

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



Radiance Holdings (Group) Company Limited

金輝控股(集團)有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 9993)

(1) ANNOUNCEMENT OF ANNUAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2022; AND (2) PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

RESULTS HIGHLIGHTS

- Revenue was approximately RMB35,320,000,000. Gross profit was approximately RMB5,180,000,000. Net profit was approximately RMB2,080,000,000.
- Weighted average cost of indebtedness was 6.22%, representing a decrease 0.36 percentage point as compared with the corresponding period in 2021.
- Deposits received from customers (contract liabilities) were approximately RMB59,400,000,000 as at 31 December 2022.
- Net gearing ratio was 71.7% as at 31 December 2022.
- Cash to current borrowings ratio was 1.0 as at 31 December 2022.
- Assets to liabilities ratio after excluding receipts in advance was 65.2% as at 31 December 2022.

ANNUAL RESULTS

The board (the “**Board**”) of directors (the “**Directors**”) of Radiance Holdings (Group) Company Limited (“**Radiance Holdings**” or the “**Company**”) is pleased to announce the audited consolidated results of the Company and its subsidiaries (collectively the “**Group**”, “**we**”, “**our**” or “**us**”) for the year ended 31 December 2022 (the “**Year**”) with comparative figures for the preceding financial year as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Year ended 31 December 2022

		2022	2021
	<i>Notes</i>	<i>RMB'000</i>	<i>RMB'000</i>
REVENUE	3	35,318,003	40,025,826
Cost of sales		<u>(30,138,519)</u>	<u>(32,278,375)</u>
Gross profit		5,179,484	7,747,451
Other income and gains	3	60,041	183,846
Selling and distribution expenses		(931,729)	(1,449,318)
Administrative expenses		(853,707)	(1,195,415)
Finance income		91,290	183,478
Finance costs	4	(236,100)	(349,885)
Other expenses		(191,638)	(44,875)
Fair value gains on investment properties		844,574	656,986
Fair value losses on financial assets at fair value through profit or loss		(14,168)	(6,085)
Share of profits and losses of:			
Joint ventures		(732,632)	98,366
Associates		491,020	641,082
PROFIT BEFORE TAX	5	3,706,435	6,465,631
Income tax expense	6	(1,623,285)	(2,771,936)
PROFIT FOR THE YEAR		<u>2,083,150</u>	<u>3,693,695</u>

	<i>Notes</i>	2022 <i>RMB'000</i>	2021 <i>RMB'000</i>
OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF TAX		<u>—</u>	<u>—</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u>2,083,150</u>	<u>3,693,695</u>
Attributable to:			
Owners of the parent		1,705,026	3,274,774
Non-controlling interests		<u>378,124</u>	<u>418,921</u>
		<u>2,083,150</u>	<u>3,693,695</u>
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT			
Basic and diluted earnings per share	8	<u>RMB0.42 yuan</u>	<u>RMB0.81 yuan</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2022

	<i>Notes</i>	2022	2021
		RMB'000	RMB'000
NON-CURRENT ASSETS			
Property, plant and equipment		519,023	518,174
Right-of-use assets		744,232	778,769
Investment properties		16,330,200	13,939,800
Intangible assets		24,199	18,773
Investments in joint ventures		2,421,726	3,068,915
Investments in associates		5,688,636	5,395,080
Financial assets at fair value through profit or loss		105,020	105,519
Deferred tax assets		2,650,754	2,944,990
Other non-current assets		1,402,644	1,402,644
		<hr/>	<hr/>
Total non-current assets		29,886,434	28,172,664
CURRENT ASSETS			
Properties under development		88,551,479	106,108,703
Completed properties held for sale		12,472,551	12,246,662
Trade receivables	9	50,510	53,467
Contract cost assets		1,205,954	945,195
Due from related parties		6,621,121	8,639,706
Prepayments, other receivables and other assets		9,395,145	14,683,828
Tax recoverable		1,168,535	990,244
Financial assets at fair value through profit or loss		4,294	78,357
Restricted cash		7,899,346	7,656,569
Pledged deposits		10,000	850,000
Cash and cash equivalents		4,410,184	11,221,917
		<hr/>	<hr/>
Total current assets		131,789,119	163,474,648
CURRENT LIABILITIES			
Trade payables	10	13,106,078	13,603,572
Other payables and accruals		2,592,136	2,736,127
Contract liabilities		59,397,834	72,460,294
Due to related parties		5,437,467	4,978,342
Tax payable		5,270,090	4,864,788
Interest-bearing bank and other borrowings		10,937,353	9,504,033
Proceeds from asset-backed securities		70,696	65,705
Senior notes		440,607	2,650,016
Corporate bonds		667,743	4,572,592
Lease liabilities within one year		10,747	11,618
		<hr/>	<hr/>
Total current liabilities		97,930,751	115,447,087
NET CURRENT ASSETS		33,858,368	48,027,561
		<hr/>	<hr/>
TOTAL ASSETS LESS CURRENT LIABILITIES		63,744,802	76,200,225
		<hr/>	<hr/>

	2022	2021
<i>Notes</i>	<i>RMB'000</i>	<i>RMB'000</i>
NON-CURRENT LIABILITIES		
Interest-bearing bank and other borrowings	15,607,467	26,659,490
Proceeds from asset-backed securities	5,218,481	5,253,870
Senior notes	2,075,827	1,891,050
Corporate bonds	2,797,578	2,197,450
Lease liabilities	3,343	5,333
Deferred tax liabilities	2,459,068	2,621,327
	<hr/>	<hr/>
Total non-current liabilities	28,161,764	38,628,520
	<hr/>	<hr/>
Net assets	35,583,038	37,571,705
	<hr/> <hr/>	<hr/> <hr/>
EQUITY		
Equity attributable to owners of the parent		
Share capital	35,095	35,095
Reserves	24,499,072	23,602,105
	<hr/>	<hr/>
	24,534,167	23,637,200
	<hr/>	<hr/>
Non-controlling interests	11,048,871	13,934,505
	<hr/>	<hr/>
Total equity	35,583,038	37,571,705
	<hr/> <hr/>	<hr/> <hr/>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1.1 BASIS OF PREPARATION

These financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRSs”) (which include all standards and interpretations, International Accounting Standards (“IASs”) and Standing Interpretations Committee interpretations) approved by the International Accounting Standards Board (the “IASB”) and the disclosure requirements of the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention, except for investment properties and financial assets at fair value through profit or loss which have been measured at fair value. These financial statements are presented in Renminbi (“RMB”) and all values are rounded to the nearest thousand except when otherwise indicated.

Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries (collectively referred to as the “Group”) for the year ended 31 December 2022. A subsidiary is an entity, directly or indirectly, controlled by the Company. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee (i.e., existing rights that give the Group the current ability to direct the relevant activities of the investee).

Generally, there is a presumption that a majority of voting rights results in control. When the Company has, directly or indirectly, less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- (a) the contractual arrangement with the other vote holders of the investee;
- (b) rights arising from other contractual arrangements; and
- (c) the Group’s voting rights and potential voting rights.

The financial statements of the subsidiaries are prepared for the same reporting period as the Company, using consistent accounting policies. The results of subsidiaries are consolidated from the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

Profit or loss and each component of other comprehensive income are attributed to the owners of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control described above. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises (i) the assets (including goodwill) and liabilities of the subsidiary, (ii) the carrying amount of any non-controlling interest and (iii) the cumulative translation differences recorded in equity; and recognises (i) the fair value of the consideration received, (ii) the fair value of any investment retained and (iii) any resulting surplus or deficit in profit or loss. The Group's share of components previously recognised in other comprehensive income is reclassified to profit or loss or retained profits, as appropriate, on the same basis as would be required if the Group had directly disposed of the related assets or liabilities.

1.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The Group has adopted the following revised IFRSs for the first time for the current year's financial statements.

Amendments to IFRS 3	<i>Reference to the Conceptual Framework</i>
Amendments to IAS 16	<i>Property, Plant and Equipment: Proceeds before Intended Use</i>
Amendments to IAS 37	<i>Onerous Contracts – Cost of Fulfilling a Contract</i>
<i>Annual Improvements to IFRS Standard 2018-2020</i>	Amendments to IFRS 1, IFRS 9, Illustrative Examples accompanying IFRS 16, and IAS 41

The nature and the impact of the revised IFRSs that are applicable to the Group are described below:

- (a) Amendments to IFRS 3 replace a reference to the previous *Framework for the Preparation and Presentation of Financial Statements* with a reference to the *Conceptual Framework for Financial Reporting* (the “**Conceptual Framework**”) issued in June 2018 without significantly changing its requirements. The amendments also add to IFRS 3 an exception to its recognition principle for an entity to refer to the Conceptual Framework to determine what constitutes an asset or a liability. The exception specifies that, for liabilities and contingent liabilities that would be within the scope of IAS 37 or IFRIC 21 if they were incurred separately rather than assumed in a business combination, an entity applying IFRS 3 should refer to IAS 37 or IFRIC 21 respectively instead of the Conceptual Framework. Furthermore, the amendments clarify that contingent assets do not qualify for recognition at the acquisition date. The Group has applied the amendments prospectively to business combinations that occurred on or after 1 January 2022. As there were no business combinations during the year, the amendments did not have any impact on the financial position and performance of the Group.
- (b) Amendments to IAS 16 prohibit an entity from deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognises the proceeds from selling any such items, and the cost of those items as determined by IAS 2 *Inventories*, in profit or loss. The Group has applied the amendments retrospectively to items of property, plant and equipment made available for use on or after 1 January 2021. Since there was no sale of items produced prior to the property, plant and equipment being available for use, the amendments did not have any impact on the financial position or performance of the Group.

- (c) Amendments to IAS 37 clarify that for the purpose of assessing whether a contract is onerous under IAS 37, the cost of fulfilling the contract comprises the costs that relate directly to the contract. Costs that relate directly to a contract include both the incremental costs of fulfilling that contract (e.g., direct labour and materials) and an allocation of other costs that relate directly to fulfilling that contract (e.g., an allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract as well as contract management and supervision costs). General and administrative costs do not relate directly to a contract and are excluded unless they are explicitly chargeable to the counterparty under the contract. The Group has applied the amendments prospectively to contracts for which it has not yet fulfilled all its obligations at 1 January 2022 and no onerous contracts were identified. Therefore, the amendments did not have any impact on the financial position or performance of the Group.
- (d) *Annual Improvements to IFRS Standard 2018-2020* sets out amendments to IFRS 1, IFRS 9, Illustrative Examples accompanying IFRS 16, and IAS 41. Details of the amendments that are applicable to the Group are as follows:
- IFRS 9 *Financial Instruments*: clarifies the fees that an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability. These fees include only those paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf. The Group has applied the amendment prospectively from 1 January 2022. As there was no modification or exchange of the Group's financial liabilities during the year, the amendment did not have any impact on the financial position or performance of the Group.

2. OPERATING SEGMENT INFORMATION

Management monitors the operating results of the Group's business which includes property development, property leasing, and the provision of management consulting services. Property leasing and the provision of management consulting services are not significant in revenue contribution. Thus, property development is the only reportable operating segment of the Group, and no further operating segment analysis thereof is presented.

Geographical information

No geographical information is presented as the Group's revenue from the external customers is derived solely from its operation in Mainland China and no non-current assets of the Group are located outside Mainland China.

Information about major customers

No revenue from sales to a single customer or a group of customers under common control accounted for 10% or more of the Group's revenue at the end of the reporting period.

