

*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.*



## **Mingfa Group (International) Company Limited**

**明發集團（國際）有限公司**

*(incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 00846)**

### **ANNOUNCEMENT OF ANNUAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2022**

#### **PERFORMANCE HIGHLIGHTS**

The consolidated revenue of the Group was approximately RMB10,568.4 million for 2022 (2021: approximately RMB16,416.4 million), representing a decrease of 35.6% as compared to 2021. The consolidated profit for the year and profit attributable to equity holders of the Company were approximately RMB18.6 million and RMB48.0 million respectively for 2022 (2021: approximately RMB1,996.9 million and RMB1,882.7 million respectively), representing a decrease of 99.1% and 97.5% respectively as compared to 2021. The basic and diluted earnings per share were RMB0.8 cents for 2022 (2021: RMB30.9 cents per share), representing a decrease of 97.4% as compared to 2021.

The Board of directors (the “**Board**”) does not recommend payment of final dividend for the year ended 31 December 2022.

#### **CONSOLIDATED ANNUAL RESULTS**

The board (the “**Board**”) of directors (the “**Directors**”) of Mingfa Group (International) Company Limited (the “**Company**”) is pleased to announce the consolidated annual results of the Company and its subsidiaries (collectively, the “**Group**”) for the year ended 31 December 2022 together with comparative figures for the year ended 31 December 2021. The consolidated annual results have been reviewed by the audit committee of the Company (the “**Audit Committee**”).

## CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the year ended 31 December 2022

		Year ended 31 December	
		2022	2021
	Notes	RMB'000	RMB'000
<b>Revenues</b>	3	<b>10,568,374</b>	16,416,421
Cost of sales		<u>(8,280,109)</u>	<u>(11,466,549)</u>
<b>Gross profit</b>		<b>2,288,265</b>	4,949,872
Fair value gains on investment properties		477,327	292,542
Other income and other gains and losses	8	(241,521)	314,051
Net impairment loss on financial assets		(64,373)	(162,976)
Selling and marketing costs		(655,471)	(889,215)
General and administrative expenses		<u>(757,527)</u>	<u>(751,463)</u>
<b>Operating profit</b>		<b>1,046,700</b>	3,752,811
Finance income	10	25,837	30,773
Finance costs	10	<u>(2,590)</u>	<u>(4,315)</u>
Finance income — net	10	<u>23,247</u>	<u>26,458</u>
Share of results of			
— Associated companies		(49,573)	(31,064)
— Joint ventures		<u>(42,623)</u>	<u>7,921</u>
		<u>(92,196)</u>	<u>(23,143)</u>
<b>Profit before income tax</b>	9	<b>977,751</b>	3,756,126
Income tax expense	11	<u>(959,126)</u>	<u>(1,759,241)</u>
<b>Profit for the year</b>		<b>18,625</b>	1,996,885
<b>Attributable to:</b>			
Equity holders of the Company		47,961	1,882,657
Non-controlling interests		<u>(29,336)</u>	<u>114,228</u>
		<u>18,625</u>	<u>1,996,885</u>
<b>Earnings per share for profit attributable to equity holders of the Company (RMB cents)</b>			
— Basic	13	0.8	30.9
— Diluted		<u>0.8</u>	<u>30.9</u>

## CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2022

	Year ended 31 December	
	2022	2021
	RMB'000	RMB'000
<b>Profit for the year</b>	<b>18,625</b>	1,996,885
<b>Other comprehensive income:</b>		
<i>Item that may be reclassified subsequently to profit or loss</i>		
— Currency translation differences	<u>(2,687)</u>	<u>439</u>
<b>Other comprehensive income for the year, net of tax</b>	<u>(2,687)</u>	<u>439</u>
<b>Total comprehensive income for the year</b>	<u><b>15,938</b></u>	<u>1,997,324</u>
<b>Attributable to:</b>		
Equity holders of the Company	<b>45,274</b>	1,883,096
Non-controlling interests	<u>(29,336)</u>	<u>114,228</u>
	<u><b>15,938</b></u>	<u>1,997,324</u>

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2022

		As at 31 December	
		2022	2021
	Notes	RMB'000	RMB'000
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment		3,168,465	2,995,624
Investment properties		14,231,900	11,883,900
Goodwill		7,169	7,169
Investments in associated companies		1,874,406	1,923,979
Investments in joint ventures		2,012,937	2,055,560
Deferred income tax assets		334,561	414,182
Other financial assets		40,550	40,550
Other receivables	4	14,293	14,293
Prepayments for land use rights		271,945	666,201
		<u>21,956,226</u>	<u>20,001,458</u>
<b>Current assets</b>			
Properties under development		20,216,278	24,302,597
Completed properties held for sale		19,882,658	19,188,709
Inventories		52,017	44,175
Trade and other receivables and prepayments	4	3,766,439	3,871,047
Contract costs	4	317,401	263,180
Prepaid income taxes		678,744	448,066
Amounts due from related parties, joint ventures and associated companies		599,451	991,553
Amounts due from non-controlling interests		748,492	735,624
Restricted cash		93,704	233,394
Cash and cash equivalents		2,875,412	3,665,916
		<u>49,230,596</u>	<u>53,744,261</u>
<b>Total current assets</b>		<b>49,230,596</b>	<b>53,744,261</b>
<b>Total assets</b>		<b><u>71,186,822</u></b>	<b><u>73,745,719</u></b>

		<b>As at 31 December</b>	
		<b>2022</b>	2021
	<i>Notes</i>	<b>RMB'000</b>	<b>RMB'000</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Trade and other payables	7	21,289,456	19,904,543
Contract liabilities		11,726,600	15,175,246
Amounts due to related parties, joint ventures and associated companies		7,966,288	8,032,411
Amounts due to non-controlling interests		450,220	410,460
Income tax payable		3,688,293	3,576,421
Borrowings	6	171,139	684,078
Lease liabilities		4,904	8,079
<b>Total current liabilities</b>		<u>45,296,900</u>	<u>47,791,238</u>
<b>Net current assets</b>		<u>3,933,696</u>	<u>5,953,023</u>
<b>Total assets less current liabilities</b>		<u>25,889,922</u>	<u>25,954,481</u>
<b>Non-current liabilities</b>			
Deferred government grants		1,090,059	1,129,814
Borrowings	6	2,468,932	2,778,364
Deferred income tax liabilities		2,708,749	2,576,149
Lease liabilities		6,380	11,290
		<u>6,274,120</u>	<u>6,495,617</u>
<b>Total liabilities</b>		<u>51,571,020</u>	<u>54,286,855</u>
<b>Net assets</b>		<u>19,615,802</u>	<u>19,458,864</u>
<b>EQUITY</b>			
<b>Capital and reserves attributable to equity holders of the Company</b>			
Share capital	5	536,281	536,281
Reserves		17,446,584	17,402,335
		<u>17,982,865</u>	<u>17,938,616</u>
<b>Non-controlling interests</b>		<u>1,632,937</u>	<u>1,520,248</u>
<b>Total equity</b>		<u>19,615,802</u>	<u>19,458,864</u>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

*For the year ended 31 December 2022*

### 1 GENERAL INFORMATION

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

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

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

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

### 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### (a) Basis of preparation

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

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

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

**(i) Adoption of amended HKFRSs**

Below are the amended standards impacting the Group that have been adopted in the annual financial statements for the year ended 31 December 2022:

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

These amendments to HKFRSs had no material impact on the Group's consolidated financial statements.

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

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

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

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

The following amendments are effective for the period beginning 1 January 2024:

- Liability in a Sale and Leaseback (Amendment — HKFRS 16 Leases);
- Classification of Liabilities as Current or Non-current (Amendment — HKAS 1 Presentation of Financial Statements);
- Non-current Liabilities with Covenants (Amendment — HKAS 1 Presentation of Financial Statements); and
- Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants (Amendment to HKAS 1 and HK Interpretation 5 (Revised) Presentation of Financial Statements — Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause).

The effective date of the following amendments are to be determined:

- Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to HKFRS 10 and HKAS 28).

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

### 3 REVENUES AND SEGMENT INFORMATION

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

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

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

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

Inter-segment revenues are eliminated on consolidation.

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

The Group's customer base is diversified and there was no individual customer with whom transactions exceeded 10% of the Group's revenue for both the years 2022 and 2021.

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

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



(a) Segment information

The segment results and other segment items for the year ended 31 December 2022 are as follows:

	Property development — commercial RMB'000	Property development — residential RMB'000	Hotel RMB'000	Property investment and management RMB'000	All other segments RMB'000	Total RMB'000
Total segment revenues	584,699	8,911,201	296,040	555,267	221,167	10,568,374
Revenues	584,699	8,911,201	296,040	555,267	221,167	10,568,374
Operating profit/(loss)	114,452	732,785	(43,497)	568,111	(325,151)	1,046,700
Finance income — net						23,247
Share of results of associated companies	(3)	(4,743)	—	6,695	(51,522)	(49,573)
Share of results of joint ventures	—	(21,359)	—	(21,264)	—	(42,623)
Profit before income tax						977,751
Income tax expense						(959,126)
Profit for the year						18,625
<b>Other segment information</b>						
Capital and property development expenditure	848,202	3,565,200	3,015	11,265	13,059	4,440,741
Depreciation of property, plant and equipment	13,858	79,472	54,190	1,672	1,854	151,046
Depreciation of right-of-use assets under properties under development	—	11,004	—	—	—	11,004
Fair value gains on investment properties	—	—	—	477,327	—	477,327

The segment assets and liabilities as at 31 December 2022 are as follows:

	Property development — commercial RMB'000	Property development — residential RMB'000	Hotel RMB'000	Property investment and management RMB'000	All other segments RMB'000	Elimination RMB'000	Total RMB'000
Segment assets	12,118,458	79,075,485	2,225,730	14,608,962	18,838,573	(60,621,584)	66,245,624
Associated companies	—	257,567	—	1,291,638	325,201	—	1,874,406
Joint ventures	4,220	61,844	—	1,946,873	—	—	2,012,937
	12,122,678	79,394,896	2,225,730	17,847,473	19,163,774	(60,621,584)	70,132,967
Unallocated:							
Deferred income tax assets							334,561
Prepaid income taxes							678,744
Other financial assets							40,550
Total assets							71,186,822
Segment liabilities	7,917,844	87,848,642	126,619	2,074,577	5,187,809	(60,621,584)	42,533,907
Unallocated:							
Deferred income tax liabilities							2,708,749
Borrowings							2,640,071
Income tax payable							3,688,293
Total liabilities							51,571,020

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

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

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

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

(b) Revenues

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

	2022 <i>RMB'000</i>	2021 <i>RMB'000</i>
Revenue from contracts with customer within the scope of HKFRS 15:		
• Property development — commercial	584,699	432,877
• Property development — residential	8,911,201	14,929,805
• Hotel	296,040	279,843
• Property investment and management — property management fee income	174,464	154,130
• All other segments	221,167	306,032
	<u>10,187,571</u>	<u>16,102,687</u>
Revenue from other sources		
• Property investment and management — rental income	380,803	313,734
	<u>10,568,374</u>	<u>16,416,421</u>

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

	Property development — commercial		Property development — residential		Hotel		Property investment and management		All other segments		Total	
	2022 <i>RMB'000</i>	2021 <i>RMB'000</i>	2022 <i>RMB'000</i>	2021 <i>RMB'000</i>	2022 <i>RMB'000</i>	2021 <i>RMB'000</i>	2022 <i>RMB'000</i>	2021 <i>RMB'000</i>	2022 <i>RMB'000</i>	2021 <i>RMB'000</i>	2022 <i>RMB'000</i>	2021 <i>RMB'000</i>
Primary geographical markets												
PRC	584,699	432,877	8,911,201	14,929,805	296,040	279,843	555,267	467,864	221,167	306,032	10,568,374	16,416,421
Major products/services												
Sales of properties	584,699	432,877	8,911,201	14,929,805	—	—	—	—	—	—	9,495,899	15,362,682
Hotel operating income	—	—	—	—	296,040	279,843	—	—	—	—	296,040	279,843
Rental income												
— from investment properties	—	—	—	—	—	—	337,305	291,957	—	—	337,305	291,957
— others	—	—	—	—	—	—	43,498	21,777	—	—	43,498	21,777
Property management fee income	—	—	—	—	—	—	174,464	154,130	—	—	174,464	154,130
Miscellaneous income	—	—	—	—	—	—	—	—	221,167	306,032	221,168	306,032
	<u>584,699</u>	<u>432,877</u>	<u>8,911,201</u>	<u>14,929,805</u>	<u>296,040</u>	<u>279,843</u>	<u>555,267</u>	<u>467,864</u>	<u>221,167</u>	<u>306,032</u>	<u>10,568,374</u>	<u>16,416,421</u>
Timing of revenue recognition												
At a point in time	584,699	432,877	8,911,201	14,929,805	—	—	—	—	70,138	27,919	9,566,038	15,390,601
Transferred over time	—	—	—	—	296,040	279,843	174,464	154,130	151,029	278,113	621,533	712,086
Straight-line basis over the lease term	—	—	—	—	—	—	380,803	313,734	—	—	380,803	313,734
	<u>584,699</u>	<u>432,877</u>	<u>8,911,201</u>	<u>14,929,805</u>	<u>296,040</u>	<u>279,843</u>	<u>555,267</u>	<u>467,864</u>	<u>221,167</u>	<u>306,032</u>	<u>10,568,374</u>	<u>16,416,421</u>

