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

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 337)

USD$150,000,000 9.625% Bonds due 2022
(Stock Code: 40708)

2021 ANNUAL RESULTS ANNOUNCEMENT

The board of directors of Greenland Hong Kong Holdings Limited (the "**Company**" or "**Greenland HK**") is pleased to announce the unaudited consolidated results and financial position of the Company and its subsidiaries (collectively the "**Group**") for the year ended 31 December 2021 (the "**FY2021**"), together with the comparative figures for the corresponding period in 2020 as follows:

HIGHLIGHTS

- Proposed a 2021 final dividend of HK$0.3 per ordinary share
- Revenue for the year ended 31 December 2021 was approximately RMB33,927 million
- Gross profit for the year ended 31 December 2021 was approximately RMB8,470 million
- Profit for the year ended 31 December 2021 was approximately RMB2,434 million
- Profit for the year ended 31 December 2021 attributable to owners of the Company was approximately RMB2,155 million
- Basic earnings per share for the year ended 31 December 2021 amounted to approximately RMB0.78
- Total assets as at 31 December 2021 reached approximately RMB168,746 million
- Weighted average finance cost remained stable at 5.7% as at 31 December 2021
- Net gearing ratio as at 31 December 2021 further decreased to approximately 39%
- Acquired 11 land parcels with a total GFA of approximately 1.974 million square meters in 8 cities during the year ended 31 December 2021

UNAUDITED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2021

	NOTES	2021 RMB'000 (unaudited)	2020 RMB'000 (audited)
Revenue	5	**33,926,923**	33,734,423
Cost of sales		**(25,457,422)**	(25,485,041)
Gross profit		**8,469,501**	8,249,382
Other income	6	**62,589**	67,383
Other gains and losses	7	**267,082**	425,977
Selling and marketing costs		**(1,057,848)**	(1,253,090)
Administrative expenses		**(953,756)**	(1,132,825)
Other operating expenses		**(247,311)**	(262,508)
Impairment loss under expected credit loss model, net of reversal		**(250,377)**	(23,794)
(Loss) gain on changes in fair value of investment properties		**(2,237)**	577,857
Gain on disposal of interest in a subsidiary		**15,831**	–
Gain on disposal of interest in an associate		**–**	49,071
Finance income	8	**110,767**	52,676
Finance costs	9	**(254,770)**	(276,410)
Share of results of associates		**127,459**	83,093
Share of results of joint ventures		**1,652**	543,353
Profit before tax		**6,288,582**	7,100,165
Income tax expenses	10	**(3,854,657)**	(3,640,771)
Profit for the year	11	**2,433,925**	3,459,394
Other comprehensive income (expense)			
Item that will not be reclassified to profit or loss:			
Fair value gain (loss) on investments in equity instruments at fair value through other comprehensive income (expense)		**63,211**	(21,852)
Other comprehensive income (expense) for the year, net of income tax		**47,408**	(16,389)
Total comprehensive income for the year		**2,481,333**	3,443,005

UNAUDITED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2021

	NOTE	2021 RMB'000 (unaudited)	2020 RMB'000 (audited)
Profit for the year attributable to:			
Owners of the Company		**2,155,140**	2,608,307
Non-controlling interests		**220,088**	804,552
Owners of perpetual securities		**58,697**	46,535
		2,433,925	3,459,394
Total comprehensive income attributable to:			
Owners of the Company		**2,202,548**	2,591,918
Non-controlling interests		**220,088**	804,552
Owners of perpetual securities		**58,697**	46,535
		2,481,333	3,443,005

	NOTE	2021 RMB	2020 RMB
Earnings per share			
Basic	13	**0.78**	0.94

UNAUDITED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2021

	NOTE	2021 RMB'000 (unaudited)	2020 RMB'000 (audited)
ASSETS			
Non-Current Assets			
Investment properties		**12,012,000**	11,727,000
Property, plant and equipment		**830,891**	1,492,006
Intangible assets		**1,116**	1,161
Right-of-use assets		**276,873**	73,103
Equity instruments at fair value through other comprehensive income ("FVTOCI")		**353,674**	290,463
Interests in associates		**1,715,678**	229,812
Interests in joint ventures		**3,796,492**	3,715,813
Deferred tax assets		**1,823,701**	1,618,804
Restricted bank deposits		**398,400**	398,400
Total non-current assets		**21,208,825**	19,546,562
Current Assets			
Properties under development		**87,275,245**	86,606,518
Completed properties held for sale		**17,789,393**	17,816,340
Trade and other receivables, deposits and prepayments	*14*	**28,037,175**	24,668,949
Prepaid taxation		**2,772,833**	2,232,782
Contract assets		**361,995**	358,536
Contract costs		**372,824**	271,932
Financial assets at fair value through profit and loss ("FVTPL")		**–**	31,955
Restricted bank deposits		**2,760,059**	3,845,078
Bank balances and cash		**7,429,227**	9,609,916
		146,798,751	145,442,006
Assets classified as held for sale		**738,264**	–
Total current assets		**147,537,015**	145,442,006
Total assets		**168,745,840**	164,988,568

UNAUDITED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2021

	NOTES	2021 RMB'000 (unaudited)	2020 RMB'000 (audited)
EQUITY AND LIABILITIES			
Capital And Reserves			
Share capital		**1,132,097**	1,132,097
Reserves		**13,016,782**	11,511,155
Equity attributable to owners of the Company		**14,148,879**	12,643,252
Perpetual securities	*17*	**802,969**	787,870
Non-controlling interests		**8,651,644**	8,710,710
Total equity		**23,603,492**	22,141,832
LIABILITIES			
Non-Current Liabilities			
Deferred tax liabilities		**1,660,084**	1,649,163
Interest-bearing loans		**10,456,398**	13,640,805
Lease liabilities		**542,472**	407,364
Total non-current liabilities		**12,658,954**	15,697,332
Current Liabilities			
Trade and other payables	*15*	**59,201,197**	57,378,706
Tax payable		**6,982,858**	5,458,535
Interest-bearing loans		**8,328,830**	9,092,012
Bonds	*16*	**952,787**	1,955,758
Lease liabilities		**109,083**	89,121
Contract liabilities		**56,908,639**	53,175,272
Total current liabilities		**132,483,394**	127,149,404
Total liabilities		**145,142,348**	142,846,736
Total equity and liabilities		**168,745,840**	164,988,568
Net current assets		**15,053,621**	18,292,602
Total assets less current liabilities		**36,262,446**	37,839,164

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

1. GENERAL INFORMATION

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

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

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

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

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

Amendments to IFRSs that are mandatorily effective for the current year

In the current year, the Group has applied the following amendments to IFRSs issued by the International Accounting Standards Board ("IASB") for the first time, which are mandatorily effective for the annual period beginning on or after 1 January 2021 for the preparation of the consolidated financial statements:

Amendment to IFRS 16	Covid-19-Related Rent Concessions
Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16	Interest Rate Benchmark Reform – Phase 2

In addition, the Group applied the agenda decision of the IFRS Interpretations Committee (the "Committee") of the International Accounting Standards Board issued in June 2021 which clarified the costs an entity should include as "estimated costs necessary to make the sale" when determining the net realisable value of inventories.