3. REVENUE, OTHER INCOME AND GAINS

An analysis of revenue is as follows:

	2022 <i>RMB'000</i>	2021 <i>RMB'000</i>
Revenue from contracts with customers	34,927,593	39,628,765
Revenue from other sources		
Property lease income	<u>390,410</u>	<u>397,061</u>
	<u><u>35,318,003</u></u>	<u><u>40,025,826</u></u>

	2022 <i>RMB'000</i>	2021 <i>RMB'000</i>
--	------------------------	------------------------

Revenue from contracts with customers

(a) Disaggregated revenue information

Types of goods or services:

Sale of properties	34,906,704	39,521,551
Management consulting services	<u>20,889</u>	<u>107,214</u>
Total revenue from contracts with customers	<u><u>34,927,593</u></u>	<u><u>39,628,765</u></u>

Timing of revenue recognition:

Properties transferred at a point in time	34,906,704	39,521,551
Services transferred over time	<u>20,889</u>	<u>107,214</u>
Total revenue from contracts with customers	<u><u>34,927,593</u></u>	<u><u>39,628,765</u></u>

The following table shows the amounts of revenue recognised in the current reporting period that were included in the contract liabilities at the beginning of the reporting period and recognised from performance obligations satisfied in previous periods:

Revenue recognised that was included in contract liabilities at the beginning of the reporting period:

Sale of properties	<u><u>30,420,969</u></u>	<u><u>34,496,982</u></u>
--------------------	--------------------------	--------------------------

(b) Performance obligations

Information about the Group's performance obligations is summarised below:

Sale of properties

The performance obligation is satisfied upon delivery of the properties and the Group has already received the payment or has the right to receive the payment probably.

Management consulting services

For management consulting services, the Group recognises revenue in the amount that equals to the right to invoice which corresponds directly with the value to the customer of the Group's performance to date. The Group has elected the practical expedient not to disclose the remaining performance obligations for these types of contracts. The majority of the management consulting service contracts do not have a fixed term. The term of the contracts for pre-delivery and consulting services is generally set to expire when the counterparties notify the Group that the services are no longer required.

The amounts of transaction prices allocated to the remaining performance obligations (unsatisfied or partially unsatisfied) as at 31 December are as follows:

	2022	2021
	<i>RMB'000</i>	<i>RMB'000</i>
Amounts expected to be recognised as revenue:		
Within one year	35,725,545	40,981,213
After one year	18,551,031	30,428,590
	54,276,576	71,409,803

An analysis of other income and gains is as follows:

	2022	2021
	<i>RMB'000</i>	<i>RMB'000</i>
Other income and gains		
Gain on disposal of subsidiaries	–	51,615
Gain on disposal of an associate	28,616	–
Subsidy income	7,311	21,309
Deposit forfeiture	19,017	8,668
Investment income from financial assets at fair value through profit or loss	234	14,327
Gain on disposal of items of property, plant and equipment	29	–
Exchange gain	–	83,432
Others	4,834	4,495
	60,041	183,846

4. FINANCE COSTS

An analysis of finance costs is as follows:

	2022 <i>RMB'000</i>	2021 <i>RMB'000</i>
Interest on loans and borrowings	2,754,540	3,578,125
Interest expense arising from revenue contracts	230,883	819,879
Interest on lease liabilities	1,297	1,552
	<hr/>	<hr/>
Total interest expense on financial liabilities not at fair value through profit or loss	2,986,720	4,399,556
Less: Interest capitalised	(2,750,620)	(4,049,671)
	<hr/>	<hr/>
	236,100	349,885
	<hr/> <hr/>	<hr/> <hr/>

5. PROFIT BEFORE TAX

The Group's profit before tax is arrived at after charging/(crediting):

	2022 <i>RMB'000</i>	2021 <i>RMB'000</i>
Cost of inventories sold (excluding impairment losses recognised for properties under development and properties held for sale)	29,777,817	31,537,705
Cost of services provided	15,104	32,164
Impairment losses recognised for properties under development	111,632	410,425
Impairment losses recognised for properties held for sale	233,966	298,081
Impairment of financial assets	19,646	5,699
Depreciation of items of property, plant and equipment	28,406	44,136
Amortisation of intangible assets	3,645	3,835
Depreciation of right-of-use assets	46,921	36,408
Rental expenses	4,969	3,496
Auditors' remuneration	9,353	10,100
Employee benefit expense (including directors' and chief executive's remuneration):		
Wages and salaries	375,672	511,078
Pension scheme contributions and social welfare	59,385	94,566

6. INCOME TAX

The Group is subject to income tax on an entity basis on profits arising in or derived from the tax jurisdictions in which members of the Group are domiciled and operate. Pursuant to the rules and regulations of the Cayman Islands, the Group's subsidiaries incorporated in the Cayman Islands and British Virgin Islands are not subject to any income tax. The Group's subsidiaries incorporated in Hong Kong were not liable for income tax as they did not have any assessable profits currently arising in Hong Kong for the year ended 31 December 2022.

Subsidiaries of the Group operating in Mainland China were subject to PRC corporate income tax ("CIT") with a tax rate of 25% for the year except for the following subsidiary:

Company name	Corporate income tax rate
Chongqing Jinhui Changjiang Properties Co., Ltd. (" Chongqing Jinhui Changjiang ") *	15%

* *According to the Announcement on Further Implementation of Corporate Income Tax Policy for the development of the Western Regions (2012 No.12) issued by the State Taxation Administration and the extension of the Corporate Income Tax Policy for the development of the Western Regions (2020 No.23) jointly issued by the Ministry of Finance, State Taxation Administration and National Development and Reform Commission, Chongqing Jinhui Changjiang, subsidiaries of the Group, is qualified to enjoy the preferential tax policy of western regions enterprise income tax of 15% from 2011 to 2030.*

PRC land appreciation tax ("LAT") 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 land costs, borrowing costs and other property development expenditures. The Group has estimated, made and included in taxation a provision for LAT according to the requirements set forth in the relevant Mainland China tax laws and regulations. The LAT provision is subject to the final review and approval by the local tax bureau.

	2022 <i>RMB'000</i>	2021 <i>RMB'000</i>
Current tax:		
Corporate income tax	1,185,375	1,340,171
LAT	305,933	1,410,572
Deferred tax	<u>131,977</u>	<u>21,193</u>
Total tax charge for the year	<u><u>1,623,285</u></u>	<u><u>2,771,936</u></u>

Tax payable in the consolidated statement of financial position represents:

	2022	2021
	<i>RMB'000</i>	<i>RMB'000</i>
Tax payables:		
Corporate income tax	1,162,538	959,405
LAT	<u>4,107,552</u>	<u>3,905,383</u>
Total tax payable	<u><u>5,270,090</u></u>	<u><u>4,864,788</u></u>

7. DIVIDENDS

The proposed final dividend for the year ended 31 December 2021 of HK\$0.16 (equivalent to RMB0.13 yuan) per ordinary share, amounting to a total of approximately RMB525,879,510, was approved by the Group's shareholders at the annual general meeting on 20 May 2022. The above-mentioned declared dividend was paid before 31 December 2022.

Subsequent to the end of the reporting period, no dividends have been proposed by the directors for the year ended 31 December 2022.

8. EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

The calculation of the basic earnings per share amount is based on the profit for the year attributable to ordinary equity holders of the parent, and the weighted average number of ordinary shares of 4,045,227,000 (2021: 4,045,227,000) in issue during the year.

The weighted average number of ordinary shares used to calculate the basic earnings per share amounts for the years ended 31 December 2022 and 2021 was based on 1 share of the Company as at 17 October 2019, 1 share of the Company issued on 6 March 2020, and 3,399,999,998 ordinary shares of the Company issued under the capitalisation issue occurred on 29 October 2020, as if these additional shares issued under the capitalisation issue had been in issue throughout the years ended 31 December 2022 and 2021. On 29 October 2020, the Company issued 600,000,000 new ordinary shares. On 25 November 2020, the over-allotment option has been partially exercised and the Company allotted and issued 45,227,000 additional shares.

No adjustment has been made to the basic earnings per share amounts presented for the years ended 31 December 2022 and 2021 in respect of a dilution as the Group had no potentially dilutive ordinary shares in issue during the years ended 31 December 2022 and 2021.

The calculations of the basic and diluted earnings per share amounts are based on:

	2022 <i>RMB'000</i>	2021 <i>RMB'000</i>
Earnings		
Profit attributable to ordinary equity holders of the parent	<u>1,705,026</u>	<u>3,274,774</u>
	Number of shares	
	2022	2021
Shares		
Weighted average number of ordinary shares in issue during the year	<u>4,045,227,000</u>	<u>4,045,227,000</u>
Earnings per share		
Basic and diluted	<u>RMB0.42 yuan</u>	<u>RMB0.81 yuan</u>

9. TRADE RECEIVABLES

	2022 <i>RMB'000</i>	2021 <i>RMB'000</i>
Trade receivables	51,530	54,720
Impairment	<u>(1,020)</u>	<u>(1,253)</u>
	<u>50,510</u>	<u>53,467</u>

The Group's trade receivables primarily consist of receivables from its property sales and property lease. Proceeds from property sales and property lease are generally received in accordance with the terms stipulated in the sale and purchase agreements. Trade receivables are settled based on the progress payment schedule stipulated in the contract. The Group seeks to maintain strict control over its outstanding receivables and has a credit control department to minimise credit risk. Overdue balances are reviewed regularly by senior management. In view of the aforementioned and the fact that the Group's trade receivables relate to a large number of diversified customers, there is no significant concentration of credit risk. The Group does not hold any collateral or other credit enhancements over its trade receivable balances. Trade receivables are non-interest-bearing.

An ageing analysis of the trade receivables as at the end of the reporting period, based on the invoice date and net of loss allowance, is as follows:

	2022	2021
	<i>RMB'000</i>	<i>RMB'000</i>
Within 1 year	31,132	40,279
1 to 3 years	18,944	9,214
Over 3 years	434	3,974
	<u>50,510</u>	<u>53,467</u>

The movements in the loss allowance for impairment of trade receivables are as follows:

	2022	2021
	<i>RMB'000</i>	<i>RMB'000</i>
At the beginning of the year	1,253	699
Impairment losses	(233)	554
At the end of the year	<u>1,020</u>	<u>1,253</u>

An impairment analysis is performed at the end of each reporting period using a provision matrix to measure expected credit losses. The provision rates are based on ageing for groupings of various customer segments with similar loss patterns. The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions.

Set out below is the information about the credit risk exposure on the Group's trade receivables using a provision matrix:

As at 31 December 2022:

	Ageing			Total
	Less than 1 year	1 to 3 years	Over 3 years	
Expected credit loss rate	0.9%	3.2%	19.9%	2.0%
Gross carrying amount	31,416	19,572	542	51,530
Expected credit losses	284	628	108	1,020

As at 31 December 2021:

	Ageing			Total
	Less than 1 year	1 to 3 years	Over 3 years	
Expected credit loss rate	0.6%	2.7%	15.9%	2.3%
Gross carrying amount	40,525	9,470	4,725	54,720
Expected credit losses	246	256	751	1,253

10. TRADE PAYABLES

An ageing analysis of the Group's trade payables as at the end of the reporting period, based on the invoice date, is as follows:

	2022 RMB'000	2021 RMB'000
Within 1 year	12,445,774	12,919,312
Over 1 year	660,304	684,260
	<u>13,106,078</u>	<u>13,603,572</u>

There were no trade payables as at 31 December 2022 (31 December 2021: RMB675,492,000) due to suppliers that have signed up to a supply chain financing programme.

Trade payables are unsecured and are normally settled based on the progress of construction.