#### 4 TRADE AND OTHER RECEIVABLES AND PREPAYMENTS/CONTRACT COSTS

	As at 31 December	
	2022	2021
	<i>RMB'000</i>	<i>RMB'000</i>
Trade receivables	576,272	602,931
Less: Provision for impairment of trade receivables ( <i>Note (a)</i> )	<u>(514,202)</u>	<u>(484,069)</u>
Trade receivables — net ( <i>Note (b)</i> )	<u>62,070</u>	<u>118,862</u>
Other receivables ( <i>Note (c)</i> )	1,673,572	1,673,431
Deposits for land purchases	43,656	50,656
Less: Provision for impairment of other receivables and deposits	<u>(432,400)</u>	<u>(390,800)</u>
Other receivables and deposits — net	<u>1,284,828</u>	<u>1,333,287</u>
Prepayments for construction costs	1,524,538	1,192,192
Prepaid business tax and other levies on pre-sale proceeds	900,987	1,229,788
Miscellaneous	<u>8,309</u>	<u>11,211</u>
	3,780,732	3,885,340
Less: Non-current portion of other receivables ( <i>Note (d)</i> )	<u>(14,293)</u>	<u>(14,293)</u>
Current portion	<u><u>3,766,439</u></u>	<u><u>3,871,047</u></u>
Contract costs ( <i>Note (e)</i> )	<u><u>317,401</u></u>	<u><u>263,180</u></u>

As at 31 December 2022 and 2021, the fair values of trade receivables, deposits for land purchases, other receivables and contract costs approximate their carrying amounts.

*Notes:*

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

	2022	2021
	<i>RMB'000</i>	<i>RMB'000</i>
As at 1 January	484,069	339,253
Net impairment loss recognised during the year	<u>30,133</u>	<u>144,816</u>
As at 31 December	<u><u>514,202</u></u>	<u><u>484,069</u></u>

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

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

	As at 31 December	
	2022	2021
	<i>RMB'000</i>	<i>RMB'000</i>
Within 90 days	19,288	40,830
Over 90 days and within 1 year	18,859	62,703
Over 1 year and within 2 years	23,923	15,329
	<u>62,070</u>	<u>118,862</u>

- (c) As at 31 December 2022, except for the amount of RMB371,868,951 (2021: RMB460,003,560) due from a third party which is unsecured with a personal guarantee, interest-bearing at 1.8% (2021: 1.8%) per annum and recoverable within one year, the remaining amounts comprise deposits made to government agencies for property development purposes, advances to business partners for business cooperations, general and administrative expenses paid on behalf of the Group's tenants and customers, and refundable workers wages protection fund requested by the related government authorities in the property development industry, the amounts are unsecured, interest-free and repayable on demand.
- (d) The non-current portion of other receivables comprised the unsettled proceeds from the sale of a building included in property, plant and equipment which are to be collected over a period of seven years. The receivables were initially recognised at fair value based on cash flows discounted using a rate of 5.94%.
- (e) The amount represents commission paid to property agents in PRC in advance after entering into pre-sale agreements and receiving deposits from customers. These payments are expected to be recognised in profit or loss within twelve months from the end of the reporting period at the point in time when the properties are completed and control is transferred to customers.

## 5 SHARE CAPITAL

	Par value <i>HK\$</i>	Number of ordinary shares	Nominal value of ordinary shares <i>HK\$</i>	Equivalent <i>RMB</i>
Authorised:				
At 1 January 2021, 31 December 2021 and at 31 December 2022	0.1	12,000,000,000	1,200,000,000	_____
Issued and fully paid:				
At 1 January 2021, 31 December 2021 and at 31 December 2022		<u>6,093,451,026</u>	<u>609,345,103</u>	<u>536,280,877</u>

## 6 BORROWINGS

	As at 31 December	
	2022	2021
	<i>RMB'000</i>	<i>RMB'000</i>
Borrowings included in non-current liabilities		
Bank borrowings — secured	2,640,071	3,105,603
Less: Amounts due within one year	<u>(171,139)</u>	<u>(327,239)</u>
	<u><b>2,468,932</b></u>	<u><b>2,778,364</b></u>
Borrowings included in current liabilities		
Current portion of long-term secured bank borrowings	171,139	327,239
Senior notes and junior notes	<u>—</u>	<u>356,839</u>
	<u><b>171,139</b></u>	<u><b>684,078</b></u>
Total	<u><b>2,640,071</b></u>	<u><b>3,462,442</b></u>

## 7 TRADE AND OTHER PAYABLES

	As at 31 December	
	2022	2021
	<i>RMB'000</i>	<i>RMB'000</i>
Trade payables ( <i>Note (a)</i> )	14,630,680	13,213,449
Other payables ( <i>Note (b)</i> )	6,451,221	6,351,497
Other taxes payable	<u>207,555</u>	<u>339,597</u>
	<u><b>21,289,456</b></u>	<u><b>19,904,543</b></u>

*Notes:*

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

	As at 31 December	
	2022	2021
	<i>RMB'000</i>	<i>RMB'000</i>
Within 90 days	4,147,911	5,271,837
Over 90 days and within 1 year	6,213,309	2,985,364
Over 1 year	<u>4,269,460</u>	<u>4,956,248</u>
	<u><b>14,630,680</b></u>	<u><b>13,213,449</b></u>

b. Other payables comprise:

	As at 31 December	
	2022	2021
	<i>RMB'000</i>	<i>RMB'000</i>
Deposits and advances from contractors	934,625	794,755
Deposits received from tenants of investment properties	20,983	35,374
Advances from shareholders of associated companies and joint ventures ( <i>Note (i)</i> )	2,713,330	2,655,716
Advances from other parties ( <i>Note (ii)</i> )	353,641	528,254
Consideration payable on acquisition of subsidiaries	162,324	252,324
Consideration received for disposal of a subsidiary	89,327	81,760
Commission payables	164,098	270,753
Accrual and other payables ( <i>Note (iii)</i> )	1,435,717	1,180,202
Provision for loss arising from financial guarantee agreements ( <i>Note (iv)</i> )	204,120	182,728
Miscellaneous	373,056	369,631
	<u>6,451,221</u>	<u>6,351,497</u>

- i. As at 31 December 2022, except for advances from shareholders of associated companies and joint ventures amounted to RMB481,515,000 (2021: RMB481,515,000) in current portion which are unsecured, interest-bearing at 7% (2021: 7%) per annum and repayable on demand, the remaining balances are unsecured, interest-free and repayable on demand.

Included in the remaining balances is an advance from parent of an associated company of RMB2,207,870,000 (2021: RMB2,150,256,000) for the purpose of future capital injection to the associate company when needed.

- ii. As at 31 December 2022, the amount comprises: (a) advances from a third party amounted to RMB7,651,000 (2021: RMB135,274,000) which are unsecured, interest-bearing at rate of 12% (2021: 12%) per annum; and (b) advances from a third party amounted to RMB345,990,000 (2021: RMB392,980,000) which are guaranteed by a controlling shareholder and a wholly owned subsidiary of the Company, interest-bearing at rate of 3% (2021: 3%) per annum and repayable within one year.
- iii. The amount mainly comprises accruals of general and administrative expenses, salaries and operating expenses.
- iv. The amount mainly comprises a provision for loss arose from three financial guarantee contracts in respect of guarantee agreements entered into by a subsidiary of the Company in 2016 amounted to RMB34,990,000, RMB26,546,000 and RMB27,600,000 respectively and the respective interests.

## 8 OTHER INCOME AND OTHER GAINS AND LOSSES

	Year ended 31 December	
	2022	2021
	<i>RMB'000</i>	<i>RMB'000</i>
Government grants ( <i>Note (a)</i> )	1,862	3,360
Net gain on disposal of equity interests of subsidiaries	—	124,006
Net gain from disposal of property, plant and equipment	417	15,142
Net exchange (loss)/gains ( <i>Note (b)</i> )	(372,278)	160,157
Net gain from disposal of investment properties	—	38,193
Net gain on disposal of a joint venture	143,675	—
Provision for financial guarantee	(21,392)	(21,392)
Miscellaneous	6,195	(5,415)
	<u>(241,521)</u>	<u>314,051</u>

### *Notes:*

- a. The government grants represented both the amortisation of deferred government grant and other subsidy income received from various local government authorities by certain subsidiaries. Grants from government were recognised in profit or loss when the Group fulfilled the attached conditions.
- b. Exchange differences mainly arise from the amount due to the controlling shareholder, other payables, senior and junior notes which are denominated in USD and HKD.



## 9 PROFIT BEFORE INCOME TAX

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

	Year ended 31 December	
	2022	2021
	RMB'000	RMB'000
Staff costs — including directors' emoluments ( <i>Note (a)</i> )	303,734	434,858
Auditor's remuneration	3,966	3,570
Charitable donation	219	220
Depreciation of property, plant and equipment	151,046	179,124
Depreciation of right-of-use assets under properties under development	11,004	18,527
Cost of properties sold	7,532,390	10,679,845
Business tax and other levies on sales and construction of properties ( <i>Note (b)</i> )	53,882	61,967
Direct outgoings arising from investment properties that generate rental income	162,870	110,404
Short-term leases expenses	3,440	2,770
Hotel operating expenses	204,019	225,460
	<u>                    </u>	<u>                    </u>
Net impairment loss on financial assets comprises:		
Net provision for impairment of trade receivables	30,133	144,816
Net provision for/(reversal of) impairment of other receivables	41,600	(26,600)
Provision for/(reversal of) impairment of amounts due from related parties, joint ventures and associated companies	4,600	(400)
(Reversal of)/provision for impairment of amounts due from non-controlling interests	(11,960)	45,160
	<u>(11,960)</u>	<u>45,160</u>
	<u>64,373</u>	<u>162,976</u>

*Notes:*

### a. Staff costs (including directors' emoluments)

	Year ended 31 December	
	2022	2021
	RMB'000	RMB'000
Wages and salaries	260,945	391,857
Pension costs — defined contribution plans	27,786	30,128
Other allowances and benefits	15,003	12,873
	<u>                    </u>	<u>                    </u>
	<u>303,734</u>	<u>434,858</u>

### b. Business tax and other levies on sales and construction of properties

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

## 10 FINANCE INCOME AND COSTS

	Year ended 31 December	
	2022	2021
	<i>RMB'000</i>	<i>RMB'000</i>
Finance income		
— interest income on bank deposits and loan to a joint venture	<u>25,837</u>	<u>30,773</u>
Interest expenses on bank borrowings	(105,992)	(105,695)
Interest expenses on other borrowings and advances from other parties	(59,340)	(21,321)
Interest expenses on bonds, senior and junior notes	(35,390)	(106,995)
Interest expenses on lease liabilities	(2,590)	(4,315)
Less: Interest capitalised	<u>200,722</u>	<u>234,011</u>
Finance costs	<u>(2,590)</u>	<u>(4,315)</u>
Net finance income	<u><u>23,247</u></u>	<u><u>26,458</u></u>

## 11 INCOME TAX EXPENSE

	Year ended 31 December	
	2022	2021
	<i>RMB'000</i>	<i>RMB'000</i>
Current income tax		
— PRC enterprise income tax	298,660	871,025
— PRC land appreciation tax	<u>448,245</u>	<u>523,876</u>
	<u>746,905</u>	<u>1,394,901</u>
Deferred income tax		
— PRC enterprise income tax	199,004	254,456
— PRC withholding income tax	<u>13,217</u>	<u>109,884</u>
	<u>212,221</u>	<u>364,340</u>
	<u><u>959,126</u></u>	<u><u>1,759,241</u></u>

The income tax on the Group's profit before income tax differs from the theoretical amount that would arise using the enacted tax rate of the home country of the companies within the Group as follows:

	<b>Year ended 31 December</b>	
	<b>2022</b>	2021
	<b>RMB'000</b>	<b>RMB'000</b>
Profit before income tax	977,751	3,756,126
PRC land appreciation tax	<u>(448,245)</u>	<u>(523,876)</u>
	<b>529,506</b>	3,232,250
Calculated at PRC enterprise income tax rate of 25%	<b>132,377</b>	808,063
Effect of expenses not deductible for income tax purposes (Note (a))	<b>360,543</b>	281,681
Income not subject to tax (Note (b))	<b>(155,251)</b>	(48,742)
Tax losses not recognised as deferred tax assets	<u>159,995</u>	<u>84,479</u>
PRC enterprise income tax	<u>497,664</u>	<u>1,125,481</u>
PRC land appreciation tax	<b>448,245</b>	523,876
PRC withholding income tax	<u>13,217</u>	<u>109,884</u>
Total tax expense	<u><b>959,126</b></u>	<u><b>1,759,241</b></u>

Notes:

- a. Effect of expenses not deductible for income tax purposes mainly resulted from certain intra-group or related party transactions, donation expenses, net exchange loss and interest expense on bonds, senior notes and junior notes, ECLs, capitalised bank borrowing cost, share of losses of associates and joint ventures.
- b. Income not subject to tax mainly comprises share of profits of joint ventures, fair value gain on investment properties, net gain on disposal of a joint venture and unrealised exchange gain.