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

Impacts on application of Amendment to IFRS 16 "Covid-19-Related Rent Concessions"

The Group has applied the Amendment to IFRS 16 "Covid-19-Related Rent Concessions" for the first time. The amendments introduce a new practical expedient for lessees to elect not to assess whether a Covid-19-related rent concession is a lease modification. The practical expedient only applies to rent concessions that occurred as a direct consequence of the Covid-19 pandemic that meets all of the following conditions:

- the change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change;
- any reduction in lease payments affects only payments originally due on or before 30 June 2022; and
- there is no substantive change to other terms and conditions of the lease.

A lessee applying the practical expedient accounts for changes in lease payments resulting from rent concessions the same way it would account for the changes applying IFRS 16 "Leases" ("IFRS 16") if the changes were not a lease modification. Forgiveness or waiver of lease payments are accounted for as variable lease payments. The related lease liabilities are adjusted to reflect the amounts forgiven or waived with a corresponding adjustment recognised in the profit or loss in the period in which the event occurs.

The application of these amendments has had no material impact on the Group's financial positions and performance in the current and prior years as the Group opted not to apply the practical expedient, but applied the applicable requirements of IFRS 16 to account for rent concessions provided by certain lessors.

Impacts on application of Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 "Interest Rate Benchmark Reform – Phase 2"

The Group has applied the amendments for the first time in the current year. The amendments relate to changes in the basis for determining the contractual cash flows of financial assets, financial liabilities and lease liabilities as a result of interest rate benchmark reform, specific hedge accounting requirements and the related disclosure requirements applying IFRS 7 "Financial Instruments: Disclosures" ("IFRS 7").

As at 1 January 2021, the Group has interest-bearing loans amounting to RMB1,803,216,000, the interest of which are indexed to benchmark rates that will or may be subject to interest rate benchmark reform. The following table shows the total amounts of these outstanding contracts. The amounts of interest-bearing loans shown at their carrying amounts are shown at their notional amounts.

	Hong Kong dollar Hong Kong Interbank Offered Rate ("HIBOR") *RMB'000*	**United States dollar London Interbank Offered Rate ("LIBOR")** *RMB'000*
Financial liabilities		
Interest-bearing loans	609,347	1,193,869

The amendments have had no impact on the consolidated financial statements as none of the relevant contracts has been transitioned to the relevant replacement rates during the year. The Group will apply the practical expedient in relation to the changes in contractual cash flows resulting from the interest rate benchmark reform for interest-bearing loans measured at amortised cost.

Impacts on application of the agenda decision of the Committee – Cost necessary to sell inventories (IAS 2 "Inventories")

In June 2021, the Committee, through its agenda decision, clarified the costs an entity should include as "estimated costs necessary to make the sale" when determining the net realisable value of inventories. In particular, whether such costs should be limited to those that are incremental to the sale. The Committee concluded that the estimated costs necessary to make the sale should not be limited to those that are incremental but should also include costs that an entity must incur to sell its inventories including those that are not incremental to a particular sale.

The Group's accounting policy prior to the Committee's agenda decision was to determine the net realisable value of inventories taking into consideration incremental costs only. Upon application of the Committee's agenda decision, the Group changed its accounting policy to determine the net realisable value of inventories taking into consideration both incremental costs and sales commissions to sell inventories. The new accounting policy has been applied retrospectively.

The application of the Committee's agenda decision has had no material impact on the Group's financial positions and performance.

New and amendments to IFRSs in issue but not yet effective

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

IFRS 17	Insurance Contracts and the related Amendments[3]
Amendments to IFRS 3	Reference to the Conceptual Framework[2]
Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[4]
Amendment to IFRS 16	Covid-19-Related Rent Concessions beyond 30 June 2021[1]
Amendments to IAS 1	Classification of Liabilities as Current or Non-current[3]
Amendments to IAS 1 and IFRS Practice Statement 2	Disclosure of Accounting Policies[3]
Amendments to IAS 8	Definition of Accounting Estimates[3]
Amendments to IAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction[3]
Amendments to IAS 16	Property, Plant and Equipment – Proceeds before Intended Use[2]
Amendments to IAS 37	Onerous Contracts – Cost of Fulfilling a Contract[2]
Amendments to IFRSs	Annual Improvements to IFRSs 2018–2020[2]

1 Effective for annual periods beginning on or after 1 April 2021.
2 Effective for annual periods beginning on or after 1 January 2022.
3 Effective for annual periods beginning on or after 1 January 2023.
4 Effective for annual periods beginning on or after a date to be determined.

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

Amendments to IFRS 3 "Reference to the Conceptual Framework"

The amendments:

- update a reference in IFRS 3 "Business Combinations" so that it refers to the "Conceptual Framework for Financial Reporting" issued by IASB in March 2018 (the "Conceptual Framework") instead of the International Accounting Standards Committee's "Framework for the Preparation and Presentation of Financial Statements" (replaced by the "Conceptual Framework for Financial Reporting" issued in September 2010);

- add a requirement that, for transactions and other events within the scope of IAS 37 "Provisions, Contingent Liabilities and Contingent Assets" or IFRIC 21 "Levies", an acquirer applies IAS 37 or IFRIC 21 instead of Conceptual Framework to identify the liabilities it has assumed in a business combination; and

- add an explicit statement that an acquirer does not recognise contingent assets acquired in a business combination.

The Group will apply the amendments prospectively to business combinations for which the date of acquisition is on or after the beginning of the first annual period beginning on or after 1 January 2022. The application of the amendments is not expected to have significant impact on the financial position and performance of the Group.

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

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

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

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

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

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

Based on the Group's outstanding liabilities as at 31 December 2021, the application of the amendments will not result in reclassification of the Group's liabilities.

