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Glorious Property Holdings Limited
恒盛地產控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Codes: 00845)

ANNUAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2022

The board of directors (the "**Board**") of Glorious Property Holdings Limited (the "**Company**") announces the consolidated results of the Company and its subsidiaries (together, the "**Group**") for the year ended 31 December 2022 (the "**2022 Annual Results**"). The 2022 Annual Results have been reviewed by the audit committee of the Company (the "**Audit Committee**") and approved by the Board on 30 March 2023.

FINANCIAL HIGHLIGHTS

- Revenue amounted to RMB6,385.0 million and the average selling price was RMB44,391 per sq.m.
- Recorded a loss attributable to the owners of the Company of RMB297.4 million
- Total borrowings was RMB20,963.7 million
- Property sales was RMB2,079.5 million and GFA sold was 142,520 sq.m.

OVERALL RESULTS

For the year ended 31 December 2022, the Group recorded a consolidated revenue of RMB6,385.0 million, representing an increase of 92.5% compared to RMB3,317.6 million in 2021. The Group recorded a loss attributable to the owners of the Company for the year ended 31 December 2022 of RMB297.4 million, which is 94.2% lower than the loss attributable to the owners of the Company of RMB5,150.0 million for the year ended 31 December 2021.

Loss per share for the year ended 31 December 2022 was RMB0.04 (2021: Loss per share of RMB0.66).

The Board has resolved not to recommend the payment of a final dividend for the year ended 31 December 2022.

BUSINESS REVIEW

I. Revenue

For the year ended 31 December 2022, the Group recorded a consolidated revenue of RMB6,385.0 million, representing an increase of 92.5% from RMB3,317.6 million in 2021, while the sold and delivered GFA decreased by 59.1% to 143,030 sq.m. in 2022 from 349,820 sq.m. in 2021. The average selling price recognised increased significantly by 371.2% to RMB44,391 per sq.m. in 2022 from RMB9,421 per sq.m. in 2021.

In 2022, the Group recognised revenue (including revenue from property sales and interior decoration) was substantially attributable to the projects in Shanghai Region and the Pan Bohai Rim, mainly included the revenue from Tower 15 of Shanghai Bay in Shanghai and Royal Mansion in Beijing. In 2022, 60.2% of the revenue was contributed by projects in the Shanghai Region, 35.2% by projects in the Pan Bohai Rim, while projects in the Yangtze River Delta (excluding Shanghai) and the Northeast China only contributed a total of 4.6% of the Group's revenue in the current year. In 2022, the proportion of revenue attributable to the eight projects located in the first-tier cities (Shanghai and Beijing) increased to 95.4%, while the nine projects located in the second- and third-tier cities accounted for only 4.6% of the Group's total revenue.

In 2022, the Group's properties from Tower 15 of Shanghai Bay in Shanghai and Royal Mansion (Phase II) in Beijing were completed and delivered, for which the average selling prices for these two first-tier city projects were premium prices in the market. As the Group continued to apply extra effort in the current year in selling the stock of carpark units and the remaining residential units in different cities, for which the average selling prices of carpark units were substantially lower than the residential units, the Group's average recognised selling price for the current year was lowered. Certain of the Group's property projects that had completed and delivered in earlier years only had revenue derived from the sale of carpark units in the current year, thus the average recognised selling prices were substantially lower than the prices of residential units in the local market. Due to the lower selling prices for remaining units and carpark units, despite the Group's overall average recognised selling price increase significantly by 371.2% from RMB9,421 per sq.m. in 2021 to RMB44,391 per sq.m. in 2022, it was still far below the average selling prices of the properties of Shanghai Bay or Royal Mansion. The properties from Tower 15 of Shanghai Bay in Shanghai received the delivery and usage permit in 2022 and the revenue (excluding interior decoration) was recognised in current year, together with the revenue from the selling of the remaining units and carpark units in 2022, giving total recognised revenue to the Group of RMB3,730.7 million, in which the average selling price of residential units was more than RMB100,000 per sq.m.. In the current year, residential properties from Royal Mansion (Phase II) in Beijing were completed and delivered with a total GFA of more than 37,000 sq.m. in 2022 and average selling price near RMB60,000 per sq.m., which contributed recognised revenue of RMB2,247.7 million to the Group's revenue for 2022. Other than the abovementioned two projects, during 2022, the aggregate revenue of the Group's other 15 projects amounted to RMB406.6 million, representing 6.4% of the Group's total revenue (including revenue from property sales and interior decoration) in the current year.

Projects sold and delivered in 2022 and 2021 included:

		2022			2021		
Property projects	**City**	**Revenue**	**GFA sold and delivered**	**Average selling price recognised**	Revenue	GFA sold and delivered	Average selling price recognised
		(RMB'000)	***(sq.m.)***	***(RMB per sq.m.)***	*(RMB'000)*	*(sq.m.)*	*(RMB per sq.m.)*
Sunshine Venice	Shanghai	**32,708**	**4,473**	**7,312**	150,809	14,726	10,241
Shanghai Bay	Shanghai	**3,694,846**	**39,260**	**94,112**	467,263	17,832	26,204
Shanghai City Glorious	Shanghai	**10,362**	**1,512**	**6,853**	42,321	5,148	8,221
Chateau De Paris	Shanghai	**2,258**	**803**	**2,812**	10,163	740	13,734
Shanghai Park Avenue	Shanghai	**11,537**	**773**	**14,925**	3,282	340	9,653
Royal Lakefront	Shanghai	**38,116**	**8,811**	**4,326**	54,254	13,112	4,138
Holiday Royal	Shanghai	**20,976**	**1,860**	**11,277**	36,754	8,400	4,735
Royal Mansion	Beijing	**2,247,721**	**37,609**	**59,766**	—	—	N/A
No.1 City Promotion	Wuxi	**19,002**	**6,613**	**2,873**	30,776	11,910	2,584
Nantong Villa Glorious	Nantong	**5,538**	**3,032**	**1,827**	10,623	3,507	3,029
Nantong Royal Bay	Nantong	**1,148**	**455**	**2,523**	21,155	3,299	6,413
Nantong Glorious Chateau	Nantong	**1,074**	**188**	**5,713**	229	40	5,725
Hefei Bashangjie Project	Hefei	**85,618**	**5,397**	**15,864**	1,169,602	81,409	14,367
Hefei Royal Garden	Hefei	**8,381**	**5,457**	**1,536**	20,587	12,053	1,708
Sunny Town	Shenyang	**2,648**	**573**	**4,621**	3,367	644	5,228
Harbin Royal Garden	Harbin	**—**	**—**	**N/A**	7,103	2,964	2,396
Changchun Villa Glorious	Changchun	**165,153**	**25,933**	**6,368**	1,266,909	173,571	7,299
Dalian Villa Glorious	Dalian	**2,113**	**281**	**7,520**	619	125	4,952
Sub-total		**6,349,199**	**143,030**	**44,391**	3,295,816	349,820	9,421
Interior decoration for properties sold:							
Shanghai Bay	Shanghai	**35,836**			21,766		
Total		**6,385,035**			3,317,582		

II. Property Sales

In 2022, the Group recorded property sales of RMB2,079.5 million, representing a YOY decrease of 69.6%. The GFA sold was 142,520 sq.m., representing a YOY decrease of 57.4%.

The Group's business was seriously affected by the outbreak of COVID-19 pandemic in the first half of 2022 that property sales activities maintained at a very low level, in particular the property sales at Shanghai even suspended for more than two months. The outbreak of COVID-19 pandemic in the past three years not only caused the Group to be affected by the weakened purchasing power in the property market, but also has dragged down the pace of property development of the Group's projects that resulted in low level of property resources available for sale. Most of the Group's projects in the first-tier cities are close to final project stage such that resources available for sale were mainly contributed by lower-priced properties from the projects in the second- or even third-tier cities. All these factors attributed to the Group's substantial drop in property sales to only RMB2,079.5 million in 2022.

During the year, the Group's property sales amount was largely attributable to the projects in Shanghai Region. The sales of remaining units and carpark units from Shanghai Bay Project contributed property sales of RMB899.0 million for 2022, and represented 43.2% of the Group's total property sales for 2022. Due to the overall weak purchasing power in the market, the new launch of properties from Nantong Royal Bay in the first half of 2022 only gave property sales contribution of RMB423.5 million in the current year. Property sales from Changchun Villa Glorious amounted RMB433.3 million for 2022. Apart from the above three projects, property sales from the Group's other projects were scattered with aggregate amount of RMB323.7 million, mainly comprised of sales of carpark units.

For the year ended 31 December 2022, the property sales for the Group's four regions comprised RMB1,065.4 million for Shanghai Region, RMB496.1 million for Yangtze River Delta, RMB83.6 million for Pan Bohai Rim and RMB434.4 million for the Northeast China, respectively, which represented 51.2%, 23.9%, 4.0% and 20.9% of the Group's total property sales.

During the year ended 31 December 2022, the Group's overall average selling price was RMB14,591 per sq.m., which was 28.6% lower than RMB20,436 per sq.m. for 2021, mainly due to larger proportion of property sales arising from properties from projects in the second- and third-tier cities as well as due to the promotion of sales of inventory carpark units also dragged down the overall selling prices.

Property sales for 2022 from the first-tier cities (Shanghai and Beijing) and second- and third-tier cities amounted to RMB1,094.3 million and RMB985.2 million respectively, which accounted for 52.6% and 47.4% of the Group's total property sales for 2022 respectively.

