borrowings are interest-bearing at a weighted average rate of 7.72% per annum (2020: 8.98% per annum).

All of the Group's banking facilities are subject to the fulfilment of covenants which are commonly found in lending arrangements with financial institutions. If the Group were to breach the covenants the drawn down facilities would become payable on demand. The Group regularly monitors its compliance with these covenants. As at 31 December 2021, none of the covenants relating to drawn down facilities had been breached (2020: Nil).

The secured bank loans and other borrowings are guaranteed over share of interest in certain subsidiaries of the Group and other assets as below:

	<b>2021</b>	2020
	<b>RMB'000</b>	RMB'000
	<b>(Unaudited)</b>	(Audited)
Inventories	<b>18,976,357</b>	16,933,081
Investment properties	<b>1,458,139</b>	719,341
Property, plant and equipment	<b>616,789</b>	601,883
	<b><u>                    </u></b>	<b><u>                    </u></b>

At 31 December 2021, the bank loans and other borrowings include amounts of RMB171,100,000 (2020: Nil) were secured by right to collect account receivables from a contractor designated by local government under an old city transformation project.

At 31 December 2021, certain bank loans and other borrowings are also guaranteed by related parties, by securing properties and shareholdings of the companies owned by Mr. Lin Rongbin.

At 31 December 2021, the Group's unutilised banking and other financial institutions facilities amounted to RMB3,288,538,000 (2020: RMB2,258,373,000).

## 12. BONDS PAYABLE

	<b>2021</b>	2020
	<b>RMB'000</b>	RMB'000
	<b>(Unaudited)</b>	(Audited)
<b>Current</b>		
USD100 million senior notes due July 2022 ( <i>note (a)</i> )	<b>632,237</b>	–
USD70 million notes due November 2022 ( <i>note (b)</i> )	<b>438,213</b>	–
USD100 million private corporate bonds due		
November 2021 ( <i>note (c)</i> )	–	629,237
HKD17.8 million private corporate bonds ( <i>note (d)</i> )	–	14,933
USD44.2 million private corporate bonds ( <i>note (e)</i> )	–	287,374
	<b><u>                    </u></b>	<b><u>                    </u></b>
	<b>1,070,450</b>	931,544
	<b>-----</b>	<b>-----</b>
<b>Non-current</b>		
RMB dim sum bond due January 2023 ( <i>note (f)</i> )	<b>459,828</b>	459,828
	<b><u>                    </u></b>	<b><u>                    </u></b>
	<b>459,828</b>	459,828
	<b>-----</b>	<b>-----</b>
	<b>1,530,278</b>	1,391,372
	<b><u>                    </u></b>	<b><u>                    </u></b>

*Notes:*

- (a) On 8 July 2021, the Company issued 1-year senior notes with principal amount of USD100,000,000. The bond was guaranteed by certain subsidiaries of the Group.
- (b) On 9 November 2021, the Company issued 1-year notes with principal amount of USD70,000,000 issued at par. The bond was guaranteed by Mr. Lin Rongbin and Ms. Cheng Xuan.
- (c) The bond was secured over share of interest in certain subsidiaries of the Group. Amount of USD30,000,000 of the bond was settled in November 2021. The remaining of USD70,000,000 was refinanced by a new bond issued which was mentioned in note(b).
- (d) On 12 July 2019, the Company issued 1.5-year private corporate bonds with principal amount of HKD17,800,000 issued at par. The bonds were fully settled in 2021.
- (e) On 19 July 2019, the Company issued 2-year private bonds with principal amount of USD 44,200,000 issued at par. Bonds with amount of USD20,000,000 were guaranteed by Mr. Lin Rongbin and Ms. Cheng Xuan. The bonds were fully settled in 2021.
- (f) On 15 January 2020, the Company issued a 3-year private bond with principal amount of RMB214,688,000. On 14 October 2020 and 8 December 2020, the Company issued additional bonds RMB153,040,000 and RMB 92,100,000 respectively under the same program. The bonds were fully guaranteed by bank deposits provided by the company owned by Mr. Lin Rongbin.

These bonds are interest-bearing at a weighted average rate of 9.85% per annum (2020: 9.79% per annum). As at 31 December 2021 and 2020, the Company had not breached any covenants of the bonds.

### 13. TRADE AND OTHER PAYABLES

	2021 <i>RMB'000</i> (Unaudited)	2020 <i>RMB'000</i> (Audited)
Bills payables ( <i>note (a)</i> )	21,356	11,634
Trade payables ( <i>note (a)</i> )	2,377,481	1,959,522
Amounts due to related parties ( <i>note (b)</i> )	–	128,176
Amounts due to joint venture	66,687	12,346
Amounts due to non-controlling interests ( <i>note (c)</i> )	1,573,446	1,633,782
Contributions from employees ( <i>note (d)</i> )	93,150	85,885
Consideration payables for acquisition of subsidiaries	27,000	75,654
Other payables ( <i>note (e)</i> )	461,401	317,602
Interest payable	131,393	82,981
	<hr/>	<hr/>
Financial liabilities measured at amortised cost	4,751,914	4,307,582
Derivative financial liability	–	18,317
Value added tax and surcharges payables	1,963,060	2,165,448
Deposits received ( <i>note (f)</i> )	195,313	633,638
Receipts in advance	4,264	8,990
	<hr/>	<hr/>
	<b>6,914,551</b>	<b>7,133,975</b>
	<hr/> <hr/>	<hr/> <hr/>

All of the trade and other payables are expected to be settled or recognised as income within one year or are repayable on demand.

*Notes:*

- (a) As at 31 December 2021, all trade and bills payables are with ageing of within 1 year based on the invoice date.
- (b) These related parties are private companies owned by Mr. Lin Rongbin. The amounts are interest-free, unsecured and repayable on demand.
- (c) The amount represents advance from non-controlling interests of certain subsidiaries for the respective property development projects. The amount is interest-free and repayable on demand.
- (d) The amount represents contributions from employees and accrued benefits in certain subsidiaries of the Group.
- (e) Other payables mainly represent sales commission payables and salaries and bonus payables.
- (f) Deposits received include an amount of RMB20,170,000 (2020: RMB260,000,000) representing cooperation intention deposits received from the intended. Under terms of the contracts signed, the intention funds would be treated as security deposit and paid as part of land cost or returned to the intended partners within one year.

Deposits also include an amount of RMB91,450,000 (2020: RMB330,000,000) representing retention deposits and bidding deposits received from constructors.

## DIVIDEND

The Board did not recommend the payment of any final dividend for the year ended 31 December 2021 (for the year ended 31 December 2020: RMB0.20).

## MANAGEMENT DISCUSSION AND ANALYSIS

### FINANCIAL REVIEW

#### Contracted sales

As of 31 December 2021, the contracted but unrecognized sales of the Group amounted to approximately RMB31,388.6 million and the estimated contracted gross floor area (“GFA”) of the Group was approximately 2,449,021 square meter (“sq.m.”), which arise from the contracted sales of the projects below, forming a solid basis for the Group’s future growth in recognized revenue.