Amendments to IAS 1 and IFRS Practice Statement 2 "Disclosure of Accounting Policies"

IAS 1 is amended to replace all instances of the term "significant accounting policies" with "material accounting policy information". Accounting policy information is material if, when considered together with other information included in an entity's financial statements, it can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements.

The amendments also clarify that accounting policy information may be material because of the nature of the related transactions, other events or conditions, even if the amounts are immaterial. However, not all accounting policy information relating to material transactions, other events or conditions is itself material. If an entity chooses to disclose immaterial accounting policy information, such information must not obscure material accounting policy information.

IFRS Practice Statement 2 "Making Materiality Judgements" (the "Practice Statement") is also amended to illustrate how an entity applies the "four-step materiality process" to accounting policy disclosures and to judge whether information about an accounting policy is material to its financial statements. Guidance and examples are added to the Practice Statement.

The application of the amendments is not expected to have significant impact on the financial position or performance of the Group but may affect the disclosures of the Group's significant accounting policies. The impacts of application, if any, will be disclosed in the Group's future consolidated financial statements.

Amendments to IAS 8 "Definition of Accounting Estimates"

The amendments define accounting estimates as "monetary amounts in financial statements that are subject to measurement uncertainty". An accounting policy may require items in financial statements to be measured in a way that involves measurement uncertainty – that is, the accounting policy may require such items to be measured at monetary amounts that cannot be observed directly and must instead be estimated. In such a case, an entity develops an accounting estimate to achieve the objective set out by the accounting policy. Developing accounting estimates involves the use of judgements or assumptions based on the latest available, reliable information.

In addition, the concept of changes in accounting estimates in IAS 8 is retained with additional clarifications.

The application of the amendments is not expected to have significant impact on the Group's consolidated financial statements.

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

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

As disclosed in note 3 to the consolidated financial statements, for leasing transactions in which the tax deductions are attributable to the lease liabilities, the Group applies IAS 12 requirements to the relevant assets and liabilities separately. Temporary differences on initial recognition of the relevant assets and liabilities are not recognised due to application of the initial recognition exemption.

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

The amendments are effective for annual reporting periods beginning on or after 1 January 2023, with early application permitted. As at 31 December 2021, the carrying amounts of right-of-use assets and lease liabilities which are subject to the amendments amounted to RMB231,685,000 and RMB231,803,000 respectively. The Group is still in the process of assessing the full impact of the application of the amendments.

Amendments to IFRSs "Annual Improvements to IFRSs 2018–2020"

The annual improvements make amendments to the following standards.

IFRS 9 "Financial Instruments"

The amendment clarifies that for the purpose of assessing whether modification of terms of original financial liability constitutes substantial modification under the "10 per cent" test, a borrower includes only fees paid or received between the borrower and the lender, including fees paid or received by either the borrower or the lender on the other's behalf.

IFRS 16 "Leases"

The amendment to Illustrative Example 13 accompanying IFRS 16 removes from the example the illustration of reimbursement relating to leasehold improvements by the lessor in order to remove any potential confusion.

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

Basis of preparation of consolidated financial statements

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

The directors of the Company have, at the time of approving the consolidated financial statements, a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the consolidated financial statements.

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

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

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

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

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

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

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, which are described in note 4, the directors of the Company are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

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

Critical judgements in applying accounting policies

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

Deferred taxation on investment properties

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

Key sources of estimation uncertainty

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

Valuation of investment properties

Investment properties in the consolidated statement of financial position at 31 December 2021 are carried at their fair values of approximately RMB12,012,000,000 (2020: RMB11,727,000,000). The valuations are dependent on certain key inputs that require significant management estimation, including estimated costs to completion of investment properties under development, capitalisation rates, average unit market rent and average unit market price. The fair values of the investment properties are determined by reference to valuations conducted on these properties by an independent firm of property valuer using property valuation techniques which involve certain assumptions of prevailing market conditions. Favourable or unfavorable changes to these assumptions may result in changes in the fair values of the Group's investment properties and corresponding adjustments to the changes in fair values reported in the consolidated statement of profit or loss and other comprehensive income and the carrying amounts of these properties included in the consolidated statement of financial position.

PRC land appreciation taxes

The Group is subject to land appreciation taxes ("LAT") in the PRC. The implementation and settlement of these taxes varies among various tax jurisdictions in cities of the PRC, and the Group has not finalised its PRC LAT calculation and payments with most of local tax authorities in the PRC. The calculation of PRC LAT are highly dependent on the appropriateness of the rates used, which are determined by the appreciation of land value. The appreciation of land value is determined with reference to proceeds of the properties less the estimated deductible expenditures, including the cost of land use rights and all property development expenditures. The Group estimated the deductible expenditures according to the understanding of the relevant PRC tax laws and regulations. The final tax outcome could be different from the amounts that were initially recorded, and these differences will impact the income tax expense and the related income tax provisions in the periods in which such tax is finalised with local tax authorities. As at 31 December 2021, the LAT payable amounted to approximately RMB4,894,829,000 (2020: RMB3,458,999,000) and the LAT recognised in the consolidated statement of profit or loss and other comprehensive income statement amounted to approximately RMB2,154,943.000 for the year then ended (2020: RMB2,048,967,000).

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

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

In determining the net realisable value of completed properties held for sale, management refers to prevailing market data such as recent sales transactions, market survey reports available from independent property valuers and internally available information, as basis for evaluation. As of 31 December 2021, the amount of the write-down of properties under development and completed properties held for sale was RMB2,739,017,000 (2020: RMB3,032,012,000).

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

ECL allowance

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

5. REVENUE

(i) Disaggregation of revenue from contracts with customers

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

	For the year ended 31 December 2020		
	Revenue recognised at a point in time *RMB'000*	Revenue recognised over time *RMB'000*	Total *RMB'000*
Types of goods or services			
Sales of properties and construction management services	32,699,896	133,314	32,833,210
Hotel and related services	–	106,472	106,472
Property management and other services	–	582,344	582,344
Revenue from contracts with customers	32,699,896	822,130	33,522,026
Leases – rental income			212,397
Total revenue			33,734,423

6. OTHER INCOME

	2021	2020
	RMB'000	*RMB'000*
Forfeited deposits from customers	**18,815**	24,423
Government grants (note)	**32,519**	25,030
Others	**11,255**	17,930
	62,589	67,383

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

7. OTHER GAINS AND LOSSES

	2021	2020
	RMB'000	*RMB'000*
Net foreign exchange gain	**267,485**	392,889
(Loss) gain on fair value change on financial assets at FVTPL	**(440)**	33,012
Net gain on disposal of property, plant and equipment	**37**	76
	267,082	425,977

8. FINANCE INCOME

	2021	2020
	RMB'000	*RMB'000*
Interest income on bank deposits	**110,767**	52,676

9. FINANCE COSTS

	2021	2020
	RMB'000	*RMB'000*
Interest expenses on bonds	**122,911**	191,874
Interest expenses on interest-bearing loans	**1,176,930**	1,329,924
Interest expenses on lease liabilities	**26,067**	28,603
Interest expenses on contract liabilities	**461,499**	777,863
Less: interest of bonds capitalised	**(87,226)**	(144,574)
interest of interest-bearing loans capitalised	**(983,912)**	(1,129,417)
interest of contract liabilities capitalised	**(461,499)**	(777,863)
	254,770	276,410

Interest expenses capitalised during the year arose on the general borrowing pool and are calculated by applying a capitalisation rate of 5.7% (2020: 5.71%) per annum to expenditure on qualifying assets.

