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时代中国
TIMES CHINA

TIMES CHINA HOLDINGS LIMITED

時代中國控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1233)

**ANNUAL RESULTS ANNOUNCEMENT
FOR THE YEAR ENDED 31 DECEMBER 2021**

ANNUAL RESULTS HIGHLIGHTS

- Contracted sales for the year of RMB95.59 billion, representing a decrease of 4.8% as compared with last year; Average contracted sales price was RMB18,590 per square meter, representing an increase of 24.7% as compared with last year;
- Turnover for the year of RMB43.64 billion, representing an increase of 13.1% as compared with last year;
- Profit for the year of RMB4.75 billion, representing a decrease of 11.4% as compared with last year;
- Gross profit margin and net profit margin for the year of 27.6% and 10.9% respectively, basically same as those of last year;
- The Board proposed a final dividend of RMB7.87 cents per share for the year ended 31 December 2021.

RESULTS

The board (the “Board”) of directors (the “Directors”) of Times China Holdings Limited (“Times China” or 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 2021 (the “Reporting Period”) together with the comparative figures for the corresponding year of 2020 as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

Year ended 31 December 2021

		2021	2020
	<i>Notes</i>	<i>RMB'000</i>	<i>RMB'000</i>
REVENUE	4	43,635,218	38,576,694
Cost of sales		<u>(31,582,073)</u>	<u>(27,474,248)</u>
Gross profit		12,053,145	11,102,446
Other income and gains	4	943,980	1,935,114
Selling and marketing costs		(940,156)	(1,119,973)
Administrative expenses		(1,227,103)	(1,574,063)
Other expenses		(1,209,220)	(484,936)
Finance costs	6	(826,019)	(1,181,169)
Share of profits and losses of joint ventures and associates		<u>346,026</u>	<u>445,059</u>
PROFIT BEFORE TAX	5	9,140,653	9,122,478
Income tax expense	7	<u>(4,386,752)</u>	<u>(3,756,468)</u>
PROFIT FOR THE YEAR		<u>4,753,901</u>	<u>5,366,010</u>
Attributable to:			
Owners of the Company		3,260,190	4,941,190
Non-controlling interests		<u>1,493,711</u>	<u>424,820</u>
		<u>4,753,901</u>	<u>5,366,010</u>
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY			
Basic	9	<u>RMB1.66</u>	<u>RMB2.54</u>

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Year ended 31 December 2021

	2021 <i>RMB'000</i>	2020 <i>RMB'000</i>
PROFIT FOR THE YEAR	4,753,901	5,366,010
OTHER COMPREHENSIVE INCOME		
Other comprehensive income/(loss) that may be reclassified to profit or loss in subsequent periods:		
Cash flow hedges:		
Effective portion of changes in fair value of derivative financial instruments arising during the year	13,527	(72,967)
Hedging losses reclassified to profit or loss	21,957	19,558
Share of other comprehensive income of a joint venture	23,764	49,081
Exchange differences on translation of foreign operations	591,116	1,267,404
	650,364	1,263,076
Other comprehensive (loss)/income that will not be reclassified to profit or loss in subsequent periods:		
Changes in the fair value of equity investments designated at fair value through other comprehensive income, net of tax	(61,464)	380
OTHER COMPREHENSIVE INCOME FOR THE YEAR	588,900	1,263,456
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	5,342,801	6,629,466
Attributable to:		
Owners of the Company	3,849,090	6,204,646
Non-controlling interests	1,493,711	424,820
	5,342,801	6,629,466

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2021

	<i>Notes</i>	2021 RMB'000	2020 RMB'000
NON-CURRENT ASSETS			
Property, plant and equipment		1,087,550	1,177,999
Inventories of properties		689,026	1,354,246
Right-of-use assets		82,109	85,523
Investment properties		9,238,633	7,007,400
Goodwill		60,465	78,318
Other intangible assets		179,013	165,949
Interests in joint ventures		17,833,422	9,383,838
Interests in associates		6,017,228	2,782,440
Equity investments designated at fair value through other comprehensive income		359,594	410,952
Deferred tax assets		2,452,823	1,924,839
Prepayments, deposits and other receivables		4,318,787	1,067,739
		<hr/>	<hr/>
Total non-current assets		42,318,650	25,439,243
CURRENT ASSETS			
Inventories of properties		89,814,144	79,079,315
Trade receivables	<i>10</i>	5,457,337	6,371,029
Contract assets		249,147	457,090
Contract costs		880,409	724,086
Prepayments, deposits and other receivables		28,118,619	30,733,096
Amounts due from joint ventures		7,015,382	7,532,760
Amounts due from associates		1,297,828	1,080,588
Tax prepayments		2,584,347	2,125,583
Restricted bank deposits		5,938,896	4,427,850
Cash and cash equivalents		14,718,289	33,531,747
		<hr/>	<hr/>
Total current assets		156,074,398	166,063,144
CURRENT LIABILITIES			
Trade and bills payables	<i>11</i>	18,385,441	20,608,415
Other payables and accruals		25,406,636	23,300,554
Contract liabilities		30,696,157	24,203,207
Amounts due to joint ventures		7,704,130	10,853,290
Amounts due to associates		2,492,378	638,847
Interest-bearing bank and other borrowings and interest payable		11,830,405	19,030,214
Lease liabilities		28,419	115,881
Tax payable		12,445,597	9,358,981
		<hr/>	<hr/>
Total current liabilities		108,989,163	108,109,389
		<hr/>	<hr/>
NET CURRENT ASSETS		47,085,235	57,953,755
		<hr/>	<hr/>
TOTAL ASSETS LESS CURRENT LIABILITIES		89,403,885	83,392,998
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CONSOLIDATED STATEMENT OF FINANCIAL POSITION (continued)*As at 31 December 2021*

	2021 <i>RMB'000</i>	2020 <i>RMB'000</i>
TOTAL ASSETS LESS CURRENT LIABILITIES	89,403,885	83,392,998
NON-CURRENT LIABILITIES		
Interest-bearing bank and other borrowings and interest payable	42,374,532	43,439,917
Derivative financial instruments	19,912	57,405
Other long-term payables	187,881	58,581
Lease liabilities	2,400,402	2,210,090
Deferred tax liabilities	1,766,346	1,743,591
Total non-current liabilities	46,749,073	47,509,584
Net assets	42,654,812	35,883,414
EQUITY		
Equity attributable to owners of the Company		
Share capital	158,054	154,528
Reserves	19,103,991	18,623,208
	19,262,045	18,777,736
Non-controlling interests	23,392,767	17,105,678
Total equity	42,654,812	35,883,414

NOTES TO FINANCIAL STATEMENTS

1. CORPORATE AND GROUP INFORMATION

The Company was incorporated in the Cayman Islands on 14 November 2007 under the name of Times Property (Holdings) Co., Limited as an exempted company with limited liability under the Companies Act, Cap. 22 of the Cayman Islands. Pursuant to a special resolution passed on 24 January 2008, the Company's name was changed from Times Property (Holdings) Co., Limited to Times Property Holdings Limited. Pursuant to a special resolution passed on 15 January 2018, the Company's name was changed from Times Property Holdings Limited to Times China Holdings Limited. The registered office address is Windward 3, Regatta Office Park, PO Box 1350, Grand Cayman KY1-1108, Cayman Islands.

The Company is an investment holding company. During the year, the Company's subsidiaries were mainly involved in property development, urban redevelopment business and property leasing in the People's Republic of China (the "PRC").

In the opinion of the Directors, the immediate holding company of the Company is Asiaciti Enterprises Ltd., which was incorporated in the British Virgin Islands ("BVI"), and the ultimate holding company is Renowned Brand Investments Limited ("Renowned Brand"), which was incorporated in the BVI. Renowned Brand is wholly owned by Mr. Shum Chiu Hung ("Mr. Shum"), the founder of the Company and the Group.

The Company's shares were listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") on 11 December 2013.

2.1 BASIS OF PREPARATION

The consolidated financial statements of the Group have been prepared in accordance with International Financial Reporting Standards ("IFRSs") (which include all International Financial Reporting Standards, International Accounting Standards ("IASs") and Interpretations) issued by the International Accounting Standards Board and the disclosure requirements of the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention, except for investment properties and certain financial instruments that are carried at fair value at the end of each reporting period.

Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries (collectively referred to as the "Group") for the year ended 31 December 2021.

A subsidiary is an entity (including a structured entity), directly or indirectly, controlled by the Company. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee (i.e., existing rights that give the Group the current ability to direct the relevant activities of the investee).

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

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

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

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

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

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

Going concern basis

As at 31 December 2021, the Group recorded a net current assets of RMB47,085 million, out of which RMB89,814 million represented inventories of properties, RMB5,125 million represented the current portion of interest-bearing bank loans and interest payable and RMB6,705 million represented the current portion of long term other borrowings, senior notes, corporate bonds and syndicated loans. In view of the prevailing slow-down of the property market, coupled with the limited source of financing from the capital market, the Group may take longer time than expected to realise cash from the sale of its properties and/or have the cash from external financing to meet its loan repayment obligations.

In view of aforesaid mentioned, the Directors have given careful consideration to the future liquidity and performance of the Group and its available sources of financing in assessing whether the Group will have sufficient financial sources to continue as a going concern. The following plans and measures are formulated to mitigate the liquidity pressure and to improve the financial position of the Group:

- (i) The Group is actively negotiating with several existing financial institutions on the renewal of certain borrowings. Subsequent to 31 December 2021, the Group has also been negotiating with various banks and financial institutions to secure new sources of financing which amounted to RMB1,550 million.
- (ii) The Group will continue to implement measures to accelerate the pre-sales and sales of its properties under development and completed properties, and to speed up the collection of outstanding sales proceeds and other receivables.
- (iii) The Group will continue to take active measures to control administrative costs and maintain containment of capital expenditures.
- (iv) The Group will continue to seek opportunities to dispose its assets or urban redevelopment projects.

The Directors have reviewed the Group's cash flow projections prepared by management, which cover a period of not less than twelve months from 31 December 2021. They are of the opinion that, taking into account the abovementioned plans and measures, the Group will have sufficient working capital to finance its operations and to meet its financial obligations as and when they fall due within twelve months from 31 December 2021. Accordingly, the Directors are satisfied that it is appropriate to prepare the consolidated financial statements on a going concern basis.

Notwithstanding the above, significant uncertainties exist as to whether the Group is able to achieve its plans and measures as described above. Whether the Group will be able to continue as a going concern would depend upon the following:

- (i) the successful obtaining of additional new sources of financing as and when needed;
- (ii) the successful and timely implementation of the plans to accelerate the pre-sales and sales of properties under development and completed properties, speed up the collection of outstanding sales proceeds and other receivables, and control costs and contain capital expenditure so as to generate adequate net cash inflows; and
- (iii) the successful disposal of assets or urban redevelopment projects when needed.

Should the Group be unable to achieve the above-mentioned plans and measures and operate as a going concern, adjustments would have to be made to write down the carrying values of the Group's assets to their recoverable amounts, to provide for any further liabilities which might arise, and to reclassify non-current assets and non-current liabilities as current assets and current liabilities, respectively. The effects of these adjustments have not been reflected in these consolidated financial statements.

2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

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

Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16	<i>Interest Rate Benchmark Reform – Phase 2</i>
Amendment to IFRS 16	<i>Covid-19-Related Rent Concessions beyond 30 June 2021 (early adopted)</i>

The nature and the impact of the revised IFRSs are described below:

- (a) Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 address issues affecting financial reporting when an existing interest rate benchmark is replaced with an alternative risk-free rate (“RFR”). The amendments provide a practical expedient to allow the effective interest rate to be updated without adjusting the carrying amount of financial assets and liabilities when accounting for changes in the basis for determining the contractual cash flows of financial assets and liabilities, if the change is a direct consequence of the interest rate benchmark reform and the new basis for determining the contractual cash flows is economically equivalent to the previous basis immediately preceding the change. In addition, the amendments permit changes required by the interest rate benchmark reform to be made to hedge designations and hedge documentation without the hedging relationship being discontinued. Any gains or losses that could arise on transition are dealt with through the normal requirements of IFRS 9 to measure and recognise hedge ineffectiveness. The amendments also provide a temporary relief to entities from having to meet the separately identifiable requirement when an RFR is designated as a risk component. The relief allows an entity, upon designation of the hedge, to assume that the separately identifiable requirement is met, provided the entity reasonably expects the RFR risk component to become separately identifiable within the next 24 months. Furthermore, the amendments require an entity to disclose additional information to enable users of financial statements to understand the effect of interest rate benchmark reform on an entity's financial instruments and risk management strategy.

