JINMAO 中国金茂

CHINA JINMAO HOLDINGS GROUP LIMITED

(Incorporated in Hong Kong with limited liability)

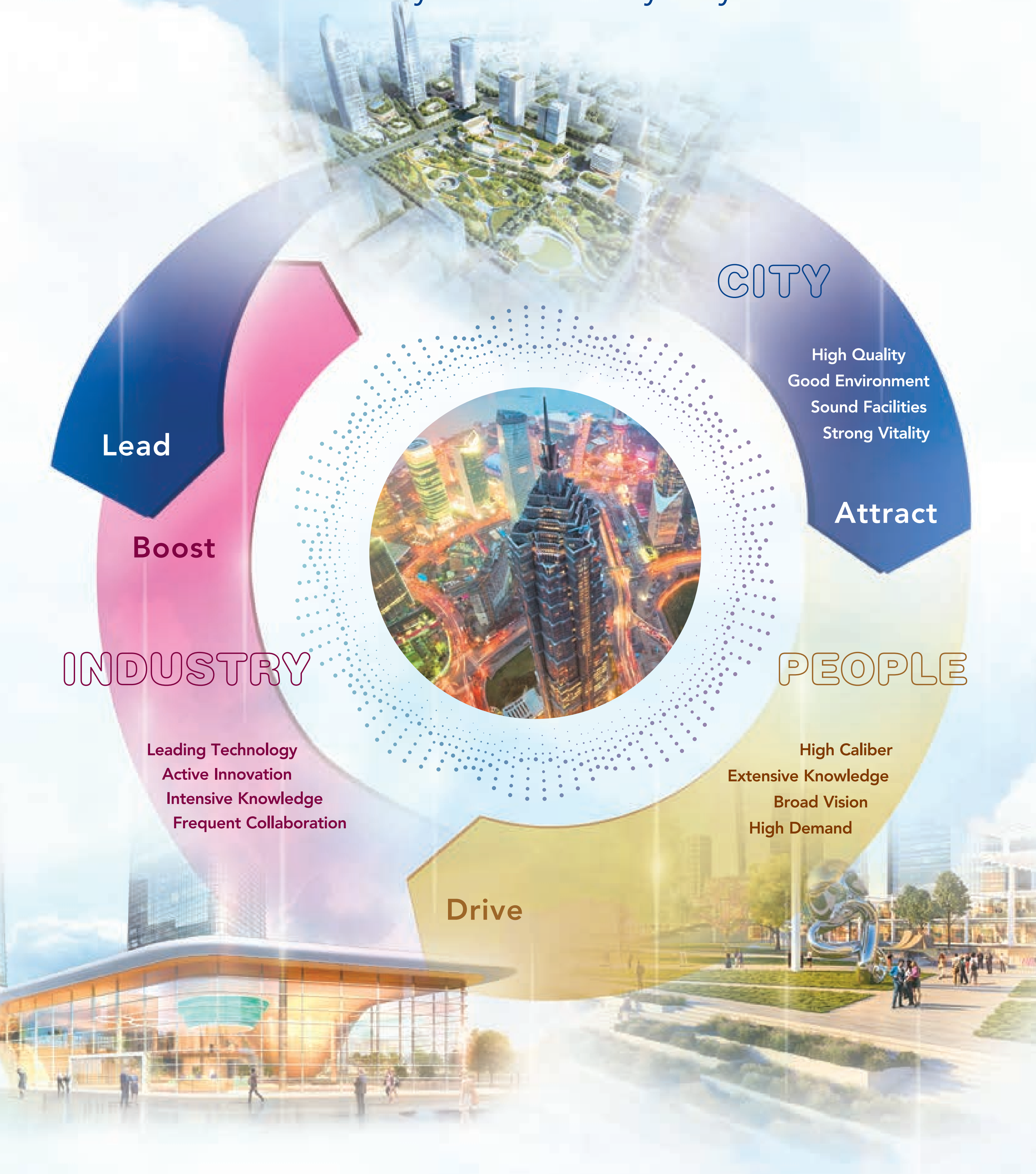
Stock Code: 00817

Unleashing Future Vitality of the City

ANNUAL REPORT 2021

a sinochem company

People Clustered by City
Industry Promoted by City



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Company Overview

China Jinmao Holdings Group Limited ("China Jinmao" or the "Company") is a platform enterprise under the city operation segment of Sinochem Holdings Corporation Ltd. ("Sinochem Holdings"), a Fortune Global 500 company. On 17 August 2007, China Jinmao was listed on the Main Board of The Stock Exchange of Hong Kong Limited (hereinafter referred to as the "Hong Kong Stock Exchange") (Stock Code: HK.00817). It is now one of the component stocks of the Hong Kong Hang Seng Composite Index. Sinochem Holdings is formed through the restructuring of Sinochem Group Co., Ltd. ("Sinochem Group") and China National Chemical Corporation Ltd. ("ChemChina"). With businesses covering the eight major areas of life sciences, materials science, petrochemicals, environmental science, rubber and tire, machinery and equipment, city operation and industrial finance, it is the world's largest comprehensive petrochemicals enterprise. In terms of city operation, Sinochem Holdings is one of the state-owned enterprises that is approved by the SASAC of the State Council to engage in property development and hotel operations as one of its principal businesses.

In adherence to the vision of "Unleashing Future Vitality of the City", China Jinmao holds on to the direction of high-end positioning and premium quality and endeavours to become a leading city operator in China by capitalising on the quality leadership-oriented "two-wheel and two-wing driven" development strategy with focus on the model of "two-driven and two-upgrade" city operations. Based on its foresight on city potentials, China Jinmao integrates the world's leading premium resources and introduces the concept of mutually beneficial city planning to achieve overall enhancement in regional functions and city vitality. Currently, China Jinmao has succeeded in entering China's rapidly developing regions including the Beijing-Tianjin-Hebei Metropolitan Region, the Yangtze River Delta Region and the Pearl River Delta Region. The Company holds more than 330 projects in 53 core cities including Beijing, Tianjin, Shanghai and Guangzhou.

Capitalising on the synergies and integration strengths between the segments, China Jinmao has created a series of high-end products featuring "Jinmao" brand. The "smart technology and green health" has become a unique quality gene and inherent brand feature of "Jinmao" series products and redefined high-end quality in the industry.

ADHERING TO THE STRATEGIC POSITIONING OF "CITY OPERATOR" AND PROMOTING THE "TWO-WHEEL AND TWO-WING DRIVEN" STRATEGY UPGRADE

The Company will continue to utilise its experience in city operations, hold on to planning-driven as traction and capital-driven as cornerstone to drive city upgrade and industry upgrade, and work with governments to shape a new city core through the principle of "In City We Gather People and Boost Business".

While continuously deepening its city operation model, the Company will continue to improve the operational efficiency of developing and holding its core businesses, and upgrade the connotation of "two-wing" to "technology + services". The Company will focus on the "technology leading" and "services innovating" areas in the short term to promote the development of its various businesses. In the future, these two areas will be gradually solidified into the Company's technology segment and services segment to build its core competitiveness in the industry.

Planning-driven

Actively capitalise on the Company's professional expertise in planning to achieve function diversification, high-end oriented industry and city internationalisation based on integrated, systematic, forward-looking and scientific planning.

Capital-driven

Leverage on the Company's funding and credit advantages and capitalise on the role of Jinmao Capital Holdings Limited ("JM Capital") in expanding funding channels and facilitating industry implementation as part of its capital-driven regional development efforts to achieve production led by investment.

Industry upgrade

Focus on the three major industries namely big culture, big healthcare and big technology while capitalising on its leading force of Beijing Jinmao Green Building Technology Co., Ltd. ("Jinmao Green Building") in science and technology industry, and drive industry upgrade of cities via industry cooperation and incubation.

City upgrade

Leverage on the Company's accumulated product strengths and brand influence in areas of quality residence, high-end hotel, premium retail and 5A office building to drive consumption upgrade and functional upgrade of cities.

IN SCIENCE WE TRUST WITH FOCUS ON INNOVATION-DRIVEN TRANSFORMATION

The Company will continue to follow the principle of "In Science We Trust", with the focus on the core line of "digit • technology", and cultivate new pillar businesses to transform itself into an innovative enterprise driven by science and technology.

CITY OPERATIONS AND PROPERTY DEVELOPMENT

CONTRACTED SALES AMOUNT
(RMB million)

2021
235,603

2020
231,100

During the Year, sales results of the projects were good, contracted sales amount increased by 2% year-on-year, and land reserves were expanded with the successful acquisitions in Shanghai, Beijing, Suzhou, Ningbo, Guangzhou, Nanjing, Zhengzhou, Wuxi, Xiamen, Qingdao, Xi'an, Shaoxing, Nanchang, Jinhua, Changsha, Quzhou, Chongqing, Taizhou and Yancheng.

COMMERCIAL LEASING AND RETAIL OPERATIONS

RENTAL REVENUE
(RMB million)

2021
1,563.3

2020
1,461.4

Twelve major investment properties with an area of approximately 0.80 million square metres. Both the rental level and occupancy rate of the Group's investment properties outperformed its peers.

HOTEL OPERATIONS

HOTEL REVENUE
(RMB million)

2021
1,638.1

2020
1,257.8

Ten luxury hotels offering 3,968 guest rooms

During the Year, the tourism and hospitality industry continued to be affected by the COVID-19 pandemic. In the second half of the year, the industry experienced another downturn. In the face of the continuously challenging market environment, the hotel operations segment adhered to high-end positioning and focused on deep cultivation of products, features and services to further consolidate its leading position in the market.

Major Events

JANUARY 2021

- The Company and the Jinhua Jinyi New District Government held the signing ceremony for the Jinhua Dongmei Industry-City Integration Project and the urban forum titled "Meet in the Future • Jinhua in its Prime"
- The Company and the government of Zhangjiagang High-tech Industrial Development Zone held the signing ceremony for the strategic cooperation agreement of Zhangjiagang Smart Science City (Phase II)
- The Company acquired the land parcel no. B2020-75 in the core section of Jiashan County, Jiaxing

MARCH 2021

- The Company acquired the land parcel no. 65 in Ningnan Trade and Logistics Zone, Fenghua District, Ningbo
- The Company acquired the land parcel no. XDG-2020-70 in Binhu District, Wuxi

APRIL 2021

- The Company was invited to attend the 2021 China Urban Renewal Innovation and Development Summit
- The Company and Taicang Loujiang New Town entered into a strategic cooperation agreement
- The Company acquired the land parcels in the east of North Street and north of Litai Road, High-speed Railway New City, Xiangcheng District, Suzhou

MAY 2021

- The Company and the Tangshan Municipal Government entered into a strategic cooperation framework agreement
- The Company and Chengdu City Construction Investment & Management Group Co., Ltd. entered into a strategic cooperation agreement
- The Company acquired the land parcels nos. 15-1/21-5 in Changxindian Town, Fengtai District, Beijing

JUNE 2021

- The Company and Wuhan Urban Construction Group Co., Ltd. entered into a strategic cooperation agreement
- The Company held the 2021 centralised project commencement ceremony of the Jinhua Dongmei Future Science City
- The Company acquired the land parcel no. 2021-9 in Jingkai District, Zhengzhou
- The Company acquired the land parcel no. 2021XP02 in Xiang'an District, Xiamen

AUGUST 2021

- The Company and the Langfang Municipal Government entered into a strategic cooperation agreement
- The Company and Beijing University of Posts and Telecommunications held the inauguration ceremony for the joint laboratory for millimetre wave intelligent sensor technology
- The Company held the opening ceremony for Jinmao Yuexiu • Changsha Yuhua Jinmao Smart Science City Project

SEPTEMBER 2021

- The Company attended the 2021 China Real Estate Brand Value Research Release Conference cum 18th China Real Estate Brand Development Summit Forum
- The Company and the Nanjing Xinyao New City Management Committee held the signing ceremony for the strategic cooperation on urban property services
- The Company acquired the land parcel no. Jin Dong Li Sha (Gua) 2021-29 in Tianjin

OCTOBER 2021

- The Company participated in the 4th World Voice Expo and 2021 iFLYTEK Global 1024 Developer Festival, and entered into a strategic agreement to deepen cooperation with iFLYTEK
- The Company and the Huzhou South Taihu New District Government held the signing ceremony for the South Taihu Jinmao Industry-City Integration Project
- The Company participated in Huawei's 2021 China Real Estate Industry Digitalization Summit, and joined hands with Huawei to launch PropTech Link, a real estate - technology alliance

NOVEMBER 2021

- The Company and China Baowu Steel Group Corporation Limited held the signing ceremony for the strategic cooperation framework agreement
- The Company acquired the land parcels nos. 07-01/08-06 in Hengmian Town, West Area of Shanghai International Tourism Resort, Pudong New Area, Shanghai
- The Company attended the 2021 Asia Pacific Hotel and Real Estate Cooperation Forum

DECEMBER 2021

- The Company and the Langfang Anci District Government held the signing ceremony for the cooperation agreement on the Mall of Splendor commercial complex project
- The Company held the Carbon Neutral Conference and Oriental Eden Sustainable Development Forum in Qingdao
- The Company acquired the land parcel no. 2021-65 in Huxin District, Huzhou
- The Company acquired the land parcel no. MC00-0605-001/003 in Yongding Town, Mentougou District, Beijing

Corporate Information

COMPANY NAME

China Jinmao Holdings Group Limited

PRINCIPAL OFFICE

Rooms 4702-4703
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No. 1 Harbour Road
Wan Chai, Hong Kong

NON-EXECUTIVE DIRECTORS

Mr. NING Gaoning (Chairman)
Mr. YANG Lin
Mr. AN Hongjun
Mr. CHENG Yong
Mr. LIU Pengpeng

EXECUTIVE DIRECTORS

Mr. LI Congrui (Chief Executive Officer)
Mr. JIANG Nan (Chief Financial Officer)
Mr. SONG Liuyi (Senior Vice President)

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. SU Xijia
Mr. SUEN Man Tak
Mr. GAO Shibin
Mr. ZHONG Wei

CHIEF FINANCIAL OFFICER

Mr. JIANG Nan

QUALIFIED ACCOUNTANT

Mr. LIAO Chi Chiun

COMPANY SECRETARY

Mr. LIAO Chi Chiun

AUTHORISED REPRESENTATIVES

Mr. LI Congrui
Mr. JIANG Nan

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Certified Public Accountants
Registered Public Interest Entity Auditor
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STOCK CODE

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WEBSITE

www. chinajinmao.cn

Financial Highlights

	2021 (RMB million)	2020 (RMB million)	Percentage change (%)
Revenue	**90,059.9**	**60,053.9**	**50**
Gross profit	**16,757.6**	**12,114.4**	**38**
Profit attributable to owners of the parent	**4,689.9**	**3,881.0**	**21**
Less: fair value losses/gains on investment properties (net of deferred tax)	-136.8	651.5	-121
Profit attributable to owners of the parent – excluding fair value losses/gains on investment properties (net of deferred tax)	4,826.7	3,229.5	49
Add: impairment effect of properties under development and properties held for sale	921.5	3,833.7	-76
Profit attributable to owners of the parent – excluding fair value losses/gains on investment properties (net of deferred tax), and excluding the factor of impairment of properties	5,748.2	7,063.2	-19
Total assets	**412,002.3**	**387,756.2**	**6**
Equity attributable to owners of the parent	**49,961.3**	**46,762.1**	**7**
Basic earnings per share (RMB cents)	**36.95**	**31.86**	**16**
Basic earnings per share – excluding fair value losses/gains on investment properties (net of deferred tax) (RMB cents)	38.03	26.51	43
Dividend (HK cents) (Note 1)			
– final and interim dividend per share	12	26	-54
Net debt-to-adjusted capital ratio (%) (Note 2)	58	41	N/A

Note 1: Interim dividend of HK12 cents per share and final dividend of HK0 cents per share (totalling HK12 cents per share) for 2021. Interim dividend of HK12 cents per share and final dividend of HK14 cents per share (totalling HK26 cents per share) for 2020.

Note 2: Net debt-to-adjusted capital ratio = (interest-bearing bank and other borrowings – cash and cash equivalents – restricted bank balances – certain other financial assets)/(total equity + the Company's amounts due to the immediate holding company)

Under the new situation, China Jinmao will fully implement the concept of "insisting on city operation and insisting on In Science We Trust", continuously improving its lean management capabilities and consolidating the foundation of the Company's development by focusing on the working approach of "three reductions, one improvement, one acceleration".

Chairman
NING Gaoning

Dear Shareholders,

On behalf of the board of directors (the "Board") of China Jinmao, I am pleased to present the annual results of the Company and its subsidiaries (the "Group", "we" or "us") for the year ended 31 December 2021 (the "Period under Review", the "Reporting Period", "2021" or the "Year") for your review.

In 2021, the global pandemic persisted and there was insufficient momentum for a global economic recovery. China's economic development was under threefold pressure of shrinking demand, supply shock and expected weakening. The domestic and international environment was complex and severe. The central government adhered to the keynote of "housing without speculation" without hesitation. Affected by the continuous effect of financial and market supervision and the frequent maturity of bonds, the debt crisis of certain real estate enterprises continued to develop, and the real estate industry showed a situation of "high opening before going down". In the first half of the Year, the real estate market was relatively active with rapidly increasing sales area. However, in the second half of the Year, the industry situation worsened abruptly, and the transaction volume and price gradually bottomed out. Some high-debt real estate enterprises crashed, aborted land sales and withdrawal of listing-for-sale occurred frequently, people's demand for housing has weakened, and the industry was stepping into a cold winter. In the face of the severe industry situation, China Jinmao, with cash flow safety as the bottom line, insisted on fast collection and slow payment, strictly controlled the scale of debt, and maintained the green barrier of the "three red lines". At the same time, the Company overcame difficulties and achieved a record high sales results against the trend. The annual contracted sales amount reached RMB235.6 billion, consolidating its position in the industry as a TOP15. During the Reporting Period, profit attributable to owners of the parent amounted to RMB4,690 million, representing a year-on-year increase of 21%. If excluding fair value losses on investment properties (net of deferred tax), profit attributable to owners of the parent amounted to RMB4,827 million, representing a year-on-year increase of 49%.

In 2021, the steady development of the Company was attributable to the adherence to its development strategies. Upholding the development concept of" insisting on city operation and insisting on In Science We Trust", the Company continued to strengthen its organizational construction, improve its operation and management capabilities, and continuously fortify the development foundation, thereby consolidating its first tier team position in the industry in terms of comprehensive strength.

The Company adhered to the strategic positioning as a city operator and continued to strengthen the upgrading of business model. It continued to deepen the connotation of city operation strategies, explore the innovation of win-win model of government-enterprise cooperation, and support city upgrading and industrial upgrading driven by capital and planning. The Company implemented the requirements of "Two Supports and Two Synchronisations", and continued to build its IP benchmark projects of science cities: Qingdao China-Europe International City launched its first self-operated industrial park, Qingdao China-Europe Science and Technology Innovation Park, which introduced a new generation of information technology, artificial intelligence + high-end equipment manufacturing industry cluster, with an overall occupancy rate of nearly 90%, bringing new impetus to the industrial development of Qingdao High-tech Zone; the construction of the 65,000 sq.m. central park in Ningbo Life Science City was completed, Ningbo Experimental School affiliated to Shanghai Normal University was opened, the construction of the Fengsheng International Medical Complex commenced, while the hotel and commercial facilities and industrial resources were implemented in an orderly manner, winning the honour of "Major Contribution Award for Economic Development" in Fenghua District, Ningbo; Sanya Nanfan Science and Technology City attracted 88 science and technology enterprises, helping "Nanfan Silicon Valley" create a national innovation highland for the seed industry in China, and contributing to the industrial restructuring of Hainan; Wuhan Fangdao

Smart Science City commenced the construction of Wuhan's first renewable water source heat pump energy station, and launched the top-level design of smart city and carbon neutrality plan, obtaining the WELL community international certification. In the meantime, the Company actively implemented national strategies such as the Yangtze River Economic Belt and the Beijing-Tianjin-Hebei Metropolitan Region. In 2021, the Company deployed 6 city operation projects in Shanghai, Changsha, Nanchang, Guiyang, Huzhou and Langfang, bringing the total number of city operation projects to 33. With its solid experience and continuous innovation in the field of city operations, the Company has been widely recognised by the government, industrial partners and the public. It has won the annual award of the China Industrial Park Conference for three consecutive years, and was awarded the title of "Innovative City Operator" in 2021. **Through the implementation of the "two-wheel and two-wing driven" strategy, the Company has built a solid business foundation for city operations, with development business focusing on "profit-orientation" and taking multiple measures to improve profitability.** Firstly, adhering to the principle of prioritising quality over quantity and strictly following its investment disciplines, the Company's land acquisition premium rate for the Year was significantly lower than the industry average of the TOP15. At the same time, the Company seized the window period of the land market in the second half of the Year and acquired a number of high-quality land parcels in Beijing, Xi'an, Chongqing, Chengdu and other cities, achieving strategic replenishment and laying a solid foundation for the growth of results and profits. Secondly, adhering to deep cultivation of cities, the Company always focused on first-tier and second-tier cities with higher development potential, and concentrated its advantageous resources and teams to create benchmark projects. During the Year, the contracted sales amount of 9 cities exceeded RMB10 billion, of which the contracted sales amount of 2 cities exceeded RMB20 billion, and 4 projects were the sales champion in their respective cities, consolidating the Company's brand influence and product premium ability. Thirdly, adhering to quality and efficiency improvement, the Company further deepened lean management, implemented coordinated work such as design standardisation, precise cost allocation, more scientific contractor management, and improvement of customer satisfaction, with a view to establishing a suitable management scale system to support the realisation of project profits. **By maintaining the "following" strategy for holding businesses, the Company continued to focus on asset-light transformation.** The Company's hotel, commercial building and office building businesses adhered to the strategy of following city operations, and acquired holding resources in an orderly manner. The Company actively promoted the creation of commercial IPs. During the Year, it acquired 2 new Mall of Splendor projects and achieved higher growth in commercial operating results as compared with that in 2019 before the pandemic. The performance of Changsha Jinmao Mall of Splendor and Qingdao Jinmao Harbour reached new highs since their opening, and the operating quality of projects in operation continued to improve. The Company has mature and comprehensive asset management capabilities for the entire life cycle of high-end hotel design, development and operation. The overall positive evaluation rate of 11 high-end hotels under the Company reached 90.4%, ranking first in the market. At the same time, the Company announced five self-owned hotel brands, and signed 12 new asset-light projects during the Year, firmly transforming towards asset-light management of high-end hotels. **The two-wing business coordinated with the city operation strategies to actively enhance its market-oriented competitiveness**. The Company's property service business completed spin-off and was successfully listed on the Hong Kong Stock Exchange in March 2022. Covering the areas of community properties, commercial properties and city properties, the business has signed contracts for three city property projects with a management area of 81 sq.km., providing integrated city service solutions for the government. The capital business connected with city operation business scenarios to incubate technology companies such as WenAn AI and XKool, building a pan-real estate technology industry ecosystem to achieve two-way business empowerment. The education business actively responded to market changes, explored the direction of light-asset education technology, and promoted the construction of a 5G-empowered high-quality education system, rated by the Ministry of Industry and Information Technology and the Ministry of Education as a "5G + Smart Education" application pilot project. In the meantime, the Company integrated multi-dimensional scenario technology capabilities such as digital marketing, smart home and smart community, incubated and established Jinmao Cloud Company to explore the AIoT track and promote the intelligent layout of full-scenario city operations.

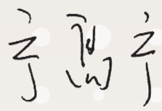
Guided by the concept of "In Science We Trust", the Company strives to build a real estate company with the most advanced technologies. Focusing on the core main line of "Digital • Technology" for its main business of real estate, the Company has strengthened technology empowerment and green and low-carbon development. **The vertical focus is on in-depth real estate and technology development.** The Company self-developed the "Smart Home Construction (智建居)" project management digital platform, so as to promote the pilot application of real-time measurement robots and exterior wall painting robots and achieve construction visualisation and smart construction sites, thereby improving project management capabilities and construction efficiency through technology. The Company continued to enhance the technological attributes of property services by building a variety of smart community application scenarios such as security, parking and billing, providing property owners with a safe, convenient and comfortable living environment. The self-developed smart community solutions have won three awards from the Ministry of Housing and Urban-Rural Development. **The horizontal focus is on the" dual carbon" goal and the new track of city operations.** Firmly grasping the trend of carbon neutrality, the Company took the supporting energy services for city operations as the starting point, and deployed the direction for the new track of clean energy. It has accumulated experience of comprehensive energy services for 18 cities and nearly 40 Jinmao Palaces, and obtained energy management system certification as well as the 5A clean heat supply industry certification. In the future, the Company will focus on the high-quality clean heat supply projects in northern China, continue to enhance the layout of smart energy, actively create the characteristics of green cities, and empower the sustainable and advanced development of cities, with a view to helping promote the implementation of the national "dual-carbon" strategy. **The technological innovation system has been deepened and improved.** In cooperation with Huawei and other industry partners, the Company officially launched PropTech Link, a real estate technology alliance, the objectives of which are to build a network-based organisation in the real estate technology field, and promote cutting-edge technology exploration and sharing of innovative solutions. Based in Beijing and Shanghai, Jinmao's J-SPEED innovation platform brought together more than 200 outstanding ecological partners to build an open innovation ecosystem through connecting real estate and technology enterprises. The Company has a total of 5 national high-tech enterprises and 185 new patent applications have been made during the Year. The cultural atmosphere of "everyone participating in innovation every day and in every aspect" has gradually taken shape, further improving the technological contents and technical barriers of the Company's products and services.

Organisational construction has been strengthened continuously to keep improving operational efficiency. Based on the principle of "making the headquarters more refined, regions more specialised, cities more powerful", the Company optimised the organisational system at all levels by integrating 15 functional departments of the headquarters into 12 service centres, continuously streamlining the headcounts of regional platforms to strengthen the allocation of core teams in cities. Categorised authorisation has been promoted to continuously improve the organisational operation and decision-making efficiency. As a result, the area under construction and the contracted amount per capita continued to rise. **The Company has continued to strengthen the accountability of operations,** issued and implemented a series of evaluation and management mechanisms such as the rating of project managers and the general evaluation of cities, the objectives of which are to clarify the responsibilities of investing and operating entities and promote the matching of personnel and positions, forming a closed loop of investment and operation integration and management responsibility, thereby ensuring the achievement of operational objectives at all stages of projects. **The Company has been adhering to the high-performance orientation,** continuously optimised and improved the co-investment mechanism, and enhanced the effect of co-investment incentives, so as to promote the self-motivation of employees and stimulate their enthusiasm for entrepreneurship. By doing so, the operational quality of projects has been improved, which is conducive to the achievement of the Company's results.

As a state-owned enterprise and a listed company, China Jinmao also attaches great importance to and actively fulfills its social responsibilities. The Company adheres to sustainable development and continuously improves its ESG management capabilities. The Company has long adhered to the concept of sustainable development by continuously improving its ESG management capabilities in three aspects, namely environment, society and corporate governance. As a result, its brand image has been constantly improving. In terms of green strategies, the Company has invested in, constructed and operated 75 energy station projects, with an estimated total energy supply area of over 40 million sq.m. and an annual carbon emission reduction of over 380,000 tonnes, equivalent to planting more than 21 million trees. Moreover, the Company has obtained a total of 262 green building labels and certifications, and it was ranked No.1 among the most competitive green property developers in China for four consecutive years. In terms of HSE management, the Company has adhered to the normalisation of pandemic prevention and control by continuing to upgrade safety management requirements and comprehensively promoting the 100-day safety improvement campaign. Throughout the Year, the Company achieved the "four zeros" target of HSE management, i.e. zero fatal incident, zero environmental pollution incident, zero new case of occupational disease and zero major HSE negative public opinion, ensuring a stable and orderly safety situation. In terms of social welfare, the Company made full use of its own resources and gave full play to its professional advantages by donating assistance funds and helping the sales of agricultural products in Aru Horqin Banner, Linxi and other areas, and organising "Dream Fulfilment Campaign (圓夢行動)" to raise donations from employees and help the areas consolidate and expand the achievements of poverty alleviation, orderly aligning with the rural revitalisation strategy. Adhering to the concept of "Dual Support for Intelligence and Ambition", the Company continued to promote the construction of Dream Building Public Welfare Libraries and set up special education and medical assistance funds, donating public welfare libraries and schools as well as providing assistance in building schools and medical institutions in Tibet, Qinghai, Guizhou and other places, which received good social response. In terms of brand management, in 2021, the brand value of "Jinmao" reached RMB42,139 million, representing a year-on-year increase of 19%. The brand ranked 179th in the "Top 500 Chinese Brands", and the brand value has been increasing for 17 consecutive years.

Looking ahead, the COVID-19 pandemic is still spreading, and the external environment is becoming more complex, severe and uncertain. The risks and challenges faced by China's development have increased significantly. The pandemic is still suppressing consumer demand, and investment in some fields has yet to bottom out. In the meantime, medium and long-term challenges such as potential slowdown in economic growth, slowdown in population growth and low-carbon transformation cannot be ignored. However, we will go through the long and arduous journey with determination and perseverance. China's economic fundamentals remain resilient, promising and positive in the long run. New urbanisation will continue, and the demand for urban renewal will keep emerging. Carbon neutrality and digitalisation will bring new opportunities for the development of the industry. With the in-depth adjustment of the market, the pace of survival of the fittest in the industry is accelerating, so that quality real estate enterprises that have withstood the test will enjoy more opportunities. Under the new situation, China Jinmao will fully implement the concept of "insisting on city operation and insisting on In Science We Trust", continuously improving its lean management capabilities and consolidating the foundation of the Company's development by focusing on the working approach of "three reductions, one improvement, one acceleration".

Working together to seek for development, we overcome difficulties amid hardship in the cold winter. Although the new journey is full of difficulties, our future is still bright. All employees of China Jinmao will continue to maintain strategic determination and patience, forge ahead with perseverance and overcome difficulties with a forward-looking attitude, maximising value for all shareholders with even more remarkable results. On behalf of the Board, I would like to express my sincere gratitude to the shareholders, customers, business partners of the Company and various sectors of the community.



NING Gaoning
Chairman

Hong Kong
29 March 2022

Honours and Awards

MAJOR INTEGRATED AWARDS

- In April, China Jinmao won the title of the 18th (2021) Top 100 Blue Chip Enterprises at the 2021 China Blue Chip Real Estate Developer Annual Conference organised by Economic Observer for the 11th consecutive year.
- In June, China Jinmao won the title of the "2021 (18th) China's 500 Most Valuable Brands" at the World Brand Lab selections.
- In July, China Jinmao won the "2021 China Top 100 Real Estate Enterprises by Brand Value" at the 2021 China Real Estate Branding Ceremony jointly organised by creb.com and Zhong Fang Think Tank.
- In November, China Jinmao was honoured with the "2021 City Operation Benchmark Enterprise" by cnr.cn.
- In November, China Jinmao won the title of the "2021 CIOC China Top 10 Real Estate Developers by Digitalisation" with its technology innovation empowering future development.
- In December, China Jinmao won the "Golden Jubilee Award – 2021 Outstanding Innovation Model Enterprise" at the 4th Capital Markets Summit jointly organised by Biaodian Finance and Economics Research Institute and zmoney.cn.
- In December, China Jinmao won the titles of the "ESG Leading Model Enterprise in the Real Estate Industry" and the "Top 10 Model Listed Real Estate Companies by Operation Capabilities" at the 19th Finance Honours List – Real Estate Industry Selections.

MAJOR CITY OPERATIONS AND PROPERTY DEVELOPMENT AWARDS

- In January, Jinmao Ningbo Life Science City Project won the outstanding operator award of the "2020 Top 100 Future Healthcare Companies • Innovative Healthcare Industry Parks" at the 2020 China Regional Healthcare Industry Innovation Forum.
- In March, Wenzhou Jinmao Palace, Qingdao Eden and Qingdao China-Europe International City obtained the "China-UK International Green Building Dual Certification of the Year", "BREEAM Innovative Award of the Year" and "Your BREEAM Award", respectively.
- In May, Beijing Jinmao Palace Smart Community won the second prize in the category of Standard Application Practice at the 2021 "Jinbiao Bei" Green Smart Community Innovation Awards.
- In September, Jinmao • Chennanli Project won the 2021 UK BALI National Landscape Award by the British Association of Landscape Industries (BALI).
- In October, Nanchang Gemdale Jinmao • Jiufeng Palace won the New York Design Commercial Project Award.

Honours and Awards

HOTEL AWARDS

- In March, Meixi Lake Hotel, A Luxury Collection Hotel, Changsha was awarded the "2021 CHA China Hotel Awards – Best City Resort Hotel of the Year".
- In April, Jinmao Hotel was awarded the title of the "2021 Best Hotel Owner in China" at the 2021 AHF Asia Hotel and Tourism Forum Annual Conference and the 16th China Hotel Starlight Awards.
- In November, Jinmao Hotel was awarded the "Excellent Hotel Management Group of the Year" at the 2021 City Travel Hotel Award Ceremony organised by City Travel magazine.
- In November, Grand Hyatt Shanghai was honoured with the title among the first batch of "Shanghai Art Hotels".

OTHER AWARDS

- In March, Jinmao Green Building was awarded the "2020 PV Building Innovation Award" at the 4th China BIPV Conference.
- In April, at the 2021 China Top 100 Real Estate Services' Latest Research Results Conference cum the 14th China Top 100 Real Estate Service Entrepreneur Summit organised by the China Index Academy and the China Property Service Price Index System, Sinochem Jinmao Property Management (Beijing) Co., Ltd. ("Jinmao Property") was honoured with the "2021 China Top 20 Property Service Companies".
- In May, JM Capital was among the "Top 10 Best Investment Institutions in China's Real Estate Industry" released by CVInfo.
- In May, Nanjing Jinmao Mall of Splendor and Qingdao Jinmao Mall of Splendor were awarded the "Nova Award" and the "Best Model Award" respectively at the 8th China (Shanghai) Shopping Centre Development Summit Forum.
- In June, at the 2021 Property Service Summit organised by E-House CRIC, Jinmao Property was awarded the "2021 No.1 High-end Property Service Enterprise" and the "2021 Leading Property Service Satisfaction Enterprise".
- In June, JM Capital was named among the "2020-2021 China's Top 10 Best Real Estate Technology Investment Institutions" at the 2021 Real Estate Gravition & Innovation Summit organised by China Real Estate Association.
- In August, the construction project ancillary to Universal Studios Beijing undertaken by Shanghai Jinmao Construction & Decoration Company Limited ("Jinmao Decoration") was awarded the "2020-2021 Building Great Wall Cup Gold Award" by Beijing Quality Engineering Review Committee.
- In September, at the 2021 China Real Estate Brand Value's Latest Research Results Conference cum the 18th China Real Estate Brand Development Summit Forum organised by the China Enterprise Evaluation Association, the Hang Lung Center for Real Estate Tsinghua University and Beijing China Index Academy, Jinmao Property was awarded the "2021 Leading Brand in Professional Operation of Property Services in China".
- In December, Jinmao Decoration was granted the "Science and Technology Award of the Building Decoration Industry" by China Building Decoration Association.


Zhangjiakou
Beijing
Baoding
Tianjin
Langfang
Taiyuan
Shijiazhuang
Yantai
Weihai
Jinan
Weifang
Qingdao
Xi'an
Zhengzhou
Kaifeng
Xuzhou
Taizhou (泰州)
Nanjing
Changzhou
Nantong
Hefei
Wuxi
Suzhou
Shanghai
Huzhou
Jiaxing
Chengdu
Wuhan
Hangzhou
Ningbo
Chongqing
Nanchang
Shaoxing
Yueyang
Jinhua
Quzhou
Taizhou (台州)
Changsha
Wenzhou
Lijiang
Guiyang
Zhuzhou
Fuzhou
Kunming
Quanzhou
Xiamen
Guangzhou
Foshan
Dongguan
Shantou
Shenzhen
Zhuhai
Sanya

The Group holds 334 projects of city operations, property development, commercial leasing and retail operations and hotel operations, with an area yet to be delivered of approximately 93.23 million square metres.

Region	City	Number of projects (Note 1)	Area yet to be delivered (Note 2)
Bohai rim	Baoding	1	205,212
	Beijing	28	3,013,515
	Jinan	8	1,618,545
	Langfang	1	551,076
	Qingdao	18	4,899,275
	Shijiazhuang	1	148,926
	Tianjin	8	1,119,893
	Weihai	1	168,125
	Weifang	1	509,203
	Yantai	2	690,713
	Zhangjiakou	3	634,453

Region	City	Number of projects (Note 1)	Area yet to be delivered (Note 2)
East China	Changzhou	4	1,283,935
	Hangzhou	9	1,544,343
	Hefei	5	275,736
	Huzhou	3	1,291,075
	Jiaxing	8	2,066,060
	Jinhua	4	2,465,001
	Nanjing	25	5,447,407
	Nantong	3	546,971
	Ningbo	16	4,059,165
	Shanghai	22	1,969,555
	Shaoxing	1	278,001
	Suzhou	10	2,739,329
	Taizhou (台州)	5	746,320
	Taizhou (泰州)	1	611,499
	Wenzhou	18	3,124,150
	Wuxi	8	1,294,042
	Xuzhou	5	547,441
	Quzhou	1	345,169

Region	City	Number of projects (Note 1)	Area yet to be delivered (Note 2)
South China	Dongguan	3	84,787
	Foshan	6	1,516,464
	Fuzhou	5	2,202,541
	Guangzhou	10	2,087,673
	Quanzhou	1	331,684
	Sanya	3	559,142
	Xiamen	3	430,572
	Shantou	2	504,803
	Shenzhen	3	168,477
	Zhuhai	1	407,151

Region	City	Number of projects (Note 1)	Area yet to be delivered (Note 2)
Central China	Kaifeng	1	179,930
	Nanchang	11	10,237,493
	Taiyuan	2	561,608
	Wuhan	9	4,733,625
	Yueyang	1	648,539
	Changsha	16	15,215,123
	Zhengzhou	6	3,118,242
	Zhuzhou	1	492,596

Region	City	Number of projects (Note 1)	Area yet to be delivered (Note 2)
West China	Chengdu	5	580,472
	Guiyang	3	919,747
	Kunming	3	990,023
	Lijiang	4	218,154
	Xi'an	5	986,836
	Chongqing	10	1,855,895
Total		334	93,225,712

Note 1: The number of projects covers city operations, property development, commercial leasing and retail operations, hotel operations

Note 2: The area yet to be delivered refers to the saleable/leasable gross floor area of each of such projects, less the area delivered, unit: m^2

In 2021, in the face of challenges such as the sporadic yet repeated COVID-19 outbreaks in China, authorities in different regions earnestly implemented and coordinated the decision-making and deployment of pandemic prevention and control as well as economic and social development, while firmly implementing the strategy of expanding domestic demand to maintain stable development of the national economy and effectively protect people's basic livelihood. As a result, the level of urbanisation steadily improved. GDP for the year, calculated based on comparable prices, increased by 8.1% as compared with the previous year, while income growth of national residents was basically consistent with economic growth. The incremental value created by large-scale industries across China grew by 9.6% when compared with the previous year, while the growth rate of incremental value created by high-tech manufacturing industry was 8.6 percentage points above that of large-scale industries. Fixed asset investments grew by 4.9% when compared with the previous year, and the growth rate of investment in high-tech industry was 12.2 percentage points above that of overall investments.

From the perspective of the real estate market, in 2021, stringent real estate policies continued to be implemented, alongside with increasingly tightened financial regulation. City-specific policies were implemented in different regions to strengthen supervision. The supply-side adjustment of the real estate industry continued. Coupled with the multiple effects of the implementation of policies of "three red lines and four thresholds", loan concentration and "two centralised activities" for land supply, the domestic real estate market continued to cool down. Sales volume in the land market declined, lands acquired by real estate development enterprises was 216 million sq.m., representing a substantial year-on-year decrease of 15.5%. Demand for purchase of commodity housing increased, and the sales amount of commodity housing across the nation was approximately RMB18.2 trillion, representing a year-on-year increase of 4.8%, a growth rate that declined by 3.9 percentage points year-on-year when compared with the previous year, while area sold was approximately 1.79 billion sq.m., representing a year-on-year increase of 1.9%.

From the perspective of landscape of the real estate market, top 100 real estate enterprises recorded a year-on-year decline of 3.5% in the cumulative sales operation scale in 2021, whereas the sales of sizable real estate enterprises experienced rare negative growth. While the overall performance of the top 100 real estate enterprises was worse than that of last year, the differentiation among sizable real estate enterprises intensified. Leading real estate enterprises continued to grow steadily and maintained their scale advantages. The sales operation threshold amount of TOP10 real estate enterprises increased by 19.8% year-on-year, whereas the sales operation threshold amount of TOP20 and TOP30 real estate enterprises also increased by 9.2% and 2.5%, respectively. At the same time, in the face of the tightened financing trend in the industry, real estate enterprises focused more on the development of main business and financial security, instead of simply pursuing scale expansion and opted for seeking high-quality growth.

From the perspective of the hotel market, due to the continuous impact of the pandemic, the hotel market showed significant fluctuations. In the first half of the year, benefiting from the achievements of pandemic prevention and control, the restrictive policies in various regions were weakened, as a result of which, tourism demand began to rise, and the hotel market gradually recovered. In particular, the high-end and resort hotel market recovered better. In the second half of the year, the COVID-19 cases emerged in multiple locations as the pandemic continued. As a result, the domestic travel control policies were again tightened, hindering the pace of recovery of the entire industry. The pandemic continued toward the end of the year and the overall recovery of the hospitality industry was under pressure and challenges.

From the perspective of the commercial leasing market, in 2021, driven by the 14th Five-Year Plan, the vigorous development of the digital economy, highly specialised and advanced industries as well as modern service industries promoted the diversification of market demand for commercial leasing, so that the supply and demand returned to its equilibrium, and rental levels gradually stabilised. The net absorption of office buildings in Beijing reached a record high throughout the year, with a general decline in vacancy rate and a stable rental level. Rental levels of office buildings in Shanghai bottomed out and rebounded, alongside with declining vacancy rates. In terms of the retail operations market, with the recovery of the domestic consumer market, which drove the economic growth in various regions, the occupancy rate of the retail operations segment in Changsha, Qingdao, Shanghai and other regions increased steadily, and the rental levels increased year-on-year.

As to city operations and property development, newly launched projects recorded good sales throughout the year, and total amount of contracted sales was approximately RMB235.6 billion. As at the end of the Reporting Period, the amount of sales of properties and land contracted by the Group but not yet delivered and settled was approximately RMB292.8 billion.

Among the city operations and property development projects, Jinhua Futian Jinmao Palace was launched three times and achieved hot sales each time in March 2021, April 2021 and August 2021 respectively, ranking second in terms of annual sales in Jinhua. Taizhou Fengcheng Jinmao Palace achieved great success in the first launch in June 2021 and was ranked No.1 in terms of annual sales of commodity residential units in Taizhou. Chengdu Wuhou Jinmao Palace Phase III achieved hot sales in the first launch in August 2021, ranking first in the Wuhou New City segment in terms of sell-through rate. In January 2021, Jinmao Ningbo Life Science City Project won the outstanding operator award of the "2020 Top 100 Future Healthcare Companies • Innovative Healthcare Industry Parks" at the 2020 China Regional Healthcare Industry Innovation Forum. In March 2021, Wenzhou Jinmao Palace, Qingdao Eden and Qingdao China-Europe International City obtained the "China-UK International Green Building Dual Certification of the Year", "BREEAM Innovative Award of the Year" and "Your BREEAM Award", respectively. In May 2021, Beijing Jinmao Palace Smart Community won the second prize in the category of Standard Application Practice at the 2021 "Jinbiao Bei" Green Smart Community Innovation Awards. Xi'an Chang'an Jinmao Palace won the second prize in the category of Hardware Products at the 2021 "Jinbiao Bei" Green Smart Community Innovation Awards. In October 2021, Jinmao's Nanchang Zhenro Jinmao Midea • Yunjing Project won the silver prize in the category of International Architecture at the 2021 New York Design Awards, and Nanchang Gemdale Jinmao • Jiufeng Palace Project won the Design Commercial Project Award. In December 2021, Nanjing Jiangbei New District Industrial Technology Research and Innovation Park Project was awarded the title of "Star-rated Site of Construction Project Standardisation in Jiangsu Province".

In terms of hotel operations, in the face of the continuously challenging market environment, Jinmao Hotel built an innovation laboratory and formulated technological hotel proposals through technology empowerment, and promoted smart management, energy conservation and innovation. It established a digitalised platform of "light front office, large middle office and strong back office" to comprehensively improve the efficiency of hotel operations and management.

Through business form innovation, cross-sector cooperation, optimisation of guest structure, focusing on the effective marketing during holidays and creating featured IP, all hotels made steady progress. Since the official release of the first batch of its independent brands in 2019, Jinmao Hotel has fully embarked on the journey of asset-light management transformation, with focus on deep cultivation of products, features and services to continuously reinforce its brand building efforts. At the same time, it formulated the hotel product standardisation manual and entered the Chinese hospitality industry with a brand new image as an asset-light hotel management company in a bid to promote the Company's asset-light strategic development with "standardisation". During the Period under Review, Jinmao Hotel was awarded the title of the "2021 Best Hotel Owner in China" at the 2021 AHF Asia Hotel and Tourism Forum Annual Conference and the 16th China Hotel Starlight Awards. Its independent brand, Purelax, was awarded the "Best Luxury Resort Hotel Brand of the Year" at the 2021 CHA China Hotel Awards. Jinmao Hotel Lijiang • The Unbound Collection by Hyatt was named among the "Top 10 Resort Hotels in China" at the 16th Starlight Awards. Grand Hyatt Shanghai was honoured with the title among the first batch of "Shanghai Art Hotels".

In terms of commercial leasing, as the impacts of the pandemic were gradually alleviated and the corporate efficiency recovered, occupancy rate of the office buildings in Shanghai saw an increase as compared with the previous year. And occupancy rate and rental levels of two office buildings in Beijing were kept at high level. However, due to the impacts of the pandemic in the third quarter of 2021 and the intensifying competition from the increase in supply, the occupancy rate and rental levels in Nanjing decreased slightly as compared with the previous year.

In terms of retail operations, as affected by the normalisation of the pandemic, the customer flow still lagged behind that before the pandemic. Despite the downturn in the macro environment, different operating tasks and strategic issues of Jinmao Retail steadily progressed, and the operating results of each business unit showed a steady growth trend. At the 2021 Guandian Business Annual Conference, Jinmao Retail was awarded the "2021 Commercial Real Estate Growth Enterprise of the Year". The occupancy rate of many retail operations projects under Jinmao recovered. Nanjing Jinmao Mall of Splendor successfully completed upgrading and rebranding and won the "Nova Award" at the 8th China (Shanghai) Shopping Centre Development Summit Forum. Shanghai J • LIFE broke through the barriers of community marketing with the linkage of business circles, made use of online shopping malls to help merchants remain in business, actively developed community rights in the post-pandemic period, and won the "2021 China Coordinates – Best Marker Partner Award" (2021年中國坐標－最佳點標合作夥伴獎).

In 2021, the Company continued to deepen the connotation of the two wings "technology + service" and strengthened the role of traction of two business wings. In terms of technology, adhering to the value philosophy of "In Science We Trust and Unity in Knowledge and Action", and combining with the year of "digital technology", the Company actively explored the technology track and promoted innovation and transformation. Relying on real estate resources and experience accumulation, Jinmao Green Building focused on green technology research and development, green technology consulting, smart energy and other businesses to achieve the extension from the use of green technology to the full-cycle operation and consulting services of green buildings. Based on the data service platform, Jinmao Cloud continued to explore and give play to digital value to serve the development of the principal business, customer needs and government demands. In terms of services, relying on the investment layout of the city operations industry chain, JM Capital followed through the mission of capital reshaping the value of cities, continued to consolidate the core competitiveness of financing, created diversified financing channels and gave full play to the role of financial empowerment. At the same time, it explored the blue ocean of urban renewal business and carried out investment layout around China Jinmao's city operations industry chain to empower China Jinmao's innovation, upgrade and industry landing in an effort to continuously build the two main business segments, namely real estate funds and industrial investment.

Adhering to the strategic positioning of being "a comprehensive solution service provider in respect of the green and healthy space with smart technology", Jinmao Decoration implemented refined management with market-oriented, professionalised, standardised and refined guidelines to strictly control operational risks. Jinmao Property explored the "high, comprehensive, new and fast" development path, focused on high-quality projects in high-tier cities and provided a high standard of service, striving to achieve a high-level cycle. At the same time, it possessed the management capability of all business formats, all cycles and all fields, and continued to advance toward the goal of being a pioneer in China's city operations service industry, while deeply promoting the digital transformation of enterprises to promote the upgrading of property services with technology, and achieved fast and stable growth.

In 2021, the Company reaped a good harvest in the land market and capital market with outstanding results. In respect of land acquisition, the Group acquired a number of quality land parcels in various locations, including Shanghai, Beijing, Suzhou, Ningbo, Guangzhou, Nanjing, Zhengzhou, Wuxi, Xiamen, Qingdao, Xi'an, Shaoxing, Nanchang, Jinhua, Changsha, Quzhou, Chongqing, Taizhou and Yancheng, and our land reserve was substantially replenished. In fund acquisition, the Group has actively expanded a variety of financing channels since 2021. It issued the 3-year domestic unsecured medium-term notes of RMB5 billion, comprising medium-term notes of RMB3 billion with a coupon rate of 3.74% issued in April 2021 and medium-term notes of RMB2 billion with a coupon rate of 3.65% issued in October 2021. In April 2021, the Company successfully issued the 5-year senior bonds of US$600 million with a coupon rate of only 3.2%, and issued subordinated perpetual bonds of US$500 million in February 2021, which provided sufficient capital support for subsequent development of projects.

Looking ahead, the COVID-19 pandemic is still spreading, and the external environment is becoming more complex, severe and uncertain. The risks and challenges faced by China's development have increased significantly. The pandemic is still suppressing consumer demand, and investment in some fields has yet to bottom out. In the meantime, medium and long-term challenges such as potential slowdown in economic growth, slowdown in population growth and low-carbon transformation cannot be ignored. China's economic fundamentals remain resilient, promising and positive in the long run. New urbanisation will continue, and the demand for urban renewal will keep emerging. Carbon neutrality and digitalisation will bring new opportunities for the development of the industry. With the in-depth adjustment of the market, the pace of survival of the fittest in the industry is accelerating, so that quality real estate enterprises that have withstood the test will enjoy more opportunities. Under the new situation, China Jinmao will fully implement the concept of "insisting on city operation and insisting on In Science We Trust", continuously improving its lean management capabilities and consolidating the foundation of the Company's development by focusing on the working approach of "three reductions, one improvement, one acceleration", thereby creating even better results.

