GREENLAND HONG KONG HOLDINGS LIMITED
綠地香港控股有限公司

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 337)

2022 ANNUAL RESULTS ANNOUNCEMENT

The board of directors of Greenland Hong Kong Holdings Limited (the "**Company**" or "**Greenland HK**") is pleased to announce the audited consolidated results and financial position of the Company and its subsidiaries (collectively the "**Group**") for the year ended 31 December 2022 (the "**FY2022**"), together with the comparative figures for the corresponding period in 2021 as follows:

HIGHLIGHTS

- Profit for the year ended 31 December 2022 was approximately RMB780 million
- Profit attributable to the owners of the Company for the year ended 31 December 2022 was approximately RMB481 million
- Basic earnings per share for the year ended 31 December 2022 amounted to approximately RMB0.17
- Total assets as at 31 December 2022 reached approximately RMB150 billion
- Weighted average finance cost remained stable at approximately 5.7% for the year of 2022
- Net gearing ratio as at 31 December 2022 was approximately 48%

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2022

	NOTES	2022 RMB'000	2021 RMB'000
Revenue	5	**26,614,317**	33,926,923
Cost of sales		**(22,515,753)**	(25,457,422)
Gross profit		**4,098,564**	8,469,501
Other income	6	**46,640**	62,589
Other gains and losses	7	**24,618**	267,082
Selling and marketing costs		**(856,132)**	(1,057,848)
Administrative expenses		**(621,047)**	(953,756)
Other operating expenses		**(142,299)**	(247,311)
Impairment gain (loss) under expected credit loss model, net of reversal		**3,848**	(250,377)
Loss on changes in fair value of investment properties		**(273,094)**	(2,237)
Gain on disposal of interest in a subsidiary		**–**	15,831
Finance income	8	**57,671**	110,767
Finance costs	9	**(132,260)**	(254,770)
Share of results of associates		**27,249**	127,459
Share of results of joint ventures		**36,117**	1,652
Profit before tax		**2,269,875**	6,288,582
Income tax expenses	10	**(1,489,430)**	(3,854,657)
Profit for the year	11	**780,445**	2,433,925
Other comprehensive income			
Item that will not be reclassified to profit or loss:			
Fair value gain on investments in equity instruments at fair value through other comprehensive income		**118,051**	63,211
Other comprehensive income for the year, net of income tax		**88,538**	47,408
Total comprehensive income for the year		**868,983**	2,481,333

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2022

	NOTE	2022 RMB'000	2021 RMB'000
Profit for the year attributable to:			
Owners of the Company		**480,904**	2,155,140
Non-controlling interests		**217,198**	220,088
Owners of perpetual securities		**82,343**	58,697
		780,445	2,433,925
Total comprehensive income for the year attributable to:			
Owners of the Company		**569,442**	2,202,548
Non-controlling interests		**217,198**	220,088
Owners of perpetual securities		**82,343**	58,697
		868,983	2,481,333

	NOTE	2022 RMB	2021 RMB
Earnings per share			
Basic	*13*	**0.17**	0.78

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2022

	NOTE	2022 RMB'000	2021 RMB'000
ASSETS			
Non-Current Assets			
Investment properties		**11,181,000**	12,012,000
Property, plant and equipment		**1,923,482**	830,891
Intangible assets		**1,071**	1,116
Right-of-use assets		**252,503**	276,873
Equity instruments at fair value through other comprehensive income ("FVTOCI")		**471,725**	353,674
Interests in associates		**1,742,927**	1,715,678
Interests in joint ventures		**4,096,869**	3,796,492
Deferred tax assets		**1,797,955**	1,823,701
Restricted bank deposits		**–**	398,400
Total non-current assets		**21,467,532**	21,208,825
Current Assets			
Properties under development		**76,575,661**	87,275,245
Completed properties held for sale		**18,634,696**	17,789,393
Trade and other receivables, deposits and prepayments	*14*	**24,885,472**	28,037,175
Prepaid taxation		**2,356,468**	2,772,833
Contract assets		**335,496**	361,995
Contract costs		**351,653**	372,824
Restricted bank deposits		**1,540,461**	2,760,059
Bank balances and cash		**3,011,771**	7,429,227
		127,691,678	146,798,751
Assets classified as held for sale		**491,307**	738,264
Total current assets		**128,182,985**	147,537,015
Total assets		**149,650,517**	168,745,840

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2022

	NOTES	2022 RMB'000	2021 RMB'000
EQUITY AND LIABILITIES			
Capital And Reserves			
Share capital		**1,132,097**	1,132,097
Reserves		**12,869,947**	13,016,782
Equity attributable to owners of the Company		**14,002,044**	14,148,879
Perpetual securities	*17*	**805,090**	802,969
Non-controlling interests		**8,405,253**	8,651,644
Total equity		**23,212,387**	23,603,492
LIABILITIES			
Non-Current Liabilities			
Deferred tax liabilities		**1,519,546**	1,660,084
Interest-bearing loans		**5,406,771**	10,456,398
Lease liabilities		**423,675**	542,472
Total non-current liabilities		**7,349,992**	12,658,954
Current Liabilities			
Trade and other payables	*15*	**56,103,729**	59,201,197
Tax payable		**7,336,480**	6,982,858
Interest-bearing loans		**10,315,099**	8,328,830
Bonds	*16*	**–**	952,787
Lease liabilities		**119,951**	109,083
Contract liabilities		**44,798,581**	56,908,639
		118,673,840	132,483,394
Liabilities associated with assets classified as held for sale		**414,298**	–
Total current liabilities		**119,088,138**	132,483,394
Total liabilities		**126,438,130**	145,142,348
Total equity and liabilities		**149,650,517**	168,745,840
Net current assets		**9,094,847**	15,053,621
Total assets less current liabilities		**30,562,379**	36,262,446

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

1. GENERAL INFORMATION

Greenland Hong Kong Holdings Limited (the "Company") was incorporated in the Cayman Islands on 13 April 2006 as an exempted company with limited liability under the Companies Law, Cap 22 (Law 3 of 2007, as consolidated and revised) of the Cayman Islands and its share are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "Hong Kong Stock Exchange").

The ultimate controlling shareholder of the Company is Greenland Holdings Corporation Limited ("Greenland Holdings") and the parent company is Gluon Xima International Limited. The address of the Company's registered office is Century Yard, Cricket Square, Hutchins Drive, P.O. Box 2681 GT, George Town, Grand Cayman, British West Indiess, and principal place of business of the Company is No 193 Xiehe Road, Shanghai, China.

The Company is an investment holding company. The principal activities of its subsidiaries (together with the Company referred to as the "Group") are the development for sale and rental of properties and related services and the operation of hotels in the People's Republic of China (the "PRC").