Property sales and GFA sold by region in 2022 and 2021 were as follows:

Region	Property sales (RMB'000)			GFA sold (sq.m.)		
	2022	2021	Change (%)	**2022**	2021	Change (%)
Shanghai Region	**1,065,388**	4,718,182	-77.4%	**28,474**	101,410	-71.9%
Yangtze River Delta(2)	**496,147**	799,558	-37.9%	**32,904**	73,777	-55.4%
Pan Bohai Rim	**83,565**	523,177	-84.0%	**9,583**	45,224	-78.8%
Northeast China	**434,410**	797,085	-45.5%	**71,559**	114,201	-37.3%
Total	**2,079,510**	6,838,002	-69.6%	**142,520**	334,612	-57.4%

Note:

(2) Includes property sales attributable to a joint venture for all years presented.

In 2023, the Group expects to launch properties from 12 projects to the market for sale with a saleable GFA of approximately 0.84 million sq.m.. Shanghai Region, Yangtze River Delta, Pan Bohai Rim and Northeast China account for 15.0%, 47.0%, 12.5% and 25.5% respectively of the Group's saleable GFA which are expected to be available for sale in 2023.

III. Construction and Development

In 2022, the total GFA completed by the Group was approximately 130,000 sq.m. and approximately 103,000 sq.m. was added to the new construction area. As at 31 December 2022, the Group had projects with a total area under construction of 2.2 million sq.m..

IV. Land Bank

The Group maintained a prudent investment strategy in acquiring land and acquired new land based on the condition of cash flow and financial resources. The Group did not acquire any new land parcel during 2022.

As at 31 December 2022, the total land bank of the Group for which land use right certificates had been obtained or land acquisition agreements had been signed was 5.9 million sq.m. and the average land cost was RMB1,597 per sq.m.. The relatively low-cost land bank provided the Group with a strong guarantee in maintaining its sustainable development and generating higher profit margins in the future.

The Group's land bank was evenly distributed over first-, second- and third-tier cities, of which 11.3% was in first-tier cities and 88.7% in second- and third-tier cities.

Details of land bank by project as at 31 December 2022 were as follows:

Project		City	Location	Use	Land bank (sq.m.)	Average land cost (RMB per sq.m.)	Interests attributable to the Group
Shanghai Region							
1	Shanghai Bay	Shanghai	Xuhui District	Residential, serviced apartment, office and commercial	279,867	611	100%
2	Sunshine Venice	Shanghai	Putuo District	Residential, office and commercial	83,422	554	100%
3	Royal Lakefront	Shanghai	Fengxian District	Residential and commercial	112,290	1,870	100%
4	Caohejing Project	Shanghai	Xuhui District	Office, hotel and commercial	101,548	9,703	100%
5	Zhongcao Xincun Project	Shanghai	Xuhui District	Serviced apartment and commercial	80,646	9,703	100%
	Subtotal				657,773	3,337	
Yangtze River Delta							
6	Nantong Glorious Chateau	Nantong	New District, Rugao Port Zone	Residential and commercial	869,029	460	100%
7	Nantong Glorious Plaza	Nantong	New District	Office, hotel and commercial	297,486	348	70%
8	Nantong Royal Bay	Nantong	Chongchuan District	Residential, office and commercial	381,814	4,719	100%
9	Hefei Bashangjie Project	Hefei	Yaohai District	Residential, hotel, office and commercial	849,701	881	100%
10	Hefei Royal Garden	Hefei	Luyang District	Residential, hotel and commercial	20,000	1,207	100%
11	Nanjing Royal Bay	Nanjing	Gulou District	Residential and commercial	88,148	6,013	60%
	Subtotal				2,506,178	1,440	

Project		City	Location	Use	Land bank (sq.m.)	Average land cost (RMB per sq.m.)	Interests attributable to the Group
Pan Bohai Rim							
12	Tianjin Royal Bay Seaside	Tianjin	Dagang District	Residential and commercial	455,749	1,396	100%
13	Tianjin Central City	Tianjin	Binhai New Area	Residential and commercial	205,961	2,792	100%
14	Tianjin Royal Bay Lakeside	Tianjin	Tuanbohu District	Residential and commercial	1,567,303	1,225	70%
15	Sunshine Bordeaux	Beijing	Daxing District	Residential and commercial	14,522	493	100%
	Subtotal				2,243,535	1,399	
Northeast China							
16	Sunny Town	Shenyang	Yuhong District	Residential and commercial	119,391	1,133	100%
17	Changchun Villa Glorious	Changchun	New and High-tech District	Residential and commercial	422,923	1,004	100%
	Subtotal				542,314	1,032	
Total					**5,949,800**	**1,597**	

V. Development of Commercial Properties

The Group will steadily foster the development of its commercial properties. As at 31 December 2022, the Group has total GFA of 2.6 million sq.m. is planned for the development of commercial properties, of which approximately 826,000 sq.m. of commercial properties were completed by the Group, and around 779,000 sq.m. of commercial property projects are still under construction.

As at 31 December 2022, retail commercial properties, office buildings and hotels accounted for 62.4%, 24.1% and 13.5% of the total commercial properties of the Group by GFA respectively. The Group plans to retain the ownership of most of the commercial properties to secure stable rental income.

FUTURE OUTLOOK

In 2023, COVID-19 and its variants will still exist as normal. However, the overall level of response measures in most countries has been significantly reduced, and the policy for free movement of people has been adopted, forming one of the ways to make up for the economic downturn amid the pandemic. Under the spread of the global pandemic, the economic growth has slowly recovered, and is still on a low-speed growth track. The changes in the Russo-Ukraine War have also had a profound impact on the status of the world economy. Due to the energy crisis, the EU economy has slowed down in terms of its scale and pace of development. The United States, through its own strong role, continues to dominate the global monetary policy and introduce strategies that are conducive to localized development, restraining long-term trade competitors, and the strategic competition between China and the United States continues. China's opening-up policy in relation to pandemic starts relatively late, and the economic pressure and recovery it may bear will be more subject to challenge. However, China's unique market potential and strong government management will surely be able to ensure the sound development in the long run.

In 2023, in the face of a weak global economy and shrinking external demand, China will not give up external trade competition, but will continue to advance steadily and seek progress while maintaining stability, promote the development of the domestic economy in a positive circle, and gradually introduce a series of targeted policies to promote the economy, stabilise expectations, and protect people's livelihood, guide various industries to recover healthily, and stabilise the macroeconomic market. For the real estate industry, it will inevitably benefit from policy dividends, but the basic principle of "houses should be for living in, not for speculation" will not be shaken, and the governance principle of "city-specific" will still be used, and it must be accurate. It can be seen that the trend of the real estate market in 2023 still depends on the restoration of the macro economy and the optimization of regulatory policies, and it will take some time to restore market confidence. With the low base of the same period last year, although the sales will rebound this year, the overall downturn in real estate market will remain, and the high pressure on real estate companies will also remain. Tight cash flow is still a pain point in business operations.

The Group predicts that the sales area and price of commercial housing across China in 2023 are still subject to the recovery of the overall economic situation and the uncertainty of repeated pandemics. The expectation of residents' income instability has been significantly enhanced, and with the awareness of risk prevention, the release of housing demand will be more cautious. The room for housing price rise is limited, and it will only fluctuate slightly on the basis of 2022. The overall enthusiasm for land acquisition and investment will continue to be sluggish, and major real estate companies may still use the method of clearing inventory to reduce the financial pressure on operations. Although there is a wait-and-see sentiment in first-tier and second-tier cities, due to the self-healing ability and faster economic recovery, high-quality products are still attractive and bring about regional buying markets, and there will be continued existence of improved demand, the overall recovery will not show a large-scale strong outbreak. For the third-tier and fourth-tier cities, due to the deeper impact of the economy, their dependence on favourable policies is stronger, and the price-to-price ratio of housing prices is more significant. The recovery of the market is deeply affected by various factors, showing differences, and the overall level of recovery is maintained at a low to medium level.

The Group will always adhere to the business strategy of steady development, keep a close eye on the orientation of macro policies, make efforts to seize industry opportunities, and promote the Group and projects to take the initiative. The Group will strengthen the management and control of the operation plan, use refined operation management to control the control nodes to give prompts and early warnings, use scientific engineering construction to ensure the start of construction and delivery cycle, and confirm the sales team with professionalism and dedication, so as to lock the sales target. It will lease out office buildings and shops, and step up efforts to sell commercial products to give full play to the premium space of commercial assets, which will be a good supplement to the Group's funds.

