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**天譽置業(控股)有限公司**  
**SKYFAME REALTY (HOLDINGS) LIMITED**  
*(Incorporated in Bermuda with limited liability)*  
**(Stock Code: 00059)**

**FINAL RESULTS ANNOUNCEMENT**  
**FOR THE YEAR ENDED 31 DECEMBER 2021**

**FINAL RESULTS**

The board (the “**Board**”) of directors (the “**Directors**”) of Skyfame Realty (Holdings) Limited (the “**Company**”) announces the consolidated final results of the Company and its subsidiaries (collectively the “**Group**”) for the year ended 31 December 2021, together with comparative figures for the corresponding year of 2020. The consolidated final results have been reviewed by the audit committee of the Company.

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	<i>Note</i>	Year ended 31 December	
		2021 <i>RMB'000</i>	2020 <i>RMB'000</i>
Revenue	2	7,662,876	7,702,150
Cost of sales and services		<u>(5,965,692)</u>	<u>(5,534,120)</u>
<b>Gross profit</b>		<b>1,697,184</b>	2,168,030
Other income		7,372	21,855
Other (losses)/gains – net		(282,562)	220,618
Sales and marketing expenses	4	(290,656)	(285,377)
Administrative and other expenses	4	(400,788)	(443,067)
Impairment loss of trade and other receivables		(43,087)	(25,961)
Impairment loss of properties under development and properties held for sale		(90,038)	–
Fair value changes in investment properties		<u>(5,335)</u>	<u>41,452</u>
<b>Operating profit</b>		<b>592,090</b>	1,697,550
Share of profit/(loss) of a joint venture, net of tax		414	(3,177)
Finance income – net	3	<u>90,943</u>	<u>225,494</u>
<b>Profit before income tax</b>		<b>683,447</b>	1,919,867
Income tax expense	5	<u>(573,979)</u>	<u>(916,855)</u>
<b>Profit for the year</b>		<b><u>109,468</u></b>	<b><u>1,003,012</u></b>
<b>Other comprehensive income, items that may be reclassified subsequently to profit or loss:</b>			
Exchange differences on translation of foreign operations		<u>5,899</u>	<u>643</u>
<b>Total comprehensive income for the year</b>		<b><u>115,367</u></b>	<b><u>1,003,655</u></b>
<b>(Loss)/profit for the year attributable to:</b>			
– Owners of the Company		(284,209)	950,900
– Non-controlling interests		<u>393,677</u>	<u>52,112</u>
		<b><u>109,468</u></b>	<b><u>1,003,012</u></b>
<b>Total comprehensive (loss)/income for the year attributable to:</b>			
– Owners of the Company		(278,310)	951,543
– Non-controlling interests		<u>393,677</u>	<u>52,112</u>
		<b><u>115,367</u></b>	<b><u>1,003,655</u></b>
<b>(Loss)/earnings per share</b>			
– Basic (expressed in RMB)	6	<u>(0.035)</u>	<u>0.122</u>
– Diluted (expressed in RMB)		<u>(0.035)</u>	<u>0.121</u>

## CONSOLIDATED BALANCE SHEET

		<b>31 December</b>	
		<b>2021</b>	2020
	<i>Note</i>	<b>RMB'000</b>	<b>RMB'000</b>
<b>Non-current assets</b>			
Property, plant and equipment		<b>538,580</b>	435,740
Right-of-use assets		<b>362,425</b>	376,656
Investment properties		<b>3,658,458</b>	3,584,405
Interest in joint ventures		<b>44,311</b>	43,897
Deferred tax assets		<b>286,170</b>	189,110
		<u><b>4,889,944</b></u>	<u>4,629,808</u>
<b>Current assets</b>			
Properties under development		<b>14,272,226</b>	14,051,893
Properties held for sale		<b>1,692,505</b>	2,080,204
Financial assets at fair value through profit or loss		<b>226,956</b>	774,220
Trade receivables	8	<b>198,106</b>	400,899
Other receivables and prepayments	9	<b>4,987,771</b>	4,633,717
Contract costs		<b>298,342</b>	187,798
Restricted cash		<b>2,879,579</b>	334,489
Cash and cash equivalents		<b>1,331,042</b>	1,968,713
		<u><b>25,886,527</b></u>	<u>24,431,933</u>
<b>Total assets</b>		<u><b>30,776,471</b></u>	<u>29,061,741</u>
<b>Equity</b>			
Share capital		<b>26,092</b>	24,680
Other reserves		<b>1,693,396</b>	1,327,058
Retained earnings		<b>2,507,856</b>	2,995,966
<b>Equity attributable to owners of the Company</b>			
		<b>4,227,344</b>	4,347,704
<b>Non-controlling interests</b>		<b>1,392,364</b>	447,054
<b>Total equity</b>		<u><b>5,619,708</b></u>	<u>4,794,758</u>

		<b>31 December</b>	
		<b>2021</b>	<b>2020</b>
	<i>Note</i>	<b>RMB'000</b>	<b>RMB'000</b>
<b>Non-current liabilities</b>			
Lease liabilities		<b>172,354</b>	162,772
Bank and other borrowings	<i>10</i>	<b>4,698,797</b>	6,037,941
Deferred tax liabilities		<b>429,635</b>	542,298
		<u><b>5,300,786</b></u>	<u>6,743,011</u>
<b>Current liabilities</b>			
Lease liabilities		<b>17,507</b>	8,753
Bank and other borrowings	<i>10</i>	<b>6,777,010</b>	2,653,495
Trade and other payables	<i>11</i>	<b>6,005,184</b>	4,102,800
Contract liabilities		<b>5,387,594</b>	9,429,225
Income tax payable		<b>1,668,682</b>	1,329,699
		<u><b>19,855,977</b></u>	<u>17,523,972</u>
<b>Total liabilities</b>		<u><b>25,156,763</b></u>	<u>24,266,983</u>
<b>Total equity and liabilities</b>		<u><b>30,776,471</b></u>	<u>29,061,741</u>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

*For the year ended 31 December 2021*

## 1. BASIS OF PREPARATION

### (a) Compliance with HKFRSs and HKCO

These consolidated financial statements of the Group have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards (“**HKFRSs**”) and disclosure requirements of the Hong Kong Companies Ordinance Cap. 622 (“**HKCO**”).

### (b) Historical cost convention

The consolidated financial statements have been prepared under the historical cost convention, as modified by the revaluation of financial assets at fair value through profit or loss and investment properties which are carried at fair value.

### (c) Going concern basis

For the year ended 31 December 2021, the Group recorded a profit of RMB109 million, a loss attributable to owners of the Company of RMB284 million and a net cash outflow from operation of RMB1,463 million. As at 31 December 2021, the Group had total bank and other borrowings of RMB11,476 million, of which RMB6,777 million were current bank and other borrowings repayable within 12 months (including certain senior notes issued by the Group with a total amount of RMB3,306 million), while the Group’s cash and cash equivalents amounted to RMB1,331 million and restricted cash was RMB2,880 million. Out of the above current bank and other borrowings, RMB2,300 million were secured by restricted deposits of RMB2,300 million.

The business of the Group is subject to extensive governmental regulations and macro-economic control measures of the real estate sector implemented by the PRC government from time to time, and some of these policies and measures may have unfavourable impact to the working capital available to the Group.

All of the above conditions indicated the existence of material uncertainties which may cast significant doubt on the Group’s ability to continue as a going concern.

In view of such circumstances, the directors of the Company (the “Directors”) have given careful consideration to the future liquidity and performance of the Group and its available sources of financing in assessing whether the Group will have sufficient financial resources to continue as a going concern. The following plans and measures have been taken to mitigate the liquidity pressure and to improve its financial position:

- (i) The Group will closely monitor the repayment of its bank and other borrowings. In particular, the Group will negotiate with the lenders to secure their agreement to exchange the Group’s senior notes of RMB1,469 million maturing in July 2022 with new senior notes with extended maturity beyond 2022; and not to exercise the early redemption put options in December 2022 for the senior note of RMB1,837 million with contractual maturity in December 2023. The Group will seek for extension and renewal of its other bank and other borrowings upon maturity as well as obtaining new financing from financial institutions.

- (ii) The Group is in active negotiations with certain potential buyers for disposal of certain commercial properties of the Group, including commercial office buildings and shops, with aggregate carrying value of approximately RMB2,831 million. The Group will also consider to further dispose of other commercial properties and investment properties to generate more cash inflows if needed.
- (iii) The Group will continue to implement plans and measures to accelerate the pre-sales and sales of its properties under development and completed properties held for sale, and to speed up the collection of sales proceeds.
- (iv) The Group has uncommitted project loan facilities and other general facilities of RMB6,251 million, and will also secure new facilities to provide sufficient funding for the Group's project construction payments or other project related payments such as compensation for residential demolition of urban redevelopment projects. The Group will closely monitor the process of construction of its property development projects to ensure that construction and related payments are fulfilled, the relevant properties sold under pre-sale arrangement are completed and delivered to the customers on schedule as planned, such that the Group is able to release restricted pre-sale proceeds from the designated bank accounts to meet its other financial obligations.
- (v) The Group will also continue to seek for other alternative financing, such as equity financing to finance the settlement of its existing financial obligations and future operating expenditures.

