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C&D INTERNATIONAL INVESTMENT GROUP LIMITED

建發國際投資集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1908)

ANNOUNCEMENT OF ANNUAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2022

FINANCIAL HIGHLIGHTS

- For the year ended 31 December 2022, the Group, together with its joint ventures and associates, achieved the cumulated contracted sales attributable to the shareholders of the Company (the “Shareholders”) of approximately RMB121.52 billion with contracted sales GFA attributable to the Shareholders of approximately 6.096 million sq.m., representing a decrease by approximately RMB8.57 billion and approximately 0.731 million sq.m. respectively (approximately 6.6% and 10.7% respectively) as compared with the previous financial year.
- For the year ended 31 December 2022, cash collected from property development by the Group, together with its joint ventures and associates, totalled approximately RMB162.2 billion.
- For the year ended 31 December 2022, the Group’s total revenue amounted to approximately RMB99,635.50 million, increased by approximately RMB45,070.62 million (approximately 82.6%) as compared with the previous financial year (restated). Revenue from property development business amounted to approximately RMB96,647.65 million, increased by approximately RMB44,072.87 million (approximately 83.8%) as compared with the previous financial year.
- For the year ended 31 December 2022, the Group’s gross profit amounted to approximately RMB15,219.41 million, increased by approximately RMB6,140.66 million (approximately 67.6%) as compared with the previous financial year (restated).
- For the year ended 31 December 2022, the profit attributable to the equity holders of the Company amounted to approximately RMB4,933.97 million, increased by approximately RMB1,381.45 million (approximately 38.9%) as compared with the previous financial year (restated).
- The Group’s basic earnings per share was RMB2.84.
- The Board recommended payment of a final dividend of HK\$1.3 per Share, which will be payable in cash, but the Eligible Shareholders will be given the option of electing to receive the final dividend in the form of new Shares in lieu of cash in respect of part or all of the final dividend.

ANNUAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2022

The board (the “Board”) of directors (the “Directors”) of C&D International Investment Group Limited (the “Company”) is pleased to announce the following consolidated results of the Company and its subsidiaries (collectively, the “Group”) for the year ended 31 December 2022 (the “Year”) together with the comparative figures for the year ended 31 December 2021.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2022

	<i>Notes</i>	2022 RMB'000	2021 <i>RMB'000</i> (Restated) <i>(Note 2)</i>
Revenue	4	99,635,501	54,564,878
Cost of sales		(84,416,087)	(45,486,123)
Gross profit		15,219,414	9,078,755
Other net gain	5	1,474,158	721,937
Loss on changes in fair value of investment properties		(33,893)	(21,359)
Administrative expenses		(4,442,440)	(1,019,410)
Selling expenses		(3,563,790)	(2,700,228)
Provision for expected credit losses allowance		(378,995)	(40,648)
Finance costs	6	(801,078)	(612,167)
Share of results of associates		645,451	435,646
Share of results of joint ventures		366,269	11,776
Profit before income tax	7	8,485,096	5,854,302
Income tax expense	8	(2,923,193)	(1,705,219)
Profit for the year		5,561,903	4,149,083

	<i>Notes</i>	2022 RMB'000	2021 RMB'000 (Restated) (Note 2)
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss:			
Currency translation differences		<u>(203,503)</u>	<u>58,102</u>
Total comprehensive income for the year		<u>5,358,400</u>	<u>4,207,185</u>
Profit for the year attributable to:			
— Equity holders of the Company		<u>4,933,968</u>	<u>3,552,523</u>
— Non-controlling interests		<u>627,935</u>	<u>596,560</u>
		<u>5,561,903</u>	<u>4,149,083</u>
Total comprehensive income for the year attributable to:			
— Equity holders of the Company		<u>4,709,817</u>	<u>3,610,374</u>
— Non-controlling interests		<u>648,583</u>	<u>596,811</u>
		<u>5,358,400</u>	<u>4,207,185</u>
Earnings per share for profit attributable to the equity holders of the Company			
Basic earnings per share	<i>10</i>	<u>RMB2.84</u>	<u>RMB2.45</u>
Diluted earnings per share	<i>10</i>	<u>RMB2.60</u>	<u>RMB2.38</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2022

	<i>Notes</i>	2022 RMB'000	2021 <i>RMB'000</i> (Restated) <i>(Note 2)</i>	2020 <i>RMB'000</i> (Restated) <i>(Note 2)</i>
ASSETS AND LIABILITIES				
Non-current assets				
Property, plant and equipment		347,188	350,497	143,348
Right-of-use assets		290,841	304,903	249,257
Investment properties		1,308,134	1,310,153	1,328,060
Intangible assets		738,590	692,296	578
Interests in associates		17,498,188	13,095,495	5,927,351
Interests in joint ventures		4,530,846	660,294	668,417
Other financial assets		118,604	245,700	377,840
Deposits for land acquisitions		64,166	64,166	64,166
Deferred tax assets		5,875,310	4,404,331	2,595,728
		<u>30,771,867</u>	<u>21,127,835</u>	<u>11,354,745</u>
Current assets				
Inventories of properties, other inventories and other contract costs	<i>11</i>			
— Properties under development		248,861,831	222,892,485	113,191,414
— Properties held for sale		7,792,746	7,058,250	5,690,644
— Other inventories		34,229	24,270	102
— Other contract costs		1,815,745	1,240,009	601,477
Contract assets		177,447	166,378	—
Trade and other receivables	<i>12</i>	11,591,287	9,250,822	5,610,158
Amounts due from non-controlling interests		35,453,040	26,462,676	12,591,609
Other financial assets		5,000	280,500	25,840
Deposits for land acquisitions		2,860,999	7,038,796	5,915,970
Prepaid taxes		3,818,914	2,193,016	639,181
Cash at banks and on hand		50,280,062	48,351,462	28,899,244
		<u>362,691,300</u>	<u>324,958,664</u>	<u>173,165,639</u>
Total assets		<u>393,463,167</u>	<u>346,086,499</u>	<u>184,520,384</u>

	<i>Notes</i>	2022 RMB'000	2021 <i>RMB'000</i> (Restated) <i>(Note 2)</i>	2020 <i>RMB'000</i> (Restated) <i>(Note 2)</i>
Current liabilities				
Trade and other payables	13	25,909,986	33,097,667	16,569,542
Contract liabilities		177,604,681	148,905,438	66,294,080
Amounts due to related companies		11,126,370	7,946,002	3,942,122
Amounts due to non-controlling interests		4,413,995	6,388,232	3,011,547
Interest-bearing borrowings		5,890,230	4,859,455	3,272,636
Income tax liabilities		4,529,116	3,146,399	3,261,784
Lease liabilities		59,133	55,882	33,239
Receipts under securitisation arrangements		–	1,998,346	–
		229,533,511	206,397,421	96,384,950
Net current assets		133,157,789	118,561,243	76,780,689
Total assets less current liabilities		163,929,656	139,689,078	88,135,434
Non-current liabilities				
Loans from intermediate holding company		47,679,925	37,637,867	24,421,624
Lease liabilities		141,173	149,122	147,569
Receipts under securitisation arrangements		–	–	1,993,583
Interest-bearing borrowings		35,767,801	36,807,502	23,520,939
Deferred tax liabilities		920,269	827,730	285,497
		84,509,168	75,422,221	50,369,212
Total liabilities		314,042,679	281,819,642	146,754,162
Net assets		79,420,488	64,266,857	37,766,222
EQUITY				
Share capital	14	148,689	117,215	100,636
Reserves		16,988,531	12,334,514	8,356,059
Equity attributable to the equity holders of the Company		17,137,220	12,451,729	8,456,695
Equity attributable to the subscriber of the perpetual loans		14,500,000	14,500,000	9,500,000
Equity attributable to owners of the parent		31,637,220	26,951,729	17,956,695
Non-controlling interests		47,783,268	37,315,128	19,809,527
Total equity		79,420,488	64,266,857	37,766,222

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2022

1. GENERAL INFORMATION

C&D International Investment Group Limited (the “Company”) was incorporated in the Cayman Islands on 18 February 2011 as an exempted company with limited liability under Companies Law (Cap 22 of the Cayman Islands). The address of the Company’s registered office is Third Floor, Century Yard, Cricket Square, P.O. Box 902, Grand Cayman, KY1-1103, Cayman Islands and its principal place of business in Hong Kong is located at Office No. 3517, 35th Floor, Wu Chung House, 213 Queen’s Road East, Wanchai, Hong Kong. The Company’s shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) on 26 May 2014.

The Company’s functional currency is Hong Kong Dollars (“HK\$”). However, the consolidated financial statements are presented in Renminbi (“RMB”), as the Directors of the Company consider that RMB is the functional currency of the primary economic environment in which most of the Group’s transactions are denominated and settled in and this presentation is more useful for its current and potential investors. The consolidated financial statements are presented in thousands of RMB (“RMB’000”) unless otherwise stated.

The principal activity of the Company is investment holding. The Group is principally engaged in the businesses of property development, property management and other related services mainly in the People’s Republic of China (“PRC” or “China”).

Well Land International Limited (“Well Land”) is the Company’s immediate holding company which was incorporated in the British Virgin Islands (“BVI”) with limited liability; C&D Real Estate Corporation Limited* (建發房地產集團有限公司) (“C&D Real Estate”) which was incorporated in the PRC with limited liability is the Company’s intermediate holding company; and Xiamen C&D Corporation Limited* (廈門建發集團有限公司) (“Xiamen C&D”) which was incorporated in the PRC with limited liability is the Company’s ultimate holding company.

The consolidated financial statements for the year ended 31 December 2022 were approved for issue by the Board on 30 March 2023.

2. BASIS OF PREPARATION

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

The significant accounting policies were consistent with those applied to the preparation of the Group’s annual consolidated financial statements for the year ended 31 December 2021, except for the changes in accounting policies in relation to the adoption of new and amended HKFRSs and the impacts on the Group’s consolidated financial statements if any, are disclosed in Note 3.

The consolidated financial statements have been prepared on the historical cost basis, except for investment properties and financial assets at fair value through profit or loss which are stated at fair value.

It should be noted that accounting estimates and assumptions are used in preparation of the consolidated financial statements. Although these estimates are based on management’s best knowledge and judgement of current events and actions, actual results may ultimately differ from those estimates.