The Group had certain interest-bearing bank and other borrowings denominated in Hong Kong dollars based on the Hong Kong Interbank Offered Rate (“HIBOR”) and United States dollars based on the London Interbank Offered Rate (“LIBOR”) as at 31 December 2021. The Group also had interest rate swaps whereby the Group pays interest at fixed rates of 1.40%, 1.57%, 1.22% and 1.43% separately and receives interest at a variable rate based on LIBOR on the notional amount. The Group expects that HIBOR will continue to exist and the interest rate benchmark reform has not had an impact on the Group's HIBOR-based borrowings. For the LIBOR-based borrowings and interest rate swaps, since the interest rates of these instruments were not replaced by RFRs during the year, the amendments did not have any impact on the financial position and performance of the Group. If the interest rates of these borrowings and interest rate swaps are replaced by RFRs in a future period, the Group will apply the above-mentioned practical expedient upon the modification of these instruments provided that the “economically equivalent” criterion is met.

- (b) Amendment to IFRS 16 issued in March 2021 extends the availability of the practical expedient for lessees to elect not to apply lease modification accounting for rent concessions arising as a direct consequence of the covid-19 pandemic by 12 months. Accordingly, the practical expedient applies to rent concessions for which any reduction in lease payments affects only payments originally due on or before 30 June 2022, provided the other conditions for applying the practical expedient are met. The amendment is effective retrospectively for annual periods beginning on or after 1 April 2021 with any cumulative effect of initially applying the amendment recognised as an adjustment to the opening balance of retained profits at the beginning of the current accounting period. Earlier application is permitted.

The Group has early adopted the amendment on 1 January 2021. However, the Group has not received covid-19-related rent concessions and plans to apply the practical expedient when it becomes applicable within the allowed period of application.

3. OPERATING SEGMENT INFORMATION

For management purposes, the Group is organised into the following reportable operating segments:

- (a) Property development: Development and sale of properties
- (b) Urban redevelopment business: Sale of land held for development and other related activities
- (c) Property leasing: Property leasing (including the leasing of self-owned properties and subleasing of leased properties) and other related activities

Management monitors the results of the Group's operating segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on reportable segment profit or loss, which is a measure of adjusted profit or loss before tax. The adjusted profit or loss before tax is measured consistently with the Group's profit before tax except that bank interest income, non-lease-related finance costs, share of profits and losses of joint ventures and associates, as well as head office and corporate income and expenses are excluded from this measurement.

The Group's revenue from external customers is derived solely from its operations in Mainland China. Except for the Group's certain equity investments designated at fair value through other comprehensive income ("FVOCI") amounting to USD1,262,000 (approximately equivalent to RMB8,048,000) (2020: certain equity investments designated at FVOCI amounting to USD1,217,000 (approximately equivalent to RMB7,943,000)), the Group's certain right-of-use assets amounting to RMB33,909,000 (2020: RMB35,403,000), and the Group's certain property, plant and equipment of RMB7,736,000 (2020: RMB9,540,000), the Group's non-current assets are located in Mainland China.

Segment assets exclude interests in joint ventures, interests in associates, equity investments designated at FVOCI, deferred tax assets, amounts due from joint ventures, amounts due from associates, tax prepayments, restricted bank deposits, cash and cash equivalents and other unallocated head office and corporate assets as these assets are managed on a group basis.

Segment liabilities exclude amounts due to joint ventures, amounts due to associates, interest-bearing bank and other borrowings and interest payable, tax payable, deferred tax liabilities, other long-term payables and derivative financial instruments as these liabilities are managed on a group basis.

Intersegment sales and transfers are transacted with reference to the selling prices used for sales made to third parties at the then prevailing market prices.

During the year, no revenue from transactions with a single external customer amounted to 10% or more of the Group's total revenue (2020: Nil).

<u>Year ended 31 December 2021</u>	<u>Property development</u>	<u>Urban redevelopment business</u>	<u>Property leasing</u>	<u>Elimination</u>	<u>Total</u>
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Segment revenue (Note 4)					
Sales to external customers	38,708,745	4,406,934	519,539	-	43,635,218
Intersegment sales	-	-	52,144	(52,144)	-
	<u>38,708,745</u>	<u>4,406,934</u>	<u>571,683</u>	<u>(52,144)</u>	<u>43,635,218</u>
Segment results	6,289,202	3,009,172	87,635	-	9,386,009
<i>Reconciliation:</i>					
Bank interest income					313,552
Unallocated corporate expenses					(296,222)
Finance costs (other than interest on lease liabilities)					(608,712)
Share of profits and losses of joint ventures and associates					<u>346,026</u>
Profit before tax					<u>9,140,653</u>
Segment assets	114,531,165	15,186,364	10,449,028	-	140,166,557
<i>Reconciliation:</i>					
Unallocated assets					<u>58,226,491</u>
Total assets					<u>198,393,048</u>
Segment liabilities	69,231,133	2,858,858	4,827,064	-	76,917,055
<i>Reconciliation:</i>					
Unallocated liabilities					<u>78,821,181</u>
Total liabilities					<u>155,738,236</u>
Other segment information					
(Impairment)/reversal of impairment on financial assets	(127,481)	3,622	(563)	-	(124,422)
Impairment of goodwill	(17,853)	-	-	-	(17,853)
Depreciation of property, plant and equipment	(74,114)	(25)	(32,277)	-	(106,416)
Depreciation of right-of-use assets	(28,051)	-	(677)	-	(28,728)
Amortisation of other intangible assets:					
Allocated amounts	(22,197)	-	(174)	-	(22,371)
Unallocated amounts					(667)
Fair value losses on investment properties, net	-	-	(201,691)	-	<u>(201,691)</u>

Year ended 31 December 2020	Property development	Urban redevelopment business	Property leasing	Elimination	Total
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Segment revenue (Note 4)					
Sales to external customers	32,673,269	5,453,261	450,164	–	38,576,694
Intersegment sales	–	30,556	65,336	(95,892)	–
	<u>32,673,269</u>	<u>5,483,817</u>	<u>515,500</u>	<u>(95,892)</u>	<u>38,576,694</u>
Segment results	5,542,494	4,039,526	169,522	–	9,751,542
<i>Reconciliation:</i>					
Bank interest income					330,027
Unallocated corporate expenses					(364,753)
Finance costs (other than interest on lease liabilities)					(1,039,397)
Share of profits and losses of joint ventures and associates					445,059
Profit before tax					<u>9,122,478</u>
Segment assets	106,698,447	14,063,655	7,530,251	–	128,292,353
<i>Reconciliation:</i>					
Unallocated assets					63,210,034
Total assets					<u>191,502,387</u>
Segment liabilities	64,734,087	2,299,655	3,404,405	–	70,438,147
<i>Reconciliation:</i>					
Unallocated liabilities					85,180,826
Total liabilities					<u>155,618,973</u>
Other segment information					
Impairment losses on financial assets	(29,924)	(10,531)	(76)	–	(40,531)
Impairment of goodwill	(10,208)	–	–	–	(10,208)
Depreciation of property, plant and equipment	(80,027)	(113)	(32,838)	–	(112,978)
Depreciation of right-of-use assets	(77,395)	–	(817)	–	(78,212)
Amortisation of other intangible assets:					
Allocated amounts	(14,350)	–	(227)	–	(14,577)
Unallocated amounts					(667)
Fair value gains on investment properties, net	–	–	18,817	–	18,817

4. REVENUE, OTHER INCOME AND GAINS

An analysis of the Group's revenue is as follows:

	2021 <i>RMB'000</i>	2020 <i>RMB'000</i>
<i>Revenue from contracts with customers</i>	43,115,679	38,126,530
<i>Revenue from other sources</i>		
Gross rental income from investment property operating leases:		
Leases of self-owned properties	56,803	22,838
Subleases of leased properties	462,736	427,326
	519,539	450,164
	43,635,218	38,576,694

Revenue from contracts with customers

(i) *Disaggregated revenue information*

For the year ended 31 December 2021

Segments	Property development <i>RMB'000</i>	Urban redevelopment business <i>RMB'000</i>	Total <i>RMB'000</i>
Types of goods or services			
Sale of completed properties	38,708,745	–	38,708,745
Urban redevelopment income	–	4,406,934	4,406,934
Total revenue from contracts with customers	38,708,745	4,406,934	43,115,679

For the year ended 31 December 2020

Segments	Property development <i>RMB'000</i>	Urban redevelopment business <i>RMB'000</i>	Total <i>RMB'000</i>
Types of goods or services			
Sale of completed properties	32,673,269	–	32,673,269
Urban redevelopment income	–	5,453,261	5,453,261
Total revenue from contracts with customers	<u>32,673,269</u>	<u>5,453,261</u>	<u>38,126,530</u>

Set out below is the reconciliation of the revenue from contracts with customers to the amounts disclosed in the segment information:

For the year ended 31 December 2021

Segments	Property development <i>RMB'000</i>	Urban redevelopment business <i>RMB'000</i>	Total <i>RMB'000</i>
Revenue from contracts with customers			
External customers	<u>38,708,745</u>	<u>4,406,934</u>	<u>43,115,679</u>

For the year ended 31 December 2020

Segments	Property development <i>RMB'000</i>	Urban redevelopment business <i>RMB'000</i>	Total <i>RMB'000</i>
Revenue from contracts with customers			
External customers	32,673,269	5,453,261	38,126,530
Intersegment sales	–	30,556	30,556
	32,673,269	5,483,817	38,157,086
Elimination	–	(30,556)	(30,556)
Total revenue from contracts with customers	<u>32,673,269</u>	<u>5,453,261</u>	<u>38,126,530</u>

The following table shows the amounts of revenue recognised in the current reporting period that were included in the contract liabilities at the beginning of the reporting period:

	2021 <i>RMB'000</i>	2020 <i>RMB'000</i>
Sale of completed properties	<u>15,011,307</u>	<u>10,002,768</u>

	2021	2020
	RMB'000	RMB'000
<i>Other income</i>		
Bank interest income	313,552	330,027
Interest income from third parties and joint ventures	186,959	146,471
Management fee income	45,638	105,957
Consultation fee income	153,870	95,074
Compensation income	63,320	90,224
Others	105,389	88,701
	<u>868,728</u>	<u>856,454</u>
<i>Gain, net</i>		
Gain on change from a joint venture to a subsidiary	2,868	–
Gain on change from an associate to a subsidiary	–	811,960
Fair value gains on self-owned investment properties	9,933	2,136
Gain on a bargain purchase of a subsidiary	61,977	–
Gain on disposal of a subsidiary	–	99,418
Gain on disposal of financial assets at fair value through profit or loss	474	82
Foreign exchange gain, net	–	165,064
	<u>75,252</u>	<u>1,078,660</u>
	<u>943,980</u>	<u>1,935,114</u>

5. PROFIT BEFORE TAX

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

	2021 <i>RMB'000</i>	2020 <i>RMB'000</i>
Cost of completed properties sold	30,551,320	25,809,068
Cost of urban redevelopment business	788,101	1,603,806
Cost of rental service provided	242,652	61,374
Depreciation of property, plant and equipment**	106,416	112,978
Depreciation of right-of-use assets	28,728	78,212
Amortisation of other intangible assets**	23,038	15,244
Changes in fair value of self-owned investment properties	(9,933)	(2,136)
Changes in fair value of sub-leased investment properties**	211,624	(16,681)
Auditor's remuneration	7,300	7,280
Employee benefit expense (excluding Directors' and chief executive's remuneration):**		
Wages and salaries	1,578,440	1,797,304
Pension scheme contributions***	93,827	44,942
Less: Amount capitalised in inventories of properties	(869,644)	(910,661)
	802,623	931,585
Lease payments not included in the measurement of lease liabilities	19,111	19,417
Gain on disposal of a subsidiary	–	(99,418)
Gain on a bargain purchase of a subsidiary	(61,977)	–
Gain on disposal of financial assets at fair value through profit or loss	(474)	(82)
Gain on change from an associate to a subsidiary	–	(811,960)
Gain on change from a joint venture to a subsidiary	(2,868)	–
Loss on disposal of items of property, plant and equipment*	1,015	156
Write-down of inventories of properties to net realisable value*	598,473	86,997
Impairment losses on financial assets:		
Impairment loss on trade receivables*	43,840	11,463
Impairment loss on financial assets included in prepayments, deposits and other receivables*	80,582	29,068
Loss on derecognition of financial assets*	112,663	133,491
Changes in fair value of derivative financial instruments*	1,201	103
Impairment of goodwill	17,853	10,208
Foreign exchange differences, net	136,913	(165,064)
Premium paid on early redemption of senior notes*	54,735	12,669

* These items are included in "Other expenses" in the consolidated statement of profit or loss.