The Group, which will insist on adopting prudent financial policies, will further reduce debt, make every effort to optimise its debt structure, and increase long-term low-interest loans when appropriate, in a bid to effectively avoid financial risks and operating pressure, ensure financial security, and achieve the sustainable, healthy and stable development.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Year ended 31 December 2022

RMB'000	*Note*	**2022**	2021
Revenue	*4*	**6,385,035**	3,317,582
Cost of sales	*7*	**(2,374,193)**	(4,408,688)
Gross profit/(loss)		**4,010,842**	(1,091,106)
Other income	*5*	**49,975**	35,215
Other (losses)/gains, net	*6*	**(912,255)**	(1,160,356)
Provision for loss allowances of financial assets		**(10,964)**	(56,879)
Selling and marketing expenses	*7*	**(123,184)**	(175,019)
Administrative expenses	*7*	**(303,990)**	(426,379)
Finance costs, net	*8*	**(1,478,452)**	(2,073,909)
Share of profit of an associate		**823**	1,072
Share of profit of a joint venture		**48,405**	4,943
Profit/(loss) before taxation		**1,281,200**	(4,942,418)
Income tax expenses	*9*	**(1,578,666)**	(221,431)
Loss for the year		**(297,466)**	(5,163,849)
Loss for the year attributable to:			
— the owners of the Company		**(297,355)**	(5,150,032)
— non-controlling interests		**(111)**	(13,817)
		(297,466)	(5,163,849)
Other comprehensive income		**—**	—
Total comprehensive loss for the year		**(297,466)**	(5,163,849)
Total comprehensive loss for the year attributable to:			
— the owners of the Company		**(297,355)**	(5,150,032)
— non-controlling interests		**(111)**	(13,817)
		(297,466)	(5,163,849)
Loss per share for loss attributable to the owners of the Company (expressed in RMB per share)			
— Basic	*10*	**(0.04)**	(0.66)
— Diluted	*10*	**(0.04)**	(0.66)
Dividend	*11*	**—**	—

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 31 December 2022

RMB'000	*Note*	**2022**	2021
Non-current assets			
Property, plant and equipment		**93,248**	101,060
Right-of-use assets		**259,187**	272,494
Investment properties		**23,818,035**	24,309,410
Intangible assets		**1,800**	1,800
Investment in an associate		**7,050**	6,227
Interest in a joint venture		**815,381**	876,497
Deferred income tax assets		**628,556**	279,313
		25,623,257	25,846,801
Current assets			
Properties under development		**12,663,590**	14,713,865
Completed properties held for sale		**5,924,243**	5,151,379
Trade and other receivables, prepayments and other financial assets	*12*	**3,400,930**	3,289,127
Prepaid taxes		**491,399**	289,727
Restricted cash		**318,418**	406,615
Cash and cash equivalents		**72,264**	191,642
		22,870,844	24,042,355
Total assets		**48,494,101**	49,889,156

RMB'000	*Note*	**2022**	2021
Current liabilities			
Contract liabilities		**7,601,642**	12,151,831
Trade and other payables	*13*	**6,146,344**	6,163,042
Income tax payable		**10,501,491**	8,474,992
Amount due to a joint venture		**353,029**	353,029
Borrowings	*14*	**20,963,726**	20,084,005
Lease liabilities		**433**	436
		45,566,665	47,227,335
Non-current liabilities			
Borrowings	*14*	**—**	—
Deferred income tax liabilities		**2,799,595**	2,237,180
Lease liabilities		**666**	—
		2,800,261	2,237,180
Total liabilities		**48,366,926**	49,464,515
EQUITY			
Capital and reserves attributable to the owners of the Company			
Share capital		**68,745**	68,745
Share premium		**7,822,982**	7,822,982
Reserves		**(7,898,956)**	(7,601,601)
		(7,229)	290,126
Non-controlling interests		**134,404**	134,515
Total equity		**127,175**	424,641
Total liabilities and equity		**48,494,101**	49,889,156

NOTES:

1 General information

Glorious Property Holdings Limited (the "Company") and its subsidiaries (together, the "Group") is principally engaged in the development of real estate projects in the People's Republic of China (the "PRC").

The Company is a limited liability company incorporated in the Cayman Islands on 27 July 2007 and its shares are listed on The Stock Exchange of Hong Kong Limited (the "Hong Kong Stock Exchange") (Stock Code: 00845). The address of its registered office is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands.

These consolidated financial information is presented in thousands of units of Renminbi (RMB'000), unless otherwise stated, and has been approved for issue by the Board on 30 March 2023.

2 Basis of preparation

The consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and the disclosure requirements of the Hong Kong Companies Ordinance. The consolidated financial statements have been prepared in accordance with the HKFRSs under the historical cost convention, as modified by the revaluation of investment properties, which are carried at fair value.

(i) Going concern basis

For the year ended 31 December 2022, the Group reported a loss attributable to the owners of the Company of RMB297,355,000. As at 31 December 2022, the Group had accumulated losses of RMB8,911,927,000 and the Group's current liabilities exceeded its current assets by RMB22,695,821,000. As at the same date, the Group's total and current borrowings (including loans from a non-controlling interest) amounted to RMB20,963,726,000 and capital commitment amounted to RMB9,105,386,000, while its cash and cash equivalents amounted to RMB72,264,000 only.

As at 31 December 2022, certain borrowings whose principal amounts of RMB3,273,903,000 and interest payable amounts of RMB1,621,470,000, relating to borrowings with a total principal amount of RMB4,259,130,000 ("Overdue Borrowings") were overdue. In addition, part of the principals and interests of certain borrowings not above-mentioned with a total principal amount of RMB7,796,980,000 had been overdue during the loan period ("Other Overdue Borrowings"); although these overdue balances and interests were subsequently settled before 31 December 2022, the Other Overdue Borrowings remained to be considered as in default as at 31 December 2022. The aggregate principal amount of the aforementioned borrowings of RMB12,056,110,000 would be immediately repayable if requested by the lenders. This amount included borrowings with principal amount of RMB2,231,027,000 with original contractual repayment dates beyond 31 December 2023 which have been reclassified as current liabilities as at 31 December 2022 (note 14).

As stipulated in the relevant loan and financing agreements in respect of certain borrowings of the Group other than those mentioned above, any default of the Group's borrowings may result in cross-default of these borrowings. As a result of the above default events, the principal amount of borrowings of RMB4,837,100,000 were considered as cross-default ("Cross-default Borrowings"), of which RMB4,410,000,000 with original contractual repayment dates beyond 31 December 2023 have been reclassified as current liabilities as at 31 December 2022 (note 14).

Subsequent to 31 December 2022, the Group did not repay principal of certain borrowings amounted to RMB2,912,050,000 in accordance with the scheduled repayment dates of the relevant loan agreements, all of which were in default as mentioned above as at 31 December 2022.

The outbreak of COVID-19 pandemic in the past three years not only caused the Group to be affected by the weakened purchasing power in the property market, but also has dragged down the pace of property development of the Group's projects that resulted in low level of property resources available for sale. The impact of COVID-19 on the Group may continue to adversely affect the Group's operation in the short to medium run.

The business of the Group is also subject to extensive governmental regulations and macro-economic control measures of the real estate sector implemented by the PRC government from time to time, and some of these policies and measures may have unfavourable impact to the working capital available to the Group.

The Group is in active negotiations with all the lenders in respect of the Overdue Borrowings, Other Overdue Borrowings and Cross-default Borrowings not to enforce their rights to request for immediate repayments and negotiate with them for terms modification, renewal, extension and replacement of the relevant borrowings.

All the above conditions indicate the existence of material uncertainties which may cast significant doubt about the Group's ability to continue as a going concern.

In view of such circumstances, the directors of the Company 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 resources to continue as a going concern. Certain measures have been taken to improve the liquidity pressure and to improve its financial position; and to remediate certain delayed repayments and breach of specific terms and conditions of borrowings from financial institutions which include, but are not limited to, the following:

(i) The Group has been actively negotiating with a number of lenders for terms modification, renewal, extension and replacement of bank loans and credit facilities;

(ii) In addition, the Group is also negotiating with various financial institutions and identifying various options for financing the Group's working capital and commitments in the foreseeable future;

(iii) The Group will seek to accelerate the pre-sales and sales of its properties under development and completed properties, including remaining units of property projects and saleable carparks. Overall, the Group expects to gradually launch sales of properties from new phases of two to three existing projects after obtaining the pre-sale permits starting mid-2023;

(iv) The Group has implemented measures to speed up the collection of outstanding sales proceeds; and

(v) The Group will continue to take active measures to control administrative costs through various channels including human resources optimisation and management remuneration adjustments and containment of capital expenditures.

The directors have reviewed the Group's cash flow projections prepared by management. The cash flow projections cover a period of not less than twelve months from 31 December 2022. They are of the opinion that, taking into account the above-mentioned 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 2022. Accordingly, the directors are satisfied that it is appropriate to prepare the consolidated financial statements on a going concern basis.

Notwithstanding the above, material uncertainties exist as to whether management of the Company will be 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 Group's ability to generate adequate financing and operating cash flows through the following:

(i) Successful negotiations with the Group's existing lenders such that no action will be taken by the relevant lenders to demand immediate repayment of the borrowings in default, including those with cross-default terms;

(ii) Successful negotiations with the lenders for the renewal of or extension for repayments beyond year 2023 for those borrowings that (a) are scheduled for repayment (either based on the original agreements or the existing arrangements) in year 2023; (b) were overdue as at 31 December 2022 because of the Group's failure to repay either the principal or the interests on or before the scheduled repayment dates; and (c) became or might become overdue in year 2023;

(iii) Successfully obtaining additional new sources of financing as and when needed; and

(iv) Successful acceleration of pre-sales and sales of properties under development and completed properties and speeding up the collection of outstanding sales proceeds, including meeting all the necessary conditions to launch the pre-sale and make these pre-sales at the expected sale prices and in accordance with the timelines of cash flow projections prepared by management; and controlling costs and containing capital expenditure so as to generate adequate net cash inflows.

The Group's ability to obtain the above-mentioned financing and operating funds depends on (1) current and ongoing regulatory environments and how the relevant policies and measures might affect the Group and/or the relevant financial institutions; and (2) whether the lenders of existing borrowings can agree to the terms and conditions for such extension or renewal and the Group's ability to continuously comply with the relevant terms and conditions of borrowings.

