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Ronshine China Holdings Limited

融信中國控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 3301)

**(1) ANNOUNCEMENT OF UNAUDITED ANNUAL RESULTS
FOR THE YEAR ENDED 31 DECEMBER 2021;
(2) CHANGE OF JOINT COMPANY SECRETARY,
AUTHORISED REPRESENTATIVE AND PROCESS AGENT; AND
(3) WAIVER FROM STRICT COMPLIANCE WITH
RULES 3.28 AND 8.17 OF THE LISTING RULES**

2021 FINANCIAL HIGHLIGHTS

- Contracted sales amounted to approximately RMB155,520.22 million, representing an increase of approximately 0.22% as compared with the previous year.
- Revenue amounted to approximately RMB33,284.01 million, representing a decrease of approximately 31.09% as compared with the previous year.
- Gross profit amounted to approximately RMB3,628.24 million, representing a decrease of approximately 31.70% as compared with the previous year.
- Profit for the year amounted to approximately RMB1,726.73 million, representing a decrease of approximately 50.59% as compared with the previous year.
- Profit attributable to owners of the Company amounted to approximately RMB1,295.05 million, representing a decrease of approximately 46.66% as compared with the previous year.
- Gearing ratio decreased from 0.83 as at 31 December 2020 to 0.66 as at 31 December 2021.
- Subject to completion of audit, the announcement in relation to the audited annual results for the year ended 31 December 2021 for the Group is currently expected to be published by no later than 15 May 2022.

UNAUDITED ANNUAL RESULTS

The board (the “**Board**”) of directors (the “**Directors**”) of Ronshine China Holdings Limited (the “**Company**” or “**Ronshine**”) hereby announces the unaudited consolidated annual results of the Company and its subsidiaries (the “**Group**”) for the year ended 31 December 2021 with the audited comparative figures for the year ended 31 December 2020. For the reasons as explained in the section headed “Delay in Publication of Audited Annual Results” in this announcement, the audit work for the consolidated annual results of the Group for the year ended 31 December 2021 has not been completed as at the date of this announcement.

CONSOLIDATED INCOME STATEMENT

	Note	Year ended 31 December	
		2021	2020
		RMB'000	RMB'000
		(Unaudited)	(Audited)
Revenue	3	33,284,014	48,302,505
Cost of sales		(29,655,776)	(42,990,475)
Gross profit		3,628,238	5,312,030
Selling and marketing costs		(1,289,729)	(1,259,041)
Administrative expenses		(1,193,708)	(1,603,550)
Fair value (losses)/gains on investment properties		(32,252)	(184,332)
Other income		450,284	302,867
Other gains – net		707,308	373,158
Operating profit		2,270,141	2,941,132
Finance income	4	736,492	1,808,259
Finance costs	4	(636,274)	(459,476)
Finance income/(costs) – net	4	100,218	1,348,783
Share of net profit of investment accounted for using the equity method		102,240	611,458
Profit before income tax		2,472,599	4,901,373
Income tax expenses	5	(745,868)	(1,406,874)
Profit for the year		1,726,731	3,494,499
Profit for the year is attributable to:			
– Owners of the Company		1,295,048	2,428,123
– Non-controlling interests		431,683	1,066,376
– Holders of Perpetual Capital Instruments		–	–
		1,726,731	3,494,499
Earnings per share for profit attributable to owners of the Company (expressed in RMB per share)			
– Basic earnings per share	6	0.77	1.43
– Diluted earnings per share	6	0.77	1.42

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Year ended 31 December	
	2021	2020
	<i>RMB'000</i>	<i>RMB'000</i>
	(Unaudited)	(Audited)
Profit for the year	1,726,731	3,494,499
Other comprehensive income	—	—
Total comprehensive income for the year	<u>1,726,731</u>	<u>3,494,499</u>
Total comprehensive income for the year is attributable to:		
– Owners of the Company	1,295,048	2,428,123
– Non-controlling interests	431,683	1,066,376
– Holders of Perpetual Capital Instruments	—	—
	<u>1,726,731</u>	<u>3,494,499</u>

CONSOLIDATED BALANCE SHEET

	As at 31 December	
	2021	2020
Note	RMB'000	RMB'000
	(Unaudited)	(Audited)
ASSETS		
Non-current assets		
Property, plant and equipment	1,189,219	1,424,939
Investment properties	12,718,617	14,487,730
Right-of-use assets	436,949	444,183
Intangible assets	3,154	5,365
Investments accounted for using the equity method	11,855,096	10,862,379
Financial assets at fair value through profit or loss	689,668	996,855
Deferred tax assets	679,527	668,200
Total non-current assets	27,572,230	28,889,651
Current assets		
Properties under development	127,448,610	120,098,735
Completed properties held for sale	18,887,113	14,065,964
Contract assets	1,227,244	1,098,664
Trade and other receivables and prepayments	32,650,953	29,518,185
Amounts due from related parties	11,285,065	5,984,288
Prepaid taxation	3,864,324	3,329,274
Financial assets at fair value through profit or loss	448,854	362,248
Term deposits	3,852,874	6,989,416
Restricted cash	6,482,827	3,057,486
Cash and cash equivalents	11,719,745	19,854,876
Total current assets	217,867,609	204,359,136
Total assets	245,439,839	233,248,787
EQUITY		
Share capital	15	15
Share premium	3,082,681	3,786,195
Other reserves	16,326,581	13,926,853
Capital and reserves attributable to owners of the Company	19,409,277	17,713,063
Non-controlling interests	32,871,673	32,945,940
Total equity	52,280,950	50,659,003

	As at 31 December	
<i>Note</i>	2021	2020
	RMB'000	RMB'000
	(Unaudited)	(Audited)
LIABILITIES		
Non-current liabilities		
Borrowings	34,044,222	46,921,115
Lease liabilities	20,643	15,431
Deferred tax liabilities	1,813,146	1,915,527
Total non-current liabilities	35,878,011	48,852,073
Current liabilities		
Borrowings	22,733,699	24,938,617
Lease liabilities	13,175	9,900
Contract liabilities	90,094,226	65,076,080
Trade and other payables	29,594,152	31,476,801
Amounts due to related parties	9,087,530	5,291,322
Derivative financial instruments	–	–
Current tax liabilities	5,758,096	6,944,991
Total current liabilities	157,280,878	133,737,711
Total liabilities	193,158,889	182,589,784
Total equity and liabilities	245,439,839	233,248,787

1 BASIS OF PREPARATION

(a) Compliance with HKFRSs and HKCO

The consolidated financial statements of the Group have been prepared in accordance with Hong Kong Financial Reporting Standards (“**HKFRSs**”) issued by the Hong Kong Institute of Certified Public Accountants and disclosure requirements of the Hong Kong Companies Ordinance (“**HKCO**”) Cap. 622.

(b) Historical cost convention

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

(c) New amendments to standards adopted by the Group

The Group has applied the following amendments for the first time for their annual reporting period commencing 1 January 2021.

Amendments to HKFRS 9, HKFRS 7, HKFRS 4 and HKFRS 16	Interest Rate Benchmark Reform – Phase 2
Amendments to HKFRS 16	Covid-19-Related Rent Concessions

(d) New standards, amendments and interpretations not yet adopted

The following new standards and amendments to standards and interpretations have been issued but are not mandatory for the year ended 31 December 2021 and have not been early adopted:

		Effective for annual periods beginning on or after
Amendments to HKFRS 3	Reference to the Conceptual Framework	1 January 2022
Amendments to HKAS 16	Property, Plant and Equipment: Proceeds before Intended Use	1 January 2022
Amendments to HKAS 37	Onerous Contracts – Costs of Fulfilling a Contract	1 January 2022
Annual Improvements	Annual Improvements to HKFRS Standards 2018-2020 Cycle	1 January 2022
Revised Accounting Guideline 5	Merger Accounting for Common Combination	1 January 2022
HKFRS 17	Insurance Contract	1 January 2023
Amendments to HKAS 1, IFRS Practice Statement 2 and Amendments to HKAS 8	Disclosure of accounting	1 January 2023
Amendments to HKAS 1	Classification of Liabilities as Current or Non-current	1 January 2023
Amendments to HKAS 12	Deferred Tax related to Assets and Liabilities arising from Single Transaction	1 January 2023

		Effective for annual periods beginning on or after
Amendments to HKAS 8	Definition of Accounting Estimates	1 January 2023
Hong Kong Interpretation 5 (2020)	Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause	1 January 2023
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Ventures	To be determined

The above standards are not expected to have a material impact on the consolidated financial statements of the Group.

2 SEGMENT INFORMATION

The executive directors have been identified as the chief operating decision-maker. Management has determined the operating segments based on the reports reviewed by the executive directors, which are used to allocate resources and assess performance.

The Group is principally engaged in property development in the People's Republic of China ("PRC"). Management reviews the operating results of the business as one segment to make decisions about resources to be allocated. Therefore, the executive directors regard that there is only one segment which is used to make strategic decisions. Revenue and profit after income tax are the measures reported to the executive directors for the purpose of resources allocation and performance assessment.

The major operating entities of the Group are domiciled in the PRC. All of the Group's revenue are derived in the PRC for the year ended 31 December 2021 (2020: same).

- (a) As at 31 December 2021, except for parts of term deposits and financial assets at fair value through profit or loss, other assets of the Group were located in the PRC (2020: same).
- (b) There was no revenue derived from a single external customer accounting for 10% or more of the Group's revenue for the year ended 31 December 2021 (2020: same).

3 REVENUE

	Year ended 31 December	
	2021	2020
	<i>RMB'000</i>	<i>RMB'000</i>
	(Unaudited)	(Audited)
Revenue from contracts with customers:		
Revenue from sales of properties		
– Recognised at point in time	31,703,628	46,577,900
Revenue from construction services, hotel operations and others:		
– Recognised at a point in time	481,507	267,976
– Recognised over time	934,576	1,322,943
Revenue from other sources-rental income	164,302	133,686
	33,284,014	48,302,505

4 FINANCE INCOME/(COST) – NET

	Year ended 31 December	
	2021	2020
	<i>RMB'000</i>	<i>RMB'000</i>
	(Unaudited)	(Audited)
Finance income		
– Interest income from bank deposits	316,702	630,470
– Net foreign exchange gain	419,790	1,177,789
	<u>736,492</u>	<u>1,808,259</u>
Finance costs		
– Net foreign exchange losses	–	–
– Interest expenses of borrowings	(5,278,973)	(5,390,830)
– Less: capitalised interest	4,642,699	4,931,354
	<u>(636,274)</u>	<u>(459,476)</u>
Finance income/(cost) – net	<u>100,218</u>	<u>1,348,783</u>

5 INCOME TAX EXPENSES

	Year ended 31 December	
	2021	2020
	<i>RMB'000</i>	<i>RMB'000</i>
	(Unaudited)	(Audited)
Current income tax:		
PRC corporate income tax (“CIT”)	783,165	1,801,850
PRC LAT (“LAT”)	76,411	124,051
	<u>859,576</u>	<u>1,925,901</u>
Deferred income tax:		
PRC CIT	<u>(113,708)</u>	<u>(519,027)</u>
Income tax expense	<u>745,868</u>	<u>1,406,874</u>

PRC CIT

The income tax provision of the Group in respect of operations in Mainland China has been calculated at the applicable tax rate on the estimated assessable profits for the years ended 31 December 2020 and 2021, based on the existing legislation, interpretations and practices in respect thereof.

The corporate income tax rate applicable to the group entities located in Mainland China is 25% according to the Corporate Income Tax Law of the PRC (the “CIT Law”) effective on 1 January 2008.

PRC LAT

Pursuant to the requirements of the Provisional Regulations of the PRC on LAT effective on 1 January 1994, and the Detailed Implementation Rules on the Provisional Regulations of the PRC on LAT effective on 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 sales of ordinary residential properties if their appreciation values do not exceed 20% of the sum of the total deductible items.

The Group has made provision of LAT for sales of properties according to the aforementioned progressive rates.

PRC dividend withholding income tax

Pursuant to the Detailed Implementation Regulations for implementation of the CIT Law issued on 6 December 2007, dividends distributed from the profits generated by the PRC companies after 1 January 2008 to their foreign investors shall be subject to this withholding income tax of 10%, a lower 5% withholding income tax rate may be applied when the immediate holding companies of the PRC subsidiaries are incorporated in Hong Kong and fulfil the requirements to the tax treaty arrangements between the PRC and Hong Kong. The Group has not accrued any withholding income tax for these undistributed earnings of its PRC subsidiaries as the Group does not have a plan to distribute these earnings from its PRC subsidiaries.