Business combination under common control

On 29 March 2022, the Company entered into the share sale and purchase agreement with Well Land, pursuant to which the Company agreed to acquire and Well Land agreed to sell 467,691,388 shares in C&D Property Management Group Co., Ltd (“C&D Property”) at a total consideration of approximately HK\$1,641,596,000 (equivalent to RMB1,396,391,000), of which HK\$1,156,000,000 is satisfied by the allotment and issuance of 80,000,000 shares at the issue price of HK\$14.45 per consideration share and the remaining consideration shall be paid in cash by the Company (“Acquisition”). On the same date, the Company entered into the voting rights entrustment agreement with Well Land, pursuant to which Well Land agreed to irrevocably and unconditionally entrust the Company to exercise the voting rights of 213,801,777 shares in C&D Property that Well Land directly holds in C&D Property for an indefinite period. The Acquisition is completed on 23 May 2022 (“Completion Date”) and thereafter the Company is entitled to exercise or control the exercise of voting rights in respect of a total of 681,493,165 shares in C&D Property, representing approximately 51.00% voting rights at general meetings of C&D Property.

C&D Property and its subsidiaries (“C&D Property Group”) is principally engaged in the provision of the property management services, business operations management services, community value-added and synergy services and the value-added services to non-property owners in the PRC, and its shares are listed on the Stock Exchange.

Following the Acquisition on 23 May 2022, since each of the Company and C&D Property Group were controlled by Xiamen C&D, the ultimate controlling shareholder of the Company, before and after the Acquisition which is regarded as common control combination. Accordingly, the Group has applied merger accounting to account for the Acquisition in respect of C&D Property Group in accordance with Accounting Guideline 5 “Merger Accounting for Common Control Combinations” (“AG5”) issued by the HKICPA. The consolidated financial statements have been prepared in accordance with AG5 as if the Acquisition had been completed at the beginning of the earliest period presented or combining entities first came under the control of the controlling party.

2. BASIS OF PREPARATION (Continued)

Business combination under common control (Continued)

Accordingly, C&D Property Group was included in the consolidated financial statements from the beginning of the earliest period presented as if C&D Property Group had always been part of the Group. As a result, the Group has restated certain 2021 comparative amounts of the consolidated financial statements by including the operating results, changes in equity and cash flows of C&D Property Group, as if the Acquisition had been completed on the earliest date of periods being presented, i.e. 1 January 2021. The consolidated statements of financial position of the Group as at 1 January 2021 and 31 December 2021 were restated to include the assets and liabilities of C&D Property Group. The net assets of the companies comprising C&D Property Group have been consolidated using the existing book values from the perspective of Xiamen C&D. No amount is recognised in consideration for goodwill or excess of acquirer's interest in the net fair value of acquirer's identifiable assets, liabilities and contingent liabilities over cost at the time of common control combination, to the extent of the continuation of the controlling party's interest.

Comparative amounts in the consolidated financial statements are presented as if the entities or business had been combined at the beginning of the comparative period.

The consolidated statement of profit or loss and other comprehensive income include the results of combining entities or businesses from the earliest date presented. The consolidated statement of profit or loss and other comprehensive income also take into account the profit or loss attributable to the non-controlling interests recorded in the consolidated financial statements of the controlling party. The effects of all transactions between the combining entities or business, whether occurring before or after the Acquisitions, are eliminated.

A uniform set of accounting policies is adopted when preparing the consolidated financial statements.

2. BASIS OF PREPARATION (Continued)

Business combination under common control (Continued)

The effects of the application of merger accounting for business combination under common control occurred during the year ended 31 December 2022 on the Group's financial position as at 31 December 2021 and 1 January 2021 and the results for the year ended 31 December 2021 are summarised as follows:

- (a) The effects of consolidated statement of profit or loss and other comprehensive income for the year ended 31 December 2021:

	As previously reported <i>RMB'000</i>	Business combination of entities under common control <i>RMB'000</i>	Adjustments <i>RMB'000</i>	As restated <i>RMB'000</i>
Revenue	53,441,863	1,556,645	(433,630)	54,564,878
Cost of sales	<u>(44,705,412)</u>	<u>(1,167,289)</u>	<u>386,578</u>	<u>(45,486,123)</u>
Gross profit	8,736,451	389,356	(47,052)	9,078,755
Other net gain	687,156	33,034	1,747	721,937
Loss on changes in fair value of investment properties	(21,359)	–	–	(21,359)
Administrative expenses	(806,540)	(212,870)	–	(1,019,410)
Selling expenses	(2,713,442)	(3,796)	17,010	(2,700,228)
Provision for expected credit losses allowance	(40,180)	(468)	–	(40,648)
Finance costs	(611,563)	(604)	–	(612,167)
Share of results of associates	435,246	400	–	435,646
Share of results of joint ventures	<u>11,776</u>	<u>–</u>	<u>–</u>	<u>11,776</u>
Profit before income tax	5,677,545	205,052	(28,295)	5,854,302
Income tax expense	<u>(1,668,143)</u>	<u>(44,150)</u>	<u>7,074</u>	<u>(1,705,219)</u>
Profit for the year	<u>4,009,402</u>	<u>160,902</u>	<u>(21,221)</u>	<u>4,149,083</u>
Other comprehensive income				
Items that may be reclassified subsequently to profit or loss:				
Currency translation differences	<u>57,779</u>	<u>323</u>	<u>–</u>	<u>58,102</u>
Total comprehensive income for the year	<u>4,067,181</u>	<u>161,225</u>	<u>(21,221)</u>	<u>4,207,185</u>

2. BASIS OF PREPARATION (Continued)

Business combination under common control (Continued)

- (a) The effects of consolidated statement of comprehensive income for the year ended 31 December 2021 (Continued):

	As previously reported <i>RMB'000</i>	Business combination of entities under common control <i>RMB'000</i>	Adjustments <i>RMB'000</i>	As restated <i>RMB'000</i>
Profit for the year attributable to:				
— Equity holders of the Company	3,516,758	159,374	(123,609)	3,552,523
— Non-controlling interests	492,644	1,528	102,388	596,560
	<u>4,009,402</u>	<u>160,902</u>	<u>(21,221)</u>	<u>4,149,083</u>
Total comprehensive income for the year attributable to:				
— Equity holders of the Company	3,574,494	159,697	(123,817)	3,610,374
— Non-controlling interests	492,687	1,528	102,596	596,811
	<u>4,067,181</u>	<u>161,225</u>	<u>(21,221)</u>	<u>4,207,185</u>
Earnings per share for profit attributable to the equity holders of the Company				
Basic earnings per share	<u>RMB2.54</u>			<u>RMB2.45</u>
Diluted earnings per share	<u>RMB2.54</u>			<u>RMB2.38</u>

2. BASIS OF PREPARATION (Continued)

Business combination under common control (Continued)

(b) The effects of consolidated statement of financial position at 31 December 2021:

	As previously reported <i>RMB'000</i>	Business combination of entities under common control <i>RMB'000</i>	Adjustments <i>RMB'000</i>	As restated <i>RMB'000</i>
ASSETS AND LIABILITIES				
Non-current assets				
Property, plant and equipment	319,838	30,659	–	350,497
Right-of-use assets	283,868	21,035	–	304,903
Investment properties	1,310,153	–	–	1,310,153
Intangible assets	651,522	40,774	–	692,296
Interests in associates	13,093,625	1,870	–	13,095,495
Interests in joint ventures	660,294	–	–	660,294
Other financial assets	245,700	–	–	245,700
Deposits for land acquisitions	64,166	–	–	64,166
Deferred tax assets	4,390,144	7,113	7,074	4,404,331
	<u>21,019,310</u>	<u>101,451</u>	<u>7,074</u>	<u>21,127,835</u>
Current assets				
Inventories of properties, other inventories and other contract costs				
— Properties under development	222,920,780	–	(28,295)	222,892,485
— Properties held for sale	7,058,250	–	–	7,058,250
— Other inventories	17,592	6,678	–	24,270
— Other contract costs	1,234,427	5,582	–	1,240,009
Contract assets	166,378	–	–	166,378
Trade and other receivables	9,076,538	201,467	(27,183)	9,250,822
Amounts due from non-controlling interests	26,462,676	–	–	26,462,676
Other financial assets	280,500	–	–	280,500
Deposits for land acquisitions	7,038,796	–	–	7,038,796
Prepaid taxes	2,192,838	178	–	2,193,016
Cash at banks and on hand	46,054,130	2,297,332	–	48,351,462
	<u>322,502,905</u>	<u>2,511,237</u>	<u>(55,478)</u>	<u>324,958,664</u>
Total assets	<u>343,522,215</u>	<u>2,612,688</u>	<u>(48,404)</u>	<u>346,086,499</u>

2. BASIS OF PREPARATION (Continued)

Business combination under common control (Continued)

(b) The effects of consolidated statement of financial position at 31 December 2021: (Continued)

	As previously reported <i>RMB'000</i>	Business combination of entities under common control <i>RMB'000</i>	Adjustments <i>RMB'000</i>	As restated <i>RMB'000</i>
Current liabilities				
Trade and other payables	32,392,098	732,752	(27,183)	33,097,667
Contract liabilities	148,118,139	787,299	–	148,905,438
Amounts due to related companies	7,944,227	1,775	–	7,946,002
Amounts due to non-controlling interests	6,388,232	–	–	6,388,232
Interest-bearing borrowings	4,859,455	–	–	4,859,455
Income tax liabilities	3,108,306	38,093	–	3,146,399
Lease liabilities	49,598	6,284	–	55,882
Receipts under securitisation arrangements	1,998,346	–	–	1,998,346
	<u>204,858,401</u>	<u>1,566,203</u>	<u>(27,183)</u>	<u>206,397,421</u>
Net current assets	<u>117,644,504</u>	<u>945,034</u>	<u>(28,295)</u>	<u>118,561,243</u>
Total assets less current liabilities	<u>138,663,814</u>	<u>1,046,485</u>	<u>(21,221)</u>	<u>139,689,078</u>
Non-current liabilities				
Loans from intermediate holding company	37,637,867	–	–	37,637,867
Lease liabilities	141,236	7,886	–	149,122
Interest-bearing borrowings	36,807,502	–	–	36,807,502
Deferred tax liabilities	820,389	7,341	–	827,730
	<u>75,406,994</u>	<u>15,227</u>	<u>–</u>	<u>75,422,221</u>
Total liabilities	<u>280,265,395</u>	<u>1,581,430</u>	<u>(27,183)</u>	<u>281,819,642</u>
Net assets	<u>63,256,820</u>	<u>1,031,258</u>	<u>(21,221)</u>	<u>64,266,857</u>