#### Details of contracted sales as at 31 December 2021

Location/Project	Total contracted sales (RMB'000)	Estimated contracted GFA (sq.m.)
1. Xiaoshan Hangzhou Zhejiang/Ruyue Meijing	2,882,561	89,694
2. Changle Fuzhou Fujian/Puyue Mansion (Phase 1)	2,219,965	109,174
3. Tongshan Xuzhou Jiangsu/Sansheng • Midtown	2,055,702	130,310
4. Taicang Jiangsu/Hujing Tianzhu	2,037,042	134,412
5. Haimen Jiangsu/Sansheng Puyue Mansion	1,847,671	151,082
6. Jimo Qingdao Shandong/Sansheng International Coast	1,716,778	144,267
7. Xiuyu Putian Fujian/Datang Shijia	1,509,250	192,110
8. Pingtan Fujian/Sansheng International Coast (Phase 1)	1,428,777	139,780
9. Zhifu Yantai Shandong/Sansheng • Ruyue Mansion	1,252,003	97,493
10. Wujin Changzhou Jiangsu/Ruyue Chunqiu	1,236,137	72,672
11. Xiapu Ningde Fujian/Puyue Mountains And Rivers	1,063,763	143,869
12. Wujin Changzhou Jiangsu/Sansheng • Xinzhu Mansion	1,046,440	88,756
13. Wenling Taizhou Zhejiang/Sansheng Puyue Mansion	1,002,314	54,528
14. Mawei Fuzhou Fujian/The Puyue Bay City	949,800	96,855
15. Rui'an Wenzhou Zhejiang/Mingyuexuan	936,793	44,996
16. Yuecheng Shaoxing Zhejiang/Ruyue Garden	896,026	49,823
17. Rudong Nantong Jiangsu/Sansheng • Puyue Guandi	779,841	59,591
18. Xishan Wuxi Jiangsu/Sansheng • Galaxy City	779,784	70,806
19. Chenghai Shantou Guangdong/Puyue Mansion	739,384	68,209
20. Chengxiang Putian Fujian/Puyue Fenghua	698,901	45,466

<b>Location/Project</b>	<b>Total contracted sales (RMB'000)</b>	<b>Estimated contracted GFA (sq.m.)</b>
21. Changle Fuzhou Fujian/Puyue Longmen	584,223	31,048
22. Rui'an Wenzhou Zhejiang/Ruyue Xiangrui	562,834	44,788
23. Danyang Jiangsu/Puyue Guandi	443,464	35,949
24. Hanjiang Putian Fujian/Sansheng Puyuegongguan	429,556	53,676
25. Weihai Shandong/Sansheng Dishang Puyue Mansion	406,805	34,137
26. Zhangpu Zhangzhou Fujian/Sansheng Puyue Mansion	327,291	50,970
27. Hantai Hanzhong Shaanxi/Sansheng Tianyue	321,972	54,788
28. Shijiazhuang Hebei/Sansheng • Puyue Changan	299,278	28,867
29. Zhangqiu Jinan Shandong/The Puyue Bay	292,596	46,095
30. Longhai Zhangzhou Fujian/Sansheng • Puyue Sea	216,128	24,561
31. Xuzhou Jiangsu/Sansheng • Ruyue Weiyang	170,218	9,807
32. Fengrun Tangshan Hebei/Sansheng • Puyue Fenghua	110,971	16,524
33. Longquanyi Chengdu Sichuan/Sansheng Metropolis	46,301	20,324
34. Jiaozuo Henan/Jiaozuo Tianyue Mansion	37,533	5,930
35. Longhai Zhangzhou Fujian/International Coast	25,130	3,740
36. Changle Fuzhou Fujian/Puyue Mansion (Phase 2)	24,625	3,139
37. Cangshan Fuzhou Fujian/Binjiang International	6,402	386
38. Licheng Quanzhou Fujian/Sansheng Puyueli	4,296	399
<b>Total</b>	<b>31,388,555</b>	<b>2,449,021</b>

## Revenue

The Group's revenue mainly derived from sales of properties, with a small proportion from construction and design services, investment properties rental income, consultation service, hotel revenue and project management services. Total revenue of the Group for the year ended 31 December 2021 amounted to approximately RMB9,906.5 million (for the year ended 31 December 2020: approximately RMB8,778.6 million).

The following table sets forth certain details of the revenue:

	Year ended 31 December			
	2021		2020	
	<i>RMB'000</i>	<i>%</i>	<i>RMB'000</i>	<i>%</i>
	(Unaudited)		(Audited)	
Revenue from sales of properties	<b>9,534,602</b>	<b>96.2%</b>	8,646,232	98.5%
Revenue from construction and design services	<b>127,187</b>	<b>1.3%</b>	20,091	0.2%
Investment properties rental income	<b>95,816</b>	<b>1.0%</b>	89,378	1.0%
Revenue from consultation service	<b>88,760</b>	<b>0.9%</b>	–	–
Hotel revenue	<b>33,829</b>	<b>0.3%</b>	22,899	0.3%
Revenue from project management services	<b>26,292</b>	<b>0.3%</b>	–	–
<b>Total</b>	<b><u>9,906,486</u></b>	<b><u>100.0%</u></b>	<b><u>8,778,600</u></b>	<b><u>100.0%</u></b>

The revenue from sales of properties recorded approximately RMB9,534.6 million for the year ended 31 December 2021 (for the year ended 31 December 2020: approximately RMB8,646.2 million), it was mainly contributed by the delivered properties located in Fuzhou, Pingtan and Nantong. An increase in revenue from sales of properties was mainly due to more properties completed and delivered when compared to 2020.

The revenue from construction and design services recorded approximately total of RMB127.2 million for the year ended 31 December 2021 (for the year ended 31 December 2020: approximately RMB20.1 million). The increase was mainly due to more construction and design services provided in 2021 when compared to 2020.

The Group's investment properties rental income recorded approximately RMB95.8 million for the year ended 31 December 2021 (for the year ended 31 December 2020: approximately RMB89.4 million), it was mainly derived from commercial investment properties in Yangzhou, Fuzhou, Harbin and Qingdao. The increase was mainly due to more rental income being received in 2021 after the COVID-19 pandemic being controlled.

The revenue from consultation service recorded approximately RMB88.8 million for the year ended 31 December 2021 (for the year ended 31 December 2020: Nil). The increase was mainly due to the provision of such service was only commenced in 2021.

The hotel revenue recorded approximately RMB33.8 million for the year ended 31 December 2021 (for the year ended 31 December 2020: approximately RMB22.9 million). The increase was mainly due to the increase in occupancy rate in 2021 after the COVID-19 pandemic being controlled.

The revenue from project management services recorded approximately RMB26.3 million for the year ended 31 December 2021 (for the year ended 31 December 2020: Nil). The increase was mainly due to the provision of such service was only commenced in 2021.