** An aggregate amount of RMB552,077,000 (2020: RMB397,236,000) which comprised employee benefit expense, depreciation of property, plant and equipment, amortisation of other intangible assets and changes in fair value of sub-leased investment properties was included in the cost of sales for the year. These amounts were also included in the respective expense items disclosed above.

*** There are no forfeited contributions that may be used by the Group as the employer to reduce the existing level of contributions.

6. FINANCE COSTS

An analysis of finance costs is as follows:

	2021 <i>RMB'000</i>	2020 <i>RMB'000</i>
Interest expense	4,088,966	5,426,402
Interest on lease liabilities	217,307	141,772
Total interest expense on financial liabilities not at fair value through profit or loss	4,306,273	5,568,174
Less: Interest capitalised	(3,480,254)	(4,387,005)
	826,019	1,181,169

7. INCOME TAX

The Group is subject to income tax on an entity basis on profits arising in or derived from the jurisdictions in which members of the Group are domiciled and operate. Pursuant to the rules and regulations of the Cayman Islands and BVI, the entities of the Group which were incorporated in the Cayman Islands and BVI are not subject to any income tax.

Hong Kong profits tax

The statutory rate of Hong Kong profits tax was 16.5% (2020: 16.5%) on the estimated assessable profits arising in Hong Kong. No provision for Hong Kong profits tax was made as the Group had no assessable profits arising in Hong Kong during the year (2020: Nil).

PRC corporate income tax ("CIT")

The Group's income tax provision in respect of its operations in Mainland China has been calculated at the applicable tax rates on the taxable profits for both years, based on the existing legislation, interpretations and practices in respect thereof. Certain of the Group's PRC subsidiaries enjoyed a preferential CIT rate of 15% during both years.

PRC land appreciation tax ("LAT")

PRC LAT is levied at progressive rates ranging from 30% to 60% on the appreciation of land value, being the proceeds from sales of completed properties less deductible expenditures including cost of land, borrowing costs and relevant property development expenditures, and is included in the consolidated statement of profit or loss as income tax expense.

	2021 <i>RMB'000</i>	2020 <i>RMB'000</i>
Current:		
CIT	3,549,772	3,065,857
LAT	1,881,362	1,264,403
Deferred	(1,044,382)	(573,792)
Total tax charge for the year	4,386,752	3,756,468

8. DIVIDENDS

The Board recommended the payment of a final dividend of RMB165,413,000 for the year ended 31 December 2021. Based on 2,101,816,039 ordinary shares of the Company in issue after 117,700,000 placing shares were allotted and issued on 8 February 2022, such a final dividend would amount to RMB7.87 cents per share (2020: RMB76.68 cents). The final dividend will be either payable in cash or in the form of new fully paid scrip shares of the Company in lieu of cash at the scrip option of the shareholders, or partly in cash and partly in the scrip shares.

The proposed final dividend for the year is subject to the approval of the Company's shareholders at the forthcoming annual general meeting.

The proposed 2020 final dividend of RMB76.68 cents per share totalling RMB1,486,685,000 was approved by the Company's shareholders at the annual general meeting on 21 May 2021 and has been paid partly in new shares of the Company and partly in cash in July 2021. The number of ordinary shares settled and issued as scrip dividends was 48,779,000 and the total amount of dividend paid as scrip dividends was RMB432,342,000 while cash dividend amounted to RMB1,054,343,000.

9. EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY

The calculation of the basic earnings per share amounts is based on the profit for the year attributable to ordinary equity holders of the Company and the weighted average number of ordinary shares of 1,962,155,000 (2020: 1,941,817,000) in issue during the year.

	2021	2020
Profit attributable to ordinary equity holders of the Company (<i>RMB'000</i>)	<u>3,260,190</u>	<u>4,941,190</u>
Weighted average number of ordinary shares in issue (<i>in thousand</i>)	<u>1,962,155</u>	<u>1,941,817</u>
Basic earnings per share (<i>RMB per share</i>)	<u>1.66</u>	<u>2.54</u>

The Group had no potentially dilutive ordinary shares in issue during the years ended 31 December 2021 and 2020 respectively.

10. TRADE RECEIVABLES

Trade receivables mainly arise from the sale of completed properties, urban redevelopment business and property leasing. Considerations in respect of the completed properties sold are payable by the purchasers in accordance with the terms of the related sale and purchase agreements; receivables from urban redevelopment business are payable by the government in accordance with urban redevelopment contracts and rentals in respect of leased properties are generally received in accordance with the contracts.

	2021	2020
	<i>RMB'000</i>	<i>RMB'000</i>
Trade receivables	5,566,701	6,436,553
Impairment	<u>(109,364)</u>	<u>(65,524)</u>
	<u>5,457,337</u>	<u>6,371,029</u>

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

	2021	2020
	<i>RMB'000</i>	<i>RMB'000</i>
Within 3 months	3,699,240	4,417,153
4 to 6 months	–	65,903
7 to 12 months	434,767	1,594,541
Over 1 year	1,323,330	293,432
	<u>5,457,337</u>	<u>6,371,029</u>

11. TRADE AND BILLS PAYABLES

The ageing analysis of the trade and bills payables is as follows:

	2021	2020
	<i>RMB'000</i>	<i>RMB'000</i>
Within 1 year	16,187,189	18,756,949
Over 1 year	2,198,252	1,851,466
	<u>18,385,441</u>	<u>20,608,415</u>

The trade and bills payables are unsecured, interest-free and repayable within the normal operating cycle or on demand.

EXTRACT OF INDEPENDENT AUDITOR’S REPORT

Opinion

We have audited the consolidated financial statements of Times China Holdings Limited (the “Company”) and its subsidiaries (the “Group”), which comprise the consolidated statement of financial position as at 31 December 2021, and the consolidated statement of profit or loss, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2021, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (“IFRSs”) issued by the International Accounting Standards Board and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

Material uncertainty related to going concern

We draw attention to note 2.1 to the consolidated financial statements, which indicates that as of 31 December 2021, the Group recorded a net current assets of RMB47,085 million, out of which RMB89,814 million represented inventories of properties, RMB5,125 million represented the current portion of interest-bearing bank loans and interest payable and RMB6,705 million represented the current portion of long term other borrowings, senior notes, corporate bonds and syndicated loans. Along with the current situation as set forth in note 2.1, which indicate that a material uncertainty exists that may cast significant doubt on the Group’s ability to continue as a going concern. Our opinion is not modified in respect of this matter.

CHAIRMAN'S STATEMENT

Dear Shareholders,

In 2021, against the backdrop of a once-in-a-century global turbulence and wide spreading pandemic, the PRC was still able to record a Gross Domestic Product of over RMB114 trillion, representing a brilliant start to the “14th Five-Year Plan”. At the same time, the PRC has stridden a firm step towards the realization of high-quality development, and all industries are now facing the transformation of old and new business models.

In 2021, although the real estate industry recorded a historical high sales revenue of RMB18 trillion, we clearly sensed the coming major change in this industry. It was predicable that the change would continue and the industry would move into a new era under the new normal. An enterprise struggling for survival from this change must get through such tough time and keep stepping up its pace towards the future. The road is long and full of thorns and spikes, but the end is foreseeable and reachable.

Thanks to our strategic move of prudent operation, our focus on investing in the most vibrant regions in China, and the determination and dedication of our staff, Times China was able to maintain a stable and healthy growth in 2021.

With our focus on growth, we continued to expand our presence across the Guangdong-Hong Kong-Macao Greater Bay Area and make investments in regions with high growth potential such as the Yangtze River Delta, the middle reach of the Yangtze River, and the Chengdu-Chongqing urban agglomeration.

For the sake of prudent operation, we have gradually reduced our leverage ratio and continued to strengthen our foundation.

We respected the market, and continued to serve the whole chain of life through our products, services and communities, and explore new patterns of desirable residence for the general public.

We continued to improve our management and fully promote digital transformation through upgrading our operation and management platform, improving our data center, and consolidating the data gathered from various business lines so as to further optimize management efficiency and decision-making process.

We are committed to achieving our goals and helping others to achieve theirs, and always assuming our social responsibilities in spite of changes in the market and the industry. We have organized a total of 50 anti-pandemic activities for the year to fight against COVID-19 with full strength. We also lent our hands and heart in rural revitalization and began to take roots in regions such as Guizhou, Xinjiang, Tibet, Yunnan and Guangdong for the promotion of aesthetic education in rural areas. We have set our footprints in hundreds of counties and towns, and helped more than 600,000 children in rural areas.

Looking forward to 2022, the economic growth in the PRC will be affected by the pressures from three aspects: shrinking demand, supply shocks, and weaker expectations. The combined effects of a once-in-a-century global turbulence and wide spreading pandemic will last, and the external environment will become more complicated.

With the fading out of the bonus from national policy and financial leverage, the real estate industry will bid farewell to the stage of high-speed development, and the number of transactions will gradually decrease and stabilize.

Although the real estate industry is facing a structural adjustment, we still believe that it is one of the most promising industries in the PRC. As the urbanization in the PRC has entered the second half stage, strong momentum for development brought by moderately faster increase in infrastructure and the accelerated implementation of major projects proposed in the 14th Five-Year Plan will continue to drive up the industry and the regions in which we operate.

Accordingly, in order to maintain a steady growth, it will be necessary for us to sharpen our ability in response to this new stage of development. We must formulate new strategies, adapt to the new environment and work harder so as to forge ahead.

In the coming three years, we will place our strategic focus on core metropolitan areas, our core business and our resources in order to gain the most valuable results. Meanwhile, to improve our profitability, we shall vigorously upgrade our products and services, and improve our ability to utilize data and new tools.

I can foresee that, with our efforts over the coming two to three years, we will be able to establish a new Times China and lay a solid foundation for the Company to become a century-old enterprise and a Fortune 500 company!

One's ambition determines how far one may go. Thus, we must always keep light in our hearts and overcome any hindrance in our journey to success, be it a high mountain or a long road. With our hard work and entrepreneurship, and our courage to overcome any difficulties and remove any blockage for making a breakthrough, we shall embrace a new future!

Shum Chiu Hung

Chairman of the Board, Executive Director and Chief Executive Officer

30 March 2022

BUSINESS REVIEW

Overview

For 2021, the Group's operations recorded a revenue of RMB43,635.2 million, representing an increase of 13.1% when compared with that of 2020. Profit for 2021 amounted to RMB4,753.9 million, representing a decrease of 11.4% when compared with that of 2020. The core net profit for 2021 (net profit less changes in fair value of self-owned investment properties, excluding the impact of the related deferred tax, changes in fair value of derivative financial instruments and the premium paid on early redemption of senior notes) decreased to RMB4,802.4 million, representing a decrease of 10.9% when compared with that of 2020. Profit attributable to the owners of the Company for 2021 amounted to RMB3,260.2 million, representing a decrease of 34.0% as compared to that of 2020. Basic earnings per share for 2021 was RMB1.66 (2020: RMB2.54), representing a decrease of 34.6%.

Property Development

The Group focuses on the major core cities in the Guangdong-Hong Kong-Macau Greater Bay Area. As at 31 December 2021, the Group had 146 major projects in total at various stages, including 134 projects in major cities of Guangdong province, namely, Guangzhou, Foshan, Jiangmen, Dongguan, Huizhou, Zhuhai, Zhongshan, Qingyuan, Zhaoqing, Shantou, Shanwei and Heyuan, and 6 projects in Changsha, Hunan province, 1 project in Wuhan, Hubei province, 2 projects in Chengdu, Sichuan province, 2 projects in Hangzhou Area, Zhejiang province and 1 project in Nanjing, Jiangsu province. For 2021, the Group's contracted sales⁽¹⁾ amounted to approximately RMB95.59 billion with total GFA of approximately 5,142,000 sq.m. The Group focuses on its projects on peripheral facilities, seeking to enhance customers' experience in art and to fulfill the needs of the middle to upper class households.

Note 1: Contracted sales is summarised based on sale and purchase agreements and purchase confirmation agreements.

The table below illustrates the contracted sales achieved by the Group by region for 2021:

Region	Available for sale project numbers	Contracted sales area (sq.m.)	Contracted sales amount (RMB million)	Percentage of amounts (%)
Guangzhou	51	975,000	32,116	33.6%
Foshan	42	879,000	20,835	21.8%
Dongguan	13	580,000	12,899	13.5%
Changsha	12	390,000	5,734	6.0%
Qingyuan	16	714,000	5,542	5.8%
Jiangmen	7	526,000	4,192	4.4%
Zhuhai	23	204,000	3,727	3.9%
Zhongshan	22	221,000	2,572	2.7%
Hangzhou	1	108,000	2,388	2.5%
Huizhou	8	168,000	1,831	1.9%
Zhaoqing	4	174,000	1,388	1.5%
Nanjing	1	22,000	760	0.8%
Heyuan	1	67,000	572	0.6%
Chengdu	2	33,000	423	0.4%
Shantou	1	7,000	90	0.1%
Shanwei	1	45,000	330	0.3%
Wuhan	1	29,000	191	0.2%
Total	206	5,142,000	95,590	100.0%

Urban redevelopment business

The Group's income from urban redevelopment business for the year amounted to RMB4,406.9 million. The income was mainly generated from urban redevelopment projects in Guangzhou and Foshan. As of 31 December 2021, there were around 135 urban redevelopment projects in aggregate, with a potential total GFA of approximately 40 million sq.m.