10. INCOME TAX EXPENSES

	2021	2020
	RMB'000	*RMB'000*
Current tax		
– PRC Enterprise Income Tax ("EIT")	**1,910,256**	1,994,288
– PRC LAT	**2,154,943**	2,048,967
	4,065,199	4,043,255
(Over) under provision in prior years		
– PRC EIT	**(763)**	6,684
Deferred tax	**(209,779)**	(409,168)
	3,854,657	3,640,771

Hong Kong Profits Tax

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

Enterprise Income Tax

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

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

Land Appreciation Tax

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

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

	2021	2020
	RMB'000	*RMB'000*
Profit before tax	**6,288,582**	7,100,165
Tax at the applicable PRC EIT rate of 25%	**1,572,146**	1,775,041
Tax effect of income not taxable for tax purposes	**(6,393)**	(5,985)
Tax effect of expenses not deductible for tax purposes	**313,573**	154,835
Tax effect of share of results of associates	**(31,865)**	(20,773)
Tax effect of share of results of joint ventures	**(413)**	(135,838)
(Over) under provision in respect of prior years	**(763)**	6,684
Tax effect of tax losses not recognised	**310,096**	457,755
Utilisation of tax losses previously not recognised	**(5,509)**	(298,067)
Tax effect of deductible temporary differences not recognised	**87,577**	170,394
PRC LAT provision for the year	**2,154,944**	2,048,967
Tax effect of PRC LAT deductible for PRC EIT	**(538,736)**	(512,242)
Income tax expenses for the year	**3,854,657**	3,640,771

11. PROFIT FOR THE YEAR

	2021	2020
	RMB'000	*RMB'000*
Profit for the year has been arrived at after charging (crediting):		
Cost of properties sold	**24,151,999**	23,892,472
Staff costs (including directors' emoluments)	**1,185,155**	1,368,833
Less: capitalised in properties under development and investment properties under development	**(378,622)**	(422,682)
	806,533	946,151
Auditors' remuneration		
– audit services	**5,200**	4,600
– non-audit services	**2,800**	4,280
	8,000	8,880
Depreciation of property, plant and equipment	**86,980**	110,314
Amortisation of intangible assets	**45**	45
Depreciation of right-of-use assets	**20,152**	16,303
Amortisation of contract costs	**157,212**	163,399
	264,389	290,061
Write-down of properties under development and completed properties held for sale	**350,309**	681,576
Gross rental income from investment properties	**263,743**	212,397
Less: Direct operating expenses incurred for investment properties that generated rental income during the year	**(72,994)**	(85,016)
Direct operating expenses incurred for investment properties that did not generate rental income during the year	**(12,970)**	(10,696)
	177,779	116,685

12. DIVIDENDS

	2021	2020
	RMB'000	*RMB'000*
Dividends for ordinary shareholders of the Company recognised as distribution during the year:		
2020 Final – HK$0.3 per share (2020: 2019 Final – HK$0.25 per share)	**696,921**	637,555

Subsequent to the end of the reporting period, final dividend in respect of the year ended 31 December 2021 of HK$0.3 (2020: HK$0.3) per share in an aggregate amount of approximately HK$837,565,000 (2020: approximately HK$837,565,000) has been proposed by the directors of the Company and is subject to approval by the shareholders in the forthcoming annual general meeting.

13. EARNINGS PER SHARE

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

Earnings

	2021	2020
	RMB'000	*RMB'000*
Earnings for the purpose of basic earnings per share (profit for the year attributable to owners of the Company)	**2,155,140**	2,608,307

	2021	2020
Number of shares	***'000***	*'000*
Weighted average number of ordinary shares for the purpose of basic earnings per share	**2,769,188**	2,769,188

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

14. TRADE AND OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	2021	2020
	RMB'000	*RMB'000*
Trade receivables in respect of contracts with customers		
– due from related parties	**10,602**	4,947
– due from independent third parties	**439,028**	993,900
	449,630	998,847
Less: Allowance for credit losses	**(29,683)**	(36,697)
Trade receivables, net of allowance for credit losses	**419,947**	962,150
Other receivables		
– due from related parties (note i)	**8,560,287**	3,315,549
– due from non-controlling shareholders	**7,877,672**	7,665,499
– due from independent third parties (note ii)	**4,498,374**	5,562,517
– consideration receivable due from a related party	**202,365**	202,365
– consideration receivable due from an independent third party	**285,049**	434,608
	21,423,747	17,180,538
Less: Allowance for credit losses	**(760,281)**	(504,454)
Other receivables, net of allowance for credit losses	**20,663,466**	16,676,084
Advance payments to		
– independent third parties contractors	**1,705,055**	2,450,129
– related parties	**179,871**	142,308
	1,884,926	2,592,437
Deposits paid for acquisitions of land parcels for development	**1,492,145**	1,713,349
Other tax prepayments (note iii)	**3,576,691**	2,724,929
Total	**28,037,175**	24,668,949

As at 1 January 2020, trade receivables from contracts with customers amounted to RMB1,666,059,000.

Notes:

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

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

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

In general, the Group provides no credit term to its customers for property sales, but the Group provides credit terms to its major customers with specific approval. As at 31 December 2021, included in the Group's trade receivables balance are debtors with aggregate carrying amount of RMB118,378,000 (2020: RMB130,429,000) which are past due as at the reporting date. Out of the past due balances, RMB64,601,000 (2020: RMB52,334,000) has been past due 90 days or more and is not considered as in default since the directors of the Group considered such balances could be recovered based on repayment history, the financial conditions and the current credit worthiness of each customer.

