

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



AGILE GROUP HOLDINGS LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 3383)

ANNOUNCEMENT OF ANNUAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2022

HIGHLIGHTS

Financial Highlights

	For the year ended 31 December	
	2022	2021
Revenue (<i>RMB million</i>)	54,034	73,028
Gross profit (<i>RMB million</i>)	1,001	19,021
Net (loss)/profit (<i>RMB million</i>)	(13,373)	9,098
(Loss)/profit attributable to shareholders of the Company (<i>RMB million</i>)	(14,981)	6,712
Basic (loss)/earnings per share (<i>RMB</i>)	(3.827)	1.729

Operational Highlights

For the year ended 31 December 2022:

- The Group's pre-sale value was RMB65.23 billion, while the corresponding accumulated gross floor area ("GFA") presold was 5.179 million sq.m., with an average selling price of RMB12,595 per sq.m..
- As at 31 December 2022, the Group had a land bank with total planned GFA of 40.16 million sq.m. in a total of 80 cities and regions, with an average land cost of RMB3,255 per sq.m..
- Revenue from property development business and diversified businesses accounted for 69.3% and 30.7% respectively. The proportion of revenue from diversified businesses increased by 10.7 percentage points when compared with the corresponding period of last year.
- As at 31 December 2022, the Group's total debt reduced by RMB24,388 million when compared with 31 December 2021.
- As at 31 December 2022, the Group's total cash and bank balances amounted to RMB16,091 million.
- As at 31 December 2022, the Group's net gearing ratio was 57.3%, increasing 6.5 percentage points when compared with 31 December 2021.

CHAIRMAN’S STATEMENT

Dear shareholders,

On behalf of the board of Directors (the “**Board**”) of Agile Group Holdings Limited (“**Agile**” or the “**Company**”) and its subsidiaries (the “**Group**”), I hereby present the consolidated results of the Group for the year ended 31 December 2022 as follows:

Results

During the year, the revenue and gross profit of the Group amounted to RMB54,034 million and RMB1,001 million respectively. The Group’s overall gross profit margin was 1.9%. The Group’s net loss and net loss attributed to shareholders of the Company for the year was RMB13,373 million and RMB14,981 million respectively.

During the year, the Group’s revenue from recognised sales of property development and diversified businesses was RMB37,426 million and RMB16,608 million, respectively, accounting for 69.3% and 30.7% of the total revenue. The proportion of revenue from diversified businesses increased by 10.7 percentage points when compared with last year. The rise reflects the sustained effectiveness of the Group’s operating model of “focusing on property development, supported by a synergy of diversified businesses”.

Market Review

During the year, the Board of Governors of the Federal Reserve System (the “**Federal Reserve**”) accelerated hiking the interest rate due to high inflations. The international situation was still complicated and severe due to the emergence of geopolitical tensions, such as the Russia-Ukraine conflict. In China, some areas were hit by the pandemic during March and April, but with effective national pandemic prevention and control implemented and achievements in the economic and social development secured, the macro economic situation was stabilised.

During the year, the Central Government continued to adhere to the long-term goal of “houses are for living in, not for speculation” and improve real estate regulation policies. In the first half of the year, under the policy approach of “formulating policies according to each city’s specific condition”, a series of policies were introduced on the demand side, including easier mortgage application for flat purchasers, shorter holding period before resale, easing restrictions on home purchase, lower proportion of down payment and lower home loan interest, etc. In the second half of the year, a series of policies regarding the financing of property developers were introduced on the supply side, which will accelerate mitigating and effectively prevent sectoral risks.

Stable Progress in Property Business With Orderly Projects Delivery

During the year, the aggregated pre-sale value of the Group, together with the joint ventures and associates of the Group as well as property projects carrying “Agile” brand name managed by the Group amounted to RMB65.23 billion, while the corresponding aggregated GFA presold and average selling price were 5.179 million sq.m. and RMB12,595 per sq.m. respectively. During the year, the Group has accomplished delivery of approximately 60,000 residential units in cities including Guangzhou, Foshan, Beijing and Shanghai, while the corresponding GFA was approximately 5.20 million sq.m.

Quality Land Bank and Inventory to Satisfy Future Sales Demand

As at 31 December 2022, the Group had a land bank with a total planned GFA of approximately 40.16 million sq.m. in 80 cities. The Group also continued to cultivate two major city clusters, namely the Guangdong-Hong Kong-Macao Greater Bay Area (the “**Greater Bay Area**”) and the Yangtze River Delta. The Group held approximately 10.33 million sq.m. of land bank in the Greater Bay Area, which accounted for approximately 25.7% of its total land bank, with 49 development projects. In the Yangtze River Delta, the Group held 4.54 million sq.m. of land bank, which accounted for approximately 11.3% of its total land bank, with 44 development projects. In Hong Kong, the Group had two high-quality property projects, including the King’s Road & Mount Parker Road Project and the Kowloon Tong Eastbourne Road Project, with an aggregate land bank of 20,389 sq.m..

The Group had a total of 4 projects under development in overseas, including 2 high-quality property projects in Malaysia, namely Agile Bukit Bintang Kuala Lumpur and Agile Embassy Garden Kuala Lumpur, and Agile Sky Residence Phnom Penh and the Project 88 under development in Phnom Penh, Cambodia and San Francisco, the United States, respectively. As at 31 December 2022, the Group held 421,016 sq.m. of land bank overseas, which accounted for approximately 1.0% of its total land bank.

The Group adopts a prudent yet proactive development strategy with China’s property market as the main development location, complementing with prudent strategies for expansion in overseas markets.

Proportion of Revenue from Diversified Businesses Continues Increasing

In respect of diversified businesses, the Group’s property management and others (including environment protection and commercial management) continued to generate synergies, and provided solid revenue for the Group. During the year, the contributions of revenue from property development business and revenue from diversified businesses were 69.3% and 30.7% respectively, in which, the contribution of revenue from diversified businesses increased by 10.7 percentage points when compared with last year, demonstrating the consistent results of the Group’s “focusing on property development, supported by a synergy of diversified businesses” operating model.

A-Living actively responded to the challenges and changes in the industry and the market, refocused itself on its original aspiration to serve property owners

The property management sector was affected by the doldrums in both the macro economy and the upstream industries. Property management companies' operation and growth encountered challenges. As a result, the valuation of the entire sector was significantly adjusted. Due to the shrinking supply of new residential units, property management companies turned to the existing residential projects and non-residential properties service opportunities on the market, thus intensifying the competition. In the past five years, property management companies had been trying to gradually wean themselves off real estate companies for business and developing independently with a market-oriented approach, branding and specialisation. With capital as a catalyst, the property management sector underwent rapid consolidation and differentiation. As the industry became better regulated and underwent standardization, leading property management companies gradually focused on the quality of service as the essence of their business, and further improved quality and built up their brands as their fundamental strengths in response to the market-oriented competition and property owners' increasing demand and higher requirements.

A-Living Smart City Services Co., Ltd. (“**A-Living**”) actively responded to the challenges and changes in the market and the industry, refocused itself on its original aspiration to serve property owners, reviewed its own deficiencies in the course of development, took great efforts to remedy problems and ensure service quality, and sought to provide better services for property owners. Meanwhile, A-Living adjusted its business strategies in view of the situation, adhered to long-termism, and pursued high-quality, sustainable development. During the Year, the overall strength of A-Living was widely recognized and it ranked third among the “2022 Top 100 Property Management Companies in China”.

As at 31 December 2022, the GFA under management and the contracted GFA of A-Living were approximately 545.8 million sq.m. and approximately 731.5 million sq.m. respectively, of which, approximately 56.9 million sq.m. were new GFA under management and approximately 68.4 million sq.m. were new contracted GFA. Third-party property projects accounted for 79.8% of the total contracted GFA.

Refined Operation and Improved Efficiency make Environmental Protection Business Widely Recognised in the Industry

In 2022, the environmental protection business continued to reinforce itself for advancement, with production capacity fully released, refined management solidly promoted and project operation efficiency significantly improved. During the year, the revenue and collection of environmental protection business exceeded the annual indicators, and the overall collection rate reached a record high. The industrial park has made gratifying achievements while making rapid progress in construction.

During the year, the environmental protection business won the “Top 50 Environmental Enterprises in China” again and the “Annual Benchmark for Investment and Operation of Hazardous Waste Treatment” award issued by the E20 Environmental Platform, demonstrating industry's acknowledgement of the business's comprehensive strength.

Allotment of Shares in Agile and Decrease of Shareholding in A-Living to Enhance the Cash Flow of the Group

During the year, the Company made top-up placing and subscription of a total of 564 million shares of Agile in November and December, with a total of approximately HK\$1,400 million. As at 31 December 2022, the total issued share capital of the Company was 4,480,547,500 shares, of which the Chen's Family and directors of the Company accounted for approximately 65.56% of the total issued share capital of the Company.

During the year, the Group sold a total of 97.60 million H shares of A-Living in August and December, with a total of HK\$838 million. As at 31 December 2022, the Group accounted for approximately 47.44% of the total issued share capital of A-Living.

Making Reasonable Arrangement of the Repayment Scheme to Demonstrate Excellent Corporate Creditworthiness

A healthy financial position is the backbone of the Group's rapid business development. The Group continued its stable financial strategies, demonstrating excellent corporate creditworthiness and ability to repay debts.

During the year, the total debt of the Group further decreased by RMB24,388 million, such as redeeming the US\$500 million 6.7% senior notes due in March, fully repaying the balance of the 2018 syndicated loans of HK\$3,345 million and US\$60 million in May, redeeming the US\$200 million 5.125% senior notes and the US\$400 million 4.85% senior notes due in August respectively, and fully repaying the balance of the 2019 syndicated loans of HK\$720 million and US\$60 million.

In May, the Group repurchased and resold in full a portion with total principal of RMB692 million under RMB1.45 billion 5.9% public domestic corporate bonds due 2024 in China, redeemed RMB1.5 billion 6.2% non-public bonds in July and October, respectively, and repurchased senior asset-backed securities with total principal of RMB950 million in October.