Properties for leasing and sub-leasing

As at 31 December 2021, the Group held a GFA of approximately 30,867 sq.m. and 253 car parking spaces at Times Property Center and a GFA of approximately 37,567 sq.m. at Block No. 26 of Times King City (Zhongshan) and 242 car parking spaces and a GFA of approximately 64,800 sq.m at Times E-Park (Tianhe) Phase II for rental purposes and the GFA for Guangzhou Times Commercial Management Co., Ltd. and other subsidiaries for sub-leasing purposes was approximately 801,994 sq.m.. For 2021, the Group's rental income amounted to RMB519.6 million, contributing to 1.2% of the total revenue.

Land Reserves

As at 31 December 2021, the Group had total land reserves of approximately 19.9 million sq.m., which the Group believes will be sufficient to support the Group's development needs for the next three years. The table below sets forth the information of land reserves in major cities that the Group has established footholds:

Region	Land reserves (sq.m.)	Percentage (%)
Guangzhou	4,416,268	22.1%
Foshan	3,200,459	16.1%
Jiangmen	1,449,178	7.3%
Zhuhai	588,900	3.0%
Zhongshan	796,131	4.0%
Qingyuan	3,945,617	19.8%
Changsha	984,651	4.9%
Dongguan	1,204,756	6.1%
Huizhou	1,283,716	6.4%
Chengdu	165,659	0.8%
Zhaoqing	922,381	4.6%
Shantou	182,690	0.9%
Shanwei	65,017	0.3%
Hangzhou Area	294,802	1.5%
Heyuan	61,432	0.3%
Wuhan	284,018	1.4%
Nanjing	98,428	0.5%
	<hr/>	<hr/>
	19,944,103	100.0%

Portfolio of Property Development Projects

The table below is a summary of the portfolio of property development projects as at 31 December 2021⁽¹⁾.

Project	Project type	Actual/expected completion dates	Site area (sq.m.)	Completed		Under development/ future development		Ownership interest ⁽⁵⁾ (%)
				GFA for sale ⁽²⁾⁽⁴⁾ (sq.m.)	Other GFA ⁽³⁾ (sq.m.)	GFA for sale ⁽⁴⁾ (sq.m.)	Other GFA ⁽³⁾ (sq.m.)	
Guangzhou								
Times Bund	Residential and commercial	2013-2016	92,123	–	30,520	–	–	99
Ocean Times	Residential and commercial	2011-2015	354,156	11,325	23,170	–	–	91
Guangzhou Tianhe Project (Pige Factory Project)	Industrial	Pending	–	–	–	–	–	70
Yun Du Hui	Apartment and commercial	2015	17,480	–	35	–	–	50
Times Cloud Atlas (Guangzhou)	Residential and commercial	2016	45,593	–	6,160	–	–	100
Times Bridges (Zengcheng)	Residential and commercial	2017	93,756	–	91,350	–	–	100
Times Centralpark Living (Guangzhou)	Residential and commercial	2017	70,648	–	74,199	–	–	100
Nansha Times Long Island Project	Residential and commercial	2016-2018	71,310	–	351	–	–	100
Times Cloud Port (Huadu)	Residential and commercial	2020	29,959	707	9,600	–	–	100
Times Park Laurel (Guangzhou)	Residential and commercial	2018	45,537	1,011	9,280	–	–	100
Times Aerobic City (Guangzhou)	Residential and commercial	2018	64,374	8,808	84	–	–	95
Huangpu Chemical	Commercial	2022	18,279	–	–	81,797	27,504	45
B2-2 land parcel, Sino- Singapore Knowledge City	Residential and commercial	2019	61,145	12,721	49,260	–	–	100
B2-1 land parcel, Sino- Singapore Knowledge City	Residential and commercial	2016-2019	103,890	4,392	987	–	–	100
Times Cambridge (Huadu)	Residential and commercial	2017-2018	31,665	6,367	1,286	–	–	100
Project of Shigang Road, Haizhu District	Residential and commercial	2022	20,211	–	–	71,038	13,830	60
Times Fairy Land	Residential and commercial	2019	20,076	4,729	17,483	–	–	91
Times Forture	Residential and commercial	2018	20,177	2,340	33,356	–	–	100
Times The Shore	Residential and commercial	2020	53,985	–	42,376	–	–	100
Times Elegance (Zengcheng)	Residential and commercial	2020	24,825	–	26,965	–	–	87
Times King City (Sino-Singapore) Phase I	Residential and commercial	2020-2021	90,976	145,017	77,603	–	–	51
Times King City (Sino-Singapore) Phase II	Residential and commercial	2024	31,509	–	–	118,138	32,970	70
Times City (Guangzhou)	Residential and commercial	2021-2027	178,038	64,253	5,846	272,952	93,264	51
Times Yunlai (Guangzhou)	Residential and commercial	2021-2022	67,695	46,727	–	131,823	45,624	60

Project	Project type	Actual/expected completion dates	Site area (sq.m.)	Completed		Under development/ future development		Ownership interest ⁽⁵⁾ (%)
				GFA for sale ⁽²⁾⁽⁴⁾ (sq.m.)	Other GFA ⁽³⁾ (sq.m.)	GFA for sale ⁽⁴⁾ (sq.m.)	Other GFA ⁽³⁾ (sq.m.)	
Times Longfor Dream Land	Residential and commercial	2021-2023	81,178	58,676	–	128,104	52,529	17
Project of Times China Bay Area Headquarter, Nansha District, Guangzhou	Commercial	2025	11,447	–	–	141,480	37,019	100
Times Realm (Guangzhou)	Residential and commercial	2022	44,995	–	–	151,403	30,436	51
Times Impression (Guangzhou)	Residential and commercial	2021-2024	102,948	40,278	26,240	272,954	58,129	75
Times Classic (Zengcheng)	Residential and commercial	2021-2024	77,530	19,251	–	169,337	55,585	75
Times Horizon (Huangpu)	Residential and commercial	2022-2024	100,321	–	–	417,556	111,893	70
Times Flourism (Huangpu)	Residential and commercial	2022	23,467	–	–	73,881	23,460	60
Times Rhythm (Guangzhou)	Residential and commercial	2022-2023	110,168	–	–	421,203	90,960	50
Golden Field Yuefu	Residential and commercial	2021-2022	33,321	1,358	1,201	182,885	51,561	30
ZSCN-E2 land parcel, Knowledge City	Residential	2023	47,879	–	–	90,360	11,281	25
Foshan								
Times King City (Shunde)	Residential and commercial	2016-2017	125,782	–	31,570	–	–	100
Times City (Foshan)	Residential and commercial	2010-2017	505,776	–	92,817	–	–	100
Times City (Foshan) Phases V and VI	Residential and commercial	2016	12,860	–	3,084	–	–	100
Times Cloud Atlas (Foshan)	Residential and commercial	2015-2016	58,149	–	23,870	–	–	100
Times King City (Foshan) Phase IV	Residential and commercial	2015	34,308	–	355	–	–	91
Goden Lotus (Foshan)	Residential and commercial	2017	20,464	–	2,310	–	–	100
Times Prime (Foshan)	Residential and commercial	2016	17,148	–	910	–	–	100
Times Riverbank (Foshan)	Residential and commercial	2017	64,697	–	15,805	–	–	100
Times The Shore (Foshan)	Residential and commercial	2017	51,457	–	7,753	–	–	100
Times Classic (Foshan)	Residential and commercial	2018	35,383	–	15,342	–	–	100
Times Riverbank (Foshan) Phase II	Residential and commercial	2018-2019	111,658	–	682	–	–	100
Ocean Times (Foshan) Phase I	Residential and commercial	2018	105,553	4,072	29,924	–	–	91
Timing Home	Residential and commercial	2019	40,794	4,681	18,592	–	–	100
Ocean Times (Foshan) Phase II	Residential and commercial	2019	89,927	892	30,908	–	–	100
My. Tittlis (Foshan)	Residential and commercial	2019	117,893	–	3,075	–	–	100
Project of Juxian, Nanshan, Sanshui, Foshan	Residential and commercial	2020	49,125	12,907	36,304	–	–	100

Project	Project type	Actual/expected completion dates	Site area (sq.m.)	Completed		Under development/ future development		Ownership interest ⁽⁵⁾ (%)
				GFA for sale ⁽²⁾⁽⁴⁾ (sq.m.)	Other GFA ⁽³⁾ (sq.m.)	GFA for sale ⁽⁴⁾ (sq.m.)	Other GFA ⁽³⁾ (sq.m.)	
Project of Aoli Garden, Datang, Sanshui, Foshan	Residential and commercial	2018-2019	91,760	14,427	64,543	–	–	80
Project of Xinya, Nanhai, Foshan	Residential and commercial	2020	41,772	28,891	22,816	–	–	60
Times Starry Mansion (Foshan)	Residential and commercial	2018-2019	37,835	–	35,132	–	–	75
Times Merchants Tianxi (Foshan)	Residential and commercial	2021	43,518	32,006	33,750	–	–	50
Times Realm (Foshan)	Residential and commercial	2021-2022	67,579	82,764	7,507	22,661	46,763	70
Poly Times (Foshan)	Residential and commercial	2022	48,498	–	–	142,950	33,780	49
Toplus (Foshan)	Residential and commercial	2021-2024	120,487	23,681	7,400	257,299	69,547	33
Times Memory (Foshan)	Residential and commercial	2021-2022	62,063	60,655	631	137,016	35,193	51
Foshan Dali Yanjiang Road Project	Residential and commercial	2021-2022	36,313	35,264	6,362	–	21,780	100
Hexiquan Project in Shuitou Industrial Zone, Nanhai, Foshan	Residential and commercial	2022	12,688	–	–	4,574	9,920	33
Foshan's Shunde Lunjiao Project	Residential and commercial	2022	38,654	–	–	128,760	28,636	51
Times Global Chuangke Town	Residential and commercial	2022-2023	223,952	–	–	653,384	152,396	75
Panjian Project in Shuitou Industrial Zone, Nanhai, Foshan	Residential and commercial	2022	11,304	–	–	36,413	11,617	33
Times Cloud Atlas (Sanshui) Phase II	Residential and commercial	2022	26,658	–	–	52,457	10,243	100
Chuangke Phase II	Residential and commercial	2023-2024	119,035	–	–	397,403	50,228	24
Chabo City, Nanhai, Foshan	Residential and commercial	2024	31,120	–	–	91,707	14,050	67
Jiangmen								
Times King City (Heshan)	Residential and commercial	2019-2020	120,804	49,967	43,292	–	–	70
Lake Forest	Residential and commercial	2020-2022	316,980	78,624	109,291	211,428	18,228	51
Central Park Living	Residential and commercial	2019	90,034	15,386	39,960	–	–	100
Times Horizon (Heshan)	Residential and commercial	2020-2022	49,735	1,507	36,969	3,351	–	90