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

	2021	2020
	RMB'000	*RMB'000*
0–90 days	**99,235**	454,428
91–180 days	**66,828**	12,350
181–365 days	**9,050**	10,459
Over 365 days	**244,834**	484,913
	419,947	962,150

15. TRADE AND OTHER PAYABLES

	2021	2020
	RMB'000	*RMB'000*
Trade payables		
– due to related parties	**1,836,184**	2,185,073
– due to non-controlling shareholders	**792**	–
– due to independent third parties	**26,830,526**	22,950,343
	28,667,502	25,135,416
Non-trade payables due to related parties	**6,959,069**	8,021,261
Payable on purchase of land use rights	**–**	419,402
Other taxes payable	**1,543,800**	1,117,552
Interest payable	**141,139**	379,809
Consideration payable due to Greenland Holdings	**953,759**	953,759
Amount due to non-controlling shareholders	**6,163,770**	6,550,911
Other payables and accrued expenses	**14,772,158**	14,800,596
	30,533,695	32,243,290
	59,201,197	57,378,706

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

	2021	2020
	RMB'000	*RMB'000*
0–90 days	**22,062,664**	18,797,936
91–180 days	**1,831,817**	799,192
181–365 days	**1,710,483**	2,818,135
Over 365 days	**3,062,538**	2,720,153
	28,667,502	25,135,416

Trade and other payables are mainly unsecured, non-interest bearing and repayable on demand.

16. BONDS

	2021	2020
	RMB'000	*RMB'000*
A Bond	**–**	1,955,758
B Bond	**952,787**	–
	952,787	1,955,758

On 17 July 2019, the Company issued 6.00% bonds due 2021 (the "A Bond") with an aggregated nominal value of USD300,000,000 at a value equal to 100% of the face value. The A Bond is listed on the Hong Kong Stock Exchange and carries interest at the rate of 6.00% per annum, payable semi-annually on 17 January and 17 July in arrears. The A Bond is matured and fully repaid on 17 July 2021.

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

Both A Bond and B Bond has an embedded issuer's redemption option, the Company may, by giving not less than 15 nor more than 30 days' notice to the trustee in writing and to the bondholders, redeem the bond, in whole or in part, at a redemption price equal to 100 percent of its principal amount, together with accrued and unpaid interest.

The directors consider the fair value of the issuer's redemption options of the A Bond and B Bond are immaterial to the Group at the end of both reporting periods.

The Bonds represent the contractually determined stream of future cash flows discounted at the rate of interest determined by the market instruments of comparable credit status taken into account the business risk and financial risk of the Company. The effective interest rate is 10.56% (2020: 6.17%) per annum for the year ended 31 December 2021.

17. PERPETUAL SECURITIES

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

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

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

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

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

The Group applied a 10.21% rate of distribution applicable to the Perpetual Securities from the First Call Date to the 31 December 2021.

Distribution of USD6,750,000 (equivalent to RMB43,598,000) (2020: USD6,750,000 (equivalent to RMB46,873,000)) has been provided and paid by the Company for the year.

BUSINESS REVIEW

Results

In 2021, the novel coronavirus ("COVID-19") pandemic waxed and waned over time. Amid the outburst of the Omicron variant, the global economy recovered in a fickle manner. In China, the economy gradually picked up, with generally stable employment and price level and steadily rising quality of economic development. Albeit ongoing tightened credit, increasingly heightened control policies over the property market, nationwide drop in residential sales and persistently narrowed rise in property prices, the financing behaviours of real estate companies and prices in the financial market were gradually resuming normal, given the stability of government policies and the generally controllable market risks associated with the property market.

In China, regulatory control policies over the real estate market have been increasingly heightened. With the implementation of the "Three Red Lines and Four Levels" policies in favour of deleveraging and the "Two Red Lines" policy against loan concentration in real estate finance, coupled with the "Dual Centralization" policy on land supply in key cities and the benefit policy for the industry of rental properties, the real estate market is now subject to ongoing rectifications to resume market order, and the long-term mechanism for the real estate market continues to solidify, setting the scene for major changes in market development. Meanwhile, the central government has repeatedly emphasized that the positioning of "no speculation on residential properties" remains unchanged; it adheres to stabilizing land prices, house prices and expectations, and maintains the stance that the real estate sector will not be used as a short-term means of stimulating the economy. The economic conference of the Political Bureau of the CPC Central Committee pointed to fostering healthy development and virtuous cycle for the real estate industry and anticipated gradual revamp of the real estate market in 2022.

In face of the persistent impact of the COVID-19 pandemic and the launch of regulatory control measures by local governments in China, the Group proactively adopted effective measures and strategies to capture the opportunities to expand its land bank. During the year ended 31 December 2021, the Group acquired a total of 11 projects mainly in the Yangtze River Delta and the Greater Bay Area regions with a total GFA of approximately 1.974 million sq.m., which will be sufficient to support the Group's development needs in the next couple of years. Furthermore, Greenland HK will continue to step up the pace of expansion of its "Elite Home" network, with successive opening of new branches in Shanghai and Guangzhou. Our "Elite Home" products and services are created and delivered in a "trendy, distinctive and eco-friendly" fashion. Adopting an innovative "Leasing + Internet + X" business model, we redefine the leasing market and duly speed up our expansion in first-tier cities. During the year, contracts have been entered into in respect of three new projects, which have commenced operations and attained an average annual occupancy rate of more than 90%. At the same time, business operation has been rejuvenated in qualitative sense.

In 2021, adhering to the notion of "returning home is the beginning of vacation", Greenland HK continued to work on the four residential product lines namely the "Wingceltis" series, the "Amber" series, the "Elegance and Talent" series and the "Ideal" series to achieve product upgrade. Delivering quality with exquisite craftsmanship, the Group garnered a total of 93 industry-wide awards for its projects in 2021. Yiwu Greenland Epoch Gate was rated as one of the "Top Ten Residential Works in China", and Wuxi XishuiDong Wingceltis Palace was rated as one of the "Top Ten High-end Products in China". In addition to rising product competitiveness, the innovative use of digital technologies including unmanned aerial vehicles (UAVs) for earthwork surveys and robots for contract verification continued to strengthen our cost control.

For the year ended 31 December 2021, the total contracted sales of the Group amounted to approximately RMB33,000 million, and the total contracted gross floor area (the "GFA") sold amounted to approximately 2,825,817 square meters. The total revenue was approximately RMB33,927 million. The balance of cash and cash equivalents (including restricted cash) remained stable at approximately RMB10,588 million. The net profit attributable to the owners of the Group amounted to approximately RMB2,155 million. The basic and diluted earnings per share attributable to the owners of the Group was approximately RMB0.78.

