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Mingfa Group (International) Company Limited

明發集團（國際）有限公司

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 00846)

ANNOUNCEMENT OF UNAUDITED ANNUAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2021

PERFORMANCE HIGHLIGHTS

The consolidated revenue of the Group was approximately RMB16,416.4 million for 2021 (2020: approximately RMB12,858.6 million), representing an increase of 27.7% as compared to 2020. The consolidated profit for the year and profit attributable to equity holders of the Company were approximately RMB1,996.9 million and RMB1,882.7 million respectively for 2021 (2020: approximately RMB1,277.8 million and RMB1,075.0 million respectively), representing an increase of 56.3% and 75.1% respectively as compared to 2020. The basic and diluted earnings per share were RMB30.9 cents for 2021 (2020: RMB17.6 cents per share), representing an increase of 75.1% as compared to 2020.

The Board of directors (the “**Board**”) does not recommend payment of final dividend for the year ended 31 December 2021.

UNAUDITED CONSOLIDATED RESULTS

For the reasons explained below under “Review of Unaudited Annual Results”, the auditing process for the annual results of Mingfa Group (International) Company Limited (the “**Company**”) and its subsidiaries (collectively the “**Group**”) has not been completed. In order to keep the Shareholders and potential investors informed of the business operation and financial position of the Group, the Board decides to publish the unaudited consolidated results of the Group for the year ended 31 December 2021 together with the comparative figures for the corresponding year in 2020 as follows:

UNAUDITED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the year ended 31 December 2021

		Year ended 31 December	
		2021	2020
	Notes	RMB'000	RMB'000
		(Unaudited)	(Audited)
Revenues	3	16,416,421	12,858,570
Cost of sales		<u>(11,466,549)</u>	<u>(9,087,914)</u>
Gross profit		4,949,872	3,770,656
Fair value gains on investment properties		292,542	161,130
Other income and other gains and losses	8	314,051	76,714
Net impairment loss on financial assets		(162,976)	(237,742)
Selling and marketing costs		(889,215)	(641,563)
General and administrative expenses		<u>(751,463)</u>	<u>(681,489)</u>
Operating profit		<u>3,752,811</u>	<u>2,447,706</u>
Finance income	10	30,773	35,281
Finance costs	10	<u>(4,315)</u>	<u>(5,909)</u>
Finance income — net	10	<u>26,458</u>	<u>29,372</u>
Share of results of			
— Associated companies		(31,064)	(62,995)
— Joint ventures		<u>7,921</u>	<u>32,137</u>
		<u>(23,143)</u>	<u>(30,858)</u>
Profit before income tax	9	3,756,126	2,446,220
Income tax expense	11	<u>(1,759,241)</u>	<u>(1,168,427)</u>
Profit for the year		<u>1,996,885</u>	<u>1,277,793</u>
Attributable to:			
Equity holders of the Company		1,882,657	1,075,004
Non-controlling interests		<u>114,228</u>	<u>202,789</u>
		<u>1,996,885</u>	<u>1,277,793</u>
Earnings per share for profit attributable to equity holders of the Company (RMB cents)	13		
— Basic		30.9	17.6
— Diluted		<u>30.9</u>	<u>17.6</u>

UNAUDITED CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2021

	Year ended 31 December	
	2021	2020
	<i>RMB'000</i>	<i>RMB'000</i>
	(Unaudited)	(Audited)
Profit for the year	1,996,885	1,277,793
Other comprehensive income:		
<i>Item that may be reclassified subsequently to profit or loss</i>		
— Currency translation differences	<u>439</u>	<u>23</u>
Other comprehensive income for the year, net of tax	<u>439</u>	<u>23</u>
Total comprehensive income for the year	<u>1,997,324</u>	<u>1,277,816</u>
Attributable to:		
Equity holders of the Company	1,883,096	1,075,027
Non-controlling interests	<u>114,228</u>	<u>202,789</u>
	<u>1,997,324</u>	<u>1,277,816</u>

UNAUDITED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2021

		As at 31 December	
		2021	2020
	Notes	RMB'000	RMB'000
		(Unaudited)	(Audited)
ASSETS			
Non-current assets			
Property, plant and equipment		2,995,624	2,910,125
Investment properties		11,883,900	11,537,722
Goodwill		7,169	7,169
Investments in associated companies		1,923,979	1,955,043
Investments in joint ventures		2,055,560	2,040,768
Deferred income tax assets		414,182	596,790
Other financial assets		40,550	40,550
Other receivables	4	14,293	14,293
Prepayments for land use rights		666,201	585,547
		<u>20,001,458</u>	<u>19,688,007</u>
Current assets			
Properties under development		24,302,597	30,425,758
Completed properties held for sale		19,188,709	16,042,922
Inventories		44,175	61,829
Trade and other receivables and prepayments	4	3,871,047	3,788,662
Contract costs	4	263,180	314,679
Prepaid income taxes		448,066	322,401
Amounts due from related parties, joint ventures and associated companies		991,553	1,023,806
Amounts due from non-controlling interests		735,624	775,191
Restricted cash		233,394	3,600
Cash and cash equivalents		3,665,916	3,567,002
		<u>53,744,261</u>	<u>56,325,850</u>
Assets of a disposal group classified as held for sale		—	92,302
Total current assets		<u>53,744,261</u>	<u>56,418,152</u>
Total assets		<u><u>73,745,719</u></u>	<u><u>76,106,159</u></u>

		As at 31 December	
		2021	2020
	<i>Notes</i>	RMB'000	RMB'000
		(Unaudited)	(Audited)
LIABILITIES			
Current liabilities			
Trade and other payables	7	19,904,543	18,409,886
Contract liabilities		15,175,246	19,992,147
Amounts due to related parties, joint ventures and associated companies		8,032,411	7,578,466
Amounts due to non-controlling interests		410,460	755,560
Income tax payable		3,576,421	2,994,140
Borrowings	6	684,078	3,440,085
Lease liabilities		8,079	47,178
		<u>47,791,238</u>	<u>53,217,462</u>
Liabilities of a disposal group classified as held for sale		—	62,619
Total current liabilities		<u>47,791,238</u>	<u>53,280,081</u>
Net current assets		<u>5,953,023</u>	<u>3,138,071</u>
Total assets less current liabilities		<u>25,954,481</u>	<u>22,826,078</u>
Non-current liabilities			
Deferred government grants		1,129,814	1,370,654
Borrowings	6	2,778,364	1,330,090
Deferred income tax liabilities		2,576,149	2,393,129
Other payables	7	—	200,157
Lease liabilities		11,290	18,798
		<u>6,495,617</u>	<u>5,312,828</u>
Total liabilities		<u>54,286,855</u>	<u>58,592,909</u>
Net assets		<u>19,458,864</u>	<u>17,513,250</u>
EQUITY			
Capital and reserves attributable to equity holders of the Company			
Share capital	5	536,281	536,281
Reserves		17,402,335	15,519,239
		<u>17,938,616</u>	<u>16,055,520</u>
Non-controlling interests		<u>1,520,248</u>	<u>1,457,730</u>
Total equity		<u>19,458,864</u>	<u>17,513,250</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2021

1 GENERAL INFORMATION

Mingfa Group (International) Company Limited (the “**Company**”) was incorporated in the Cayman Islands on 27 November 2007 as an exempted company with limited liability under the Companies Law, Cap 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands. The address of its registered office is office of Vistra (Cayman) Limited, P.O. Box 31119 Grand Pavilion, Hibiscus Way, 802 West Bay Road, Grand Cayman, KY1-1205, Cayman Islands.

The principal activities of the Company and its subsidiaries (together, the “**Group**”) are property development, property investment and hotel operation in the People’s Republic of China (the “**PRC**”).

The Company’s shares began to list on the Main Board of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) on 13 November 2009. Its immediate and ultimate holding company is Galaxy Earnest Limited (incorporated in the British Virgin Islands).

The consolidated financial statements are presented in thousands of Renminbi (“**RMB’000**”), unless otherwise stated.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of preparation

The principal accounting policies applied in the preparation of the consolidated financial statements are set out below. These policies have been consistently applied to both years presented, unless otherwise stated.

The consolidated financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards (“**HKFRSs**”) issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”) and under the historical cost convention, as modified by the revaluation of investment properties and other financial assets which are carried at fair value.

The preparation of financial statements in conformity with HKFRSs requires the use of certain critical accounting estimates. It also requires management to exercise judgement in the process of applying the Group’s accounting policies.

(i) Adoption of new or amended HKFRSs

The below new standards impacting the Group that have been adopted in the annual financial statements for the year ended 31 December 2021:

Interest Rate Benchmark Reform — IBOR ‘phase 2’ (Amendments to HKFRS 9, HKAS 39, HKFRS 7, HKFRS 4 and HKFRS 16)

These amendments to various HKFRS standards are mandatorily effective for reporting periods beginning on or after 1 January 2021. The amendments provide relief to the Group in respect of certain loans (note 6) whose contractual terms are affected by interest benchmark reform, if any. See the applicable note for further details on how the amendments affected the Group.

Covid-19-Related Rent Concessions beyond 30 June 2021 (Amendment to HKFRS 16)

Effective 1 June 2020, HKFRS 16 was amended to provide a practical expedient for lessees accounting for rent concessions that arise as a direct consequence of the COVID-19 pandemic and satisfy the following criteria:

- (a) 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;
- (b) The reduction in lease payments affects only payments originally due on or before 30 June 2021; and
- (c) There is no substantive change to other terms and conditions of the lease.

Rent concessions that satisfy these criteria may be accounted for in accordance with the practical expedient, which means the lessee does not assess whether the rent concession meets the definition of a lease modification. Lessees apply other requirements in HKFRS 16 in accounting for the concession.

Accounting for the rent concessions as lease modifications would have resulted in the Group remeasuring the lease liability to reflect the revised consideration using a revised discount rate, with the effect of the change in the lease liability recorded against the right-of-use asset. By applying the practical expedient, the Group is not required to determine a revised discount rate and the effect of the change in the lease liability is reflected in profit or loss in the period in which the event or condition that triggers the rent concession occurs.

On 9 April 2021, the HKICPA issued another amendment to HKFRS 16: Covid-19-Related Rent Concessions beyond 30 June 2021, which extended the above practical expedient to reductions in lease payments that were originally due on or before 30 June 2022. This amendment is effective for annual periods beginning on or after 1 April 2021 with earlier application permitted including the financial statements not authorised for issue at 9 April 2021. The amendment is to be applied mandatorily by those entities that have elected to apply the previous amendment Covid-19-Related Rent Concessions. The Group has early adopted the amendment Covid-19-Related Rent Concessions beyond 30 June 2021 in the current annual financial statements.

The Group had not negotiated any rent concessions with lessors that affected payments originally due after 30 June 2021 but before 30 June 2022.

(ii) New or amended HKFRSs that have been issued but are not yet effective

The following new or amended HKFRSs, potentially relevant to the Group's financial statements, have been issued, but are not yet effective and have not been early adopted by the Group. The Group's current intention is to apply these changes on the date they become effective.

The following amendments are effective for the period beginning 1 January 2022:

- Onerous Contracts — Cost of Fulfilling a Contract (Amendments to HKAS 37);
- Property, Plant and Equipment: Proceeds before Intended Use (Amendments to HKAS 16);
- Annual Improvements to HKFRS 2018–2020 (Amendments to HKFRS 1, HKFRS 9, HKFRS 16 and HKAS 41); and
- References to Conceptual Framework (Amendments to HKFRS 3).

The following amendments are effective for the period beginning 1 January 2023:

- Disclosure of Accounting Policies (Amendments to HKAS 1 and HKFRS Practice Statement 2);
- Definition of Accounting Estimates (Amendments to HKAS 8); and
- Deferred Tax Related to Assets and Liabilities arising from a Single Transaction (Amendments to HKAS 12).

The Group does not expect any other new or amended HKFRSs issued by the HKICPA, but not yet effective, to have a material impact on the Group.

3 REVENUES AND SEGMENT INFORMATION

For management purposes, the Group is organised into business units based on their products and services and has three reportable operating segments:

- (i) the property development segment engages in real estate development, and is further segregated into commercial and residential;
- (ii) the hotel segment engages in hotel operation;
- (iii) the property investment and management segment invests in properties for their rental income and/or for potential capital appreciation, and provides management and security services to residential, hotel and commercial properties.

Other operating segments mainly include manufacture and provision of construction services, investment holding, which are not included within the reportable operating segments, as they are not included in the reports provided to the management. The results of these operations are included in the “all other segments” column.

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss which in certain respects may be measured differently from operating profit or loss in the consolidated financial statements. Group financing (including finance costs and interest income) and income taxes are managed on a group basis and are not allocated to operating segments.

Inter-segment revenues are eliminated on consolidation.

The Group’s revenue from external customers is derived solely from its operations in the PRC, and no significant non-current assets of the Group are located outside the PRC.

Segment assets consist primarily of property, plant and equipment, investment properties, properties under development, completed properties held for sale, receivables and cash balances. They also include goodwill recognised arising from acquisition of subsidiaries or non-controlling interests relating to respective segments. They exclude deferred income tax assets, prepaid income taxes and other financial assets.

Segment liabilities comprise operating liabilities. They exclude borrowings, deferred income tax liabilities and income tax payable.