Should the Group fail to achieve the above-mentioned plans and measures, it might not be able to continue to operate as a going concern, and 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.

3 Accounting policies

(i) Effect of adopting amendments to standards

The following amendments to standards are mandatory for the Group's financial year beginning on 1 January 2022:

Amendments to HKAS 16	Property, Plant and Equipment: Proceeds before Intended Use
Amendments to HKAS 37	Onerous Contracts – Cost of Fulfilling a Contract
Amendments to HKFRS 3	Reference to the Conceptual Framework
Amendments to HKFRS 16	COVID-19-Related Rent Concessions beyond 2021
Amendments to HKFRSs	Annual improvements to HKFRSs 2018-2020

The Group did not have to change its accounting policies or make retrospective adjustments as a result of adopting the above new or amended standards.

(ii) New standards and amendments to standards that have been issued but are not effective

The following new standards and amendments to standards have been issued but are not effective for the financial year beginning on 1 January 2022 and have not been early adopted by the Group:

Amendments to HKAS 1	Classification of Liabilities as Current or Non-current[3]
Amendments to HKAS 1 and HKFRS Practice Statement 2	Disclosure of Accounting Policies[1]
Amendments to HKAS 8	Definition of Accounting Estimates[1]
Amendments to HKAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction[1]
Amendments to HKFRS 10 and HKAS 28 (2011)	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[2]
Amendments to HKFRS 16	Lease Liability in a Sale and Leaseback[3]
HKFRS 17 (including the October 2020 and February 2022 Amendments to HKFRS 17)	Insurance Contracts[1]

1 Effective for annual periods beginning on or after 1 January 2023
2 Mandatory effective date not yet determined
3 Effective for annual periods beginning on or after 1 January 2024

The Group will adopt the above new standards and amendments to standards as and when they become effective. The Group has already commenced the assessment of the impact to the Group and is not yet in a position to state whether these would have a significant impact on its results of operations and financial position.

4 Segment information

The Executive Directors have been identified as the chief operating decision-maker. Management determines the operating segments based on the Group's internal reports, which are submitted to the Executive Directors for performance assessment and resources allocation.

The Executive Directors consider the Group's business from a geographical perspective and assesses the performance of property development in four reportable operating segments, namely Shanghai Region, Yangtze River Delta (excluding Shanghai), Pan Bohai Rim and Northeast China. "Others" segment represents corporate support functions.

The Executive Directors assess the performance of the operating segments based on a measure of segment results. This measurement basis excludes depreciation, fair value changes of investment properties, provision for loss allowance of financial assets, write-off of deposits for land premium and construction costs, changes in provision for impairment of properties under development and completed properties held for sale, interest income and finance costs from the operating segments. Other information provided, except as noted below, to the Executive Directors is measured in a manner consistent with that in the consolidated financial statements.

Total segment assets excluded deferred income tax assets and other unallocated corporate assets. Other unallocated corporate assets represent interest expenses incurred at corporate level which have been capitalised on qualifying assets of the subsidiaries.

The revenue from external parties reported to the Executive Directors is measured in a manner consistent with that in the consolidated statement of comprehensive income.

RMB'000	**Shanghai Region**	**Yangtze River Delta (excluding Shanghai)**	**Pan Bohai Rim**	**Northeast China**	**Others**	**Total**
Year ended 31 December 2022						
Revenue						
At a point in time	**3,810,803**	**120,761**	**2,247,721**	**169,914**	**—**	**6,349,199**
Over time	**35,836**	**—**	**—**	**—**	**—**	**35,836**
Inter-segment revenue	**—**	**—**	**—**	**—**	**—**	**—**
Revenue (from external customers)	**3,846,639**	**120,761**	**2,247,721**	**169,914**	**—**	**6,385,035**
Segment results	**2,733,700**	**(219,332)**	**1,237,029**	**(38,901)**	**(27,365)**	**3,685,131**
Depreciation	**(20,446)**	**(248)**	**(334)**	**(106)**	**(55)**	**(21,189)**
Fair value changes of investment properties	**(258,407)**	**(303,225)**	**(5,583)**	**(326,111)**	**—**	**(893,326)**
Reversal of provision/(provision) for loss allowances of financial assets	**1,964**	**(190)**	**(10,061)**	**(2,677)**	**—**	**(10,964)**
Interest income	**230**	**13,153**	**532**	**172**	**2**	**14,089**
Finance costs	**(1,315,204)**	**(123,814)**	**(11,681)**	**(24,719)**	**(17,123)**	**(1,492,541)**
Income tax (expenses)/credits	**(1,158,407)**	**51,334**	**(545,634)**	**74,041**	**—**	**(1,578,666)**
Year ended 31 December 2021						
Revenue						
At a point in time	764,848	1,252,971	—	1,277,997	—	3,295,816
Over time	21,766	—	—	—	—	21,766
Inter-segment revenue	—	—	—	—	—	—
Revenue (from external customers)	786,614	1,252,971	—	1,277,997	—	3,317,582
Segment results	(847,223)	94,363	(67,004)	167,654	3,116	(649,094)
Depreciation	(13,318)	(762)	(1,469)	(100)	(60)	(15,709)
Fair value changes of investment properties	66,389	(174,713)	(548)	(104,956)	—	(213,828)
Provision for loss allowances of financial assets	(4,805)	(8,507)	(3,601)	(39,966)	—	(56,879)
Write-off of deposits for land premium and construction costs	—	(955,553)	—	—	—	(955,553)
Changes in provision for impairment of properties under development and completed properties held for sale	28,593	(246,543)	(679,927)	(79,569)	—	(977,446)
Interest income	28,837	8,024	872	425	—	38,158
Finance costs	(1,316,284)	(730,007)	(31,470)	(19,601)	(14,705)	(2,112,067)
Income tax (expenses)/credits	(76,603)	(72,772)	1,977	(74,033)	—	(221,431)

RMB'000	Shanghai Region	Yangtze River Delta (excluding Shanghai)	Pan Bohai Rim	Northeast China	Others	Elimination	Total
At 31 December 2022							
Total segment assets	**44,978,610**	**26,693,696**	**4,058,509**	**5,508,612**	**3,589,061**	**(45,942,433)**	**38,886,055**
Total segment assets include:							
Investment in an associate	**7,050**	**—**	**—**	**—**	**—**	**—**	**7,050**
Investment in a joint venture	**758,161**	**—**	**—**	**—**	**—**	**—**	**758,161**
Deferred income tax assets							**628,556**
Other unallocated corporate assets							**8,979,490**
Total assets							**48,494,101**
Additions to:							
Property, plant and equipment	**6**	**94**	**2**	**—**	**—**	**—**	**102**
Investment properties	**61,439**	**269,905**	**—**	**239,546**	**—**	**—**	**570,890**
At 31 December 2021							
Total segment assets	50,748,104	21,912,670	4,712,987	4,952,198	3,400,185	(45,308,131)	40,418,013
Total segment assets include:							
Investment in an associate	6,227	—	—	—	—	—	6,227
Investment in a joint venture	772,562	—	—	—	—	—	772,562
Deferred income tax assets							279,313
Other unallocated corporate assets							9,191,830
Total assets							49,889,156
Additions to:							
Property, plant and equipment	71	436	26	409	15	—	957
Investment properties	478,715	120,524	—	164,056	—	—	763,295

RMB'000	**2022**	2021
Segment results	**3,685,131**	(649,094)
Depreciation	**(21,189)**	(15,709)
Fair value changes of investment properties	**(893,326)**	(213,828)
Provision for loss allowances of financial assets, net	**(10,964)**	(56,879)
Write-off of deposits for land premium and construction costs	**—**	(955,553)
Changes in provision for impairment of properties under development and completed properties held for sale	**—**	(977,446)
	2,759,652	(2,868,509)
Interest income	**14,089**	38,158
Finance costs	**(1,492,541)**	(2,112,067)
Profit/(loss) before taxation	**1,281,200**	(4,942,418)

Analysis of revenue by category

RMB'000	**2022**	2021
Sales of properties	**6,349,199**	3,295,816
Interior decoration for properties sold	**35,836**	21,766
	6,385,035	3,317,582

The Group has a large number of customers. During each of the years ended 31 December 2022 and 2021, no single customer contributed revenue which represented more than 10% of the Group's total revenue.

5 Other income

RMB'000	**2022**	2021
Rental income	**49,656**	29,371
Others	**319**	5,844
	49,975	35,215

6 Other (losses)/gains, net

RMB'000	**2022**	2021
Fair value changes of investment properties	**(893,326)**	(213,828)
Write-off of deposits for land premium and construction costs	**—**	(955,553)
Exchange (loss)/gain, net	**(18,929)**	9,025
	(912,255)	(1,160,356)

7 Expenses by nature

Profit/(loss) before taxation is stated after charging the following:

RMB'000	**2022**	2021
Auditors' remuneration		
— Audit services (current external auditor)	**3,966**	—
— Audit services (previous external auditor)	**2,573**	6,868
— Non-audit services	**54**	82
Advertising costs	**9,911**	30,783
Other taxes and levies	**63,564**	36,978
Costs of properties sold (including changes in provision for impairment of properties under development and completed properties held for sale)	**2,310,629**	4,371,710
Depreciation	**21,189**	15,709
Staff costs — excluding directors' emoluments	**173,294**	181,052
Rental expenses	**7,832**	11,595

8 Finance costs, net

RMB'000	**2022**	2021
Finance income		
— Interest income	**14,089**	38,158
Finance costs		
— Bank borrowings	**(1,750,189)**	(2,576,247)
— Bond	**(5,363)**	(9,652)
— Others	**(287,710)**	(134,049)
Total interest expenses	**(2,043,262)**	(2,719,948)
Less: interest capitalised on qualifying assets	**550,721**	607,881
Finance costs expensed	**(1,492,541)**	(2,112,067)
Finance costs, net	**(1,478,452)**	(2,073,909)

9 Income tax expenses

RMB'000	**2022**	2021
Current income tax charge		
— PRC corporate income tax	**(93,851)**	(66,329)
— PRC land appreciation tax	**(1,271,643)**	(222,183)
	(1,365,494)	(288,512)
Deferred income tax (charge)/credit		
— Origination and reversal of temporary differences	**(213,172)**	67,081
	(213,172)	67,081
	(1,578,666)	(221,431)

10 Loss per share

(a) Basic

Basic loss per share is calculated by dividing the loss attributable to the owners of the Company by the weighted average number of ordinary shares in issue during the year.