Also, the Group has raised capital through a multi-channel financing approach. The Group was granted a mezzanine financing due 2024 with a total principal of HK\$894 million in June through the King's Road & Mount Parker Road Project Company and entered into a senior financing supplementary agreement. The total principal amount of the syndicated term loan increased to HK\$825 million, and the maturity of the existing syndicated term loan was extended to 2024.

The Group is dedicated to controlling its financing costs, the effective borrowing rate was 6.03%. As at 31 December 2022, the Group's net gearing ratio was 57.3%. Total cash and bank deposits amounted to RMB16,091 million.

Good Corporate Governance and Performing Corporate Social Responsibilities

The Group upholds the concept of “mutual communication for a win-win situation”. Subject to the requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and relevant laws, the Group maintains effective mutual communications and builds good relationships with commercial and investment banks, rating agencies, investors and analysts, thereby improving its corporate transparency on an on-going basis.

Throughout 30 years of development, the Group developed projects at different development stages, such as urban high-end products, low density products, large residential buildings and tourism real estate, and launched the “5N omni-dimensional product system” which included A-Garden, A-County, A-Home, A-Mansion and Mountain & Sea Series, and “5S+ Living Service System”, a full-cycle service standard to cover from the flat inspection to after moving-in.

The Group has always been committed to becoming a provider of quality living services by focusing on people’s pursuit of a beautiful life and a world-class, visionary and exceptional developer, establishing role models of human life to create an outstanding experience of “Lifestyle of a Lifetime” for owners, partners and employees. The Group is also playing its part in environment protection, cares about the well-being of staff, and promotes sustainable development in communities through supporting and participating in charity and community activities across areas such as environmental protection, medical care, education, culture, and sports.

Prospects and Strategy

It is expected that the market will continue to pay attention to the Federal Reserve-led interest rate hikes, the Russia-Ukraine conflict, inflations and their impacts on global economy in 2023. With the relaxation of the pandemic containment measures in China and the resumption of quarantine-free travel with the world, China’s economy is expected to recover vigorously.

The Central Government will continue to uphold the principle of “houses are for living in, not for speculation” and “prioritising stability”, “make progress while maintaining stability” in economy to promote the overall improvement of economic operation, and properly implement a long-term mechanism to “stabilise land prices, housing prices and expectations” on the basis of respecting market regulations and improving the establishment of relevant systems with flexible adjustments, so as to facilitate the recovery of sales and healthy development of the real estate industry.

The Group firmly believes in adhering to the business model of “focusing on property development, supported by a synergy of diversified businesses”. Through the efforts of all employees, the overall business will develop steadily, and further increase the brand awareness of Agile across the nation and maintain its position in the competitive market. Meanwhile, the Group will continue to uphold its promise in corporate social responsibilities by making contribution to society through participating in charitable activities.

Acknowledgement

On behalf of the Board, I would like to extend our heartfelt gratitude to our shareholders, customers, staff and other stakeholders for their unwavering support and dedication in contributing and sustaining steady growth of the Group.

CHEN Zhuo Lin

Chairman and President

Hong Kong, 30 March 2023

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

	<i>Note</i>	Year ended 31 December	
		2022	2021
		(RMB'000)	(RMB'000)
Revenue	2	54,034,327	73,027,763
Cost of sales		(53,033,344)	(54,006,694)
Gross profit		1,000,983	19,021,069
Other income and gains, net	3	2,269,787	6,695,810
Selling and marketing costs		(1,232,913)	(3,102,342)
Administrative expenses		(4,305,384)	(4,004,139)
Net impairment losses on financial and contract assets		(1,687,410)	(500,245)
Impairment losses on investments accounted for using the equity method		(1,401,226)	(313,733)
Other expenses		(1,156,477)	(279,393)
		(6,512,640)	17,517,027
Finance costs, net	4	(3,101,837)	(1,414,437)
Share of profits and losses of investments accounted for using the equity method		(757,452)	794,239
(Loss)/profit before income tax		(10,371,929)	16,896,829
Income tax expenses	5	(3,001,356)	(7,798,792)
(Loss)/profit for the year		(13,373,285)	9,098,037
(Loss)/profit attributable to:			
— Shareholders of the Company		(14,981,154)	6,712,036
— Holders of Perpetual Capital Securities		995,305	983,860
— Non-controlling interests		612,564	1,402,141
		(13,373,285)	9,098,037
(Loss)/earnings per share attributable to shareholders of the Company			
— Basic and diluted (in RMB per share)	6	(3.827)	1.729

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Year ended 31 December	
	2022	2021
	<i>(RMB'000)</i>	<i>(RMB'000)</i>
(Loss)/profit for the year	(13,373,285)	9,098,037
Other comprehensive income:		
<i>Items that will not be reclassified subsequently to profit or loss:</i>		
— Changes in the fair value of equity investments at fair value through other comprehensive income, net of tax	(8,357)	(131,146)
— Revaluation gains arising from property, plant and equipment transferred to investment properties, net of tax	14,958	49,589
<i>Items that may be reclassified to profit or loss in subsequent periods:</i>		
— Currency translation differences	(3,207)	(9,122)
Other comprehensive income for the year, net of tax	3,394	(90,679)
Total comprehensive income for the year	(13,369,891)	9,007,358
Attributable to:		
— Shareholders of the Company	(14,979,105)	6,635,913
— Holders of Perpetual Capital Securities	995,305	983,860
— Non-controlling interests	613,909	1,387,585
	(13,369,891)	9,007,358

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

		As at 31 December 2022	As at 31 December 2021
	<i>Note</i>	<i>(RMB'000)</i>	<i>(RMB'000)</i>
Assets			
Non-current assets			
Property, plant and equipment		13,827,590	12,674,770
Investment properties	8	9,367,543	11,514,964
Right-of-use assets		2,848,669	3,270,052
Goodwill		4,668,472	5,026,180
Other intangible assets		1,684,010	2,627,830
Investments accounted for using the equity method		28,774,197	31,304,280
Properties under development		19,919,251	21,274,754
Other receivables	9	8,381,269	8,797,543
Financial assets at fair value through other comprehensive income		32,093	43,368
Deferred income tax assets		3,765,838	2,165,196
		93,268,932	98,698,937
Current assets			
Completed properties held for sale		19,603,176	16,299,820
Inventories		283,886	356,850
Prepayments for acquisition of land use rights		2,062,840	2,269,068
Contract assets		4,164,317	5,150,620
Properties under development		67,116,816	87,105,562
Trade and other receivables	9	61,502,865	57,927,238
Prepaid income taxes		4,348,755	4,624,423
Financial assets at fair value through profit or loss		2,846,949	2,811,395
Restricted cash		7,628,349	15,617,768
Cash and cash equivalents		8,463,079	22,802,716
Assets of disposal groups classified as held for sale		2,092,251	2,895,342
		180,113,283	217,860,802
Total assets		273,382,215	316,559,739

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (Continued)

	As at 31 December 2022 <i>(RMB'000)</i>	As at 31 December 2021 <i>(RMB'000)</i>
<i>Note</i>		
Equity		
Capital and reserves attributable to the shareholders of the Company		
Share capital and premium	4,705,779	3,421,883
Shares held for Share Award Scheme	(156,588)	(156,588)
Reserves	<u>35,897,012</u>	<u>50,973,816</u>
	40,446,203	54,239,111
Perpetual Capital Securities	13,224,477	13,015,124
Non-controlling interests	<u>22,056,183</u>	<u>22,177,042</u>
Total equity	<u>75,726,863</u>	<u>89,431,277</u>
Liabilities		
Non-current liabilities		
Borrowings	35,458,984	54,293,548
Other payables	10 5,500,842	4,572,361
Financial liabilities at fair value through profit or loss	434,595	494,313
Lease liabilities	136,636	262,093
Deferred income tax liabilities	<u>3,869,070</u>	<u>4,061,638</u>
	<u>45,400,127</u>	<u>63,683,953</u>
Current liabilities		
Borrowings	24,027,305	29,580,497
Trade and other payables	10 60,156,496	68,257,851
Financial liabilities at fair value through profit or loss	144,333	107,358
Contract liabilities	45,870,354	44,582,302
Lease liabilities	195,862	302,383
Current income tax liabilities	20,803,206	19,099,618
Liabilities directly associated with assets classified as held for sale	<u>1,057,669</u>	<u>1,514,500</u>
	<u>152,255,225</u>	<u>163,444,509</u>
Total liabilities	<u>197,655,352</u>	<u>227,128,462</u>
Total equity and liabilities	<u>273,382,215</u>	<u>316,559,739</u>

Notes:

1. BASIS OF PREPARATION

The consolidated financial statements of the Group have been prepared in accordance with Hong Kong Financial Reporting Standards (the “**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, financial assets at fair value through other comprehensive income (“**FVOCI**”) and financial assets and financial liabilities at fair value through profit or loss (“**FVPL**”) which have been measured at fair value. Disposal groups classified as held for sale are stated at the lower of their carrying amounts and fair values less costs to sell. These financial statements are presented in Renminbi and all values are rounded to the nearest thousand except when otherwise indicated.

The preparation of consolidated financial statements in conformity with the HKFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group’s accounting policies.

(a) New and amended standards adopted by the Group

The Group has adopted the following revised HKFRSs for the first time for the current year’s consolidated financial statements:

Amendments to HKFRS 3	<i>Reference to the Conceptual Framework</i>
Amendments to HKFRS 16	<i>Covid-19-Related Rent concessions beyond 30 June 2021</i>
Amendments to HKAS 16	<i>Property, Plant and Equipment: Proceeds before Intended Use</i>
Amendments to HKAS 37	<i>Onerous Contracts – Cost of Fulfilling a Contract</i>
Annual Improvements to HKFRSs 2018-2020	<i>Amendments to HKFRS 1, HKFRS 9, Illustrative Examples accompanying HKFRS 16, and HKAS 41</i>

The amendments listed above does not have significant impacts on the amounts recognised in the current or prior periods (if applicable).