(a) Segment information

The segment results and other segment items for the year ended 31 December 2021 are as follows:

	Property development — commercial RMB'000 (Unaudited)	Property development — residential RMB'000 (Unaudited)	Hotel RMB'000 (Unaudited)	Property investment and management RMB'000 (Unaudited)	All other segments RMB'000 (Unaudited)	Total RMB'000 (Unaudited)
Total segment revenues	432,877	14,929,805	279,843	467,864	306,032	16,416,421
Revenues	432,877	14,929,805	279,843	467,864	306,032	16,416,421
Operating profit/(loss)	130,605	3,060,469	(20,543)	495,579	86,701	3,752,811
Finance income — net						26,458
Share of results of associated companies	(209)	2,097	—	17,578	(50,530)	(31,064)
Share of results of joint ventures	—	663	—	7,258	—	7,921
Profit before income tax						3,756,126
Income tax expense						(1,759,241)
Profit for the year						1,996,885
Other segment information						
Capital and property development expenditure	770,160	6,502,182	48,386	75,996	74,704	7,471,428
Depreciation of property, plant and equipment	11,627	105,978	58,605	2,511	403	179,124
Depreciation of right-of-use assets under properties under development	—	18,527	—	—	—	18,527
Fair value gains on investment properties	—	—	—	292,542	—	292,542

The segment assets and liabilities as at 31 December 2021 are as follows:

	Property development — commercial RMB'000 (Unaudited)	Property development — residential RMB'000 (Unaudited)	Hotel RMB'000 (Unaudited)	Property investment and management RMB'000 (Unaudited)	All other segments RMB'000 (Unaudited)	Elimination RMB'000 (Unaudited)	Total RMB'000 (Unaudited)
Segment assets	11,496,829	81,170,887	2,202,490	12,650,851	19,026,224	(57,683,899)	68,863,382
Associated companies	—	262,313	—	1,284,942	376,724	—	1,923,979
Joint ventures	19,092	89,595	—	1,946,873	—	—	2,055,560
	11,515,921	81,522,795	2,202,490	15,882,666	19,402,948	(57,683,899)	72,842,921
Unallocated:							
Deferred income tax assets							414,182
Prepaid income taxes							448,066
Other financial assets							40,550
Total assets							73,745,719
Segment liabilities	7,516,602	85,954,869	126,772	2,038,503	6,718,996	(57,683,899)	44,671,843
Unallocated:							
Deferred income tax liabilities							2,576,149
Borrowings							3,462,442
Income tax payable							3,576,421
Total liabilities							54,286,855

The segment results and other segment items for the year ended 31 December 2020 are as follows:

	Property development — commercial <i>RMB'000</i> (Audited)	Property development — residential <i>RMB'000</i> (Audited)	Hotel <i>RMB'000</i> (Audited)	Property investment and management <i>RMB'000</i> (Audited)	All other segments <i>RMB'000</i> (Audited)	Total <i>RMB'000</i> (Audited)
Total segment revenues	240,324	11,742,585	225,113	397,418	255,671	12,861,111
Inter-segment revenues	—	—	(2,541)	—	—	(2,541)
Revenues	<u>240,324</u>	<u>11,742,585</u>	<u>222,572</u>	<u>397,418</u>	<u>255,671</u>	<u>12,858,570</u>
Operating profit/(loss)	<u>30,753</u>	<u>1,807,465</u>	<u>(8,937)</u>	<u>499,300</u>	<u>119,125</u>	<u>2,447,706</u>
Finance income — net						29,372
Share of results of associated companies	(225)	(1,730)	—	21,583	(82,623)	(62,995)
Share of results of joint ventures	—	31,707	—	430	—	32,137
Profit before income tax						2,446,220
Income tax expense						<u>(1,168,427)</u>
Profit for the year						<u>1,277,793</u>
Other segment information						
Capital and property development expenditure	1,654,848	5,852,592	34,008	48,369	1,070,384	8,660,201
Depreciation of property, plant and equipment	11,172	53,354	30,918	44,525	7,280	147,249
Depreciation of right-of-use assets under properties under development	—	37,061	—	—	—	37,061
Fair value gains on investment properties	—	—	—	161,130	—	161,130
Impairment loss on property, plant and equipment	<u>—</u>	<u>—</u>	<u>82,471</u>	<u>—</u>	<u>—</u>	<u>82,471</u>

The segment assets and liabilities as at 31 December 2020 are as follows:

	Property development — commercial <i>RMB'000</i> (Audited)	Property development — residential <i>RMB'000</i> (Audited)	Hotel <i>RMB'000</i> (Audited)	Property investment and management <i>RMB'000</i> (Audited)	All other segments <i>RMB'000</i> (Audited)	Elimination <i>RMB'000</i> (Audited)	Total <i>RMB'000</i> (Audited)
Segment assets	11,936,558	85,444,565	1,787,354	12,749,321	20,580,272	(61,347,463)	71,150,607
Associated companies	—	260,425	—	1,267,365	427,253	—	1,955,043
Joint ventures	<u>11,854</u>	<u>82,041</u>	<u>—</u>	<u>1,946,873</u>	<u>—</u>	<u>—</u>	<u>2,040,768</u>
	<u>11,948,412</u>	<u>85,787,031</u>	<u>1,787,354</u>	<u>15,963,559</u>	<u>21,007,525</u>	<u>(61,347,463)</u>	<u>75,146,418</u>
Unallocated:							
Deferred income tax assets							596,790
Prepaid income taxes							322,401
Other financial assets							<u>40,550</u>
Total assets							<u>76,106,159</u>
Segment liabilities	<u>9,522,456</u>	<u>90,276,413</u>	<u>72,238</u>	<u>1,977,582</u>	<u>7,934,239</u>	<u>(61,347,463)</u>	<u>48,435,465</u>
Unallocated:							
Deferred income tax liabilities							2,393,129
Borrowings							4,770,175
Income tax payable							<u>2,994,140</u>
Total liabilities							<u>58,592,909</u>

(b) Revenues

The following summary describes the operations in each of the Group's reportable segments:

	2021 <i>RMB'000</i> (Unaudited)	2020 <i>RMB'000</i> (Audited)
Revenue from contracts with customer within the scope of HKFRS 15:		
• Property development — commercial	432,877	240,324
• Property development — residential	14,929,805	11,742,585
• Hotel	279,843	222,572
• Property investment and management — property management fee income	154,130	98,891
• All other segments	306,032	255,671
	<u>16,102,687</u>	<u>12,560,043</u>
Revenue from other sources		
• Property investment and management — rental income	313,734	298,527
	<u>16,416,421</u>	<u>12,858,570</u>

In the following tables, revenue is disaggregated by primary geographical market, major products and service and timing of revenue recognition. The table also includes a reconciliation of the disaggregated revenue with the Group's reportable segments.

	Property development — commercial		Property development — residential		Hotel		Property investment and management		All other segments		Total	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
	(Unaudited)	(Audited)	(Unaudited)	(Audited)	(Unaudited)	(Audited)	(Unaudited)	(Audited)	(Unaudited)	(Audited)	(Unaudited)	(Audited)
Primary geographical markets												
PRC	432,877	240,324	14,929,805	11,742,585	279,843	222,572	467,864	397,418	306,032	255,671	16,416,421	12,858,570
Major products/services												
Sales of properties	432,877	240,324	14,929,805	11,742,585	—	—	—	—	—	—	15,362,682	11,982,909
Hotel operating income	—	—	—	—	279,843	222,572	—	—	—	—	279,843	222,572
Rental income												
— from investment properties	—	—	—	—	—	—	291,957	254,485	—	—	291,957	254,485
— others	—	—	—	—	—	—	21,777	44,042	—	—	21,777	44,042
Property management fee income	—	—	—	—	—	—	154,130	98,891	—	—	154,130	98,891
Miscellaneous income	—	—	—	—	—	—	—	—	306,032	255,671	306,032	255,671
	<u>432,877</u>	<u>240,324</u>	<u>14,929,805</u>	<u>11,742,585</u>	<u>279,843</u>	<u>222,572</u>	<u>467,864</u>	<u>397,418</u>	<u>306,032</u>	<u>255,671</u>	<u>16,416,421</u>	<u>12,858,570</u>
Timing of revenue recognition												
At a point in time	432,877	240,324	14,929,805	11,742,585	—	—	—	—	27,919	11,124	15,390,601	11,994,033
Transferred over time	—	—	—	—	279,843	222,572	467,864	397,418	278,113	244,547	1,025,820	864,537
	<u>432,877</u>	<u>240,324</u>	<u>14,929,805</u>	<u>11,742,585</u>	<u>279,843</u>	<u>222,572</u>	<u>467,864</u>	<u>397,418</u>	<u>306,032</u>	<u>255,671</u>	<u>16,416,421</u>	<u>12,858,570</u>

4 TRADE AND OTHER RECEIVABLES AND PREPAYMENTS/CONTRACT COSTS

	As at 31 December	
	2021	2020
	<i>RMB'000</i>	<i>RMB'000</i>
	(Unaudited)	(Audited)
Trade receivables	602,931	469,498
Less: Provision for impairment of trade receivables (<i>Note (a)</i>)	<u>(484,069)</u>	<u>(339,253)</u>
Trade receivables — net (<i>Note (b)</i>)	<u>118,862</u>	<u>130,245</u>
Other receivables (<i>Note (c)</i>)	1,673,431	1,375,215
Deposits for resettlement costs	—	2,538
Deposits for land purchases	50,656	344,841
Less: Provision for impairment of other receivables and deposits	<u>(390,800)</u>	<u>(417,400)</u>
Other receivables and deposits — net	<u>1,333,287</u>	<u>1,305,194</u>
Prepayments for construction costs	1,192,192	1,173,281
Prepaid business tax and other levies on pre-sale proceeds	1,229,788	1,190,856
Miscellaneous	<u>11,211</u>	<u>3,379</u>
	3,885,340	3,802,955
Less: Non-current portion of other receivables (<i>Note (d)</i>)	<u>(14,293)</u>	<u>(14,293)</u>
Current portion	<u>3,871,047</u>	<u>3,788,662</u>
Contract costs (<i>Note (e)</i>)	<u>263,180</u>	<u>314,679</u>

As at 31 December 2021 and 2020, the fair values of trade receivables, deposits for resettlement costs and land purchases, advances to group companies of non-controlling interest, other receivables and contract costs approximate their carrying amounts.

Notes:

- (a) Movement in provision for impairment of trade receivables is as follows:

	As at 31 December	
	2021	2020
	RMB'000	RMB'000
	(Unaudited)	(Audited)
As at 1 January	339,253	186,594
Net impairment loss recognised during the year	<u>144,816</u>	<u>152,659</u>
As at 31 December	<u>484,069</u>	<u>339,253</u>

- (b) Trade receivables mainly arose from leases of investment properties and property construction. Proceeds in respect of properties sold and leased and property construction are to be received in accordance with the terms of the related sales and purchase agreements, lease agreements and construction agreement.

The ageing analysis of trade receivables (net of impairment losses) of the Group, based on invoice dates, as of the end of the year is as follows:

	As at 31 December	
	2021	2020
	RMB'000	RMB'000
	(Unaudited)	(Audited)
Within 90 days	40,830	81,817
Over 90 days and within 1 year	62,703	8,313
Over 1 year and within 2 years	15,329	20,127
Over 2 years	<u>—</u>	<u>19,988</u>
	<u>118,862</u>	<u>130,245</u>

- (c) As at 31 December 2021, except for the amount of RMB460,003,560 due from a third party which is unsecured with a personal guarantee, interest-bearing at 1.8% per annum and recoverable within one year, the remaining amounts comprise deposits made to government agencies for property development purposes, advances to business partners for business cooperations, general and administrative expenses paid on behalf of the Group's tenants and customers, and refundable workers wages protection fund requested by the related government authorities in the property development industry, the amounts are unsecured, interest-free and repayable on demand.

As at 31 December 2020, except for the amount of RMB206,868,000 due from a third party which is unsecured, interest-bearing at 2% per annum and recoverable within five years, and the amount of RMB464,972,000 due from a third party which is unsecured, interest-bearing at 1.8% per annum and recoverable within one year, the remaining amounts comprise deposits made to government agencies for property development purposes, advances to business partners for business cooperations, general and administrative expenses paid on behalf of the Group's tenants and customers, and refundable workers wages protection fund requested by the related government authorities in the property development industry, the amounts are unsecured, interest-free and repayable on demand.

- (d) The non-current portion of other receivables comprised the unsettled proceeds from the sale of a building included in property, plant and equipment which are to be collected over a period of seven years. The receivables were initially recognised at fair value based on cash flows discounted using a rate of 5.94%.
- (e) The amount represents commission paid to property agents in PRC in advance after entering into pre-sale agreements and receiving deposits from customers. These payments are expected to be recognised in profit or loss within twelve months from the end of the reporting period at the point in time when the properties are completed and control is transferred to customers.

