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**CHEN XING**

## **Chen Xing Development Holdings Limited**

**辰興發展控股有限公司**

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

**(Stock Code: 2286)**

### **ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2021; AND CHANGE OF COMPANY SECRETARY, AUTHORIZED REPRESENTATIVE AND PROCESS AGENT**

#### **FINANCIAL HIGHLIGHTS**

- For the year ended 31 December 2021 (the “**Reporting Period**”), contracted sales of the Group amounted to approximately RMB656.0 million and the contracted gross floor area (“**GFA**”) amounted to approximately 74,043 sq.m., representing decreases of approximately 28.9% and 46.1% comparing with the same period last year, respectively;
- Revenue of the Group for the Reporting Period amounted to approximately RMB1,568.6 million, of which approximately RMB1,565.0 million was revenue from property development;
- Gross profit of the Group for the Reporting Period amounted to approximately RMB460.5 million, of which approximately RMB457.7 million was gross profit from property development;
- Net profit of the Group for the Reporting Period amounted to approximately RMB113.5 million, of which approximately RMB78.7 million was net profit attributable to equity holders of the Company;
- Total GFA of land bank of the Group amounted to approximately 2,916,370 sq.m. and the average cost of land bank was approximately RMB830.6 per sq.m. as at the end of Reporting Period;
- Contracted average sales price (the “**Average Sales Price**”) of the Group for the Reporting Period was approximately RMB8,859.7 per sq.m.;
- Basic earnings per share of the Company for the Reporting Period was approximately RMB0.13; and
- The Board has resolved not to declare a final dividend for the year ended 31 December 2021.

The board (the “**Board**”) of directors (the “**Directors**”) of Chen Xing Development Holdings Limited (the “**Company**”) and its subsidiaries (collectively, the “**Group**”) is pleased to announce the audited annual results of the Group for the year ended 31 December 2021 together with the comparative figures for the year ended 31 December 2020.

### Consolidated statement of profit or loss and other comprehensive income

	<i>Notes</i>	<b>2021</b> <i>RMB'000</i>	2020 <i>RMB'000</i>
<b>REVENUE</b>	5	<b>1,568,596</b>	1,207,502
Cost of sales		<b>(1,108,092)</b>	(743,629)
Gross profit		<b>460,504</b>	463,873
Other income and gains	5	<b>27,391</b>	93,015
Selling and distribution expenses		<b>(59,986)</b>	(50,932)
Administrative expenses		<b>(64,140)</b>	(67,865)
Other expenses		<b>(46,634)</b>	(22,165)
Finance costs	6	<b>(32,092)</b>	(3,806)
Share of profits and losses of:			
Joint ventures		<b>1,148</b>	1,453
Associate		<b>—</b>	(128)
<b>PROFIT BEFORE TAX</b>	7	<b>286,191</b>	413,445
Income tax expense	10	<b>(172,693)</b>	(177,344)
<b>PROFIT FOR THE YEAR</b>		<b>113,498</b>	236,101
Attributable to:			
Owners of the parent		<b>78,723</b>	206,738
Non-controlling interests		<b>34,775</b>	29,363
		<b>113,498</b>	236,101
<b>EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT</b>			
Basic and diluted	12	<b>RMB0.13</b>	RMB0.34

## Consolidated statement of profit or loss and other comprehensive income (continued)

	2021 <i>RMB'000</i>	2020 <i>RMB'000</i>
<b>PROFIT FOR THE YEAR</b>	<b>113,498</b>	236,101
<b>OTHER COMPREHENSIVE INCOME</b>		
Other comprehensive income that may be reclassified to profit or loss in subsequent periods:		
Exchange differences on translation of foreign operations	(1,412)	(3,259)
Net other comprehensive income that may be reclassified to profit or loss in subsequent periods	(1,412)	(3,259)
Other comprehensive income that will not be reclassified to profit or loss in subsequent periods:		
Equity investments designated at fair value through other comprehensive income:		
Changes in fair value	(10,303)	1,603
Income tax effect	2,576	(401)
	(7,727)	1,202
Net other comprehensive income that will not be reclassified to profit or loss in subsequent periods	(7,727)	1,202
<b>OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF TAX</b>	<b>(9,139)</b>	(2,057)
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>	<b>104,359</b>	234,044
Attributable to:		
Owners of the parent	69,584	204,681
Non-controlling interests	34,775	29,363
	<b>104,359</b>	234,044

## Consolidated Statement of Financial Position

	<i>Notes</i>	<b>2021</b> <i>RMB'000</i>	2020 <i>RMB'000</i>
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment		<b>67,862</b>	78,051
Investment properties		<b>133,000</b>	138,000
Right-of-use assets		<b>1,239</b>	1,735
Properties under development		<b>133,552</b>	253,101
Intangible assets		<b>48</b>	111
Investments in joint ventures		<b>3,994</b>	2,846
Equity investment designated at fair value through other comprehensive income	<i>11</i>	<b>54,198</b>	64,501
Time deposits		<b>10,550</b>	—
Deferred tax assets		<b>225,769</b>	224,166
		<hr/>	<hr/>
Total non-current assets		<b>630,212</b>	762,511
<b>CURRENT ASSETS</b>			
Properties under development		<b>9,783,856</b>	8,875,146
Completed properties held for sale		<b>821,338</b>	931,224
Inventories		<b>20,186</b>	31,916
Trade receivables	<i>12</i>	<b>3,953</b>	4,319
Prepayments, other receivables and other assets		<b>864,512</b>	1,429,486
Tax recoverable		<b>71,363</b>	93,182
Pledged deposits		<b>12,583</b>	20,652
Restricted cash		<b>159,701</b>	1,033
Cash and cash equivalents		<b>240,373</b>	534,101
		<hr/>	<hr/>
Total current assets		<b>11,977,865</b>	11,921,059
<b>CURRENT LIABILITIES</b>			
Trade and bills payables	<i>13</i>	<b>1,236,669</b>	1,210,518
Other payables and accruals		<b>2,246,366</b>	1,841,889
Contract liabilities		<b>4,025,605</b>	5,125,592
Interest-bearing bank and other borrowings	<i>14</i>	<b>2,386,114</b>	2,034,122
Tax payable		<b>217,012</b>	131,288
		<hr/>	<hr/>
Total current liabilities		<b>10,111,766</b>	10,343,409

## Consolidated Statement of Financial Position (continued)

	<i>Notes</i>	2021 <i>RMB'000</i>	2020 <i>RMB'000</i>
<b>NET CURRENT ASSETS</b>		<b>1,866,099</b>	1,577,650
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<b>2,496,311</b>	2,340,161
<b>NON-CURRENT LIABILITIES</b>			
Interest-bearing bank and other borrowings	<i>14</i>	<b>754,264</b>	706,737
Deferred tax liabilities		<b>28,087</b>	23,823
Total non-current liabilities		<b>782,351</b>	730,560
<b>Net assets</b>		<b>1,713,960</b>	1,609,601
<b>EQUITY</b>			
Equity attributable to owners of the parent			
Share capital		<b>4,855</b>	4,855
Reserves		<b>1,515,572</b>	1,445,988
		<b>1,520,427</b>	1,450,843
Non-controlling interests		<b>193,533</b>	158,758
<b>Total equity</b>		<b>1,713,960</b>	1,609,601

## 1. CORPORATE AND GROUP INFORMATION

The Company is a limited liability company incorporated in the Cayman Islands on 3 November 2014. The registered office address of the Company is Cricket Square, Hutchins Drive, PO Box 2681, Grand Cayman, KY1-1111, Cayman Islands.

During the Reporting Period, the Group was principally engaged in property development.

In the opinion of the directors, the ultimate controlling shareholders of the Group are Mr. Bai Xuankui and Mr. Bai Guohua.

## 2. BASIS OF PREPARATION

These financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards (“**HKFRSs**”) (which include all 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. They have been prepared under the historical cost convention, except for investment properties, wealth management products and equity investments which have been measured at fair value. These financial statements are presented in Renminbi (“**RMB**”) and all values are rounded to the nearest thousand except when otherwise indicated.

### Going concern basis

During the year ended 31 December 2021, the Group recorded a negative net operating cash flows amounted to RMB508,016,000. The Group’s total bank and other borrowings amounted to RMB3,140,378,000, of which RMB2,386,114,000 will be due for repayment within the next twelve months, while its cash and cash equivalents amounted to RMB240,373,000 as at 31 December 2021.

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

- (i) the Group has been actively negotiating with the Group’s existing lenders to seek renewal or extension for repayment of the Group’s bank and other borrowings. Subsequent to 31 December 2021, the Group has obtained loan extension of RMB19,300,000;
- (ii) the management of the Group has prepared a business strategy plan mainly focuses on the acceleration of the sales of properties and the implementation of cost control measures; and
- (iii) the Group will continue to seek for other alternative financing and borrowings to finance the settlement of its existing financial obligations and future operating and capital expenditures.