The Directors have reviewed the Group's cash flow projections prepared by management, which cover a period of twelve months from 31 December 2021. In the opinion of the Directors, in light of the above and taking into account the anticipated cash flows to be generated from the Group's operations as well as the above plans and measures, the Group will have sufficient working capital to meet its financial obligations as and when they fall due in the coming twelve months from 31 December 2021. Accordingly, the Directors consider that it is appropriate to prepare the consolidated financial statements on a going concern basis.

Notwithstanding the above, material uncertainties exist as to whether the Group is able to achieve its plans and measures as described above. Whether the Group will be able to continue as a going concern would depend upon the Group's ability to generate adequate financing and operating cashflows through:

- i) Successful and timely extension and renewal of its bank and other borrowings upon maturity as well as obtaining new financing from financial institutions; in particular the successful negotiation with the lenders to secure their agreement to exchange the Group's senior notes of RMB1,469 million maturing in July 2022 with new senior notes with extended maturity beyond 2022, and not to exercise the early redemption put options in December 2022 for the senior note of RMB1,837 million with contractual maturity in December 2023. The Group's ability to obtain these financing depends on (1) current and ongoing regulatory environments and how the relevant policies and measures might affect the Group and/or the relevant financial institutions; (2) whether the lenders of existing borrowings are agreeable to the terms and conditions for such extension or renewal; and (3) the Group's ability to continuously comply with the relevant terms and conditions of its bank and other borrowings including the senior notes;

- ii) Successful disposals of certain commercial properties and investment properties at a reasonable price, and collection of sales proceeds according to the timeline as planned;
- iii) Successful implementation of the plans and measures to accelerate the pre-sales and sales of properties under developments and completed properties held for sale, and timely collection of the relevant sales proceeds;
- iv) Successful in securing new project loans and general loans facilitates from financial institutes and draw down of project loans from the Group's existing or new loan facilities to fulfil its project construction and related payment obligations and successful completion and delivery of properties to the customers on schedule as planned; and
- v) Successful in obtaining other additional sources of financing other than those mentioned above, such as equity financing, as and when needed.

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

**(d) New and amended standards and interpretation adopted by the Group**

Amendments to HKFRS 16	COVID-19-related Rent Concessions
Amendments to HKFRS 9, HKAS 39, HKFRS 7, HKFRS 4 and HKFRS 16	Interest Rate Benchmark Reform Phase 2

The adoption of new and amended standards and interpretation did not have any material impact on the consolidated financial statements of the Group.

(e) **New standards, amendments and interpretation not yet adopted**

The following new standards and amendments have been published that are not mandatory for the year ended 31 December 2021 and have not been early adopted by the Group. These standards are not expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

		<b>Effective for annual periods beginning on or after</b>
HKFRS 17	Insurance Contracts	Originally 1 January 2021, but extended to 1 January 2023 by the HKICPA
Amendments to HKAS 1	Classification of Liabilities as Current or Non-current	Originally 1 January 2022, but extended to 1 January 2023 by the HKICPA
Amendments to HKAS 16	Property, Plant and Equipment: Proceeds before intended use	1 January 2022
Amendments to HKFRS 3	Reference to the Conceptual Framework	1 January 2022
Amendments to HKAS 37	Onerous Contracts – Cost of Fulfilling a Contract	1 January 2022
Annual Improvements	Annual Improvements to HKFRS Standards 2018-2020 Cycle	1 January 2022
Revised Accounting Guideline 5 (revised)	Merger Accounting for Common Control Combination	1 January 2022
Hong Kong Interpretation 5 (2020)	Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause	Applied when an entity applies “Classification of Liabilities as Current or Non-current – Amendments to HKAS 1”
Amendments to HKAS 1 and HKFRS Practice Statement 2	Disclosure of Accounting Policies	1 January 2023
Amendments to HKAS 8	Definition of Accounting Estimates	1 January 2023
Amendments to HKAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction	1 January 2023
Amendments to HKFRS 10 and HKAS 28	Sale or contribution of assets between an investor and its associate or joint venture	To be determined

These new and amended standards and revised framework are not expected to have a material impact on the consolidated financial statements of the Group.



## 2. SEGMENT REPORTING

The executive directors, as the chief operating decision-makers (“CODM”) of the Group, review the Group’s internal reporting in order to assess performance and allocate resources. Management has determined the operating segments based on these reports. The Group is organised into four business segments: property development, property investment, property management and commercial operation. As the CODM considers most of the Group’s consolidated revenue and results are attributable to the market in the PRC and the Group’s consolidated assets are substantially located in the PRC, no geographical information is presented.

Revenue consists of sales of properties, income of property management services, rental income of investment properties and commercial operation. Revenue of the year consists of the following:

	<b>Year ended 31 December</b>	
	<b>2021</b>	<b>2020</b>
	<b><i>RMB’000</i></b>	<b><i>RMB’000</i></b>
Sale of properties	<b>7,484,208</b>	7,572,595
Property management services	<b>148,826</b>	97,840
Rental income	<b>25,546</b>	25,128
Commercial operation	<b>4,296</b>	6,587
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	<b>7,662,876</b>	7,702,150
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Segment results represent the profit earned by each segment without fair value gains/losses on financial assets, gains/losses on disposal of financial assets, interest income and dividend income of financial assets, unallocated operating costs, finance income - net and income tax expense. Property management services comprise mainly of provision of property management services and rental assistance services. Commercial operation services are mainly operations in youth community projects. The segment results and other segment items for the year ended 31 December 2021 and 2020 are as follows:

	Property development RMB'000	Property management RMB'000	Property investment RMB'000	Commercial operation RMB'000	Elimination RMB'000	Total RMB'000
<b>Year ended 31 December 2021</b>						
<b>Segment revenue</b>						
External revenue	7,484,208	148,826	25,546	4,296	-	7,662,876
Inter-segment revenue	-	110,221	12,077	93,315	(215,613)	-
	<u>7,484,208</u>	<u>259,047</u>	<u>37,623</u>	<u>97,611</u>	<u>(215,613)</u>	<u>7,662,876</u>
<b>Timing of revenue recognition</b>						
At a point in time	7,484,208	-	-	-	-	7,484,208
Transferred over time	-	259,047	-	97,611	(203,536)	153,122
Revenue from other sources	-	-	37,623	-	(12,077)	25,546
	<u>7,484,208</u>	<u>259,047</u>	<u>37,623</u>	<u>97,611</u>	<u>(215,613)</u>	<u>7,662,876</u>
Total	<u>7,484,208</u>	<u>259,047</u>	<u>37,623</u>	<u>97,611</u>	<u>(215,613)</u>	<u>7,662,876</u>
<b>Segment results</b>	<b>1,172,707</b>	<b>22,885</b>	<b>8,416</b>	<b>747</b>	<b>-</b>	<b>1,204,755</b>
Reconciliation:						
Unallocated corporate net expenses						<u>(229,614)</u>
						975,141
Impairment loss of trade and other receivables						(43,087)
Impairment loss of properties under development and properties held for sale	(90,038)	-	-	-	-	(90,038)
Fair value changes in investment properties	-	-	(5,335)	-	-	(5,335)
Interest income from financial asset at fair value through profit or loss ("FVTPL")						26,787
Fair value loss on financial assets						(271,383)
Share of profit of a joint venture, net of tax						414
Finance income - net						<u>90,943</u>
Consolidated profit before income tax						<u>683,442</u>
<b>Other segment information:</b>						
Depreciation and amortisation	(24,702)	(393)	(6,946)	(6)	-	(32,047)
Additions to properties under development	5,650,653	-	-	-	-	5,650,653
Capital expenditure						<u>121,795</u>

	Property development RMB'000	Property management RMB'000	Property investment RMB'000	Commercial operation RMB'000	Elimination RMB'000	Total RMB'000
<b>As at 31 December 2021</b>						
<b>Assets and liabilities</b>						
<b>Assets</b>						
Reportable segment assets	20,944,787	49,881	4,334,950	17,235	-	25,346,853
Reconciliation:						
Interest in a joint venture						44,311
Financial assets at FVTPL						226,956
Deferred tax assets						286,170
Cash and cash equivalents						1,331,042
Unallocated corporate assets						
– Property, plant and equipment						413,992
– Other receivables and prepayments						361,204
– Restricted cash						2,449,555
– Other corporate assets						316,388
Consolidated total assets						<u><u>30,776,471</u></u>
<b>Liabilities</b>						
Reportable segment liabilities	17,200,687	91,063	505,334	4,541	-	17,801,625
Reconciliation:						
Deferred tax liabilities						429,635
Income tax payable						1,668,682
Unallocated corporate liabilities						
– Bank and other borrowings						5,157,142
– Other corporate liabilities						99,679
Consolidated total liabilities						<u><u>25,156,763</u></u>