Project	Project type	Actual/expected completion dates	Site area (sq.m.)	Completed		Under development/ future development		Ownership interest ⁽⁵⁾ (%)
				GFA for sale ⁽²⁾⁽⁴⁾ (sq.m.)	Other GFA ⁽³⁾ (sq.m.)	GFA for sale ⁽⁴⁾ (sq.m.)	Other GFA ⁽³⁾ (sq.m.)	
Central Park Living (Heshan) Phase II	Residential and commercial	2020-2024	119,153	–	35,843	134,322	24,596	91
Times Elegance (Heshan)	Residential and commercial	2022-2024	187,782	–	–	492,967	121,930	51
Times King City (Jiangmen)	Residential and commercial	2020	34,674	2,081	29,436	–	–	100
Zhuhai								
Eolia City (Zhuhai) Phase VI	Residential and commercial	2013-2014	51,003	–	525	–	–	100
Times Harbor (Zhuhai)	Residential and commercial	2015	81,393	–	8,750	–	–	100
Times King City (Zhuhai) Phase I	Residential and commercial	2015	52,950	–	6,615	–	–	100
Times King City (Zhuhai) Phases II, III and IV	Residential and commercial	2016-2017	198,204	–	3,708	–	–	100
The Shore (Zhuhai)	Residential and commercial	2016-2017	119,169	–	41,160	–	–	100
Baoli Xiangbin Huayuan Project	Residential and commercial	2017	77,206	–	5,754	–	–	49
West of Tin Ka Ping Secondary School, Zhuhai	Residential and commercial	2018	85,363	1,708	49,318	–	–	100
Zhuhai Times Eolia City (Zhuhai)	Residential and commercial	2018	53,963	–	37,971	–	–	100
Times King City (Zhuhai) Phase V	Residential and commercial	2018	17,791	–	13,112	–	–	80
Times Poly TOPlaza (Zhuhai)	Residential and commercial	2019-2022	60,138	17,590	71,107	74,812	–	50
West of Heyi Road (Middle), Baijiao Township, Doumen District, Zhuhai	Residential and commercial	2020	20,000	7,357	9,504	–	–	100
Times Horizon II	Residential and commercial	2020	11,393	8,741	8,353	–	–	50
Times Horizon III	Residential and commercial	2021	23,712	47,457	18,691	–	–	50
Times Horizon I	Residential	2020	9,540	15,654	6,693	–	–	38
Times Horizon IV	Residential and commercial	2021-2022	48,432	49,309	114	52,772	32,125	38
Zhongshan								
Times King City (Zhongshan)	Residential and commercial	2013-2015	101,821	–	33,775	–	–	100
Times Cloud Atlas (Zhongshan)	Residential and commercial	2015-2016	46,667	–	567	–	–	100
Jin Sha Project (Zhongshan)	Residential and commercial	2020-2022	132,290	65,413	56,997	182,164	18,371	93
Sanxi Village Project (Zhongshan)	Residential and commercial	2019	39,351	4,533	29,624	–	–	91
Baoyi Project (Zhongshan)	Residential and commercial	2020	26,256	1,478	21,234	–	–	100

Project	Project type	Actual/expected completion dates	Site area (sq.m.)	Completed		Under development/ future development		Ownership interest ⁽⁵⁾ (%)
				GFA for sale ⁽²⁾⁽⁴⁾ (sq.m.)	Other GFA ⁽³⁾ (sq.m.)	GFA for sale ⁽⁴⁾ (sq.m.)	Other GFA ⁽³⁾ (sq.m.)	
Jieyue Project of Times North Shore (Zhongshan)	Residential and commercial	2019	25,672	1,353	19,103	–	–	73
Guanfu Project of Times North Shore (Zhongshan)	Residential and commercial	2020	24,328	2,426	18,806	–	–	73
Project of Qijiang New Town, Zhongshan ⁽⁶⁾	Residential and commercial	2023-2024	87,272	–	–	271,407	68,880	51
Qingyuan								
Times King City (Qingyuan)	Residential and commercial	2014-2019	301,368	40,398	80,525	–	–	100
Times Garden (Qingyuan) (Phase I)	Residential and commercial	2016	70,650	–	33,086	–	–	100
Times Garden (Qingyuan) (Phase II)	Residential and commercial	2019-2020	84,440	7,674	11,601	–	–	100
Fogang Shilian Project	Residential and commercial	2026	551,087	–	–	1,090,746	43,896	100
Fogang Huanghua Lake Project	Residential and commercial	2024-2025	477,020	–	–	418,725	49,361	58
The Shore (Qingyuan) Jiada Feilai Lake Project	Residential and commercial	2024-2025	91,127	–	–	346,115	89,160	100
The Shore (Qingyuan) Wanda West Project	Residential and commercial	2019	68,840	10,665	80,632	–	–	90
Times King City (Qingyuan) Phase IX (Heshun Project)	Residential and commercial	2019	42,214	–	–	–	–	100
Fogang Songfeng Project (Qingyuan)	Residential and commercial	2021-2022	118,164	75,675	8,693	266,239	85,490	70
Times The Shore II (Qingyuan) Hengda Feilai Lake Project	Residential and commercial	2019-2023	133,102	8,917	–	309,225	84,492	64
Feilai South Road Project (Qingyuan)	Residential and commercial	2024-2025	23,137	–	–	80,670	21,660	100
Times Sweet (Qingyuan)	Residential and commercial	2019-2020	28,620	16,946	34,384	–	–	100
Xinteng Project (Qingyuan)	Residential and commercial	2022-2025	123,987	–	–	362,487	94,260	75
Project of Hengfeng (Qingyuan)	Residential and commercial	2024	53,164	–	–	153,695	40,200	100
Changsha								
Times King City (Changsha)	Residential and commercial	2013-2024	649,862	–	121,461	257,058	56,026	100
Times Prime (Changsha)	Residential and commercial	2020	48,017	10,428	32,761	–	–	100
Times Memory (Changsha)	Residential and commercial	2021	39,722	5,373	2,619	–	22,005	100
Times Mt. Tittlis (Meixi)	Residential and commercial	2021-2022	71,041	13,777	2,629	–	54,439	100
Project of Huangtuling, Yuhua District, Changsha	Commercial	2022	8,848	–	–	56,583	12,826	80
S16 Series Land Parcel, Moon Island, Changsha	Residential and commercial	2023-2024	121,666	–	–	305,892	30,774	51

Project	Project type	Actual/expected completion dates	Site area (sq.m.)	Completed		Under development/ future development		Ownership interest ⁽⁵⁾ (%)
				GFA for sale ⁽²⁾⁽⁴⁾ (sq.m.)	Other GFA ⁽³⁾ (sq.m.)	GFA for sale ⁽⁴⁾ (sq.m.)	Other GFA ⁽³⁾ (sq.m.)	
Dongguan								
Times King City (Dongguan)	Residential and commercial	2018	55,792	1,845	692	–	–	100
Times Realm (Dongguan)	Residential and commercial	2018-2020	79,190	13,853	39,120	–	–	100
Times Thriving City (Dongguan)	Residential and commercial	2018-2020	42,519	5,506	15,483	–	–	100
Acquisition Project of Xiaohu Road, Daoqiang Town (Dongguan)	Residential and commercial	2019-2022	56,298	8,658	15,491	75,066	11,942	60
Project of Luwu Village, Changping Town (Dongguan)	Residential and commercial	2019-2020	26,345	16,740	–	–	23,791	17
Shipai Town Project (Dongguan)	Residential and commercial	2019-2022	95,977	26,025	–	2,250	46,243	13
Project of Douchizhou, Zhongtang Town, Dongguan	Residential and commercial	2021	22,451	20,051	19,202	1,466	67	51
Project of Land Parcel II of Douchizhou, Zhongtang Town, Dongguan	Residential and commercial	2021-2023	38,096	–	–	106,075	21,623	49
Project of Dingshan, Houjie Town, Dongguan	Residential and commercial	2023	69,524	–	–	233,878	44,376	33
Land Parcel 014 of Douchizhou, Zhongtang Town, Dongguan	Residential and commercial	2022	41,837	–	–	117,256	23,809	51
Land Parcel 016 of Douchizhou, Zhongtang Town, Dongguan	Residential and commercial	2022	27,572	–	–	83,494	9,943	49
Project of Liaoxia, Houjie, Dongguan	Residential and commercial	2024	104,561	–	–	194,946	25,865	15
Huizhou								
Desai Land Parcel of Gutang'ao Golden Totus (Huizhou)	Residential and commercial	2020-2024	284,414	37,107	63,893	403,559	84,887	49
Vantin Casa (Huiyang)	Residential and commercial	2020	71,274	14,211	–	–	36,300	100
Sanhe Road Housing Estate (Huizhou)	Residential and commercial	2025	62,000	–	–	130,932	36,240	80
Project of Baiyunshan Town, Zhongkai District, Huizhou	Residential and commercial	2022-2024	93,628	–	–	399,803	40,725	100
Chengdu								
Times Blossom (Chengdu)	Residential and commercial	2020	30,429	9,698	21,960	–	–	100
Times Realm (Chengdu)	Residential and commercial	2021-2022	38,338	1,924	4,565	94,126	33,386	100
Zhaoqing								
Times Bund (Zhaoqing)	Residential and commercial	2020	59,677	18,841	39,780	–	–	100
Project of Fenghuang Avenue, Zhaoqing New District	Residential and commercial	2022	51,385	–	–	191,709	30,700	100

Project	Project type	Actual/expected completion dates	Site area (sq.m.)	Completed		Under development/ future development		Ownership interest ⁽⁵⁾ (%)
				GFA for sale ⁽²⁾⁽⁴⁾ (sq.m.)	Other GFA ⁽³⁾ (sq.m.)	GFA for sale ⁽⁴⁾ (sq.m.)	Other GFA ⁽³⁾ (sq.m.)	
Times Shimao Riverbank (Zhaoqing)	Residential and commercial	2023-2026	59,394	–	–	192,143	23,336	50
Times Xinghu Memory (Zhaoqing)	Residential and commercial	2023-2024	43,031	–	–	131,412	36,840	100
Times Impression (Zhaoqing)	Residential and commercial	2025	69,999	–	–	227,829	29,791	100
Shantou								
Times Horizon (Shantou)	Residential and commercial	2022	36,230	–	–	151,010	31,680	100
Shanwei								
Times Riverbank (Haifeng)	Residential and commercial	2021	27,612	22,258	42,759	–	–	100
Hangzhou Area								
Times Realm (Hangzhou)	Residential and commercial	2023	26,861	–	–	74,712	19,002	80
Project of Longduhu, Xucun Town, Haining	Residential and commercial	2023	46,938	–	–	158,778	42,310	43
Heyuan								
Times King City (Heyuan)	Residential and commercial	2021	44,470	3,369	5,932	–	52,131	60
Wuhan								
Times Mark (Wuhan)	Residential and commercial	2022-2024	78,037	–	–	217,537	66,481	50
Nanjing								
Land Parcel from East to Zhijia Garden, West to Magao Road, Maqun Street, Qixia District, Nanjing	Residential	2023	32,844	–	–	84,817	13,611	28
			11,954,205	1,498,986	2,478,130	12,992,991	2,973,996	

- (1) The table above includes properties for which (i) the Group has obtained the relevant land use rights certificate(s), but has not obtained the requisite construction permits, or (ii) the Group has signed a land grant contract with the relevant government authority, but has not obtained the land use rights certificate(s). The figures for total and saleable GFA are based on figures provided in the relevant governmental documents, such as the property ownership certificates, the construction work planning permits, the pre-sale permits, the construction land planning permits or the land use rights certificate. The categories of information are based on our internal records.
- (2) Certain completed projects have no GFA available for sale by the Group as all saleable GFA have been sold, pre-sold or rented out.
- (3) “Other GFA” mainly comprises car parks and ancillary facilities.
- (4) “GFA for sale” and “GFA under development and GFA held for future development” are derived from the Group’s internal records and estimates.
- (5) “Ownership interest” is based on the Group’s effective ownership interest in the respective project companies.
- (6) As of 31 December 2021, the acquisition of Project of Qijiang New Town, Zhongshan has not been closed.

Acquisitions of Land Parcels during the year 2021

The Group continued to expand its land reserves through various channels, including participations in government public auctions, urban redevelopment projects, primary developments, cooperations and acquisitions.

For 2021, the Group acquired a total of eight parcels of land in Guangzhou, Foshan, Changsha, Huizhou, Dongguan, Zhaoqing and Nanjing, and the land acquisition costs amounted to a total of approximately RMB4,553.0 million.

Location (City) of projects	Number of projects	Expected total GFA (sq.m.)	Total land costs (RMB million)	Total land costs (Attributable to the Company) (RMB million)
Guangzhou	1	101,641	1,196	299
Foshan	2	553,388	4,643	1,424
Changsha	1	336,666	1,208	314
Huizhou	1	440,529	1,026	1,026
Dongguan	1	220,810	2,038	611
Zhaoqing	1	257,620	420	420
Nanjing	1	98,427	1,640	459
Total	8	2,009,081	12,171	4,553

MARKET REVIEW

As of 31 December 2021, prices and transaction volume continued to rise in the whole real estate industry. According to the National Bureau of Statistics, the saleable area of commercial properties reached 1,794.33 million sq.m. nationwide, representing an increase of 1.9 percentage points on a year-on-year basis and an average increase of 2.25% within two years. The transaction volume of commercial properties reached RMB18,192.9 billion, representing an increase of 4.8 percentage points on a year-on-year basis and an average increase of 6.73% within two years. The average sales price of commercial properties was RMB10,139/sq.m., which increased by 2.84 percentage points on a year-on-year basis. The regional market performance differentiated. The sales growth rates of commercial properties in Zhejiang, Jiangsu and Guangdong province were 11%, 10% and -1.1% respectively.