#### **Hong Kong profits tax**

No provision has been made for Hong Kong profits tax as the Group has no assessable profit subject to Hong Kong profits tax for the year (2021: Nil).

Under two-tiered profits tax regime, the first HK\$2 million of profits of qualifying corporation will be taxed at 8.25%, and profits above HK\$2 million will be taxed at 16.5%.

#### **PRC enterprise income tax**

PRC enterprise income tax is provided for at 25% (2021: 25%) of the profits for the PRC statutory financial reporting purpose, adjusted for those items which are not assessable or deductible for the PRC enterprise income tax purpose.

### PRC land appreciation tax

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

### PRC withholding income tax

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

## 12 DIVIDENDS

No interim dividend was declared and the Board does not recommend payment of final dividend for the year ended 31 December 2022 (2021: Nil).

## 13 EARNINGS PER SHARE

### Basic and diluted

Basic earnings per share for the years ended 31 December 2022 and 2021 is calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the year.

As there were no dilutive options and other dilutive potential ordinary shares in issue during 2022 and 2021, diluted earnings per share is the same as basic earnings per share.

	Year ended 31 December	
	2022	2021
Profit attributable to equity holders of the Company ( <i>RMB'000</i> )	<u>47,961</u>	<u>1,882,657</u>
Weighted average number of ordinary shares in issue ( <i>thousands</i> )	<u>6,093,451</u>	<u>6,093,451</u>
Basic and diluted earnings per share ( <i>RMB cents</i> )	<u>0.8</u>	<u>30.9</u>

## **RESULTS**

The consolidated revenue of the Group was approximately RMB10,568.4 million for 2022 (2021: approximately RMB16,416.4 million), representing a decrease of 35.6% as compared to 2021. The consolidated profit for the year and profit attributable to equity holders of the Company were approximately RMB18.6 million and RMB48.0 million respectively for 2022 (2021: RMB1,996.9 million and RMB1,882.7 million respectively), representing a decrease of 99.1% and 97.5% respectively as compared to 2021. The basic and diluted earnings per share were RMB0.8 cents for 2022 (2021: RMB30.9 cents per share), representing a decrease of 97.4% as compared to 2021.

The Board does not recommend payment of final dividend for the year ended 31 December 2022.

## **INDUSTRY REVIEW**

The property industry in the People's Republic of China (PRC) faced a challenging environment in 2022, impacted by a number of factors including the ongoing COVID-19 pandemic, regulatory changes, and global economic uncertainties.

Some sizable property developers have encountered severe liquidity problems and have defaulted on the payment of interest and principal. Debt restructuring plans had not been agreed with the bond holders and creditors. The uncertainties may have strong negative impact on the real estate market and economy. PRC government is considering allowing some property developers to add more leverage by easing borrowing caps, and pushing back the grace period for meeting debt targets.

The real estate sector is expected to face a challenging environment in the coming years.

## **PROSPECT**

Looking forward to 2023, continuous global inflation and political uncertainties will still have a negative impact on the real estate market and economy. Appetite for purchasing properties will be lower as compared to previous years.

In consideration of the uncertain global monetary environment, the Group will continue to impose various strategies to maintain low gearing ratio. As at year end of 2022, the Group had a net cash position of RMB329.0 million.

The Group will continue to focus on the Yangtze River Delta where 56.5% of total gross floor area is located Anhui and Jiangsu Province as at year end of 2022. In order to increase liquidity, the Group will launch various sales policies to stimulate the sales demand and slow down the land acquisition.

## **BUSINESS REVIEW**

### **Sales and Earnings**

The revenue of the Group was approximately RMB10,568.4 million for 2022 (2021: approximately RMB16,416.4 million), representing a decrease of 35.6% as compared to 2021. The decrease in revenue in 2022 was mainly due to the decrease in the GFA delivered from 2,088,938 sq.m. in 2021 to 1,596,425 sq.m. in 2022.

The gross profit of the Group was approximately RMB2,288.3 million for 2022, representing a decrease of 53.8% as compared to 2021 (2021: approximately RMB4,949.9 million). The decrease in gross profit for 2022 was due to less profit generated from the decrease in revenue from RMB16,416.4 million in 2021 to RMB10,568.4 million for 2022. Furthermore, the gross profit margin decreased from 30.2% for 2021 to 21.7% for 2022. It was mainly due to the delivery of more residential properties with lower gross profit margin in the third tier cities in 2022.

The profit for the year of the Group decreased by 99.1% from approximately RMB1,996.9 million in 2021 to approximately RMB18.6 million in 2022. The decrease was mainly due to the decrease in revenue for 35.6% in 2022 and decrease in gross profit margin from 30.2% in 2021 to 21.7% in 2022.

The profit attributable to the equity holders of the Company was approximately RMB48.0 million for 2022, representing a decrease of approximately 97.5% from 2021 (2021: approximately RMB1,882.7 million). The decrease was mainly due to less profit generated from the decrease in revenue for 35.6% in 2022 and decrease in gross profit margin from 30.2% in 2021 to 21.2% in 2022.

The cost of sales of the Group was approximately RMB8,280.1 million for 2022, representing a decrease of 27.8% as compared to 2021 (2021: approximately RMB11,466.5 million). Cost of sales decreased in line with the decrease in revenue in 2022.

The average cost of properties included in cost of sales of the Group was RMB4,717.2 per sq.m. for 2022, representing a decrease of 8.1% over 2021 (2021: approximately RMB5,132.8 per sq.m.).

The total GFA sold and delivered by the Group in 2022 was approximately 1,596,424.5 sq.m., representing a decrease of 23.6% as compared to 2021 (2021: approximately 2,088,938 sq.m.). Such decrease was due to less properties delivered in Nanjing, Taizhou, Jinzhai and Changsha in 2022.

During the year under review, the average selling price of the Group's delivered properties was RMB5,948.2 per sq.m., representing a decrease of 19.1% as compared to 2021 (2021: RMB7,354.3 per sq.m.).

The GFA of the properties delivered by the Group in 2022 and the ASP per sq.m. were as follows:

	Sales Revenue		GFA Delivered		Average Selling Price	
	(RMB'000)		(sq.m.)		(RMB per sq.m.)	
	2022	2021	2022	2021	2022	2021
Xingyue City	923,062.7	n/a	167,698.7	n/a	5,504.3	n/a
Wujing Mingfa Jiangwan City	835,049.1	425,983.2	129,299.4	68,798.4	6,458.3	6,191.8
Chuzhou Wanqiao Xiyuan	650,682.9	n/a	175,961.9	n/a	3,697.9	n/a
Zhangzhou Longhai Mingfa Mall	497,906.6	318,227.5	67,970.9	40,967.0	7,325.3	7,767.9
Jinzhai Mingfa City Lights	497,172.9	276,813.8	96,443.9	53,069.6	5,155.0	5,216.1
Qingyang Yangguang Qingcheng	496,465.0	146,404.7	90,388.2	27,826.2	5,492.6	5,261.4
Xinyi Mingfa Zhongyang Lake CBD	494,711.5	n/a	75,787.7	n/a	6,527.6	n/a
Quanzhou Mingfa International Huachang City	492,127.3	n/a	75,321.7	n/a	6,533.7	n/a
Zibo Taohua Yuanzhu	417,774.4	407,438.2	68,531.9	55,364.5	6,096.1	7,359.2
Zibo Mingfa World Trade Centre	393,698.9	1,371,362.4	42,044.3	146,077.4	9,363.9	9,387.9
Mingfa North Station Mei Yuan	297,439.7	n/a	54,950.7	n/a	5,412.8	n/a
Sihong Shuiyun Taoyuan Garden	278,548.3	184,229.4	50,001.2	32,613.4	5,570.8	5,648.9
Moli Anju	264,196.9	51,037.5	80,462.1	12,362.4	3,283.5	4,128.4
Mingbo Yue City	218,781.4	n/a	42,145.9	n/a	5,191.1	n/a
Jinzhai Mingfa Yueshanyuefu	209,030.0	n/a	51,635.1	n/a	4,048.2	n/a
Nanjing Mingfa International Business Centre	184,387.3	1,173,414.3	10,055.9	78,044.3	18,336.2	15,035.2
Changsha Mingfa Shopping Mall	174,966.4	793,926.8	18,422.5	139,807.0	9,497.5	5,678.7
Dingyuan Mingfa Shuiyun Taoyuan	168,030.5	223,065.7	33,415.9	44,553.9	5,028.5	5,006.6
Huai'an Mingfa Shopping Mall	143,338.2	204,126.0	19,460.6	42,345.8	7,365.5	4,820.5
Taoyuan Fudi	142,046.7	n/a	28,246.7	n/a	5,028.8	n/a
Huizhou Mingfa Gaobang New Town	130,819.6	125,863.3	15,102.9	14,881.7	8,661.9	8,457.6
Nanjing Mingfa Wealth Centre	127,794.5	152,431.7	12,943.1	13,235.9	9,873.6	11,516.5
Taizhou Mingfa City Complex	126,649.3	869,261.0	17,422.5	149,111.1	7,269.3	5,829.6
Xiamen Zhongao Town Building	113,984.1	270,324.9	7,873.3	17,486.6	14,477.3	15,459.0
Shenzhen Mingfa Guangming Xuan	95,489.0	48,994.9	3,528.0	1,528.7	27,066.0	32,049.8
Guang'an Mingfa Mall	82,142.3	304,739.5	24,030.1	64,565.6	3,418.3	4,719.8
Jinse Shuian	72,855.4	443,418.6	19,313.9	81,557.1	3,772.2	5,436.9
Shenyang Creative Industrial Estate	70,205.2	n/a	10,134.7	n/a	6,927.2	n/a
Tianjin Binhai Mingfa Shopping Mall	65,024.8	n/a	7,437.4	n/a	8,743.0	n/a
Mingfa North Station Centre	63,340.5	896,219.6	8,737.3	107,712.6	7,249.4	8,320.5
Nanjing Mingfa Yueshanyuefu	61,055.4	1,601,297.0	3,360.9	61,830.8	18,166.3	25,898.0
Nanjing Mingfa New City Finance Building	53,288.0	78,445.3	3,030.7	5,656.6	17,582.8	13,868.0
Yangzhou Mingfa Jiangwan City	50,796.3	n/a	7,470.5	n/a	6,799.6	n/a
Nanjing Mingfa Xiang Hill Garden	49,494.8	192,813.5	3,841.6	9,818.4	12,884.0	19,638.0
Nanjing Rong Li	39,227.8	12,729.1	2,943.2	835.3	13,328.4	15,238.7
Wuxi Mingfa Shopping Mall	38,816.2	293,180.1	3,099.2	37,148.5	12,524.6	7,892.1
Wuxi Mingfa International New Town	38,095.2	61,310.2	2,120.4	4,688.0	17,966.3	13,078.2
Mingfa North Station Villas	35,991.4	125,408.7	6,649.3	23,208.4	5,412.8	5,403.6
Taoyuan Mingzhu	35,874.6	703,355.4	5,808.9	86,495.8	6,175.8	8,131.7
Nanjing Mingfa Riverside New Town	35,047.4	n/a	5,059.6	n/a	6,926.9	n/a
Jinzhai Mingfa Shopping Mall	29,953.9	847,965.9	3,161.1	223,834.9	9,475.8	3,788.4
Ma'anshan Hecheng Shoufu	27,789.7	162,062.6	8,218.8	29,268.9	3,381.3	5,537.0
Nanjing Mingfa Yuejingyuan	23,676.6	n/a	2,632.2	n/a	8,994.9	n/a
Xiamen Mingfa Mingfeng Town	23,198.5	302,417.7	1,039.3	16,899.2	22,321.5	17,895.4
Sihong	20,978.7	306,069.4	2,184.2	50,055.2	9,604.9	6,114.6
Zhangpu Mingfa Xiangshan Wan	5,160.1	130,590.1	982.0	26,012.2	5,254.7	5,020.3
Mingfa Huguangshanse	4,562.7	75,753.5	858.2	10,724.5	5,316.6	7,063.6
Guang'an Wealth Centre	1,297.4	462,353.3	1,639.9	107,358.9	791.1	4,306.6