5 SHARE CAPITAL

	Par value <i>HK\$</i>	Number of ordinary shares	Nominal value of ordinary shares <i>HK\$</i>	Equivalent <i>RMB</i>
Authorised:				
At 1 January 2020, 31 December 2020 (Audited) and at 31 December 2021 (Unaudited)	0.1	<u>12,000,000,000</u>	<u>1,200,000,000</u>	<u> </u>
Issued and fully paid:				
At 1 January 2020, 31 December 2020 (Audited) and at 31 December 2021 (Unaudited)		<u>6,093,451,026</u>	<u>609,345,103</u>	<u>536,280,877</u>

6 BORROWINGS

	As at 31 December	
	2021	2020
	<i>RMB'000</i>	<i>RMB'000</i>
	(Unaudited)	(Audited)
Borrowings included in non-current liabilities		
Bank borrowings — secured	3,105,603	2,331,229
Less: Amounts due within one year	<u>(327,239)</u>	<u>(1,001,139)</u>
	<u>2,778,364</u>	<u>1,330,090</u>
Borrowings included in current liabilities		
Current portion of long-term secured bank borrowings	327,239	1,001,139
Bank borrowings — secured	—	531,875
Senior notes, junior notes and bonds	<u>356,839</u>	<u>1,907,071</u>
	<u>684,078</u>	<u>3,440,085</u>
Total	<u>3,462,442</u>	<u>4,770,175</u>

7 TRADE AND OTHER PAYABLES

	As at 31 December	
	2021	2020
	<i>RMB'000</i>	<i>RMB'000</i>
	(Unaudited)	(Audited)
Trade payables (<i>Note (a)</i>)	13,213,449	12,249,577
Other payables (<i>Note (b)</i>)	6,351,497	6,135,191
Other taxes payable	339,597	225,275
	<u>19,904,543</u>	<u>18,610,043</u>
Less: Non-current portion of other payables (<i>Note (b)(ii)</i>)	—	(200,157)
	<u>19,904,543</u>	<u>18,409,886</u>

Notes:

- (a) The ageing analysis of trade payables, based on invoice dates, as of the end of the year is as follows:

	As at 31 December	
	2021	2020
	<i>RMB'000</i>	<i>RMB'000</i>
	(Unaudited)	(Audited)
Within 90 days	5,271,837	7,673,225
Over 90 days and within 1 year	2,985,364	1,969,198
Over 1 year	4,956,248	2,607,154
	<u>13,213,449</u>	<u>12,249,577</u>

(b) Other payables comprise:

	As at 31 December	
	2021	2020
	RMB'000	RMB'000
	(Unaudited)	(Audited)
Deposits and advances from contractors	794,755	738,791
Deposits received from tenants of investment properties	35,374	17,680
Payable to a joint operation partner	—	31,720
Advances from shareholders of associated companies and joint ventures (<i>Note (i)</i>)	2,655,716	2,438,167
Advances from other parties (<i>Note (ii)</i>)	528,254	737,656
Consideration payable on acquisition of subsidiaries	252,324	408,285
Consideration received for disposal of a subsidiary	81,760	84,164
Commission payables	270,753	264,181
Accrual and other payables (<i>Note (iii)</i>)	1,180,202	890,742
Provision for loss arising from financial guarantee agreements (<i>Note (iv)</i>)	182,728	161,336
Miscellaneous	369,631	362,469
	6,351,497	6,135,191

- (i) As at 31 December 2021, except for advances from shareholders of associated companies and joint ventures amounted to RMB481,515,000 (2020: RMB481,515,000) for current portion which are unsecured, interest-bearing at 7% (2020: 7%) per annum and repayable on demand, the remaining balances are unsecured, interest-free and repayable on demand.

Included in the remaining balances is an advance from the parent of an associated company of RMB2,150,256,000 (2020: RMB1,932,707,000) for the purpose of future capital injection to the associate company when needed.

- (ii) As at 31 December 2021, the amount comprises: (a) advances from a third party amounted to RMB135,274,000 which are secured, interest-bearing at rate of 12% per annum; and (b) advances from a third party amounted to RMB392,980,000 which are guaranteed by a controlling shareholder and a wholly owned subsidiary of the Company, interest-bearing at rate of 3% per annum and repayable within one year.

As at 31 December 2020, the amount comprises: (a) advances from a third party amounted to RMB129,034,000 which were secured, interest-bearing at rate of 12% per annum; (b) advances from a third party amounted to RMB408,465,000 which were guaranteed by a controlling shareholder and a wholly owned subsidiary of the Company, interest-bearing at rate of 3% per annum and repayable within one year; and (c) advances from a family member of a controlling shareholder amounted to RMB200,157,000 which were secured, interest-bearing at rate of 2% per annum and fully settled during the year ended 31 December 2021.

- (iii) The amount mainly comprises accruals of general and administrative expenses, salaries and operating expenses.

- (iv) The amount mainly comprises a provision for loss arose from three financial guarantee contracts in respect of guarantee agreements entered into by a subsidiary of the Company in 2016 amounted to RMB34,990,000, RMB26,546,000 and RMB27,600,000 respectively and respective interest.

8 OTHER INCOME AND OTHER GAINS AND LOSSES

	Year ended 31 December	
	2021	2020
	<i>RMB'000</i>	<i>RMB'000</i>
	(Unaudited)	(Audited)
Government grants (<i>Note (a)</i>)	3,360	2,835
Gains on disposal of equity interests of subsidiaries	124,006	12,663
Net gains from disposal of property, plant and equipment	15,142	298
Provision for impairment loss on property, plant and equipment	—	(82,471)
Net exchange gains (<i>Note (b)</i>)	160,157	183,687
Net gain from disposal of investment properties	38,193	4,104
Forfeiture of rental deposits from tenant	—	1,278
Write-off of trade receivables	—	(4,988)
Provision for financial guarantee	(21,392)	(21,392)
Miscellaneous	(5,415)	(19,300)
	<u>314,051</u>	<u>76,714</u>

Notes:

- (a) The government grants represented both the amortisation of deferred government grant and other subsidy income received from various local government authorities by certain subsidiaries. Grants from government were recognised in profit or loss when the Group fulfilled the attached conditions.
- (b) Exchange difference mainly arise from the bonds in Note 6 which is denominated in USD.

9 PROFIT BEFORE INCOME TAX

Profit before income tax is arrived at after charging the following:

	Year ended 31 December	
	2021	2020
	<i>RMB'000</i>	<i>RMB'000</i>
	(Unaudited)	(Audited)
Staff costs — including directors' emoluments (<i>Note (a)</i>)	434,858	340,596
Auditor's remuneration	3,570	3,300
Charitable donation	220	1,649
Depreciation of property, plant and equipment	179,124	147,249
Depreciation of right-of-use assets under properties under development	18,527	37,061
Cost of properties sold	10,679,845	8,426,286
Business tax and other levies on sales and construction of properties (<i>Note (b)</i>)	61,967	109,669
Direct outgoings arising from investment properties that generate rental income	110,404	125,354
Short-term leases expenses	2,770	2,558
Hotel operating expenses	225,460	165,286

Notes:

(a) Staff costs (including directors' emoluments)

	Year ended 31 December	
	2021	2020
	<i>RMB'000</i>	<i>RMB'000</i>
	(Unaudited)	(Audited)
Wages and salaries	391,857	310,127
Pension costs — defined contribution plans	30,128	14,569
Other allowances and benefits	12,873	15,900
	434,858	340,596

(b) Business tax and other levies on sales and construction of properties

The PRC companies of the Group are subject to business tax of 5% and other levies on their revenues from sale and construction of properties. These expenses are included in cost of sales.

10 FINANCE INCOME AND COSTS

	Year ended 31 December	
	2021	2020
	<i>RMB'000</i>	<i>RMB'000</i>
	(Unaudited)	(Audited)
Finance income		
— interest income on bank deposits and loan to a related party	<u>30,773</u>	<u>35,281</u>
Interest expenses on bank borrowings	(105,695)	(110,113)
Interest expenses on other borrowings and advances from other parties	(21,321)	(39,723)
Interest expenses on bonds	(106,995)	(485,249)
Interest expenses on lease liabilities	(4,315)	(5,909)
Less: Interest capitalised	<u>234,011</u>	<u>635,085</u>
Finance costs	<u>(4,315)</u>	<u>(5,909)</u>
Net finance income	<u><u>26,458</u></u>	<u><u>29,372</u></u>

11 INCOME TAX EXPENSE

	Year ended 31 December	
	2021	2020
	<i>RMB'000</i>	<i>RMB'000</i>
	(Unaudited)	(Audited)
Current income tax		
— Hong Kong profits tax	—	70
— PRC enterprise income tax	871,025	617,525
— PRC land appreciation tax	<u>523,876</u>	<u>590,452</u>
	<u>1,394,901</u>	<u>1,208,047</u>
Deferred income tax		
— PRC enterprise income tax	254,456	12,565
— PRC withholding income tax	<u>109,884</u>	<u>(52,185)</u>
	<u>364,340</u>	<u>(39,620)</u>
	<u><u>1,759,241</u></u>	<u><u>1,168,427</u></u>

Hong Kong profits tax

No provision has been made for Hong Kong profits tax as the Group has no assessable profit subject to Hong Kong profits tax for the year (2020: RMB70,000).

Under two-tiered profits tax regime, the first HK\$2 million of profits of qualifying corporation will be taxed at 8.25%, and profits above HK\$2 million will be taxed at 16.5%. For the year ended 31 December 2020, Hong Kong profits tax was calculated in accordance with the two-tiered profits tax rates regime.

PRC enterprise income tax

PRC enterprise income tax is provided for at 25% (2020: 25%) of the profits for the PRC statutory financial reporting purpose, adjusted for those items which are not assessable or deductible for the PRC enterprise income tax purpose.

PRC land appreciation tax

PRC land appreciation tax is levied at progressive rates ranging from 30% to 60% on the appreciation of land value, being the proceeds from sales of properties less deductible expenditures including cost of land use rights, borrowing costs, business taxes and all property development expenditures. The tax is incurred upon transfer of property ownership.

PRC withholding income tax

According to the Enterprise Income Tax Law of the PRC and its detailed implementation regulations, starting from 1 January 2008, a 10% withholding tax will be levied on the immediate holding companies established outside the PRC when their invested entities in the PRC declare their dividends out of the profits earned after 1 January 2008. A lower 5% withholding tax rate may be applied, subject to approval of local tax authorities, when the immediate holding companies are established in Hong Kong according to the tax treaty arrangement between the PRC and Hong Kong. The Group accrues for the PRC withholding income tax based on the tax rate of 5% for its immediate holding companies which are established in Hong Kong.

12 DIVIDENDS

No interim dividend was declared and the Board does not recommend payment of final dividend for the year ended 31 December 2021 (2020: Nil).

13 EARNINGS PER SHARE

Basic and diluted

Basic earnings per share for the years ended 31 December 2021 and 2020 is calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the year.

As there were no dilutive options and other dilutive potential ordinary shares in issue during 2021 and 2020, diluted earnings per share is the same as basic earnings per share.

	Year ended 31 December	
	2021	2020
	(Unaudited)	(Audited)
Profit attributable to equity holders of the Company <i>(RMB'000)</i>	<u>1,882,657</u>	<u>1,075,004</u>
Weighted average number of ordinary shares in issue <i>(thousands)</i>	<u>6,093,451</u>	<u>6,093,451</u>
Basic and diluted earnings per share <i>(RMB cents)</i>	<u>30.9</u>	<u>17.6</u>

RESULTS

The consolidated revenue of the Group was approximately RMB16,416.4 million for 2021 (2020: approximately RMB12,858.6 million), representing an increase of 27.7% as compared to 2020. The consolidated profit for the year and profit attributable to equity holders of the Company were approximately RMB1,996.9 million and RMB1,882.7 million respectively for 2021 (2020: approximately RMB1,277.8 million and RMB1,075.0 million respectively), representing an increase of 56.3% and 75.1% respectively as compared to 2020. The basic and diluted earnings per share were RMB30.9 cents for 2021 (2020: RMB17.6 cents per share), representing an increase of 75.1% as compared to 2020.

The Board does not recommend payment of final dividend for the year ended 31 December 2021.

INDUSTRY REVIEW

The PRC government reiterated that residential properties should be used as dwellings instead of speculative investment. Various austerity local and monetary policies was continued to be imposed in real estate sectors in 2021 especially for the “Three Red Lines” policies. Some property developers with high gearing level were difficult to re-finance the debts and had defaults on loan and interests payment. These strict measures will be beneficial to the real estate market in long run.

PROSPECT

Looking forward to 2022, global inflation with increase in interest rate may result in financial uncertainties. Profit of these high leveraged real estate enterprises will be eroded by high financial costs.

In consideration of uncertain global monetary environment, the Group will continue to maintain low gearing ratio so as to mitigate the unexpected credit risk. As at 31 December 2021, the Group had a net cash position of RMB436.9 million.

The Group will continue to focus on the Yangtze River Delta where Anhui and Jiangsu Province represents 36.5% and 21.0% of the Group’s total gross floor area (“GFA”). The Group will develop the existing land reserves first and replenish the land parcel in a more prudent manner in 2022.

BUSINESS REVIEW

Sales and Earnings

The revenue of the Group was approximately RMB16,416.4 million for 2021 (2020: approximately RMB12,858.6 million), representing an increase of 27.7% as compared to 2020. The increase in revenue in 2021 was mainly due to the increase in the GFA delivered from 1,616,834 sq.m. in 2020 to 2,088,938 sq.m. in 2021.

The gross profit of the Group was approximately RMB4,949.9 million for 2021, representing an increase of 31.3% as compared to 2020 (2020: approximately RMB3,770.7 million). The increase in gross profit for 2021 was due to the profit generated from the increase in revenue from RMB12,858.6 million in 2020 to RMB16,416.4 million in 2021.

The profit for the year of the Group increased by 56.3% from approximately RMB1,277.8 million in 2020 to approximately RMB1,996.9 million in 2021. The increase was mainly due to the increase in revenue for 27.7% in 2021.