The fair values of trade payables as at the end of the reporting period approximated to their corresponding carrying amounts due to their relatively short maturity terms.

CHAIRMAN’S STATEMENT

Dear Shareholders,

I am pleased to present to all shareholders of Radiance Holdings (the “**Shareholders**”) the annual results and business review for the year ended 31 December 2022 as well as the prospects for 2023 of Radiance Holdings.

Annual Results

For the year ended 31 December 2022, the revenue of the Group amounted to RMB35,318.0 million, representing a year-on-year decrease of 11.8% as compared to the corresponding period of last year. Gross profit amounted to RMB5,179.5 million, representing a year-on-year decrease of approximately 33.1% as compared to the corresponding period of last year. Profit attributable to the owners of the Company was RMB1,705.0 million, representing a year-on-year decrease of 47.9% as compared to the corresponding period of last year.

Business Review

Eased policies with continuous market adjustment

Looking back at 2022, due to the repeated outbreaks of the pandemic in many places, the demand for housing was weakened, and the real estate market was operating at a low level due to the impact of various factors. The challenges faced by the real estate industry were unprecedented, and the overall situation was relatively sluggish. Since the beginning of 2022, despite the continuously optimised regulatory policies and credit environment, the effect of the policies was not obvious, and the real estate market remained to be subject to deep adjustments.

In 2022, the floor area sold of commercial properties nationwide was 1.36 billion square meters (“**sq.m.**”), representing a decrease of 24.3% over last year, of which the floor area sold of residential properties decreased by 26.8%. The sales of commercial properties amounted to RMB13.3 trillion, representing a decrease of 26.7% over last year, of which the sales of residential properties decreased by 28.3%.

In addition, real estate enterprises suffered from the slowdown of capital recovery and the tightened financing environment, the increasing risks of debt default. In order to solve the financing difficulties faced by real estate enterprises, the central government has adopted a combination of policies, known as the “three-arrow” policy, on the three major financing channels, namely credit support, bond financing and equity financing, to support real estate enterprises to broaden their financing channels and address their financing difficulties. In addition, with the concerted efforts of financial institutions, shareholders and regulatory authorities, a large amount of funds was input to real estate projects and real estate enterprises through different channels. The “three-arrow” policy is gradually improving the external financing environment of real estate enterprises, and also directly supports to ensure the delivery of properties, thereby boosting market confidence.

Steadily moving forward and strict performance of contracts

In response to the severe market changes, the Group has reinforced its development strategy of maintaining a stable financial structure. By actively responding to policy changes, focusing on sales, promoting payment collection and controlling costs, the Group continued to promote the reduction of financial leverage, adjust debt structure and control liquidity risk, thereby maintaining a stable financial position with remarkable results.

For the year ended 31 December 2022, the Group had a debt balance of RMB37,815.8 million, representing a decrease of 28.4% from RMB52,794.2 million as at 31 December 2021. The Group’s weighted average cost of debt further decreased to 6.22%, representing a decrease of 0.36 percentage-point as compared to that of 6.58% for the year ended 31 December 2021.

Moreover, the Group completed the repurchase and payment of principal and interest of several domestic and overseas bonds and notes in 2022, strictly fulfilling its repayment obligations and safeguarded the rights and interests of the investors.

Receiving numerous industry awards for high-quality development

Radiance Holdings ranked 38th in the “Top 500 Real Estate Developers in terms of Comprehensive Strength” jointly released by China Real Estate Association and Shanghai E-House China Research Institute in 2022. In addition, the Company won a number of awards such as being included in the “List of Brand Influential Enterprise”, the “Best Practicing Enterprise in ESG Social Responsibility for the Year”, the “Influential Real Estate Enterprise for the Year”, the “Real Estate Benchmark Enterprise in Term of Quality for the Year”, and was awarded the “Fortune China Top 500 for 2022”.

Adhering to the product concept of “crafting a sense of craftsmanship and building a home with utmost care”, the Group continued to carry out product research and development in 2022, and won a number of design awards at home and abroad, including the “Innovation Design Award in Space Category” and the “U.S. TITAN Real Estate Award (Platinum Award)”.

Consolidating the brand of “Jinhui Yanxuan” with a customer-oriented approach

In 2022, with a customer-oriented approach, the Company continued to consolidate the brand of “Jinhui Yanxuan” and completed 7 iterations of research and development achievements, including “Yanxuan Living Room”, “Yanxuan Landscapes” and “Yanxuan Space”, accomplishing 71 achievements and sorting out 396 product standards in 101 projects nationwide. It won 17 domestic and foreign product design awards, including the “MUSE Design Award in the United States” and the “AHLA Asian Habitat Design Award”. In addition, in 2022, we focused on the “cost reduction without compromising quality” action for our products, whereby we exercised control over costs while ensuring product power and customer value, so as to maximise project profits and Shareholder returns.

Optimising organisation and promoting high-quality corporate development

In order to adapt itself to the development and changes of the industry, meet customers' needs for product and service quality improvement and support the Group's future strategic direction, in terms of organisational management, the Group re-planned the organisational management mechanism by optimising its organisational structure, simplifying its management path and reconstructing its organisational role. In terms of corporate culture management, the Group organised the iterative upgrade of the corporate culture system. Adhering to the corporate mission of “build properties with craftsmanship and make better homes (用心建好房，讓家更美好)”, the corporate vision has been updated to pursue better products and services, become a reliable benchmark enterprise of quality, put forward the core values of customer first, strive to promote high-quality development, win-win cooperation, pragmatism and integrity as well as the corresponding code of conduct for managers, and promote high-quality development.

Adhering to Original Commitments and Promoting the Sustainable Development of Public Welfare

The Group has always adhered to practising corporate social responsibility. In May 2022, the Group issued the 2021 Environmental, Social and Governance (“ESG”) Report. The Group recognises that business activities are closely related to the society. Therefore, the Group actively incorporates ESG factors into all aspects of corporate operation and management, consolidates and drives the sustainable development of the Group, and reduces the impact of business on the environment. While striving to improve business performance and steady development, the Group will continue to optimise the management of projects in terms of working environment quality, environmental protection, humanities and social responsibility, and strive to maintain communication with stakeholders, identify material issues of the Group, and endeavours to align with the priorities of global sustainable development. The Group fulfils our commitment to sustainable development by constructing an ESG working mechanism.

As an enterprise full of sense of social responsibility, the Group always bears in mind its corporate social responsibility and actively participates in public welfare and charity activities such as poverty alleviation, education support, charity donation and disaster relief.

In May 2022, Radiance once again joined hands with the Mawei Social Work Development Centre in Liangshan, Sichuan Province to carry out the second season of the “Wake Up of Sleeping Toys Project (沉睡玩具喚醒計劃)” in more than 10 cities including Wuxi, Quanzhou, Shaoxing, Zhengzhou, Shijiazhuang and Hefei, continuing the previous toy donations to provide practical help and care for children in Daliangshan and help them grow healthily and happily.

In June 2022, the Group donated RMB16 million to Quanzhou Municipal Education Bureau to support and help the development of education in Luojiang District and to fulfil its corporate mission of “build properties with craftsmanship and make better homes (用心建好房，讓家更美好)”.

Looking ahead, the Group will stick to our original commitment, and continue to contribute to the development of education, science, culture, health, sports, overseas Chinese affairs and international exchanges, striving to become an important participant, promoter and contributor to the development of social charity and public welfare.

Prospects for 2023

Looking forward to 2023, under the keynote of “houses are for living in, not for speculation”, the policy will still focus on stabilising housing price. There is still room for optimising policies for both supply side and demand side, especially for the demand-side policy. Real estate enterprises will still face high cash flow pressure, and policy care is still needed to boost market confidence. Regarding the trend of real estate policy in 2023, the demand-side policy will be further strengthened. There is room for policy optimisation in core first-tier and second-tier cities, especially in core second-tier cities, where there is huge room for policy optimisation. We will continue to optimise the policy of “recognizing both properties and loans” and adjust the purchase restriction policy to further support the release of rigid demand and improved housing demand. The reasonable financing demand at enterprise side will continue to be supported, and the financing chain of real estate enterprises is expected to be further smoothed. In addition, the capital level of enterprises is expected to be improved, and the relevant funds of the “three-arrow” policy will be provided in an accelerated manner.

“Ensuring the delivery of properties” will remain the focal point, and the accelerated provision of special borrowings from policy banks and supporting financing from financial institutions is expected to make more substantial progress.

Although the challenging yet impressive year of 2022 has passed, the Group remains confident in the future development of the industry and the Company. In 2023, the Group will continue to strengthen its team building and strive to cultivate a more competitive, more efficient and pragmatic team in the next two to three years. It will develop a deep understanding of changes in the industry, improve its operation awareness, develop its determination and ability to solve problems, dare to take responsibility, stay diligent and dedicated, continue to improve professional capabilities and standards, enhance its management level and develop the awareness of innovation. In the spirit of team work, we will be able to complement each other and improve communications. we will insist on integrity and self-discipline, and will strictly abide by professional ethics and moral bottom line.

In 2023, we will continue to focus on customer sensitive points and improve product quality. We plan to iterate 9 innovative research and development achievements and implement 63 achievements, and will continue to promote the physical sample display of the Yanxuan Workshop on an “as is where is” basis.

In terms of operation, in 2023, we will safeguard the selling prices, strictly control costs, pay attention to operation quality and improve refined management level and operating efficiency, thereby smoothly passing through 2023.

The Group will will continue to keep abreast with the trend of the times and the pace of urban development, to create ideal quality residential properties with high quality development and artisanal design concepts to empower the city and brighten up a better life.

Appreciation

On behalf of the Board, I would like to express the most sincere appreciation to all shareholders, investors, business partners and customers for their supports to, and trust in, the Company, and all members of the management team and all employees for their dedication and hard work in the preceding year. In 2023, we will continue to uphold the corporate mission of “build properties with craftsmanship and make better homes (用心建好房，讓家更美好)” to further achieve quality and sustainable development. We will stick to our original commitment and move forward with perseverance for the purpose of creating higher value for the Shareholders and investors.