The consolidated financial statements are presented in Renminbi ("RMB"), which is also the functional currency of the Company.

2. APPLICATION OF AMENDMENTS TO INTERNATIONAL FINANCIAL REPORTING STANDARDS ("IFRSs")

Amendments to IFRSs that are mandatorily effective for the current year

In the current year, the Group has applied the following amendments to IFRSs issued by the International Accounting Standards Board ("IASB") for the first time, which are mandatorily effective for the annual period beginning on or after 1 January 2022 for the preparation of the consolidated financial statements:

Amendments to IFRS 3	Reference to the Conceptual Framework
Amendments to IAS 16	Property, Plant and Equipment – Proceeds before Intended Use
Amendments to IAS 37	Onerous Contracts – Cost of Fulfilling a Contract
Amendments to IFRSs	Annual Improvements to IFRSs 2018-2020

In addition, the Group applied the following agenda decision of the Committee of the IASB which is relevant to the Group: "Cost necessary to sell inventories (IAS 2 "Inventories")".

The application of the amendments to IFRSs in the current year had no material impact on the Group's financial positions and performance for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

New and amendments to IFRSs in issue but not yet effective

The Group has not early applied the following new and amendments to IFRSs that have been issued but are not yet effective:

IFRS 17 (including the June 2020 and December 2021 Amendments to IFRS 17)	Insurance Contracts[1]
Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[2]
Amendment to IFRS 16	Lease Liability in a Sale and Leaseback[3]
Amendments to IAS 1	Classification of Liabilities as Current or Non-current[3]
Amendments to IAS 1	Non-current Liabilities with Covenants[3]
Amendments to IAS 1 and IFRS Practice Statement 2	Disclosure of Accounting Policies[1]
Amendments to IAS 8	Definition of Accounting Estimates[1]
Amendments to IAS 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 a date to be determined.
3 Effective for annual periods beginning on or after 1 January 2024.

Except for the new and amendments to IFRSs mentioned below, the directors of the Company anticipate that the application of all other new and amendments to IFRSs will have no material impact on the consolidated financial statements in the foreseeable future.

Amendments to IAS 1 *Classification of Liabilities as Current or Non-current*

The amendments provide clarification and additional guidance on the assessment of right to defer settlement for at least twelve months from reporting date for classification of liabilities as current or non-current, which

- specify that the classification of liabilities as current or non-current should be based on rights that are in existence at the end of the reporting period. Specifically, the amendments clarify that:

    (i) the classification should not be affected by management intentions or expectations to settle the liability within 12 months; and

    (ii) if the right is conditional on the compliance with covenants, the right exists if the conditions are met at the end of the reporting period, even if the lender does not test compliance until a later date; and

- clarify that if a liability has terms that could, at the option of the counterparty, result in its settlement by the transfer of the entity's own equity instruments, these terms do not affect its classification as current or non-current only if the entity recognises the option separately as an equity instrument applying IAS 32 *Financial Instruments: Presentation*.

Based on the Group's outstanding liabilities as at 31 December 2022, the application of the amendments will not result in reclassification of the Group's liabilities.

Amendments to IAS 12 "Deferred Tax related to Assets and Liabilities arising from a Single Transaction"

The amendments narrow the scope of the recognition exemption of deferred tax liabilities and deferred tax assets in paragraphs 15 and 24 of IAS 12 "Income Taxes" so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences.

For leasing transactions in which the tax deductions are attributable to the lease liabilities, the Group applies IAS 12 requirements to the relevant assets and liabilities separately. Temporary differences on initial recognition of the relevant assets and liabilities are not recognised due to application of the initial recognition exemption.

Upon the application of the amendments, the Group will recognise a deferred tax asset (to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised) and a deferred tax liability for all deductible and taxable temporary differences associated with the right-of-use assets and the lease liabilities.

The amendments are effective for annual reporting periods beginning on or after 1 January 2023, with early application permitted. As at 31 December 2022, the carrying amounts of right-of-use assets, investment properties and lease liabilities which are subject to the amendments amounted to RMB208,453,000, RMB329,000,000 and RMB543,626,000 respectively. The Group is still in the process of assessing the full impact of the application of the amendments.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES

Basis of preparation of consolidated financial statements

The consolidated financial statements have been prepared in accordance with IFRSs issued by IASB. For the purpose of preparation of the consolidated financial statements, information is considered material if such information is reasonably expected to influence decisions made by primary users. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("Listing Rules") and by the Hong Kong Companies Ordinance.

Going concern assessment

As at 31 December 2022, the Group has net current assets of approximately RMB9,095 million, which consists of properties under development of approximately RMB76,576 million, completed properties held for sale of approximately RMB18,635 million, bank balances and cash of approximately RMB3,012 million and current-portion of interest bearing loans of approximately RMB10,315 million, trade and other payables of approximately RMB56,104 million and tax payable of approximately RMB7,336 million.

The directors of the Company have, at the time of approving the consolidated financial statements, reviewed the Group's cash flow forecast covering a period of not less than 12 months from 31 December 2022, which included certain key assumptions with regard to (i) the anticipated cash flows from the Group's operations; (ii) the continuous availability of bank and other borrowings facilities; and (iii) the present macroeconomic environment. The directors of the Company, after making due enquiries and considering the basis of Group's cash flow forecast, believe that the Group will have sufficient financial resources to operate as a going concern and thus continue to adopt the going concern basis of accounting in preparing the consolidated financial statements.

The consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments and investment properties that are measured at fair values at the end of each reporting period, as explained in the accounting policies set out below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and disclosure purposes in these consolidated financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of IFRS 2 "Share-based Payment", leasing transactions that are accounted for in accordance with IFRS 16, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in IAS 2 "Inventories" or value in use in IAS 36 "Impairment of Assets".

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

For financial instruments and investment properties which are transacted at fair value and a valuation technique that unobservable inputs is to be used to measure fair value in subsequent periods, the valuation technique is calibrated so that at initial recognition the results of the valuation technique equals the transaction price.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;

- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and

- Level 3 inputs are unobservable inputs for the asset or liability.

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, the directors of the Company are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revisions affects both current and future periods.

Critical judgements in applying accounting policies

The followings are the critical judgements, apart from those involving estimations (see below), that the directors of the Company has made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised in the consolidated financial statements.

Deferred taxation on investment properties

The Group recognises deferred tax in respect of the changes in fair value of the investment properties based on directors' best estimate assuming future tax consequences through usage of such properties for rental purpose, rather than through sale. The final tax outcome could be different from the deferred tax liabilities recognised in the consolidated financial statements should the investment properties are subsequently disposed by the Group, rather than consumed substantially all of the economic benefits embodied in the investment properties by leasing over time. In the event the investment properties are being disposed, the Group may be liable to higher tax upon disposal considering the impact of land appreciation tax.