	Property development <i>RMB'000</i>	Property management <i>RMB'000</i>	Property investment <i>RMB'000</i>	Commercial operation <i>RMB'000</i>	Elimination <i>RMB'000</i>	Total <i>RMB'000</i>
<b>Year ended 31 December 2020</b>						
<b>Segment revenue</b>						
External revenue	7,572,595	97,840	25,128	6,587	–	7,702,150
Inter-segment revenue	–	101,300	15,537	1,188	(118,025)	–
	<u>7,572,595</u>	<u>199,140</u>	<u>40,665</u>	<u>7,775</u>	<u>(118,025)</u>	<u>7,702,150</u>
<b>Timing of revenue recognition</b>						
At a point in time	7,572,595	–	–	–	–	7,572,595
Transferred over time	–	199,140	–	7,775	(102,488)	104,427
Revenue from other sources	–	–	40,665	–	(15,537)	25,128
	<u>7,572,595</u>	<u>199,140</u>	<u>40,665</u>	<u>7,775</u>	<u>(118,025)</u>	<u>7,702,150</u>
<b>Segment results</b>	1,525,223	27,967	8,153	939	–	1,562,282
Reconciliation:						
Unallocated corporate net expenses						<u>(90,771)</u>
						1,471,511
Impairment loss of trade and other receivables						(25,961)
Fair value changes in investment properties	–	–	41,452	–	–	41,452
Remeasurement gain resulting from a joint venture transferred to a subsidiary						123,674
Interest income from financial assets at FVTPL						35,566
Fair value gain on financial assets						51,308
Share of loss of a joint venture, net of tax						(3,177)
Finance income - net						<u>225,494</u>
Consolidated profit before income tax						<u>1,919,867</u>
<b>Other segment information:</b>						
Depreciation and amortisation	(18,766)	(368)	(6,116)	(45)	–	(25,295)
Additions to properties under development	8,522,357	–	–	–		8,522,357
Capital expenditure						<u>7,340</u>

	Property development <i>RMB'000</i>	Property management <i>RMB'000</i>	Property investment <i>RMB'000</i>	Commercial operation <i>RMB'000</i>	Elimination <i>RMB'000</i>	Total <i>RMB'000</i>
<b>As at 31 December 2020</b>						
<b>Assets and liabilities</b>						
<b><u>Assets</u></b>						
Reportable segment assets	20,738,044	57,991	3,965,221	18,282	–	24,779,538
Reconciliation:						
Interest in a joint venture						43,897
Financial assets at FVTPL						774,220
Deferred tax assets						189,110
Cash and cash equivalents						1,968,713
Unallocated corporate assets						
– Property, plant and equipment						294,931
– Other receivables and prepayments						361,204
– Restricted cash						192,129
– Other corporate assets						457,999
Consolidated total assets						<u>29,061,741</u>
<b><u>Liabilities</u></b>						
Reportable segment liabilities	16,673,490	137,251	418,204	2,897	–	17,231,842
Reconciliation:						
Deferred tax liabilities						542,298
Income tax payable						1,329,699
Unallocated corporate liabilities						
– Bank and other borrowings						5,096,577
– Other corporate liabilities						66,567
Consolidated total liabilities						<u>24,266,983</u>

The Group had a large number of customers and none of whom contributed 10% or more of the Group's revenue for the year ended 31 December 2021 and 2020.

### 3. FINANCE INCOME – NET

	Year ended 31 December	
	2021	2020
	<i>RMB'000</i>	<i>RMB'000</i>
Interest expense for bank and other borrowings	<b>1,064,650</b>	868,645
Interest on lease liabilities	<b>18,336</b>	33,985
Less: amount capitalised	<b>(1,060,179)</b>	(866,203)
	<b>22,807</b>	36,427
Foreign exchange gain on financing activities - net	<b>(97,847)</b>	(246,176)
	<b>(75,040)</b>	(209,749)
Finance income:		
Bank interest income	<b>15,903</b>	15,745
Finance income - net	<b>(90,943)</b>	(225,494)

### 4. EXPENSES BY NATURE

	Year ended 31 December	
	2021	2020
	<i>RMB'000</i>	<i>RMB'000</i>
Cost of properties sold – including		
construction cost, land cost and interest cost	<b>5,818,020</b>	5,388,861
Staff costs (including directors' emoluments)	<b>232,601</b>	277,161
Advertising costs	<b>261,458</b>	256,740
Taxes and levies	<b>55,422</b>	75,405
Other direct costs	<b>89,747</b>	65,068
Depreciation and amortisation	<b>32,047</b>	40,689
Auditor's remunerations	<b>4,920</b>	6,680
– audit services	<b>4,870</b>	5,080
– non-audit services	<b>50</b>	1,600

The short-term leases fees of RMB2,267,000 are recognised as expenses for the year ended 31 December 2021 (2020: RMB2,674,000).

## 5. INCOME TAX EXPENSE

The amount of taxation in the consolidated statement of comprehensive income represents:

	Year ended 31 December	
	2021	2020
	RMB'000	RMB'000
PRC corporate income tax	595,825	685,720
PRC land appreciation tax	187,877	480,977
	<u>783,702</u>	<u>1,166,697</u>
Deferred tax		
– PRC corporate income tax	(209,723)	(249,842)
	<u>(209,723)</u>	<u>(249,842)</u>
Total income tax expenses	<u>573,979</u>	<u>916,855</u>

### PRC corporate income tax

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 year, based on the existing legislation, interpretations and practices in respect thereof. The corporate income tax rate applicable to the Group's entities located in Mainland China is 25%.

### PRC withholding income tax (“WHT”)

Under the Enterprise Income Tax (“EIT”) Law of PRC, withholding tax is imposed on dividends declared in respect of profits earned by PRC subsidiaries from 1 January 2008 onwards. The relevant overseas holding companies have successfully obtained endorsement from the PRC tax bureau to enjoy the treaty benefit of 5% withholding income tax rate on dividends received from the PRC subsidiaries of the Group.

### PRC land appreciation tax (“LAT”)

Pursuant to the requirements of the Provisional Regulations of the PRC on LAT effective 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 rate.

### Hong Kong profits tax

No provision for Hong Kong profits tax has been made in these consolidated financial statements as the Company and the Group did not have assessable profit in Hong Kong for the year. The profit of the Group's entities in Hong Kong is mainly derived from dividend income, which is not subject to Hong Kong profits tax.

### 6. (LOSS)/EARNINGS PER SHARE

The calculation of basic (loss)/earnings per share amounts for the years ended 31 December 2021 and 2020 is based on the (loss)/profit for the year attributable to equity holders of the Company, and the weighted average number of ordinary shares in issue and participating equity instruments resulting to new shares issued due to the exercises of share options during the years.

The calculation of the diluted (loss)/earnings per share amounts for the years ended 31 December 2021 and 2020 is based on the (loss)/profit for the year attributable to equity holders of the Company and the weighted average number of ordinary shares after adjustment for the effect of the exercise of the Company's outstanding share option and share award scheme. As the Group incurred loss for the year ended 31 December 2021, the potential ordinary shares were not included in the calculation of dilutive (loss)/earnings per share, as their inclusion would be anti-dilutive.

	Year ended 31 December	
	2021	2020
	RMB'000	RMB'000
(Loss)/profit for the purposes of basic and diluted (loss)/ earnings per share	<u>(284,209)</u>	<u>950,900</u>
	<b>Number of shares</b>	
	<i>'000</i>	<i>'000</i>
Weighted average number of ordinary shares for the purposes of basic (loss)/earnings per share	<b>8,099,032</b>	7,795,114
Effect of dilutive potential ordinary shares in respect of the Company's share options schemes and share award scheme	<u>—</u>	<u>87,042</u>
Weighted average number of ordinary shares for the purposes of diluted (loss)/earnings per share	<u><b>8,099,032</b></u>	<u>7,882,156</u>
Basic (expressed in RMB)	<b>(0.035)</b>	0.122
Diluted (expressed in RMB)	<u><b>(0.035)</b></u>	<u>0.121</u>



## 7. DIVIDENDS

The dividend paid in 2021 was the payment of the 2020 final cash dividend of HK\$0.030 per ordinary share totaling HK\$253,390,000 (equivalent to RMB210,824,000) (The dividend paid in 2020 was the payment of the 2019 final cash dividend of HK\$0.023 per ordinary share totaling HK\$182,356,000 (equivalent to RMB166,564,000)).

No dividend for the year ended 31 December 2021 (2020: HK\$0.030 (approximately RMB0.025) per ordinary share) has been proposed by the Board of the Company.

## 8. TRADE RECEIVABLES

	31 December	
	2021	2020
	<i>RMB'000</i>	<i>RMB'000</i>
Trade receivables	224,790	429,704
Less: loss allowance	(26,684)	(28,805)
	<u>198,106</u>	<u>400,899</u>

The majority of the Group's sales are derived from sales of properties, property management services and rental income. Proceeds in respect of sales of properties, property management services and rental income are to be received in accordance with the terms of related sales and purchase agreements and rental contracts. All trade receivables are due from independent third parties.