2. BASIS OF PREPARATION (Continued)

Business combination under common control (Continued)

(b) The effects of consolidated statement of financial position at 31 December 2021: (Continued)

	As previously reported <i>RMB'000</i>	Business combination of entities under common control <i>RMB'000</i>	Adjustments <i>RMB'000</i>	As restated <i>RMB'000</i>
EQUITY				
Share capital	117,215	11,286	(11,286)	117,215
Reserves	11,994,098	1,000,123	(659,707)	12,334,514
Equity attributable to the equity holders of the Company	12,111,313	1,011,409	(670,993)	12,451,729
Equity attributable to the subscriber of the perpetual loans	14,500,000	–	–	14,500,000
Equity attributable to owners of the parent	26,611,313	1,011,409	(670,993)	26,951,729
Non-controlling interests	36,645,507	19,849	649,772	37,315,128
Total equity	63,256,820	1,031,258	(21,221)	64,266,857

2. BASIS OF PREPARATION (Continued)

Business combination under common control (Continued)

(c) The effects of consolidated statement of financial position at 1 January 2021:

	As previously reported <i>RMB'000</i>	Business combination of entities under common control <i>RMB'000</i>	Adjustments <i>RMB'000</i>	As restated <i>RMB'000</i>
ASSETS AND LIABILITIES				
Non-current assets				
Property, plant and equipment	116,020	27,328	–	143,348
Right-of-use assets	227,842	21,415	–	249,257
Investment properties	1,328,060	–	–	1,328,060
Intangible assets	–	578	–	578
Interests in associates	5,927,351	–	–	5,927,351
Interests in joint ventures	668,417	–	–	668,417
Other financial assets	377,840	–	–	377,840
Deposits for land acquisitions	64,166	–	–	64,166
Deferred tax assets	2,591,854	3,874	–	2,595,728
	<u>11,301,550</u>	<u>53,195</u>	<u>–</u>	<u>11,354,745</u>
Current assets				
Inventories of properties, other inventories and other contract costs				
— Properties under development	113,191,414	–	–	113,191,414
— Properties held for sale	5,690,644	–	–	5,690,644
— Other inventories	–	102	–	102
— Other contract costs	599,440	2,037	–	601,477
Trade and other receivables	5,475,040	135,118	–	5,610,158
Amounts due from non-controlling interests	12,591,609	–	–	12,591,609
Other financial assets	25,840	–	–	25,840
Deposits for land acquisitions	5,915,970	–	–	5,915,970
Prepaid taxes	639,181	–	–	639,181
Cash at banks and on hand	27,992,866	906,378	–	28,899,244
	<u>172,122,004</u>	<u>1,043,635</u>	<u>–</u>	<u>173,165,639</u>
Total assets	<u>183,423,554</u>	<u>1,096,830</u>	<u>–</u>	<u>184,520,384</u>

2. BASIS OF PREPARATION (Continued)

Business combination under common control (Continued)

(c) The effects of consolidated statement of financial position at 1 January 2021: (Continued)

	As previously reported <i>RMB'000</i>	Business combination of entities under common control <i>RMB'000</i>	Adjustments <i>RMB'000</i>	As restated <i>RMB'000</i>
Current liabilities				
Trade and other payables	16,122,619	446,923	–	16,569,542
Contract liabilities	66,115,894	178,186	–	66,294,080
Amounts due to related companies	3,936,789	5,333	–	3,942,122
Amounts due to non-controlling interests	3,011,547	–	–	3,011,547
Interest-bearing borrowings	3,272,636	–	–	3,272,636
Income tax liabilities	3,229,140	32,644	–	3,261,784
Lease liabilities	28,325	4,914	–	33,239
	<u>95,716,950</u>	<u>668,000</u>	<u>–</u>	<u>96,384,950</u>
Net current assets	<u>76,405,054</u>	<u>375,635</u>	<u>–</u>	<u>76,780,689</u>
Total assets less current liabilities	<u>87,706,604</u>	<u>428,830</u>	<u>–</u>	<u>88,135,434</u>
Non-current liabilities				
Loans from intermediate holding company	24,421,624	–	–	24,421,624
Lease liabilities	138,327	9,242	–	147,569
Receipts under securitisation arrangements	1,993,583	–	–	1,993,583
Interest-bearing borrowings	23,520,939	–	–	23,520,939
Deferred tax liabilities	280,562	4,935	–	285,497
	<u>50,355,035</u>	<u>14,177</u>	<u>–</u>	<u>50,369,212</u>
Total liabilities	<u>146,071,985</u>	<u>682,177</u>	<u>–</u>	<u>146,754,162</u>
Net assets	<u>37,351,569</u>	<u>414,653</u>	<u>–</u>	<u>37,766,222</u>

2. BASIS OF PREPARATION (Continued)

Business combination under common control (Continued)

(c) The effects of consolidated statement of financial position at 1 January 2021: (Continued)

	As previously reported <i>RMB'000</i>	Business combination of entities under common control <i>RMB'000</i>	Adjustments <i>RMB'000</i>	As restated <i>RMB'000</i>
EQUITY				
Share capital	100,636	9,982	(9,982)	100,636
Reserves	8,214,729	393,821	(252,491)	8,356,059
Equity attributable to the equity holders of the Company	8,315,365	403,803	(262,473)	8,456,695
Equity attributable to the subscriber of the perpetual loans	9,500,000	–	–	9,500,000
Equity attributable to owners of the parent	17,815,365	403,803	(262,473)	17,956,695
Non-controlling interests	19,536,204	10,850	262,473	19,809,527
Total equity	<u>37,351,569</u>	<u>414,653</u>	<u>–</u>	<u>37,766,222</u>

3. ADOPTION OF NEW AND AMENDED HKFRSs AND CHANGES IN ACCOUNTING POLICIES

(i) Amended HKFRSs that are effective for annual periods beginning or after 1 January 2022

In the current year, the Group has applied for the first time the following amended HKFRSs issued by the HKICPA, which are relevant to the Group's operations and effective for the Group's consolidated financial statements for the annual period beginning on 1 January 2022:

Amendment to HKFRS 16	Covid-19-Related Rent Concessions beyond 30 June 2021
Amendments to HKFRS 3	Reference to the Conceptual Framework
Amendments to HKAS 16	Property, Plant and Equipment — Proceeds before Intended Use
Amendments to HKAS 37	Onerous Contracts — Cost of Fulfilling a Contract
Amendments to HKFRSs	Annual Improvements to HKFRS Standards 2018–2020
Accounting Guideline 5 (Revised)	Merger Accounting for Common Control Combinations

The adoption of the amended HKFRSs had no material impact on how the results and financial position for the current and prior periods have been prepared and presented.

3. ADOPTION OF NEW AND AMENDED HKFRSs AND CHANGES IN ACCOUNTING POLICIES (Continued)

(ii) Issued but not yet effective HKFRSs

At the date of authorisation of the consolidated financial statements, certain new and amended HKFRSs have been published but are not yet effective, and have not been adopted early by the Group.

HKFRS 17	Insurance Contracts and related amendment ¹
Amendments to HKFRS 10 and HKAS 28	Sale or contribution of assets between an investor and its Associate or Joint Venture ³
Amendment to HKFRS 16	Lease Liability in a Sale and Leaseback ²
Amendments to HKAS 1	Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 ²
Amendments to HKAS 1 and HKFRS Practice Statement 2	Disclosure of Accounting Policies ¹
Amendments to HKAS 8	Definition of Accounting Estimates ¹
Amendments to HKAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction 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 Effective date not yet determined

The Directors anticipate that all of the new and amended HKFRSs will be adopted in the Group's accounting policy for the first period beginning on or after the effective date of the new and amended HKFRSs. These new and amended HKFRSs are not expected to have a material impact on the Group's consolidated financial statements.

4. REVENUE AND SEGMENT INFORMATION

The Group determines its operating segment based on the reports reviewed by the chief operating decision-maker that are used to make strategic decisions. The chief operating decision-maker has been identified as the Company's executive directors.

The Group is principally engaged in the businesses of property development and property management and other related services. The property development and property management and other related services businesses has been identified as a single segment on the basis for internal management reports that are regularly reviewed by the chief operating decision maker. No separate analysis is presented.

As the chief operating decision-maker of the Company considers most of the Group's revenue and results are attributable to the market in the PRC, the Group's assets are substantially located inside the PRC, no geographical information is presented.

For the year ended 31 December 2022, none of customers contributed 10% or more of the Group's revenue. For the year ended 31 December 2021, revenue from transaction with a single external customer amounted to about 12% of the Group's revenue.

An analysis of the Group's revenue is as follows:

	2022	2021
	RMB'000	RMB'000
		(Restated)
Property development	96,647,645	52,574,784
Property management and other related services (<i>Note</i>)	2,987,856	1,990,094
	99,635,501	54,564,878

Note: The balance mainly comprises revenue from property management services of RMB1,658,022,000 (2021: RMB1,123,015,000), construction management service and entrusted construction services of RMB1,061,275,000 (2021: RMB437,893,000) and rental income from property leasing of RMB66,031,000 (2021: RMB94,066,000) of which rental income does not fall within the scope of HKFRS 15.

Disaggregation of revenue is as follows:

	2022	2021
	RMB'000	RMB'000
		(Restated)
Timing of revenue recognition		
— A point in time	96,759,522	52,672,286
— Over time	2,875,979	1,892,592
	99,635,501	54,564,878

5. OTHER NET GAIN

	2022 <i>RMB'000</i>	2021 <i>RMB'000</i> (Restated)
Interest income from:		
— Banks	493,526	341,368
— Loans to associates	141,313	157,462
— Loans to joint ventures	53,360	–
— Financial assets at amortised cost	7,448	8,079
— Others	9,135	39,970
	<u>704,782</u>	<u>546,879</u>
Government subsidy income	96,289	75,961
Compensation income	89,666	97,041
Gain on changes in fair value of financial assets measured at fair value through profit or loss	15,400	920
Loss on disposal of subsidiaries	(97)	(27,388)
Gain on derecognition of financial liabilities at amortised cost (<i>note</i>)	551,991	–
Sundry income	16,127	28,524
	<u>1,474,158</u>	<u>721,937</u>

Note: For the year ended 31 December 2022, gain on derecognition of financial liabilities measured at amortised cost attributed to extinguishment of certain amounts due to non-controlling interests.