Key sources of estimation uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Valuation of investment properties

Investment properties in the consolidated statement of financial position at 31 December 2022 are carried at their fair values of approximately RMB11,181,000,000 (2021: RMB12,012,000,000). The valuations are dependent on certain key inputs that require significant management estimation, including estimated costs to completion of investment properties under development, capitalisation rates, average unit market rent and average unit market price. The fair values of the investment properties are determined by reference to valuations conducted on these properties by an independent firm of property valuer using property valuation techniques which involve certain assumptions of prevailing market conditions. Favourable or unfavorable changes to these assumptions may result in changes in the fair values of the Group's investment properties and corresponding adjustments to the changes in fair values reported in the consolidated statement of profit or loss and other comprehensive income and the carrying amounts of these properties included in the consolidated statement of financial position.

PRC land appreciation taxes

The Group is subject to land appreciation taxes ("LAT") in the PRC. The implementation and settlement of these taxes varies among various tax jurisdictions in cities of the PRC, and the Group has not finalised its PRC LAT calculation and payments with most of local tax authorities in the PRC. The calculation of PRC LAT are highly dependent on the appropriateness of the rates used, which are determined by the appreciation of land value. The appreciation of land value is determined with reference to proceeds of the properties less the estimated deductible expenditures, including the cost of land use rights and all property development expenditures. The Group estimated the deductible expenditures according to the understanding of the relevant PRC tax laws and regulations. The final tax outcome could be different from the amounts that were initially recorded, and these differences will impact the income tax expense and the related income tax provisions in the periods in which such tax is finalised with local tax authorities. As at 31 December 2022, the LAT payable amounted to approximately RMB4,666,612,000 (2021: RMB4,894,829,000) and the LAT recognised in the consolidated statement of profit or loss and other comprehensive income statement amounted to approximately RMB614,018,000 for the year then ended (2021: RMB2,154,944,000).

Write-down of properties under development and completed properties held for sale

Management performs a regular review on the carrying amounts of properties under development and completed properties held for sale. Based on management's review, write-down of properties under development and completed properties held for sale will be made when the estimated net realisable value has declined below the carrying amount.

In determining the net realisable value of completed properties held for sale, management refers to prevailing market data such as recent sales transactions, market survey reports available from independent property valuers and internally available information, as basis for evaluation.

In respect of properties under development, the net realisable value is the estimated selling price of the completed units (based on the current prevailing market conditions) less estimated selling expenses and estimated cost of completion (if any). These estimates require judgement as to the anticipated sale prices by reference to recent sales transactions in nearby locations, marketing costs (including price discounts required to stimulate sales) and the estimated costs to completion of properties, the legal and regulatory framework and general market conditions.

As of 31 December 2022, the amount of the write-down of completed properties held for sale and properties under development was RMB2,306,762,000 (2021: RMB2,739,017,000).

ECL allowance

The Group recognises a loss allowance for ECL on financial assets including trade receivables, other receivables and other items such as contract assets and financial guarantee which are subject to impairment under IFRS 9. The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition. Significant judgements and estimations are required in determining the impairment assessment including the judgements on grouping basis for the provision matrix and individual assessment and the estimations on the expected loss rates used to calculate the ECL allowance. At every reporting date, the historical observed default rates are reassessed and changes in the forward-looking information are considered. The provision of ECL is sensitive to changes in estimates.

5. REVENUE

(i) Disaggregation of revenue from contracts with customers

	For the year ended 31 December 2022		
	Revenue recognised at a point in time *RMB'000*	**Revenue recognised over time** *RMB'000*	**Total** *RMB'000*
Types of goods or services			
Sales of properties and construction management services	**25,677,380**	**–**	**25,677,380**
Hotel and related services	**–**	**61,227**	**61,227**
Property management and other services	**–**	**617,241**	**617,241**
Revenue from contracts with customers	**25,677,380**	**678,468**	**26,355,848**
Leases – rental income			**258,469**
Total revenue			**26,614,317**

	For the year ended 31 December 2021		
	Revenue recognised at a point in time *RMB'000*	Revenue recognised over time *RMB'000*	Total *RMB'000*
Types of goods or services			
Sales of properties and construction management services	32,972,733	45,023	33,017,756
Hotel and related services	–	86,732	86,732
Property management and other services	–	558,692	558,692
Revenue from contracts with customers	32,972,733	690,447	33,663,180
Leases – rental income			263,743
Total revenue			33,926,923

(ii) Performance obligations for contracts with customers

Sales of properties

For contracts entered into with customers on sales of properties, the relevant properties specified in the contracts are based on customer's specifications with no alternative use. Taking into consideration of the relevant contract terms, the legal environment and relevant legal precedent, the Group concluded that the Group does not have an enforceable right to payment prior to transfer of the relevant properties to customers. Revenue from sales of residential properties is therefore recognised at a point in time when the completed property is transferred to customers, being at the point that the customer obtains the control of the completed property and the Group has present right to payment and collection of the consideration is probable.

The Group receives 20% to 70% of the contract value as advance payment from customers when they sign the sale and purchase agreement. Such advance payment schemes result in contract liabilities being recognised throughout the property construction period.

The Group considers the advance payment schemes contain significant financing component and accordingly the amount of consideration is adjusted for the effects of the time value of money taking into consideration the credit characteristics of the Group. As this accrual increases the amount of the contract liability during the period of construction, it increases the amount of revenue recognised when control of the completed property is transferred to the customer.

Construction management services

Revenue from construction management services is recognised over time on input method based on the proportion of construction costs incurred for work performed to date relative to the estimated total construction cost. The construction management fees are billed to the clients periodically on an agreed-upon payment schedule and/or milestone between the customers and the Group. The Group recognised a contract assets over the period in which construction management services are performed representing the Group's right to consideration for the services performed. Any amount previously recognised as a contract asset is reclassified to trade receivables when the rights become unconditional, which is at the point when billings are issued to the customer. Payments received before the related service is performed are included in the consolidated statement of financial position as contract liabilities. Contract asset and contract liability relating to the same contract are accounted for and presented on a net basis.

The Group does not consider the advance payments pertain to construction management services to have contained significant financing component.

Construction management contracts contain variable consideration as the consideration is calculated based on construction costs incurred plus a mark-up. The Group estimates the amount of consideration to which it will be entitled using the expected value method.

The estimated amount of variable consideration is included in the transaction price only to the extent that it is highly probable that such an inclusion will not result in a significant revenue reversal in the future when the uncertainty associated with the variable consideration is subsequently resolved. Therefore, the Group only include the estimated total construction cost that had been reviewed and approved by the clients as basis for progress measurement, as costs not reviewed and approved by the clients could be disputed as non-reimbursable under the terms of the contract.