Lam Ting Keung

Chairman

MANAGEMENT DISCUSSION AND ANALYSIS

Performance Highlights

	As of 31 December		Change in percentage
	2022	2021	
Highlights of financial information			
Recognised revenue (<i>RMB'000</i>)	35,318,003	40,025,826	-11.8%
Gross profit (<i>RMB'000</i>)	5,179,484	7,747,451	-33.1%
Profit attributable to the owners of the Company	1,705,026	3,274,774	-47.9%
Core net profit (<i>RMB'000</i>) ⁽¹⁾	1,435,272	3,155,426	-54.5%
Gross profit margin (%)	14.7%	19.4%	
Net profit margin (%)	5.9%	9.2%	
Core net profit margin (%) ⁽²⁾	4.1%	7.9%	
Earnings per Share (basic and diluted) (<i>RMB cents</i>)	42	81	
Total assets (<i>RMB'000</i>)	161,675,553	191,647,312	-15.6%
Cash and bank balances (<i>RMB'000</i>)	12,319,530	19,728,486	-37.6%
Total indebtedness (<i>RMB'000</i>) ⁽³⁾	37,815,752	52,794,206	-28.4%
Net indebtedness (<i>RMB'000</i>) ⁽⁴⁾	25,496,222	33,065,720	-23.0%
Equity attributable to owners of the parent company (<i>RMB'000</i>)	24,534,167	23,637,200	+3.8%
Current ratio (<i>times</i>) ⁽⁵⁾	1.3	1.4	
Weighted average cost of indebtedness (%) ⁽⁶⁾	6.22%	6.58%	
Net gearing ratio (%) ⁽⁷⁾	71.7%	88.0%	
Cash to current borrowings ratio ⁽⁸⁾	1.0	1.2	
Liability asset ratio after excluding receipts in advance (%) ⁽⁹⁾	65.2%	68.5%	

Notes:

1. Core net profit is profit for the period excluding changes of fair value of investment properties and financial assets at fair value through profit or loss and gain on disposal of subsidiaries and associates, net of related deferred tax.
2. Core net profit margin is core net profit divided by revenue and multiplied by 100%.
3. Total indebtedness represents total interest-bearing bank and other borrowings, proceeds from asset-backed securities, corporate banks and senior notes.
4. Net indebtedness is calculated by total borrowings (including current and long-term interest-bearing bank and other borrowings, current and long-term proceeds from asset-backed securities, current and long-term senior notes as well as current and long-term corporate bonds) minus cash and bank balances (including restricted cash, pledged deposits as well as cash and cash equivalents).
5. Current ratio is calculated based on total current assets divided by total current liabilities as of the respective dates.
6. Weighted average cost of indebtedness represents the weighted average of interest costs of all outstanding indebtedness.
7. Net gearing ratio is calculated by dividing total borrowings (including current and long-term interest-bearing bank and other borrowings, current and long-term proceeds from asset-backed securities, current and long-term senior notes as well as current and long-term corporate bonds) minus cash and bank balances (including restricted cash, pledged deposits as well as cash and cash equivalents) by total equity.
8. Cash to current borrowings ratio is calculated by dividing cash and bank balances (including restricted cash, pledged deposits as well as cash and cash equivalents) by current borrowings (including current interest-bearing bank and other borrowings, current proceeds from asset-backed securities, current senior notes and current corporate bonds).
9. Liability asset ratio after excluding receipts in advance is calculated by dividing total liabilities minus contract liabilities by total assets minus contract liabilities.

Property development and sales

We focus on suitable locations in selected cities in eight major regions of Yangtze River Delta, the Bohai Economic Rim, Southeastern China, Eastern China, Central China, Southwestern China, Northwestern China and Shenzhen/Huizhou. The table below sets forth our revenue generated from each region, total gross floor area (“GFA”) delivered in each region and the respective recognised average selling price (“ASP”) per square meter (“sq.m.”) for each region for the periods indicated:

	Year ended 31 December							
	2022				2021			
	Revenue		GFA Delivered	Recognised ASP	Revenue		GFA Delivered	Recognised ASP
<i>RMB'000</i>	%	<i>sq.m.</i>	<i>RMB/sq.m.</i>	<i>RMB'000</i>	%	<i>sq.m.</i>	<i>RMB/sq.m.</i>	
Yangtze River Delta	8,408,202	24.1	439,914	19,113	3,606,905	9.1	149,718	24,091
Northwestern China	5,560,144	15.9	361,056	15,400	11,453,881	29.0	846,180	13,536
Southwestern China	4,266,348	12.3	296,578	14,385	4,817,539	12.2	430,953	11,179
Southeastern China	4,163,374	11.9	363,311	11,460	3,971,017	10.0	276,899	14,341
Central China	3,892,016	11.1	383,073	10,160	7,034,127	17.8	587,083	11,981
Eastern China	3,522,967	10.1	354,541	9,937	4,556,151	11.6	497,871	9,151
Bohai Economic Rim	3,022,301	8.7	267,190	11,311	3,284,603	8.3	259,861	12,640
Shenzhen/Huizhou	2,071,352	5.9	120,241	17,227	797,328	2.0	70,171	11,363
Total	<u>34,906,704</u>	<u>100</u>	<u>2,585,904</u>	<u>13,499</u>	<u>39,521,551</u>	<u>100.0</u>	<u>3,118,736</u>	<u>12,672</u>

Investment Properties

As at 31 December 2022, the Group had 26 investment properties with a total GFA of approximately 1,864,880 sq.m., and one investment property held for future development with a total GFA of 69,530 sq.m.

Projects under Construction

As at 31 December 2022, the total planned GFA of the Group’s projects under construction was 16,104,002 sq.m., representing a decrease of approximately 18.3% compared to the total planned GFA of 19,719,260 sq.m. as at 31 December 2021.

Land Bank

As at 31 December 2022, the Group's land bank GFA and total land bank GFA attributable to the Group were approximately 25,952,144 sq.m. and 20,666,751 sq.m., respectively.

The table below sets forth the breakdown of the total land bank of the subsidiaries, joint ventures and associate companies of the Group as at 31 December 2022:

Region	Project	Main Planned Usage of Projects	Actual/ Estimated Completion Year	Site Area (sq.m)	Gross Land Bank Area (sq.m)	Attributable Interests Held by the Group (%)
Properties developed by the Group and its subsidiaries						
Southwestern China						
Chongqing	Tianchen Elite's Mansion	Residential/commercial	2022	52,683	14,904	49.0%
Chongqing	Jiangshan Elite's Mansion/Lanyin World	Residential/commercial	2021	69,489	172,437	57.6%
Chongqing	Zhongyang King's Garden	Residential/commercial	2019-2022	157,925	117,712	96.0%
Chongqing	Yujiang House	Residential/commercial	2020	77,342	20,230	96.0%
Chongqing	Boshe	Residential/commercial	2020	52,086	24,775	96.0%
Chongqing	Changjiang King's Garden	Residential/commercial	2020	59,031	18,862	96.0%
Chongqing	Jinhui City Phase IV	Residential/commercial	2018	135,452	76,960	96.0%
Chongqing	Jinhui City Phase V	Office building/commercial	2023	9,932	71,235	96.0%
Chongqing	Binjiang Complex	Commercial	2022	12,738	18,522	96.0%
Chongqing	Jinhui Plaza	Commercial	2015	28,229	123,801	96.0%
Chongqing	Jinhui Elite's Mansion	Residential	2022	25,896	15,549	96.0%
Chongqing	Caihu Yunjing	Residential	2024	44,496	65,557	96.0%
Chongqing	Tanzikou	Residential	2023	25,006	87,556	96.0%
Chongqing	Hushan Elite's Mansion Phase I	Residential/commercial	2023	105,693	153,617	48.0%
Chongqing	Hushan Elite's Mansion Phase II	Residential/commercial	2024	67,358	150,713	48.0%
Chengdu	Jinhui New Block Garden	Residential/commercial	2021	41,112	8,064	96.0%
Chengdu	Fengqi Yunjing	Residential	2023	46,094	121,416	96.0%
Subtotal of Southwestern China region					1,261,910	
Subtotal of interests in Southwestern China region					992,129	

Region	Project	Main Planned Usage of Projects	Actual/ Estimated Completion Year	Site Area (sq.m)	Gross Land Bank Area (sq.m)	Attributable Interests Held by the Group (%)
Central China						
Wuhan	Jinhui City	Residential/commercial	2026	188,736	601,832	96.0%
Wuhan	Jiangyue Elite's Mansion	Residential/commercial	2024	128,280	339,996	38.4%
Wuhan	Jiangshan Elite's Mansion	Residential/commercial	2023	151,926	835,794	62.4%
Wuhan	New Block Lakeside	Residential/commercial	2020	69,985	26,351	96.0%
Xiangyang	Xiangyang New Block Academy	Residential/commercial	2025	172,060	418,690	72.0%
Changsha	Hongtao Jade Bay Phase I	Residential	2018	22,771	4,433	96.0%
Changsha	Hongtao Jade Bay Phase II	Residential/commercial	2022	37,374	16,413	96.0%
Changsha	Xingyu Academy	Residential/commercial	2023	105,625	295,372	96.0%
Changsha	Xingyue Yundi	Residential/commercial	2023	115,142	247,570	96.0%
Hefei	Land parcel 06, Hefei New Station	Residential/commercial	2023	61,928	174,118	96.0%
Hefei	New Block Academy	Residential/commercial	2021	100,289	8,198	67.2%
Hefei	Cloudworld Garden	Residential	2020	16,262	7,634	96.0%
Hefei	Xin'an Garden	Residential/commercial	2021	34,505	3,723	96.0%
Hefei	Xin'an Yayuan	Residential/commercial	2023	64,532	177,111	96.0%
Hefei	Xizi Garden	Residential	2021	104,760	3,580	22.1%
Hefei	Yunman Xijing	Residential/commercial	2024	60,128	152,107	96.0%
Subtotal of Central China region					<u>3,312,922</u>	
Subtotal of interests in Central China region					<u>2,598,248</u>	
Bohai Economic Rim						
Beijing	Chaoyang Port No.1 Block	Office building	2022	73,891	175,469	96.0%
Beijing	Radiance Plaza	Office building/commercial	2016	11,423	106,212	96.0%
Tianjin	Xueshi Garden	Residential/commercial	2022	80,124	115,135	96.0%
Tianjin	Yunqi Garden	Residential/commercial	2023	40,442	98,572	96.0%
Tianjin	Yunhui Garden	Residential/commercial	2022	36,586	91,460	96.0%
Tianjin	Yunque Garden	Residential/commercial	2022	42,078	11,915	96.0%
Tianjin	Hu'an Garden	Residential/commercial	2021	98,930	5,784	96.0%
Tianjin	Yuncui Gardan	Residential/commercial	2021	25,236	2,825	96.0%
Tianjin	Mingzhu Garden	Residential/commercial	2025	81,437	219,441	96.0%
Langfang	New Block Riverside Garden	Residential/commercial	2024	167,549	455,719	96.0%
Shijiazhuang	New Block Star	Residential/commercial	2022	39,389	103,534	96.0%
Shijiazhuang	Jinhui Elite's Mansion	Residential/commercial	2020	65,052	22,539	52.8%
Shijiazhuang	New Block (Pinyuan)	Residential	2020	48,378	7,583	32.6%
Shijiazhuang	West District of New Block Shangfu	Residential/commercial	2022	52,543	63,367	96.0%
Shijiazhuang	East District of New Block Shangfu	Residential	2023	35,286	88,456	96.0%
Shijiazhuang	Kaiyuan House	Residential/commercial	2022	54,619	14,807	96.0%
Shijiazhuang	New Block Yayuan	Residential/commercial	2022	45,729	159,941	76.8%
Shenyang	Jiangshan Elite's Mansion	Residential/commercial	2020	127,325	25,345	96.0%
Shenyang	Land parcel 88-1, Shenyang Yuhong New Town	Residential/commercial	2024	55,258	150,522	96.0%
Subtotal of Bohai Economic Rim region					<u>1,918,626</u>	
Subtotal of interests in Bohai Economic Rim region					<u>1,796,631</u>	