### **Cost of sales**

Cost of sales of the Group consisted of the cost directly related to the development of the properties. It mainly comprises cost of land use rights, acquisition premium, construction costs, decoration costs and capitalized interest expenses. For the year ended 31 December 2021, cost of sales amounted to approximately RMB7,757.4 million (for the year ended 31 December 2020: approximately RMB6,280.7 million). The increase in cost of sales was mainly due to the increase in the number of properties delivered in 2021 and the corresponding land acquisition cost of certain properties delivered in 2021 was higher when compared to 2020.

### **Gross profit and gross profit margin**

The gross profit of the Group amounted to approximately RMB2,149.1 million for the year ended 31 December 2021 (for the year ended 31 December 2020: approximately RMB2,497.9 million), and the gross profit margin was approximately 21.7% for the year ended 31 December 2021 (for the year ended 31 December 2020: approximately 28.5%). Such decrease was primarily due to the cost of sales recorded in 2021 was comparatively high when compared to 2020. The corresponding land acquisition cost of certain properties delivered in 2021 was higher when compared to 2020.

### **Valuation gain on investment properties**

During the year, the Group recorded unrealized net fair value gain on investment properties in Qingdao, Fuzhou, Yangzhou, Harbin and Chengdu of approximately RMB65.6 million (for the year ended 31 December 2020: approximately RMB48.8 million).

## **Other income**

Other income mainly comprised interest income on bank deposits, fair value changes on derivative financial instruments, service fee income and forfeited deposits from customers. For the year ended 31 December 2021, other income amounted to approximately RMB83.5 million (for the year ended 31 December 2020: approximately RMB74.9 million). An increase in other income was mainly due to the increase in interest income on bank deposit and fair value changes on derivative financial instruments.

## **Selling and marketing expenses**

Selling and marketing expenses of the Group mainly comprised of agency fees, staff costs, office expenses and advertisement and marketing costs. For the year ended 31 December 2021, selling and marketing expenses amounted to approximately RMB621.5 million (for the year ended 31 December 2020: approximately RMB495.6 million). The increase in selling and marketing expenses was mainly due to an increase in the number of properties pre-sold in 2021, when compared to 2020.

## **Administrative expenses**

Administrative expenses of the Group mainly comprised of staff costs, tax and other levies, professional fees and office expenses. For the year ended 31 December 2021, administrative expenses amounted to approximately RMB524.4 million (for the year ended 31 December 2020: approximately RMB362.7 million). The increase in administrative expenses was mainly due to the significant increase in staff costs and professional fees in 2021, when compared to 2020.

## **Income tax**

Income tax of the Group mainly comprised Land Appreciation Tax (“LAT”), PRC Corporate Income Tax (“CIT”) and deferred tax. For the year ended 31 December 2021, income tax was approximately RMB475.7 million (for the year ended 31 December 2020: approximately RMB839.1 million). Significant decrease in income tax was mainly due to the decrease in LAT and CIT. The LAT decreased by approximately RMB264.0 million, which was mainly due to a decrease in land value appreciation amount and an over provision in prior years being reversed in 2021, when compared to 2020. The CIT decreased by approximately RMB97.1 million, which was mainly due to a decrease in estimated taxable income in 2021, when compared to 2020.

## **Profit for the year attributable to equity shareholders of the Company**

For the year ended 31 December 2021, the Group recorded profit attributable to equity shareholders of the Company of approximately RMB598.9 million (for the year ended 31 December 2020: approximately RMB809.2 million).

For the year ended 31 December 2021, basic earnings per share was RMB1.22 (for the year ended 31 December 2020: RMB1.65).

The decrease was mainly due to the gross profit of the properties delivered was comparatively low, when compared to 2020.

## **Liquidity and Financial Resources**

### ***Cash status***

As at 31 December 2021, the Group's cash and cash equivalents amounted to approximately RMB4,252.2 million (31 December 2020: approximately RMB7,385.9 million). The Group has unutilised credit facilities amounted to approximately RMB7,652.1 million as at 31 December 2021 (31 December 2020: approximately RMB4,338.2 million), in which the unutilised credit facilities from banks and financial institutions of the Group was approximated to RMB3,288.5 million (31 December 2020: approximately RMB2,258.4 million), and the undrawn revolving facilities granted by Fuzhou Sansheng was approximately RMB4,363.6 million (31 December 2020: approximately RMB2,079.8 million).

The Group has sufficient financial resources and flexible financial management policies in place to meet the needs of its business development in the coming years.

### ***Borrowings***

As at 31 December 2021, the Group's bank loans and other borrowings was approximately RMB13,333.1 million (31 December 2020: approximately RMB16,534.4 million) and bonds payable was approximately RMB1,530.3 million (31 December 2020: approximately RMB1,391.4 million).

Out of the total Group's bank loans and other borrowings, and bonds payable, approximately RMB4,709.8 million was repayable within one year (31 December 2020: approximately RMB4,187.1 million), while approximately RMB10,153.6 million was repayable after one year (31 December 2020: approximately RMB13,738.7 million).

### ***Finance costs***

The Group's finance costs mainly comprised interest arising from significant financing component of contract liabilities, bank loans and other borrowings, private corporate bonds and amounts due to Fuzhou Sansheng. Certain finance costs were being capitalised as part of the cost qualifying assets. For the year ended 31 December 2021, the finance cost recorded in the consolidated statement of profit or loss was approximately RMB52.1 million (for the year ended 31 December 2020: RMB59.7 million).

The Group's weighted average interest rate was 7.94% for the year ended 31 December 2021 (for the year ended 31 December 2020: 8.69%).

### ***Gearing ratio***

The Group's gearing ratio (total indebtedness divided by total assets) was approximately 88.2% (31 December 2020: approximately 89.1%). The Group's current ratio (current assets divided by current liabilities) was approximately 1.3 times as at 31 December 2021, as compared to approximately 1.5 times as at 31 December 2020.

### ***Material acquisition and disposal***

On 16 November 2021, Longhai Sansheng Real Estate Limited\* (龍海三盛置業有限公司) (“**Longhai Sansheng**”), an indirect wholly-owned subsidiary of the Company, as the vendor entered into an equity transfer agreement with Beihai Chengli Investment Co., Ltd.\* (北海晟利投資有限公司) (“**Beihai Chengli**”), an independent third party of the Company, pursuant to which Longhai Sansheng agreed to sell, and Beihai Chengli agreed to acquire, the entire equity interest in Lifestyle Plaza (Qingdao) Co., Limited\* (嘉標商廈(青島)有限公司), an indirect wholly-owned subsidiary of the Company, for a consideration of RMB271.0 million.

Further details were disclosed in the announcement of the Company dated 16 November 2021.