1. BASIS OF PREPARATION (Continued)

- (b) The Group has not applied the following new and revised HKFRSs, that have been issued but are not yet effective, in these financial statements.

Amendments to HKFRS 10 HKAS 28 (2011)	<i>Sale or Contribution of Assets between an Investor and its Associate or and Joint Venture</i> ³
Amendments to HKFRS 16 HKFRS 17	<i>Lease Liability in a Sale and Leaseback</i> ² <i>Insurance Contracts</i> ¹
Amendments to HKFRS 17 Amendment to HKFRS 17	<i>Insurance Contracts</i> ^{1, 5} <i>Initial Application of HKFRS 17 and HKFRS 9 – Comparative Information</i> ⁶
Amendments to HKAS 1	<i>Classification of Liabilities as Current or Non-current (the “2020 Amendments”)</i> ^{2, 4}
Amendments to HKAS 1	<i>Non-current Liabilities with Covenants (the “2022 Amendments”)</i> ²
Amendments to HKAS 1 and HKFRS Practice Statement 2	<i>Disclosure of Accounting Policies</i> ¹
Amendments to HKAS 8	<i>Definition of Accounting Estimates</i> ¹
Amendments to HKAS 12	<i>Deferred Tax related to Assets and Liabilities arising from a Single Transaction</i> ¹

¹ Effective for annual periods beginning on or after 1 January 2023

² Effective for annual periods beginning on or after 1 January 2024

³ No mandatory effective date yet determined but available for adoption

⁴ As a consequence of the 2022 Amendments, the effective date of the 2020 Amendments was deferred to annual periods beginning on or after 1 January 2024. In addition, as a consequence of the 2020 Amendments and 2022 Amendments, Hong Kong Interpretation 5 *Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause* was revised to align the corresponding wording with no change in conclusion

⁵ As a consequence of the amendments to HKFRS 17 issued in October 2020, HKFRS 4 was amended to extend the temporary exemption that permits insurers to apply HKAS 39 rather than HKFRS 9 for annual periods beginning before 1 January 2023

⁶ An entity that chooses to apply the transition option relating to the classification overlay set out in this amendment shall apply it on initial application of HKFRS 17

The Group has already commenced an assessment of the impact of these new and revised standards certain of which are relevant to the Group’s operations, and not expected to have a material impact on the entity upon initial application.

2. OPERATING SEGMENT INFORMATION

The executive directors of the Company, which are the chief operating decision-makers of the Group, review the Group's internal reporting in order to assess performance and allocate resources. Management has determined the operating segments based on reports reviewed by the executive directors of the Company that are used to make strategy decision.

The Group is organised into three business segments: property development, property management, and others. The associates and joint ventures of the Group are principally engaged in property development and property management and are included in the property development and property management segment respectively. As the executive directors of the Company consider most of the Group's consolidated revenue and results are attributable from the market in the PRC and most of the non-current assets are located in the PRC, entity-wide geographical information for revenue and non-current assets are not considered necessary.

The executive directors of the Company assess the performance of the operating segments based on a measure of segment results, being (loss)/profit before income tax before deducting finance costs.

During the current and prior year, no revenue from transactions with a single external customer amounted to 10% or more of the Group's total revenue.

Analysis of revenue from external customers by the category for the years ended 31 December 2022 and 2021 is as follows:

	2022 (RMB'000)	2021 (RMB'000)
Revenue:		
Revenue from contracts with customers		
— Sales of properties and construction services	37,426,389	58,402,353
— Property management services	13,682,837	11,329,941
— Others	2,705,447	3,032,026
Revenue from other sources		
— Gross rental income from investment property operating leases	219,654	263,443
	<u>54,034,327</u>	<u>73,027,763</u>

2. OPERATING SEGMENT INFORMATION (continued)

Segment information provided to the executive directors of the Company for the reporting segments for the years ended 31 December 2022 and 2021 are as follows:

Year ended 31 December 2022

	Property development (RMB'000)	Property management (RMB'000)	Others (RMB'000)	Group (RMB'000)
Gross segment sales	37,426,389	15,378,575	2,925,101	55,730,065
Inter-segment sales	—	(1,695,738)	—	(1,695,738)
Sales to external customers	37,426,389	13,682,837	2,925,101	54,034,327
Revenue from contracts with customers				
Timing of revenue recognition				
— At a point in time	31,837,710	903,595	827,791	33,569,096
— Over time	5,588,679	12,779,242	1,877,656	20,245,577
Revenue from other sources	—	—	219,654	219,654
	<u>37,426,389</u>	<u>13,682,837</u>	<u>2,925,101</u>	<u>54,034,327</u>
Fair value gains on investment properties (note 8)	—	—	28,357	28,357
Operating (losses)/profits	(7,414,124)	1,372,508	(471,024)	(6,512,640)
Share of profits and losses of investment accounted for using the equity method	(801,605)	56,393	(12,240)	(757,452)
Segment result	<u>(8,215,729)</u>	<u>1,428,901</u>	<u>(483,264)</u>	<u>(7,270,092)</u>
Finance costs, net (note 4)				<u>(3,101,837)</u>
Loss before income tax				(10,371,929)
Income tax expenses (note 5)				<u>(3,001,356)</u>
Loss for the year				<u>(13,373,285)</u>
Depreciation and amortisation	420,650	332,805	552,263	1,305,718
Write-down of completed properties held for sale and properties under development	3,788,621	—	—	3,788,621
Net impairment losses on financial and contract assets	1,010,252	465,623	211,535	1,687,410
Impairment of goodwill	61,139	—	341,976	403,115
Impairment of property, plant and equipment	284,933	—	—	284,933
Impairment losses on investments accounted for using the equity method	<u>1,401,226</u>	<u>—</u>	<u>—</u>	<u>1,401,226</u>

2. OPERATING SEGMENT INFORMATION (continued)

Year ended 31 December 2021

	Property development (RMB'000)	Property management (RMB'000)	Others (RMB'000)	Group (RMB'000)
Gross segment sales	58,402,353	14,080,089	3,295,469	75,777,911
Inter-segment sales	—	(2,750,148)	—	(2,750,148)
Sales to external customers	58,402,353	11,329,941	3,295,469	73,027,763
Revenue from contracts with customers				
Timing of revenue recognition				
— At a point in time	49,319,061	328,345	870,892	50,518,298
— Over time	9,083,292	11,001,596	2,161,134	22,246,022
Revenue from other sources	—	—	263,443	263,443
	<u>58,402,353</u>	<u>11,329,941</u>	<u>3,295,469</u>	<u>73,027,763</u>
Fair value gains on investment properties (note 8)	—	—	230,261	230,261
Operating profits	14,903,818	1,963,814	649,395	17,517,027
Share of profits and losses of investment accounted for using the equity method	769,939	31,534	(7,234)	794,239
Segment result	<u>15,673,757</u>	<u>1,995,348</u>	<u>642,161</u>	<u>18,311,266</u>
Finance costs, net (note 4)				<u>(1,414,437)</u>
Profit before income tax				16,896,829
Income tax expenses (note 5)				<u>(7,798,792)</u>
Profit for the year				<u>9,098,037</u>
Depreciation and amortisation	555,120	282,998	467,275	1,305,393
Write-down of completed properties held for sale and properties under development	742,256	—	—	742,256
Net impairment losses on financial and contract assets	310,387	160,181	29,677	500,245
Impairment of goodwill	—	—	29,885	29,885
Impairment losses on investments accounted for using the equity method	<u>313,733</u>	<u>—</u>	<u>—</u>	<u>313,733</u>

2. OPERATING SEGMENT INFORMATION (continued)

Segment assets and liabilities and capital expenditure as at 31 December 2022 are as follow:

	Property development (RMB'000)	Property management (RMB'000)	Others (RMB'000)	Elimination (RMB'000)	Group (RMB'000)
Segment assets	<u>216,105,540</u>	<u>20,809,461</u>	<u>29,421,192</u>	<u>(3,947,613)</u>	<u>262,388,580</u>
Unallocated assets					<u>10,993,635</u>
Total assets					<u>273,382,215</u>
Segment assets include: Investments accounted for using the equity method	<u>27,405,840</u>	<u>1,169,571</u>	<u>198,786</u>	–	<u>28,774,197</u>
Segment liabilities	<u>95,387,748</u>	<u>9,704,211</u>	<u>11,773,513</u>	<u>(3,947,613)</u>	<u>112,917,859</u>
Unallocated liabilities					<u>84,737,493</u>
Total liabilities					<u>197,655,352</u>
Capital expenditure	<u>318,406</u>	<u>478,667</u>	<u>2,661,882</u>	–	<u>3,458,955</u>

Segment assets and liabilities and capital expenditure as at 31 December 2021 are as follow:

	Property development (RMB'000)	Property management (RMB'000)	Others (RMB'000)	Elimination (RMB'000)	Group (RMB'000)
Segment assets	<u>256,131,962</u>	<u>19,241,196</u>	<u>36,665,761</u>	<u>(5,123,562)</u>	<u>306,915,357</u>
Unallocated assets					<u>9,644,382</u>
Total assets					<u>316,559,739</u>
Segment assets include: Investments accounted for using the equity method	<u>29,982,113</u>	<u>1,111,141</u>	<u>211,026</u>	–	<u>31,304,280</u>
Segment liabilities	<u>100,452,438</u>	<u>6,434,475</u>	<u>17,728,139</u>	<u>(5,123,562)</u>	<u>119,491,490</u>
Unallocated liabilities					<u>107,636,972</u>
Total liabilities					<u>227,128,462</u>
Capital expenditure	<u>535,427</u>	<u>1,068,159</u>	<u>2,295,580</u>	–	<u>3,899,166</u>

2. OPERATING SEGMENT INFORMATION (continued)

Inter-segment transfers or transactions are entered into at terms and conditions agreed upon by respective parties.