Region	Project	Main Planned Usage of Projects	Actual/ Estimated Completion Year	Site Area (sq.m)	Gross Land Bank Area (sq.m)	Attributable Interests Held by the Group (%)
Eastern China						
Huai'an	Jinhui City Phase III	Residential/commercial	2022	108,819	1,041	97.4%
Huai'an	Jinhui City Square	Residential/commercial/ office building	2024	93,398	361,372	57.6%
Huai'an	Jinhui City Phase II	Residential/commercial	2020	86,833	3,018	96.0%
Huai'an	Jinhui Swan Bay Phase I	Residential/commercial	2016	66,440	11,052	96.0%
Huai'an	Jinhui Swan Bay Phase II	Residential/commercial	2020	63,426	20,430	96.0%
Huai'an	Jinhui Four Seasons Community Phase II	Residential/commercial	2021	72,902	23,055	96.0%
Huai'an	Jinhui Four Seasons Community Phase I	Residential/commercial	2021	70,750	64,127	96.0%
Huai'an	New Block Garden	Residential/commercial	2023	28,600	112,173	96.0%
Huai'an	New Block Dongjun	Residential/commercial	2024	56,712	116,875	96.0%
Huai'an	New Block Academy	Residential/commercial	2024	29,312	114,911	96.0%
Huai'an	New Block Academy 2	Residential/commercial	2026	52,215	168,323	96.0%
Huai'an	New Block Academy 3	Residential	2026	56,833	183,403	96.0%
Huai'an	New Block Academy 4	Residential	2024	56,913	184,843	96.0%
Huai'an	World City Phase 5	Residential/commercial	2025	20,136	65,538	96.0%
Huai'an	Southern Plot of City Plaza	Residential	2024	47,869	155,161	57.6%
Huai'an	Northern Plot of City Plaza	Residential	2025	46,677	151,284	57.6%
Lianyungang	Jinhui Four Seasons	Residential/commercial	2019	223,045	66,859	96.0%
Lianyungang	Jinhui Four Seasons Guanlan	Residential	2021	49,756	12,428	96.0%
Lianyungang	Yunting Riverside	Residential	2023	97,508	166,438	96.0%
Lianyungang	Parcel LTC2020-19	Residential	2023	34,819	96,905	48.0%
Lianyungang	Yundi	Residential/commercial	2025	165,929	516,476	96.0%
Lianyungang	Peninsula Elite's Mansion	Residential/commercial	2024	61,705	130,501	96.0%
Lianyungang	Elite's Mansion	Residential/commercial	2026	93,032	267,947	96.0%
Lianyungang	Yunxie	Residential	2028	59,397	189,825	96.0%
Lianyungang	Outlets	Commercial	2025	108,623	148,258	96.0%
Yancheng	Jinhui City	Residential/commercial	2023	76,441	113,572	96.0%
Yancheng	Jinhui New Block Garden	Residential/commercial	2021	31,180	15,276	96.0%
Yancheng	Jinhui Tongyin Yunshang	Residential/commercial	2023	46,650	124,993	52.8%
Yancheng	Junhefu	Residential/commercial	2023	72,422	200,643	49.0%
Xuzhou	Xinbu Lanting	Residential/commercial	2023	55,982	174,621	96.0%
Xuzhou	Jiangshan Yunjing Community	Residential/commercial	2024	26,358	87,181	48.0%
Zhenjiang	Jinhui Four Seasons Guanlan	Residential/commercial/hotel	2024	37,422	149,638	96.0%
Zhenjiang	New Block Xinyuan	Residential	2024	76,715	175,517	96.0%
Zhenjiang	Yundu Shangyuan	Residential	2022	50,041	120,807	96.0%
Yangzhou	New Block Avenue	Residential/commercial	2023	128,052	124,545	96.0%
Yangzhou	Eden Garden	Residential/commercial	2021	52,581	5,373	32.0%
Yangzhou	Qihu Cloud Atrium	Residential/commercial	2023	93,813	207,657	96.0%
Yangzhou	Yuedu Cloud Atrium	Residential/commercial	2023	43,528	96,627	47.0%
Subtotal of Eastern China region					4,928,693	
Subtotal of interests in Eastern China region					4,187,630	

Region	Project	Main Planned Usage of Projects	Actual/ Estimated Completion Year	Site Area (sq.m)	Gross Land Bank Area (sq.m)	Attributable Interests Held by the Group (%)
Northwestern China						
Xi'an	Jinghe Town	Residential/commercial	2028	697,823	2,274,510	96.0%
Xi'an	Academy Mansion	Residential/commercial	2021	46,649	11,559	96.0%
Xi'an	New Block Avenue	Residential/commercial	2026	189,256	812,326	96.0%
Xi'an	Jinhui World City Upper East Side Phase I	Residential/commercial	2018	43,653	16,548	96.0%
Xi'an	Jinhui World City Upper East Side Phase II	Residential/commercial	2020	22,884	216	96.0%
Xi'an	Gaoxin Elite's Mansion	Residential/commercial	2021	37,326	1,235	96.0%
Xi'an	Jinhui Chang'an Elite's Mansion	Residential/commercial	2023	53,859	219,831	96.0%
Xi'an	Jinhui New Block Garden	Residential/commercial	2020	39,412	2,378	96.0%
Xi'an	Jinhui East King's Garden	Residential/commercial/hotel	2022	127,015	296,915	96.0%
Xi'an	Jinhui World City Phase A1-2	Residential/commercial	2016	60,300	16,190	96.0%
Xi'an	Jinhui World City Phase A3	Residential/commercial	2019	40,774	32,359	96.0%
Xi'an	Jinhui World City Phase B3	Residential/commercial	2021	26,000	6,143	96.0%
Xi'an	Jinhui World City Phase C1	Residential/commercial	2019	48,700	927	96.0%
Xi'an	Jinhui World City Phase C2	Residential/commercial	2021	38,780	32,991	96.0%
Xi'an	Jinhui World City Block D	Residential/commercial	2022	126,133	152	96.0%
Xi'an	Jinhui World City Block G	Residential/commercial	2020	28,399	35,781	96.0%
Xi'an	Jinhui Global Plaza Phase I	Office building/commercial	2017	14,402	83,481	96.0%
Xi'an	Jinhui Global Plaza Phase II	Office building/commercial	2020	32,247	262,740	96.0%
Xi'an	Jinhui World City Block I/J	Residential/commercial	2028	115,320	581,841	96.0%
Xi'an	Jinhui Building (International Plaza)	Office building/commercial	2015	15,908	48,685	96.0%
Xi'an	Chuangzhi Building	Office building/commercial	2019	6,035	20,497	96.0%
Xi'an	Xi'an Jinhui Plaza	Commercial	2024	35,237	280,827	96.0%
Xi'an	Xi'an Jinhui Fengxi Elite's Mansion	Residential/commercial	2023	38,775	179,442	96.0%
Zhengzhou	Jinhui New Block Garden	Residential	2023	48,549	167,249	96.0%
Zhengzhou	Jinhui New Block Garden	Residential	2024	47,062	154,535	96.0%
Zhengzhou	Jinhui Youbu Lanting	Residential	2025	33,704	109,965	96.0%
Subtotal of Northwestern China region					<u>5,649,323</u>	
Subtotal of interests in Northwestern China region					<u>5,423,350</u>	

Region	Project	Main Planned Usage of Projects	Actual/ Estimated Completion Year	Site Area (sq.m)	Gross Land Bank Area (sq.m)	Attributable Interests Held by the Group (%)
Southeastern China						
Quanzhou	Shishi Jinhui City Phase I	Residential/commercial	2022	38,866	21,000	81.6%
Quanzhou	Shishi Jinhui City Phase II	Residential/commercial	2025	183,643	657,783	81.6%
Quanzhou	Jinhui New Block Academy	Residential/commercial	2023	30,865	96,877	96.0%
Quanzhou	Parcel No. 11 at Luojiang	Residential/commercial	2023	64,921	219,254	25.0%
Quanzhou	Land parcel J-05-01 at Anxi	Residential/commercial	2023	20,267	69,698	86.4%
Quanzhou	Shishi Heming	Residential/commercial	2024	31,959	106,500	49.0%
Quanzhou	Parcel S2021-13 in Shishi	Residential/commercial	2024	21,879	78,230	81.6%
Quanzhou	Parcel S2021-14 in Shishi	Residential/commercial	2023	19,646	71,115	81.6%
Fuzhou	Jinhui New Block Garden	Residential/commercial	2021	19,891	8,269	96.0%
Fuzhou	Jinhui Lanlinxuan	Residential/commercial	2021	63,518	17,681	96.0%
Fuzhou	Huai'an Phase I	Residential/commercial	2014	266,962	3,488	57.6%
Fuzhou	Huai'an Phase II	Residential/commercial	2020	357,309	25,768	57.6%
Fuzhou	Huai'an Phase III	Residential	2021	360,992	82,945	57.6%
Fuzhou	Huai'an Phase V	Residential	2016	56,873	9,268	57.6%
Fuzhou	Radiance Plaza	Commercial	1999	1,141	16,760	96.0%
Fuzhou	Jinhui New Block Mansion	Residential/commercial	2023	22,088	54,459	96.0%
Shangrao	Shangrao Tongluowan	Residential/commercial	2024	232,917	595,732	49.0%
Fuqing	New Block Avenue	Residential/commercial	2022	43,071	3,594	96.0%
Fuqing	Jiangshan Elite's Mansion	Residential/commercial	2021	49,504	9,132	37.4%
Fuqing	Guanlan Elite's Mansion	Residential/commercial	2020	49,440	3,587	96.0%
Fuqing	New Block Academy	Residential/commercial	2020	53,168	4,083	34.6%
Fuqing	New Block Garden	Residential/commercial	2022	45,138	525	49.0%
Fuqing	East Elite's Mansion	Residential	2022	16,330	1,933	49.0%
Fuqing	Zhongyang King's Garden	Residential/commercial	2022	65,225	24,112	67.2%
Fuqing	Land Parcel No.2021 Lot-13	Residential/commercial	2025	91,256	199,094	57.6%
Subtotal of Southeastern China region					2,380,887	
Subtotal of interests in Southeastern China region					1,534,569	
Shenzhen/Huizhou						
Foshan	New Block Avenue	Residential/commercial	2021	43,523	11,908	96.0%
Foshan	Lingnan Elite's Mansion	Residential/commercial	2021	17,165	26,157	96.0%
Foshan	New Block Academy	Residential	2020	23,275	12,009	48.0%
Foshan	Yunjing Garden	Residential/commercial	2025	44,207	158,641	96.0%
Foshan	Yunzhu Garden	Residential/commercial	2025	66,439	224,112	96.0%
Huizhou	Dongdi Huayuan	Residential/commercial	2020	19,231	14,257	96.0%
Huizhou	Jinhui Elegant Pavilion	Residential/commercial	2021-2022	49,915	59,002	96.0%
Huizhou	New Block Mansion	Residential/commercial	2022	12,415	9,372	96.0%
Huizhou	Gaoling Phase II	Residential/commercial	2023	67,841	317,080	57.6%
Huizhou	Land parcel at Kaoling Township, Qiuchang Street, Huiyang District	Residential/commercial	2023	39,344	174,545	96.0%
Huizhou	Land parcel at Jiangjun Road, Qiuchang Street, Huiyang District	Residential/commercial	2023	43,506	148,330	96.0%
Huizhou	North of Baiyun district, 67,000 sq.m	Residential/commercial	2025	72,128	223,999	96.0%
Subtotal of Shenzhen/Huizhou					1,379,412	
Subtotal of interests in Shenzhen/Huizhou					1,196,712	