On 16 November 2021, Yangzhou Sansheng Real Estate Development Co., Ltd.\* (揚州三盛房地產開發有限公司) (“**Yangzhou Sansheng**”), an indirect non wholly-owned subsidiary of the Company, as the vendor entered into an equity transfer agreement with Beihai Shengqi Industrial Co., Ltd.\* (北海晟祺實業有限公司) (“**Baihai Shengqi**”), an independent third party of the Company, pursuant to which Yangzhou Sansheng agreed to sell, and Beihai Shengqi agreed to acquire, the entire equity interest in Harbin Lifu Commercial Building Co., Ltd.\* (哈爾濱利福商廈有限公司), an indirect non-wholly-owned subsidiary of the Company, for a consideration of RMB350.0 million.

Further details were disclosed in the announcement of the Company dated 16 November 2021.

\* *The English translation of the Chinese names denoted in this announcement is for illustration purpose only. Should there be any inconsistencies, the Chinese names prevail.*

On 15 October 2021, Fuzhou Shangsheng Investment Co., Ltd.\* (福州上盛投資有限公司) and Fuzhou Shengzhi Investment Co., Ltd.\* (福州盛致投資有限公司) (both an indirect wholly-owned subsidiary of the Company) (collectively, the “**Vendors**”), entered into an equity transfer agreement with Shanghai Yongbi Industrial Co., Ltd.\* (上海雍碧實業有限公司) (“**Shanghai Yongbi**”), an independent third party of the Company, pursuant to which the Vendors agreed to sell, and Shanghai Yongbi, agreed to acquire the entire equity interest in Fuzhou Shengxin Real Estate Development Co., Ltd.\* (福州盛欣房地產開發有限公司), for a consideration of RMB417.0 million.

Further details were disclosed in the announcement of the Company dated 15 October 2021.

Regarding the above disposals of subsidiaries, all the identifiable assets and liabilities of these subsidiaries are classified as assets and liabilities of disposal group classified as held for sale as at 31 December 2021 under consolidated statement of financial position.

On 14 July 2021, Shanghai Mangsheng Industrial Development Co., Ltd.\* (上海芒盛實業發展有限公司) (“**Shanghai Mangsheng**”), an indirect wholly-owned subsidiary of the Company, entered into agreements with Jiangsu Beisheng Enterprise Management Co., Ltd.\* (江蘇北盛企業管理有限公司), 40% equity shareholder of Shanghai Shengque Industrial Development Co., Ltd.\* (上海盛闕實業發展有限公司) (“**Shanghai Shengque**”), under which Shanghai Mangsheng conditionally acquired 40% equity interest Shanghai Shengque, at a consideration of RMB336.7 million.

Further details were disclosed in the announcement of the Company dated 14 July 2021 and the 2021 interim report of the Company published on 10 September 2021.

In 2021, the Group has acquired or secured to acquire interests in a total of 4 property projects and land parcels. For details, please refer to the paragraph headed “Property projects and land acquisitions in 2021” in this announcement.

### ***Foreign exchange risk***

The functional currency of the Company and its major subsidiaries is RMB, whereas certain subsidiaries situated in Hong Kong is Hong Kong dollars. The Group has exposure to foreign exchange risk arising from its bonds, loans and cash at bank which are denominated in US dollars, Hong Kong dollars or RMB. The Group has not taken any measures to hedge the foreign currency exposure currently but will monitor closely the situation and review such a need from time to time.

\* *The English translation of the Chinese names denoted in this announcement is for illustration purpose only. Should there be any inconsistencies, the Chinese names prevail.*

## **REVIEW OF OPERATIONS**

The Group is principally engaged in property development and sales, property investment, hotel operation, construction and design services, consultation service and project management services.

In 2021, the Group was able to maintain a strong financial position despite the impact of the industry environment in the Mainland real estate sector, while substantial revenue from sales of properties and gross profit were achieved during the year. As at 31 December 2021, the contracted sales amounted to approximately RMB31,388.6 million and the estimated contracted GFA was approximately 2,449,021 sq.m., forming a solid basis for the Group's future growth in recognised revenue.

In the face of changes in the industry environment, the Group has taken a series of proactive measures, including timely adjustment of investment structure, suspension of investment plans, acceleration of collection of sales payments, disposal of certain assets and optimization of organizational structure. Through these effective measures, the Group has maintained its operational efficiency and laid a solid foundation for future development.

## **PROPERTY INVESTMENT**

The Group's portfolio of investment properties comprises certain investment properties in Hong Kong and Mainland China. The Group will from time to time review its investment properties portfolio and make every endeavour to increase its rental income.

## Property development projects and land bank

As at 31 December 2021, the Group had a total of 55 property projects that are held for sale, under development and held or secured for future development. Total site area of its land bank was approximately 3,526,858 sq.m. and the planned total GFA was approximately 10,453,445 sq.m., of which 7,376,999 sq.m. were attributable to the Group based on its equity interests. The table below sets forth the breakdown of property projects:

Location/Project		Primary intended use of the project	Attributable interest held by the Group (%)	Total site area (sq.m.)	Planned total GFA (sq.m.)	Attributable planned GFA (sq.m.)
1	Zhangqiu Jinan Shandong/The Puyue Bay	Residential	80.00	60,032	201,054	160,843
2	Pingtian Fujian/Sansheng International Coast (Phase 1)	Residential/Commercial	90.00	122,122	443,498	399,148
3	Pingtian Fujian/Sansheng International Coast (Phase 2)	Residential/Commercial	90.00	75,500	193,616	174,254
4	Xiapu Ningde Fujian/Binjiang International	Residential/Commercial	55.00	23,861	66,046	36,325
5	Mawei Fuzhou Fujian/The Puyue Bay City	Residential/Commercial	28.05	70,618	258,757	72,581
6	Rudong Nantong Jiangsu/Puyue Mansion	Residential/Commercial	100.00	77,481	187,980	187,980
7	Longhai Zhangzhou Fujian/Sansheng • Puyue Sea	Residential/Commercial	100.00	23,457	49,046	49,046
8	Changle Fuzhou Fujian/Puyue Mansion (Phase 1)	Residential/Commercial	30.00	45,476	136,783	41,035
9	Changle Fuzhou Fujian/Puyue Mansion (Phase 2)	Residential/Commercial	30.00	44,462	136,841	41,052
10	Pingyang Wenzhou Zhejiang/Yuefu Garden	Residential	8.25	52,181	156,359	12,900
11	Pingyang Wenzhou Zhejiang/Jiangcheng Town	Residential	8.25	50,746	151,955	12,536
12	Gulou Fuzhou Fujian/Sheng Mansion	Residential	10.50	13,882	43,502	4,568
13	Shenhe Shenyang Liaoning/Yifu Project	Residential/Commercial	100.00	31,376	186,065	186,065
14	Xishan Wuxi Jiangsu/Sansheng • Galaxy City	Commercial/Office	100.00	33,191	127,698	127,698
15	Xiapu Ningde Fujian/Puyue Mountains And Rivers	Residential/Commercial	90.00	65,358	219,947	197,952
16	Longhai Zhangzhou Fujian/International Coast	Residential/Commercial	100.00	237,697	409,863	409,863
17	Minhou Fuzhou Fujian/The Puyue Bay	Residential/Commercial	100.00	77,983	257,292	257,292
18	Cangshan Fuzhou Fujian/Binjiang International	Residential/Commercial/Office	100.00	56,988	320,777	320,777
19	Xiuyu Putian Fujian/Datang Shijia	Residential/Commercial	35.00	83,198	254,507	89,077
20	Wujin Changzhou Jiangsu/Sansheng • Xinzhu Mansion	Residential/Commercial	100.00	39,787	104,098	104,098
21	Zhangpu Zhangzhou Fujian/Sansheng Puyue Mansion	Residential/Commercial	75.00	60,694	226,570	169,928
22	Haimen Jiangsu/Sansheng Puyue Mansion	Residential	100.00	84,802	202,123	202,123
23	Zhifu Yantai Shandong/Sansheng • Ruyue Mansion	Residential	100.00	82,340	303,000	303,000
24	Wujin Changzhou Jiangsu/Ruyue Chunqiu	Residential/Commercial	51.00	38,307	91,263	46,544
25	Chengxiang Putian Fujian/Puyue Fenghua	Residential/Commercial	51.00	46,207	118,474	60,422
26	Taicang Jiangsu/Hujing Tianzhu	Residential	34.00	69,993	197,163	67,035
27	Changle Fuzhou Fujian/Puyue Longmen	Residential	20.40	22,549	67,407	13,751
28	Danyang Jiangsu/Puyue Guandi	Residential/Commercial	51.00	78,820	207,756	105,956
29	Rui'an Wenzhou Zhejiang/Ruyue Xiangrui	Residential	100.00	18,383	70,726	70,726
30	Xiaoshan Hangzhou Zhejiang/Ruyue Meijing	Residential/Commercial	28.05	39,489	143,293	40,194
31	Yuecheng Shaoxing Zhejiang/Ruyue Garden	Residential	79.85	21,240	95,549	76,296