Eliminations comprise inter-segment trade and non-trade balances.

Pricing policy for inter-segment transactions is determined by reference to market price.

Segment assets consist primarily of property, plant and equipment, right-of-use assets, other intangible assets, properties under development, completed properties held for sale, investment properties, prepayment for acquisition of land use rights, receivables, contract assets and cash and bank balances. Unallocated assets comprise deferred income tax assets, prepaid income taxes, financial assets at FVOCI and financial assets at FVPL. Segment liabilities comprise operating liabilities. Unallocated liabilities comprise taxation, borrowings and financial liabilities at FVPL.

Capital expenditure comprises additions to property, plant and equipment, right-of-use assets, investment properties and other intangible assets.

3. OTHER INCOME AND GAINS, NET

	2022 (RMB'000)	2021 (RMB'000)
<u>Other income</u>		
Interest income	392,731	818,833
Interest income from related parties	103,848	361,944
Government grants	203,309	242,538
Penalty income	15,078	69,352
Miscellaneous	17,357	49,033
	<u>732,323</u>	<u>1,541,700</u>
<u>Other gains, net</u>		
Gains from disposal of subsidiaries	853,958	4,261,335
Gains/(losses) from disposal of joint ventures and associates	1,119,909	(66,266)
(Losses)/gains on disposal of right-of-use assets, investment properties, property, plant and equipment and other intangible assets	(622,749)	701,272
Fair value gains on investment properties	28,357	230,261
Net fair value losses on financial assets/liabilities at FVPL	-	(1,980)
Fair value (losses)/gains on put options written on non-controlling interests	(31,086)	2,330
Remeasurement (losses)/gains resulting from joint ventures and associates transferred to subsidiaries	(5,094)	4,222
Gain from bargain purchase of subsidiaries	6,790	-
Exchange gains, net (note (a))	62,142	11,280
Gains on redemption of senior notes	119,734	-
Miscellaneous	5,503	11,656
	<u>1,537,464</u>	<u>5,154,110</u>
	<u>2,269,787</u>	<u>6,695,810</u>

Note:

- (a) Amounts do not include the exchange gain or loss related to borrowings which are included in the "finance costs, net" (note 4).

4. FINANCE COSTS, NET

	2022 (RMB'000)	2021 (RMB'000)
Interest expense:		
— Bank borrowings, syndicated loans and other borrowings	2,814,205	5,078,521
— Senior notes and exchangeable bonds	1,111,909	1,094,054
— PRC Corporate Bonds, Panyu Asset-Backed Securities (“Panyu ABS”) and Commercial Mortgage Backed Securities (“CMBS”)	538,339	663,026
— Lease liabilities	25,704	35,673
Exchange losses/(gains) from borrowings	2,676,011	(1,043,616)
	7,166,168	5,827,658
Less: interest and exchange losses capitalised	(4,097,155)	(4,569,301)
Changes in fair value of derivative financial instruments	32,824	156,080
	3,101,837	1,414,437

5. INCOME TAX EXPENSES

	2022 (RMB'000)	2021 (RMB'000)
Current income tax:		
— Corporate income tax	2,879,352	4,199,882
— Mainland China land appreciation tax	1,978,834	4,166,312
	4,858,186	8,366,194
Deferred income tax	(1,856,830)	(567,402)
Income tax expenses	3,001,356	7,798,792

No provision for Hong Kong profits tax has been made for the years ended 31 December 2022 and 2021 as the Group did not generate any assessable profits arising in Hong Kong during the years.

Mainland China corporate income tax has been provided at the rate of 25% for the year ended 31 December 2022 (2021: 25%). Dividend distribution made by Mainland China subsidiaries, joint ventures and associates to shareholders outside of Mainland China in respect of their profits earned after 1 January 2008 is subject to withholding income tax at tax rates of 5% or 10%, where applicable.

Certain subsidiaries of the Group obtained the Certificate of High-New Technical Enterprise. According to the Corporate Income Tax Law of the PRC (the “CIT Law”), corporations which obtain the Certificate of High-New Technical Enterprise are entitled to enjoy additional tax deduction for research and development costs and a preferential corporate income tax rate of 15%. The tax rate applicable to these companies during the year ended 31 December 2022 was 15% (2021: 15%).

5. INCOME TAX EXPENSES (continued)

Certain subsidiaries of the Group have enjoyed a preferential policy in Zhuhai Hengqin (Free Trade Area) with an enterprise income tax rate of 15% during the year ended 31 December 2022 (2021: 15%). Certain subsidiaries of the Group in the PRC are located in western cities, and they are subject to a preferential income tax rate of 15%.

Certain subsidiaries of the Group in the PRC provide environmental protection services and these companies enjoy the policy of “three exemption and three half corporate income tax”. Such subsidiaries are not subject to CIT for the first three years since the year when the relevant subsidiaries generating revenue, and the relevant subsidiaries are subject to a preferential income tax rate of 12.5% for the next three years.

Certain subsidiaries of the Group in the PRC are located in Hainan Free Trade Port and subject to a preferential income tax rate of 15% in certain years (2021: 15%).

Mainland China land appreciation tax is levied at progressive rates ranging from 30% to 60% on the appreciation of land value, being the proceeds of sales of properties less deductible expenditures including costs of land and development and construction expenditures.

6. (LOSS)/EARNINGS PER SHARE

The calculation of the basic and diluted (loss)/earnings per share amounts is based on the (loss)/profit for the year attributable to shareholders of the Company, and the weighted average number of ordinary shares of 3,914,834,000 (2021: 3,882,578,000) in issue during the year less shares held for Share Award Scheme.

	2022	2021
(Loss)/profit attributable to shareholders of the Company (RMB'000)	(14,981,154)	6,712,036
Weighted average number of ordinary shares in issue less shares held for Share Award Scheme ('000)	<u>3,914,834</u>	<u>3,882,578</u>
Basic and diluted (loss)/earnings per share (RMB per share)	<u>(3.827)</u>	<u>1.729</u>

The Group had no potential dilutive ordinary shares in issue during the years ended 31 December 2022 and 2021.

7. DIVIDENDS

	2022 (RMB'000)	2021 (RMB'000)
Interim dividend paid of nil (2021: HK\$0.50) per ordinary share (note (a))	–	1,619,328
Less: Dividend for shares held for Share Award Scheme	–	(14,139)
	<u>–</u>	<u>1,605,189</u>
Proposed final dividend of nil (2021: nil) per ordinary shares (note (b))	–	–
Less: Dividend for shares held for Share Award Scheme	–	–
	<u>–</u>	<u>–</u>
	<u>–</u>	<u>1,605,189</u>

Notes:

- (a) The board of directors of the Company (the “**Board**”) did not propose interim dividend for the six months ended 30 June 2022. An interim dividend in respect of the six months ended 30 June 2021 of HK\$0.5 per ordinary share totalling approximately HK\$1,958,524,000 (equivalent to RMB1,619,328,000) was declared by the Board on 18 August 2021.
- (b) The Board did not propose final dividend for the years ended 31 December 2022 and 2021.

8. INVESTMENT PROPERTIES

	2022 (RMB'000)	2021 (RMB'000)
Carrying amount at 1 January	11,514,964	10,849,449
Acquisition of subsidiaries	–	110,337
Additions	148,011	11,084
Transfer from completed properties held for sale	–	274,628
Transfer from property, plant and equipment	70,000	140,000
Transfer to assets of disposal groups classified as held for sale	(380,734)	–
Revaluation gains recognised in the consolidated statement of profit or loss (note 3)	28,357	230,261
Disposals	(2,013,055)	(100,795)
Carrying amount at 31 December	<u>9,367,543</u>	<u>11,514,964</u>

Notes:

- (a) The investment properties are located in the Mainland China and are held on lease of between 40 to 70 years.
- (b) As at 31 December 2022, investment properties of RMB5,756,000,000 (2021: RMB5,547,457,000) and certain rights of receiving rental income were pledged as collateral for the Group’s bank borrowings.

9. TRADE AND OTHER RECEIVABLES

	2022 (RMB'000)	2021 (RMB'000)
Trade receivables (<i>note (a)</i>)		
— Third parties	10,207,660	11,189,695
— Joint ventures	2,644,462	2,278,591
— Associates	46,364	54,880
	<hr/>	<hr/>
Gross trade receivables	12,898,486	13,523,166
Less: allowance for impairment of trade receivables	(1,430,091)	(733,999)
	<hr/>	<hr/>
Total trade receivables	11,468,395	12,789,167
	<hr/>	<hr/>
Other receivables due from:		
— Third parties	28,662,020	21,100,671
— Joint ventures	18,908,878	18,584,260
— Associates	1,035,207	1,146,336
— Other related parties	358,459	274,951
— Non-controlling interests	4,081,197	2,501,258
Loan and interest receivables due from related parties	2,968,591	5,073,445
Prepaid value added taxes and other taxes	1,887,148	4,384,809
Deposits for acquisition of land use rights	771,492	887,623
Prepayments	1,250,978	695,186
	<hr/>	<hr/>
Gross other receivables	59,923,970	54,648,539
Less: allowance for impairment of other receivables	(1,508,231)	(712,925)
	<hr/>	<hr/>
Total other receivables	58,415,739	53,935,614
Less: other receivables — non-current portion	(8,381,269)	(8,797,543)
	<hr/>	<hr/>
Other receivables — current portion	50,034,470	45,138,071
	<hr/>	<hr/>
Trade and other receivables — current portion	61,502,865	57,927,238
	<hr/>	<hr/>

As at 31 December 2022, the fair value of remaining trade and other receivables approximated their carrying amounts.