Hong Kong profits tax

The applicable Hong Kong profits tax rate was 16.5% for the year ended 31 December 2021 (2020: 16.5%). Hong Kong profits tax was not been provided as the Group did not have any assessable profit subject to Hong Kong profits tax for the year ended 31 December 2021 (2020: Nil).

Overseas income tax

The Company was incorporated in the Cayman Islands as an exempted company with limited liability under the Companies Law, Cap. 22 of the Cayman Islands and, is exempted from Cayman Islands income tax. The Company's direct subsidiary in the British Virgin Islands was incorporated under the Business Companies Act of the British Virgin Islands and is exempted from British Virgin Islands income tax.

6 EARNINGS PER SHARE

(a) Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to owners of the Company by the weighted average number of ordinary shares in issue during the financial year.

	Year ended 31 December	
	2021	2020
	(Unaudited)	(Audited)
Profit attributable to owners of the Company (RMB'000)	1,295,048	2,428,123
Weighted average number of ordinary shares in issue	1,683,889,000	1,703,181,000
Basic earnings per share (RMB per share)	0.77	1.43

(b) Diluted earnings per share

Diluted earnings per share was calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. The Company's dilutive potential ordinary shares consist of share options. For the share options, a calculation is done to determine the number of shares that could have been acquired at fair value (determined as the average annual market share price of the Company's shares) based on the monetary value of the subscription rights attached to outstanding share options.

	Year ended 31 December	
	2021	2020
	(Unaudited)	(Audited)
Profit attributable to owners of the Company (RMB'000)	1,295,048	2,428,123
Weighted average number of ordinary shares in issue	1,683,889,000	1,703,181,000
Adjustments – share options and awarded shares	–	3,659,000
Weighted average number of ordinary shares for diluted earnings per share	1,683,889,000	1,706,840,000
Diluted earnings per share (RMB per share)	0.77	1.42

7 TRADE AND OTHER RECEIVABLES AND PREPAYMENTS

	As at 31 December	
	2021	2020
	RMB'000	RMB'000
	(Unaudited)	(Audited)
Trade receivables (<i>Note (a)</i>)	6,023	158,346
Other receivables:		
– Amounts due from minority interests	13,703,575	11,517,665
– Deposits for acquisition of land use rights and property development projects	1,218,008	1,023,719
– Other amounts due from third parties	4,539,950	3,815,765
– Deposits for construction contracts	173,519	145,840
– Others	1,572,479	1,306,588
Less: loss allowance	(34,897)	(29,879)
	21,172,634	17,779,698
Prepayments:		
– Prepayments for acquisition of land use rights	6,897,082	6,240,560
– Prepaid value added tax, business taxes and other taxes	4,440,430	5,166,163
– Others	134,784	173,418
	11,472,296	11,580,141
Current portion of trade and other receivables and prepayments	32,650,953	29,518,185

- (a) Trade receivables mainly arose from sales of properties. Proceeds in respect of sale of properties is settled in accordance with the terms stipulated in the sale and purchase agreements.

Ageing analysis of the trade receivables is as follows:

	As at 31 December	
	2021	2020
	RMB'000	RMB'000
	(Unaudited)	(Audited)
Within one year	5,972	158,280
Over one year	51	66
	6,023	158,346

8 DIVIDEND

The 2020 final dividend of HK\$0.50 per ordinary share, totaling approximately HK\$842,631,000 (equivalent to RMB709,158,000) according to the shareholders of the Company registered on 16 June 2021, was approved by the shareholders at the annual general meeting held on 4 June 2021.

The proposal for the declaration of a final dividend for the year ended 31 December 2021, if any, will be announced in the 2021 audited annual results announcement.

9 TRADE AND OTHER PAYABLES

	As at 31 December	
	2021	2020
	RMB'000	RMB'000
	(Unaudited)	(Audited)
Trade payables (<i>Note (a)</i>)	13,804,226	11,616,425
Notes payable	491,684	280,345
Other payables:		
– Amounts due to minority interests	4,903,619	9,806,191
– Deposits received for sales of properties	156,473	312,912
– Other taxes payable	8,519,442	5,997,416
– Interests payable	632,857	1,007,062
– Deposits from contractors and suppliers	282,349	564,637
– Accrued payroll	175,985	410,785
– Dividend payable	4,724	235,576
– Others	622,793	1,245,452
	29,594,152	31,476,801

(a) The ageing analysis of the trade payables is as follows:

	As at 31 December	
	2021	2020
	RMB'000	RMB'000
	(Unaudited)	(Audited)
Within one year	12,066,613	10,301,675
Over one year	1,737,613	1,314,750
	13,804,226	11,616,425

CHAIRMAN'S STATEMENT

Dear Shareholders,

On behalf of the board (the “**Board**”) of directors (the “**Directors**”) of Ronshine China Holdings Limited (the “**Company**” or “**Ronshine**”, together with its subsidiaries, the “**Group**”), I am pleased to present the annual results of the Group for the year ended 31 December 2021 (the “**Year**”).

Market Review

In 2021, the global economy gradually recovered from the impact of the coronavirus disease (COVID-19) pandemic. China's economy improved steadily by virtue of the remarkable results yielded from the effective prevention and control of the pandemic and the impetus of internal circulation policies. This high-quality development delivered fruitful results and marked a positive start to the 14th Five-Year Plan. China's gross domestic product (“**GDP**”) grew by 8.1% in 2021, exceeding RMB100 trillion for the second consecutive year, not only reflecting the strength and resilience of the Chinese economy, but also further enhancing the status of the Chinese economy in the global economic landscape. The Chinese economy continued to drive global economic growth despite the complex and volatile international situation.

During the Year, under the guidance of the 14th Five-Year Plan, the central government adhered to the positioning of “housing is for living, not for speculation”, and fully implemented the strategy of “stabilizing land prices, housing prices and related expectations” to promote the stable and healthy development of the real estate market. Due to the market downturn in the second half of the Year, real estate developers were gradually exposed to industry risks such as debt defaults and a further credit crunch. The central government prudently implemented a financial management system to actively prevent and reduce debt risks. The sales of China's real estate market experienced an overall stable and healthy development, presenting a high trend followed by a low trend during the Year. According to data from the National Bureau of Statistics, the real estate market maintained positive sales growth in 2021, with annual sales of commodity housing amounting to RMB18,193,000 million, representing a year-on-year increase of 4.8%, and sales area of 1,794.33 million square meters, representing an increase of 1.9% compared with last year.

Business Review

In 2021, amid the challenges of the overall economic slowdown and the re-emergence of the pandemic, the Group unwaveringly upheld its vision of “becoming a quality property developer leader and a service provider for an ideal life”, and implemented its strategic policy of “focus, balance and alliance with giants”, while prioritizing product quality and seeking progress and stability. With accurate insights into the industry and the market, the Group prudently allocated resources and identified competitive high-quality land parcels in the key regions such as the Yangtze River Delta ^(Note 1) and the Western Coast of the Straits ^(Note 2) as well as first- and second-tier cities, while accelerated projects development to consolidate layout advantages in strategic areas. By exploring diversified domestic and overseas financing channels and actively engaging in debt management, all of the Group’s debts due were paid on schedule or ahead of schedule. At the same time, the Group continued to repurchase senior notes on the secondary market, all of which demonstrated the Company’s ability and willingness to repay its debts.

Notes:

- 1: “Yangtze River Delta” refers to an economic region primarily encompassing Shanghai, parts of Zhejiang province and part of Jiangsu province in China, including but not limited to the following municipalities and cities for the purpose of this announcement: Shanghai, Hangzhou, Huzhou, Shaoxing, Jiaxing, Zhoushan, Jinhua, Ningbo, Tongxiang, Wenzhou, Wuxi, Xuzhou, Changzhou, Suzhou, Zhenjiang, Nantong and Nanjing
- 2: “Western Coast of the Straits” refers to an economic zone primarily including Fujian province in China, including but not limited to the following cities for the purpose of this announcement: Fuzhou, Xiamen, Sanming, Putian, Nanping, Quanzhou, Zhangzhou and Longyan.

During the Year, the Group recorded annual contracted sales of approximately RMB155,500 million, representing a year-on-year growth of approximately 0.22%, and achieved 97% of its annual sales target despite adverse market conditions, ranking among the best in the industry. The Group recorded contracted gross floor area of approximately 7.34 million square meters (“sq.m.”) and an average selling price of RMB21,198 per sq.m., of which, contracted sales from first- and second-tier cities accounted for approximately 84%. The excellent competitive advantages created by the Group’s strategy of focusing on high-tier cities, especially during the market downturn in the second half of the Year, ensured the stable performance of the Group’s monthly sales. The Group also achieved remarkable sales results across the country, ranking seventh on the Sales Amount of Shanghai Real Estate Developers List, sixth on Attributable Sales Amount of Hangzhou Real Estate Developers List, fourth on Sales Amount of Five Districts in Fuzhou List and seventh on the Sales Amount of Zhejiang Real Estate Developers List, demonstrating a high degree of customer recognition of the Group’s products. As the Group’s key layout city, Shanghai performed particularly well. The Group’s Shanghai Parallel Impression (上海海納印象) project sold out in three initial launches with total contracted sales exceeding RMB6,100 million, and Shanghai Century One Mile (上海世紀古美) sold out in two initial launches with total contracted sales exceeding RMB6,600 million, reflecting the enthusiastic response of market and buyers.

In respect of land reserves, the Group followed the principle of prudent land acquisition, focusing on first- and second-tier cities such as Shanghai and Hangzhou. Under the new “two-centralized” land supply policy, the Group actively studied the policy changes and successfully acquired a number of high-quality land parcels by accurately grasping the market cycle and utilizing its keen market sense. During the Year, the Group obtained 42 new land projects, adding land reserves of approximately 4.57 million sq.m. at an equity consideration of approximately RMB19,500 million, accounting for 27% of the attributable sales, of which, 78% were in first- and second-tier cities such as Hangzhou and Shanghai, which have excellent sell-through rates. In retrospect, the Group’s focus on laying out in high-tier cities with a high degree of strategic insight strengthened its resilience in the current round of property industry downturn. As at 31 December 2021, the Group had a total of 283 projects with total land reserves of approximately 28.70 million sq.m.. Among them, the Yangtze River Delta region and the first- and second-tier cities accounted for 45% and 82%, respectively. The excellent land reserve structure provides a solid foundation for future sales. At the same time, the Group will continue to deepen the cultivation of high-quality projects in existing core cities, commit to improving operational efficiency and create synergies.

The Group adheres to a prudent development strategy to optimize its debt structure and reduce its financial leverage in an orderly manner. As of 31 December 2021, the Group’s interest-bearing borrowings balance was RMB56,800 million, the net gearing ratio was further optimized to 66%, and the debt-to-asset ratio after deducting contracted liability was 66%. The Group proactively seized the financing window and issued a number of domestic and overseas bonds during the Year. While continuing to cultivate good cooperative relationships with banks, the Group focused on and explored diversified financing channels. The Group also kept repaying due senior notes ahead of schedule and repurchasing senior notes on the secondary market, demonstrating its strong willingness and ability to repay, as well as its emphasis on debt transparency management. During the Year, the Group made early repayments on the senior notes due in August, the domestic bonds due in November and the senior notes due in December, respectively, and issued voluntary announcements in a timely manner to ensure smooth communication with the market. The Group also actively participated in the secondary market in the Year, repurchasing and canceling notes with a total principal amount of approximately US\$124 million, ranking among the top in the industry in terms of the amount of repurchased funds. Entering 2022, the Group maintained its sound debt management. As of the end of February 2022, the Group had repaid all senior notes due in the first half of the year in 2022.

The Group won various awards during the Year, including the “Top 21 China Real Estate Development Enterprises of 2021 in Comprehensive Capability (2021中國房地產開發企業綜合實力21強)”, “No. 3 China Real Estate Development Enterprises of 2021 in Comprehensive Development (2021房地產開發企業綜合發展第三名)”, etc., highlighting the recognition of the Group by the industry and the market. In addition, the Group’s high-quality projects won several design awards during the Year: Shanghai Century One Mile (上海世紀古美) won the “Special Jury Award (評審團特別獎)” in the 12th APDC Asia Pacific Design Awards for Elite (第12屆APDC亞太設計精英邀請賽); Suzhou The Art of Minimalist (蘇州大境風華) won the Platinum Award in the TITAN Property Awards; and Chongqing Lan Bay (重慶瀾灣) won the Gold Award in the Muse Design Awards, attracting much attention from the industry both at home and abroad.

