

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



CHINA PROPERTIES GROUP LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1838)

CLARIFICATION ANNOUNCEMENT IN RELATION TO ANNOUNCEMENTS OF FINAL RESULTS FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2021

Reference is made to the announcements of China Properties Group Limited (the “**Company**”) dated September 30, 2022 in respect of the announcements of the final results of the Company and its subsidiaries (the “**Group**”) for the years ended December 31, 2020 and 2021 (respectively, the “**FY2020 Results Announcement**” and “**FY2021 Results Announcement**”).

FY2020 RESULTS ANNOUNCEMENT

The Company noted certain inadvertent errors and would like to make the following clarifications to the section headed “Extract of Independent Auditor’s Report” in the FY2020 Results Announcement (the relevant parts are bold and underlined for reference):

(i) First paragraph, tenth line onwards on page 33 of the FY2020 Results Announcement

*“... The deferred tax liability of **RMB2,654,662,000** relevant to the Target Land was recognised in the consolidated statement of financial position as at December 31, 2020 and was included in the deferred tax liabilities attributable to fair value adjustment of investment properties amounting to RMB6,720,029,000 as disclosed in note 23 to the consolidated financial statements...”*

(ii) Second paragraph, fourth line onwards on page 33 of the FY2020 Results Announcement

“...We were accordingly unable to determine whether the fair value of the Target Land of RMB13,339,850,000 and the deferred tax liabilities of RMB2,654,662,000, as at December 31, 2020, and the fair value changes in the Target Land of RMB8,893,233,000 and income tax credit of RMB2,223,308,000 for the year ended December 31, 2020 are fairly stated...”

The Group’s auditor, BDO Limited, confirms to the Company that the aforesaid amendments do not affect its audit opinion as disclosed in the FY2020 Results Announcement.

Save as stated above, all information set out in the FY2020 Results Announcement remains unchanged.

FY2021 RESULTS ANNOUNCEMENT

The Company noted certain inadvertent errors and would like to make the following clarifications to the section headed “Extract of Independent Auditor’s Report” in the FY2021 Results Announcement (the relevant parts are bold and underlined for reference):

(i) Last paragraph, sixth line onwards on page 31 of the FY2021 Results Announcement

“...We were accordingly unable to determine whether the fair value of the Target Land of RMB13,339,850,000 and the deferred tax liabilities of RMB2,654,662,000 as at December 31, 2020 and the fair value changes of the Target Land of RMB8,893,233,000 and the income tax credit of RMB2,223,308,000 for the year ended December 31, 2020 were fairly stated.”

(ii) First paragraph on page 32 of the FY2021 Results Announcement

“During the year ended December 31, 2021, PinganDahua exercised its rights to dispose of the Target Land by way of public auction on July 14, 2021 for RMB2,468,390,000 to partially settle long outstanding loans due to them. Hence, the Group recognised a loss on disposal of the Target Land of approximately RMB11,767,912,000 in the consolidated statement of profit or loss and other comprehensive income.”

(iii) Second paragraph on page 32 of the FY2021 Results Announcement

“However, since the abovementioned limitation of scope remained unresolved during the audit for the consolidated financial statements for the year ended December 31, 2021, we were unable to determine whether: (1) the fair value of the Target Land of RMB13,339,850,000 as at December 31, 2020 and January 1, 2021; (2) the deferred tax liabilities of RMB2,654,662,000 as at December 31, 2020 and January 1, 2021; (3) the fair value changes of the Target Land of RMB8,893,233,000 for the year ended December 31, 2020; (4) the income tax credit of RMB2,223,308,000 for the year ended December 31, 2020 and 2021; and (5) the loss on disposal of the Target Land of RMB11,767,912,000 for the year ended December 31, 2021, and the related disclosures are fairly stated.”

The Group’s auditor, BDO Limited, confirms to the Company that the aforesaid amendments do not affect its audit opinion as disclosed in the FY2021 Results Announcement.

Save as stated above, all information set out in the FY2021 Results Announcement remains unchanged.

By Order of the Board
CHINA PROPERTIES GROUP LIMITED
Dr. Wang Shih Chang, George
Chairman

Hong Kong, 31 October 2022

As at the date of this announcement, the Board comprises Dr. Wang Shih Chang, George, Mr. Wong Sai Chung and Mr. Xu Li Chang as executive directors, Mr. Kwan Kai Cheong as non-executive director and Mr. Warren Talbot Beckwith, Mr. Luk Koon Hoo and Dr. Garry Alides Willinge as independent non-executive directors.