	Sales Revenue (RMB'000)		GFA Delivered (sq.m.)		Average Selling Price (RMB per sq.m.)	
	2022	2021	2022	2021	2022	2021
Mingfa Mingbo Town	n/a	54,819.5	n/a	6,372.4	n/a	8,602.7
Mingfa North Station New Town	n/a	42,257.1	n/a	5,931.4	n/a	7,124.3
Nanjing Mingfa Pearl Spring Resort	n/a	27,330.2	n/a	1,182.3	n/a	23,116.9
Taoyuan Nanyuan Villa	n/a	491,414.6	n/a	86,287.5	n/a	5,695.1
Wuhu Chungu Xi'an	n/a	168,364.6	n/a	27,461.7	n/a	6,130.9
Zhenjiang Mingfa Jinxiu Yinshan	n/a	215,544.1	n/a	42,687.2	n/a	5,049.4
Others	<b>193,873.3</b>	319,917.2	<b>27,556.4</b>	33,270.6	<b>n/a</b>	9,615.6
<b>Total</b>	<b>9,495,899.4</b>	15,362,682.1	<b>1,596,424.8</b>	2,088,937.9	<b>5,948.2</b>	7,354.3

## CONTRACTED SALES

During the year under review, the Group recorded contracted sales of approximately RMB7,692.4 million with GFA of 1,087,670.8 sq.m. (2021: approximately RMB10,453.0 million with GFA of 1,364,786 sq.m.).



## PRE-SOLD PROPERTIES

As at 31 December 2022, the aggregated attributable GFA of pre-sold properties not yet delivered to the buyers was 1,352,877 sq.m. (2021: 1,907,233 sq.m.). Set out below are the details of the properties, the Group's interest and the attributable pre-sold GFA of the Group:

City	Property	Group's Interest	Attributable GFA (sq.m.)
Changsha	Changsha Mingfa Shopping Mall	100%	77,159
Dingyuan	Dingyuan Mingfa Shuiyun Taoyuan	100%	49,806
Fengxian	Xingyue City	70%	60,914
Guang'an	Guang'an Wealth Centre	100%	31,020
Huai'an	Huai'an Mingfa Shopping Mall	100%	22,806
Jinzhai	Jinzhai Mingfa City Square	100%	45,063
Laian	Mingfa North Station Yayuan	100%	15,060
Ma'anshan	Mingbo Yue City	100%	32,739
Nanjing	Nanjing Mingfa Shopping Mall	100%	28,841
Nanjing	Nanjing Mingfa Wealth Centre	100%	10,156
Qingyang	Qingyang Yangguang Qingcheng	100%	142,234
Shenyang	Shenyang Mingfa Jinxiuhwa City	100%	39,312
Shenyang	Shenyang Mingfa Mall	100%	102,059
Suqian	Siyang Mingfa Shoufu	70%	140,832
Wujiang	Wujiang Mingfa Jiangwan New City	100%	118,047
Xuzhou	Xuzhou Taoyuan Mingzhu	100%	124,019
Yan'an	Yan'an Zhi Sing	90%	95,813
Huizhou	Huizhou Mingfa Gaobang New City	80%	30,880
Liu'an	Liu'an Yeji Minghui City	100%	69,316
Fengyang	Fengyang Shuiyun Taoyuan	100%	29,466
Laian	Mingfa North Station Meiyuan	100%	22,391
Shenyang	Shenyang Mingfa Shanghe Shidai	100%	21,460
Others			43,484
<b>Total</b>			<b>1,352,877</b>

## SUMMARY OF LAND BANK

As at 31 December 2022, land reserves attributable to the Group decreased by 6.6% to approximately 18.5 million sq.m. (2021: approximately 19.8 million sq.m.), consisting of 129 projects (2021: 136 projects) in total.

	Number of Projects	Attributable GFA (million sq.m.)
Completed projects	43	3.2
Projects under development	67	12.6
Projects for future development	19	2.7
<b>Total</b>	<b>129</b>	<b>18.5</b>

The following tables summarize the details of the Group's land reserves as at 31 December 2022:

Property	Location	Actual/ Estimated Completion Date	Type of Property	Status	Site Area (sq.m.)	Approximate Leasable and Saleable GFA (sq.m.)	Group's Interest	Attributable GFA (sq.m.)
<b>Completed Properties (held for sale/leasing) (Note 1)</b>								
Xiamen Mingfa Seascaple Garden	Located at Qianpu South 2 Road, Siming District, Xiamen, Fujian Province	Dec/2004	Residential/Commercial/Office	Completed	18,247	120	100%	120
Xiamen Mingfa Noble Place	Located at Jiangtou Residential, Huli District, Xiamen, Fujian Province	Dec/2004	Residential/Commercial/Office	Completed	5,529	1,287	100%	1,287
Xiamen Mingfa Garden	Located at Huanhuli South, Lvling Road, Siming District, Xiamen, Fujian Province	Apr/2005	Residential/Commercial	Completed	18,697	13,527	100%	13,527
Xiamen Jianqun Elegant Garden	Located at north of Qianpu Lianqian East Road, Huli District, Xiamen, Fujian Province	Apr/2005	Residential/Office	Completed	10,257	1,418	100%	1,418
Xiamen Mingfa International New Town	Located at Qianpu Lianqian Road South, Siming District, Xiamen, Fujian Province	Feb/2002	Residential/Commercial/Office	Completed	26,016	5,435	100%	5,435
Xiamen Mingfa Shopping Mall	Located to the northwest of Jiahe Road and Lianqian Road, Siming District, Xiamen, Fujian Province	Oct/2007	Commercial/Office/Hotel	Completed	166,775	1,619	70%	1,133
Xiamen Mingfa Town	Located at Lvling Road, Siming Industrial Park, Siming District, Xiamen, Fujian Province	Jan/2008	Residential/Commercial	Completed	12,879	14,930	100%	14,930
Nanjing Mingfa Pearl Spring Resort	Located in Pearl Spring Resort, Pukou District, Nanjing, Jiangsu Province	Dec/2008	Residential/Hotel	Completed	112,973	5,943	100%	5,943
Nanjing Mingfa Riverside New Town	Located in Taishan Village, Pukou District, Nanjing, Jiangsu Province	Nov/2009	Residential/Commercial	Completed	1,072,182	22,729	100%	22,729
Nanjing Mingfa Shopping Mall	Located at the intersection of Dingqiang Road and Yulan Road in Yuhuatai District, Nanjing, Jiangsu Province	Dec/2010	Commercial/Office/Hotel	Completed	182,588	112,186	100%	112,186
Wuxi Mingfa Shopping Mall	Located in Sitou Village and Tangtuo Village, Yanqiao Town, Huishan District, Wuxi, Jiangsu Province	Dec/2011	Residential/Commercial/Hotel	Completed	216,643	379,816	100%	379,816
Hefei Mingfa Shopping Mall	Located along the northeast side of the junction of Silihe Road and Dangshan Road, Luyang District, Hefei, Anhui Province	Dec/2011	Residential/Commercial/Office/Hotel	Completed	176,698	179,211	100%	179,211
Yangzhou Mingfa Shopping Mall	Located at the south of Yunhe Road East and west of Baolin Road, Guangling District, Yangzhou, Jiangsu Province	Dec/2011	Residential/Commercial/Hotel	Completed	145,267	225,313	100%	225,313

Property	Location	Actual/ Estimated Completion	Type of Property	Status	Site Area (sq.m.)	Approximate	Group's Interest	Attributable
		Date				Leasable and Saleable GFA (sq.m.)		GFA (sq.m.)
Nanjing Mingfa City Square	Located on Dingshan Road, Pukou District, Nanjing, Jiangsu Province	Dec/2012	Residential/Commercial/Office	Completed	128,683	69,800	100%	69,800
Honglai Mingfa Commercial Center	Located at Longlai District, Nanan, Fujian Province	Jun/2012	Residential/Commercial	Completed	27,065	10,852	100%	10,852
Xiamen Mingfa Xiang Wan Peninsula	Located at east part of Xiang'an Road, Xiang'an, Fujian Province	Dec/2012	Residential/Commercial	Completed	104,380	12,496	100%	12,496
Zhangzhou Mingfa Shopping Mall	Located at Longjiang Road East, north of Shuixian Street, west of No. 6 Road, Xinp Road South, Zhangzhou, Fujian Province	Dec/2013	Residential/Commercial/Office/Hotel	Completed	223,589	236,915	100%	236,915
Xiamen Mingfa Harbor Resort	Located at south of Wu Yuan Wan Bridge, west of Huan Wan Road, and along the seaview strip of Huli District, Xiamen, Fujian Province	Dec/2013	Hotel	Completed	58,952	135,301	100%	135,301
Huai'an Mingfa Shopping Mall (Block C)	Located in Weihai East Road, Huai'an, Jiangsu Province	Dec/2014	Residential	Completed	51,345	4,562	100%	4,562
Nanjing Mingfa Pearl River International (G11)	Located at Jiangpu Street, east to Xianzhang Road, south to Jiangpu Secondary School, north to South River, west to Guihua Road, Pukou District, Jiangsu Province	Sep/2017	Residential	Completed	8,586	7,151	100%	7,151
Nanjing Mingfa New City Finance Building	Located in New Town Business Avenue North, Pukou District, Nanjing, Jiangsu Province	Dec/2017	Residential/Commercial	Completed	59,042	10,505	100%	10,505
Nanjing Mingfa Cloud Mansion	Located in along the mountain road south, Jiangpu Street, Nanjing, Jiangsu Province	Sep/2017	Residential	Completed	32,787	3,103	40%	1,241
Jinzhai Mingfa City Square (Block G)	Located at New Town District, Meishan Town, Jinzhai County, Hefei, Anhui Province	Sep/2017	Residential/Commercial	Completed	105,504	100,613	100%	100,613
Jinzhai Mingfa City Square (Block D)	Located at New City, Meishan Town, Jinzhai County, Anhui Province	Dec/2017	Residential/Commercial	Completed	62,885	30,103	100%	30,103
Wuxi Mingfa International New Town	Located south of Yanqiao Town, Huishan District, Wuxi, Jiangsu Province	Jun/2017	Residential/Commercial	Completed	258,297	68,049	100%	68,049
Jinzhai Mingfa City Square (Blocks E, F)	Located at New City, Meishan Town, Jinzhai County, Anhui Province	Jun/2018	Residential/Commercial	Completed	203,406	222,322	100%	222,322
Beijing Mingfa Mall	Located in Beizang Village, Daxing District, Beijing	Dec/2018	Residential/Commercial	Completed	45,414	107,924	100%	107,924
Xiamen Mingfeng Town	Located at Lingdou Siming District, Xiamen, Fujian Province	Jul/2018	Commercial	Completed	19,190	75,143	100%	75,143
Zhenjiang Mingfa Xinjin Yuancheng	Located at east of the new road, Danbei Town, Danyang City, Jiangsu Province	Jan/2018	Residential/Commercial	Completed	14,287	9,748	100%	9,748
Shenzhen Mingfa Guangming Xuan	Located at Tianliao Yulv Area, Guangming New District, Shenzhen, Guangdong Province	Dec/2018	Commercial	Completed	4,109	2,851	100%	2,851
Nanjing Mingfa Yuejingyuan G07	Located at Pukou south along the mountain road, east side of Nanjing University of Technology, Nanjing, Jiangsu Province	Oct/2018	Commercial	Completed	31,455	31,493	100%	31,493
Nanjing Mingfa Xiang Hill Garden	Located in along the mountain road to the south, Caiba Road East, Pukou District, Nanjing, Jiangsu Province	Dec/2019	Residential	Completed	115,876	67,710	100%	67,710
Jinzhai Mingfa City Square (Block AC)	Located at Jinzhai County Meishan Town New Town, Hefei, Anhui Province	Dec/2019	Residential/Commercial	Completed	111,142	121,999	100%	121,999
Mingfa North Station New Town	Located in west side of Changjiang Road, Chahe Town, Lai'an County, Anhui Province	Jan/2020	Residential/Commercial	Completed	65,335	356	100%	356
Nanjing Rong Li	Located at Jiangpu Street, Puzhu Road North, Directional River Road East, Pukou District, Nanjing, Jiangsu Province	Dec/2019	Residential	Completed	132,937	55,174	51%	28,139
Taoyuan Guandi	Located in south side of Taochang Road, Hanshan County, Anhui Province	Dec/2020	Residential	Completed	43,868	2,792	100%	2,792
Zhangzhou Longhai Mingfa Mall (2011G17, 2011G18 Phase 1)	Located in Bangshan Town, Kekeng Village, Longhai, Zhangzhou, Fujian Province	Jul/2019	Residential/Commercial	Completed	78,622	228,627	100%	228,627
Wujiang Mingfa Jiangwan New City (Phase 1)	Located at Wujiang Town Four Lian, Hexian, Anhui Province	Jan/2019	Residential/Commercial	Completed	298,289	504,082	100%	504,082
Zhongao Town Bulding	Located at south of Xiang'an District, Xiamen, Fujian Province	Apr/2021	Commercial	Completed	11,870	48,378	51%	24,673