In addition to adhering to the strategy of deep cultivation in key cities, the Group is committed to the overall development in the field of environmental, social and governance (ESG) and actively fulfills its corporate social responsibility, putting heart and innovation into every aspect and area of its daily operations. During the Year, the Ronshine Public Welfare Foundation continued to implement the “Youth China” program focusing on rural education, launched innovative activities such as the first nationwide large-scale city charity run, online charity, 3D immersive charity exhibition, and at the same time, it did not forget to support cities with epidemics, to donate materials that were in short supply in epidemic areas and to assist with local anti-epidemic and protection efforts. In addition, the Group paid close attention to the living experience of residents and continuously improved the quality of delivery. The overall satisfaction score was 88, which is close to the industry benchmark and far exceeds the industry average.

At the same time, the Group focused on green buildings to promote sustainable development, and actively supported the implementation of the national “dual carbon” strategy. There were 85 green projects nationwide that had obtained the National Green Building one-star certification; another 35 projects that had obtained the National Green Building two-star Certification, and a total of more than 100 two-star and three-star green building projects that had been awarded. Among them, Shanghai Century One Mile (上海世紀古美), the first ultra-low energy consumption residential project in Shanghai, won the “2021 Active Building Pioneer Award (2021主動式建築先鋒獎)”; Ronshine Sunkwan Center (融信上坤中心) received the Leadership in Energy and Environmental Design (LEED-LC) Gold pre-certification from the US Green Building Council and the WELL (Gold) pre-certification from the International WELL Building Institute; and the Xiaoshan Residence (蕭山公館) project was awarded the Good Building Certification by the Building Research Establishment’s Environment Assessment Methodology (BREEAM).

In terms of green finance, the Group has formulated its first green finance framework and the MSCI ESG rating has been upgraded to “BB”, laying a foundation for future green bonds issuance, and reflecting the high recognition of the Group’s ESG work by international rating agencies and investors. The Group also won the “2021 China’s ESG Responsible Property Enterprise (2021年中國ESG責任地產企業)”, “China’s Influential Green Real Estate Enterprises of the Year 2021 (2021年度影響力綠色地產企業)”, “Social Responsibility Benchmark Enterprise of the Year 2021 (2021年度社會責任標桿企業)”, “Charity Case of the Year of China’s Top 10 Real Estate Brands 2021 (2021中國十大地產年度品牌公益案例)” and the Fifth Golden HK Stocks “Best ESG (最佳ESG)” award, reflecting the industry’s recognition of the Group’s ESG achievements.

Prospects

In 2022, the central government continued to adhere to the positioning of “housing is for living, not for speculation”, and implemented a prudent management system for real estate finance to promote the healthy development and virtuous circle of the real estate market. As the real estate market enters into a new cycle of stable development, the Group will actively cooperate with national policies, follow the development direction of seeking progress while maintaining stability, continue to deepen the strategic layout of core urban clusters such as the Yangtze River Delta and the Western Coast of the Straits, strengthen its product quality and service advantages, invest in high-efficiency areas, and in turn achieve quality growth. At the same time, the Group will continue to improve its financial position, implement multi-channel financing, aim for long-term healthy and stable development, maintain sufficient cash liquidity, and actively improve operational efficiency.

The Group firmly believes that a quality-based and long-term approach is the path to development that advances through cycles and achieves steady and long-term progress. With our insistence on product quality and the active practice of corporate responsibility, the Group is laying a solid foundation for the high-quality development of society, the industry and the Group’s business, and will make unremitting efforts to improve the living environment and help build happy lives.

Acknowledgements

On behalf of the Board, I would like to express my sincere gratitude to the shareholders of the Company (the “**Shareholders**”), as well as our customers and partners for their long-term support and trust in Ronshine. I would also like to express my heartfelt thanks to the Directors, management team and all employees for their hard work and dedication over the past year. In 2022, the Group will continue to adhere to its vision of “becoming a quality property developer leader and a service provider for an ideal life”, and at the same time, with dedication and innovation, construct the framework for the future city and create greater value for our Shareholders and investors.

Ou Zonghong

Chairman

Hong Kong, 31 March 2022

MANAGEMENT DISCUSSION AND ANALYSIS

Summary of operating results

	For the year ended 31 December		Change in percentage
	2021 (Unaudited)	2020 (Audited)	
Contracted sales			
Contracted sales amount (<i>RMB'000</i>) ⁽¹⁾	155,520,220	155,172,878	0.22%
Contracted gross floor area (<i>sq.m.</i>)	7,336,614	7,250,886	1.18%
Average unit price of contracted sales (<i>RMB/sq.m.</i>)	21,198	21,401	-0.95%
Property delivered			
Revenue from delivery of properties (<i>RMB'000</i>)	31,703,628	46,577,900	-31.93%
Delivered gross floor area (<i>sq.m.</i>)	2,284,714	2,853,026	-19.92%
Recognised average selling price of properties delivered (<i>RMB/sq.m.</i>)	13,876	16,326	-15.00%
Revenue (<i>RMB'000</i>)	33,284,014	48,302,505	-31.09%
Cost of Sales (<i>RMB'000</i>)	29,655,776	42,990,475	-31.02%
Gross profit (<i>RMB'000</i>)	3,628,238	5,312,030	-31.70%
Other income and other gain – net (<i>RMB'000</i>)	1,157,592	676,025	71.24%
Profit before income tax (<i>RMB'000</i>)	2,472,599	4,901,373	-49.55%
Profit for the year (<i>RMB'000</i>)	1,726,731	3,494,499	-50.59%
– attributable to owners of the Company (<i>RMB'000</i>)	1,295,048	2,428,123	-46.66%
– attributable to non-controlling interests (<i>RMB'000</i>)	431,683	1,066,376	-59.52%
– attributable to holders of Perpetual Capital Instruments (<i>RMB'000</i>)	–	–	–
Gross profit margin ⁽²⁾	10.90%	11.00%	-0.91%
Net profit margin ⁽³⁾	5.19%	7.23%	-28.29%
Total assets (<i>RMB'000</i>)	245,439,839	233,248,787	5.23%
Total liabilities (<i>RMB'000</i>)	193,158,889	182,589,784	5.79%
Total equity (<i>RMB'000</i>)	52,280,950	50,659,003	3.20%
Capital and reserve attributable to owners of the Company (<i>RMB'000</i>)	19,409,277	17,713,063	9.58%
Current ratio ⁽⁴⁾	1.39 times	1.53 times	-9.15%
Gearing ratio ⁽⁵⁾	0.66	0.83	-20.48%

Notes:

- (1) The amounts include the contracted sales from subsidiaries, associates and joint ventures of the Company.
- (2) The calculation of gross profit margin is based on gross profit divided by revenue and multiplied by 100%.
- (3) The calculation of net profit margin is based on net profit divided by revenue and multiplied by 100%.
- (4) The calculation of current ratio is based on current assets divided by current liabilities.
- (5) The calculation of gearing ratio is based on total borrowings less cash and bank balances and divided by total equity.

Property Development

Contracted Sales

For the year ended 31 December 2021, the Group achieved contracted sales of approximately RMB155,520.22 million, representing a growth of approximately 0.22% compared with approximately RMB155,172.88 million for the year ended 31 December 2020. This increase was mainly attributable to the increase in the total gross floor area (“GFA”) of the Group’s contracted sales by approximately 1.18% from approximately 7,250,886 sq.m. for the year ended 31 December 2020 to approximately 7,336,614 sq.m. for the year ended 31 December 2021.

The amount of the Group’s contracted sales in Hangzhou, Shanghai, Fuzhou, Nanjing, Suzhou, Shaoxing, Chongqing, Chengdu and Wenzhou accounted for (i) approximately 70.79% of the Group’s total contracted sales for the year ended 31 December 2021, and (ii) approximately 54.34% of the Group’s total GFA of contracted sales for the year ended 31 December 2021. The following table sets forth details of the contracted sales of the Group for the year ended 31 December 2021:

	Amount	Percentage	GFA	Percentage	Average
	<i>(RMB million)</i>	<i>(%)</i>	<i>(sq.m.)</i>	<i>(%)</i>	<i>selling price</i>
					<i>(RMB/sq.m.)</i>
Hangzhou	31,410.71	20.20	939,737.54	12.81	33,424.98
Shanghai	23,934.50	15.39	337,540.73	4.60	70,908.47
Fuzhou	13,039.31	8.38	555,545.52	7.57	23,471.18
Nanjing	9,526.00	6.13	356,551.72	4.86	26,717.02
Suzhou	9,250.04	5.95	423,132.36	5.77	21,860.86
Shaoxing	8,370.40	5.38	409,689.91	5.58	20,431.06
Chongqing	5,835.90	3.75	467,283.25	6.37	12,489.01
Chengdu	4,586.00	2.95	290,116.21	3.95	15,807.46
Wenzhou	4,142.72	2.66	206,821.29	2.82	20,030.45
Others	45,424.64	29.21	3,350,195.39	45.67	13,558.80
Total	155,520.22	100.00	7,336,613.92	100.00	21,197.82

Projects completed

For the year ended 31 December 2021, the Group and its joint ventures and associates had completed a total of 55 projects or phases of projects, with total GFA of 7,533,452.76 sq.m. (3,153,547.05 sq.m., after taking into account the interests of the owners of the Company in the relevant projects).

Projects under construction

As at 31 December 2021, the Group and its associates and joint ventures had a total of 136 projects or phases of projects under construction, with total planned GFA of 29,499,765.13 sq.m. (15,508,302.06 sq.m., after taking into account the interests of the owners of the Company in the relevant projects).

Land reserve

During the year ended 31 December 2021, there were a total of 42 newly acquired land parcels with a total plot ratio-based GFA of 6,475,994 sq.m. (2,887,033 sq.m., after taking into account the interests of the owners of the Company in the relevant projects). The average cost of land parcels acquired was approximately RMB11,259 per sq.m. (calculated at the plot ratio-based GFA).

The following table sets forth details of the Group's newly acquired land parcels during the year ended 31 December 2021:

City	Project Name	Date of acquisition	Site area (sq.m.)	Total GFA (sq.m.)	Total GFA of the owners of the Company interested (sq.m.)	Land cost (RMB million)	Total land cost attributable to the owners of the Company (RMB million)	Average land cost (RMB/sq.m.)
Suzhou	Changshu Project (常熟項目)	21/1/2021	37,132	97,367	50,271	458	236	6,662
Hangzhou	Hangzhou Xingyao Beixi Project (杭州興耀市北西項目)	21/1/2021	11,417	40,862	6,947	741	126	25,962
Chengdu	95 mu next to Longteng Chongzhou Wanda Plaza (隆騰崇州萬達廣場旁95畝)	6/1/2021	64,452	203,897	73,101	869	312	5,718
Chengdu	Chengdu Qingbaijiang Project (成都青白江項目)	6/1/2021	32,310	161,307	68,555	231	98	2,048
Mianyang	Wanwei Mianyang Economic Development Zone 105 mu (萬為綿陽經開區105畝)	16/2/2021	69,709	235,734	100,187	511	217	2,932
Putian	Xianyou Construction and Development Cooperation Project (仙遊建發合作項目)	19/5/2021	24,035	85,494	14,243	214	36	2,784
Shaoxing	South Shaoxing Shangyu Project (紹興上虞城南項目)	21/2/2021	49,686	89,271	17,051	845	161	16,197
Fuzhou	Fuzhou Haiyue Jiangnan (福州海月江南)	1/2/2021	67,858	131,430	44,686	696	237	7,326
Hangzhou	Yue Zhen Mansion (樾臻府)	2/2/2021	25,998	85,202	18,114	250	53	4,375