	2022	2021
Loss attributable to the owners of the Company (RMB'000)	**(297,355)**	(5,150,032)
Weighted average number of ordinary shares in issue (thousands)	**7,792,646**	7,792,646

(b) Diluted

Diluted loss per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. For each of the years ended 31 December 2022 and 2021, the Company's share options are anti-dilutive, as the relevant exercise price was higher than the average market price of the Company's shares for the period when the options are outstanding.

11 Dividend

The Board has resolved not to recommend the payment of a final dividend for the year ended 31 December 2022 (2021: Nil).

12 Trade and other receivables, prepayments and other financial assets

RMB'000	**2022**	2021
Trade receivables due from third parties, net (a)	**476,830**	469,822
Other receivables due from third parties and other financial assets	**1,443,808**	1,232,671
Prepayments and deposits for land premium	**148,000**	148,000
Prepayments and deposits for construction costs:	**2,050,775**	1,962,720
Related parties	**2,891**	32,500
Third parties	**2,047,884**	1,930,220
Prepaid other taxes	**81,327**	265,561
Less: Provision for loss allowance	**(799,810)**	(789,647)
	3,400,930	3,289,127

(a) Trade receivables mainly arise from sales of properties. Proceeds in respect of sales of properties are to be received in accordance with the terms of the related sales and purchase agreements and customers are generally required to settle the receivables within 30 days after the date of signing the sales and purchase agreements. The ageing analysis of trade receivables before provision at the date of the statement of financial position based on revenue recognition date is as follows:

RMB'000	**2022**	2021
Within 6 months	**9,643**	4,412
Between 7 and 12 months	**515**	6,880
Over 12 months	**473,286**	464,343
	483,444	475,635

The Group applied the HKFRS 9 simplified approach to measure expected credit losses which used a lifetime expected loss allowance for all trade receivables.

Movement in the Group's provision for loss allowance of trade receivables is as follows:

RMB'000	**2022**	2021
At beginning of the year	**5,813**	6,237
Provision/(reversal of provision) for loss allowance of trade receivables	**801**	(424)
At end of the year	**6,614**	5,813

13 Trade and other payables

RMB'000	**2022**	2021
Trade payables and construction cost accrual (a):	**3,360,659**	3,863,046
Related parties	**71,996**	9,621
Third parties	**3,288,663**	3,853,425
Other payables due to third parties and accrued expenses (b)	**1,910,581**	1,598,692
Other taxes payable	**875,104**	701,304
	6,146,344	6,163,042

(a) The ageing analysis based on transaction dates of trade payables and construction cost accrual at the date of the statement of financial position is as follows:

RMB'000	**2022**	2021
Within 6 months	**198,273**	1,590,291
Between 7 and 12 months	**694,701**	881,379
Over 12 months	**2,467,685**	1,391,376
	3,360,659	3,863,046

(b) All other payables are unsecured, interest-free and repayable on demand.

14 Borrowings

RMB'000	**2022**	2021
Borrowings included in non-current liabilities:		
Bank borrowings — secured (a)	**—**	—
	—	—
Borrowings included in current liabilities:		
Bank borrowings — secured (a)	**17,666,027**	16,916,340
Bond — secured	**60,950**	57,324
Loans from a non-controlling interest (b)	**720,506**	675,597
Other borrowings — unsecured (c)	**581,610**	502,643
Other borrowings — secured (c)	**1,934,633**	1,932,101
	20,963,726	20,084,005
Total borrowings	**20,963,726**	20,084,005

An analysis of the Group's borrowings into principal amounts is as follows:

RMB'000	**2022**	2021
Bank borrowings	**15,119,842**	15,153,306
Bond – unlisted	**58,063**	55,597
Loans from a non-controlling interest	**532,857**	532,857
Other borrowings	**1,999,774**	2,198,953
	17,710,536	17,940,713
Adjusted by: accrued interests	**3,253,190**	2,143,292
Total borrowings	**20,963,726**	20,084,005

The Group's total borrowings at the date of the statement of financial position were repayable as follows:

RMB'000	**2022**	2021
Amounts of borrowing that are repayable:		
Repayable on demand or within 1 year	**20,963,726**	20,084,005
After 1 and within 2 years	**—**	—
After 2 and within 5 years	**—**	—
After 5 years	**—**	—
	20,963,726	20,084,005

(a) The current bank borrowings included borrowings with principal amounts of RMB6,641,027,000 with original maturity beyond 31 December 2023 which have been reclassified as current liabilities as at 31 December 2022 as a result of the matters described in note 2(i).

Management estimates that if the Group can successfully implement the measures as set out in note 2(i) above and with its endeavors to ensure that there will be no further delay in repayment of principal and interest, the repayment dates of these reclassified borrowings could be reverted to their respective original repayment dates which are all beyond 31 December 2023.

(b) As of 31 December 2022, loans from a non-controlling interest of RMB720,506,000 (2021: RMB675,597,000) are secured, interest-bearing and are repayable within 18-36 months from the date of drawdown.

(c) As at 31 December 2022, short-term borrowings from third parties of RMB581,610,000 (2021: RMB502,643,000) are unsecured, interest-bearing and are repayable within one year from the date of drawdown. Short term borrowings from third parties of RMB1,934,633,000 (2021: RMB1,932,101,000) are secured, interest-bearing and are repayable within one year from the date of drawdown.

FINANCIAL REVIEW

For the year ended 31 December 2022, the Group recorded a consolidated revenue of RMB6,385.0 million, representing an increase of 92.5% compared to RMB3,317.6 million in 2021. The Group recorded a loss attributable to the owners of the Company for the year ended 31 December 2022 of RMB297.4 million, which was substantially lower than the loss attributable to the owners of the Company of RMB5,150.0 million for the year ended 31 December 2021 by 94.2%. During 2022, the Group's recognised revenue increased by approximately 100% and the Group's gross profit substantially increased as the properties completed and delivered in the current year were attributable to high-priced premium properties from the projects in Shanghai and Beijing. Despite that the significant amount of provision for impairment of properties and the one-off write-off of certain prepayments and deposits paid in earlier years did not recur in the current year, the Group still recorded a loss attributable to the owners of the Company of RMB297.4 million for the year ended 31 December 2022 as the Group continued to have substantial amount of finance costs not being capitalised but were recorded directly as current period expenses, as well as the inclusion of fair value loss attributable to the Group's investment properties during 2022.

For the year ended 31 December 2022, the Group recorded a consolidated revenue of RMB6,385.0 million, representing an increase of 92.5% from RMB3,317.6 million in 2021, while the sold and delivered GFA decreased by 59.1% to 143,030 sq.m. in 2022 from 349,820 sq.m. in 2021. The average selling price recognised increased significantly by 371.2% to RMB44,391 per sq.m. in 2022 from RMB9,421 per sq.m. in 2021. In 2022, the Group's properties from Tower 15 of Shanghai Bay in Shanghai and Royal Mansion (Phase II) in Beijing were completed and delivered, for which the average selling prices for these two first-tier city projects were premium prices in the market. As the Group continued to apply extra effort in the current year in selling the stock of carpark units and the remaining residential units in different cities, for which the average selling prices of carpark units were substantially lower than the residential units, the Group's average recognised selling price for the current year was lowered. Certain of the Group's property projects that had completed and delivered in earlier years only had revenue derived from the sale of carpark units in the current year, thus the average recognised selling prices were substantially lower than the prices of residential units in the local market. Due to the lower selling prices for remaining units and carpark units, despite the Group's overall average recognised selling price increase significantly by 371.2% from RMB9,421 per sq.m. in 2021 to RMB44,391 per sq.m. in 2022, it was still far below the average selling prices of the properties of Shanghai Bay or Royal Mansion. The properties from Tower 15 of Shanghai Bay in Shanghai received the delivery and usage permit in 2022 and the revenue (excluding interior decoration) was recognised in current year, together with the revenue from the selling of the remaining units and carpark units in 2022, giving total recognised revenue to the Group of RMB3,730.7 million, in which the average selling price of residential units was more than RMB100,000 per sq.m.. In the current year, residential properties from Royal Mansion (Phase II) in Beijing were completed and delivered with a total GFA of more than 37,000 sq.m. in 2022 and average selling price near RMB60,000 per sq.m., which contributed recognised revenue of RMB2,247.7 million to the Group's revenue for 2022. Other than the abovementioned two projects, during 2022, the aggregate revenue of the Group's other 15 projects amounted to RMB406.6 million, representing 6.4% of the Group's total revenue (including revenue from property sales and interior decoration) in the current year.