1. MAJOR COMMERCIAL LEASING AND RETAIL OPERATIONS PROJECTS

Name of project	Location	Gross floor area (square metres)	Type of project	Equity attributable to the Group	Date of completion	Area held for commercial leasing and retail properties (square metres)
Beijing Chemsunny World Trade Centre	Xicheng District, Beijing, China	194,530	Office	100.00%	2006	111,313
Sinochem Tower	Xicheng District, Beijing, China	49,066	Office	100.00%	1995	49,066
Jin Mao Tower (including hotel)	Pudong New Area, Shanghai, China	292,475	Office	100.00%	1999	216,462
Nanjing Xuanwu Lake Jinmao Plaza Project (including hotel) (Note 1)	Gulou District, Nanjing, Jiangsu Province, China	225,846	Complex	77.69%	2011	139,806
Changsha Meixi Lake International R&D Centre	Xiangjiang New District, Changsha, Hunan Province, China	132,856	Office	80.00%	2017	14,963
Shanghai International Shipping Service Center Co., Ltd. (6#)	Hongkou District, Shanghai, China	5,558	Office	100.00%	2018	5,558
Lijiang J • Life	Old Town, Lijiang, Yunnan Province, China	21,893	Commercial	100.00%	2014	21,893
Commercial portion of Qingdao Jinmao Harbour	Shinan District, Qingdao, Shandong Province, China	61,142	Commercial	51.00%	2017	61,142
Jiayuan Plaza Hypermarket	High-Tech Industrial Development Zone, Ningbo, Zhejiang Province, China	25,480	Commercial	100.00%	2013	25,480
Changsha Jinmao Mall of Splendor	Yuelu District, Changsha, Hunan Province, China	141,723	Commercial	51.00%	2017	141,723
Shanghai International Shipping Service Center Co., Ltd. (16#)	Hongkou District, Shanghai, China	5,222	Commercial	100.00%	2013	5,222
Wangjing Lvchuang Center (望京綠創中心)	Chaoyang District, Beijing, China	10,931	Office	100.00%	2020	10,931
Total						803,559

2. HOTEL OPERATION PROJECTS

Name of project	Location	Gross floor area (square metres)	Equity attributable to the Group	Date of completion	Number of guest rooms
Renaissance Beijing Wangfujing Hotel	Dongcheng District, Beijing, China	44,413	100.00%	1995	329
Grand Hyatt Shanghai (Note 2)	Pudong New Area, Shanghai, China	76,013	100.00%	1999	555
Hilton Sanya Yalong Bay Resort & Spa	Yalong Bay Resort, Sanya, Hainan Province, China	75,208	100.00%	2006	501
The Ritz-Carlton Sanya Yalong Bay	Yalong Bay Resort, Sanya, Hainan Province, China	83,772	100.00%	2008	450
The Westin Beijing Chaoyang	Chaoyang District, Beijing, China	77,945	100.00%	2008	550
JW Marriott Hotel Shenzhen	Futian District, Shenzhen, Guangdong Province, China	51,730	100.00%	2009	411
Westin Nanjing (Note 1)	Gulou District, Nanjing, Jiangsu Province, China	33,698	77.69%	2011	232
Hyatt Regency Chongming	Chongming District, Shanghai, China	48,992	100.00%	2014	235
Grand Hyatt Lijiang (Note 3)	Old Town District, Lijiang, Yunnan Province, China	84,384	100.00%	2014	401
Meixi Lake Hotel, A Luxury Collection Hotel, Changsha	Yuelu District, Changsha, Hunan Province, China	62,220	100.00%	2017	304
Total		638,375			3,968

3.1 MAJOR CITY OPERATIONS AND PROPERTY DEVELOPMENT PROJECTS ACQUIRED BEFORE 2021

Name of project	Location	Saleable area of the project (square metres)	Type of project	Equity attributable to the Group	Date of completion
Beijing					
Beijing International Community Project	Shunyi District, Beijing, China	388,215	Residential	49.00%	2023
Beijing Jinmao Palace Project	Fengtai District, Beijing, China	167,892	Residential	49.00%	2022
Hopson • Jinmao • Poly • Greentown Beijing Jinmao Palace Project	Fengtai District, Beijing, China	76,339	Residential	25.00%	2022
Beijing Hopson • Jinmao Dongsan Jinmao Palace Project	Fengtai District, Beijing, China	160,992	Residential	18.00%	2023
Beijing Xiyue Tianhuan Project	Fengtai District, Beijing, China	100,876	Residential	10.20%	2022
Beijing Yihe Jinmao Palace Project	Haidian District, Beijing, China	99,755	Residential	40.00%	2022
Shanghai					
Shanghai Nanqiao Jinmao Residence Project	Fengxian District, Shanghai, China	114,304	Residential	38.00%	2022
Shanghai Future City Project	Qingpu District, Shanghai, China	82,900	Residential	49.00%	2022
Shanghai Yinghongqiao Project	Qingpu District, Shanghai, China	183,462	Residential	40.00%	2022
Shanghai Changxing Jinmao Noble Manor Project	Chongming District, Shanghai, China	86,027	Residential	70.00%	2022

Name of project	Location	Saleable area of the project (square metres)	Type of project	Equity attributable to the Group	Date of completion
Guangzhou					
Guangzhou Poly Longyue Mansion Project	Baiyun District, Guangzhou, Guangdong Province, China	439,285	Residential	25.00%	2025
Guangzhou CR Land – Road King – Jinmao – Tong Residence Project	Huadu District, Guangzhou, Guangdong Province, China	178,669	Residential	30.00%	2023
Guangzhou Lingshan Island Jinmao Harbour Project (Phase II)	Nansha District, Guangzhou, Guangdong Province, China	97,679	Residential	100.00%	2022
Guangzhou Yuexiu & Jinmao – Lingshan Island Jinmao Harbour Project	Nansha District, Guangzhou, Guangdong Province, China	91,712	Residential	49.00%	2022
Guangzhou Cinda & Jinmao – Tianhe Jinmao Plaza	Tianhe District, Guangzhou, Guangdong Province, China	296,956	Residential/ Commercial	40.00%	2022
Guangzhou China Merchants • Jinmao • Poly HEFU Project (廣州招商 • 金茂 • 保利和府項目)	Conghua District, Guangzhou, Guangdong Province, China	320,954	Residential	25.00%	2025
Guangzhou Poly Tianjun Project (廣州保利天珺項目)	Liwan District, Guangzhou, Guangdong Province, China	113,974	Residential	25.00%	2023
Shenzhen					
Shenzhen Longhua Jinmao Palace Project	Longhua New District, Shenzhen, Guangdong Province, China	138,312	Residential	80.00%	2019
Shenzhen Guangming Jinmao Plaza Project	Guangming New District, Shenzhen, Guangdong Province, China	41,793	Residential	49.00%	2023
Changsha					
Changsha Xincheng Jinmao Dream • Hua Palace Project	Xiangjiang New District, Changsha, Hunan Province, China	275,283	Residential	30.00%	2022
Changsha Xincheng Jinmao Dream • Xi Residence Project	Xiangjiang New District, Changsha, Hunan Province, China	157,814	Residential	30.00%	2022

Name of project	Location	Saleable area of the project (square metres)	Type of project	Equity attributable to the Group	Date of completion
Nanjing					
Nanjing Gucheng Lake • Jinmao Noble Manor Project	Gaochun District, Nanjing, Jiangsu Province, China	210,100	Residential/ Commercial	49.00%	2022
Nanjing Yuzui Jinmao Residence Project	Jianye District, Nanjing, Jiangsu Province, China	426,623	Complex	27.50%	2027
Nanjing CR Land • Rui Palace Project	Jianye District, Nanjing, Jiangsu Province, China	516,469	Complex	27.50%	2029
Nanjing Jiangning Jinmao Residence Project	Jiangning District, Nanjing, Jiangsu Province, China	293,466	Residential	70.00%	2022
Nanjing Greenland Haiyue Project	Jiangbei New District, Nanjing, Jiangsu Province, China	566,784	Complex	40.00%	2031
Nanjing Yangtze River Jinmao Residence Project	Jiangbei New District, Nanjing, Jiangsu Province, China	383,412	Complex	40.00%	2029
Nanjing Pinglan Palace Project	Gaochun District, Nanjing, Jiangsu Province, China	185,935	Residential	29.00%	2022
Nanjing Tangshan Spa & Wellness Town Project	Jiangning District, Nanjing, Jiangsu Province, China	343,917	Complex	47.00%	2023
Nanjing Ziyue Palace Project	Qixia District, Nanjing, Jiangsu Province, China	263,269	Residential	24.00%	2022
Nanjing Yunlan Shang Palace Project	Qinhuai District, Nanjing, Jiangsu Province, China	186,946	Residential	28.00%	2022
Nanjing Xuanwu Lake Jinmao Plaza Project Phase II	Gulou District, Nanjing, Jiangsu Province, China	203,826	Complex	77.69%	2026
Nanjing Jinmao Xuhui Qianjiang Lingyun Palace Project	Jiangbei New District, Nanjing, Jiangsu Province, China	70,407	Residential	53.09%	2023
Nanjing Midea•Jinmao	Fangyuan Project	Jiangning District, Nanjing, Jiangsu Province, China	101,862	Residential/ Commercial	50.00%	2022
Chongqing					
Chongqing Bishan Jinmao Residence Project	Bishan District, Chongqing, China	350,171	Residential	100.00%	2021
Chongqing Longxing International Ecological New City (Northern Land Parcel)	Liangjiang New Area, Chongqing, China	229,662	Residential	50.00%	2024
Chongqing Longxing International Ecological New City (Southern Land Parcel)	Yubei District, Chongqing, China	300,479	Residential/ Commercial	100.00%	2025
Chongqing Central Jade Cloud Project	Yubei District, Chongqing, China	365,377	Residential	20.00%	2024

Name of project	Location	Saleable area of the project (square metres)	Type of project	Equity attributable to the Group	Date of completion
Ningbo					
Ningbo Haishu Jinmao Palace Project	Haishu District, Ningbo, Zhejiang Province, China	207,551	Residential/ Commercial	33.00%	2021
Ningbo Chunlan Jingyuan Project	Yuyao, Ningbo, Zhejiang Province, China	178,406	Residential/ Commercial	20.00%	2022
Qingdao					
Qingdao Jimo International Smart New City Project (First batch of land parcels)	Jimo District, Qingdao, Shandong Province, China	320,852	Residential/ Commercial	60.00%	2021
Foreign Investment Block (Fourth batch of land parcels) in China-Europe International City, Qingdao	Prime Location, North Shore New Town, Qingdao, Shandong Province, China	621,574	Residential/ Commercial/ Apartment/ Hotel	100.00%	2025
Qingdao West Coast Innovation and Technology City (First batch of land parcels)	Huangdao District, Qingdao, Shandong Province, China	195,978	Residential/ Commercial	100.00%	2023
Qingdao Eden Project	High-Tech Industrial Development Zone, Qingdao, Shandong Province, China	93,076	Complex	41.67%	2024
Qingdao Dayun Valley • Laoshan Jinmao Palace Project	Laoshan District, Qingdao, Shandong Province, China	977,080	Complex	60.00%	2023
Domestic Investment Block (Fourth batch of land parcels) in China-Europe International City, Qingdao	Prime Location, North Shore New Town, Qingdao, Shandong Province, China	592,117	Residential/ Commercial	100.00%	2023
Qingdao West Coast Innovation and Technology City (Second batch of land parcels)	Huangdao District, Qingdao, Shandong Province, China	148,966	Residential	100.00%	2022

Name of project	Location	Saleable area of the project (square metres)	Type of project	Equity attributable to the Group	Date of completion
Hangzhou					
Hangzhou Dexin Jinmao Jiayuan Palace Project	Xiaoshan District, Hangzhou, Zhejiang Province, China	182,817	Residential	21.40%	2022
Hangzhou Fuchun Jinmao Xingwaitan Project	Fuyang District, Hangzhou, Zhejiang Province, China	960,947	Complex	60.00%	2026
Fuchun Land Parcel No. 28, Fuyang District, Hangzhou	Fuyang District, Hangzhou, Zhejiang Province, China	171,417	Residential	50.00%	2022
Hefei					
Hefei Dongcheng • Jinmao Residence Project	Feidong County, Hefei, Anhui Province, China	88,095	Residential	100.00%	2022
Xuzhou					
Xuzhou Red Star • Yunlong Jinmao Residence Project	Yunlong District, Xuzhou, Jiangsu Province, China	355,818	Residential/ Commercial	40.00%	2022
Xuzhou Four Seasons Citylink • Wangyue Project	Gulou District, Xuzhou, Jiangsu Province, China	114,668	Residential	25.00%	2022
Xuzhou Four Seasons Citylink Vanke Gemdale Project	Gulou District, Xuzhou, Jiangsu Province, China	373,389	Residential/ Commercial	25.00%	2022
Xuzhou Yunlong Lake Jinmao Palace Project	Quanshan District, Xuzhou, Jiangsu Province, China	155,279	Residential	49.00%	2022
Kunming					
Kunming Jinmao International New City Project	Chenggong District, Kunming, Yunnan Province, China	803,466	Residential	66.00%	2021
Kunming Wujiaba • Jinmao Plaza Project	Guandu District, Kunming, Yunnan Province, China	109,374	Residential/ Commercial	100.00%	2021
Kunming Longjiang Jinmao Palace Project	Xishan District, Kunming, Yunnan Province, China	311,018	Residential	80.00%	2024

Name of project	Location	Saleable area of the project (square metres)	Type of project	Equity attributable to the Group	Date of completion
Quanzhou					
Quanzhou Tan Residence Project	Taiwanese Investment Zone, Quanzhou, Fujian Province, China	479,125	Residential/ Commercial/ Office	50.00%	2021
Changzhou					
Changzhou Chunqiu Jinmao Palace Project	Wujin District, Changzhou, Jiangsu Province, China	213,363	Residential/ Commercial	49.00%	2022
Nantong					
Nantong Rugao Longxin Jinmao Ruiyuan Project	Rugao, Nantong, Jiangsu Province, China	152,567	Residential	20.00%	2023
Zhuzhou					
Zhuzhou • Jinmao Residence Project	Shifeng District, Zhuzhou, Hunan Province, China	615,053	Residential	100.00%	2021
Kaifeng					
Land Parcel No. 39, Bianxi New Area, Kaifeng	Bianxi New Area, Kaifeng, Henan Province, China	179,930	Residential	49.00%	2022
Taizhou					
Taizhou Jinmao • Zhongnan • Haizhou Shangcheng Project	Luqiao District, Taizhou, Zhejiang Province, China	182,343	Residential	51.00%	2023
Linhai Linjiang Shangcheng Project	Linhai, Taizhou, Zhejiang Province, China	106,299	Residential	75.00%	2023

Name of project	Location	Saleable area of the project (square metres)	Type of project	Equity attributable to the Group	Date of completion
Guiyang					
Guiyang Ninth Heaven Project	Baiyun District, Guiyang, Guizhou Province, China	243,997	Residential	49.90%	2024
Guiyang Guanshanhu International Community Project	Guanshanhu District, Guiyang, Guizhou Province, China	571,303	Residential	57.50%	2024
Suzhou					
Zhangjiagang Smart Science City Project	Zhangjiagang, Suzhou, Jiangsu Province, China	836,629	Complex	49% and 100% and 50% (Note 4)	2023
Changshu Jinmao Smart Science City Project	Changshu, Suzhou, Jiangsu Province, China	835,070	Complex	54.1% and 100% (Note 5)	2024
Suzhou Qianshan Lanting Project	High-Tech Industrial Development Zone, Suzhou, Jiangsu Province, China	352,110	Residential/ Commercial	24.50%	2022
Wuxi					
Jiangyin Chengjiang • Jinmao Palace Project	Jiangyin, Wuxi, Jiangsu Province, China	115,241	Residential	100.0%	2022
Jiangyin Xiake Island Ecological City Project	Jiangyin, Wuxi, Jiangsu Province, China	400,057	Residential/ Commercial	49.00%	2022
Wuxi Lihu Jinmao Palace Project	Binhu District, Wuxi, Jiangsu Province, China	427,473	Residential/ Commercial	49.00%	2024

Name of project	Location	Saleable area of the project (square metres)	Type of project	Equity attributable to the Group	Date of completion
Foshan					
Foshan Chao'an Jinmao Residence Project	Chancheng District, Foshan, Guangdong Province, China	260,126	Residential	100.00%	2024
Foshan Binjiang Jinmao Residence Project	Nanhai District, Foshan, Guangdong Province, China	564,166	Residential	100.00%	2025
Foshan Qiaoshan Jinmao Residence Project	Nanhai District, Foshan, Guangdong Province, China	80,033	Residential	75.66%	2023
Foshan Zhuoyue • Country Garden • Tianyue Bay Project	Shunde District, Foshan, Guangdong Province, China	171,650	Residential	33.00%	2023
Tianjin					
Tianjin 188 Long Zhou Road Project	Beichen District, Tianjin, China	226,268	Residential	16.50%	2022
Tianjin Shangdong Jinmao Smart Science City Project (First batch of land parcels)	Dongli District, Tianjin, China	101,404	Residential/ Commercial	100.00%	2022
Jinan					
Jinan Lushang Jinmao International Community Project	Licheng District, Jinan, Shandong Province, China	647,912	Residential	27.50%	2022

Name of project	Location	Saleable area of the project (square metres)	Type of project	Equity attributable to the Group	Date of completion
Fuzhou					
Fuzhou Binhai Jinmao Smart Science City Project (First batch of land parcels)	Changle District, Fuzhou, Fujian Province, China	955,360	Complex	100.00%	2028
Fuzhou Binhai Jinmao Smart Science City Project (Second batch of land parcels)	Changle District, Fuzhou, Fujian Province, China	925,921	Complex	90.00%	2028
Wenzhou					
Wenzhou Jiushan Jinmao Palace Project	Lucheng District, Wenzhou, Zhejiang Province, China	121,441	Residential	100.00%	2022
Wenzhou Lucheng Jinmao Palace Project	Lucheng District, Wenzhou, Zhejiang Province, China	438,501	Residential/ Office	33.00%	2022
Wenzhou Rui'an • Jinmao Residence Project	Rui'an, Wenzhou, Zhejiang Province, China	295,361	Residential	51.00%	2022
Wenzhou Longwan Yaoxibei Project	Longwan District, Wenzhou, Zhejiang Province, China	431,313	Residential/ Commercial	16.50%	2022
Wenzhou Leqing Lechen Palace Project	Leqing, Wenzhou, Zhejiang Province, China	85,140	Residential	33.00%	2023
Wenzhou Aojiang International New City Project (Land Parcel Nos.1,3,5 and 7)	Pingyang County, Wenzhou, Zhejiang Province, China	191,757	Residential/ Commercial	100.00%	2023

Name of project	Location	Saleable area of the project (square metres)	Type of project	Equity attributable to the Group	Date of completion
Wuhan					
Wuhan Huafa Yangluo Jinmao Noble Manor Project	Xinzhou District, Wuhan, Hubei Province, China	472,830	Residential/ Hotel	50.00%	2024
Wuhan Jianfa • Jinmao – Royal Residence Project	Jiangxia District, Wuhan, Hubei Province, China	176,520	Residential	49.00%	2022
Wuhan Jinmao • Huafa • Wuhan International Community Project	Jiangxia District, Wuhan, Hubei Province, China	508,962	Residential	50.00%	2023
Wuhan Yangluo Jinmao Noble Manor Project	Xinzhou District, Wuhan, Hubei Province, China	378,042	Residential/ Commercial	100.00%	2020
Wuhan Yangluo • Jinmao Residence Project	Xinzhou District, Wuhan, Hubei Province, China	198,550	Residential	100.00%	2022
Wuhan Fangdao Smart Science City Project	Hanyang District, Wuhan, Hubei Province, China	1,953,770	Complex	100.00%	2027
Zhengzhou					
Zhengzhou Jinmao Poly • Ruyi Palace Project	Zhengdong New District, Zhengzhou, Henan Province, China	123,901	Residential	49.00%	2022
Zhengzhou Erqi District Mazhai New City Project	Erqi District, Zhengzhou, Henan Province, China	2,301,877	Primary	49.50%	2025
Zhengzhou Poly Jinmao Shiguang Yue Project	Jingkai District, Zhengzhou, Henan Province, China	104,916	Residential/ Commercial	49.00%	2022
Chengdu					
Chengdu Dongsan Jinmao Noble Manor Project	Longquanyi District, Chengdu, Sichuan Province, China	79,602	Residential	51.00%	2022

Name of project	Location	Saleable area of the project (square metres)	Type of project	Equity attributable to the Group	Date of completion
Nanchang					
Nanchang Chennanli Project	Nanchang County, Nanchang, Jiangxi Province, China	201,172	Residential	100.00%	2022
Nanchang Gemdale Jinmao • Jiufeng Palace Project	Honggutan New District, Nanchang, Jiangxi Province, China	177,166	Residential	40.00%	2022
Nanchang Evian Uptown Project	Qingshan Lake District, Nanchang, Jiangxi Province, China	218,551	Residential	33.00%	2023
Nanchang Zhenro Jinmao Midea Yunjing Project	Nanchang County, Nanchang, Jiangxi Province, China	175,454	Residential	33.00%	2023
Zhangjiakou					
Zhangjiakou Jingbei Jinmao Residence Project	Xiahuayuan District, Zhangjiakou, Hebei Province, China	131,609	Residential	100.00%	2022
Land Parcel No. A-1-1, Ruanyin Science Park Residence, Xiahuayuan District, Zhangjiakou	Xiahuayuan District, Zhangjiakou, Hebei Province, China	333,998	Residential	100.00%	2028
Zhangjiakou Xiahuayuan Land Parcel K Project	Xiahuayuan District, Zhangjiakou, Hebei Province, China	168,846	Commercial	100.00%	2028
Baoding					
Baoding Jingxiu Jinmao Residence Project	Jingxiu District, Baoding, Hebei Province, China	225,447	Residential	80.00%	2023
Jinhua					
Yiwu Futian Jinmao Palace Project	Yiwu City, Jinhua, Zhejiang Province, China	336,577	Residential	70.00%	2022
Jinhua Jinmao Future Science City Project	Jindong District, Jinhua, Zhejiang Province, China	1,539,396	Primary	80.00%	2023

Name of project	Location	Saleable area of the project (square metres)	Type of project	Equity attributable to the Group	Date of completion
Sanya					
Sanya Jinmao Harbour Project	Yazhou District, Sanya, Hainan Province, China	387,143	Residential/ Commercial/ Office	70.00%	2024
Shantou					
Shantou Shuangyue Bay Project	Jinping District, Shantou, Guangdong Province, China	252,771	Residential	50.00%	2024
Weihai					
Weihai Fengji • Jinmao Residence Project	Economic and Technological Development Zone, Weihai, Shandong Province, China	222,721	Residential/ Commercial	100.00%	2022
Weifang					
Weifang Taoyuan • Jinmao Residence Project	High-Tech Industrial Development Zone, Weifang, Shandong Province, China	585,691	Residential/ Commercial	100.00%	2025
Yueyang					
Yueyang Dongting • Jinmao Residence Project	Dongfeng Lake New District, Yueyang, Hunan Province, China	753,099	Residential	75.00%	2027
Zhuhai					
Zhuhai Huxin • Jinmao Residence Project	Doumen District, Zhuhai, Guangdong Province, China	389,661	Residential	69.99%	2024
Xiamen					
Xiamen International Community Project	Xiang'an District, Xiamen, Fujian Province, China	150,726	Residential	100.00%	2022

Name of project	Location	Saleable area of the project (square metres)	Type of project	Equity attributable to the Group	Date of completion
Jiaxing					
Jiaxing Shanghai Window Smart Science City Project	Jiashan County, Jiaxing, Zhejiang Province, China	1,810,377	Primary	80.00%	2024
Jiashan Jin Yue School Project	Jiashan County, Jiaxing, Zhejiang Province, China	205,511	Residential	30.00%	2023
Jiaxing Xingchenyuen Project	Jiashan County, Jiaxing, Zhejiang Province, China	88,093	Residential	40.00%	2022
Jiaxing Jiashan Guanghecheng Project	Jiashan County, Jiaxing, Zhejiang Province, China	75,678	Residential/ Commercial	30.00%	2022
Xi'an					
Xi'an Weiyang Jinmao Palace Project	Weiyang District, Xi'an, Shaanxi Province, China	155,759	Residential	100.00%	2022
Taiyuan					
Taiyuan Longcheng • Jinmao Palace Project	Xiaodian District, Taiyuan, Shanxi Province, China	378,773	Residential	35.00%	2023
Yantai					
Yantai Lu Shang Jinmao • Impression of Sea View Project	Laishan District, Yantai, Shandong Province, China	573,652	Residential/ Commercial	40.00%	2025
Yantai Happy Jinmao Residence Project	Zhifu District, Yantai, Shandong Province, China	117,061	Residential/ Commercial	58.00%	2023
Shijiazhuang					
Shijiazhuang Chang'an • Jinmao Residence Project	Chang'an District, Shijiazhuang, Hebei Province, China	148,926	Residential	50.00%	2022
Taizhou					
Taizhou Fengcheng Jinmao Mansion Project	Medical High-tech Zone, Taizhou, Jiangsu Province, China	611,499	Residential/ Commercial	30.50%	2023

3.2 PROJECTS ACQUIRED SINCE 2021

Name of project	Location	Saleable area of the project (square metres)	Type of project	Equity attributable to the Group	Date of completion
Beijing					
Beijing Xishan Jinmao Palace Project	Fengtai District, Beijing, China	209,849	Residential	100.00%	2023
Beijing Jinmao • Chang'an Residence Project	Mentougou District, Beijing, China	78,835	Residential	100.00%	2024
Beijing Jinmao & Greentown Qinyuan Project	Chaoyang District, Beijing, China	301,977	Residential	30.00%	2024
Shanghai					
Shanghai Fengshengdao Project	Songjiang District, Shanghai, China	254,433	Residential/ Commercial	25.00%	2023
Shanghai Xinzhong Power Machine Plant Project	Jing'an District, Shanghai, China	270,003	Residential	35.00%	2025
Shanghai Pudong Hengmian Project	Pudong New Area, Shanghai, China	140,095	Residential	40.00%	2024
Guangzhou					
Guangzhou Jinmao Vanke Metropolis Seasons Project	Zengcheng District, Guangzhou, Guangdong Province, China	515,096	Residential	49.00%	2026
Nanjing					
Nanjing Jinmao Xuhui | Qianjiang Lingyun Palace Project	Jiangbei New Area, Nanjing, Jiangsu Province, China	70,407	Residential	53.09%	2023
Nanjing Yuncui Palace Project	Qinhuai District, Nanjing, Jiangsu Province, China	73,235	Residential	20.00%	2023
Ningbo					
Ningbo Jinmao Place Project	Fenghua District, Ningbo, Zhejiang Province, China	189,088	Complex	100.00%	2023
Ningbo Fengyue Yinhu Project	Fenghua District, Ningbo, Zhejiang Province, China	143,367	Residential	25.00%	2023
Ningbo Yuyao Qinglandi Project	Yuyao, Ningbo, Zhejiang Province, China	220,447	Residential	30.00%	2023
Ningbo Cixi Jiangshan Yunwang Project	Cixi, Ningbo, Zhejiang Province, China	172,332	Residential	30.00%	2023

Name of project	Location	Saleable area of the project (square metres)	Type of project	Equity attributable to the Group	Date of completion
Qingdao					
Qingdao Dayun Valley Licang Project	Laoshan District, Qingdao, Shandong Province, China	494,938	Residential	60.00%	2024
Qingdao West Coast Innovation and Technology City Project (Fifth batch of land parcels)	Huangdao District, Qingdao, Shandong Province, China	130,839	Residential	100.00%	2025
Qingdao West Coast Innovation and Technology City Project (Third batch of land parcels)	Huangdao District, Qingdao, Shandong Province, China	123,144	Residential	100.00%	2022
Qingdao West Coast Innovation and Technology City Project (Fourth batch of land parcels)	Huangdao District, Qingdao, Shandong Province, China	75,927	Residential	100.00%	2023
Tianjin					
Shangdong Jinmao Smart Science City Project	Dongli District, Tianjin, China	139,962	Residential	100.00%	2023
Yancheng					
Yancheng Haitang Jinmao Palace Project	High-tech Industrial Development Zone, Yancheng, Jiangsu Province, China	185,810	Residential/ Commercial	70.00%	2023
Taizhou					
Taizhou Wenling Bojun Palace Project	Wenling, Taizhou, Zhejiang Province, China	73,462	Residential	34.00%	2023
Taizhou Yuhuan Jinyushangcheng Project	Yuhuan, Taizhou, Zhejiang Province, China	127,065	Residential	55.00%	2023
Guiyang					
Huizhou Jinmao Crystal Innovation and Technology City Project (First batch of land parcels)	Nanpian District, Qingzhen, Guizhou Province, China	115,076	Residential	100.00%	2022

Name of project	Location	Saleable area of the project (square metres)	Type of project	Equity attributable to the Group	Date of completion
Wenzhou					
Wenzhou Pingyang Xitang Future Communities Project	Pingyang County, Wenzhou, Zhejiang Province, China	428,905	Residential/ Commercial	100.00%	2024
Wenzhou Quzhou Luming Future Communities Project	Kecheng District, Quzhou, Zhejiang Province, China	345,169	Residential/ Commercial	30.02%	2024
Wenzhou Aojiang International New City Project Land Parcel No.8	Pingyang County, Wenzhou, Zhejiang Province, China	280,387	Residential/ Office	100.00%	2028
Wenzhou Aojiang International New City Project Land Parcel No.9	Pingyang County, Wenzhou, Zhejiang Province, China	88,640	Residential	100.00%	2028
Wenzhou Aojiang International New City Project Land Parcel No.4	Pingyang County, Wenzhou, Zhejiang Province, China	63,549	Commercial	100.00%	2026
Dongguan					
Poly • Yuexiu • Jinmao – Songhu Yunxi Project	Liaobu Town, Dongguan, Guangdong Province, China	64,060	Residential/ Commercial	30.00%	2023
Danyang					
Danyang Optical City Project	Development Zone, Danyang, Jiangsu Province, China	804,683	Complex	90.00%	2026
Changzhou					
Changzhou Dongcheng Jinmao Residence Project	Economic Development Zone, Changzhou, Jiangsu Province, China	168,574	Residential	100.00%	2023
Changsha					
Changsha Dongshanwan Project	Yuelu District, Changsha, Hunan Province, China	399,006	Residential	100.00%	2025
Changsha Yuhua Jinmao Smart Science City Project (First batch of land parcels)	Yuhua District, Changsha, Hunan Province, China	243,410	Residential	50.00%	2024
Wuxi					
Wuxi Fengyu Shanhe Project	Binhu District, Wuxi, Jiangsu Province, China	184,019	Residential	33.00%	2023
Wuxi Junhe Palace Project	Jiangyin, Wuxi, Jiangsu Province, China	299,554	Residential/ Commercial	36.00%	2024
Zhengzhou					
Zhengzhou Future Palace Project	Economic Development Zone, Zhengzhou, Henan Province, China	398,056	Residential	100.00%	2024
Zhengzhou Zhengdong New District Beilonghu Land Parcel No.B2-11-01	Zhengdong New District, Zhengzhou, Henan Province, China	124,764	Residential	34.00%	2023

Name of project	Location	Saleable area of the project (square metres)	Type of project	Equity attributable to the Group	Date of completion
Chengdu					
Chengdu Jinjiang District Xinfu Meilin Land Parcel (56 mu)	Jinjiang District, Chengdu, Sichuan Province, China	105,117	Residential	100.00%	2024
Chongqing					
Chongqing Longhu Jinmao Beidao Project	Yubei District, Chongqing, China	104,932	Residential	49.00%	2023
Chongqing Jiulongpo District Huayan Project (139 mu)	Jiulongpo District, Chongqing, China	285,205	Residential	100.00%	2024
Xi'an					
Xi'an High-tech Industrial Development Zone Jinmao Yueyuan Project	High-tech Industrial Development Zone, Xi'an, Shaanxi Province, China	180,829	Residential	100.00%	2024
Qujiang Daming Palace Jinmao Palace Project	Qujiang New District, Xi'an, Shaanxi Province, China	215,830	Residential	100.00%	2025
Nanchang					
Jinmao Nanchang International Community Project	Xinjian District, Nanchang, Jiangxi Province, China	532,414	Residential	100.00%	2023
Nanchang Wangyuehu Jinmao Residence Project	Xinjian District, Nanchang, Jiangxi Province, China	130,994	Residential	100.00%	2023
Shaoxing					
Shaoxing Zhuji Jiyang Palace Project	Zhuji, Shaoxing, Zhejiang Province, China	278,001	Residential	100.00%	2023
Jinhua					
Jinhua Dongmei Future Communities Land Parcel	Jindong District, Jinhua, Zhejiang Province, China	650,572	Residential	100.00%	2024
Jinhua Dongmei Future Science City B3 Commercial and Office Land Parcel	Jindong District, Jinhua, Zhejiang Province, China	41,827	Office	100.00%	2023
Xiamen					
Xiamen Huandong Jinmao Residence Project	Xiang'an District, Xiamen, Fujian Province, China	259,926	Residential	100.00%	2023

Name of project	Location	Saleable area of the project (square metres)	Type of project	Equity attributable to the Group	Date of completion
Jiaxing					
Jiaxing Shanghai Window Smart Science City Project Land Parcel No.B2021-94	Jiashan County, Jiaxing, Zhejiang Province, China	159,546	Residential	100.00%	2024
Jiaxing Jinyue Xuefu Project	Jiashan County, Jiaxing, Zhejiang Province, China	205,511	Residential	30.00%	2023
Hefei					
Hefei Yunqi Xingchen Project	Xinzhan District, Hefei, Anhui Province, China	109,520	Residential	34.00%	2023
Huzhou					
Huzhou Jinmao Nantaihu Future Window Project (First batch of land parcels)	Nantaihu New District, Huzhou, Zhejiang Province, China	570,144	Complex	100.00%	2025
Jinan					
Jinan Shizhong • Guoyue City Project	Shizhong District, Jinan, Shandong Province, China	390,551	Residential	33.00%	2023
Langfang					
Langfang Longhe Park Land Parcel No.1	Anci District, Langfang, Hebei Province, China	551,076	Complex	100.00%	2027

(Note 1) Nanjing Mall of Splendor and Westin Nanjing are located in Nanjing Xuanwu Lake Jinmao Plaza.

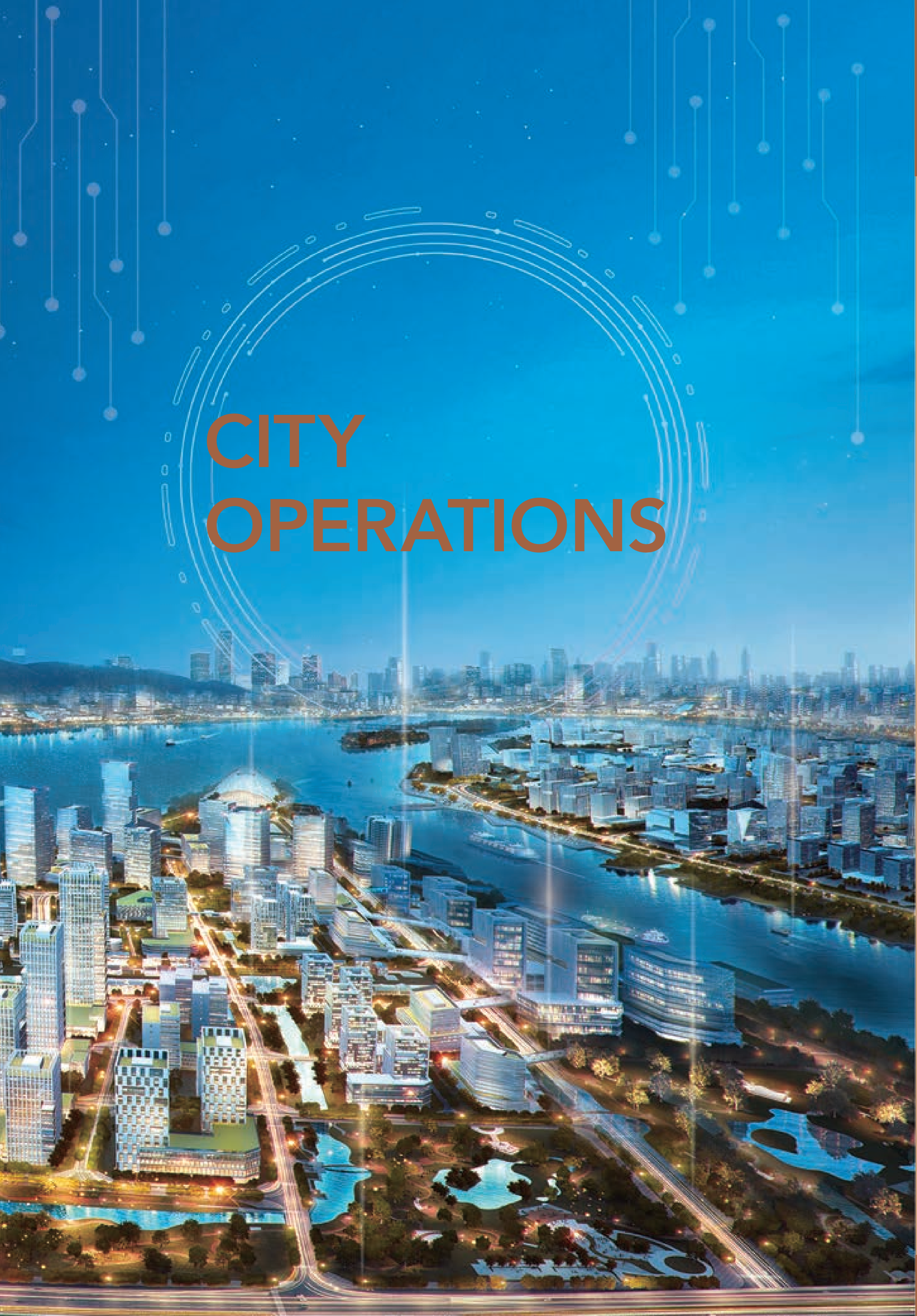
(Note 2) Grand Hyatt Shanghai is located in Jin Mao Tower.

(Note 3) Grand Hyatt Lijiang is held as to 100% interest by the Group. Grand Hyatt Lijiang in the urban area is situated in Lijiang Jinmao Richmond Town Project; whereas the Mountain Lodge in the scenic area is situated in Ganhaizi, Jade Dragon Snow Mountain.

(Note 4) Suzhou Zhangjiagang Smart Science City Project is developed on Suzhou Zhangjiagang land parcels Nos. 20112-A10-A/B, 2014-A02-A/B/C, 2012-A09 and 2014-A04. Currently, the Group holds 50% interest in land parcel No. 2012-A19-A/B, 100% interest in land parcels Nos. 2014-A02-A/B/C and 2014-A04 and 49% interest in land parcel No. 2012-A09.

(Note 5) Changshu Jinmao Smart Science City Project is developed on Changshu Yumao land parcels Nos. 2020A-012/013/015/016 and Changshu Pumao land parcel No. 2020A-014. Currently, the Group holds 54.1% interest in Changshu Yumao land parcels Nos. 2020A-012/013/015/016 and 100% interest in Changshu Pumao land parcel No. 2020A-014.

CITY OPERATIONS



City Operations

Changsha

Yuhua Jinmao Smart Science City

Changsha Yuhua Jinmao Smart Science City Project, located in the Yuhua District, Changsha, has a total plot ratio-based GFA of approximately 1.02 million sq.m. It is planned to be developed in various segments comprising the retail portion of Mall of Splendor, the high-end office premises, the innovative incubation and cultural office base, the Block area, the green and gold community, etc.

In June 2021, China Jinmao successfully acquired the first batch of land parcels no. Changsha [2021] 032 for the city operations project in Yatang New City, Yuhua District, Changsha, Hunan Province, with a saleable area of 243,400 sq.m.

Guiyang

Qingzhen Jinmao Crystal Smart New City

Guiyang Qingzhen Jinmao Crystal Smart New City Project, located in Qingzhen, Guiyang, has a planning area of 4,896 mu, of which Phase I has a planning area of 682 mu and a plot ratio-based GFA of 1.24 million sq.m. The project encompasses a variety of city amenities including an industrial heritage park, a cultural creativity base, a cultural display base, a smart energy management centre, a smart health management centre, an outdoor sports park, a family theme park, a star-rated hotel, a high-end commercial complex, a prestigious public school and a public hospital, which will be developed into a smart new city and a green ecological and liveable place boasting green gold technologies such as green energy system and smart system.

In June 2021, China Jinmao entered into development agreements with the People's Government of Qingzhen and Guizhou Crystal Group, respectively, and acquired the first batch of land parcels no. QZ(21)043 and no. QZ(21)044 in December 2021 with a total site area of 45 mu and a saleable and leasable area of approximately 115,000 sq.m.

Nanchang

Ganjiang New District Traditional Chinese Medicine International Ecological Technology Town

Nanchang Ganjiang New District Traditional Chinese Medicine International Ecological Technology Town Project, located in Ganjiang New District, Jiangxi Province, has a cooperation area of approximately 9.13 sq.km. (approximately 13,708 mu), covering land consolidation, infrastructure construction, public facilities construction, industrial development, district management and operation, etc. Focusing on the four major development goals of "internationalisation, technology, ecology and culture", the project focuses on building two core industries of traditional Chinese medicine (TCM) research and development and TCM derivatives, as supplemented by a myriad of supporting functions, covering a TCM derivatives park, a TCM research centre, a TCM cultural and art centre, a central lake and mountain park, a star-rated hotel, a commercial complex, eight public schools, three public hospitals and other industrial resources and amenities, and simultaneously implement a new smart city and smart energy system.

In July 2021, China Jinmao entered into a cooperation development agreement with China (Nanchang) Traditional Chinese Medicine Science and Technology Innovation City Management Committee and Jiangxi Ganjiang Traditional Chinese Medicine Innovative City Construction and Investment Group Co., Ltd. and all other works progressed in an orderly manner.

Huzhou

Jinmao Nantaihu Window of the Future

Huzhou Jinmao Nantaihu Window of the Future Project, located in Nantaihu New District, Huzhou, Zhejiang Province, has a total plot ratio-based GFA of approximately 1.25 million sq.m. It is the development site of Nantaihu New District, Huzhou and has the inherent advantage of joint development of surrounding industries. Based on the core values of regional ecology, humanities and location, the project focuses on agricultural science and technology, energy conservation and environmental protection as well as green services, and builds supporting systems such as primary education, ultra-high-rise office, three-dimensional retail and smart agriculture, creating urban functional modules such as smart residence, commercial office, industrial research and development as well as ecological leisure. At the same time, it connects with Financial Street and the Headquarters Park in the Changdong segment to build a smart future new city most attractive to talents.

In October 2021, China Jinmao entered into an investment cooperation agreement with Zhejiang Nantaihu Holding Group Co., Ltd. and Huzhou Nantaihu Industry-City Construction and Development Co., Ltd. In December 2021, China Jinmao successfully acquired the land parcel no. 2021-65 in Nantaihu New District with a saleable area of approximately 570,000 sq.m.

Shanghai

Hengmian Ancient Town City Operations

Shanghai Hengmian Ancient Town City Operations Project, located in Pudong New Area, Shanghai, has a total plot ratio-based GFA of approximately 530,000 sq.m. It is planned to build a high-end hotel, a commercial street zone and an ancient town reserve featuring Jiangnan's water village landscape. China Jinmao will leverage on the high-starting point planning, high-intensity investment and high-standard construction to incorporate new technologies such as smart city and technology residence into Hengmian Ancient Town.

In November 2021, China Jinmao successfully won the bid for the land parcels no. 07-01 and no. 08-06 in the Hengmian Town Unit (02PD-0002-01), West Area of Shanghai International Tourism Resort, Pudong New Area, Shanghai (the "Urban Village" Renovation Project – Kangqiao Town Hengmian Old Street Land Parcel), with a saleable and leasable area of approximately 140,000 sq.m.

Langfang

Longhe High-tech Industrial Development Zone

Langfang Longhe High-tech Industrial Development Zone Project, located in Longhe High-tech Industrial Development Zone, Langfang, Hebei Province, is a growth pole for economic development in southern Langfang and a bridgehead connecting to Beijing and Tianjin. Longhe High-tech Industrial Development Zone has a planning site area of 37.5 sq.km. China Jinmao will work with the local government to implement the first-mover supporting facilities and promote the implementation of a three-dimensional supporting system covering core elements such as the new-generation Mall of Splendor commercial complex, urban central park, prestigious public school, higher vocational education, healthcare services, star-rated hotel, culture and leisure, and Syngenta smart agriculture.

In November 2021, China Jinmao successfully won the bid for 5 land parcels Lang An Tu no. 2021-10, Lang An Tu no. 2021-4, Lang An Tu no. 2021-11, Lang An Tu no. 2021-9 and Lang An Tu no. 2021-8 (Lang Zi Gui Gao Zi [2021] no. 16), with a total site area of 297.45 mu and a saleable and leasable area of approximately 551,000 sq.m.

Danyang

Optical City

Danyang Optical City Project, located in front of the Danyang High Speed Rail Station between the Old Town and New Town of Danyang, has the dual functions of gateway and heart of the city. The project covers a total site area of 1,700 mu (approximately 1.13 million sq.m.). With the optical glasses industry as the feature, China Jinmao rapidly carries out industrial upgrade for Danyang, improves its functional supports, and realises enhancement of the city's image, the optical glasses industry and the cultural tourism.

In December 2021, China Jinmao successfully won the bid for the land parcels nos. G2134, G2135, G2136, G2137, G2138, G2139 and G2140 (Dan Zi Ran Zi Wang Gua [2021] no. 07), with a saleable and leasable area of approximately 805,000 sq.m. In December 2021, the ground-breaking ceremony of the Danyang Optical City Project "Window of the World • The Light of Danyang" was held.

Wenzhou

Aojiang International New City

Wenzhou Aojiang International New City Project, located in the block of Gu'ao Tou, Binjiang Centre, Aojiang, Pingyang, has a total site area of approximately 1,972 mu (equivalent to approximately 1.31 million sq.m.) and a total GFA of approximately 1.05 million sq.m. China Jinmao plans to develop the project into a "3+2" industrial system integrating industries and urban features step by step from the aspects such as residence, culture, commercial office, landmark buildings and supporting facilities with "technology and innovation industries, financial service industry, cultural and creative industry" as the core, and "professional service industry + education and training industry" as the support, striving to forge the project to become a vibrant centre of Pingyang with its advantages such as urban core location, excellent scenery resources, profound cultural heritage and business supporting facilities.

In April 2021, China Jinmao successfully won the bid for the second batch of land parcel no. 8, i.e., Blocks C-08-01 and C-09-01 of Gu'ao Tou, Binjiang Centre, Aojiang Township, Pingyang County and land parcel no. 9, i.e., Block C-09-02 of Gu'ao Tou, Binjiang Centre, Aojiang Township, Pingyang County. In May 2021, China Jinmao successfully won the bid for the third batch of land parcel no. 4, i.e., Block C-10-01 of Gu'ao Tou, Binjiang Centre, Aojiang Township, Pingyang County.

PROPERTY DEVELOPMENT

Property Development

Nanjing Gucheng Lake • Jinmao Noble Manor Project, located in the core area of Binhu in the southern part of Gaochun District south of Beiling Road in Chunxi Subdistrict and west of Shuiyangjiang Road, occupies a site area of approximately 188,000 sq.m. with a GFA of approximately 400,000 sq.m. and is built into a liveable, low-density, high-quality and liveable community. There are approximately 42,000 sq.m. of service centres and community centres with a combination of education, healthcare, transportation and retail facilities. The project is planned to have 90-220 sq.m. of pure low-density houses and villas.

During the Period under Review, the project was ranked No.1 in Gaochun District both in terms of the number of units sold and the area sold, and became a star project in Gaochun District.

Beijing Greentown Jinmao • Qinyuan Project is located on the East 5th Ring Road of Chaoyang District, which is close to 5th Ring Road and adjacent to the entrance and exit of Huagong Bridge on the East 5th Ring Road. The region has a promising future. The project is only 100 metres from the Huangchang Station of Metro Line 7 to its northeast, and is conveniently accessible to various business districts such as Guomao CBD, Sanlitun, Wangjing and Universal Studios. There are large shopping malls within a radius of 5 km around the project to meet the demand for shopping. Surrounded by abundant and high-quality healthcare and education resources, the project adheres to China Three-Star Green Label for green buildings, and integrates the concept of green living into product design.

During the Period under Review, the project was launched smoothly for sale, and the number of contracts signed in December ranked first in Chaoyang District.

Shijiazhuang Chang'an Jinmao Residence Project is located in the new core segment of the Northeastern 2nd Ring Road of Chang'an District. Based on the family concept of contemporary young people, the project has upgraded the emotional scenarios and shaped the first Singaporean-style garden in Shimen in terms of landscape design by integrating highlights of children's growth into the design concept so as to stimulate children's imagination and creativity, thus carving out the space that supports children's free and happy growth. As to the research and development of housing space, the project deeply explores and researches on the new generation of young customers, and carefully studies the ultimate living space covering the whole cycle of residents' growth to allow the house and the family to grow together.

During the Period under Review, the project became a red-hot project upon its first launch. The overall quality of the project was recognised by the market and it quickly became a quality benchmark project in Chang'an District, Shijiazhuang.

Suzhou Science and Technology City • Jinmao Palace Project, located in the Eco-Tech City segment, covers furnished high-rises, duplexes and villas, a boutique hotel and a comprehensive commercial street zone, creating a technology flagship community with a full range of business formats and resources. Initiating Suzhou's 3.0 oxygen residence era, the project is equipped with 12 technology systems and has obtained both domestic and international certifications.

During the Period under Review, the project remained a hot commodity, and the units were sold out quickly upon first launch, making it a red-hot project in the Science and Technology City segment of Suzhou High-tech Industrial Development Zone.

Shanghai • Future City Project is located in the core urban area of Qingpu District, which is close to the People's Government of Qingpu and various commissions, offices and bureaus, and adjacent to Qingpu Greenland Centre and Qingpu Sports Park with great convenience. The project enjoys prominent location advantages with abundant educational and medical ancillary facilities in the surroundings. Future City project is the first project of China Jinmao in the five new cities in Shanghai – Qingpu New City, which serves as a solid foundation for the subsequent development in the area.

During the Period under Review, the project was launched two times and achieved hot sales each time. With a sell-through rate of 100%, it quickly became a hot-selling project in the subdistrict.

Jinhua Futian Jinmao Palace Project is located in the financial business district, enjoying core CBD resources and well-established amenities in the vicinity, including Yiwu Small Commodity Market, The Fourth Affiliated Hospital Zhejiang University School of Medicine and Futian Park. Being China Jinmao's debut landmark project in Yiwu, China Jinmao and Yiwu Construction Investment Group join hands to develop the project in two phases. The project, which is divided into three blocks, aims to forge the image of improved high-end residences and to lead the transformation of urban high-end residences in Jinhua Yiwu with eco park living.

During the Period under Review, the project was launched three times and achieved hot sales each time, and was ranked second in terms of sales in Jinhua throughout the year.

Taizhou Fengcheng Jinmao Palace Project is located in Zhoushanhe New City, south of Taizhou. Situated at the central axis of Taizhou's Hailing South Road and Gulou South Road, the project is surrounded by eight resource centres, namely government affairs, finance, transportation, healthcare, commerce, education, culture and ecology, and is adjacent to the city's 1,500-mu green lungs – Tiandehu Park. The project has a total planning area of approximately 690,000 sq.m. which encompasses a commercial street zone of approximately 90,000 sq.m. Fengcheng Jinmao Palace is the first high-tech residential product in Taizhou to receive BREEAM 3-star Certificate, bringing a modern metropolitan living experience to Taizhou.

During the Period under Review, the project achieved great success in the first launch and was ranked first in terms of sales amount of commodity residential units in Taizhou throughout the year.

Guangzhou Lingshan Island Jinmao Harbour (Phase II) Project, another benchmark of China Jinmao in Nansha free trade zone, is located in the core area of Lingshan Island overlooking the prosperity of the CBD in the island centre. The U shape enclosed community design offers an open and unobstructed view. Exerting the concept from the boundless waterfront community in Singapore, the project embraces a double-waterfront landscape. Externally, it is immersed by a riverfront park with top ten themes. Internally, the two rivers form a meander belt, offering a river bay view from the below and a riverfront view from the top. The exclusive innovative project for the three-generation families leads new directions for improving human living.

During the Period under Review, the project continued to achieve hot sales and was ranked No.1 in terms of sales of units with area of over 140 sq.m. in Nansha free trade zone, Guangzhou, and became a quality benchmark in Nansha.

Wuhan Binjiang • Jinmao Palace Project is located on the main axis of the Yangtze River and the riverfront prime location of the 2nd Ring Road in Wuhan under national planning. It is about 50 metres away from the river and embraces a vast river curtain spanning about 1,800 metres. Jinmao presents the city's skyline large flats with quality in the form of first-tier riverfront resources. Leveraging on the luxury gene of Jinmao Palace series, well-known figures are gathered, forming an elite circle. The project is within walking distance to Jiangtan Park which boasts a five-dimensional landscape garden with magnificent scenery both from the inside and outside. Equipped with various smart technologies to build a convenient and smart neighbourhood for the community, the project won the title of the "Model Case of Research and Display of the 2021 China Smart Community".

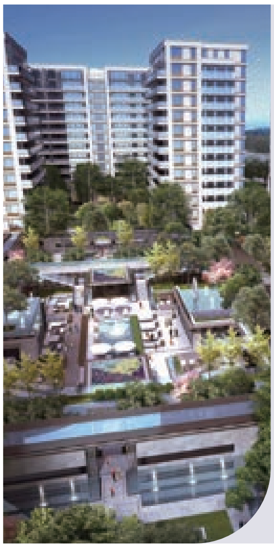
During the Period under Review, more than 20 developers were attracted to visit and study the project throughout the year, and its annual sales amount ranked top in Wuhan.

Xiamen International Community Project is located in the international airport new city • east of Xiamen University Xiang'an Campus, being the second project of the International Community series after the Beijing International Community Project. The project thoroughly understands the needs of young homebuyers and takes the theme of a Rubik's Cube community for all ages. It is planned to comprise three scenarios and five vibrant segments where elements of living and leisure experience in each segment blend with each other to create unlimited possibilities in living.

During the Period under Review, the project was ranked second in terms of the number of units sold and No.5 in terms of the area sold in Xiang'an District, Xiamen, making it the most red-hot property in Xiang'an District.

Hangzhou Qinwang Palace Project is located in the "City Eye" block of Qinwang, which is a residential portion of the Qinwang city complex in Fuyang built by China Jinmao. It enjoys a range of supporting facilities for the future planning of the complex, including a commercial complex, boutique residence, TOD three-dimensional transportation, a 221-metre urban landmark office building, a shopping mall, a five-star hotel, a commercial water street and other business segments.

During the Period under Review, the project was launched ten times and achieved hot sales each time. It was ranked No.1 in terms of transacted amount in Fuyang District, Hanzhou and became a red-hot property in Hangzhou with its top ranking in terms of transacted amount.



Chengdu Wuhou Jinmao Palace Project is located at the intersection of Wuhou Avenue and Zhigu Avenue in Wuhou New City, Chengdu, which is within the Wuhou New City area in the southwestern 3rd Ring Road, Chengdu and is a high-end low-density residential area mainly developed by the government. The project is the only green residential property in Chengdu that is awarded the dual certifications -" BREEAM Certification + China Green Building three-star design label", reforming the traditional residential living style by putting healthy life a top priority.

During the Period under Review, the first batch and second batch of Phase III of the project achieved hot sales upon launch, with its sell-through rate ranking first in Wuhou New City.

COMMERCIAL LEASING AND RETAIL OPERATIONS


PUMA

Commercial Leasing

During the Period under Review, the leasing of various office projects of the Group performed well. The occupancy rate remained high generally with steadily fluctuated rental levels.

Occupancy rate of major office buildings

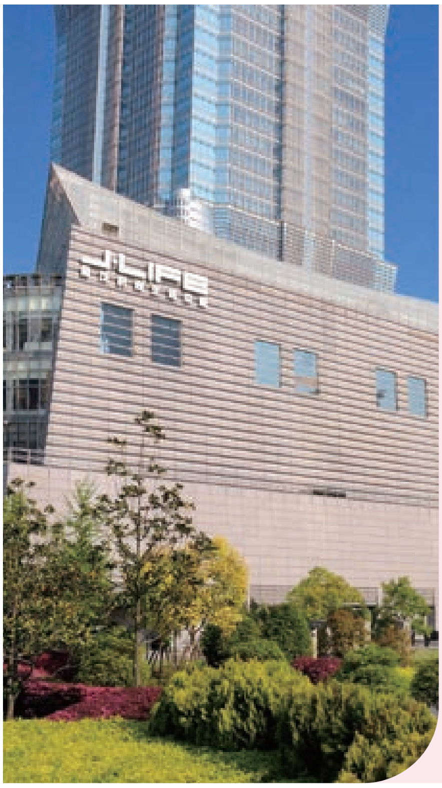
	Beijing Chemsunny World Trade Centre	Sinochem Tower	Jin Mao Tower – office portion	Nanjing Xuanwu Lake Jinmao Plaza Phase I – office portion	Changsha Meixi Lake International R&D Centre
2021	97.7%	100.0%	94.4%	91.6%	100.0%
2020	100.0%	96.1%	93.4%	93.2%	100.0%

Beijing Chemsunny World Trade Centre which is situated on Fuxingmen Nei Avenue within the financial district of Beijing, is adjacent to West Chang'an Avenue and opposite to Financial Street. It is the first premium office building in China being granted China Three-Star Green Label and USGBC's LEED-EB platinum certification at the same time.

Beijing Sinochem Tower which is situated at the heart of Beijing on Fuxingmen Wai Avenue, Xicheng District, the prime location of the business circle of Financial Street which is less than 50 metres away from the subway station of the Beijing Subway Line One, is an office building supported by sophisticated office facilities and personalised services.

Shanghai Jin Mao Tower which is situated at the Lujiazui Finance and Trade Zone of Pudong, Shanghai, is one of China's landmark buildings. The 420.5-metre-high 88-storey tower represents a perfect combination of China's traditional architectural techniques and the world's state-of-the-art technology. Its superior landmark effects make the tower one of the first choices as place of business in Shanghai for prestigious domestic and foreign corporations.

Retail Operations



Shanghai J•LIFE is located in the core area of the Lujiazui CBD in Shanghai, which commenced operation in 2005. Being the first commercial and retail business centre in the Lujiazui region, the project adhered to the line of portfolio based on experience and quality of commercial and lifestyle services, striving to attempt and explore innovative businesses constantly, and anchored with a variety of famous brands engaging in catering, healthcare and nursing, sports and social networking, and international education services, providing unique and personalised lifestyle services for high-end business customers.

During the Period under Review, the project maintained its consistent commercial quality, broke through the barriers of community marketing through the linkage of business districts, made use of online shopping malls to help merchants remain in business, and "triggered" the market hotspots with 3D LED naked eye to actively promote the development of community rights during the post-pandemic period and improve the operating conditions of the project.

Nanjing Jinmao Mall of Splendor is located in the Hunan Road business district in the main city region of Nanjing, adjacent to the Xuanwu Lake subway station in Nanjing, and occupies the best geographical location alongside the Xuanwu Lake. Since commencement of business at the end of September 2015, it has become one of the dynamic, trendy, energetic and quality shopping mall in the main city region of Nanjing.

During the Period under Review, Nanjing Jinmao Mall of Splendor successfully completed its upgrading and rebranding, and stepped up efforts in various areas such as subsequent renovation for merchants, tenant recruitment and soft opening. Targeting at the demand of young consumers, more relaxing and comfortable consumption settings are created. It has shaped the community based on online and offline methods, increased community activities, and continuously expanded the scale of the community, while maintaining stable operations of the project.

Changsha Jinmao Mall of Splendor is the first Mall of Splendor under China Jinmao, which is located in the core region of Meixi Lake, facing an excellent view of Meixi Lake, with Meixi Lake International Culture and Arts Centre to the east, and is seamlessly connected with the Changsha Metro Line No. 2. Since its opening, the project focused on the customer groups of young families and young people in Changsha, collected a variety of famous domestic brands, and presented the innovative and proprietary business forms of Jinmao. It became a gathering place for pioneer experience-based, leisure-based and social-based business lifestyles in central China.

During the Period under Review, Changsha Jinmao Mall of Splendor focused on consumption demand and consumer preference of the core customer groups. It introduced the new membership system to conduct interactive marketing, fully promoted the merchant rearrangement plan, and signed contracts with new brands and new merchants. The project performed steadily and the operations remained stable.

Qingdao Jinmao Harbour Shopping Mall is located at the harbour front of Jiaozhou, Qingdao, inside the Shinan District, and adjacent to the Qingdao harbour ferry terminal and cross harbour tunnel of Jiaozhou Bay. It is a commercial complex project nearest to the sea in Qingdao region. At present, the project is a gathering place for trendy living and integrated with shopping, catering, entertainment and healthcare services to satisfy the demand for high quality, one-stop and family-based shopping mall from residents in the region. It is a heartwarming harbour built for family leisure living services for 100,000 permanent residents in the surrounding region.

During the Period under Review, Qingdao Jinmao Harbour Shopping Mall adhered to the improvement of both service and quality, accelerated the introduction of emerging business formats and brands with high revenue contribution, comprehensively upgraded the quality of business brands, and implemented multiple measures to improve the rental levels and profitability of project. At the same time, it deeply explored the city's memory and the immersive experience of art display scenarios, maintained efficient inbound marketing activities, expanded the we media communication matrix and member traffic pool, and drove the continuous improvement of customer flow. As a result, the performance of various nodes grew significantly.

HOTEL OPERATIONS

Hotel Operations

General Overview

During the Year, the tourism and hospitality industry continued to be affected by the COVID-19 pandemic. In the second half of the year, it experienced another downturn and the performance of the entire industry fell short of expectations. In the face of the continuously challenging market environment, the hotel operations segment adhered to high-end positioning, deeply explored customer needs, increased product innovation and improved customer services to further consolidate its leading position in the market. In particular, the resort hotels in Lijiang, Chongming and Sanya continued to create differentiated featured products, accurately position customer groups, strengthen service quality, and focus on the surrounding tourism market. Going against the tide, average room rate and average revenue per available room again increased as compared with the previous year. At the same time, the segment accelerated the asset-light transformation, optimised the organisational structure, stimulated the innovation and entrepreneurship enthusiasm of employees, released five self-owned brands, and formulated the hotel product standardisation manual, which achieved positive results.