City	Project Name	Date of acquisition	Site area (sq.m.)	Total GFA (sq.m.)	Total GFA of the owners of the Company interested (sq.m.)	Land cost (RMB million)	Total land cost attributable to the owners of the Company (RMB million)	Average land cost (RMB/sq.m.)
Zhengzhou	Zhengzhou City of Times – 2 (鄭州時光之城-2)	3/3/2021	111,532	307,669	145,835	919	435	2,501
Zhengzhou	Zhengzhou Olympic Century – 3 (鄭州奧體世紀-3)	3/6/2021	61,392	303,141	136,898	770	348	3,485
Suzhou	Suzhou Huangqiao Project (蘇州黃橋項目)	16/3/2021	60,292	180,666	69,936	1,961	759	14,784
Nanchong	Wanwei Nanchong Jialing District 52 mu Lot (萬為南充嘉陵區52畝地塊)	20/4/2021	34,897	115,153	48,940	229	97	2,625
Huzhou	Huzhou Xifengyang Project (湖州西鳳漾項目)	6/4/2021	76,061	180,359	165,299	690	632	5,794
Huzhou	Huzhou Xifengyang 2 Lot (湖州市西鳳漾2地塊)	8/4/2021	75,018	175,378	119,818	765	523	6,475
Lianyungang	Lianyungang Urban Park East District (連雲港海納春江東區)	9/4/2021	39,085	99,243	92,921	623	583	8,856
Lianyungang	Lianyungang Urban Park West District (連雲港海納春江西區)	9/4/2021	50,894	126,765	121,365	597	572	6,518
Hangzhou	Hangzhou Yawangxuan (杭州雅望軒)	6/5/2021	52,503	207,840	100,324	2,560	1,236	17,413
Hangzhou	Hangzhou Science City 11 Lot (杭州科技城11號地塊)	7/5/2021	53,082	178,907	137,759	2,481	1,910	19,474
Hangzhou	Hangzhou Aoshi Mansion (杭州傲世邸)	7/5/2021	21,750	87,658	84,994	1,482	1,437	27,253
Hangzhou	Hangzhou Rulan Mansion (杭州如瀾邸)	6/5/2021	29,184	118,644	115,072	1,561	1,514	18,441
Hangzhou	Hangzhou Sibao Qibao 16 Lot (杭州四堡七堡16地塊)	6/5/2021	45,439	171,057	33,185	4,838	939	44,364
Hangzhou	Hangzhou Sibao Qibao 32 Lot (杭州四堡七堡32地塊)	6/5/2021	71,966	278,366	12,248	8,085	356	44,938
Hangzhou	Hangzhou Linglong Mountain 18 Lot (杭州玲瓏山18號地塊)	7/5/2021	30,894	98,332	31,368	901	287	13,890
Hangzhou	Hangzhou Pengbu Commercial Lot (杭州彭埠商業地塊)	12/5/2021	24,072	96,449	17,100	768	136	12,278
Fuzhou	Fuzhou Lan Bay (福州瀾灣)	11/5/2021	26,312	57,319	48,721	377	320	8,955
Fuzhou	Fuzhou China Trend Chaoyue (福州海納新潮潮悅)	11/5/2021	19,930	64,965	22,088	339	115	7,087
Fuzhou	Fuzhou Residence (福州國公館)	11/5/2021	143,367	210,450	178,883	1,420	1,207	9,921
Xi'an	Xi'an Sandi 115 mu Project (西安三迪115畝項目)	27/4/2021	77,018	243,363	62,058	1,259	321	7,397
Xi'an	Xi'an Sandi 86 mu Project (西安三迪86畝項目)	27/4/2021	57,705	186,444	47,543	1,002	256	7,653
Wenzhou	East Wenzhou Pingyang New District B-09, 11 Lot (溫州平陽城東新區B-09、 11地塊)	25/5/2021	42,663	129,064	113,860	714	630	7,607
Putian	Putian Ronshine Yuezhu (莆田融信悅著)	2/5/2021	31,539	70,393	23,934	242	82	4,796
Chengdu	Chengdu Qingyang 23 mu (成都青羊23畝)	7/6/2021	15,265	52,185	50,609	385	373	10,498
Chengdu	Chengdu Traffic Lane 9.5 mu (成都交通巷9.5畝)	7/6/2021	6,364	28,827	27,449	357	340	18,699

City	Project Name	Date of acquisition	Site area (sq.m.)	Total GFA (sq.m.)	Total GFA of the owners of the Company interested (sq.m.)	Land cost (RMB million)	Total land cost attributable to the owners of the Company (RMB million)	Average land cost (RMB/sq.m.)
Xuzhou	Xuzhou Xinyi Project (徐州新沂項目)	25/5/2021	61,481	137,395	15,287	372	41	3,360
Suzhou	Suzhou Science City Project (蘇州科技城項目)	3/6/2021	57,164	161,428	31,916	1,789	354	15,647
Tianjin	Tianjin Jinzhong Street East Lot (天津金鐘街東地塊)	14/5/2021	123,538	332,660	160,941	1,888	913	7,641
Shanghai	Shanghai Baoshan District Meiluo Garden (上海市寶山區美羅家園)	9/9/2021	41,077	116,694	29,757	1,835	468	22,340
Nantong	Nantong Chongchuan Park Road Lot (南通崇川園林路地塊)	12/7/2021	52,712	173,389	67,206	1,668	646	13,340
Weinan	Lanzhou Yuelan Time's Trace (蘭州樂瀾·時光印)	30/7/2021	89,743	301,969	98,819	159	52	709
Lanzhou	Weinan Wenquetai (渭南文關台)	21/7/2021	58,181	206,931	33,859	404	66	2,393
Mengcheng	Mengcheng 2021-23 Lot (蒙城2021-23地塊)	1/9/2021	59,025	146,327	47,886	210	69	1,752
Total			<u>2,183,742</u>	<u>6,475,994</u>	<u>2,887,033</u>	<u>48,465</u>	<u>19,495</u>	<u>11,259</u>

As at 31 December 2021, the total GFA of the Group's land reserve was approximately 28.7 million sq.m. among which, approximately 5.5 million sq.m. were completed properties held for sale, approximately 21.4 million sq.m. were under construction, and approximately 1.8 million sq.m. were held for future development.

As at 31 December 2021, the average cost per sq.m. of the Group's land reserve increased from RMB7,902 for the year ended 31 December 2020 to RMB8,202 for the year ended 31 December 2021. The Directors believe that the relatively high-quality land reserve provides the Group with effective support for its stable sales result and cash flows.

The following table sets forth details of the land reserve attributable to the owners of the Company as at 31 December 2021:

Region	Project Name	Total land value of reserve (RMB million)	Total GFA of reserve (10,000 sq.m.)	Average cost per sq.m. (RMB/sq.m.)
Baoding	Baoding Jinyue City (保定金悅城)	131	5	3,979
Changzhou	Changzhou Lanyue (常州瀾悅)	371	5	9,313
Chengdu	Chengdu Traffic Lane 9.5 mu (成都交通巷9.5畝)	340	3	18,699
	Chengdu Jinniu 16 mu (成都金牛16畝)	175	2	14,200
	Chengdu Lan Sky (成都瀾天)	62	2	4,200
	Chengdu Qingbaijiang Project (成都青白江項目)	98	7	2,048
	Chengdu Qingyang 23 mu (成都青羊23畝)	373	5	10,498
	Chengdu Ronshine Residence (成都融信公館)	176	1	16,915
	Chengdu Ruilian (成都瑞聯)	174	2	14,300
	95 mu next to Longteng Chongzhou Wanda Plaza (隆騰崇州萬達廣場旁95畝)	312	7	5,718
	Shui Nian River (水碾河)	122	1	13,500
Dazhou	Tianyu Dazhou Lianhua Lake 51 mu (天譽達州蓮花湖51畝)	107	4	3,650
Fuzhou	Fuzhou CBD49 Lot (福州CBD49地塊)	422	4	14,497
	Fuzhou Country Garden Yuelinglong (福州碧桂園悅玲瓏)	22	0	7,687
	Fuzhou Difeng River Project (福州帝封江項目)	295	5	7,932
	Fuzhou Park Left Bank Project (福州公園左岸)	124	1	21,731
	Fuzhou Gushan Bridge Project (福州鼓山大橋項目)	3,306	31	13,521
	Fuzhou Residence (福州國公館)	1,207	18	9,921
	Fuzhou China Trend Chaoyue (福州海納新潮潮悅)	115	2	7,087
	Fuzhou China Legend (福州海月江潮), Fuzhou Twin Harbour City (福州雙杭城)	1,405	33	6,065
	Fuzhou Haiyue Jiangnan (福州海月江南)	237	4	7,326
	Fuzhou Heshang Project (福州鶴上項目)	433	11	5,121
	Fuzhou Lan Sky (福州瀾天)	323	2	21,973
	Fuzhou Lan Bay (福州瀾灣)	320	5	8,955
	Fuzhou Ronghui Hot Spring City (福州融匯溫泉城)	690	65	1,610
	Fuzhou Wanke Zhen Lu Yuan (福州萬科臻麓園)	138	3	7,340
	Fuzhou Yongtai Project (福州永泰項目)	55	3	2,811
	Fuzhou Nice Villa (福州有墅)	16	5	486
	Pingtian Lanchen (平潭瀾宸)	762	18	5,549
	Changle Lanshan (長樂瀾山)	349	9	5,005

Region	Project Name	Total land value of reserve (RMB million)	Total GFA of reserve (10,000 sq.m.)	Average cost per sq.m. (RMB/sq.m.)
Fuyang	Fuyang Linqun Project (阜陽臨泉項目)	18	1	2,115
	Fuyang Shangjun (阜陽上郡)	8	1	1,721
	Fuyang Yingquan Project (阜陽潁泉項目)	626	21	3,854
	Fuyang Yingzhou Project (阜陽潁州項目)	427	18	2,961
	Linqun Junyue Mansion (臨泉君樾府)	134	7	2,592
	Xingfu Li • East County (幸福里•東郡)	63	4	2,235
Guangzhou	Guangzhou Tianyue (廣州天樾府)	653	4	14,999
Haining	Haining Lanting Qihang (海寧瀾庭啟杭)	96	3	3,939
Hangzhou	Baolong Lin'an Project (寶龍臨安項目)	263	6	6,128
	Hangzhou Aoshi Mansion (杭州傲世邸)	1,437	6	27,253
	Hangzhou Bao Li He Guang Chen Yue (杭州保利和光塵樾)	359	3	16,005
	Hangzhou Chaoyang Industrial Park Project (杭州朝陽工業園項目)	1,690	13	17,388
	Hangzhou Gu Cui Yin Xiu (杭州古翠隱秀)	3,853	14	40,542
	Hangzhou Science City 11 Lot (杭州科技城11號地塊)	1,910	13	19,474
	Hangzhou Lan Sky (Konggang) (杭州瀾天(空港))	194	3	5,101
	Hangzhou Liwang NEO1 (杭州厘望NEO1)	355	3	31,551
	Hangzhou Linglong Mountain 18 Lot (杭州玲瓏山18號地塊)	287	3	13,890
	Hangzhou Pengbu Commercial Lot (杭州彭埠商業地塊)	136	2	12,278
	Hangzhou Qinlan (杭州沁瀾)	320	2	21,211
	Hangzhou Rulan Mansion (杭州如瀾邸)	1,514	10	18,441
	Hangzhou Sandun North Project (杭州三墩北項目)	648	6	16,088
	Hangzhou Century (杭州世紀)	1,651	8	30,816
	Hangzhou Sibao Qibao 16 Lot (杭州四堡七堡16地塊)	939	3	44,364
	Hangzhou Sibao Qibao 32 Lot (杭州四堡七堡32地塊)	356	1	44,938
	Hangzhou Tianlang House (杭州天琅府)	624	5	19,433
	Hangzhou Wanke Zhong Cheng Hui (杭州萬科中城匯)	558	3	24,704
	Hangzhou Xianghu Yuezhong (杭州湘湖悅章)	3,245	27	17,134
	Hangzhou Xingchuang Railway North 07 Project (杭州星創鐵路北07項目)	311	2	22,695
	Hangzhou Xingyao Beixi Project (杭州興耀市北西項目)	126	1	25,962
	Hangzhou Yawangxuan (杭州雅望軒)	1,236	10	17,413
	Hangzhou Canal New City Project (杭州運河新城項目)	1,082	6	23,558