The ageing analysis of trade receivables as at the respective balance sheet date is as follows:

	31 December	
	2021	2020
	<i>RMB'000</i>	<i>RMB'000</i>
Within 30 days	27,140	62,756
Over 30 days and within 90 days	4,404	8,444
Over 90 days and within 365 days	8,121	145,552
Over 365 days	185,125	212,952
	<u>224,790</u>	<u>429,704</u>

## 9. OTHER RECEIVABLES AND PREPAYMENTS

	31 December	
	2021	2020
	<i>RMB'000</i>	<i>RMB'000</i>
<b>Other receivables:</b>		
Amounts due from non-controlling interests	1,076,846	1,185,119
Guarantee deposit of an urban redevelopment project kept by a monitoring governmental authority	596,850	–
Sale proceeds kept by a monitoring governmental authority	574,901	516,333
Loan receivables	361,204	361,204
Maintenance funds paid on behalf of properties owners	64,022	79,450
Tender deposit in development project	45,510	401,510
Unpaid up capital to be contributed by a non-controlling shareholder of a subsidiary	24,900	24,900
Accruals of interests from FVTPL	–	27,070
Others	479,724	330,344
	<u>3,223,957</u>	<u>2,925,930</u>
Less: loss allowance	<u>(67,637)</u>	<u>(22,429)</u>
Subtotal	<u>3,156,320</u>	<u>2,903,501</u>
<b>Prepayment:</b>		
Prepaid construction costs	1,025,126	796,192
Prepaid taxes and surcharges	417,112	530,442
Prepayment for proposed projects	389,213	403,582
	<u>1,831,451</u>	<u>1,730,216</u>
Total	<u><u>4,987,771</u></u>	<u><u>4,633,717</u></u>

## 10. BANK AND OTHER BORROWINGS

	<b>31 December</b>	
	<b>2021</b>	<b>2020</b>
	<i>RMB'000</i>	<i>RMB'000</i>
<b>Borrowings included in non-current liabilities:</b>		
Bank borrowings	<b>2,838,428</b>	1,124,968
– Secured	<b>2,838,428</b>	883,330
– Unsecured	–	241,638
Notes/bonds	<b>4,742,179</b>	3,745,023
– Secured	<b>1,469,479</b>	1,885,872
– Unsecured	<b>3,272,700</b>	1,859,151
Other borrowings	<b>1,336,033</b>	1,455,368
– Secured	<b>1,336,033</b>	1,455,368
Less: current portion of non-current borrowings	<b>(4,217,843)</b>	(287,418)
	<b>4,698,797</b>	6,037,941
<b>Borrowings included in current liabilities:</b>		
<b>Current portion of long-term borrowings</b>	<b>4,217,843</b>	287,418
– Current portion of long-term bank and other borrowings	<b>890,691</b>	123,312
– Current portion of long-term notes/bonds	<b>3,327,152</b>	164,106
Bank borrowings	<b>130,872</b>	641,007
– Secured	<b>130,872</b>	641,007
Notes/bonds	<b>128,295</b>	803,380
– Secured	<b>128,295</b>	–
– Unsecured	–	803,380
Other borrowings	<b>2,300,000</b>	921,690
– Secured	<b>2,300,000</b>	921,690
	<b>6,777,010</b>	2,653,495
Total borrowings	<b>11,475,807</b>	8,691,436

## 11. TRADE AND OTHER PAYABLES

	<b>31 December</b>	
	<b>2021</b>	<b>2020</b>
	<i><b>RMB'000</b></i>	<i><b>RMB'000</b></i>
Trade payables	<b>43,275</b>	43,774
Construction costs payable	<b>3,818,059</b>	2,852,229
Accrued taxes and surcharges	<b>1,061,330</b>	523,941
Other payables and accruals	<b>927,241</b>	432,862
– Related parties	<b>4,006</b>	–
– Third parties	<b>923,235</b>	432,862
Tender payable to the suppliers	<b>66,225</b>	161,540
Receipt in advance, rental and other deposits from residents and tenants	<b>60,488</b>	29,983
– Related parties	<b>213</b>	213
– Third parties	<b>60,275</b>	29,770
Salaries and bonuses accruals	<b>28,566</b>	58,471
	<b>6,005,184</b>	4,102,800

The ageing analysis of trade payables as at 31 December 2021 and 2020 is as follows:

	<b>31 December</b>	
	<b>2021</b>	<b>2020</b>
	<i><b>RMB'000</b></i>	<i><b>RMB'000</b></i>
Within 30 days	<b>8,368</b>	24,097
Over 30 days and within 90 days	<b>4,000</b>	11,773
Over 90 days and within 365 days	<b>17,110</b>	7,882
Over 365 days	<b>13,797</b>	22
Total trade payables	<b>43,275</b>	43,774

## 12. COMMITMENTS

	<b>31 December</b>	
	<b>2021</b>	<b>2020</b>
	<i><b>RMB'000</b></i>	<i><b>RMB'000</b></i>
Expenditure contracted but not provided for in respect of – Property construction and development costs	<b>8,293,205</b>	5,029,047

## MANAGEMENT DISCUSSION AND ANALYSIS

*FOR THE YEAR ENDED 31 December 2021*

### **A. Business review**

In 2021, due to the global economic downturn affected by the new crown pneumonia epidemic, the speed of the global economic recovery is still uncertain. In this environmental situation, regulatory measures aiming at reducing leverage in the real estate sector have added to the uncertainty. Under such circumstances, the industry has continued to show a trend of bottom shocks and deep integration and shuffle. However, starting from the end of 2021, with the proper implementation of the various supportive and comprehensive policies by the local government, the overall development of the real estate industry is gradually improving. It is expected that in the long run, the overall market conditions can be in a relatively stable and healthy development trend.

Our project portfolio is mainly located in regions in the Greater Bay Area and big second-tier and around cities with strong rigid housing demand and are most resilient to turbulences. Facing the complex and volatile external environment and the policy challenges on the entire industry, the Group adheres to the strategic direction of stable operation and accelerate synergistic development. In addition, the Group actively responds by the implementation of the business transformation strategy to return to the Guangdong-Hong Kong-Macao Greater Bay Area, to invest more resources to accelerate the new project of Fengwei Village in Guangzhou, the PRC with gross floor area of approximately 1.9 million sq.m. The overall transformation of the renovation project also bears the transitional cost of the business strategy implementation stage.

In the year of 2021, our Group has achieved a turnover of RMB7.7 billion. We recorded contracted sales totaling RMB11.1 billion (2020: RMB16.5 billion) at GFA of 1.2 million sq.m. (2020: 1.7 million sq.m.) at overall before-tax average selling price of RMB9,000 per sq.m. (2020: RMB9,500 per sq.m.). The GFA contracted, covering 25 projects under development and completed projects. Other than contracted sales that were delivered and recognized during the current year, the remaining will be recognized as property sales in the later years in 2022 to 2025 when the subject properties are delivered.

During the current year, we had nine projects (2020: eight) with properties delivered, namely Guangzhou Skyfame Byland, Zhongshan Skyfame Rainbow, Chongqing Skyfame•Smart City, Nanning Skyfame Garden, Nanning Skyfame ASEAN Maker Town, Nanning Spiritual Mansions, Xuzhou Skyfame Time City, Xuzhou Skyfame Elegance Garden and Nanchang Skyfame Fenghuangyue. The Group delivered aggregate GFA of 846,000 sq.m. (2020: 659,000 sq.m.) and recorded property sale revenue before direct taxes of RMB8,140 million (2020: RMB8,218 million). Comparing with last year, the revenue is about the same performance as in last year but with different mixtures in products and markets.

The Group's recognized sales of properties in sale value before direct taxes and saleable GFA by projects for the year are as follows:

<b>Project</b>	<b>Recognized Sales</b>	
	<b>Gross Amount</b> <i>RMB'million</i>	<b>GFA Delivered</b> <i>sq.m.</i>
Guangzhou Skyfame Byland	160	2,000
Zhongshan Skyfame Rainbow	137	11,000
Chongqing Skyfame • Smart City	320	30,000
Nanning Skyfame Garden	60	17,000
Nanning Skyfame ASEAN Maker Town	1,479	139,000
Nanning Spiritual Mansions	3,631	353,000
Xuzhou Skyfame Time City	1,121	154,000
Xuzhou Skyfame Elegance Garden	1,188	131,000
Nanchang Skyfame Fenghuangyue	44	9,000
	<hr/>	<hr/>
Total in year 2021	8,140	846,000
	<hr/>	<hr/>
Total in year 2020	8,218	659,000
	<hr/> <hr/>	<hr/> <hr/>

## **B. Property Portfolio**

As at 31 December 2021, we have project portfolio and potential land reserves in aggregate GFA of 33.0 million sq.m. mainly located in Guangzhou, Shenzhen, Zhongshan, Zhuhai, Huizhou in the Guangdong-Hong Kong-Macao Greater Bay Area, Nanning and Guilin in the Southern Region of China, Xuzhou and Nanchang in the Eastern Region of China, and Chongqing, Kunming and Guizhou in the Southwestern Region of China. The land reserves provide us a solid capacity for a sustainable growth in the approaching timelines. Depending on the status of development of each project, the profiles about our land bank are categorized into group 1 as “properties completed, under or held for development”, group 2 as “co-operation projects” and group 3 as “potential land reserves” as below:

### ***1. Properties completed, under or held for development***

During the year, we held eighteen real estate development projects in mainland China of which six have been completed and the others under construction or for imminent development, together with joint venture projects we participated in and other projects held by a third parties that we are acting as project manager, all in all, we are holding interests in thirty-one projects, either completed, under construction or for future development. As at 31 December 2021, all these projects renders a total GFA of approximately 15.3 million sq.m..

The table below sets out details of property portfolio.