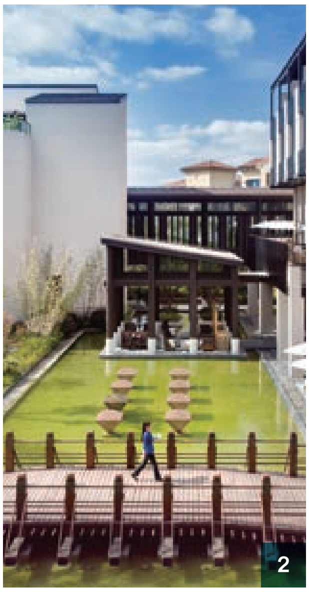
Average room rate, average occupancy rate and average revenue per available room (RMB) of each hotel for 2021

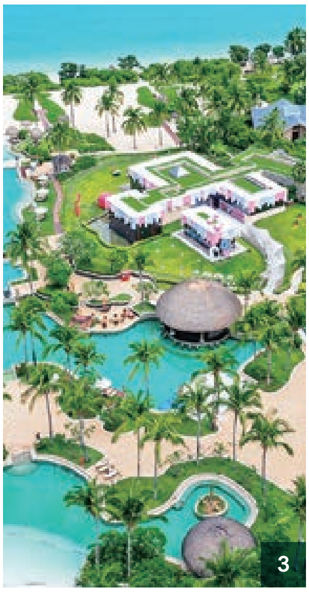
	Grand Hyatt Shanghai	Hilton Sanya Yalong Bay Resort & Spa	The Ritz-Carlton Sanya Yalong Bay	The Westin Beijing Chaoyang	JW Marriott Hotel Shenzhen	Westin Nanjing	Hyatt Regency Chongming	Renaissance Beijing Wangfujing Hotel	Lijiang Jinmao Hotel	Meixi Lake Hotel, A Luxury Collection Hotel, Changsha
Average room rate	1,131	1,237	2,338	924	916	696	802	928	1,033	810
Average occupancy rate	68.9%	71.3%	60.0%	50.2%	73.1%	66.7%	77.4%	62.6%	44.2%	58.7%
Average revenue per available room	779	882	1,403	464	670	464	621	581	457	475

Average room rate, average occupancy rate and average revenue per available room (RMB) of each hotel for 2020

	Grand Hyatt Shanghai	Hilton Sanya Yalong Bay Resort & Spa	The Ritz-Carlton Sanya Yalong Bay	The Westin Beijing Chaoyang	JW Marriott Hotel Shenzhen	Westin Nanjing	Hyatt Regency Chongming	Renaissance Beijing Wangfujing Hotel	Lijiang Jinmao Hotel	Meixi Lake Hotel, A Luxury Collection Hotel, Changsha
Average room rate	1,114	1,127	1,973	936	872	689	670	914	801	755
Average occupancy rate	52.5%	66.9%	52.5%	33.0%	48.6%	53.0%	61.9%	41.0%	49.8%	53.3%
Average revenue per available room	585	754	1,036	309	424	365	415	375	399	402

Information of Projects





1 Grand Hyatt Shanghai

Situated on 53rd to 87th floors of Jin Mao Tower, a renowned landmark building in Shanghai, Grand Hyatt Shanghai was opened in 1999. The hotel was named in the Guinness World Record 2000 as the highest hotel in the world. Since its opening, leveraging its unique landmark location and high quality services, Grand Hyatt Shanghai has won over 100 hotel awards in China and from all over the world.

2 Hyatt Regency Chongming

Located in the east of Chongming Island, the third largest island in the PRC, Hyatt Regency Chongming was opened in 2014. The hotel is connected to the Pudong district in Shanghai by Chang Jiang tunnel-bridge and is located near Dongtan Wetland Park, which is also a migratory bird reserve. It received the Grand Award for Best International Commercial and Special Use Project at the 51st Annual Gold Nugget Awards applying an ecological design concept on commercial land.

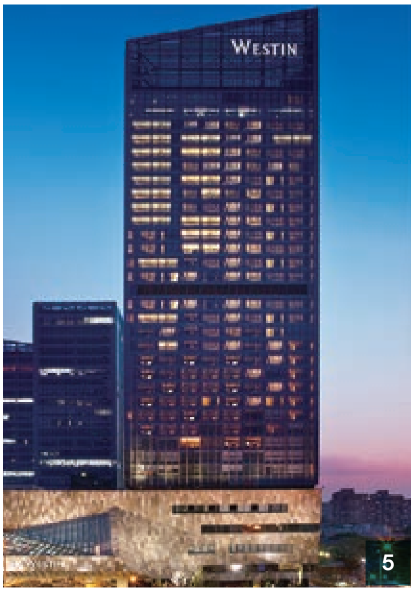
3 Hilton Sanya Yalong Bay Resort & Spa

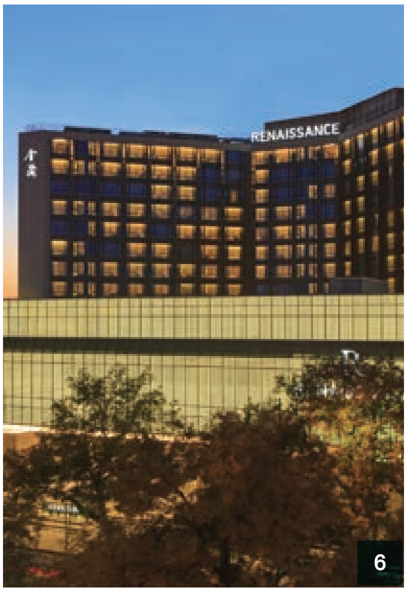
Hilton Sanya Yalong Bay Resort & Spa, which is situated at the enchanting Yalong Bay, Hainan, was opened in 2006. The hotel is designed and built with unique features and services to provide an "unparalleled resort experience", a basic concept embodying strong southern China's characteristics.

4 The Ritz-Carlton Sanya, Yalong Bay

Situated at the enchanting Yalong Bay in Sanya, the magnificent The Ritz-Carlton Sanya, Yalong Bay boasts the majestic views of South China Sea, miles-long beaches and pristine natural beauty. Since its opening in 2008, the hotel has been well received by affluent global travellers and gained recognition from the tourism industry, and has received many awards worldwide.

Information of Projects





5 The Westin Beijing Chaoyang

The Westin Beijing Chaoyang is a 34-storey luxury hotel located in the Yansha Business Circle, Chaoyang District nearby Sanlitun, the central business district ("CBD") of Beijing and home to embassies, corporate headquarters and retail shopping malls. Since its opening in 2008, the hotel has served numerous foreign heads of state sports stars and business elites, highlighting the high-end brand image of the hotel.

6 Renaissance Beijing Wangfujing Hotel

Renaissance Beijing Wangfujing Hotel is situated at Wangfujing Avenue and adjacent to Tian'anmen Square and Palace Museum. Its predecessor is Wangfujing Grand Hotel opened in 1995. The hotel adopts a unique dual-wing architecture design with an endless stream of spectacular palaces from the Ancient Wall of the Imperial City and The Forbidden City to the west and the modernised international metropolitan clusters in the CBD of Wangfujing to the east, blending the modern and classic into one.

7 JW Marriott Hotel Shenzhen

JW Marriott Hotel Shenzhen, which is located in Futian District, Shenzhen and in close proximity to the Shenzhen Golf Club, was opened in 2009. Its modern tropical design concept blends into the architectural style of the hotel and the local seasonal characteristics, making the hotel one of Shenzhen's landmark superior deluxe five-star business hotels.

Information of Projects

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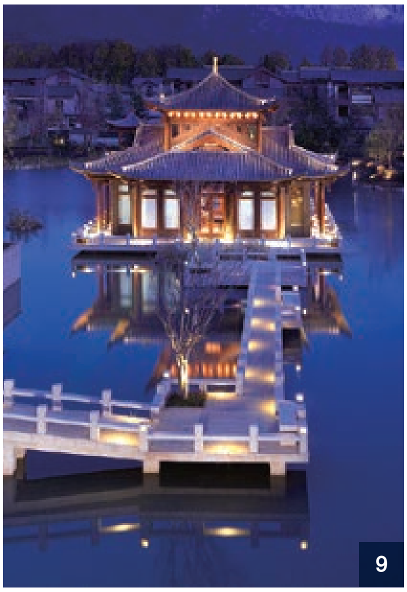

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8 Westin Nanjing

Westin Nanjing, which is located on 23rd to 35th floors of the South Tower in Nanjing Xuanwu Lake Jinmao Plaza, was opened in 2011. The hotel has 234 guest rooms each overlooking a panoramic view of Xuanwu Lake and Purple Mountain.

9 Lijiang Jinmao Hotel • The Unbound Collection by Hyatt

Lijiang Jinmao Hotel • The Unbound Collection by Hyatt, which was opened in 2014, is situated inside Jinmao Richmond Town at the northern end of Shangri-La Avenue, is adjacent to the Old Town of Su River and connects to J • Life's exquisite commercial portion and premium quality villas.

Jinmao Purelax Mountain Hotel, Lijiang, which was opened in September 2015, is situated in Ganhaizi, Jade Dragon Snow Mountain. The hotel perfectly integrates the elements of Naxi culture and modern comfort, creating an impeccable space for clients to admire the magnificent snow mountain view from their rooms.

10 Meixi Lake Hotel, A Luxury Collection Hotel, Changsha

Officially opened in 2016, Meixi Lake Hotel, A Luxury Collection Hotel, Changsha is located at the prime location in the State-level Xiangjiang New District adjacent to Meixi Lake International Cultural & Art Centre. Taking the design of "Exploring the peach garden" and blending the cultural essence of Hu and Xiang, the hotel leads travellers from all over the world to embark on the journey of exploring the peach garden.

TECHNOLOGY AND SERVICES

Technology

In 2021, relying on real estate resources and experience accumulation, Jinmao Green Building focused on green technology research and development, green technology consulting, smart energy and other businesses to achieve the extension from the use of green technology to the full-cycle operation and consulting services of green buildings, and actively responded to the national green development goal of "carbon neutrality" and the major development strategy of "new infrastructure". In addition to the regional energy business, energy storage and peaking adjustment business, and power exchange energy service business, Jinmao Green Building launched the data centre business in Hangzhou and Nanjing, and won the championship in the category of energy conservation and environmental protection for start-ups and the first runner-up in the finals of the 10th "China Innovation and Entrepreneurship Competition" (Xiamen Division) and the 7th "Egret Star" Innovation and Entrepreneurship Competition. Based on the data service platform, Jinmao Cloud continued to explore and give play to digital value to serve the development of the principal business, customer needs and government demands, and provided six product solutions including Data Cloud, Case Cloud, Channel Cloud, IoT Cloud, Placement Cloud and Communication Cloud. Centring around the principal business and city operations of the Company, Jinmao Cloud expanded related business and continued to conduct in-depth exploration in digital map, membership platform operations and other aspects.

Services

In 2021, relying on the investment layout of the city operations industry chain, JM Capital followed through the mission of capital reshaping the value of cities, continued to consolidate the core competitiveness of financing, created diversified financing channels and gave full play to the role of financial empowerment. At the same time, it explored the blue ocean of urban renewal business and carried out investment layout around China Jinmao's city operations industry chain to empower China Jinmao's innovation, upgrade and industry landing in an effort to continuously build the two main business segments, namely real estate funds and industrial investment. Adhering to the strategic positioning of being "a comprehensive solution service provider in respect of the green and healthy space with smart technology", Jinmao Decoration implemented refined management with market-oriented, professionalised, standardised and refined guidelines to strictly control operational risks. Jinmao Property explored the "high, comprehensive, new and fast" development path, focused on high-quality projects in high-tier cities and provided a high standard of service, striving to achieve a high-level cycle. At the same time, it possessed the management capability of all business formats, all cycles and all fields, and continued to advance toward the goal of being a pioneer in China's city operations service industry, while deeply promoting the digital transformation of enterprises to promote the upgrading of property services with technology, and achieved fast and stable growth.

REVIEW ON OVERALL RESULTS

For the year ended 31 December 2021, profit attributable to owners of the parent amounted to RMB4,689.9 million, representing an increase of 21% compared with RMB3,881.0 million in last year. Profit attributable to owners of the parent less fair value losses on investment properties (net of deferred tax) amounted to RMB4,826.7 million, representing an increase of 49% compared with RMB3,229.5 million in last year.

Basic earnings per share, gross profit margin (by business segment) and net debt-to-adjusted capital ratio are selected by the Group as the indicators of assessment on the profitability and solvency of the Group. The analysis of these indicators can comprehensively summarise and evaluate the financial conditions and operating achievements of the Group, and effectively evaluate the management's governance level and whether the goal of maximising shareholders' interests is achieved.

REVENUE

For the year ended 31 December 2021, the revenue of the Group was RMB90,059.9 million, representing an increase of 50% compared with RMB60,053.9 million in last year.

Revenue by business segments

	For the year ended 31 December				
	2021		2020		
	RMB million	Percentage of the total revenue (%)	RMB million	Percentage of the total revenue (%)	Year-on-year change (%)
City operations and property development	**82,641.6**	**91**	54,366.5	91	52
Commercial leasing and retail operations	**1,563.3**	**2**	1,461.4	2	7
Hotel operations	**1,638.1**	**2**	1,257.8	2	30
Others	**4,216.9**	**5**	2,968.2	5	42
Total	**90,059.9**	**100**	60,053.9	100	50

In 2021, revenue from city operations and property development of the Group increased by 52% over that of last year to approximately RMB82,641.6 million and accounted for 91% of the total revenue, which was mainly attributable to the increase in sales properties delivered and settled as compared with that of last year. Revenue from commercial leasing and retail operations increased by 7% as compared with that of last year and accounted for 2% of the total revenue, which was mainly attributable to the rebound in rental income as the pandemic subsides. Revenue from hotel operations increased by 30% from last year and accounted for 2% of the total revenue, which was mainly attributable to the increase in occupancy rate and room rate as the impact of the pandemic subsides. Revenue from others (primarily including the property-related revenues arising from the observation deck on the 88th floor of Jin Mao Tower, property management, green buildings technology and building decoration) accounted for 5% of the total revenue, representing an increase of 42% over that of last year, which was mainly due to the increase in revenue from building decoration, property management, green buildings technology.

COST OF SALES AND GROSS PROFIT MARGIN

Cost of sales of the Group for the year ended 31 December 2021 was approximately RMB73,302.3 million (2020: RMB47,939.5 million). The overall gross profit margin of the Group in 2021 was 19%, which decreased by 1 percentage point as compared with 20% of last year, mainly attributable to the decrease in the gross profit margin from the city operations and property development segment.

The gross profit margin of commercial leasing and retail operations of the Year slightly decreased as compared with that of last year, which was mainly attributable to the adverse impact of new market supply, product iterations and decentralization. The gross profit margin of hotel operations and other businesses increased as compared with that of last year, which was mainly attributable to mitigation of the impact of the pandemic.

Gross profit margin by business segments

	For the year ended 31 December	
	2021 Gross profit margin (%)	2020 Gross profit margin (%)
Overall	**19**	20
City operations and property development	**16**	18
Commercial leasing and retail operations	**84**	86
Hotel operations	**45**	43
Others	**37**	23

OTHER INCOME AND GAINS

Other income and gains of the Group for the year ended 31 December 2021 amounted to approximately RMB7,028.3 million, representing a decrease of 19% from RMB8,698.7 million in last year, which was mainly due to the decrease in interest income, the fair value gains on the investment properties, etc. Details are set out in note 5 to the financial statements.

In addition, during the Year, the Group transferred its equity interests in city operation projects with a value of approximately RMB2,785.6 million, achieving a premium gain of approximately RMB1,066.2 million, which was included in the gain on disposal of subsidiaries. As the Group regards city operations and development as its main strategy, the unique development model of primary and secondary co-development gives the Company a strong competitive advantage in its operation. With the further implementation of such strategy, the transfer of projects in city operations will gradually become an important profit supplement for the Company.

SELLING AND MARKETING EXPENSES

Selling and marketing expenses of the Group for the year ended 31 December 2021 increased by 49% to RMB2,378.4 million from RMB1,600.6 million in last year, mainly due to the year-on-year increase in revenue in 2021, which was due to the amortisation of sales commissions capitalised as contract costs in previous years during the Year along with the recognition of revenue from delivery of properties. Selling and marketing expenses comprise primarily the advertising expenses, commissions paid to relevant sales agencies and other expenses in relation to market promotion incurred in the Group's daily operations. Selling and marketing expenses accounted for 3% (2020: 3%) of the Group's total revenue.

ADMINISTRATIVE EXPENSES

Administrative expenses of the Group for the year ended 31 December 2021 amounted to RMB4,675.4 million, representing an increase of 32% from RMB3,529.4 million in last year, mainly attributable to the lapsing of pandemic preferential policies, exchange losses, the Group's business expansion and the increase in general office expenses. Administrative expenses mainly comprise staff costs, consulting fees, entertainment expenses, general office expenses and depreciation expenses. Administrative expenses accounted for 5% (2020: 6%) of the Group's total revenue.

OTHER EXPENSES AND LOSSES, NET

Other expenses and losses, net of the Group for the year ended 31 December 2021 amounted to RMB2,806.6 million, representing a decrease of 36% from RMB4,381.3 million in last year, mainly attributable to the decrease in the amount of the provision for impairment of properties under development, properties held for sale and due from related parties of the Group as compared with last year. In addition, fair value losses on investment properties of the Group for the year ended 31 December 2021 amounted to RMB1,676.6 million. Details are set out in note 7 to the financial statements.

On 31 December 2021, the Group reviewed the market conditions of properties under development and properties held for sale of the Group and its associates and joint ventures as of that date, and made provision for impairment of properties under development and properties held for sale whose net realisable value was lower than cost. The Group estimates the net realisable value of properties under development and properties held for sale mainly based on the latest selling prices and current market conditions.

FINANCE COSTS

Total interest expense of the Group for the year ended 31 December 2021 was RMB5,702.2 million, representing a decrease of 28% from RMB7,920.8 million in last year, mainly attributable to the decrease in average loans amount and average interest rate of loans during the Year. Among them, the interest expense capitalised amounted to RMB2,914.5 million, representing a decrease of 44% from RMB5,193.8 million in last year; finance costs of the Group amounted to RMB2,787.7 million, representing an increase of 2% from RMB2,727.0 million in last year.

INCOME TAX EXPENSE

The Group had an income tax expense of RMB5,009.4 million for the year ended 31 December 2021, representing an increase of 45% from RMB3,449.1 million in last year, primarily attributable to the increase in PRC corporate income tax due to the increase of profit before tax for the Year, and the increase in PRC land appreciation tax. The Group's effective income tax rate for 2021 was 39% (2020: 36%), which increased from that of last year.

PROFIT ATTRIBUTABLE TO OWNERS OF THE PARENT

For the year ended 31 December 2021, profit for the Year of the Company amounted to RMB7,704.8 million, representing an increase of 24% compared with RMB6,195.1 million in last year, mainly due to the increase in earnings of city operations and property development segment in 2021. For the year ended 31 December 2021, profit attributable to owners of the parent amounted to RMB4,689.9 million, representing an increase of 21% compared with RMB3,881.0 million in last year, and profit attributable to owners of the parent excluding fair value losses/gains on investment properties (net of deferred tax) was RMB4,826.7 million, representing an increase of 49% compared with RMB3,229.5 million in last year.

Basic earnings per share for the Year were RMB36.95 cents, representing an increase of 16% compared with RMB31.86 cents in last year. The increase in basic earnings per share was primarily attributable to the increase in the profit attributable to owners of the parent for the Year. Basic earnings per share excluding fair value losses/gains on investment properties, net of deferred tax, were RMB38.03 cents (2020: RMB26.51 cents).

Comparison of profit attributable to owners of the parent before and after fair value losses/gains on investment properties, net of deferred tax

	For the year ended 31 December		
	2021 (RMB million)	2020 (RMB million)	Year-on-year change (%)
Profit attributable to owners of the parent	4,689.9	3,881.0	21
Less: fair value losses/gains on investment properties (net of deferred tax)	-136.8	651.5	-121
Profit attributable to owners of the parent excluding fair value losses/gains on investment properties (net of deferred tax)	4,826.7	3,229.5	49
Basic earnings per share (RMB cents)	36.95	31.86	16
Basic earnings per share excluding fair value losses/gains on investment properties (net of deferred tax) (RMB cents)	38.03	26.51	43

INVESTMENT PROPERTIES

As at 31 December 2021, investment properties mainly comprised the Central and West Towers and some floors of the East Tower of Beijing Chemsunny World Trade Centre, offices and retail operations of Jin Mao Tower (for lease), office portion of Sinochem Tower, office portions 6# and 16# of Shanghai International Shipping Service Center, office portion of Nanjing Xuanwu Lake Jinmao Plaza and Nanjing Jinmao Mall of Splendor, Changsha Meixi Lake International R&D Centre, Lijiang J•Life, Qingdao Jinmao Harbour Shopping Mall, Changsha Jinmao Mall of Splendor and Nanjing Yuzui Hexi Complex. Investment properties decreased from RMB33,315.4 million as at 31 December 2020 to RMB31,564.5 million as at 31 December 2021, which was mainly due to the fair value losses on investment properties. Details are set out in note 18 to the financial statements.

PROPERTIES UNDER DEVELOPMENT

As at 31 December 2021, the current portion of properties under development comprised property development costs incurred by properties under development which have been pre-sold or are intended for sale and expected to be completed within one year from the end of the Reporting Period, whereas the non-current portion of properties under development comprised property development costs incurred by properties under development which have not yet been pre-sold and are expected to be completed after one year from the end of the Reporting Period.

Properties under development (current and non-current) increased from RMB138,829.0 million as at 31 December 2020 to RMB144,824.2 million as at 31 December 2021, mainly due to the costs newly incurred from the Shaoxing Jiyang Palace Project, Nantong Haitang Jinmao Palace Project, Hangzhou Fuchun Jinmao Xingwaitan Project and other projects under development during the Year, which were partially offset by the transfer as a result of the sale of units in projects including Foshan Jinmao Lvdao Lake Project, Suzhou Science and Technology City Jinmao Palace Project and Quanzhou Jinmao Yangguang Tanyue Project upon completion of construction.

INVESTMENTS IN JOINT VENTURES

The investments in joint ventures increased from RMB16,319.4 million as at 31 December 2020 to RMB22,187.1 million as at 31 December 2021, mainly attributable to the increase in investments in Qingdao Dayun Valley Licang Project, Shanghai Pudong Hengmian Project, etc. during the Period under Review.

INVESTMENTS IN ASSOCIATES

The investments in associates increased from RMB11,105.1 million as at 31 December 2020 to RMB20,335.6 million as at 31 December 2021, mainly due to the increase in investments in Guangzhou Jinmao Vanke Metropolis Seasons Project, Ningbo Fengyue Yinhu Project, etc. during the Period under Review.

PROPERTIES HELD FOR SALE

The properties held for sale increased from RMB19,399.6 million as at 31 December 2020 to RMB27,477.6 million as at 31 December 2021, mainly due to some buildings of Beijing Chaoyang Jinmao Centre Project, Qingdao Jinmao Smart International City Project and Yiwu Futian Jinmao Palace Project that were completed but yet to be delivered in 2021, which were partially offset by the transfer as a result of the delivery of Beijing Fengtai Jinmao Plaza Project, Shanghai Daning Jinmao Palace Project, Shenzhen Longhua Jinmao Palace Project, etc.

LAND UNDER DEVELOPMENT

Land under development mainly included the land costs incurred by Changsha Meixi Lake International New City Project (including Changsha Meixi Lake Primary Development Project Phase I and Phase II land parcels) and Nanjing Qinglong Mountain International Ecological New City Project.

The land under development (current and non-current) increased from RMB11,923.9 million as at 31 December 2020 to RMB14,920.0 million as at 31 December 2021, which was mainly due to the costs newly incurred in Nanjing Qinglong International Ecological New City Project.

TRADE RECEIVABLES

As at 31 December 2021, trade receivables amounted to RMB2,082.0 million, representing an increase of 366% compared with RMB446.8 million as at 31 December 2020, which was primarily attributable to the fact that part of the receivables arising from land development income has not been recovered.

TRADE AND BILLS PAYABLES

As at 31 December 2021, trade and bills payables were RMB28,951.6 million, representing an increase of 32% compared with RMB21,906.8 million as at 31 December 2020, which was mainly due to the construction costs payable for the new projects of the Group during the Year.

INTEREST-BEARING BANK AND OTHER BORROWINGS

As at 31 December 2021, interest-bearing bank and other borrowings (current and non-current) were RMB107,028.1 million, representing an increase of 10% compared with RMB97,578.3 million as at 31 December 2020. The increase in interest-bearing bank and other borrowings was due to the increase in external loans used for new project development and issue of domestic medium-term notes.

GEARING RATIO

The Group monitors its capital on the basis of the net debt-to-adjusted capital ratio. This ratio is calculated as net debt divided by adjusted capital. Net debt is calculated as total interest-bearing bank and other borrowings less other financial assets (financial products), restricted bank balances and cash and cash equivalents. Adjusted capital comprises all components of equity and the Company's amounts due to the immediate holding company. The Group aims to maintain the net debt-to-adjusted capital ratio at a reasonable level. The net debt-to-adjusted capital ratios as at 31 December 2021 and 31 December 2020 were as follows:

	As at 31 December	
	2021 (RMB million)	2020 (RMB million)
Interest-bearing bank and other borrowings (current and non-current)	**107,028.1**	97,578.3
Less: cash and cash equivalents, restricted bank balances and certain other financial assets	**(39,744.5)**	(52,578.8)
Net debt	**67,283.6**	44,999.5
Total equity	**106,793.6**	101,827.1
Add: the Company's amounts due to the immediate holding company	**8,929.3**	8,828.5
Adjusted capital	**115,722.9**	110,655.6
Net debt-to-adjusted capital ratio	**58%**	41%

LIQUIDITY AND CAPITAL RESOURCES

The Group's cash is primarily used to pay for capital expenditure, construction costs, land costs (principally the payment of land grant fees and relocation costs), infrastructure costs, consulting fees of architects and designers and finance costs, the Group's indebtedness, amounts due to and loans from related parties, and fund working capital and normal recurring expenses. The Group has financed the liquidity requirements primarily through internal resources, bank and other borrowings, issue of senior notes and medium-term notes, issue of perpetual capital securities, issue of domestic corporate bonds and issue of new shares.

As at 31 December 2021, the Group had cash and cash equivalents of RMB31,050.6 million, mainly denominated in RMB, HK dollar and US dollar (as at 31 December 2020: RMB43,455.6 million).

As at 31 December 2021, the Group had total interest-bearing bank and other borrowings of RMB107,028.1 million (as at 31 December 2020: RMB97,578.3 million). An analysis of the interest-bearing bank and other borrowings of the Group is set out as follows:

	As at 31 December	
	2021 (RMB million)	2020 (RMB million)
By term:		
Within one year	**25,081.2**	27,771.4
In the second year	**18,778.9**	24,496.0
In the third to fifth years, inclusive	**41,376.9**	29,516.3
Beyond five years	**21,791.1**	15,794.6
Total	**107,028.1**	97,578.3

Interest-bearing bank and other borrowings of approximately RMB25,081.2 million were repayable within one year and shown under current liabilities. All of the Group's borrowings are denominated in RMB, HK dollar and US dollars. As at 31 December 2021, save as interest-bearing bank and other borrowings of approximately RMB59,516.4 million that bore interest at fixed rates, other interest-bearing bank and other borrowings bore interest at floating rates. There is no material seasonal effect on the Group's borrowing requirements.

As at 31 December 2021, the Group had banking facilities of RMB191,275.3 million denominated in RMB, HK dollar and US dollars. The amount of banking facilities utilised was RMB79,769.8 million.

The Group's net cash outflow of RMB9,065.7 million up to 31 December 2021 consisted of:

A net cash inflow of RMB4,438.1 million from operating activities, which was mainly attributable to the proceeds derived from the sales of properties, property rental and revenue from hotel operations etc. by the Group, and was partially offset by the payment of land and construction costs, selling and marketing expenses, administrative expenses and tax expenses etc.

A net cash outflow of RMB11,796.5 million used in investing activities, which was mainly attributable to the investments made by the Group, including the increase in investments in joint ventures and associates, loans to non-controlling shareholders and advance of investments to third parties, partially offset by the cash inflow from loans to the Company by joint ventures and associates and acquisition and disposal of subsidiaries.

A net cash outflow of RMB1,707.3 million used in financing activities, which was mainly attributable to the repayment of bank and other borrowings by the Company, payment of interest, redemption of perpetual capital instruments, payment of dividends to non-controlling shareholders, payment of perpetual capital instruments distributions, payment of 2020 final dividends and 2021 interim dividends, and was partially offset by new bank and other borrowings, capital contribution from non-controlling shareholders, issue of perpetual capital instruments and new loans from non-controlling shareholders.

PLEDGE OF ASSETS

As at 31 December 2021, the Group's interest-bearing bank and other borrowings were secured by the Group's property, plant and equipment of RMB3,213.8 million, right-of-use assets of RMB618.9 million, properties under development of RMB90,341.9 million, properties held for sale of RMB132.5 million, investment properties of RMB11,881.0 million and trade receivables of RMB11.5 million.

FINANCIAL GUARANTEES

As at 31 December 2021, the Group provided guarantees in respect of mortgage facilities for certain purchasers of the Group's properties amounting to approximately RMB38,661.2 million (2020: RMB30,337.8 million).

In addition, as at 31 December 2021, the Group also provided guarantees in proportion to its equity interests of 29.9% in an associate in respect of certain notes issued by such associate with an aggregate principal amount of US$66,000,000 (equivalent to RMB420,796,200), and the relevant total guarantees provided amounted to US$19,734,000 (equivalent to RMB125,818,000) (2020: Nil).

The Group assessed that the fair value of the financial guarantees at initial recognition and the expected credit loss allowance during the Year were insignificant.

MARKET RISK

The Group's assets are predominantly in the form of land use rights, land under development, properties under development, properties held for sale and investment properties. In the event of a severe downturn in the property market in Mainland China, these assets may not be readily realised.

INTEREST RATE RISK

The Group is exposed to interest rate risk resulting from fluctuations in interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's long-term debt obligations. Increase in interest rates will increase the interest expenses relating to the Group's outstanding floating rate borrowings and increase the cost of new debts. Fluctuations in interest rates may also lead to significant fluctuations in the fair value of the Group's debt obligations. Starting from December 2018, the Group has engaged in hedging to manage its interest rate risk, which is expected to eliminate some of the impacts arising from interest rate fluctuations on the Group.

FOREIGN EXCHANGE EXPOSURE RISK

Substantially all of the Group's revenue and costs are denominated in RMB. Since 2016, the Group has changed to report its financial results in RMB. As the Group still has borrowings denominated in US dollars and HK dollars, the Group is exposed to the risk of fluctuations in foreign exchange rates. Starting from March 2017, the Group has engaged in hedging to manage its currency risk, which is expected to eliminate some of the impacts arising from exchange rate fluctuations on the Group. Taking into account the transaction amount under hedging activities and the unpredictability of market exchange rate fluctuations, the Group cannot assure that these hedging activities will protect the Group from fluctuations in exchange rates in the future.

NETWORK RISKS AND SECURITY

As computer system and the Internet play a key role in our operations, the Group has designated professionals to monitor and assess the potential network risks. Hardware and software are subject to tracking according to appropriate policies of the Company. Potential network risks and network security are major issues that draw the management's attention. Accordingly, the Group has put in place policies and procedures to regulate the use of the Internet, physical maintenance of system power supply and regular update of the Internet security system and firewall, in order to isolate the Company's intranet from outside networks. Designated professionals are responsible for daily monitoring of any unusual network activities.

DATA FRAUD AND THEFT RISKS

The Group continues to review and update the internal control system on data and information access. The Group has adopted appropriate policies to protect its data. Only authorised persons are allowed to login. The management considers that the existing policies and procedures are effectively implemented to avoid data fraud and theft risks.

ENVIRONMENTAL AND SOCIAL RISKS

Due to the nature of business, in the event of serious and permanent climate change in China, the Company will face moderate environmental risks. The risks may have adverse effects on property construction and operations and affect the Company's market operations and the turnover of property sales.

In addition, the impact of coronavirus (COVID-19) pandemic has not been fully mitigated in 2021, which has produced an adverse impact on China's economy, including the real estate sector, in 2021. Given the unpredictability of development of the pandemic, there is no assurance that the Group's hotel operations and the commercial leasing and retail operations will not be negatively affected. The Group has actively taken measures to control the relevant costs of the aforesaid businesses, pay attention to cash flow management, integrate existing resources and actively adjust business plans to make full preparation for business recovery.

INVESTOR RELATIONS ACTIVITIES FOR 2021

January

Participated in the investor meeting held by Essence International

Participated in the investor meeting held by Credit Suisse

March

Announced the annual results for 2020

– Held analyst meeting

Carried out non-deal related roadshow online

April

Participated in the Xiamen strategic meeting held by Industrial Securities

Participated in the Suzhou strategic meeting held by Guotai Jun'an

Participated in the investor meeting held by Everbright Securities

May

Participated in the Beijing strategic meeting held by Kaiyuan Securities

Participated in the investor meeting held by HSBC

June

Participated in the investor meeting held by Merrill Lynch Fixed Income

Participated in the Chengdu strategic meeting held by Huatai Securities

Participated in the investor meeting held by Haitong International

Participated in the Shanghai strategic meeting held by Industrial Securities

Participated in the investor meeting held by Citibank

August

Announced the interim results for 2021

– Held analyst meeting

Carried out non-deal related roadshow online

Participated in the investor meeting held by Haitong Securities

November

Participated in the investor meeting held by Citibank

Participated in the investor meeting held by Merrill Lynch

Participated in the investor meeting held by Credit Suisse

Participated in the investor meeting held by Goldman Sachs

Participated in the investor meeting held by Industrial Securities

December

Participated in the investor meeting held by BOCI

Participated in the investor meeting held by Haitong Securities

Participated in the investor meeting held by Changjiang Securities

COMMUNICATION WITH SHAREHOLDERS

The Company considers that high-efficiency communication is a key factor for establishing sound interaction with its shareholders successfully. The Company has been committed to providing its existing and potential investors with accurate and timely information, and maintaining its communication with investors by various means, thereby enhancing the transparency of its information disclosure. The Company attaches great importance to the communications with shareholders and public investors to ensure them to have a good channel for voicing their opinions and advice on the Company's performance. At the same time, the Company may also explain the operation of projects and its development strategies.

The Company has constantly maintained a sound two-way communication with its shareholders, and provides information to shareholders mainly through the following channels:

- The Company's annual report, interim report and circulars – they are distributed to shareholders and investors, as well as analysts who are interested in the Company's performance pursuant to the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange (the "Listing Rules");

- Annual general meeting – the directors and other senior management of the Company are present at the meeting, answering shareholders' inquiries and exchanging opinions with them;

- The Company's interim and annual results announcement conferences – the Company announces its interim and annual results and responds to the inquiries from investors and the media;

- Voluntary disclosure of the Company's information – the Company, through different means, including investor meetings, telephone interviews, press releases and media interviews etc., announces major issues of the Company to the market in a timely and compliant manner pursuant the Listing Rules and the relevant requirement of the "Guidelines on Disclosure of Inside Information", and responds to the inquiries from investors and analysts in a timely manner;

- Periodic meetings with institutional investors and securities analysts on a voluntary basis – the Company provides information on its latest business development to attract more attention from the market. The management of the Company regularly participates in global non-deal related roadshow activities held after the publication of annual reports and interim reports to respond to queries related to its corporate development strategies and market outlook. These measures provide overseas shareholders with an opportunity to discuss with the management of the Company;

- Organising site visits – based on the development progress of its projects, the Company organises on-site visits for investors and analysts to directly visit various projects of the Company as and when necessary, and enables them to communicate with the management, so as to enhance investors' understanding of the Company's development.

In 2021, the Company's management participated in various investor meetings held online, to broaden its communication with international, Hong Kong and Mainland China investors. During the Year, the Company received over 100 investors and arranged over 100 investors to visit its projects in different places.

FEEDBACK FROM INVESTORS

The Company considers investors' feedback highly important. During the Year, the Company conducted several summaries and analyses on opinions from investors and analysts to have an understanding of the effectiveness of its investor relations function in a timely manner. The Company will further improve the quality of communication based on the investors' feedback to facilitate better communication with investors and analysts in future.

MARKET RECOGNITION AND HONOURS

China Jinmao won the award of "Grand Award Winner" at the 35th International ARC Awards held in 2021, and its 2020 annual report won a total of 15 awards, of which 6 were gold prizes, reflecting the widespread recognition of the Company's efforts in information disclosure and investor relations within the industry.

PROSPECTS OF OUR INVESTOR RELATIONS WORK

The Company will continue to progressively strengthen its efforts on investor relations to facilitate better communication with public investors and analysts. The Company is committed to ensuring the full compliance with the disclosure obligations under the Listing Rules and other applicable laws and regulations. In terms of compliance, we will continue to deliver the Company's latest information to the investors all over the world and enhance the Group's corporate governance standards and transparency in order to gain more trust and support from investors.

SUSTAINABLE DEVELOPMENT

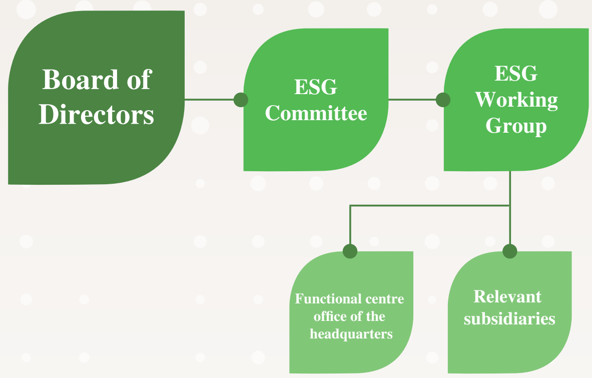
CHINA JINMAO SUSTAINABLE DEVELOPMENT

Adhering to Sinochem Holdings' core value principle of "In Science We Trust" and the mission of "Unleashing Future Vitality of the City", the Company is committed to leading the city's high-quality sustainable development based on its strategy of "two-wheel and two-wing driven" anchoring on leading quality, and exploring infinite possibilities to meet the people's desire for a better life.

SUSTAINABLE DEVELOPMENT MANAGEMENT

China Jinmao has always adhered to implementing the concept of sustainable development, fully integrating the environmental, social and governance (ESG) standards into corporate management, and built a scientific and professional ESG governance structure and management system from top to bottom based on the needs of business development, continuously strengthened the participation of the Board, thereby comprehensively improving the Company's ESG governance level.

Sustainable development governance structure



Board of Directors

As the highest decision-making body of China Jinmao's ESG governance structure, the Board comprehensively supervises the Company's ESG-related matters, reviews the ESG vision, objectives, strategies and policies, evaluates and determines ESG risks and opportunities related to the Company's business, and supervises and reviews the Company's ESG performance.

Environmental, Social and Governance Committee (ESG Committee)

In 2021, the Board of the Company authorised the establishment of the ESG Committee, with Mr. Li Congrui, an executive director and the Chief Executive Officer, serving as the chairman of the committee, and Mr. Zhong Wei, an independent non-executive director, and Mr. Tian Jiupo, the Vice President and CTO of the Company, serving as members. The ESG Committee shall assist the Board to comprehensively guide and monitor ESG management, formulate and regularly review ESG vision, objectives, strategies and policies, comprehensively monitor ESG risk management, material issues, progress of objectives and other related work, review the Company's annual ESG report, and complete other matters authorised by the Board.

Environmental, Social and Governance Working Group (ESG Working Group)

China Jinmao has set up an ESG Working Group under the ESG Committee, which is composed of the functional centre office of the Company's headquarters and the counterparties at the relevant departments of the subsidiaries. The working group comprehensively follows up and implements various ESG tasks.

Sustainable development management strategies

China Jinmao pays attention to the demands and expectations of major stakeholders such as shareholders, customers, environment, employees, partners and communities, establishes different communication channels, and always maintains good communication with stakeholders. Giving full play to its own advantages, the following sustainable development management strategies have been determined:

Creating value with shareholders

China Jinmao established sound investors' relations, strengthened the system to safeguard shareholders' interest and operated business in adherence to business ethics and in compliance with the laws and regulations while strengthening risk management and insisting on innovative development to maximise the returns to shareholders with sustainable operating results.

Sharing quality with customers

Committed to the mission of "Build Quality for Better Life", China Jinmao executed its undertaking towards each customer to provide customers with more diversified and comprehensive products and services in an effort to achieve the dream of future habitat and city.

Achieving win-win results with partners

In pursuit of achieving win-win results with partners, China Jinmao took a righteous and credible stance as the foundation of business and strove to achieve mutual benefits and win-win results through cooperation while safeguarding an open, fair and just marketing environment in an effort to build a win-win chain of sustainable development.

Progressing together with employees

China Jinmao regarded employees as the Company's most valuable asset and respects their rights while ensuring their safety and health, creating a fair and open environment for employees and providing them with comprehensive career development channels and broad development potential for their growth in an effort to achieve enhancement in both corporate value and employee value.

Building harmony with the community

As part of the community, China Jinmao actively participated in community development and contributed to the public welfare undertakings by upholding the development philosophy of "what is taken from society is used in society" to contribute to the building of a harmonious community.

Co-depending with the environment

Taking the green strategy as one of the Company's key strategies, China Jinmao continued to upgrade three areas namely "eco-city", "life building" and "zero-carbon operations" to build the "Ever Green" living model covering the whole process from design, construction to operation with a view to establishing itself as the model of city green operator in China.

Sustainable development management strategies

SUSTAINABLE DEVELOPMENT REVIEW

Creating excellent value for shareholders

The Company insists on innovative transformation by stimulating corporate vitality with reform to create value for shareholders. In 2021, the Company achieved contracted value of RMB235.6 billion, maintaining the Top 15 in the industry in terms of annual sales scale. The Company was honoured with the titles of 14th rank of "2021 China Top 100 Real Estate Developers", "2021 China Top 100 Real Estate Developers by Profitability Top 10", "2021 China Top 100 Real Estate Developers by Growth Top 10", "2021 China Top 100 Real Estate Developers by Financing Capabilities Top 10", "2021 China Real Estate Enterprises with Excellent Product Strength", etc.

Maintaining investor relations. Based on the trust and support of shareholders, we continue to improve the mechanism for protecting shareholders' rights and interests and broaden the communication channels for investors. We continue to strengthen communication and exchanges with stakeholders, and disclose updates on investment and operating condition to domestic and foreign investors as requested by the laws and regulations.

Enhancing investment and financing capabilities. We continuously explore the opportunity for financial innovation and constantly expand financing channels to achieve diversified low-cost financing and ensure long-term and stable profit mechanism. We make value investments with scenarios and carriers, and open up new models and paths for investment to lead to production and integration of production, investment and financing.

Strengthening risk control. We strictly uphold the three bottom lines of legal compliance, listing compliance and state-owned asset supervision and adhere to the principle of sound risk management. We build and upgrade a full-cycle and multi-dimensional risk control system to carry out risk management work covering the whole process of corporate governance and the entire cycle of project management, which improves the compliance awareness and competence of all employees, enhances management efficiency, reduces operational risks, and facilitates the stable operation of the Company. In 2021, 100% of the contracts were reviewed by legal specialists and no material risk event was identified.

Promoting anti-corruption and integrity. The Company strengthens the awareness of anti-corruption and integrity, improves the preventive measures and reporting channels, implements the main responsibility list, and clarifies the division of labour with regard to the task of anti-corruption. We make sure supervision and inspection work is carried out properly by organising education on anti-corruption as well as supervision and inspection on a regular basis, building a solid line of defence against corruption. A zero-tolerance policy is adopted for bribery and corruption of any forms. In 2021, no event of bribery nor corruption was identified.

Building the gold quality for our customers

The Company always takes "build quality for better life" as its mission, adheres to the philosophy that "customer's demand is our pursuit", and continues to think about and explore the direction of upgrading the future human living. Guided by the needs of customers, we continue to optimise product design, improve product quality and upgrade service experience to achieve the beauty of living and the beauty of the city with extraordinary quality.

Improving the quality of products. We are deeply engaged in city operations, integrating cutting-edge technologies and concepts such as smart city, smart energy and sponge city with cities. By 2021, we have implemented 33 city operation projects cumulatively, continuously empowering the progress of high-quality urbanisation with our leading resource integration capability and city planning experience. Adhering to the pursuit of quality, we strictly control the quality of projects, implement fine quality control throughout all stages of project delivery, continuously upgrade and implement the quality delivery guarantee mechanism, and deliver safe and healthy craftsmanship products to customers. As a pioneer of technological residence, we are committed to creating the high-value Jinmao Smart Community. Starting from the living experience of users, we have built the standard scenarios 6+X matrix system of Jinmao Smart Community (smart pedestrian flow, smart vehicle flow, smart security, smart environment, smart building, smart life, X scene). Jinmao Smart Community creates a more convenient, perceptible and warm living environment and builds a human-oriented and livable space through high-tech scenario touchpoints and technology systems with a high sense of experience.

Upgrading service experience. We are guided by customer needs, and on the basis of standardised management and services, we have been exploring the needs and characteristics of personalised and refined services to provide a more proactive, timely and caring service experience for our customers. By building the MOCO residential high-end service system, we provide our customers with personalised, customised and diversified services based on our deep insight into customer needs. With four characteristic and high-standard services, namely 4S houses, four-colour butlers, four-season museum and four-neighbourhood culture, we meet the needs of customers from basic guarantee to emotional recognition. By officially launching the five self-owned hotel brands and putting forward the new service concept of "from a guest to a host", we offer quality and customised services for the high-end brand hotel market to meet customers' needs for consumption upgrading and create service experience with a sense of technology and quality. Adhering to the brand concept of "coexisting with the city", the upgrade of the brand of Jinmao Mall of Splendor and the renewal and reopening of Nanjing Jinmao Mall of Splendor create a trendy, artistic and diversified social life gathering place for consumers, bringing rich experience and vitality to urban life.

Renewal and reopening of Nanjing Jinmao Mall of Splendor

Strengthening customer communication. We continue to strengthen the construction of customer service platform by enriching communication channels for customers. We improve the feedback mechanism for customer needs, listen to customers' voices through various channels and forms such as the 400 call centre system, Jinmao Luxuriance Platform, "Go Home" app, and in-depth interviews with owners. In 2021, Jinmao Luxuriance upgraded its official WeChat account to become a one-stop communication platform for property owners, with the addition of functions such as service revisiting, online surveys and satisfaction survey, deeply reaching customers in a more diversified and flexible manner. We also initiated the "Owners as Appraisal Officers" activity, inviting representatives of property owners to act as appraisal officers and visit the project site, check and sum up proposals, which were fully adopted, satisfying customer needs to the greatest extent.

Building harmonious neighbourhood for customers with abundant community activities and creating a better community life

Facilitating a win-win path for our partners

Upholding the principle of "co-creating our value with our partners in pursuit of win-win results", we actively entered into cooperation with governments, enterprises, financial institutions and research institutes at all levels to achieve diversified synergistic development, with a commitment to building a responsible supply chain and growing strong together with our suppliers. We continue to optimise the "linkage" resources expansion mechanism to integrate abundant industrial resources to expedite the sustainable development of the industry.

Implementing transparent procurement. We adhere to our principles of "eco-friendliness, openness, standardisation and intelligence" to ensure openness, fairness and equality of our tendering and procurement process with the transparent tendering and procurement platform. We endeavour to optimise the green supply chain database and green procurement management system and evaluate the performance of our suppliers on a regular basis with the aim of continuously improving their awareness of sustainable development and their ability to fulfill their responsibilities, so as to ensure the safe, healthy and sustainable development of our supply chain.

Innovating cooperation models. We continuously step up our exchange and cooperation with external resources, and have created the open platform for innovation J-SPEED. Through the tripartite cooperation of "industrial scenario party + technology enterprise party + resource coordination party", we have opened up abundant industrial scenarios, covering diversified innovation tracks to promote the integrated development of large, medium and small-sized enterprises while serving the city operation technology ecosystem. Under the national comprehensive innovation and development pattern, the Company actively fulfils its responsibilities as a state-owned enterprise by carrying out large-scale and in-depth cooperation, supporting the innovation and development of small and medium-sized enterprises, constantly connecting internal and external excellent innovation resources, expanding J-SPEED innovation community ecosystem, and accelerating the two-way empowerment of micro, small and medium-sized enterprises, with a view to release industry productivity with technology.

Facilitating cross-industry cooperation. Integrating our own advantageous resources and closely combining social development needs with the Company's strategic development, we continuously deepen our cooperation and exchanges with governments, scientific research institutions, financial institutions, enterprises and other related parties. In cooperation with industry partners such as Huawei, Ming Yuan Cloud, Beijing Science Construction Group, COPL, DeepTech, etc., we officially launched PropTech Link, a real estate technology alliance, with a view to continuously deepening the application scenarios of PropTech (property technology) and promoting the industry to accelerate the comprehensive digital transformation process. As of 2021, there were more than 1,450 active industrial resource partners.

China Jinmao, Huawei and other partners officially launched PropTech Link, a real estate technology alliance

Building a happy home for employees

Upholding our value of "people-oriented", the Company continuously improves its talent management mechanism to provide talent support and mechanism guarantee for the innovative transformation of the Company and to provide comprehensive career development channels and a broad development space for the growth of employees. We are committed to increasing the value of the Company and that of our employees simultaneously. In 2021, the Company won the "2021 China Real Estate Best Employer" award. As of 31 December 2021, the Company had a total of 12,825 employees, of which 34.9% were female and 23.5% managers were female.

Safeguarding employees' interests. Strictly abiding by the relevant international covenants as well as the relevant laws and regulations in the places where we operate, we continuously improve our employee management system, uphold the principles of equality and fairness in hiring and promoting our staff, eliminate discrimination and prohibit child labour and other forced and compulsory labour. We have strengthened the democratic management of our employees, and developed an institutional system for democratic management and supervision centred on the staff council system, aiming to continuously listen and respond to the demands of our employees.

Optimising the remuneration package. We have improved the remuneration and welfare system for our employees and set up a more fair and equal incentive scheme, further giving full play of the stimulating effect of the incentive system on business growth to ensure that employees' income grows in line with corporate development and employee performance. We also provide them with a wide range of benefits such as enterprise annuity, long service subsidies, bonus leave and supplementary medical insurance on top of the basic social insurances, aiming to enhance their happiness and sense of belonging to the Company.

Reinforcing safety responsibilities. We continue to improve our HSE organisation system and management system, and comprehensively promote the improvement of HSE management through HSE joint supervision, special investigation, team hidden danger management, seasonal guarantee and other measures. Targeting at "four zeros", we strengthen our pre-emptive measures to build a solid safety defence line. Through a series of activities such as the "Daily Clearance and Settlement", "Anti-terrorism and Anti-riot Special Investigation", "Extreme Weather HSE Inspection", "Hundred-day Safety Improvement" and "Winter Escort", we have deepened our employees' awareness on production safety with heightened HSE pre-emptive measures. In 2021, the Company actively promoted safety standardisation work and FORUS system construction. All subsidiaries completed the 3-star establishment of HSE, and several projects were awarded safety production standardisation certification and 3A construction site certification. Throughout the year, we achieved our "four zeros" target, i.e. HSE "zero" fatal incident, "zero" general and above environmental incident, "zero" major HSE negative public opinion, and "zero" new case of occupational disease.

Helping employees grow. We host a wide range of vocational trainings to ignite the vitality of our workforce and help our employees grow successful. We have built a multi-echelon training system, which serves to integrate internal and external resources of professional lecturers and offer personalised training courses to our employees that match our talent development needs, aiming to improve professional business capabilities of employees in a targeted manner. We carried out special training for talents such as "Jin Ge Students" and "Jin Ken Students", strengthened the competitiveness of resource management, and enhanced the talent echelon of city operation.

China Jinmao's "Jin Ge Students" special training for talents for bidding and procurement line

Strengthening care for employees. Guided by our corporate cultural values and closely combined with the actual production and operation of the Company, we organise diversified cultural and sports activities for our employees to help them maintain work-life balance. These activities include knowledge contests, themed festival and cultural events, employee birthday party, etc. Based on actual needs of different groups of employees, we provide them with personalised care and create a positive culture and atmosphere, enhancing the cohesion and combat power of employees.

Delivering boundless love for our community

Adhering to the mission of "alleviating poverty, actively participating in charity and building a harmonious community", the Company consolidates the effective connection between poverty alleviation achievements and rural revitalisation. We fulfil the social responsibilities of a state-owned enterprise by comprehensively developing various public welfare projects and actively practising public welfare undertakings in an innovative manner.

Improving public welfare management. We continue to pay more attention to public welfare management and increase the input and penetration of public welfare across the Company. Making full use of our resource advantages, we promote education support through public welfare and help the party building through poverty alleviation. By carefully arranging all-round public welfare projects and calling on management personnel at all levels and stakeholders to actively participate, we let the concepts of public welfare and sustainability deeply rooted in people's hearts and promote the close integration of public welfare and sustainable affairs, contributing more warmth and care to the society.

Focusing on education support. The Company attaches great importance to the assistance work in the areas we support. Adhering to the concept of "Dual Support for Intelligence and Ambition", we are committed to improving the education environment in rural areas where we continuously increase our input and effort. In 2021, the Company donated 4 "Dream Building Public Welfare Libraries (築夢公益圖書館)" to Pingshan County, Hebei and Aru Horqin Banner, Inner Mongolia. To date, the Company has already donated a total of 27 public welfare libraries to Tibet, Qinghai, Inner Mongolia, Sichuan, Guizhou and other places to change the fate of children with knowledge and education. We also organised the activity of "Building Dreams with Welfare – Donating a Book to Pass Love, Donating Books for Dachaidan in Qinghai Province (「益」起築夢 — 捐一本書，傳遞一份愛，為青海省大柴旦捐書)", during which nearly 1,600 property owners and employees of Jinmao donated more than 11,000 books to the youth in Dachaidan of Qinghai, sending knowledge and hope to the children. In addition, we continued to organise employees to participate in the one-on-one student assistance event "Dream Fulfilment Campaign (圓夢行動)", with 1,102 Jinmao employees actively contributed to help students in poverty-stricken areas realise their dreams to study.

"Dream Building Public Welfare Library" donated to Pingshan County, Hebei Province

Launching public welfare campaigns. Fully exploring our own resources and leveraging our professional advantages, we carry out charity activities and volunteer services. Subsidiaries at all levels join hands with local charity organisations extensively to form volunteer service teams with Jinmao characteristics, which carry out public welfare volunteer activities deep in the community to convey care and give back to the society with practical actions. The Company organised the "Nanfan Science and Technology City Cup (南繁科技城杯)" photography, calligraphy and painting public welfare contest, which donated proceeds from the charity sale of the participating works to Beijing Guangai School, and purchased living and learning supplies such as winter supplies and electronic teaching equipment for students to improve their learning and living environment. On the other hand, following rainstorms in Henan and Shanxi, the Company donated supplies and organised condolence activities to the affected areas and flood rescue units, and organised volunteers to assist the affected communities in transporting rescue supplies, so as to help the affected people tide over the difficulties and rebuild their homes as soon as possible.

Public welfare student assistance activity at Beijing Guangai School

Contributing green civilisation to the environment

The Company has always adhered to the strategy of "utmost green quality", and focused on "smart technology, green health" to concentrate on scientific research and innovation and improve green competitiveness. In 2021, the Company responded to the dual carbon goal, and built a "carbon neutrality" model for city operations of "people-oriented, two drivers, three dimensions and five scenarios":

- People-oriented: we adhered to the "people-oriented" approach to satisfy people's desire for a better life, mobilising resources from all walks of life to participate in emission reduction, and forming a long-lasting and common green lifestyle;
- Two drivers: driven by the leading green technology and smart technology, we realised the upgrade of diversified city space in a green and healthy way through the application of technological means to build a perceptible zero-carbon experience scenario and the creation of smarter urban space to live a low-carbon and environmentally friendly lifestyle;
- Three dimensions: by following three dimensions of ecological cities, life buildings and zero-carbon operations, we introduced the concept of carbon neutrality into our planning, creating advanced demonstration building projects of ultra-low energy consumption, zero energy consumption and production capacity while establishing a scientific and reasonable system for statistics, monitoring, audit and management of energy consumption and greenhouse gas emissions;
- Five scenarios: "zero-carbon" healthy living space, humanistic space for green display and promotion, scientific and innovative space for the incubation of new green technologies, green and low-carbon science popularisation and interactive charitable space, as well as ecology-themed space with territorial characteristics, which are used to create green and low-carbon scenarios and space.