6. FINANCE COSTS

	2022 <i>RMB'000</i>	2021 <i>RMB'000</i> (Restated)
Interest charges on:		
— Bank borrowings	2,573,662	2,449,267
— Loans from intermediate holding company	1,171,972	828,248
— Amounts due to non-controlling interests	182,419	299,097
— Receipts under securitisation arrangements	87,045	502,680
— Significant financing component of contract liabilities	6,198,877	3,595,899
— Finance charges on lease liabilities	8,179	8,350
	<u>10,222,154</u>	<u>7,683,541</u>
Total borrowing costs	10,222,154	7,683,541
Less: Interest capitalised	(9,421,076)	(7,071,374)
	<u>801,078</u>	<u>612,167</u>

Borrowing costs have been capitalised at various applicable rates ranging from 1.95% to 10% per annum (2021: 3.8% to 11.5% per annum).

7. PROFIT BEFORE INCOME TAX

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

	2022 <i>RMB'000</i>	2021 <i>RMB'000</i> (Restated)
Auditor's remuneration		
— Audit services	2,980	2,470
— Non-audit services	275	274
Cost of properties sold	83,335,699	38,489,491
Depreciation:		
— Owned assets	31,503	26,993
— Right-of-use assets	80,123	47,918
Amortisation of intangible assets	7,418	1,475
Provision for ECL allowance on loans to associates and joint ventures	312,709	2,717
Provision for ECL allowance on trade and other receivables	57,287	24,046
Provision for ECL allowance on amounts due from non-controlling interests	8,999	13,885
Net foreign exchange (gain)/loss	(19,632)	6,781
Lease charges on short-term leases	40,553	40,859
Outgoings in respect of investment properties that generated rental income	4,302	4,672
Provision for inventories of properties and other inventories, net	<u>3,790,687</u>	<u>614,226</u>

8. INCOME TAX EXPENSE

	2022 <i>RMB'000</i>	2021 <i>RMB'000</i> (Restated)
Current income tax		
PRC corporate income tax ("CIT")		
— Current year	3,837,940	2,842,624
— Under provision in respect of prior years	(7,034)	156
Current tax-overseas	<u>1,876</u>	<u>—</u>
	3,832,782	2,842,780
PRC land appreciation tax ("LAT")	<u>477,756</u>	<u>95,120</u>
	4,310,538	2,937,900
Deferred tax	<u>(1,387,345)</u>	<u>(1,232,681)</u>
Total income tax expense	<u><u>2,923,193</u></u>	<u><u>1,705,219</u></u>

8. INCOME TAX EXPENSE (Continued)

Notes:

(a) Hong Kong profits tax

No Hong Kong profits tax has been provided as the Group did not derive any assessable profit arising in Hong Kong during the years ended 31 December 2022 and 2021.

(b) PRC CIT

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

PRC CIT has been provided on the estimated assessable profits of subsidiaries operating in the PRC at 25% (2021: 25%) for the year ended 31 December 2022.

(c) PRC LAT

Under the Provisional Rules on LAT Implementation Rules of the PRC implemented on 27 January 1995, all gains from the sales or transfer of land use rights, buildings and their attached facilities in the PRC are subject to LAT at progressive rates ranging from 30% to 60% on the appreciation of land value, being the proceeds of sale of properties less deductible expenditures including cost of land use rights, borrowing costs, business tax and all property development expenditures. There are certain exemptions available for the sale of ordinary residential properties if the appreciation values do not exceed 20% of the total deductible items (as defined in the relevant PRC tax laws). Sales of commercial properties are not eligible for such an exemption.

(d) PRC withholding income tax

Pursuant to the Detailed Implementation Regulations for implementation of the new CIT Law issued on 6 December 2007, a 10% withholding income tax shall be levied on the dividends remitted by the companies established in the PRC to their foreign investors starting from 1 January 2008. Dividends coming from the profits generated by the PRC companies after 1 January 2008 shall be subject to this withholding income tax.

(e) Cayman Islands corporate tax

Pursuant to the rules and regulations of Cayman Islands, the Group is not subject to any corporate tax in Cayman Islands for the years ended 31 December 2022 and 2021.

(f) British Virgin Islands (“BVI”) profits tax

Pursuant to the rules and regulations of the BVI, the Group is not subject to any income tax in the BVI for the years ended 31 December 2022 and 2021.

(g) Australia corporate tax

Australia’s corporate tax has been provided on the estimated assessable profits of the operating subsidiary in Australia at 25% for the year ended 31 December 2022. No Australia corporate tax has been provided as the Group did not derive any assessable profit arising in Australia during the year ended 31 December 2021.

9. DIVIDENDS

(a) Dividends attributable to the year

	2022 <i>RMB'000</i>	2021 <i>RMB'000</i>
Proposed final dividend after the reporting date of HK\$1.3 per ordinary share (2021: HK\$1.2) (<i>note (i)</i>)	2,018,278	1,351,809
Interim dividend of HK\$Nil per ordinary share (2021: HK\$1.1) (<i>note (ii)</i>)	–	1,153,395
	<u>2,018,278</u>	<u>2,505,204</u>

Notes:

- (i) Subsequent to 31 December 2022, the Board recommended the payment of a final dividend of HK\$1.3 per share for the year ended 31 December 2022, totalling HK\$2,259,427,000 (equivalent to RMB2,018,278,000) with the eligible Shareholders being given an option to elect to receive the final dividend all in new shares, or partly in new shares and partly in cash, or all in cash. Such dividend is subjected to be approved by the shareholders at the forthcoming Annual General Meeting. The final dividend proposed after the reporting date has not been recognised as a liability as at 31 December 2022.
- (ii) The board of directors did not recommend the payment of any interim dividend in respect of the six months ended 30 June 2022 (six months ended 30 June 2021: HK\$1.1 per share (equivalent to RMB0.9 per share), totalling RMB1,153,395,000).

(b) Dividends attributable to the previous financial year, approved and paid during the year

	2022 <i>RMB'000</i>	2021 <i>RMB'000</i>
Final dividend in respect of the previous financial year, of HK\$1.2 (2021: HK\$Nil) per ordinary share	<u>1,504,348</u>	<u>–</u>

The final dividend for the year ended 31 December 2021 totalling RMB1,504,348,000 has been paid partly in new shares of the Company and partly in cash in July 2022. The number of ordinary shares settled and issued as scrip dividends were 105,200,687 ordinary shares and the total amount of dividend paid as scrip dividends was RMB1,358,788,000 while cash dividend amounted to RMB145,560,000.

10. EARNINGS PER SHARE

(a) Basic earnings per share

Basic earnings per share is calculated by adjusting the profit for the year attributable to the equity holders of the Company by the weighted average number of ordinary shares in issue during the year.

	2022 <i>RMB'000</i>	2021 <i>RMB'000</i> (Restated)
Earnings		
Profit for the year attributable to the equity holders of the Company	4,933,968	3,552,523
Distributions to the subscriber of perpetual loans, net of taxation	<u>(713,891)</u>	<u>(345,216)</u>
Profit used to determine basic earnings per share	4,220,077	3,207,307
Weighted average number of ordinary shares in issue (thousands)	<u>1,488,202</u>	<u>1,310,101</u>
Earnings per share (expressed in RMB per share)	<u>RMB2.84</u>	<u>RMB2.45</u>

(b) Diluted earnings per share

The restricted shares granted by the Company have potential dilutive effect on earnings per share. Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding by the assumption of the conversion of all potential dilutive ordinary shares arising from restricted shares granted by the Company (collectively forming the denominator for computing the diluted earnings per share). In addition, the profit attributable to equity holders of the Company (numerator) has been adjusted by the effect of the restricted shares granted by the Company's non wholly-owned subsidiary.

	2022 <i>RMB'000</i>	2021 <i>RMB'000</i> (Restated)
Earnings		
Profit for the year attributable to the equity holders of the Company	4,933,968	3,552,523
Dilution effect arising from restricted shares issued by non wholly-owned subsidiary	<u>(1,929)</u>	<u>(1,211)</u>
Distributions to the subscriber of perpetual loans, net of taxation	<u>(713,891)</u>	<u>(345,216)</u>
Profit attributable to equity holders of the Company for the calculation of diluted earnings per share	4,218,148	3,206,096
Shares		
Weighted average number of ordinary shares in issue (thousands)	1,488,202	1,310,101
Adjustments for restricted shares (thousands)	<u>134,810</u>	<u>35,300</u>
Weighted average number of ordinary shares for the calculation of diluted earnings per share (thousands)	<u>1,623,012</u>	<u>1,345,401</u>
Earnings per share (expressed in RMB per share)	<u>RMB2.60</u>	<u>RMB2.38</u>

11. INVENTORIES OF PROPERTIES, OTHER INVENTORIES AND OTHER CONTRACT COSTS

	2022 <i>RMB'000</i>	2021 <i>RMB'000</i> (Restated)
Inventories of properties		
Properties under development	248,861,831	222,892,485
Properties held for sale	7,792,746	7,058,250
	<u>256,654,577</u>	<u>229,950,735</u>
Other inventories	34,229	24,720
Other contract costs	1,815,745	1,240,009
	<u>258,504,551</u>	<u>231,215,464</u>
Inventories of properties and other inventories	261,251,364	230,863,967
Less: Provision for inventories	(4,596,787)	(913,232)
	<u>256,654,577</u>	<u>229,950,735</u>

12. TRADE AND OTHER RECEIVABLES

	2022 <i>RMB'000</i>	2021 <i>RMB'000</i> (Restated)
Trade receivables (note a)		
From third parties	1,400,939	1,428,320
From related parties	19,660	26,447
Less: Loss allowance	(79,406)	(41,655)
	<u>1,341,193</u>	<u>1,413,112</u>
Other receivables		
Deposits (note b)	3,062,306	1,452,993
Prepayments	106,545	50,511
Other receivables	826,601	683,474
Prepayments for proposed development projects (note c)	645,400	616,616
Payments on behalf of property owners	30,643	34,191
Value-added-tax receivables	5,631,925	5,033,715
	<u>10,303,420</u>	<u>7,871,500</u>
Less: Loss allowance	(53,326)	(33,790)
	<u>10,250,094</u>	<u>7,837,710</u>
	<u>11,591,287</u>	<u>9,250,822</u>

12. TRADE AND OTHER RECEIVABLES (Continued)

Notes:

- (a) Trade receivables mainly arose from property development, property management and other related services. Trade receivables settled in accordance with the terms stipulated in the property sale and purchase agreements or service agreements.