Location/Project	Primary intended use of the project	Attributable interest	Total site area	Planned total GFA	Attributable	
		held by the Group			planned	
		(%)	(sq.m.)	(sq.m.)	GFA	
					(sq.m.)	
32	Chenghai Shantou Guangdong/Puyue Mansion	Residential/Commercial	100.00	27,722	128,815	128,815
33	Chengdu Sichuan/Sansheng • Luhua Zuoan	Residential/Commercial	51.00	26,163	78,558	40,065
34	Rui'an Wenzhou Zhejiang/Mingyuexuan	Residential/Commercial	25.00	32,856	88,685	22,171
35	Binhu Wuxi Jiangsu/Sansheng • Dufu Tiancheng	Residential/Commercial	50.00	52,638	138,364	69,182
36	Rudong Nantong Jiangsu/Sansheng • Puyue Guandi	Residential/Commercial	50.00	59,621	169,659	84,830
37	Zhangjiagang Suzhou Jiangsu/Sansheng • Puyue Xindi	Residential	49.00	41,533	126,983	62,222
38	Xuzhou Jiangsu/Sansheng • Ruyue Weiyang	Residential	51.00	47,129	100,231	51,118
39	Shijiazhuang Hebei/Sansheng • Puyue Changan	Residential	80.00	31,976	129,197	103,358
40	Fengrun Tangshan Hebei/Sansheng • Puyue Fenghua	Residential	67.00	64,208	227,713	152,568
41	Hantai Hanzhong Shaanxi/Sansheng Tianyue	Residential/Commercial	100.00	44,031	160,698	160,698
42	Nanchong Sichuan/Yuejiang Mansion	Residential	40.00	25,093	85,849	34,340
43	Nanchong Sichuan/Qishan House	Residential	40.00	37,099	89,436	35,774
44	Changle Fuzhou Fujian/Sansheng Puyue Binjiang	Residential/Commercial	95.00	51,955	164,908	156,663
45	Licheng Quanzhou Fujian/Sansheng Puyue Li	Residential/Commercial	95.00	16,960	40,716	38,680
46	Longquanyi Chengdu Sichuan/Sansheng Metropolis	Residential/Commercial	95.00	133,333	588,174	558,765
47	Tongshan Xuzhou Jiangsu/Sansheng • Midtown	Residential/Commercial	48.45	129,536	529,916	256,744
48	Wenling Taizhou Zhejiang/Sansheng Puyue Mansion	Residential/Commercial	76.00	35,631	117,361	89,194
49	Jimo Qingdao Shandong/Sansheng International Coast	Residential/Commercial	70.30	532,518	879,620	618,373
50	Hanjiang Putian Fujian/Sansheng Puyuegongguan	Residential	70.30	20,897	69,011	48,515
51	Jiaozuo Henan/Jiaozuo Tianyue Mansion	Residential	100.00	22,117	59,588	59,588
52	Weihai Shandong/Sansheng Dishang Puyue Mansion	Residential/Commercial	55.00	52,278	122,575	67,416
53	Chenghai Shantou Guangdong/Shantou Xinhui Project	Residential/Commercial	100.00	20,075	99,547	99,547
54	Huizhou Guangdong/Huizhou Changfeng Project	Residential/Commercial	55.00	113,769	481,833	265,008
55	Zhifu Yantai Shandong/Yantai Dongnanshao Project	Residential/Commercial	90.00	59,500	147,000	132,300
<b>Total</b>				<b>3,526,858</b>	<b>10,453,445</b>	<b>7,376,999</b>

## Property projects and land acquisitions in 2021

In 2021, the Group acquired or secured to acquire interests in a total of 4 land parcels. The total planned GFA of the new land acquisitions amounted to approximately 850,955 sq.m., of which 564,271 sq.m. were attributable to the Group based on its equity interests. Total contract consideration for its land acquisitions amounted to approximately RMB3,113.0 million, of which RMB1,986.4 million was payable by the Group according to its equity interests in relevant projects. Based on the Group's attributable planned GFA acquired and the attributable acquisition considerations, the Group's average land acquisition cost in 2021 was approximately RMB3,520.3 per sq.m..