Note:

- (a) Trade receivables mainly arose from sales of properties, provision of property management services, provision of construction services and provision of environmental protection services. Trade receivables are settled in accordance with the terms stipulated respective in the property sale and purchase agreements or service agreements. As at 31 December 2022 and 2021, the ageing analysis of the trade receivables based on invoice date is as follows:

	2022 (RMB'000)	2021 (RMB'000)
Within 90 days	5,452,144	8,786,589
Over 90 days and within 365 days	3,677,415	3,215,483
Over 365 days	3,768,927	1,521,094
	<hr/>	<hr/>
	12,898,486	13,523,166
	<hr/>	<hr/>

10. TRADE AND OTHER PAYABLES

	2022 (RMB'000)	2021 (RMB'000)
Trade payables (<i>note (a)</i>)	27,585,540	24,949,589
Other payables due to:		
— Third parties	13,296,872	18,021,197
— Related parties	12,050,605	15,143,842
— Non-controlling interests	3,276,492	4,408,032
Staff welfare benefit payable	1,133,411	1,133,293
Accruals	2,072,339	1,165,556
Advances from disposal of equity interests	45,000	1,223,000
Other taxes payable	6,197,079	6,785,703
	<hr/>	<hr/>
Total trade and other payables	65,657,338	72,830,212
Less: other payables — non-current portion	(5,500,842)	(4,572,361)
	<hr/>	<hr/>
Trade and other payable — current portion	60,156,496	68,257,851

Note:

- (a) The ageing analysis of the trade payables of the Group based on invoice date as at 31 December 2022 and 2021 is as follows:

	2022 (RMB'000)	2021 (RMB'000)
Within 90 days	11,449,189	15,830,600
Over 90 days and within 180 days	5,870,261	7,516,904
Over 180 days and within 365 days	4,020,254	971,214
Over 365 days	6,245,836	630,871
	<hr/>	<hr/>
	27,585,540	24,949,589

MANAGEMENT DISCUSSION AND ANALYSIS

Overall performance

During the year, the Group's revenue was RMB54,034 million (2021: RMB73,028 million), representing a decrease of 26.0% over 2021. The Group's operating loss was RMB6,513 million (2021: operating profit RMB17,517 million), representing a decrease of 137.2% over 2021.

The Group's net loss for the year was RMB13,373 million representing a decrease of 247.0% when compared with net profit RMB9,098 million in 2021.

Loss attributable to shareholders of the Company for the year was RMB14,981 million representing a decrease of 323.2% when compared with profit RMB6,712 million in 2021.

Basic loss per share was RMB3.827 for the year ended 31 December 2022 (2021: basic earnings per share RMB1.729).

The loss was primarily due to the following:

1. unfavourable operating environment in the real estate industry and the continuous impact of the novel coronavirus epidemic, which has weakened confidence of buyers, property sales have slowed down, and the scale of deliveries has declined, resulting in a decline in the overall sales area and average selling price of properties, and a decline in gross profit margin when compared to the same period of last year;
2. share of loss of joint ventures using equity method against its gain in the corresponding period of last year;
3. less gains on the disposal of subsidiaries;
4. foreign exchange loss against its gain in the corresponding period of last year due to the fluctuation of exchange rates; and
5. increased impairment loss on property projects and accounts receivable under HKFRSs.

Land bank

As at 31 December 2022, the Group had a land bank with a total planned GFA of 40.16 million sq.m. in 80 cities located in Southern China Region, Eastern China Region, Western China Region, Central China Region, Hainan Region, Yunnan Region, Northeast China Region, Northern China Region, Hong Kong and Overseas. The average land cost was RMB3,255 per sq.m., which was competitive.

Property development and sales

During the year, revenue from recognised sales of property development of the Group was RMB37,426 million, representing a decrease of 35.9% when compared with RMB58,402 million in 2021. The decrease was mainly attributable to the overall downturn of domestic real estate market during the year. Due to unfavourable operating environment in the real estate industry and the continuous impact of the novel coronavirus epidemic, which has weakened confidence of buyers, property sales have slowed down, and the scale of deliveries has declined, resulting in a decline in the overall sales area and average selling price of properties. The recognised average selling price decreased to RMB11,292 per sq.m. in 2022, representing a decrease of 17.5% when compared with RMB13,682 per sq.m. in 2021. The total recognised GFA sold was 3.31 million sq.m., representing a decrease of 22.4% when compared with 2021.

DIVERSIFIED BUSINESS

Property management

During the year, revenue from property management of the Group was RMB13,683 million, representing an increase of 20.8% when compared with RMB11,330 million in 2021. As at 31 December 2022, the Group's total GFA under management was 545.8 million sq.m., representing an increase of 56.9 million sq.m. or a growth rate of 11.6% as compared with 488.9 million sq.m. as at 31 December 2021.

Others

Commercial management and environmental protection

During the year, the Group's commercial revenue (including hotel operation and property investment) and environmental protection amounted to RMB2,925 million, representing a decrease of 11.2% compared with RMB3,295 million in 2021. The decrease was mainly attributable to the impact of the COVID-19 outbreak, the disposal of several investment properties and subsidiaries engaged in environmental protection business during the year.

Cost of sales

The Group's cost of sales mainly refers to the costs incurred directly from its property development activities and property management activities, including the cost of construction, fitting-out and design, costs of land use rights, capitalised interest, employee benefit expenses, cleaning expenses, security expenses, tax surcharge and others.

During the year, the cost of sales of the Group amounted to RMB53,033 million, representing a decrease of 1.8% compared with RMB54,007 million in 2021. The total recognised GFA sold decreased by 22.4% to 3.31 million sq.m. in 2022 when compared with 4.27 million sq.m. in 2021 due to the unfavourable operating environment in the real estate industry and the continuous impact of the novel coronavirus epidemic, property sales have slowed down, and the scale of deliveries has declined. The recognised average cost increased to RMB11,903 per sq.m. in 2022, representing an increase of 17.8% when compared with RMB10,104 per sq.m. in 2021. This is mainly due to the increase of average land cost.

Gross profit

During the year, gross profit of the Group was RMB1,001 million, representing a decrease of 94.7% when compared with RMB19,021 million in 2021. During the year, gross profit margin of the Group was 1.9%, representing a decrease of 24.1 percentage points when compared with 26.0% in 2021. The decrease in gross profit and gross profit margin due to unfavourable operating environment in the real estate industry and the continuous impact of the novel coronavirus epidemic, which has weakened confidence of buyers, property sales have slowed down, and the scale of deliveries has declined, resulting in a decline in the overall sales area. The recognised average selling price decreased by 17.5% over last year, whilst the relevant average costs such as land cost and construction cost increased by 17.8% compared to 2021, causing the decline of gross profit and gross profit margin.

Other income and gains, net

During the year, other income and gains, net of the Group were gain of RMB2,270 million, representing a decrease of 66.1% compare with gain of RMB6,696 million in 2021. The change was mainly attributable to the followings:

- (i) the interest income of RMB497 million, representing a decrease of RMB684 million compared with RMB1,181 million in 2021;
- (ii) gains on disposal of subsidiaries of RMB854 million, representing a significant decrease of RMB3,407 million compared with RMB4,261 million in 2021;
- (iii) gains on disposal of joint ventures and associates of RMB1,120 million, representing a significant increase RMB1,186 million compared with loss of RMB66 million in 2021; and
- (iv) loss on disposal of right-of-use assets, investment properties, property, plant and equipment and other intangible assets of RMB623 million, representing a significant decrease of RMB1,324 million compared with gain of RMB701 million in 2021.

Selling and marketing costs

During the year, the Group's selling and marketing costs amounted to RMB1,233 million, representing a decrease of 60.3% compared to RMB3,102 million in 2021. The decrease was mainly due to the decrease in commission fee and advertising fee.

Administrative expenses

During the year, the Group's administrative expenses amounted to RMB4,305 million, representing an increase of 7.5% compared to RMB4,004 million in 2021, such increase was mainly due to the impairment of goodwill on the Group's. The aggregate of impairment of goodwill, impairment of property, plant and equipment and impairment of other intangible assets amounted to RMB706 million, representing a significant increase of RMB676 million comparing to RMB30 million of 2021. Other administrative expenses decreased by RMB375 million due to the enhancement of cost control by the Group during the year.

Other expenses

During the year, other expenses of the Group was RMB1,156 million, representing an increase of 313.9% when compared with RMB279 million in 2021, which was mainly attributable to the increase in net fair value losses on financial assets/liabilities at FVPL.

Finance costs, net

The Group's finance costs mainly consist of interest expenses on bank borrowings, other borrowings, senior notes, exchangeable bonds, PRC corporate bonds, CMBS, Panyu ABS and lease liabilities, deduct capitalised interests and exchange gains or losses on foreign currency denominated borrowings.

During the year, the Group's net finance costs amounted to RMB3,102 million, representing an increase of 119.3% as compared to RMB1,414 million in 2021 which mainly consisted of the following items:

- (i) Due to the decline of average balance of borrowings of the Group, interest expenses decreased by 34.7% from RMB6,871 million in 2021 to RMB4,490 million in 2022; and
- (ii) Exchange loss on foreign currency borrowings arising from the translation of the Group's foreign currency denominated borrowings was RMB2,676 million compared with a gain of RMB1,044 million in 2021 due to the depreciation of RMB against the US dollar, Hong Kong dollar and Macau Pataca as compared to last year.

Share of profits and losses of investments accounted for using the equity method

During the year, the share of losses of investments accounted for using the equity method was RMB757 million, representing a decrease of 195.4% when compared with profit of RMB794 million in 2021.

(Loss)/profit attributable to shareholders

Loss attributable to shareholders of the Company was RMB14,981 million for the year ended 31 December 2022, representing a decrease of 323.2% when compared with profit of RMB6,712 million for the year ended 31 December 2021.

LIQUIDITY, FINANCIAL AND CAPITAL RESOURCES

Cash position and fund available

As at 31 December 2022, the total cash and bank balances of the Group were RMB16,091 million (31 December 2021: RMB38,420 million), of which RMB8,463 million (31 December 2021: RMB22,803 million) was cash and cash equivalents and RMB7,628 million (31 December 2021: RMB15,617 million) was restricted cash.