Region	Project Name	Total land value of reserve (RMB million)	Total GFA of reserve (10,000 sq.m.)	Average cost per sq.m. (RMB/sq.m.)
Huzhou	Hangzhou Zhanwang (杭州展望)	1,512	9	25,116
	Mei Hao Bao Long Lan Sky (美好寶龍瀾天)	255	5	5,546
	Xiaoshan Innovation Polis Lot (蕭山科技城地塊)	446	4	14,578
	Yue Zhen Mansion (樾臻府)	53	2	4,375
	Yunhe Commercial 43 Lot (運河商業43號地塊)	274	2	14,075
	Yunhe Commercial 44 Lot (運河商業44號地塊)	224	2	12,859
	Anji Yuejiang (安吉悅江府)	52	2	2,986
	Huzhou Country Garden Huyue Mansion (湖州碧桂園湖悅天境)	362	9	6,095
	Huzhou Rongjing Garden (湖州融璟園)	85	3	5,457
	Huzhou Xifengyang 2# Lot (湖州市西鳳漾2#地塊)	523	12	6,475
Jiaxing	Huzhou Xifengyang Project (湖州西鳳漾項目)	632	15	5,794
	Haining Lanting (海寧瀾庭)	198	4	7,200
Jiangmen	Tongxiang Project (桐鄉項目)	217	5	6,163
	Jiangmen Guoyue House (江門國樾府)	137	3	5,847
Jinhua	Jiangmen Mansion (江門學院府)	312	9	4,800
	Jinhua Yuejiang (金華悅江府)	66	1	8,467
Jiujiang	Tianyang River Mansion (天陽雲棲江境)	259	4	10,562
	Jiangxi Country Garden Jiutang (江西碧桂園九棠)	248	6	5,167
Lanzhou	Lanzhou Park Academy (蘭州公園學府)	76	10	897
	Weinan Wenquetai (渭南文闕台)	66	5	2,393
	Lanzhou Xi'an Hua Fu (熙岸華府)	57	5	1,293
Lishui	Lishui Tianyang Country Garden City Innovation (麗水天陽碧桂園都會之光)	153	2	13,169
Lianyungang	Lianyungang Urban Park East District (連雲港海納春江東區)	583	9	8,856
	Lianyungang Urban Park West District (連雲港海納春江西區)	572	12	6,518
	Lianyungang Mansion (連雲港學院府)	437	15	3,999
Lu'an	Lu'an Jiangwancheng (六安江灣城)	39	2	1,984
Luzhou	Tianyu West Luzhou 46 mu (天譽瀘州城西46畝)	103	4	3,343
Mengcheng	Mengcheng Chengnan New District Lot (蒙城城南新區地塊)	69	5	1,752
	Mengcheng Junyue Mansion (蒙城君樾府)	57	4	1,662
	Mengcheng Age Xingfu Li (蒙城時代幸福里)	15	1	2,102
Mianyang	Wanwei Mianyang Jinjialin 81 mu (萬為綿陽金家林81畝)	189	8	3,266
	Wanwei Mianyang Economic Development Zone 105 mu (萬為綿陽經開區105畝)	217	10	2,932
Nanchong	Wanwei Nanchong Jialing District 52 mu Lot (萬為南充嘉陵區52畝地塊)	97	5	2,625

Region	Project Name	Total land value of reserve (RMB million)	Total GFA of reserve (10,000 sq.m.)	Average cost per sq.m. (RMB/sq.m.)
Nanjing	Nanjing 2019G87 (南京2019G87)	755	6	16,628
	Nanjing 2019G94 (南京2019G94)	1,208	10	19,019
	Nanjing Boan Center (南京鉅岸中心)	473	31	2,515
	Nanjing Qinglan (南京青瀾)	780	6	17,439
	Nanjing Century East (南京世紀東方)	630	4	24,957
	Nanjing Wanke Du Hui Tian Di (南京萬科都薈天地)	305	4	12,130
	Nanjing Xu Hui Shi Dai Tian Yue (南京旭輝時代天樾)	148	2	9,464
	Nanjing Zhong Jun Yong Jing Tai (南京中駿雍景台)	617	6	12,842
Nantong	Nantong Chongchuan Times Yuenancheng Lot (南通崇川時代悅城南地塊)	869	9	14,197
	Nantong Chongchuan Park Road Lot (南通崇川園林路地塊)	646	7	13,340
	Nantong Lan Chen (南通瀾宸)	852	15	8,537
Neijiang	Neijiang Wanwei Project (內江萬為項目)	86	6	1,942
Ningbo	Ningbo Country Garden Siji Longyue (寧波碧桂園四季隴玥華府)	181	4	5,599
Putian	Putian Junlong Yuhu Project (莆田駿隆玉湖項目)	148	5	3,903
	Putian Ronshine (莆田融信府)	820	11	10,032
	Putian Ronshine Yuezhu (莆田融信悅著)	82	2	4,796
	Xianyou Construction and Development Cooperation Project (仙遊建發合作項目)	36	1	2,784
Qingdao	The Ocean Costal (青島海月星灣)	302	14	3,504
	Qingdao Science and Technology Innovation Center Project (青島科創中心項目)	105	4	3,578
	Qingdao Manshan Lanting (青島縵山蘭亭)	75	5	2,386
Quzhou	Quzhou Tianyang Yunqi Longting (衢州天陽雲棲瓏庭)	132	2	8,281
	Quzhou No. 5 Xin'an Middle Road (衢州信安中路5號)	116	2	8,634
	Quzhou Zhongliang Shiguangli (衢州中梁拾光里)	178	5	5,383
Xiamen	Xiamen Boyue Bay (廈門鉅悅灣)	2,107	15	23,207
	Xiamen Century (廈門世紀)	686	4	31,520
Shanghai	Shanghai Platinum (上海鉅爵)	150	2	15,409
	Shanghai Parallel Impression (上海海納印象)	4,822	17	38,763
	Shanghai Four Seasons (上海海月四季)	525	4	22,578
	Shanghai Jing'an Zhongxing Community (上海靜安中興社區)	1,772	4	72,000
	Shanghai Century One Mile (上海世紀古美)	2,274	6	54,814
	Shanghai Baoshan District Meiluo Garden (上海市寶山區美羅家園)	468	3	22,340
	Shanghai Yangpu Lot (上海楊浦平涼地塊)	155	1	25,397
	Shanghai Zhongxing Road (上海中興路)	5,505	6	100,091

Region	Project Name	Total land value of reserve (RMB million)	Total GFA of reserve (10,000 sq.m.)	Average cost per sq.m. (RMB/sq.m.)
Shaoxing	South Shaoxing Dongguang Lot (紹興城南東光地塊)	467	5	12,263
	South Shaoxing Shangyu Project (紹興上虞城南項目)	161	2	16,197
	South Lot of Shaoxing Vocational & Technical College (紹興職業學院南側地塊)	484	9	7,943
	Shengzhou Creating Century (嵊州創世紀), Shengzhou Mansion (嵊州學院府)	540	28	2,577
	Shengzhou Chuang Shi Ji Pin Ge (嵊州創世紀品閣)	124	5	3,492
Suzhou	Changshu Project (常熟項目)	236	5	6,662
	Kunshan Bacheng Lot (昆山巴城地塊)	168	4	5,582
	Kunshan Yulan Residence (昆山玉蘭公館)	622	6	13,576
	Suzhou High-Speed Rail New Town Project (蘇州高鐵新城項目)	1,517	14	15,299
	Suzhou Haiyue Pingjiang (蘇州海月平江)	623	4	19,235
	Suzhou Huangqiao Project (蘇州黃橋項目)	759	7	14,784
	Suzhou Science City Project (蘇州科技城項目)	354	3	15,647
	Suzhou Wu Zhong Lin Hu Zhen Lot (蘇州吳中臨湖鎮地塊)	288	5	6,843
Taiyuan	Suzhou Wuzhong Mudu Project (蘇州吳中區木瀆鎮項目)	881	7	16,811
	Taiyuan City of Times-1 (太原時光之城-1)	462	42	1,355
	Taiyuan City of Times-2 (太原時光之城-2)	366	37	1,222
	Taiyuan City of Times-3 (太原時光之城-3)	355	31	1,294
Tianjin	Tianjin Jinzhong Street East Lot (天津金鐘街東地塊)	913	16	7,641
	Tianjin Jinnan (天津津南府)	1,000	12	12,959
	Tianjin Lanyue 3 (天津瀾悅3號)	331	4	13,001
	Tianjin Lanyue 4 (天津瀾悅4號)	282	3	11,742
	Tianjin West Coast (天津西海岸)	977	15	8,238
Tongling	Tongling Lanshan Fu (銅陵瀾山府)	15	3	714
Weinan	Lanzhou Yuelan Time's Trace (蘭州樂瀾•時光印)	52	7	709
Wenzhou	Wenzhou Jinlin House (溫州金麟府)	48	1	8,500
	Wenzhou Yueqing Boyuewan (溫州樂清柏悅灣)	129	2	8,216
	Wenzhou Ou Hai Xi Yue Li (溫州甌海熙悅里)	282	3	13,004
	East Wenzhou Pingyang New District B-09, 11 Lot (溫州平陽城東新區B-09、11地塊)	630	11	7,607
	Wenzhou Rongwang (溫州榮望)	277	5	7,203
	Wenzhou Xinlian Village Plot (溫州新聯村地塊)	260	4	8,510
	Hai Liang • De Wen Jun (海亮•德文郡)	148	6	2,546
	Hailiang • Tangning Mansion (海亮•唐寧府)	32	2	1,960
Xi'an	Hailiang • Yuchen (海亮•御宸)	110	3	4,821
	Xi'an Sandi 115 mu Project (西安三迪115畝項目)	321	6	7,397
	Xi'an Sandi 86 mu Project (西安三迪86畝項目)	256	5	7,653
	Chang'an XiYue (長安熙悅)	7	2	446

Region	Project Name	Total land value of reserve (RMB million)	Total GFA of reserve (10,000 sq.m.)	Average cost per sq.m. (RMB/sq.m.)
Xuzhou	Xuzhou Xinyi Project (徐州新沂項目)	41	2	3,360
Zhangzhou	Zhangzhou No. 1 (漳州壹號府)	1,488	18	10,897
	Changtai Luxi County (長泰鷺西郡)	59	7	1,127
Zhenjiang	Jurong Tianyuefu Project (句容天悅府)	82	2	4,837
Zhengzhou	Hailiang Time ONE (海亮時代ONE)	182	8	3,284
	Zhengzhou Olympic Century-1 (鄭州奧體世紀-1)	255	27	2,264
	Zhengzhou Olympic Century-2 (鄭州奧體世紀-2)	596	26	3,134
	Zhengzhou Olympic Century-3 (鄭州奧體世紀-3)	348	14	3,485
	Zhengzhou Cheng Shi Zhi Chuang (鄭州城市之窗)	163	22	912
	Zhengzhou Jiangwancheng-Delan-1 (鄭州江灣城-德藍-1)	230	58	520
	Zhengzhou Jiangwancheng-Delan-2 (鄭州江灣城-德藍-2)	154	31	717
	Zhengzhou Jiangwancheng-Delan-3 (鄭州江灣城-德藍-3)	8	1	751
	Zhengzhou Jiangwancheng-Supai-1 (鄭州江灣城-蘇派-1)	171	31	470
	Zhengzhou Jiangwancheng-Supai-2 (鄭州江灣城-蘇派-2)	107	29	550
	Zhengzhou Jiangwancheng-Supai-3 (鄭州江灣城-蘇派-3)	15	3	751
	Zhengzhou Jiangwancheng-Supai-4 (鄭州江灣城-蘇派-4)	14	2	716
	Zhengzhou Jiangwancheng-Zhongqiao-1 (鄭州江灣城-中喬-1)	213	40	722
	Zhengzhou Jiangwancheng-Zhongqiao-2 (鄭州江灣城-中喬-2)	16	2	790
	Zhengzhou City of Times (鄭州時光之城)	862	37	3,167
	Zhengzhou City of Times-2 (鄭州時光之城-2)	435	14	2,501
Chongqing	Tan Zi Kou (灘子口)	82	1	9,255
	Chongqing Haiyue Pinghu (重慶海月平湖)	481	7	11,149
	Chongqing Hai Yue Yu Zhou (重慶海月渝州)	367	6	9,600
	Chongqing Kaizhou Fengtai 107 mu Project (重慶開州豐太107畝項目)	166	8	2,855
	Chongqing Kaizhou Project (重慶開州項目)	431	16	3,901
	Chongqin Lan Bay (重慶瀾灣)	619	14	6,189
Zhoushan	Zhoushan Chuang Shi Ji (舟山創世紀)	277	5	4,324
Total		96,717	1,645	8,202

Financial review

Revenue

The Group's revenue decreased by approximately 31.09% from approximately RMB48,302.51 million for the year ended 31 December 2020 to approximately RMB33,284.01 million for the year ended 31 December 2021. The Group derived its revenue primarily from (i) the sales of properties in the PRC; (ii) certain construction services with local PRC governments with respect to the construction of resettlement housing and (iii) the rental income generated from the lease of investment properties, hotel operation and others.

The following table sets forth the details of the Group's revenue recognised from such sources for the period indicated:

	For the year ended 31 December		Change in percentage
	2021	2020	
	RMB'000	RMB'000	
	(Unaudited)	(Audited)	
Revenue			
Sales of properties	31,703,628	46,577,900	-31.93%
Construction services	934,577	1,199,385	-22.08%
Rental income, hotel operations and others	645,809	525,220	22.96%
Total	33,284,014	48,302,505	-31.09%

The decrease in the Group's revenue was mainly attributable to:

- (i) the decrease in the recognised GFA of properties delivered by the Group by approximately 19.92% from 2,853,026 sq.m. for the year ended 31 December 2020 to 2,284,714 sq.m. for the year ended 31 December 2021;
- (ii) the decrease in revenue generated from construction services by approximately 22.08% from approximately RMB1,199.39 million for the year ended 31 December 2020 to approximately RMB934.58 million for the year ended 31 December 2021; and
- (iii) the increase in rental income generated from investment properties from approximately RMB133.69 million for the year ended 31 December 2020 to approximately RMB164.30 million for the year ended 31 December 2021. The others comprise mainly of hotel operations and consultation service. During the year ended 31 December 2021, revenue from hotel operations of the Group was approximately RMB112.54 million.