Project	Location	Property type	Estimated total GFA (sq.m.)	Estimated total saleable GFA (Note a) (sq.m.)	Accumulated saleable GFA delivered (sq.m.)	Actual/Estimated completion year	The Group's interest
Guangzhou Skyfame Byland	Guangzhou	Residential & commercial	315,000	159,000	125,000	2017–19	100%
Guangzhou Fengwei Village Project	Guangzhou	Residential & ancillary commercial	1,939,000	742,000	–	2024–27	80%
Guangzhou Luogang Project	Guangzhou	Serviced apartment & ancillary commercial	122,000	101,000	–	2024	100%
Skyfame Health Smart City	Shenzhen	Serviced apartment & commercial	183,000	129,000	–	2024	100%
Zhongshan Skyfame Rainbow	Zhongshan	Residential & ancillary commercial	105,000	86,000	79,000	2020	51%
Skyfame Zhuhai Bay	Zhuhai	Residential & ancillary commercial	295,000	209,000	–	2022–23	80%
Nanning Skyfame Garden	Nanning	Residential & ancillary commercial	1,202,000	950,000	926,000	2016–18	80%
Nanning Skyfame ASEAN Maker Town	Nanning	Composite development	1,305,000	1,047,000	749,000	2018–24	80%
Nanning Spiritual Mansions	Nanning	Residential and ancillary commercial	749,000	581,000	558,000	2020–21	40%
Guilin Lipu Skyfame Jade Valley	Guilin	Villas, residential & serviced apartments	236,000	230,000	–	2022–24	100%
Xuzhou Skyfame Time City	Xuzhou	Residential & ancillary commercial	468,000	395,000	370,000	2019–21	70%
Xuzhou Skyfame Elegance Garden	Xuzhou	Residential & ancillary commercial	205,000	153,000	131,000	2021–2022	78%
Xuzhou Skyfame Smart City	Xuzhou	Residential & ancillary commercial	542,000	416,000	–	2022–24	90%
Nanchang Skyfame Fenghuangyue	Nanchang	Residential & ancillary commercial	119,000	110,000	75,000	2013	66%
Chongqing Skyfame • Smart City	Chongqing	Composite development	1,195,000	962,000	425,000	2017–23	100%
Chongqing Skyfame Linxifu	Chongqing	Residential & ancillary commercial	448,000	360,000	–	2022–23	76%
Kunming Anning Linxi Valley	Kunming	Residential & ancillary commercial	297,000	255,000	–	2022	(note b)
Kunming Skyfame City	Kunming	Residential & ancillary commercial	502,000	384,000	–	2022–25	90%
<b>Sub-total - developed by subsidiaries</b>			<b>10,227,000</b>	<b>7,269,000</b>	<b>3,438,000</b>		
<b>Co-operation projects (note c)</b>			<b>5,061,000</b>				
<b>Total</b>			<b>15,288,000</b>				

*Note:*

- (a) Total saleable GFA excludes un-saleable area for municipal facilities, area allocated to a cooperative partner and resettlement housing to be provided without sale considerations in certain projects.
- (b) For Kunming Anning Linxi Valley, a project being developed through a right under a contractual arrangement, the above project profile refers to GFAs under development by the project company.
- (c) Co-operation projects refer to the projects which are developed by joint venture or we act as project manager pursuant to the relative agreements. The above projects profile refers to the GFAs under development by the project companies.

*In Guangdong-Hong Kong-Macao Greater Bay Area:*

(1) *Guangzhou Skyfame Byland (“廣州天譽半島”)*

The project, named as Guangzhou Skyfame Byland, is held by a subsidiary of the Company whereas a third party, Guangzhou Port Group Co., Limited (廣州港集團有限公司), is entitled to share 28% in developable GFA of the completed properties. The legal title over the remaining 72% of the completed properties rests with the Group.

The plot is located at Zhoutouzui, Haizhu district, Guangzhou, at the riverside of Bai e lake, one of the top 8 attractions in Guangzhou. The project represents the only sizable luxury living community with the widest river view in downtown of Guangzhou. The project is a mixed-use development with a total GFA of approximately 315,000 sq.m. (total saleable GFA of 159,000 sq.m.), consisting of seven towers comprising residential apartments, offices, serviced apartments, municipal and other facilities, underground car parking facilities and supporting commercial facilities.

The entire project had been completed. 800 car parking spaces and the entire block of tower A1 in aggregate GFA of 20,000 sq.m. are retained by the Group for long-term leasing purpose.



(2) *Guangzhou Fengwei Village Project* (“廣州鳳尾村項目”)

The project is an old village redevelopment project located in Fengwei Village, Jiufu Street (九佛街), Huangpu District, Guangzhou. The project is adjacent to the Hongwei metro station, which is about one hour away from Tianhe District, the centre of Guangzhou, and close to the International Biomedical Innovation Park. The project covers a land for a total GFA of 1,939,000 sq.m. (total saleable GFA of 742,000 sq.m.).

In late of 2020, an indirect wholly-owned subsidiary of the Company namely Nanning Tianyu Jurong Realty Company Limited (“Tianyu Jurong”), was notified by Fengwei Village Economic Cooperative Society that, following the open tender process for the introduction of cooperative entity on the Guangzhou Public Resources Trading Service Platform, Tianyu Jurong became the cooperative entity for the project. The demolition works on the land and the construction has been commenced.

(3) *Guangzhou Luogang Project* (“廣州蘿崗項目”)

The project is located at the north of Yin Tong Road (賢堂路) of Yonghe District in Huangpu, Guangzhou. The project occupies a site of 50,263 sq.m. with planned GFA of 122,000 sq.m. (total saleable GFA of 101,000 sq.m). The land is originally granted for industrial purpose and our management plans to develop the project into serviced apartments and commercial properties. The management is currently negotiating with the district government about the redevelopment of the zone into a commercial project.

Guangzhou Luogang Project has development right enabling the Group to commence development subject to obtaining government approval on conversion of land uses. Investment costs paid on the project are presented as prepayments for proposed projects grouped into “Other receivables and prepayments” of the consolidated balance sheet.

(4) *Skyfame Health Smart City* (“天譽大健康智慧工業園”)

The project, named as Skyfame Health Smart City is located at the southeast of Guangming New Zone, Shenzhen. The project company holds a right to redevelop on the land for a total GFA of 183,000 sq. m.(total saleable GFA of 129,000 sq.m.) for innovative industrial premises, serviced apartments and offices. We have completed the demolition works on the land and the construction has been commenced during the year.

(5) *Zhongshan Skyfame Rainbow* (“中山天譽虹悅”)

The project, named as Zhongshan Skyfame Rainbow and located on Cui Sha Road (翠沙路), Rainbow Planning Zone at the north of West Zone, Zhongshan, Guangdong province, is a residential development with ancillary commercial properties. The total GFA of the project is about 105,000 sq.m. (saleable GFA of 86,000 sq.m.). The entire project had been completed and up to 31 December 2021, a total saleable GFA of 79,000 sq.m. has been delivered to buyers.

(6) *Skyfame Zhuhai Bay* (“天譽珠海灣”)

The Group entered into an agreement to acquire the entire equity interest in a company engaged in a development project in Economic Zone of Gaolan Harbour, Pingshan New Town, Zhuhai, Guangdong province. The project will be built up to feature a residential development with total GFA of 209,000 sq.m. for sale and GFA 22,000 sq.m. to be surrendered to the local government as social subsidized housing for talents and public rental housing. Construction is in progress and the management expects to complete the project in 2022 to 2023.

*In Southern Region of China:*

(7) *Nanning Skyfame Garden* (“南寧天譽花園”)

Nanning Skyfame Garden and Skyfame Nanning ASEAN Maker Town, are collectively branded as “Nanning Skyfame City” (“南寧天譽城”). The project is located in the business hub of Wuxiang New District (五象新區) at the southeast of the downtown of Nanning, the capital of Guangxi province. The project has been developed into a residential community, namely “Nanning Skyfame Garden”, with a total GFA of 1,202,000 sq.m. (saleable GFA of approximately 950,000 sq.m.), covering 65 towers for residential and retail properties, car parking facilities, public and municipal facilities, and residential and commercial units for the resettlement of original occupants. The entire project had been completed and up to 31 December 2021, a total saleable GFA of 926,000 sq.m. has been delivered to buyers, the remaining GFA of 24,000 sq.m. are on sale or held for the operation of our second “Yuwu Startup” co-work place.

(8) *Nanning Skyfame ASEAN Maker Town* (“南寧天譽東盟創客城”)

The development covers three land plots of 194,222 sq.m. (equivalent to 291.33 mu) located at the north of Wuxiang Da Road, Wuxiang New Zone (五象新區), Liangqing District, Nanning, Guangxi. The project is within walking distance from Nanning Skyfame Garden. The project is a development complex divided into east and west zone and is developed in phases. Planned total GFA is 1,305,000 sq.m. (saleable GFA of approximately 1,047,000 sq.m.). The east zone features A-class offices, retail properties and an international 5-star hotel branded as Westin Nanning in a skyscraper in a height of 346 meters named as the Skyfame ASEAN Tower (“天譽東盟塔”), together with a community development consisting of serviced apartments, retail properties, and ancillary facilities specifically developed for young occupants named as “the World of Mr. Fish”(“魚先生的世界”). The west zone features residential and retail properties named as “Nanning Skyfame Byland” (“南寧天譽半島”). Construction works of the two zones is scheduled to complete by phases up to 2024. The development, when completed, will then be a landmark in Wuxiang New District.

Up to 31 December 2021, residential and commercial units of saleable GFA of 749,000 sq.m. have been delivered to buyers. For the undelivered saleable GFA of 298,000 sq.m., the management plans to retain GFA of 50,000 sq.m. to be held for long-term purpose for leasing to tenants engaged in retailing and distribution businesses, and the remaining GFA are scheduled to be delivered in 2022 onwards until 2024, the expected year of delivery of Skyfame ASEAN Tower.