As at 31 December 2022 and 2021, restricted cash is mainly comprised of guarantee deposits for mortgage loans, guarantee deposits for construction of pre-sold properties, deposits for accident compensation and collateral for borrowings.

Borrowings

As at 31 December 2022, the Group's total borrowings amounted to RMB59,486 million, of which (i) bank borrowings and other borrowings; (ii) senior notes; (iii) PRC Corporate Bonds, CMBS, Panyu ABS and exchangeable bonds, were amounted to RMB38,796 million, RMB12,112 million and RMB8,578 million respectively.

Repayment schedule	As at 31 December 2022 (RMB million)	As at 31 December 2021 (RMB million)
Bank borrowings and other borrowings		
Within 1 year	20,680	17,145
Over 1 year and within 2 years	13,738	14,415
Over 2 years and within 5 years	2,665	18,690
Over 5 years	1,713	3,799
Subtotal	38,796	54,049
Senior notes		
Within 1 year	–	6,998
Over 2 years and within 5 years	12,112	11,063
Subtotal	12,112	18,061
PRC Corporate Bonds, CMBS, ABS, and Exchangeable Bonds		
Within 1 year	3,347	5,437
Over 1 year and within 2 years	65	1,200
Over 2 years and within 5 years	1,527	5,127
Over 5 years	3,639	–
Subtotal	8,578	11,764
Total	59,486	83,874

As at 31 December 2022, the Group's bank borrowings (including syndicated loans) of which RMB30,899 million (31 December 2021: RMB40,427 million) and other borrowings of which RMB3,771 million (31 December 2021: RMB4,384 million) were secured by its bank deposits, land use rights, self-used properties, trade receivables, completed properties held for sale, properties under development, investment properties, the shares of certain subsidiaries and equity interest of a joint venture.

The senior notes were guaranteed by certain subsidiaries of the Group and were secured by the pledges of their shares. The net assets of these subsidiaries were RMB2,774 million as at 31 December 2022 (31 December 2021: RMB2,032 million).

The Panyu ABS and CMBS of RMB703 million (31 December 2021: RMB949 million) and RMB4,009 million (31 December 2021: RMB4,052 million) were secured by the Group's trade receivables, land use rights, self-used properties and investment properties.

The exchangeable bonds of RMB1,223 million (31 December 2021: RMB1,119 million) were guaranteed by the Company and were secured by the pledges of A-Living Shares.

The gearing ratio is the ratio of net borrowings (total borrowings less total cash and cash equivalents and restricted cash) to total equity. As at 31 December 2022, the gearing ratio was 57.3% (31 December 2021: 50.8%).

Currency risk

The Group conducts its business primarily in Renminbi. Certain bank deposits and bank loans were denominated in Hong Kong dollars, United States dollars, Macao Pataca and Malaysian Ringgit, and the Company's senior notes was denominated in United States dollars.

Since 2016, the Group has adopted foreign currency hedging instruments to achieve better management over foreign exchange risk. The objective of the hedges is to minimise the volatility of the RMB cost of highly probable forecast repayments of foreign debts. The Group's risk management policy is to partially hedge forecasted foreign currency cash flows, subject to availability of appropriate hedging instruments and cost of hedging.

The Group uses a combination of foreign exchange forward contracts and foreign exchange option derivatives to hedge its exposure to foreign exchange risk.

Cost of borrowings

In 2022, the total cost of borrowings (not including the interest expense of lease liabilities) of the Group was RMB4,464 million, representing a decrease of 34.7% when compared with RMB6,836 million in 2021. The decrease was mainly attributable to lower average balance of borrowings in 2022. The Group's effective borrowing rate for the year was 6.03% (2021: 5.87%).

Financial guarantee

The Group is in cooperation with certain financial institutions for the provision of mortgage loan facility for its purchasers of property and has provided guarantees to secure repayment obligations by such purchasers. As at 31 December 2022, the outstanding guarantees were RMB49,330 million (31 December 2021: RMB51,824 million). Such guarantees shall terminate upon the earlier of (i) issuance of the real estate ownership certificate which will generally be available within one year after taking over of the possession of the relevant property by the purchasers; or (ii) the satisfaction of relevant mortgage loans by the purchasers.

Pursuant to the terms of the guarantees, upon default in mortgage payments by these purchasers, the Group is responsible to repay the outstanding mortgage principals together with any accrued interests and penalties owed by the defaulted purchasers to the financial institutions, and the Group is entitled to take over the legal title and possession of the related properties. The Group's guarantee starts from the dates the mortgagees grant the mortgage loans. No provision has been made for the guarantees as the management is of the view that the net realisable value of the related properties can cover the repayment of the outstanding mortgage principals together with the accrued interests and penalties in case of default in payments.

Several subsidiaries of the Group and associates counter parties have provided certain guarantees in proportion of their shareholding in certain associates in respect of loan facilities amounting to RMB2,923 million (2021: RMB3,461 million). As at 31 December 2022, the Group's share of the guarantees amounted to RMB1,980 million (2021: RMB2,190 million).

Several subsidiaries of the Group and joint venture counter parties have provided certain guarantees in proportion to their shareholdings in certain joint ventures in respect of loan facilities amounting to RMB7,165 million (2021: RMB12,904 million). As at 31 December 2022, the Group's share of the guarantees amounted to RMB4,609 million (2021: RMB8,271 million).

As at 31 December 2022, the Group provided certain guarantees to certain independent third parties in respect of loan facilities amounting to RMB3,508 million (2021: RMB7,479 million).

Allotment of Shares in Agile

- (a) On 16 November 2022 (before trading hours), the Company, Top Coast Investment Limited, and BNP Paribas Securities (Asia) Limited, Credit Suisse (Hong Kong) Limited and J.P. Morgan Securities (Asia Pacific) Limited (as placing agents) entered into a placing and subscription agreement for the placing of 295,000,000 Shares at the placing price of HK\$2.68 per Share and for the subscription of up to 295,000,000 new Shares by the Vendor at the subscription price of HK\$2.68 per Share. The net price for the Subscription, after deduction of all relevant fees, costs and expenses to be borne or incurred by the Company, is estimated to be approximately HK\$2.65 per Subscription Share. Based on a nominal value of HK\$0.10 per Placing Share, the aggregate nominal value of the Subscription Shares was HK\$29,500,000 on the basis of full subscription of all the Subscription Shares.

The Placing Shares have been placed by the placing agent to not less than six places, who/which are professional, institutional and/or other investors procured by the placing agent. To the best knowledge and reasonable belief of the Company, these placees and their ultimate beneficial owners are independent of and not connected with the Company and connected persons of the Company, and none of such placees have become a substantial shareholder of the Company immediately upon completion of the Placing.

The placing price of HK\$2.68 per Share represented: (1) a discount of approximately 17.8% to the closing price of HK\$3.26 per Share as quoted on the Stock Exchange on the last trading day for the Shares prior to the signing of the placing and subscription agreement (the “**Last Trading Day**”); (2) a premium of approximately 9.9% to the average closing price of HK\$2.438 per Share as quoted on the Stock Exchange for the last five (5) consecutive trading days prior to and including the Last Trading Day; and (3) a premium of approximately 31.1% to the average closing price of HK\$2.044 per Share as quoted on the Stock Exchange for the last ten (10) consecutive trading days prior to and including the Last Trading Day. The placing and subscription were completed on 18 November 2022 and 23 November 2022. The subscription shares represent approximately 7.00% of the Company’s issued share capital as enlarged by the allotment and issue of the subscription shares. The net proceeds from the subscription (after deducting all relevant fees, costs and expenses to be borne or incurred by the Company) are approximately HK\$783 million.

The rationale for the placement and subscription was to raise additional funds to strengthen the financial position, and broaden the shareholder and capital base of the Company. The Company intends to use the net proceeds from the subscription for refinancing of existing indebtedness and general corporate purposes. As at 31 December 2022, the amount was fully utilized as planned. Please refer to the announcements of the Company dated 16 November 2022 and 23 November 2022.

- (b) On 20 December 2022 (before trading hours), the Company, Top Coast Investment Limited, and BNP Paribas Securities (Asia) Limited, Credit Suisse (Hong Kong) Limited and J.P. Morgan Securities (Asia Pacific) Limited (as placing agents) entered into a placing and subscription agreement for the placing of 268,500,000 Shares at the placing price of HK\$2.32 per Share and for the subscription of up to 268,500,000 new Shares by the Vendor at the subscription price of HK\$2.32 per Share. The net price for the Subscription, after deduction of all relevant fees, costs and expenses to be borne or incurred by the Company, is estimated to be approximately HK\$2.30 per Subscription Share. Based on a nominal value of HK\$0.10 per Placing Share, the aggregate nominal value of the Subscription Shares was HK\$26,850,000 on the basis of full subscription of all the Subscription Shares.

The Placing Shares have been placed by the placing agent to not less than six places, who/which are professional, institutional and/or other investors procured by the placing agent. To the best knowledge and reasonable belief of the Company, these places and their ultimate beneficial owners are independent of and not connected with the Company and connected persons of the Company, and none of such places have become a substantial shareholder of the Company immediately upon completion of the Placing. The placing price of HK\$2.32 per Share represented: (1) a discount of approximately 17.4% to the closing price of HK\$2.81 per Share as quoted on the Stock Exchange on the Last Trading Day; (2) a discount of approximately 19.2% to the average closing price of HK\$2.872 per Share as quoted on the Stock Exchange for the last five (5) consecutive trading days prior to and including the Last Trading Day; and (3) a discount of approximately 19.4% to the average closing price of HK\$2.879 per Share as quoted on the Stock Exchange for the last ten (10) consecutive trading days prior to and including the Last Trading Day.