Revenue generated from the sales of properties amounted to approximately RMB31,703.63 million for the year ended 31 December 2021. The following table sets forth the details of the revenue generated from the sales of properties of the Group by geographical location for the year ended 31 December 2021:

	For the year ended 31 December					
	2021 GFA delivered by the Group Revenue (RMB million) (Unaudited)	2021 GFA delivered by the Group (sq.m.)	Average selling price (RMB/ sq.m.)	Revenue (RMB million) (Audited)	2020 GFA delivered by the Group (sq.m.)	Average selling price (RMB/ sq.m.)
Hangzhou	5,548	288,349	19,242	10,905	365,402	29,844
Fuzhou	2,441	131,786	18,519	7,189	338,466	21,240
Xiamen	2,209	102,612	21,526	1,171	35,093	33,356
Suzhou	2,708	186,124	14,548	1,866	80,822	23,088
Kunshan	2,058	94,611	21,756	1,861	80,536	23,103
Others	16,740	1,481,233	11,301	23,856	1,952,707	12,217
Total	31,704	2,284,714	13,876	46,578	2,853,026	16,326

Cost of sales

The Group's cost of sales mainly refers to the costs incurred directly from its property development activities, including cost of construction, land use rights, interest capitalized and tax surcharge. The Group's cost of sales decreased by approximately 31.02% from approximately RMB42,990.48 million for the year ended 31 December 2020 to approximately RMB29,655.78 million for the year ended 31 December 2021.

Gross profit and gross profit margin

Gross profit represents revenue less cost of sales. As a result of the foregoing, the Group's gross profit decreased by approximately 31.70% from approximately RMB5,312.03 million for the year ended 31 December 2020 to approximately RMB3,628.24 million for the year ended 31 December 2021.

The Group's gross profit margin decreased from approximately 11.00% for the year ended 31 December 2020 to approximately 10.90% for the year ended 31 December 2021, primarily because the Group delivered different portfolios of properties in 2021 as compared with 2020.

Selling and marketing costs

The Group's selling and marketing costs include (i) staff costs for sales personnel; (ii) advertisement expenses; (iii) property management fees; and (iv) others costs including rental expense and office expense.

The Group's selling and marketing costs increased by approximately 2.44% from approximately RMB1,259.04 million for the year ended 31 December 2020 to approximately RMB1,289.73 million for the year ended 31 December 2021, primarily due to the increased advertisement expenses and property management service fee.

Administrative expenses

The Group's administrative expenses include (i) staff costs for administrative personnel; (ii) consulting fees; (iii) office and travel expenses; (iv) entertainment expenses; (v) other taxes; (vi) office lease expenses; and (vii) others.

The Group's administrative expenses decreased by approximately 25.56% from approximately RMB1,603.55 million for the year ended 31 December 2020 to approximately RMB1,193.71 million for the year ended 31 December 2021, mainly attributable to the decreases in the consultation expenses, donations and staff cost of the Group.

Fair value (losses)/gains on investment properties

The Group recorded fair value losses of approximately RMB184.33 million for the year ended 31 December 2020 and fair value losses of approximately RMB32.25 million for the year ended 31 December 2021 due to a slight decrease of market price.

Other income

The Group's other income primarily includes (i) interest income; and (ii) deposits forfeited from some of the Group's prospective customers who breached the property purchase agreements. The Group's other income increased by approximately 48.67% from approximately RMB302.87 million for the year ended 31 December 2020 to approximately RMB450.28 million for the year ended 31 December 2021.

Other gains – net

The Group's net other gains primarily include (i) gains from financial assets at fair value through profit or loss; (ii) gains from bond repurchase; and (iii) gains from disposal of subsidiaries and an associate. The Group's other gains increased by approximately 89.55% from approximately RMB373.16 million for the year ended 31 December 2020 to approximately RMB707.31 million for the year ended 31 December 2021.

Operating profit

The Group's operating profit for the year decreased by approximately 22.81% from approximately RMB2,941.13 million for the year ended 31 December 2020 to approximately RMB2,270.14 million for the year ended 31 December 2021.

Finance income/(costs) – net

Finance income primarily consists of foreign exchange gain and interest income from bank deposits. Finance cost primarily consists of interest expenses of borrowings and net foreign exchange losses. The Group recorded a net finance income of approximately RMB1,348.78 million for the year ended 31 December 2020 and a net finance income of approximately RMB100.22 million for the year ended 31 December 2021. This variance was primarily due to the decrease in net foreign exchange gains of approximately RMB758.00 million and decrease of interest income from bank deposits of approximately RMB313.77 million.

Profit before income tax

As a result of the aforementioned changes of the Group's financials, the Group's profit before income tax decreased by approximately 49.55% from approximately RMB4,901.37 million for the year ended 31 December 2020 to approximately RMB2,472.60 million for the year ended 31 December 2021.

Income tax expense

The Group's income tax expense comprise provisions made for CIT (including deferred income tax) and LAT in the PRC.

The Group's income tax expense decreased by approximately 46.98% from approximately RMB1,406.87 million for the year ended 31 December 2020 to approximately RMB745.87 million for the year ended 31 December 2021. Specifically, CIT (including deferred income tax) decreased by approximately 47.81% from approximately RMB1,282.82 million for the year ended 31 December 2020 to approximately RMB669.46 million for the year ended 31 December 2021, and LAT decreased by approximately 38.40% from approximately RMB124.05 million for the year ended 31 December 2020 to approximately RMB76.41 million for the year ended 31 December 2021.

Profit for the year attributable to owners of the Company

The Group's profit for the year attributable to owners of the Company decreased by approximately 46.66% from approximately RMB2,428.12 million for the year ended 31 December 2020 to approximately RMB1,295.05 million for the year ended 31 December 2021.

Profit for the year attributable to non-controlling interests

Profit for the year attributable to non-controlling interests decreased by approximately 59.52% from a profit of approximately RMB1,066.38 million for the year ended 31 December 2020 to a profit of approximately RMB431.68 million for the year ended 31 December 2021. The decrease was primarily due to the recognition of revenue from sales of properties during the year ended 31 December 2021 in the respective projects, which were jointly developed with non-controlling parties.

Financing activities

Issuance of US\$300,000,000 7.1% senior notes due 2025

On 25 January 2021, the Company issued senior notes in the aggregated principal amount of US\$300,000,000 due in 2025 (“**2025 Notes**”) on the Singapore Exchange Securities Trading Limited (“**SGX-ST**”), with an interest rate of 7.1% per annum payable semi-annually in arrears on 25 January and 25 July of each year, commencing 25 July 2021. The maturity date of the 2025 Notes is 25 January 2025. At any time and from time to time prior to 25 January 2025, the Company may at its option redeem the 2025 Notes, at a pre-determined redemption price.

For further details, please refer to the announcements of the Company dated 19 January 2021 and 26 January 2021 and the relevant offering memorandum.

As at the date of this announcement, the Group had utilized most of the net proceeds from the issuance of the 2025 Notes to refinance certain existing indebtedness of the Company, which was consistent with the purpose disclosed in the relevant offering memorandum.

Issuance of US\$200,000,000 5.50% Senior Notes due 2022

On 27 January 2021, the Company issued senior notes due in February 2022 with an aggregate principal amount of US\$200,000,000, bearing interest at a rate of 5.50% per annum payable in arrears on 1 August 2021 and 1 February 2022 (the “**2022 Notes**”). The 2022 Notes had been repaid in full upon maturity on 1 February 2022.

Please refer to the Company's announcement dated 26 January 2022 for further details relating to the repayment of the 2022 Notes.

Issuance of 2021 Domestic Corporate Bonds

On 2 February 2021, the Company announced that Rongxin (Fujian) investment Group Co., Ltd.* (融信(福建)投資集團有限公司) (“**Rongxin Investment**”), a company established in the PRC with limited liability and an indirect wholly-owned subsidiary of the Company, had lodged an application to the Shanghai Stock Exchange in the PRC to undertake public offering(s) of domestic corporate bonds to professional investors with an aggregate principal amount of not more than RMB9,660 million listed on the Shanghai Stock Exchange (the “**2021 Domestic Corporate Bonds**”). On 2 February 2021, the Shanghai Stock Exchange approved the application by Rongxin Investment for the proposed public issuance of the first tranche of the 2021 Domestic Corporate Bonds with a face value of not exceeding RMB1,318 million (the “**First Tranche of the Domestic Corporate Bonds**”). On 3 February 2021, Rongxin Investment and the lead underwriter conducted a book-building exercise with professional investors for the First Tranche of the Domestic Corporate Bonds. The First Tranche of the Domestic Corporate Bonds has a term of five years, with an option for Rongxin Investment to adjust the coupon rate and a put option for investors at the end of the second and fourth year. The First Tranche of the Domestic Corporate Bonds has been listed on the Shanghai Stock Exchange.

On 30 June 2021, the Company announced that Rongxin Investment proposed to publicly issue the second tranche of the 2021 Domestic Corporate Bonds with a face value of not exceeding RMB2,141 million (the “**Second Tranche of the Domestic Corporate Bonds**”) to professional investors. The Second Tranche of the Domestic Corporate Bonds has a term of five years with a put option for investors and an option for Rongxin Investment to adjust the coupon rate at the end of the second and fourth year, and a term of five years with a put option for investors and an option for Rongxin Investment to adjust the coupon rate at the end of the third year, respectively. The Second Tranche of the Domestic Corporate Bonds has been listed on the Shanghai Stock Exchange.

For further details, please refer to the announcements of the Company dated 2 February 2021 and 30 June 2021.

Liquidity and Financial Resources

As at 31 December 2021, the Group had cash and bank balances of approximately RMB22,055.45 million (2020: approximately RMB29,901.78 million), total borrowings of approximately RMB56,777.92 million (2020: approximately RMB71,859.73 million) and a weighted average effective interest rate for outstanding borrowings of approximately 6.36% (including bank borrowings and other borrowings, domestic corporate bonds, additional senior note and asset-backed securities) (2020: approximately 6.55%).

As at 31 December 2021, the aggregated issued amount of the domestic corporate bonds was approximately RMB8,597.03 million, representing approximately 15.14% of the total borrowings of the Group.

Pledge of assets

As at 31 December 2021, the Group's borrowings were secured by the Group's assets of approximately RMB41,588.97 million (2020: approximately RMB48,731.03 million), which included (i) completed properties held for sale; (ii) properties under development; (iii) property, plant and equipment; (iv) land use rights; (v) restricted cash and (vi) investment property. Certain borrowings from financial institution were also secured by the equity interests of certain subsidiaries.

Provision of a guarantee in favour of a bank for Chengdu Longteng Jinrui Real Estate Co., Ltd.

On 26 February 2021, Rongxin Investment, as a guarantor, entered into a guarantee agreement in favour of the creditor, China Zheshang Bank Co., Ltd. Chengdu Branch ("**Zheshang Bank**"), pursuant to which Rongxin Investment agreed to provide guarantee for the due performance of the repayment obligations of Chengdu Longteng Jinrui Real Estate Co., Ltd.* (成都隆騰錦瑞置業有限公司) ("**Chengdu Longteng JV Company**"), a company indirectly owned as to 40% by the Company, to Zheshang Bank under the loan agreement entered into by Chengdu Longteng JV Company and Zheshang Bank on 26 February 2021.

For further details, please refer to the announcements of the Company dated 26 February 2021 and 4 March 2021.

Provision of a guarantee in favour of a bank for Chengdu Haotian Real Estate Development Co., Ltd.

On 18 June 2021, Rongxin Investment, as guarantor, entered into a guarantee agreement in favour of the creditor, China Guangfa Bank Co., Ltd. Chengdu Branch ("**China Guangfa Bank (Chengdu)**"), pursuant to which Rongxin Investment agreed to provide guarantee for the due performance of the repayment obligations of Chengdu Haotian Real Estate Development Co., Ltd.* (成都浩天房地產開發有限公司) ("**Chengdu Haotian**"), a company indirectly owned as to 42.5% by the Company, to China Guangfa Bank (Chengdu) under the loan agreement entered into by Chengdu Haotian and China Guangfa Bank (Chengdu) on 18 June 2021.

For further details, please refer to the announcement of the Company dated 18 June 2021.