At the end of each reporting period, the Group updates the estimated total construction cost, which in turn would affect the transaction price (including updating its assessment of whether an estimate of variable consideration is constrained), to represent faithfully the circumstances present at the end of the reporting period and the changes in circumstances during the reporting period.

Hotel and related service

The Group's performance obligation from hotel and related services is mainly to provide accommodation services to guests. Revenue from accommodation service is recognised overtime and the progress measured using the output method during the period when the rooms for accommodation are occupied. The hotel and related services fees are billed to the customers after the services provided.

Property management and other services

Revenue from property management and other services is recognised over time, and the progress measured using the output method. The property management service fees are billed to the clients periodically (either monthly or quarterly billing period).

(iii) Transaction price allocated to the remaining performance obligation for contracts with customers

The transaction price allocated to the remaining performance obligations (unsatisfied or partially unsatisfied) at the end of the reporting period, and the expected timing of recognising revenue are as follows:

	2022	2021
	RMB'000	*RMB'000*
Sales of properties		
Within one year	**33,777,364**	33,813,210
More than one year but not more than two years	**23,657,441**	35,238,739
More than two years	**9,692,469**	12,828,043
	67,127,274	81,879,992

These amounts disclosed above do not include transaction price allocated to performance obligations which have been satisfied but not yet recognised due to variable consideration constraint.

All hotel and other related service and property management and other services are for periods of one year or less. As permitted under IFRS 15, the transaction price allocated to these unsatisfied contracts is not disclosed.

(iv) Leases

	2022	2021
	RMB'000	*RMB'000*
For operating leases:		
Fixed lease payments	**258,469**	263,743

6. OTHER INCOME

	2022	2021
	RMB'000	*RMB'000*
Forfeited deposits from customers	**19,282**	18,815
Government grants (note)	**18,933**	32,519
Others	**8,425**	11,255
	46,640	62,589

Note: The amount of government grants represents the incentive subsidies received from the PRC local district authorities for the business activities carried out by the Group in the district. There are no specific conditions attached to the grants.

7. OTHER GAINS AND LOSSES

	2022	2021
	RMB'000	*RMB'000*
Net foreign exchange (loss) gain	**(194,534)**	267,485
Loss on fair value change on financial assets at FVTPL	**–**	(440)
Net gain on disposal of assets classified held for sale and property, plant and equipment	**219,152**	37
	24,618	267,082

8. FINANCE INCOME

	2022	2021
	RMB'000	*RMB'000*
Interest income on bank deposits	**57,671**	110,767

9. FINANCE COSTS

	2022	2021
	RMB'000	*RMB'000*
Interest expenses on bonds	**42,940**	122,911
Interest expenses on interest-bearing loans	**882,086**	1,176,930
Interest expenses on lease liabilities	**33,191**	26,067
Interest expenses on contract liabilities	**311,604**	461,499
Less: interest of bonds capitalised	**(30,144)**	(87,226)
interest of interest-bearing loans capitalised	**(795,813)**	(983,912)
interest of contract liabilities capitalised	**(311,604)**	(461,499)
	132,260	254,770

Interest expenses capitalised during the year arose on the general borrowing pool and are calculated by applying a capitalisation rate of 6.07% (2021: 5.7%) per annum to expenditure on qualifying assets.

10. INCOME TAX EXPENSES

	2022	2021
	RMB'000	*RMB'000*
Current tax		
– PRC Enterprise Income Tax ("EIT")	**981,248**	1,910,255
– PRC LAT	**614,018**	2,154,944
	1,595,266	4,065,199
Under (over) provision in prior years		
– PRC EIT	**9,393**	(763)
Deferred tax	**(115,229)**	(209,779)
	1,489,430	3,854,657

Hong Kong Profits Tax

No provision for Hong Kong Profits Tax has been made as the Group's income neither arises in, nor is derived from Hong Kong.

Enterprise Income Tax

Under the Law of the PRC on Enterprise Income Tax (the "EIT Law") and Implementation Regulation of the EIT Law, the tax rate of the Group's PRC subsidiaries is 25% for both years.

In addition, the EIT Law provides that qualified dividend income between two "resident enterprises" that have a direct investment relationship is exempted from income tax. Otherwise, such dividends will be subject to a 5% or 10% withholding tax under the EIT Law. A 10% withholding tax rate is applicable to the Group.

Land Appreciation Tax

According to the requirements of the Provisional Regulations of the PRC on LAT effective from 1 January 1994, and the Detailed Implementation Rules on the Provisional Regulations of the PRC on LAT effective from 27 January 1995, all income from the sale or transfer of state-owned land use rights, buildings and their attached facilities in the PRC is subject to LAT at progressive rates ranging from 30% to 60% of the appreciation value, with an exemption provided for property sales of ordinary residential properties if their appreciation values do not exceed 20% of the sum of the total deductible items.

The income tax expenses for the year can be reconciled to the profit before tax per the consolidated statement of profit or loss and other comprehensive income accounting as follows:

	2022	2021
	RMB'000	*RMB'000*
Profit before tax	**2,269,875**	6,288,582
Tax at the applicable PRC EIT rate of 25%	**567,469**	1,572,146
Tax effect of income not taxable for tax purposes	**(1,521)**	(6,393)
Tax effect of expenses not deductible for tax purposes	**168,874**	313,573
Tax effect of share of results of associates	**(6,812)**	(31,865)
Tax effect of share of results of joint ventures	**(9,029)**	(413)
Under (over) provision in respect of prior years	**9,393**	(763)
Tax effect of tax losses not recognised	**276,101**	310,096
Utilisation of tax losses previously not recognised	**(23,895)**	(5,509)
Tax effect of deductible temporary differences not recognised	**48,337**	87,577
PRC LAT provision for the year	**614,018**	2,154,944
Tax effect of PRC LAT deductible for PRC EIT	**(153,505)**	(538,736)
Income tax expenses for the year	**1,489,430**	3,854,657

11. PROFIT FOR THE YEAR

	2022 *RMB'000*	2021 *RMB'000*
Profit for the year has been arrived at after charging (crediting):		
Cost of properties sold	**21,657,937**	24,151,999
Staff costs (including directors' emoluments)	**588,771**	1,185,155
Less: capitalised in properties under development and investment properties under development	**(152,806)**	(378,622)
	435,965	806,533
Auditors' remuneration		
– audit services	**5,700**	5,200
– non-audit services	**80**	2,800
	5,780	8,000
Depreciation of property, plant and equipment	**57,246**	86,980
Amortisation of intangible assets	**45**	45
Depreciation of right-of-use assets	**27,212**	20,152
Amortisation of contract costs	**178,518**	157,212
	263,021	264,389
Write-down of properties under development and completed properties held for sale	**193,347**	350,309
Gross rental income from investment properties	**258,469**	263,743
Less: Direct operating expenses incurred for investment properties that generated rental income during the year	**(51,901)**	(72,994)
Direct operating expenses incurred for investment properties that did not generate rental income during the year	**(7,077)**	(12,970)
	199,491	177,779

12. DIVIDENDS

	2022	2021
	RMB'000	*RMB'000*
Dividends for ordinary shareholders of the Company recognised as distribution during the year:		
2021 Final – HK dollar ("**HK$**") 0.3 per share (2021: 2020 Final – HK$0.3 per share)	**716,277**	696,921

No dividend was proposed for ordinary shareholders of the Company during 2022, nor has any dividend been proposed since the end of the reporting period (2021: HK$0.3 per share in an aggregate amount of approximately HK$837,566,000).