The placing and subscription were completed on 20 December 2022 and 30 December 2022. The subscription shares represent approximately 5.99% of the Company's issued share capital as enlarged by the allotment and issue of the subscription shares. The net proceeds from the subscription (after deducting all relevant fees, costs and expenses to be borne or incurred by the Company) are approximately HK\$617.2 million.

The rationale for the placement and subscription is to raise additional funds to strengthen the financial position, and broaden the shareholder and capital base of the Company. The Company intends to use the net proceeds from the subscription for repaying the outstanding coupon payments for the secured guaranteed exchangeable bonds due 2026 issued by Farsail Goldman International Limited and guaranteed by the Company as detailed in the announcement of the Company dated 26 November 2021, refinancing of existing indebtedness and general corporate purposes. As at 31 December 2022, the amount was fully utilized as planned. Please refer to the announcements of the Company dated 20 December 2022 and 30 December 2022.

Significant Investments Held, Material Acquisitions and Disposals of Subsidiaries, Associates and Joint Ventures, and Future Plans for Material Investments or Capital Assets

On 21 January 2022, an independent third party as purchaser and an indirect wholly-owned subsidiary of the Company as vendor entered into a sale and purchase agreement, pursuant to which the vendor agreed to sell approximately 26.66% equity interest in a joint venture company to the purchaser at a total consideration of approximately RMB1,844 million. For details, please refer to the announcement of the Company dated 24 January 2022.

On 12, 19 and 28 January and 25 March 2022, an independent third party as purchaser, relevant subsidiaries of the Company (either being indirect wholly-owned or non-wholly-owned subsidiaries of the Company) (“**Agile Subsidiaries**”) and relevant project companies of the Company entered into equity transfer agreements, pursuant to which the relevant Agile subsidiaries agreed to sell specified equity interest in six project companies and related shareholder's loans to the purchaser at a total consideration of RMB1,791,249,800. For details, please refer to the announcements of the Company dated 28 January and 4 April 2022.

On 28 January 2022, an independent third party as purchaser and relevant indirect wholly-owned subsidiaries of the Company entered into sale and purchase agreements, pursuant to which the relevant subsidiaries of the Company agreed to sell specified equity interest in three project companies and related shareholder's loans to the purchaser. The Group shall receive total gross proceeds in the amount of RMB1 billion from the disposals. For details, please refer to the announcement of the Company dated 28 January 2022.

On 19 May 2022, a project company (approximately 25% equity interest of which are indirectly held by the Company) as borrower and a bank entered into a facility agreement, pursuant to which the bank has agreed to grant to the project company a facility in an aggregate principal amount of up to RMB650,000,000. An indirect wholly-owned subsidiary of the Company agreed to provide an irrevocable guarantee as part of the security in favour of the bank. For details, please refer to the announcement of the Company dated 19 May 2022.

On 24 June 2022, an indirect wholly-owned subsidiary of the Company as borrower, an independent third party as original lender (the “**Mezzanine Lender**”) and a bank as arranger and security agent entered into a mezzanine facility agreement, pursuant to which the Mezzanine Lender agreed to make available a term loan facility in an aggregate principal amount of up to HK\$894,000,000 to the borrower with an option to convert the relevant loan into all of the issued shares in the borrower. For details, please refer to the announcement of the Company dated 24 June 2022.

On 30 June 2022, an independent third party as purchaser and relevant indirect wholly-owned subsidiaries of the Company as vendors entered into a framework agreement, pursuant to which the relevant subsidiaries of the Company shall sell 100% equity interest in a project company and related shareholder’s loans to the purchaser and its nominated entity at a total consideration of RMB764,000,000. For details, please refer to the announcement of the Company dated 30 June 2022.

On 19 August 2022 (before trading hours), The Vendor, Zhongshan A-Living Enterprises Management Services Co., Ltd. (“**Zhongshan A-Living**”), an indirect wholly-owned subsidiary of the Company, agreed to appoint the Managers (HSBC and CITIC CLSA), and the Managers severally (not jointly nor jointly and severally) agreed to act as agents of the Vendor, to procure, on a best efforts basis, purchasers to purchase 49,000,000 A-Living H Shares held by the Vendor upon the terms and subject to the conditions set out in the Block Trade Agreement at a price of HK\$7.01 per A-Living H Share. The Sale Shares represented approximately 3.45% of the issued share capital of A-Living as at the date of the announcement. The gross proceeds of the Vendor from the Disposal were estimated to be approximately HK\$343.49 million. Immediately following completion of the Disposal, the Group was interested in 722,256,750 A-Living H Shares, representing approximately 50.86% of the issued share capital of A-Living and A-Living continued to be accounted as a subsidiary of the Company. Please refer to the announcement of the Company dated 19 August 2022.

On 1 September 2022, an independent third party as purchaser and relevant indirect wholly-owned subsidiaries of the Company entered into equity transfer agreements, pursuant to which the relevant subsidiaries of the Company agreed to sell specified equity interest in two project companies and related shareholder’s loans to the purchaser. The Group shall receive total gross proceeds in the amount of RMB680 million from the disposals. For details, please refer to the announcement of the Company dated 1 September 2022.

On 9 December 2022 (before trading hours), the Vendor, Zhongshan A-Living, agreed to appoint the Managers (HSBC, CITIC CLSA, BNPP and CICC), and the Managers severally (not jointly nor jointly and severally) agreed to act as agents of the Vendor, to procure, on a best efforts basis, purchasers to purchase 48,600,000 A-Living H Shares held by the Vendor upon the terms and subject to the conditions set out in the Block Trade Agreement at a price of HK\$10.18 per A-Living H Share. The Sale Shares represented approximately 3.42% of the issued share capital of A-Living as at the date of this announcement. The gross proceeds and net proceeds (after deducting the commission and other related expenses and professional fees) of the Vendor from the Disposal were estimated to be approximately HK\$494.7 million and approximately HK\$490.0 million, respectively. Immediately after Closing, the Vendor's remaining shareholdings in A-Living represented approximately 43.32% of the issued share capital of A-Living. Please refer to the announcement of the Company dated 9 December 2022.

Save as disclosed in this announcement, there were no other significant investments held, no material acquisitions or disposals of subsidiaries, associates and joint ventures during the period, nor was there any plan authorised by the Board for other material investments or additions of capital assets at the date of this announcement.

Events after the Balance Sheet Date

- (a) On 11 January 2023 (before trading hours), the Company, Top Coast Investment Limited, and BNP Paribas Securities (Asia) Limited, Credit Suisse (Hong Kong) Limited and J.P. Morgan Securities (Asia Pacific) Limited (as placing agents) entered into a placing and subscription agreement for the placing of 219,500,000 Shares at the placing price of HK\$2.25 per Share and for the subscription of up to 219,500,000 new Shares by the Vendor at the subscription price of HK\$2.25 per Share. The net price for the Subscription, after deduction of all relevant fees, costs and expenses to be borne or incurred by the Company, is estimated to be approximately HK\$2.23 per Subscription Share. Based on a nominal value of HK\$0.10 per Placing Share, the aggregate nominal value of the Subscription Shares was HK\$21,950,000 on the basis of full subscription of all the Subscription Shares.

The Placing Shares have been placed by the placing agent to not less than six places, who/which are professional, institutional and/or other investors procured by the placing agent. To the best knowledge and reasonable belief of the Company, these places and their ultimate beneficial owners are independent of and not connected with the Company and connected persons of the Company, and none of such places have become a substantial shareholder of the Company immediately upon completion of the Placing.

The placing price of HK\$2.25 per Share represented: (1) a discount of approximately 13.46% to the closing price of HK\$2.60 per Share as quoted on the Stock Exchange on the Last Trading Day; (2) a discount of approximately 11.42% to the average closing price of HK\$2.54 per Share as quoted on the Stock Exchange for the last five (5) consecutive trading days prior to and including the Last Trading Day; and (3) a discount of approximately 7.02% to the average closing price of HK\$2.42 per Share as quoted on the Stock Exchange for the last ten (10) consecutive trading days prior to and including the Last Trading Day. The placing and subscription were completed on 13 January 2023 and 18 January 2023. The subscription shares represent approximately 4.67%

of the Company's issued share capital as enlarged by the allotment and issue of the subscription shares. The net proceeds from the subscription (after deducting all relevant fees, costs and expenses to be borne or incurred by the Company) are approximately HK\$489.2 million.

The rationale for the placement and subscription is to raise additional funds to strengthen the financial position, and broaden the shareholder and capital base of the Company. The Company intends to use the net proceeds from the subscription for repaying the outstanding coupon payments for US\$500,000,000 5.75% senior unsecured bonds due 2025 issued by the Company, refinancing of existing indebtedness and general corporate purposes. As at 30 March 2023, the amount was fully utilized as planned. Please refer to the announcements of the Company dated 11 January 2023 and 18 January 2023.

- (b) A wholly-owned subsidiary of the Company, publicly issued the first tranche of 2023 medium-term notes in the PRC on 18 January 2023, with an aggregate principal amount of RMB1,200,000,000 for a term of three years and coupon rate of 4.7%, which are fully guaranteed by China Bond Insurance Co., Ltd. (中債信用增進投資股份有限公司) with irrevocable joint and several liability.

Save as disclosed above, the Group did not have any other material event after the Balance Sheet Date.

Employees and remuneration policy

As at 31 December 2022, the Group had a total of 101,906 employees, among which 46 were senior management and 293 were middle management. By geographical locations, there were 101,821 employees in Mainland China, 30 employees in Hong Kong and 55 employees in overseas. For the year ended 31 December 2022, the total remuneration costs, including directors' remuneration, were RMB7,981 million (31 December 2021: RMB8,862 million).

The Group remunerates its employees in reference to the market levels, individual performance and contributions. Bonuses are also distributed based on the performance of employees. The Group also provides a comprehensive benefit package and career development opportunities, including retirement schemes, medical benefits, and both internal and external training appropriate to the employees' needs.