Provision of a guarantee in favour of a bank for Suzhou Rongpu Real Estate Co., Ltd.

On 7 September 2021, Rongxin Investment, as guarantor entered into a guarantee agreement in favour of China Guangfa Bank Co., Ltd., Suzhou Branch ("**China Guangfa Bank (Suzhou)**"), pursuant to which Rongxin Investment agreed to provide guarantee for the due performance of the repayment obligations of Suzhou Rongpu Real Estate Co., Ltd.* (蘇州融樸置業有限公司) ("**Suzhou Rongpu**"), a company indirectly owned as to 51.63% by the Company, to China Guangfa Bank (Suzhou) under the loan agreement entered into by Suzhou Rongpu and China Guangfa Bank (Suzhou) on 13 May 2021.

For further details, please refer to the announcement of the Company dated 7 September 2021.

Provision of a guarantee in favour of certain banks for Suzhou Kaixingyu Real Estate Development Co., Ltd.

On 24 September 2021, Rongxin Investment, as guarantor, entered into a syndicated loan guarantee agreement in favour of Bank of China Limited Suzhou Xiangcheng Sub-branch; China CITIC Bank Corporation Limited Suzhou Branch and China Construction Bank Corporation Suzhou Chengzhong Sub-branch (the “**Bank Creditors**”), pursuant to which Rongxin Investment agreed to provide guarantee for the due performance of the repayment obligations of Suzhou Kaixingyu Real Estate Development Co., Ltd.* (蘇州愷星鈺房地產開發有限公司) (the “**Suzhou Kaixingyu**”), a company indirectly owned as to 60% by the Company, to the Bank Creditors under the fixed asset syndicated loan agreement dated 23 September 2021 entered into between Suzhou Kaixingyu and the Bank Creditors in relation to the grant of a loan up to a maximum amount of RMB1,600,000,000 by the Bank Creditors to Suzhou Kaixingyu for a term of 5 years commencing from 23 September 2021.

For further details, please refer to the announcement of the Company dated 24 September 2021.

Provision of a guarantee in favour of certain banks for Suzhou Baojing Real Estate Co., Ltd.

On 28 October 2021, Rongxin Investment, as guarantor, entered into a syndicated loan guarantee agreement in favour of Bank of China Limited Suzhou National Hi-Tech District Sub-branch; China Merchants Bank Co., Ltd Suzhou Branch; China Construction Bank Corporation Suzhou National Hi-Tech District Sub-branch; China Citic Bank Corporation Limited Suzhou Branch and China Everbright Bank Co., Ltd Suzhou Branch (the “**Creditors**”), pursuant to which Rongxin Investment agreed to provide guarantee for the due performance of the repayment obligations of Suzhou Baojing Real Estate Co., Ltd.* (蘇州保璟置業有限公司) (“**Suzhou Baojing**”), a company indirectly owned as to 23.26% by the Company, to the Creditors under the fixed asset syndicated loan guarantee agreement dated 26 October 2021 entered into by Suzhou Baojing and the Creditors.

For further details, please refer to the announcement of the Company dated 28 October 2021.

Contingent liabilities

The Group’s contingent liabilities primarily include guarantees that the Group has provided to PRC banks in respect of the mortgage loans granted by the banks to purchasers of the Group’s properties. The purchaser mortgage guarantees are typically released when the title deeds of the respective properties are pledged to the banks as security to continue to support the mortgage loans, which generally takes place after the properties are delivered to the purchasers. The borrowing guarantees represent the maximum exposure of the guarantees provided for the borrowings of related parties and an independent third party at the respective balance sheet dates. The total outstanding guarantee amounts provided by the Group amounted to approximately RMB39,739.84 million as at 31 December 2021 (31 December 2020: approximately RMB35,569.02 million).

The Directors believe that, in case of a default by the Group's purchasers on their mortgage payments, the net realisable value of the relevant properties will be sufficient to repay the outstanding mortgage loans, together with any accrued interest and penalty. Therefore, the Group did not make any provision in connection with these guarantees. The Group also provides various quality warranties to purchasers of its properties, with a term ranging from one to five years, in accordance with the relevant PRC laws and regulations. Such warranties are covered by back-to-back warranties provided to the Group by the respective construction contractors. In addition, the Group has, from time to time, also been a party to lawsuits and other legal proceedings in the normal course of business.

Current ratio

As at 31 December 2021, the current ratio of the Group was 1.39 times (31 December 2020: 1.53 times). The increase in the Group's current ratio was mainly attributable to the increase of properties under development and completed properties held for sale included in current assets.

Gearing ratio

As at 31 December 2021, the gearing ratio of the Group was 0.66 (31 December 2020: 0.83), mainly due to the decrease of borrowings. This ratio is calculated as net borrowings divided by total equity as shown in the consolidated balance sheet. Net borrowings are calculated as total borrowings (including current and non-current borrowings as shown in the consolidated balance sheet) less total of cash and cash equivalents, restricted cash and term deposits.

Future plans for material investments

The Group will continue to focus on its existing property development business and acquiring high-quality land parcels in the first-tier and second-tier cities in the PRC. No concrete plan for future investments is in place for the Group as at the date of this announcement.

FOREIGN CURRENCY RISK

The Group primarily operates its business in the PRC. The currency in which the Group denominates and settles substantially all of its transactions is Renminbi. As at 31 December 2021, the Group's financial assets and liabilities denominated in currencies other than Renminbi were mainly borrowings denominated in United States dollars and Hong Kong dollars, in the total amount of approximately RMB21.2 million. Any depreciation of Renminbi would adversely affect the value of any dividends the Group pays to its Shareholders outside of the PRC. The Group currently does not engage in hedging activities designed or intended to manage foreign exchange rate risk. The Group will continue to monitor foreign exchange changes to best preserve the Group's cash value.

SIGNIFICANT INVESTMENT HELD AND MATERIAL ACQUISITIONS AND DISPOSALS

The Group did not hold any significant investments and did not conduct any material acquisition or disposal of subsidiaries, associates or joint ventures during the year ended 31 December 2021.

EMPLOYEE AND REMUNERATION POLICY

As at 31 December 2021, the Group employed a total of 2,449 full-time employees (31 December 2020: 3,390 full-time employees). For the year ended 31 December 2021, the staff cost recognised of the Group amounted to RMB883.49 million (31 December 2020: RMB1,458.7 million).

The remuneration policy of the Group is to provide remuneration packages including salary, bonuses and various allowances, so as to attract and retain top quality staff. In general, the Group determines employee salaries based on each employee's qualifications, position and seniority. The Group has designed a periodical review system to assess the performance of its employees, which forms the basis of the determination on salary rises, bonuses and promotions. As required by PRC regulations, the Group makes contributions to mandatory social security funds for the benefit of the Group's PRC employees that provide for pension insurance, medical insurance, unemployment insurance, personal injury insurance, maternity insurance and housing funds.

Furthermore, the Group has implemented systematic, specialty-focused vocational training programs for its employees at different levels on a regular basis to meet different requirements and emphasise individual initiative and responsibility. The Group believes that these initiatives have contributed to increased employee productivity.

The Group's employees do not negotiate their terms of employment through any labor union or by way of collective bargaining agreements. During the year ended 31 December 2021, no labor dispute had occurred which materially and adversely affected or was likely to have a material and adverse effect on the operations of the Group.

FINAL DIVIDEND

The proposal for the declaration of a final dividend for the year ended 31 December 2021, if any, will be announced in the 2021 audited annual results announcement to be published at a later date.

PURCHASE, SALE AND REDEMPTION OF SECURITIES OF THE COMPANY

Repurchase of Shares

During the year ended 31 December 2021, the Company repurchased a total of 1,830,000 shares for an aggregate consideration of HK\$9,968,110 (before expenses) on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) using internal resources.

Particulars of the shares repurchased during the year ended 31 December 2021 are as follows:

Date of repurchase	Date of cancellation	Aggregate number of Shares repurchased	Highest price paid per Share (HK\$)	Lowest price paid per Share (HK\$)	Total consideration paid (HK\$)
8 January 2021	12 March 2021	1,830,000	5.51	5.36	9,968,110

The repurchases reflected the confidence of the Board and the management team in the long-term strategy and the prospects of the Company. The Company considered that the repurchases were in the best interest of the Company and its Shareholders as a whole.

Repurchase or redemption of senior notes or bonds

During the year ended 31 December 2021, the Company had made partial repurchases of its senior notes in the open market as follows:

Senior notes	ISIN	Cumulative principal amount of senior notes being repurchased	Aggregate principal amount of senior notes originally issued	Cumulative repurchased notes as a percentage of the senior notes originally issued
5.25% senior notes due 2021 (the “ 2021 Notes ”)	XS2268326456	US\$13,450,000	US\$150,000,000	8.97%
5.5% senior notes due 2022	XS2294472548	US\$2,500,000	US\$200,000,000	1.25%
8.75% senior notes due 2022	XS1976760782	US\$12,000,000	US\$700,000,000	1.71%
10.5% senior notes due 2022	XS1957481440	US\$43,510,000	US\$500,000,000	8.70%
6.75% senior notes due 2024	XS2211514885	US\$15,000,000	US\$200,000,000	7.50%
7.10% senior notes due 2025	XS2290308845	US\$49,500,000	US\$300,000,000	16.50%

Please refer to the Company's announcements dated 4 March 2021, 31 March 2021, 15 April 2021, 29 September 2021, 30 September 2021, 8 October 2021, 2 November 2021 and 8 December 2021 for further details of the above partial repurchases.

During the year ended 31 December 2021, the Company had repaid its senior notes or onshore bonds upon maturity as follows:

1. On 22 August 2021, the Company repaid the outstanding principal amount of the US\$560,000,000 senior notes due 2021 with accrued unpaid interest in the total amount of US\$591,500,000. For further details, please refer to the Company's announcement dated 13 August 2021.
2. On 12 November 2021, the Company repaid the outstanding principal amount of the onshore bonds known as "19 融投 04" with accrued unpaid interest in the total amount of RMB1,608,000,000. For further details, please refer to the Company's announcement dated 5 November 2021.
3. On 3 December 2021, the Company repaid the outstanding principal amount of the 2021 Notes with accrued unpaid interest in the total amount of US\$140,134,437.50. For further details, please refer to the Company's announcement dated 29 November 2021.

Please refer to the section headed "Management discussion and analysis – Financial review – Financing activities" above in this announcement for further details of the senior notes issued by the Company during the year ended 31 December 2021.

Save as disclosed in this announcement, during the year ended 31 December 2021, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the listed securities of the Company.

SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD

Disposal of Subsidiaries

Reference is made to the announcement of the Company dated 18 February 2022.

On 18 February 2022, Shanghai Kaiyin Enterprise Company Limited* (上海愷胤實業有限公司) ("**Shanghai Kaiyin**"), an indirect wholly-owned subsidiary of the Company, entered into the equity transfer agreement with Zhejiang Beize Group Company Limited* (浙江貝澤集團有限公司) ("**Zhejiang Beize**"), pursuant to which Shanghai Kaiyin has agreed to dispose of, and Zhejiang Beize has agreed to purchase, 55% of the equity interest of Ningbo Hailiang Property Investment Company Limited* (寧波海亮房地產投資有限公司) (the "**Target Company**") together with its subsidiaries and its invested entity, the "**Target Group**") for a consideration of RMB421,239,530.34 (the "**Disposal**").

The Disposal was completed on 18 February 2022. Upon completion of the Disposal, the Group no longer holds any interest in the Target Company and the Target Company and other members of the Target Group have ceased to be accounted as subsidiaries of the Group.

Cancellation of Outstanding Senior Notes

Reference is made to the announcements of the Company dated 20 February 2022, 22 February 2022 and 24 February 2022 in relation to the cancellation of the outstanding 10.5% senior notes due 2022 issued by the Company listed on the SGX-ST (the “Notes”).

As at 24 February 2022, cancellation of the Notes repurchased by the Company in an aggregate principal amount of US\$193,900,000 was completed, representing approximately 38.78% of the aggregate principal amount of the Notes issued.

Change of auditors

Reference are made to the announcements of the Company dated 21 March 2022. PricewaterhouseCoopers (“PwC”) has resigned as auditor of the Company with effect from 18 March 2022. The Board has resolved, having regard to the recommendation from the audit committee of the Company (the “**Audit Committee**”), to approve the appointment of Elite Partners (CPA) Limited (“**Elite Partners**”) as the new auditor of the Company to fill the casual vacancy following the resignation of PwC and to hold office until the conclusion of the next annual general meeting of the Company.