Deepening green management. The Company strictly abides by the Environmental Protection Law of the People's Republic of China, the Environmental Impact Assessment Law of the People's Republic of China and other laws and regulations related to environmental protection, and implements the "Environmental Protection Management Guidelines of China Jinmao" to actively carry out environmental impact assessment and management. Management measures are taken to reduce dust pollution, noise pollution and solid waste pollution that may exist in our construction and operations, so as to reduce pollution from the source, improve the efficiency of resource utilisation, and reduce or avoid the generation and discharge of pollutants in the process of production, service and product use, with a view to reducing the harm of construction, operations and other processes on the health of our personnel and the environment.

Exploring green products. In 2021, China Jinmao continued to carry out product upgrading featured with green health and guided by smart technology. With a view to exploring technological hotel products, a technology showroom was constructed in The Ritz-Carlton Sanya Yalong Bay and opened for visit during the year, which verified the comfort of capillary air-conditioning in the southernmost climate zone in China. A full-floor technology hotel showroom of Nansha Marriott Hotel in Guangzhou was created by adopting industry-leading green and smart technologies such as capillary radiation, variable water temperature control, fresh air and variable air volume, particle damping and vibration noise reduction, and mmWave detection. In response to the national call of dual carbon and the digital transformation instructions of the Company, and adapting to the changes in the new needs of customers, we focused on the special research on the post-95s customer group, and created the Young era new life showroom laboratory to explore new life scenarios such as fully-electrified kitchen, magic changing table, Mini cabin and multi-screen era, constantly launching products.

Creating green buildings. We apply the concept of green, low-carbon and sustainability throughout the whole life cycle of architectural design, construction and operations. Actively advocating green design, promoting green construction and carrying out green operations, we proactively implement green environmental protection requirements at every stage of the entire life cycle of buildings, improving the energy-saving level of buildings to establish a model of green and healthy living. As the Company's first high-tech industrial park, Jinmao China-Europe Science and Technology Innovation Park follows the architectural design of green, healthy, intelligent and sustainable development, introduces the international advanced sponge city concept, practises the application of green technology and carbon neutrality management, and creates a complete green and sustainable ecological community, which has become the first industrial park in China to complete BREEAM certification. As of 2021, China Jinmao obtained a total of 262 green building certifications and labels, among which 37 were newly obtained in 2021. This shows that Jinmao products have persistently sought to meet and surpass high standards and quality with regard to green strategy.

Jinmao China-Europe Science and Technology Innovation Park becomes the first industrial park in China to complete BREEAM certification

Building ecological cities. Creating ecological cities according to local circumstances, we inject lasting power into the sustainable development of cities. The Company always adheres to the green development strategy and actively explores the creation of city operations carbon neutrality IP. Besides, we continue to increase investment in research and development of smart energy, actively promote exploration and practice in frontier areas, accelerate the layout of smart energy projects, and vigorously promote the use of clean energy and renewable energy, contributing to the green and low-carbon development of cities. In 2021, Jinmao Green Building obtained a 5A certificate of "Clean Heat Supply Services Certification". 75 energy stations at municipality, region and project level have been invested, constructed and operated, with a total energy supply area of approximately 40 million sq.m., expecting to reduce carbon emissions of over 380,000 tonnes per annum, equivalent to planting 21 million trees.

Spreading the green concept. In response to the national call for low-carbon environmental protection, the Company actively promotes the concept of green development and leads the green and low-carbon development of the industry. It participated in the "17th Conference on International Green and Energy-Efficient Building cum New Technologies and Products Expo" and held a sub-forum for China Jinmao's sustainable "zero-carbon" city operations around the theme of "Led by Technology, Empowered by Digital, Towards 'Carbon Neutrality'" to discuss the path of "carbon neutrality" with guests from the industry. In Qingdao, the Company held the "2021 China Jinmao Carbon Neutrality Conference cum Eastern Eden Sustainable Development Forum" to discuss the corporate strategic transformation and city sustainable development path under the vision of carbon neutrality with domestic and foreign experts. In order to deeply support the pilot project of green city development in Qingdao, the Company participated in the construction of the first carbon-inclusive APP for all people in Qingdao, encouraged and guided citizens to practise concepts such as low-carbon consumption, low-carbon travel and low-carbon life in everyday life, comprehensively promoting a green and healthy lifestyle.

Sub-forum for China Jinmao's sustainable "zero-carbon" city operations

Vision of green development. In time we shape the city and the future is full of possibilities. Up to the end of 2021, China Jinmao has applied advanced green and low-carbon concept in the design, construction and operation of more than 300 projects in 53 cities across China, achieving comprehensive green and low-carbon transformation in the city or region as a whole. The past is a prologue. In the journey of exploring green health and smart technology, China Jinmao, as the leading city operator in China, will set a "no limit" perpetual plan adhering to the principle of "In Science We Trust" to revive with more cities in search of a better tomorrow.

GREEN ACTIVITIES AND HONOURS

1. **Ranked No.1 in the List of Most Competitive Green Property Developers**

   In 2021, China Jinmao was again awarded the honour of "No.1 among the Most Competitive Green Property Developers in China". The ranking list was compiled by China Real Estate Business and the China City and Regional Governance Research Institute by adopting criteria from three dimensions, namely Green Development Capability (GDC), Green Operation Capability (GAC) and Green Social Contribution (GEC) with reference to factors such as green elements, green development scale, green revenue, standards of green products, green development potentials, green technology contribution and green awards, combined with the data accumulated by the research team over the years, media public opinion evaluation, opinions from professional committees, industry big data and other opinions. Comprehensive analysis and integrated evaluation were conducted on nearly 200 real estate developers and associated industries, and the results were released at the 22nd CIHAF.

2. **Participation in the 17th Conference on International Green and Energy-Efficient Building cum New Technologies and Products Expo**

   On 18 and 19 May 2021, the 17th Conference on International Green and Energy-Efficient Building cum New Technologies and Products Expo was held in Chengdu, which was jointly organised by the Chinese Society for Urban Studies, the municipal people's government of Chengdu, the US-China Green Fund, Green and Energy Efficient Building Professional Committee of the Chinese Society for Urban Studies and the Eco City Studies Professional Committee of the Chinese Society for Urban Studies. As a pioneer and leader in the green building industry in China, China Jinmao has many explorations and innovations on the road to green development over the years, and has been invited again to attend the Conference.

   At the opening ceremony of the Conference held on 18 May 2021, China Jinmao made a speech around the theme of "Operation with 'Zero Carbon', In Science We Trust", which introduced the green strategy and achievement of the Company, and proposed that under the new situation of dual carbon, we should adhere to "In Science We Trust" and carry out research and application of green and low-carbon technologies, achieving technological breakthroughs through innovation. On 19 May 2021, China Jinmao held a sub-forum for its sustainable "zero-carbon" city operations around the theme of "Led by Technology, Empowered by Digital, Towards 'Carbon Neutrality'", which introduced to the participants the Company's innovation strategy, green health and smart technology achievements and discussed with guests about the direction of green property development under the dual carbon goals.

At the New Technologies and Products Expo of the Conference, China Jinmao also strategically placed a showroom to demonstrate its green innovation strength to all the visitors. Jinmao's green building showroom set up two display spaces of "Green and Low-carbon Lifestyle" and "Healthy and Smart Lifestyle Experience" under the theme of the Conference and with two keywords "Green Health" and "Smart Technology" as the starting point.

As a pioneer for quality city, China Jinmao will continue to promote constructions of urbanisation in China through green development.

3. **Major award at the "China Real Estate Industry Trend Outlook cum the 22nd China International Real Estate & Architectural Technology Fair (CIHAF) for 2021"**

On 23 December 2021, the "China Real Estate Industry Trend Outlook cum the 22nd China International Real Estate & Architectural Technology Fair (CIHAF) for 2021" was held in Beijing, which was jointly organised by China Real Estate Business, the China City and Regional Governance Research Institute, Yobo Group and the CIHAF. More than 30 top experts from the government, commerce and academia gathered with elites from the first-tier enterprises in China to discuss with outstanding enterprises in the industry on how to cope with the changes in the real estate industry. The list of "2021 Top 20 Most Competitive Green Property Developers in China" was also announced. With continuous exploration and outstanding contribution in the field of green development, China Jinmao won the major award again in 2021, ranking No.1 among the most competitive green property developers. Since 2018, China Jinmao has been ranked in the top ranking for four consecutive years.

4. **China Jinmao Qingdao city operation carbon neutrality**

In 2021, China Jinmao organised a series of city operation carbon neutrality activities in Qingdao. This series of activities included carbon neutrality of projects, one platform and two activities. Carbon neutrality of projects: we carried out carbon emission audit for the construction period of Qingdao Eastern Eden and the operation period of China-Europe Science and Technology Innovation Park in 2021, and achieved carbon neutrality by cancelling China's verified voluntary emission reduction. One platform: the first "carbon inclusion" platform for Qingdao citizens was dedicated to quantifying multiple low-carbon behaviours such as green travel and remote payment. Through contribution of rights and interests, Qingdao citizens were encouraged to co-construct "carbon neutrality". Since the release of the platform, Qingdao citizens have actively participated and the daily active users reached 35,000 people. Two activities: on 22 July, we attended the Qingdao Green City Construction and Development Promotion Conference. The conference was attended by officials of the Ministry of Housing and Urban-Rural Development, provincial and municipal leaders, academicians and experts, and representatives from more than 20 provinces and cities. Jinmao participated in the conference as an enterprise representative and helped the conference achieve carbon neutrality. On 17 December, we organised an online carbon neutrality conference with the theme of "Greenland Qingdao, Explore the Future of Carbon" to conclude the carbon neutrality activities in Qingdao in 2021 and discuss the direction of low-carbon sustainable development, which attracted 350,000 online viewers, fully reflecting people's concern on green and low-carbon and the influence of China Jinmao's green brand.

5. **Attendance at the 2021 China Urban Renewal Innovation and Development Summit and delivery of a keynote speech**

On 23 April 2021, the "2021 China Urban Renewal Innovation and Development (Shenzhen) Summit cum the 14th Five-Year Plan and Urban Renewal Action" was held in Shenzhen, which was organised by the China Real Estate Association. The leaders of the Ministry of Housing and Urban-Rural Development and many heavyweight experts and scholars attended the event to discuss the topic of urban renewal and operations in the new era. During the summit, Mr. Tian Jiupo, the Vice President and CTO of China Jinmao, delivered a keynote speech entitled "Green Development, In Science We Trust, Operating the Future of Cities", which was well received by experts and guests.

Vice President Tian Jiupo introduced the city operation model of China Jinmao, highlighting on the sustainability of city operations and the necessity of attention to the harmonious coexistence of human and nature. At the time when the dual-carbon goal is put forward, China Jinmao upholds green development, and through scientific and technological innovation, achieves breakthroughs in low-carbon or even zero-carbon technology, thereby ensuring high-quality development of cities and high-quality life of people. All projects of China Jinmao will adopt more technological means to promote green development.

6. **China Jinmao's self-developed heat pump new product was launched at the China Refrigeration 2021, empowering low-carbon future by innovative technology**

From 7 to 9 April 2021, the 32th China Refrigeration was held at the Shanghai New International Expo Center. With the theme of "Strong Foundation, Quality First, Internal and External Synergy, Low-carbon Development", the exhibition was participated by more than 1,200 enterprises and institutions from 10 countries and regions. Both the exhibition scale and the number of exhibitors reached a record high, making it one of the largest professional exhibitions in the global refrigerating, air conditioning and heating industry.

Jinmao Green Building of China Jinmao participated in the China Refrigeration for the first time, which released and displayed two self-developed super heat pump systems, namely the "new heat source tower heat pump system (新型熱源塔熱泵系統)" and the "double turbine-type ultra-low-environmental temperature air source heat pump unit (雙級渦旋式超低環溫空氣源熱泵機組)". In particular, the double turbine compressor and heat pump are the first in China, and the self-developed compressor technology reaches an internationally leading level. The single-unit heat generation capacity of the heat pump unit reaches 790kW, which is currently the turbine-type air source heat pump unit with the largest single-unit heat generation capacity, adapting to the lowest environmental temperature, and with the highest energy efficiency and the highest water output temperature in China, filling the gap in the field of domestic large-scale and low-environmental temperature air source heat pump and attracting the attention of many scholars and experts in China.

7. **Participation in the 10th International Building Industrialisation of Construction Exhibition Asia**

On 24 March 2021, the 10th International Building Industrialisation of Construction Exhibition Asia was opened in the Shanghai Pudong New International Expo Center, and the 6th International Interior Prefabricated Decoration Exhibition Asia was successfully held during the same period. Leading enterprises and experts in the industrialisation of construction and interior prefabricated decoration industries gathered to discuss hot topics in the industrialisation of construction industry and the future of prefabricated fine decoration.

Zhou Huimin, the General Manager of J• Maker (金茂建築科技), was invited to give a speech to share the experience and views on the industrialisation of construction and interior prefabricated decoration. In the first year of the 14th Five-Year Plan, J•Maker will continue to focus on the development of construction industrialisation, and adhere to the concept of open cooperation by working with peers in the industry to explore new trends of industrial chain development. Assuming the responsibility as a state-owned enterprise to help the development of the industry, we act as a high-quality smart technology service provider for the prefabricated industrial chain.

8. **Attendance at the 4th China BIPV Conference winning two awards**

From 22 to 24 March 2021, the "4th China BIPV Industry-leading Innovation Forum cum Investment Promotion Conference" was held in Tongxiang, Zhejiang, which was co-organised by the China Photovoltaic Top Runner Innovation Forum, the China BIPV Alliance, the Shanghai Solar Energy Society and the Zhejiang Solar Energy Photovoltaic Industry Association. Jinmao Green Building was invited to attend the conference and won the "2020 PV Building Innovation Award", while Dr. Fang Zhenlei of Jinmao Green Building was honoured with the "2020 PV Building Leader Award".

9. **Participation in the compilation of national and industrial green intelligence protocols**

Participation in the compilation of 1 national protocol: Test Method for the Transmission Rate of Photovoltaic Glass Modules in Building (GB/T 40415-221).

Participation in the compilation of 4 industry group protocols: Materials and Equipment for Power Generation in BIPV, Testing Standards for Application System of BIPV, Intelligent Photovoltaic Cloud Platform – System Integration Plan, and Group Standards for Technical Requirements for Intelligent Renovation of Door Lock in Buildings.

10. Other honours in 2021

- China Jinmao won the 2021 China Low-carbon Real Estate Pioneer Award (iGreen.org).
- J•Maker was awarded the third prize of the 3rd Central Enterprises Yi Xing Innovation and Creativity Competition and the 2021 Scientific and Technological Innovation Enterprise by cnr.cn.
- Quietime (廈門環寂高科有限公司) won the championship in the energy conservation and environmental protection field and the first runner-up in the finals of the 10th "China Innovation and Entrepreneurship Competition" (Xiamen Division) cum the 7th "Egret Star" Innovation and Entrepreneurship Competition.
- Wuhan Fangdao Jinmao Smart Science City was awarded the 2021 Top Ten Benchmark Healthy Building Projects (iGreen.org).
- Qingdao Eastern Eden Project won the BREEAM China Innovative Award.
- Fangdao Jinmao Smart Science City Project was awarded the low-carbon demonstration pilot project in Wuhan.
- In 2021, Jinmao Green Building obtained 10 invention patents, 35 utility model patents, 11 appearance design patents and 1 software copyright in the field of green and smart technology, while J•Maker obtained 1 invention licence and 7 utility model patents in the field of prefabricated construction.

Profile of Directors and Senior Management

Mr. NING, who was born in November 1958, joined the Company in May 2016 as Chairman and Non-executive Director. Mr. Ning is currently a standing committee member of the 13th National Committee of the Chinese People's Political Consultative Conference. Mr. NING joined Sinochem Group Co., Ltd. in January 2016, and currently serves as the chairman of the board of directors of Sinochem Holdings Corporation Ltd., Sinochem Corporation and Sinochem Hong Kong (Group) Co., Ltd. He also serves as the chairman of the board of directors of Far East Horizon Limited (stock code: 03360). Mr. NING served as the chairman of the board of directors of Sinofert Holdings Limited (stock code: 00297) from March 2016 to December 2016. From October 1986 to December 2004, Mr. NING held various senior positions in China Resources (Holdings) Co., Ltd., including business manager and deputy general manager of enterprise development department, director and deputy general manager and vice chairman and general manager. Mr. NING served as the chairman of the board of directors of COFCO Corporation and director of its certain subsidiaries from December 2004 to January 2016. Mr. NING held various positions such as chairman of the board of directors of China Mengniu Dairy Company Limited (stock code: 02319) and non-executive director of China Foods Limited (stock code: 00506), China Agri-Industries Holdings Limited (stock code: 00606) and CPMC Holdings Limited (stock code: 00906) until February 2016. In addition, Mr. NING also served as an executive director of China Foods Limited until November 2013. Mr. NING was also an independent director of Huayuan Property Co., Ltd. (a company listed on the Shanghai Stock Exchange with stock code: 600743) until November 2014 and an independent non-executive director of BOC Hong Kong (Holdings) Limited (stock code: 02388) until October 2014. Mr. NING has over 30 years of experience in real estate development and investment, business management, capital market and discipline inspection and internal control. Mr. NING graduated from Shandong University in China with a bachelor's degree in Politics and Economics in 1983 and graduated from University of Pittsburgh in the United States with a master's degree in Business Administration in 1986. He was awarded the title of economist and senior international business engineer in 1987 and 2007, respectively. Mr. NING was a member of the 18th Central Commission for Discipline Inspection of the Communist Party of China (CPC) and a member of the "13th Five-Year Plan" National Development Planning Expert Panel. Currently, Mr. NING is a co-chairman of APEC Business Advisory Council (ABAC), chairman of APEC China Business Council, and an executive director of the International Chamber of Commerce (ICC). Mr. NING was awarded "CCTV China Economic Person of the Year" for three times, China's "Annual Top 25 Most Influential Business Leader Awards" by China Entrepreneur for 10 consecutive years, "China's Most Influential Business Leaders" by Fortune, "Asia Business Leader Awards" by CNBC, and "Asian Corporate Director" by Corporate Governance Asia. From 2007 to the present, Mr. NING has been a delegate of the 17th, 18th and 19th National Congress of the CPC respectively.

Mr. YANG, who was born in January 1964, joined the Company in February 2014 as a non-executive Director. Mr. YANG joined Sinochem Group Co., Ltd. in 1994 and had held various positions, including deputy general manager of the finance and accounting departments, general manager of the finance department, deputy general manager of the investment and development departments, general manager of the fund management department, deputy chief accountant of Sinochem Group Co., Ltd., and deputy chief financial officer of Sinochem Corporation. Since April 2021, Mr. YANG has been the chief accountant of Sinochem Holdings Corporation Ltd. and a director and chief financial officer of Sinochem Corporation. He also holds directorships and senior management positions in various subsidiaries and/or affiliates of Sinochem Holdings Corporation Ltd. Mr. YANG was a supervisor of China State Construction Engineering Corporation Limited (a company listed on the Shanghai Stock Exchange, stock code: 601668) from 2007 to 2010. Mr. YANG was a non-executive director of Sinofert Holdings Limited (stock code: 00297) from 2010 to 2020. Since October 2009, Mr. YANG has been a non-executive director of Far East Horizon Limited (of which Sinochem Group Co., Ltd. is a substantial shareholder, stock code: 03360). Mr. YANG has been a director of Sinochem International Corporation, a subsidiary of Sinochem Group Co., Ltd. (a company listed on the Shanghai Stock Exchange, stock code: 600500) since June 2010. Mr. YANG has over 20 years of experience in fund management. Mr. YANG worked at Siemens AG and Wella AG from 1993 to 1994. Mr. YANG graduated from Tianjin University of Commerce with a bachelor's degree in Commercial Enterprise Management in 1985. He pursued a study of enterprise management courses in University of Stuttgart in Germany from 1990 to 1993.

Mr. AN, who was born in July 1975, has been a non-executive Director of the Company since November 2015. Mr. AN joined New China Asset Management Corporation Limited in May 2010 and served successively as the deputy general manager of the project investment department (in charge of daily operations) and the general manager of the international business department. He has been an executive director and the president of New China Asset Management (Hong Kong) Limited since April 2013. Mr. AN has served as a non-executive Director of Guotai Junan Securities Co., Ltd. (stock code: 02611; a company also listed on Shanghai Stock Exchange, stock code: 601211) since December 2019. Prior to joining New China Asset Management Corporation Limited, Mr. AN had held various positions, including project manager, macro researcher and research analyst, in Northeast Securities Co., Ltd., The People's Insurance Company (Group) of China Limited and China Life Franklin Asset Management Company Limited. Mr. AN has over 15 years of practical experience in securities, insurance and investment sectors, and has mastered a general knowledge in macroeconomics, securities investment and real estate industries, and had in-depth research on corporate governance, development strategies, etc. Mr. AN obtained his bachelor's degree in Economics at Jilin University in 1998, and a master's degree in Economics at Jilin University in 2002, and then the doctor's degree in Economics at Jilin University in 2006. Mr. AN obtained the Securities Practitioner Qualification Certificate issued by the Securities Association of China and the license to carry on businesses including advising on securities and asset management granted by Securities and Futures Commission of Hong Kong.

Mr. CHENG, who was born in November 1973, has been a non-executive Director of the Company since August 2020. He joined the strategic planning department of Sinochem Group Co., Ltd. in August 1999. He served as an assistant to the general manager, the deputy general manager and the general manager of the strategic planning department of Sinochem Group Co., Ltd. from August 2002 to December 2016, the vice president of the agricultural business department of Sinochem Group Co., Ltd. from January 2017 to October 2018, and the managing director of Sinochem Agriculture Holdings Limited from October 2015 to October 2018. Mr. CHENG has been the deputy director of the human resources department of Sinochem Group Co., Ltd. since October 2018, and the executive vice president of Sinochem Innovation Management Institute (中化創新管理學院) since December 2018. He has been the director of the human resources department of Sinochem Holdings Corporation Ltd. and the executive vice president of Sinochem Innovation Management Research Institute (中化創新管理研修院) since April 2021. Mr. CHENG has also been a director of a number of subsidiaries of Sinochem Holdings Corporation Ltd., including China Foreign Economy and Trade Trust Co., Ltd. and Sinochem Capital Co., Ltd. since May 2012. Mr. CHENG has over 20 years of extensive experience in economic and trade, agricultural industry, corporate strategy and human resources management. Mr. CHENG obtained a bachelor's degree in international trade from the department of economics and trade of Anhui Institute of Finance and Trade in 1994, a master's degree in business economics from the department of economics and trade of Anhui Institute of Finance and Trade in 1996, a doctoral degree in applied economics from the department of finance and trade of the Graduate School of Chinese Academy of Social Sciences in 1999, and an executive master's degree in business administration from Xiamen University in 2008. Mr. CHENG is a senior economist, a Chinese certified public accountant (CPA) and a qualified lawyer in the PRC.

Mr. LIU, who was born in October 1972, has been a non-executive Director of the Company since March 2022. Mr. LIU joined Ping An Real Estate Company Limited in March 2015 and held various senior positions including the general manager of its Beijing office, the general manager of the commercial property department and the shopping mall department, and the deputy chief operating officer. He is currently the general manager of the asset management center of the commercial property and office department and the managing director of the asset management department. Prior to joining Ping An Real Estate Company Limited, Mr. LIU worked successively in various well-known real estate groups such as China Overseas Development Company Limited, Shenzhen Yitian Group Co., Ltd., COFCO Property (Group) Co., Ltd. and KWG Group Holdings Limited from 1995, and held various positions including project architect, head of design department and group vice president. Mr. LIU has been a non-executive director of Landsea Green Properties Co., Ltd. (stock code: 00106) since June 2021. Mr. LIU has over 25 years of experience in real estate design and development, management and operation. Mr. LIU obtained a bachelor's degree of urban planning from Tongji University in 1995 and a master's degree from Central Academy of Fine Arts in 2014.

Mr. LI, who was born in March 1971, joined the Company in April 2009 as Vice President. Mr. LI has been serving as an executive Director of the Company since June 2011 and an executive Director and the Chief Executive Officer of the Company since January 2013. Mr. LI also holds positions in a number of subsidiaries of the Company. He has been serving as a non-executive director of Jinmao (China) Hotel Investments and Management Limited (a company delisted from The Stock Exchange of Hong Kong Limited in October 2020, stock code before the delisting: 06139) and Jinmao (China) Investments Manager Limited since March 2014, and has been the chairman of the board of directors since April 2016. Mr. LI also has been serving as the chairman of the board of directors of Sinochem Franshion Properties (Beijing) Co., Ltd. and an executive director of Shanghai Jinmao Investment Management Group Co., Ltd. Mr. LI joined Sinochem Group Co., Ltd. in 1997, and had held various senior management positions in Shanghai Orient Terminal Co., Ltd. and Sinochem International Industrial Corp. From 2003 and prior to joining the Company, Mr. LI was a director and the general manager of Zhoushan State Oil Reserve Base Company Limited. Mr. LI has over 25 years of experience in strategy management, corporate governance, organisational construction, appraisal and analysis on project investment, project management and large project construction. Mr. LI obtained a bachelor's degree in Petroleum Geology and Exploration from the Petroleum Department of China University of Geosciences (Wuhan) in 1994. He earned a master's degree in Petroleum Development from the Research Institute of Petroleum Exploration & Development in 1997 and an Executive Master of Business Administration degree from China Europe International Business School (CEIBS) in 2007.

Mr. JIANG, who was born in April 1973, joined the Company in January 2006 as the Chief Financial Officer of the Company and has been involved in the day-to-day management of the Company since then. Mr. JIANG served as an executive Director of the Company from 2007 to 2011, and has been redesignated as an executive Director of the Company since August 2015. Mr. JIANG also holds positions in a number of subsidiaries of the Company, including a director and the general manager of Jinmao Capital Holding Limited, and a non-executive director of Jinmao (China) Hotel Investments and Management Limited (a company delisted from The Stock Exchange of Hong Kong Limited in October 2020, stock code before the delisting: 06139) and Jinmao (China) Investments Manager Limited, an non-executive director and the chairman of Jinmao Property Services Co., Limited (stock code: 00816). He is in charge of the direction and management of the Company's strategic operations, accounting and finance, capital market, investor relations and budget assessment. He joined Sinochem Group Co., Ltd. in August 1995 and worked in the finance department of Sinochem Group Co., Ltd. from 1995 to 2002. He was the Treasurer of Sinochem Hong Kong (Group) Company Limited from August 2002 to January 2006, responsible for handling the financial management and investment projects, and the operation of overseas funds of Sinochem Group Co., Ltd. Mr. JIANG has over 25 years of experience in corporate finance and accounting management. Mr. JIANG earned a bachelor's degree in finance from China Institute of Finance in 1995 and a master's degree in finance from Central University of Finance and Economics in 2003. He obtained the Accounting Qualification Certificate in 1999 and is now an associate member of the Association of International Accountants (AIA).

Mr. SONG, who was born in November 1975, joined the Company as the assistant to the president of the Company in May 2011 and became the vice president of the Company in January 2013. He has been serving as the senior vice president of the Company since March 2017, and has been an executive Director of the Company since August 2017. Mr. SONG also holds positions in a number of subsidiaries of the Company, including the director and the general manager of Sinochem Franshion Properties (Beijing) Co., Ltd. and Jin Mao Northern Enterprises Management (Tianjin) Company Limited (金茂北方企業管理(天津)有限公司). Mr. SONG joined Sinochem Group Co., Ltd. in 2001 and worked at the investment business department of Sinochem International Corporation, the investment department and general office of Sinochem Group Co., Ltd. Mr. SONG has over 20 years of experience in project investment, real estate development and corporate management. Mr. SONG obtained a bachelor's degree in high polymer materials and processing from the Beijing Institute of Technology in 1998 and a master's degree in materials from the Beijing Institute of Technology in 2001.

Mr. SU, who was born in September 1954, has been an independent non-executive Director of the Company since March 2007. He was an assistant professor in 1996 and subsequently an associate professor in the Department of Accountancy of City University of Hong Kong. He has joined China Europe International Business School (CEIBS) since July 2010 as a professor of accounting. His research focuses on corporate governance and auditing practices of PRC listed companies. He has also been appointed as the special researcher by the CICPA since 2005. He has given lectures at the China Securities Regulatory Commission, the Shanghai Stock Exchange, the Shenzhen Stock Exchange, major commercial banks and various universities in China. He was an independent director of World Union Property Consultancy (China) Limited (a company listed on the Shenzhen Stock Exchange, stock code: 002285) from 2007 to 2013, and an independent director of Huazhong In-vehicle Holdings Company Limited (stock code: 06830) from 2011 to 2013. From 2010 to 2016, he served as an independent director of Sundy Land Investment Co., Ltd. (a company listed on the Shanghai Stock Exchange, stock code: 600077). From 2011 to 2017, he served as an independent director of Shenzhen Ellassay Fashion Co., Ltd. (a company listed on the Shanghai Stock Exchange, stock code: 603808), and from 2014 to 2017, he served as a non-executive director of Jiangsu Changbao Steel Tube Co., Ltd. (a company listed on the Shenzhen Stock Exchange, stock code: 002478). Mr. SU has been serving as an independent director of Industrial Bank Co., Ltd. since 2017, an independent director of Opple Lighting Co., Ltd. (a company listed on the Shanghai Stock Exchange, stock code: 603515) and Fujian Sanmu Group Co., Ltd. (a company listed on the Shenzhen Stock Exchange, stock code: 000632) since June 2018, and an independent director of Oriental Pearl Media Co., Ltd. (a company listed on the Shanghai Stock Exchange, stock code: 600637) since May 2021. Mr. SU has over 25 years of experience in corporate governance and accounting practice. Mr. SU earned a bachelor's degree in Accounting from Xiamen University in 1982. He obtained his PhD degree from Concordia University of Canada in 1996.

Mr. SUEN, who was born in June 1958, has been an independent non-executive Director of the Company since November 2020. He has extensive experience in the enforcement of securities and futures related legislation as well as commercial crime investigations. Mr. SUEN had served with the Securities and Futures Commission of Hong Kong for more than 17 years. He is now a practicing barrister-at-law specializing in litigation and advisory matters in relation to the Securities and Futures Ordinance, the Codes on Takeovers and Mergers and Share Buy-backs, the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, the Code of Conduct for Persons Licensed by or Registered with the Securities and Futures Commission of Hong Kong, market misconduct, white collar crimes and anti-money laundering activities. Mr. SUEN has been an independent non-executive director of Sino-Ocean Group Holding Limited (stock code: 03377) since December 2015, and an independent non-executive director of Zijin Mining Group Co., Ltd. (stock code: 02899) since December 2019. Mr. SUEN has been appointed as an independent director of Inception Growth Acquisition Limited, a company listed on the NASDAQ Global Market since 9 December 2021 (stock code: IGTAU). Mr. SUEN received his master's degree in accountancy from the Charles Sturt University, Australia in September 1996. He further obtained a degree of juris doctor in July 2010 and a postgraduate certificate in laws in July 2011, both from the City University of Hong Kong. He was called to the Hong Kong Bar in February 2013. Mr. SUEN has been a member of the Hong Kong Institute of Certified Public Accountants since July 1998 and a member of the Hong Kong Securities and Investment Institute since April 1999.

Mr. GAO, who was born in March 1964, has been an independent non-executive Director of the Company since November 2015. Mr. GAO is currently an independent consultant of enterprise strategy and investment expansion in the real estate field. Mr. GAO served as an independent non-executive Director of the Company from July 2007 to June 2011. Mr. GAO worked for Jones Lang LaSalle Beijing from April 2003 to May 2008 and was a national director before departure. He served as the managing director for China of Standard Chartered Asia Real Estate Fund Management Company from June 2008 to September 2009. He was the managing director of Tishman Speyer Properties and the general manager of its Beijing branch from October 2009 to October 2015. Mr. GAO worked as a project manager, a senior business manager and a senior investment manager for several investment and project management companies in the UK, Hong Kong and Canada between 1996 and 2003. Mr. GAO has over 25 years of experience in real estate development and investment, real estate finance and asset management. Mr. GAO obtained a bachelor's degree in Civil Engineering and a master's degree in Building Economics and Management from Tsinghua University in 1987 and 1989, respectively. He obtained his PhD degree in Property Development and Management from the University of Manchester in the UK in 1998. Mr. GAO is a member of the Royal Institution of Chartered Surveyors and an assessor of its membership qualification.

Mr. ZHONG, who was born in February 1969, has been an independent non-executive Director of the Company since August 2020. Mr. ZHONG has been a professor of the department of finance of the Business School of Beijing Normal University since July 2003. Prior to that, Mr. ZHONG served as an assistant engineer at Wuxi Alarm Devices Factory from July 1990 to July 1992, a lecturer at the Business School of Jiangnan University from July 1994 to July 1997, and an associate professor of the Business School of Beijing Normal University between 1999 and 2003. Mr. ZHONG served as an independent director of Dongxing Securities Co., Ltd. (a company listed on the Shanghai Stock Exchange, stock code: 601198) from August 2010 to March 2017, and has been an independent non-executive director of China Resources Land Limited (stock code: 01109) since April 2017, an independent non-executive director of Seazen Group Limited (stock code: 01030) since December 2014, and an independent non-executive director of Yunnan Water Investment Co., Limited (stock code: 06839) since November 2020. Mr. ZHONG has over 20 years of experience in the areas of corporate governance, finance and real estate research. Mr. ZHONG obtained a bachelor's degree in science from the department of physics of Nanjing University in 1990, a master's degree in management engineering from the School of Economics and Management of Southeast University in 1994, a doctoral degree in economics from Beijing Normal University in 1999, and a post-doctoral degree in management science and engineering from Tongji University in 2004.

Mr. ZHANG, who was born in October 1970, has been a vice president of the Company since January 2010. From March 2014 to October 2017, he was redesignated as the chief executive officer and executive director of Jinmao Hotel and Jinmao (China) Hotel Investments and Management Limited (a company delisted from The Stock Exchange of Hong Kong Limited in October 2020, stock code before the delisting: 06139) and Jinmao (China) Investments Manager Limited, and he has been redesignated as a non-executive director of these companies since October 2017. Mr. ZHANG has served as the senior vice president of the Company since October 2017. Mr. ZHANG is currently a director of a number of subsidiaries of the Company including China Jin Mao (Group) Company Limited. Mr. ZHANG joined Sinochem Group Co., Ltd. in 2002 and held a number of senior positions including the general manager of Shanghai Orient Terminal Co., Ltd. Before joining Sinochem Group Co., Ltd., he worked at Shanghai Offshore Petroleum Bureau of China Petrochemical Corporation from 1995 to 2002. Mr. ZHANG has over 25 years of experience in large-scale project development and management, project investment planning and corporate governance. Mr. ZHANG graduated from China University of Geosciences (Wuhan) with a bachelor's degree in oil and gas reservoir engineering in June 1995 and obtained an executive master's degree in business administration from China Europe International Business School in September 2008. He obtained the Professional Certificate of Specialty and Technology and was awarded with the title of Senior Economist in December 2011. He was a delegate in the 14th Session of the Shanghai Municipal People's Congress.

Mr. TAO, who was born in October 1975, has been a vice president of the Company since January 2017 and a senior vice president of the Company since October 2017. Upon joining China Jin Mao (Group) Co., Ltd. in July 2000, Mr. TAO has served as the manager of planning management at the corporate planning department and the general manager of the strategic planning department. He successively served as the general manager of the strategic operations department, general manager of the cost contracting department and assistant to the president of the Company from October 2009. Mr. TAO currently serves as an executive director and chairman of a number of subsidiaries of the Company, including Jinmao (Shanghai) Real Estate Co., Ltd., Franshion Properties (Hangzhou) Co., Ltd., Franshion Properties (Ningbo) Co., Ltd. and Franshion Properties (Suzhou) Co., Ltd. Mr. TAO has more than 15 years of experience in hotel and real estate development and management, and accumulated extensive practical experience in areas of corporate management, strategic management, operations management, etc. Mr. TAO obtained a bachelor's degree in Information Management from Northeast Normal University in July 1997 and a master's degree in Economics from Fudan University in July 2000.

Mr. WEI, who was born in June 1970, has been a vice president of the Company since January 2017 and a senior vice president of the Company since October 2017. Upon joining the Company in October 2013, he served as an assistant to the president of the Company. He is currently the chairman, executive director and general manager of a number of subsidiaries of the Company, including Guangzhou Jinmao Properties Co., Ltd. and Foshan Maoxing Property Development Co., Ltd. Mr. WEI began his career in July 1991. He was the deputy secretary of the Youth League General Branch of the Design Review Office of Shaanxi Provincial Planning Commission from July 1991 to May 1995. He worked at China State Construction Engineering Corporation Limited from May 1995 to October 2013, during which he served as the architectural designer and the person-in-charge of project design of China Construction Northwest Design & Research Institute, senior architect of the planning and design centre of China Overseas Property Group Co., Ltd., director and deputy chief architect of China Overseas Property (Xi'an) Co., Ltd., deputy director of design of China Overseas Property Group Co., Ltd. (North China), and director and design director of China Overseas Property Chongqing Co., Ltd. He served as the general manager of China State Construction Land, Changsha Branch and general manager of Changsha CSC Investment Co., Ltd. from July 2011 to October 2013. Mr. WEI is a Grade-1 registered architect and has accumulated more than 20 years of extensive experience in design and real estate project development and management. Mr. WEI obtained a bachelor's degree in Architecture from North-western Institute of Architectural Engineering in July 1991.

Mr. LIU, who was born in March 1974, joined the Company in August 2015 as the secretary of the disciplinary committee, and has been a senior vice president of the Company since June 2021. Mr. LIU is currently the chairman of the board of directors of Shanghai Jin Mao Construction & Decoration Company Limited. From July 1997 to September 2002, Mr. LIU worked at Liaohe Oilfield Huayou Oil Company* (遼河油田華油公司) and successively served as staff member, technician and deputy plant manager. Mr. LIU joined Sinochem Group Co., Ltd. in July 2004 and has successively held various management positions in the human resources department of Sinochem Group, Sinochem Hebei Import & Export Company* (中化河北進出口公司), Sinochem Quanzhou Petrochemical Co., Ltd. and Sinochem Hongrun Petrochemical Co., Ltd.* (中化弘潤石油化工有限公司). Mr. LIU has extensive practical experience in strategic management, corporate operation and discipline inspection and supervision. Mr. LIU obtained a bachelor's degree in petroleum processing from Beijing Institute of Petrochemical Technology in July 1997 and a master's degree in business administration from Dalian University of Technology in July 2004.

Mr. LIAO, who was born in January 1968, has been the Chief Accountant, Qualified Accountant and Company Secretary of the Company since March 2007. Prior to joining the Company, he served as an accountant of SEA Holdings Limited between 1997 and 2006. He has over 20 years of experience in Hong Kong and PRC accounting practice relating to property leasing and development. Mr. LIAO earned a BA (Hons) degree in Accounting from De Montfort University, England in 1995. He is a fellow member of the Association of Chartered Certified Accountants and an associate member of the HKICPA.

CODE ON CORPORATE GOVERNANCE

Since its establishment, the Company has been committed to enhancing the level of its corporate governance. The Company has adopted its own code on corporate governance which sets out all code provisions and most of the recommended best practices set out in the Corporate Governance Code in Appendix 14 to the Listing Rules (the "Corporate Governance Code"). The Company will continue to improve its corporate governance practices, focusing on maintenance and enhancement of the management quality of the Board, internal control and high transparency to shareholders, so as to increase the confidence of shareholders in the Company. The Company believes that good corporate governance is crucial to maintaining its long-term healthy and sustainable development and is vital for the interests of its shareholders.

In 2021, the Company complied with all provisions of its own code on corporate governance, except for paragraphs F.2.2 of the Corporate Governance Code. Pursuant to the requirements of paragraph F.2.2 of the Corporate Governance Code, the chairman of the Board shall attend the annual general meeting. Mr. NING Gaoning, the Chairman of the Company, has not been able to attend the 2020 annual general meeting of the Company due to other business commitments. Mr. LI Congrui, an executive Director and the Chief Executive Officer of the Company, chaired the meeting on his behalf.

BOARD OF DIRECTORS

The Board is accountable to the shareholders and is responsible for the Group's overall strategy, internal control and risk management system. In order to fulfil its responsibilities, the Board has established and adhered to explicit operating policies and procedures, reporting hierarchy and delegated authority. The management is authorised to handle the daily operations of the Group.

The Board is responsible for managing the overall business of the Company and overseeing the functions performed by the subordinate special committees. In particular, the internal control practices are mainly reflected in the following areas:

- management and monitoring of the Group's assets, liabilities, revenues and expenditures as well as proposing changes in areas critical to the Group's performance;
- strategic capital investments and new projects – the implementation of stringent project review and approval process, purchasing and tendering procedures and diligent assessment of its implementation upon completion;
- financial and operational performance – through overall strategic planning, the implementation and maintenance of the effective financial management system and the improvement of the performance-driven operational monitoring system;
- management of relationship with stakeholders of the Company – through frequent communication with partners, governments, customers and other parties who have legal interests in the business of the Company;

- risk management – continuous risk management through review of the reports from the Audit and Risk Management Department to identify, evaluate and appropriately manage the risks faced by the Company; and

- corporate governance – formulation and review of the Company's corporate governance policies and practices; review and monitoring of the training and continuous professional development of Directors and senior management; review and monitoring of the Company's policies and practices in relation to compliance with laws and regulatory requirements; formulation, review and monitoring of the code of conduct for employees and Directors; as well as review of the Company's compliance with the Corporate Governance Code and disclosure in the Corporate Governance Report.

With respect to Board diversity, the Directors have different professional backgrounds, providing professional advice to the Company in their respective area of expertise. As of the date of this report, the Board consisted of the following twelve Directors. The term of office of each of the Directors is three years from their respective dates of appointment:

NON-EXECUTIVE DIRECTORS

Mr. NING Gaoning (Chairman)
Mr. YANG Lin
Mr. AN Hongjun
Mr. CHENG Yong
Mr. LIU Pengpeng

EXECUTIVE DIRECTORS

Mr. LI Congrui (Chief Executive Officer)
Mr. JIANG Nan (Chief Financial Officer)
Mr. SONG Liuyi (Senior Vice President)

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. SU Xijia
Mr. SUEN Man Tak
Mr. GAO Shibin
Mr. ZHONG Wei

Mr. SONG Liuyi, Mr. CHENG Yong, Mr. WANG Wei, Mr. SUEN Man Tak and Mr. ZHONG Wei were re-elected as the Directors of the Company at the annual general meeting held on 8 June 2021.

Mr. WANG Wei has resigned as a non-executive director and a member of the Remuneration and Nomination Committee of the Company due to his other business commitments with effect from 28 March 2022. Mr. WANG has confirmed that he has no disagreement with the Board and there are no matters relating to his resignation that need to be brought to the attention of the shareholders of the Company. On the same date, Mr. LIU Pengpeng has been appointed by the Board as a non-executive director and a member of the Remuneration and Nomination Committee.

As of the date of this report, the composition of the special committees under the Board of the Company is as follows:

Audit Committee: Mr. SU Xijia (Chairman), Mr. YANG Lin, Mr. AN Hongjun, Mr. SUEN Man Tak and Mr. GAO Shibin

Remuneration and Nomination Committee: Mr. ZHONG Wei (Chairman), Mr. SU Xijia, Mr. GAO Shibin, Mr. CHENG Yong and Mr. LIU Pengpeng

Strategy and Investment Committee: Mr. LI Congrui (Chairman), Mr. JIANG Nan, Mr. GAO Shibin and Mr. SONG Liuyi

Independent Board Committee: Mr. SU Xijia (Chairman), Mr. SUEN Man Tak, Mr. GAO Shibin and Mr. ZHONG Wei

ESG Committee: Mr. LI Congrui (Chairman), Mr. ZHONG Wei and Mr. TIAN Jiupo

Other than disclosed above, there was no change in the Company's Directors during the Period under Review and as at the date of this report.

Biographical details of the Directors are set out from pages 103 to 111 of this report. The Board members have no financial, business, family or other material/relevant relationships with each other. The Company has arranged appropriate insurance coverage in respect of potential legal actions against its Directors and reviews the coverage of the insurance every year.

The Board has a balanced composition. Each Director possesses the knowledge, experience and expertise required for the business operation and development of the Group. All Directors are aware that they are severally and collectively accountable to the shareholders. They also fulfil their duties and responsibilities diligently to make contribution to the outstanding results of the Group.

The current non-executive Directors are not involved in the Company's daily management but they provide the Company with a wide range of expertise and experience. Their participation in the Board and the committee meetings brings independent judgment on issues relating to the Company's strategies, performance, conflicts of interest and management procedures, to ensure that adequate checks and balances are provided and the interest of all shareholders are taken into account. The Board believes that the balance between executive and non-executive Directors is reasonable and appropriate to safeguard the interests of shareholders, other related parties and the Group.

As at the end of the Reporting Period and the date of this report, the Company has four independent non-executive Directors in compliance with the requirements that the number of independent non-executive directors shall account for at least one-third of the members of the board and at least one of them shall have appropriate financial management expertise. Each independent non-executive Director has confirmed his independence to the Company, and the Company is of the view that these Directors are independent of the Company under the guidelines set out in Rule 3.13 of the Listing Rules.

The Directors have access to appropriate business documents and information about the Company on a timely basis. The Directors have free access to the management for enquiries and further information when necessary. All Directors and the special committees under the Board also have recourse to external legal counsels and other professionals for independent advice at the Company's expense as and when the need arises.

The Directors actively participate in continuous professional development, develop and refresh their knowledge and skills to ensure that their contributions to the Board remain informed and relevant. During the Reporting Period, all Directors participated in trainings relating to the real estate industry and forums on the digital technology, economic development and their interrelations as well as other related topics. The Directors also participated in a number of external trainings and conferences, respectively. In particular, Mr. YANG Lin attended the "Training on Foreign-related Rule of Law of State-owned Enterprises" (中央企業涉外法治工作培訓) organised by the State-owned Assets Supervision and Administration Commission of the State Council, and read books such as It All Adds Up 《萬物皆數》, Development of Advanced Materials Industry in China 《中國新材料產業發展報告》, From Agriculture 1.0 to Agriculture 4.0 《從農業 1.0 到農業 4.0》 and Fundamentals of Chemical Engineering 《化工基礎》; Mr. CHENG Yong read books such as The Twilight of Corporation: Blockchain Thinking and Digitalized Incentives 《公司制的黃昏－區塊鏈思維與數字化激勵》, The Innovator's Field Guide: Market Tested Methods and Frameworks to Help You Meet Your Innovation Challenges 《創新路徑－經過市場驗證的創新方法和工具》, and The World from Geopolitical Perspective: Political Games in the Eurasian Hinterland 《地緣看世界－歐亞腹地的政治博弈》; Mr. WANG Wei attended various important meetings of real estate investment industry, including the "Urban Land Institute (ULI) Asia Pacific Summit", "ULI Annual Meeting", "ULI China Mainland Investment Summit" and "ULI China Mainland: CEO Forum"; Mr. JIANG Nan attended the trainings and meetings such as "Seminar on Revision of Regulations on the Qualification Administration of Real Estate Development Enterprises" (房地產開發企業資質管理規定修訂研討會), "Trainings on Digital Economy and Business Management Reform" (數字經濟與企業管理變革培訓), "Trainings on Taxations in Acquisition Transactions" (收購交易中的稅務考量培訓), "Trainings on Public REITS Development and Business Logic Analysis in Housing Rental Industry" (住房租賃行業公募REITS 發展及商業邏輯解析培訓), and "Seminar on Global Tax Structure" (全球稅務架構梳理討論會); Mr. SONG Liuyi attended trainings such as "CKGSB Dialogue Unlimited Supply: Economic Changes in the New Era" (長江大講堂 | 無限供給：新時代經濟大變局) organised by Cheung Kong Graduate School of Business; Mr. SUEN Man Tak attended the online meetings and trainings organised by the Hong Kong Securities and Investment Institute, KPMG, and The Hong Kong Institute of Directors on topics such as "Hong Kong Regulated Asset Class: from Cryptocurrencies to Virtual Assets", "Regulations of the SFC on Virtual Assets", "Recent Updates on the Listing Rules and Corporate Governance Code", and "The KPMG Forum"; Mr. GAO Shibin attended the online meetings or trainings organised by China Real Estate Club, Tsinghua University and China Industry Finance City Development Union (產融城聯盟) on topics such as "REIT Whole Process Operations and Trading Structure", "Financing Practices and Innovation for Real Estate Projects", "Real Estate Technology", "Analysis of Difficulties and Key Points of Urban Renewal and Old Town Renovation", "Real Estate Financing Innovative Mode", "Asset-light Transformation of Real Estate Enterprises", "Commercial Real Estate Financing and Securitisation", "Investment Attraction and Operation of Industrial Property" and "Real Estate Equity and Asset Merger and Acquisition Financing"; Mr. ZHONG Wei read books such as A Free Nation Deep in Debt: The Financial Roots of Democracy 《債務與國家的崛起》, The Age of Turbulence 《動盪時代》, How to Avoid a Climate Disaster: The Solutions We Have and the Breakthroughs We Need 《氣候經濟與人類未來》, Wealth, Poverty and Politics: An International Perspective 《財富、貧窮與政治》, and Crashed: How a Decade of Financial Crises Changed the World 《崩盤－全球金融危機如何重塑世界》.

BOARD MEETINGS

The Board holds meetings regularly to review the financial performance of the Company, significant issues and other matters that require decisions of the Board.

The Company has made proper arrangements to give all Directors the opportunity to present matters for discussion in the agenda of each Board meeting. All Directors are given the meeting agenda and relevant documents prior to each Board meeting.

The Board office of the Company assists in preparing agenda for Board meetings and ensures that all applicable rules and regulations regarding the meetings are followed.

Apart from the consent obtained through circulation of 11 written resolutions to all Board members, during the Period under Review, the Board held five meetings, during which the Directors considered and approved various matters, mainly including the 2020 annual report and the 2021 interim report of the Company, China Jinmao's 2020 Sustainable Development Report, Updates on the Power and Duties of Decision-making on New Projects Investment and Amendments to the Governance Code of the Strategy and Investment Committee, Authorisation of Domestic and Foreign Debt Financing for 2022, the listing of Jinmao Property Services Co., Limited, joint bidding with Guizhou Crystal Organic Chemical (Group) Co., Ltd. for the land parcel located in Guiyang and the related connected transactions, the framework agreement on capital inflow of shareholders of Shanghai Rongyu Real Estate Development Co., Ltd. and the connected transactions thereunder, and the renewal of the Property Lease Framework Agreement with Sinochem Holdings Corporation Ltd. and the Plan on Improvement of Corporate Governance and Implementation of the Board's Powers and Responsibilities. In addition, the Directors regularly review the relevant matters of corporate governance, including interpellating on the work reports and business plans of all departments of the Company's headquarters and member companies, review of the Company's compliance with the policies and practices on laws and regulatory requirements, training and continuous professional development of Directors and senior management, code of conduct for employees and Directors and the Company's compliance with the Corporate Governance Code. Meeting and resolution participation of each Director during 2021 is set out below:

Position	Name	Meeting attended in person	Meeting attendance rate	Total number of resolutions	Resolution participation rate
Non-executive Director	Mr. NING Gaoning	3/5	60%	14/14	100%
Non-executive Director	Mr. YANG Lin	3/5	60%	14/14	100%
Non-executive Director	Mr. AN Hongjun	3/5	60%	16/16	100%
Non-executive Director	Mr. CHENG Yong	3/5	60%	14/14	100%
Non-executive Director	Mr. WANG Wei	3/5	60%	15/15	100%
Executive Director	Mr. LI Congrui	5/5	100%	16/16	100%
Executive Director	Mr. JIANG Nan	5/5	100%	16/16	100%
Executive Director	Mr. SONG Liuyi	3/5	60%	16/16	100%
Independent non-executive Director	Mr. SU Xijia	2/5	40%	16/16	100%
Independent non-executive Director	Mr. SUEN Man Tak	3/5	60%	16/16	100%
Independent non-executive Director	Mr. GAO Shibin	3/5	60%	16/16	100%
Independent non-executive Director	Mr. ZHONG Wei	3/5	60%	16/16	100%

The Directors are given sufficient information both at meetings and at regular intervals so that they can maintain effective control over strategic, financial, operational, compliance and corporate governance issues. They also have unrestricted access to independent professional advice and the advice and services from the Company Secretary to ensure compliance with all procedures of the Board meetings. The Company Secretary keeps minutes of each meeting of the Board and the subordinate committees, which are available to all Directors for review at any time.

The Company continuously updates all Directors on the latest developments regarding the Listing Rules and other applicable regulatory requirements to ensure compliance with the requirements by the Directors, and to maintain good corporate governance practices.

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

The positions of Chairman and Chief Executive Officer of the Company are held by different persons.

Mr. NING Gaoning has been serving as a non-executive Director and the Chairman of the Company since 12 May 2016. Mr. LI Congrui was appointed as the Vice President of the Company in April 2009 and has been serving as an executive Director of the Company since 17 June 2011. He resigned as the Vice President of the Company and was redesignated as an executive Director and the Chief Executive Officer with effect from 16 January 2013.

There is a clear division of these two positions of Chairman and Chief Executive Officer of the Company to ensure a balanced distribution of power and authority. The Chairman of the Company is responsible for leading and supervising the operation of the Board and providing leadership to the Board in terms of formulating overall strategies, business directions and policies of the Company. The Chairman of the Company also makes effective plans for Board meetings and ensures that the Board acts in the best interests of the Company and its shareholders. The Chief Executive Officer of the Company is directly responsible for the management of daily operation of the Company, formulation and execution of policies of the Company, and is accountable to the Board for the overall operation of the Company. The Chief Executive Officer also advises the Board on any significant developments and issues.

RULES FOR NOMINATION, APPOINTMENT, RE-ELECTION AND REMOVAL OF DIRECTORS AND BOARD DIVERSITY

The Company has a set of formal, prudent and transparent procedures for the appointment and succession of Directors. According to the Articles of Association of the Company, a Director shall be appointed or removed by an ordinary resolution at the general meeting; the Board has the right to appoint any Director to fill a casual vacancy or appoint a new member to the Board, subject to re-election by the shareholders at the first annual general meeting immediately after the appointment. All Directors (including executive and non-executive Directors) of the Company are appointed for a term of three years. A Director may be re-elected at the general meeting after expiration of his/her term.

According to the Articles of Association of the Company, a Director shall be recommended by the Board or be nominated by any shareholder (other than the person to be nominated) of the Company who is entitled to exercise voting rights at a general meeting during the period from the date of despatch of the notice of the general meeting to 7 days before the date on which such general meeting is duly convened. The Remuneration and Nomination Committee of the Company will also provide advice to the Board in respect of the nomination. Qualifications and competence of the nominees should be taken into consideration during nomination.

To achieve sustainable and balanced development, the Company considers that having a diversified Board is crucial to fulfilling its strategic objectives and achieving sustainable development. In determining the composition of the Board, the Company seeks to achieve Board diversity through the consideration of a number of factors. All Board appointments will be based on meritocracy, and candidates will be considered against objective criteria, having due regard for the benefits of diversity on the Board. The selection of candidates by the Company is based on a number of criteria on diversity, including but not limited to gender, age, cultural and educational background, professional experience, skills, knowledge and length of service. The ultimate decision will be based on merit and contribution that the selected candidates will bring to the Board. During the Reporting Period, the Remuneration and Nomination Committee made recommendations to the Board with respect to the re-election of Directors having due regard for the above diversity requirements. The Board reviewed the current composition of Board diversity and confirmed that the members of the Board of the Company have diversified backgrounds, professional experience and skills, including property development and investment, corporate management, capital market, law, financial accounting and financial investment. The Board is committed to gender diversity of Board members. For future appointment and re-appointment, the Remuneration and Nomination Committee will also make recommendations to the Board with respect to the appointment of Directors according to the diversity policy of the Company so as to promote gender diversity of Board members, and appoint at least one Director of different gender by 31 December 2024 so as to achieve Board diversity and the best interests of shareholders as a whole on an ongoing basis.

The diversity of the Board is set out below:

Age	
40 – 49	5 persons
50 – 59	4 persons
60 or above	3 persons

Term of directorship	
5 years or less	5 persons
6 – 10 years	3 persons
more than 10 years	4 persons

Roles	
Executive Director	3 persons
Non-executive Director	5 persons
Independent non-executive Director	4 persons

RESPONSIBILITIES OF DIRECTORS

Each Director is required to keep abreast of his responsibilities as a Director and of the operation and business activities of the Company from time to time. Non-executive Directors have the same duties of care and skills as executive Directors.

The non-executive Directors of the Company have sufficient experience and talent and fully participate in the Board to fulfil the functions specified in the provisions C.1.2(a) to (d) of the Corporate Governance Code.

RESPONSIBILITY IN RESPECT OF THE FINANCIAL STATEMENTS

The Board is responsible for the preparation of financial statements of each financial year, which give a true and fair view of the operating results and financial status of the Company. In preparing the financial statements, the Directors of the Company have selected and applied appropriate accounting policies, and have made prudent and reasonable judgments.