Based on the invoice dates, the ageing analysis of the trade receivables, net of loss allowance, is as follows:

	2022 <i>RMB'000</i>	2021 <i>RMB'000</i> (Restated)
0–30 days	516,415	642,897
31–90 days	193,627	96,314
91–180 days	94,867	98,898
181–365 days	101,242	114,513
Over 365 days	435,042	460,490
	<u>1,341,193</u>	<u>1,413,112</u>

Movements of the Group's loss allowance on trade receivables are as follows:

	2022 <i>RMB'000</i>	2021 <i>RMB'000</i> (Restated)
Balance at 1 January	41,655	30,588
ECL allowances recognised during the year	37,751	11,067
Balance at 31 December	<u>79,406</u>	<u>41,655</u>

Movements of the Group's loss allowance on other receivables are as follows:

	2022 <i>RMB'000</i>	2021 <i>RMB'000</i> (Restated)
Balance at 1 January	33,790	20,811
ECL allowances recognised during the year	19,536	12,979
Balance at 31 December	<u>53,326</u>	<u>33,790</u>

At each reporting date, the Group reviews receivables for evidence of impairment on both individual and collective basis. During the year ended 31 December 2022, the Group has made provision of ECL allowance for trade receivables and other receivables of approximately RMB37,751,000 and RMB19,536,000 (2021 (restated): RMB11,067,000 and RMB12,979,000) respectively.

12. TRADE AND OTHER RECEIVABLES (Continued)

- (b) Deposits mainly included rental deposits, utilities deposits, receivables of refund of the deposits for land auction, deposits for construction work, miscellaneous project-related deposits.
- (c) The Group has entered into several contractual arrangements with independent third parties in respect of the proposed acquisitions of equity interests in certain PRC entities, which own land use rights or property development projects in the PRC.
- (d) The Directors of the Group considered that the fair values of trade and other receivables are not materially different from the carrying amounts because these balances have short maturity periods on their inception.

13. TRADE AND OTHER PAYABLES

	2022 <i>RMB'000</i>	2021 <i>RMB'000</i> (Restated)
Trade payables (note a)	18,570,229	21,402,843
Other payables		
Receipts in advances and other payables (note b)	395,452	6,441,508
Interest payable	53,142	107,930
Salaries payable	1,206,430	1,233,425
Value-added-tax payable	1,465,422	660,450
Deposits received	807,915	1,179,387
Accrued expenses	1,402,434	1,122,224
Collection and payment on behalf of others	1,088,968	681,806
Payables in relation to restricted share incentive scheme	919,994	268,094
	7,339,757	11,694,824
	25,909,986	33,097,667

13. TRADE AND OTHER PAYABLES (Continued)

Notes:

- (a) The credit terms of trade payables vary according to the terms agreed with different suppliers. Included in trade payables are trade creditors with the following ageing analysis, based on invoice dates, as of the reporting date:

	2022 <i>RMB'000</i>	2021 <i>RMB'000</i> (Restated)
0–30 days	8,543,242	13,043,538
31–60 days	1,203,005	1,272,180
61–90 days	1,198,273	1,196,004
Over 90 days	7,625,709	5,891,121
	<u>18,570,229</u>	<u>21,402,843</u>

- (b) As at 31 December 2021, receipts in advance and other payables mainly included sales proceeds from customers received on behalf of special purpose entities set up by a financial institution in the PRC in relation to issuance of receipts under securitisation arrangements amounted to RMB5,179,416,000 which was settled during the year ended 31 December 2022.

- (c) The carrying values of trade and other payables are considered to be a reasonable approximation of their fair values.

14. SHARE CAPITAL

	2022 Number of shares	Amount <i>RMB'000</i>	2021 Number of shares	Amount <i>RMB'000</i>
Authorised:				
Ordinary shares of HK\$0.1 each At 31 December	<u>3,000,000,000</u>	<u>254,870</u>	<u>3,000,000,000</u>	<u>254,870</u>
Issued and fully paid:				
At 1 January	1,377,820,204	117,215	1,176,711,106	100,636
Issuance of new shares by the way of placing <i>(note (a))</i>	75,000,000	6,665	65,000,000	5,366
Issuance of shares in respect of restricted share incentive schemes <i>(note (b))</i>	100,000,000	8,957	35,300,000	2,936
Issuance of shares in respect of scrip dividend <i>(note (c))</i>	105,200,687	9,047	100,809,098	8,277
Issuance of shares in respect of the acquisition of C&D Property <i>(note (d))</i>	80,000,000	6,805	–	–
At 31 December	<u>1,738,020,891</u>	<u>148,689</u>	<u>1,377,820,204</u>	<u>117,215</u>

14. SHARE CAPITAL (Continued)

Notes:

- (a) On 21 July 2022 and 6 December 2022, the Company completed the placing of 30,000,000 ordinary shares and 45,000,000 ordinary shares at a placing price of HK\$17.00 per share and HK\$17.98 per share respectively under general mandates with total gross proceed of HK\$1,233,394,000 (equivalent to RMB1,160,221,000), giving rise to an increase in share premium of approximately RMB1,153,556,000. Share issuance expenses directly attributable to the issue of new shares amounting to RMB101,000 was treated as a deduction against the share premium account.

On 15 June 2021, the Company completed the placing of 65,000,000 ordinary shares at a placing price of HK\$14.50 per share under general mandate with total gross proceed of HK\$942,500,000 (equivalent to RMB777,959,000), giving rise to an increase in share premium of approximately RMB772,593,000. Share issuance expenses directly attributable to the issue of new shares amounting to RMB413,000 was treated as a deduction against the share premium account.

- (b) On 29 December 2022, the Company issued 100,000,000 restricted shares at a price of HK\$7.01 per share and recorded an amount of approximately HK\$701,000,000 (equivalent to RMB627,907,000) received from participants, which was included in other payables as payables in relation to restricted share incentive scheme.

On 29 June 2021, the Company issued 35,300,000 restricted shares at a price of HK\$7.22 per share and recorded an amount of approximately HK\$254,866,000 (equivalent to RMB212,008,000) received from participants, which was included in other payables as payables in relation to restricted share incentive scheme.

- (c) On 7 June 2022, the board of directors declared the final dividend of HK\$1.2 per share (equivalent to approximately RMB1.03 per share) for the year ended 31 December 2021. The shareholders were provided with an option to receive the final dividend in form of scrip dividend. On 15 July 2022, 105,200,687 shares were issued at an issue price of HK\$15.02 per share to shareholders who elected to receive share in lieu of cash dividends pursuant to a scrip dividend scheme, totalling HK\$1,580,114,000 (equivalent to RMB1,358,788,000).

On 27 August 2021, the board of directors declared an interim dividend of HK\$1.1 per share (equivalent to approximately RMB0.90 per share). The shareholders were provided with an option to receive the interim dividend in form of scrip dividend. On 27 October 2021, 100,809,098 shares were issued at an issue price of HK\$12.22 per share to shareholders who elected to receive share in lieu of cash dividends pursuant to a scrip dividend scheme, totalling RMB1,011,490,000.

- (d) On 23 May 2022, 80,000,000 new shares were allotted and issued at a consideration of HK\$14.45 per share for the acquisition of C&D Property. A par value of HK\$8,000,000 (equivalent to approximately RMB6,805,000) was credited to share capital and the premium of HK\$1,148,000,000 (equivalent to approximately RMB976,244,000) was credited to share premium account.

15. EVENT AFTER THE REPORTING DATE

(a) Equity transfer agreements entered into with C&D Real Estate

On 6 December 2022, Xiamen Yi Yue Property Company Limited* (廈門益悅置業有限公司) (“**Xiamen Yi Yue**”) and Xiamen Zhaoyirong Property Development Company Limited* (廈門兆翊蓉房地產開發有限公司) (“**Xiamen Zhaoyirong**”), subsidiaries of the Company, entered into equity transfer agreements with C&D Real Estate and Xiamen Liyuan Investment Company Limited* (廈門利源投資有限公司) (“**Xiamen Liyuan**”), pursuant to which C&D Real Estate and Xiamen Liyuan agreed to sell and Xiamen Yi Yue and Xiamen Zhaoyirong agreed to acquire 95% and 5% equity interests in Fujian Zhaorun Real Estate Co., Ltd.* (福建兆潤房地產有限公司) (“**Fujian Zhaorun**”), respectively, at a total cash consideration of RMB10,063,000, of which Xiamen Yi Yue and Xiamen Zhaoyirong shall contribute RMB9,560,000 and RMB503,000 respectively. Xiamen Yi Yue and Xiamen Zhaoyirong shall also repay the shareholder’s loan (principal and interest) in the total amount of RMB1,552,127,000 (subject to adjustment) previously advanced by C&D Real Estate and Xiamen Liyuan to Fujian Zhaorun in accordance with the proportion of equity interests in Fujian Zhaorun to be held by Xiamen Yi Yue and Xiamen Zhaoyirong. Please refer to the Company’s announcements dated 6 December 2022 and 10 February 2023; and the Company’s circular dated 17 January 2023 for further details.

Fujian Zhaorun acquisition has been completed in March 2023.

16. COMPARATIVE FIGURES

As explained in note 2, due to the Group’s application of merger accounting for business combinations under common control during the year ended 31 December 2022, certain comparative figures has been restated to conform with current year’s accounting treatments and presentation.

MANAGEMENT DISCUSSION AND ANALYSIS

MARKET REVIEW

In 2022, the downward pressure on the domestic and international economies continued to increase, and the real estate market in China experienced unprecedented challenges. The real estate market sentiment was weak. The scale of commodity housing sales dropped sharply. Consumers' confidence in purchasing houses was weak. Since April 2022, the policy environment of the industry has entered a loose cycle, and local governments have implemented policies according to their actual situation, aiming to steadily resolve the risks in the real estate sector and boost confidence in house purchases. According to the National Bureau of Statistics, in 2022, the sales area of commodity housing in China was 1.36 billion sq.m., representing a year-on-year decrease of 24.3%, and the sales amount was RMB 13.3 trillion, representing a year-on-year decrease of 26.7%.