Property	Location	Actual/ Estimated Completion	Type of Property	Status	Approximate		Group's Interest	Attributable GFA (sq.m.)
		Date			Site Area (sq.m.)	Saleable GFA (sq.m.)		
Mingfa North Station Villas	Located at Chahe Town, Lai'an, Anhui Province	Aug/2020	Residential	Completed	66,350	44,511	100%	44,511
Nanjing Mingfa Yueshan Yuefu	Located at Pukou Jiangpu Street angle at University Avenue and Flower Industry, Nanjing, Jiangsu Province	Apr/2022	Residential	Completed	72,280	4,137	100%	4,137
Taoyuan Mansion	Located at Xianghe Town, Quanjiao, Anhui Province	Dec/2022	Residential	Completed	18,099	28,136	100%	28,136
Taoyuan Xi'an	Located in Gushi Town, Dangtu County, Anhui Province	Dec/2022	Residential/Commercial	Completed	24,439	7,280	100%	7,280
Sub-total					<u>4,642,834</u>	<u>3,215,647</u>		<u>3,162,559</u>
<b>Properties under development (Note 2)</b>								
Zhenjiang Jinxiu Yinshan	Located in the centre of Zhenjiang City, Jiangsu Province	Dec/2023	Residential/Commercial/Hotel	Approximately 90% of construction has been completed	296,702	91,113	100%	91,113
Huai'an Mingfa Shopping Mall (Block A)	Located in Shenzhen South Road, Huai'an, Jiangsu Province	Dec/2023	Commercial	Approximately 90% of construction has been completed	133,110	199,605	100%	199,605
Shenyang Mingfa Jinxiu Hua City	Located in Shenbei Xinxu Daoyi Development Zone, Liaoning Province	Dec/2023	Residential/Commercial	Approximately 90% of construction has been completed	61,222	167,160	100%	167,160
Yangzhou Mingfa Jiangwan City	Located at east of Xuzhuang Road, north of Kaifa East Road, west of Liaojiagou Road, south of Ming Cheng Road, Yangzhou, Jiangsu Province	Dec/2023	Residential	Approximately 90% of construction has been completed	158,238	5,788	100%	5,788
Taizhou Mingfa International Mall (Phase 1)	Located in Gaogang District, Taizhou, Jiangsu Province	Dec/2023	Residential/Commercial	Approximately 85% of construction has been completed	292,487	155,148	100%	155,148
Taizhou Mingfa International Mall (Phase 2)	Located in Gaogang District, Taizhou, Jiangsu Province	Dec/2023	Residential/Industrial	Approximately 75% of construction has been completed	237,075	105,436	100%	105,436
Shanghai Mingfa Shopping Mall	Located in east of Hu Yi Highway, Baiyin Road of south, boundary of west, Gaotai Road North, Shanghai	Dec/2023	Commercial	Approximately 55% of construction has been completed	53,779	152,555	100%	152,555
Pingliang Mingfa European City	Located in west of Water Bridge, north of Linjing Road, Kongdong District, Pingliang, Gansu Province	Dec/2023	Residential	Approximately 85% of construction has been completed	117,594	100,610	60%	60,366
Changsha Mingfa Shopping Mall	Located in Star Cheng Town, Wangcheng County, Changsha, Hunan Province	Dec/2024	Residential/Commercial	Approximately 75% of construction has been completed	285,594	783,170	100%	783,170
Huizhou Mingfa Gaobang New City	Huizhou City West Train Station, Guangdong Province	Dec/2024	Residential	Approximately 75% of construction has been completed	332,335	642,214	80%	513,771
Tianjin Binhai Mingfa Shopping Mall	Located in Tanggu Marine Hi-Tech Development Zone, Tianjin	Dec/2023	Commercial	Approximately 70% of construction has been completed	209,048	351,983	100%	351,983
Nanjing Mingfa Wealth Center	Located in New City Headquarters Avenue on the north side of 05 plots, Pukou District, Nanjing, Jiangsu Province	Dec/2023	Commercial/Office	Approximately 90% of construction has been completed	56,694	56,258	100%	56,258
Wujiang Mingfa Jiangwan New City (Phase 2)	Located at Wujiang Town Four Lian, Hexian, Anhui Province	Dec/2023	Residential/Commercial	Approximately 80% of construction has been completed	506,829	1,061,860	100%	1,061,860
Quanzhou Mingfa International Huachang City	Located at Neicuo Village, Guanqiao Town, Nanan, Fujian Province	Dec/2023	Residential/Commercial	Approximately 80% of construction has been completed	276,120	668,533	100%	668,533
Guang'an Mingfa Mall (Blocks GC2013-45)	Located in Bridge Group, Guan'an, Sichuan Province	Dec/2023	Residential/Commercial	Approximately 75% of construction has been completed	76,153	187,716	100%	187,716

Property	Location	Actual/ Estimated Completion Date	Type of Property	Status	Site Area (sq.m.)	Approximate Leasable and Saleable GFA (sq.m.)	Group's Interest	Attributable GFA (sq.m.)
Shandong Zibo World Trade Center	Located in People's road to the north, Shanghai Road to the east, Zhangdian District, Zibo, Shandong Province	Dec/2023	Residential/Commercial	Approximately 75% of construction has been completed	147,371	259,610	100%	259,610
Shenyang Creative Industrial Estate	Located in Shenbei Xinqu Daoyi Development Zone, Liaoning Province	Dec/2023	Residential/Commercial	Approximately 80% of construction has been completed	154,024	245,151	100%	245,151
Zhangzhou Longhai Mingfa Mall (2011G15, 2012G15 Phase 2)	Located in Bangshan Town, Kekeng Village, Longhai, Zhangzhou, Fujian Province	Dec/2023	Residential	Approximately 75% of construction has been completed	63,127	19,626	100%	19,626
Mingfa MingBo Town	Located at Bowang Town Bowang District, Ma'anshan, Anhui Province	Dec/2023	Residential/Commercial	Approximately 75% of construction has been completed	101,504	45,015	100%	45,015
Taoyuan New Town	Located at Xianghe Town, Quanjiao, Anhui Province	Dec/2023	Residential	Approximately 80% of construction has been completed	109,452	107,166	100%	107,166
Taoyuan Mingzhu	Located in Shengzhouhu Road, Chizhou, Anhui Province	Dec/2023	Residential	Approximately 80% of construction has been completed	99,943	8,006	100%	8,006
Sihong Shuiyun Taoyuan Garden	Located in east of Radish Li Road, north of Sizhou Street, Sihong County, Suqian, Jiangsu Province	Dec/2023	Residential/Commercial	Approximately 70% of construction has been completed	84,200	44,999	100%	44,999
Jinse Shui'an	Located in north side of Huaihe Road, Jinhu County, Hua'an, Jiangsu Province	Dec/2023	Residential/Commercial	Approximately 75% of construction has been completed	289,236	182,376	100%	182,376
Wujiang Mingfa Jiangwan New City (Phase 3)	Located at Wujiang Town Four Lian, Hexian, Anhui Province	Dec/2024	Residential/Commercial	Approximately 65% of construction has been completed	615,764	1,227,493	100%	1,227,493
Nanjing International Business Center	Located in Software Service Center High Tech Development Zone, Nanjing, Jiangsu Province	Dec/2023	Commercial	Approximately 60% of construction has been completed	62,015	336,121	80%	268,897
Taoyuan Xiangsong	Located in North New District, Dongzhi County, Chizhou, Anhui Province	Dec/2023	Residential/Commercial	Approximately 70% of construction has been completed	36,590	20,288	100%	20,288
Taoyuan Fudi	Located at Xianghe Town, Quanjiao, Anhui Province	Dec/2023	Residential	Approximately 70% of construction has been completed	66,262	65,105	51%	33,204
Taoyuan Guanlan	Located at Xianghe Town, Quanjiao, Anhui Province	Dec/2023	Residential	Approximately 65% of construction has been completed	55,481	58,847	51%	30,012
Guang'an Mingfa City Complex Project (ChaMa Road B1-1 Block)	Located in Binjiang Road, Guang'an District, Guan'an, Sichuan Province	Dec/2023	Residential/Commercial	Approximately 70% of construction has been completed	76,363	196,331	100%	196,331
Zhangpu Mingfa Xiangshan Wan	Located in Houcai Village, Qianting Town, Zhangpu County, Zhangzhou, Fujian Province	Dec/2023	Residential/Commercial	Approximately 60% of construction has been completed	46,885	85,493	90%	76,944
Wuhu Chungu Xi'an	Located in new city east of Chengdong, Fanchang County, Wuhu City, Anhui Province	Dec/2023	Residential	Approximately 75% of construction has been completed	64,607	976	100%	976
Mingfa Nanjing Cross-strait Science and Technology Base	Located in the channel of Science and Technology Industrial Park, Pukou District, Nanjing, Jiangsu Province	Dec/2024	Industrial	Approximately 50% of construction has been completed	119,564	90,161	100%	90,161
Mingfa North Station Center	Located at Chahe Town, Lai'an, Anhui Province	Dec/2023	Residential/Commercial	Approximately 80% of construction has been completed	69,757	267,214	100%	267,214
Hecheng Shoufu	Located at Liyang Town, Ma'anshan, Anhui Province	Dec/2023	Residential	Approximately 65% of construction has been completed	26,918	10,793	100%	10,793