The statement of the auditor of the Company about their reporting responsibilities on the financial statements is set out in the "Independent Auditor's Report" on page 165.

THE SPECIAL COMMITTEES UNDER THE BOARD

In order to review the specific matters, the Company has established five special committees under the Board, namely the Remuneration and Nomination Committee, the Audit Committee, the Independent Board Committee, ESG Committee and the Strategy and Investment Committee.

REMUNERATION AND NOMINATION COMMITTEE

During the Period under Review, the members of the Remuneration and Nomination Committee of the Company are Mr. ZHONG Wei, Mr. SU Xijia and Mr. GAO Shibin as independent non-executive Directors, and Mr. CHENG Yong and Mr. WANG Wei as non-executive Directors. Mr. WANG Wei has resigned as a member of the Remuneration and Nomination Committee of the Company on 28 March 2022, and Mr. LIU Pengpeng has been appointed as a member of the Remuneration and Nomination Committee of the Company with effect from the same day. As of the date of this report, the members of the Remuneration and Nomination Committee of the Company are Mr. ZHONG Wei, Mr. SU Xijia and Mr. GAO Shibin as independent non-executive Directors, and Mr. CHENG Yong and Mr. LIU Pengpeng as non-executive Directors. The chairman of the Remuneration and Nomination Committee is Mr. ZHONG Wei.

The functions of the Remuneration and Nomination Committee include:

– to review the size and composition of the Board at least annually based on the operation, scale of assets and shareholding structure of the Company, and make recommendations to the Board;

– to examine the standards and procedures for election of candidates for Directors and senior management and make recommendations; review the qualifications and abilities of candidates for directorship and management and make recommendations;

– to assess the independence of independent non-executive Directors;

– to make recommendations to the Board on the remuneration policies, share option/incentive schemes for Directors and senior management and on the establishment of formal and transparent procedures for developing such policies; and

– to determine, with delegated responsibility, the remuneration packages of all executive Directors and senior management; to review and approve the management's remuneration proposals with reference to the Board's corporate strategies, policies and objectives; and make recommendations in respect of the remuneration of the non-executive Directors to the Board.

The Remuneration and Nomination Committee may seek professional advice if necessary and will be provided with sufficient resources to perform its duties.

In 2021, the Remuneration and Nomination Committee's determination of remuneration packages and approval of incentive proposals included the following:

– assessed the performance of executive Directors;

– determined the remuneration packages of Directors and senior management based on the results performance of the Company and with reference to the market rates;

– nominated new candidates for senior management; and

– made recommendations to the Board with respect to the re-election of Directors according to the policies and procedures for nomination of Directors with due regards to election and recommendation criteria including gender, age, cultural and educational background, professional experience, skills and knowledge.

The Remuneration and Nomination Committee entered into 4 written resolutions in respect of the above matters in 2021. Resolution participation of each member is set out below:

Position	Name	Total number of resolutions	Resolution participation rate
Independent non-executive Director	Mr. ZHONG Wei	4/4	100%
Independent non-executive Director	Mr. SU Xijia	4/4	100%
Independent non-executive Director	Mr. GAO Shibin	4/4	100%
Non-executive Director	Mr. CHENG Yong	4/4	100%
Non-executive Director	Mr. WANG Wei	4/4	100%

THE AUDIT COMMITTEE

The Audit Committee of the Company is responsible for communicating with management and internal and external auditors, as well as reviewing and overseeing the Company's financial reporting and audit procedures jointly with them. During the Period under Review and as of the date of this report, the members of the Audit Committee are Mr. SU Xijia, Mr. SUEN Man Tak and Mr. GAO Shibin as independent non-executive Directors, and Mr. YANG Lin and Mr. AN Hongjun as non-executive Directors. The chairman of the Audit Committee is Mr. SU Xijia.

All members of the Audit Committee have financial backgrounds, which enable them to precisely assess the financial conditions, compliance and risk exposure of the Company, as well as to impartially perform their duties and responsibilities.

The functions of the Audit Committee include:

– to make recommendations to the Board on the appointment, re-appointment and removal of the external auditor, to approve the remuneration and terms of engagement of the external auditor, and to deal with any issues in respect of resignation or dismissal of the auditor;

– to discuss the nature and scope of the audit and the relevant reporting responsibilities with the external auditor before auditing, and to review and examine whether the external auditor is independent and objective and whether the audit procedures are effective according to applicable standards;

– to develop and implement policies on the engagement of external auditors for non-audit services, and report and make recommendations to the Board with respect to any actions to be taken or areas for improvement;

– to monitor the integrity of the Company's financial statements, reports and accounts, interim reports and quarterly reports (if any), and to review significant opinions regarding financial reporting contained therein, to consider any material matters or unusual matters that are reflected or are required to be reflected in such reports and accounts, and to consider any matters proposed by the person in charge of accounting and finance work, compliance officer or auditor of the Company as appropriate;

– to review the financial control of the Company and review the risk management and internal control system of the Company, to discuss the risk management and internal control system with the management to ensure that the management has performed its duties in establishing an effective system, and to examine the material investigation findings and the management's responses in respect of risk management and internal control matters;

– to ensure coordination between internal and external auditors, and to ensure that the internal audit function is adequately resourced and has appropriate standing within the Company, and to review and monitor its effectiveness;

– to review the Company's financial and accounting policies and practices, to review the external auditor's management letter, to timely respond to any queries raised by the management and the Board, and to report to the Board as and when necessary;

– to have the right to establish a system for direct reporting by employees of the Company, to conduct investigations on any abnormalities of the Company in the manner as it considers necessary and appropriate, and to report to the Board as and when necessary. The committee shall also have the right to direct the Company to make proper arrangements for such issues, including conducting fair and independent investigations and taking appropriate actions; and

– to act as the key representative body for overseeing the Company's relation with the external auditor.

In 2021, the financial reporting and control reviews undertaken by the Audit Committee included the following:

– reviewed the integrity and accuracy of the 2020 annual report, the 2021 interim report and formal announcements relating to the Group's financial performance;

– reviewed the 2021 work report and 2022 work plans for internal audit and internal control of the Company, confirmed the effectiveness of the internal audit and internal control functions, and carried out profound communication and discussion on strengthening the capacity building of internal audit teams, enhancing the application of big data and information technology, and conducting front-line work research; and

– reviewed the annual pre-audit results, profit forecast, audit strategies and significant issues for 2021.

The Audit Committee held three meetings in 2021. Resolution participation of each member is set out below:

Position	Name	Total number of resolutions	Resolution participation rate
Independent non-executive Director	Mr. SU Xijia	3/3	100%
Non-executive Director	Mr. YANG Lin	3/3	100%
Non-executive Director	Mr. AN Hongjun	3/3	100%
Independent non-executive Director	Mr. SUEN Man Tak	3/3	100%
Independent non-executive Director	Mr. GAO Shibin	3/3	100%

The chief financial officer, the deputy chief financial officer, the qualified accountant and the auditor of the Company attended all these meetings including the three meetings which reviewed the integrity and accuracy of the Company's 2020 annual report, 2021 interim report and formal announcements relating to the Group's financial performance.

INDEPENDENT BOARD COMMITTEE

During the Period under Review and as of the date of this report, the members of the Independent Board Committee of the Company are Mr. SU Xijia, Mr. SUEN Man Tak, Mr. GAO Shibin and Mr. ZHONG Wei. The chairman of the Independent Board Committee is Mr. SU Xijia. All members are independent non-executive Directors.

The functions of the Independent Board Committee include:

– to discuss whether to exercise the independent options granted by Sinochem Group to the Company pursuant to the Non-competition Undertaking dated 26 July 2007, and to discuss any business in connection with the Non-competition Undertaking or any redevelopment business in relation to the properties held by Sinochem Group, and any new business opportunities or property redevelopment opportunities of which the Company is notified by Sinochem Group in writing;

– to formulate and implement policies in relation to the appointment of an independent financial adviser or other professional advisers regarding the exercise of options and the pursuit of new business opportunities;

– for connected transactions and transactions subject to independent shareholders' approval under the Listing Rules, or spin-off listing arrangements subject to approval under the Listing Rules, to examine whether the terms thereunder are fair and reasonable, and in the interest of the Group and its shareholders as a whole, and to make recommendations to the Board; and

– to review continuing connected transactions every year and make confirmation in the annual reports and accounts of the Company.

The Independent Board Committee entered into two written resolutions in 2021. It considered the independent option over Shimao Investment as granted by Sinochem Group, and resolved not to exercise the option over Shimao Investment for the time being and to make relevant disclosure in the 2020 annual report and 2021 interim report; confirmed various continuing connected transactions of the Company in 2020. Resolution participation of each member is set out below:

Position	Name	Total number of resolutions	Resolution participation rate
Independent non-executive Director	Mr. SU Xijia	2/2	100%
Independent non-executive Director	Mr. SUEN Man Tak	2/2	100%
Independent non-executive Director	Mr. GAO Shibin	2/2	100%
Independent non-executive Director	Mr. ZHONG Wei	2/2	100%

STRATEGY AND INVESTMENT COMMITTEE

During the Period under Review and up to the date of this report, the members of the Strategy and Investment Committee of the Company are executive Directors Mr. LI Congrui, Mr. JIANG Nan, Mr. SONG Liuyi and independent non-executive Director Mr. GAO Shibin. The chairman of the Strategy and Investment Committee is Mr. LI Congrui.

The functions of the Strategy and Investment Committee include:

– to study and formulate the Company's growth strategies and investment performance standards, and supervise and monitor the management's execution of the Company's growth strategies; and

– to review the new project investment proposals submitted by the management according to the Company's growth strategies and investment performance standards.

The Strategy and Investment Committee entered into 63 written resolutions in 2021. It considered and approved 142 issues, including a number of city operations projects, cooperation with funds, equity acquisitions and disposals, etc. Resolution participation of each member is set out below:

Position	Name	Total number of resolutions	Resolution participation rate
Executive Director	Mr. LI Congrui	63/63	100%
Executive Director	Mr. JIANG Nan	63/63	100%
Executive Director	Mr. SONG Liuyi	63/63	100%
Independent non-executive Director	Mr. GAO Shibin	63/63	100%

ESG COMMITTEE

During the Period under Review and up to the date of this report, the members of the ESG Committee of the Company are Mr. LI Congrui, an executive Director, Mr. ZHONG Wei, an independent non-executive Director, and Mr. TIAN Jiupo, Vice President and CTO. The chairman of the ESG Committee is Mr. LI Congrui.

The functions of the ESG Committee include:

– Responsible for formulating and regularly reviewing the Company's ESG vision, objectives, strategies and policies;

– Responsible for monitoring the Company's ESG risk management, material issues, target progress, and communication with stakeholders; and

– to review the Company's annual ESG report for the Board's consideration, approval and disclosure.

The ESG Committee may seek professional advice if necessary and will be provided with sufficient resources to perform its duties.

The ESG Committee was only established under the authorization of the Board on 28 December 2021. Therefore, no meeting was held or matters were dealt with in 2021.

EXTERNAL AUDITOR

In 2021, the remuneration paid or payable to the Company's auditor, Ernst & Young, for the audit and non-audit services amounted to HK$22,738,000 and HK$4,254,000, respectively. The fees for audit services provided by Ernst & Young to the Group also include the listing related audit service fees of Jinmao Services. The fees for non-audit services provided by Ernst & Young to the Group were mainly in relation to the fees for the review services on the interim financial reports, the services on continuing connected transactions and other professional services.

INTERNAL CONTROL

The Board takes responsibilities for the risk management and internal control systems and is responsible for reviewing the effectiveness of such systems. In 2021, the Directors and the Audit Committee of the Company respectively listened to the special reporting on the Company's internal and external audit and the internal control work summary report, and continued to communicate directly with the personnel from the finance department, the internal audit department, the legal and compliance department and the strategic operations department with respect to key tasks including evaluating the effectiveness of the Company's risk management, operations and compliance management, financial management and internal control systems, and made specific guiding opinions and requirements.

The Company has in place comprehensive internal audit functions and, through its internal control department, conducts regular audits, including annual routine audit, departure audit and special audit where the scope of audits covers all aspects including the execution of the Group's internal regulations and procedures, finance, cost, tender and procurement, project quality, strategic operations, marketing, design, customer service and HSE management to prevent assets from inappropriate use. The Company also maintains proper accounts and ensures that relevant regulations are complied with. In 2021, the internal audit department of the Company carried out 3 routine audits, 1 off-office audit, 10 special audits and 38 training sessions. The above measures aim to manage but not eliminate relevant risks and the above measures can only provide reasonable but not absolute assurance to the achievement of business objectives.

The Company has formulated a complete system concerning risk identification, assessment and management, and constantly made amendments and updates to the system. Various departments at the headquarters are responsible for executing the professional risk assessment, management and monitoring procedures, including 164 management standards and 157 reference guidelines in 18 categories on integrated management, human resources management, strategic operation and management, financial management, fund management, investment management, industrial city management, design management, cost management, tender and procurement management, marketing management, customer relationship management, HSE management, quality management, audit and legal affairs management, innovative development management, party and masses management and discipline inspection management which comprehensively cover various risks associated with property related business and development of the Company. In 2021, among all procedures reviewed, managed and monitored by the headquarters of the Company, executive Directors gave 12,796 approvals in total, all of which were completed via the electronic online approval system.

The Company has in place a regulated, sound and effective internal control system. The headquarters of the Company is responsible for making annual amendments to the organisational structure, the accountability system and institutional documents on a rolling basis, and optimising the management hierarchy and approval procedures. It added 67 new institutional guideline documents, revised the institutional guideline documents 19 times and revised the terms of accountabilities 2 times in 2021. At the same time, it endeavours to strengthen the IT system development, enhance the process monitoring and risk management in the course of business execution, and continuously improve the internal control system. In addition to regular internal audit and inspection of the accountability system by the internal audit department of our headquarters to ensure that the internal control system of the Company is in smooth operation as a whole, all the companies under the Group also regularly implement self-examination of the internal control system as part of their routine internal control efforts. In addition, the routine control measures also include the following: i) professional committees comprising the senior management and the relevant persons-in-charge from the headquarters' functional departments of the Company are established by the Company to regularly review the management of internal controls of the Company, such as budget and assessment, operation, quality and safety, investment as well as customer research and services, and to report to the senior management, and to decide and account for the same. In 2021, the five professional committees of the Company convened 28 regular and ad hoc meetings to consider and approve the enhancement initiatives for the management of a number of professional line functions and the decisions on key achievements of projects; ii) evaluation of the Group's comprehensive operating results, strategic progress and performance is carried out by the strategic operations department of the headquarters on a quarterly, semi-annual and annual basis, the reports of which are subject to the collective review and approval by the management of the Company. The supervision list of key matters is distributed to the relevant subordinate units for implementation and rectification within a specified period. This forms an efficient internal control feedback mechanism of the Company. The internal control system of the Company fully covers the major matters of the Company's operations and high risk areas that draw close attention, such that any material risks and deficiencies can be evaluated, supplemented and rectified in a timely manner.

After careful evaluation, the Directors of the Company all consider that the Group's existing risk management and internal control system is effective and adequate.

INSIDE INFORMATION

The Company has taken prudent measures in handling inside information, for which the Company has formulated effective confidentiality systems and measures, such as the formulation of the "Board Meeting and Listing Compliance Management System of China Jinmao" (《中國金茂董事會會議及上市合規管理制度》), which provides that inside information shall be kept strictly confidential prior to public disclosure, among which the personnel who have access to inside information must ensure confidentiality of the information, and should not, in any manner, divulge the information of the Company to external parties without authorisation. Besides, consultants and intermediaries engaged by the Company shall enter into strict confidentiality agreements with the Company to ensure the inside information is properly handled. At the same time, to ensure the inside information is disclosed in a timely and proper manner, any matters that constitute inside information must be first reviewed by the compliance officers and investor relations officers of the Company and obtain consent from the relevant executive Directors before due disclosure.

COMPLIANCE WITH THE MODEL CODE

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") contained in Appendix 10 of the Listing Rules to regulate directors' securities transactions. Having made specific enquiries to all Directors, all Directors have confirmed that they have complied with the requirements set out in the Model Code for the year ended 31 December 2021.

All employees of the Group shall comply with the "Board Meeting and Listing Compliance Management System of China Jinmao" formulated by the Company with reference to the requirements set out in Appendix 10 of the Listing Rules in their dealings in the securities of the Company.

RIGHTS OF SHAREHOLDERS

Shareholders have the right to raise questions and make suggestions on the business of the Company. All shareholders shall have equal rights according to their respective shareholding and assume corresponding obligations. Shareholders are entitled to get access to and participate in the material matters of the Company as prescribed by laws, administrative regulations and the Articles of Association of the Company.

MOVING A RESOLUTION AT AN ANNUAL GENERAL MEETING

Pursuant to Section 615 of the Companies Ordinance (Chapter 622 of the Laws of Hong Kong), a shareholder may submit a written requisition to move a resolution at an annual general meeting if it has received requests that it do so from:

(a) the members of the Company representing at least 2.5% of the total voting rights of all the members who have a right to vote on the resolution at the annual general meeting to which the requests relate; or

(b) at least 50 members who have a right to vote on the resolution at the annual general meeting to which the the requests relate.

A request -

(a) may be sent to the Company in hard copy form or in electronic form;

(b) must identify the resolution of which notice is to be given;

(c) must be authenticated by the person or persons making it; and

(d) must be received by the Company not later than -

   (i) six weeks before the annual general meeting to which the requests relate; or

   (ii) if later, the time at which notice is given of that meeting.

PROPOSING A CANDIDATE FOR ELECTION AS A DIRECTOR

Pursuant to paragraph (2)(b) of Article 77 of the Articles of Association of the Company, if a shareholder wishes to propose a person other than a retiring Director for election as a Director at a general meeting, the shareholder should give the Company Secretary a written notice of his intention to propose a resolution for the appointment or reappointment of the person as a Director of the Company and a notice executed by that person of his willingness to be appointed or re-appointed, no earlier than the day after the despatch of the notice of the general meeting and no later than seven days prior to the date fixed for such general meeting.

CONVENING A GENERAL MEETING

Pursuant to Section 566 of the Companies Ordinance (Chapter 622 of the Laws of Hong Kong), a general meeting may be called upon if the company has received requests to do so from members of the company representing at least 5% of the total voting rights of all the members having a right to vote at general meetings.

(a) A request -

  (i) must state the general nature of the business to be dealt with at the meeting; and

  (ii) may include the text of a resolution that may properly be moved and is intended to be moved at the meeting;

(b) Requests may consist of several documents in like form; and

(c) A request -

  (i) may be sent to the Company in hard copy form or in electronic form; and

  (ii) must be authenticated by the person or persons making it.

SHAREHOLDERS' ENQUIRIES TO THE BOARD

Enquiries from shareholders to the Board may be directed to us by the means as stated in the section under "Corporate Information" in this report.

GENERAL MEETING

The Company maintains and facilitates exchange and communication between shareholders and the Board through a number of communication methods, including general meetings, announcements and circulars to shareholders.

The Company held an annual general meeting on 8 June 2021, which considered and approved the audited financial statements, the report of the Directors and the auditor's report for the year ended 31 December 2020; declared the final dividend for the year ended 31 December 2020; re-elected Mr. SONG Liuyi, Mr. CHENG Yong, Mr. WANG Wei, Mr. SUEN Man Tak and Mr. ZHONG Wei as Directors of the Company; authorised the Board of the Company to determine the remuneration of Directors of the Company; re-appointed Ernst & Young as the auditor of the Company and authorised the Board to determine its remuneration; and considered and approved the general mandate to issue shares and repurchase shares. Save for non-executive Directors Mr. NING Gaoning, Mr. YANG Lin, Mr. CHENG Yong and Mr. AN Hongjun who were unable to attend the meeting due to other business commitments, all of the remaining Directors attended the annual general meeting held on 8 June 2021.

The Board presents its report and the audited financial statements of the Group for the year ended 31 December 2021.

PRINCIPAL ACTIVITIES

The Company is an investment holding company, and the principal activities of its subsidiaries are focusing on city operations, property development, technology and services, commercial leasing, retail operations and hotel operations. Details of the subsidiaries of the Company are set out in note 4 to the financial statements.

BUSINESS REVIEW

For details of the business operations, future business development and major risks faced by the Company during the Reporting Period, please refer to the section headed "Chairman's Statement" from pages 8 to 13, and the section headed "Management Discussion and Analysis" from pages 16 to 80 in this report.

For details of the environmental policies and performance of the Company during the Reporting Period, please refer to the section headed "Sustainable Development" from pages 84 to 102 in this report.

For details of the material relationship between the Company and its employees, customers, suppliers and other persons of significant influence to the Company during the Reporting Period, please refer to the section headed "Sustainable Development"from pages 84 to 102 in this report.

The above discussion forms part of the Report of the Directors.

Taking into account the laws, regulations, policies and documents that have a material impact on the business of the Company, including but not limited to the "Civil Code of the People's Republic of China", the "Land Administration Law of the People's Republic of China", the "Urban Real Estate Administration Law of the People's Republic of China", the "Bidding Law of the People's Republic of China", the "Measures on the Administration of Sale of Commodity Houses", the "Company Law of the People's Republic of China" and foreign-invested related laws and regulations, as well as the documents issued by relevant government authorities from time to time including the State Administration of Foreign Exchange, the Ministry of Housing and Urban-Rural Development, the Ministry of Finance, the China Securities Regulatory Commission and the People's Bank of China (the "PBOC"), the Company confirmed that, during the Reporting Period, there were no circumstances of administrative punishments or inspections by relevant government authorities as a result of violation of laws, regulations, policies and documents that have a material impact on the business of the Company, and the Company and its subsidiaries were in compliance with all applicable laws and regulations. The Company has formulated the comprehensive administration standards and approval procedures for legal affairs and continued to revise them for improvement. In 2021, the Group reviewed and approved a total of 30,798 contracts according to the standardised procedures via the network office automation platform with a rate of 100% of the contracts reviewed by legal specialists, and avoided contract default risks through ongoing supervision of contract execution. In addition, in 2021, the Company organised 176 legal publicity trainings for employees, including professional trainings on urban operation project acquisition, listing compliance, engineering claims and counter-claims, and analysis of commercial housing dispute resolution; on the basis of the "Urban Operation and Risk Control Manual" issued in 2020, the Company supplemented new policies and case studies, and issued the "Legal Risk Manual for Daily Financing Business and ABS Financing Business" and the "Engineering and Customer Relations Compliance Management Guidelines", introducing the main risks that the Company should focus on in financing, engineering and customer relations and putting forward legal risk prevention and control suggestions, so as to ensure continuingly effective operation of the legal risk prevention and control system of the Company by making sure that the employees of the Company are aware of and in compliance with the relevant laws and regulations, related major risks and solutions when discharging their duties.

RESULTS AND DIVIDENDS

Details of the Group's results for the year ended 31 December 2021 are set out in the consolidated statement of profit or loss on page 172 of this report.

The dividend distribution policy of the Company is to distribute dividend to its shareholders when the Group records profit for a financial period. The dividend to be distributed to shareholders will be determined based on the profit attributable to owners of the parent (net of fair value of investment properties (net of deferred tax) and excluding the factor of impairment of properties) for that period, multiplied by a dividend distribution ratio of around 40%. In determining the specific dividend distribution ratio, the Board will take into account the financial performance, cash flow, paid special dividends (if any) and capital commitments, etc. of the Group.

On 24 August 2021, the Board resolved to make payment of an interim dividend of HK12 cents per share to the shareholders of the Company. The interim dividend was paid on 29 October 2021.

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

Upon authorization by shareholders, on 18 February 2022, the Board resolved to distribute 191,680,031 shares of Jinmao Property Services Co., Limited ("Jinmao Services") to the qualifying shareholders as a special dividend, conditional upon and contemporaneously with the global offering of the shares of Jinmao Services. Qualifying shareholders were entitled to one share of Jinmao Services for every 66.2 shares of the Company held on the record date (i.e. 23 February 2022). The special dividend was distributed on 10 March 2022.

SHARE CAPITAL AND SHARE OPTIONS

As at 31 December 2021, the total issued share capital of the Company was 12,688,342,090 ordinary shares.

Details of movement in the Company's share capital and share options in 2021 are set out in notes 38 and 39 to the financial statements, respectively.

Share Buyback

As stated in the next day disclosure returns of the Company dated 28 January 2021, 29 January 2021, 1 February 2021, 2 February 2021, 3 February 2021, 4 February 2021, 9 February 2021, 10 February 2021, 11 February 2021, 19 February 2021, and 1 March 2021 respectively, the Company bought back on the Hong Kong Stock Exchange a total of 51,602,000 shares of the Company, representing approximately 0.4381% of the total number of issued shares upon the passing of share buyback mandate at the annual general meeting, at a total consideration of HK$161,243,654.6 (excluding commission and other expenses). The monthly report of share repurchase is as follows:

Month of repurchase	Number of shares repurchased	Highest price paid per Share (HK$)	Lowest price paid per Share (HK$)	Aggregate price paid (HK$)
January 2021	18,262,000	3.06	2.99	55,385,406.6
February 2021	33,340,000	3.28	3.10	105,858,248.0

The Company believes that share buyback is in the best interests of the Company and the shareholders, and may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net asset value per share and/or earnings per share. The Company cancelled the above shares on 19 February 2021 and 1 March 2021, respectively.

RESERVES

Movements in reserves of the Company and of the Group in 2021 are set out in note 40 to the financial statements and in the consolidated statement of changes in equity, respectively.

DISTRIBUTABLE RESERVES

As at 31 December 2021, the Company's reserves available for distribution, calculated in accordance with the provisions of Sections 291, 297 and 299 of the Companies Ordinance (Chapter 622 of the Laws of Hong Kong), amounted to RMB378,522,000.

MAJOR CUSTOMERS AND SUPPLIERS

Sales to major customers and purchases from major suppliers of the Group in the Year are set out below:

	For the year ended 31 December 2021 Percentage of total turnover (%)
Five largest customers	6%
The largest customer	2%

	Percentage of total purchase (%)
Five largest suppliers	13%
The largest supplier	6%

The above five largest customers and suppliers of the Group are independent third parties. To the best knowledge of the Directors, none of the Directors of the Company or any of their close associates or any shareholders who own more than 5% of the Company's shares had any interest in the Group's five largest customers or five largest suppliers.

BANK AND OTHER BORROWINGS

Particulars of the bank and other borrowings of the Company and the Group as at 31 December 2021 are set out in note 34 to the financial statements.

CHARITABLE DONATIONS

During the Year, the subsidiaries of the Company in Shanghai, Wenzhou and other places donated a total of RMB3,482,531 for public welfare including school education, healthcare and targeted poverty alleviation.

PROPERTY, PLANT AND EQUIPMENT AND INVESTMENT PROPERTIES

Details of movement in the property, plant and equipment and investment properties of the Group during the Year are set out in notes 14 and 18 to the financial statements.

FINANCIAL SUMMARY

A summary of the published results and assets, liabilities and non-controlling interests of the Group for the last five financial years, as extracted from the audited financial statements and restated as appropriate, is set out on page 316 of this report. The summary does not form part of the audited financial statements.

DIRECTORS OF THE LISTED COMPANY AND ITS SUBSIDIARIES

During the Year and up to the date of this report, the Directors of the Company include:

Non-executive Directors

Mr. NING Gaoning
Mr. YANG Lin
Mr. AN Hongjun
Mr. CHENG Yong
Mr. WANG Wei (has resigned on 28 March 2022)
Mr. LIU Pengpeng (has been appointed on 28 March 2022)

Executive Directors

Mr. LI Congrui
Mr. JIANG Nan
Mr. SONG Liuyi

Independent non-executive Directors

Mr. SU Xijia
Mr. SUEN Man Tak
Mr. GAO Shibin
Mr. ZHONG Wei

During the Year and up to the date of this report, the list of directors of the Company's subsidiaries is published on the website of the Company at www.chinajinmao.cn.

DIRECTORS' SERVICE CONTRACTS

As at 31 December 2021, none of the Directors had a service contract with the Company or any of its subsidiaries which is not terminable within one year without payment of compensation other than statutory compensation.

SENIOR MANAGEMENT

Biographical details of the current senior management of the Company are set out on pages 103 to 111 of this report.

REMUNERATION OF DIRECTORS AND SENIOR MANAGEMENT

The Directors' remuneration is determined by reference to Directors' duties and responsibilities, individual performance and the results of the Group.

For the year ended 31 December 2021, the annual remuneration of 3 of the executive Directors and other members of senior management of the Company fell within the band of below HK$7.5 million and the annual remuneration of 5 of them fell within the band of above HK$7.5 million. Details of the remuneration of the Directors and senior management of the Company are set out in notes 9, 10 and 47 to the financial statements. There was no arrangement under which a Director waived or agreed to waive any remuneration during the Year.

DIRECTORS' (OR THEIR CONNECTED ENTITIES') INTEREST IN MATERIAL TRANSACTIONS, ARRANGEMENTS OR CONTRACTS

None of the Directors (or their connected entities) was materially interested, directly or indirectly, in any transactions, arrangements or contracts of significance entered into by the Company or its controlling shareholders or any of their respective subsidiaries as at 31 December 2021 or at any time during the Year. The Company did not provide any loan to any of the Directors or the management personnel of the Company during the Year.

DIRECTORS' RIGHTS TO SUBSCRIBE FOR SHARES

Save as disclosed in the section headed "Share Option Scheme" under the "Report of the Directors" in this report, no arrangements to which the Company or its controlling shareholders or any of their respective subsidiaries is a party, whose purposes are, or one of whose purposes is, to enable any Director to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate, subsisted as at 31 December 2021 or at any time during the Year.

PERMITTED INDEMNITY PROVISION

The Company has arranged appropriate insurance coverage in respect of legal actions against its Directors, which was in force during the Year and up to the date of this report.

CONTROLLING SHAREHOLDERS' INTEREST IN CONTRACTS

Sinochem Holdings is the ultimate controlling shareholder of the Company. The contracts of significance entered into between Sinochem Holdings or its subsidiaries and the Company or its subsidiaries are mainly agreements of connected transactions and continuing connected transactions conducted between them, as detailed in sections headed "Connected Transactions", "Continuing Connected Transactions" below.

Sinochem Group is a wholly-owned subsidiary of Sinochem Holdings and an indirect controlling shareholder of the Company. Details of the agreement of the Non-competition Undertaking entered into between Sinochem Group and the Company on 26 July 2007 are set out in "Compliance with Non-Competition Agreement" below.

COMPLIANCE WITH NON-COMPETITION AGREEMENT

Sinochem Group has provided a written confirmation stating that Sinochem Group and its subsidiaries (other than those which form part of the Group) complied with their obligations under the Non-competition Undertaking during 2021.

EMPLOYEES AND REMUNERATION POLICIES

For details regarding the employees and remuneration policies of the Group during the Year, please refer to the section headed "Sustainable Development" on pages 84 to 102 of this report.

RETIREMENT SCHEMES

The Group contributes on a monthly basis to various defined contribution retirement benefit schemes (the "Retirement Schemes") administrated and organised by the relevant municipal and provincial governments in the PRC. The municipal and provincial governments undertake to pay retirement benefits under the Retirement Schemes to employees when they retire, and the Group is not required to provide other post-retirement benefits to the employees, except for the contributions made under the Retirement Schemes.

The Group also participates in a mandatory provident fund scheme (the "MPF Scheme") required by the government of Hong Kong, which is a defined contribution retirement benefit scheme. Contributions to these schemes are expenses as incurred.

Neither the Retirement Schemes nor the MPF Scheme has any requirement concerning forfeited contributions.

Contributions to the retirement benefit schemes by the Group for the year ended 31 December 2021 were RMB279,127,000.

MANAGEMENT CONTRACT

No contract concerning the management and administration of the whole or any substantial part of the business of the Company was entered into or existed during the Year.

SHARE OPTION SCHEME

The Company adopted a share option scheme on 22 November 2007 (the "2007 Scheme"), which has expired on 21 November 2017. On 29 January 2019, the Company convened an extraordinary general meeting, and approved and adopted a new share option scheme (the "New Scheme"), the purpose of which is to enhance the commitment of the participants to the Company and encourage them to pursue the objectives of the Company.

According to the terms of the New Scheme, the Board shall at its absolute discretion grant to any participant a certain number of options at any time within 10 years after the approval date of the New Scheme. Participants, i.e. recipients of the options granted, include any existing executive or non-executive Directors of any member of the Group and any senior management, key technical and professional personnel, managers and employees of any member of the Group, but do not include any independent non-executive Directors of the Company.

The number of shares to be issued at any time upon exercise of all options granted under the New Scheme and other share option schemes of the Company shall not in aggregate exceed 10% of the then issued share capital of the Company. Accordingly, the Company may issue up to 1,155,352,832 shares to the participants under the New Scheme, representing 9.1% of the issued share capital of the Company as at the date of this report.

Unless an approval of shareholders is obtained at a general meeting, if the total number of shares issued and shares which may fall to be issued upon exercise of the share options (including exercised, cancelled and outstanding share options) granted under the New Scheme and any other share option schemes of the Company to a participant in any 12-month period in aggregate exceeds 1% of the issued share capital of the Company at any time, no further share options shall be granted to such participant. Upon acceptance of the grant, the grantee undertakes that he/she will, at the request of the Company, pay a consideration of HK$1 or equivalent (to be determined on the date when the offer of the grant is accepted) to the Company for acceptance of the offer of the grant of the share option.

More details of the 2007 Scheme and the New Scheme are set out in note 39 to the financial statements.

GRANT AND EXERCISE OF SHARE OPTIONS

On 17 October 2016, the Company granted 172,350,000 share options to eligible participants pursuant to the 2007 Scheme and the exercise price was HK$2.196 per share, being the average closing price per share as stated in the Hong Kong Stock Exchange's daily quotation sheet for the last five consecutive trading days prior to the date of grant. Such options shall vest after two years from the date of grant of the options at the earliest. The share options shall only vest if the pre-set performance targets of the Group, the division to which the grantee is a member and the individual grantees are achieved. Otherwise, the share options shall lapse.

On 6 September 2018, the Remuneration and Nomination Committee of the Board of the Company approved the release of lock-up restrictions on the grantees who fulfil the conditions on a pro rata basis of up to one-third of the share options granted by the Company on 17 October 2016 (where the percentage may decrease on a pro rata basis depending on the rating of the individual performance assessment of the grantees) according to the 2007 Scheme (the amendment to which was approved by the Board on 23 August 2012), results of performance assessment of the grantees and the "Explanation on the Fulfilment of Conditions of the First Batch of Share Options Granted by China Jinmao (2016) for the Third Time (based on the 2017 performance)" provided by the external independent professional advisor.

On 8 February 2019, the Company granted 265,950,000 share options to eligible participants pursuant to the New Scheme and the exercise price was HK$3.99 per share, being the closing price per share on the Hong Kong Stock Exchange on the date of grant. Such options shall vest after two years from the date of grant of the options at the earliest, and the exercise period shall not exceed seven years from the date of grant. The share options shall only vest if the pre-set performance targets of the Group, the division to which the grantee is a member and the individual grantees are achieved. Otherwise, the share options shall lapse.

On 26 August 2019, the Remuneration and Nomination Committee of the Board of the Company approved the release of lock-up restrictions on the grantees who fulfil the conditions on a pro rata basis of up to one-third of the share options granted by the Company on 17 October 2016 (where the percentage may decrease on a pro rata basis depending on the rating of the individual performance assessment of the grantees) according to the 2007 Scheme (the amendment to which was approved by the Board on 23 August 2012), results of performance assessment of the grantees and the "Explanation on the Fulfilment of Conditions of the Second Batch of Share Options Granted by China Jinmao (2016) for the Third Time (based on the 2018 performance)" provided by the external independent professional advisor.

On 9 September 2019, the Company granted in a total of 9,000,000 share options to Mr. LI Congrui, Mr. JIANG Nan and Mr. SONG Liuyi, the executive Directors of the Company, pursuant to the New Scheme and the exercise price was HK$4.58 per share, being the closing price per share on the Hong Kong Stock Exchange on the date of grant. Such options shall vest after two years from the date of grant of the options at the earliest, and the exercise period shall not exceed seven years from the date of grant. The share options shall only vest if the pre-set performance targets of the Group, the division to which the grantee is a member and the individual grantees are achieved. Otherwise, the share options shall lapse.

On 5 August 2020, the Remuneration and Nomination Committee of the Board of the Company approved the release of lock-up restrictions on the grantees who fulfil the conditions on a pro rata basis of up to one-third of the share options granted by the Company on 17 October 2016, 8 February 2019 and 9 September 2019, respectively (where the percentage may decrease on a pro rata basis depending on the rating of the individual performance assessment of the grantees) according to the 2007 Scheme (the amendment to which was approved by the Board on 23 August 2012) and the New Scheme, results of performance assessment of the grantees and the "Explanation on the Fulfilment of Conditions of the Third Batch of Share Options Granted by China Jinmao in 2016 (based on the 2019 performance) and Breakdown of the Release" and the "Explanation on the Fulfilment of Conditions of the First Batch of Share Options Granted by China Jinmao in 2019 (based on the 2019 performance) and Breakdown of the Release" provided by the external independent professional advisor.

The following share options were outstanding under the 2007 Scheme and New Scheme during the year ended 31 December 2021:

Name or category of grantees	Number of share options: As at 1 January 2021	Granted during the period	Exercised during the period	Cancelled during the period	Lapsed during the period	As at 31 December 2021	Date of grant of share options	Exercise period of share options (both days inclusive)	Exercise price of share options (HK$)	Closing price of the shares of the Company immediately preceding the grant date of share options (HK$)
Directors										
Mr. LI Congrui	500,000	–	–	–	–	500,000	17 October 2016	17 October 2018 to 16 October 2023	2.196	2.15
	500,000	–	–	–	–	500,000	17 October 2016	17 October 2019 to 16 October 2023	2.196	2.15
	500,000	–	–	–	–	500,000	17 October 2016	17 October 2020 to 16 October 2023	2.196	2.15
	1,000,000	–	–	–	–	1,000,000	9 September 2019	9 September 2021 to 8 September 2026	4.58	4.71
	1,000,000	–	–	–	–	1,000,000	9 September 2019	9 September 2022 to 8 September 2026	4.58	4.71
	1,000,000	–	–	–	–	1,000,000	9 September 2019	9 September 2023 to 8 September 2026	4.58	4.71
Mr. JIANG Nan	500,000	–	–	–	–	500,000	17 October 2016	17 October 2018 to 16 October 2023	2.196	2.15
	500,000	–	–	–	–	500,000	17 October 2016	17 October 2019 to 16 October 2023	2.196	2.15
	500,000	–	–	–	–	500,000	17 October 2016	17 October 2020 to 16 October 2023	2.196	2.15
	1,000,000	–	–	–	–	1,000,000	9 September 2019	9 September 2021 to 8 September 2026	4.58	4.71
	1,000,000	–	–	–	–	1,000,000	9 September 2019	9 September 2022 to 8 September 2026	4.58	4.71
	1,000,000	–	–	–	–	1,000,000	9 September 2019	9 September 2023 to 8 September 2026	4.58	4.71

	Number of share options									
Name or category of grantees	As at 1 January 2021	Granted during the period	Exercised during the period	Cancelled during the period	Lapsed during the period	As at 31 December 2021	Date of grant of share options	Exercise period of share options (both days inclusive)	Exercise price of share options (HK$)	Closing price of the shares of the Company immediately preceding the grant date of share options (HK$)
Mr. SONG Liuyi	500,000	–	–	–	–	500,000	17 October 2016	17 October 2018 to 16 October 2023	2.196	2.15
	500,000	–	–	–	–	500,000	17 October 2016	17 October 2019 to 16 October 2023	2.196	2.15
	500,000	–	–	–	–	500,000	17 October 2016	17 October 2020 to 16 October 2023	2.196	2.15
	1,000,000	–	–	–	–	1,000,000	9 September 2019	9 September 2021 to 8 September 2026	4.58	4.71
	1,000,000	–	–	–	–	1,000,000	9 September 2019	9 September 2022 to 8 September 2026	4.58	4.71
	1,000,000	–	–	–	–	1,000,000	9 September 2019	9 September 2023 to 8 September 2026	4.58	4.71
Sub total	4,500,000	–	–	–	–	4,500,000	17 October 2016	17 October 2018 to 16 October 2023	2.196	2.15
	9,000,000	–	–	–	–	9,000,000	9 September 2019	9 September 2021 to 8 September 2026	4.58	4.71
Employees in aggregate	3,958,800	–	(270,000)	–	–	3,688,800	17 October 2016	17 October 2018 to 16 October 2023	2.196	2.15
	24,299,200	–	(1,456,400)	–	–	22,842,800	17 October 2016	17 October 2019 to 16 October 2023	2.196	2.15
	40,411,200	–	(1,974,400)	–	–	38,436,800	17 October 2016	17 October 2020 to 16 October 2023	2.196	2.15
	84,444,000	–	–	–	(8,050,000)	76,394,000	8 February 2019	8 February 2021 to 7 February 2026	3.99	4.00
	84,444,000	–	–	–	(6,650,000)	77,794,000	8 February 2019	8 February 2022 to 7 February 2026	3.99	4.00
	84,462,000	–	–	–	(6,650,000)	77,812,000	8 February 2019	8 February 2023 to 7 February 2026	3.99	4.00

Name or category of grantees	As at 1 January 2021	Granted during the period	Exercised during the period	Cancelled during the period	Lapsed during the period	As at 31 December 2021	Date of grant of share options	Exercise period of share options (both days inclusive)	Exercise price of share options (HK$)	Closing price of the shares of the Company immediately preceding the grant date of share options (HK$)
	Number of share options									
Total	73,169,200	–	(3,700,800)	–	–	69,468,400	17 October 2016	17 October 2018 to 16 October 2023	2.196	2.15
	253,350,000	–	–	–	(21,350,000)	232,000,000	8 February 2019	8 February 2021 to 7 February 2026	3.99	4.00
	9,000,000	–	–	–	–	9,000,000	9 September 2019	9 September 2021 to 8 September 2026	4.58	4.71

DIRECTORS AND CHIEF EXECUTIVES' INTEREST IN SHARES OR UNDERLYING SHARES OF THE COMPANY AND ITS ASSOCIATED CORPORATIONS

Save as disclosed below, as at 31 December 2021, none of the Directors and chief executives of the Company had any interests and short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance ("SFO")) which were required to be notified to the Company and the Hong Kong Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO, or which were required, pursuant to section 352 of the SFO, to be recorded in the register referred to therein, or which were required, pursuant to the Model Code as set out in the Listing Rules, to be notified to the Company and the Hong Kong Stock Exchange.

Interest in the shares or underlying shares of the Company

Name	Capacity	Number of shares held	Number of underlying shares held (Note)	Approximate percentage of the issued share capital
Mr. LI Congrui	Beneficial owner	4,000,000(L)	4,500,000(L)	0.067%
Mr. JIANG Nan	Beneficial owner	3,600,000(L)	4,500,000(L)	0.064%
Mr. SONG Liuyi	Beneficial owner	3,000,000(L)	4,500,000(L)	0.059%

(L) Denotes long positions

Note: Represents the underlying shares subject to share options which are unlisted physically settled equity derivatives.

SUBSTANTIAL SHAREHOLDERS' INTEREST

So far as is known to the Directors of the Company, as at 31 December 2021, the following persons (other than the Directors or chief executives of the Company) had interest and short positions in the shares, or underlying shares of the Company which were required to be notified to the Company pursuant to Divisions 2 and 3 of Part XV of the SFO, or which were required, pursuant to section 336 of the SFO, to be recorded in the register referred to therein, or which had already been notified to the Company and the Hong Kong Stock Exchange:

Name of the substantial shareholder	Nature	Capacity/nature of Interest	Number of ordinary shares	Approximate percentage of the issued share capital
Sinochem Hong Kong (Group) Company Limited ("Sinochem Hong Kong")	Long position	Beneficial owner	4,476,188,025	35.28%
Sinochem Corporation	Long position	Interest of controlled corporation[Note 1]	4,476,188,025	35.28%
Sinochem Group	Long position	Interest of controlled corporation[Note 1]	4,476,188,025	35.28%
Sinochem Holdings	Long position	Interest of controlled corporation[Note 1]	4,476,188,025	35.28%
Ping An Life Insurance Company of China, Ltd. ("Ping An Life Insurance")	Long position	Beneficial owner	1,787,077,435	14.08%
Ping An Insurance (Group) Company of China, Ltd.	Long position	Interest of controlled corporation[Note 2]	1,790,061,831	14.11%
New China Life Insurance Company Ltd.	Long position	Beneficial owner	1,079,321,860	8.51%
	Long position	Interest of controlled corporation[Note 3]	14,000,000	0.11%
UBS Group AG	Long position	Interest of controlled corporation[Note 4]	772,531,280	6.09%

Note 1: Sinochem Holdings holds the entire equity interests in Sinochem Group, which in turn holds the entire equity interests in Sinochem Corporation, which in turn holds the entire equity interests in Sinochem Hong Kong. For the purpose of the SFO, Sinochem Holdings, Sinochem Group and Sinochem Corporation are all deemed to be interested in the shares beneficially owned by Sinochem Hong Kong.

Note 2: Ping An Insurance (Group) Company of China, Ltd. holds 99.51% equity interests in Ping An Life Insurance and the entire equity interests in Ping An of China Asset Management (Hong Kong) Company Limited. For the purpose of the SFO, Ping An Insurance (Group) Company of China, Ltd. is deemed to be interested in 1,787,077,435 shares beneficially owned by Ping An Life Insurance and 2,984,396 shares beneficially owned by Ping An of China Asset Management (Hong Kong) Company Limited.

Note 3: New China Life Insurance Company Ltd. is deemed to be interested in 14,000,000 shares beneficially owned by New China Capital Management Limited, a corporation indirectly controlled by New China Life Insurance Company Ltd.

Note 4: UBS Group AG is deemed to have interests in the shares of the Company held by UBS AG, UBS Switzerland AG, UBS Asset Management (Shanghai) Limited, UBS Asset Management (Americas) Inc., UBS Asset Management (Australia) Ltd, UBS Asset Management (Deutschland) GmbH, UBS Asset Management (Hong Kong) Ltd, UBS Asset Management (Singapore) Ltd, UBS Asset Management Life Ltd, UBS Asset Management Switzerland AG, UBS Asset Management Trust Company, UBS Asset Management (UK) Limited, UBS Fund Management (Luxembourg) S.A., UBS Fund Management (Switzerland) AG, and UBS O'Connor LLC, and such companies are subsidiaries of UBS Group AG. Among such long positions, 66 shares are cash settled and listed derivatives, and 8,699,076 shares are cash settled unlisted derivatives.

Note 5: On 6 August 2019, Sinochem Hong Kong delivered 1,787,077,435 shares to Ping An Life Insurance pursuant to a placing and subscription agreement dated 26 July 2019. Ping An Life Insurance is granted a pre-emptive right to off-market transfers and is thus deemed to be interested in 4,476,188,025 shares held by Sinochem Hong Kong by virtue of section 317 of the SFO, and Sinochem Hong Kong is deemed to be interested in 1,787,077,435 shares held by Ping An Life Insurance by virtue of section 317 of the SFO.

Save as disclosed above, as at 31 December 2021, the Directors of the Company were not aware of any person (other than the Directors or chief executives of the Company) who had interest or short positions in the shares and underlying shares of the Company which were required to be notified to the Company pursuant to Divisions 2 and 3 of Part XV of the SFO, or which were required, pursuant to section 336 of the SFO, to be recorded in the register referred to therein, or which had already been notified to the Company and the Hong Kong Stock Exchange.

CONTINUING CONNECTED TRANSACTIONS

During the Period under Review and up to the date of this report, the Company entered into non-exempt continuing connected transactions, including:

I. Continuing connected transactions exempt from the independent shareholders' approval requirement:

1 Framework lease agreement and supplemental agreement between the Company and Sinochem Group, and framework lease agreement between the Company and Sinochem Holdings;

2 Loan framework agreement between Franshion Properties (Hangzhou) Limited ("Hangzhou Properties"), Sky Power Properties Limited ("Sky Power Properties") and Sinochem Lantian Co., Ltd. ("Sinochem Lantian");

3 Loan framework agreement between Jinmao Investment (Changsha) Co., Ltd. ("Jinmao Changsha"), Shanghai Jinmao Economic Development Co., Ltd. ("Jinmao Development") and Changsha CSC Investment Co., Ltd. ("CSC Changsha");

4 Factoring service framework agreement between the Company and Sinochem Commercial Factoring Co., Ltd. ("Sinochem Factoring");

5 Loan framework agreement between Chongqing Xingqian Real Estate Co., Ltd. ("Xingqian Real Estate") and its direct and indirect shareholders (including the Company, Ping An Real Estate Company Limited ("Ping An Real Estate"), Jinmao Xinan Enterprise Management (Tianjin) Limited ("Jinmao Xinan", formerly known as Jinmao Xinan Enterprise Management (Chongqing) Limited), Fubao Investment Management Limited ("Fubao"), Step Fancy Investments Limited ("Step Fancy"), and Year Fine Limited ("Year Fine"));

6 Entrustment loan framework agreement between Ningbo Yingmao Properties Development Co., Ltd. ("Yingmao Properties"), Wide Sea Limited ("Wide Sea") and Shenzhen Pingjia Investment and Management Co., Ltd. ("Pingjia Investment");

7 Loan framework agreement between 12 project companies including Qingdao Fanghui Properties Co., Ltd. ("Qingdao 12 Project Companies"), Beijing Xingmao Properties Co., Ltd. ("Xingmao Properties"), Win Cheer Limited ("Win Cheer"), Tongxiang Haoji Properties Co., Ltd. ("Haoji Properties"), Tongxiang Haoqing Properties Co., Ltd. ("Haoqing Properties") and China Overseas Enterprise Development Group Co., Ltd. ("China Overseas Development");

8 Loan framework agreement between Shanghai Rongdi Real Estate Development Co., Ltd. ("Shanghai Rongdi"), Shanghai Rongyu Real Estate Development Co., Ltd. ("Shanghai Rongyu"), Jinmao Huadong Enterprises Management Co., Ltd. ("Jinmao Huadong", formerly known as Shanghai Maohuan Enterprise Management Co., Ltd.), Shenzhen Deli Enterprise Management Co., Ltd. ("Shenzhen Deli") and Rongqiao Group Co., Ltd. ("Rongqiao Group");

9 Cash pooling accession agreement between the Company, Sinochem Hong Kong and Bank Mendes Gans N.V. (the "Bank").

II. Continuing connected transactions approved or to be approved by independent shareholders:

10 Framework financial service agreement between the Company and Sinochem Finance Co., Ltd. ("Sinochem Finance");

11 Financial services framework agreement between the Company, Ping An Bank Co., Ltd. ("Ping An Bank"), China Ping An Trust Co., Ltd. ("Ping An Trust"), Shenzhen Qianhai Pingyu Commercial Factoring Co., Ltd. ("Pingyu Factoring"), Ping An Property & Casualty Insurance Company of China, Ltd. ("Ping An Property & Casualty"), Ping An Annuity Insurance Company of China, Ltd. ("Ping An Annuity"), Ping An Real Estate and Ping An Asset Management Co., Ltd. ("Ping An Asset Management").

For these continuing connected transactions, the Company confirms that it had complied with the requirements under Chapter 14A of the Listing Rules. During the Year, when conducting these continuing connected transactions, the Company had complied with the pricing policies and guidelines formulated when such transactions were entered into. Set out below is a summary of all these transactions:

I. CONTINUING CONNECTED TRANSACTIONS EXEMPT FROM THE INDEPENDENT SHAREHOLDERS' APPROVAL REQUIREMENT

1 Framework lease agreement and supplemental agreement between the Company and Sinochem Group, and the framework lease agreement between the Company and Sinochem Holdings

The Company and Sinochem Group entered into two framework lease agreements for lease of the relevant units in Beijing Chemsunny World Trade Centre, Sinochem Tower and Jin Mao Tower on 31 December 2008 and 31 July 2009, respectively (the "Original Framework Lease Agreements"). In order to streamline and optimise the regulation of the leasing relationship in respect of the relevant units in Beijing Chemsunny World Trade Centre, Sinochem Tower and Jin Mao Tower between the Company (and its subsidiaries) and Sinochem Group (and its associates), the Company entered into with Sinochem Group a comprehensive framework lease agreement (the "New Framework Lease Agreement") on 11 November 2011 in place of the two Original Framework Lease Agreements. The New Framework Lease Agreement was considered and approved by the independent shareholders of the Company at the extraordinary general meeting held on 22 December 2011. The New Framework Lease Agreement is valid for a term of ten years commencing from 1 January 2012. Pursuant to the New Framework Lease Agreement:

(1) The two Original Framework Lease Agreements shall be terminated on 31 December 2011 and the New Framework Lease Agreement shall take effect on 1 January 2012.

(2) Pursuant to the two Original Framework Lease Agreements, all the existing specific lease contracts in respect of the relevant units in Beijing Chemsunny World Trade Centre, Sinochem Tower in Beijing, China and the relevant units in Jin Mao Tower in Shanghai, China entered into between the Company (and its subsidiaries) and Sinochem Group (and its associates) respectively shall be included in and regulated by the New Framework Lease Agreement upon the termination of the Original Framework Lease Agreements.

(3) The rent under the New Framework Lease Agreement shall be determined based on the relevant specific lease contracts, which includes the property management fee of the relevant units and various miscellaneous expenses actually incurred, including but not limited to car park rental, car park management fee, car parking fee, water charge, electricity charge, gas charge, phone bill, overtime air-conditioning charge, maintenance fee and catering fee (if applicable). The rent shall be paid by lessees in accordance with the provisions of the specific lease contracts.

(4) On 21 December 2018, the annual caps (including rent, property management fee and other charges) prescribed by the Company for the three years ending 31 December 2021 with respect to the leased properties under the New Framework Lease Agreement would be RMB481.66 million, RMB526.85 million and RMB597.58 million, respectively.

On 18 December 2020, the Company entered into the supplemental agreement to the New Framework Lease Agreement ("the Supplemental Agreement") with Sinochem Group, pursuant to which the specific lease contracts entered into and to be entered into between the parties in respect of the relevant units of Royal International Mansion would be included in and regulated by the New Framework Lease Agreement. The term of the Supplemental Agreement commences from 18 December 2020 until the expiry date of the New Framework Lease Agreement. For the two years ending 31 December 2021, the annual caps for the rentals (including property management fee and other charges) in respect of lease of the relevant units of Royal International Mansion payable by Sinochem Group and its associates under the Supplemental Agreement were RMB23.01 million and RMB75.46 million, respectively.

On 16 September 2021, the Company was informed by the Sinochem Holdings that the strategic restructuring between Sinochem Group and ChemChina has been completed. ChemChina became an associate of Sinochem Group upon completion of the strategic restructuring and thus a connected person of the Company. Prior to ChemChina becoming a connected person of the Company, the Group and the subsidiaries of ChemChina had entered into a number of continuing transactions under the specific lease contracts, mainly involving the leasing of property units in Beijing Chemsunny World Trade Centre and Royal International Mansion by the subsidiaries of the Company to the subsidiaries of ChemChina, and such transactions have become continuing connected transactions of the Company under Chapter 14A of the Listing Rules upon completion of the strategic restructuring.

As the New Framework Lease Agreement and the Supplemental Agreement expired on 31 December 2021, on 28 December 2021, the Company entered into a framework lease agreement (the "Sinochem Framework Agreement") with Sinochem Holdings, the holding company of Sinochem Group and ChemChina, to streamline the leasing relationship between the Group and Sinochem Holdings and its associates in respect of the relevant units in Shanghai Jin Mao Tower, Sinochem Tower, Beijing Chemsunny World Trade Centre and Royal International Mansion. The Sinochem Framework Agreement is for a term of three years with effect from 1 January 2022. The annual caps for the rent, property management fees and other fees received by the Group in respect of the above leased properties under the Sinochem Framework Agreement for the three years ending 31 December 2024 are RMB582.25 million, RMB654.14 million and RMB733.45 million, respectively.