Region	Project	Main Planned Usage of Projects	Actual/ Estimated Completion Year	Site Area (sq.m)	Gross Land Bank Area (sq.m)	Attributable Interests Held by the Group (%)
Yangtze River Delta						
Hangzhou	Jiushang Elite's Mansion	Residential	2020	64,505	20,918	96.0%
Hangzhou	Ziya Elite's Mansion	Residential	2020	11,349	16,065	96.0%
Shaoxing	New Block Guanlan Garden	Residential/commercial	2022	70,150	33,240	96.0%
Shaoxing	Shaoxing Mirror Lake	Residential/commercial	2022	48,883	23,842	96.0%
Shaoxing	Peninsula Elite's Mansion	Residential	2022	57,812	13,900	96.0%
Shaoxing	Jingyue Elite's Mansion	Residential	2023	63,210	163,004	96.0%
Shaoxing	Huiyi Elite's Yunting	Residential/commercial	2023	29,366	89,150	96.0%
Suzhou	Sea Breeze Garden	Residential/commercial	2020	18,866	14,817	96.0%
Suzhou	New Block Four Seasons Garden Phase I	Residential	2021	25,934	8,824	96.0%
Suzhou	New Block Four Seasons Garden Phase II	Residential	2022	28,102	10,817	96.0%
Suzhou	Qianwan Commercial Center	Commercial	2019	39,428	45,567	96.0%
Suzhou	Runyuan Mansion Yayuan	Residential	2021	43,611	9,645	96.0%
Suzhou	New Block Jiang Lai	Residential/commercial	2023	85,305	214,216	96.0%
Suzhou	Taicang Block No.17	Commercial	2022	35,504	72,999	96.0%
Suzhou	Riverside Yunjing Garden	Residential/commercial	2022	41,941	47,147	67.2%
Suzhou	Runyuan King's Garden	Residential	2019	80,669	18,771	96.0%
Nantong	Jinhui Elite's Mansion	Residential	2023	38,049	96,319	96.0%
Wuxi	Xidong King's Garden	Residential	2023	128,379	329,018	96.0%
Shanghai	Jinhui Tiancui Garden	Residential	2019	32,142	7,942	96.0%
Shanghai	Jingang Commercial Plaza	Commercial	2017	31,438	46,484	96.0%
Shanghai	Shanghai Jiulong Hotel	Commercial/hotel	2023	1,943	31,750	96.0%
Ningbo	Huiyi Yunting	Residential/commercial	2022	26,477	2,857	96.0%
Ningbo	Jiangyue Waterflow	Residential/commercial	2022	122,292	212,950	57.6%
Ningbo	Zilin Yunting	Residential/commercial	2023	48,012	123,720	96.0%
Ningbo	Chengyang Yunfu	Residential/commercial	2023	25,091	65,127	96.0%
Ningbo	Yuyao Meishan Road Project	Residential/commercial	2024	54,476	135,375	96.0%
Subtotal of Yangtze River Delta region					<u>1,854,464</u>	
Subtotal of interests in Yangtze River Delta region					<u>1,684,934</u>	
Subtotal of land bank developed by the Group and its subsidiaries					<u>22,686,237</u>	
Subtotal of interests in the land bank developed by the Group and its subsidiaries					<u>19,414,203</u>	

Region	Project	Main Planned Usage of Projects	Actual/ Estimated Completion Year	Site Area (sq.m)	Gross Land Bank Area (sq.m)	Attributable Interests Held by the Group (%)
Properties developed by the Group's joint ventures and associates						
Southwestern China						
Chongqing	Luming House	Residential/commercial	2021	157,427	50,975	32.6%
Chongqing	Jinke Jinhui Meiyuan	Residential/commercial	2018-2021	177,239	29,925	47.0%
Chongqing	Jinke Jinhui Bocui Mountain	Residential/commercial	2018-2021	188,419	21,248	47.0%
Chongqing	Liyue Jiangshan	Residential/commercial	2019-2021	61,919	39,623	19.2%
Chengdu	Midea Jinhui Town	Residential	2022	41,940	7,308	48.0%
Chengdu	Peninsula Elite's Mansion Community Phase I	Residential/commercial	2019	39,038	16,469	48.0%
Chengdu	Peninsula Elite's Mansion Community Phase II	Residential/commercial	2019	71,472	23,676	48.0%
Subtotal of Southwestern China region					189,224	
Subtotal of interests in Southwestern China region					71,095	
Central China						
Hefei	Duhui City	Residential/commercial	2022	109,852	28,864	24.0%
Changsha	Jinhui Weichu Mansion	Residential/commercial	2021	60,331	13,056	48.0%
Jingzhou	Chuyue Elite's Mansion	Residential/commercial	2022	51,187	31,720	48.0%
Subtotal of Central China region					73,640	
Subtotal of interests in Central China region					28,420	
Bohai Economic Rim						
Tianjin	Yonghe Yayuan	Residential	2022	45,437	90,126	38.4%
Tianjin	Yunzhu Garden	Residential/commercial	2021	62,024	107,526	57.6%
Shijiazhuang	Jinke Tianyu Community	Residential	2026	56,946	161,604	33.6%
Shenyang	Jimei Wanxiang	Residential/commercial	2020	78,517	17,651	31.7%
Beijing	Daxing Huang Village Project	Residential/commercial	2025	108,244	393,784	24.0%
Subtotal of Bohai Economic Rim region					770,691	
Subtotal of interests in Bohai Economic Rim region					250,942	

Region	Project	Main Planned Usage of Projects	Actual/ Estimated Completion Year	Site Area (sq.m)	Gross Land Bank Area (sq.m)	Attributable Interests Held by the Group (%)
Eastern China						
Lianyungang	New Block Academy	Residential	2020	51,452	23,245	49.0%
Lianyungang	Gaoxin Elite's Mansion	Residential	2023	79,720	149,654	48.0%
Lianyungang	New Block Garden Phase I	Residential/commercial	2022	122,205	92,207	8.7%
Lianyungang	New Block Garden Phase II	Residential/commercial	2022	124,566	9,860	8.7%
Lianyungang	New Block Garden Phase III	Residential/commercial	2024	131,888	289,051	8.7%
Nanjing	Time Mansion	Residential/commercial	2022	131,964	12,689	47.0%
Nanjing	Mansion Yayuan	Residential/commercial	2019	28,257	3,006	57.6%
Yangzhou	Tang Yuan	Residential/commercial	2020	72,660	18,236	48.0%
Xuzhou	Jiangshan Yunjing Community	Residential/commercial	2024	25,157	80,801	48.0%
Xuzhou	Jiangshan Yunjing Community	Residential	2024	24,514	83,246	48.0%
Xuzhou	New Block Riverside	Residential/commercial	2021	50,212	14,541	48.0%
Subtotal of Eastern China region					776,536	
Subtotal of interests in Eastern China region					219,521	
Northwestern China						
Xi'an	Jinhui Mansion	Residential/commercial	2017	64,269	23,749	96.0%
Zhengzhou	Binhe Elite's Mansion	Residential/commercial	2023	88,578	203,400	49.0%
Subtotal of Northwestern China region					227,149	
Subtotal of interests in Northwestern China region					122,383	
Southeastern China						
Fuzhou	Lexin Garden	Residential/commercial	2022	125,737	48,333	31.7%
Fuzhou	Yuzhou Jinhui Zhongyang Garden	Residential/commercial/ office building	2020	45,134	14,944	32.6%
Fuzhou	Jinhui Longyue Garden District 1	Residential	2022	86,558	49,278	57.6%
Fuzhou	Jinhui Longyue Garden District 2	Residential/commercial	2019	19,163	3,718	57.6%
Fuzhou	Guanlan Mansion	Residential/commercial	2024	19,515	59,439	47.0%
Fuqing	Bright Binjiang	Residential/commercial	2021	99,992	41,388	47.0%
Fuqing	Bright Tianjing	Residential/commercial	2021	26,133	12	47.0%
Fuqing	Bright Tianyue	Residential/commercial	2021	36,757	6,951	15.0%
Fuqing	City Plaza	Residential/commercial	2021	75,854	19,011	48.0%
Fuqing	Boyue Mansion	Residential/commercial	2020	41,675	3,344	32.0%
Subtotal of Southeastern China region					246,418	
Subtotal of interests in Southeastern China region					109,391	

Region	Project	Main Planned Usage of Projects	Actual/ Estimated Completion Year	Site Area (sq.m)	Gross Land Bank Area (sq.m)	Attributable Interests Held by the Group (%)
Shenzhen/Huizhou						
Foshan	Elite's Mansion Mingyuan	Residential/commercial	2021	39,844	64,090	49.0%
Huizhou	Baoliyue Mansion	Residential/commercial	2020	27,990	844	32.0%
Subtotal of Shenzhen/Huizhou					<u>64,934</u>	
Subtotal of interests in Shenzhen/Huizhou					<u>31,649</u>	
Yangtze River Delta						
Hangzhou	Zizhangtai Apartment	Residential	2020	68,263	119,093	49.0%
Hangzhou	Huiyi Elite's Mansion	Residential	2020	59,668	49,726	47.0%
Shaoxing	Guanlan Yunting	Residential	2024	117,391	300,012	48.0%
Ningbo	Jinhui & Powerlong Plaza	Residential/commercial	2022	86,528	283,991	47.0%
Suzhou	Lanxi Bay Yuyuan	Residential	2019	66,738	10,496	30.7%
Suzhou	Shanghu King's Garden	Residential	2019	46,004	20,348	31.7%
Suzhou	Sea Time Garden	Residential	2020	69,206	40,066	15.4%
Suzhou	Huaman Seasons Garden	Residential	2020	32,044	345	49.0%
Suzhou	Jiangnan Elite's Mansion Garden Phase I	Residential	2020	24,583	15,769	47.0%
Suzhou	Jiangnan Elite's Mansion Garden Phase II	Residential	2021	30,760	24,010	47.0%
Suzhou	Jiangnan Elite's Mansion Garden Phase III	Commercial/office building	2022	7,239	53,459	47.0%
Subtotal of Yangtze River Delta region					<u>917,315</u>	
Subtotal of interests in Yangtze River Delta region					<u>419,147</u>	
Subtotal of land bank developed by the Group's joint ventures and associates					<u>3,265,907</u>	
Subtotal of interests in the land bank developed by the Group's joint ventures and associates					<u>1,252,548</u>	
Total					<u>25,952,144</u>	
Total interests					<u><u>20,666,751</u></u>	

Note:

The GFA of the Group's land bank includes (i) GFA available for sale and total rentable GFA of completed projects; (ii) total GFA for properties under development; and (iii) total GFA for properties held for future development. In respect of the non-wholly owned projects, the GFA will be adjusted according to the equity interests of the Group in relevant projects.

FINANCIAL REVIEW

Revenue

For the year ended 31 December 2022, the revenue of the Group was approximately RMB35,318.0 million, represented a decrease of 11.8% as compared to RMB40,025.8 million of the corresponding period last year. Our revenue mainly derived from the development and sales of the Group's residential properties and commercial properties, we also derived revenue from leasing of commercial properties, and provision of management consulting services for the overall operation of property projects to our joint ventures and associates.

The table below sets forth the certain information related to our revenue:

	Year ended 31 December			
	2022		2021	
	<i>RMB'000</i>	<i>%</i>	<i>RMB'000</i>	<i>%</i>
Property development and sales	34,906,704	98.8	39,521,551	98.7
Residential	33,746,782	95.6	38,314,480	95.7
Commercial	1,159,922	3.2	1,207,071	3.0
Property leasing	390,410	1.1	397,061	1.0
Management consulting services	20,889	0.1	107,214	0.3
Total	<u>35,318,003</u>	<u>100.0</u>	<u>40,025,826</u>	<u>100.0</u>

Revenue from Property Development and Sales

As of 31 December 2022, the revenue from property development and sales was approximately RMB34,906.7 million, represented a decrease of 11.7% as compared to approximately RMB39,521.6 million of the corresponding period last year. The decrease in the Group's revenue from property development and sales was primarily attributable to a decrease in the total GFA delivered by the Group.

Rental Income

Revenue from property leasing consists of recurring rental revenue from leasing our commercial properties, such as office buildings, shopping malls and shopping streets. Our rental income decreased by approximately 1.7% to RMB390.4 million for the year ended 31 December 2022 from RMB397.1 million for the year ended 31 December 2021.