Property	Location	Actual/ Estimated Completion	Type of Property	Status	Site Area (sq.m.)	Approximate Leasable and Saleable GFA (sq.m.)	Group's Interest	Attributable GFA (sq.m.)
		Date						
Mingfa Huguangshanse Yihao	Located at Xiangquan Town, Ma'anshan, Anhui Province	Dec/2023	Residential/Commercial	Approximately 65% of construction has been completed	68,688	71,702	100%	71,702
	Located at Xiangquan Town, Ma'anshan, Anhui Province	Dec/2023	Residential/Commercial	Approximately 55% of construction has been completed	63,674	75,551	100%	75,551
Jinzhai Yueshan Yuefu (Blocks 40, 41)	Located at Jinzhai County, Meishan Town New Town, Hefei, Anhui Province	Dec/2023	Residential/Commercial	Approximately 55% of construction has been completed	133,332	50,866	100%	50,866
Nanjing Mingrong Garden	Located in Puzhu Road, Jiangpu Street, Pukou District, Nanjing, Jiangsu Province	Dec/2023	Commercial	Approximately 35% of construction has been completed	26,530	66,325	100%	66,325
new project in Nanjing Pukou G30	Located at north of Nanjing University of Technology, south along the mountain road, Pukou, Nanjing, Jiangsu Province	Dec/2023	Commercial	Approximately 40% of construction has been completed	32,843	59,117	100%	59,117
Taohua Yuanzhu	Located at Xingyuan Road Zibo, Shandong Province	Dec/2023	Residential	Approximately 50% of construction has been completed	156,691	158,148	100%	158,148
Mingfa Internet Industrial Park	Located at Xingyuan Road Zibo, Shandong Province	Dec/2024	Commercial	Approximately 40% of construction has been completed	67,156	100,735	100%	100,735
Siyang Mingfa Shoufu	Located at Zhongxing Town Siyang, Suqian, Jiangsu Province	Dec/2024	Residential/Commercial	Approximately 55% of construction has been completed	103,972	401,840	70%	281,288
Moli Anju	Located in east of Changxing Road and north of Yingshanjiang Avenue, Jinniu Lake New City, Tianchang, Anhui Province	Dec/2023	Residential/Commercial	Approximately 75% of construction has been completed	48,073	1,654	100%	1,654
Xingyue City	Located in west of Ring Road East, north of Zhangyang Avenue, west of City Road West, Fengxian, Xuzhou, Jiangsu Province	Dec/2023	Residential/Commercial	Approximately 45% of construction has been completed	315,449	549,052	70%	384,336
Mingfa City Lights	Located in Jinzhai Modern Industrial Park, Anhui Province	Dec/2023	Residential/Commercial	Approximately 55% of construction has been completed	107,417	121,999	100%	121,999
Mingbo Yue City	Located at Bowang Town, Bowang District, Ma'anshan, Anhui Province	Dec/2023	Residential/Commercial	Approximately 45% of construction has been completed	67,600	79,534	100%	79,534
Dingyuan Mingfa Shuiyun Taoyuan	Located at Kaoshan Road, Dingyuan Town, Chizhou, Anhui Province	Dec/2023	Residential	Approximately 55% of construction has been completed	69,333	60,696	100%	60,696
Shenyang Mingfa Square	Located in Shenbei Xinqu Daoyi Development Zone, Liaoning Province	Dec/2023	Residential/Commercial	Approximately 55% of construction has been completed	119,154	208,910	100%	208,910
Yanguang Qingcheng (Block 1)	Located at Rongcheng Town, Chizhou, Anhui Province	Dec/2023	Residential/Commercial	Approximately 50% of construction has been completed	112,183	84,090	100%	84,090
Dingyuan Mingfa Wealth Center	Located at south of Qi Ji Guang Avenue, Dingyuan Town, Chizhou, Anhui Province	Dec/2024	Commercial/Office	Approximately 30% of construction has been completed	24,439	146,636	100%	146,636
Mingfa Software Valley	Located in north of Beijing East Road, east of Qianjiang Eoad, Xinyi, Xuzhou, Jiangsu Province	Dec/2024	Commercial	Approximately 35% of construction has been completed	46,548	88,000	60%	52,800
Xinyi Mingfa Zhongyang Lake CBD	Located in Zhongshan Road, Xinyi High-Tech Zone, Xuzhou, Jiangsu Province	Dec/2024	Residential/Commercial	Approximately 35% of construction has been completed	76,473	126,865	100%	126,865
Mingfa North Station Meiyuan	Located at Chahe Town, Lai'an, Anhui Province	Dec/2023	Residential/Commercial	Approximately 35% of construction has been completed	64,377	86,478	100%	86,478

Property	Location	Actual/ Estimated Completion Date	Type of Property	Status	Site Area (sq.m.)	Approximate Leasable and Saleable GFA (sq.m.)	Group's Interest	Attributable GFA (sq.m.)
Hainan Mingfa Modern Service Industry Industrial Park	Located in Haikou Comprehensive Bonded Area, Haikou, Hainan Province	Dec/2024	Industrial	Approximately 30% of construction has been completed	57,600	57,600	100%	57,600
Peixian Mingfa Noble Place	Located in east side of Zhenxing Road, Zhangzhuang Town, Peixian, Xuzhou, Jiangsu Province	Dec/2023	Residential/Commercial	Approximately 30% of construction has been completed	37,676	75,352	100%	75,352
Mingfa Taoyuan Mingzhu C1 Zone	Located in Dengke Street, Enyang District, Bazhong, Sichuan Province	Dec/2024	Residential	Approximately 30% of construction has been completed	154,082	385,206	100%	385,206
Mingfa Yan'an Zhi Xing	Located in Yan'an new area, Yan'an, Shanxi Province	Dec/2023	Residential/Commercial	Approximately 35% of construction has been completed	79,116	379,575	100%	379,575
Suining Shuiyun Taoyuan	Located in north of North Road, west of Wenxue North Road, Suining County, Xuzhou, Jiangsu Province	Dec/2024	Residential/Commercial	Approximately 35% of construction has been completed	130,571	352,936	60%	211,762
QingYang Yangguang Qingcheng (Block 3)	Located at Qibuquan Road, Rongcheng Town, Chizhou, Anhui Province	Dec/2024	Residential/Commercial	Approximately 35% of construction has been completed	57,269	55,243	100%	55,243
Shenyang Mingfa Comprehensive Technology Park	Located at Zaohua Street, Yuhong District, Shenyang, Liaoning Province	Dec/2024	Residential	Approximately 30% of construction has been completed	235,526	423,948	100%	423,948
new project in Ma'anshan MingPu	Located at Wujiang Town Four Lian, Hexian, Anhui Province	Dec/2024	Industrial	Approximately 30% of construction has been completed	31,258	46,888	100%	46,888
new project in Ma'anshan MingLin	Located at Wujiang Town Four Lian, Hexian, Anhui Province	Dec/2024	Residential/Commercial/Industrial	Approximately 30% of construction has been completed	106,963	162,975	100%	162,975
Fengyang Shuiyun Yaju	Located at the east side of Gongchen Temple Road and on the south side of Ruyi Road, Fengyang Town, Chuzhou, Anhui Province	May/2024	Residential/Commercial	Approximately 30% of construction has been completed	65,484	108,734	100%	108,734
Longhai Mingfa Square (原: Zhangzhou Longhai Mingfa Mall (2011G16, 2012G13, 2012G14 Phase Three))	Located in Bangshan Town, Kekeng Village, Longhai, Zhangzhou, Fujian Province	Dec/2024	Residential	Approximately 30% of construction has been completed	105,188	315,564	100%	315,564
Fengxian International Hotel	Located in west of Ring Road East, north of Zhangyang Avenue, west of City Road West, Fengxian, Xuzhou, Jiangsu Province	Dec/2024	Residential/Commercial	Approximately 45% of construction has been completed	22,316	55,791	70%	39,054
QingYang Yangguang Qingcheng (Block 4)	Located at Tianzhu Road, Rongcheng Town, Chizhou, Anhui Province	Dec/2024	Residential/Commercial	Approximately 20% of construction has been completed	37,552	75,104	100%	75,104
Liu'an Yeji Minghui City	Located in west of Zhanqian Road, south of Weiming Road, east of Changqing Road and north of Shihe Road, Yeji District, Liu'an, Anhui Province	Dec/2025	Residential/Commercial	Approximately 30% of construction has been completed	150,070	300,140	100%	300,140
Sub-total					<u>8,356,646</u>	<u>13,333,174</u>		<u>12,549,598</u>
<b>Properties with land use rights certificate for future development (Note 3)</b>								
Lanzhou Mingfa Zhongke Ecological Park	Located in southwest of Weijia Village, Gansu Province	Dec/2023	Residential	Vacant	1,371,786	1,371,786	51%	699,611
Taiwan Taoyuan Block 54	Located in Air Passenger Park, Taoyuan, Taiwan	Dec/2023	Commercial	Vacant	13,710	32,905	100%	32,905
Taiwan Taoyuan Block 169	Located in Air Passenger Park, Taoyuan, Taiwan	Dec/2023	Commercial	Vacant	16,110	38,663	100%	38,663
Shenyang Mingfa Wealth Center	Located at Qing Nian Street, Heping District, Shenyang, Liaoning Province	Dec/2023	Commercial	Vacant	5,468	54,677	100%	54,677
Jurong Zidong Square	Located at the east side of Ninghang North Road and the west side of Chigang Road, Jurong, Jiangsu Province	Dec/2023	Residential/Commercial	Vacant	53,892	296,406	100%	296,406

Property	Location	Actual/ Estimated Completion	Type of Property	Status	Site Area (sq.m.)	Approximate Leasable and Saleable GFA (sq.m.)	Group's Interest	Attributable GFA (sq.m.)
		Date						
Mingfa Huguangshanse Erhao	Located at Xiangquan Town Ma'anshan, Anhui Province	Dec/2023	Residential	Vacant	108,972	108,972	100%	108,972
new project in Jurong 2017-2-1-08	Located in Huanhu Road, Jurong, Jiangsu Province	Dec/2023	Commercial	Vacant	9,265	13,989	100%	13,989
QingYang Yangguang Qingcheng (Block 2)	Located at Qi Bu Quan Road, Rongcheng Town, Chizhou, Anhui Province	Dec/2023	Residential/Commercial	Vacant	52,388	136,207	100%	136,207
Nan'an Mingfa International Center	Located at Fuxi Community, Meilin Street, Quanzhou, Fujian Province	Dec/2023	Office	Vacant	22,288	133,728	100%	133,728
new project in Zibo (2017-009- 01 · 009-02)	Located in east of Shanghai Road East, Zhangdian District, Zibo, Shandong Province	Jan/2024	Residential/Commercial	Vacant	9,325	39,165	100%	39,165
Sub-total					<u>1,663,204</u>	<u>2,226,498</u>		<u>1,554,323</u>
<b>Properties with signed land use rights contract for future development (Note 4)</b>								
Hong Six Highway Rebuilding Project	Located at Xixia Village, Honglai Town, Nanan, Fujian Province	Dec/2023	Residential/Commercial	Vacant	22,784	92,298	100%	92,298
Kangyang Town	Located in Jiangjun Road, Jinzhai, Anhui Province	Dec/2023	Residential/Commercial	Vacant	64,539	103,263	100%	103,263
new project in Bazhong (2020-1-1-4-7)	Located in Dengke Street, Enyang District, Bazhong, Sichuan Province	Aug/2024	Residential	Vacant	141,811	323,169	100%	323,169
new project in Bazhong (2020-1-1-1-3)	Located in Dengke Street, Enyang District, Bazhong, Sichuan Province	Aug/2024	Hotel	Vacant	23,970	35,955	100%	35,955
new project in Bazhong (2020-1-2-1-3)	Located in Dengke Street, Enyang District, Bazhong, Sichuan Province	Aug/2024	Commercial	Vacant	19,089	22,906	100%	22,906
Fengyang Taoyuan Yashe	Located at the west side of Gongchengmiao Road and on the north side of Fengle West Road, Fengyang Town, Chuzhou, Anhui Province	May/2024	Commercial	Vacant	34,338	87,626	100%	87,626
new project in Liu'an Yeji 2021-26	Located at East of Liulin Avenue, south of Wanshou Road, west of Donglou Road and north of Shihe RoadYeji District, Liu'an, Anhui Province	Jan/2025	Residential	Vacant	90,313	162,563	100%	162,563
new project in Liu'an Yeji 2021-26	Located at East of Liulin Avenue, south of Wanshou Road, west of Donglou Road and north of Shihe RoadYeji District, Liu'an, Anhui Province	Jan/2025	Residential	Vacant	90,756	163,360	100%	163,360
new project in Mingfa North Station Tianyu	Located at Chahe Town, Lai'an, Anhui Province	Aug/2025	Residential/Commercial	Vacant	108,395	113,815	100%	113,815
Sub-total					<u>595,995</u>	<u>1,104,955</u>		<u>1,104,955</u>
<b>Total</b>					<u><u>15,258,679</u></u>	<u><u>19,880,274</u></u>		<u><u>18,371,435</u></u>

**Notes:**

- Completed properties refer to the properties in respect of which (a) the certificates of completion, (b) the permits for commencement of construction works, and (c) the land use rights certificates had been obtained as at 31 December 2022.
- Properties under development refer to the properties in respect of which (a) the permits for commencement of construction works and (b) the land use rights certificates had been obtained as at 31 December 2022.
- The site area is in respect of the whole property (regardless of GFA that have been sold).
- The approximate leasable and saleable GFA and attributable GFA have excluded the GFA that have been sold/leased.