In terms of the industry competitive landscape, the industry concentration continued to increase, and the development pattern of the industry was further differentiated. Under the policy keynote of "housing without speculation", real estate enterprises will continue to accelerate the reshuffle, and real estate enterprises with product and service advantages, good operation capabilities and financing advantages will be more competitive.

Regardless of changes in the environment, the Group always adheres to the long-term business philosophy and quality growth.

BUSINESS REVIEW

The Group is principally engaged in the business of property development, real estate industry chain investment services and emerging industry investment. During the Year, the main source of revenue for the Company was property development.

During the Year, the revenue of the Group was approximately RMB99,635.50 million, representing a year-on-year increase of approximately RMB45,070.62 million (approximately 82.6%) as compared with the previous financial year (restated). The gross profit of the Group amounted to approximately RMB15,219.41 million, increased by approximately RMB6,140.66 million (approximately 67.6%) as compared with the previous financial year (restated). Profit for the Year increased from approximately RMB4,149 million for the year ended 31 December 2021 (restated) to approximately RMB5,562 million in the Year. The profit attributable to the equity holders of the Company increased by approximately RMB1,381.45 million (approximately 38.9%) to approximately RMB4,933.97 million as compared with the previous financial year (restated).

Property Development Business

During the Year, the Group's revenue from property development business was approximately RMB96,647.65 million, representing increase of approximately RMB44,072.87 million as compared with the previous financial year and accounting for approximately 97% of the Group's total revenue. During the Year, the gross floor area ("GFA") of delivered properties was approximately 4.6462 million sq.m., representing an increase of approximately 1.1648 million sq.m. as compared with the previous financial year.

The amount recognised for sales by city in 2021 and 2022 are set out in the following table:

City	Amount (RMB ten thousand)	
	2022	2021
Xiamen	2,710,401	1,085,894
Shanghai	844,021	177,169
Wuxi	673,054	70,433
Fuzhou	621,407	244,940
Hangzhou	574,321	–
Suzhou	546,062	1,173,194
Nanning	501,163	329,419
Zhangzhou	446,249	394,054
Nanjing	401,377	177,047
Putian	388,168	461,333
Ningde	376,076	227,180
Guangzhou	310,600	281,753
Nanping	262,499	193,535
Zhuhai	241,437	44,784
Changsha	183,716	18,609
Longyan	125,523	132,214
Quanzhou	117,956	746
Bengbu	101,040	–
Wuhan	88,751	128,420
Shaoxing	75,940	–
Guiyang	63,614	–
Sydney	6,720	–
Shenzhen	4,670	116,264
Sanming	–	490
Total	9,664,765	5,257,478

Contracted Sales

During the Year, the Group, together with its joint ventures and associates, achieved the cumulative contracted sales attributable to the Shareholders of approximately RMB121.52 billion, representing a decrease of approximately 6.6% as compared to the previous financial year. As at 31 December 2022, the cumulative contracted sales GFA attributable to the Shareholders was approximately 6.096 million sq.m., representing a decrease of approximately 10.7% as compared to the previous financial year.

The amount and GFA sold for contracted sales attributable to the Shareholders by city in 2021 and 2022 are set out in the following table:

City	2022		2021	
	Amount Sold (RMB ten thousand)	GFA Sold (sq.m.)	Amount Sold (RMB ten thousand)	GFA Sold (sq.m.)
Xiamen	1,483,684	343,335	2,509,952	698,444
Shanghai	961,565	177,926	789,149	190,605
Beijing	837,205	133,849	220,337	29,395
Hangzhou	705,117	155,588	593,704	244,092
Chengdu	687,103	251,781	873,488	262,580
Fuzhou	621,738	229,447	989,113	499,756
Quanzhou	603,217	525,331	514,501	565,431
Ningbo	578,496	166,331	54,334	21,353
Zhangzhou	541,935	510,281	525,796	484,223
Wuxi	539,965	263,813	858,691	367,105
Changsha	465,253	398,657	317,491	245,001
Nanchang	370,800	220,096	59,078	33,480
Nanning	352,285	269,473	490,688	264,036
Suzhou	345,626	208,062	957,330	647,360
Putian	279,194	191,275	330,080	266,999
Ningde	232,628	195,999	440,959	334,583
Foshan	211,014	127,227	134,463	55,755
Hefei	207,458	90,262	–	–
Longyan	195,479	164,274	190,728	158,681
Guiyang	167,305	169,752	121,688	135,133
Nanjing	166,978	50,852	643,913	315,696
Nanping	152,005	196,064	212,621	256,379
Nantong	140,190	77,587	50,411	26,789
Jinan	105,526	112,985	29,221	28,197
Taizhou	102,393	33,119	–	–
Guangzhou	90,721	22,462	123,409	27,011

City	2022		2021	
	Amount Sold (RMB ten thousand)	GFA Sold (sq.m.)	Amount Sold (RMB ten thousand)	GFA Sold (sq.m.)
Xuzhou	89,515	50,080	–	–
Wenzhou	84,378	33,392	11,026	4,007
Shangrao	82,517	115,358	11,147	16,327
Shaoxing	77,432	19,574	72,487	30,253
Jiangmen	69,298	56,746	–	–
Zhuzhou	60,145	86,435	110,746	147,118
Bengbu	55,679	44,763	116,404	89,530
Zhuhai	55,288	36,848	183,437	60,854
Liuzhou	55,092	53,265	23,136	20,630
Huai'an	54,910	29,048	84,968	42,092
Suqian	50,612	36,102	50,066	21,653
Yiwu	47,394	12,149	136	149
Yiyang	45,384	69,794	55,903	77,956
Huangshi	41,021	49,285	–	–
Chongqing	37,716	22,288	159,095	91,392
Lu'an	34,110	33,927	18,753	17,912
Jiujiang	30,365	37,423	579	733
Wuhan	25,923	14,892	57,399	40,085
Yancheng	7,647	7,599	4,033	3,734
Shenzhen	2,956	736	18,731	4,355
Total	12,152,262	6,095,532	13,009,191	6,826,864

Land Reserves

As of 31 December 2022, the aggregate saleable GFA of land reserves of the Group was approximately 16.204 million sq.m., with a total of 251 projects in China.

The amount of saleable GFA and attributable GFA of land reserves by city in 2021 and 2022 are set out in the following table:

City	2022		2021	
	Saleable GFA (sq.m.)	Attributable GFA (sq.m.)	Saleable GFA (sq.m.)	Attributable GFA (sq.m.)
Wuxi	1,157,541	715,071	1,141,113	801,988
Guiyang	950,180	950,180	500,527	450,474
Changsha	908,869	706,301	1,165,958	838,849
Putian	792,105	427,361	1,043,440	569,159
Zhuzhou	779,729	779,729	867,804	867,804
Xiamen	694,516	493,981	709,922	601,463
Fuzhou	691,229	496,935	784,480	484,107
Suzhou	628,977	464,122	739,342	481,884
Shanghai	568,964	510,148	423,834	323,022
Zhangzhou	560,010	357,110	819,550	585,222
Suqian	551,944	551,944	588,103	588,103
Chengdu	463,806	424,553	809,476	723,574
Huangshi	462,546	462,546	515,513	515,513
Ningde	444,488	276,020	349,303	284,240
Huai'an	441,307	353,046	446,716	357,373
Wenzhou	428,276	154,532	529,619	199,588
Nanning	419,308	387,616	711,569	661,753
Quanzhou	398,501	323,200	736,512	635,808
Nanjing	358,957	268,166	314,691	297,773
Nanchang	351,667	182,753	388,707	190,466
Jinan	322,325	322,325	445,020	445,020
Longyan	305,125	254,111	490,767	418,034
Jiangmen	301,023	203,880	368,509	262,598
Chongqing	263,536	173,635	63,267	63,267
Foshan	261,334	197,220	418,902	191,099
Yiyang	256,182	256,182	329,793	329,793

City	2022		2021	
	Saleable GFA (sq.m.)	Attributable GFA (sq.m.)	Saleable GFA (sq.m.)	Attributable GFA (sq.m.)
Nanping	252,988	186,130	515,531	389,488
Beijing	240,161	187,098	97,658	85,010
Nantong	200,248	185,240	282,007	203,176
Hefei	171,370	109,273	413,319	257,631
Hangzhou	166,745	93,884	246,408	170,891
Yancheng	165,366	81,029	179,731	88,068
Shangrao	160,241	116,216	306,291	233,561
Bengbu	154,198	154,198	196,559	196,559
Guangzhou	153,583	132,694	227,168	186,626
Wuhan	143,796	117,451	83,721	41,982
Ningbo	118,076	94,461	326,391	261,112
Jiujiang	106,715	68,875	171,734	110,941
Yiwu	102,798	33,923	139,600	46,068
Taizhou	98,577	49,424	158,956	62,275
Xuzhou	70,093	70,093	119,524	119,524
Shaoxing	63,784	33,172	97,923	52,649
Zhuhai	47,383	47,383	84,202	84,202
Liuzhou	18,862	18,862	72,077	72,077
Shenzhen	6,371	3,249	7,815	3,986
Sydney	–	–	7,663	4,598
Sanming	–	–	7,623	3,888
Total	16,203,800	12,475,322	19,444,338	14,842,286

FINANCIAL REVIEW

Revenue

The following table sets forth the Group's revenue from each of these segments and as a percentage of the total revenue for the relevant financial years:

	2022		2021 (Restated)	
	<i>RMB'000</i>	%	<i>RMB'000</i>	%
Property development	96,647,645	97.00	52,574,784	96.35
Property management and other related services (Note)	2,987,856	3.00	1,990,094	3.65
Total	99,635,501	100.00	54,564,878	100.00

Note: Represents income from property management services, construction management services, entrusted construction services and other related services.

Property development

Revenue from property development increased by approximately RMB44,072.87 million from approximately RMB52,574.78 million for the year ended 31 December 2021 to approximately RMB96,647.65 million for the Year. Saleable GFA delivered for each of the years ended 31 December 2021 and 2022 were approximately 3.4814 million sq.m. and approximately 4.6462 million sq.m., respectively. The revenue derived from property development for the Year increased mainly due to the increase in saleable GFA delivered.