The directors of the Company are of the opinion that, taking into account the above plans and measures, the Group will have sufficient working capital to finance its operations and meet its financial obligations as and when they fall due within the next twelve months from 31 December 2021. Accordingly, the directors are satisfied that it is appropriate to prepare the consolidated financial statements of the Group for the year ended 31 December 2021 on a going concern basis.

Notwithstanding the above, significant uncertainties exist as to whether management of the Group will be able to implement the aforementioned plans and measures. Whether the Group will be able to continue as a going concern will depend upon the Group's ability to generate adequate financing and operating cash flows through the following:

- (i) successfully negotiating with the Group's existing lenders for renewal or extension for repayment of the Group's bank and other borrowings;
- (ii) successfully carrying out the Group's business strategy plan including the acceleration of the sales of properties and cost control measures so as to improve the Group's working capital and cash flow position; and
- (iii) successfully obtaining additional new sources of financing as and when needed.

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

### **Basis of consolidation**

The consolidated financial statements include the financial statements of the Company and its subsidiaries (collectively referred to as the "Group") for the year ended 31 December 2021. A subsidiary is an entity (including a structured entity), directly or indirectly, controlled by the Company. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee (i.e., existing rights that give the Group the current ability to direct the relevant activities of the investee).

When the Company has, directly or indirectly, less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

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

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

Profit or loss and each component of other comprehensive income are attributed to the owners of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control described above. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

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

### 3. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

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

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

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

- (a) Amendments to HKFRS 9, HKAS 39, HKFRS 7, HKFRS 4 and HKFRS 16 address issues affecting financial reporting in the period before the replacement of an existing interest rate benchmark with an alternative risk-free rate (“RFR”). The amendments provide temporary reliefs which enable hedge accounting to continue during the period of uncertainty before the introduction of the alternative RFR. In addition, the amendments require companies to provide additional information to investors about their hedging relationships which are directly affected by these uncertainties. The amendments did not have any impact on the financial position and performance of the Group as the Group does not have any interest rate hedging relationships.
- (b) Amendment to HKFRS 16 issued in April 2021 extends the availability of the practical expedient for lessees to elect not to apply lease modification accounting for rent concessions arising as a direct consequence of the covid-19 pandemic by 12 months. Accordingly, the practical expedient applies to rent concessions for which any reduction in lease payments affects only payments originally due on or before 30 June 2022, provided the other conditions for applying the practical expedient are met. The amendment is effective retrospectively for annual periods beginning on or after 1 April 2021 with any cumulative effect of initially applying the amendment recognised as an adjustment to the opening balance of retained profits at the beginning of the current accounting period. Earlier application is permitted. The amendment did not have any significant impact on the financial position and performance of the Group as the Group does not have any rent concessions.

## 4. OPERATING SEGMENT INFORMATION

For management purposes, the Group is not organised into business units based on their products and services and only has one reportable operating segment. Management monitors the operating results of the Group's operating segment as a whole for the purpose of making decisions about resource allocation and performance assessment.

No geographical segment information is presented as the Group's revenue from the external customers was derived solely from its operations in Mainland China and no non-current assets of the Group were located outside Mainland China.

No information about major customers is presented as no revenue from sales to a single customer individually accounted for 10% or more of the Group's total revenue for the reporting period.

## 5. REVENUE, OTHER INCOME AND GAINS

An analysis of revenue is as follows:

	2021 <i>RMB'000</i>	2020 <i>RMB'000</i>
<i>Revenue from contracts with customers</i>	<b>1,566,347</b>	1,203,140
<i>Revenue from other sources</i>		
Gross rental income from investment property operating leases: Other lease payments, including fixed payments	<b>2,249</b>	4,362
	<b>1,568,596</b>	1,207,502

### Revenue from contracts with customers

#### (a) Disaggregated revenue information

	2021 <i>RMB'000</i>	2020 <i>RMB'000</i>
<b>Types of goods</b>		
Sale of properties	<b>1,565,021</b>	1,180,816
Sale of construction materials	<b>1,326</b>	22,324
Total revenue from contracts with customers	<b>1,566,347</b>	1,203,140
<b>Timing of revenue recognition</b>		
Goods transferred at a point in time	<b>1,566,347</b>	1,203,140
Total revenue from contracts with customers	<b>1,566,347</b>	1,203,140

The following table shows the amounts of revenue recognised in the current reporting period that were included in the contract liabilities at the beginning of the reporting period and recognised from performance obligations satisfied in previous periods:

	<b>2021</b>	2020
	<b><i>RMB'000</i></b>	<i>RMB'000</i>
Revenue recognised that was included in contract liabilities at the beginning of the reporting period:		
Sale of properties	<u><b>1,474,376</b></u>	<u>1,182,662</u>

(b) Performance obligations

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

*Sale of properties*

The performance obligation is satisfied upon delivery of the properties and payment in advance is normally required.

*Sale of construction materials*

The performance obligation is satisfied upon delivery of the construction materials and payment is generally due within 30 days from delivery, except for new customers, where payment in advance is normally required.

The amounts of transaction prices allocated to the remaining performance obligations (unsatisfied or partially unsatisfied) as at 31 December 2020 and 2021 are as follows:

	<b>2021</b>	2020
	<b><i>RMB'000</i></b>	<i>RMB'000</i>
Amounts expected to be recognised as revenue:		
Within one year	<b>1,278,162</b>	5,146,718
After one year	<u><b>3,205,160</b></u>	<u>193,615</u>
	<u><b>4,483,322</b></u>	<u>5,340,333</u>

## 6. FINANCE COSTS

An analysis of finance costs is as follows:

	<b>2021</b> <i>RMB'000</i>	2020 <i>RMB'000</i>
Interest on bank loans	<b>301,085</b>	219,507
Interest on lease liabilities	<u>—</u>	<u>40</u>
Total interest expense on financial liabilities not at fair value through profit or loss	<b>301,085</b>	219,547
Less: Interest capitalised	<u>(268,993)</u>	<u>(215,741)</u>
	<u><b>32,092</b></u>	<u>3,806</u>

## 7. PROFIT BEFORE TAX

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

	2021 <i>RMB'000</i>	2020 <i>RMB'000</i>
Cost of properties sold	1,107,332	723,492
Cost of construction materials sold	760	20,137
Depreciation of property, plant and equipment	11,933	11,058
Depreciation of right-of-use assets	496	1,194
Amortisation of intangible assets*	63	83
Lease payments not included in the measurement of lease liabilities	460	202
Auditor's remuneration	2,150	2,150
Employee benefit expense (excluding directors' and chief executive's remuneration):**		
Wages and salaries	25,580	21,197
Staff welfare expenses	3,788	3,689
Pension scheme contributions	2,665	135
	<u>32,033</u>	<u>25,021</u>
Impairment of trade receivables	1,203	252
(Reversal of impairment)/impairment of other receivables	(427)	4,929
Changes in fair value of investment properties	5,000	3,000
Gain on disposal of items of property, plant and equipment	—	(23)
Gain on disposal of a subsidiary	—	(2,917)
Gain on disposal of an associate	—	(46,498)
Dividend income from equity investments at fair value through other comprehensive income	—	(4,396)
Foreign exchange losses, net	2,334	6,124
Bank interest income	(3,815)	(6,499)
Interest income from loans to an associate	(1,605)	(8,716)
Other interest income from third parties	(5,089)	(1,079)
Other interest income from financial assets at fair value through profit or loss	—	(1,313)
Impairment of completed properties held for sale	<u>2,212</u>	<u>5,440</u>

\* The amortisation of intangible assets for the year is included in "Administrative expenses" in the consolidated statement of profit or loss.

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

## 8. INCOME TAX

The Group is subject to income tax on an entity basis on profits arising in or derived from the jurisdictions in which members of the Group are domiciled and operate. Pursuant to the rules and regulations of the Cayman Islands and the British Virgin Islands, the Group's subsidiaries incorporated in the Cayman Islands and the British Virgin Islands are not subject to any income tax.

Pursuant to the relevant tax law of the Hong Kong Special Administrative Region, Hong Kong profits tax is based on a tax rate of 16.5% (2020: 16.5%) on the estimated assessable profits arising in Hong Kong during the Reporting Period. No provision for Hong Kong profits tax has been made as the Group did not generate any assessable profits in Hong Kong during the Reporting Period (2020: Nil).

The provision for Mainland China current income tax is based on the statutory rate of 25% of the assessable profits of certain PRC subsidiaries of the Group as determined in accordance with the PRC Corporate Income Tax Law which was approved and became effective on 1 January 2008.