## SUMMARY OF PROPERTIES HELD BY THE GROUP FOR INVESTMENT

The following table summarizes the details of the Group's major properties held for investment as at 31 December 2022:

Property	Location	Existing Usage	Attributable GFA	Term of Leases	Percentage of Interest in the Properties Attributable to the Group
Beijing Mingfa Mall	Located at Bizang Village, Daxing District, Beijing	Residential/ Commercial	66,502	3–10 years	100%
Changsha Mingfa Shopping Mall	Located in Star Cheng Town, Wangcheng County, Changsha, Hunan Province	Commercial	131,561	20 years	100%
Hefei Mingfa Shopping Mall	Located along the northeast side of the junction of Silihe Road and Dangshan Road, Luyang District, Hefei, Anhui Province	Commercial	162,446	15–20 years	100%
Jinzhai Mingfa City Square (Block G)	Located at New Town District, Meishan Town, Jinzhai County, Hefei, Anhui Province	Commercial	58,590	2–15 years	100%
Nanjing Mingfa New City Finance Buliding	Located in New Town Business Avenue North, Pukou District, Nanjing, Jinansu Province		784	3–5 years	100%
Nanjing Mingfa Riverside New Town	Located in Taishan Village, Pukou District, Nanjing, Jiangsu Province	Commercial	79,820	3–9 years	100%
Nanjing Mingfa Shopping Mall	Located at the intersection of Dingqiang Road and Yulan Road in Yuhuatai District, Nanjing, Jiangsu Province	Commercial	135,436	10–15 years	100%
Pingliang Mingfa European City	Located in Water Bridge West, Linjing Road North, Kongdong District, Pingliang, Gansu Province	Commercial	3,391	1–3 years	60%
Quanzhou Mingfa Hotel	Located in Licheng District, Jiangnan Torch Village, Quanzhou, Fujian Province	Hotel	4,755	5 years	100%
Taizhou Mingfa International Mall	Located in Gaogang District, Taizhou, Jiangsu Province	Commercial	14,061	10 years	100%
Tianjin Mingfa City Complex	Located in Tanggu Marine Hi-Tech Development Zone, Tianjin	Commercial	62,631	Under construction	100%
Wuxi Mingfa International New Town	Located at south of Yanqiao Town, Huishan District, Wuxi, Jiangsu Province	Commercial	2,120	3 years	100%
Wuxi Mingfa Shopping Mall	Located in Sitou Village and Tangtou Village, Yanqiao Town, Huishan District, Wuxi, Jiangsu Province	Commercial	282,681	20 years	100%
Xiamen Lianfeng Furniture Park	Located on Honglian Road, Siming District, Xiamen, Fujian Province	Industrial	26,120	20 years	100%
Xiamen Mingfa Group Mansion	Located at Qianpu Industrial Park, Xiamen, Fujian Province	Commercial	1,625	5–6 years	100%
Xiamen Mingfa Harbour Resort	Located at south of Wu Yuan Wan Bridge, west of Huan Wan Road, and along the seaview strip of Huli District, Xiamen, Fujian Province	Commercial	45,419	3 years	100%
Xiamen Mingfa Hotel	Located at No. 413 Lianqian East Road, Xiamen, Fujian Province	Hotel	12,441	10 years	100%
Xiamen Mingfa Industrial Park	Located at No.2 Honglian Road West, Siming District, Xiamen, Fujian Province	Industrial	11,588	8–15 years	100%
Xiamen Mingfa Shopping Mall	Located to the northwest of Jiahe Road and Lianqian Road, Siming District, Xiamen, Fujian Province	Commercial	133,665	8–20 years	70%–100%
Xiamen Mingfa Technology Park	Located in Kaiyuan Xing'an Industrial Park, Tong'an District, Xiamen, Fujian Province	Industrial	62,131	18 years	100%
Yangzhou Mingfa Shopping Mall	Located at the south of Yunhe Road East and west of Baolin Road, Guangling District, Yangzhou, Jiangsu Province	Commercial	60,402	15 years	100%

Property	Location	Existing Usage	Attributable GFA	Term of Leases	Percentage of Interest in the Properties Attributable to the Group
Zhangzhou Longhai Mingfa Mall	Located in Bangshan Town, Kekeng Village, Longhai, Zhangzhou, Fujian Province	Commercial	2,831	10 years	100%
Zhangzhou Mingfa Shopping Mall	Located at Longjiang Road East, Shuixian Street North, No.6 Road West, Xipu Road South, Zhangzhou, Fujian Province	Commercial	112,416	12–19 years	100%
Zhenjiang Jinxiu Yinshan	Located in the centre of Zhenjiang City, Jiangsu Province	Commercial	2,880	15.5 years	100%
Nanjing Mingfa Cross-strait Science and Technology Base	Located in the channel of Science and Technology Industrial Park, Pukou District, Nanjing, Jiangsu Province	Commercial	5,491	3 years	100%
Nanjing Mingfa Yuejingyuan	Located at Pukou south along the mountain road, east side of Nanjing University of Technology, Nanjing, Jiangsu Province	Commercial	2,746	1–8 years	100%
Sihong Shuiyun Taoyuan Garden	Located in east of Radish Li Road, north of Sizhou Street, Sihong County, Suqian, Jiangsu Province	Commercial	8,215	3–10 years	100%
<b>Total</b>			<u>1,492,748</u>		

### Properties to be Completed in 2023

Set out below are the properties expected to be completed by the Group in 2023.

Property	Expected Completion Date	Type of Property	GFA to be Completed	Percentage of Interest in the Property Attributable to the Group
Zhenjiang Jinxiu Yinshan	Dec/2023	Residential/ Commercial/Hotel	9,111	100%
Huai'an Mingfa Shopping Mall (Block A)	Dec/2023	Commercial	19,960	100%
Shenyang Mingfa Jinxiu Hua City	Dec/2023	Residential/Commercial	16,716	100%
Taizhou Mingfa International Mall (Phase 1)	Dec/2023	Residential/Commercial	23,272	100%
Taizhou Mingfa International Mall (Phase 2)	Dec/2023	Residential/Industrial	26,359	100%
Shanghai Mingfa Shopping Mall	Dec/2023	Commercial	45,766	100%
Nanjing Mingfa Wealth Center	Dec/2023	Commercial/Office	5,626	100%
Quanzhou Mingfa International Huachang City	Dec/2023	Residential/Commercial	133,707	100%
Shandong Zibo World Trade Center	Dec/2023	Residential/Commercial	64,902	100%
Shenyang Creative Industrial Estate	Dec/2023	Residential/Commercial	49,030	100%
Zhangzhou Longhai Mingfa Mall (2011G15, 2012G15 Phase 2)	Dec/2023	Residential	4,906	100%
Mingfa MingBo Town	Dec/2023	Residential/Commercial	11,254	100%

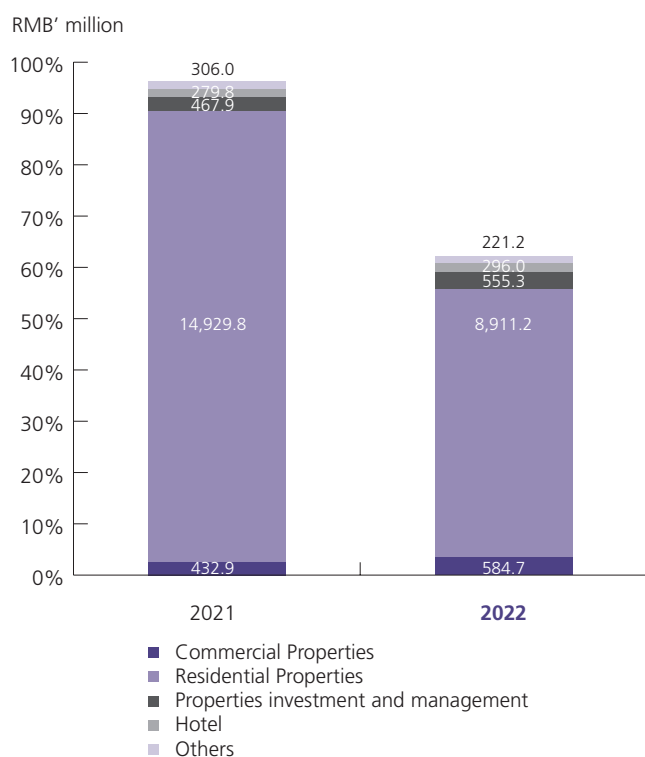
<b>Property</b>	<b>Expected Completion Date</b>	<b>Type of Property</b>	<b>GFA to be Completed</b>	<b>Percentage of Interest in the Property Attributable to the Group</b>
Taoyuan New Town	Dec/2023	Residential	21,433	100%
Taoyuan Mingzhu	Dec/2023	Residential	1,601	100%
Sihong Shuiyun Taoyuan Garden	Dec/2023	Residential/Commercial	13,500	100%
Jinse Shuiian	Dec/2023	Residential/Commercial	45,594	100%
Nanjing International Business Center	Dec/2023	Commercial	107,559	80%
Taoyuan Xiangsong	Dec/2023	Residential/Commercial	6,086	100%
Taoyuan Guanlan	Dec/2023	Residential	10,504	51%
Guang'an Mingfa City Complex Project (ChaMa Road B1-1 Block)	Dec/2023	Residential/Commercial	58,899	100%
Zhangpu Mingfa Xiangshan Wan	Dec/2023	Residential/Commercial	30,912	90%
Mingfa North Station Center	Dec/2023	Residential/Commercial	53,443	100%
Hecheng Shoufu	Dec/2023	Residential	2,159	100%
Mingfa Huguangshanse Yihao	Dec/2023	Residential/Commercial	25,096	100%
	Dec/2023	Residential/Commercial	33,998	100%
Nanjing Mingrong Garden	Dec/2023	Commercial	43,111	100%
New project in Nanjing Pukou G30	Dec/2023	Commercial	35,470	100%
Taohua Yuanzhu	Dec/2023	Residential	47,444	100%
Mingfa City Lights	Dec/2023	Residential/Commercial	54,900	100%
Mingbo Yue City	Dec/2023	Residential/Commercial	43,744	100%
Dingyuan Mingfa Shuiyun Taoyuan	Dec/2023	Residential	27,313	100%
Shenyang Mingfa Square	Dec/2023	Residential/Commercial	94,010	100%
Yangguang Qingcheng (Block 1)	Dec/2023	Residential/Commercial	42,045	100%
Mingfa Yan'an Zhi Xing	Dec/2023	Residential/Commercial	132,851	100%
			1,342,281	

## FINANCIAL REVIEW AND ANALYSIS

For the year ended 31 December 2022, revenue generated by the Group was approximately RMB10,568.4 million (2021: approximately RMB16,416.4 million), representing a decrease of 35.6% as compared to 2021. The decrease in revenue in 2022 was mainly due to the decrease in the GFA delivered from 2,088,938 sq.m. in 2021 to 1,596,425 sq.m. in 2022. Revenue from various sectors is analyzed as follows:

For the year ended 31 December	Commercial Properties (RMB'million)	Residential Properties (RMB'million)	Properties			Total (RMB'million)	Percentage of (Decrease)/ Increase in Total Revenue
			Investment and Management (RMB'million)	Hotel (RMB'million)	Others (RMB'million)		
2022	584.7	8,911.2	555.3	296.0	221.2	10,568.4	(35.6%)
2021	432.9	14,929.8	467.9	279.8	306.0	16,416.4	27.7%

### Revenue by Segment



Revenue from the properties sector contributed 89.9% in total to the Group's revenue. Revenue from the commercial properties sector increased by 35.1% which was primarily due to more commercial properties being delivered in Changsha in 2022. Revenue generated from the residential properties sector decreased for 40.3% in 2022 as compared to 2021. The main reason for the decrease in revenue generated from residential properties was less GFA being delivered from 2,017,450 sq.m. in 2021 to 1,545,588 sq.m. in 2022.

Revenue from the properties investment and management sector increased by 18.7%, which was mainly due to the annual rental review in 2022.

Revenue generated from the hotel sector increased by 5.8% from approximately RMB279.8 million in 2021 to approximately RMB296.0 million in 2022.

The gross profit of the Group was approximately RMB2,288.3 million for 2022, representing a decrease of 53.8% as compared to 2021 (2021: approximately RMB4,949.9 million). The decrease was mainly due to the decrease in gross profit margin from 30.2% in 2021 to 21.7% in 2022 and decrease in revenues from RMB16,416.4 million in 2021 to RMB10,568.4 million in 2022.

The profit for the year of the Group decreased by 99.1% from approximately RMB1,996.9 million in 2021 to approximately RMB18.6 million in 2022. The decrease was mainly due to less profit generated from the decrease in revenue for 35.6% in 2022.

The profit attributable to the equity holders of the Company was approximately RMB48.0 million for 2022, representing a decrease of 97.5% from 2021 (2021: approximately RMB1,882.7 million). The decrease was mainly due to less gross profit generated from the decrease in revenue for 35.6% in 2022.