Location/Project	Primary intended use of the project	Attributable interest held by the Group (%)	Total land price (RMB'000)	Attributable land price (RMB'000)	Planned total site area (sq.m.)	Attributable		
						Total GFA (sq.m.)	planned GFA (sq.m.)	
1	Weihai Shandong/Sansheng Dishang Puyue Mansion	Residential/Commercial	55.00	353,490	194,420	52,278	122,575	67,416
2	Chenghai Shantou Guangdong/Shantou Xinhui Project	Residential/Commercial	100.00	336,407	336,407	20,075	99,547	99,547
3	Huizhou Guangdong/Huizhou Changfeng Project	Residential/Commercial	55.00	2,072,100	1,139,655	113,769	481,833	265,008
4	Zhifu Yantai Shandong/Yantai Dongnanshao Project	Residential/Commercial	90.00	351,000	315,900	59,500	147,000	132,300
Total				<u>3,112,997</u>	<u>1,986,382</u>	<u>245,622</u>	<u>850,955</u>	<u>564,271</u>

## Major Project profiles

### *Zhangqiu Jinan Shandong/The Puyue Bay*

Zhangqiu Jinan Shandong/The Puyue Bay (山東濟南章丘/璞悅灣) is located at Mingshui subdistrict, Zhangqiu district, Jinan City, bordering Shiji East Road to the east, floodway to the west and reach to Tiedao North Road to the south and Shanquan East Road to the north. The total site area is approximately 60,032 sq.m. and the total GFA is approximately 201,054 sq.m.. The land use of the project is for residential use. After the master layout plan for the project has been approved in March 2018, the initial pre-sale started in December 2018. The project is under development and expected to be completed in 2022.

### ***Pingtan Fujian/Sansheng International Coast (Phase 1)***

Pingtan Fujian/Sansheng International Coast (福建平潭/三盛國際海岸) (Phase 1) is located at Jinjing Wan Area, Pingtan Comprehensive Pilot Zone, situated at the north of the junction of Tianda North Road and Ruyi Road. The total site area is approximately 122,122 sq.m. and the total GFA is approximately 443,498 sq.m.. The land use of the project is mainly for residential and commercial uses. The master layout plan for the project was approved in June 2018 and the initial pre-sale launched in October 2018. The project is under development and expected to be completed in 2022.

### ***Pingtan Fujian/Sansheng International Coast (Phase 2)***

Pingtan Fujian/Sansheng International Coast (福建平潭/三盛國際海岸) (Phase 2) is located at Jinjing Wan Area, Pingtan Comprehensive Pilot Zone, situated at the east of Ruyi Lake and west of the Huanhu Road. The total site area is approximately 75,500 sq.m. and the total GFA is approximately 193,616 sq.m.. The land use of the project is mainly for residential and commercial uses. The master layout plan for the project was approved in August 2021. The project is under development and expected to have the initial pre-sale in the first half of 2022 and be completed in 2024.

### ***Rudong Nantong Jiangsu/Puyue Mansion***

Rudong Nantong Jiangsu/Puyue Mansion (江蘇南通如東/璞悅府) is located at the core area of Rudong Xincheng (如東新城), bordering Jiefang Road Primary School (解放路小學) to the east, Yangzhou River Banks Scenic Area (三河六岸風景區) to the west and reach to Longteng Road (Wenti Zhongxin North Side Road 文體中心北側路) to the south and north to Hengshiqi Road (south side of the Commercial Zone of Ruyi Bay (如意灣商貿區)). The total site area is approximately 77,481 sq.m. and the total GFA is approximately 187,980 sq.m.. The land use of the project is mainly for residential and commercial uses. After the master layout plan for the project has been approved in August 2018, the initial pre-sale launched in December 2018. The project was completed in the first half of 2021.

### ***Longhai Zhangzhou Fujian/Sansheng • Puyue Sea***

Longhai Zhangzhou Fujian/Sansheng • Puyue Sea (福建漳州龍海/三盛 • 璞悅海) is located at Binhai New Town Area, Gangwei Town, Longhai City, northwest to the intersection of Yingbin Avenue and Binhuwei 6th Road and to the west of Sansheng International Coast. The total site area is approximately 23,457 sq.m. and the total GFA is approximately 49,046 sq.m.. The land use of the project is mainly for residential and commercial uses. The project launched its initial pre-sale in September 2019, and was completed in August 2021.

### ***Xishan Wuxi Jiangsu/Sansheng • Galaxy City***

Xishan Wuxi Jiangsu/Sansheng • Galaxy City (江蘇無錫錫山/三盛•星悅城) is located at Xishan District, Wuxi City, situated in the junction of Taihu Avenue and Huaxia South Road. The total site area is approximately 33,191 sq.m. and the total GFA is approximately 127,698 sq.m.. The land use of the project is mainly for commercial and office uses. After the master layout plan for the project has been approved in February 2019, the initial pre-sale launched in September 2019. The project is under development and expected to be completed in 2022.

### ***Xiapu Ningde Fujian/Puyue Mountains And Rivers***

Xiapu Ningde Fujian/Puyue Mountains And Rivers (福建寧德霞浦/璞悅山河) is located at Yemao Ridge, Wanxian Village, Songcheng Road, Xiapu County, Ningde City, Fujian Province. The total site area is approximately 65,358 sq.m. and the total GFA is approximately 219,947 sq.m.. The land use of the project is mainly for residential and commercial uses. After the master layout plan for the project has been approved in December 2018, the initial pre-sale launched in June 2019. The project is under development and expected to be completed in 2022.

### ***Longhai Zhangzhou Fujian/International Coast***

Longhai Zhangzhou Fujian/International Coast (福建漳州龍海/國際海岸) is located at Binhai New Town Area, Gangwei Town, Longhai City, northwest to the intersection of Yingbin Avenue and Binhuwei 6th Road. The total site area is approximately 237,697 sq.m. and the total GFA is approximately 409,863 sq.m.. The land use of the project is mainly for residential and commercial uses. The project launched its initial pre-sale in April 2016, and was completed in April 2020.

### ***Minhou Fuzhou Fujian/The Puyue Bay***

Minhou Fuzhou Fujian/The Puyue Bay (福建福州閩侯/璞悅灣) is located at the southeast intersection of Nantong Avenue and Beihuan Road, Minhou County. The total site area is approximately 77,983 sq.m. and the total GFA is approximately 257,292 sq.m.. The land use of the project is mainly for residential and commercial uses. After the master layout plan for the project has been approved in June 2017, the initial pre-sale launched in May 2018. The project was completed in the first half of 2021.

### ***Cangshan Fuzhou Fujian/Binjiang International***

Cangshan Fuzhou Fujian/Binjiang International (福建福州倉山/濱江國際) is located at Cangshan District, with South Binjiang Avenue on the south, South Binjiang Avenue on the north, Gangtouwai Road on the southwest and Aofeng Bridge on the east. The total site area is approximately 56,988 sq.m. and the total GFA is approximately 320,777 sq.m.. The land use of the project is mainly for residential, commercial and office uses. After the master layout plan for the project has been approved in February 2014, the initial pre-sale launched in October 2014. The project was completed in the first half of 2021.

### ***Wujin Changzhou Jiangsu/Sansheng • Xinzhu Mansion***

Wujin Changzhou Jiangsu/Sansheng • Xinzhu Mansion (江蘇常州武進/三盛•心築雅園) is located at the area of South Xiashu Town, Wujin District, Changzhou, bordering Guihua Road to the east, Xinzhi Road to the west, Nanwan River to the south and Longfan Road to the north. The total site area is approximately 39,787 sq.m. and the total GFA is approximately 104,098 sq.m.. The land use of the project is mainly for residential and commercial uses. After the master layout plan for the project has been approved in October 2019, the initial pre-sale launched in January 2020. The project is under development and expected to be completed in 2022.