During the year under review, the total GFA of the sold and delivered projects was approximately 2,668,860 square meters and the average selling price was approximately RMB12,236 per square meter. The revenue from property sales was approximately RMB33,018 million. The main projects completed and delivered in 2021 by city are as follows:

Project	**City**	**Approximate GFA sold and delivered in 2021**	**Approximate sales recognized in 2021**	**Average selling price**
		sq.m.	*RMB'000*	*RMB/sq.m.*
Property	Wuxi	255,320	4,852,940	19,007
	Guangzhou	241,937	4,277,933	17,682
	Kunming	324,025	3,753,207	11,583
	Haikou	215,949	2,835,638	13,131
	Nanning	318,507	2,630,012	8,257
	Yiwu	68,315	2,511,964	36,770
	Foshan	206,360	2,262,689	10,965
	Jiaxing	177,156	2,176,010	12,283
	Suzhou	79,728	1,289,594	16,175
	Xuancheng	162,746	1,020,369	6,270
	Nantong	80,111	969,706	12,104

Project	City	Approximate GFA sold and delivered in 2021 *sq.m.*	Approximate sales recognized in 2021 *RMB'000*	Average selling price *RMB/sq.m.*
	Shengzhou	91,653	612,005	6,677
	Zhanjiang	48,253	516,794	10,710
	Qingyuan	67,006	507,815	7,579
	Xuzhou	45,447	421,949	9,284
	Jiangmen	39,227	420,665	10,724
	Yangjiang	55,290	310,213	5,611
	Shantou	36,959	307,639	8,324
	Qinzhou	56,030	251,688	4,492
	Zhaoqing	41,534	187,133	4,505
	Shenzhen	17,703	167,755	9,476
	Dongguan	9,126	95,732	10,490
	Yangjiang	17,358	95,294	5,490
	Taiyuan	4,872	62,809	12,893
	Huangshan	4,876	55,274	11,337
	Shanghai	1,800	45,453	25,246
	Ningbo	1,571	18,100	11,521
Sub-total		**2,668,860**	**32,656,380**	**12,236**
Carparking lot	Yiwu		137,344	
	Wuxi		83,850	
	Kunming		63,977	
	Nanning		28,477	
	Foshan		11,490	
	Hangzhou		12,052	
	Shengzhou		6,028	
	Jiaxing		5,023	
	Haikou		4,747	
	Guangzhou		3,980	
	Kunming		2,190	
	Haikou		1,315	
	Others		903	
Sub-total			**361,376**	
Total property sales			**33,017,756**	

Contracted Sales

In 2021, despite the impact of COVID-19, macro-economic environment and policy controls, by leveraging abundant resources, well-established systems and advanced management practices, the Group implemented well-targeted pricing strategy and project positioning via actively developing high-quality projects and focusing on resource integration, and also attached importance to high cash collection rate. The contracted sales of the Group for 2021 amounted to approximately RMB33,000 million, with the corresponding contracted GFA sold amounting to approximately 2,825,817 square meters.

During the year under review, the contracted sales of the Group were mainly derived from projects located in key regions such as the Yangtze River Delta, the Greater Bay Area, Guangxi Province and Yunnan Province, which accounted for approximately 51%, 31%, 8% and 7% of the contracted sales respectively. The average contracted selling price for the year was approximately RMB11,678 per square meter.

Land Bank

In 2021, under the general environment of comprehensive deleveraging in the industry, the Group prudently selected and invested the best project to strategically deepen the land bank in core urban areas of the Yangtze River Delta and the Greater Bay Area. The Group has acquired 11 land parcels, adding a total of approximately 1,974,000 square meters to the Group's land bank during the year ended 31 December 2021.

In January 2021, the Group successfully won the bid for one land parcel in the Comprehensive Bonded Zone of Nanning at a total consideration of approximately RMB1,635 million with a total GFA of approximately 405,000 square meters at an average floor price of approximately RMB4,037 per square meter. In the same month, the Group further won the bid for one land parcel in Tinghu District, Yancheng City, Jiangsu Province at a total consideration of approximately RMB1,857 million with a total GFA of approximately 136,100 square meters at an average floor price of approximately RMB13,654 per square meter, which is planned to be developed into a high-quality comprehensive residence.

In February 2021, the Group won the bid for one land parcel in Nanhu District, Jiaxing City at a total consideration of approximately RMB1,137 million with a total GFA of approximately 113,300 square meters at an average floor price of approximately RMB10,035 per square meter. This project is the second important investment made by Greenland HK in Jiaxing after Greenland Central Plaza, and will be developed to be a benchmark residential project in the area and facilitate the development of Jiaxing after completion.

In March 2021, the Group won the bid for two land parcels in Dongtou District, Wenzhou City, Zhejiang Province at a total consideration of approximately RMB2,106 million with a total GFA of approximately 321,900 square meters at an average floor price of approximately RMB6,542 per square meter, which will be developed to be a complex property for residential, office and commercial purposes. In the same month, the Group further won the bid for one land parcel in Baiyun District, Guangzhou City, Guangdong Province at a total consideration of approximately RMB2,434 million with a total GFA of approximately 163,600 square meters at an average floor price of approximately RMB14,878 per square meter mainly for residential purpose.

In May 2021, the Group won the bid for one land parcel in Xinwu District, Wuxi City, Jiangsu Province at a total consideration of approximately RMB1,170 million with a total GFA of approximately 97,000 square meters at an average floor price of approximately RMB12,000 per square meter. In the same month, the Group won the bid for one land parcel in High Tech Zone, Changshu City, Jiangsu Province at a total consideration of approximately RMB1,004 million with a total GFA of approximately 146,000 square meters at an average floor price of approximately RMB6,877 per square meter. The project is in close proximity to the central urban area of Changshu, and will be developed into a high-end community of commercial and residential buildings in the future. In the same month, the Group won the bid for two land parcels in Yancheng City, Jiangsu Province. The first one has a total consideration of approximately RMB2,171 million with a total GFA of approximately 239,300 square meters at an average floor price of approximately RMB9,071. The other one has a total consideration of approximately RMB262 million with a total GFA of approximately 76,300 square meters at an average floor price of approximately RMB3,429.