The profit attributable to the equity holders of the Company was approximately RMB1,882.7 million for 2021, representing an increase of approximately 75.1% from 2020 (2020: approximately RMB1,075.0 million). The increase was mainly due to the increase in revenue for 27.7% in 2021.

The cost of sales of the Group was approximately RMB11,466.5 million for 2021, representing an increase of 26.2% as compared to 2020 (2020: approximately RMB9,087.9 million). Cost of sales increased in line with revenue.

The average cost of properties included in cost of sales of the Group was RMB5,132.8 per sq.m. for 2021, representing a slight decrease of 1.5% over 2020 (2020: approximately RMB5,211.6 per sq.m.).

The total GFA sold and delivered by the Group in 2021 was approximately 2,088,938 sq.m., representing an increase of 29.2% as compared to 2020 (2020: approximately 1,616,834 sq.m.). Such increase was due to more properties delivered in the newly completed projects in Jiangsu and Anhui in 2021.

During the year under review, the average selling price of the Group's delivered properties was RMB7,354.3 per sq.m., representing a slight decrease of 0.8% as compared to 2020 (2020: RMB7,411.3 per sq.m.).

The GFA of the properties delivered by the Group in 2021 and the ASP per sq.m. were as follows:

	Sales Revenue (RMB'000)		GFA Delivered (sq.m.)		Average Selling Price (RMB per sq.m.)	
	2021	2020	2021	2020	2021	2020
Nanjing Mingfa Yueshanyuefu	1,601,297.0	657,999.0	61,830.8	23,944.9	25,898.0	27,479.7
Zibo Mingfa World Trade Centre	1,371,362.4	5,775.0	146,077.4	715.1	9,387.9	8,075.3
Nanjing Mingfa International Business Centre	1,173,414.3	n/a	78,044.3	n/a	15,035.2	n/a
Mingfa North Station Centre	896,219.6	n/a	107,712.6	n/a	8,320.5	n/a
Taizhou Mingfa City Complex	869,261.0	913,490.8	149,111.1	164,722.1	5,829.6	5,545.6
Jinzhai Mingfa Shopping Mall	847,965.9	24,029.4	223,834.9	3,019.8	3,788.4	7,957.3
Changsha Mingfa Shopping Mall	793,926.8	621,996.7	139,807.0	104,058.5	5,678.7	5,977.4
Taoyuan Mingzhu	703,355.4	267,786.7	86,495.8	36,280.5	8,131.7	7,381.0
Taoyuan Nanyuan Villa	491,414.6	63,930.8	86,287.5	7,357.2	5,695.1	8,689.6
Guang'an Wealth Centre	462,353.3	n/a	107,358.9	n/a	4,306.6	n/a
Mingfa Jinse Shui'an	443,418.7	278,476.5	81,557.2	53,522.3	5,436.9	5,203.0
Wujing Mingfa Jiangwan City	425,983.2	2,377,493.1	68,798.4	350,219.2	6,191.8	6,788.6
Zibo Taohua Yuanzhu	407,438.2	n/a	55,364.5	n/a	7,359.2	n/a
Zhangzhou Longhai Mingfa Mall	318,227.5	141,203.8	40,967.0	18,000.1	7,767.9	7,844.6
Sihong	306,069.4	344,638.4	50,055.2	63,095.8	6,114.6	5,462.1
Guang'an Mingfa Mall	304,739.5	n/a	64,565.6	n/a	4,719.8	n/a
Xiamen Mingfa Mingfeng Town	302,417.7	45,155.9	16,899.2	2,607.5	17,895.4	17,317.9
Wuxi Mingfa Shopping Mall	293,180.1	n/a	37,148.5	n/a	7,892.1	n/a
Jinzhai Mingfa City Lights	276,813.8	n/a	53,069.6	n/a	5,216.1	n/a
Xiamen Zhongao Town Building	270,324.9	n/a	17,486.6	n/a	15,459.0	n/a
Dingyuan Mingfa Shuiyun Taoyuan	223,065.7	n/a	44,553.9	n/a	5,006.6	n/a
Zhenjiang Mingfa Jinxiu Yinshan	215,544.1	185,879.7	42,687.2	36,183.6	5,049.4	5,137.1
Huai'an Mingfa Shopping Mall	204,126.0	9,260.8	42,345.8	1,326.7	4,820.5	6,980.3
Nanjing Mingfa Xiang Hill Garden	192,813.5	393,172.0	9,818.4	19,298.0	19,638.0	20,373.7
Sihong Shuiyun Taoyuan Garden	184,229.4	n/a	32,613.4	n/a	5,648.9	n/a
Wuhu Chungu Xi'an	168,364.6	567,704.0	27,461.7	99,980.0	6,130.9	5,678.2
Ma'anshan Hecheng Shoufu	162,062.6	113,502.4	29,268.9	16,317.3	5,537.0	6,955.9
Nanjing Mingfa Wealth Centre	152,431.7	717,348.7	13,235.9	57,824.6	11,516.5	12,405.6
Qingyang Yangguang Qingcheng	146,404.7	n/a	27,826.2	n/a	5,261.4	n/a
Zhangpu Mingfa Xiangshan Wan	130,590.1	n/a	26,012.2	n/a	5,020.3	n/a
Huizhou Mingfa Gaobang New Town	125,863.3	126,657.3	14,881.7	22,769.7	8,457.6	5,562.5
Mingfa North Station Villas	125,408.7	315,953.3	23,208.4	58,331.3	5,403.6	5,416.5
Nanjing Mingfa New City Finance Building	78,445.3	200,321.4	5,656.6	13,895.6	13,868.0	14,416.2
Mingfa Huguangshanse	75,753.5	n/a	10,724.5	n/a	7,063.6	n/a
Wuxi Mingfa International New Town	61,310.2	90,045.3	4,688.0	10,214.5	13,078.2	8,815.5
Mingfa Mingbo Town	54,819.5	38,758.0	6,372.4	6,477.1	8,602.7	5,983.9
Moli Anju	51,037.5	150,999.5	12,362.4	36,575.4	4,128.4	4,128.4
Shenzhen Mingfa Guangming Xuan	48,994.9	31,240.5	1,528.7	925.8	32,049.8	33,743.2
Mingfa North Station New Town	42,257.1	1,282,730.6	5,931.4	156,929.9	7,124.3	8,173.9
Nanjing Mingfa Pearl Spring Resort	27,330.2	69,484.1	1,182.3	3,049.3	23,116.9	22,786.7
Nanjing Rong Li	12,729.1	459,984.6	835.3	25,070.7	15,238.7	18,347.5
Jinzhai Mingfa Yueshanyuefu	n/a	375,389.9	n/a	74,544.8	n/a	5,035.8
Taoyuan Xiangsong	n/a	306,815.3	n/a	41,914.1	n/a	7,320.1

	Sales Revenue (RMB'000)		GFA Delivered (sq.m.)		Average Selling Price (RMB per sq.m.)	
	2021	2020	2021	2020	2021	2020
Shenyang Creative Industrial Estate	n/a	246,179.8	n/a	33,452.2	n/a	7,359.2
Jurong Youjia Village	n/a	163,666.6	n/a	17,706.6	n/a	9,243.3
Shenyang Mingfa Mall	n/a	120,163.5	n/a	14,798.3	n/a	8,120.1
Taoyuan Fudi	n/a	74,569.2	n/a	15,536.7	n/a	4,799.5
Tianjin Binhai Mingfa Shopping Mall	n/a	42,501.6	n/a	4,264.2	n/a	9,967.0
Taoyuan Guanlan	n/a	27,022.3	n/a	5,453.5	n/a	4,955.1
Taoyuan Guandi	n/a	21,964.5	n/a	4,412.2	n/a	4,978.2
Nanjing Dream Garden	n/a	16,468.7	n/a	2,600.7	n/a	6,332.3
Nanjing Mingfa Yuejingyuan	n/a	12,538.0	n/a	593.4	n/a	21,129.8
Taoyuan Mansion	n/a	9,495.7	n/a	2,083.0	n/a	4,558.6
Yangzhou Mingfa Jiangwan City	n/a	6,214.5	n/a	903.0	n/a	6,882.1
Nanjing Mingfa Cloud Mansion	n/a	2,083.3	n/a	280.2	n/a	7,436.4
Taoyuan Xi'an	n/a	912.3	n/a	227.2	n/a	4,015.4
Others	<u>319,917.2</u>	<u>61,906.0</u>	<u>33,270.6</u>	<u>5,351.5</u>	<u>9,615.6</u>	<u>11,567.9</u>
Total	<u>15,362,681.8</u>	<u>11,982,909.5</u>	<u>2,088,938.0</u>	<u>1,616,834.1</u>	<u>7,354.3</u>	<u>7,411.3</u>

CONTRACTED SALES

During the year under review, the Group recorded contracted sales of approximately RMB10,453.0 million with GFA of 1,364,786 sq.m. (2020: approximately RMB10,222.3 million with GFA of 1,294,767 sq.m.).

PRE-SOLD PROPERTIES

As at 31 December 2021, the aggregated attributable GFA of pre-sold properties not yet delivered to the buyers was 1,907,233 sq.m. (2020: 2,583,000 sq.m.). Set out below are the details of the properties, the Group's interest and the attributable pre-sold GFA of the Group:

City	Property	Group's Interest	Attributable Pre-sold GFA (sq.m.)
Wujiang	Wujiang Mingfa Jiangwan New City	100%	200,628
Qingyang	Qingyang Yangguang Qingcheng	100%	162,864
Changsha	Changsha Mingfa Shoppoing Mall	100%	142,859
Fengxian	Xingyue City	70%	133,535
Suqian	Siyang Mingfa Shoufu	70%	105,425
Quanzhou	Quanzhou Mingfa Hua Chang City	100%	92,824
Jinzhai	Mingfa City Lights	100%	92,660
Shenyang	Shenyang Mingfa Jinxiuhwa City	100%	84,632
Zhangzhou	Zhangzhou Longhai Mingfa Mall	100%	81,283
Chizhou	Taoyuan Mingzhu	100%	74,837
Xuzhou	Xuzhou Taoyuan Mingzhu	100%	74,837
Dingyuan	Dingyuan Mingfa Shuiyun Taoyuan	100%	69,580
Yan'an	Yan'an Zhi Sing	100%	69,347
Xuzhou	Suining Shuiyun Taoyuan	60%	58,378
Jinzhai	Jinzhai Yueshanyuefu	100%	56,270
Shenyang	Shenyang Mingfa Mall	100%	55,899
Zibo	Taohua Yuanzhu	100%	40,193
Ma'anshan	Mingbo Yue City	100%	39,623
Jinzhai	Jinzhai Mingfa City Square	100%	32,974
Huai'an	Huai'an Mingfa Shopping Mall	100%	30,795
Nanjing	Nanjing Mingfa Shopping Mall	100%	30,547
Pingliang	Pingliang Mingfa European City	60%	20,946
Guang'an	Guang'an Wealth Centre	100%	19,221
Hefei	Hefei Mingfa Shopping Mall	100%	19,027
Xiamen	Xiamen Mingfa Shopping Mall	70%	16,594
Nanjing	Nanjing Mingfa Wealth Centre	100%	14,305
Quanjiao	Taoyuan Fudi	51%	13,244
Zhangzhou	Zhangzhou Mingfa Shopping Mall	100%	11,703
Laian	Mingfa North Station Yayuan	100%	10,679
Others			51,523
Total			1,907,233

SUMMARY OF LAND BANK

As at 31 December 2021, land reserves attributable to the Group decreased by 8.8% to approximately 19.8 million sq.m. (2020: approximately 21.7 million sq.m.), consisting of 136 projects (2020: 130 projects) in total.