### ***Haimen Jiangsu/Sansheng Puyue Mansion***

Haimen Jiangsu/Sansheng Puyue Mansion (江蘇海門/三盛璞悅府) is located at Sanchang Town, Haimen City. The total site area of the project is approximately 84,802 sq.m. and the total GFA is approximately 202,123 sq.m.. The land use of the project is for residential use. After the master layout plan for the project has been approved in April 2020, the project launched its initial pre-sale in July 2020. The project is under development and expected to be completed in 2023.

### ***Zhifu Yantai Shandong/Sansheng • Ruyue Mansion***

Zhifu Yantai Shandong/Sansheng • Ruyue Mansion (山東煙台芝罘/三盛•汝悅銘著) is located at No. 188, Xingfu Middle Road, Zhifu District, Yantai City, Shandong Province. The total site area of the project is approximately 82,340 sq.m. and the total GFA is approximately 303,000 sq.m.. The land use of the project is mainly for residential use. After the master layout plan for the project has been approved in May 2020, the project launched its initial pre-sale in August 2020. The project is under development and expected to be completed in 2023.

### ***Rui'an Wenzhou Zhejiang/Ruyue Xiangrui***

Rui'an Wenzhou Zhejiang/Ruyue Xiangrui (浙江溫州瑞安/汝悅祥瑞) is located at Anyang Street, Ruixiang New District, Rui'an City. The total site area of the project is approximately 18,383 sq.m. and the total GFA is approximately 70,726 sq.m.. The land use of the project is for residential use. The project launched its initial pre-sale in May 2021. The project is under development and expected to be completed in 2023.

### ***Chenghai Shantou Guangdong/Puyue Mansion***

Chenghai Shantou Guangdong/Puyue Mansion (廣東汕頭澄海/璞悅府) is located at the south side of Yuting Road, Chenghai District, Shantou City. The total site area of the project is approximately 27,722 sq.m. and the total GFA is approximately 128,815 sq.m.. The land use of the project is mainly for residential and commercial uses. The project launched its initial pre-sale in April 2021. The project is under development and expected to be completed in 2022.

### ***Shijiazhuang Hebei/Sansheng • Puyue Changan***

Shijiazhuang Hebei/Sansheng • Puyue Changan (河北石家莊/三盛 • 璞悅長安) is located at the south of Zhaotuo Road, east of Hongxing Street, north of Zhaotuo South Road and west of Chenzhang Community, Shijiazhuang, Hebei Province. The total site area is approximately 31,976 sq.m. and the total GFA is approximately 129,197 sq.m.. The land use of the project is for residential use. The project launched its initial pre-sale in April 2021. The project is under development and expected to be completed in 2023.

### ***Hantai Hanzhong Shaanxi/Sansheng Tianyue***

Hantai Hanzhong Shaanxi/Sansheng Tianyue (陝西漢中漢台/三盛天悅) is located at the northeast corner of the intersection of Bowang Road and Yizhou Road, Hanzhong City, Shaanxi Province. The total site area is approximately 44,031 sq.m. and the total GFA is approximately 160,698 sq.m.. The land use of the project is for residential and commercial uses. The project launched its initial pre-sale in May 2021. The project is under development and expected to be completed in 2022.

### ***Changle Fuzhou Fujian/Sansheng Puyue Binjiang***

Changle Fuzhou Fujian/Puyue Binjiang (福建福州長樂/璞悅濱江) is located at No. 288, Hexie Road, Yingqian Street, Changle District, Fuzhou City, bordered by Yingbin Road to the west, Hexie Road (Dongjiang Lake Park) to the south, Shizheng Road to the north and Xiagang Road to the east. The total site area is approximately 51,955 sq.m. and the total GFA is approximately 164,908 sq.m.. The land use of the project is mainly for residential and commercial uses. The project was completed in August 2020.

### ***Licheng Quanzhou Fujian/Sansheng Puyueli***

Licheng Quanzhou Fujian/Sansheng Puyueli (福建泉州鯉城/三盛璞悅里) is located at Jiangnan Street, Jiangnan New District, Licheng District. The total site area is approximately 16,960 sq.m. and the total GFA is approximately 40,716 sq.m.. The land use of the project is mainly for residential and commercial uses. After the master layout plan for the project has been approved in November 2019, the pre-sale launched in June 2020. The project was completed in October 2021.

### ***Longquanyi Chengdu Sichuan/Sansheng Metropolis***

Longquanyi Chengdu Sichuan/Sansheng Metropolis (四川成都龍泉驛/三盛都會城) is located at the east side of Longhua Road in Longquanyi District. The total site area is approximately 133,333 sq.m. and the total GFA is approximately 588,174 sq.m.. The land use of the project is mainly for residential and commercial uses. The project is being developed in five phases. Phase 1 and Phase 3 were pre-sold in 2013 and 2014 respectively and completed in 2016; Phase 4 was pre-sold in December 2017 and completed in 2020.

### ***Jiaozuo Henan/Jiaozuo Tianyue Mansion***

Jiaozuo Henan/Jiaozuo Tianyue Mansion (河南焦作/焦作天悅府) is located at the west of Yingbin Road and north of Zhongwei Road, Jiaozuo City, Henan Province, the PRC. The total site area is approximately 22,117 sq.m. and the total GFA is approximately 59,588 sq.m.. The land use of the project is for residential use. The project launched its pre-sale in July 2021. The project is under development and expected to be completed in 2023.

### ***Chenghai Shantou Guangdong/Shantou Xinhui Project***

Chenghai Shantou Guangdong/Shantou Xinhui Project (廣東汕頭澄海/汕頭信輝項目) is located at the south side of Lianhe Road and the east side of Fu'an Road, Guangyi Street, Chenghai District, Shantou City, Guangdong Province. The total site area is approximately 20,075 sq.m. and the total GFA is approximately 99,547 sq.m.. The land use of the project is for residential and commercial use. The project is under development and expected to have the initial pre-sale in the second half of 2022 and be completed in 2024.

### ***Shenhe Shenyang Liaoning/Yifu Project***

The Yifu Land located in Shenyang is currently the Group's commercial property project under development. Based on the master layout plan submitted to the relevant planning bureau in 2013, the Group plans to develop a commercial complex with a three-level basement consisting of retail shops, service apartments and car parking spaces with an aggregate GFA of approximately 186,065 sq.m. on the Yifu Land.

As of the date of this announcement, the final approval for the master layout plan has not yet been obtained, mainly due to a number of issues which the Group and the local government are still working together for a resolution. The Group has started to communicate with the local government authorities, striving to obtain a solution that is the most favorable to the Company as soon as practicable.

## **EVENTS AFTER THE REPORTING PERIOD**

As disclosed in the announcement of the Company dated 4 March 2022, the Company has received claim materials in respect of litigations from a Qingdao Court and a Chengdu Court (the “**Litigations**”), and the Group is one of the defendants.