The cost of sales of the Group was approximately RMB8,280.1 million for 2022, representing a decrease of 27.8% as compared to 2021 (2021: approximately RMB11,466.5 million). Cost of sales decreased in line with the decrease in revenue in 2022.

The average cost of properties included in cost of sales of the Group was RMB4,717.2 per sq.m. for 2022, representing a decrease of 8.1% over 2021 (2021: average cost of properties included in cost of sales was RMB5,132.8 per sq.m.).

Fair value gains on investment properties increased by 63.2% to approximately RMB477.3 million in 2022 (2021: approximately RMB292.5 million). The increase was mainly due to the additional GFA in Wuxi Mingfa Shopping Mall was classified as investment properties.

Other loss was approximately RMB241.5 million in 2022 (2021: other gain of approximately RMB314.1 million). The change was mainly due to the exchange loss arisen from translating the offshore loan and payable nominated in USD or HKD to RMB.

Selling and marketing costs of the Group were approximately RMB655.5 million in 2022, representing a decrease of 26.3% over 2021 (2021: approximately RMB889.2 million). The decrease was mainly due to less sales commission incurred for the decrease in sales.

General and administrative expenses of the Group were approximately RMB757.5 million in 2022, representing an increase of 0.8% over 2021 (2021: approximately RMB751.5 million).

Net finance income of the Group decreased by 12.5% to approximately RMB23.2 million in 2022 (2021: approximately RMB26.5 million).

## CAPITAL STRUCTURE

As at 31 December 2022, the Group had aggregated cash and cash equivalents (excluding restricted cash) of approximately RMB2,875.4 million (31 December 2021: approximately RMB3,665.9 million). Restricted cash of the Group was approximately RMB93.7 million (31 December 2021: approximately RMB233.4 million). Bank loans and other borrowings of the Group repayable within one year and after one year were approximately RMB171.1 million and RMB2,468.9 million respectively (31 December 2021: approximately RMB684.1 million and RMB2,778.4 million respectively). The cash and cash equivalents of the Group were mainly denominated in Renminbi as at 31 December 2022.

## BORROWINGS

	<b>As at 31 December</b>	
	<b>2022</b>	2021
	<b><i>RMB'000</i></b>	<i>RMB'000</i>
Borrowings included in non-current liabilities		
Bank borrowings — secured	<u>2,640,071</u>	<u>3,105,603</u>
Less: Amounts due within one year	<u>(171,139)</u>	<u>(327,239)</u>
	<u><b>2,468,932</b></u>	<u>2,778,364</u>
Borrowings included in current liabilities		
Current portion of long-term secured bank borrowings	171,139	327,239
Senior notes, junior notes and bonds	<u>—</u>	<u>356,839</u>
	<u><b>171,139</b></u>	<u>684,078</u>

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

	<b>As at 31 December</b>	
	<b>2022</b>	2021
	<b><i>RMB'000</i></b>	<i>RMB'000</i>
Borrowings:		
Between 1 and 2 years	<b>145,806</b>	234,139
Between 2 and 5 years	<b>1,622,726</b>	1,600,850
Over 5 years	<b>700,400</b>	943,375
	<b><u>2,468,932</u></b>	<u>2,778,364</u>

Total interest expenses including the capitalised interest costs amounted to approximately RMB203.3 million (31 December 2021: approximately RMB238.3 million) in total.

The borrowings was categorised by fixed or floating interest:

	<b>As at 31 December 2022</b>		As at 31 December 2021	
	<b><i>RMB'million</i></b>	<b><i>% of total</i></b>	<i>RMB'million</i>	<i>% of total</i>
Fixed	—	<b>0.0%</b>	356.8	10.3%
Floating	<b><u>2,640.0</u></b>	<b><u>100%</u></b>	<u>3,105.6</u>	<u>89.7%</u>
Total borrowings	<b><u>2,640.0</u></b>	<b><u>100%</u></b>	<u>3,462.4</u>	<u>100.0%</u>

## FINANCIAL RATIO

Set out below are the major ratios of the Group:

	<b>As at and for the year ended</b>	
	<b>31 December</b>	2021
	<b>2022</b>	2021
Gross profit margin	<b>21.7%</b>	30.2%
Operating profit margin	<b>9.9%</b>	22.9%
Net profit margin	<b>0.2%</b>	12.2%
Current ratio	<b>1.09</b>	1.12
Total liabilities to total assets	<b>72.4%</b>	73.6%
Bank loans and other borrowings to shareholders' funds	<b>14.7%</b>	19.3%
Non-current bank loans and other borrowings to total assets	<b>3.5%</b>	3.8%
Gearing ratio*	<b><u>nil</u></b>	<u>nil</u>

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

## **FOREIGN EXCHANGE RISK**

As at 31 December 2022, the balance of the bank deposits maintained by the Group (including restricted bank balances) consisted of Renminbi and Hong Kong dollars in the respective proportions of 99.8%, and 0.2% (31 December 2021: Renminbi, Hong Kong dollars and US dollars accounted for 99.4%, 0.2% and 0.4% respectively of the total bank balances of the Group). The bank loans and other borrowings maintained by the Group were denominated in Renminbi, and New Taiwan dollars in respective proportions of 96.1% and 3.9% (31 December 2021: Renminbi, US dollars and New Taiwan dollars accounted for 86.7%, 10.3% and 3.0%, respectively of the total bank loans and other borrowings of the Group).

As the sales, purchases, bank borrowings and other borrowings of the Group in 2022 were made mainly in Renminbi, Hong Kong dollars and US dollars, and it is expected that the majority of future development and transactions carried out by the Group will be made and transacted either in Renminbi, Hong Kong dollars or US dollars, the Group will convert the Hong Kong dollars bank balances into Renminbi as and when required to minimize any foreign exchange risk. The Group did not adopt any foreign exchange hedging instruments to hedge against foreign exchange risk in 2022 as the hedging list was comparable to the corresponding risk.

## **INTEREST RATE RISK**

As at 31 December 2022, the majority of the bank borrowings of the Group were floating rate borrowings and were denominated in Renminbi, US dollars and New Taiwan dollars whereby any upward fluctuations in interest rates will increase the interest costs of the Group in connection with such loans or any new loans obtained by the Group calculated on a floating interest rate basis. The Group currently does not use any derivative instruments to hedge against its interest rate risk.

## **FUNDING AND TREASURY POLICY**

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



## CREDIT POLICIES

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

## HUMAN RESOURCES

As at 31 December 2022, the Group employed 4,073 staff (31 December 2021: 4,066 staff). For 2022, the staff costs of the Group including Directors' emoluments were approximately RMB303.7 million (2021: approximately RMB434.9 million). The staff costs include basic salary and welfare expenses, whereby employees' welfare includes medical insurance plan, pension plan, unemployment insurance plan, training and pregnancy insurance plan.

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

## SIGNIFICANT ACQUISITION AND DISPOSAL DURING THE YEAR

On 16 September 2022, Optimistic Horizon Limited ("**Optimistic Horizon**") (as purchaser), an indirect wholly-owned subsidiary of Emperor International Holdings Limited (stock code: 163) ("**Emperor International**"), Easycrest Limited (the "**Vendor**") (as vendor), a wholly owned subsidiary of the Company, and the Company (as guarantor of the Vendor), entered into the sale and purchase agreement I ("**Sale and Purchase Agreement I**"), pursuant to which, (i) the Vendor agreed to sell and Optimistic Horizon agreed to acquire 10% of the entire issued share capital of Superb Land Limited (formerly Powerland Holdings Limited) ("**Target Company**") ("**Sale Share I**") and (ii) the Vendor agreed to procure Ming Fat Holdings (Hong Kong) Limited ("**Ming Fat**"), a wholly-

owned subsidiary of the Company, to assign and Optimistic Horizon agreed to procure Emperor Financial Management Limited, an indirect wholly-owned subsidiary of Emperor International, to take up the assignment of 50% of all loan(s), interests, indebtedness and sums owing by Target Company to Ming Fat (“**Sale Loan I**”) at HK\$325 million. The Company is a party to the Sale and Purchase Agreement I to guarantee to Optimistic Horizon the due and punctual performance of the Vendor’s obligations thereunder.

Concurrently, on 16 September 2022, Modern Hero Global Limited (“**Modern Hero**”) (as purchaser), a wholly-owned subsidiary of C C Land Holdings Limited (stock code: 1224) (“**C C Land**”), the Vendor and the Company (as guarantor of the Vendor), entered into the sale and purchase agreement II (“**Sale and Purchase Agreement II**”), pursuant to which, (i) the Vendor agreed to sell and Modern Hero agreed to acquire 10% of the entire issued share capital of Target Company (“**Sale Share II**”) and (ii) the Vendor agreed to procure Ming Fat to assign and Modern Hero agreed to procure Join Wise Enterprises Limited, a wholly-owned subsidiary of C C Land, to take up the assignment of 50% of all loan(s), interests, indebtedness and sums owing by Target Company to Ming Fat (“**Sale Loan II**”) at HK\$325 million. The Company is a party to the Sale and Purchase Agreement II to guarantee to Modern Hero the due and punctual performance of the Vendor’s obligations thereunder.

On 27 October 2022, all conditions precedent under the Sale and Purchase Agreements have been fulfilled and the disposal of the Sale Share I and the Sale Share II and the assignment of Sale Loan I and Sale Loan II (the “**Disposal**”) was completed (the “**Completion**”). Upon the Completion, the Company ceased to hold any interest in the Target Company.

As one of the applicable percentage ratios calculated pursuant to Rule 14.07 of the Listing Rules in respect of the Disposal is more than 25% but less than 75%, the Disposal constitutes a major transaction of the Company under Chapter 14 of the Listing Rules and is subject to the reporting, announcement, and shareholders’ approval requirements under the Listing Rules. Further details of the Disposal are set out in Company’s announcements dated 16 September 2022 and 27 October 2022 and the Company’s circular dated 10 October 2022.

Save as the Disposal disclosed above, during the year under review, the Group did not conduct significant acquisition or disposal of any other subsidiaries and associates.

## **CORPORATE GOVERNANCE PRACTICES**

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

## **MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS**

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

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

During the year ended 31 December 2022, there were no purchase, sale or redemption of listed securities of the Company by the Company.

## **SIGNIFICANT EVENTS AFTER THE REPORTING DATE**

Save as disclosed in this announcement, there are no significant events after the reporting date which would materially affect the Group’s operating and financial performance as of the date of this announcement.

## **AUDIT COMMITTEE**

The Audit Committee comprises of all independent non-executive directors of the Company, namely, Mr. Lau Kin Hon, Mr. Chu Kin Wang Peleus and Mr. Chan Sing Lai. The duties of the Audit Committee include making recommendations to the Board in relation to the independence and engagement of external auditor, monitoring the integrity, accuracy and fairness of financial statements, reviewing the system of financial control, internal control and risk management and reviewing corporate governance practices of the Company. The Audit Committee had reviewed the annual results and the consolidated financial statements of the Group for the year ended 31 December 2022.

## **PUBLICATION OF ANNUAL REPORT**

The 2022 annual report of the Company will be despatched to the shareholders of the Company and published on the website of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) (<http://www.hkexnews.hk>) and the Company (<http://www.ming-fa.com>) in due course.

## **SCOPE OF WORK OF INDEPENDENT AUDITOR**

The figures in respect of the Group’s consolidated statement of financial position, consolidated statement of profit or loss, consolidated statement of other comprehensive income, and the related notes thereto for the year ended 31 December 2022 as set out in the preliminary announcement have been agreed by the Company’s auditors, BDO Limited, to the amounts set out in the Group’s draft consolidated financial statements for the year. The work performed by BDO Limited 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 HKICPA and consequently no assurance has been expressed by BDO Limited on the preliminary announcement.

## **AUDITORS**

The Company appointed BDO Limited as its auditors for the year ended 31 December 2022. The Company will submit a resolution in the coming annual general meeting of the Company to re-appoint BDO Limited as the auditors of the Company for the ensuing 2023.

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

Hong Kong, 31 March 2023

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

<i>Executive Directors:</i>	<i>Mr. Ng Man Fung Walter, Mr. Zhong Xiaoming and Mr. Liu Yuwei</i>
<i>Non-executive Director:</i>	<i>Dr. Lam, Lee G. (Chairman of the Board)</i>
<i>Independent non-executive Directors:</i>	<i>Mr. Lau Kin Hon, Mr. Chu Kin Wang Peleus, and Mr. Chan Sing Lai</i>