The national residential land market cooled down and there were differentiation in transactions. According to statistics from the China Index Academy, the national residential land transaction value was RMB5,820.3 billion, which decreased by 7.7% on a year-on-year basis. Among them, the growth rate of residential land transaction value in first-tier cities, second-tier cities and third-and-fourth-tier cities was 12%, -8% and -12%, respectively. Land prices continued to rise, with the average transaction price of gross floor at RMB3,590/sq.m, which increased by 18% on a year-on-year basis.

Financial leverage dividends have subsided, and the growth rate of funds entering real estate has continued to slow down. According to the People's Bank of China, at the end of 2021, the balance of RMB real estate loans was RMB52.17 trillion, representing an increase of 7.9% on a year-on-year basis and 3.7 percentage points lower than the growth rate at the end of the previous year. The annual increase was RMB3.81 trillion, accounting for 19.1% of the increase in various loans in the same period, and 7.2 percentage points lower than the level of the previous year. Among them, the balance of personal property loans was RMB38.32 trillion, which increased by 11.3% on a year-on-year basis, and the growth rate was 3.3 percentage points, which was lower than that at the end of the previous year.

PROSPECTS

Looking forward to 2022, the macroeconomic development will face triple pressures owing to demand contraction, supply shock and weakening expectations. The monetary policies tend to be stable and easing while the fiscal policies tend to be more positive.

The regulatory policies for the industry are expected to be relaxed to support reasonable housing demands. The city-specific policies promote the benign cycle and healthy development of the real estate industry. Under the real estate financial prudential management system, the financing structure of real estate enterprises tends to be differentiated and personal mortgage loan will be placed in a stable and orderly manner. The mortgage interest rate is expected to decline. It is estimated that regional market transaction will be differentiated with the markets for metropolitan areas and the first- and second-tier cities will remain stable, while the third- and fourth-tier cities with population net outflow will remain lackluster. With the increasing investment in new infrastructure and the construction of digital cities, the value of major metropolitan areas will be more obvious.

The Group aims to lower the gearing ratio and liabilities in order to ensure the stable development of the Company. By adhering to the aggressive sales strategies, the Group will maintain a healthy cash flow.

We will adapt to the national policies and directions actively, and adjust the corporate operation model to a new development model of quality and stability. The emphasis will be put on the residential development business and the urban redevelopment business with moderate scale and high quality of land reserve.

The Group will continue to explore the high value region of the Guangdong-Hong Kong-Macao Greater Bay Area, and gradually develop regions with high potential such as the Yangtze River Delta, the middle reach of the Yangtze River, and the Chengdu-Chongqing urban agglomeration.

Financial Review

Revenue

The Group's revenue is primarily generated from property development, urban redevelopment business and property leasing and sub-leasing, which contributed approximately 88.7%, 10.1% and 1.2% respectively of the revenue of 2021. The Group's revenue increased by RMB5,058.5 million, or 13.1%, to RMB43,635.2 million for 2021 from RMB38,576.7 million for 2020. This increase in revenue was primarily attributable to the increase in the delivered area in property sales and the increase in the average sales price.

The table below sets forth the breakdown of the Group's revenue by operating segments as indicated:

	Year 2021		Year 2020	
	(RMB in millions)	(%)	(RMB in millions)	(%)
Sales of properties	38,708.7	88.7	32,673.3	84.7
Income from urban redevelopment business	4,406.9	10.1	5,453.3	14.1
Rental income	519.6	1.2	450.1	1.2
	<u>43,635.2</u>	<u>100.0</u>	<u>38,576.7</u>	<u>100.0</u>

Property development

The Group's revenue from sales of properties increased by RMB6,035.4 million, or 18.5%, to RMB38,708.7 million for 2021 from RMB32,673.3 million for 2020. The increase was primarily due to the increase in delivered gross floor area for the year and the increase in the average sales price. The projects that contributed substantially to the Group's revenue for 2021 included Times Memory (Guangzhou), Times Mt. Tittlis (Meixi) (Changsha), Times Horizon (Foshan), Times Impression (Guangzhou) and Times Favorite Car Town.

Urban redevelopment business

In 2021, the Group's income from urban redevelopment business decreased by RMB1,046.4 million, or 19.2%, to RMB4,406.9 million for 2021 from RMB5,453.3 million for 2020. The income was mainly generated from urban redevelopment projects in Guangzhou and Foshan etc.. As of 31 December 2021, there were around 135 urban redevelopment projects in aggregate, with a potential total GFA of approximately 40 million sq.m.

Property leasing and sub-leasing

The Group's gross rental income increased by RMB69.5 million, or 15.4%, to RMB519.6 million for 2021 from RMB450.1 million for 2020. The increase was primarily due to the increase in the number of projects and areas for lease during the year.

Cost of sales

The Group's cost of sales increased by RMB4,107.9 million, or 15.0%, to RMB31,582.1 million for 2021 from RMB27,474.2 million for 2020. The increase was primarily attributable to the increase in the delivered floor area in property sales.

Gross profit and gross profit margin

The Group's gross profit increased by RMB950.7 million, or 8.6%, to RMB12,053.1 million for 2021 from RMB11,102.4 million for 2020. The Group's gross profit margin decreased slightly from 28.8% in 2020 to 27.6% in 2021. The decrease in gross profit margin was primarily because there was less recognised urban redevelopment income (which carries higher gross profit margin) being recorded in 2021 as compared with 2020.

Other income and gains

The Group's other income and gains decreased to RMB944.0 million for 2021 from RMB1,935.1 million for 2020 which is primarily attributable to the fact that premium income was derived after the successful transformation of Guangzhou Hongwei project in 2020, whereas there was no such business during the current period.

Selling and marketing costs

The Group's selling and marketing costs decreased by RMB179.8 million, or 16.1%, from RMB1,120.0 million for 2020 to RMB940.2 million for 2021. The decrease was mainly due to the strict control over the marketing expenses by the Group.

Administrative expenses

The Group's administrative expenses decreased by RMB347.0 million, or 22.0%, to RMB1,227.1 million for 2021 from RMB1,574.1 million for 2020. Such decrease was mainly attributable to the strict control of administrative expenses by the Group.

Other expenses

The Group's other expenses increased by RMB724.3 million to RMB1,209.2 million for 2021 from RMB484.9 million for 2020. The increase was primarily due to the increase in provision for impairment of inventory and loss in foreign exchange.

Finance costs

The Group's finance costs decreased by RMB355.2 million, or 30.1%, to RMB826.0 million for 2021 from RMB1,181.2 million for 2020. The decrease was primarily due to a decrease in interest-bearing debts of the Group.

Income tax expenses

The Group's income tax expenses increased by RMB630.3 million, or 16.8%, to RMB4,386.8 million for 2021 from RMB3,756.5 million for 2020. The increase was primarily attributable to the increase in the Group's recognised land appreciation tax in 2021.

Profit for the year

The Company's profit for the year decreased by RMB612.1 million, or 11.4%, to RMB4,753.9 million as of 31 December 2021 from RMB5,366.0 million as of 31 December 2020. Basic earnings per share for 2021 was RMB1.66 (2020: RMB2.54).

Profit attributable to the owners of the Company

Profit attributable to the owners of the Company decreased by RMB1,681.0 million, or 34.0%, to RMB3,260.2 million for the year ended 31 December 2021 from RMB4,941.2 million for the year ended 31 December 2020. Core net profit attributable to the owners of the Company (net profit attributable to shareholders less changes in fair value of self-owned investment properties, excluding the impact of the related deferred tax, changes in fair value of derivative financial instruments and the premium paid on early redemption of senior notes) decreased by RMB1,654.9 million, or 33.3% to RMB3,308.7 million for the year ended 31 December 2021 from RMB4,963.6 million for the year ended 31 December 2020.

Liquidity, Financial and Capital Resources

Cash position

As at 31 December 2021, the carrying balance of the Group's cash and bank deposits was approximately RMB20,657.2 million (31 December 2020: RMB37,959.6 million), representing a decrease of 45.6% when compared with that of 31 December 2020. Under relevant PRC laws and regulations, some of the Group's project companies are required to place a certain amount of pre-sale proceeds in designated bank accounts as guarantee deposits for construction of the relevant properties. These guarantee deposits may only be used for payments to construction contractors in the project development process and for other construction-related payments, such as purchase of materials. The remaining guarantee deposits are released when certificates of completion for the relevant properties have been obtained. In addition, a portion of the Group's bank deposits represented loan proceeds in the monitoring accounts designated by the banks, in which case the use of the restricted bank deposits, subject to the banks' approval, is restricted to the purposes as set out in the relevant loan agreements. As at 31 December 2021, the Group's restricted bank deposits was RMB5,938.9 million (31 December 2020: RMB4,427.9 million).

Borrowings and pledged assets

The Group had aggregate interest-bearing bank loans and other borrowings (excluding interest payable) of approximately RMB53,394.1 million as at 31 December 2021. Borrowings that are due within one year decreased from RMB18,070.5 million as at 31 December 2020 to RMB11,019.6 million as at 31 December 2021, and approximately RMB39,276.0 million of borrowings are due within two to five years and approximately RMB3,098.5 million of borrowings are due in over five years. As at 31 December 2021, the Group's outstanding borrowings were secured by certain of investment properties, trade receivables, inventories of properties and property, plant and equipment with carrying values of approximately RMB953.0 million, RMB998.2 million, RMB5,300.5 million and RMB682.6 million respectively.

Details of the equity or debt securities issued by the Company and/or its subsidiaries are set out below:

(a) USD 5.55% Senior Notes due 2024

On 4 June 2021, the Company issued 5.55% senior notes due 2024 in a principal amount of USD400,000,000 (equivalent to approximately RMB2,550,280,000) (the "USD 5.55% Senior Notes issued in June 2021"). On 27 July 2021, the Company issued 5.55% senior notes due 2024 in a principal amount of USD100,000,000 (equivalent to approximately RMB637,570,000) (the "USD 5.55% Senior Notes issued in July 2021"). The USD 5.55% Senior Notes issued in June 2021 and the USD 5.55% Senior Notes issued in July 2021 were consolidated and formed a single series, collectively as the "USD 5.55% Senior Notes due 2024". The USD 5.55% Senior Notes due 2024 are listed on the Stock Exchange and bear interest from and including 4 June 2021 at the rate of 5.55% per annum, payable semi-annually in arrears.

(b) USD 5.30% Senior Notes due 2022

On 22 April 2021, the Company issued 5.30% senior notes due 2022 in a principal amount of USD200,000,000 (equivalent to approximately RMB1,275,140,000) (the "USD 5.30% Senior Notes due 2022"). The USD 5.30% Senior Notes due 2022 are listed on the Stock Exchange and bear interest from and including 22 April 2021 at the rate of 5.30% per annum, payable semi-annually in arrears.

(c) USD 5.75% Senior Notes due 2027

On 14 January 2021, the Company issued 5.75% senior notes due 2027 in a principal amount of USD350,000,000 (equivalent to approximately RMB2,231,495,000) (the "USD 5.75% Senior Notes due 2027"). The USD 5.75% Senior Notes due 2027 are listed on the Stock Exchange and bear interest from and including 14 January 2021 at the rate of 5.75% per annum, payable semi-annually in arrears.

(d) USD 6.20% Senior Notes due 2026

On 22 September 2020, the Company issued 6.20% senior notes due 2026 in a principal amount of USD350,000,000 (equivalent to approximately RMB2,231,495,000) (the “USD 6.20% Senior Notes issued in September 2020”). On 17 March 2021, the Company issued 6.20% senior notes due 2026 in a principal amount of USD100,000,000 (equivalent to approximately RMB637,570,000) (the “USD 6.20% Senior Notes issued in March 2021”). The USD 6.20% Senior Notes issued in September 2020 and the USD 6.20% Senior Notes issued in March 2021 were consolidated and formed a single series, collectively as the “USD 6.20% Senior Notes due 2026”. The USD 6.20% Senior Notes due 2026 are listed on the Stock Exchange and bear interest from and including 22 September 2020 at the rate of 6.20% per annum, payable semi-annually in arrears.

(e) RMB5.94% Non-Public Domestic Corporate Bonds due 2024

On 21 August 2020, Guangzhou Times Holdings Co., Ltd.* (廣州市時代控股有限公司) (“Guangzhou Times”) issued non-public domestic corporate bonds at a coupon rate of 5.94% per annum at a par value of RMB1,100,000,000 (“RMB5.94% Non-Public Domestic Corporate Bonds due 2024”) for a term of four years in the PRC. Guangzhou Times has the option to adjust the coupon rate at the end of the second year, while investors have the option to sell back. RMB5.94% Non-Public Domestic Corporate Bonds due 2024 are listed on the Shanghai Stock Exchange and bear interest from and including 24 August 2020 at the rate of 5.94% per annum, payable annually in arrears.