According to the requirements of the provisional regulations of the PRC on the land appreciation tax (“LAT”) effective from 1 January 1994 onwards, and the detailed implementation rules on the provisional regulations of the PRC on LAT effective from 27 January 1995 onwards, all income from the sale or transfer of state-owned leasehold interests on land, buildings and their attached facilities in Mainland China is subject to LAT at progressive rates ranging from 30% to 60% of the appreciation value, with an exemption provided for property sales of ordinary residential properties if their appreciation values do not exceed 20% of the sum of the total deductible items.

The Group has estimated, made and included in tax provision for LAT according to the requirements set forth in the relevant PRC tax laws and regulations. The actual LAT liabilities are subject to the determination by the tax authorities upon completion of the property development projects and the tax authorities might disagree with the basis on which the provision for LAT is calculated.

Major components of the Group's income tax expense are as follows:

	<b>2021</b>	2020
	<b><i>RMB'000</i></b>	<i>RMB'000</i>
Current tax:		
Income tax charge	<b>90,604</b>	101,764
LAT	<b>76,853</b>	63,619
Deferred tax	<b>5,236</b>	11,961
	<hr/>	<hr/>
Total tax charge for the year	<b><u>172,693</u></b>	<u>177,344</u>

A reconciliation of the tax expense applicable to profit before tax using the statutory rate to the tax expense at the effective tax rate is as follows:

	<b>2021</b>	2020
	<b><i>RMB'000</i></b>	<i>RMB'000</i>
Profit before tax	<b><u>286,191</u></b>	<u>413,445</u>
Tax at the statutory tax rate	<b>72,439</b>	103,779
Provision for LAT	<b>76,853</b>	63,619
Tax effect of LAT provision	<b>(19,213)</b>	(15,905)
Effect of withholding tax at 10% on distributable profits of the Group's PRC subsidiaries	<b>4,329</b>	10,986
Expenses not deductible for tax	<b>36,971</b>	10,429
Income not subject to tax	<b>(287)</b>	(1,359)
Tax losses not recognised	<b>1,601</b>	5,795
	<hr/>	<hr/>
Tax charge at the Group's effective rate	<b><u>172,693</u></b>	<u>177,344</u>

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

The calculation of the basic earnings per share amounts is based on the profit for the year attributable to ordinary equity holders of the parent, and the weighted average number of ordinary shares of 600,000,000 (2020: 600,000,000) in issue during the year, as adjusted to reflect the right issue during the year.

The calculation of basic earnings per share is based on:

	<b>2021</b>	2020
	<b><i>RMB'000</i></b>	<i>RMB'000</i>
<u>Earnings</u>		
Profit attributable to ordinary equity holders of the parent used in the basic earnings per share calculation	<u><b>78,723</b></u>	<u>206,738</u>
	<b>Number of shares</b>	
	<b>2021</b>	2020
	<b>'000</b>	<b>'000</b>
<u>Shares</u>		
Weighted average number of ordinary shares in issue during the year used in the basic earnings per share calculation	<u><b>600,000</b></u>	<u>600,000</u>

The Group had no potentially dilutive ordinary shares in issue during the years ended 31 December 2021 and 2020.

## 10. DIVIDENDS

The Board resolved not to declare a final dividend for the year ended 31 December 2021 (2020: Nil).

## 11. EQUITY INVESTMENT DESIGNATED AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	2021 <i>RMB'000</i>	2020 <i>RMB'000</i>
Listed equity investment, at fair value	<u>54,198</u>	<u>64,501</u>

The above equity investment was irrevocably designated at fair value through other comprehensive income as the Group considers this investment to be strategic in nature.

## 12. TRADE RECEIVABLES

	2021 <i>RMB'000</i>	2020 <i>RMB'000</i>
Trade receivables	5,689	4,852
Impairment	<u>(1,736)</u>	<u>(533)</u>
	<u>3,953</u>	<u>4,319</u>

The Group's trading terms with its customers are mainly on credit. The credit period is generally one month to one year. Each customer has a maximum credit limit. The Group seeks to maintain strict control over its outstanding receivables. Overdue balances are reviewed regularly by senior management. The Group does not hold any collateral or other credit enhancements over its trade receivable balances. Trade receivables are non-interest-bearing.

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

	2021 <i>RMB'000</i>	2020 <i>RMB'000</i>
Within 3 months	17	502
3 to 6 months	1	3,392
Over 6 months	<u>3,935</u>	<u>425</u>
	<u>3,953</u>	<u>4,319</u>

The movements in the loss allowance for impairment of trade receivables are as follows:

	<b>2021</b> <i>RMB'000</i>	2020 <i>RMB'000</i>
At beginning of year	<b>533</b>	281
Impairment losses (note 7)	<b>1,203</b>	252
	<hr/>	<hr/>
At end of year	<b>1,736</b>	533
	<hr/> <hr/>	<hr/> <hr/>

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based on days past due for groupings of various customer segments with similar loss patterns. The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about current conditions and forecasts of future economic conditions. The loss rate applied as at 31 December 2021 was assessed to be minimal.

### **13. TRADE AND BILLS PAYABLES**

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

	<b>2021</b> <i>RMB'000</i>	2020 <i>RMB'000</i>
Less than 1 year	<b>270,091</b>	469,822
1 to 2 years	<b>318,041</b>	213,607
2 to 3 years	<b>165,392</b>	385,995
3 to 4 years	<b>372,405</b>	12,858
4 to 5 years	<b>4,570</b>	74,321
Over 5 years	<b>106,170</b>	53,915
	<hr/>	<hr/>
	<b>1,236,669</b>	1,210,518
	<hr/> <hr/>	<hr/> <hr/>

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

## 14. INTEREST-BEARING BANK AND OTHER BORROWINGS

	2021			2020		
	Effective interest rate (%)	Maturity	RMB'000	Effective interest rate (%)	Maturity	RMB'000
<b>Current</b>						
Lease liabilities	—	—	—	4.75	2021	480
Bank loans — secured	4.15–7.44	2022	65,300			
Current portion of long term bank loans — secured	6.18–15.00	2022	<u>2,320,814</u>	6.18–15.00	2021	<u>2,033,642</u>
			<u>2,386,114</u>			<u>2,034,122</u>
<b>Non-current</b>						
Bank loans — secured	6.80–8.65	2022–2025	<u>754,264</u>	6.80–8.65	2022–2025	<u>706,737</u>
			<u>754,264</u>			<u>706,737</u>
			<u>3,140,378</u>			<u>2,740,859</u>

	<b>2021</b> <i>RMB'000</i>	2020 <i>RMB'000</i>
Analysed into:		
Bank loans repayable:		
Within one year or on demand	<b>2,386,114</b>	2,033,642
In the second year	<b>425,320</b>	409,583
In the third to fifth years, inclusive	<b>328,944</b>	297,154
	<b>3,140,378</b>	2,740,379
Other borrowings repayable:		
Within one year or on demand	—	480
In the second year	—	—
	—	480
	<b>3,140,378</b>	2,740,859

*Notes:*

The Group's bank loans are secured by:

- (i) mortgages over the Group's property under development, which had a net carrying value at the end of the reporting period of approximately RMB1,355,993,000 (2020: RMB621,233,000);
- (ii) mortgages over the Group's completed properties held for sale, which had a net carrying value at the end of the reporting period of approximately RMB67,302,000 (2020: RMB87,219,000);
- (iii) mortgages over the Group's investment properties, which had a net carrying value at the end of the reporting period of approximately RMB133,000,000 (2020: RMB138,000,000);
- (iv) mortgages over the Group's buildings, which had a net carrying value at the end of the reporting period of approximately RMB29,996,000 (2020: RMB33,207,000); and
- (v) the guarantees provided by the Company, the subsidiary of the Group, the director of the Company and the Company's controlling shareholder.

## 15. CONTINGENT LIABILITIES

At the end of the reporting period, contingent liabilities not provided for in the financial statements were as follows:

	<b>2021</b>	2020
	<b><i>RMB'000</i></b>	<i>RMB'000</i>
Guarantees given to banks in respect of mortgage facilities granted to the purchasers of the Group's properties	<u><b>1,979,500</b></u>	<u>2,477,533</u>

The Group provided guarantees in respect of mortgage facilities granted by certain banks to the purchasers of the Group's completed properties held for sale. Pursuant to the terms of the guarantee arrangements, in case of default on mortgage payments by the purchasers, the Group is responsible for repaying the outstanding mortgage loans together with any accrued interest and penalty owed by the defaulted purchasers to those banks. The Group is then entitled to take over the legal titles of the related properties. The Group's guarantee period commences from the date of grant of the relevant mortgage loan and ends at the execution of individual purchaser's collateral agreement.

The Group did not incur any material losses during the reporting period in respect of the guarantees provided for mortgage facilities granted to the purchasers of the Group's completed properties held for sale. The directors considered that in case of default on payments, the net realisable value of the related properties would be sufficient to repay the outstanding mortgage loans together with any accrued interest and penalty, and therefore no provision has been made in connection with the guarantees.