In July 2021, the Group won the bid for one land parcel in Chancheng District, Foshan City, Guangdong Province at a consideration of approximately RMB892 million with a total GFA of approximately 118,500 square meters at an average floor price of approximately RMB7,524 per square meter. The project is located at the north side of Nanzhuang Avenue and east side of Foshan First Ring Expressway, Chancheng District, Foshan City. The project is well supported by convenient transportation and rich education resources. The government plans to set up a tram stop on the south side of the land parcel. In future, it will be built into an integrated project with commercial and residential elements.

In November 2021, the Group won the bid for one residential land parcel in Wuxi Economic Development Zone at a consideration of RMB1,853 million with a total GFA of approximately 157,000 square meters at an average floor price of approximately RMB11,801 per square meter. The project is located in the core area of Wuxi Economic Development Zone, well supported by easily accessible road network and a full range of facilities in the vicinity, with municipal government, the citizen center and a Wanda Plaza around. It is a high-quality residential area in the core part of the city.

Details of the land banks acquired by the Group in 2021 are as follows:

Date of acquisition	City	Project type	GFA (sq.m.)
January 2021	Nanning	Residential/commercial	405,000
January 2021	Yancheng	Residential/commercial	136,100
February 2021	Jiaxing	Residential	113,300
March 2021	Wenzhou	Residential/commercial/office/hotel	321,900
March 2021	Guangzhou	Residential	163,600
May 2021	Wuxi	Residential	97,000
May 2021	Changshu	Residential/office	146,000
May 2021	Yancheng	Residential	239,300
May 2021	Yancheng	Residential/commercial/office	76,300
July 2021	Foshan	Residential/commercial	118,500
November 2021	Wuxi	Residential	157,000
Total			**1,974,000**

As of 31 December 2021, the Group held a land bank of approximately 24 million square meters mainly strategically located in the prime zones of core cities in the Yangtze River Delta and the Pan Pearl River Delta in China, which is sufficient to support its development in the next two to three years. The Group will continue to seek additional high-quality land projects with promising development potential.

Offshore Financing

In June 2021, the Group successfully issued the 9.625% bonds due 2022 in the aggregate principal amount of US$150 million. Net proceeds from the issue are principally used for the refinancing of its offshore debt.

Outlook

In sum, the development model featuring “high leverage and high turnover” adopted by real estate companies in the past is set to change. In line with the key policy control keynote of “no speculation on residential properties” and “stabilizing land prices, house prices and expectations” and the government policy of “supporting both renting and purchasing of properties” in the current real estate industry, Greenland HK is exploring new development models, which will take into account the trend of social development, the rhythm of evolution of housing needs and its own corporate strengths and become involved in aspects such as property leasing business, with a view to achieving diversified transformation. It will on the one hand swiftly foster the reform of its organizational structure and system of delegation of authority. On the other hand, it will swiftly foster the remodeling of its sales management mechanism to substantially enhance its sales capability. While ensuring the continuous optimization of capital structure, it will optimize the structure of land bank, deepen regional and city development, focus on major city clusters and key cities, and improve the level of operation and management. Closely embracing market needs and customer needs and taking a product-oriented approach, Greenland HK will focus on the ongoing upgrade of product competitiveness, integrating bespoke and standardized products to a certain extent with due regard to users' requirements and new lifestyles, and seek high-quality development in the management-driven era. Going forward, Greenland HK will consistently focus on its real estate business, strive to achieve high-quality development, seize opportunities to further develop and preserve a high-quality land bank through land acquisition by strategic land acquisition through tender, auction or listing-for-sale, and we lay equal stress on renting and purchasing. It will penetrate into the core cities in Pan Yangtze River Delta and Pan Pearl River Delta, solidify its nationwide presence, and strive to become an integrated real estate group with the mission of "creating a better lifestyle". Meanwhile, the Group will continue to improve its lean management, plan for new development, and foster high-quality corporate development. It is anticipated that in the next five years, the control policies applicable to the real estate market of China will remain consistent and stable as a whole. The long-term leasing market will develop in a more rapid manner, whilst the Guangdong-Hong Kong-Macau Greater Bay Area will have room for market growth. "Virtuous cycle and healthy development" will become the keynote, and the real estate market is expected to expand while stability remains.

FINANCIAL PERFORMANCE

Revenue

The total revenue of the Group for year 2021 was approximately RMB33,927 million, representing an increase of approximately 1% compared with approximately RMB33,734 million for year 2020, mainly due to the increase in sales volume of properties.

Sales of properties and construction management services, as the core business activity of the Group, generated revenue of approximately RMB33,018 million in 2021 (2020: approximately RMB32,833 million), accounting for approximately 97% of the total revenue. The revenue of the Group from other segments included hotel operating income, income from property management and other services, and rental income from leased properties.

	2021	2020	Change
	RMB'000	*RMB'000*	*RMB'000*
Sales of properties and construction management services	**33,017,756**	32,833,210	+184,546
Property management and other services	**558,692**	582,344	-23,652
Hotel and related services	**86,732**	106,472	-19,740
Rental income	**263,743**	212,397	+51,346
Total	**33,926,923**	33,734,423	+192,500

Cost of Sales

Cost of sales decreased by approximately 0.1% to approximately RMB25,457 million from approximately RMB25,485 million for year 2020. The cost of sales mainly comprised land costs, construction costs, capitalized finance costs and sales tax.

Gross Profit and Margin

Gross profit increased from approximately RMB8,249 million for year 2020 to approximately RMB8,470 million for year 2021, mainly due to the increase of the gross profit margin of the properties delivered for the year ended 31 December 2021. The gross profit margin increased from approximately 24% for year 2020 to approximately 25% for year 2021.

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

Other income, other gains and losses, and other operating expenses decreased to a gain of approximately RMB82 million for year 2021 from a gain of approximately RMB231 million for year 2020, mainly due to decrease in foreign exchange gain during the period under review.

Operating Expenses

Due to the efficient management over expenditure control of the Group, administrative expenses and selling and marketing costs decreased to approximately RMB954 million and approximately RMB1,058 million, respectively for year 2021. In 2020, they were approximately RMB1,133 million and approximately RMB1,253 million respectively.

Finance Costs

Finance costs decreased from approximately RMB276 million for year 2020 to approximately RMB255 million for year 2021.

Changes in Fair Value of Investment Properties

The Group recorded fair value loss on investment properties of approximately RMB2 million for year 2021 due to market fluctuation.

Income Tax Expense

Income tax expenses increased by approximately 6% from approximately RMB3,641 million for year 2020 to approximately RMB3,855 million for year 2021, which was mainly due to more enterprise income tax and land appreciation tax provision for the properties delivered with higher margin.