In 2021, details of the New Framework Lease Agreement, the Supplemental Agreement and the transactions contemplated under the specific lease contracts with ChemChina are as follows:

Connected person	Nature of transaction	Effective period	Currency	Transaction amount in 2021
1. Two subsidiaries of Sinochem Holdings Corporation Ltd.	Lease of relevant units in Jin Mao Tower from the Group		RMB	39,774,353
1A Manulife-Sinochem Life Insurance Co., Ltd.	Lease of relevant units in Jin Mao Tower from the Group	2017 to 2025	RMB	32,205,901
1B China Foreign Economy and Trade Co., Ltd.	Lease of relevant units in Jin Mao Tower from the Group	2019 to 2021	RMB	7,568,452
2. Sinochem Holdings Corporation Ltd. and its 20 subsidiaries	Lease of relevant units in Beijing Chemsunny World Trade Centre from the Group		RMB	275,942,691
2A Sinochem Corporation	Lease of relevant units in Beijing Chemsunny World Trade Centre from the Group	2019 to 2021	RMB	113,231,804
2B Sinochem Holdings Corporation Ltd.	Lease of relevant units in Beijing Chemsunny World Trade Centre from the Group	2019 to 2021	RMB	8,637,032
2C China Foreign Economy and Trade Co., Ltd.	Lease of relevant units in Beijing Chemsunny World Trade Centre from the Group	2019 to 2021	RMB	39,395,302
2D China National Seed Group Corp.	Lease of relevant units in Beijing Chemsunny World Trade Centre from the Group	2019 to 2021	RMB	832,083
2E Sinochem Insurance Brokers (Beijing) Co., Ltd.	Lease of relevant units in Beijing Chemsunny World Trade Centre from the Group	2019 to 2021	RMB	9,753
2F Sinochem Fertilizer Company Limited	Lease of relevant units in Beijing Chemsunny World Trade Centre from the Group	2019 to 2021	RMB	2,660,095
2G Sinochem Finance Co., Ltd.	Lease of relevant units in Beijing Chemsunny World Trade Centre from the Group	2019 to 2021	RMB	15,392,751
2H Sinochem Juyuan Enterprises Management (Beijing) Co., Ltd.	Lease of relevant units in Beijing Chemsunny World Trade Centre from the Group	2019 to 2021	RMB	3,332,176
2I Sinochem Energy Corporation Co., Ltd.	Lease of relevant units in Beijing Chemsunny World Trade Centre from the Group	2019 to 2021	RMB	21,389,051
2J Sinochem Commercial Factoring Co., Ltd.	Lease of relevant units in Beijing Chemsunny World Trade Centre from the Group	2019 to 2021	RMB	2,913,976
2K Sinochem Petroleum Exploration and Production Co., Ltd.	Lease of relevant units in Beijing Chemsunny World Trade Centre from the Group	2019 to 2021	RMB	10,520,202
2L Sinochem Petroleum Sales Co., Ltd.	Lease of relevant units in Beijing Chemsunny World Trade Centre from the Group	2019 to 2021	RMB	3,343,875
2M Sinochem Oil Co., Ltd.	Lease of relevant units in Beijing Chemsunny World Trade Centre from the Group	2019 to 2021	RMB	11,749,258
2N Sinochem Agriculture Holdings Co., Ltd.	Lease of relevant units in Beijing Chemsunny World Trade Centre from the Group	2019 to 2021	RMB	1,964,564
2O Sinochem Information and Technology Co., Ltd.	Lease of relevant units in Beijing Chemsunny World Trade Centre from the Group	2019 to 2021	RMB	5,369,501

Connected person	Nature of transaction	Effective period	Currency	Transaction amount in 2021
2P Sinochem Capital Co., Ltd., Beijing Branch	Lease of relevant units in Beijing Chemsunny World Trade Centre from the Group	2019 to 2021	RMB	8,805,221
2Q Sinochem Asset Management Co., Ltd.	Lease of relevant units in Beijing Chemsunny World Trade Centre from the Group	2019 to 2021	RMB	10,594,568
2R ChemChina Finance Corporation	Lease of relevant units in Beijing Chemsunny World Trade Centre from the Group	2019 to 2021	RMB	614,288
2S Sinochem Energy Logistics Co., Ltd.	Lease of relevant units in Beijing Chemsunny World Trade Centre from the Group	2019 to 2021	RMB	5,549,439
2T Far Eastern Leasing Co., Ltd.	Lease of relevant units in Beijing Chemsunny World Trade Centre from the Group	2019 to 2021	RMB	8,729,600
2U Syngenta Group Co., Ltd.	Lease of relevant units in Beijing Chemsunny World Trade Centre from the Group	2021 to 2021	RMB	908,152
3. 16 subsidiaries of Sinochem Holdings Corporation Ltd.	Lease of relevant units in Sinochem Tower from the Group		RMB	55,627,388
3A Sinochem Corporation	Lease of relevant units in Sinochem Tower from the Group	2019 to 2022	RMB	3,499,839
3B Beijing Sinochem Jinqiao Trade Co., Ltd.	Lease of relevant units in Sinochem Tower from the Group	2019 to 2022	RMB	196,431
3C China Foreign Economy and Trade Co., Ltd.	Lease of relevant units in Sinochem Tower from the Group	2019 to 2022	RMB	12,655,572
3D Manulife-Sinochem Life Insurance Co., Ltd., Beijing Branch	Lease of relevant units in Sinochem Tower from the Group	2019 to 2022	RMB	3,971,214
3E Sinochem International (Holdings) Co., Ltd., Beijing Branch	Lease of relevant units in Sinochem Tower from the Group	2019 to 2022	RMB	3,861,179
3F Sinochem Commerce Co., Ltd.	Lease of relevant units in Sinochem Tower from the Group	2019 to 2022	RMB	13,659,895
3G Sinochem Environment Holdings Co., Ltd.	Lease of relevant units in Sinochem Tower from the Group	2019 to 2022	RMB	1,256,129
3H Sinochem Juyuan Enterprises Management (Beijing) Co., Ltd.	Lease of relevant units in Sinochem Tower from the Group	2019 to 2021	RMB	20,903
3I Sinochem Plastics Co., Ltd.	Lease of relevant units in Sinochem Tower from the Group	2019 to 2021	RMB	10,510,994
3J Sinochem Agriculture Holdings Co., Ltd.	Lease of relevant units in Sinochem Tower from the Group	2019 to 2021	RMB	342,121
3K Sinochem Information and Technology Co., Ltd.	Lease of relevant units in Sinochem Tower from the Group	2019 to 2021	RMB	1,599,337
3L Sinochem Asset Management Co. Ltd.	Lease of relevant units in Sinochem Tower from the Group	2019 to 2021	RMB	3,374,440
3M Sinochem Energy Corporation Co., Ltd.	Lease of relevant units in Sinochem Tower from the Group	2019 to 2021	RMB	10,971

Connected person	Nature of transaction	Effective period	Currency	Transaction amount in 2021
3N Sinochem Baoli Commercial Services Co., Ltd.	Lease of relevant units in Sinochem Tower from the Group	2019 to 2021	RMB	36,595
3O Beijing Jili Petroleum Products Service Co., Ltd.	Lease of relevant units in Sinochem Tower from the Group	2019 to 2021	RMB	172,668
3P Sinochem Pharmaceutical Co., Ltd.	Lease of relevant units in Sinochem Tower from the Group	2019 to 2021	RMB	459,100
4. 12 subsidiaries of Sinochem Holdings Corporation Ltd.	Lease of relevant units in Royal International Mansion from the Group		RMB	37,998,214
4A Sinochem Refined Oil Commerce Co., Ltd.	Lease of relevant units in Royal International Mansion from the Group	2020 to 2021	RMB	387,048
4B Sinochem Petroleum Sales Co., Ltd.	Lease of relevant units in Royal International Mansion from the Group	2020 to 2021	RMB	10,647,697
4C Sinochem Energy and Technology Co., Ltd.	Lease of relevant units in Royal International Mansion from the Group	2020 to 2021	RMB	4,633,476
4D Syngenta Group Co., Ltd.	Lease of relevant units in Royal International Mansion from the Group	2020 to 2023	RMB	1,011,732
4E Sinochem Fertilizer Company Limited	Lease of relevant units in Royal International Mansion from the Group	2020 to 2023	RMB	10,020,838
4F Sinochem Agriculture Holdings Co., Ltd.	Lease of relevant units in Royal International Mansion from the Group	2020 to 2023	RMB	4,188,434
4G China National Seed Group Corp.	Lease of relevant units in Royal International Mansion from the Group	2020 to 2023	RMB	2,775,375
4H Syngenta Seeds (Beijing) Co., Ltd.	Lease of relevant units in Royal International Mansion from the Group	2020 to 2023	RMB	2,239,316
4I Sinochem International Crop Care Co., Ltd.	Lease of relevant units in Royal International Mansion from the Group	2020 to 2023	RMB	114,230
4J ADAMA (China) Investment Co., Ltd.	Lease of relevant units in Royal International Mansion from the Group	2020 to 2023	RMB	420,315
4K Syngenta (China) Investment Co., Ltd.	Lease of relevant units in Royal International Mansion from the Group	2020 to 2023	RMB	1,554,548
4L Syngenta Biotechnology (China) Co., Ltd.	Lease of relevant units in Royal International Mansion from the Group	2021 to 2023	RMB	5,205
Total				409,342,646

Sinochem Holdings is the ultimate controlling shareholder of the Company and is therefore a connected person of the Company. Sinochem Group and ChemChina are associates of Sinochem Holdings and are therefore connected persons of the Company. Accordingly, the New Framework Lease Agreement, the Supplemental Agreement, the Sinochem Lease Agreement and the transactions contemplated under the specific lease contracts constitute the continuing connected transactions of the Company under Chapter 14A of the Listing Rules. For the year ended 31 December 2021, the transaction amount under the New Framework Lease Agreement and the Supplemental Agreement did not exceed the annual cap.

2 **Loan framework agreement between Hangzhou Properties, Sky Power Properties and Sinochem Lantian**

On 31 August 2018, Hangzhou Properties entered into a loan framework agreement with Sky Power Properties and Sinochem Lantian (the "Hangzhou Framework Agreement"), pursuant to which Hangzhou Properties agreed to provide loans to Sky Power Properties and Sinochem Lantian (or their respective designated loan receiving entities) based on the same terms and conditions and in proportion to their respective shareholdings in Hangzhou Properties. Under the Hangzhou Framework Agreement, the actual interest rate of each of the loans shall be determined by reference to the same term RMB benchmark loan interest rate for financial institutions published by the PBOC from time to time, subject to a floating range of 50% higher or lower than such rate. The parties shall enter into specific loan agreements separately according to the terms and conditions set out in the Hangzhou Framework Agreement. The Hangzhou Framework Agreement shall be valid for three years from 31 August 2018. During the term of the Hangzhou Framework Agreement, the cap on the maximum daily balance (including the accrued interest) of the loans to be provided by Hangzhou Properties to Sinochem Lantian (or its designated loan receiving entity) will be RMB295 million. The Hangzhou Framework Agreement has expired on 30 August 2021. As of 30 August 2021, the transaction amount did not exceed the annual cap.

Hangzhou Properties is an indirect non-wholly-owned subsidiary of the Company. Sinochem Lantian is owned as to approximately 51% by Sinochem Group, which is the controlling shareholder of the Company. Accordingly, it is a connected person of the Company. As such, the transaction in relation to the provision of loans by Hangzhou Properties to Sinochem Lantian (or its designated loan receiving entity) constitutes the provision of financial assistance by the Company to a connected person, and therefore constitutes a continuing connected transaction of the Company under Chapter 14A of the Listing Rules.

3 **Loan framework agreement between Jinmao Changsha, Jinmao Development and CSC Changsha**

On 22 June 2020, Jinmao Changsha entered into a loan framework agreement with Jinmao Development (which has now been deregistered, and was absorbed by Wuhan XingMao Real Estate Co., Ltd. (武漢興茂置業有限公司) ("Wuhan Xingmao"), the rights and obligations of which were assumed by Wuhan Xingmao) and CSC Changsha (the "Changsha Framework Agreement"), pursuant to which Jinmao Changsha agreed to provide loans to Wuhan Xingmao and CSC Changsha (or their respective designated entities) based on the same terms and conditions and in proportion to their respective equity interests in Jinmao Changsha. Under the Changsha Framework Agreement, the actual interest rate of each of the loans shall be determined by reference to the same term RMB benchmark loan interest rate published by the PBOC from time to time, subject to a floating range of 50% higher or lower than such rate. The parties shall enter into specific loan agreements separately according to the terms and conditions set out in the Changsha Framework Agreement. The Changsha Framework Agreement shall be valid for three years with effect from 25 June 2020. During the term of the Changsha Framework Agreement, the cap on the maximum daily balance (including the accrued interest) of the loans to be provided by Jinmao Changsha to CSC Changsha (or its designated entities) will be RMB1,000 million. For the year ended 31 December 2021, the transaction amount did not exceed the annual cap.

Wuhan Xingmao is a wholly-owned subsidiary of the Company. Jinmao Changsha, owned as to 80% and 20% respectively by Wuhan Xingmao and CSC Changsha, is a non-wholly-owned subsidiary of the Company. CSC Changsha is the substantial shareholder of Jinmao Changsha and is therefore a connected person of the Company at the subsidiary level. Accordingly, the transaction in relation to the provision of loans by Jinmao Changsha to CSC Changsha (or its designated entities) constitutes the provision of financial assistance by the Company to a connected person at the subsidiary level, and therefore constitutes a continuing connected transaction of the Company under Chapter 14A of the Listing Rules.

4 Factoring service framework agreement between the Company and Sinochem Factoring

On 28 March 2018, the Company and Sinochem Factoring entered into a framework agreement, pursuant to which the Group will utilise the financing factoring services and non-financial factoring services available from Sinochem Factoring from time to time as it deems necessary for a term of three years. Under the framework agreement, the interests and fees payable by the Group to Sinochem Factoring shall not be higher than the interests and fees charged by independent factoring companies in the PRC in providing the same type of factoring services under the same conditions. During the term of the factoring service framework agreement, the cap on the daily maximum balance (including the amount of accounts receivables and accrued interests) in respect of the financing factoring services to be provided by Sinochem Factoring to the Group will be RMB2,000 million, and the annual cap for the fees of the non-financing factoring services to be provided by Sinochem Factoring to the Group will be RMB40 million. The framework agreement has expired on 27 March 2021. As of 27 March 2021, the transaction amount did not exceed the aforesaid two caps.

Sinochem Factoring is an indirect non-wholly-owned subsidiary of Sinochem Group, which is the controlling shareholder of the Company. Accordingly, Sinochem Factoring is a connected person of the Company. The transactions under the factoring service framework agreement constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

5 Loan framework agreement between Xingqian Real Estate and its direct and indirect shareholders (including the Company, Ping An Real Estate, Jinmao Xinan, Fubao, Step Fancy and Year Fine)

On 23 August 2019, Xingqian Real Estate, an indirect non-wholly-owned subsidiary of the Company, entered into the loan framework agreement with its direct and indirect shareholders (including the Company, Ping An Real Estate, Jinmao Xinan, Fubao, Step Fancy and Year Fine) (the "Xingqian Framework Agreement"), pursuant to which Xingqian Real Estate agreed to provide loans to the Company and Ping An Real Estate (or their respective designated entities) based on the same terms and conditions and in proportion to the effective interest in Xingqian Real Estate held by the Company and Ping An Real Estate through their respective subsidiaries. Under the Xingqian Framework Agreement, the actual interest rate of each of the loans shall be determined by reference to the RMB benchmark loan interest rate for financial institutions of the same term published by the PBOC, subject to a floating range of 50% higher or lower than such rate. The parties shall enter into loan agreements separately according to the terms and conditions set out in the Xingqian Framework Agreement. The Xingqian Framework Agreement shall be valid for three years. During the term of the Xingqian Framework Agreement, the cap on the maximum daily balance (including the accrued interest) of the loans to be provided by Xingqian Real Estate to Ping An Real Estate (or its designated entities) will be RMB900 million. For the year ended 31 December 2021, the transaction amount did not exceed the annual cap.

Ping An Real Estate is an associate of Ping An Life Insurance, which is a substantial shareholder of the Company, and is therefore a connected person of the Company. Step Fancy is a subsidiary of the Company owned as to 63.2% by the Company and 36.8% by Ping An Real Estate through Fubao, its wholly-owned subsidiary. Accordingly, Step Fancy is a connected subsidiary of the Company. Xingqian Real Estate is an indirect non-wholly-owned subsidiary of Step Fancy and also a connected subsidiary of the Company. Therefore, the transactions under the Xingqian Framework Agreement constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

6 Entrustment loan framework agreement between Yingmao Properties, Wide Sea and Pingjia Investment

On 17 March 2020, Yingmao Properties, an indirect non-wholly-owned subsidiary of the Company, entered into the entrustment loan framework agreement with its shareholders, namely Wide Sea and Pingjia Investment (the "2020 Yingmao Framework Agreement"), pursuant to which Yingmao Properties agreed to provide entrustment loans to Wide Sea and Pingjia Investment (or their respective designated entities) based on the same terms and conditions and in proportion to the respective shareholding ratio of Wide Sea and Pingjia Investment in Yingmao Properties. Under the 2020 Yingmao Framework Agreement, the actual interest rate of each of the entrustment loans shall be determined by reference to the latest loan prime rate for one-year loan as published by the National Interbank Funding Center from time to time, subject to a floating range of 50% higher or lower than such rate. The parties shall enter into specific loan agreements with relevant financial institutions separately according to the terms and conditions set out in the 2020 Yingmao Framework Agreement. The 2020 Yingmao Framework Agreement shall be for a term of two years commencing from 24 March 2020. During the term of the 2020 Yingmao Framework Agreement, the cap on the maximum daily balance (including the accrued interests) of the loans to be provided by Yingmao Properties to Pingjia Investment (or its designated entities) will be RMB550 million. For the year ended 31 December 2021, the transaction amount did not exceed the annual cap.

On 24 March 2022, Yingmao Properties entered into the entrustment loan framework agreement with Wide Sea and Pingjia Investment (the "2022 Yingmao Framework Agreement"), pursuant to which Yingmao Properties will continue to provide entrustment loans to Wide Sea and Pingjia Investment (or their respective designated entities) during the term of the 2022 Yingmao Framework Agreement. The 2022 Yingmao Framework Agreement shall be for a term of one year commencing from 24 March 2022. The terms of the 2022 Yingmao Framework Agreement are substantially the same as those of the 2020 Yingmao Framework Agreement. During the term of the 2022 Yingmao Framework Agreement, the cap on the maximum daily balance (including the accrued interests) of the loans to be provided by Yingmao Properties to Pingjia Investment (or its designated entities) will be RMB550 million.

Pingjia Investment is an associate of Ping An Life Insurance, a substantial shareholder of the Company, and is therefore a connected person of the Company. Yingmao Properties is a subsidiary owned as to 50% by the Company through Wide Sea and the remaining 50% by Pingjia Investment, and is therefore a connected subsidiary of the Company. Accordingly, the transactions under the 2020 Yingmao Framework Agreement and the 2022 Yingmao Framework Agreement constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

7 **Loan framework agreement among Qingdao 12 Project Companies, Xingmao Properties, Win Cheer, Haoji Properties, Haoqing Properties and China Overseas Development**

On 14 May 2020, Qingdao 12 Project Companies, the indirect non-wholly-owned subsidiaries of the Company, entered into the loan framework agreement with their shareholders (including Xingmao Properties, Win Cheer, Haoji Properties, Haoqing Properties and China Overseas Development) (the "Qingdao Framework Agreement"), pursuant to which Qingdao 12 Project Companies agreed to provide loans to their shareholders (or their respective designated entities) based on the same terms and conditions and in proportion to the respective shareholding ratio of the Company (through its subsidiaries Xingmao Properties and Win Cheer), Ping An Insurance (Group) Company of China, Ltd. ("Ping An") (through its subsidiaries Haoji Properties and Haoqing Properties) and China Overseas Development in Qingdao 12 Project Companies. Under the Qingdao Framework Agreement, the effective interest rate of each of the loans shall be determined by reference to the loan prime rate for one-year loan as published by the National Interbank Funding Center from time to time, subject to a floating range of 50% higher or lower than such rate. The parties shall enter into specific loan agreements separately according to the terms and conditions set out in the Qingdao Framework Agreement. The Qingdao Framework Agreement shall be for a term of three years commencing from 14 May 2020. During the term of the Qingdao Framework Agreement, the aggregate maximum daily balance (including the accrued interests) of the loans to be provided by Qingdao 12 Project Companies to Haoji Properties and Haoqing Properties (or their respective designated entities) will be RMB770 million. For the year ended 31 December 2021, the transaction amount did not exceed the annual cap.

Haoji Properties and Haoqing Properties are associates of Ping An Life Insurance, a substantial shareholder of the Company, and are therefore connected persons of the Company. Qingdao 12 Project Companies are subsidiaries owned as to 68% by the Company (through Xingmao Properties or Win Cheer) and 14% by Ping An (through Haoji Properties or Haoqing Properties). Accordingly, Qingdao 12 Project Companies are therefore connected subsidiaries of the Company. Accordingly, the transactions under the Qingdao Framework Agreement constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

8 **Loan framework agreement among Shanghai Rongdi, Shanghai Rongyu, Jinmao Huadong, Shenzhen Deli and Rongqiao Group**

On 14 January 2021, Shanghai Rongdi (an indirect non-wholly-owned subsidiary of the Company) and its wholly-owned subsidiary, Shanghai Rongyu, entered into the loan framework agreement (the "Shanghai Framework Agreement") with the shareholders of Shanghai Rongdi (including Jinmao Huadong, Shenzhen Deli and Rongqiao Group), pursuant to which Shanghai Rongyu agreed to provide loans to Jinmao Huadong, Shenzhen Deli and Rongqiao Group (or their respective designated entities) based on the same terms and conditions and in proportion to the equity interest held by Jinmao Huadong, Shenzhen Deli and Rongqiao Group in Shanghai Rongdi. The actual interest rate of each of the loans under the Shanghai Framework Agreement shall be determined by reference to the loan prime rate for the loans of the same term as published by the National Interbank Funding Center from time to time, subject to a floating range of 50% higher or lower than such rate. The parties shall enter into specific loan agreements separately according to the terms and conditions set out in the Shanghai Framework Agreement. The Shanghai Framework Agreement will be effective from 14 January 2021 for a term of one year. During the term of the Shanghai Framework Agreement, the maximum daily balance (including the accrued interest) of the loans to be provided by Shanghai Rongyu to Shenzhen Deli (or its designated entities) will be RMB375 million. For the year ended 31 December 2021, the transaction amount did not exceed the annual cap.

Shenzhen Deli is an associate of Ping An Life Insurance, a substantial shareholder of the Company, and is therefore a connected person of the Company. Shanghai Rongdi is a subsidiary of the Company owned as to 38% by the Company (through Jinmao Huadong) and 25% by Ping An (through Shenzhen Deli). Therefore, Shanghai Rongdi and its wholly-owned subsidiary, Shanghai Rongyu, are connected subsidiaries of the Company. Accordingly, the transactions under the Shanghai Framework Agreement constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

9. Cash pooling accession agreement among the Company, Sinochem Hong Kong and the Bank

On 23 June 2020, the Company (as a new customer) entered into the accession agreement with Sinochem Hong Kong and the Bank (the "Original Accession Agreement"), pursuant to which the Company has agreed to become a party to the cash pooling agreement dated 19 June 2008 (the "Original Cash Pooling Agreement") and join the cash pool established by Sinochem Hong Kong (as the principal customer and the guarantor), the Sinochem member companies (each as a customer) and the Bank. On the same day, the Company and Sinochem Hong Kong entered into the cooperation agreement which further regulated their rights and obligations under the cash pooling cooperation arrangement, and provided additional protection to the Company.

In order to consolidate a series of amendments that have been made to the Original Cash Pooling Agreement since its execution in 2008 and to reflect the latest regulatory requirements governing the European financial market, Sinochem Hong Kong and the Bank entered into a new cash pooling agreement (the "New Cash Pooling Agreement") on 27 May 2021 to terminate and replace the Original Cash Pooling Agreement. In this connection, the Company entered into an accession agreement with Sinochem Hong Kong and the Bank on 28 October 2021 (the "New Accession Agreement"), pursuant to which the Company agreed to become a party to the New Cash Pooling Agreement as a customer. Pursuant to the New Cash Pooling Agreement, any accounts of the Company and their credit or debit balances, as the case may be, under the Original Cash Pooling Agreement will be deemed accounts with corresponding credit or debit balances under the New Cash Pooling Agreement. Each customer (including the Company) shall pledge to the Bank, by way of a first ranking right of pledge, all its present and future claims on the Bank arising from, or in connection with, its accounts, as security for the fulfillment of the secured obligations of all customers, which constitutes a provision of financial assistance among customers of the cash pool (including the Company, Sinochem Hong Kong and group companies of Sinochem Hong Kong. Sinochem Hong Kong irrevocably and unconditionally guarantees to the Bank the due payment and performance by each customer of all present and future secured obligations of each customer. On the same day, the Company and Sinochem Hong Kong entered into the Supplemental Agreement to the Cooperation Agreement to confirm that the terms under the Cooperation Agreement shall equally apply to the arrangement under the New Cash Pooling Agreement. Pursuant to the Cooperation Agreement, the daily balance (including the accrued interest) of the deposit placed by the Company in the cash pool shall not exceed US$100,000,000, and the interest rate of the deposit shall be calculated at overnight LIBOR plus 10 base points. In addition, for the purpose of providing protection to the Company for the safety of its deposit placed in the cash pool, Sinochem Hong Kong provided the loan in a principal amount of US$100,000,000 (equivalent to the maximum amount of the deposit) to the Company pursuant to the Cooperation Agreement. No security over the assets of the Company is required for the loan. The loan will be renewed upon maturity to ensure that the loan is in place at all times during the term of the Cash Pooling Cooperation Arrangement. If the Company is not able to recover any or part of the deposit, the Company will have the right to set off the amount of the shortfall against its repayment obligation under the loan on a dollar-to-dollar basis. The term of the cash pooling cooperation arrangement will end on 31 December 2022. For the year ended 31 December 2021, the transaction amount did not exceed the annual cap.

Sinochem Hong Kong is an direct controlling shareholder of the Company, therefore is a connect person of the Company. The cash pooling cooperation arrangement involves a provision of financial assistance among customers of the cash pool (including the Company, Sinochem Hong Kong and group companies of Sinochem Hong Kong, and therefore constitutes a continuing connected transaction of the Company under Chapter 14A of the Listing Rules.

II. CONTINUING CONNECTED TRANSACTIONS APPROVED OR TO BE APPROVED BY INDEPENDENT SHAREHOLDERS

10 Framework financial service agreement between the Company and Sinochem Finance

On 7 July 2020, the Company and Sinochem Finance entered into a framework financial service agreement (the "Sinochem Framework Financial Service Agreement"), pursuant to which the Company and its subsidiaries will utilise the financial services provided by Sinochem Finance on a non-exclusive basis as they deem necessary during the period until 31 December 2022, including deposit and loan services, entrustment loans, settlement services, guarantee services, internet banking services and any other financial services as approved by the China Banking and Insurance Regulatory Commission, and pay the relevant interests and service fees to or receive deposit interest from Sinochem Finance. The relevant fees and loan interest shall be determined at a rate no higher than the standards as set by the PBOC from time to time or the market price, and the deposit interest shall be determined at a rate no lower than the benchmark interest rate as promulgated by the PBOC from time to time or the market price. The settlement services are provided free of charge. During the term of the Sinochem Framework Financial Service Agreement, the maximum daily balance of the deposits placed by the Group with Sinochem Finance will be RMB10,000 million. The deposit services (including the maximum daily balance) under the Sinochem Framework Financial Service Agreement have been considered and approved at the extraordinary general meeting of the Company held on 24 August 2020. For the year ended 31 December 2021, the transaction amount did not exceed the annual cap.

Sinochem Finance is an indirect subsidiary of Sinochem Group, the controlling shareholder of the Company, and is therefore a connected person of the Company. The provision of financial services to the Company by Sinochem Finance constitutes a continuing connected transaction of the Company under Chapter 14A of the Listing Rules.

11 Financial services framework agreement between the Company, Ping An Bank, Ping An Trust, Pingyu Factoring, Ping An Property & Casualty, Ping An Annuity, Ping An Real Estate and Ping An Asset Management

On 18 March 2020, the Company entered into the financial services framework agreement (the "Ping An Financial Services Framework Agreement") with Ping An Bank, Ping An Trust, Pingyu Factoring, Ping An Property & Casualty, Ping An Annuity, Ping An Real Estate and Ping An Asset Management (collectively, the "Ping An Member Companies"), pursuant to which the Group will, when it deems necessary, utilise the financial services that Ping An Member Companies provide on a non-exclusive basis, including deposit and loan services, entrustment loans services, mortgage loan services, settlement services, factoring services (including financing factoring services and non-financing factoring services), commercial insurance services and other financial services as approved by competent authorities such as the China Banking and Insurance Regulatory Commission and the China Securities Regulatory Commission, and pay the relevant interests and service fees to or receive deposit interest from Ping An Member Companies. The relevant fees and loan interest shall be determined at a rate no higher than the rates offered by independent financial institutions of the same type under the same conditions, and the deposit interest shall be determined at a rate no lower than the benchmark interest rate as promulgated by the PBOC or those offered by independent financial institutions. The mortgage loan services and settlement services are provided free of charge. Ping An Financial Services Framework Agreement will be expired on 31 December 2022. During the term of the Ping An Financial Services Framework Agreement, the caps on the maximum daily balance of the deposit services, the loan services and the financing factoring services are RMB8,000 million, RMB10,000 million and RMB3,000 million, respectively. The deposit services, the loan services and the financing factoring services (including their respective maximum daily balances) under the Ping An Financial Services Framework Agreement have been considered and approved at the extraordinary general meeting of the Company held on 8 May 2020. For the year ended 31 December 2021, the transaction amount did not exceed the annual cap.

Each of the Ping An Member Companies is an associate of Ping An Life Insurance, a substantial shareholder of the Company, and is therefore a connected person of the Company. Accordingly, the transactions under the Ping An Financial Services Framework Agreement constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

CONNECTED TRANSACTIONS

During the Period under Review and up to the date of this report, the one-time connected transactions of the Company include:

Collaboration of Jinmao Xinan and Guizhou Crystal to jointly develop the Land Parcel in Guiyang

On 30 June 2021, Jinmao Xinan (a wholly-owned subsidiary of the Company), entered into the joint development agreement with Guizhou Crystal Organic Chemical (Group) Co., Ltd. ("Guizhou Crystal") and ChemChina New Material Co., Ltd. ("ChemChina New Material"), pursuant to which Jinmao Xinan and Guizhou Crystal agreed to participate in the bidding for the land parcel with a site area of approximately 682 mu located in Qingzhen County, Guiyang City, Guizhou Province ("Target Land Parcel") and jointly develop the Target Project after winning the bid for the Target Land Parcel, and ChemChina New Material, as the holding company of Guizhou Crystal, agreed to provide joint and several liability guarantee for the performance of all contractual obligations of Guizhou Crystal under the joint development agreement. Jinmao Xinan and Guizhou Crystal may establish certain project companies to participate in the bidding for the Target Land Parcel and/or the development of the Target Project. Each of the project companies will be held by Jinmao Xinan and Guizhou Crystal as to 51% and 49% equity interests, respectively, and will become a non-wholly owned subsidiary of Jinmao Xinan. Jinmao Xinan and Guizhou Crystal agreed to provide the funds required for the development to the project companies in proportion to their respective shareholding in the project companies, of which Jinmao Xinan shall be liable to a land bidding price of no more than RMB714 million and subsequent shareholder's loans of no more than RMB204 million.

Upon completion of the strategic restructuring between Sinochem Group and ChemChina, ChemChina and its subsidiaries have become associates of Sinochem Group. ChemChina New Material is a non-wholly owned subsidiary of ChemChina and Guizhou Crystal is a non-wholly owned subsidiary of ChemChina New Material. Therefore, both ChemChina New Material and Guizhou Crystal are connected persons of the Company. Therefore, the transaction constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules. As one or more of the applicable percentage ratios in respect of the transaction are more than 0.1% but less than 5%, the transaction is subject to the reporting and announcement requirements but exempt from the independent shareholders' approval requirement.

CONFIRMATION OF INDEPENDENT NON-EXECUTIVE DIRECTORS

In the opinion of the independent non-executive Directors of the Company, the continuing connected transactions for the year ended 31 December 2021 were entered into by the Group:

- in the ordinary and usual course of its business;
- on normal commercial terms; and
- in accordance with the relevant agreements governing such transactions on terms that are fair and reasonable and in the interests of the shareholders of the Company as a whole.

The auditor of the Company has been engaged to report on the continuing connected transactions of the Company for the year ended 31 December 2021 in accordance with the Hong Kong Standard on Assurance Engagements 3000 "Assurance Engagements other than Audits or Reviews of Historical Financial Information" and with reference to Practice Note 740 "Auditor's Letter on Continuing Connected Transactions under the Hong Kong Listing Rules" issued by the Hong Kong Institute of Certified Public Accountants. The Board of Directors has received an unqualified letter from the auditor of the Company in accordance with Rule 14A.56 of the Listing Rules, stating that the auditor has not noticed that any of these continuing connected transactions:

- have not been approved by the Board of Directors of the Company;
- for the connected transactions involving the provision of goods or services by the Group have not been entered into in accordance with the pricing policies of the Group in all material aspects;
- have not been entered into in accordance with the terms of the relevant agreements governing such continuing connected transactions in all material aspects; and
- have exceeded the relevant caps for the year ended 31 December 2021.

SUFFICIENCY OF PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of its Directors, as at the date of this report, there is sufficient public float of not less than 25% of the Company's total issued share capital as required under the Listing Rules.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

Save as disclosed in the sections headed "Share Capital and Share Options", "Issuance of Notes" and "Redemption of Notes" under the "Report of the Directors" in this report, during the Period under Review, none of the Company or any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities.

ISSUANCE OF NOTES

1 Issue of subordinate guaranteed perpetual capital securities

On 28 January 2021, the Company together with Franshion Brilliant Limited (as the issuer) entered into a purchase agreement with Standard Chartered Bank, Huarong International Financial Holdings Limited, BOSC International Company Limited, CLSA Limited and Goldman Sachs (Asia) L.L.C. (as the initial purchasers) in respect of the subscription and sale of the US$500,000,000 subordinate guaranteed perpetual capital securities with an interest rate of 6% per annum. These securities are guaranteed by the Company and the issuance was completed on 8 February 2021. All of the net proceeds from the issuance of these securities amounting to approximately US$498.3 million had been used by the Company to repay the medium and long-term overseas debts due within the following year. As at the date of this report, the Group did not redeem or cancel any of such securities.

2 Issue of senior guaranteed notes

On 30 March 2021, the Company and Franshion Brilliant Limited (as the issuer) entered into a purchase agreement with Citigroup Global Markets Limited, J.P. Morgan Securities plc, BOSC International Company Limited and The Bank of East Asia, Limited (as the initial purchasers) in respect of the subscription and sale of the US$600,000,000 senior guaranteed notes with an interest rate of 3.2% per annum. These notes are guaranteed by the Company and the issuance of these notes was completed on 9 April 2021. The net proceeds from the issuance of these notes amounted to approximately US$598.1 million. All of the net proceeds from these notes had been used by the Company to repay the medium- and long-term overseas debts due within the following year. As at the date of this report, the Group did not redeem or cancel any of these notes.

3 Issue of unsecured medium-term notes

On 16 April 2021, Shanghai Jinmao Investment Management Group Co., Ltd. ("Shanghai Jinmao"), a wholly-owned subsidiary of the Company (as the issuer) completed the issue of the first tranche of medium-term notes with the principal amount of RMB3,000,000,000 to qualified investors. These notes are unsecured and have a term of 3 years with a final coupon rate of 3.74%. All of the proceeds from the issuance of these notes amounting to approximately RMB3,000 million had been used to repay other medium-term notes issued by the Company at interbank bond market. As at the date of this report, the Group did not redeem or cancel any of these notes.

4 Issue of unsecured medium-term notes

On 14 October 2021, Shanghai Jinmao (as the issuer) completed the issue of the second tranche of medium-term notes with the principal amount of RMB2,000,000,000 to qualified investors. These notes are unsecured and have a term of 3 years with a final coupon rate of 3.65%. All of the proceeds from the issuance of these notes amounting to approximately RMB2,000 million had been used to repay other medium-term notes issued by Shanghai Jinmao at interbank bond market. As at the date of this report, the Group did not redeem or cancel any of these notes.

5 **Issue of domestic corporate bonds**

On 16 February 2022, Shanghai Jinmao (as the issuer) completed the issue of the corporate bonds with the principal amount of RMB1,800,000,000 to professional investors. These bonds are unsecured and have a term of 5 years, and the issuer shall be entitled to adjust the coupon rate and the investors shall be entitled to sell back the corporate bonds at the end of the third year. The final coupon rate is fixed at 3.20%. All of the proceeds from the issuance of these bonds amounting to approximately RMB1,800 million had been used to repay all the existing debts of the Company. As at the date of this report, the Group did not redeem or cancel any of these bonds.

6 **Issue of senior guaranteed notes**

On 25 February 2022, the Company together with Franshion Brilliant Limited (as the issuer) entered into a purchase agreement with CLSA Limited, China Securities (International) Corporate Finance Company Limited, J.P. Morgan Securities plc, Shanghai Pudong Development Bank Hong Kong Branch and China International Capital Corporation Hong Kong Securities Limited (as the initial purchasers) in respect of the subscription and sale of the US$200,000,000 senior guaranteed notes with an interest rate of 4.4% per annum. These notes are guaranteed by the Company and the issuance of these notes was completed on 4 March 2022. The net proceeds from the issuance of these notes amounted to approximately US$199.3 million. All of the net proceeds from these notes had been used by the Company to repay the medium- and long-term overseas debts due within the following year. As at the date of this report, the Group did not redeem or cancel any of these notes.

7 **Issue of senior guaranteed notes**

On 15 March 2022, the Company together with Franshion Brilliant Limited (as the issuer) entered into a purchase agreement with ABCI Capital Limited and CLSA Limited (as the initial purchasers) in respect of the subscription and sale of the US$150,000,000 senior guaranteed notes with an interest rate of 4.4% per annum. These notes are guaranteed by the Company and the issuance of these notes was completed on 22 March 2022. The issue price of these securities was 99.998% of the principal amount plus accrued interest from 4 March 2022. The net proceeds from the issuance of these notes amounted to approximately US$150.0 million. All of the net proceeds from these notes had been used by the Company to repay the medium- and long-term overseas debts due within the following year. These notes have been consolidated and form a single series with the senior guaranteed notes issued by Franshion Brilliant Limited on 4 March 2022. As at the date of this report, the Group did not redeem or cancel any of these notes.

8 **Issue of domestic corporate bonds**

On 25 March 2022, Shanghai Jinmao (as the issuer) completed the issue of the corporate bonds with the principal amount of RMB1,500,000,000 to professional investors. These bonds are unsecured and have a term of 5 years, and the issuer shall be entitled to adjust the coupon rate and the investors shall be entitled to sell back the corporate bonds at the end of the third year. The final coupon rate is fixed at 3.5%. All of the proceeds from the issuance of these bonds amounting to approximately RMB1,500 million will be used to repay the debts of Shanghai Jinmao and support enterprises with strong synergies within the industry to ease liquidity pressure. As at the date of this report, the Group did not redeem or cancel any of these bonds.

REDEMPTION OF NOTES

1 Redemption of subordinate guaranteed perpetual capital securities

As stated in the announcement of the Company dated 4 January 2021, pursuant to the terms of the indenture dated 4 February 2016 among Franshion Brilliant Limited as issuer, the Company as guarantor, The Bank of New York Mellon, London Branch as trustee and other agents set forth therein, the issuer has issued an irrevocable notice in respect of the US$500,000,000 6% subordinated guaranteed perpetual capital securities to the holders of the securities to redeem all of the securities outstanding, at the redemption price equal to the principal amount thereof plus any distributions (including any arrears of distribution and additional distribution amounts) accrued to, but excluding, the redemption date. As at 4 February 2021, the Securities have been fully redeemed at a redemption price of US$515,000,000. As at the date of this report, the securities have been fully cancelled.

2 Redemption of senior guaranteed perpetual capital securities

As stated in the announcement of the Company dated 4 December 2018 regarding the issuance and listing of the securities, and the announcement dated 3 November 2021 regarding the notice of redemption of securities, Franshion Brilliant Limited (as the issuer) has elected to redeem all the securities at the aggregate principal amount of the securities plus any distributions (including any arrears of distribution and additional distribution amounts) accrued on the senior guaranteed perpetual capital securities issued by it in an aggregate principal amount of US$300,000,000 with an initial distribution rate of 6.90% per annum, but excluding the distribution accrued on the scheduled redemption date of 4 December 2021 (being the first reset date). On 6 December 2021, the securities were fully redeemed and cancelled at the redemption price of US$310,350,000.

3 Redemption of subordinate guaranteed perpetual capital securities

As stated in the announcement of the Company dated 20 January 2017 regarding the issuance and listing of the securities, and the announcement dated 17 December 2021 regarding the notice of redemption of securities, Franshion Brilliant Limited (as the issuer) has elected to redeem all the securities at the aggregate principal amount of the securities plus any distributions (including any arrears of distribution and additional distribution amounts) accrued on the senior guaranteed perpetual capital securities issued by it in an aggregate principal amount of US$500,000,000 with a distribution rate of 5.75% per annum, but excluding the distribution accrued on the scheduled redemption date of 17 January 2022 (being the first reset date). On 18 January 2022, the securities were fully redeemed and cancelled at the redemption price of US$514,375,000.

4 Redemption of domestic unsecured perpetual medium-term notes

As stated in the announcement of the Company dated 20 December 2018 regarding the completion of issuance of the notes, Shanghai Jinmao (as the issuer) has elected to redeem all the domestic unsecured perpetual medium-term notes in an aggregate principal amount of RMB2,000,000,000 at an initial interest rate of 5.00% per annum, at the principal amount plus accrued interest (including all deferred interest and accrued interest). On 20 December 2021, the notes were fully redeemed and cancelled at a redemption price of RMB2,100,000,000.

REVIEW OF THE OPTION OVER SHIMAO INVESTMENT BY THE INDEPENDENT BOARD COMMITTEE

A written resolution was entered into by the Independent Board Committee comprising all independent non-executive Directors of the Company on 28 March 2022 to review its decision made on 18 August 2021 not to exercise, for the time being, the option to acquire Sinochem Group's 15% interest in China Shimao Investment Company Limited ("Shimao Investment").

The Independent Board Committee has carefully reviewed the relevant information of Shimao Investment, taking into account the facts that Sinochem Group is a financial investor of Shimao Investment and owns only a minority and passive interest in it, and that the Company currently has a relatively high overall total debt position, and the funds of the Company should be mainly used for expanding the land reserve for development segments to accelerate the asset turnover ratio and the recovery of cash receivables. Recently, the Company has made significant progress in land reserve, and the projects acquired by the Company, including the projects in Beijing, Guangzhou, Shanghai etc., are all at a stage that requires capital investment. In addition, the city operations projects in Huzhou, Nanchang, Changsha, Shanghai are large-scale development projects with long development cycles and huge demand for funds, and the injection and expansion of industrial resources require long-term commitment in operation and relentless effort. The Company considers that the acquisition of Shimao Investment at the moment would pose greater challenges to the Company in various aspects, including manpower and financial capacity. As such, the independent non-executive Directors unanimously agreed that the exercise of the option over Shimao Investment at this moment is not in line with the Company's prudent investment policy, and is not in the best interests of the Company and the shareholders as a whole.

The Independent Board Committee unanimously resolved not to exercise the option to acquire Sinochem Group's 15% interest in Shimao Investment at this moment. As disclosed in the prospectus and the announcement dated 9 April 2010 of the Company, the Independent Board Committee would continue to review the option over Shimao Investment at the time when the interim and annual reports of the Company are to be released.

REVIEW BY AUDIT COMMITTEE

The Audit Committee has reviewed with the management and the auditor of the Company the accounting principles and practices adopted by the Company, and discussed with them the audit, internal control and financial reporting matters of the Company, including review of the financial statements for 2021. The 2021 financial statements prepared in accordance with Hong Kong Financial Reporting Standards were audited by Ernst & Young based on the Hong Kong Standards on Auditing. Ernst & Young issued unqualified opinion on the 2021 financial statements.

MATERIAL ACQUISITIONS, DISPOSAL AND OTHER DISCLOSEABLE TRANSACTIONS

During the Period under Review, the material acquisitions, disposal and other discloseable transactions entered into by the Company include the following:

1 Acquisition of 49% equity interests in the Project Company to develop the Land Parcel in Xintang Town, Zengcheng District, Guangzhou City

On 11 March 2021, Guangzhou Jinmao Properties Co., Ltd. ("Guangzhou Jinmao"), an indirect wholly-owned subsidiary of the Company, entered into the cooperative development agreement with Guangzhou Vanke Enterprise Co., Ltd. ("Guangzhou Vanke") and Guangzhou Wanzhi Real Estate Co., Ltd. (the "Project Company") in relation to the cooperation for the development of the land parcel located at Dongjiang Avenue, Xintang Town, Zengcheng District, Guangzhou City with a site area of 162,497 square metres ("Land Parcel"). The land use right of the Land Parcel was acquired by Guangzhou Vanke through a public tender process on 21 December 2020. Guangzhou Vanke has established the Project Company to develop the Land Parcel, and has subscribed for, but has not paid up, its registered capital of RMB1,016,389,500.

Pursuant to the cooperative development agreement, (1) Guangzhou Jinmao agreed to subscribe for an additional registered capital of the Project Company of RMB3,090,430,000, and (2) Guangzhou Vanke agreed to subscribe for the registered capital of the Project Company in a total amount of RMB3,216,750,000 (including the registered capital of RMB1,016,389,500 that it has subscribed for but has not paid up, and an additional registered capital of RMB2,200,180,500). Upon completion of the aforesaid transaction, Guangzhou Vanke and Guangzhou Jinmao will hold 51% and 49% of the equity interests in the Project Company, respectively.

As the highest applicable percentage ratio in respect of the aforesaid transaction is more than 5% but less than 25%, the transaction constitutes a discloseable transaction of the Company and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules. The aforesaid transaction was completed on 1 April 2021.

2 Acquisition of shares in China VAST and subscription of 6% guaranteed convertible bonds due 2024 issued by China VAST

On 28 June 2021, the Company entered into the share sale and purchase agreement with Profit East Limited (among other parties), pursuant to which the Company agreed to buy 493,720,010 shares in China VAST Industrial Urban Development Company Limited ("China VAST") at the consideration of HK$3.00 per China VAST share. On the same day, the Company entered into the convertible bonds subscription agreement with China VAST (among other parties), pursuant to which the Company agreed to subscribe for the convertible bonds in the principal amount of US$123,275,892 at the initial conversion price of HK$3.05 per conversion share (subject to adjustments).

As one or more of the applicable percentage ratios in respect of the transaction are more than 5% but less than 25%, the transaction constitutes a discloseable transaction of the Company and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules. The aforesaid share acquisition was completed on 30 June 2021, and the subscription for convertible bonds was completed on 16 July 2021. Following the completion of the share acquisition, the Company has become a substantial shareholder of China VAST, holding approximately 29.9% of the total number of China VAST shares.

3 Acquisition of 30% equity interests in the Project Company to develop the Land Parcel in Dougezhuang Township, Chaoyang District, Beijing

On 10 September 2021, Jin Mao Northern Enterprises Management (Tianjin) Company Limited ("Jin Mao Northern"), an indirect wholly-owned subsidiary of the Company, entered into the cooperation agreement with Beijing Ningcheng Real Estate Co., Ltd. ("Ningcheng Real Estate") and Beijing Chaoyi Real Estate Development Co., Ltd. (the "Project Company") in relation to the cooperation for the development of the land parcel located in Sunjiapo Village, Dougezhuang Township, Chaoyang District, Beijing (the "Land Parcel") covering a site area of 85,059 sq.m. The land use right of the Land Parcel was acquired by Ningcheng Real Estate through a public tender process on 26 May 2021. Ningcheng Real Estate has established the Project Company to develop the Land Parcel and has subscribed for, but has not paid up, its registered capital of RMB3,600 million.

Pursuant to the cooperation agreement, Jin Mao Northern agreed to acquire from Ningcheng Real Estate its 30% equity interests in the Project Company, and make capital contribution in an amount of RMB1,080 million to the Project Company and provide shareholder's loans in a total amount of no more than RMB2,160 million to the Project Company in proportion to its shareholding in the Project Company. Upon completion of the transaction, Ningcheng Real Estate and Jin Mao Northern will hold 70% and 30% equity interests in the Project Company, respectively.

As the highest applicable percentage ratio in respect of the aforesaid transaction are more than 5% but less than 25%, the transaction constitutes a discloseable transaction of the Company and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules. The aforesaid transaction was completed on 22 September 2021.

4 Disposal of 90% equity interest in Qingdao Fangjia

On 10 November 2021, Tianjin Donghui Industrial Co., Ltd. ("Tianjin Donghui"), a wholly-owned subsidiary of the Company, entered into the equity transfer agreement with Qingdao Qingyuehui Real Estate Co., Ltd. ("Qingdao Qingyuehui"), pursuant to which Tianjin Donghui agreed to sell its 90% equity interest in Qingdao Fangjia Properties Limited (the "Project Company") to Qingdao Qingyuehui at a consideration of RMB2,427,688,260. Upon completion of the disposal, the Project Company will be held as to 90% by Qingdao Qingyuehui and 10% by the Company. On 16 November 2021, the Company, Qingdao Qingyuehui, Qingdao Qingte Property Co., Ltd. (being the holding company of Qingdao Qingyuehui) and the Project Company entered into the cooperation agreement to regulate the rights and obligations of the shareholders of the Project Company upon completion of the Disposal and to cooperate in the development of Parcel B4, Parcel B6 and Parcel D11 located at High-tech Zone, Qingdao City, Shandong Province. Pursuant to the cooperation agreement, upon completion of the disposal, the Company shall be responsible for the continued development and operation of Parcel B4 and shall independently bear the risks and enjoy the benefits of Parcel B4, while Qingdao Qingyuehui shall be responsible for the development and operation of Parcel B6 and Parcel D11 and Qingdao Qingyuehui and the Company shall share the risks and benefits of Parcel B6 and Parcel D11 at the ratio of 90:10.

As the highest applicable percentage ratio in respect of the aforesaid transaction are more than 5% but less than 25%, the transaction constitutes a discloseable transaction of the Company and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules. The aforesaid transaction was completed on 12 November 2021.

OTHER SIGNIFICANT EVENTS

Spin-off and separate listing of Jinmao Services on the Main Board of the Hong Kong Stock Exchange

As stated in the announcement of the Company dated 31 August 2021, 18 January 2022, 25 January 2022, 28 January 2022, 6 February 2022, 17 February 2022, 18 February 2022, 25 February 2022, 9 March 2022 and 10 March 2022 and the circular dated 29 January 2022, the Company has successfully spun off and separately listed the shares of Jinmao Services on the Main Board of the Hong Kong Stock Exchange (stock code: 00816, the "Spin-off"). The Spin-off was completed on 10 March 2022. Upon completion of the Spin-off, Jinmao Services remains as a subsidiary of the Company and the Company holds approximately 67.5% of its issued shares. Jinmao Services and its subsidiaries are principally engaged in the provision of property management services, value-added services to non-property owners and community value-added services in the PRC.

In order to satisfy the assured entitlement requirement under Practice Note 15 of the Listing Rules, the Company distributed a special dividend to the qualifying shareholders by way of a distribution in specie of shares of Jinmao Services, conditional upon and contemporaneously with the global offering of the shares of Jinmao Services. In this connection, upon obtaining the shareholders' authorisation, the Board of the Company announced on 18 February 2022 the distribution of 191,680,031 shares of Jinmao Services to the qualifying shareholders. Qualifying shareholders were entitled to one share of Jinmao Service for every 66.2 shares of the Company held on the record date (i.e. 23 February 2022).

The above distribution does not constitute a transaction for the Company under Chapter 14 of the Listing Rules and the global offering constitutes a deemed disposal of interest in a subsidiary of the Company under Rule 14.29 of the Listing Rules. As each of the applicable percentage ratios under Rule 14.07 of the Listing Rules in respect of the Spin-off is less than 5%, the Spin-off does not constitute a notifiable transaction for the Company under Chapter 14 of the Listing Rules.

MATERIAL LITIGATION

For the year ended 31 December 2021, the Company was not subject to any material litigation that could have an adverse impact on the Company.

EVENTS AFTER THE REPORTING PERIOD

Save as disclosed under the sections headed "Issuance of Notes", "Redemption of Notes" and "Other Significant Events" under the "Report of the Directors" in this report, there were no material events of the Group after the Reporting Period.

AUDITOR

The financial reports of the Group have been audited by Ernst & Young, who has offered itself for reappointment. A resolution will be proposed at the forthcoming annual general meeting to re-appoint Ernst & Young as the auditor of the Company. The Company did not change its auditor in the past three years.

On Behalf of the Board
NING Gaoning
Chairman

Independent Auditor's Report

Ernst & Young
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Quarry Bay, Hong Kong

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To the members of China Jinmao Holdings Group Limited
(Incorporated in Hong Kong with limited liability)

OPINION

We have audited the consolidated financial statements of China Jinmao Holdings Group Limited (the "Company") and its subsidiaries (the "Group") set out on pages 172 to 315, 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 Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and have been properly prepared in compliance with the Hong Kong Companies Ordinance.

BASIS FOR OPINION

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSAs") issued by the HKICPA. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report. We are independent of the Group in accordance with the HKICPA's *Code of Ethics for Professional Accountants* (the "Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

Key audit matter	How our audit addressed the key audit matter
Revaluation of investment properties	
The Group adopted the fair value model for its investment properties in accordance with HKAS 40 *Investment Property*. Changes in fair values were recognised in profit or loss. The valuations on the investment properties of the Group as at 31 December 2021 were determined by management or independent appraisers engaged by management. Different valuation techniques were applied to these investment properties. As both the year-end balance of RMB31,564,522,000 and the changes in fair value of RMB1,676,648,000 were significant, and the valuation involved management judgement and estimates based on a projection of future rental income, growth rate, vacancy rate, discount rate and reversionary yield, we considered the revaluation of investment properties a key audit matter of our audit. Relevant disclosures are included in notes 3 and 18 to the consolidated financial statements.	We considered the competence, capabilities and objectivity of the external appraisers. We involved our real estate valuation specialists to assist us in evaluating the valuation techniques and assessing the underlying assumptions for selected samples. We compared market rental assumptions against actual rents of existing lease contracts and external market rents, expected vacancy rate against historical data maintained by the Group, and the discount rate, the growth rate and reversionary yield against those of peers with similar nature and area of properties. We also assessed the adequacy of the disclosures of investment properties, including the fair value hierarchy.
Impairment assessment of trade receivables	
As at 31 December 2021, the carrying amount of trade receivables of the Group was RMB2,081,970,000, arising from its land development revenue, the sale of properties, leasing activities, the provision of hotel and property management services. The Group recognises an impairment provision based on the expected credit loss ("ECL") approach under HKFRS 9 *Financial Instruments*. The measurement of ECL requires the application of significant judgement and estimate, such as the expected future cash flows and forward-looking factors specific to the debtors and the economic environment. Relevant disclosures are included in notes 3 and 24 to the consolidated financial statements.	Our audit procedures included the assessment of the design, implementation and operating effectiveness of key internal controls which govern credit control, debt collection and estimate of expected credit losses. We also assessed the reasonableness of management's expected credit loss allowance by examining the information used by management to form such judgement and estimate, including checking the accuracy of the historical default information, and evaluating whether the historical loss rates were appropriately adjusted based on current economic conditions and forward-looking information. We also evaluated the Group's provision for trade receivables by reference to the Group's subsequent collection of the trade receivables.

Key audit matter	How our audit addressed the key audit matter
Assessment of carrying values of properties for sale held by the Group, its associates and joint ventures	**For properties for sale held by the Group**
As at 31 December 2021, the total carrying value of the Group's properties for sale, including properties under development and properties held for sale, amounted to RMB172,301,713,000. Besides, as at 31 December 2021, the total carrying values of investments in associates and joint ventures, and the amounts due from associates and joint ventures amounted to RMB82,573,760,000. Given the properties for sale represented the majority of the total assets of these associates and joint ventures, management's assessment on carrying values for the investments in and amounts due from these companies would take into account the carrying values of the properties for sale held by these companies. The assessment of the carrying values of the properties for sale is complex because it involves significant management judgements and estimates regarding, among others, the net realisable value (the "NRV") of the properties for sale and anticipated construction costs to be incurred to complete the properties under development based on existing plans. Relevant disclosures are included in notes 3, 6, 7, 15, 17, 21, 22 and 27 to the consolidated financial statements.	We understood and assessed the Group's assessment of the carrying values of properties for sale. In assessing the NRV of the properties for sale, we evaluated, on a sample basis, the reasonableness of their forecasted selling price based on the current market price of properties of comparable locations and conditions, and on our knowledge of the Group's business and the current market development in the real estate industry, where appropriate. For construction costs to be incurred to complete properties under development, we obtained an understanding of the management's process in estimating the future costs to completion for the properties under development and assessed the reasonableness of the budgeted construction costs, on a sample basis, by comparing to the actual development costs of similar projects recently completed by the Group and by checking to construction contracts and other relevant documents. We re-calculated the carrying values of the properties for sale based on management's methodology at the year end.