13. EARNINGS PER SHARE

The calculation of the basic earnings per share attributable to the owners of the Company is based on the following data:

Earnings

	2022	2021
	RMB'000	*RMB'000*
Earnings for the purpose of basic earnings per share (profit for the year attributable to owners of the Company)	**480,904**	2,155,140

Number of shares	**2022**	2021
	'000	*'000*
Weighted average number of ordinary shares for the purpose of basic earnings per share	**2,769,188**	2,769,188

No diluted earnings per share for both years were presented as there were no potential ordinary shares in issue for both years.

14. TRADE AND OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	2022	2021
	RMB'000	*RMB'000*
Trade receivables in respect of contracts with customers		
– due from related parties	**66,677**	10,602
– due from independent third parties	**353,598**	439,028
	420,275	449,630
Less: Allowance for credit losses	**(18,490)**	(29,683)
Trade receivables, net of allowance for credit losses	**401,785**	419,947
Other receivables		
– due from related parties (note i)	**8,930,606**	8,560,287
– due from non-controlling shareholders	**6,197,939**	7,877,672
– due from independent third parties (note ii)	**5,165,054**	4,498,374
– consideration receivable due from a related party	**202,365**	202,365
– consideration receivable due from an independent third party	**285,049**	285,049
	20,781,013	21,423,747
Less: Allowance for credit losses	**(771,126)**	(760,281)
Other receivables, net of allowance for credit losses	**20,009,887**	20,663,466
Advance payments to		
– independent third parties contractors	**1,199,608**	1,705,055
– related parties	**317,029**	179,871
	1,516,637	1,884,926
Deposits paid for acquisitions of land parcels for development	**465,120**	1,492,145
Other tax prepayments (note iii)	**2,492,043**	3,576,691
Total	**24,885,472**	28,037,175

As at 1 January 2021, trade receivables from contracts with customers amounted to RMB962,150,000.

Notes:

(i) Other receivables due from related parties are unsecured and repayable on demand.

(ii) Other receivables due from independent third parties are expected to be settled or recovered within one year.

(iii) Other tax prepayments mainly represent prepayment of value-added tax, tax surcharge during the pre-sale stage of certain properties.

In general, the Group provides no credit term to its customers for property sales, but the Group provides credit terms to its major customers with specific approval. As at 31 December 2022, included in the Group's trade receivables balance are debtors with aggregate carrying amount of RMB104,791,000 (2021: RMB118,378,000) which are past due as at the reporting date. Out of the past due balances, RMB46,924,000 (2021: RMB64,601,000) has been past due 90 days or more and is not considered as in default since the directors of the Group considered such balances could be recovered based on repayment history, the financial conditions and the current credit worthiness of each customer.

The following is an aged analysis of trade receivables, net of allowance for credit losses, presented based on the invoice dates:

	2022	2021
	RMB'000	*RMB'000*
0–90 days	**141,556**	99,235
91–180 days	**5,084**	66,828
181–365 days	**25,415**	9,050
Over 365 days	**229,730**	244,834
	401,785	419,947

15. TRADE AND OTHER PAYABLES

	2022	2021
	RMB'000	*RMB'000*
Trade payables		
– due to related parties	**1,595,105**	1,836,184
– due to non-controlling shareholders	**3,202**	792
– due to independent third parties	**25,734,102**	26,830,526
	27,332,409	28,667,502
Non-trade payables due to related parties	**7,250,866**	6,959,069
Other taxes payable	**1,787,413**	1,543,800
Interest payable	**198,776**	141,139
Consideration payable due to Greenland Holdings	**953,759**	953,759
Amount due to non-controlling shareholders	**5,264,529**	6,163,770
Other payables and accrued expenses	**13,315,977**	14,772,158
	28,771,320	30,533,695
	56,103,729	59,201,197

The following is an aged analysis of trade payables due to related parties and third parties presented based on the invoice date:

	2022	2021
	RMB'000	*RMB'000*
0-90 days	**18,826,085**	22,062,664
91-180 days	**578,035**	1,831,817
181-365 days	**2,290,710**	1,710,483
Over 365 days	**5,637,579**	3,062,538
	27,332,409	28,667,502

Trade and other payables are mainly unsecured and repayable on demand.

16. BONDS

	2022	2021
	RMB'000	*RMB'000*
A Bond	**–**	952,787

On 4 June 2021, the Company issued 9.625% bonds due 2022 (the "A Bond") with an aggregated nominal value of USD150,000,000 at a value equal to 99.884% of the face value. The A Bond is listed on the Hong Kong Stock Exchange and carries interest at the rate of 9.625% per annum, payable semi-annually on 4 December and 3 June in arrears. The A bond matured and is fully repaid on 3 June 2022.

17. PERPETUAL SECURITIES

On 27 July 2016 (the "Issue Date"), the Group issued USD denominated senior perpetual capital securities ("Perpetual Securities") with an aggregate principal amount of USD120,000,000. The Perpetual Securities confer the holders a right to receive distributions at the applicable distribution rate from the Issue Date payable semi-annually in arrears in USD.

The Perpetual Securities only impose contractual obligations on the Group to repay principal or to pay any distributions under certain circumstances which are at the Group's discretion, they have in substance confer the Group an unconditional right to avoid delivering cash or other financial asset to settle contractual obligations. As a result, the whole instrument is classified as equity, and distributions if and when declared are treated as equity dividends.