(9) *Nanning Spiritual Mansions* (“南寧檀府•印象”)

The Group participates in an arrangement with 40% equity interest in a project company formed with two other local developers. The project is located in the core area of Wuxiang New Zone, between Skyfame Garden and Vanke Park, at the north of Yudong Avenue (玉洞大道) in Liangqing District, Nanning. The project, named as “Nanning Spiritual Mansions”, is situated on a land plot of approximately 138,000 sq.m. and to be developed in GFA of 749,000 sq.m. (saleable GFA of 581,000 sq.m.), covering residential and commercial properties, school and municipal facilities. Construction works has been completed in phases starting from 2020. Up to 31 December 2021, a total saleable GFA of 558,000 sq.m. has been delivered to buyers.

(10) *Guilin Lipu Skyfame Jade Valley* (“桂林荔浦天譽翡翠谷”)

The land of the project was acquired through a public auction. The project, named as Guilin Lipu Skyfame Jade Valley, is located in Lipu City (荔浦市) at the south of Guilin City. Lipu is the transportation hub to Guilin (桂林), Liaozhou (柳州), Wuzhou (梧州) and Hezhou (賀州) cities in Guangxi. The plot is rich of natural scenery resources making the project an attractive culture and tourism development. We plan to develop the project into villas, residences and serviced apartments, a hotel and tourist scenic spot. Total GFA to be developed is 236,000 sq.m. of which 230,000 sq.m is saleable. Construction commenced in late 2019 and delivery is expected to be in 2022 to 2024.

*In Eastern Region of China:*

(11) *Xuzhou Skyfame Time City* (“徐州天譽時代城”)

Xuzhou Skyfame Time City is located at Xuzhou Quanshan Jiangsu Economic Development Zone (江蘇徐州泉山經濟開發區) in Xuzhou, Jiangsu province. It is situated in Times Avenue South and Xufeng Highway West in Xuzhou. It is an eco-residential and commercial development with residential and ancillary commercial units. The project has been completed in 2021, with a total GFA of 468,000 sq.m. (saleable GFA of 395,000 sq.m.) with saleable GFA of 370,000 sq.m. delivered up to 31 December 2021.

(12) *Xuzhou Skyfame Elegance Garden* (“徐州天譽雅園”)

The project, named as Xuzhou Skyfame Elegance Garden, is located at 1 km apart from Xuzhou Skyfame Time City. The land plot was acquired through a land auction in 2017 with a total GFA of about 205,000 sq.m. (saleable GFA of 153,000 sq.m.). The project is being developed into residential and ancillary commercial development and construction works are expected to be completed in 2022.

(13) *Xuzhou Skyfame Smart City* (“徐州廣譽智慧城”)

The land of the project was acquired through a land auction in 2019. The site is located in the north of the downtown of Xuzhou in Jiulihu district (九里湖) , next to the Zhangxiaolou (張小樓) river and a wetland park under plan. The project, namely Xuzhou Skyfame Smart City, is a mixed development in a total GFA of 542,000 sq.m. (saleable GFA of 416,000 sq.m.), consisting of residential, serviced apartments, commercial properties and a hotel. Construction and pre-sale has been commenced with construction works expected to be completed in 2022 to 2024.

(14) *Nanchang Skyfame Fenghuangyue* (“南昌天譽鳳凰樾”)

The site, located in An Yi Xian (安義縣), a national graded eco-friendly living showcase at the northwest from the city of Nanchang, Jiangxi province. The project, named as Nanchang Skyfame Fenghuangyue, with a total saleable GFA of 110,000 sq.m. to be developed into GFA of 78,000 sq.m. for villas and residential properties, GFA of 6,000 sq.m. for street-level shops and a hotel of 26,000 sq.m. The entire project has been completed and but subject to certain minor rectification and upgrading works. As of 31 December 2021, GFA of 75,000 sq.m has been delivered to buyers.

*In Southwestern Region of China:*

(15) *Chongqing Skyfame • Smart City* (“重慶天譽•智慧城”)

The project is located in Nanan District of Chongqing, one of the city’s three major CBDs embracing the central government district, at the river shore of the Yangsze river. The location is one of the top ten key development zones in Chongqing. Total GFA of approximately 1.2 million sq.m. are being developed in two phases into residential, LOFT apartments and commercial properties. The equity interests in the project company were acquired in phases starting in 2018 to 2019.

Phase 1 of the project, named as “Gold Purple” (“紫金一品”), was completed upon our acquisition of the project. Phase 1 consists of GFA 313,000 sq.m. (saleable GFA 254,000 sq.m.). Phase 2, named as “Chongqing Skyfame•Smart City”, is a mixed development consisting of residences, serviced apartments, offices, shopping mall and carparking spaces, in total GFA of 882,000 sq.m. (saleable GFA of 708,000), of which GFA of 249,000 sq.m. are developed for commercial properties to be held for long term and remaining 459,000 sq.m. for sale.

Up to 31 December 2021, aggregate saleable GFA of 425,000 sq.m. has been delivered to the buyers. Delivery of Phase 2 is scheduled to take place by phases starting from 2020 to 2023.

(16) *Chongqing Skyfame Linxifu* (“重慶天譽林溪府”)

The entire equity interest in the project company was acquired in 2019. The site located at the gateway of Chongqing in the west. The land will be developed into residential and ancillary commercial properties of GFA of 448,000 sq.m. (saleable GFA of 360,000 sq.m.). Construction has been commenced and presale in late of 2020. It is expected to be completed by around 2023.

(17) *Kunming Anning Linxi Valley* (“昆明安寧林溪谷”)

The Group obtained a right through a contractual arrangement entered with a third party. The project, named as Kunming Anning Linxi Valley (Phase 1), is erected on a plot of approximately 190,800 sq.m. with a planned GFA of approximately 297,000 sq.m. (saleable GFA of 255,000 sq.m.), which will be developed into villas, residential and ancillary commercial properties. Pre-sale was launched and the construction is expected to be completed in 2022.

(18) *Kunming Skyfame City* (“昆明天譽城”)

The land of this project was acquired through a land auction. The plot is situated in the northeast of Anning city of Kunming. The project, named as Kunming Skyfame City, is the first phase of a youth community project and is a residential development with total GFA of 502,000 sq.m. (saleable GFA of 384,000 sq.m.). Pre-sale was launched in 2020 and the completion of construction is expected by the year of 2025.

2. *Co-operation projects*

As of 31 December 2021, our property portfolio consists of a number of projects jointly developed by joint venture or we act as project manager pursuant to the relative agreements. The total GFA of these projects are approximately 5.1 million sq.m..

3. *Potential Land Reserves*

3.1 Intended bids for lands

To prepare for future land replenishments, we have signed co-operation agreements with local governments or a third party in Nanning, Xuzhou and Kunming for obtaining lands through future public auctions with an aggregate GFA of 13 million sq.m. The lands will be launched for auctions when the conditions set out in the agreements have been fulfilled.

3.2 Urban redevelopment projects

The Group also holds potential land reserves through its participation in the redevelopment of some old districts that are subject to the urban redevelopment programs being implemented by local governments in Guangzhou. These remodelling projects will provide an aggregated estimated GFA of approximately 4.7 million sq.m.. Investments made on these projects are included as “Other receivables and prepayments” on the consolidated balance sheet.



Upon obtaining the governmental approval of urban redevelopment and completion of pending land auctions, the Group has capacity of additional land bank in estimated GFA of 17.7 million sq.m..

### **C. Investment properties**

Alongside with the development of properties for sale, the management selects suitable properties from the Group's projects portfolio that renders satisfactory rental yields and has capital appreciation potential. As at 31 December 2021, the Group holds seven investment properties in an aggregate GFA of approximately 339,000 sq.m. at aggregated fair values of RMB3,658.5 million in Chongqing, Nanning, Guangzhou and Hong Kong for current and future leasing income with details as follows:

#### **1. *Commercial properties under development in Chongqing Skyfame • Smart City***

As a condition of the land transfer contract in respect of the properties under development in Chongqing Skyfame • Smart City, aggregate GFA of 248,800 sq.m. is to be built into commercial properties for long-term investment purpose. These properties, when completed, will become part of an integrated complex development in a central business district at the Southern Shore District of Chongqing. The property, carries an open market value of RMB1,308.0 million as at 31 December 2021 (2020: RMB1,313.0 million).

#### **2. *Commercial properties in Skyfame Nanning ASEAN Maker Town***

Total GFA of 50,000 sq.m. is being built by the project company for leasing to tenants engaged in retail and distribution businesses. This investment property is situated in the east zone of the land plot where grade-A offices, an international hotel and a skyscraper are being built. The property, carries an open market value of RMB686.0 million as at 31 December 2021 (2020: RMB590.0 million).

#### **3. *Guangzhou Skyfame Byland***

A tower, consisting of GFA of 9,900 sq.m., is contracted with a renowned hotel operator of serviced apartments under a tenancy agreement. The open market value of the property is RMB532.0 million as at 31 December 2021 (2020: RMB532.0 million).

**4. *Car parking spaces in Guangzhou Skyfame Byland***

800 car parking spaces in the completed premises were leased to a management company for fixed monthly rentals. These car parking spaces carry an open market value of RMB538.0 million as at 31 December 2021 (2020: RMB538.0 million).

**5. *Commercial podium at Tianyu Garden Phase II***

Commercial podium in GFA of 17,300 sq.m. at Tianyu Garden Phase II in Tianhe District, Guangzhou are leased to tenants. The open market value of the property is RMB429.0 million as at 31 December 2021 (2020: RMB444.0 million).