Property management services

Upon completion of the transactions contemplated under the share sale and purchase agreement dated 29 March 2022 (the "Share Sale and Purchase Agreement") and the voting rights entrustment agreement dated 29 March 2022 both entered into between the Company and Well Land (the "C&D Property Transaction") on 23 May 2022, revenue from property management services generated by the C&D Property Group is included in the consolidated financial statements of the Group and related comparative figures have been restated. Revenue from property management services for the Year increased by approximately RMB535 million from approximately RMB1,123.02 million for the year ended 31 December 2021 (restated) to approximately RMB1,658.02 million for the Year. As at 31 December 2022, the property management segment of the Group has provided quality services for more than 280,000 households, covering 60 cities across 16 provinces, municipalities and autonomous regions in the PRC, with the contracted GFA was approximately 90.6 million sq.m..

Other related services

Other related services during the Year mainly included construction management services income, entrusted construction services income and other related services income. The total external income of these remaining segments was approximately RMB1,329.83 million while that of 2021 was approximately RMB867.08 million. The increase was mainly due to the construction management services income contributed by C&D Holsin Engineering Consulting Co., Ltd., the acquisition of which was completed on 22 December 2021, during the Year.

Cost of Sales

Cost of sales increased by approximately RMB38,929.97 million from approximately RMB45,486.12 million for the year ended 31 December 2021 (restated) to approximately RMB84,416.09 million for the Year. This result was primarily attributable to the increase in saleable GFA sold and delivered during the Year.

Gross Profit and Gross Profit Margin

The gross profit amounted to approximately RMB9,078.76 million and RMB15,219.41 million for each of the two years ended 31 December 2021 (restated) and 2022 respectively, representing a gross profit margin of approximately 16.6% and 15.3% respectively. The slight decrease in gross profit margin was mainly due to the lower gross profit margin level of projects delivered with income carried forward during the Year as compared with the previous financial year.

Other Net Gain

Other net gain increased from approximately RMB721.94 million for the year ended 31 December 2021 (restated) to approximately RMB1,474.16 million for the Year. The increase was mainly due to an increase in interest income and gain on derecognition of financial liabilities at amortised cost in the Year.

Borrowing Costs

Borrowing costs incurred for the construction projects under development were capitalised during the Year. Other borrowing costs were expensed when incurred.

Total borrowing costs (excluding the significant financing component of contract liabilities and the finance charges on lease liabilities) decreased slightly from approximately RMB4,079.29 million for the year ended 31 December 2021 (restated) to approximately RMB4,015.10 million for the Year. The decrease was mainly due to average financing interest rate decreased slightly as compared with the previous financial year.

Loss on Changes in Fair Value of Investment Properties

The loss on changes in fair value of investment properties was approximately RMB33.89 million for the Year (2021: loss of approximately RMB21.36 million). The loss reflected the adjustments in the value of investment properties during the Year.

Administrative Expenses

Administrative expenses increased by approximately RMB3,423.03 million to approximately RMB4,442.44 million for the Year from approximately RMB1,019.41 million for the year ended 31 December 2021 (restated). This was primarily due to an increase in the provision for inventories of properties during the Year.

Selling Expenses

Selling expenses increased by approximately RMB863.56 million to approximately RMB3,563.79 million for the Year from approximately RMB2,700.23 million for the year ended 31 December 2021 (restated). It was mainly due to the increase in labour costs as well as marketing expenses such as advertising and business promotion expenses during the Year.

Profit before Income Tax

As a cumulative effect of the foregoing factors, the Group recorded a profit before income tax of approximately RMB8,485.10 million for the Year, representing an increase of approximately RMB2,630.80 million (approximately 44.9%) from a profit of approximately RMB5,854.30 million in the previous financial year (restated).

Income Tax Expense

Income tax expense increased from approximately RMB1,705.22 million in the previous financial year (restated) to approximately RMB2,923.19 million for the Year. The increase in income tax expense was mainly due to the increase in income from property development during the Year.

Profit for the Year Attributable to the Equity Holders of the Company

The profit attributable to the equity holders of the Company increased by approximately RMB1,381.45 million (approximately 38.9%) from approximately RMB3,552.52 million in the previous financial year (restated) to approximately RMB4,933.97 million for the Year.

Liquidity and Financial Resources

The long-term funding and working capital required by the Group were primarily derived from income generated from core business operations, bank borrowings, loans from intermediate holding company and cash proceeds derived from receipt in advance from the pre-sale of properties, which were used to finance its business operations and investment in construction projects. The Group's liquidity position was well-managed during the Year.

The Group continued to adopt a prudent financing policy and sustain a sound capital structure with healthy cash flow. As at 31 December 2022, the Group's cash at banks and on hand amounted to approximately RMB50,280.06 million (as at 31 December 2021 (restated): approximately RMB48,351.46 million) while total assets and net assets (after deducting non-controlling interests) were approximately RMB393,463.17 million (as at 31 December 2021 (restated): approximately RMB346,086.50 million) and approximately RMB31,637.22 million (as at 31 December 2021 (restated): approximately RMB26,951.73 million) respectively. As at 31 December 2022, the Group's working capital amounted to approximately RMB133,157.79 million (as at 31 December 2021 (restated): approximately RMB118,561.24 million). As at 31 December 2022, the Group recorded net debt of approximately RMB41,767.35 million (as at 31 December 2021 (restated): approximately RMB37,509.27 million) with net debt to equity ratio of approximately 52.59% (as at 31 December 2021 (restated): approximately 58.36%).

As at 31 December 2022, the Group had (i) interest-bearing borrowings of approximately RMB44.66 million denominated in HK\$ which borne an interest rate at 6.49% (as at 31 December 2021: approximately RMB621.38 million and approximately RMB14.84 million denominated in HK\$ and AUD respectively, with an interest rate ranging from 1.95% to 2.75% and at 4.27% per annum respectively) per annum; (ii) interest-bearing borrowings of approximately RMB41,613.37 million denominated in RMB which borne an interest rate ranging from 1.95% to 6.5% (as at 31 December 2021: approximately RMB43,029.09 million, with an interest rate ranging from 3.8% to 6.5% per annum) per annum; (iii) loans from intermediate holding company of approximately RMB47,679.93 million denominated in RMB which borne an interest rate at 4.81% (as at 31 December 2021: approximately RMB37,637.87 million, with an interest rate at 4.81% per annum) per annum; (iv) the amounts due to non-controlling shareholders of the Company of approximately RMB1,238.59 million denominated in RMB which borne an interest rate ranging from 4.35% to 10% (as at 31 December 2021: approximately RMB12.34 million and approximately RMB3,659.36 million denominated in AUD and RMB respectively, with an interest rate at 6% and ranging from 4.35% to 10% per annum respectively) per annum; and (v) the amounts due to associates of the Company of approximately RMB1,470.86 million denominated in RMB which borne an interest rate ranging from 3.43% to 4.75% (as at 31 December 2021: approximately RMB885.85 million, with an interest rate ranging from 4.35% to 6% per annum) per annum. No particular trend of seasonality was observed for the Group's borrowing requirements for the Year.

The Group's gearing ratio (total borrowings divided by total equity) as at 31 December 2022 decreased to 115.90% (as at 31 December 2021 (restated): 133.60%) due to an increase in contribution from the non-controlling shareholders of the Group during the Year.

Of the total borrowings, approximately RMB8,599.68 million are repayable within one year while approximately RMB82,714.81 million are repayable after one year but within five years.

To manage liquidity risk, the Group monitors and maintains a level of cash and cash equivalents which the management considers to be adequate to finance the Group's operations and mitigate the effects of fluctuations in cash flow. The Group's management also monitors its net current assets/liabilities and the utilisation of borrowings to ensure efficient use of the available banking facilities and compliance with loan covenants.

Financial Guarantee Contracts

The Group had arranged bank financing for certain purchasers of the Group's property units and provided guarantees to secure obligations of such purchasers for repayments. The balance as at 31 December 2022 was approximately RMB75,072.62 million (as at 31 December 2021: approximately RMB64,588.36 million). The increase in balance was mainly attributable to the increase of pre-sale real estate mortgage loan due to the increase of the sales of property projects in the Year.

Capital Commitments

Capital commitments were those contracts that were concluded but not provided for leasehold improvement, prepayments for intended projects that were concluded but not provided for allowance, nor for the construction of properties under development. The capital commitment balance was approximately RMB45,242.16 million as at 31 December 2022 (as at 31 December 2021: approximately RMB40,395.96 million). The increase was mainly attributable to the increase in properties under development that were concluded but not provided for allowance during the Year as compared with 2021.

Pledge of Assets

As at 31 December 2022, the Group's bank loan was secured by legal charges in respect of property, plant and equipment with carrying value of approximately RMB3.94 million (as at 31 December 2021: approximately RMB22.05 million), right-of-use assets with carrying value of approximately RMBNil (as at 31 December 2021: approximately RMB10.93 million), investment properties with a fair value of approximately RMB652.66 million (as at 31 December 2021: approximately RMB684.46 million) and properties under development with carrying value of approximately RMB44,890.94 million (as at 31 December 2021: approximately RMB47,102.44 million).

Capital Structure

As at 31 December 2022, the Company's issued share capital was HK\$173,802,089.1, divided into 1,738,020,891 ordinary shares (the "Shares") of HK\$0.1 each (as at 31 December 2021: HK\$137,782,020.4, divided into 1,377,820,204 Shares).

Foreign Currency Exposure

The business operations of the Company's subsidiaries were conducted mainly in the PRC with revenues and expenses denominated mainly in RMB.

As at 31 December 2022, except for the bank deposits denominated in foreign currencies, the Group did not have significant foreign currency exposure from its operations.

As the Directors considered the Group's foreign exchange risk to be insignificant, the Group did not use any financial instruments for hedging purposes during the Year.

Contingent Liabilities

As at 31 December 2022, the Group did not have any material contingent liabilities (as at 31 December 2021: Nil).

Significant Investments, Material Acquisitions and Disposals of Subsidiaries, Joint Ventures And Associates

During the Year, the Group did not hold any significant investment or significant securities investment as part of its asset portfolio, or had no material acquisition or disposal of subsidiaries, joint ventures and associates.