As disclosed in the annual report for the year ended 31 December 2016, the rate of distribution applicable to the Perpetual Securities shall be:

- in respect of the period from, and including, the Issue Date to, but excluding the 5th anniversary from the Issue Date (the "First Call Date"), 5.625% per annum; and

- in respect of the periods (a) from, and including, the First Call Date to, but excluding, the immediately following reset date and (b) from, and including, each reset date falling after the First Call Date to, but excluding, the immediately following reset date, a rate of interest expressed as a percentage per annum equal to the sum of (1) 4.50 per cent, (2) treasury rate; and (3) 5.00 per cent. A reset date is defined as the First Call Date and each day falling on the expiry of every five calendar years after the First Call Date. The treasury rate refers to the prevailing rate that represents the average for the week immediately prior to the date on which the reset is calculated as published by the Board of Governors of the U.S. Federal Reserve.

The Group applied a 10.21% rate of distribution applicable to the Perpetual Securities from the First Call Date to the 31 December 2022.

Distribution of USD12,252,000 (equivalent to RMB82,343,000) (2021: USD9,132,000 (equivalent to RMB58,697,000)) has been provided and paid by the Company for the year.

BUSINESS REVIEW

In 2022, the recovery of the global economy significantly slowed down as a result of the COVID-19 resurgence, the outbreak of the Russia-Ukraine War, and the increase in inflation around the world. However, China's economy withstood such pressure and saw continuous development, and the overall macroeconomic environment remained stable. As the peak of the COVID-19 pandemic passes, the effect of the macroeconomic policy to "stabilize growth" continues to release and the market confidence gradually rises, the foundation of China's economic recovery will further solidify.

In 2022, due to the suspension of construction for a number of properties under development caused by COVID-19 and the occurrence of other unexpected factors, coupling with the weakened demand for mid-to-long term housing, China's real estate industry faced unprecedented challenges. However, local governments adhered to "no speculation on residential properties" with the adoption of city-specific policies, which supported rigid demand and upgraders' reasonable demand for residential housing. In addition, supervisory authorities promulgated various policies to stabilize the real estate market, in particular the launch of the 16-Point Plan and the CSRC's 5 New Rules, which supported the fundraising channels for enterprise financing in terms of credit, debt securities and equity securities, and the Central Economic Work Conference setting the tone for stable real estate development. By the end of the year, the downward trend of the real estate market was softening, and the real estate enterprises' financing activities and the financial market prices gradually returned to normal.

Results

In 2022, faced with the repeated hits by the COVID-19 pandemic and the vast adjustment of the real estate market, the Group made timely adjustments to its strategies, focusing on destocking, innovative sales and marketing, prudently investing in projects, and strengthening risk control in order to secure the development of the Group.

In 2022, Greenland HK won 22 industry awards for its product design, including 17 international awards and 5 domestic awards. Yiwu Greenland Epoch Gate received a gold award from "Asia Habitat Landscape Award (AHLA)" and China Real Estate & Design Award (CRED AWARD). Changshu Hupo Lanting received a platinum award from "MUSE Design Awards" in the United States of America. In addition to improving product competitiveness and strengthening value marketing, the Group was also actively enhancing its corporate image. At the "7th Zhitong Finance Listed Company Selection", Greenland HK obtained the "Most Valuable Real Estate and Property Company" award.

For the year ended 31 December 2022 (the "**Period under Review**"), the total contracted sales of the Group amounted to approximately RMB15,726 million, and the total contracted gross floor area (the "**GFA**") sold amounted to approximately 1,567,717 square meters. The total revenue was approximately RMB26,614 million, representing a decrease of approximately 22% from the same for last year. The profit for the year attributable to the owners of the Group amounted to approximately RMB481 million. The basic earnings per share attributable to the owners of the Group was approximately RMB0.17.

During the Period under Review, the total GFA of the sold and delivered projects was approximately 2,327,180 square meters, representing a decrease of approximately 13% from the same for last year. Average selling price was approximately RMB10,665 per square meter. The revenue from property sales was approximately RMB25,677 million, representing a decrease of approximately 22% from the same for last year. The main projects completed and delivered in 2022 are as follows:

Property

City	**Approximate GFA sold and delivered in 2022** *sq.m.*	**Approximate sales recognized in 2022** *RMB'000*	**Average selling price** *RMB/sq.m.*
Kunming	285,500	3,502,873	12,269
Yangzhou	127,007	2,215,434	17,443
Suzhou	105,496	2,097,455	19,882
Shenzhen	43,323	1,816,252	41,924
Guangzhou	110,047	1,805,684	16,408
Nantong	106,467	1,409,160	13,236
Changzhou	105,589	1,207,125	11,432
Foshan	122,637	1,172,484	9,561
Haikou	96,621	1,132,359	11,720
Xuancheng	168,902	1,126,323	6,669
Yancheng	122,977	1,023,793	8,325
Nanning	201,547	917,303	4,551
Zhenjiang	78,409	746,560	9,521
Wuxi	63,674	717,874	11,274
Shengzhou	81,546	578,814	7,098
Zhanjiang	65,532	557,507	8,507
Jieyang	76,015	390,207	5,133
Qingyuan	55,545	385,546	6,941
Yangjiang	66,955	376,885	5,629
Jiangmen	53,320	375,947	7,051
Jiaxing	49,404	304,413	6,162
Qinzhou	61,958	283,051	4,568
Yiwu	7,544	264,665	35,083
Maoming	43,347	234,148	5,402
Others	27,818	176,990	6,362
Sub-total	2,327,180	24,818,852	10,665

Carparking lot

City	Approximate sales recognized in 2022 *RMB'000*
Guangzhou	334,956
Wuxi	97,084
Haikou	79,895
Kunming	70,009
Yangzhou	64,756
Jiaxing	55,294
Foshan	34,402
Yiwu	30,473
Suzhou	29,862
Yancheng	19,789
Xuancheng	14,193
Shanghai	14,014
Others	13,801
Sub-total	858,528
Total	25,677,380

Contracted Sales and Operating Capability

During the Period under Review, based on the key direction of fostering value selling and innovative sales and marketing, the Group commenced marketability adjustment for its products. Faced with market downturn and plummeting customer trust, the Group took the initiatives to respond, and created the "transparent house" standardization system (front-loading display of living scenes and product details) in 2022. By building the brand image of "focusing on quality and guaranteeing delivery", the Group made a breakthrough amidst an adverse market environment during the Period under Review.

Regarding innovative sales and marketing, the Group actively explored new media arena, built the TikTok platform matrix, coordinated the overall launch of short video clips and organized node-based livestreaming to capture public attention.

During the Period under Review, the contracted sales of the Group amounted to approximately RMB15,726 million, with the contracted GFA sold amounting to approximately 1,567,717 sq.m.. The contracted sales of the Group were mainly derived from projects located in key regions such as Guangdong, Jiangsu, Yunnan and Zhejiang, which accounted for approximately 31%, 25%, 14% and 12% of the total contracted sales respectively.