**6. *Office premises at Huancheng HNA Plaza***

Office premises in GFA of 1,500 sq.m. in Huancheng HNA Plaza, Tianhe District, Guangzhou were mostly tenanted as at 31 December 2021. The open market values of the premises as of 31 December 2021 are RMB54.0 million (2020: RMB55.2 million).

**7. *Office premises at Capital Centre***

Office premises in GFA 6,200 sq.ft. (570 sq.m.) at Capital Centre in Wanchai, Hong Kong is fully leased. The open market value of the property as of 31 December 2021 is RMB111.5 million (HK\$136.3 million) (2020: RMB112.2 million (HK\$133.3 million)).

**D. Business Outlook**

In terms of the overall economy, the central government has set a GDP target of 5.5% for 2022, but in the face of three kinds of pressure, namely shrinking demand, supply shock, and weakening expectations, coupled with the recurring disturbance of the Omicron pandemic and the prices of key raw materials remaining high, we are cautious about China's overall economic outlook for 2022.

In relation to the property development sector, in the second half of 2021, the whole property development sector cooled down abruptly, with housing sales remaining sluggish. Home buyer confidence was hit hard, a large portion of highly leveraged property developers experienced short-term difficulties, and the environment for property developer financing almost froze suddenly. The various unfavourable factors worked together to put unprecedented pressure on the sector. Although "housing is for living but not for speculation" is still the general keynote of the central government, the emphasis is on implementing policies according to the situation of the city to promote the healthy development of the property development sector. Some local governments have also started to relax demand-side restrictions. The China Banking and Insurance Regulatory Commission also encourages commercial banks to meet the reasonable demand of 300 million "new citizens" for home loans. We anticipate that government policies



will focus on stabilizing property investments this year, and subsequently the stringent restrictions on property developer financing may be gradually relaxed, though it will take some time for market confidence to be restored but the light is at the end of the dark tunnel.

As for the Group, steady and sound development has always been the Group's strategy. The Group continues to closely follow the direction of the state's real estate regulation and control policy. The Group helps the government to solve the housing and employment problems of young people by working on residential youth community projects in response to the rigid demand. The Group will vigorously promote the sale of its assets to recover cash, tightly grasp the opportunity of the initiative to accelerate the meeting of the demand of "new citizens" for home purchases, strictly control the various costs and expenses, speed up the construction progress of such projects as the old village redevelopment project located in Fengwei Village, and emphasize the safety of the Group's cash flows. In relation to additions to our land reserves, the Group continues to advance its plan to acquire the other 4,700,000 sq.m. of land in Guangzhou through urban renewal projects. It will suspend land acquisition through other channels except when good opportunities arise in the market. At the same time, the Group will pay an appropriate amount of attention to investment opportunities in other industries, seize new opportunities so as to add resilience to the Group's development, and consistently achieve its goal of quality growth.

## **E. Financial Review**

### ***Sales Turnover and Margins***

Property sales, net of direct taxes, recorded RMB7,484.2 million for the year (2020: RMB7,572.6 million). During the year, the Group had delivered GFA totaling approximately 846,000 sq.m. of properties in nine projects (2020: eight projects), which are Guangzhou Skyfame Byland, Zhongshan Skyfame Rainbow, Nanning Skyfame Garden, Nanning Skyfame ASEAN Maker Town, Nanning Spiritual Mansions, Xuzhou Skyfame Time City, Xuzhou Skyfame Elegance Garden, Nanchang Skyfame Fenghuangyue and Chongqing Skyfame • Smart City, at an overall average selling price of RMB9,700 per sq.m. (2020: RMB12,500 per sq.m).

Gross margin on property sales for the year is 21.5% (2020: 27.8%). The lower margins for the year is due to the differences in the mixtures in products as compared to the last year.

The leasing of properties revenue amounted to RMB25.5 million (2020: RMB25.1 million) mainly at the commercial podium at Tianyu Garden Phase II in Guangzhou, 800 car parks at Zhoutouzui, and offices at Capital Centre in Hong Kong. The two major investment properties under development of the Group, namely 50,000 sq. m. retail units in Nanning Skyfame ASEAN Maker Town at Nanning and serviced apartments on Chongqing Skyfame • Smart City at Chongqing are in progress and expected to be completed on 2023-2024.

***Other (losses)/gains – net***

Other losses/gains – net mainly represents the unrealized fair value loss of the financial assets at fair value through profit or loss as at the balance sheet date mainly due to general weakened market sentiment as of market uncertainties during the last quarter of 2021 affecting the value of the Group’s investments.

***Operating expenses***

Sales and marketing expenses amounted to RMB290.7 million for the year, a slightly increase of 1.9% compared to RMB285.4 million in the last year.

Administrative and other expenses, amounting to RMB400.8 million (2020: RMB443.1 million), decreased by 9.5% compared to last period. The decrease in administrative and other expenses was primarily a result of our cost planning arrangement as part of our efforts to manage our project costs during the year.

Total staff costs, a major administrative and other expenses, totalling RMB270.7 million for the year (2020: RMB310.9 million) of which RMB38.1 million (2020: RMB33.7 million) were capitalized as development cost of properties under development.

***Finance income – net***

Finance costs, representing mainly the arrangement fees and interests incurred on borrowings amounted to RMB1,064.7 million (2020: RMB868.6 million) for the year. Finance costs were mostly incurred for the development of projects and hence were capitalized as costs of projects under development, remaining RMB4.5 million (2020: RMB2.4 million) charged against the operating results for the year. The overall weighted average annualized borrowing cost, representing weighted average finance costs divided by total borrowings, is 11.4% (2020: 11.8%). Finance costs also included interest incurred on lease liabilities amounted to RMB18.3 million (2020: RMB34.0 million) and foreign exchange gain on financing activities of RMB97.8 million (2020: 246.2 million) recorded on conversion of offshore loans denominated in HK\$ and US\$ booked at closing rates as a result of appreciation of RMB against the HK\$ and US\$ in the year.

### ***Income tax expense***

Income tax expense mainly includes land appreciation tax of RMB187.9 million (2020: RMB481.0 million) on properties sold for the year and provision of RMB595.8 million (2020: RMB685.7 million) for corporate income taxes on assessable earnings for the year, netting off the deferred tax totaling RMB209.7 million (2020: RMB249.8 million).

### ***Profit for the year***

Profit for the year was approximately RMB109.5 million (2020: RMB1,003.0 million).

Profit for the year included RMB284.2 million loss attributable to owners of the Company (2020: profit of RMB950.9 million) and RMB393.7 million (2020: RMB52.1 million) profit attributable to non-controlling interests.

In 2021, the Group's net loss attributable to owners and the overall downward pressure on the Group's gross profit margin were mainly due to the impact of pneumonia epidemic on the economic recovery, the intense market competition in the industry, and the implementation of regulatory measures in the real estate sector. In view of the uncertainty of the current market conditions, the Group arranged to expedite the sale and marketing of the remaining units of the property projects to control the market risks and accelerate further expansion and development strategy in the urban renewal of Guangzhou Fengwei Village Project, based in the Guangdong-Hong Kong-Macao Greater Bay Area.

### ***Liquidity and financial resources***

		<b>31 December</b>	
		<b>2021</b>	<b>2020</b>
	<i>Change in %</i>	<b>RMB'000</b>	<b>RMB'000</b>
Total assets	5.9%	<b>30,776,471</b>	29,061,741
Net assets	17.2%	<b>5,619,708</b>	4,794,758

Total assets of the Group amounted to RMB30,776.5 million (2020: RMB29,061.7 million), a 5.9% increase from last year. Properties under development, at carrying value of RMB14,272.2 million, is the biggest asset category, constituting 46.4% of the total assets of the Group. Total assets also include investment properties of RMB3,658.5 million, properties held for sale totaling RMB1,692.5 million, property, plant and equipment, right-of-use assets totaling RMB901.0 million, financial assets at fair value through profit or loss totaling RMB227.0 million, trade receivables of RMB198.1 million, other receivables and prepayments totaling RMB4,987.8 million, restricted cash of RMB2,879.6 million and cash and cash equivalents of RMB1,331.0 million.

### ***Capital structure and liquidity***

The borrowings of the Group, aggregated to RMB11,475.8 million at the year-end date, increase 32.0% from the balance of RMB8,691.4 million as at 31 December 2020, as a result of increase in borrowings and other expenses amount to RMB6,288.5 million, net with repayment of borrowings amounted to RMB3,504.1 million (included repayment of accrued interest and exchange effect of debt) during the year. Borrowings mainly comprises secured and unsecured borrowings from banks and financial institutions and corporate bonds issued to financial institutions and professional investors.

The Group endeavours to match the tenors of its borrowings with the normal operating cycle of the projects. Besides, our management is more than cautious to ensure due debts are served and repaid on schedule. The short-tenor borrowings are mainly borrowings due to banks, financial institutions and issue of bonds, for which repayments have been scheduled to be financed by sale proceeds generated from the projects securing the borrowings. The management expects the sale proceeds are sufficient enough to serve the repayments.

Net debt calculated as total borrowings net of cash and cash equivalents and less guarantee deposits for bank borrowings included in restricted cash (the “Net Debt”), increased to RMB7,832.8 million (2020: RMB6,530.6 million).

Notwithstanding, cash level at the year-end date increased sharply to RMB3,643.0 million at 31 December 2021 (2020: RMB2,160.8 million). As the increase in both borrowings and cash position, the net gearing ratio (calculated as Net Debt divided by the total equity plus Net Debt) maintains a steady level to 58.2% as at 31 December 2021 (2020: 57.7%).