Having considered the legal advice from legal advisor in relation to the Litigations and that Mr. Lin Rongbin has entered into a deed of indemnity with the Company, pursuant to which Mr. Lin Rongbin has undertaken to indemnify the Group in this respect, the board is of the view that the Litigations would not affect the normal operation of the Group and will not prejudice the interests of the Group.

For further details, please refer to the announcement of the Company dated 4 March 2022.

In March 2022, certain shareholdings of the subsidiaries of the Company were frozen by the Qingdao Court at the application of the plaintiff of the Litigations. The freezing of shareholdings only relates to the transfer of shareholdings and would not affect the day-to-day operations, the use of bank accounts and the sales of properties activities of these subsidiaries. The Company has lodged an objection to the local court regarding the plaintiff’s application above. As at the date of this announcement, the court has yet to make the judgement.

Save as disclosed above, no significant event affecting the Group has taken place after 31 December 2021.

## **OUTLOOK AND PLAN**

The Group will continue to make flexible adjustments according to the market changes in different regions and the development of its regional businesses, so as to further enhance the quality of project investments, meeting the needs of long-term stable development.

In 2021, the Group has already acquired a number of land parcels in the “Yangtze River Delta Region”, “West Coast Region”, “Beijing-ring Region”, “Shandong Region”, “Central and Western Region”, “Greater Bay Area Region” and other regions with strong economic vitality in China to commence residential and commercial property development. The Group has also maintained continuous development in the regions where it operates, and will carry out necessary integration and optimization depending on the quality of business in the regions, in order to further achieve stabilization, improvement and powerful performance.

In the past year, there has been “ups and then downs” in the Mainland real estate market, with the economy recovering rapidly after the COVID-19 pandemic was effectively controlled. The first three quarters of the real estate market were generally in a good position, with related investment and sales plans being steadily realized. However, from the fourth quarter onwards, due to the continuous tightening of management policies on the real estate industry in the Mainland, especially the sudden tightening of financial policies, the difficulties in operating cash flows of individual real estate enterprises have led to defaults in the open market. The resulting credit squeeze has pierced the confidence of the industry in financing and caused general liquidity difficulties in the entire real estate industry, thus further causing a drop in consumer confidence as well as a sharp decline in the overall market.

In response to the rapid changes in the external environment, the Group has also taken a series of countermeasures, including timely adjustment of investment structure, suspension of investment plans, acceleration of collection of sales payments, disposal of certain assets and optimization of organizational structure. Through a series of adjustment actions, the Group has been able to reduce costs and increase efficiency while optimizing cash flow in order to minimize the negative impact of the sudden changes in the general environment and to maintain a foundation for continued development in the future after market confidence is restored.

Looking ahead, we anticipate that there will still be considerable uncertainty in the policies of the Mainland real estate industry, and the market rebound will still require further observation and evaluation. Based on the positioning of long-term development, we believe that it is necessary to adhere to the bottom line of quality, establish clearer investment discipline and develop more efficient operation capability to face the new normal. We believe that after the bottoming out of the property market, relevant favorable stimulus policies will be introduced one after another, and as an important component of China’s economy, there is still plenty of room for the Mainland property market.

In the face of the new environment and situation, the Group will continue to strive to improve operational efficiency and profitability while maintaining a certain business scale. At the business level, we will closely monitor the market environment and policy trends along with investing resources in more in-depth research and business development as well as actively seeking suitable opportunities through precise investments. At the strategic level, the Group will make effort to maintain its competitive advantage and growth prospects by promoting strategic regional planning, building a high-caliber team, and creating exquisite products and quality services, in order to become a real estate group that is “medium and splendid, refined and strong”.

### **Future Plans for Material Investments or Capital Assets**

Save for the business plan as disclosed in the section headed “Outlook and Plan” in this announcement, there was no other plan for material investments or acquisition of capital assets as at 31 December 2021.

## **EMPLOYEES**

As at 31 December 2021, the Group employed a total of 1,359 employees, 1,355 of them were based in the Mainland China. Staff costs (excluding directors' emoluments) for the year ended 31 December 2021 amounted to approximately RMB378.0 million (2020: approximately RMB205.6 million). The Group ensures that the pay levels of its employees are competitive and in line with the market trend and its employees are rewarded on a performance related basis within the general framework of its own salary and bonus system.

## **PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S SECURITIES**

Neither the Company nor any of its subsidiaries had purchased, sold or redeemed any listed securities of the Company during the year ended 31 December 2021.

## **CORPORATE GOVERNANCE CODE**

The Company has complied with the code provisions of the Corporate Governance Code as set out in Appendix 14 to the Rules Governing the Listing of Securities on the Stock Exchange for the year ended 31 December 2021.

## **REVIEW OF UNAUDITED ANNUAL RESULTS**

The auditing process for the annual results for the year ended 31 December 2021 has not been completed due to travel, logistical and other restrictions caused by the recent novel coronavirus (COVID-19) outbreak in Mainland China and Hong Kong, which limited the Group's ability to collect and provide certain necessary audit information in a timely manner. The unaudited results contained herein have not been agreed by the auditor of the Company. An announcement relating to the audited results will be made when the auditing process has been completed in accordance with Hong Kong Standards on Auditing issued by Hong Kong Institute of Certified Public Accountants.

The unaudited annual results contained herein have been reviewed by the Audit Committee.

## **FURTHER ANNOUNCEMENT(S)**

Following the completion of the auditing process, the Company will issue further announcement(s) in relation to (i) the audited results for the year ended 31 December 2021 as agreed by the auditor of the Company and the material differences (if any) as compared with the unaudited annual results contained herein; (ii) the proposed date on which the forthcoming annual general meeting will be held; and (iii) the period during which the register of members will be closed in order to ascertain the eligibility of the shareholders to attend and vote at the said meeting (and the proposed arrangements relating to dividend payment, if any). In addition, the Company will issue further announcement as and when necessary if there are other material developments in the completion of the auditing process.

**The financial information contained herein in respect of the annual results of the Group have not been audited and have not been agreed with the auditor of the Company. Shareholders of the Company and potential investors are advised to exercise caution when dealing in the securities of the Company.**

## **ACKNOWLEDGEMENT**

I would like to thank the Board, the management and all of our staff for their hard work and dedication, as well as our shareholders for their continuous support to the Group.

By order of the Board  
**Sansheng Holdings (Group) Co. Ltd.**  
*Chairman*  
**Lin Rongbin**

Hong Kong, 31 March 2022

*As at the date of this announcement, the Board comprises two executive directors, namely Mr. Lin Rongbin and Ms. Cheng Xuan; two non-executive directors, namely Mr. Zhang Jingui and Mr. Zhou Tao, David; and three independent non-executive directors, namely Mr. Pan Dexiang, Mr. Yuan Chun and Mr. Zhu Hongchao.*