Long-term Leasing Business

Leveraging the brand advantage of Greenland, the Group has successfully built up the "Elite Home" brand of long-term leasing apartments, striving to provide high-quality, cozy and trendy living space and social atmosphere for young people in cities. As of the date of this preliminary announcement, the operation of the six "Elite Home" branches of Greenland HK is stable and improving with an average occupancy rate of more than 90%. Going forward, the "Elite Home" brand will focus on first-tier and new first-tier cities with coverage concentrated in Shanghai, Beijing, Guangzhou, Shenzhen and Nanjing and will strive to build up a leading and innovative apartment leasing and living services platform in the PRC.

Land Bank

Under the general environment of fully deleveraging in the industry, the Group observed the market window, and deepened the development in core urban areas in the Yangtze River Delta and the Greater Bay Area with the in-depth development of the "Two Wings and One Core" strategic layout. During the Period under Review, the Group consolidated the regional companies and established the Eastern China and Southern China regional companies, to further optimize its organizational structure. As of 31 December 2022, the Group held an abundant land bank of approximately 21 million sq.m. mainly strategically located in the key core cities with promising population growth in the PRC, which is sufficient to support the Group's development in the next two to three years. Going forward, the Group will continue to deepen its development in the Yangtze River Delta and the Greater Bay Area and focus on first-tier cities. The Group will also adopt a prudent investment strategy and seek long-term stable development.

OUTLOOK

In December 2022, the Central Economic Work Conference made a pronouncement on its plan for the real estate market to “ensure the steady development of the real estate market” and clearly stated “guaranteeing property delivery, guaranteeing people’s livelihood and guaranteeing stability” to effectively safeguard against and resolve the risks affecting premium and leading real estate enterprises, to improve their gearing position, and to support rigid demand and upgraders’ demand for residential housing. The Group believes that in 2023, regulatory policies will actively cooperate with the recovery of the economic environment to achieve the goal of “stabilizing real estate”. The real estate market is well positioned to gradually revive and revitalize.

The Group adopts the development policy of “respect and care for every bit of land” and “persist to be a creator of better lifestyle”, and undertakes long-termism aspiration aiming at stable and sustainable development. Going forward, Greenland HK will firmly grasp the opportunities presented by market improvement, holistically enhance the quality of its development, focus on green development, incorporate the notion of sustainable development in the whole cycle of project development, develop green construction, foster intelligent and IT-based management, empower the enterprise with technological strategies for sustainable development, and build premium and intelligent communities from the perspectives of lifestyle, ecosystem, green and artistic elements. Meanwhile, Greenland HK will continue to discharge the responsibility of a state-owned enterprise fostering humanistic and cultural substance in a people-centric manner. It will continue to innovate its corporate governance system, to foster compliance management, and to solidify corporate values. It will continue to shoulder its corporate social responsibilities, to actively give back to the society and the industry, and to strive to become a premium asset operator and city service provider that contributes to the sustainable development of the industry, the city and the society.

FINANCIAL PERFORMANCE

Revenue

The total revenue of the Group for year 2022 was approximately RMB26,614 million, representing a decrease of approximately 22% from approximately RMB33,927 million for the year of 2021, mainly due to the decrease in the recognised GFA of properties delivered by the Group.

Sales of properties and construction management services, as the core business activity of the Group, generated revenue of approximately RMB25,677 million in 2022 (2021: approximately RMB33,018 million), accounting for approximately 96% of the total revenue and representing a decrease of approximately 22% from the same for last year. The revenue of the Group from other segments included hotel and related services, income from property management and other services, and rental income.

	2022	2021	Change
	RMB'000	*RMB'000*	*RMB'000*
Sales of properties and construction management services	**25,677,380**	33,017,756	(7,340,376)
Property management and other services	**617,241**	558,692	58,549
Hotel and related services	**61,227**	86,732	(25,505)
Rental income	**258,469**	263,743	(5,274)
Total	**26,614,317**	33,926,923	(7,312,606)

Cost of Sales

Cost of sales decreased by approximately 12% to approximately RMB22,516 million from approximately RMB25,457 million for the year of 2021. The cost of sales mainly comprised land costs, construction costs, capitalized finance costs and sales tax.

Gross Profit and Gross Profit Margin

Gross profit decreased from approximately RMB8,470 million for the year of 2021 to approximately RMB4,099 million for the year of 2022, mainly due to the overall weak real estate market and the Group's delivery of different portfolios of properties for the year of 2022 as compared with the year of 2021. The gross profit margin decreased from approximately 25% for the year of 2021 to approximately 15% for the year of 2022.

Other Income, Other Gains and Losses, and Other Operating Expenses

Other income, other gains and losses, and other operating expenses decreased to a loss of approximately RMB71 million for the year of 2022 from a gain of approximately RMB82 million for the year of 2021, mainly due to the net effect of the disposal gain on of the Huangshan Project and foreign exchange loss during the Period under Review.

Operating Expenses

Due to the efficient management over expenditure control of the Group, administrative expenses, and selling and marketing costs decreased to approximately RMB621 million and approximately RMB856 million respectively, representing a decrease of approximately 35% and 19% from the same for the year of 2021 respectively. In 2021, they were approximately RMB954 million and approximately RMB1,058 million respectively.

Finance Costs

Finance costs decreased from approximately RMB255 million for the year of 2021 to approximately RMB132 million for the year of 2022.

Investment Properties

As at 31 December 2022, the Group had 25 investment properties with total GFA of approximately 1,060,944 sq.m. Investment properties mainly comprised Yiwu Greenland Epoch Gate, Shanghai Greenland Seaside City, Holiday Inn Shanghai Pudong Kangqiao, Suzhou Global 188, Suzhou Greenland Jiangnan Huafu, Jiaxing Greenland Central Plaza, Nanning Greenland Center and Nanning Greenland Central Plaza, etc. The Group recorded fair value loss on investment properties of approximately RMB273 million for the year of 2022 due to market fluctuation.

Income Tax Expenses

Income tax expenses decreased by approximately 61% from approximately RMB3,855 million for the year of 2021 to approximately RMB1,489 million for the year of 2022, which was mainly due to the decrease in the revenue for the year 2022.

Profit for the Year and Profit Attributable to Owners of the Company

Profit for the year and profit attributable to owners of the Company decreased to approximately RMB780 million and RMB481 million respectively, representing a decrease of approximately 68% and 78% from approximately RMB2,434 million and RMB2,155 million respectively in 2021. It was mainly due to the fact that (i) the decrease of the properties delivered and the decrease in gross profit margin for the real estate business recognized; (ii) fair value loss of investment properties; and (iii) net foreign exchange losses due to the fluctuations of the U.S. dollars exchange rate.