Current assets aggregated to RMB25,886.5 million as at 31 December 2021 (2020: RMB24,431.9 million), an increase of 6.0% from last year. Current liabilities at the year-end date amounted to RMB19,856.0 million (2020: RMB17,524.0 million).

The current ratio is slightly decreased to 1.30 times as at 31 December 2021 (2020: 1.39 times). The management continues to pay high attention to the liquidity position and ensure that assets, mostly inventories for sale and properties under development, can be readily turned into cash to meet the financial needs of the Group.

#### ***Borrowings and pledge of assets***

As at 31 December 2021, certain investment properties, self-use properties, right-of-use assets, properties held for sale and properties under development are mortgaged in favor of commercial banks and financial institutions to secure for financing facilities granted to the Group for general working capital and acquisition needs. In addition, equity interests in certain subsidiaries are charged as security for certain borrowings. As at 31 December 2021, aggregate outstanding balances of these secured borrowings amounted to RMB8,203.1 million.

The pledged assets or the underlying assets represented by these securities carry an aggregate estimated fair value of approximately RMB18.3 billion as at 31 December 2021. Management considers these securities provide sufficient coverage to serve the interests of our creditors.

#### ***F. Contingent Liabilities***

The Group has been involved in several lawsuits arising in the ordinary course of business. As at 31 December 2021 and 2020, provision has been made for the probable losses to the Group based on management's assessment on the outcome of the lawsuits taking into account the legal advice and none of these is expected to have a significant effect on the consolidated financial statements of the Group.

#### ***G. Treasury Management***

The Group is engaged in property development and other activities which are mainly conducted in the PRC and denominated in RMB, the functional currency of the Company's principal subsidiaries. Nonetheless, certain corporate financing, property leasing, investment holding and administrative activities are carried out in Hong Kong and denominated in HK or US dollars. As at 31 December 2021, the Group has Hong Kong and US dollar denominated borrowings equivalent to RMB5,334.4 million, representing 46.5% of total borrowings, financial assets at fair value of RMB227.0 million and overseas properties for self-use and leasing in Hong Kong with carrying value of HK\$199.3 million (equivalent to RMB162.9 million). All other assets and liabilities in material values are denominated in RMB. These assets and liabilities denominated in non-RMB are converted to RMB at the closing exchange rates of RMB against these US and HK dollars on consolidation into the financial accounts of the Group.

Throughout the year ended 31 December 2021, RMB has appreciated 2.9% and 2.3% against HK and US dollars respectively. As a result, net unrealized foreign exchange gains of RMB97.8 million were recorded when assets and liabilities denominated in foreign currencies are converted into RMB in the financial accounts. In addition, exchange differences arising from consolidation of assets and liabilities of subsidiaries operating in Hong Kong as at 31 December 2021 results to an exchange gain of RMB5.9 million which is recorded in the exchange reserve that forms part of the equity of the Group.

The fluctuations in RMB against the US and HK dollars will bring volatility to the bottom line of the Group against which unrealized losses or profits are booked. The Group's operations are mostly conducted in the PRC, and therefore there is no natural hedge against possible depreciation of RMB. The management will from time to time weigh the benefits of the hedge and costs to be incurred, the extent of fluctuations in RMB perceived by the management. We are also exploring other natural hedges, such as investments in different territories where US and HK dollars are the functional currencies to reduce the exposures of the depreciation of RMB on the financial results and position of the Group.

#### ***H. Risk Management***

We face lots of business risks as a mainland developer. Amongst the risks, the key risk is the continuing austerity measures imposed by the government on the property sector that restrict demand of home buyers and lending to developers, putting constraints on developers' cash flow. To relieve the risks resulting from these regulations and restrictions, our management is placing specific care about the controlling of financial resources for its expansion in land reserve. The standing risk management committee set up by the board of directors guides our management team to build up controls in the daily operational process and alerts the board on critical risks that may cause significant consequences. Our internal audit department conducts regular reviews to check the implementation of the controls.

## **CORPORATE GOVERNANCE PRACTICES**

The Company is committed to enhance its corporate governance standards by emphasizing transparency, independence, accountability, responsibility and fairness. The Company exercises corporate governance through the Board and various committees with designated functions.

None of the Directors is aware of information that would reasonably indicate that the Company is not, or was not for any part of the accounting period covered by the 2021 financial statements, in compliance with the Corporate Governance Code as set out in Appendix 14 to the Rules Governing the Listing of Securities (the “**Listing Rules**”) on The Stock Exchange of Hong Kong Limited except for the following deviation:

### **Code Provision C.2.1 – Chairman and Chief Executive Officer**

The roles of chairman and chief executive officer of the Company is not separated as required but is currently dually performed by Mr. YU Pan, since 2004. The Board considers the current simple but efficient management team serves sufficiently enough the need of the Group. The Board will, nonetheless, continue to review the business growth of the Group and, when considered essential, will set out clearer division of responsibilities at the board level and the management team to ensure a proper segregation of the management of the Board and the management of the Group’s business.

## **DIRECTORS’ SECURITIES TRANSACTION**

The Company has adopted its own Code of Conduct for Securities Transactions by Directors and Relevant Employees of the Company (the “**Code**”) on terms no less exact than the required standard set out in the Model Code for Securities Transactions by Directors of Listed Companies as contained in Appendix 10 to the Listing Rules and the Code is updated from time to time in accordance with the Listing Rules requirements. Following specific enquiry by the Company, all Directors confirmed that they have complied with the required standards as set out in the Code throughout the year under review.

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

### **Shares**

On 28 June 2021, an aggregate of 490,000,000 shares of the Company were allotted and issued by way of placing to not less than six placees at placing price of HK\$0.877 per placing share pursuant to the terms and conditions of the placing agreement date 18 June 2021. The net proceeds from the placing, after deducting the placing commission and other related expenses and professional fees, amounted to approximately HK\$427 million.

7,000,000 shares of the Company repurchased in July 2020 were cancelled on 19 February 2021.



## **Senior notes**

During the year, the Group (i) further issued an aggregate principal amount of US\$212,000,000 13% senior notes due 2023; (ii) has in the open market repurchased an aggregate principal amount of US\$85,800,000 13% senior notes due 2021, US\$2,000,000 13% senior notes due 2022 and US\$500,000 13% senior notes due 2023; (iii) has redeemed a principal amount of US\$25,000,000 13% senior notes due 2022; and (iv) has redeemed the outstanding 13% senior notes due 2021 in full at maturity.

The aforesaid notes are listed and traded on the Singapore Exchange Securities Trading Limited.

Save as the aforesaid, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the year.

## **DIVIDENDS**

No dividend for the year ended 31 December 2021 has been proposed by the Board of the Company.

## **AUDIT COMMITTEE**

The principal duties of the Audit Committee include the review of the Company's financial reporting procedures, internal controls and results of the Group. The financial statements have been reviewed by the Audit Committee.

## **SCOPE OF WORK OF THE AUDITORS**

The figures in respect of the Group's consolidated balance sheet, consolidated statement of comprehensive income and the related notes thereto for the year ended 31 December 2021 as set out in this preliminary announcement have been agreed by the Group's independent auditor, PricewaterhouseCoopers ("PwC"), to be consistent with the amounts set out in the Group's consolidated financial statements for the year. The work performed by PwC in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by PwC on this preliminary announcement.



## **EXTRACT OF INDEPENDENT AUDITOR’S REPORT**

The following is the extract of the independent auditor’s report from the external auditor of the Group:

### **Our Opinion**

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2021, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards (“**HKFRSs**”) issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”) and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

### **Material Uncertainty Related to Going Concern**

We draw attention to Note 2.1 to the consolidated financial statements, which states that the Group recorded a profit of RMB109 million, a loss attributable to owners of the Company of RMB284 million and a net cash outflow from operation of RMB1,463 million for the year ended 31 December 2021. As at that date, the Group had total bank and other borrowings of RMB11,476 million, of which RMB6,777 million were current bank and other borrowings repayable within 12 months (including certain senior notes issued by the Group with a total amount of RMB3,306 million), while the Group’s cash and cash equivalents amounted to RMB1,331 million and restricted cash was RMB2,880 million. These conditions, along with other events and conditions that set out in Note 2.1, indicate the existence of a material uncertainty that may cast significant doubt about the Group’s ability to continue as a going concern. Our opinion is not modified in respect of this matter.

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

This results announcement is published on the websites of the Company ([www.skyfame.com.cn](http://www.skyfame.com.cn)) and The Stock Exchange of Hong Kong Limited ([www.hkexnews.hk](http://www.hkexnews.hk)). The annual report containing all the information required by the Listing Rules will be despatched to the shareholders of the Company and published on the aforesaid websites in due course.

## **OTHER**

As at the date of this announcement, the Board comprises four executive directors, namely Mr. YU Pan (Chairman), Mr. WEN Xiaobing, Mr. WANG Chenghua and Mr. JIN Zhifeng; one non-executive director, namely Mr. WONG Lok and three independent non-executive directors, namely Mr. CHOY Shu Kwan, Mr. CHENG Wing Keung, Raymond and Ms. CHUNG Lai Fong.

By order of the Board  
**Skyfame Realty (Holdings) Limited**  
**YU Pan**  
*Chairman*

Hong Kong, 31 March 2022