Management Consulting Services

The Group provides management consulting services to its joint ventures and associates, such services mainly include management consultation services provided to these entities in connection with the construction, sales and marketing of properties, and overall project management during the development and sales of properties. Our revenue from management consulting services decreased by approximately 80.5% to RMB20.9 million for the year ended 31 December 2022 from RMB107.2 million for the year ended 31 December 2021, which was mainly due the decrease in scale of projects developed by our joint ventures and associates which we provided management consulting services.

Cost of Sales

Cost of property development and sales mainly consists of construction costs, land acquisition costs and capitalized interest. During the year ended 31 December 2022, our cost of sales amounted to approximately RMB30,138.5 million, represented a decrease of 6.6% as compared to that of RMB32,278.4 million for the year ended 31 December 2021, which was primarily attributable to the contraction of our business scale, leading to a corresponding decrease in total GFA delivered.

Gross Profit and Gross Profit Margin

The Group's gross profit decreased to RMB5,179.5 million for the year ended 31 December 2022 from RMB7,747.5 million for the year ended 31 December 2021.

The Group's gross profit margin decreased to 14.7% for the year ended 31 December 2022 from 19.4% for the year ended 31 December 2021.

Finance Income

The Group's finance income primarily consists of interest income from bank deposits, interest income from funds the Group advanced to our joint ventures and associates and interest received from third parties. For the year ended 31 December 2022, the Group's finance cost was approximately RMB91.3 million, representing a decrease of approximately 50.2% as compared to RMB183.5 million for the year ended 31 December 2021, which was mainly due to the decrease in average bank deposits of the Group during the Year.

Other Income and Gains

The Group's other income and gains decreased to RMB60.0 million for the year ended 31 December 2022 from RMB183.8 million for the year ended 31 December 2021, which was mainly due to the net exchange gain recorded in 2021 while a net exchange loss was recorded for the Year and there was a one-off gain on the disposal of subsidiaries recorded in the same period of 2021.

Selling and Distribution Expenses

The Group's selling and distribution expenses mainly consist of (i) promotion and advertising expenses, which primarily represent costs incurred in connection with advertisement in media and promotional events; (ii) employee benefit expenses, which primarily represent salaries paid to our Group's selling and marketing personnel; (iii) office and property management expenses, which primarily represent the expenses incurred in daily operation and management of the Group's sales offices; (iv) sales expenses, which primarily represent commissions paid to third-party sales agencies; (v) depreciation and amortization, which primarily represent the depreciation and amortization of equipment and devices used by the Group's selling and marketing personnel; (vi) travelling and entertainment expenses; and (vii) after-sales service expenses, which primarily represent expenses incurred during the provision of our Group's after-sales services to our customers.

The Group's selling and distribution expenses decreased by approximately 35.7% to RMB931.7 million for the year ended 31 December 2022 from RMB1,449.3 million for the year ended 31 December 2021, which was primarily attributable to the decrease in promotion and advertising expenses, salaries paid to the selling and marketing personnel and office expenses.

Administrative Expenses

Our administrative expenses mainly consist of (i) employee benefit expenses, which primarily represent salaries paid to our Group's administrative personnel; (ii) tax and surcharges, which primarily represent stamp duties in relation to sales contracts the Group entered into and property tax in relation to properties our Groups leased; (iii) depreciation and amortization, which primarily represent the depreciation and amortization of the Group's offices and office equipment; (iv) office expenses, which primarily represent the expenses incurred by our Group's administrative personnel in the daily operations of our Group's offices; (v) professional consulting expenses, which primarily represent the expenses for the consulting services the Group engaged in order to increase our operational efficiency; (vi) bank service charges, which primarily represent the expenses for miscellaneous bank services; (vii) travelling and entertainment expenses; and (viii) service expenditures.

The Group's administrative expenses decreased by approximately 28.6% to RMB853.7 million for the year ended 31 December 2022 from RMB1,195.4 million for the year ended 31 December 2021, which was primarily attributable to the decrease in salaries paid to the staff salaries and office expenses.

Finance Cost

Our finance costs mainly consist of (i) interest on bank and other borrowings, corporate bonds, asset-backed securities, senior notes and lease liabilities; and (ii) interest expense arising from revenue contracts, which represents interest expenses recognised for the significant financing components included in contract liabilities during the period from the receipt of sales proceeds to the delivery of the underlying properties, less capitalized interest directly relating to properties under development.

The Group's finance cost decreased by approximately 32.5% to RMB236.1 million for the year ended 31 December 2022 from RMB349.9 million for the year ended 31 December 2021, which was primarily attributable to the decrease in interest-bearing debts and the reduction of average finance cost due to the continuous optimization of the Group's debt structure.

The Group's weighted average cost of debt as at 31 December 2022 was approximately 6.22% (31 December 2021: 6.58%).

Other Expenses

The Group's other expenses increased by approximately 326.7% to RMB191.6 million for the year ended 31 December 2022 from RMB44.9 million for the year ended 31 December 2021, which was primarily attributable to the exchange loss recorded due to the depreciation of Renminbi.

Fair Value Gains on Investment Properties

Fair value gains on investment properties represent the changes in the fair value of our investment properties. For the year ended 31 December 2022, the Group recorded fair value gains on investment properties of RMB844.6 million, represented a increase of 28.6% compared to that of RMB657.0 million for the year ended 31 December 2021. Such increase was primarily because Xi'an Jinhui Plaza (西安金輝廣場), Xi'an Jinhui World City Block J (西安金輝世界城J地塊) and Chongqing Lanyin World (重慶藍茵天地) were added to our investment properties portfolio, and accordingly we recorded a relatively high level of appreciation in value in 2022 as compared to the corresponding period of 2021.

Share of Profits and losses of Joint Ventures

For the year ended 31 December 2022, the Group recorded share of losses of joint ventures of RMB732.6 million, while we recorded share of profits of joint ventures of RMB98.4 million for the year ended 31 December 2021. Such change was mainly attributable to the provision for impairment losses of the property projects held by the Group's joint ventures during the year ended 31 December 2022.

Share of Profits of Associates

For the year ended 31 December 2022, the Group's recorded share of profits of associates of RMB491.0 million, while we recorded share of profits of associates of RMB641.1 million for the year ended 31 December 2021, which was primarily attributable to the decrease in GFA delivered property projects held by the Group's associates during the year ended 31 December 2022.

Profit before Tax

The Group's profit before tax decreased by approximately 42.7% to RMB3,706.4 million for the year ended 31 December 2022 from RMB6,465.6 million for the year ended 31 December 2021.

Income Tax Expenses

The Group's income tax expenses for the year included the provision made for PRC enterprise Income tax and land appreciation tax. The Group's income tax expenses decreased by approximately 41.4% to RMB1,623.3 million for the year ended 31 December 2022 from RMB2,771.9 million for the year ended 31 December 2021, which was primarily attributable to the decrease in provision for land appreciation tax.

The effective enterprise income tax rate (i.e. income tax divided by profit before tax) of the Group for the year ended 31 December 2022 was 43.8%, as compared to that of 42.9% for the year ended 31 December 2021.

Profit for the Year

As a result of the change in the Group's financial data mentioned above, the profit after tax of the Group decreased by approximately 43.6% to RMB2,083.2 million for the year ended 31 December 2022 from RMB3,693.7 million for the year ended 31 December 2021.

LIQUIDITY AND FINANCIAL RESOURCES

Net Current Assets

As at 31 December 2022, the Group's net current assets was RMB33,858.4 million (2021: RMB48,027.6 million). In particular, the Group's total current assets decreased by approximately 19.4% to RMB131,789.1 million as at 31 December 2022 from RMB163,474.6 million as at 31 December 2021. The Group's total current liabilities decreased by approximately 15.2% to RMB97,930.8 million as at 31 December 2022 from RMB115,447.1 million as at 31 December 2021. The decrease of the Group's net current assets was mainly attributable to (i) the decrease in properties under development as a result of our completion and delivery of properties; and (ii) the decrease in cash and cash equivalents. Such decrease was partly offset by the decrease in contracted liabilities as a result of decrease in sales of properties.

Cash Position

As at 31 December 2022, the Group's cash and bank balances was RMB12,319.5 million (2021: RMB19,728.5 million). Excluding the restricted cash and pledged deposits, our cash and cash equivalents amounted to RMB4,410.2 million, of which RMB4,374.9 million, RMB1.5 million and RMB33.8 million (2021: RMB11,221.9 million, of which RMB10,873.3 million, RMB97.7 million and RMB250.9 million) were denominated in Renminbi, Hong Kong dollars and US dollars.

Indebtedness

As at 31 December 2022, the Group's outstanding borrowings amounted to RMB37,815.8 million (2021: RMB52,794.2 million), of which RMB19,109.5 million (2021: RMB26,893.8 million) carried interests at fixed rate. Save for the RMB2,516.4 million senior notes which were denominated in US dollars, all other borrowings of the Group were denominated in Renminbi.

The table below sets forth the components of the Group's borrowings as at the dates indicated:

	As of 31 December	
	2022	2021
	<i>RMB'000</i>	<i>RMB'000</i>
Current		
Bank loans – secured	–	126,875
Other loans – secured	1,190,000	747,000
Current portion of long term bank loans – secured	8,520,513	7,730,586
Current portion of other loans – secured	1,226,840	899,572
Corporate bonds	667,743	4,572,592
Senior notes	440,607	2,650,016
Proceeds from asset-backed securities	70,696	65,705
	<hr/>	<hr/>
Total current	12,116,399	16,792,346
	<hr/>	<hr/>
Non-current		
Bank loans – secured	14,718,167	24,789,490
Bank loans – unsecured	50,000	–
Other loans – secured	839,300	1,870,000
Corporate bonds	2,797,578	2,197,450
Senior notes	2,075,827	1,891,050
Proceeds from asset-backed securities	5,218,481	5,253,870
	<hr/>	<hr/>
Total non-current	25,699,353	36,001,860
	<hr/>	<hr/>
Total borrowings	37,815,752	52,794,206
	<hr/> <hr/>	<hr/> <hr/>
Secured	31,713,301	41,483,098
Unsecured	6,102,451	11,311,108
	<hr/>	<hr/>
Total borrowings	37,815,752	52,794,206
	<hr/> <hr/>	<hr/> <hr/>

The following table sets out the maturity of the Group's total borrowings and the extent of the Group's total borrowings subject to fixed or floating interest rates as at the dates indicated:

	As of 31 December	
	2022	2021
	<i>RMB'000</i>	<i>RMB'000</i>
Bank loans repayable:		
Within one year	8,520,513	7,857,461
Between one and two years	12,584,529	12,280,310
Between two and five years	1,629,823	12,007,940
More than five years	553,815	501,240
	<u>23,288,680</u>	<u>32,646,951</u>
Other borrowings repayable:		
Within one year	2,416,840	1,646,572
Between one and two years	839,300	900,000
Between two and five years	–	970,000
	<u>3,256,140</u>	<u>3,516,572</u>
Other senior notes, corporate bonds and proceeds from asset-backed securities repayable		
Within one year	1,179,046	7,288,313
Between one and four years	5,072,690	5,917,165
Over four years	5,019,196	3,425,205
	<u>11,270,932</u>	<u>16,630,683</u>
Total	<u>37,815,752</u>	<u>52,794,206</u>
By fixed or floating interest rates		
Fixed interest rate	19,109,501	26,893,800
Floating interest rate	18,706,251	25,900,406
Total Indebtedness	<u>37,815,752</u>	<u>52,794,206</u>

Pledged Assets

As at 31 December 2022, the Group's borrowings was secured by the Group's assets that amounted to RMB55,954.2 million (2021: RMB70,721.9 million), such assets included (i) property, plant and equipment; (ii) land use rights; (iii) investment properties; (iv) properties under development; (v) completed properties held for sale; and (vi) pledged deposits.