Financial Position

As at 31 December 2022, the Group's total equity was approximately RMB23,213 million (31 December 2021: approximately RMB23,604 million), total assets amounted to approximately RMB149,651 million (31 December 2021: approximately RMB168,746 million) and total liabilities amounted to approximately RMB126,438 million (31 December 2021: approximately RMB145,142 million).

Liquidity and Financial Resources

The Group's business operations, bank borrowings and cash proceeds raised have been the primary source of liquidity of the Group, which have been utilized to fund its business operations and project investment and development.

As at 31 December 2022, net gearing ratio (total borrowings less cash and cash equivalents (including restricted cash) divided by total equity) was approximately 48% (31 December 2021: 39%). Total cash and cash equivalents (including restricted cash) amounted to approximately RMB4,552 million, with total borrowings of approximately RMB15,722 million and an equity base of approximately RMB23,213 million.

Treasury Policy

The business transactions of the Group were mainly denominated in RMB. Apart from fund raising transactions conducted in the capital market, there is limited exposure to foreign exchange risk.

The Group has borrowings denominated in United States dollars and Hong Kong dollars, while its operating income is mainly denominated in RMB. The Group will continue to monitor the trend of exchange rate of RMB to United States dollars, and adopt appropriate measures to hedge against the risk in foreign currency exchange.

The Group has established a treasury policy with the objective of enhancing its control over treasury functions and lowering its capital costs. In providing funds to its operations, terms of funding have been centrally reviewed and monitored at the Group level.

In order to minimize its interest risk, the Group continued to closely monitor and manage its loan portfolio through interests stipulated in its existing agreements which varied according to market interest rates and offers from the banks.

Credit Policy

Trade receivables mainly arose from sales and lease of properties and were settled in accordance with the terms stipulated in the sale and purchase agreements and lease agreements.

Pledge of Assets

In 2022, the Group pledged its properties, land use rights and time deposits with carrying amount of approximately RMB29,100 million to secure bank facilities, and the outstanding balance of the secured loan amounted to approximately RMB14,500 million.

Financial Guarantees

As at 31 December 2022, the Group provided guarantees to banks for:

	31 December 2022	31 December 2021
	RMB'000	*RMB'000*
Mortgage	**25,598,816**	29,661,792

Capital Commitments

	31 December 2022	31 December 2021
	RMB'000	*RMB'000*
Property development business:		
– Contracted but not provided for	**19,278,666**	26,779,952

Human Resources

As at 31 December 2022, the Group employed a total of 3,014 employees (2021: 4,007 employees), among which 1,549 employees worked for the property development business. The Group has adopted a performance-based rewarding system to motivate its employees. In addition to a basic salary, year-end bonuses are offered to employees with an outstanding performance. The Group also provides various training programs to improve their skills and develop their respective expertise.

FINAL DIVIDEND

The board (the "**Board**") of directors of the Company (the "**Directors**") has resolved not to recommend any dividends in respect of the year ended 31 December 2022.

ANNUAL GENERAL MEETING AND CLOSURE OF REGISTER OF MEMBERS

The annual general meeting (the "**AGM**") of the Company will be held on Friday, 30 June 2023. A notice convening the AGM will be published and despatched in due course to the Shareholders in the manner required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**"). The register of members of the Company will be closed from Tuesday, 27 June 2023 to Friday, 30 June 2023 (both days inclusive), during which period no transfer of shares will be effected. In order to determine the entitlement to attend and vote at the AGM, all transfer documents accompanied by the relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong for registration not later than 4:30 p.m. on Monday, 26 June 2023.

CORPORATE GOVERNANCE

For the year ended 31 December 2022, the Company had complied with the code provisions set out in the Corporate Governance Code (the "**CG Code**") contained in Appendix 14 to the Listing Rules, except for code provisions C.2.1 and F.2.2 as described below.

Code provision C.2.1 stipulates that the roles of chairman and chief executive should be separate and should not be performed by the same individual. From 1 January 2022 to 31 December 2022, Mr. CHEN Jun had undertaken the role of both chairman of the Board and chief executive officer of the Company. The Board considers that the combination of the roles is conducive to the efficient formulation and implementation of the Group's strategies and policies and such combination has not impaired the corporate governance practices of the Group. The balance of power and authority is ensured by the management of the Company's affairs by the Board which meets regularly to discuss and determine issues concerning the operations of the Group.

Code provision F.2.2 stipulates that the chairman of the Board should attend the AGMs. The chairman of the Board did not attend the AGM held on 30 June 2022 due to other business commitments.

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

As of 27 May 2022, the Company repurchased the 9.625 per cent. bonds due 2022 (the "**Bonds**") in an aggregate principal amount of US$18.50 million, details of which are set out in the announcement of the Company dated 30 May 2022. On 3 June 2022, the Company redeemed all the outstanding Bonds in full, details of which are set out in the announcement of the Company dated 7 June 2022.

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

IMPORTANT EVENTS AFTER THE REPORTING PERIOD

Save as disclosed in this preliminary announcement, no important events affecting the Group have occurred since the end of the financial year ended 31 December 2022.

REVIEW OF AUDITED ANNUAL RESULTS

The audit committee of the Company has reviewed the accounting principles and practices adopted by the Company and discussed matters with the external auditor and the management of the Company concerning the audit, internal control and risk management systems and financial reporting matters, including reviewing the Group's results for the year ended 31 December 2022.

SCOPE OF WORK OF MESSRS. DELOITTE TOUCHE TOHMATSU

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the year ended 31 December 2022 as set out in the preliminary announcement have been agreed by the Group's auditor, Messrs. Deloitte Touche Tohmatsu, to the amounts set out in the audited consolidated financial statements of the Group for the year as approved by the Board of Directors on 31 March 2023. The work performed by Messrs. Deloitte Touche Tohmatsu in this respect did not constitute an assurance engagement and consequently no opinion or assurance conclusion has been expressed by Messrs. Deloitte Touche Tohmatsu on the preliminary announcement.

PUBLICATION OF THE ANNUAL RESULTS AND ANNUAL REPORT

This preliminary announcement is published on the HKEXnews website at www.hkexnews.hk and the Company's website at www.greenlandhk.com. The 2022 annual report will be available on the HKEXnews website and the Company's website, and is currently expected be despatched to the Shareholders in April 2023.

By Order of the Board
Greenland Hong Kong Holdings Limited
Chen Jun
Chairman and Chief Executive Officer

Hong Kong, 31 March 2023

As at the date of this announcement, the executive directors of the Company are Mr. Chen Jun, Mr. Wang Weixian, Mr. Hou Guangjun, Mr. Wu Zhengkui, Ms. Wang Xuling and Dr. Li Wei; and the independent non-executive directors of the Company are Mr. Fong Wo, Felix, JP, Mr. Kwan Kai Cheong and Dr. Lam, Lee G..