## **EXTRACTS OF INDEPENDENT AUDITOR'S REPORT**

The following is an extract from the independent auditor's report on the consolidated financial statements of the Group for the year ended 31 December 2021.

### **Disclaimer of opinion**

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

### **Basis for disclaimer of opinion**

#### ***Multiple Uncertainties Relating to Going Concern***

As set out in Note 2.1 to the consolidated financial statements, the Group recorded a negative net operating cash flows of RMB508,016,000 during the year ended 31 December 2021. The Group's total bank and other borrowings amounted to RMB3,140,378,000, out of which RMB2,386,114,000 will be due for repayment within the next twelve months, while its cash and cash equivalents amounted to RMB240,373,000 as at 31 December 2021. These conditions, together with other matters set out in Note 2.1 to the consolidated financial statements, indicate the existence of material uncertainties that may cast significant doubt on the Group's ability to continue as a going concern.

The directors of the Company have been undertaking measures to improve the Group's liquidity and financial position, which are set out in note 2.1 to the consolidated financial statements. The validity of the going concern assumption on which the consolidated financial statements have been prepared depends on the outcome of these measures, which are subject to multiple uncertainties, including (i) successfully negotiating with the Group's existing lenders for renewal or extension for repayment of the Group's bank and other borrowings; (ii) successfully carrying out the Group's business strategy plan including the acceleration of the sales of properties and cost control measures so as to improve the Group's working capital and cash flow position; and (iii) successfully obtaining additional new sources of financing.

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

# CHAIRMAN'S STATEMENT

*Dear Shareholders,*

On behalf of the Board, I am pleased to present the annual results of the Group for the year ended 31 December 2021.

## **Review of Annual Results for 2021**

In 2021, the Chinese government intensified the regulation in the real estate industry, consistently upholding the main undertone of “housing is for accommodation but not for speculation”. Meanwhile, it accelerated the establishment of a housing system featuring multi-subject supply, multi-channel guarantee and simultaneous development of lease and purchase. The goal of the real estate market was to stabilize land price, housing price and expectations. In 2021, the real estate industry generally showed a development trend of depressing after rising. On one hand, with a change in the land supply system in the first half of the year, the supply of the land market was affected by the centralized land supply policy, resulting in a decrease in new construction area of real estate companies, so that the completed area increased more rapidly. On the other hand, the area sold and sales performance of enterprises remained the same as those in previous years, with a faster overall growth in the first half of the year. In the second half of 2021, the industry policy has been increasingly tightened due to the impact of the COVID-19 epidemic, together with the liquidity crisis of some domestic real estate companies in a prescribed scale, leading to a depression in the real estate industry, with lower expectations of consumers on the real estate market. In addition, the active second-hand housing market and second-hand housing prices enhanced the wait-and-see sentiment in the market, which resulted in a slowdown in the sales growth and significant weakness in the market. The introduction of a supervision system in relation to the pre-sale funds for commercial housing and the price limit policy in different regions also put more pressures on most real estate companies in terms of sales and short-term funds, leading to a slower growth of the overall development of companies.

Although the Company's operation was also affected by industry policies and the COVID-19 epidemic in 2021, its operating performance ensured the stable development of the Company as it continued to act in a prudent manner to constantly adjust its business strategy.

During the Reporting Period, the Group's contracted sales amounted to approximately RMB656.0 million, representing a decrease of approximately 28.9% as compared with the same period last year; the Group's total contracted GFA amounted to approximately 74,043 sq.m., representing a decrease of approximately 46.1% as compared with the same period last year.

During the Reporting Period, the Group recorded a revenue of approximately RMB1,568.6 million, representing an increase of approximately 29.9% as compared with the same period last year, among which, revenue from property development was approximately RMB1,565.0 million, representing an increase of approximately 32.5% as compared with the same period last year. Profit attributable to the owners of the Group for the year was approximately RMB78.7 million, representing a decrease of approximately 61.9% as compared with the same period last year, which was mainly attributable to the decrease in profit after tax.

As at the end of the Reporting Period, the Group's land bank was approximately 2,916,370 sq.m.

## **Final Dividend**

The Board has resolved not to declare a final dividend for the year ended 31 December 2021.

## **Prospect for 2022**

In 2022, the COVID-19 epidemic will continue to affect the real estate industry. Meanwhile, the goal of regulation on the real estate industry and market will be changed from “promoting the stable development of the real estate market” to “a benign circle and healthy development of the real estate industry”, and accordingly the real estate industry will gradually step into the era of high-quality development. It is expected that the investment in property development will increase more rapidly in 2022. With an adjustment in the industry, market resources are also converging on outperforming enterprises, and more companies will be more conservative on their expected overall performance, by deciding investment based on sales performance and taking initiatives for marketing, so as to improve the efficiency of their operation and management.

In 2022, following the changes in the real estate industry and market, the Company will adopt the overall strategy which focuses on prudent operation and risk prevention, and will proactively adapt itself to new policies and market conditions. On one hand, the Company will return to corporate products, focusing on product design and enhancing product strength, so as to maintain development advantages in market competition, and to seek development room and opportunities. On the other hand, the Company will continue to take initiatives for marketing, promote sales de-stocking and return funds, to enhance its own risk resistance. Meanwhile, it will maintain its main business of real estate, by implementing refined management and improving the effectiveness of management through cost reduction and efficiency increasing, so as to ease liquidity pressure, and thus to achieve stable, healthy and high-quality development of the Company.

## **ACKNOWLEDGMENT**

Finally, I would like to express my sincerest gratitude, on behalf of the Board, to the management and all employees of the Company for their hard work. Meanwhile, I would also like to thank the investors, customers and partners for their unfailing support and trust in the Group.

**Bai Xuankui**

*Chairman*

Jinzhong, Shanxi, the PRC

31 March 2022

# MANAGEMENT DISCUSSION AND ANALYSIS

## Business Review

During the Reporting Period, the Group's contracted sales amounted to approximately RMB656.0 million, representing a decrease of approximately 28.9% as compared with the same period last year. During the Reporting Period, the Group's revenue amounted to approximately RMB1,568.6 million, representing an increase of approximately 29.9% as compared with the same period last year, among which, revenue from property development was approximately RMB1,565.0 million, representing an increase of approximately 32.5% as compared with the same period last year. During the Reporting Period, net profit of the Group amounted to approximately RMB113.5 million, of which net profit attributable to the Company's equity holders was approximately RMB78.7 million.

## Contracted Sales

The Group's contracted sales for the years ended 31 December 2021 and 2020 were approximately RMB656.0 million and RMB922.2 million, respectively, representing a decrease of approximately 28.9%. The Group's total contracted GFAs for the years ended 31 December 2021 and 2020 were approximately 74,043 sq.m. and 137,480 sq.m., respectively, representing a decrease of approximately 46.1%. By geographical location, the Group's contracted sales from Jinzhong, Taiyuan, Mianyang and Haikou, were approximately RMB79.7 million, RMB151.5 million, RMB397.7 million and RMB27.1 million, respectively, representing approximately 12.2%, 23.1%, 60.6% and 4.1% of the Group's total contracted sales, respectively.

The table below sets forth the Group's contracted sales for the year ended 31 December 2021 by geographic location:

	Contracted Sales for 2021 (RMB million)	Contracted Sales for 2020 (RMB million)	Contracted GFA for 2021 (sq.m.)	Contracted GFA for 2020 (sq.m.)	Average Contracted Sales Price for 2021 (RMB/sq.m.)	Average Contracted Sales Price for 2020 (RMB/sq.m.)
<b>Jinzhong</b>						
Yijun Community ( 頤郡小區 )	5.5	27.9	1,127	3,692	4,856.0	7,568.0
Chenxing Yijun ( 辰興頤郡 )	66.5	333.6	9,200	42,281	7,230.9	7,889.0
Xiyuan ( 熙苑 )	2.3	31.1	291	3,573	7,874.2	8,717.3
Xin Xing International Cultural Town ( 新興國際文教城 ) (Phases III, IV and V)	5.4	4.4	901	2,123	5,979.7	2,067.8
<b>Taiyuan</b>						
Yosemite Valley Town — Taiyuan ( 龍城優山美郡 ) (Phase I)	25.1	38.4	2,468	4,745	10,189.9	8,081.8
Yosemite Valley Town — Taiyuan ( 龍城優山美郡 ) (Phase II)	45.1	51.5	3,941	6,223	11,445.9	8,271.7
Yosemite Valley Town — Taiyuan ( 龍城優山美郡 ) (Phase III)	81.3	357.5	10,230	49,998	7,948.4	7,150.5
<b>Mianyang</b>						
Yosemite Valley Town ( 優山美郡 )	0.4	3.4	189	1,695	1,977.5	1,983.6
Elite Gardens ( 天禦 )	0.3	2.3	170	1,140	1,676.6	1,989.8
Chang Xing Star Gardens ( 長興星城 )	53.8	72.1	20,905	22,010	2,574.9	3,277.2
Chang Xing Jinhutingyuan ( 長興金湖庭院 )	343.2	—	22,872	—	15,004.7	—
<b>Hainan</b>						
Chenxing Shangpinhui ( 辰興尚品匯 )	27.1	—	1,749	—	15,488.9	—
<b>Total</b>	<b>656.0</b>	<b>922.2</b>	<b>74,043</b>	<b>137,480</b>	<b>8,859.7</b>	<b>6,707.9</b>

Note:

Contracted Sales, Contracted GFAs and Average Contracted Sales Price in the above table also include the car parking spaces sold, if applicable.