Key audit matter	How our audit addressed the key audit matter
	For properties for sale held by the Group's associates and joint ventures We understood and assessed the Group's assessment of the carrying values of the properties for sale held by its significant associates and joint ventures. In assessing the NRV of the properties for sale held by its significant associates and joint ventures, we evaluated, on a sample basis, the reasonableness of their forecasted gross profit margins based on the current market price and unit cost of properties of comparable locations and conditions, and based on our knowledge of the business of the significant associates and joint ventures and the current market development in the real estate industry, where appropriate. We re-calculated the carrying values of the properties for sale held by the Group's significant associates and joint ventures based on management's methodology at the year end.

OTHER INFORMATION INCLUDED IN THE ANNUAL REPORT

The directors of the Company are responsible for the other information. The other information comprises the information included in the Annual Report, other than the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

RESPONSIBILITIES OF THE DIRECTORS FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors of the Company are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with HKFRSs issued by the HKICPA and the Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors of the Company are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors of the Company either intend to liquidate the Group or to cease operations or have no realistic alternative but to do so.

The directors of the Company are assisted by the Audit Committee in discharging their responsibilities for overseeing the Group's financial reporting process.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Our report is made solely to you, as a body, in accordance with section 405 of the Hong Kong Companies Ordinance, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with HKSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Audit Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Audit Committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Wong Kwok Yin.

Ernst & Young
Certified Public Accountants
Hong Kong

29 March 2022

Consolidated Statement of Profit or Loss

Year ended 31 December 2021

	Notes	2021 RMB'000	2020 RMB'000
REVENUE	5	90,059,934	60,053,878
Cost of sales		(73,302,309)	(47,939,514)
Gross profit		16,757,625	12,114,364
Other income and gains	5	7,028,274	8,698,685
Selling and marketing expenses		(2,378,428)	(1,600,582)
Administrative expenses		(4,675,358)	(3,529,395)
Other expenses and losses, net	7	(2,806,638)	(4,381,312)
Finance costs	8	(2,787,670)	(2,726,978)
Share of profits and losses of:			
Joint ventures		996,077	371,098
Associates		580,388	698,297
PROFIT BEFORE TAX	6	12,714,270	9,644,177
Income tax expense	11	(5,009,439)	(3,449,056)
PROFIT FOR THE YEAR		7,704,831	6,195,121
Attributable to:			
Owners of the parent		4,689,944	3,880,986
Non-controlling interests		3,014,887	2,314,135
		7,704,831	6,195,121
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT	13	RMB cents	RMB cents
Basic		36.95	31.86
Diluted		36.91	31.66

Consolidated Statement of Comprehensive Income

Year ended 31 December 2021

	Notes	2021 RMB'000	2020 RMB'000
PROFIT FOR THE YEAR		7,704,831	6,195,121
OTHER COMPREHENSIVE INCOME/(LOSS)			
Other comprehensive income/(loss) that may be reclassified to profit or loss in subsequent periods:			
Exchange differences on translation of foreign operations		1,458,692	2,385,011
Net gain/(loss) on cash flow hedges		57,096	(56,645)
Net other comprehensive income that may be reclassified to profit or loss in subsequent periods, net of tax		1,515,788	2,328,366
Other comprehensive income that will not be reclassified to profit or loss in subsequent periods:			
Gains on property revaluation	14	11,179	–
Income tax effect	36	(2,795)	–
Net other comprehensive income that will not be reclassified to profit or loss in subsequent periods, net of tax		8,384	–
OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF TAX		1,524,172	2,328,366
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		9,229,003	8,523,487
Attributable to:			
Owners of the parent		6,224,453	6,241,210
Non-controlling interests		3,004,550	2,282,277
		9,229,003	8,523,487

Consolidated Statement of Financial Position

31 December 2021

	Notes	31 December 2021 RMB'000	31 December 2020 RMB'000
NON-CURRENT ASSETS			
Property, plant and equipment	14	11,732,936	11,307,055
Properties under development	15	83,696,594	59,355,429
Land under development	16	13,065,966	10,494,640
Investment properties	18	31,564,522	33,315,404
Right-of-use assets	19(a)	1,697,886	1,635,192
Intangible assets	20	174,888	107,472
Investments in joint ventures	21	22,187,070	16,319,443
Investments in associates	22	20,335,619	11,105,070
Deferred tax assets	36	3,248,538	3,052,845
Due from non-controlling shareholders	30	4,533,781	866,814
Due from related parties	27	11,857,042	14,413,792
Prepayments, other receivables and other assets	25	446,838	410,581
Other financial assets	28	1,549,336	146,669
Total non-current assets		206,091,016	162,530,406
CURRENT ASSETS			
Properties under development	15	61,127,564	79,473,565
Properties held for sale	17	27,477,555	19,399,605
Land under development	16	1,854,024	1,429,269
Inventories	23	234,105	175,892
Trade receivables	24	2,081,970	446,776
Contract assets	26	1,400,898	789,328
Prepayments, other receivables and other assets	25	37,726,274	38,075,532
Due from related parties	27	30,253,973	28,145,679
Prepaid tax		4,010,454	4,711,321
Other financial assets	28	42	501,047
Restricted bank balances	29	8,693,792	8,622,174
Cash and cash equivalents	29	31,050,637	43,455,580
Total current assets		205,911,288	225,225,768

	Notes	31 December 2021 RMB'000	31 December 2020 RMB'000
CURRENT LIABILITIES			
Trade and bills payables	31	28,951,562	21,906,848
Other payables and accruals	32	103,811,166	104,802,117
Interest-bearing bank and other borrowings	34	25,081,186	27,771,429
Lease liabilities	19(b)	117,206	96,548
Due to related parties	27	38,966,238	38,135,983
Tax payable		1,989,835	2,282,501
Derivative financial instruments	33	13,623	10,403
Provision for land appreciation tax	35	2,314,063	2,074,146
Total current liabilities		201,244,879	197,079,975
NET CURRENT ASSETS		4,666,409	28,145,793
TOTAL ASSETS LESS CURRENT LIABILITIES		210,757,425	190,676,199
NON-CURRENT LIABILITIES			
Interest-bearing bank and other borrowings	34	81,946,903	69,806,849
Long-term payables		–	71,996
Lease liabilities	19(b)	948,770	1,003,027
Other payables and accruals	32	771,559	–
Derivative financial instruments	33	28,072	85,389
Due to related parties	27	13,305,676	11,053,950
Deferred tax liabilities	36	6,962,817	6,827,906
Total non-current liabilities		103,963,797	88,849,117
Net assets		106,793,628	101,827,082
EQUITY			
Equity attributable to owners of the parent			
Share capital	38	26,140,465	26,132,248
Other reserves		23,820,884	20,629,816
		49,961,349	46,762,064
Non-controlling interests		56,832,279	55,065,018
Total equity		106,793,628	101,827,082

Li Congrui
Director

Jiang Nan
Director

Consolidated Statement of Changes in Equity

Year ended 31 December 2021

	Notes	Share capital RMB'000 (note 38)	Capital reserve RMB'000 (note 40)	Asset revaluation reserve RMB'000 (note 40)	PRC statutory surplus reserve RMB'000 (note 40)	Exchange fluctuation reserve RMB'000	Hedging reserve RMB'000 (note 40)	Share option reserve RMB'000 (note 40)	Retained profits RMB'000	Merger Reserve RMB'000	Total RMB'000	Non-controlling interests RMB'000	Total equity RMB'000
		Attributable to owners of the parent											
At 1 January 2020		21,250,860	(3,369,967)	186,522	4,372,926	(3,062,028)	(39,302)	112,929	19,976,420	6,520,000	45,948,360	46,485,994	92,434,354
Profit for the year		–	–	–	–	–	–	–	3,880,986	–	3,880,986	2,314,135	6,195,121
Other comprehensive income/(loss) for the year:													
Exchange differences on translation of foreign operations		–	–	–	–	2,416,869	–	–	–	–	2,416,869	(31,858)	2,385,011
Net loss on cash flow hedges		–	–	–	–	–	(56,645)	–	–	–	(56,645)	–	(56,645)
Total comprehensive income for the year		–	–	–	–	2,416,869	(56,645)	–	3,880,986	–	6,241,210	2,282,277	8,523,487
Issue of new shares	38	4,845,815	–	–	–	–	–	–	–	–	4,845,815	–	4,845,815
Issue of perpetual capital instruments	37	–	–	–	–	–	–	–	–	–	–	5,000,000	5,000,000
Redemption of perpetual capital instruments	37	–	–	–	–	–	–	–	–	–	–	(621,000)	(621,000)
Perpetual capital instruments' distribution		–	–	–	–	–	–	–	–	–	–	(1,134,083)	(1,134,083)
Acquisition of subsidiaries	42		–	–	–	–	–	–	–	–	–	628,428	628,428
Disposal of subsidiaries	43	–	–	–	–	–	–	–	–	–	–	(1,023,942)	(1,023,942)
Final 2019 dividend declared	12	–	–	–	–	–	–	–	(1,181,924)	–	(1,181,924)	–	(1,181,924)
2020 interim dividend declared	12	–	–	–	–	–	–	–	(1,364,184)	–	(1,364,184)	–	(1,364,184)
Acquisition of non-controlling interests		–	(1,025,491)	–	–	–	–	–	–	–	(1,025,491)	(2,674,761)	(3,700,252)
Capital contribution from non-controlling shareholders		–	31,064	–	–	–	–	–	–	–	31,064	6,529,564	6,560,628
Dividends distribution to non-controlling shareholders		–	–	–	–	–	–	–	–	–	–	(407,459)	(407,459)
Equity-settled share option arrangements	39	–	–	–	–	–	–	87,786	–	–	87,786	–	87,786
Exercise of share options	38	35,573	–	–	–	–	–	(6,145)	–	–	29,428	–	29,428
Transfer of share option reserve upon the forfeiture of share options		–	–	–	–	–	–	(7,603)	7,603	–	–	–	–
Considerations paid for acquisition of subsidiaries under common control combination		–	–	–	–	–	–	–	–	(6,850,000)	(6,850,000)	–	(6,850,000)
Transfer from retained profits		–	–	–	620,895	–	–	–	(620,895)	–	–	–	–
At 31 December 2020		26,132,248	(4,364,394)	186,522	4,993,821	(645,159)	(95,947)	186,967	20,698,006	(330,000)	46,762,064	55,065,018	101,827,082

	Notes	Attributable to owners of the parent											
		Share capital RMB'000 (note 38)	Capital reserve RMB'000 (note 40)	Asset revaluation reserve RMB'000 (note 40)	PRC statutory surplus reserve RMB'000 (note 40)	Exchange fluctuation reserve RMB'000	Hedging reserve RMB'000 (note 40)	Share option reserve RMB'000 (note 40)	Retained profits RMB'000	Merger Reserve RMB'000	Total RMB'000	Non-controlling interests RMB'000	Total equity RMB'000
At 1 January 2021		26,132,248	(4,364,394)	186,522	4,993,821	(645,159)	(95,947)	186,967	20,698,006	(330,000)	46,762,064	55,065,018	101,827,082
Profit for the year		-	-	-	-	-	-	-	4,689,944	-	4,689,944	3,014,887	7,704,831
Other comprehensive income/(loss) for the year:													
Exchange differences on translation of foreign operations		-	-	-	-	1,469,029	-	-	-	-	1,469,029	(10,337)	1,458,692
Net gain on cash flow hedges		-	-	-	-	-	57,096	-	-	-	57,096	-	57,096
Net gain on property revaluation		-	-	8,384	-	-	-	-	-	-	8,384	-	8,384
Total comprehensive income for the year		-	-	8,384	-	1,469,029	57,096	-	4,689,944	-	6,224,453	3,004,550	9,229,003
Repurchase of shares	38	-	-	-	-	-	-	-	(134,804)	-	(134,804)	-	(134,804)
Issue of perpetual capital instruments	37	-	-	-	-	-	-	-	-	-	-	4,233,900	4,233,900
Issue expense of perpetual capital instruments		-	-	-	-	-	-	-	-	-	-	(10,964)	(10,964)
Redemption of perpetual capital instruments	37	-	-	-	-	-	-	-	-	-	-	(7,308,847)	(7,308,847)
Perpetual capital instruments' distribution		-	-	-	-	-	-	-	-	-	-	(1,290,474)	(1,290,474)
Acquisition of subsidiaries	42	-	-	-	-	-	-	-	-	-	-	504,183	504,183
Final 2020 dividend declared	12	-	-	-	-	-	-	-	(1,462,990)	-	(1,462,990)	-	(1,462,990)
2021 interim dividend declared	12	-	-	-	-	-	-	-	(1,266,204)	-	(1,266,204)	-	(1,266,204)
Acquisition of non-controlling interests		-	(116,526)	-	-	-	-	-	-	-	(116,526)	(470,696)	(587,222)
Capital repayment of non-controlling shareholders		-	(100,322)	-	-	-	-	-	-	-	(100,322)	(1,245,488)	(1,345,810)
Capital contribution from non-controlling shareholders		-	2,783	-	-	-	-	-	-	-	2,783	5,569,341	5,572,124
Dividends distribution to non-controlling shareholders		-	-	-	-	-	-	-	-	-	-	(1,218,244)	(1,218,244)
Equity-settled share option arrangements	39	-	-	-	-	-	-	46,127	-	-	46,127	-	46,127
Exercise of share options	38	8,217	-	-	-	-	-	(1,449)	-	-	6,768	-	6,768
Transfer of share option reserve upon the forfeiture of share options		-	-	-	-	-	-	(24,922)	24,922	-	-	-	-
Transfer from retained profits		-	-	-	527,816	-	-	-	(527,816)	-	-	-	-
At 31 December 2021		26,140,465	(4,578,459)*	194,906*	5,521,637*	823,870*	(38,851)*	206,723*	22,021,058*	(330,000)*	49,961,349	56,832,279	106,793,628

* These reserve accounts comprise the consolidated other reserves of RMB23,820,884,000 (2020: RMB20,629,816,000) in the consolidated statement of financial position.

Consolidated Statement of Cash Flows

Year ended 31 December 2021

	Notes	2021 RMB'000	2020 RMB'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		**12,714,270**	9,644,177
Adjustments for:			
Finance costs	8	**2,787,670**	2,726,978
Share of profits and losses of joint ventures and associates		**(1,576,465)**	(1,069,395)
Interest income	5	**(2,387,013)**	(3,223,777)
Other investment income	5	**(631,942)**	(556,424)
Loss/(gain) on disposal of items of property, plant and equipment	6	**14,393**	(517)
Gain on disposal of items of intangible assets	6	**(18)**	(307)
Provision of impairment of trade receivables	6,24	**6,016**	5,420
Impairment of financial assets included in prepayments, other receivables and other assets	6	**5,828**	3,134
Impairment of amounts due from related parties	7	**–**	1,311,180
Impairment of properties under development	7	**594,285**	1,543,462
Impairment of properties held for sale	7	**399,306**	1,515,492
Fair value losses/(gains) on investment properties	6,18	**1,676,648**	(906,121)
Depreciation of property, plant and equipment	6,14	**438,676**	462,969
Depreciation of right-of-use assets	6,19	**187,087**	165,149
Amortisation of intangible assets	6,20	**23,166**	20,940
Net loss on cash flow hedges	6	**–**	467
Gain on disposal of subsidiaries	5,43	**(1,068,824)**	(1,543,156)
Fair value gains on the equity interests previously held as investments in joint ventures and associates	5,42	**(266,183)**	(1,307,456)
Gain on bargain purchase	5,42	**(93,763)**	(146,548)
Gain on disposal of investments in joint ventures and associates	5	**(440,906)**	(371,007)
Gain on disposal of an equity investment designated at fair value through profit or loss	5	**–**	(28,388)
Equity-settled share option expense	6,39	**46,127**	87,786
Fair value gain of a convertible bond	5	**(20,598)**	–
Gain on acquisition of an associate	5	**(1,660,284)**	–
		10,747,476	8,334,058
Increase in properties under development		**(81,193,195)**	(53,555,143)
Decrease in properties held for sale		**69,506,049**	42,839,506
(Increase)/decrease in land under development		**(651,524)**	961,708
Increase in inventories		**(58,213)**	(1,718)
(Increase)/decrease in trade receivables		**(1,641,210)**	1,004,768
Increase in contract assets		**(611,570)**	(522,319)
Decrease/(increase) in prepayments, other receivables and other assets		**1,468,255**	(11,563,222)
Decrease in amounts due from related parties		**1,251,093**	2,745,460
Increase in trade and bills payables		**7,324,905**	3,465,890
(Decrease)/increase in other payables and accruals		**(899,534)**	36,113,321
Increase in amounts due to related parties		**955,971**	4,383,213
Effect of exchange rate changes, net		**494,611**	216,161

	Notes	2021 RMB'000	2020 RMB'000
Cash generated from operations		6,693,114	34,421,683
Interest received		2,248,870	2,361,289
PRC corporate income tax paid		(3,014,554)	(2,946,028)
Land appreciation tax paid		(1,489,338)	(2,497,788)
Net cash flows from operating activities		4,438,092	31,339,156
CASH FLOWS FROM INVESTING ACTIVITIES			
Other investment income received from unlisted investments		631,942	556,424
Purchases of items of property, plant and equipment		(906,611)	(862,742)
Proceeds from disposal of items of property, plant and equipment		19,579	60,408
Proceeds from disposal of intangible assets		177	527
Additions to investment properties		(127,856)	(328,198)
Additions to intangible assets	20	(90,665)	(77,440)
Increase in other financial assets		(95,253)	(292,977)
Disposal of subsidiaries	43	1,802,392	(374,097)
Acquisition of subsidiaries	42	1,722,681	(1,504,433)
Dividends received from joint ventures and associates		724,739	181,660
Investments in joint ventures		(5,497,753)	(5,448,135)
Investments in associates		(6,636,873)	(2,601,726)
Disposal of investments in joint ventures and associates		628,214	1,260,775
Decrease in loans to joint ventures and associates		1,078,965	15,322,219
Increase in loans to non-controlling shareholders		(6,252,309)	(3,122,346)
Decrease/(increase) in entrustment loans to a substantial shareholder		266,081	(297,458)
Decrease in entrustment loans to third parties		–	(650,068)
Advance of investment to third parties		(2,218,749)	(1,008,014)
Decrease in long-term deposits		3,300,000	–
Increase/(decrease) in restricted bank deposits		652,432	(1,111,423)
Settlement of derivative financial instruments		–	(6,286)
Purchase of a convertible bond		(797,657)	–
Net cash flows used in investing activities		(11,796,524)	(303,330)

Consolidated Statement of Cash Flows

Year ended 31 December 2021

	Note	2021 RMB'000	2020 RMB'000
CASH FLOWS FROM FINANCING ACTIVITIES			
Issue of new shares, net of issue expenses		–	4,845,815
Issue of perpetual capital instruments, net of issue expenses		4,222,936	5,000,000
Repurchase of shares		(134,804)	–
New bank and other borrowings		68,618,009	86,376,198
Repayment of bank and other borrowings		(58,154,516)	(90,375,954)
Increase in long-term payables		–	1,996
Interest paid		(4,842,969)	(8,350,752)
(Repayment)/advance of investment (to)/from third parties		(2,009,034)	1,814,198
Principal portion of lease payments		(125,207)	(138,507)
Dividends paid		(2,729,194)	(2,546,108)
Dividends paid to non-controlling shareholders		(1,184,867)	(419,459)
Capital Repayment of non-controlling shareholders		(1,180,131)	–
Loans from non-controlling shareholders		1,498,586	1,687,381
Repayment of loans from non-controlling shareholders		(1,516,023)	(964,134)
Acquisition of non-controlling interests		(440,222)	(3,700,252)
Acquisition of subsidiaries under common control		–	(6,850,000)
Capital contribution from non-controlling shareholders		4,862,684	6,560,628
Proceeds from exercise of share options		6,768	29,428
Distributions of perpetual capital instruments paid		(1,290,474)	(1,134,083)
Redemption of perpetual capital instruments		(7,308,847)	(621,000)
Net cash flows used in financing activities		(1,707,305)	(8,784,605)
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS		(9,065,737)	22,251,221
Cash and cash equivalents at beginning of year		40,155,580	17,945,788
Effect of foreign exchange rate changes, net		(39,206)	(41,429)
CASH AND CASH EQUIVALENTS AT END OF YEAR		31,050,637	40,155,580
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS			
Cash and bank balances	29	30,984,729	40,052,376
Non-pledged time deposits with original maturity of within three months when acquired		51,830	45,105
Non-pledged time deposits with original maturity of over three months when acquired with an option to withdraw upon demand similar to demand deposits		14,078	58,099
Cash and cash equivalents as stated in the consolidated statement of cash flows	29	31,050,637	40,155,580
Non-pledged time deposits with original maturity of over three months when acquired		–	3,300,000
Cash and cash equivalents as stated in the statement of financial position	29	31,050,637	43,455,580

1. CORPORATE AND GROUP INFORMATION

China Jinmao Holdings Group Limited (formerly known as Franshion Properties (China) Limited) (the "Company") is a limited liability company incorporated in Hong Kong on 2 June 2004 under the Hong Kong Companies Ordinance. The registered office of the Company is located at Rooms 4702-03, 47/F, Office Tower, Convention Plaza, 1 Harbour Road, Wanchai, Hong Kong. Its shares have been listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "Hong Kong Stock Exchange") since 17 August 2007.

During the year, the Company and its subsidiaries (collectively referred to as the "Group") were involved in the following principal activities:

- city and property development
- commercial leasing and retail operations
- hotel operations
- provision of property management, design and decoration services

In the opinion of the directors, the immediate holding company of the Company is Sinochem Hong Kong (Group) Company Limited, a company incorporated in Hong Kong, and the ultimate holding company of the Company is Sinochem Holdings Corporation Ltd., a company established in the People's Republic of China (the "PRC") and is a state-owned enterprise under the supervision of the State-owned Assets Supervision and Administration Commission in the PRC.

Information about subsidiaries

Particulars of the Company's principal subsidiaries are as follows:

Company name	Place of incorporation/ registration and operations	Issued ordinary share capital/ paid-up capital	Percentage of equity attributable to the Company Direct	Indirect	Principal activities
Shanghai International Shipping Service Center Co., Ltd.*	The PRC/ Mainland China	RMB3,150,000,000	50%	50%	Property development
Sinochem Franshion Property (Beijing) Co., Ltd.***	The PRC/ Mainland China	US$635,000,000	100%	–	Property development
Chongqing Xingqian Properties Development Co., Ltd.*	The PRC/ Mainland China	RMB2,884,540,000	–	73%@	Property development
Jinmao Hangzhou Property Development Co., Ltd.*	The PRC/ Mainland China	RMB3,200,000,000	–	100%	Property development
Nanjing Xingtuo Investment Co., Ltd.**	The PRC/ Mainland China	RMB3,000,000,000	–	80%	Land development

1. CORPORATE AND GROUP INFORMATION (Continued)

Information about subsidiaries (Continued)

Particulars of the Company's principal subsidiaries are as follows: (Continued)

Company name	Place of incorporation/ registration and operations	Issued ordinary share capital/ paid-up capital	Percentage of equity attributable to the Company Direct	Indirect	Principal activities
Beijing Chemsunny Property Co., Ltd.***	The PRC/ Mainland China	US$102,400,000	50%	50%	Property investment
Sinochem Jinmao Property Management (Beijing) Co.,Ltd.*	The PRC/ Mainland China	RMB5,000,000	–	100%	Property management
Jinmao (China) Hotel Investments and Management Limited ("JCHIML")^	Cayman Islands/ Hong Kong	HK$2,000,000	100%	–	Investment holding
Wangfujing Hotel Management Co., Ltd.***	The PRC/ Mainland China	US$73,345,000	–	100%	Hotel operation
China Jin Mao Group Co., Ltd.***	The PRC/ Mainland China	RMB2,635,000,000	–	100%	Hotel operation and property investment
Jin Mao (Beijing) Real Estate Co., Ltd.**	The PRC/ Mainland China	RMB1,600,000,000	–	100%	Hotel operation
Jin Mao Sanya Resort Hotel Co., Ltd.**	The PRC/ Mainland China	RMB300,000,000	–	100%	Hotel operation
Jin Mao Sanya Tourism Co., Ltd.**	The PRC/ Mainland China	RMB500,000,000	–	100%	Hotel operation
Jin Mao Shenzhen Hotel Investment Co., Ltd.**	The PRC/ Mainland China	RMB700,000,000	–	100%	Hotel operation
Jin Mao (Li Jiang) Hotel Investment Co., Ltd.**	The PRC/ Mainland China	RMB1,500,000,000	–	100%	Hotel operation
Changsha Jin Mao Meixi Lake International Plaza Properties Limited***	The PRC/ Mainland China	US$600,000,000	–	100%	Property development
Jin Mao Investment (Changsha) Co., Ltd.**	The PRC/ Mainland China	RMB3,000,000,000	–	80%	Land development
Franshion Brilliant Limited	British Virgin Islands/ Hong Kong	US$1	100%	–	Investment holding
Franshion Properties (Suzhou) Limited***	The PRC/ Mainland China	US$395,000,000	–	100%	Property development

1. CORPORATE AND GROUP INFORMATION (Continued)

Information about subsidiaries (Continued)

Particulars of the Company's principal subsidiaries are as follows: (Continued)

Company name	Place of incorporation/ registration and operations	Issued ordinary share capital/ paid-up capital	Percentage of equity attributable to the Company Direct	Indirect	Principal activities
Guangzhou Xingtuo Properties Limited*	The PRC/ Mainland China	RMB260,000,000	–	90%	Property development
Changsha Jinmao City Construction Limited**	The PRC/ Mainland China	RMB2,962,500,000	–	100%	Land development
Jinmao Assets Management Limited Partnership	Cayman Islands/ Hong Kong	RMB11,811,608,710	95%	5%	Property investment
Suzhou Anmao Property Co., Ltd. ("Suzhou Anmao")**	The PRC/ Mainland China	RMB4,500,000,000	–	26.5%^^	Property development
Ningbo Xingmao Property Development Co., Ltd.***	The PRC/ Mainland China	US$200,000,000	–	100%	Property development
Shanghai Franshion Development Co., Ltd.*	The PRC/ Mainland China	RMB7,000,000,000	–	90%	Property development
Nanjing Runmao Property Development Co., Ltd.** ("Nanjing Runmao") **	The PRC/ Mainland China	RMB3,000,000,000	–	27.5%#	Property development
Hangzhou Yimao Property Development Co., Ltd. ("Hangzhou Yimao") **	The PRC/ Mainland China	RMB2,500,000,000	–	36%^^^	Property development
Beijing Franshion Tuoying Property Development Co., Ltd. **	The PRC/ Mainland China	RMB10,000,000	–	100%	Property development
Foshan Maoxing Property Development Co., Ltd.**	The PRC/ Mainland China	RMB820,000,000	–	65%	Property development
Beijing Jinfeng Property Development Co., Ltd.**	The PRC/ Mainland China	RMB11,120,000	–	100%	Property development
Jinmao Investment Management (Tianjin) Co., Ltd.**	The PRC/ Mainland China	RMB50,000,000	–	100%	Investment management

1. CORPORATE AND GROUP INFORMATION (Continued)

Information about subsidiaries (Continued)

Particulars of the Company's principal subsidiaries are as follows: (Continued)

Company name	Place of incorporation/ registration and operations	Issued ordinary share capital/ paid-up capital	Percentage of equity attributable to the Company Direct	Indirect	Principal activities
Hangzhou Qinmao Property Development Co., Ltd.*	The PRC/ Mainland China	RMB4,000,000,000	–	60%	Property development
Wuhan Huazi Enterprise Management Consulting Co., Ltd**	The PRC/ Mainland China	RMB6,520,000,000	–	100%	Investment holding
Jinan Yuanmao Property Development Co., Ltd.**	The PRC/ Mainland China	RMB3,162,657,780	–	100%	Property development
Tianjin Jinhui Property Development Co., Ltd.**	The PRC/ Mainland China	RMB2,580,000,000	–	100%	Property development
Shenzhen Yuemao Property Development Co., Ltd.**	The PRC/ Mainland China	RMB500,000,000	–	80%	Property development
Zhengzhou Maohui Property Development Co., Ltd.**	The PRC/ Mainland China	RMB1,530,000,000	–	100%	Property development
Ningbo Cimao Real Estate Development Co., Ltd.**	The PRC/ Mainland China	RMB410,000,000	–	36%##	Property development
Ningbo Yongmao Construction Development Co., Ltd.**	The PRC/ Mainland China	RMB400,000,000	–	80%	Land development
Wuhan Xingmao Enterprise Management Consulting Co., Ltd.**	The PRC/ Mainland China	RMB8,000,000	–	100%	Property development
Kaimao Property (Hangzhou) Co., Ltd.**	The PRC/ Mainland China	RMB2,150,000,000	–	50%##	Property development
Beijing Xingtuo Real Estate Co., Ltd.**	The PRC/ Mainland China	RMB50,000,000	–	100%	Property development

1. CORPORATE AND GROUP INFORMATION (Continued)

Information about subsidiaries (Continued)

Particulars of the Company's principal subsidiaries are as follows: (Continued)

*	Registered as Sino-foreign joint ventures under PRC law
**	Registered as limited liability companies under PRC law
***	Registered as wholly-foreign-owned entities under PRC law
^	Ordinary shares of JCHIML are stapled to units of a trust namely Jinmao Hotel and are listed on the Main Board of the Hong Kong Stock Exchange. JCHIML and its subsidiaries are collectively referred to as the JCHIML Group. On 5 October 2020, JCHIML Group finished its privatisation transaction and withdrawal of its listing of the share stapled units on the Hong Kong Stock Exchange.
@	This entity is a subsidiary of a non-wholly-owned subsidiary of the Company and, accordingly, is accounted for as a subsidiary by virtue of the Company's control over it.
#	The Group is entitled to 57.5% voting rights at the shareholders' meetings, and therefore has the power to exercise over the entity's operating and management activities.
^^	The Group is entitled to 52% voting rights at the shareholders' meetings, and therefore has the power to exercise over the entity's operating and management activities.
^^^	The Group is entitled to 60% voting rights at the shareholders' meetings, and therefore has the power to exercise over the entity's operating and management activities.
##	The Group is entitled to 51% voting rights at the shareholders' meetings, and therefore has the power to exercise over the entity's operating and management activities.

The English names of certain of the above companies represent the best efforts by management of the Company in directly translating the Chinese names of these companies as no English names have been registered or available.

The above table lists the subsidiaries of the Company which, in the opinion of the directors, principally affected the results for the year or formed a substantial portion of the net assets of the Group. To give details of other subsidiaries would, in the opinion of the directors, result in particulars of excessive length.

2.1 BASIS OF PREPARATION

These financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") (which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("HKASs") and Interpretations) issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"), accounting principles generally accepted in Hong Kong and the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention, except for investment properties, derivative financial instruments and other financial assets which have been measured at fair value. These financial statements are presented in RMB and all values are rounded to the nearest thousand except when otherwise indicated.

Basis of consolidation

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

2.1 BASIS OF PREPARATION (Continued)

Basis of consolidation (Continued)

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.

2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

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

Amendments to HKFRS 9, HKAS 39, HKFRS 7, HKFRS 4 and HKFRS 16	*Interest Rate Benchmark Reform – Phase 2*
Amendment to HKAS 16	*Covid-19-Related Rent Concessions beyond 30 June 2021* (early adopted)

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

(a) Amendments to HKFRS 9, HKAS 39, HKFRS 7, HKFRS 4 and HKFRS 16 address issues not dealt with in the previous amendments which affect 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 HKFRS 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 amendments did not have significant impact on the financial position and performance of the Group.

(b) Amendment to HKFRS 16 issued in April 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 and amendment did not have significant impact on the financial position and performance of the Group.

2.3 ISSUED BUT NOT YET EFFECTIVE HONG KONG FINANCIAL REPORTING STANDARDS

The Group has not applied the following new and revised HKFRSs, that have been issued but are not yet effective, in these financial statements.

Amendments to HKFRS 3	*Reference to the Conceptual Framework*[1]
Amendments to HKFRS 10 and HKAS 28 (2011)	*Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*[3]
HKFRS 17	*Insurance Contracts*[2]
Amendments to HKFRS 17	*Insurance Contracts*[2,5]
Amendments to HKFRS 17	*Initial Application of HKFRS 17 and HKFRS 9-Comparative information*[2]
Amendments to HKAS 1	*Classification of Liabilities as Current or Non-current*[2,4]
Amendments to HKAS 1 and HKFRS Practice Statement 2	*Disclosure of Accounting Policies*[2]
Amendments to HKAS 8	*Definition of Accounting Estimates*[2]
Amendments to HKAS 12	*Deferred Tax related to Assets and Liabilities arising from a Single Transaction*[2]
Amendments to HKAS 16	*Property, Plant and Equipment: Proceeds before Intended Use*[1]
Amendments to HKAS 37	*Onerous Contracts – Cost of Fulfilling a Contract*[1]
Annual Improvements to HKFRSs 2018-2020	Amendments to HKFRS 1, HKFRS 9, Illustrative Examples accompanying HKFRS 16, and HKAS 41[1]

1 Effective for annual periods beginning on or after 1 January 2022
2 Effective for annual periods beginning on or after 1 January 2023
3 No mandatory effective date yet determined but available for adoption
4 As a consequence of the amendments to HKAS 1, Hong Kong Interpretation 5 *Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause* was revised in October 2020 to align the corresponding wording with no change in conclusion
5 As a consequence of the amendments to HKFRS 17 issued in October 2020, HKFRS 4 was amended to extend the temporary exemption that permits insurers to apply HKAS 39 rather than HKFRS 9 for annual periods beginning before 1 January 2023

Further information about those HKFRSs that are expected to be applicable to the Group is described below.

Amendments to HKFRS 3 are intended to replace a reference to the previous *Framework for the Preparation and Presentation of Financial Statements* with a reference to the *Conceptual Framework for Financial Reporting* issued in June 2018 without significantly changing its requirements. The amendments also add to HKFRS 3 an exception to its recognition principle for an entity to refer to the Conceptual Framework to determine what constitutes an asset or a liability. The exception specifies that, for liabilities and contingent liabilities that would be within the scope of HKAS 37 or HK(IFRIC)-Int 21 if they were incurred separately rather than assumed in a business combination, an entity applying HKFRS 3 should refer to HKAS 37 or HK(IFRIC)-Int 21 respectively instead of the Conceptual Framework. Furthermore, the amendments clarify that contingent assets do not qualify for recognition at the acquisition date. The Group expects to adopt the amendments prospectively from 1 January 2022. Since the amendments apply prospectively to business combinations for which the acquisition date is on or after the date of first application, the Group will not be affected by these amendments on the date of transition.

2.3 ISSUED BUT NOT YET EFFECTIVE HONG KONG FINANCIAL REPORTING STANDARDS (Continued)

Amendments to HKFRS 10 and HKAS 28 (2011) address an inconsistency between the requirements in HKFRS 10 and in HKAS 28 (2011) in dealing with the sale or contribution of assets between an investor and its associate or joint venture. The amendments require a full recognition of a gain or loss resulting from a downstream transaction when the sale or contribution of assets between an investor and its associate or joint venture constitutes a business. For a transaction involving assets that do not constitute a business, a gain or loss resulting from the transaction is recognised in the investor's profit or loss only to the extent of the unrelated investor's interest in that associate or joint venture. The amendments are to be applied prospectively. The previous mandatory effective date of amendments to HKFRS 10 and HKAS 28 (2011) was removed by the HKICPA in January 2016 and a new mandatory effective date will be determined after the completion of a broader review of accounting for associates and joint ventures. However, the amendments are available for adoption now.

Amendments to HKAS 1 *Classification of Liabilities as Current or Non-current* clarify the requirements for classifying liabilities as current or non-current. The amendments specify that if an entity's right to defer settlement of a liability is subject to the entity complying with specified conditions, the entity has a right to defer settlement of the liability at the end of the reporting period if it complies with those conditions at that date. Classification of a liability is unaffected by the likelihood that the entity will exercise its right to defer settlement of the liability. The amendments also clarify the situations that are considered a settlement of a liability. The amendments are effective for annual periods beginning on or after 1 January 2023 and shall be applied retrospectively. Earlier application is permitted. The amendments are not expected to have any significant impact on the Group's financial statements.

Amendments to HKAS 1 *Disclosure of Accounting Policies* require entities to disclose their material accounting policy information rather than their significant accounting policies. Accounting policy information is material if, when considered together with other information included in an entity's financial statements, it can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements. Amendments to HKFRS Practice Statement 2 provide non-mandatory guidance on how to apply the concept of materiality to accounting policy disclosures. Amendments to HKAS 1 are effective for annual periods beginning on or after 1 January 2023 and earlier application is permitted. Since the guidance provided in the amendments to HKFRS Practice Statement 2 is non-mandatory, an effective date for these amendments is not necessary. The Group is currently assessing the impact of the amendments on the Group's accounting policy disclosures.

2.3 ISSUED BUT NOT YET EFFECTIVE HONG KONG FINANCIAL REPORTING STANDARDS (Continued)

Amendments to HKAS 8 clarify the distinction between changes in accounting estimates and changes in accounting policies. Accounting estimates are defined as monetary amounts in financial statements that are subject to measurement uncertainty. The amendments also clarify how entities use measurement techniques and inputs to develop accounting estimates. The amendments are effective for annual reporting periods beginning on or after 1 January 2023 and apply to changes in accounting policies and changes in accounting estimates that occur on or after the start of that period. Earlier application is permitted. The amendments are not expected to have any significant impact on the Group's financial statements.

Amendments to HKAS 12 narrow the scope of the initial recognition exception so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences, such as leases and decommissioning obligations. Therefore, entities are required to recognise a deferred tax asset and a deferred tax liability for temporary differences arising from these transactions. The amendments are effective for annual reporting periods beginning on or after 1 January 2023 and shall be applied to transactions related to leases and decommissioning obligations at the beginning of the earliest comparative period presented, with any cumulative effect recognised as an adjustment to the opening balance of retained profits or other component of equity as appropriate at that date. In addition, the amendments shall be applied prospectively to transactions other than leases and decommissioning obligations. Earlier application is permitted. The amendments are not expected to have any significant impact on the Group's financial statements.

Amendments to HKAS 16 prohibit an entity from deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognises the proceeds from selling any such items, and the cost of those items, in profit or loss. The amendments are effective for annual periods beginning on or after 1 January 2022 and shall be applied retrospectively only to items of property, plant and equipment made available for use on or after the beginning of the earliest period presented in the financial statements in which the entity first applies the amendments. Earlier application is permitted. The amendments are not expected to have any significant impact on the Group's financial statements.

2.3 ISSUED BUT NOT YET EFFECTIVE HONG KONG FINANCIAL REPORTING STANDARDS (Continued)

Amendments to HKAS 37 clarify that for the purpose of assessing whether a contract is onerous under HKAS 37, the cost of fulfilling the contract comprises the costs that relate directly to the contract. Costs that relate directly to a contract include both the incremental costs of fulfilling that contract (e.g., direct labour and materials) and an allocation of other costs that relate directly to fulfilling that contract (e.g., an allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract as well as contract management and supervision costs). General and administrative costs do not relate directly to a contract and are excluded unless they are explicitly chargeable to the counterparty under the contract. The amendments are effective for annual periods beginning on or after 1 January 2022 and shall be applied to contracts for which an entity has not yet fulfilled all its obligations at the beginning of the annual reporting period in which it first applies the amendments. Earlier application is permitted. Any cumulative effect of initially applying the amendments shall be recognised as an adjustment to the opening equity at the date of initial application without restating the comparative information. The amendments are not expected to have any significant impact on the Group's financial statements.

Annual Improvements to HKFRSs 2018-2020 sets out amendments to HKFRS 1, HKFRS 9, Illustrative Examples accompanying HKFRS 16, and HKAS 41. Details of the amendments that are expected to be applicable to the Group are as follows:

- HKFRS 9 *Financial Instruments*: clarifies the fees that an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability. These fees include only those paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf. An entity applies the amendment to financial liabilities that are modified or exchanged on or after the beginning of the annual reporting period in which the entity first applies the amendment. The amendment is effective for annual periods beginning on or after 1 January 2022. Earlier application is permitted. The amendment is not expected to have a significant impact on the Group's financial statements.

- HKFRS 16 *Leases*: removes the illustration of payments from the lessor relating to leasehold improvements in Illustrative Example 13 accompanying HKFRS 16. This removes potential confusion regarding the treatment of lease incentives when applying HKFRS 16.

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Investments in associates and joint ventures

An associate is an entity in which the Group has a long term interest of generally not less than 20% of the equity voting rights and over which it is in a position to exercise significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

The Group's investments in associates and joint ventures are stated in the consolidated statement of financial position at the Group's share of net assets under the equity method of accounting, less any impairment losses. Adjustments are made to bring into line any dissimilar accounting policies that may exist.

The Group's share of the post-acquisition results and other comprehensive income of associates and joint ventures is included in the consolidated statement of profit or loss and consolidated other comprehensive income, respectively. In addition, when there has been a change recognised directly in the equity of the associate or joint venture, the Group recognises its share of any changes, when applicable, in the consolidated statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and its associates or joint ventures are eliminated to the extent of the Group's investments in the associates or joint ventures, except where unrealised losses provide evidence of an impairment of the assets transferred. Goodwill arising from the acquisition of associates or joint ventures is included as part of the Group's investments in associates or joint ventures.

If an investment in an associate becomes an investment in a joint venture or vice versa, the retained interest is not remeasured. Instead, the investment continues to be accounted for under the equity method. In all other cases, upon loss of significant influence over the associate or joint control over the joint venture, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate or joint venture upon loss of significant influence or joint control and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

When an investment in an associate or a joint venture is classified as held for sale, it is accounted for in accordance with HKFRS 5 *Non-current Assets Held for Sale and Discontinued Operations*.

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Interests in joint operations

A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement.

The Group recognises in relation to its interest in a joint operation:

- its assets, including its share of any assets held jointly;
- its liabilities, including its share of any liabilities incurred jointly;
- its revenue from the sale of its share of the output arising from the joint operation;
- its share of the revenue from the sale of the output by the joint operation; and
- its expenses, including its share of any expenses incurred jointly.

The assets, liabilities, revenues and expenses relating to the Group's interest in a joint operation are accounted for in accordance with the HKFRSs applicable to the particular assets, liabilities, revenues and expenses.

Business combinations and goodwill

Business combinations are accounted for using the acquisition method. The consideration transferred is measured at the acquisition date fair value which is the sum of the acquisition date fair values of assets transferred by the Group, liabilities assumed by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree that are present ownership interests and entitle their holders to a proportionate share of net assets in the event of liquidation at fair value or at the proportionate share of the acquiree's identifiable net assets. All other components of non-controlling interests are measured at fair value. Acquisition-related costs are expensed as incurred.

The Group determines that it has acquired a business when the acquired set of activities and assets includes an input and a substantive process that together significantly contribute to the ability to create outputs.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts of the acquiree.

If the business combination is achieved in stages, the previously held equity interest is remeasured at its acquisition date fair value and any resulting gain or loss is recognised in profit or loss.

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Business combinations and goodwill (Continued)

Any contingent consideration to be transferred by the acquirer is recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability is measured at fair value with changes in fair value recognised in profit or loss. Contingent consideration that is classified as equity is not remeasured and subsequent settlement is accounted for within equity.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred, the amount recognised for non-controlling interests and any fair value of the Group's previously held equity interests in the acquiree over the identifiable assets acquired and liabilities assumed. If the sum of this consideration and other items is lower than the fair value of the net assets acquired, the difference is, after reassessment, recognised in profit or loss as a gain on bargain purchase.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill is tested for impairment annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. The Group performs its annual impairment test of goodwill as at 31 December. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units, or groups of cash-generating units, that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the Group are assigned to those units or groups of units.

Impairment is determined by assessing the recoverable amount of the cash-generating unit (group of cash-generating units) to which the goodwill relates. Where the recoverable amount of the cash-generating unit (group of cash-generating units) is less than the carrying amount, an impairment loss is recognised. An impairment loss recognised for goodwill is not reversed in a subsequent period.

Where goodwill has been allocated to a cash-generating unit (or group of cash-generating units) and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on the disposal. Goodwill disposed of in these circumstances is measured based on the relative value of the operation disposed of and the portion of the cash-generating unit retained.

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fair value measurement

The Group measures its investment properties, derivative financial instruments and certain financial assets at the end of each reporting period. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability, or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible by the Group. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 – based on quoted prices (unadjusted) in active markets for identical assets or liabilities
Level 2 – based on valuation techniques for which the lowest level input that is significant to the fair value measurement is observable, either directly or indirectly
Level 3 – based on valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by reassessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Impairment of non-financial assets

Where an indication of impairment exists, or when annual impairment testing for an asset is required (other than inventories, properties under development, land under development, properties held for sale, deferred tax assets, financial assets and investment properties), the asset's recoverable amount is estimated. An asset's recoverable amount is the higher of the asset's or cash-generating unit's value in use and its fair value less costs of disposal, and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case the recoverable amount is determined for the cash-generating unit to which the asset belongs. In testing a cash-generating unit for impairment, a portion of the carrying amount of a corporate asset (e.g., a headquarters building) is allocated to an individual cash-generating unit if it can be allocated on a reasonable and consistent basis or, otherwise, to the smallest group of cash-generating units.

An impairment loss is recognised only if the carrying amount of an asset exceeds its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. An impairment loss is charged to the statement of profit or loss in the period in which it arises.

An assessment is made at the end of each reporting period as to whether there is an indication that previously recognised impairment losses may no longer exist or may have decreased. If such an indication exists, the recoverable amount is estimated. A previously recognised impairment loss of an asset other than goodwill is reversed only if there has been a change in the estimates used to determine the recoverable amount of that asset, but not to an amount higher than the carrying amount that would have been determined (net of any depreciation/amortisation) had no impairment loss been recognised for the asset in prior years. A reversal of such an impairment loss is credited to the statement of profit or loss in the period in which it arises.

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Related parties

A party is considered to be related to the Group if:

(a) the party is a person or a close member of that person's family and that person

(i) has control or joint control over the Group;

(ii) has significant influence over the Group; or

(iii) is a member of the key management personnel of the Group or of a parent of the Group;

or

(b) the party is an entity where any of the following conditions applies:

(i) the entity and the Group are members of the same group;

(ii) one entity is an associate or joint venture of the other entity (or of a parent, subsidiary or fellow subsidiary of the other entity);

(iii) the entity and the Group are joint ventures of the same third party;

(iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity;

(v) the entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group;

(vi) the entity is controlled or jointly controlled by a person identified in (a);

(vii) a person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity); and

(viii) the entity, or any member of a group of which it is a part, provides key management personnel services to the Group or to the parent of the Group.

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Property, plant and equipment and depreciation

Property, plant and equipment, other than construction in progress, are stated at cost less accumulated depreciation and any impairment losses. When an item of property, plant and equipment is classified as held for sale or when it is part of a disposal group classified as held for sale, it is not depreciated and is accounted for in accordance with HKFRS 5, as further explained in the accounting policy for "Non-current assets and disposal groups held for sale". The cost of an item of property, plant and equipment comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use.

Expenditure incurred after items of property, plant and equipment have been put into operation, such as repairs and maintenance, is normally charged to the statement of profit or loss in the period in which it is incurred. In situations where the recognition criteria are satisfied, the expenditure for a major inspection is capitalised in the carrying amount of the asset as a replacement. Where significant parts of property, plant and equipment are required to be replaced at intervals, the Group recognises such parts as individual assets with specific useful lives and depreciates them accordingly.

Depreciation is calculated on the straight-line basis to write off the cost of each item of property, plant and equipment to its residual value over its estimated useful life. The principal annual rates used for this purpose are as follows:

Hotel properties	1.7% – 9.5%
Leasehold improvements	18% – 20%
Buildings	2% – 5%
Furniture, fixtures and office equipment	3.8% – 33.3%
Motor vehicles	8.3% – 20%

Where parts of an item of property, plant and equipment have different useful lives, the cost of that item is allocated on a reasonable basis among the parts and each part is depreciated separately. Residual values, useful lives and the depreciation method are reviewed, and adjusted if appropriate, at least at each financial year end.

An item of property, plant and equipment including any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on disposal or retirement recognised in the statement of profit or loss in the year the asset is derecognised is the difference between the net sales proceeds and the carrying amount of the relevant asset.

Construction in progress represents a building under construction or equipment under installation or testing, which is stated at cost less any impairment losses, and is not depreciated. Cost comprises the direct costs of construction/equipment and capitalised borrowing costs on related borrowed funds during the period of construction. Construction in progress is reclassified to the appropriate category of property, plant and equipment when completed and ready for use.

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Investment properties

Investment properties are interests in land and buildings (including the leasehold property held as a right-of-use asset which would otherwise meet the definition of an investment property) held to earn rental income and/or for capital appreciation, rather than for use in the production or supply of goods or services or for administrative purposes; or for sale in the ordinary course of business. Such properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at fair value, which reflects market conditions at the end of the reporting period.

Gains or losses arising from changes in the fair values of investment properties are included in the statement of profit or loss in the year in which they arise.

Any gains or losses on the retirement or disposal of an investment property are recognised in the statement of profit or loss in the year of the retirement or disposal.

For a transfer from investment properties to owner-occupied properties or inventories, the deemed cost of a property for subsequent accounting is its fair value at the date of change in use. If a property occupied by the Group as an owner-occupied property becomes an investment property, the Group accounts for such property in accordance with the policy stated under "Property, plant and equipment and depreciation" for owned property and/or accounts for such property in accordance with the policy stated under "Right-of-use assets" for property held as a right-of-use asset up to the date of change in use, and any difference at that date between the carrying amount and the fair value of the property is accounted for as a revaluation with surplus credited to the asset revaluation reserve and deficit charged to the statement of profit or loss. For a transfer from inventories to investment properties, any difference between the fair value of the property at that date and its previous carrying amount is recognised in the statement of profit or loss.

Non-current assets and disposal groups held for sale

Non-current assets and disposal groups are classified as held for sale if their carrying amounts will be recovered principally through a sales transaction rather than through continuing use. For this to be the case, the asset or disposal group must be available for immediate sale in its present condition subject only to terms that are usual and customary for the sale of such assets or disposal groups and its sale must be highly probable. All assets and liabilities of a subsidiary classified as a disposal group are reclassified as held for sale regardless of whether the Group retains a non-controlling interest in its former subsidiary after the sale.

Non-current assets and disposal groups (other than investment properties and financial assets) classified as held for sale are measured at the lower of their carrying amounts and fair values less costs to sell. Property, plant and equipment and intangible assets classified as held for sale are not depreciated or amortised.

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Intangible assets (other than goodwill)

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is the fair value at the date of acquisition. The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are subsequently amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at each financial year end.

Intangible assets with indefinite useful lives are tested for impairment annually either individually or at the cash-generating unit level. Such intangible assets are not amortised. The useful life of an intangible asset with an indefinite life is reviewed annually to determine whether the indefinite life assessment continues to be supportable. If not, the change in the useful life assessment from indefinite to finite is accounted for on a prospective basis.

Computer software

Purchased computer software is stated at cost less any impairment losses and is amortised on the straight-line basis over its estimated useful life of 5 to 10 years.

Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Group as a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets. At inception or on reassessment of a contract that contains a lease component and non-lease component(s), the Group adopts the practical expedient not to separate non-lease component(s) and to account for the lease component and the associated non-lease component(s) (e.g., property management services for leases of properties) as a single lease component.

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Leases (Continued)

Group as a lessee **(Continued)**

(a) Right-of-use assets

Right-of-use assets are recognised at the commencement date of the lease (that is the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and any impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Where applicable, the cost of a right-of-use asset also includes an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease terms and the estimated useful lives of the assets as follows:

Leasehold land	30 to 70 years
Office properties and staff quarters	2 to 15 years

If ownership of the leased asset transfers to the Group by the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

When the right-of-use assets relate to interests in leasehold land held as properties held for sale, they are subsequently measured at the lower of cost and net realisable value in accordance with the Group's policy for "properties held for sale". When a right-of-use asset meets the definition of investment property, it is included in investment properties. The corresponding right-of-use asset is initially measured at cost, and subsequently measured at fair value, in accordance with the Group's policy for "investment properties".

(b) Lease liabilities

Lease liabilities are recognised at the commencement date of the lease at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for termination of a lease, if the lease term reflects the Group exercising the option to terminate the lease. The variable lease payments that do not depend on an index or a rate are recognised as an expense in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in lease payments (e.g., a change to future lease payments resulting from a change in an index or rate) or a change in assessment of an option to purchase the underlying asset.

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Leases (Continued)

Group as a lessee **(Continued)**

(c) *Short-term leases and leases of low-value assets*

The Group applies the short-term lease recognition exemption to its short-term leases of properties, machinery and equipment (that is those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). When the Group enters into a lease in respect of a low-value asset, the Group decides whether to capitalise the lease on a lease-by-lease basis. Lease payments on short-term leases and leases of low-value assets are recognised as an expense on a straight-line basis over the lease term.

Group as a lessor

When the Group acts as a lessor, it classifies at lease inception (or when there is a lease modification) each of its leases as either an operating lease or a finance lease.

Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. When a contract contains lease and non-lease components, the Group allocates the consideration in the contract to each component on a relative stand-alone selling price basis. Rental income is accounted for on a straight-line basis over the lease terms and is included in revenue in the statement of profit or loss due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

Leases that transfer substantially all the risks and rewards incidental to ownership of an underlying asset to the lessee, are accounted for as finance leases. At the commencement date, the cost of the leased asset is capitalised at the present value of the lease payments and related payments (including the initial direct costs), and presented as a receivable at an amount equal to the net investment in the lease. The finance income on the net investment in the lease is recognised in the statement of profit or loss so as to provide a constant periodic rate of return over the lease terms.

When the Group is an intermediate lessor, a sublease is classified as a finance lease or operating lease with reference to the right-of-use asset arising from the head lease. If the head lease is a short-term lease to which the Group applies the on-balance sheet recognition exemption, the Group classifies the sublease as an operating lease.

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Land under development

Land under development is stated at the lower of cost and net realisable value and comprises the compensation for land requisition, project costs, other preliminary infrastructure costs, borrowing costs, professional fees and other costs directly attributable to such land under development during the development period.

Land under development which has been pre-sold or intended for sale and is expected to be completed within one year from the end of the reporting period is classified under current assets. Net realisable value takes into account the Group's proceeds derived from the sale of land under development by government authorities, less costs to completion and the costs to be incurred in realising the revenue derived from the sale of land under development based on prevailing market conditions.

Properties under development

Properties under development are stated at the lower of cost and net realisable value and comprise construction costs, borrowing costs, professional fees and other costs directly attributable to such properties incurred during the development period.

Properties under development which have been pre-sold or intended for sale and are expected to be completed within one year from the end of the reporting period are classified under current assets. On completion, the properties are transferred to properties held for sale.

Properties held for sale

Properties held for sale are stated at the lower of cost and net realisable value.

Cost of properties held for sale is determined by an apportionment of total land and building costs attributable to the unsold properties.

Net realisable value is determined by reference to the sales proceeds of properties sold in the ordinary course of business, less applicable variable selling expenses, or by management's estimates based on the prevailing market conditions, on an individual property basis.

Investments and other financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income, and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient of not adjusting the effect of a significant financing component, the Group initially measures a financial asset at its fair value, plus in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under HKFRS 15 in accordance with the policies set out for "Revenue recognition" below.

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Investments and other financial assets (Continued)

***Initial recognition and measurement* (Continued)**

In order for a financial asset to be classified and measured at amortised cost or fair value through other comprehensive income, it needs to give rise to cash flows that are solely payments of principal and interest ("SPPI") on the principal amount outstanding. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows, while financial assets classified and measured at fair value through other comprehensive income are held within a business model with the objective of both holding to collect contractual cash flows and selling. Financial assets which are not held within the aforementioned business models are classified and measured at fair value through profit or loss.

All regular way purchases and sales of financial assets are recognised on the trade date, that is, the date that the Group commits to purchase or sell the asset. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace.

Subsequent measurement

The subsequent measurement of financial assets depends on their classification as follows:

Financial assets at amortised cost (debt instruments)

Financial assets at amortised cost are subsequently measured using the effective interest method and are subject to impairment. Gains and losses are recognised in the statement of profit or loss when the asset is derecognised, modified or impaired.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in the statement of profit or loss.

This category includes derivative instruments and equity investments which the Group had not irrevocably elected to classify at fair value through other comprehensive income. Dividends on equity investments classified as financial assets at fair value through profit or loss are also recognised as other income in the statement of profit or loss when the right of payment has been established, it is probable that the economic benefits associated with the dividend will flow to the Group and the amount of the dividend can be measured reliably.