	Number of Projects	Attributable GFA (million sq.m.)
Completed projects	42	3.1
Projects under development	68	12.9
Projects for future development	26	3.8
Total	136	19.8

The following tables summarize the details of the Group's land reserves as at 31 December 2021:

Property	Location	Actual/ Estimated Completion Date	Type of Property	Status	Site Area (sq.m.) (Note 1)	Approximate Leasable and Saleable GFA (sq.m.)	Group's Interest	Attributable GFA (sq.m.)
Completed Properties (held for sale/leasing) (Note 1)								
Xiamen Mingfa Seascape Garden	Located at Qianpu South 2 Road, Siming District, Xiamen, Fujian Province	Dec/2004	Residential/Commercial/Office	Completed	18,247	120	100%	120
Xiamen Mingfa Noble Place	Located at Jiangtou Residential, Huli District, Xiamen, Fujian Province	Dec/2004	Residential/Commercial/Office	Completed	5,529	1,287	100%	1,287
Xiamen Mingfa Garden	Located at Huanhuli South, Lvling Road, Siming District, Xiamen, Fujian Province	Apr/2005	Residential/Commercial	Completed	18,697	13,527	100%	13,527
Xiamen Jianqun Elegant Garden	Located at north of Qianpu Lianqian East Road, Huli District, Xiamen, Fujian Province	Apr/2005	Residential/Office	Completed	10,257	1,418	100%	1,418
Xiamen Mingfa International New Town	Located at Qianpu Lianqian Road South, Siming District, Xiamen, Fujian Province	Feb/2002	Residential/Commercial/Office	Completed	26,016	5,435	100%	5,435
Xiamen Mingfa Shopping Mall	Located to the northwest of Jiahe Road and Lianqian Road, Siming District, Xiamen, Fujian Province	Oct/2007	Commercial/Office/Hotel	Completed	166,775	23,923	70%	16,746
Xiamen Mingfa Town	Located at Lvling Road, Siming Industrial Park, Siming District, Xiamen, Fujian Province	Jan/2008	Residential/Commercial	Completed	12,879	14,930	100%	14,930
Nanjing Mingfa Pearl Spring Resort	Located in Pearl Spring Resort, Pukou District, Nanjing, Jiangsu Province	Dec/2008	Residential/Hotel	Completed	112,973	5,943	100%	5,943
Nanjing Mingfa Riverside New Town	Located in Taishan Village, Pukou District, Nanjing, Jiangsu Province	Nov/2009	Residential/Commercial	Completed	1,072,182	27,858	100%	27,858
Nanjing Mingfa Shopping Mall	Located at the intersection of Dingqiang Road and Yulan Road in Yuhuatai District, Nanjing, Jiangsu Province	Dec/2010	Commercial/Office/Hotel	Completed	182,588	112,186	100%	112,186
Wuxi Mingfa Shopping Mall	Located in Sitou Village and Tangtou Village, Yanqiao Town, Huishan District, Wuxi, Jiangsu Province	Dec/2011	Residential/Commercial/Hotel	Completed	216,643	382,915	70%	268,040

Property	Location	Actual/ Estimated Completion	Type of Property	Status	Approximate		Group's Interest	Attributable GFA
		Date			Site Area (sq.m.) (Note 1)	Leasable and Saleable GFA (sq.m.)		
Hefei Mingfa Shopping Mall	Located along the northeast side of the junction of Silihe Road and Dangshan Road, Luyang District, Hefei, Anhui Province	Dec/2011	Residential/Commercial/Office/Hotel	Completed	176,698	179,211	100%	179,211
Yangzhou Mingfa Shopping Mall	Located at the south of Yunhe Road East and west of Baolin Road, Guangling District, Yangzhou, Jiangsu Province	Dec/2011	Residential/Commercial/Hotel	Completed	145,267	225,787	100%	225,787
Nanjing Mingfa City Square	Located on Dingshan Road, Pukou District, Nanjing, Jiangsu Province	Dec/2012	Residential/Commercial/Office	Completed	128,683	69,851	100%	69,851
Honglai Mingfa Commercial Center	Located at Longlai District, Nanan, Fujian Province	Jun/2012	Residential/Commercial	Completed	27,065	11,315	100%	11,315
Xiamen Mingfa Xiang Wan Peninsula	Located at east part of Xiang'an Road, Xiang'an, Fujian Province	Dec/2012	Residential/Commercial	Completed	104,380	12,945	100%	12,945
Zhangzhou Mingfa Shopping Mall	Located at Longjiang Road East, north of Shuixian Street, west of No. 6 Road, Xipu Road South, Zhangzhou, Fujian Province	Dec/2013	Residential/Commercial/Office/Hotel	Completed	223,589	236,915	100%	236,915
Xiamen Mingfa Harbor Resort	Located at south of Wu Yuan Wan Bridge, west of Huan Wan Road, and along the seaview strip of Huli District, Xiamen, Fujian Province	Dec/2013	Hotel	Completed	58,952	136,867	100%	136,867
Huai'an Mingfa Shopping Mall (Block C)	Located in Weihai East Road, Huai'an, Jiangsu Province	Dec/2014	Residential	Completed	51,345	10,403	100%	10,403
Nanjing Mingfa Pearl River International (G11)	Located at Jiangpu Street, east to Xianzhang Road, south to Jiangpu Secondary School, north to South River, west to Guihua Road, Pukou District, Jiangsu Province	Sep/2017	Residential	Completed	8,586	7,151	100%	7,151
Nanjing Mingfa New City Finance Building	Located in New Town Business Avenue North, Pukou District, Nanjing, Jiangsu Province	Dec/2017	Residential/Commercial	Completed	59,042	13,778	100%	13,778
Nanjing Mingfa Cloud Mansion	Located in along the mountain road south, Jiangpu Street, Nanjing, Jiangsu Province	Sep/2017	Residential	Completed	32,787	3,103	40%	802
Jinzhai Mingfa City Square (Block G)	Located at New Town District, Meishan Town, Jinzhai County, Hefei, Anhui Province	Sep/2017	Residential/Commercial	Completed	105,504	100,613	100%	100,613
Jinzhai Mingfa City Square (Block D)	Located at New City, Meishan Town, Jinzhai County, Anhui Province	Dec/2017	Residential/Commercial	Completed	62,885	30,103	100%	30,103
Wuxi Mingfa International New Town	Located south of Yanqiao Town, Huishan District, Wuxi, Jiangsu Province	Jun/2017	Residential/Commercial	Completed	258,297	75,493	100%	75,493
Jinzhai Mingfa City Square (Blocks E, F)	Located at New City, Meishan Town, Jinzhai County, Anhui Province	Jun/2018	Residential/Commercial	Completed	203,406	226,477	100%	226,477
Beijing Mingfa Mall	Located in Beizang Village, Daxing District, Beijing	Dec/2018	Residential/Commercial	Completed	45,414	109,607	100%	109,607
Nanjing Dream Garden	Located at Yuhuatai Economic Development Zone, Nanjing, Jiangsu Province	Jul/2018	Residential	Completed	58,914	15,841	100%	4,570
Xiamen Mingfeng Town	Located at Lingdou Siming District, Xiamen, Fujian Province	Jul/2018	Commercial	Completed	19,190	76,182	100%	76,182
Zhenjiang Mingfa Xinjin Yuancheng	Located at east of the new road, Danbei Town, Danyang City, Jiangsu Province	Jan/2018	Residential/Commercial	Completed	14,287	9,748	100%	9,748
Shenzhen Mingfa Guangming Xuan	Located at Tianliao Yulv Area, Guangming New District, Shenzhen, Guangdong Province	Dec/2018	Commercial	Completed	4,109	12,320	100%	6,379
Nanjing Mingfa Yuejingyuan G07	Located at Pukou south along the mountain road, east side of Nanjing University of Technology, Nanjing, Jiangsu Province	Oct/2018	Commercial	Completed	31,455	34,125	100%	34,125
Nanjing Mingfa Xiang Hill Garden	Located in along the mountain road to the south, Caiba Road East, Pukou District, Nanjing, Jiangsu Province	Dec/2019	Residential	Completed	115,876	71,701	100%	71,701

Property	Location	Actual/ Estimated Completion	Type of Property	Status	Approximate		Group's Interest	Attributable GFA
		Date			Site Area (sq.m.) (Note 1)	Leasable and Saleable GFA (sq.m.)		
Jinzhai Mingfa City Square (Block AC)	Located at Jinzhai County Meishan Town New Town, Hefei, Anhui Province	Dec/2019	Residential/Commercial	Completed	111,142	124,692	100%	124,692
Mingfa North Station New Town	Located in west side of Changjiang Road, Chahe Town, Lai'an County, Anhui Province	Jan/2020	Residential/Commercial	Completed	65,335	476	100%	476
Nanjing Rong Li	Located at Jiangpu Street, Puzhu Road North, Directional River Road East, Pukou District, Nanjing, Jiangsu Province	Dec/2019	Residential	Completed	132,937	60,944	51%	31,082
Taoyuan Guandi	Located in south side of Taochang Road, Hanshan County, Anhui Province	Dec/2020	Residential	Completed	43,868	3,073	100%	3,073
Zhangzhou Longhai Mingfa Mall (2011G17, 2011G18 Phase 1)	Located in Bangshan Town, Kekeng Village, Longhai, Zhangzhou, Fujian Province	Jul/2019	Residential/Commercial	Completed	78,622	231,538	100%	231,538
Wujiang Mingfa Jiangwan New City (Phase 1)	Located at Wujiang Town Four Lian, Hexian, Anhui Province	Jan/2019	Residential/Commercial	Completed	298,289	504,292	100%	504,292
Zhongao Town Buliding)	Located at south of Xiang'an District, Xiamen, Fujian Province	Apr/2021	Commercial	Completed	11,870	63,817	51%	32,546
Mingfa North Station Villas	Located at Chahe Town, Lai'an, Anhui Province	Aug/2020	Residential	Completed	66,350	51,160	100%	51,160
Sub-total					4,586,925	3,299,067		3,096,371
Properties under development (Note 2)								
Zhenjiang Jinxiu Yinshan	Located in the centre of Zhenjiang City, Jiangsu Province	Dec/2022	Residential/Commercial/ Hotel	Approximately 90% of construction has been completed	296,702	91,645	100%	91,645
Huai'an Mingfa Shopping Mall (Block A)	Located in Shenzhen South Road, Huai'an, Jiangsu Province	Dec/2022	Commercial	Approximately 90% of construction has been completed	133,110	213,225	100%	213,225
Shenyang Mingfa Jinxiu Hua City	Located in Shenbei Xinqu Daoyi Development Zone, Liaoning Province	Dec/2022	Residential/Commercial	Approximately 90% of construction has been completed	61,222	168,024	100%	168,024
Yangzhou Mingfa Jiangwan City	Located at east of Xuzhuang Road, north of Kaifa East Road, west of Liaojiagou Road, south of Ming Cheng Road, Yangzhou, Jiangsu Province	Dec/2022	Residential	Approximately 90% of construction has been completed	158,238	2,428	100%	2,428
Taizhou Mingfa International Mall (Phase 1)	Located in Gaogang District, Taizhou, Jiangsu Province	Jun/2023	Residential/Commercial	Approximately 85% of construction has been completed	292,487	170,714	100%	170,714
Taizhou Mingfa International Mall (Phase 2)	Located in Gaogang District, Taizhou, Jiangsu Province	Jun/2023	Residential/Industrial	Approximately 75% of construction has been completed	237,075	107,293	100%	107,293
Shanghai Mingfa Shopping Mall	Located in east of Hu Yi Highway, Baiyin Road of south, boundary of west, Gaotai Road North, Shanghai	Dec/2022	Commercial	Approximately 55% of construction has been completed	53,779	152,555	100%	152,555
Pingliang Mingfa European City	Located in west of Water Bridge, north of Linjing Road, Kongdong District, Pingliang, Gansu Province	Dec/2022	Residential	Approximately 85% of construction has been completed	117,594	103,678	60%	62,207
Changsha Mingfa Shopping Mall	Located in Star Cheng Town, Wangcheng County, Changsha, Hunan Province	Dec/2022	Residential/Commercial	Approximately 75% of construction has been completed	285,594	801,592	100%	801,592
Huizhou Mingfa Gaobang New City	Huizhou City West Train Station, Guangdong Province	Dec/2022	Residential	Approximately 75% of construction has been completed	332,335	661,093	80%	528,874
Tianjin Binhai Mingfa Shopping Mall	Located in Tanggu Marine Hi-Tech Development Zone, Tianjin	Dec/2022	Commercial	Approximately 65% of construction has been completed	209,048	359,420	100%	359,420

Property	Location	Actual/ Estimated Completion Date	Type of Property	Status	Site Area (sq.m.) (Note 1)	Approximate Leasable and Saleable GFA (sq.m.)	Group's Interest	Attributable GFA (sq.m.)
Nanjing Mingfa Wealth Center	Located in New City Headquarters Avenue on the north side of 05 plots, Pukou District, Nanjing, Jiangsu Province	Dec/2022	Commercial/Office	Approximately 90% of construction has been completed	56,694	69,201	100%	69,201
Wujiang Mingfa Jiangwan New City (Phase 2)	Located at Wujiang Town Four Lian, Hexian, Anhui Province	Dec/2022	Residential/Commercial	Approximately 75% of construction has been completed	506,829	1,061,860	100%	1,061,860
Quanzhou Mingfa International Huachang City	Located at Neicuo Village, Guanqiao Town, Nanan, Fujian Province	Dec/2022	Residential/Commercial	Approximately 80% of construction has been completed	276,120	743,855	100%	743,855
Guang'an Mingfa Mall (Blocks GC2013-45)	Located in Bridge Group, Guan'an, Sichuan Province	Dec/2022	Residential/Commercial	Approximately 75% of construction has been completed	76,153	211,624	100%	211,624
Shandong Zibo World Trade Center	Located in People's road to the north, Shanghai Road to the east, Zhangdian District, Zibo, Shandong Province	Dec/2022	Residential/Commercial	Approximately 70% of construction has been completed	147,371	301,654	100%	301,654
Shenyang Creative Industrial Estate)	Located in Shenbei Xinqu Daoyi Development Zone, Liaoning Province	Dec/2022	Residential/Commercial	Approximately 80% of construction has been completed	154,024	247,141	100%	247,141
Zhangzhou Longhai Mingfa Mall (2011G15, 2012G15 Phase 2)	Located in Bangshan Town, Kekeng Village, Longhai, Zhangzhou, Fujian Province	Dec/2022	Residential	Approximately 70% of construction has been completed	63,127	58,784	100%	58,784
Mingfa MingBo Town	Located at Bowang Town Bowang District, Maanshan, Anhui Province	Dec/2022	Residential/Commercial	Approximately 75% of construction has been completed	101,504	47,445	100%	47,445
Nanjing Mingfa Yueshan Yuefu	Located at Pukou Jiangpu Street angle at University Avenue and Flower Industry, Nanjing, Jiangsu Province	Dec/2022	Residential	Approximately 90% of construction has been completed	72,280	7,498	100%	7,498
Taoyuan New Town	Located at Xianghe Town, Quanjiao, Anhui Province	Dec/2022	Residential	Approximately 75% of construction has been completed	109,452	110,012	100%	110,012
Taoyuan Mansion	Located at Xianghe Town, Quanjiao, Anhui Province	Dec/2022	Residential	Approximately 75% of construction has been completed	18,099	28,226	100%	28,226
Taoyuan Mingzhu	Located in Shengzhouhu Road, Chizhou, Anhui Province	Dec/2022	Residential	Approximately 75% of construction has been completed	99,943	13,815	100%	13,815
Sihong Shuiyun Taoyuan Garden	Located in east of Radish Li Road, north of Sizhou Street, Sihong County, Suqian, Jiangsu Province	Dec/2022	Residential/Commercial	Approximately 65% of construction has been completed	84,200	55,779	100%	55,779
Jinse Shui'an	Located in north side of Huaihe Road, Jinhu County, Huai'an, Jiangsu Province	Dec/2022	Residential/Commercial	Approximately 75% of construction has been completed	289,236	201,690	100%	201,690
Taoyuan Xi'an	Located in Gushi Town, Dangtu County, Anhui Province	Dec/2022	Residential/Commercial	Approximately 70% of construction has been completed	24,439	10,076	100%	10,076
Wujiang Mingfa Jiangwan New City (Phase 3)	Located at Wujiang Town Four Lian, Hexian, Anhui Province	Dec/2023	Residential/Commercial	Approximately 55% of construction has been completed	615,764	1,356,583	100%	1,356,583
Nanjing International Business Center	Located in Software Service Center High Tech Development Zone, Nanjing, Jiangsu Province	Dec/2022	Commercial	Approximately 55% of construction has been completed	62,015	348,691	80%	278,953
Taoyuan Xiangsong ¹⁾	Located in North New District, Dongzhi County, Chizhou, Anhui Province	Dec/2022	Residential/Commercial	Approximately 65% of construction has been completed	36,590	20,288	100%	20,288
Taoyuan Fudi	Located at Xianghe Town, Quanjiao, Anhui Province	Dec/2022	Residential	Approximately 65% of construction has been completed	66,262	120,490	51%	61,450