## Property Projects

The Group's property projects fall into the following three categories by the development stage: completed properties, properties under development and properties held for future development. As some projects are developed in several phases, a single project may fall into different development stages including completed, under development and held for future development.

As at the end of the Reporting Period, the Group had a completed total GFA of approximately 3,050,912 sq.m. and a land bank with a total GFA of approximately 2,916,370 sq.m., comprising (i) a total GFA of approximately 165,366 sq.m. which is completed but unsold; (ii) a total GFA of approximately 1,737,554 sq.m. which is under development; and (iii) a total planned GFA of approximately 1,013,450 sq.m. held for future development.

The Group selectively retains the ownership of most of self-developed commercial properties with a strategic value to generate sustainable and stable revenue. As at the end of the Reporting Period, the Group had investment properties with a total GFA of approximately 21,613 sq.m.

## Property Portfolio Summary

<b>Intended use<sup>(1)</sup></b>	<b>Total GFA completed (sq.m.)</b>	<b>GFA under development (sq.m.)</b>	<b>Total GFA held for future development (sq.m.)</b>
Mid-rise	844,995	116,742	425,086
High-rise	1,178,492	602,831	234,812
Townhouses	27,612	196,834	—
Multi-story garden apartments	576,743	88,290	—
Retail outlets	188,283	266,595	112,936
SOHO apartments	6,931	15,984	15,791
Hotels	—	108,743	—
Parking spaces	221,205	318,526	207,873
Ancillary facilities <sup>(2)</sup>	6,651	23,009	16,952
<b>Total GFA</b>	<b>3,050,912</b>	<b>1,737,554</b>	<b>1,013,450</b>
<b>Attributable GFA<sup>(3)</sup></b>	<b>2,877,219</b>	<b>1,463,637</b>	<b>897,143</b>

Notes:

(1) Includes the portion of GFA held by the Group as public facilities (not saleable or leasable).

(2) Includes primarily public facilities which are not saleable.

(3) Comprises the total GFA attributable to the Group based on the Group's actual interests in the relevant projects or project phases.

## Completed Projects

The following table sets forth a summary of the information about the Group's completed projects and corresponding project phases, if any, as at 31 December 2021:

Project	Location	Project Type	Actual Completion Date	Site Area (sq.m.)	Completed GFA (sq.m.)	Saleable/ Leaseable GFA remaining unsold (sq.m.)	GFA held for investment (sq.m.)	GFA sold (sq.m.)	Other GFA <sup>(1)</sup> (sq.m.)	Ownership Interest <sup>(2)</sup> (%)
<b>Jinzhong (晉中)</b>										
1. East Lake Mall (東湖井)	Jinzhong, Shanxi (山西省晉中市)	Retail Outlets	July 2000	1,330	17,886	—	10,610	7,276	—	100.00
2. Grand International Mall & Apartments (君豪國際)	Jinzhong, Shanxi (山西省晉中市)	Residential/ Commercial	June 2007	7,465	65,544	9,081	8,241	48,222	—	100.00
3. Blossoms Gardens (錦綉新城)	Jinzhong, Shanxi (山西省晉中市)	Residential	April 2007	5,261	39,080	—	—	39,080	—	100.00
4. Xin Xing International Culture Town (新興國際文教城)										
Phase I	Jinzhong, Shanxi (山西省晉中市)	Residential	December 2005	5,600	24,602	—	—	24,602	—	100.00
Phase II	Jinzhong, Shanxi (山西省晉中市)	Residential/ Commercial	April 2012	17,968	93,061	—	—	92,910	151	100.00
Phase III	Jinzhong, Shanxi (山西省晉中市)	Residential/ Commercial	December 2009	255,918	545,047	2,588	—	542,459	—	100.00
Phase IV	Jinzhong, Shanxi (山西省晉中市)	Residential/ Commercial	July 2016	30,987	71,103	2,019	—	69,084	—	100.00
Phase V	Jinzhong, Shanxi (山西省晉中市)	Residential/ Commercial	July 2016	22,578	50,438	3,266	—	46,137	1,035	100.00
5. Upper East Gardens (上東庭院)										
Phase I	Jinzhong, Shanxi (山西省晉中市)	Residential/ Commercial	November 2006	19,361	47,926	—	—	47,926	—	100.00
Phase II	Jinzhong, Shanxi (山西省晉中市)	Residential/ Commercial	December 2011	24,343	75,889	—	—	75,889	—	100.00
6. Riverside Gardens — Zuoquan (左權濱河嘉園)	Jinzhong, Shanxi (山西省晉中市)	Residential/ Commercial	December 2007	73,035	98,545	—	—	97,990	555	100.00
7. SOLO Apartments (尚座公寓)	Jinzhong, Shanxi (山西省晉中市)	Commercial/ Complex	September 2009	2,411	9,783	257	—	9,526	—	100.00
8. Riverside Gardens — Heshun (和順濱河小區)										
Stage I	Jinzhong, Shanxi (山西省晉中市)	Residential	June 2008	60,100	62,508	—	—	62,168	340	100.00
Stage II	Jinzhong, Shanxi (山西省晉中市)	Residential	October 2012	5,898	51,217	—	—	51,217	—	100.00

Project	Location	Project Type	Actual Completion Date	Site Area (sq.m.)	Completed GFA (sq.m.)	Saleable/Leaseable	GFA	GFA sold (sq.m.)	Other GFA <sup>(1)</sup> (sq.m.)	Ownership Interest <sup>(2)</sup> (%)
						remaining unsold (sq.m.)	held for investment (sq.m.)			
9. Mandarin Gardens — Taigu (太谷文華庭院)	Jinzhong, Shanxi (山西省晉中市)	Residential/Commercial	May 2011	30,690	51,525	—	—	51,525	—	100.00
10. Shuncheng Street Underground Space (順城街地下空間)	Jinzhong, Shanxi (山西省晉中市)	Retail Outlets	August 2015	—	897	—	—	897	—	100.00
11. Yijun Community (頤郡小區)										
Phase I (portion)	Jinzhong, Shanxi (山西省晉中市)	Residential	November 2020	25,661	59,660	45,219	—	13,609	832	51.00
12. Xiyuan (熙苑)	Jinzhong, Shanxi (山西省晉中市)	Residential/Commercial	November 2021	46,603	58,971	4,405	—	54,566	—	33.66
<b>Taiyuan (太原)</b>										
1. Yosemite Valley Town — Taiyuan (龍城優山美郡)										
Southern District, Phase I	Taiyuan, Shanxi (山西省太原市)	Residential/Commercial	December 2014	117,128	406,165	24,178	—	381,987	—	100.00
Northern District, Phase I	Taiyuan, Shanxi (山西省太原市)	Residential/Commercial	November 2016	108,005	397,867	14,512	—	312,976	70,379	100.00
Phase II (portion)	Taiyuan, Shanxi (山西省太原市)	Residential/Commercial	June 2020	59,321	169,332	25,179	—	144,153	—	100.00
<b>Mianyang (綿陽)</b>										
1. Yosemite Valley Town (優山美郡)	Mianyang, Sichuan (四川省綿陽市)	Residential/Commercial	May 2012	74,124	126,329	5,288	—	119,196	1,845	83.89
2. Elite Gardens (天禦)	Mianyang, Sichuan (四川省綿陽市)	Residential/Commercial	September 2014	68,529	116,816	1,265	—	114,864	687	83.89
3. Chang Xing Star Gardens (長興星城)										
Phase I	Mianyang, Sichuan (四川省綿陽市)	Residential/Commercial	June 2017	68,150	288,450	11,498	—	275,631	1,321	83.89
Phase II	Mianyang, Sichuan (四川省綿陽市)	Residential/Commercial	November 2020	36,158	122,271	16,611	—	104,729	931	83.89
<b>Total</b>				<b>1,166,624</b>	<b>3,050,912</b>	<b>165,366</b>	<b>18,851</b>	<b>2,788,619</b>	<b>78,076</b>	
<b>Total Attributable GFA<sup>(3)</sup></b>				<b>1,083,348</b>	<b>2,877,219</b>	<b>134,702</b>	<b>18,851</b>	<b>2,646,768</b>	<b>76,898</b>	

*Notes:*

- (1) Includes the GFA held by the Group as public facilities (not saleable or leasable).
- (2) Calculated based on the Group's actual ownership interests in the respective project companies.
- (3) Comprises the total GFA attributable to the Group based on the Group's actual interests in the relevant projects or project phases.