Employees and Emolument Policy

As at 31 December 2022, the Group employed a total of 19,594 full-time employees (as at 31 December 2021 (restated): 13,729 full-time employees (including the C&D Property Group)). Total staff costs, including Directors' emoluments, of the Group were approximately RMB3,599.55 million for the Year (2021 (restated): approximately RMB2,833.88 million). The Group reviews the remuneration policies and packages on a regular basis and makes necessary adjustment that commensurate with the remuneration level in the industry. In addition to a basic monthly salary, year-end bonuses are offered to those staff with outstanding performance. A share option scheme and restricted share incentive schemes have been adopted to attract and retain eligible employees to contribute to the Group.

The same remuneration philosophy is also applicable to the Directors. Apart from benchmarking against the market, the Company reviews individual competence, contributions and the affordability of the Company in determining the exact level of remuneration for each Director.

KEY RISK FACTORS AND UNCERTAINTIES

The property market in China is affected by a number of factors, such as changes in social, political, economic and legal environment and the government's undertakings of fiscal, economic, monetary, industrial and environmental policies. Changes in macro-economic conditions, consumer confidence, consumption spending, and consumption preferences may also affect the Group's business. As such, the Group, taking into account the market situations, implements locally differentiated investment and marketing strategies and nurtures a number of projects across different regional markets so as to reduce reliance on individual markets. In addition, the Group's operations are exposed to a variety of idiosyncratic risks in property development, property investment, and property related businesses. Default by buyers and partners, manual and systematic negligence or mistake in internal processes, and other external factors may have impact on operation. The Epidemic may also have negative influences on the property industry operations and consumers' property preferences, if there are any changes as to the situation in relation to the Epidemic. In addition to the aforesaid factors, other risk factors and uncertainties may exist.

EVENTS AFTER REPORTING PERIOD

Details of the events after the reporting period of the Group are set out in note 15 to this announcement.

OUTLOOK AND PROSPECT

Looking forward, the market space of the real estate industry remains huge and may further show the characteristics of differentiation. Facing the complex and ever-changing market, the Group will adapt to the situation and actively respond to:

- (1) In the face of market and industry differentiation, the Group will continue to adhere to a prudent investment strategy.**

In the face of the volatile market environment, the Group will always adhere to the layout of asset structure with high liquidity. The Group will continue to adhere to the investment strategy of acquiring "high liquidity + high profit + good location" projects, and deeply cultivate first-tier and second-tier cities with good economic growth and net population inflow and strong third-tier cities.

The Group will continue to strengthen its sales and cash flow management, give full play to its advantages in products and services, and grasp the investment window period. On the basis of adhering to the investment focus and return requirements, the Group will adopt a combination of open market land acquisitions and mergers and acquisitions to improve the quality of land reserves, raise the sales safety coefficient, and strive to achieve quality scale growth.

(2) In the face of severe market competition, the internal operation efficiency will be further improved.

The domestic real estate industry is undergoing a major reform and challenge, and the industry concentration will continue to increase. In the face of competition from excellent companies in the industry, the Group will further strengthen its internal capabilities, make up for shortcomings, improve capabilities, and promote the optimisation of organisational structure, so as to make the responsibilities clearer, management flattened and decision-making more efficient.

By creating value under its management, the Group will further improve the efficiency of internal operation, increase efficiency and control risks through management, including strengthening monthly operation analysis and timely resolving risks; continuously optimising the operation system and realising the online tracking system; improving the application of digital platform and accelerating the establishment of shared centre.

Meanwhile, the Group will continue to improve team building capabilities, and continue to promote and create a simple, relaxed and cooperative team spirit. It respects employees and values talents, and attaches great importance to providing employees with suitable platforms and space for development.

(3) In the face of the gradually improving quality requirements in the industry, the Group will further build up its core product capabilities.

In the future, the pursuit of quality by customers, property owners and developers will be the main theme of the industry development. Only enterprises with good reputation in products and services can win in the competition.

The Group will continue to strengthen the system building of core product capabilities (including products + services + brands), optimise research and development mechanism and increase research and development investment, strengthen the management of the entire project business process to ensure product quality, strengthen research on new technologies and enhance scenario application. It will combine traditional business with new technologies and intelligent systems, and continuously optimise and update them to enhance its core competitive advantages.

In 2023, the Group will actively adapt to national policies and directions, adhere to quality growth, and maintain a balance among growth, efficiency and risk. It will enhance the core capabilities of the real estate development business and maintain the competitive advantages of the real estate industry chain. The Group will make joint efforts, give full play to its advantages, adhere to the spirit of innovation and development, pursue excellence in craftsmanship, seize opportunities, and strive to achieve new leapfrog development, in order to continue to create greater value for customers, shareholders and the society.

FINAL DIVIDEND

The Board recommended payment of a final dividend of HK\$1.3 per Share for the Year (2021: HK\$1.2 per Share). Shareholders of the Company whose names appear on the register of members of the Company on Thursday, 8 June 2023, (the “Eligible Shareholders”) may select to receive the final dividend in the form of new Shares in lieu of cash in respect of part or all of such dividend (the “Scrip Dividend Scheme”).

The Scrip Dividend Scheme is subject to the approval of the resolution relating to the payment of the final dividend at the annual general meeting; and the Stock Exchange granting the listing of and permission to deal in the new Shares to be issued pursuant thereto.

A circular containing details of the Scrip Dividend Scheme together with the relevant form of election will be sent to the Eligible Shareholders on or around Friday, 9 June 2023. If approved by the Shareholders, it is expected that the final dividend and certificates for the new Shares (in case the Eligible Shareholders have elected to receive part or all of the final dividend in the form of new Shares) will be distributed and despatched to the Eligible Shareholders on or around Friday, 7 July 2023.

ANNUAL GENERAL MEETING

The annual general meeting of the Company (the “AGM”) will be held on Tuesday, 30 May 2023. A notice convening the AGM with all other relevant documents will be published and despatched to the Shareholders in due course.

CLOSURE OF REGISTER OF MEMBERS

For the purpose of determining the Shareholders' entitlement to attend and vote at the AGM, the register of members of the Company will be closed from Wednesday, 24 May 2023 to Tuesday, 30 May 2023 (both days inclusive). In order to qualify for attending and voting at the AGM, all transfer documents accompanied by the relevant share certificates must be lodged with the Company's Hong Kong branch share registrar, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong for registration by 4:30 p.m. on Tuesday, 23 May 2023.

For the purpose of determining the Shareholders' entitlement to the proposed final dividend for the Year, the register of members of the Company will be closed from Monday, 5 June 2023 to Thursday, 8 June 2023 (both days inclusive). In order to qualify for the final dividend, all transfer documents accompanied by the relevant share certificates must be lodged with the Company's Hong Kong branch share registrar, Tricor Investor Services Limited, at the above-mentioned address for registration by 4:30 p.m. on Friday, 2 June 2023.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company had 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 for dealings in securities of the Company by its Directors. The Company has made specific enquiries to all Directors and each of them confirmed that they have complied with the required standard set out in the Model Code for the Year.

CORPORATE GOVERNANCE PRACTICES

The Company is committed to maintaining high corporate governance standards. It believes that high corporate governance standards are essential in providing a framework for the Company to safeguard the interests of the Shareholders, enhance corporate value, formulate its business strategies and policies, and enhance its transparency and accountability. The Company has complied with all the code provisions as set out in the Corporate Governance Code contained in Appendix 14 to the Listing Rules during the Year.

Further information on the Company's corporate governance practices will be set out in the Corporate Governance Report contained in the Company's annual report for the Year, which will be released in due course.

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

Save for (i) the issuance of 80,000,000 consideration Shares under the Share Sale and Purchase Agreement for the C&D Property Transaction; (ii) the placing of an aggregate of 75,000,000 new Shares completed in July and December 2022; and (iii) the issuance of 100,000,000 new Shares pursuant to the 2022 restricted share incentive scheme, neither the Company nor any of its subsidiaries purchased, redeemed or sold any of the Company's listed securities during the Year.

For details of issuance of Shares under (i) the C&D Property Transaction; (ii) the placing; and (iii) the 2022 restricted share incentive scheme, please refer to the announcements of the Company dated 29 March 2022, 20 May 2022, 23 May 2022, 12 July 2022, 21 July 2022, 2 November 2022, 30 November 2022, 6 December 2022 and 23 December 2022; and the circulars of the Company dated 27 April 2022 and 6 December 2022.

REVIEW OF RESULTS BY AUDIT COMMITTEE

The audit committee of the Company (comprising all the three independent non-executive Directors, namely Mr. Wong Chi Wai (committee chairman), Mr. Wong Tat Yan, Paul and Mr. Chan Chun Yee) has reviewed with management the consolidated financial statements of the Company for the Year.

SCOPE OF WORK OF THE AUDITOR

The figures in respect of the preliminary announcement of the Group's results for the year ended 31 December 2022 have been agreed by the Group's auditor, Grant Thornton Hong Kong Limited (the "Auditor"), to the amounts set out in the Group's draft consolidated financial statements for the Year. The work performed by the Auditor in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by the Auditor on the preliminary announcement.

ANNUAL REPORT

The annual report of the Company for the year ended 31 December 2022 will be despatched to the Shareholders and available on the respective websites of the Stock Exchange and the Company in due course.

APPRECIATION

We would like to take this opportunity to express our sincere gratitude to the Shareholders for their continuing support, and our appreciation to all staff members for the dedication and loyalty to the Group.

By Order of the Board
C&D International Investment Group Limited
Zhao Chengmin
Chairperson and Executive Director

Hong Kong, 30 March 2023

As at the date of this announcement, the Board comprises:

Executive Directors:

Ms. Zhao Chengmin (*Chairperson*)
Mr. Lin Weiguo (*Chief Executive Officer*)
Mr. Tian Meitan

Non-executive Directors:

Mr. Huang Wenzhou
Ms. Ye Yanliu
Mr. Wang Wenhui

Independent Non-executive Directors:

Mr. Wong Chi Wai
Mr. Wong Tat Yan, Paul
Mr. Chan Chun Yee

This announcement is prepared in both English and Chinese; in the event of inconsistency, the English text of the announcement shall prevail over the Chinese text.

* *denotes English translation of the name of a Chinese company, entity or place and is provided for identification purpose only*