Property	Location	Actual/ Estimated Completion Date	Type of Property	Status	Site Area (sq.m.) (Note 1)	Approximate Leasable and Saleable GFA (sq.m.)	Group's Interest	Attributable GFA (sq.m.)
Taoyuan Guanlan	Located at Xianghe Town, Quanjiao, Anhui Province	Dec/2022	Residential	Approximately 55% of construction has been completed	55,481	62,936	51%	32,098
Guang'an Mingfa City Complex Project (ChaMa Road B1-1 Block)	Located in Binjiang Road, Guang'an District, Guan'an, Sichuan Province	Dec/2022	Residential/Commercial	Approximately 70% of construction has been completed	76,363	198,093	100%	198,093
Zhangpu Mingfa Xiangshan Wan	Located in Houcai Village, Qianting Town, Zhangpu County, Zhangzhou, Fujian Province	Dec/2022	Residential/Commercial	Approximately 55% of construction has been completed	46,885	153,453	51%	78,261
Wuhu Chungu Xi'an	Located in new city east of Chengdong, Fanchang County, Wuhu City, Anhui Province	Dec/2022	Residential	Approximately 70% of construction has been completed	64,607	1,772	100%	1,772
New project in Nanjing Pukou 2014GY04, 2016GY020	Located in the channel of Science and Technology Industrial Park, Pukou District, Nanjing, Jiangsu Province	Dec/2023	Industrial	Approximately 50% of construction has been completed	119,564	90,161	100%	90,161
Mingfa North Station Center	Located at Chahe Town, Lai'an, Anhui Province	Dec/2023	Residential/Commercial	Approximately 75% of construction has been completed	69,757	275,951	100%	275,951
Hecheng Shoufu	Located at Liyang Town, Maanshan, Anhui Province	Dec/2023	Residential	Approximately 65% of construction has been completed	26,918	8,249	100%	8,249
Mingfa Huguangshanse Yihao	Located at Xiangquan Town Maanshan, Anhui Province	Dec/2023	Residential/Commercial	Approximately 60% of construction has been completed	68,688	71,702	100%	71,702
	Located at Xiangquan Town Maanshan, Anhui Province	Dec/2023	Residential/Commercial	Approximately 55% of construction has been completed	63,674	76,409	100%	76,409
Jinzhai Yueshan Yuefu (Blocks 40, 41)	Located at Jinzhai County Meishan Town New Town, Hefei, Anhui Province	Dec/2023	Residential/Commercial	Approximately 55% of construction has been completed	133,332	102,501	100%	102,501
Nanjing Mingrong Garden	Located in Puzhu Road, Jiangpu Street, Pukou District, Nanjing, Jiangsu Province	Dec/2023	Commercial	Approximately 35% of construction has been completed	26,530	66,325	100%	66,325
new project in Nanjing Pukou G30	Located at north of Nanjing University of Technology, south along the mountain road, Pukou, Nanjing, Jiangsu Province	Dec/2023	Commercial	Approximately 35% of construction has been completed	32,843	59,117	100%	59,117
Taohua Yuanzhu	Located at Xingyuan Road Zibo, Shandong Province	Oct/2023	Residential	Approximately 45% of construction has been completed	156,691	226,680	100%	226,680
Mingfa Internet Industrial Park	Located at Xingyuan Road Zibo, Shandong Province	Oct/2023	Commercial	Approximately 35% of construction has been completed	67,156	100,735	100%	100,735
Siyang Mingfa Shoufu	Located at Zhongxing Town Siyang, Suqian, Jiangsu Province	Dec/2023	Residential/Commercial	Approximately 45% of construction has been completed	103,972	473,270	70%	331,289
Moli Anju	Located in east of Changxing Road and north of Yingshanjiang Avenue, Jinniu Lake New City, Tianchang, Anhui Province	Jun/2023	Residential/Commercial	Approximately 75% of construction has been completed	48,073	47,207	100%	47,207
Xingyue City	Located in west of Ring Road East, north of Zhangyang Avenue, west of City Road West, Fengxian, Xuzhou, Jiangsu Province	Dec/2023	Residential/Commercial	Approximately 45% of construction has been completed	102,069	255,171	70%	178,620
Mingfa City Lights	Located in Jinzhai Modern Industrial Park, Anhui Province	Dec/2023	Residential/Commercial	Approximately 55% of construction has been completed	107,417	218,443	100%	218,443
Mingbo Yue City	Located at Bowang Town, Bowang District, Maanshan, Anhui Province	Dec/2023	Residential/Commercial	Approximately 45% of construction has been completed	67,600	121,680	100%	121,680

Property	Location	Actual/ Estimated Completion	Type of Property	Status	Approximate		Group's Interest	Attributable GFA
		Date			Site Area (sq.m.) (Note 1)	Leasable and Saleable GFA (sq.m.)		
Dingyuan Mingfa Shuiyun Taoyuan	Located at Kaoshan Road, Dingyuan Town, Chizhou, Anhui Province	Oct/2023	Residential	Approximately 55% of construction has been completed	69,333	94,112	100%	94,112
Shenyang Mingfa Square	Located in Shenbei Xinqu Daoyi Development Zone, Liaoning Province	Dec/2023	Residential/Commercial	Approximately 55% of construction has been completed	119,154	219,045	100%	219,045
Yangguang Qingcheng (Block 1)	Located at Rongcheng Town, Chizhou, Anhui Province	Dec/2023	Residential/Commercial	Approximately 50% of construction has been completed	112,183	123,774	100%	123,774
Dingyuan Mingfa Wealth Center	Located at south of QiJiguang Avenue, Dingyuan Town, Chizhou, Anhui Province	Oct/2023	Commercial/Office	Approximately 30% of construction has been completed	24,439	146,636	100%	146,636
Mingfa Software Valley	Located in north of Beijing East Road, east of Qianjiang Eoad, Xinyi, Xuzhou, Jiangsu Province	Jun/2023	Commercial	Approximately 30% of construction has been completed	46,548	88,000	60%	52,800
Xinyi Mingfa Zhongyang Lake CBD	Located in Zhongshan Road, Xinyi High-Tech Zone, Xuzhou, Jiangsu Province	Jan/2023	Residential/Commercial	Approximately 30% of construction has been completed	76,473	202,653	100%	202,653
Mingfa North Station Meiyuan	Located at Chahe Town, Lai'an, Anhui Province	Dec/2023	Residential/Commercial	Approximately 30% of construction has been completed	64,377	141,429	100%	141,429
Hainan Mingfa Modern Service Industry Industrial Park	Located in Haikou Comprehensive Bonded Area, Haikou, Hainan Province	Dec/2023	Industrial	Approximately 30% of construction has been completed	57,600	57,600	100%	57,600
Wanqiao Xiyuan	Located in intersection of Zuiweng Road and Jingling Road, Chuzhou, Anhui Province	Dec/2023	Residential	Approximately 30% of construction has been completed	77,564	155,128	100%	155,128
Peixian Mingfa Noble Place	Located in east side of Zhenxing Road, Zhangzhuang Town, Peixian, Xuzhou, Jiangsu Province	Jan/2023	Residential/Commercial	Approximately 30% of construction has been completed	37,676	75,352	100%	75,352
Mingfa Taoyuan Mingzhu C1 Zone	Located in Dengke Street, Enyang District, Bazhong, Sichuan Province	Aug/2024	Residential	Approximately 25% of construction has been completed	154,082	385,206	100%	385,206
Mingfa Yan'an Zhi Xing	Located in Yan'an new area, Yan'an, Shanxi Province	Dec/2023	Residential/Commercial	Approximately 30% of construction has been completed	79,116	379,575	100%	379,575
Suining Shuiyun Taoyuan	Located in north of North Road, west of Wenxue North Road, Suining County, Xuzhou, Jiangsu Province	Feb/2023	Residential/Commercial	Approximately 30% of construction has been completed	130,571	352,936	60%	211,762
QingYang Yangguang Qingcheng (Block 3)	Located at Qibuquan Road, Rongcheng Town, Chizhou, Anhui Province	Dec/2023	Residential/Commercial	Approximately 30% of construction has been completed	57,269	105,947	100%	105,947
Shenyang Mingfa Comprehensive Technology Park	Located at Zaohua Street, Yuhong District, Shenyang, Liaoning Province	Dec/2023	Residential	Vacant	235,526	423,948	100%	423,948
new project in Maanshan MingPu	Located at Wujiang Town Four Lian, Hexian, Anhui Province	Dec/2023	Industrial	Vacant	31,258	46,888	100%	46,888
new project in Maanshan MingLin	Located at Wujiang Town Four Lian, Hexian, Anhui Province	Dec/2023	Residential/Commercial/Industrial	Vacant	106,963	162,975	100%	162,975
Fengyang Shuiyun Yaju	Located at the east side of Gongchen Temple Road and on the south side of Ruyi Road, Fengyang Town, Chuzhou, Anhui Province	May/2024	Residential/Commercial	Vacant	65,484	108,734	100%	108,734
Sub-total					8,020,522	13,726,171		12,922,766

		Actual/ Estimated Completion				Approximate			
Property	Location	Date	Type of Property	Status	Site Area (sq.m.) (Note 1)	Leasable and Saleable GFA (sq.m.)	Group's Interest	Attributable GFA (sq.m.)	
Properties with land use rights certificate for future development (Note 3)									
Lanzhou Mingfa Zhongke Ecological Park	Located in southwest of Weijia Village, Gansu Province	Dec/2023	Residential	Vacant	1,371,786	1,371,786	51%	699,611	
Taiwan Taoyuan Block 54	Located in Air Passenger Park, Taoyuan, Taiwan	Jun/2023	Commercial	Vacant	13,710	32,905	100%	32,905	
Taiwan Taoyuan Block 169	Located in Air Passenger Park, Taoyuan, Taiwan	Jun/2023	Commercial	Vacant	16,110	38,663	100%	38,663	
Shenyang Mingfa Wealth Center	Located at Qing Nian Street, Heping District, Shenyang, Liaoning Province	Dec/2023	Commercial	Vacant	5,468	54,677	100%	54,677	
Jurong Zidong Square	Located at the east side of Ninghang North Road and the west side of Chigang Road, Jurong, Jiangsu Province	Aug/2023	Residential/Commercial	Vacant	53,892	296,406	100%	296,406	
Mingfa Huguangshanse Erhao	Located at Xiangquan Town Maanshan, Anhui Province	Dec/2023	Residential	Vacant	108,972	108,972	100%	108,972	
new project in Jurong 2017-2-1-08	Located in Huanhu Road, Jurong, Jiangsu Province	Dec/2023	Commercial	Vacant	9,265	13,989	100%	13,989	
new project in Fengxian (2016-30, 2016-32, 2016-33, 2016-34)	Located in west of Ring Road East, north of Zhangyang Avenue, west of City Road West, Fengxian, Xuzhou, Jiangsu Province	Dec/2023	Residential/Commercial	Vacant	213,380	533,451	70%	373,415	
QingYang Yanguang Qingcheng (Block 2)	Located at Qibuquan Road, Rongcheng Town, Chizhou, Anhui Province	Apr/2023	Residential/Commercial	Vacant	52,388	136,207	100%	136,207	
Nan'an Mingfa International Center	Located at Fuxi Community, Meilin Street, Quanzhou, Fujian Province	Aug/2023	Office	Vacant	22,288	133,728	100%	133,728	
new project in Fengxian (2019-39)	Located in west of Ring Road East, north of Zhangyang Avenue, west of City Road West, Fengxian, Xuzhou, Jiangsu Province	Mar/2023	Residential/Commercial	Vacant	22,316	55,791	70%	39,054	
new project in Zibo (2017-009-01, 009-02)	Located in east of Shanghai Road East, Zhangdian District, Zibo, Shandong Province	Jan/2024	Residential/Commercial	Vacant	9,325	39,165	100%	39,165	
new project of Longhai Mingfa Investment Ltd.	Located in Bangshan Town, Kekeng Village, Longhai, Zhangzhou, Fujian Province	Dec/2023	Residential	Vacant	105,188	315,564	100%	315,564	
Liu'an Yeji Minghui City	Located in west of Zhanqian Road, south of Weiming Road, east of Changqing Road and north of Shihe Road, Yeji District, Liu'an, Anhui Province	Jan/2025	Residential/Commercial	Vacant	150,070	300,140	100%	300,140	
Sub-total					2,154,158	3,431,444		2,582,496	
Properties with signed land use rights contract for future development (Note 4)									
Hong Six Highway Rebuilding Project	Located at Xixia Village, Honglai Town, Nanan, Fujian Province	Dec/2023	Residential/Commercial	Vacant	22,784	92,298	100%	92,298	
Kangyang Town)	Located in Jiangjun Road, Jinzhai, Anhui Province	Dec/2023	Residential/Commercial	Vacant	64,539	103,263	100%	103,263	
new project in Bazhong (2020-1-1-4-7)	Located in Dengke Street, Enyang District, Bazhong, Sichuan Province	Aug/2024	Residential	Vacant	141,811	323,169	100%	323,169	
new project in Bazhong (2020-1-1-1-3)	Located in Dengke Street, Enyang District, Bazhong, Sichuan Province	Aug/2024	Hotel	Vacant	23,970	35,955	100%	35,955	
new project in Bazhong (2020-1-2-1-3)	Located in Dengke Street, Enyang District, Bazhong, Sichuan Province	Aug/2024	Commercial	Vacant	19,089	22,906	100%	22,906	
QingYang Yanguang Qingcheng (Block 4)	Located at Tianzhu Road, Rongcheng Town, Chizhou, Anhui Province	Jan/2023	Residential/Commercial	Vacant	37,552	75,104	100%	75,104	
Fengyang Taoyuan Yashe	Located at the west side of Gongchengmiao Road and on the north side of Fenge West Road, Fengyang Town, Chuzhou, Anhui Province	May/2024	Commercial	Vacant	34,338	87,626	100%	87,626	