## Properties under Development and Properties Held for Future Development

The following table sets forth a summary of the information about the Group's projects under development and corresponding project stages, if any, and properties held for future development as at 31 December 2021:

Project	Location	Project Type	Site Area (sq.m.)	Actual/ Estimated Completion Date	Under development			Held for future development		
					GFA under development (sq.m.)	Saleable/ Leasable GFA (sq.m.)	Pre-sold GFA (sq.m.)	Planned GFA (sq.m.)	GFA with the land use certificate not obtained yet (sq.m.)	Ownership interest <sup>(1)</sup> (%)
<b>Jinzhong (晉中)</b>										
<b>1. Phase I of Longtian Project (龍田項目一期)</b>			<b>129,049</b>		<b>449,634</b>	<b>428,000</b>	<b>30,059</b>	<b>—</b>	<b>—</b>	<b>51.00</b>
Stage I	Jinzhong, Shanxi (山西省晉中市)	Residential/ Commercial/ Parking Space	14,346	December 2021	78,954	74,203	30,059	—	—	51.00
Stage II	Jinzhong, Shanxi (山西省晉中市)	Residential/ Commercial/ Parking Space	24,367	December 2021	110,725	101,386	—	—	—	51.00
Stage III	Jinzhong, Shanxi (山西省晉中市)	Residential/ Commercial/ Parking Space	26,682	December 2021	126,120	121,061	—	—	—	51.00
Stage IV	Jinzhong, Shanxi (山西省晉中市)	Commercial/ Parking Space	13,422	December 2021	28,819	28,819	—	—	—	51.00
Stage V	Jinzhong, Shanxi (山西省晉中市)	Commercial/ Parking Space	50,232	December 2021	105,016	102,531	—	—	—	51.00
<b>2. Yijun Community (頤郡小區)</b>			<b>79,203</b>		<b>52,641</b>	<b>19,267</b>	<b>1,831</b>	<b>154,347</b>	<b>—</b>	<b>51.00</b>
Stage I (portion)	Jinzhong, Shanxi (山西省晉中市)	Residential	21,102	December 2021	52,641	19,267	1,831	—	—	51.00
Stage II	Jinzhong, Shanxi (山西省晉中市)	Commercial	16,410	August 2022	—	—	—	44,157	—	51.00
Stage III	Jinzhong, Shanxi (山西省晉中市)	Residential/ Commercial	41,691	August 2022	—	—	—	110,190	—	51.00
<b>3. Chenxing Yijun (辰興頤郡)</b>			<b>197,286</b>		<b>130,237</b>	<b>88,747</b>	<b>55,100</b>	<b>356,400</b>	<b>—</b>	<b>100.00</b>
Stage I	Jinzhong, Shanxi (山西省晉中市)	Residential/ Commercial	56,601	December 2021	130,237	88,747	55,100	—	—	100.00
Stage II	Jinzhong, Shanxi (山西省晉中市)	Residential/ Commercial	37,462	December 2022	—	—	—	99,500	—	100.00
Stage III	Jinzhong, Shanxi (山西省晉中市)	Residential/ Commercial	85,669	December 2022	—	—	—	209,300	—	100.00
Stage IV	Jinzhong, Shanxi (山西省晉中市)	Residential/ Commercial	17,554	December 2022	—	—	—	47,600	—	100.00
<b>4. Shiguang Zhicheng (時光之城)</b>	Jinzhong, Shanxi (山西省晉中市)	Commercial	<b>28,296</b>	October 2022	<b>112,383</b>	<b>53,880</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>100.00</b>
<b>5. Jinxiu SOHO (錦綉中心)</b>	Jinzhong, Shanxi (山西省晉中市)	Commercial	<b>3,461</b>	May 2022	<b>20,506</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>100.00</b>

Project	Location	Project Type	Site Area (sq.m.)	Actual/ Estimated Completion Date	Under development			Held for future development		
					GFA under development (sq.m.)	Saleable/ Leasable GFA (sq.m.)	Pre-sold GFA (sq.m.)	Planned GFA (sq.m.)	GFA with the land use certificate not obtained yet (sq.m.)	Ownership interest <sup>(1)</sup> (%)
<b>Taiyuan (太原)</b>										
<b>1. Yosemite Valley Town — Taiyuan (龍城優山美郡)</b>			<b>134,035</b>		<b>432,155</b>	<b>405,424</b>	<b>273,924</b>	—	—	<b>100.00</b>
Phase II (portion)	Taiyuan, Shanxi (山西省太原市)	Residential/ Commercial	51,914	December 2021	202,655	188,778	133,695	—	—	100.00
Phase III	Taiyuan, Shanxi (山西省太原市)	Residential/ Commercial	60,273	November 2021	216,881	216,646	140,229	—	—	100.00
Phase IV	Taiyuan, Shanxi (山西省太原市)	Primary School	21,848	September 2021	12,619	—	—	—	—	100.00
<b>Haikou (海口)</b>										
<b>1. Shangpinhui (尚品匯)</b>	Haikou, Hainan (海南省海口市)	Commercial	<b>43,795</b>	October 2021	<b>98,140</b>	<b>55,876</b>	<b>1,749</b>	—	—	<b>100.00</b>
<b>2. Jiangdong Shangyuan (江東上院)</b>	Haikou, Hainan (海南省海口市)	Residential	<b>57,446</b>	December 2022	—	—	—	<b>104,426</b>	—	<b>100.00</b>
<b>Wuzhishan (五指山)</b>										
<b>1. Feicui Yijun (翡翠頤郡)</b>			<b>92,522</b>		<b>136,422</b>	<b>12,293</b>	—	—	—	<b>100.00</b>
Phase I	Wuzhishan, Hainan (海南省五指山市)	Commercial	28,745	November 2021	48,013	1,559	—	—	—	100.00
Phase II	Wuzhishan, Hainan (海南省五指山市)	Residential	23,827	May 2022	35,274	—	—	—	—	100.00
Phase III	Wuzhishan, Hainan (海南省五指山市)	Residential	18,244	May 2022	26,666	10,734	—	—	—	100.00
Phase IV	Wuzhishan, Hainan (海南省五指山市)	Residential	21,706	December 2023	26,469	—	—	—	—	100.00
<b>Xishuangbanna (西雙版納)</b>										
<b>1. Chenxing International Health City (辰興國際健康城)</b>			<b>223,780</b>		<b>132,861</b>	—	—	<b>145,781</b>	—	<b>100.00</b>
Stage I	Xishuangbanna Dai Autonomous Prefecture, Yunnan (雲南省西雙版納傣 族自治州)	Residential/ Commercial	51,965	November 2021	37,396	—	—	—	—	100.00
Stage II	Xishuangbanna Dai Autonomous Prefecture, Yunnan (雲南省西雙版納傣 族自治州)	Residential/ Commercial	171,815	December 2022	95,465	—	—	145,781	—	100.00

Project	Location	Project Type	Site Area (sq.m.)	Actual/ Estimated Completion Date	Under development			Held for future development		
					GFA under development (sq.m.)	Saleable/ Leasable GFA (sq.m.)	Pre-sold GFA (sq.m.)	Planned GFA (sq.m.)	GFA with the land use certificate not obtained yet (sq.m.)	Ownership interest <sup>(1)</sup> (%)
Mianyang (綿陽)										
1. Jinhutingyuan(金湖庭院)			154,367		172,575	—	—	252,496	—	83.89
Phase I	Mianyang, Sichuan (四川省綿陽市)	Residential/ Commercial	62,672	December 2023	172,575	—	—	—	—	83.89
Phase II	Mianyang, Sichuan (四川省綿陽市)	Residential/ Commercial	91,695	December 2025	—	—	—	252,496	—	83.89
<b>Total</b>			<b>1,143,240</b>		<b>1,737,554</b>	<b>1,051,194</b>	<b>360,914</b>	<b>1,013,450</b>	—	
<b>Total Attributable GFA<sup>(2)</sup></b>					<b>1,463,637</b>	<b>844,326</b>	<b>347,037</b>	<b>897,143</b>	—	

Notes:

- (1) Calculated based on the Group's actual ownership interests in the respective project companies.
- (2) Comprises the total GFA attributable to the Group based on the Group's actual interests in the relevant projects or project phases.