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

For year 2021, profit for the year was approximately RMB2,434 million, while profit attributable to owners of the Company was approximately RMB2,155 million. As compared with year 2020, the decrease was mainly due to the loss on changes in fair value of investment properties, which was a gain in 2020, and less exchange gain recognized in 2021.

Financial Position

As at 31 December 2021, the Group's total equity was approximately RMB23,603 million (31 December 2020: approximately RMB22,142 million), total assets amounted to approximately RMB168,746 million (31 December 2020: approximately RMB164,989 million) and total liabilities stood at approximately RMB145,142 million (31 December 2020: approximately RMB142,847 million).

Liquidity and Financial Resources

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

As at 31 December 2021, net gearing ratio (total borrowings less cash and cash equivalents (including restricted cash) divided by total equity) decreased to approximately 39% from approximately 49% as at 31 December 2020. Total cash and cash equivalents (including restricted cash) amounted to approximately RMB10,588 million, with total borrowings of approximately RMB19,738 million and an equity base of approximately RMB23,603 million.

Treasury Policy

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

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

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

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

Credit Policy

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

Pledge of Assets

In 2021, the Group pledged its properties, land use rights and time deposits with carrying amount of approximately RMB31,000,000,000 to secure bank facilities, and the outstanding balance of the secured loan amounted to approximately RMB14,000,000,000.

Financial Guarantee for mortgage

As at 31 December 2021, the Group provided guarantees to banks for mortgage amounted to approximately RMB29,662 million (31 December 2020: approximately RMB23,909 million).

Capital Commitment

	31 December 2021	31 December 2020
	RMB'000	*RMB'000*
Property development business:		
Properties under development and investment properties under development contracted but not provided in the consolidated financial statements	**26,779,952**	26,089,565

Human Resources

In 2021, the Group employed a total of 4,007 employees (2020: 5,691 employees), among which 2,430 employees worked for the property development business. The Group has adopted a performance-based rewarding system to motivate its employees. In addition to a basic salary, year-end bonuses are offered to employees with an outstanding performance. The Group also provides various training programs to improve their skills and develop their respective expertise.

FINAL DIVIDEND

The board (the "**Board**") of directors (the "**Directors**") has resolved to recommend a 2021 final dividend of HK$0.30 per ordinary share, amounting to a total of approximately HK$837,565,000, for the year ended 31 December 2021, subject to the approval by the shareholders of the Company (the "**Shareholders**") at the forthcoming annual general meeting (the "**AGM**").

ANNUAL GENERAL MEETING AND CLOSURE OF REGISTER OF MEMBERS

The exact date of the AGM is yet to be determined due to the uncertainties arising from the COVID-19 pandemic. Hence, the record date for the determination of which shareholders will be entitled to the proposed final dividend is yet to be determined too. The AGM of the Company is expected to be held in June 2022. Once the date of the AGM is determined, the notice convening the AGM will be published and despatched in due course to the Shareholders in the manner required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("**Listing Rules**"). Furthermore, the Company will then announce the aforesaid record date for the proposed final dividend, and the dates of closure of the register of members of the Company for the purposes of determining the identity of the Shareholders who are qualified to attend the AGM and to receive the proposed final dividend.

CORPORATE GOVERNANCE

For the year ended 31 December 2021, the Company had complied with the code provisions set out in the Corporate Governance Code (the "**CG Code**") contained in Appendix 14 to the Listing Rules, except for code provisions C.2.1 and F.2.2, and the former code provision B.2.2 in 2021 as described below.

Code provision C.2.1 stipulates that the roles of chairman and chief executive should be separate and should not be performed by the same individual. From 1 January 2021 to 31 December 2021, Mr. CHEN Jun had undertaken the role of both chairman of the Board and chief executive officer of the Company. The Company considers that the combination of the roles is conducive to the efficient formulation and implementation of the Group's strategies and policies and such combination has not impaired the corporate governance practices of the Group. The balance of power and authority is ensured by the management of the Company's affairs by the Board which meets regularly to discuss and determine issues concerning the operations of the Group.

The former code provision B.2.2 in 2021 stipulates that all directors appointed to fill a casual vacancy should be subject to election by shareholders at the first general meeting after their appointment. Pursuant to the Company's articles of association, any person appointed as a Director by the Board shall stand for re-election at the next following AGM of the Company. Such arrangement is considered appropriate in light of the requirement of paragraph 4(2) of Appendix 3 to the Listing Rules which requires that any person appointed by the Directors to fill a casual vacancy shall hold office only until the next following AGM and shall then be eligible for re-election.

Code provision F.2.2 stipulates that the chairman of the Board should attend the AGMs. The chairman of the Board did not attend the AGM held on 30 June 2021 due to other business commitments.

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

Neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities during the year ended 31 December 2021.

SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD

Save as disclosed in this announcement, no significant events affecting the Group have occurred since the end of the financial year ended 31 December 2021.

REVIEW OF UNAUDITED ANNUAL RESULTS

The annual results of the Group for the year ended 31 December 2021 have not been audited nor agreed with the Group's auditor, Messrs. Deloitte Touche Tohmatsu ("**Deloitte**"), which were unable to complete their auditing process as a result of the recent severe travel restrictions imposed in the PRC due to the outbreak of the COVID-19 pandemic. Hence, additional time is required for the completion of the auditing process. Once the auditing process has been completed, the Company will publish an announcement on the audited results. It is currently expected that the auditing process will be completed, and the publication of the audited results will be made, in April 2022 subject to any further pandemic prevention measures in the PRC. The unaudited annual results of the Group for the year ended 31 December 2021 contained herein have been reviewed by, and agreed with, the Audit Committee of the Company. The Audit Committee is of the view that the unaudited results for the year ended 31 December 2021 are in compliance with the applicable accounting standards and requirements, and appropriate disclosures have been made.

The annual results of the Group for the year ended 31 December 2021 have not been audited by nor agreed with the auditors. Shareholders and potential investors of the Company are advised to exercise caution when dealing in the securities of the Company.

PUBLICATION OF THE ANNUAL RESULTS AND ANNUAL REPORT

This announcement is published on the HKEXnews website at www.hkexnews.hk and the Company's website at www.greenlandhk.com. The 2021 annual report will be available on the HKEXnews website and the Company's website, and is currently expected be despatched to the Shareholders in April 2022.

By Order of the Board
Greenland Hong Kong Holdings Limited
Chen Jun
Chairman

Hong Kong, 29 March 2022

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