In connection with PwC’s resignation, the Company would like to provide further clarification regarding the discrepancy in the information provided by the banks in their confirmations and those provided by the Company concerning the pledging of certain bank deposits by the Group (the “**Discrepancy**”) as noted in PwC’s resignation letter as follows:

- *Details and cause of the Discrepancy:* In substance, the Discrepancy concerns the bank deposits (the “**Bank Deposits**”) of two subsidiaries of the Company (the “**Relevant Subsidiaries**”). As part of the audit procedures, PwC requested the Company to fill in the information in the relevant bank confirmation letters (銀行詢證函) for its sending to the relevant banks. Due to an inadvertence, the Banks Deposits were by mistake classified as unrestricted bank deposits on the bank confirmation letters, which caused the discrepancy in the responses received from the relevant banks. The Bank Deposits were accounted for as “restricted cash” of the Group as at 31 December 2021 in the Company’s consolidated balance sheet on page 4 of this announcement.
- *Reasons for the pledging of the Bank Deposits:* The Bank Deposits were pledged by the Relevant Subsidiaries as collaterals to obtain additional bank financing for themselves through intermediaries (the “**Bank Financing**”) who were independent third parties of the Group. The Bank Deposits represented less than 1% of the total assets of the Group and less than 10% of the total cash and cash equivalents (including cash and cash equivalents, restricted cash and term deposits) of the Group as at 31 December 2021 based on the Company’s consolidated balance sheet on page 4 of this announcement. The Company believes that the above financing arrangement would not pose material risk to the Group in light of the risk control measures implemented by the Group, including control over the relevant bank accounts and counter guarantee and pledge provided by the relevant intermediaries.

- *The Audit Committee's view:* To facilitate understanding by the Audit Committee of the cause and implications of the Discrepancy, the management of the Group has explained to the Audit Committee: (i) the key terms and commercial rationale of the financing arrangement concerning the Bank Deposits; (ii) the Group's internal approval process for the financing arrangement concerning the Bank Deposits; (iii) the process concerning the preparation of the Group's financial information to be provided to PwC for its sending of the bank confirmation letters to the relevant banks; (iv) the delay in the Group's audit and financial reporting progress and difficulties faced by the Group due to the COVID-19 pandemic; and (v) the latest status of the Bank Deposits. The Audit Committee agrees with the Company's explanation regarding the Discrepancy.

The Audit Committee has also discussed the Discrepancy with Elite Partners. The Audit Committee understands from Elite Partners that (i) Elite Partners will implement appropriate audit procedures to address the Discrepancy, and (ii) subject to completion of audit procedures, based on the information and explanation provided by the management of the Group and the initial analysis on the nature of the financing arrangement, Elite Partners considers that the financing arrangement shall have no material impact on the consolidated financial statements of the Group.

Based on the foregoing, the Audit Committee takes the view that Discrepancy does not amount to an audit issue for the purpose of the audit for the Group's annual results for the year ended 31 December 2021 and the financing arrangement did not have and is not expected to have any material adverse effect on the liquidity or operation of the Group.

- *Elite Partners' view:* Elite Partners has received the information and explanation provided by the management of the Group regarding the Discrepancy and will perform the designated audit procedures to verify the management's explanation. Based on the discussions between the management of the Group and the Audit Committee with Elite Partners, the Company understands that: (i) Elite Partners will implement appropriate audit procedures to address the Discrepancy; and (ii) subject to completion of audit procedures, based on the information and explanation provided by the management of the Group and the initial analysis on the nature of the financing arrangement, Elite Partners considers that the financing arrangement shall have no material impact on the consolidated financial statements of the Group.

Other than those disclosed above, as at the date of this announcement, the Group did not have any other significant event subsequent to 31 December 2021.

COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") contained in Appendix 10 to the Rules Governing the Listing of Securities (the "**Listing Rules**") on the Stock Exchange as the guidelines for the Directors' dealings in the securities of the Company. Following specific enquiries to each of the Directors, the Directors have confirmed their compliance with the required standards set out in the Model Code throughout the year ended 31 December 2021.

CORPORATE GOVERNANCE

The Group is committed to achieving high standards of corporate governance to safeguard the interests of the holders of the shares of the Company and to enhance corporate value and accountability.

The Company has adopted the corporate governance code ^(Note) (the “**Corporate Governance Code**”) contained in Appendix 14 to the Listing Rules in force from time to time as its own code on corporate governance and, to the best knowledge of the Directors, the Company complied with all applicable code provisions under the Corporate Governance Code throughout the year ended 31 December 2021, save and except for the deviation from code provision A.2.1 of the Corporate Governance Code disclosed below.

Code provision A.2.1 of the Corporate Governance Code stipulated that the roles of the chairman and the chief executive officer of the Company should be separate and should not be performed by the same individual. The roles of the chairman and chief executive officer of the Company are both performed by Mr. Ou Zonghong, an executive Director. The Board believes that vesting the roles of both chairman and chief executive officer in the same individual enables the Company to achieve higher responsiveness, efficiency and effectiveness when formulating business strategies and executing business plans. Furthermore, in view of Mr. Ou Zonghong’s extensive industrial experience and significant role in the historical development of the Group, the Board believes that it is beneficial to the business prospects of the Group that Mr. Ou Zonghong continues to act as the chairman and chief executive officer of the Group, and that the balance of power and authority is sufficiently maintained by the operation of the Board, comprising the executive Directors and independent non-executive Directors.

CHANGE OF JOINT COMPANY SECRETARY, AUTHORISED REPRESENTATIVE AND PROCESS AGENT

Ms. Ng Wing Shan (“**Ms. Ng**”) has tendered her resignation as a joint company secretary of the Company (the “**Joint Company Secretary**”), an authorised representative of the Company (the “**Authorised Representative**”) under Rule 3.05 of the Listing Rules and the process agent for the acceptance of service of process and notices on behalf of the Company in Hong Kong under Part 16 of the HKCO (the “**Process Agent**”) with effect from 31 March 2022.

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

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

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

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

WAIVER FROM STRICT COMPLIANCE WITH RULES 3.28 AND 8.17 OF THE LISTING RULES

Reference is made to the waiver (the “**Waiver**”) granted to the Company by the Stock Exchange from strict compliance with the requirements of Rules 3.28 and 8.17 of the Listing Rules in respect of the eligibility of Mr. Yu Zuoyi (“**Mr. Yu**”) to act as a Joint Company Secretary for a three-year period from the date of appointment of Mr. Yu as a Joint Company Secretary, i.e. 20 February 2019 to 19 February 2022 (the “**Waiver Period**”), on the condition that Mr. Yu would be assisted by Ms. Ng, who possesses the qualifications required under Rule 3.28 of the Listing Rules, during the Waiver Period. Relevant details of the Waiver were disclosed in the announcement of the Company dated 20 February 2019.

Upon a review of the Waiver conditions at the end of the Waiver Period and in light of the resignation of Ms. Ng as one of the Joint Company Secretaries, the Company has applied to the Stock Exchange for, and the Stock Exchange has granted a new waiver (the “**New Waiver**”) from strict compliance with the requirements under Rules 3.28 and 8.17 of the Listing Rules from the date of appointment of Ms. Lee to 31 December 2022 (the “**Extended Waiver Period**”) in relation to the eligibility of Mr. Yu to act as a Joint Company Secretary.

The New Waiver will be revoked immediately if and when Ms. Lee ceases to be one of the Joint Company Secretaries. At the end of the Extended Waiver Period, the Company shall seek confirmation from the Stock Exchange on whether Mr. Yu has fulfilled the training requirement under Rule 3.29 of the Listing Rules.

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

AUDIT COMMITTEE

The Board has established the Audit Committee with written terms of reference in compliance with Rule 3.21 of the Listing Rules and the Corporate Governance Code. The terms of reference of the Audit Committee has been uploaded to the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.rongxingroup.com).

The primary duties of the Audit Committee are to review and supervise the financial reporting process, risk management and internal control system of the Group, oversee the audit process, provide advice and comments to the Board and perform other duties and responsibilities as may be assigned by the Board. The Audit Committee consists of three members, namely Mr. Qu Wenzhou, Mr. Ren Yunan and Mr. Ruan Weifeng, each of whom is an independent non – executive Director. The chairman of the Audit Committee is Mr. Qu Wenzhou who possesses appropriate professional qualifications.

REVIEW OF UNAUDITED ANNUAL RESULTS

The Audit Committee has reviewed the unaudited consolidated annual results of the Group for the year ended 31 December 2021 and considered that such results have been prepared in accordance with applicable accounting standards and requirements with sufficient disclosure.

DELAY IN PUBLICATION OF AUDITED ANNUAL RESULTS

References are made to the announcements of the Company dated 21 March 2022.

The COVID-19 pandemic had adversely affected the Group's financial reporting and audit progress since January 2022. In particular, the Group's Shanghai head office and other offices in Nanjing, Hangzhou, Suzhou, Nantong, Tianjin, Qingdao, Lianyungang and Fujian Province had been subject to mandatory quarantine measures imposed by the local authorities, including mandatory COVID-19 testing, access restriction and lockdown measures, to different extents. A total of over 430 staff members of the Group (including management and staff members of the Group who are responsible for the accounting and financial reporting functions) had been subject to mandatory quarantine measures at home or medical facilities, during which they were unable to report to duty as normal. Courier services had also been disrupted due to concern of spreading of COVID-19 in the community. The foregoing had (i) limited office access by the Group's management and staff and the auditor's staff, (ii) limited access to the onsite accounting records, information and system of the Group; (iii) disrupted or impaired the financial reporting and audit work schedule and efficiency; (iv) disrupted or delayed the provision of information and materials; (v) disrupted or delayed the sending and receipt of documents, including the preparation and dispatch of audit confirmation letters and bank confirmations; and (vi) reduced the manpower resources and total work hours available for financial reporting and audit work. In addition, due to the travel restrictions and quarantine measures and lack of other qualified or experienced staff, the Group was not able to re-allocate additional manpower resources from other offices or departments to ensure timely completion of the financial reporting and audit related work. As a result, there was unexpected delay to the original audit work plan and schedule, and the Company was not able to complete the necessary procedures in order for the Company to finalize its audited consolidated financial statements for the financial year ended 31 December 2021 by 31 March 2022.

In order to keep the Shareholders and potential investors informed of the Group's business operation and financial position, the Company announces the unaudited consolidated annual results of the Company for the year ended 31 December 2021 by way of this announcement based on the consolidated management accounts of the Company for the year ended 31 December 2021, which has been reviewed by the Audit Committee but not yet been agreed with the Company's auditor, Elite Partners.

Elite Partners has informed the Company that it currently expects to be in a position to complete its audit and deliver its audit opinion by no later than 15 May 2022. Following the completion of the audit by Elite Partners, the Company will publish an announcement containing, among others, (i) the audited consolidated annual results of the Group for the year ended 31 December 2021 as agreed with Elite Partners, (ii) the proposed date on which the forthcoming annual general meeting of the Company (the “AGM”) will be held, and (iii) the period during which the register of members of the Company will be closed in order to determine the Shareholders’ eligibility to attend and vote at the AGM, and despatch the annual report for the year ended 31 December 2021 as soon as practicable.

The Company will make further announcement(s) as and when necessary if there are other material developments in the completion of the auditing process.

PUBLICATION OF THE ANNUAL RESULTS AND ANNUAL REPORT

This announcement is published on the website of the Stock Exchange (www.hkexnews.hk) as well as the website of the Company (www.rongxinggroup.com). Subject to completion of audit, the Company currently expects to issue a further announcement by no later than 15 May 2022 in relation to the audited annual results for the year ended 31 December 2021 of the Group as agreed with Elite Partners and the adjustments (if any) to the unaudited annual results contained herein.

The annual report of the Company for the year ended 31 December 2021 will be despatched to Shareholders and made available on the websites of the Stock Exchange and the Company in due course.

The financial information contained herein in respect of the unaudited annual results of the Group have not been audited and have not been agreed with the Company’s auditor. Shareholders and potential investors are advised to exercise caution when dealing in the securities of the Company. When in doubt, Shareholders and potential investors are advised to seek advice from professional parties or financial advisers.

By Order of the Board
Ronshine China Holdings Limited
Ou Zonghong
Chairman

Hong Kong, 31 March 2022

As at the date of this announcement, Mr. Ou Zonghong, Ms. Yu Lijuan, Ms. Zeng Feiyan, Mr. Ruan Youzhi and Mr. Zhang Lixin are the executive Directors; Ms. Chen Shucui is the non-executive Director; and Mr. Qu Wenzhou, Mr. Ren Yunan and Mr. Ruan Weifeng are the independent non-executive Directors.

* for identification purpose only