(f) RMB5.68% Non-Public Domestic Corporate Bonds due 2024

On 3 August 2020, Guangzhou Times issued non-public domestic corporate bonds at a coupon rate of 5.68% per annum at a par value of RMB500,000,000 (“RMB5.68% Non-Public Domestic Corporate Bonds due 2024”) for a term of four years in the PRC. Guangzhou Times has the option to adjust the coupon rate at the end of the second year, while investors have the option to sell back. RMB5.68% Non-Public Domestic Corporate Bonds due 2024 are listed on the Shanghai Stock Exchange and bear interest from and including 4 August 2020 at the rate of 5.68% per annum, payable annually in arrears.

(g) RMB5.94% Public Domestic Corporate Bonds due 2025

On 16 July 2020, Guangzhou Times issued public domestic corporate bonds at a coupon rate of 5.94% per annum at a par value of RMB1,600,000,000 (“RMB5.94% Public Domestic Corporate Bonds due 2025”) for a term of five years in the PRC. Guangzhou Times has the option to adjust the coupon rate at the end of the third year, while investors have the option to sell back. RMB5.94% Public Domestic Corporate Bonds due 2025 are listed on the Shanghai Stock Exchange and bear interest from and including 17 July 2020 at the rate of 5.94% per annum, payable annually in arrears.

(h) USD 6.75% Senior Notes due 2025

On 8 July 2020, the Company issued 6.75% senior notes due 2025 in a principal amount of USD300,000,000 (equivalent to approximately RMB1,912,710,000) (the “USD 6.75% Senior Notes issued in July 2020”). On 30 October 2020, the Company issued 6.75% senior notes due 2025 in a principal amount of USD250,000,000 (equivalent to approximately RMB1,593,925,000) (the “USD 6.75% Senior Notes issued in October 2020”). The USD 6.75% Senior Notes issued in July 2020 and the USD 6.75% Senior Notes issued in October 2020 were consolidated and formed a single series, collectively as the “USD 6.75% Senior Notes due 2025”. The USD 6.75% Senior Notes due 2025 are listed on the Stock Exchange and bear interest from and including 8 July 2020 at the rate of 6.75% per annum, payable semi-annually in arrears.

(i) RMB5.24% Public Domestic Corporate Bonds due 2025

On 26 May 2020, Guangzhou Times issued 5.24% public domestic corporate bonds in a principal amount of RMB2,500,000,000 (“RMB5.24% Public Domestic Corporate Bonds due 2025”). Guangzhou Times has the option to adjust the coupon rate at the end of the third year, while investors have the option to sell back. RMB5.24% Public Domestic Corporate Bonds due 2025 are listed on the Shanghai Stock Exchange and bear interest from and including 27 May 2020 at the rate of 5.24% per annum, payable annually in arrears.

(j) USD 6.00% Senior Notes due 2021

On 6 May 2020, the Company issued 6.00% senior notes due 2021 in a principal amount of USD200,000,000 (equivalent to approximately RMB1,275,140,000) (the “USD 6.00% Senior Notes due 2021”). The USD 6.00% Senior Notes due 2021 are listed on the Stock Exchange and bear interest from and including 6 May 2020 at the rate of 6.00% per annum, payable semi-annually in arrears. The Company has repaid all the principal amount and interest on 5 May 2021.

(k) RMB5.10% Public Domestic Corporate Bonds due 2025

On 26 March 2020, Guangzhou Times issued 5.10% public domestic corporate bonds due 2025 in a principal amount of RMB1,550,000,000 (“RMB5.10% Public Domestic Corporate Bonds due 2025”). Guangzhou Times has the option to adjust the coupon rate at the end of the third year, while investors have the option to sell back. RMB5.10% Public Domestic Corporate Bonds due 2025 are listed on the Shanghai Stock Exchange and bear interest from and including 30 March 2020 at the rate of 5.10% per annum, payable annually in arrears.

(l) RMB6.30% Public Domestic Corporate Bonds due 2027

On 26 March 2020, Guangzhou Times issued 6.30% public domestic corporate bonds due 2027 in a principal amount of RMB950,000,000 (“RMB6.30% Public Domestic Corporate Bonds due 2027”). Guangzhou Times has the option to adjust the coupon rate at the end of the fifth year, while investors have the option to sell back. RMB6.30% Public Domestic Corporate Bonds due 2027 are listed on the Shanghai Stock Exchange and bear interest from and including 30 March 2020 at the rate of 6.30% per annum, payable annually in arrears.

(m) RMB5.00% Public Domestic Corporate Bonds due 2025

On 21 February 2020, Guangzhou Times issued 5.00% public domestic corporate bonds due 2025 in a principal amount of RMB740,000,000 (“RMB5.00% Public Domestic Corporate Bonds due 2025”). Guangzhou Times has the option to adjust the coupon rate at the end of the third year, while investors have the option to sell back. RMB5.00% Public Domestic Corporate Bonds due 2025 are listed on the Shanghai Stock Exchange and bear interest from and including 24 February 2020 at the rate of 5.00% per annum, payable annually in arrears.

(n) RMB6.20% Public Domestic Corporate Bonds due 2027

On 21 February 2020, Guangzhou Times issued 6.20% public domestic corporate bonds due 2027 in a principal amount of RMB575,000,000 (“RMB6.20% Public Domestic Corporate Bonds due 2027”). Guangzhou Times has the option to adjust the coupon rate at the end of the fifth year, while investors have the option to sell back. RMB6.20% Public Domestic Corporate Bonds due 2027 are listed on the Shanghai Stock Exchange and bear interest from and including 24 February 2020 at the rate of 6.20% per annum, payable annually in arrears.

(o) USD 6.75% Senior Notes due 2023

On 16 July 2019, the Company issued 6.75% senior notes due 2023 in a principal amount of USD400,000,000 (approximately equivalent to RMB2,550,280,000) (the “USD 6.75% Senior Notes issued in July 2019”). On 4 September 2019, the Company issued 6.75% senior notes due 2023 in a principal amount of USD100,000,000 (approximately equivalent to RMB637,570,000) (the “USD 6.75% Senior Notes issued in September 2019”). The USD 6.75% Senior Notes issued in July 2019 and the USD 6.75% Senior Notes issued in September 2019 were consolidated and formed a single series, collectively as the “USD 6.75% Senior Notes due 2023”. The USD 6.75% Senior Notes due 2023 are listed on the Stock Exchange and bear interest from and including 16 July 2019 at the rate of 6.75% per annum, payable semi-annually in arrears.

(p) RMB6.80% Public Domestic Corporate Bonds due 2024

On 6 June 2019, Guangzhou Times issued 6.80% public domestic corporate bonds due 2024 in a principal amount of RMB500,000,000 (“RMB6.80% Public Domestic Corporate Bonds due 2024”). RMB6.80% Public Domestic Corporate Bonds due 2024 are listed on the Shanghai Stock Exchange and bear interest from and including 10 June 2019 at the rate of 6.80% per annum, payable annually in arrears.

(q) USD 7.625% Senior Notes due 2022

On 21 February 2019, the Company issued 7.625% senior notes due 2022 in a principal amount of USD500,000,000 (equivalent to approximately RMB3,187,850,000) (“USD 7.625% Senior Notes due 2022”). USD 7.625% Senior Notes due 2022 are listed on the Stock Exchange and bear interest from and including 21 February 2019 at the rate of 7.625% per annum, payable semi-annually in arrears. On 27 June 2021, the Company partially redeemed the USD 7.625% Senior Notes due 2022 at a redemption price of USD414,675,000, which equals to 101% of the principal amount of such notes plus the accrued and unpaid interest to the redemption date. On 20 August 2021, the Company redeemed all of the outstanding USD 7.625% Senior Notes due 2022 at a redemption price of USD104,791,319.44, which equals to 101% of the principal amount of such notes plus the accrued and unpaid interest to the redemption date.

(r) RMB7.50% Non-Public Domestic Corporate Bonds due 2022

On 24 January 2019, Guangzhou Times issued 7.50% non-public domestic corporate bonds due 2022 in a principal amount of RMB1,100,000,000 (“RMB7.50% Non-Public Domestic Corporate Bonds due 2022”). Guangzhou Times has the option to adjust the coupon rate at the end of the second year, while investors have the option to sell back. RMB7.50% Non-Public Domestic Corporate Bonds due 2022 are listed on the Shanghai Stock Exchange and bear interest from and including 25 January 2019 at the rate of 7.50% per annum, payable annually in arrears. Guangzhou Times has repaid all the principal amount and interest on 25 January 2021.

(s) RMB7.50% Public Domestic Corporate Bonds due 2023

On 7 December 2018, Guangzhou Times issued 8.10% public domestic corporate bonds due 2023 in a principal amount of RMB1,900,000,000 (“RMB8.10% Public Domestic Corporate Bonds due 2023”). Guangzhou Times has the option to adjust the coupon rate at the end of the third year, while investors have the option to sell back. RMB8.10% Public Domestic Corporate Bonds due 2023 are listed on the Shanghai Stock Exchange and bear interest from and including 10 December 2018 at the rate of 8.10% per annum, payable annually in arrears. In November 2021, holders of RMB8.10% Public Domestic Corporate Bonds due 2023 have registered to sell back 14,000,000 bonds at a price of RMB100 each. The Group has subsequently repaid the registered sellback bonds of RMB1,400,000,000 on 10 December 2021. From 10 December 2021, the interest rate of the bonds decreased from 8.10% per annum to 7.50% per annum.

(t) USD 7.85% Senior Notes due 2021

On 4 June 2018, the Company issued 7.85% senior notes due 2021 (the “USD 7.85% Senior Notes due 2021”) in a principal amount of USD450,000,000 (equivalent to approximately RMB2,869,065,000). The USD 7.85% Senior Notes due 2021 are listed on the Stock Exchange and bear interest from and including 4 June 2018 at the rate of 7.85% per annum, payable semi-annually in arrears. On 8 February 2021, the Company partially redeemed the USD 7.85% Senior Notes due 2021 at a redemption price of USD358,384,444.44, which equals to 101% of the principal amount of such notes plus the accrued and unpaid interest to the redemption date. The Company has repaid all the remaining principal amount and interest on 4 June 2021.

(u) USD 6.25% Senior Notes due 2021

On 17 January 2018, the Company issued 6.25% senior notes due 2021 (the “USD 6.25% Senior Notes due 2021”) in a principal amount of USD500,000,000 (equivalent to approximately RMB3,187,850,000). The USD 6.25% Senior Notes due 2021 are listed on the Stock Exchange and bear interest from and including 17 January 2018 at the rate of 6.25% per annum, payable semi-annually in arrears. On 25 September 2020, the Company has completed the offer to purchase the USD 6.25% Senior Notes due 2021 in a principal amount of USD207,833,000 for cash. On 17 January 2021, the Company has repaid all the remaining principal amount and interest.

(v) USD 6.60% Senior Notes due 2023

On 30 November 2017, the Company issued 6.60% senior notes due 2023 (the “USD 6.60% Senior Notes due 2023”) in a principal amount of USD300,000,000 (equivalent to approximately RMB1,912,710,000). The USD 6.60% Senior Notes due 2023 are listed on the Stock Exchange and bear interest from and including 30 November 2017 at the rate of 6.60% per annum, payable semi-annually in arrears.

(w) RMB5.50% Non-Public Domestic Corporate Bonds due 2022

On 8 September 2017, Guangzhou Times issued 8.20% non-public domestic corporate bonds due 2022 (the “RMB8.20% Non-Public Domestic Corporate Bonds due 2022”) in a principal amount of RMB1,100,000,000. Guangzhou Times has the option to adjust the coupon rate at the end of the third year, while investors have the option to sell back. RMB8.20% Non-Public Domestic Corporate Bonds due 2022 are listed on the Shanghai Stock Exchange and bear interest from and including 8 September 2017 at the rate of 8.20% per annum, payable annually in arrears. On 8 September 2020, Guangzhou Times adjusted the coupon rate of the bonds to 5.50% (the “RMB5.50% Non-Public Domestic Corporate Bonds due 2022”).

(x) USD 5.75% Senior Notes due 2022

On 26 April 2017, the Company issued 5.75% senior notes due 2022 (the “USD 5.75% Senior Notes due 2022”) in a principal amount of USD225,000,000 (equivalent to approximately RMB1,434,533,000). The USD 5.75% Senior Notes due 2022 are listed on the Stock Exchange and bear interest from and including 26 April 2017 at the rate of 5.75% per annum, payable semi-annually in arrears.