The table below sets forth a summary of the information about the Group's investment properties as at 31 December 2021:

Project	Property type	Held for investment	Effective leased	Occupancy rate	Rental income for the year ended	
		Total GFA (sq.m.)	GFA (sq.m.)		31 December 2021	2020 (RMB million)
Grand International Mall & Apartments (君豪國際)	Retail outlets	8,241	—	—	0.2	0.2
East Lake Mall (東湖井)	Retail outlets	10,610	8,161	76.9	1.1	1.5
Office Building of West Yingbin Street (迎賓西街辦公樓)	Retail outlets	2,762	1,063	38.5	0.9	2.6
<b>Total</b>		<b>21,613</b>	<b>9,224</b>	—	<b>2.2</b>	<b>4.3</b>

The table below sets forth the Group's land bank as at 31 December 2021 by geographic location:

	Completed saleable/ leasable GFA remaining unsold	Under development GFA under development	For future development Planned GFA	Total land bank <sup>(1)</sup> Total GFA	Percentage of total land bank	Average land cost
	(sq.m.)	(sq.m.)	(sq.m.)	(sq.m.)	(%)	(RMB /sq.m.)
Jinzhong	66,835	765,401	510,747	1,342,983	46.1	854.2
Taiyuan	63,869	432,155	—	496,024	17.0	393.5
Mianyang	34,662	172,575	252,496	459,733	15.8	1,063.9
Haikou	—	98,140	104,426	202,566	6.9	1,851.6
Wuzhishan	—	136,422	—	136,422	4.7	1,145.2
Xishuangbanna	—	132,861	145,781	278,642	9.5	1,006.9
<b>Total</b>	<b>165,366</b>	<b>1,737,554</b>	<b>1,013,450</b>	<b>2,916,370</b>	<b>100.0</b>	<b>830.6</b>

Note:

- (1) Land bank equals to the sum of (i) saleable/leasable GFA remaining unsold, (ii) total GFA under development and (iii) total planned GFA held for future development.

The table below sets forth the Group's land bank as at 31 December 2021 by property type:

	Completed saleable/ leasable GFA remaining unsold (sq.m.)	Under development GFA under development (sq.m.)	For future development Planned GFA (sq.m.)	Total land bank <sup>(1)</sup> Total GFA (sq.m.)	Percentage of total land bank (%)
Mid-rise	47,828	116,742	425,086	589,656	20.2
High-rise	37,795	602,831	234,812	875,438	30.0
Townhouses	1,472	196,834	—	198,306	6.8
Multi-story garden apartments	3,408	88,290	—	91,698	3.2
Available-for-sale office/commercial properties	40,965	266,595	112,936	420,496	14.4
SOHO apartments	58	15,984	15,791	31,833	1.1
Hotels	—	108,743	—	108,743	3.7
Parking spaces	33,840	318,526	207,873	560,239	19.2
Ancillary facilities <sup>(2)</sup>	—	23,009	16,952	39,961	1.4
<b>Total</b>	<b>165,366</b>	<b>1,737,554</b>	<b>1,013,450</b>	<b>2,916,370</b>	<b>100.0</b>

Notes:

(1) Land bank equals to the sum of (i) saleable/leasable GFA remaining unsold, (ii) total GFA under development and (iii) total planned GFA held for future development.

(2) Includes primarily public facilities which are not saleable.

## FINANCIAL REVIEW

### Revenue

During the Reporting Period, the Group's revenue amounted to approximately RMB1,568.6 million, representing an increase of approximately 29.9% as compared with approximately RMB1,207.5 million in the same period last year. The increase was mainly due to the increase in GFA of completed properties delivered.

During the Reporting Period, the Group's revenue from property development amounted to approximately RMB1,565.0 million, representing an increase of approximately 32.5% as compared with the same period last year. The increase was mainly due to the increase in GFA of completed properties delivered.

## **Sales and Services Cost**

The Group's sales and services cost increased by approximately 49.0% from approximately RMB743.6 million for the year ended 31 December 2020 to approximately RMB1,108.1 million for the Reporting Period, the increase of which was mainly due to an increase in revenue from the sale of goods and services.

## **Gross Profit**

During the Reporting Period, the Group's gross profit was approximately RMB460.5 million, representing a decrease of approximately 0.7% as compared with approximately RMB463.9 million in the same period last year. During the Reporting Period, the Group's gross profit margin was approximately 29.4%, as compared with approximately 38.4% in the same period last year.

During the Reporting Period, the Group's gross profit from property development was approximately RMB457.7 million, representing an increase of approximately 0.1% as compared with approximately RMB457.3 million in the same period last year, which was mainly due to the increase in the selling prices of newly delivered projects.

During the Reporting Period, the Group's gross profit margin of property development was approximately 29%, representing a decrease of approximately 10 percentage points as compared with approximately 39% in the same period last year.

## **Other Income and Gains**

During the Reporting Period, the Group's other income and gains were approximately RMB27.4 million, representing a decrease of approximately 70.5% as compared with approximately RMB93.0 million in the same period last year. The decrease was primarily due to there is a gain from the disposal of an associate in the same period last year but not in the Reporting Period.

## **Profit Attributable to Owners of the Company**

During the Reporting Period, the profit attributable to owners of the Company was approximately RMB78.7 million, representing a decrease of approximately 61.9% from approximately RMB206.7 million in the same period last year. The decrease in the profit attributable to owners of the Company was mainly due to the decrease in gross profit and other income and gains.

## **Change in Fair Value of Investment Properties**

The fair value of the Group's investment properties decreased by approximately 3.6% from approximately RMB138.0 million for the year ended 31 December 2020 to approximately RMB133.0 million for the Reporting Period, and the decrease was primarily due to the impairment of assets of Grand International Mall & Apartments, East Lake Mall and Office Building of West Yingbin Street.

## **Selling and Distribution Expenses**

The Group's selling and distribution expenses increased by approximately 17.9% from approximately RMB50.9 million for the year ended 31 December 2020 to approximately RMB60.0 million for the Reporting Period, and the increase was primarily due to the increase in advertising and marketing agency fees.

## **Administrative Expenses**

The Group's administrative expenses decreased by approximately 5.6% from approximately RMB67.9 million for the year ended 31 December 2020 to approximately RMB64.1 million for the Reporting Period, and the decrease was primarily due to the decrease in consulting expenses and entertainment expense.

## **Finance Costs**

The Group's financing expenses increased from approximately RMB3.8 million for the year ended 31 December 2020 to approximately RMB32.1 million for the Reporting Period, and the increase was primarily due to the increase in borrowings for daily working capital requirements, resulting in an increase in finance costs.

## **Income Tax Expenses**

The Group's income tax expenses decreased by approximately 2.6% from approximately RMB177.3 million for the year ended 31 December 2020 to approximately RMB172.7 million for the Reporting Period, and the decrease was primarily due to the decrease in profit before tax.

## **Total Profit and Comprehensive Income for the Year**

As a result of the foregoing, the Group's total profit and comprehensive income for the year decreased by approximately 55.4% from approximately RMB234.0 million for the year ended 31 December 2020 to approximately RMB104.4 million for the Reporting Period.

## **Cash Position**

As at the end of the Reporting Period, the Group's cash and cash equivalents were approximately RMB240.4 million, representing a decrease of approximately 55.0% as compared to approximately RMB534.1 million as at 31 December 2020, and the decrease was primarily due to the payment for project funds and the repayment of loans.

## **Net Operating Cash Flow**

The Group recorded a negative operating cash flow of approximately RMB508.0 million as at the end of the Reporting Period, while the Group recorded a negative operating cash flow of approximately RMB406.3 million as at 31 December 2020.

## **Borrowings**

The Group had outstanding bank borrowings of approximately RMB3,140.4 million as at the end of the Reporting Period while the Group had outstanding bank borrowings of approximately RMB2,740.9 million as at 31 December 2020.

## **Pledged Assets**

Certain of the Group's borrowings were secured by properties under development, investment properties, as well as property, plant and equipment, or a combination of the above items. As at the end of the Reporting Period, the assets pledged to secure certain borrowings granted to the Group amounted to approximately RMB1,586.3 million.

## **Financial Guarantees and Contingent Liabilities**

In line with the market practice, the Group has entered into agreements of arrangements with various banks for the provision of mortgage financing to its customers. The Group does not conduct any independent credit checks on customers, but relies on the credit checks conducted by mortgagee banks. As with other PRC property developers, the banks usually require the Group to guarantee its customers' obligations to repay the mortgage loans on the properties. The guarantee period normally lasts until the bank receives the strata-title building ownership certificate (分戶產權證) from the customer as security of the mortgage loan granted. As at the end of the Reporting Period, the Group's outstanding guarantees in respect of the mortgages of its customers amounted to approximately RMB1,979.5 million.

During the Reporting Period, the Group had no material contingent liabilities.

## **Gearing Ratio**

As at the end of the Reporting Period, based on the Group's total debt of approximately RMB3,140.4 million and total equity of approximately RMB1,714.0 million, the gearing ratio of the Group was approximately 183% (31 December 2020: approximately 170%). Gearing ratio is calculated by dividing total debt over total equity, and total debt includes interest-bearing bank and other borrowings. The increase in gearing ratio was mainly due to the increase of interest-bearing bank borrowings and other borrowings during the Reporting Period.