Financial Risk

The Group's businesses exposed us to various financial risks, including interest rate risk, foreign exchange risk, credit risk and liquidity risk. In order to minimize such risk exposures of the Group, we do not use any derivatives and other instruments for hedging. The Group does not hold or issue financial derivatives for trading purpose.

Interest Rate Risk

The Group's exposure to changes in market interest rate relates primarily to the Group's interest-bearing bank and other borrowings. The Group does not use financial derivatives to hedge interest rate risk, and uses variable rate bank borrowings and other borrowings to manage its interest cost.

Foreign Exchange Risk

The Group mainly operates its business in China, and substantial of its revenue and expenses are denominated in Renminbi. As at 31 December 2022, among the Group's cash and bank balances, RMB1.5 million and RMB33.8 million was denominated in Hong Kong dollars and US dollars, respectively, such amounts were subject to the exchange rate fluctuation. The Group does not have any policy to hedge against foreign exchange risk. However, the Group will closely monitor its foreign exchange exposure, and strive to maintain the value of the Group's cash.

Credit Risk

The Group divides financial instruments on basis of shared credit risk characteristics, such as instrument type and credit risk ratings for the purpose of determining significant increases in credit risk and calculation of impairment. To manage risk arising from trade receivables, the Group has policies in place to ensure that credit terms are made only to counterparties with an appropriate credit history and management performs ongoing credit evaluations of the Group's counterparties. The credit quality of these customers is assessed after taking into account their financial position, past experience and other factors. The Group also has other monitoring procedures to ensure that follow-up action is taken to recover overdue receivables. In addition, the Group regularly reviews the recoverable amount of trade receivables to ensure that adequate impairment losses are made for irrecoverable amounts. The Group has no significant concentrations of credit risk, with credit risk spread over a large number of counterparties and customers.

Liquidity Risk

The Group's objective is to maintain a balance between sustainability and flexibility of funding through the use of interest-bearing bank and other borrowings. The Group reviews its liquidity position on an ongoing basis.

Contingent Liabilities

The Group has arrangements with various banks for the provision of mortgage financing and, where required, provides our customers with guarantees as security for mortgage loans. The terms of such guarantees typically last until the issuance of the real estate ownership certificate upon the completion of guarantee registration or satisfaction of mortgage loan by the purchaser. As a guarantor, if the purchaser defaults in payment, the Group is obligated to repay all outstanding amounts owed by the purchaser to the mortgagee bank under the loan and have the right to claim such amount from the defaulting purchaser. As at 31 December 2022, the Group did not incur any material losses in respect of the guarantees provided for mortgage facilities granted to purchasers of the Group's completed properties held for sale. The Directors considered that the likelihood of default in payments by purchasers is minimal and therefore the financial guarantees measured at fair value was immaterial. As such, no provision has been made in connection with the guarantees.

As at 31 December 2022, the Group has provided guarantee to the banks amounting to RMB35,685.8 million (2021: RMB40,093.5 million) in total for the financing granted to the purchasers of the Group's properties. As at 31 December 2022, the Group has provided guarantee to the banks and other institutions amounting to RMB1,044.1 million (2021: RMB1,426.5 million) in total for the financing granted to the Group's related companies. As at 31 December 2022, the Group did not have any outstanding loan capital, bank overdrafts and acceptance liabilities or other similar indebtedness, debentures, mortgages, charges or loans, or acceptance credits or hire purchase commitments, guarantees or other material contingent liabilities or any covenant. The Directors have confirmed that there had not been any material change in the indebtedness, capital commitments and contingent liabilities of the Group up to the latest practicable date for the purpose of the indebtedness statement.

Legal Contingents

The Group may be involved in lawsuits and other proceedings from time to time during the ordinary course of business. The Group believes that the liabilities resulting from these proceedings will not have a material adverse effect on our business, financial condition or operating results.

Commitment

As at 31 December 2022, the Group had capital commitment of RMB24,893.2 million (2021: RMB23,147.5 million) in respect of properties under development, merger and acquisition of equity interest and capital injection for investment in joint ventures and associates.

Off-Balance Sheet Commitment and Arrangements

Save for the contingent liabilities disclosed above, as at 31 December 2022, the Group did not have any outstanding loan capital issued or agreed to be issued, bank overdrafts, loans, loan securities, borrowings or other similar indebtedness, acceptance liabilities (save for normal commercial notes), acceptance credits, debentures, mortgages, charges, finance lease or hire purchase commitments, guarantees or other material contingent liabilities.

Significant Investments Held, Material Acquisitions and Disposals of Subsidiaries, Associates and Joint Ventures

During the year ended 31 December 2022, the Company has no other significant investments held or material acquisitions or disposals of subsidiaries, associates and joint ventures.

Future Plan for Significant Investment

The Group did not have any other immediate plans for material investments and capital assets as at 31 December 2022.

Employees

As at 31 December 2022, the Group has a total of 2,257 employees (2021: 3,383 employees), with most of them were based in China. For the year ended 31 December 2022, staff costs (including Directors) was approximately RMB435.1 million (2021: approximately RMB605.6 million). The Group determined the salary based on the qualifications, position and experience of each employee. The Group has established a regular assessment mechanism to assess the performance of our employees, the assessment results are used as the basis for determining salary increment, bonuses and promotions.

SUBSEQUENT EVENTS

No material events were undertaken by the Group subsequent to 31 December 2022 and up to the date of this announcement.

CORPORATE GOVERNANCE

The Group is committed to achieving high standards of corporate governance to safeguard the interests of the shareholders of the Company (the “**Shareholder(s)**”) and to enhance corporate value and accountability. During the year ended 31 December 2022, the Company applied the principles of good corporate governance and complied with the code provisions as set out in Part 2 of the Corporate Governance Code (“**CG Code**”) as set out in Appendix 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) (the “**Listing Rules**”) except for the following deviation from provision C.2.1 of the CG Code for reasons set out below. The Company regularly reviews its corporate governance practices to ensure compliance with the CG Code.

Chairman and Chief Executive Officer

CG Code provision C.2.1 stipulates that the roles of the chairman and chief executive officer should be separate and should not be performed by the same individual. Mr. Lam Ting Keung is the chairman of the Board and the chief executive officer of the Company. In view of the fact that Mr. Lam Ting Keung has been assuming day-to-day responsibilities in operating and managing the Group since its establishment, the Board believes that it is in the best interest of the Group to have Mr. Lam Ting Keung taking up both roles for effective management and business development. Therefore, the Directors consider that the deviation from CG Code provision C.2.1 is appropriate in such circumstance.

Notwithstanding from the above, the Board views that this management structure is effective for the Group's operations and sufficient checks and balances are in place.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers as contained in Appendix 10 to the Listing Rules (the “**Model Code**”) as the guidelines for the Directors' dealings in the securities of the Company since the Listing. Having made specific enquiries to each of the Directors, they have confirmed their compliance with the required standards set out in the Model Code during the year ended 31 December 2022.

REVIEW OF AUDITED ANNUAL RESULTS

The Board established an audit committee (the “**Audit Committee**”) with written terms of reference in compliance with the CG Code. The terms of reference of the Audit Committee has been uploaded to the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.radiance.com.cn).

The primary duties of the Audit Committee are to review, supervise and approve the financial reporting process and internal control system and to provide advice and comments to the Board. The Audit Committee consists of three members, namely Mr. Chung Chong Sun, Mr. Zhang Huaqiao and Mr. Tse Yat Hong, each of them is an independent non-executive Director. The chairman of the Audit Committee is Mr. Chung Chong Sun, who possesses appropriate professional qualifications.

The Audit Committee has discussed, reviewed and agreed with the management of the Company regarding the accounting principles and practices adopted by the Group, together with the internal control and financial reporting matters as well as the annual results of the Group for the year ended 31 December 2022.

The figures in respect of the Group's consolidated statement of profit or loss and other comprehensive income, consolidated statement of financial position and the related notes thereto for the year ended 31 December 2022 as set out in this announcement have been agreed by the Group's independent auditor, Ernst & Young, Certified Public Accountants of Hong Kong, to the amounts set out in the Group's audited consolidated financial statements for the year ended 31 December 2022. The work performed by Ernst & Young in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by Ernst & Young on this announcement.

PUBLICATION OF ANNUAL RESULTS

This announcement is published on the website of the Stock Exchange at www.hkexnews.hk as well as the website of the Company at www.radiance.com.cn. The Company's annual report for the year ended 31 December 2022 will be despatched to the Shareholders and published on the aforementioned websites in due course.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

The Company and its subsidiaries did not purchase, sell or redeem any of the listed securities of the Company during the year ended 31 December 2022.

FINAL DIVIDEND

The Board did not recommend payment of final dividend for the year ended 31 December 2022 (2021: HK0.16 dollars).

AGM AND CLOSURE OF REGISTER OF MEMBERS

The 2023 AGM will be convened and held on Thursday, 18 May 2023. A notice convening the 2023 AGM (the “**2023 AGM Notice**”) will be published on the Company’s website and the Stock Exchange’s website and dispatched to the Shareholders in accordance with the requirements of the Listing Rules in due course. For the purposes of determining the Shareholders’ eligibility to attend, speak and vote at the 2023 AGM, the register of members of the Company will be closed during the periods described below.

For determining the entitlement to attend and vote at the 2023 AGM

The register of members of the Company will be closed from Monday, 15 May 2023 to Thursday, 18 May 2023, both days inclusive, during which period no transfer of the Shares will be effected. In order to determine the identity of the Shareholders who are entitled to attend and vote at the 2023 AGM, all share transfer documents accompanied by the relevant share certificates must be lodged for registration with the Company’s branch share registrar in Hong Kong, Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong not later than 4:30 p.m. on Friday, 12 May 2023.

(2) PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

In order to reflect and align with the new requirements under the amendments on the Listing Rules with effect from 1 January 2022, the Board proposed to put forward to the Shareholders for approval at the 2023 AGM a special resolution to amend the existing articles of association of the Company (the “**Articles of Association**”) and to adopt the amended and restated Articles of Association in substitution for, and to the exclusion of, the existing Articles of Association.

The proposed amendments to the Articles of Association (the “**Proposed Amendments**”) are mainly related to shareholder protection standards set out in Appendix 3 to the Listing Rules. Full version of the Proposed Amendments will be set out in the appendix to the circular to be despatched to the Shareholders.

The Board is of the view that the Proposed Amendments are in the interests of the Company and the Shareholders as a whole.

The Proposed Amendments are subject to the approval of the Shareholders by way of special resolution at the 2023 AGM and, if approved, will become effective upon such approval. Prior to the passing of the relevant special resolution at the 2023 AGM, the prevailing Articles of Association shall remain valid.

After the Proposed Amendments come into effect, the full text of the revised Articles of Association will be published on the Company’s website and the Stock Exchange’s website.

A circular containing, among other things, full version of the Proposed Amendments together with the 2023 AGM Notice will be despatched to the Shareholders in due course.

By order of the Board
Radiance Holdings (Group) Company Limited
Lam Ting Keung
Chairman

Hong Kong, 30 March 2023

As at the date of this announcement, the Board comprises four executive Directors, namely, Mr. Lam Ting Keung, Mr. Lam Yu, Mr. Huang Junquan and Mr. Xu Xiaodong and three independent non-executive Directors, namely, Mr. Zhang Huaqiao, Mr. Tse Yat Hong and Mr. Chung Chong Sun.