Contingent liabilities

As at 31 December 2021, the outstanding guarantee mortgage loans that domestic banks provided to purchasers of the Group's properties amounted to approximately RMB36,972.9 million (31 December 2020: approximately RMB29,867.7 million). These guarantees are released upon the earlier of (i) the relevant certificates of registration of mortgage or the certificates of other interests with respect to the relevant properties being delivered to the mortgagor banks; and (ii) the settlement of mortgage loans between the mortgagor banks and the purchasers of the Group's projects. If a purchaser defaults on a mortgage loan before the guarantees are released, the Group may have to repurchase the underlying property by paying off mortgage. If the Group fails to do so, the mortgagor bank may auction the underlying property and recover any outstanding amount from the Group if the amount of outstanding loan exceeds the net foreclosure sales proceeds from the auction. In line with industry practices, the Group does not conduct independent credit reviews of our customers but rely on the credit reviews conducted by the mortgagor banks.

As at 31 December 2021, the Group provided guarantees in respect of certain bank loans of approximately RMB3,814,985,000 (2020: approximately RMB6,625,218,000) for its joint ventures and associated companies.

Foreign currency risks

The Group mainly operates in the PRC and conducts its operations mainly in RMB. The Group will closely monitor the fluctuations of the RMB exchange rate and give prudent consideration as to entering into any currency swap arrangement as and when appropriate for hedging corresponding risks. As at 31 December 2021, the Group had not engaged in hedging activities for managing foreign exchange rate risk.

Significant Investments Held, Material Acquisitions and Disposals of Subsidiaries, Associates and Joint Ventures, and Future Plans for Material Investments or Capital Assets

Save as disclosed in this announcement, there were no other significant investments held, no material acquisitions or disposals of subsidiaries, associates and joint ventures during the year, nor was there any plan authorised by the Board for other material investments or additions of capital assets at the date of this announcement.

Events After the Reporting Period

The Group has the following material subsequent events:

From 10 January 2022 to 28 February 2022, the Company repurchased USD 5.75% Senior Notes due 2022 in a principal amount of USD49,576,000 from the open market. Please refer to the announcements of the Company dated 12 January 2022, 28 January 2022 and 28 February 2022 for further details.

From 10 January 2022 to 28 February 2022, the Company repurchased USD 5.30% Senior Notes due 2022 in a principal amount of USD33,200,000 from the open market. Please refer to the announcements of the Company dated 12 January 2022, 28 January 2022 and 28 February 2022 for further details.

On 26 January 2022, the Company placed a total of 117,700,000 existing shares at the placing price of HK\$3.40 per share. Please refer to the announcement of the Company dated 27 January 2022 for further details.

Employees and Remuneration Policy

As at 31 December 2021, the Group had 5,934 employees (31 December 2020: 6,698 employees). The remunerations of the employees are commensurate with their performance, skills, knowledge, experience and the market trend. Employee benefits provided by the Group include provident fund schemes, medical insurance scheme, unemployment insurance scheme and housing provident fund. The Group reviews the remuneration policies and packages on a regular basis and will make necessary adjustments that accommodate the pay levels in the industry. In addition to basic salaries, the employees may be offered with discretionary bonuses and cash awards based on individual performances. The Group also provides training programs for the employees with a view to constantly upgrading their skills and knowledge. Further, the Group adopted a share option scheme on 19 November 2013 (the “Share Option Scheme”) as incentives or rewards for the employees’ contributions to the Group. Further information of the Share Option Scheme is available in the Company’s annual report for the year ended 31 December 2021. The Group’s employee benefit expense (excluding Directors’ and chief executive’s remuneration) is approximately RMB1,672.3 million for the year ended 31 December 2021 (2020: RMB1,842.2 million).

USE OF NET PROCEEDS FROM LISTING

The net proceeds from the listing of the Company (after deducting underwriting fees and related expenses) amounted to approximately HK\$1,477.4 million, which will be utilized in accordance with the intended use of proceeds set out in the section headed “Future plans and use of proceeds” of the prospectus of the Company dated 29 November 2013 (the “Prospectus”).

During the year ended 31 December 2021, in a manner consistent with the proposed allocation in the Prospectus, the Group has fully utilized the proceeds from listing with details as follows:

Proposed use of net proceeds	Actual use of net proceeds (as at 31 December 2020)	Actual use of net proceeds (as at 31 December 2021)	Proposed use of the remaining unutilized net proceeds (as at 31 December 2021)	Expected timeline for utilizing the remaining net proceeds
a) Approximately HK\$837.7 million, or approximately 56.7% of the net proceeds for financing new and existing projects, including the land acquisition and construction costs of potential development projects.	Approximately HK\$814.0 million or approximately 55.1% of the net proceeds have been utilized for the original intended use.	All of the earmarked amount has been fully utilized for the original intended purposes.	–	–

Proposed use of net proceeds	Actual use of net proceeds (as at 31 December 2020)	Actual use of net proceeds (as at 31 December 2021)	Proposed use of the remaining unutilized net proceeds (as at 31 December 2021)	Expected timeline for utilizing the remaining net proceeds
b) Up to approximately HK\$492.0 million, or approximately 33.3% of the net proceeds, for settling part of the outstanding installments under the Restructuring Deed (as defined in the Prospectus dated 29 November 2013).	All of the earmarked amount has been fully utilized for the original intended purpose.	All of the earmarked amount has been fully utilized for the original intended purpose.	–	–
c) Approximately HK\$147.7 million, or 10% of the net proceeds, for working capital and other general corporate purposes.	The Company has not utilized this portion of the net proceeds.	All of the earmarked amount has been fully utilized for the original intended purposes, of which 3.9% of the net proceeds has been utilized on general corporate purposes and 6.1% of the net proceeds has been utilized on working capital.	–	–

FINAL DIVIDEND

The Board recommended the payment of a final dividend of RMB7.87 cents per share for the year ended 31 December 2021 (2020: RMB76.68 cents) to the shareholders of the Company (the “Shareholders”), which included scrip dividend alternative offered to the Shareholders. The proposed final dividend, if approved, will be payable on or around 4 July 2022 and is subject to the approval of the Shareholders at the annual general meeting to be held on 27 May 2022 (the “AGM”).

The proposed final dividend shall be declared in RMB and paid in Hong Kong dollars (“HKD”). The final dividend payable in HKD will be converted from RMB at the average exchange rate of HKD against RMB announced by the People’s Bank of China on 27 May 2022.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from 24 May 2022 (Tuesday) to 27 May 2022 (Friday), both days inclusive, in order to determine the identity of the Shareholders who are entitled to attend the forthcoming AGM. In order to be eligible to attend and vote at the forthcoming AGM, all transfer accompanied by the relevant share certificates and transfer forms must be lodged with the Company’s Hong Kong share registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong before 4:30 p.m. on 23 May 2022 (Monday).

The record date for qualifying to receive the proposed final dividend is 7 June 2022 (Tuesday). In order to determine the right of the Shareholders entitled to receive the proposed final dividend, which is subject to the approval by the Shareholders in the forthcoming AGM, the register of members of the Company will also be closed from 2 June 2022 (Thursday) to 7 June 2022 (Tuesday), both days inclusive. All transfer accompanied by the relevant share certificates and transfer forms must be lodged with the Company's Hong Kong share registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong before 4:30 p.m. on 1 June 2022 (Wednesday).

CORPORATE GOVERNANCE PRACTICES

The Group is committed to maintaining high standards of corporate governance to safeguard the interests of the Shareholders and to enhance corporate value and accountability. The Company has adopted the Corporate Governance Code (the "CG Code") contained in Appendix 14 to the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules") as its own code of corporate governance.

The Company has been conducting its business according to the principles of the CG Code set out in Appendix 14 to the Listing Rules. Save for the deviation disclosed in this announcement, in the opinion of the Directors, the Company has complied with all the code provisions as set out in the CG Code during the year ended 31 December 2021.

The code provision C.2.1 of the CG Code provides that the roles of chairman and chief executive should be separate and should not be performed by the same individual. Mr. Shum currently assumes the roles of both the chairman and the chief executive officer of the Company. Mr. Shum is one of the founders of the Group and has extensive experience in property development. The Board believes that by holding both roles, Mr. Shum will be able to provide the Group with strong and consistent leadership and allows for more effective and efficient business planning and decisions as well as execution of long-term business strategies of the Group. As such, the structure is beneficial to the business prospects of the Group. Furthermore, the Directors have regular discussions in relation to major matters affecting the operations of the Group and the Group has an effective risk management and internal control systems in place for providing adequate checks and balances. Based on the foregoing, the Board believes that a balance of power and authority has been and will be maintained.

Compliance with Code of Conduct Regarding Directors' Securities Transactions

The Company has also adopted a code of conduct regarding 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") as set out in Appendix 10 to the Listing Rules. All Directors have confirmed, following specific enquiry by the Company, that they have complied with the Model Code for the year ended 31 December 2021.

The Company has also adopted a code for dealing in the Company's securities by relevant employees, who are likely to be in possession of inside information in relation to the Company or its securities, on no less exacting terms than the required standard set out in the Model Code.

Audit Committee and Review of Financial Statements

The Board has established the audit committee of the Company (the “Audit Committee”) which comprises three independent non-executive Directors, namely Mr. Wong Wai Man (chairman), Mr. Jin Qingjun and Ms. Sun Hui.

The Audit Committee has reviewed the annual report and the consolidated annual results of the Group for the year ended 31 December 2021 in conjunction with the Company’s management. The Audit Committee has also reviewed the effectiveness of the risk management and the internal control systems of the Company and considers the risk management and internal control systems to be effective and adequate.

Purchase, Sale or Redemption of Listed Securities

During the year ended 31 December 2021, the Company repurchased 6,480,000 shares of the Company (the “Shares”) on the Stock Exchange at an aggregate consideration of HKD60,453,410. All the repurchased Shares have been cancelled. Details of which are as follows:

Date of repurchase	Price per Share		Number of Shares	Total consideration <i>HKD</i>
	Highest <i>HKD</i>	Lowest <i>HKD</i>		
5 February 2021	10.04	9.88	380,000	3,785,920
8 February 2021	10.20	9.97	800,000	8,136,330
9 February 2021	10.20	10.00	697,000	7,090,900
10 February 2021	10.38	10.18	903,000	9,292,600
11 February 2021	10.40	10.24	220,000	2,283,140
6 July 2021	8.93	8.87	222,000	1,976,480
7 July 2021	8.96	8.73	222,000	1,949,890
8 July 2021	8.76	8.37	580,000	4,972,240
9 July 2021	8.45	8.26	412,000	3,450,510
12 July 2021	8.62	8.42	408,000	3,455,240
13 July 2021	8.53	8.47	400,000	3,401,590
14 July 2021	8.57	8.45	408,000	3,467,980
15 July 2021	8.72	8.47	400,000	3,465,220
16 July 2021	8.77	8.62	428,000	3,725,370
Total			6,480,000	60,453,410

Save as disclosed in this announcement, there was no purchase, sale and redemption of any listed securities of the Company by the Company or any of its subsidiaries during the year ended 31 December 2021.

REVIEW OF PRELIMINARY ANNOUNCEMENT OF RESULTS BY THE INDEPENDENT AUDITOR

The figures in respect of the Group's results for the year ended 31 December 2021 as set out in this preliminary announcement have been agreed by the Group's independent auditor, Ernst & Young, Certified Public Accountants of Hong Kong ("Ernst & Young") to the amounts set out in the Group's consolidated financial statements for the year. The work performed by Ernst & Young in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently, no assurance has been expressed by Ernst & Young on this preliminary announcement of results.

ANNUAL GENERAL MEETING

The AGM of the Company for the year ended 31 December 2021 is scheduled to be held on 27 May 2022 (Friday). A notice convening the AGM will be issued and disseminated to the Shareholders in due course.

PUBLICATION OF THE ANNUAL RESULTS AND ANNUAL REPORT ON THE WEBSITES OF THE STOCK EXCHANGE AND THE COMPANY

This annual results announcement is published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.timesgroup.cn), and the annual report for the year ended 31 December 2021 containing all the information required by the Listing Rules will be despatched to the Shareholders and published on the respective websites of the Stock Exchange and the Company in due course.

By Order of the Board
Times China Holdings Limited
Shum Chiu Hung
Chairman

Hong Kong, 30 March 2022

As at the date of this announcement, the executive Directors are Mr. Shum Chiu Hung, Mr. Guan Jianhui, Mr. Bai Xihong, Mr. Li Qiang, Mr. Shum Siu Hung and Mr. Niu Jimin; and the independent non-executive Directors are Mr. Jin Qingjun, Ms. Sun Hui, and Mr. Wong Wai Man.

* *For identification purpose only*