## **Foreign Currency Risk**

The Group operates primarily in the PRC and most of its revenues and expenses are settled in RMB. The Group is exposed to foreign currency risks because its bank balances are denominated in HK dollar and the value of which will fluctuate with exchange rate fluctuations. The exchange rate between RMB and HK dollar may fluctuate as a result of various factors, such as changes in China's political and economic conditions. The Board expects that the fluctuation of the RMB exchange rate will not have a material adverse effect on the Group. The Group currently does not have a hedging policy in relation to the foreign currency risk.

## **Material Acquisitions and Disposals and Material Investments**

Save as disclosed herein, the Group did not have any material acquisition and disposal and significant investment during the Reporting Period.

## **Significant events after the Reporting Period**

As at the date of this announcement, the Group does not have any significant events after the Reporting Period.

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

The Company will continue to invest in property development projects and acquire suitable land parcels in selected cities as appropriate. Internal resources and bank borrowings are expected to be sufficient to meet the necessary funding needs. Save as disclosed in the prospectus and above, the Group has no future plans of material investment or capital assets as at the date of this announcement.

## **Employees and Remuneration Policies**

As at the end of the Reporting Period, the Group had 293 employees. During the Reporting Period, the Group had incurred the employee costs of approximately RMB38.7 million. Employee compensations generally include salaries and quarterly performance bonuses. As required by applicable PRC laws and regulations, the Group participates in various employee benefit plans of the municipal and provincial governments, including housing provident funds, pension, medical, maternity, occupational injury and unemployment benefit plans.

## **ANNUAL GENERAL MEETING**

The AGM of the Company will be convened on Thursday, 26 May 2022, a notice of which will be published and delivered to the Company's shareholders in due course.

## **FINAL DIVIDEND**

The Board has resolved not to declare a final dividend for the year ended 31 December 2021.

## **CORPORATE GOVERNANCE PRACTICES**

The Company is always committed to maintaining high standards of corporate governance with a view to ensuring the professional conduct of the Company's management and protect the interests of all Shareholders. The Company is fully aware that transparency and accountability in corporate governance are crucially important to the Shareholders. The Board considers that sound corporate governance maximises the Shareholders' interests.

The Company has adopted the Corporate Governance Code (the "**CG Code**") as set out in Appendix 14 to the Rules (the "**Listing Rules**") Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") as its own code of corporate governance. During the Reporting Period, save as disclosed below, the Company had complied with all the code provisions under the CG Code.

During the period from 1 January 2021 to 25 February 2021, following the resignation of Mr. Gu Jiong, the Board failed to meet the requirements of having: (i) at least three independent non-executive directors on the Board under Rule 3.10(1) of the Listing Rules; (ii) the audit committee comprising only non-executive directors with a minimum of three members; (iii) at least one of whom is an independent non-executive director with appropriate professional qualifications or accounting or related financial management expertise under Rule 3.10(2) of the Listing Rules; and (iv) any of the other requirements set out in Rule 3.21 regarding the audit committee under Rule 3.23 of the Listing Rules.

On 26 February 2021, the Board appointed Ms. Gao Jianhua as an independent non-executive director and member of each of the audit committee, remuneration committee and nomination committee of the Company. On the same day, Mr. Tian Hua was appointed as the chairman of the audit committee. Since then, the Company has complied with the requirement of Rules 3.10, 3.10A, 3.21 and 3.25 of the Listing Rules and code provision A.5.1 of the CG Code (which has been re-numbered as Rule 3.27 of the Listing Rules with effect from 1 January 2022).

To ensure that the Company complies with the CG Code, the Company will constantly review and strengthen its corporate governance practices and enhance its internal control in reliance on the assistance of its legal advisors as to PRC and Hong Kong laws, as well as its compliance advisor.

The Board consists of four executive directors and three independent non-executive directors. The Board is responsible for the operation and coordination of the development of the Company and monitoring the Company's business, strategic decisions and performance, and has full and timely access to all relevant information in relation to the Company's businesses and affairs, while the day-to-day management is delegated to the management of the Company. The independent non-executive Directors possess professional qualifications and related management experience in the areas of financial accounting, corporate governance, etc. and have contributed to the Board with their professional opinions.

Mr. Bai Xuankui ("**Chairman Bai**") is an executive director and the chairman of the Board. He is responsible for the management of the Board and the overall strategic planning, business development and corporate governance functions. The Company believes that Chairman Bai's servicing as Director and Chairman since the establishment of the Company is conducive to the Company's formulating a correct development strategy. In terms of business operations, the Company's senior management, which comprises experienced and high caliber individuals from various sectors, will ensure decisions made by the Board be thoroughly implemented.

## **COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS OF LISTED ISSUERS**

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") as set out in Appendix 10 to the Listing Rules as its own code of conduct for securities transactions by Directors. Having made specific enquiries with all the Directors, each of the Directors has confirmed that he has complied with the Model Code during the Reporting Period.

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

During the Reporting Period, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company’s listed securities.

## **SUFFICIENCY OF PUBLIC FLOAT**

As at the date of this announcement, based on the information that is publicly available to the Company and to the knowledge of the Directors, the Company has maintained the prescribed amount of public float as required by the Stock Exchange.

## **AUDIT COMMITTEE**

The Company has established an audit committee (the “**Audit Committee**”) with written terms of reference in compliance with Rule 3.21 of the Listing Rules and code provision D.3 of Part 2 of the CG Code. The Audit Committee consists of three independent non-executive Directors including Mr. Tian Hua, Mr. Qiu Yongqing and Ms. Gao Jianhua. The Audit Committee is chaired by Mr. Tian Hua.

The Audit Committee has reviewed, with the management and the Board, the accounting principles and policies adopted by the Company, as well as relevant laws and regulations, and discussed risk management, internal control and financial reporting matters of the Group, including the review of the annual results of the Group for the year ended 31 December 2021. The Audit Committee considers that the annual results are in compliance with the applicable accounting principles and policies, laws and regulations, and that the Company has made appropriate disclosures thereof.

## **PUBLICATION OF THE ANNUAL RESULTS AND THE ANNUAL REPORT**

In accordance with the requirements under the Listing Rules, this results announcement has been published on the websites of the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) and the Company ([www.chen-xing.cn](http://www.chen-xing.cn)), respectively.

In accordance with the requirements under the Listing Rules, the annual report for the year ended 31 December 2021 containing information about the Company will be despatched to the shareholders of the Company and published on the websites of the Stock Exchange and the Company, respectively, in due course.

## **CHANGE OF COMPANY SECRETARY, AUTHORIZED REPRESENTATIVE AND PROCESS AGENT**

The Board announces that Ms. NG Wing Shan (“**Ms. Ng**”) has tendered her resignation as the company secretary of the Company (the “**Company Secretary**”), an authorized representative of the Company (the “**Authorized Representative**”) under Rule 3.05 of the Listing Rules and the process agent for the acceptance of service of process and notices on behalf of the Company in Hong Kong under Part 16 of the Companies Ordinance (Chapter 622 of the Laws of Hong Kong) (the “**Process Agent**”) with effect from 31 March 2022.

Ms. Ng confirmed that she has no disagreement with the Board and there is no matter relating to her resignation that needs to be brought to the attention of the Stock Exchange and the shareholders of the Company.

The Board further announces that Ms. LEE Angel Pui Shan (“**Ms. Lee**”) has been appointed as the Company Secretary, the Authorized Representative and the Process Agent with effect from 31 March 2022.

The biographical details of Ms. Lee are set out as follows:

Ms. Lee is a Corporate Secretarial Executive of SWCS Corporate Services Group (Hong Kong) Limited (“**SWCS**”) and has extensive company secretarial professional experience. Ms. Lee holds a bachelor’s degree in accounting. She is certified public accountant of The Hong Kong Institute of Certified Public Accountants, and an associate member of The Chartered Governance Institute. Before joining SWCS, she worked for Ernst & Young (Hong Kong and Beijing), participated in a number of Chinese overseas listings, and was also responsible for many internal control projects to meet the requirements of Hong Kong and overseas listings.

The Board would like to take this opportunity to express its gratitude to Ms. Ng for her valuable contribution to the Company during her tenure of service, and to welcome Ms. Lee on her new appointment.

By Order of the Board  
**Chen Xing Development Holdings Limited**  
**Bai Xuankui**  
*Chairman*

Hong Kong, 31 March 2022

*As at the date of this announcement, the executive directors are Mr. Bai Xuankui, Mr. Bai Wukui, Mr. Bai Guohua and Mr. Dong Shiguang and the independent non-executive directors are Mr. Tian Hua, Mr. Qiu Yongqing and Ms. Gao Jianhua.*