The impact of the outbreak of COVID-19

In 2022, impacted by multiple factors such as the downturn in the real estate market and the resurgence of the COVID-19 pandemic. However, the Group believes that with the optimisation of anti-pandemic policies in China, the economy is getting better and the property development and property management industry will see healthier development.

Property development pre-sale

During the year, the aggregated pre-sale value of the Group, together with the joint ventures and associates of the Group as well as property projects carrying “Agile” brand name managed by the Group amounted to RMB65.23 billion, while the corresponding aggregated GFA presold and average selling price were 5.179 million sq.m. and RMB12,595 per sq.m. respectively.

Property management

In 2021, the property management industry was better regulated with higher-quality development and more diversified businesses. The government of the People’s Republic of China (the “**PRC**”) enacted plans and policies to guide and support the industry’s well-regulated and sustainable development. Ten government departments of PRC, including the Ministry of Housing and Urban-Rural Development, jointly issued the Notice on Strengthening and Improving Residential Property Management (《關於加強和改進住宅物業管理工作的通知》) (the “**Notice**”) in the Year. Both the Notice and China’s 14th Five-Year Plan affirmed property management enterprises’ role as the backbone of urban governance and living services. In the future, the PRC government will support property management enterprises to provide residents with more convenient and diverse living services, practically improve the service quality and increase the degree of intelligentisation and standardisation of property management. Throughout the Year, to cope with the recurring COVID-19 pandemic and various natural catastrophes, property management enterprises resolutely shouldered their social responsibilities and did their best to safeguard property owners’ lives and properties, which won them high praises widely from the society.

Outlook

It is expected that the market will continue to pay attention to the Federal Reserve-led interest rate hikes, the Russia-Ukraine conflict, inflations and their impacts on global economy in 2023. With the relaxation of the pandemic containment measures in China and the resumption of quarantine-free travel with the world, China’s economy is expected to recover vigorously.

The Central Government will continue to uphold the principle of “houses are for living in, not for speculation” and “prioritising stability”, “make progress while maintaining stability” in economy to promote the overall improvement of economic operation, and properly implement a long-term mechanism to “stabilise land prices, housing prices and expectations” on the basis of respecting market regulations and improving the establishment of relevant systems with flexible adjustments, so as to facilitate the recovery of sales and healthy development of the real estate industry.

The Group firmly believes in adhering to the business model of “focusing on property development, supported by a synergy of diversified businesses”. Through the efforts of all employees, the overall business will develop steadily, and further increase the brand awareness of Agile across the nation and maintain its position in the competitive market. Meanwhile, the Group will continue to uphold its promise in corporate social responsibilities by making contribution to society through participating in charitable activities.

DIVIDENDS

During the year, the Company did not pay any interim dividend (2021: HK50.0 cents) to the shareholders. The Board did not propose any final dividend for the year ended 31 December 2022 (2021: Nil).

CLOSURE OF REGISTER OF MEMBERS

To determine the identity of shareholders who are entitled to attend and vote at the annual general meeting of the Company to be held on Thursday, 25 May 2023 (“AGM”):

Latest time for lodging transfer documents of shares	:	4:30 p.m. on Friday, 19 May 2023
Period of closure of register of members	:	Monday, 22 May 2023 to Thursday, 25 May 2023 (both dates inclusive)
Record date	:	Thursday, 25 May 2023

To qualify for attending and voting at the AGM, all properly completed transfer forms accompanied by the share certificates must be lodged with the Company’s branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited, at 17/F., Far East Finance Centre, 16 Harcourt Road, Hong Kong for registration not later than the corresponding latest time for lodging transfer documents of shares.

NOTICE OF ANNUAL GENERAL MEETING

Notice of AGM will be published on the respective website of the Company at www.agile.com.cn and The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) at www.hkex.com.hk and will be dispatched to the shareholders of the Company within the prescribed time and in such manner as required under the Listing Rules. A copy of the said notice will also be published on the website of Singapore Exchange Securities Trading Limited (“**SGX**”) at www.sgx.com.

AUDIT COMMITTEE

The audit committee of the Company has reviewed the consolidated financial statements of the Group for the year ended 31 December 2022, and reviewed the accounting principles and practices adopted by the Group with the Group’s management, and discussed the internal controls and financial reporting matters with them.

PUBLIC FLOAT

Based on the publicly available information and to the best knowledge of the Directors of the Company, at least 25% of the Company’s total issued share capital is being held by the public for the year ended 31 December 2022 and as at the date of this announcement.

COMPLIANCE WITH MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted its own code for securities transactions by directors (“**Securities Dealing Code for Directors**”), which is on terms no less exacting than the required standard as set out in the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Listing Rules. After enquiry, each of the Directors of the Company has confirmed to the Company that he or she had fully complied with the Securities Dealing Code for Directors during the year ended 31 December 2022.

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

During the year ended 31 December 2022, the Company has complied with all code provisions of the Corporate Governance Code contained in Part 2 of Appendix 14 to the Listing Rules (“**CG Code**”) except code provision C.2.1 which requires that the roles of chairman and chief executive should be separate and should not be performed by the same individual. In the reporting year and until now, Mr. Chen Zhuo Lin is the Chairman of the Board and the President of the Company. The Board considered that such arrangement will provide strong and consistent leadership for the development of the Group and effective execution of policies and strategies of the Group given Mr. Chen’s in-depth knowledge of the operations of the Group and of the industry as well as his extensive and strong business connections. The Board considered that such arrangement will not impair the balance of power and authority of the Board and it will be subject to review from time to time, and hence serves the best interest of the Group.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

In January 2022, Farsail Goldman International Limited (遠航金門國際有限公司) (“**Farsail**”) (an indirect wholly-owned subsidiary of the Company incorporated in the British Virgin Islands) purchased US\$67.1 million out of US\$500 million 6.7% senior notes due 2022 issued by the Company (ISIN code: XS1959497782) (the “**Senior Notes I**”) at a total of consideration of approximately US\$51.13 million (inclusive of accrued interests). On 7 March 2022, the Company had fully redeemed Senior Notes I at its principal amount with accrued interests. The Senior Notes I had been delisted from SGX.

On 11 April 2022, Guangzhou Panyu Agile Realty Development Co., Ltd.^ (廣州番禺雅居樂房地產開發有限公司) (“**Panyu Agile**”) (an indirect wholly-owned subsidiary of the Company incorporated in China) repurchased RMB692.407 million with a face value of RMB100 each out of its public domestic corporate bonds of RMB1,450 million with an initial coupon rate of 5.9% due 2024 (corporate bond code: 175934) (the “**Domestic Bonds**”) followed by the resale of the same during the period from 11 April 2022 to 11 May 2022. The Domestic Bonds are listed on the Shanghai Stock Exchange.

On 13 July 2022, Panyu Agile fully redeemed its non-public domestic corporate bonds in an aggregate principal amount of RMB1,500 million due 2022 with an initial coupon rate of 6.2% (corporate bond code: 167129) at its principal amount with accrued interests. These bonds had been delisted from the Shanghai Stock Exchange.

On 15 August 2022, the Company fully redeemed its US\$200 million 5.125% senior notes due 2022 (ISIN code: XS1659119629) at its principal amount with accrued interests. These notes had been delisted from SGX.

In August 2022, Great Dawn Investments Limited (鴻昕投資有限公司) (an indirect wholly-owned subsidiary of the Company incorporated in British Virgin Islands) purchased US\$39.574 million out of US\$400 million 4.85% senior notes due 2022 issued by the Company (ISIN code: XS2382274376) (the “**Senior Notes II**”) at a total consideration of approximately US\$38.56 million (inclusive of accrued interests). On 31 August 2022, the Company had fully redeemed the Senior Notes II at its principal amount with accrued interests. The Senior Notes II had been delisted from SGX.

On 19 October 2022, Panyu Agile fully redeemed its non-public domestic corporate bonds in an aggregate principal amount of RMB1,500 million due 2022 with an initial coupon rate of 6.2% (corporate bond code: 167752) at its principal amount with accrued interests. These bonds had been delisted from the Shanghai Stock Exchange.

Save as above, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company’s listed securities during the year ended 31 December 2022.

PUBLICATION OF ANNUAL RESULTS AND ANNUAL REPORT ON THE WEBSITES OF THE COMPANY, THE STOCK EXCHANGE AND SGX

This announcement is published on the respective website of the Company at www.agile.com.cn, the Stock Exchange at www.hkex.com.hk and SGX at www.sgx.com. The annual report of the Company for the year ended 31 December 2022 containing all the information required under the Listing Rules will be dispatched to the Company’s shareholders and will be posted on the above websites in due course.

BOARD OF DIRECTORS

As at the date of this announcement, the Board comprises eleven members, namely Mr. Chen Zhuo Lin* (Chairman and President), Mr. Chan Cheuk Yin** (Vice Chairperson), Madam Luk Sin Fong, Fion** (Vice Chairperson), Mr. Chan Cheuk Hung*, Mr. Huang Fengchao*, Mr. Chan Cheuk Hei**, Mr. Chan Cheuk Nam**, Dr. Cheng Hon Kwan#, Mr. Kwong Che Keung, Gordon#, Mr. Hui Chiu Chung, Stephen# and Mr. Wong Shiu Hoi, Peter#.

* *Executive Directors*

** *Non-executive Directors*

Independent Non-executive Directors

^ *for identification purposes only*

By Order of the Board
Agile Group Holdings Limited
CHEN Zhuo Lin
Chairman and President

Hong Kong, 30 March 2023

SCOPE OF WORK OF THE INDEPENDENT AUDITOR

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss, consolidated statement of other comprehensive income, and the related notes thereto for the year ended 31 December 2022 as set out in this preliminary announcement have been agreed by the Company's auditors to the amounts set out in the Group's draft consolidated financial statements for the year. The work performed by Company's auditors in this respect did not constitute an assurance engagement and consequently no opinion or assurance conclusion has been expressed by the Company's auditors on this preliminary announcement.