The cost of sales for the year ended 31 December 2022 was RMB2,374.2 million, representing a decrease of 46.1% as compared to RMB4,408.7 million in 2021. For the year ended 31 December 2022, no further provision for impairment was made for the Group's property development projects (2021: RMB977.4 million) as the newly added construction costs was not material as result of low level of business activities of the Group's projects in 2022 such that no further impairment loss provision was considered necessary in the current year, and also the impairment provision made to the carrying value of the original land parcel of one of the Group's project that was swapped to another land parcel as a result of certain government land planning adjustment did not recur in the current year. Excluding the provision for impairment (2022: Nil; 2021: RMB977.4 million) and the cost of interior decoration of properties sold (2022: RMB24.9 million; 2021: RMB4.9 million), the Group's adjusted cost of sales was RMB2,349.3 million, which decreased by 31.4% as compared to RMB3,426.3 million for 2021. The decrease in cost of sale for 2022 was mainly due to the decrease in GFA and the decrease in the average cost of sales for the properties sold and delivered in 2022. The Group's average cost of sales in 2022 was RMB16,425 per sq.m., which was 67.7% higher than that of RMB9,794 per sq.m. in 2021.

The Group recorded a consolidated gross profit of RMB4,010.8 million for 2022, as compared to a consolidated gross loss of RMB1,091.1 million for 2021. The Group recorded a positive gross margin of 62.8% for the year ended 31 December 2022, as compared to a negative gross margin of 32.9% for 2021. The Group recorded a substantial amount of gross profit because over 90% of the revenue recognised in 2022 were attributable to the newly completed and delivered properties from Shanghai Bay in Shanghai and Royal Mansion in Beijing, both of which are high-margin premium properties. Besides, the significant amount of provision for impairment of the Group's properties recorded in 2021 did not recur in the current year.

Other income for the year ended 31 December 2022 was RMB50.0 million (2021: RMB35.2 million), which mainly included rental income of RMB49.7 million (2021: RMB29.4 million).

Other (losses)/gains, net for the year ended 31 December 2022 was a net loss of RMB912.3 million, which was 21.4% higher than the net loss of RMB1,160.4 million for 2021 mainly because certain aged prepayments and deposits paid by the Group in earlier years for strategic land acquisition projects of RMB955.6 million was confirmed non-recoverable and thus being written-off in 2021, and there was no similar write-off in 2022. During the year ended 31 December 2022, the Group's investment properties recorded fair value loss of RMB893.3 million, which was 317.8% higher than the fair value loss of RMB213.8 million for 2021. The higher fair value loss for 2022 was mainly due to decrease in the expected return for the Group's investment properties as a result of abundant supply of commercial properties in the leasing market.

Provision for loss allowances of financial assets for the year ended 31 December 2022 was RMB11.0 million (2021: RMB56.9 million), mainly comprised of provision for loss allowances of made for certain aged other receivables and other financial assets whose internal credit ratings were assessed by the Group to be underperforming or nonperforming during 2022.

Selling and marketing expenses for the year ended 31 December 2022 were RMB123.2 million, which was 29.6% lower than RMB175.0 million in 2021. The Group's had fewer sales activities in 2022 and thus incurred less selling and marketing expenses.

Administrative expenses for the year ended 31 December 2022 was RMB304.0 million, representing a decrease of 28.7% compared to RMB426.4 million for 2021.

Gross finance costs for the year ended 31 December 2022 were RMB2,043.3 million, representing a decrease of 24.9% from RMB2,719.9 million for 2021. For the year ended 31 December 2022, finance costs of RMB550.7 million (2021: RMB607.9 million) had been capitalised, leaving RMB1,492.6 million (2021: RMB2,112.1 million) which was charged directly to the consolidated statement of comprehensive income. After netting off the finance income of RMB14.1 million (2021: RMB38.2 million), the amount of finance costs, net was RMB1,478.5 million for 2022 (2021: RMB2,073.9 million). The Group's gross finance costs for 2022 was lower than that of 2021 due to the lower average borrowing costs in the current year. As the amount of gross finance costs incurred in the current year continued to exceed the amount that can be capitalised based on the Group's qualifying assets, a portion of the finance costs were not capitalised and were recorded as current year expenses.

The Group recorded a share of profit of a joint venture of RMB48.4 million for the year ended 31 December 2022, which is higher than the share of profit of a joint venture of RMB4.9 million for 2021. This represented the Group's 60% share of profit/(loss) of Glorious Jiangxu (Nanjing) Property Development Co., Ltd. ("Nanjing Jiangxu"), which owns the project namely Nanjing Royal Bay in Nanjing. During the years ended 31 December 2022 and 2021, there was no major delivery of new property phase for Nanjing Jiangxu, thus the Group recorded a share of profit of joint venture for both years, for which mainly represented Nanjing Jiangxu's revenue from sale of remaining units and daily operating expenses.

The Group recorded a profit before taxation of RMB1,281.2 million for the year ended 31 December 2022, as compared to a loss before taxation of RMB4,942.4 million for 2021. The Group recorded a significant amount of profit before taxation for 2022 mainly because the Group recorded substantial amount of gross profit for the current year. Given the fair value loss attributable to the Group's investment properties and the finance costs not being capitalised but were recorded directly as current period expenses for 2022 were lower than that of 2021, and the significant amount of provision for impairment of the Group's properties and the one-off write-off of certain prepayments and deposits paid in earlier years did not recur in 2022, the combined effect of the aforementioned factors caused the Group to record a profit before taxation in 2022.

Income tax expenses was RMB1,578.7 million for the year ended 31 December 2022, representing an increase of more than 6 times as compared to RMB221.4 million for 2021, comprising mainly provision for PRC land appreciation tax of RMB1,271.6 million (2021: RMB222.2 million) and corporate income tax of RMB93.9 million (2021: RMB66.3 million). The increase in the amount of income tax expenses for the current year was because the properties completed and delivered were high-value high-margin such that substantial amounts of provision for land appreciation tax and corporate income tax were accrued in the current year.

The Group recorded a loss attributable to the owners of the Company of RMB297.4 million for the year ended 31 December 2022, which was substantially lower than the loss of RMB5,150.0 million for 2021 by 94.2%. The Group recorded significant amount of gross profit because the properties from two high-margin projects were delivered in the current year. Although the Group recorded a profit before taxation of RMB1,281.2 million after deducting the fair value loss of investment properties and the finance costs not being capitalised but were recorded directly as current period expenses, the substantial amount income tax expenses accrued for the high-margin properties caused the Group to continue to operate at a loss position for 2022, though the current year's loss attributable to the owners of the Company was significantly reduced as compared to the loss for 2021.

Current Assets and Liabilities

As at 31 December 2022, the Group held total current assets of approximately RMB22,870.8 million, which was 4.9% lower than RMB24,042.4 million as at 31 December 2021.

As at 31 December 2022, the Group's current assets mainly comprised properties under development, and completed properties held for sale and trade and other receivables, prepayments and other financial assets. As at 31 December 2022, balance of properties under development was RMB12,663.6 million, which was 13.9% lower than RMB14,713.9 million as at 31 December 2021. In 2022, the Group has quite a number of property development projects that were either close to the final stage of the project development cycle or yet to start construction, for which the pace of constructions was slowdown. However, the Group's other projects' continuous progress had resulted in an increase in the carrying value of properties under development, but the increase has been offset by the decrease in the carrying value of properties under development that has been recognised as cost of sales or transferred to completed properties held for sale upon completion and delivery of properties. Completed properties held for sale increased by 15.0% from RMB5,151.4 million as at 31 December 2021 to RMB5,924.2 million as at 31 December 2022. Despite the Group continued to put effort in selling the remaining units of existing projects and carpark units in the current year, the balance of completed properties held for sale increased mainly due to the completion of new phases of properties from two projects in the current year that the completed but unsold properties were reclassified as completed properties held for sale. Trade and other receivables, prepayments and other financial assets increased by 3.4% from RMB3,289.1 million as at 31 December 2021 to RMB3,400.9 million as at 31 December 2022. Trade and other receivables, prepayments and other financial assets comprised prepayments for construction costs and certain other receivables arising from the Group's business.

Total current liabilities as at 31 December 2022 amounted to RMB45,566.7 million, which was 3.5% lower than that of RMB47,227.3 million as at 31 December 2021. The decrease in total current liabilities was mainly attributable to the decrease in the balance of contract liabilities, which decreased by 37.4% from RMB12,151.8 million as at 31 December 2021 to RMB7,601.6 million as at 31 December 2022 as a result of the recognition of significant amount of pre-sales proceeds as revenue upon completion and delivery of properties in the current year. As at 31 December 2022, the Group's current borrowings and income tax payable increased, as the extent of such increase was smaller than the decrease in contract liabilities, the Group's total current liabilities to slightly decreased by 3.5% as at 31 December 2022.

As at 31 December 2022, the current ratio (calculated as the total current assets divided by the total current liabilities) was 0.50 (2021: 0.51).

Liquidity and Financial Resources

During the year ended 31 December 2022, the Group funded its property development projects principally from proceeds from pre-sales of properties and bank loans.

As at 31 December 2022, the Group had cash and cash equivalents of RMB72.3 million as compared to RMB191.6 million as at 31 December 2021.

During the year, the aggregate new borrowings obtained by the Group amounted to RMB1,780.8 million and repayment of borrowings was RMB2,077.5 million. As at 31 December 2022, the Group's total borrowings amounted to RMB20,963.7 million, which was 4.4% higher than RMB20,084.0 million as at 31 December 2021.