Property	Location	Actual/ Estimated Completion	Type of Property	Status	Approximate		Group's Interest	Attributable GFA
		Date			Site Area (sq.m.) (Note 1)	Leasable and Saleable GFA (sq.m.)		
new project in Liu'an Yeji 2021-26	Located at East of Liulin Avenue, south of Wanshou Road, west of Donglou Road and north of Shihe RoadYeji District,Liu'an, Anhui Province	Jan/2025	Residential	Vacant	90,313	162,563	100%	162,563
New project in Liu'an Yeji 2021-26	Located at East of Liulin Avenue, south of Wanshou Road, west of Donglou Road and north of Shihe RoadYeji District, Liu'an, Anhui Province	Jan/2025	Residential	Vacant	90,756	163,360	100%	163,360
New project in Mingfa North StationTianyu	Located at Chahe Town, Lai'an, Anhui Province	Aug/2025	Residential/Commercial	Vacant	108,395	113,815	100%	113,815
Sub-total					<u>633,546</u>	<u>1,180,058</u>		<u>1,180,058</u>
Total					<u>15,395,151</u>	<u>21,636,742</u>		<u>19,781,691</u>

Notes:

1. Completed properties refer to the properties in respect of which (a) the certificates of completion, (b) the permits for commencement of construction works, and (c) the land use rights certificates had been obtained as at 31 December 2021.
2. Properties under development refer to the properties in respect of which (a) the permits for commencement of construction works and (b) the land use rights certificates had been obtained as at 31 December 2021.
3. The site area is in respect of the whole property (regardless of GFA that have been sold).
4. The approximate leasable and saleable GFA and attributable GFA have excluded the GFA that have been sold/leased.

SUMMARY OF PROPERTIES HELD BY THE GROUP FOR INVESTMENT

The following table summarizes the details of the Group's major properties held for investment as at 31 December 2021:

Property	Location	Existing Usage	Attributable GFA (sq.m.)	Term of Leases	Percentage of Interest in the Properties Attributable to the Group
Beijing Mingfa Mall	Located at Bizang Village, Daxing District, Beijing	Reisential/ Commercial	62,183	3–10 years	100%
Changsha Mingfa Shopping Mall	Located in Star Cheng Town, Wangcheng County, Changsha, Hunan Province	Commercial	70,742	20 years	100%
Hefei Mingfa Shopping Mall	Located along the northeast side of the junction of Silihe Road and Dangshan Road, Luyang District, Hefei, Anhui Province	Commercial	162,446	15–20 years	100%
Jinzhai Mingfa City Square (Block G)	Located at New Town District, Meishan Town, Jinzhai County, Hefei, Anhui Province	Commercial	54,903	2–15 years	100%
Nanjing Mingfa New City Finance Buliding	Located in New Town Business Avenue North, Pukou District, Nanjing, Jinangsu Province	Reisential/ Commercial	1,334	3–5 years	100%
Nanjing Mingfa Riverside New Town	Located in Taishan Village, Pukou District, Nanjing, Jiangsu Province	Commercial	79,154	3–9 years	100%
Nanjing Mingfa Shopping Mall	Located at the intersection of Dingqiang Road and Yulan Road in Yuhuatai District, Nanjing, Jiangsu Province	Commercial	135,436	10–15 years	100%
Pingliang Mingfa European City	Located in Water Bridge West, Linjing Road North, Kongdong District, Pingliang, Gansu Province	Commercial	1,771	1–3 years	60%
Quanzhou Mingfa Hotel	Located in Licheng District, Jiangnan Torch Village, Quanzhou, Fujian Province	Hotel	4,755	5 years	100%
Taizhou Mingfa International Mall	Located in Gaogang Distrcet, Taizhou, Jiangsu Province	Commercial	13,985	10 years	100%
Tianjin Mingfa City Complex	Located in Tanggu Marine Hi-Tech Development Zone, Tianjin	Commercial	62,631	Under construction	100%
Wuxi Mingfa International New Town	Located at south of Yanqiao Town, Huishan District, Wuxi, Jiangsu Province	Commercial	4,363	3 years	100%
Wuxi Mingfa Shopping Mall	Located in Sitou Village and Tangtou Village, Yanqiao Town, Huishan District, Wuxi, Jiangsu Province	Commercial	6,695	15–20years	70%
Xiamen Lianfeng Furniture Park	Located on Honglian Road, Siming District, Xiamen, Fujian Province	Industrial	26,120	20 years	100%
Xiamen Mingfa Group Mansion	Located at Qianpu Industrial Park, Xiamen, Fujian Province	Commercial	1,625	5–6 years	100%
Xiamen Mingfa Harbour Resort	Located at south of Wu Yuan Wan Bridge, west of Huan Wan Road, and along the seaview strip of Huli District, Xiamen, Fujian Province	Commercial	45,419	3 years	100%
Xiamen Mingfa Hotel	Located at No. 413 Lianqian East Road, Xiamen, Fujian Province	Hotel	10,925	10 years	100%
Xiamen Mingfa Industrial Park	Located at No.2 Honglian Road West, Siming District, Xiamen, Fujian Province	Industrial	11,588	8–15 years	100%

Property	Location	Existing Usage	Attributable GFA (sq.m.)	Term of Leases	Percentage of Interest in the Properties Attributable to the Group
Xiamen Mingfa Shopping Mall	Located to the northwest of Jiahe Road and Lianqian Road, Siming District, Xiamen, Fujian Province	Commercial	113,551	8–20 years	70%–100%
Xiamen Mingfa Technology Park	Located in Kaiyuan Xing'an Industrial Park, Tong'an District, Xiamen, Fujian Province	Industrial	62,131	18 years	100%
Yangzhou Mingfa Shopping Mall	Located at the south of Yunhe Road East and west of Baolin Road, Guangling District, Yangzhou, Jiangsu Province	Commercial	59,254	15 years	100%
Zhangzhou Longhai Mingfa Mall	Located in Bangshan Town, Kekeng Village, Longhai, Zhangzhou, Fujian Province	Commercial	2,831	10 years	100%
Zhangzhou Mingfa Shopping Mall	Located at Longjiang Road East, Shuixian Street North, No.6 Road West, Xipu Road South, Zhangzhou, Fujian Province	Commercial	112,416	12–19 years	100%
Zhenjiang Jinxiu Yinshan	Located in the centre of Zhenjiang City, Jiangsu Province	Commercial	2,880	15.5 years	100%
Total			<u>1,109,138</u>		

Properties to be Completed in 2022

Set out below are the properties expected to be completed by the Group in 2022. The total GFA for such properties available for sale/leasing by the Group upon completion will be approximately 1,602,898 sq.m. including those already pre-sold as at 31 December 2021.

Property	Expected Completion Date	Type of Property	GFA to be Completed (sq.m.)	Percentage of Interest in the Property Attributable to the Group
Zhenjiang Jinxiu Yinshan	Dec-2022	Residential	9,165	100%
Huai'an Mingfa Shopping Mall (Block A)	Dec-2022	Commercial	21,323	100%
Shenyang Mingfa Jinxiu Hua City	Dec-2022	Residential/ Commercial	16,802	100%
Yangzhou Mingfa Jiangwan City	Dec-2022	Residential	243	100%
Shanghai Mingfa Shopping Mall	Dec-2022	Commercial	68,650	100%
Pingliang Mingfa European City	Dec-2022	Residential	9,331	60%
Changsha Mingfa Shopping Mall	Dec-2022	Residential/ Commercial	200,398	100%

Property	Expected Completion Date	Type of Property	GFA to be Completed (sq.m.)	Percentage of Interest in the Property Attributable to the Group
Huizhou Mingfa Gaobang New City	Dec-2022	Residential	132,219	80%
Tianjin Binhai Mingfa Shopping Mall	Dec-2022	Commercial	125,797	100%
Nanjing Mingfa Wealth Center	Dec-2022	Commercial/Office	6,920	100%
Wujiang Mingfa Jiangwan New City (Phase 2)	Dec-2022	Residential/ Commercial	265,465	100%
Quanzhou Mingfa International Huachang City	Dec-2022	Residential/ Commercial	148,771	100%
Guang'an Mingfa Mall (Blocks GC2013-45)	Dec-2022	Residential/ Commercial	52,906	100%
Shandong Zibo World Trade Center	Dec-2022	Residential/ Commercial	90,496	100%
Shenyang Creative Industrial Estate	Dec-2022	Residential/ Commercial	49,428	100%
Zhangzhou Longhai Mingfa Mall (2011G15, 2012G15 Phase 2)	Dec-2022	Residential	17,635	100%
Mingfa MingBo Town	Dec-2022	Residential/ Commercial	11,861	100%
Nanjing Mingfa Yueshan Yuefu	Dec-2022	Residential	750	100%
Taoyuan New Town	Dec-2022	Residential	27,503	100%
Taoyuan Mansion	Dec-2022	Residential	7,057	100%
Taoyuan Mingzhu	Dec-2022	Residential	3,454	100%
Sihong Shuiyun Taoyuan Garden	Dec-2022	Residential/ Commercial	19,522	100%
Jinse Shui'an	Dec-2022	Residential/ Commercial	50,422	100%
Taoyuan Xi'an	Dec-2022	Residential/ Commercial	3,023	100%
Nanjing International Business Center	Dec-2022	Commercial	125,529	80%
Taoyuan Xiangsong	Dec-2022	Residential	7,101	100%
Taoyuan Fudi	Dec-2022	Residential	21,507	51%
Taoyuan Guanlan	Dec-2022	Residential	14,444	51%
Guang'an Mingfa City Complex Project (ChaMa Road B1-1 Block)	Dec-2022	Residential/ Commercial	59,428	100%

Property	Expected Completion Date	Type of Property	GFA to be Completed (sq.m.)	Percentage of Interest in the Property Attributable to the Group
Zhangpu Mingfa Xiangshan Wan	Dec-2022	Residential/Commercial	35,217	51%
Wuhu Chungu Xi'an	Dec-2022	Residential	532	100%
Total			<u>1,602,898</u>	

FINANCIAL REVIEW AND ANALYSIS

For the year ended 31 December 2021, revenue generated by the Group was approximately RMB16,416.4 million (2020: approximately RMB12,858.6 million), representing an increase of 27.7% as compared to 2020. The increase in revenue in 2021 was mainly due to the increase in the GFA delivered from 1,616,834 sq.m. in 2020 to 2,088,938 sq.m. in 2021. Revenue from various sectors is analyzed as follows:

For the year ended 31 December	Commercial Properties (RMB'million)	Residential Properties (RMB'million)	Properties Investment and Management (RMB'million)	Hotel (RMB'million)	Others (RMB'million)	Total (RMB'million)	Percentage of Increase in Total Revenue
2021	432.9	14,929.8	467.9	279.8	306.0	16,416.4	27.7%
2020	240.3	11,742.6	397.4	222.6	255.7	12,858.6	1.6%

Revenue from the properties sector contributed 93.6% in total to the Group's revenue. Revenue from the commercial properties sector increased by 80.1% which was primarily due to more commercial properties delivered in Nanjing and Jinghai City in 2021. Revenue generated from the residential properties sector increased for 27.1% in 2021 as compared to 2020. The main reason for the increase in revenue generated from residential properties was more GFA being delivered from 1,600,624 sq.m. in 2020 to 2,017,450 sq.m. in 2021.