As at 31 December 2022, the Group had total banking facilities of RMB17,666 million (2021: RMB15,165 million) consisting of used banking facilities of RMB17,666 million (2021: RMB15,153 million) and no unused banking facilities (2021: RMB12 million).

Gearing Ratio

The Group monitors its capital on the basis of the gearing ratio and short-term debt ratio. Gearing ratio is calculated as net debt divided by total equity attributable to the owners of the Company. Net debt is calculated as total borrowings (excluding loan from a non-controlling interest) less cash and bank balances (including cash and cash equivalents and restricted cash). The gearing ratios as at 31 December 2022 and 2021 were as follows:

RMB'000	**2022**	2021
Total borrowings (excluding loan from a non-controlling interest)	**20,243,220**	19,408,408
Less: cash and bank balances	**(390,682)**	(598,257)
Net debt	**19,852,538**	18,810,151
Total (deficit on equity)/equity attributable to the owners of the Company	**(7,229)**	290,126
Gearing ratio	**N/A**	6,483.4%

As at 31 December 2022, no gearing ratio was available as the Group was in a net deficit on equity as at 31 December 2022 as a result of further net loss recorded for the year ended 31 December 2022. Nevertheless, the Group's gearing ratio continued to stay at a high level as at 31 December 2022. Management also uses other measures, such as net debt and current ratio, to monitor the Group's liquidity and will consider adopting alternative method for the calculation of gearing ratio in the future as appropriate.

Going Concern and Mitigation Measures

For the year ended 31 December 2022, the Group reported a loss attributable to the owners of the Company of RMB297.4 million. As at 31 December 2022, the Group had accumulated losses of RMB8,911.9 million and the Group‘s current liabilities exceeded its current assets by RMB22,695.8 million. As at the same date, the Group’s total and current borrowings (including loans from a non-controlling interest) amounted to RMB20,963.7 million, while its cash and cash equivalents amounted to RMB72.3 million only. In addition, as at 31 December 2022, certain borrowings whose principal amounts of RMB3,273.9 million and interest payable amounts of RMB1,621.5 million, relating to borrowings with a total principal amount of RMB4,259.1 million were overdue. In addition, part of the principal and interests of certain borrowings not above-mentioned with a total principal amount of RMB7,797.0 million have been overdue during the loan period; although these overdue balances and interests were subsequently settled before 31 December 2022, these borrowings remain to be in default as at 31 December 2022. These constituted events of defaults which resulted in cross-default of certain borrowings other than those mentioned above, amounting to principal amount of RMB4,837.1 million as at 31 December 2022. Besides, subsequent to 31 December 2022, borrowings with principal of RMB2,912.1 million were not repaid in accordance with the repayment schedules pursuant to the relevant loan agreements. These conditions, together with other matters described in note 2(i) on page 13 of this announcement, indicate the existence of material uncertainties which may cast significant doubt about the Group’s ability to continue as a going concern. However, the directors of the Company have been undertaking a number of measures to improve the Group’s liquidity and financial position, and to remediate certain delayed repayments to financial institutions, which include:

(i) The Group has been actively negotiating with a number of lenders for terms modification, renewal, extension and replacement of bank loans and credit facilities;

(ii) In addition, the Group is also negotiating with various financial institutions and identifying various options for financing the Group’s working capital and commitments in the foreseeable future;

(iii) The Group will seek to accelerate the pre-sales and sales of its properties under development and completed properties, including remaining units of property projects and saleable carparks. Overall, the Group expects to gradually launch sales of properties from new phases of two to three existing projects after obtaining the pre-sale permits starting mid-2023;

(iv) The Group has implemented measures to speed up the collection of outstanding sales proceeds; and

(v) The Group will continue to take active measures to control administrative costs through various channels including human resources optimisation and management remuneration adjustments and containment of capital expenditures.

Accordingly, the directors of the Company are satisfied that it is appropriate to prepare the consolidated financial statements on a going concern basis.

The Group has been actively implementing the aforementioned measures in the past few years by focusing on reduction of debt balance and improving debt structure. As a result of the efforts over such period, a number of financial data have gradually shown improvements, including steady growth in property sales and maintained at a reasonable level, trend of decreasing balance of total borrowings, as well as continuous improvements in the operating cash flows, although occasionally there was operating net cash outflow. Although the Group recorded a significant loss in 2021, the Group's property sales maintained at a stable level of exceeding RMB6.0 billion. 2022 was the third year since the COVID-19 pandemic lasted. The outbreak of the pandemic in the PRC in the first half of the year caused the Group's business to operate in a downturn. The overall operation basically suspended or operated slowly from mid-March to June. The weak purchasing power of the domestic real estate market, and due to the changes in the Group's product structure and lack of salable resources, the Group's property sales in 2022 reached a record low of only RMB2,079.5 million and the total borrowings stood at a high level, the Group has experienced prolong period of liquidity problem without obvious breakthrough. As a result of the adverse impact caused by the COVID-19 pandemic in the early 2022, the Group's financial pressure and liquidity problems became more imminent. During 2022, properties from Tower 15 of Shanghai Bay project in Shanghai and Phase II of Royal Mansion in Beijing were completed and delivered, caused the Group to record recognised revenue of RMB6,385.0 million, which was 2 times to that of last year, and significant amount of gross profit of RMB4,010.8 million. As the Group continued to have significant amount of finance costs not being capitalised but were recorded directly as current period expenses, and further fair value loss was recorded for the investment properties in 2022, after deducting income tax expenses, the Group continued to operate in a loss position for the year ended 31 December 2022, though the current year's loss attributable to the owners of the Company was significantly reduced as compared to the loss for 2021. In 2022, the management continuously adjusted the operation plan, strengthened working capital management and exercised extra efforts to control various expenses such that the Group's total borrowings at 2022 year-end was controlled at RMB20,963.7 million, which was only 4.4% higher than that of RMB20,084.0 million at the end of 2021. Among them, in December 2022, the Group successfully extended two loans of aggregate principal amount of RMB1,751.6 million for two years. As at 31 December 2022, the Group's effective interest rate was 9.3%, which was close to 9.2% for 2021, but was significantly lower than 12% or above for earlier years, which has laid a good foundation for the Group to reduce finance costs in the future. Subsequent to 31 December 2022, borrowings with principal of RMB2,912.1 million were not repaid in accordance with the repayment schedules pursuant to the relevant loan agreements. The Group will actively implement the business plan in 2023, on one hand continue to adhere to the business plan to construct and launch sale of the property projects as well as to speed up the leasing or sales of the offices and commercial shops so as to increase the cash inflow, on the other hand to actively negotiate with financial institutions to renew and extend the bank loans, and to identify opportunities to obtain new borrowings so as to improve the Group's debt structure.

Foreign Exchange Risk

The Group's property development projects are all located in the PRC and the related transactions are substantially settled in RMB. The Company and certain of the investment holding companies within the Group operating in Hong Kong have recognised assets and liabilities in currencies other than RMB.

The Group currently does not have a foreign currency hedging policy. The Group manages its foreign currency risk by closely monitoring the movement of the foreign currency rates and will consider hedging significant foreign currency exposure should the need arise.

As at 31 December 2022, if RMB had strengthened/weakened by 5% against other currencies, with all other variables held constant, post-tax loss for the year ended 31 December 2022 would have been approximately RMB9.2 million lower/higher (2021: post-tax loss RMB7.5 million lower/higher).

Interest Rate Risk

The Group holds interest bearing assets including cash at bank and certain bank deposits, loan to a joint venture and certain other receivables. Majority of these balances are at fixed rates and expose the Group to fair value interest rate risk. As any reasonable changes in interest rate would not result in a significant change in the Group's results, no sensitivity analysis is presented for interest rate risk arising from the Group's interest bearing assets.

The Group's interest rate risk mainly arises from its borrowings. Borrowings at variable rates expose the Group to cash flow interest rate risk. Borrowings issued at fixed rates expose the Group to fair value interest rate risk. The Group has not used any interest rate swaps to hedge its exposure to interest rate risk. The Group analyses its interest rate exposure on a dynamic basis and will consider the interest rate exposure when entering into any refinancing, renewal of existing positions and alternative financing transactions.

As at 31 December 2022, the Group's total borrowings amounted to RMB20,963.7 million (2021: RMB20,084.0 million), of which RMB17,309.0 million (2021: RMB16,810.7 million) borne fixed interest rate.

As at 31 December 2022, if interest rates on borrowings had been 100 basis points higher/lower with all other variables held constant, post-tax loss for the year would have been RMB17.6 million higher/lower (2021: post-tax loss RMB15.8 million higher/lower), mainly as a result of higher/lower interest expense on floating rate borrowings.

Price Risk

The Group is exposed to equity securities price risk arising from the unlisted investments held by the Group. Gains or losses arising from changes in the fair value of financial asset at fair value through profit or loss are dealt with in equity and the consolidated statement of comprehensive income respectively. The performance of the Group's unlisted investments are monitored regularly, together with an assessment of their relevance to the Group's strategic plans.

Pledge of Assets

As at 31 December 2022, the Group had property, plant and equipment, right-of-use assets, investment properties, properties under development and completed properties held for sale of aggregate carrying value of RMB31,829.8 million (2021: RMB33,565.0 million) which had been pledged for the Group's borrowings. Besides, equity interests of certain of the Company's subsidiaries and a joint venture had also been pledged for the Group's borrowings.

Financial Guarantee

The Group has arranged bank financing for certain purchasers of the Group's property units and provided guarantees to secure the repayment obligations of such purchasers. As at 31 December 2022, the amount of outstanding guarantees for mortgages was RMB3,378.2 million (2021: RMB4,094.3 million).

Capital Commitment

As at 31 December 2022, the Group had capital commitment of RMB9,105.4 million (2021: RMB9,867.4 million).

EMPLOYEES

As at 31 December 2022, the Group had a total of 509 employees (2021: 628). Salaries of employees are maintained at competitive levels while bonuses are granted on a discretionary basis. Other employee benefits include provident fund, insurance, medical cover as well as share options.

SHARE OPTION SCHEME

In order to attract, retain and motivate executives and key employees serving any members of the Group or other persons contributing to the Group, the Company adopted a share option scheme (the "**Share Option Scheme**") on 9 September 2009.

On 4 February 2019, the Company resolved to grant 632,388,000 share options to eligible participants (the "**Grantees**") to subscribe for a total of 632,388,000 ordinary shares of HK$0.01 each in the share capital of the Company under the Share Option Scheme. A total of 2,393,000 share options granted were not accepted by the Grantees within the required acceptance period under the Share Option Scheme. The accepted 629,995,000 share options are exercisable at any time during the option period from 4 February 2019 to 3 February 2024 (both dates inclusive) at an exercise price of HK$0.45 per share.

On 23 July 2019, the Company resolved to grant 26,397,000 share options to another batch of eligible participants to subscribe for a total of 26,397,000 ordinary shares of HK$0.01 each in the share capital of the Company under the Share Option Scheme. Among the share options granted, 22,367,000 share options were granted to the directors of the Company. The accepted 26,397,000 share options are exercisable at any time during the option period from 23 July 2019 to 22 July 2024 (both dates inclusive) at an exercise price of HK$0.45 per share.

In respect of the share options granted on 4 February 2019 and 23 July 2019, unless with the prior written consent of the Board, at any time during a period of six months from the date of the allotment and issue of the shares pursuant to exercise of the share options by the aforesaid eligible participants, they shall not dispose of, nor enter into any agreement to dispose of, the shares subscribed pursuant to the exercise of the share options.

As at 31 December 2022, there were totally 157,378,000 share options that were granted to the directors and employees of the Company under the Share Option Scheme and remained outstanding.

In terms of employee training, the Group provides different training programmes for employees to develop their expertise and knowledge.

CORPORATE GOVERNANCE

Deviation from the Corporate Governance Code of the Listing Rules

The Company had complied with the code provisions of the Corporate Governance Code as set out in Appendix 14 to the Rules Governing the Listing of Securities (the "**Listing Rules**") on The Stock Exchange of Hong Kong Limited (the "**Hong Kong Stock Exchange**") during the year ended 31 December 2022, save for the deviation from the code provision C.2.1 which stipulates that the roles of chairman and chief executive officer should be separate and should not be performed by the same individual.

Currently, Mr. Ding Xiang Yang stepped down from his position as the chief executive officer of the Company with effect from 15 December 2022. Mr. Ding will still act as the chairman of the Board and an executive director of the Company. Mr. Zheng Qun Guo has been appointed as the chief executive officer of the Company with effect from 15 December 2022. Upon such change, the Company has complied with code provision C.2.1 of the Code since the roles of the chairman and chief executive officer are not performed by the same individual.

AUDIT COMMITTEE

The Audit Committee was established on 9 September 2009 with written terms of reference, which comprises three independent non-executive directors, namely, Prof. Liu Tao (chairman of the Audit Committee), Dr. Hu Jinxing and Mr. Han Ping. The Audit Committee has reviewed with management the 2022 Annual Results and took the view that the Company was in full compliance with all applicable accounting standards and regulations and has made adequate disclosure.

DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") as set out in Appendix 10 to the Listing Rules as its own code of conduct regarding securities transactions by the directors of the Company. All Directors of the Company have confirmed, following specific enquiries being made by the Company, that they had complied with the required standard set out in the Model Code during the year ended 31 December 2022.

SCOPE OF WORK OF CROWE (HK) CPA LIMITED

The figures in respect of the Group's consolidated statement of comprehensive income, consolidated statement of financial position and the related notes thereto for the year ended 31 December 2022 as set out in this announcement have been agreed by the Company's auditor, Crowe (HK) CPA Limited, to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by Crowe (HK) CPA Limited in this respect did not constitute an assurance engagement and consequently no opinion or assurance conclusion has been expressed by Crowe (HK) CPA Limited on this announcement.

EXTRACT OF INDEPENDENT AUDITOR'S REPORT

The below sections set out an extract of the report by Crowe (HK) CPA Limited, the auditor of the Company, regarding the consolidated financial statements of the Group for the year ended 31 December 2022:

Disclaimer of Opinion

We do not express an opinion on the consolidated financial statements of the Group. Because of the potential interaction of the multiple uncertainties and their possible cumulative effect on the consolidated financial statements as described in the Basis for Disclaimer of Opinion section of our report, it is not possible for us to form an opinion on these consolidated financial statements. In all other respects, in our opinion the consolidated financial statements have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

Basis for Disclaimer of Opinion

Multiple Uncertainties Relating to Going Concern

As described in note 2(a)(i) to the consolidated financial statements, the Group reported a loss attributable to the owners of the Company of RMB297,355,000 for the year ended 31 December 2022. The Group had accumulated losses of RMB8,911,927,000 and the Group's current liabilities exceeded its current assets by RMB22,695,821,000 as at 31 December 2022. As at the same date, the Group's total and current borrowings amounted to RMB20,963,726,000 and capital commitment amounted to RMB9,105,386,000, while its cash and cash equivalents amounted to RMB72,264,000 only. As at 31 December 2022, the Group was in default in respect of principal amount of borrowings totaling RMB12,056,110,000 due to late or overdue payment of loan principal and/or interest during the loan period or as at 31 December 2022. These events of default also resulted in cross-default of certain borrowings other than those mentioned above with a principal amount of RMB4,837,100,000 as at 31 December 2022.

The outbreak of COVID-19 pandemic in the past three years not only caused the Group to be affected by the weakened purchasing power in the property market, but also has dragged down the pace of property development of the Group's projects that resulted in low level of property resources available for sale. The impact of COVID-19 on the Group may continue to adversely affect the Group's operation in the short to medium run.

The business of the Group is also subject to extensive governmental regulations and macro-economic control measures of the real estate sector implemented by the PRC government from time to time, and some of these policies and measures may have unfavourable impact to the working capital available to the Group.

All the above conditions, together with other matters described in note 2(a)(i) to the consolidated financial statements, indicate the existence of multiple uncertainties which may cast significant doubt about the Group's ability to continue as a going concern.

The directors of the Company have been undertaking a number of measures to improve the Group's liquidity and financial position, and to remediate certain delayed repayments and breach of specific terms and conditions of borrowings from financial institutions, which are set out in note 2(a)(i) to the consolidated financial statements. The consolidated financial statements have been prepared on a going concern basis, the validity of which depends on the outcome of these measures, which are subject to multiple uncertainties, including (i) the successful negotiations with the Group's existing lenders such that no action will be taken by the relevant lenders to demand immediate repayment of the borrowings in default, including those with cross-default terms; (ii) the successful negotiations with the lenders for the renewal of or extension for repayment of outstanding borrowings, including those with overdue principals and interests; (iii) successfully obtaining additional new sources of financing as and when needed; and (iv) the successful acceleration of the pre-sales and sales of properties under development and completed properties and speed up the collection of outstanding sales proceeds, including meeting all the necessary conditions to launch the presale and make these pre-sales at the expected sale prices and in accordance with the timelines of cash flow projections prepared by management; and controlling costs and containing capital expenditure so as to generate adequate net cash inflows. The Group's ability to obtain the abovementioned financing and operating funds depends on (1) current and ongoing regulatory environments and how the relevant policies and measures might affect the Group and/or the relevant financial institutions; and (2) whether the lenders of existing borrowings can agree to the terms and conditions for such extension or renewal and the Group's ability to continuously comply with the relevant terms and conditions of borrowings.

As a result of the above-mentioned multiple uncertainties, the potential interaction of these uncertainties, and the possible cumulative effect thereof, we were unable to form an opinion as to whether the going concern basis of preparation is appropriate. Should the Group fail to achieve the above-mentioned plans and measures, it might not be able to continue to operate as a going concern, and 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.

ANNUAL GENERAL MEETING AND DATES OF CLOSURE OF REGISTER OF MEMBERS

The time, date and venue of the annual general meeting of the Company for the year 2023 and dates of closure of register of members of the Company will be announced in due course.

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

Neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities during the year ended 31 December 2022.

PUBLICATION OF ANNUAL REPORT

The 2022 annual report of the Company containing all the applicable information required by the Listing Rules will be dispatched to the shareholders of the Company and published on the websites of the Hong Kong Stock Exchange at www.hkexnews.hk and the Company at www.gloriousphl.com.cn in due course.

By Order of the Board
Glorious Property Holdings Limited
Ding Xiang Yang
Chairman

Hong Kong, 30 March 2023

As at the date of this announcement, the executive directors of the Company are Mr. Ding Xiang Yang, Ms. Lu Juan and Mr. Yan Zhi Rong; the independent non-executive directors of the Company are Prof. Liu Tao, Dr. Hu Jinxing and Mr. Han Ping.