Revenue from the properties investment and management sector increased by 17.7%, which was mainly due to the increase in GFA of rented properties and regular rental review.

Revenue generated from the hotel sector increased by 25.7% from approximately RMB222.6 million in 2020 to approximately RMB279.8 million in 2021.

The gross profit of the Group was approximately RMB4,949.9 million for 2021, representing an increase of 31.3% as compared to 2020 (2020: approximately RMB3,770.7 million). The increase was mainly due to the increase in gross margin from 29.3% in 2020 to 30.2% in 2021 and increase in revenues from RMB12,858.6 million in 2020 to RMB16,416.4 million in 2021.

The profit for the year of the Group increased by 56.3% from approximately RMB1,277.8 million in 2020 to approximately RMB1,996.9 million in 2021. The increase was mainly due to the profit generated from the increase in revenue for 27.7% in 2021.

The profit attributable to the equity holders of the Company was approximately RMB1,882.7 million for 2021, representing an increase of 75.1% from 2020 (2020: approximately RMB1,075.0 million). The increase was mainly due to profit generated from the increase in revenue for 27.7% in 2021.

The cost of sales of the Group was approximately RMB11,466.5 million for 2021, representing an increase of 26.2% as compared to 2020 (2020: approximately RMB9,087.9 million). Cost of sales increased in line with revenue.

The average cost of properties included in cost of sales of the Group was RMB5,132.8 per sq.m. for 2021, representing a slight decrease of 1.5% over 2020 (2020: average cost of properties included in cost of sales was RMB5,211.6 per sq.m.).

Fair value gains on investment properties increased by 81.6% to approximately RMB292.5 million in 2021 (2020: approximately RMB161.1 million). The increase was mainly due to more new commercial properties were classified as investment properties in 2021.

Other gain was approximately RMB314.1 million in 2021 (2020: approximately RMB76.7 million). The gain was mainly due to the gain from disposal of subsidiaries and investment properties in 2021.

Selling and marketing costs of the Group were approximately RMB889.2 million in 2021, representing an increase of 38.6% over 2020 (2020: approximately RMB641.6 million). The increase was mainly due to more sales commission incurred for the increase in sales.

General and administrative expenses of the Group were approximately RMB751.4 million in 2021, representing an increase of 10.3% over 2020 (2020: approximately RMB681.5 million). The increase was mainly due to the increase in staff costs.

Net finance income of the Group decreased by 9.9% to approximately RMB26.5 million in 2021 (2020: approximately RMB29.4 million).

CAPITAL STRUCTURE

As at 31 December 2021, the Group had aggregated cash and cash equivalents (excluding restricted cash) of approximately RMB3,665.9 million (31 December 2020: approximately RMB3,567.0 million). Restricted cash of the Group was approximately RMB233.4 million (31 December 2020: approximately RMB3.6 million). Bank loans and other borrowings of the Group repayable within one year and after one year were approximately RMB684.1 million and RMB2,778.4 million respectively (31 December 2020: approximately RMB3,440.1 million and RMB1,330.1 million respectively). The cash and cash equivalents of the Group were mainly denominated in Renminbi as at 31 December 2021.

BORROWINGS

	As at 31 December	
	2021	2020
	RMB'000	RMB'000
Borrowings included in non-current liabilities		
Bank borrowings — secured	<u>3,105,603</u>	<u>2,331,229</u>
Less: Amounts due within one year	<u>327,239</u>	<u>(1,001,139)</u>
	<u>2,778,369</u>	<u>1,330,090</u>
Borrowings included in current liabilities		
Current portion of long-term secured bank borrowings	327,239	1,001,139
Bank borrowings — secured	—	531,875
Senior notes, junior notes and bonds	<u>356,839</u>	<u>1,907,071</u>
	<u>684,078</u>	<u>3,440,085</u>

The maturity of the borrowings included in non-current liabilities is as follows:

	As at 31 December	
	2021	2020
	RMB'000	RMB'000
Borrowings:		
Between 1 and 2 years	234,139	200,966
Between 2 and 5 years	1,600,850	371,402
Over 5 years	<u>943,375</u>	<u>757,722</u>
	<u>2,778,364</u>	<u>1,330,090</u>

Total interest expenses including the capitalised interest costs amounted to approximately RMB238.3 million (31 December 2020: approximately RMB641.0 million) in total.

The borrowings was categoried by fixed or floating interest:

	As at 31 December 2021		As at 31 December 2020	
	<i>RMB'million</i>	<i>% of total</i>	<i>RMB'million</i>	<i>% of total</i>
Fixed	356.8	10.3%	1,907.1	40.0%
Floating	3,105.6	89.7%	2,863.1	60.0%
Total borrowings	<u>3,462.4</u>	<u>100.0%</u>	<u>4,770.2</u>	<u>100.0%</u>

FINANCIAL RATIO

Set out below are the major ratios of the Group:

	As at and for the year ended	
	31 December	
	2021	2020
Gross profit margin	30.2%	29.3%
Operating profit margin	22.9%	19.0%
Net profit margin	12.2%	9.9%
Current ratio	1.12	1.06
Total liabilities to total assets	73.6%	77.0%
Bank loans and other borrowings to shareholders' funds	19.3%	29.7%
Non-current bank loans and other borrowings to total assets	3.8%	1.7%
Gearing ratio*	nil	6.4%

* Defined as net debt (total borrowings less cash and cash equivalents and cash restricted for borrowings) divided by the sum of shareholders' funds and net debt.

FOREIGN EXCHANGE RISK

As at 31 December 2021, the balance of the bank deposits maintained by the Group (including restricted bank balances) consisted of Renminbi, Hong Kong dollars and US dollars in the respective proportions of 99.4%, 0.2% and 0.4% (31 December 2020: Renminbi, Hong Kong dollars and US dollars accounted for 99.8%, 0.1% and 0.1% respectively of the total bank balances of the Group). The bank loans and other borrowings maintained by the Group were denominated in Renminbi, US dollars and New Taiwan dollars in respective proportions of 86.7%, 10.3% and 3.0% (31 December 2020: Renminbi, US dollars and New Taiwan dollars accounted for 60.9%, 36.9% and 2.2%, respectively of the total bank loans and other borrowings of the Group).

As the sales, purchases, bank borrowings and other borrowings of the Group in 2021 were made mainly in Renminbi, Hong Kong dollars and US dollars, and it is expected that the majority of future development and transactions carried out by the Group will be made and transacted either in Renminbi, Hong Kong dollars or US dollars, the Group will convert the Hong Kong dollars and US dollars bank balances into Renminbi as and when required to minimize any foreign exchange risk. The Group did not adopt any foreign exchange hedging instruments to hedge against foreign exchange risk in 2021 as the hedging list was comparable to the corresponding risk.

INTEREST RATE RISK

As at 31 December 2021, the majority of the bank borrowings of the Group were floating rate borrowings and were denominated in Renminbi, Hong Kong dollars and US dollars, whereby any upward fluctuations in interest rates will increase the interest costs of the Group in connection with such loans or any new loans obtained by the Group calculated on a floating interest rate basis. The Group currently does not use any derivative instruments to hedge against its interest rate risk.

FUNDING AND TREASURY POLICY

The Group utilizes cash flows generated from operating activities and bank loans to finance its operations, construction and capital expenditure, to increase its land banks, to discharge its debt and to ensure the continuous growth of the Group's business.

CREDIT POLICIES

The Group has policies in place to ensure that sales of properties are made to purchasers with an appropriate financial strength and appropriate percentage of down payment. Credit is normally granted to anchor tenants with sufficient financial strength. It also has other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. Other receivables mainly comprise deposits made to government agencies for property development purposes which are to be recovered upon completion of the development, and advances to business partners for business cooperations. The Group closely monitors these deposits and advances to ensure actions are taken to recover these balances in the case of any risk of default.

HUMAN RESOURCES

As at 31 December 2021, the Group employed 4,066 staff (31 December 2020: 3,289 staff). The increase was mainly due to recruitment of staff for new branch offices and hotel. For 2021, the staff costs of the Group including Directors' emoluments were approximately RMB434.9 million (2020: approximately RMB340.6 million). The staff costs include basic salary and welfare expenses, whereby employees' welfare includes medical insurance plan, pension plan, unemployment insurance plan, training and pregnancy insurance plan.

The Company values human capital and is keen to improve the professionalism and competitiveness of employees through training and regular performance reviews. The Group provides various training opportunities to employees, including training for accounting teams and other training in relation to the latest group reporting requirements and standards. The Group's employees are engaged according to the terms and provisions of their employment contracts and the Group normally conducts review on the remuneration packages and performance appraisal once every year for its employees, the results of which will be applied in annual salary review for considering the grant of annual bonus or not and in promotion assessment. The Group also studies and compares its remuneration packages with those of its peers and competitors and will make adjustment whenever necessary so as to maintain its competitiveness in the employment market.

CORPORATE GOVERNANCE PRACTICES

The Directors recognise the importance of incorporating the elements of good corporate governance in the management structures and internal control procedures of the Group so as to achieve effective accountability to the shareholders of the Company (the **"Shareholders"**) as a whole. The Board strived to uphold good corporate governance and adopt sound corporate governance practices. During the year under review, all code provisions in the Corporate Governance Code as set out in Appendix 14 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the **"Listing Rules"**) were complied with by the Company.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted a code of conduct regarding the Directors' securities transactions on terms no less exacting than the required standard set out in the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) set out in Appendix 10 to the Listing Rules. Having made specific enquiries with all Directors, all Directors have confirmed that they had complied with the required standard set out in the Model Code and the Company's code of conduct regarding the Directors' securities transactions throughout the year under review.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

During the year under review, the Company:

- redeemed all of the 2021 January Bonds with principal amount of US\$60,000,000 which was issued on 16 January 2020; and
- redeemed all of the 2021 May Bonds with principal amount of US\$89,000,000 which was issued on 13 January 2021;

For further details of the aforesaid redemption, please refer to the announcements of the Company dated 10 January 2020, 20 January 2020 and 8 January 2021, 15 January 2021, respectively. Unless otherwise defined, capitalised terms used in this section shall have the same meanings as defined in the aforesaid announcements. Save for the abovementioned, there was no purchase, sale or redemption by the Company of listed securities of the Company during the year under review.

AUDIT COMMITTEE

The Audit Committee comprises of all independent non-executive directors of the Company, namely, Mr. Lau Kin Hon, Mr. Chu Kin Wang Peleus and Mr. Chan Sing Lai. The duties of the Audit Committee include making recommendations to the Board in relation to the independence and engagement of external auditor, monitoring the integrity, accuracy and fairness of financial statements, reviewing the system of financial control, internal control and risk management and reviewing corporate governance practices of the Company. The Audit Committee had reviewed and agreed the unaudited annual results and the unaudited consolidated financial statements of the Group for the year ended 31 December 2021.

REVIEW OF UNAUDITED ANNUAL RESULTS

The auditing process for the consolidated annual results for the year ended 31 December 2021 has not been completed as (i) certain management and employees of the Group have been placed under quarantine in the latest wave of COVID-19 outbreak; and (ii) there has been a delay in obtaining certain external confirmations from third parties for the audit, due to the recent COVID-19 outbreak in Hong Kong and the People's Republic of China. The unaudited consolidated annual results contained herein have not been agreed with the Company's auditors as required under Rule 13.49(2) of the Listing Rules. An announcement relating to the audited consolidated annual results will be made when the auditing process has been completed in accordance with Hong Kong Standards on Auditing issued by Hong Kong Institute of Certified Public Accountants. The unaudited annual results contained herein have been reviewed and agreed by the Audit Committee.

FURTHER ANNOUNCEMENT(S)

Following the completion of the auditing process, the Company will issue further announcement(s) in relation to the audited consolidated annual results for the year ended 31 December 2021 as agreed with the Company's auditors and the material differences (if any) as compared with the unaudited consolidated annual results contained herein. In addition, the Company will issue further announcement as and when necessary if there are other material development in the completion of the auditing process. The Company expects the auditing process will be completed on or before 14 April 2022 and in any event not later than 30 April 2022.

PUBLICATION OF ANNUAL REPORT

The 2021 annual report of the Company will be despatched to the shareholders of the Company and published on the website of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") (<http://www.hkexnews.hk>) and the Company (<http://www.ming-fa.com>) in due course.

AUDITORS

The Company appointed BDO Limited as its auditors for the year ended 31 December 2021. The Company will submit a resolution in the coming annual general meeting of the Company to re-appoint BDO Limited as the auditors of the Company for the ensuing 2022.

The financial information contained herein in respect of the annual results of the Group have not been audited and have not been agreed with the auditors. Shareholders and potential investors of the Company are advised to exercise caution when dealing in the securities of the Company.

By order of the Board of
MINGFA GROUP (INTERNATIONAL) COMPANY LIMITED
POON WING CHUEN
CFO/Company Secretary

Hong Kong, 31 March 2022

As at the date of this announcement, the Board comprises:

Executive Directors: *Mr. Ng Man Fung Walter,*
Mr. Zhong Xiaoming and Mr. Liu Yuwei

Non-executive Director: *Dr. Lam, Lee G. (Chairman of the Board)*

Independent non-executive *Mr. Lau Kin Hon, Mr. Chu Kin Wang Peleus, and*
Directors: *Mr. Chan Sing Lai*