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Investments and other financial assets (Continued)

Financial assets at fair value through profit or loss **(Continued)**

A derivative embedded in a hybrid contract, with a financial liability or non-financial host, is separated from the host and accounted for as a separate derivative if the economic characteristics and risks are not closely related to the host: a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative: and the hybrid contract is not measured at fair value through profit or loss. Embedded derivatives are measured at fair value with changes in fair value recognised in the statement of profit or loss. Reassessment only occurs if there is either a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required or a reclassification of a financial asset out of the fair value through profit or loss category.

A derivative embedded within a hybrid contract containing a financial asset host is not accounted for separately. The financial asset host together with the embedded derivative is required to be classified in its entirety as a financial asset at fair value through profit or loss.

Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Group's consolidated statement of financial position) when:

- the rights to receive cash flows from the asset have expired; or
- the Group has transferred its rights to receive cash flows from the asset, or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass-through" arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risk and rewards of ownership of the asset. When it has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Impairment of financial assets

The Group recognises an allowance for expected credit losses ("ECLs") for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

General approach

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12 months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

At each reporting date, the Group assesses whether the credit risk on a financial instrument has increased significantly since initial recognition. When making the assessment, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and considers reasonable and supportable information that is available without undue cost or effort, including historical and forward-looking information.

The Group considers a financial asset in default when contractual payments are 180 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Financial assets at amortised cost are subject to impairment under the general approach and they are classified within the following stages for measurement of ECLs except for trade receivables and contract assets which apply the simplified approach as detailed below.

Stage 1 – Financial instruments for which credit risk has not increased significantly since initial recognition and for which the loss allowance is measured at an amount equal to 12-month ECLs

Stage 2 – Financial instruments for which credit risk has increased significantly since initial recognition but that are not credit-impaired financial assets and for which the loss allowance is measured at an amount equal to lifetime ECLs

Stage 3 – Financial assets that are credit-impaired at the reporting date (but that are not purchased or originated credit-impaired) and for which the loss allowance is measured at an amount equal to lifetime ECLs

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Impairment of financial assets (Continued)

Simplified approach

For trade receivables and contract assets that do not contain a significant financing component or when the Group applies the practical expedient of not adjusting the effect of a significant financing component, the Group applies the simplified approach in calculating ECLs. Under the simplified approach, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

For trade receivables and contract assets that contain a significant financing component and lease receivables, the Group chooses as its accounting policy to adopt the simplified approach in calculating ECLs with policies as described above.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group's financial liabilities include trade and bills payables, other payables, amounts due to related parties, interest-bearing bank and other borrowings, lease liabilities, long-term payables, and derivative financial instruments.

Subsequent measurement

The subsequent measurement of financial liabilities depends on their classification as follows:

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by HKFRS 9. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments. Gains or losses on liabilities held for trading are recognised in the statement of profit or loss. The net fair value gain or loss recognised in the statement of profit or loss does not include any interest charged on these financial liabilities.

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial liabilities (Continued)

***Subsequent measurement* (Continued)**

Financial liabilities designated upon initial recognition as at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in HKFRS 9 are satisfied. Gains or losses on liabilities designated at fair value through profit or loss are recognised in the statement of profit or loss, except for the gains or losses arising from the Group's own credit risk which are presented in other comprehensive income with no subsequent reclassification to the statement of profit or loss. The net fair value gain or loss recognised in the statement of profit or loss does not include any interest charged on these financial liabilities.

Financial liabilities at amortised cost (loans and borrowings)

After initial recognition, interest-bearing loans and borrowings and lease liabilities are subsequently measured at amortised cost, using the effective interest rate method unless the effect of discounting would be immaterial, in which case they are stated at cost. Gains and losses are recognised in the statement of profit or loss when the liabilities are derecognised as well as through the effective interest rate amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The effective interest rate amortisation is included in finance costs in the statement of profit or loss.

Financial guarantee contracts

Financial guarantee contracts issued by the Group are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. A financial guarantee contract is recognised initially as a liability at its fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequent to initial recognition, the Group measures the financial guarantee contracts at the higher of: (i) the ECL allowance determined in accordance with the policy as set out in "Impairment of financial assets"; and (ii) the amount initially recognised less, when appropriate, the cumulative amount of income recognised.

Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled, or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and a recognition of a new liability, and the difference between the respective carrying amounts is recognised in the statement of profit or loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Derivative financial instruments and hedge accounting

Initial recognition and subsequent measurement

The Group uses derivative financial instruments, such as forward currency contracts and interest rate swaps, to hedge its foreign currency risk and interest rate risk, respectively. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. Derivatives are carried as assets when the fair value is positive and as liabilities when the fair value is negative.

Any gains or losses arising from changes in fair value of derivatives are taken directly to the statement of profit or loss, except for the effective portion of cash flow hedges, which is recognised in other comprehensive income and later reclassified to profit or loss when the hedged item affects profit or loss.

For the purpose of hedge accounting, hedges are classified as:

- fair value hedges when hedging the exposure to changes in the fair value of a recognised asset or liability or an unrecognised firm commitment; or

- cash flow hedges when hedging the exposure to variability in cash flows that is either attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction, or a foreign currency risk in an unrecognised firm commitment; or

- hedges of a net investment in a foreign operation.

At the inception of a hedge relationship, the Group formally designates and documents the hedge relationship to which the Group wishes to apply hedge accounting, the risk management objective and its strategy for undertaking the hedge.

The documentation includes identification of the hedging instrument, the hedged item, the nature of the risk being hedged and how the Group will assess whether the hedging relationship meets the hedge effectiveness requirements (including the analysis of sources of hedge ineffectiveness and how the hedge ratio is determined). A hedging relationship qualifies for hedge accounting if it meets all of the following effectiveness requirements:

- There is "an economic relationship" between the hedged item and the hedging instrument.

- The effect of credit risk does not "dominate the value changes" that result from that economic relationship.

- The hedge ratio of the hedging relationship is the same as that resulting from the quantity of the hedged item that the Group actually hedges and the quantity of the hedging instrument that the Group actually uses to hedge that quantity of hedged item.

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Derivative financial instruments and hedge accounting (Continued)

***Initial recognition and subsequent measurement* (Continued)**

Hedges which meet all the qualifying criteria for hedge accounting are accounted for as follows:

Cash flow hedges

The effective portion of the gain or loss on the hedging instrument is recognised directly in other comprehensive income in the cash flow hedge reserve, while any ineffective portion is recognised immediately in the statement of profit or loss. The cash flow hedge reserve is adjusted to the lower of the cumulative gain or loss on the hedging instrument and the cumulative change in fair value of the hedged item.

The amounts accumulated in other comprehensive income are accounted for, depending on the nature of the underlying hedged transaction. If the hedged transaction subsequently results in the recognition of a non-financial item, the amount accumulated in equity is removed from the separate component of equity and included in the initial cost or other carrying amount of the hedged asset or liability. This is not a reclassification adjustment and will not be recognised in other comprehensive income for the period. This also applies where the hedged forecast transaction of a non-financial asset or non-financial liability subsequently becomes a firm commitment to which fair value hedge accounting is applied.

For any other cash flow hedges, the amount accumulated in other comprehensive income is reclassified to the statement of profit or loss as a reclassification adjustment in the same period or periods during which the hedged cash flows affect the statement of profit or loss.

If cash flow hedge accounting is discontinued, the amount that has been accumulated in other comprehensive income must remain in accumulated other comprehensive income if the hedged future cash flows are still expected to occur. Otherwise, the amount will be immediately reclassified to the statement of profit or loss as a reclassification adjustment. After the discontinuation, once the hedged cash flow occurs, any amount remaining in accumulated other comprehensive income is accounted for depending on the nature of the underlying transaction as described above.

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Derivative financial instruments and hedge accounting (Continued)

Current versus non-current classification

Derivative instruments that are not designated as effective hedging instruments are classified as current or non-current or separated into current and non-current portions based on an assessment of the facts and circumstances (i.e., the underlying contracted cash flows).

- Where the Group expects to hold a derivative as an economic hedge (and does not apply hedge accounting) for a period beyond 12 months after the end of the reporting period, the derivative is classified as non-current (or separated into current and non-current portions) consistently with the classification of the underlying item.

- Embedded derivatives that are not closely related to the host contract are classified consistently with the cash flows of the host contract.

- Derivative instruments that are designated as, and are effective hedging instruments, are classified consistently with the classification of the underlying hedged item. The derivative instruments are separated into current portions and non-current portions only if a reliable allocation can be made.

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined on the weighted average basis. Net realisable value is based on estimated selling prices less any estimated costs to be incurred to completion and disposal.

Cash and cash equivalents

For the purpose of the consolidated statement of cash flows, cash and cash equivalents comprise cash on hand and demand deposits, and short term highly liquid investments that are readily convertible into known amounts of cash, are subject to an insignificant risk of changes in value, and have a short maturity of generally within three months when acquired, less bank overdrafts which are repayable on demand and form an integral part of the Group's cash management.

For the purpose of the consolidated statement of financial position, cash and cash equivalents comprise cash on hand and at banks, including term deposits, and assets similar in nature to cash, which are not restricted as to use.

Provisions

A provision is recognised when a present obligation (legal or constructive) has arisen as a result of a past event and it is probable that a future outflow of resources will be required to settle the obligation, provided that a reliable estimate can be made of the amount of the obligation.

When the effect of discounting is material, the amount recognised for a provision is the present value at the end of the reporting period of the future expenditures expected to be required to settle the obligation. The increase in the discounted present value amount arising from the passage of time is included in finance costs in the statement of profit or loss.

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Income tax

Income tax comprises current and deferred tax. Income tax relating to items recognised outside profit or loss is recognised outside profit or loss, either in other comprehensive income or directly in equity.

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period, taking into consideration interpretations and practices prevailing in the countries in which the Group operates.

Deferred tax is provided, using the liability method, on all temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- when the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

- in respect of taxable temporary differences associated with investments in subsidiaries, associates and joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, and the carryforward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carryforward of unused tax credits and unused tax losses can be utilised, except:

- when the deferred tax asset relating to the deductible temporary differences arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

- in respect of deductible temporary differences associated with investments in subsidiaries, associates and joint ventures, deferred tax assets are only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at the end of each reporting period and are recognised to the extent that it has become probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be recovered.

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Income tax (Continued)

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and deferred tax liabilities are offset if and only if the Group has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

Government grants

Government grants are recognised at their fair value where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the costs, for which it is intended to compensate, are expensed.

Where the grant relates to an asset, the fair value is credited to a deferred income account and is released to the statement of profit or loss over the expected useful life of the relevant asset by equal annual instalments or deducted from the carrying amount of the asset and released to the statement of profit or loss by way of a reduced depreciation charge.

Revenue recognition

Revenue from contracts with customers

Revenue from contracts with customers is recognised when control of goods or services is transferred to the customers at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services.

When the consideration in a contract includes a variable amount, the amount of consideration is estimated to which the Group will be entitled in exchange for transferring the goods or services to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved.

When the contract contains a financing component which provides the customer with a significant benefit of financing the transfer of goods or services to the customer for more than one year, revenue is measured at the present value of the amount receivable, discounted using the discount rate that would be reflected in a separate financing transaction between the Group and the customer at contract inception. When the contract contains a financing component which provides the Group with a significant financial benefit for more than one year, revenue recognised under the contract includes the interest expense accreted on the contract liability under the effective interest method. For a contract where the period between the payment by the customer and the transfer of the promised goods or services is one year or less, the transaction price is not adjusted for the effects of a significant financing component, using the practical expedient in HKFRS 15.

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenue recognition (Continued)

***Revenue from contracts with customers* (Continued)**

(a) *Sale of completed properties*

Revenue from the sale of completed properties is recognised at the point in time when control of the asset is transferred to the customer, revenue is recognised when the customer obtains the physical possession or the legal title of the completed property and the Group has obtained the right to payment and the collection of the consideration is probable;

(b) *Land development*

Revenue from land development is recognised at the point in time when control of the asset is transferred to the customers, that is when the related construction works have been completed as well as land is sold, and the collectability of the proceeds from land sales is reasonably assured;

(c) *Hotel operations*

Hotel and other service income is recognised in the period in which such services are rendered because the customer simultaneously receives and consumes the benefits provided by the Group;

(d) *Property management services*

Revenue from the rendering of property management services is recognised over the scheduled period on a straight-line basis because the customer simultaneously receives and consumes the benefits provided by the Group;

(e) *Design, construction and decoration services*

Revenue from the provision of design, construction and decoration services is recognised over time, using an input method to measure progress towards complete satisfaction of the service, because the Group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced. The input method recognises revenue based on the proportion of the actual costs incurred relative to the estimated total costs for satisfaction of the design, construction and decoration services.

Revenue from other sources

Rental income is recognised on a time proportion basis over the lease terms. Variable lease payments that do not depend on an index or a rate are recognised as income in the accounting period in which they are incurred.

Other income

Interest income is recognised on an accrual basis using the effective interest method by applying the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, when appropriate, to the net carrying amount of the financial asset.

Dividend income is recognised when the shareholders' right to receive payment has been established, it is probable that the economic benefits associated with the dividend will flow to the Group and the amount of the dividend can be measured reliably.

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Contract assets

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Group performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional. Contract assets are subject to impairment assessment, details of which are included in the accounting policies for impairment of financial assets.

Contract liabilities

A contract liability is recognised when a payment is received or a payment is due (whichever is earlier) from a customer before the Group transfers the related goods or services. Contract liabilities are recognised as revenue when the Group performs under the contract (i.e., transfers control of the related goods or services to the customer).

Contract costs

Other than the costs which are capitalised as properties under development, land under development, inventories, property, plant and equipment and intangible assets, costs incurred to fulfil a contract with a customer are capitalised as an asset if all of the following criteria are met:

(a) The costs relate directly to a contract or to an anticipated contract that the entity can specifically identify.

(b) The costs generate or enhance resources of the entity that will be used in satisfying (or in continuing to satisfy) performance obligations in the future.

(c) The costs are expected to be recovered.

The capitalised contract costs are amortised and charged to the statement of profit or loss on a systematic basis that is consistent with the transfer to the customer of the goods or services to which the asset relates. Other contract costs are expensed as incurred.

Share-based payments

The Company operates a share option scheme for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Group’s operations. Employees (including directors) of the Group receive remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments (“equity-settled transactions”).

The cost of equity-settled transactions with employees for grants is measured by reference to the fair value at the date at which they are granted.

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Share-based payments (Continued)

The cost of equity-settled transactions is recognised in employee benefit expense, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled. The cumulative expense recognised for equity-settled transactions at the end of each reporting period until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The charge or credit to the statement of profit or loss for a period represents the movement in the cumulative expense recognised as at the beginning and end of that period.

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Group's best estimate of the number of equity instruments that will ultimately vest. Market performance conditions are reflected within the grant date fair value. Any other conditions attached to an award, but without an associated service requirement, are considered to be non-vesting conditions. Non-vesting conditions are reflected in the fair value of an award and lead to an immediate expensing of an award unless there are also service and/or performance conditions.

For awards that do not ultimately vest because non-market performance and/or service conditions have not been met, no expense is recognised. Where awards include a market or non-vesting condition, the transactions are treated as vesting irrespective of whether the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

Where the terms of an equity-settled award are modified, as a minimum an expense is recognised as if the terms had not been modified, if the original terms of the award are met. In addition, an expense is recognised for any modification that increases the total fair value of the share-based payments, or is otherwise beneficial to the employee as measured at the date of modification.

Where an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. This includes any award where non-vesting conditions within the control of either the Group or the employee are not met. However, if a new award is substituted for the cancelled award, and is designated as a replacement award on the date that it is granted, the cancelled and new awards are treated as if they were a modification of the original award, as described in the previous paragraph.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of earnings per share.

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Pension schemes

The Group operates a defined contribution Mandatory Provident Fund retirement benefit scheme (the "MPF Scheme") under the Mandatory Provident Fund Schemes Ordinance for all of its employees who are eligible to participate in the MPF Scheme. Contributions are made based on a percentage of the employees' basic salaries and are charged to the statement of profit or loss as they become payable in accordance with the rules of the MPF Scheme. The assets of the MPF Scheme are held separately from those of the Group in an independently administered fund. The Group's employer contributions vest fully with the employees when contributed into the MPF Scheme.

The employees of the Group's subsidiaries which operate in Mainland China are required to participate in a central pension scheme operated by the local municipal government. The subsidiaries are required to contribute certain percentages of their payroll costs to the central pension scheme. The contributions are charged to the statement of profit or loss as they become payable in accordance with the rules of the central pension scheme.

Termination benefits

Termination benefits are recognised at the earlier of when the Group can no longer withdraw the offer of those benefits and when the Group recognises restructuring costs involving the payment of termination benefits.

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, i.e., assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised as part of the cost of those assets. The capitalisation of such borrowing costs ceases when the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs capitalised. All other borrowing costs are expensed in the period in which they are incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

Where funds have been borrowed generally, and used for the purpose of obtaining qualifying assets, a weighted average capitalisation rate of 2.98 % has been applied to the expenditure on the group level.

Dividends

Final dividends are recognised as a liability when they are approved by the shareholders in a general meeting. Proposed final dividends are disclosed in the notes to the financial statements.

Interim dividends are simultaneously proposed and declared, because the Company's memorandum and articles of association grant the directors the authority to declare interim dividends. Consequently, interim dividends are recognised immediately as a liability when they are proposed and declared.

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Foreign currencies

These financial statements are presented in RMB, while the Company's functional currency is HK$. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency. Foreign currency transactions recorded by the entities in the Group are initially recorded using their respective functional currency rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency rates of exchange ruling at the end of the reporting period.

Differences arising on settlement or translation of monetary items are recognised in the statement of profit or loss with the exception of monetary items that are designated as part of the hedge of the Group's net investment of a foreign operation. These are recognised in other comprehensive income until the net investment is disposed of, at which time the cumulative amount is reclassified to the statement of profit or loss. Tax charges and credits attributable to exchange differences on those monetary items are also recorded in other comprehensive income.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured. The gain or loss arising on translation of a non-monetary item measured at fair value is treated in line with the recognition of the gain or loss on change in fair value of the item (i.e., translation difference on the item whose fair value gain or loss is recognised in other comprehensive income or profit or loss is also recognised in other comprehensive income or profit or loss, respectively).

In determining the exchange rate on initial recognition of the related asset, expense or income on the derecognition of a non-monetary asset or non-monetary liability relating to an advance consideration, the date of initial transaction is the date on which the Group initially recognises the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, the Group determines the transaction date for each payment or receipt of the advance consideration.

The functional currencies of the Company and subsidiaries operating outside Mainland China are currencies other than the RMB. As at the end of the reporting period, the assets and liabilities of these entities are translated into RMB at the exchange rates prevailing at the end of the reporting period and their statements of profit or loss are translated into RMB at the exchange rates that approximate to those prevailing at the dates of the transactions.

The resulting exchange differences are recognised in other comprehensive income and accumulated in the exchange fluctuation reserve. On disposal of a foreign operation, the component of other comprehensive income relating to that particular foreign operation is recognised in the statement of profit or loss.

Any goodwill arising on the acquisition of a foreign operation and any fair value adjustments to the carrying amounts of assets and liabilities arising on acquisition are treated as assets and liabilities of the foreign operation and translated at the closing rate.

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Foreign currencies (Continued)

For the purpose of the consolidated statement of cash flows, the cash flows of overseas subsidiaries are translated into Hong Kong dollars at the exchange rate ruling at the dates of the cash flows. Frequently recurring cash flows of overseas subsidiaries which arises throughout the year are translated into Hong Kong dollars at the weighted average exchange rates for the year.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of the Group's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and their accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amounts of the assets or liabilities affected in the future.

Judgements

In the process of applying the Group's accounting policies, management has made the following judgements, apart from those involving estimations, which have the most significant effect on the amounts recognised in the financial statements:

Classification between investment properties and properties held for sale

The Group develops properties held for sale and properties held to earn rentals and/or for capital appreciation or both. Judgement is made by management in determining whether a property is designated as an investment property or a property held for sale. The Group considers its intention for holding the properties at the early development stage of the related properties. During the course of construction, the related properties under construction are accounted for as properties under development if the properties are intended for sale after completion. Upon completion of construction, properties under development are transferred to completed properties held for sale and are stated at cost. Properties under construction are accounted for as investment properties if the properties are intended to be held to earn rentals and/or for capital appreciation after completion.

Estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below.

Provision for expected credit losses on trade receivables and contract assets

The Group uses a provision matrix to calculate ECLs for trade receivables and contract assets. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns (i.e., by customer type and rating, and credit insurance).

The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. For instance, if forecast economic conditions (i.e., gross domestic products) are expected to deteriorate over the next year which can lead to an increased number of defaults in the properties development sector, the historical default rates are adjusted. At each reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (Continued)

Estimation uncertainty (Continued)

***Provision for expected credit losses on trade receivables and contract assets* (Continued)**

The assessment of the correlation among historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of a customer's actual default in the future. The information about the ECLs on the Group's trade receivables and contract assets is disclosed in note 24 and note 26 to the financial statements, respectively.

Provision for expected credit losses on amounts due from joint ventures and associates

The Group uses general approach to calculate ECLs on the amounts due from joint ventures and associates. For those associates and joint ventures undertaking property development projects, if applicable, the provision is measured at an amount equal to the lifetime ECL which would be calculated by taking into account the impairment losses of the properties under development and properties held for sale held by the associates and joint ventures. The ECLs reflect the current conditions and forecasts of future economic conditions, as appropriate. The assessment of the carrying value of properties under development and properties held for sale held by the associates and joint ventures and ECLs is a significant estimate. As at 31 December 2021, the loss allowance was assessed and recognised at an amount of RMB1,311,180,000 (2020: RMB1,311,180,000). Further details are disclosed in note 27 to the financial statements.

Estimation of fair value of investment properties

In the absence of current prices in an active market for similar properties, the Group considers information from a variety of sources, including:

(a) current prices in an active market for properties of a different nature, condition or location, adjusted to reflect those differences;

(b) recent prices of similar properties on less active markets, with adjustments to reflect any changes in economic conditions since the dates of the transactions that occurred at those prices; and

(c) discounted cash flow projections based on reliable estimates of future cash flows, supported by the terms of any existing lease and other contracts and (when possible) by external evidence such as current market rents for similar properties in the same location and condition, and using discount rates that reflect current market assessments of the uncertainty in the amount and timing of the cash flows.

The carrying amount of investment properties at 31 December 2021 was RMB31,564,522,000 (2020: RMB33,315,404,000). Further details, including the key assumptions used for the fair value measurement, are given in note 18 to the financial statements.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (Continued)

Estimation uncertainty (Continued)

Measurement of properties under development

The Group's properties under development is stated at the lower of cost and net realisable value. Development costs of properties are recorded as properties under development during the construction stage and will be transferred to completed properties held for sale upon completion. An apportionment of these costs will be recognised in the statement of profit or loss upon the recognition of the sale of the properties. Before the final settlement of the development costs and other costs relating to the sale of the properties, these costs are accrued by the Group based on management's best estimate.

When developing properties, the Group may divide the development projects into phases. Specific costs directly related to the development of a particular phase are recorded as the cost of such phase. Common costs are allocated to individual phases based on the estimated saleable area of the entire development project. Where the final settlement of costs and the related cost allocation is different from the initial estimates, any increase or decrease in the development costs and other costs would affect profit or loss in future years.

Based on the Group's recent experience and the nature of the subject project, the Group makes estimates of cost of properties under development, and its net realisable value, i.e., the revenue to be derived from the properties under development for sale, less costs to completion and the costs to be incurred in realising the revenue from the sale of properties under development based on prevailing market conditions.

If the cost is higher than the estimated net realisable value, provision for the excess of cost of properties under development over its net realisable value should be made. Such provision would require the use of judgement and estimates. Where the expectation is different from the original estimate, the carrying value and provision for properties under development in the periods in which such estimate is changed will be adjusted accordingly. The carrying amount of properties under development at 31 December 2021 was RMB144,824,158,000 (2020: RMB138,828,994,000). Further details are given in note 15 to the financial statements.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (Continued)

Estimation uncertainty (Continued)

Measurement of land under development

The Group's land under development is stated at the lower of cost and net realisable value. Costs of land under development during the construction stage, before the final settlement of the development costs and other costs relating to the land under development are accrued by the Group based on management's best estimate. Where the final settlement of costs and the related cost allocation is different from the initial estimates, any increase or decrease in the development costs and other costs would affect profit or loss in future years. Based on the Group's recent experience and the nature of the subject land development, the Group makes estimates of cost allocated to each parcel of land under development, and its net realisable value, i.e., the revenue to be derived from the land under development for sale by government authorities, less costs to completion and the costs to be incurred in realising the revenue from the sale of land under development based on prevailing market conditions.

If the cost is higher than the estimated net realisable value, provision for the excess of cost of land under development over its net realisable value should be made. Such provision would require the use of judgement and estimates. Where the expectation is different from the original estimate, the carrying value and provision for land under development in the periods in which such estimate is changed will be adjusted accordingly. The carrying amount of land under development at 31 December 2021 was RMB14,919,990,000 (2020: RMB11,923,909,000). Further details are given in note 16 to the financial statements.

Estimation of net realisable value for properties held for sale

Properties held for sale are stated at the lower of cost and net realisable value. The net realisable value is assessed with reference to market conditions and prices existing at the end of the reporting period and is determined by the Group having taken suitable external advice and in light of recent market transactions. The carrying amounts of properties held for sale at 31 December 2021 were RMB27,477,555,000 (2020: RMB19,399,605,000). Further details are given in note 17 to the financial statements.

Provision for impairment of properties for sale

Management reviews the market conditions of properties for sale held by the Group and associates and joint ventures at the end of each reporting period, and makes provision for impairment of properties for sale identified that the net realisable value is lower than cost. Management estimates the net realisable value for properties for sale based primarily on the latest selling prices and current market conditions. If the condition was to deteriorate so that the actual provision might be higher than expected, the Group would be required to revise the basis of making the provision and its future results would be affected. Further details are given in note 17 to the financial statements.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (Continued)

Estimation uncertainty (Continued)

Deferred tax assets

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies. The carrying value of deferred tax assets relating to recognised tax losses at 31 December 2021 was RMB1,148,139,000 (2020: RMB682,961,000). The amount of unrecognised tax losses at 31 December 2021 was RMB6,233,364,000 (2020: RMB4,508,776,000). Further details are contained in note 36 to the financial statements.

PRC corporate income tax

The Group is subject to income taxes in the PRC. As a result of the fact that certain matters relating to the income taxes have not been confirmed by the local tax bureau, objective estimate and judgement based on currently enacted tax laws, regulations and other related policies are required in determining the provision for income taxes to be made. Where the final tax outcome of these matters is different from the amounts originally recorded, the differences will impact on the income tax and tax provisions in the period in which the differences realise. The carrying amount of income tax payable at 31 December 2021 was RMB1,989,835,000 (2020: RMB2,282,501,000).

PRC land appreciation tax ("LAT")

The Group is subject to LAT in the PRC. The provision for LAT is based on management's best estimates according to the understanding of the requirements set forth in the relevant PRC tax laws and regulations. The actual LAT liabilities are subject to the determination by the local tax authorities upon the completion of the Group's property development projects. The Group has not finalised its LAT tax returns and payments with the local tax authorities for its property development projects. When the final outcome is determined, it may be different from the amounts that were initially recorded, and any differences will affect the current income tax expense and LAT provision in the period which LAT is ascertained. The carrying amount of provision for LAT at 31 December 2021 was RMB2,314,063,000 (2020: RMB2,074,146,000). Further details are given in note 35 to the financial statements.

4. OPERATING SEGMENT INFORMATION

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

(a) the city and property development segment develops city complexes and properties and develops land;

(b) the commercial leasing and retail operations segment leases office and retail commercial premises;

(c) the hotel operations segment provides hotel accommodation services, food and beverage; and

(d) the "others" segment mainly comprises the provision of property management, design and decoration services, and the operation of an observation deck.

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, which is a measure of adjusted profit before tax. The adjusted profit before tax is measured consistently with the Group's profit before tax except that interest income, other investment income, non-lease-related finance costs, fair value gain on a convertible bond and corporate and other unallocated expenses are excluded from such measurement.

Segment assets exclude derivative financial instruments, deferred tax assets, prepaid tax, restricted bank balances, cash and cash equivalents, certain financial assets at fair value through profit or loss and other unallocated head office and corporate assets as these assets are managed on a group basis.

Segment liabilities exclude derivative financial instruments, interest-bearing bank and other borrowings and related interest payables, tax payable, provision for land appreciation tax, deferred tax liabilities and other unallocated head office and corporate liabilities as these liabilities are managed on a group basis.

Intersegment sales and transfers are transacted in accordance with the terms and conditions mutually agreed by the parties involved.

The Group's operations are mainly conducted in Mainland China. Management considered there is one reportable geographic segment as all revenues from external customers are generated in Mainland China and the Group's significant non-current assets are located in Mainland China.

4. OPERATING SEGMENT INFORMATION (Continued)

Year ended 31 December 2021	City and property development RMB'000	Commercial leasing and retail operations RMB'000	Hotel operations RMB'000	Others RMB'000	Total RMB'000
Segment revenue: (Note 5)					
Sales to external customers	82,641,602	1,563,348	1,638,081	4,216,903	90,059,934
Intersegment sales	–	27,230	3,386	1,578,042	1,608,658
	82,641,602	1,590,578	1,641,467	5,794,945	91,668,592
Reconciliation:					
Elimination of intersegment sales					(1,608,658)
Total revenue					90,059,934
Segment results	9,730,889	918,777	57,061	725,368	11,432,095
Reconciliation:					
Elimination of intersegment results					(305,219)
Interest income					2,387,013
Other investment income					631,942
Fair value gains on a convertible bond					20,598
Corporate and other unallocated expenses					1,285,826
Finance costs (other than interest on lease liabilities)					(2,737,985)
Profit before tax					12,714,270
Segment assets	366,202,368	41,876,423	14,274,765	10,708,620	433,062,176
Reconciliation:					
Elimination of intersegment assets					(146,214,491)
Corporate and other unallocated assets					125,154,619
Total assets					412,002,304
Segment liabilities	234,499,175	10,276,742	6,151,165	7,953,510	258,880,592
Reconciliation:					
Elimination of intersegment liabilities					(132,886,946)
Corporate and other unallocated liabilities					179,215,030
Total liabilities					305,208,676
Other segment information:					
Share of profits of joint ventures	994,670	–	–	1,407	996,077
Share of profits/(losses) of associates	593,169	–	–	(12,781)	580,388
Depreciation and amortisation	157,229	35,362	360,276	96,062	648,929
Loss/(gain) on disposal of items of property, plant and equipment	(2,503)	54	17,251	(409)	14,393
Impairment losses recognised in the statement of profit or loss, net	993,591	–	–	11,844	1,005,435
Fair value losses on investment properties	–	(1,676,648)	–	–	(1,676,648)
Investments in associates	22,156,898	–	–	30,172	22,187,070
Investments in joint ventures	20,279,660	–	–	55,959	20,335,619
Capital expenditure*	37,333	191,772	213,736	628,910	1,071,751

* Capital expenditure consists of additions to property, plant and equipment, intangible assets, and investment properties including assets from the acquisition of subsidiaries.

4. OPERATING SEGMENT INFORMATION (Continued)

Year ended 31 December 2020	City and property development RMB'000	Commercial leasing and retail operations RMB'000	Hotel operations RMB'000	Others RMB'000	Total RMB'000
Segment revenue: (Note 5)					
Sales to external customers	54,366,536	1,461,345	1,257,838	2,968,159	60,053,878
Intersegment sales	–	17,593	–	1,137,050	1,154,643
	54,366,536	1,478,938	1,257,838	4,105,209	61,208,521
Reconciliation:					
Elimination of intersegment sales					(1,154,643)
Total revenue					60,053,878
Segment results	7,301,080	1,632,786	(62,696)	392,846	9,264,016
Reconciliation:					
Elimination of intersegment results					(676,727)
Interest income					3,223,777
Other investment income					556,424
Gain on disposal of an equity investment designated at fair value through profit or loss					28,388
Corporate and other unallocated expenses					(65,630)
Finance costs (other than interest on lease liabilities)					(2,686,071)
Profit before tax					9,644,177
Segment assets	388,227,237	49,475,361	12,519,612	8,895,844	459,118,054
Reconciliation:					
Elimination of intersegment assets					(193,944,023)
Corporate and other unallocated assets					122,582,143
Total assets					387,756,174
Segment liabilities	287,796,857	15,012,674	6,564,742	6,840,797	316,215,070
Reconciliation:					
Elimination of intersegment liabilities					(185,302,220)
Corporate and other unallocated liabilities					155,016,242
Total liabilities					285,929,092
Other segment information:					
Share of profits of joint ventures	370,064	–	–	1,034	371,098
Share of profits of associates	698,297	–	–	–	698,297
Depreciation and amortisation	129,410	43,377	417,404	58,867	649,058
Loss/(gain) on disposal of items of property, plant and equipment	901	(1,645)	104	123	(517)
Impairment losses recognised in the statement of profit or loss, net	4,370,134	–	1,060	7,494	4,378,688
Fair value gains on investment properties	–	906,121	–	–	906,121
Investments in associates	11,038,330	–	–	66,740	11,105,070
Investments in joint ventures	16,289,853	–	–	29,590	16,319,443
Capital expenditure	229,274	550,373	118,990	382,296	1,280,933

4. OPERATING SEGMENT INFORMATION (Continued)

Information about major customers

During the year, there was no revenue from a single customer which accounted for 10% or more of the Group's revenue (2020: Nil).

5. REVENUE, OTHER INCOME AND GAINS

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

	2021 RMB'000	2020 RMB'000
Revenue from contracts with customers	88,496,586	58,592,533
Revenue from other sources		
Gross rental income from investment property operating leases:		
Variable lease payments that do not depend on an index or a rate	7,700	132,758
Other lease payments, including fixed payments	1,555,648	1,328,587
	1,563,348	1,461,345
	90,059,934	60,053,878

Revenue from contracts with customers

(i) Disaggregated revenue information

For the year ended 31 December 2021

Segments	City and property development RMB'000	Hotel operations RMB'000	Others RMB'000	Total RMB'000
Types of goods or services				
Sale of completed properties	77,797,079	–	–	77,797,079
Land development	4,844,523	–	–	4,844,523
Hotel operations	–	1,638,081	–	1,638,081
Others	–	–	4,216,903	4,216,903
Total revenue from contracts with customers	82,641,602	1,638,081	4,216,903	88,496,586
Timing of revenue recognition				
Goods transferred at a point of time	82,641,602	–	–	82,641,602
Services transferred over time	–	1,638,081	4,216,903	5,854,984
Total revenue from contracts with customers	82,641,602	1,638,081	4,216,903	88,496,586

5. REVENUE, OTHER INCOME AND GAINS (Continued)

Revenue from contracts with customers (Continued)

(i) ***Disaggregated revenue information*** **(Continued)**

For the year ended 31 December 2020

Segments	City and property development RMB'000	Hotel operations RMB'000	Others RMB'000	Total RMB'000
Types of goods or services				
Sale of completed properties	47,383,289	–	–	47,383,289
Land development	6,983,247	–	–	6,983,247
Hotel operations	–	1,257,838	–	1,257,838
Others	–	–	2,968,159	2,968,159
Total revenue from contracts with customers	54,366,536	1,257,838	2,968,159	58,592,533
Timing of revenue recognition				
Goods transferred at a point of time	54,366,536	–	–	54,366,536
Services transferred over time	–	1,257,838	2,968,159	4,225,997
Total revenue from contracts with customers	54,366,536	1,257,838	2,968,159	58,592,533

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	City and property development RMB'000	Hotel operations RMB'000	Others RMB'000	Total RMB'000
Revenue from contracts with customers:				
Sales to external customers	82,641,602	1,638,081	4,216,903	88,496,586
Intersegment sales	–	3,386	1,578,042	1,581,428
	82,641,602	1,641,467	5,794,945	90,078,014
Intersegment adjustments and eliminations	–	(3,386)	(1,578,042)	(1,581,428)
Total revenue from contracts with customers	82,641,602	1,638,081	4,216,903	88,496,586

5. REVENUE, OTHER INCOME AND GAINS (Continued)

Revenue from contracts with customers (Continued)

(i) ***Disaggregated revenue information*** **(Continued)**

For the year ended 31 December 2020

Segments	City and property development RMB'000	Hotel operations RMB'000	Others RMB'000	Total RMB'000
Revenue from contracts with customers:				
Sales to external customers	54,366,536	1,257,838	2,968,159	58,592,533
Intersegment sales	–	–	1,137,050	1,137,050
	54,366,536	1,257,838	4,105,209	59,729,583
Intersegment adjustments and eliminations	–	–	(1,137,050)	(1,137,050)
Total revenue from contracts with customers	54,366,536	1,257,838	2,968,159	58,592,533

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

	2021 RMB'000	2020 RMB'000
Revenue recognised that was included in contract liabilities at the beginning of the reporting period:		
Sale of completed properties	46,988,645	28,255,425
Hotel operations	12,577	17,323
Others	33,614	26,883
	47,034,836	28,299,631

5. REVENUE, OTHER INCOME AND GAINS (Continued)

Revenue from contracts with customers (Continued)

(ii) Performance obligations

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

Sale of completed properties

The performance obligation is satisfied upon delivery of the completed properties.

Land development

The performance obligation is satisfied when the land development is completed.

Hotel operations

The performance obligation is satisfied when services are rendered. Short-term advances are sometimes required before rendering the services.

Property management services

The performance obligation is satisfied over time as services are rendered and short-term advances are normally required before rendering the services. Property management service contracts are for periods of one year or less, or are billed based on the time incurred.

Design, construction and decoration services

The performance obligation is satisfied over time as services are rendered and payment is generally due within 60 days from the date of billing. A certain percentage of payment is retained by customers until the end of the retention period as the Group's entitlement to the final payment is conditional on the satisfaction of the service quality by the customers over a certain period as stipulated in the contracts.

5. REVENUE, OTHER INCOME AND GAINS (Continued)

	Notes	2021 RMB'000	2020 RMB'000
Other income			
Interest income		2,387,013	3,223,777
Other investment income		631,942	556,424
Government grants*		288,716	99,103
Default penalty income		31,496	43,225
		3,339,167	3,922,529
Gains			
Fair value gains on investment properties	18	–	906,121
Gain on bargain purchase	42	93,763	146,548
Gain on disposal of subsidiaries	43	1,068,824	1,543,156
Fair value gains on the equity interests previously held as investments in joint ventures or associates	42	266,183	1,307,456
Fair value gain on a convertible bond		20,598	–
Gain on disposal of an equity investment designed at fair value through profit or loss		–	28,388
Foreign exchange gain, net	6	–	374,741
Gain on disposal of investments in joint ventures and associates		440,906	371,007
Gain on bargain purchase of an associate	22	1,660,284	–
Others		138,549	98,739
		3,689,107	4,776,156
		7,028,274	8,698,685

* Various government grants have been received from the relevant authorities for the Group's businesses conducted in certain cities in Mainland China. There are no unfulfilled conditions or contingencies relating to these grants.

6. PROFIT BEFORE TAX

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

	Notes	2021 RMB'000	2020 RMB'000
Cost of properties sold		66,655,131	40,961,854
Cost of land development		2,818,111	3,772,784
Cost of services provided		3,829,067	3,204,876
Direct operating expenses (including repairs and maintenance) arising on rental-earning investment properties		254,309	200,027
Depreciation of property, plant and equipment	14	438,676	462,969
Depreciation of right-of-use assets	19(a)	187,087	165,149
Amortisation of intangible assets	20	23,166	20,940
Lease payments not included in the measurement of lease liabilities	19(c)	76,086	32,646
Auditor's remuneration		8,718	7,825
Employee benefit expense (including directors' and chief executive's remuneration (note (9)):			
Wages and salaries		3,146,467	2,151,774
Equity-settled share option expense	39	46,127	87,786
Pension scheme contributions (defined contribution schemes)****		279,127	79,724
Less: Amount capitalised		(65,746)	(16,332)
Net pension scheme contributions*		213,381	63,392
		3,405,975	2,302,952
Foreign exchange differences, net		259,463	(374,741)
Loss/(gain) on disposal of items of property, plant and equipment**		14,393	(517)
Penalties**		110,365	4,384
Gain on disposal of intangible assets		(18)	(307)
Provision of impairment of trade receivables**	24	6,016	5,420
Impairment of financial assets included in prepayments, other receivables and other assets**		5,828	3,134
Impairment of properties under development, net**	15	594,285	1,543,462
Impairment of properties held for sale, net**	17	399,306	1,515,492
Impairment of amounts due from related parties, net**	27	–	1,311,180
Ineffectiveness and hedging cost of cash flow hedges		–	467
Fair value losses/(gains) on investment properties***	18	1,676,648	(906,121)

* At 31 December 2021, the Group had no forfeited contributions available to reduce its contributions to the pension schemes in future years (2020: Nil).

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

*** The fair value losses on investment properties for the year are included in "other expenses and losses, net" in the consolidated statement of profit and losses.

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

7. OTHER EXPENSES AND LOSSES, NET

An analysis of other expenses and losses, net is as follows:

	Notes	2021 RMB'000	2020 RMB'000
Impairment of properties under development, net	15	594,285	1,543,462
Impairment of properties held for sale, net	17	399,306	1,515,492
Fair value loss on investment properties	18	1,676,648	–
Impairment of amounts due from related parties, net	27	–	1,311,180
Others		136,399	11,178
		2,806,638	4,381,312

8. FINANCE COSTS

An analysis of finance costs is as follows:

	2021 RMB'000	2020 RMB'000
Interest on bank and other loans, notes and bonds	4,299,309	6,419,880
Interest on an amount due to fellow subsidiaries (note 47(a))	144,696	258,831
Interest on an amount due to the immediate holding company (note 47(a))	149,780	168,779
Interest on an amount due to an intermediate holding company (note 47(a))	492,583	663,373
Interest on an amount due to the ultimate holding company (note 47(a))	–	882
Interest on an amount due to associates (note 47(a))	202,494	139,669
Interest on an amount due to joint ventures (note 47(a))	356,394	209,897
Interest on an amount due to the substantial shareholder (note 47(a))	7,234	18,595
Interest on lease liabilities (note 19(b))	49,685	40,907
Total interest expense	5,702,175	7,920,813
Less: Interest capitalised	(2,914,505)	(5,193,835)
	2,787,670	2,726,978

9. DIRECTORS' AND CHIEF EXECUTIVE'S REMUNERATION

Directors' and chief executive's remuneration for the year, disclosed pursuant to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules"), section 383(1) (a), (b), (c) and (f) of the Hong Kong Companies Ordinance and Part 2 of the Companies (Disclosure of Information about Benefits of Directors) Regulation, is as follows:

	Group	
	2021 RMB'000	2020 RMB'000
Fees	1,528	1,184
Other emoluments:		
Salaries, allowances and benefits in kind	9,070	9,741
Bonuses*	19,223	17,853
Equity-settled share option expense	2,634	3,606
Pension scheme contributions	1,482	1,385
	32,409	32,585
	33,937	33,769

* Certain executive directors of the Company are entitled to bonus payments which are determined with reference to the performance of the Group's operations.

In prior years, certain directors were granted share options, in respect of their services to the Group, under the share option scheme of the Company, further details of which are set out in note 39 to the financial statements. The fair value of such options, which has been recognised in the statement of profit or loss over the vesting period, was determined as at the date of grant and the amount included in the financial statements for the current year is included in the above directors' and chief executive's remuneration disclosures.

(a) Independent non-executive directors

Mr. Su Xijia and Mr. Gao Shibin, are independent non-executive directors of the Company, and the fees paid to them during the year were RMB382,000 (2020: RMB409,000) and RMB382,000 (2020: RMB409,000), respectively.

Mr. Zhong Wei was appointed as an independent non-executive director of the Company with effect from 24 August 2020, and the fees paid to him during the year were RMB382,000 (2020: RMB145,000).

Mr. Suen Man Tak was appointed as an independent non-executive director of the Company with effect from 27 November 2020, and the fees paid to him during the year were RMB382,000 (2020: RMB39,000).

There were no other emoluments payable to the independent non-executive directors during the year (2020: Nil).

9. DIRECTORS' AND CHIEF EXECUTIVE'S REMUNERATION (Continued)

(b) Executive directors, non-executive directors and the chief executive

Executive directors

i. Mr. Li Congrui is the chief executive officer of the Company. The remuneration paid to him during the year included fees of RMB0 (2020: Nil), salaries, allowances and benefits in kind of RMB3,153,000 (2020: RMB3,377,000), performance related bonuses of RMB5,272,000 (2020: RMB6,484,000), special bonuses of RMB1,817,000 (2020:Nil), equity-settled share option expense of RMB878,000 (2020: RMB1,202,000), and pension scheme contributions of RMB507,000 (2020: RMB507,000).

ii. Mr. Jiang Nan is the chief financial officer of the Company. The remuneration paid to him during the year included fees of RMB0 (2020: Nil), salaries, allowances and benefits in kind of RMB3,142,000 (2020: RMB3,380,000), performance related bonuses of RMB5,058,000 (2020: RMB5,240,000), special bonuses of RMB311,000 (2020:Nil), equity-settled share option expense of RMB878,000 (2020: RMB1,202,000), and pension scheme contributions of RMB459,000 (2020: RMB426,000).

iii. Mr. Song Liuyi is the senior vice president of the Company. The remuneration paid to him during the year included fees of RMB0 (2020: Nil), salaries, allowances and benefits in kind of RMB2,775,000 (2020: RMB2,984,000), performance related bonuses of RMB6,246,000 (2020: RMB6,129,000), special bonuses of RMB519,000 (2020:Nil), equity-settled share option expense of RMB878,000 (2020: RMB1,202,000), and pension scheme contributions of RMB516,000 (2020: RMB452,000).

Non-executive directors

i. Mr. Ning Gaoning is the chairman and non-executive director of the Company. There was no remuneration paid to him during the year (2020: Nil).

ii. Mr. Yang Lin and Mr. An Hongjun, are non-executive directors of the Company. There were no remuneration paid to them during the year (2020: Nil).

iii. Mr. Cheng Yong and Mr. Wang Wei were appointed as non-executive directors of the Company with effect from 24 August 2020. There were no remuneration paid to them during the year (2020: Nil).

There was no arrangement under which a director or the chief executive waived or agreed to waive any remuneration during the year (2020: Nil).

10. FIVE HIGHEST PAID EMPLOYEES

The five highest paid employees during the year included three directors including the chief executive (2020: three directors including the chief executive), details of whose remuneration are set out in note 9 above. Details of the remuneration of the five highest paid employees of the Company are as follows:

	2021 RMB'000	2020 RMB'000
Salaries, allowances and benefits in kind	**14,214**	14,962
Bonuses	**27,531**	25,067
Equity-settled share option expense	**3,760**	5,591
Pension scheme contributions	**2,258**	2,125
	47,763	47,745

The number of the five highest paid employees whose remuneration fell within the following bands is as follows:

	Number of employees	
	2021	2020
HK$7,000,001 to HK$7,500,000	–	1
HK$7,500,001 to HK$8,000,000	1	–
HK$9,500,001 to HK$10,000,000	–	1
HK$10,500,001 to HK$11,000,000	1	–
HK$11,500,001 to HK$12,000,000	1	1
HK$12,000,001 to HK$12,500,000	–	1
HK$13,000,001 to HK$13,500,000	1	1
HK$14,000,001 to HK$14,500,000	1	–
	5	5

In prior years, share options were granted to two non-director and non-chief executive highest paid employees in respect of their services to the Group, further details of which are included in the disclosures in note 39 to the financial statements. The fair value of such options, which has been recognised in the statement of profit or loss over the vesting period, was determined as at the date of grant and the amount included in the financial statements for the current year is included in the above non-director and non-chief executive highest paid employees' remuneration disclosures.

11. INCOME TAX

	Notes	2021 RMB'000	2020 RMB'000
Current			
PRC corporate income tax			
Charge for the year		3,359,917	2,724,053
Over-provision in prior years		(10,184)	(6,380)
PRC land appreciation tax	35	2,044,745	913,728
		5,394,478	3,631,401
Deferred	36	(385,039)	(182,345)
Total tax charge for the year		5,009,439	3,449,056

Hong Kong profits tax

No provision for Hong Kong profits tax has been made as the Group did not generate any assessable profits arising in Hong Kong during the year (2020: Nil).

PRC corporate income tax

PRC corporate income tax has been provided at the rate of 25% (2020: 25%) on the taxable profits of the Group's PRC subsidiaries.

PRC land appreciation tax ("LAT")

According to the requirements of the Provisional Regulations of the PRC on LAT (中華人民共和國土地增值税暫行條例) effective from 1 January 1994 and the Detailed Implementation Rules on the Provisional Regulations of the PRC on LAT (中華人民共和國土地增值税暫行條例實施細則) effective from 27 January 1995, all gains arising from a transfer of real estate property in Mainland China effective from 1 January 1994 are subject to LAT at progressive rates ranging from 30% to 60% on the appreciation of land value, being the proceeds from the sale of properties less deductible expenditures including borrowing costs and all property development expenditures.

11. INCOME TAX (Continued)

A reconciliation of the tax expense applicable to profit before tax at the statutory rates for the jurisdictions in which the Company and the majority of its subsidiaries are domiciled to the tax charge for the year at the effective tax rates is as follows:

2021

	Hong Kong RMB'000	Mainland China RMB'000	Total RMB'000
Profit before tax	1,647,396	11,066,874	12,714,270
Tax at the statutory income tax rate	271,820	2,766,719	3,038,539
Effect of withholding tax at 5% on the distributable profits of certain PRC subsidiaries	23,948	–	23,948
Adjustment in respect of current tax of previous periods	–	(10,184)	(10,184)
Profits and losses attributable to joint ventures and associates	–	(367,583)	(367,583)
Income not subject to tax	(506,959)	(141,282)	(648,241)
Expenses not deductible for tax	235,139	417,515	652,654
Tax losses utilised from previous periods	–	(141,879)	(141,879)
Tax losses not recognised	–	928,626	928,626
LAT (note 35)	–	2,044,745	2,044,745
Tax effect of LAT	–	(511,186)	(511,186)
Tax charge for the year	23,948	4,985,491	5,009,439

11. INCOME TAX (Continued)

2020

	Hong Kong RMB'000	Mainland China RMB'000	Total RMB'000
Profit before tax	30,743	9,613,434	9,644,177
Tax at the statutory income tax rate	5,073	2,403,359	2,408,432
Effect of withholding tax at 5% on the distributable profits of certain PRC subsidiaries	(54,108)	–	(54,108)
Adjustment in respect of current tax of previous periods	–	(6,380)	(6,380)
Profits and losses attributable to joint ventures and associates	–	(267,349)	(267,349)
Income not subject to tax	(119,716)	(519,434)	(639,150)
Expenses not deductible for tax	114,643	933,019	1,047,662
Tax losses utilised from previous periods	–	(113,940)	(113,940)
Tax losses not recognised	–	388,593	388,593
LAT (note 35)	–	913,728	913,728
Tax effect of LAT	–	(228,432)	(228,432)
Tax charge for the year	(54,108)	3,503,164	3,449,056

The share of tax attributable to joint ventures and associates amounting to RMB764,512,000 (2020: RMB249,397,000) is included in "Share of profits and losses of joint ventures and associates" in the consolidated statement of profit or loss.

12. DIVIDENDS

	2021 RMB'000	2020 RMB'000
Interim – HK12.0 cents (2020 interim dividend: HK12.0 cents) per ordinary share	1,266,204	1,364,184
Proposed final – HK0.0 cents (2020: HK14.0 cents) per ordinary share	–	1,494,751

The actual amount of the 2020 final dividend paid during the year ended 31 December 2021 was RMB1,462,990,000.

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

The calculation of the basic earnings per share amount is based on the profit for the year attributable to ordinary equity holders of the parent, and the weighted average number of ordinary shares of 12,691,578,579 (2020: 12,179,840,073) in issue during the year.

The calculation of the diluted earnings per share amount is based on the profit for the year attributable to ordinary equity holders of the parent. The weighted average number of ordinary shares used in the calculation is the number of ordinary shares in issue during the year, as used in the basic earnings per share calculation, and the weighted average number of ordinary shares assumed to have been issued on the deemed exercise of the Group's share options into ordinary shares.

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

	2021 RMB'000	2020 RMB'000
Earnings		
Profit attributable to ordinary equity holders of the parent used in the basic and diluted earnings per share calculations	4,689,944	3,880,986

	Number of shares	
	2021	2020
Shares		
Weighted average number of ordinary shares in issue during the year used in the basic earnings per share calculation	12,691,578,579	12,179,840,073
Effect of dilution – weighted average number of ordinary shares:		
Share options	14,593,362	77,911,299
	12,706,171,941	12,257,751,372

14. PROPERTY, PLANT AND EQUIPMENT

	Hotel properties RMB'000	Leasehold improvements RMB'000	Buildings RMB'000	Furniture, fixtures and office equipment RMB'000	Motor vehicles RMB'000	Construction in progress RMB'000	Total RMB'000
31 December 2021							
At 1 January 2021:							
Cost	8,806,191	22,150	917,470	2,372,929	59,334	3,045,610	15,223,684
Accumulated depreciation and impairment	(2,265,569)	(20,264)	(185,894)	(1,395,454)	(49,448)	–	(3,916,629)
Net carrying amount	6,540,622	1,886	731,576	977,475	9,886	3,045,610	11,307,055
At 1 January 2021, net of accumulated depreciation and impairment	6,540,622	1,886	731,576	977,475	9,886	3,045,610	11,307,055
Additions	(58,327)	14,056	10,231	90,656	2,972	608,795	668,383
Disposals	(25,457)	(4)	–	(4,357)	(509)	(41,977)	(72,304)
Depreciation provided during the year (note 6)	(234,441)	(971)	(51,853)	(147,014)	(4,397)	–	(438,676)
Acquisition of subsidiaries (note 42)	–	119	–	995	2	150,828	151,944
Disposal of subsidiaries (note 43)	–	–	–	(1,821)	–	–	(1,821)
Gain on property revaluation in relation to the transfer to investment properties	–	–	11,179	–	–	–	11,179
Transfer to investment properties (note 18)	–	–	(14,500)	–	–	–	(14,500)
Transfer from investment properties (note 18)	–	–	121,679	–	–	–	121,679
Transfers	67,453	5,477	–	119,373	–	(192,303)	–
Exchange realignment	–	–	–	(3)	–	–	(3)
At 31 December 2021, net of accumulated depreciation and impairment	6,289,850	20,563	808,312	1,035,304	7,954	3,570,953	11,732,936
At 31 December 2021:							
Cost	8,785,316	41,943	1,038,459	2,561,366	57,330	3,570,953	16,055,367
Accumulated depreciation and impairment	(2,495,466)	(21,380)	(230,147)	(1,526,062)	(49,376)	–	(4,322,431)
Net carrying amount	6,289,850	20,563	808,312	1,035,304	7,954	3,570,953	11,732,936

14. PROPERTY, PLANT AND EQUIPMENT (Continued)

	Hotel properties RMB'000	Leasehold improvements RMB'000	Buildings RMB'000	Furniture, fixtures and office equipment RMB'000	Motor vehicles RMB'000	Construction in progress RMB'000	Total RMB'000
31 December 2020							
At 1 January 2020:							
Cost	8,752,464	20,903	675,623	2,293,568	58,389	2,576,710	14,377,657
Accumulated depreciation and impairment	(1,995,773)	(20,005)	(143,461)	(1,260,473)	(46,677)	–	(3,466,389)
Net carrying amount	6,756,691	898	532,162	1,033,095	11,712	2,576,710	10,911,268
At 1 January 2020, net of accumulated depreciation and impairment	6,756,691	898	532,162	1,033,095	11,712	2,576,710	10,911,268
Additions	50,317	1,888	192,307	60,192	4,274	561,395	870,373
Disposals	(59)	(948)	–	(2,267)	(750)	(55,867)	(59,891)
Depreciation provided during the year (note 6)	(270,137)	(327)	(42,432)	(144,838)	(5,235)	–	(462,969)
Acquisition of subsidiaries (note 42)	–	–	–	2,858	231	–	3,089
Disposal of subsidiaries (note 43)	–	–	–	(4,001)	(346)	–	(4,347)
Transfer from investment properties (note 18)	–	–	49,539	–	–	–	49,539
Transfers	3,810	375	–	32,443	–	(36,628)	–
Exchange realignment	–	–	–	(7)	–	–	(7)
At 31 December 2020, net of accumulated depreciation and impairment	6,540,622	1,886	731,576	977,475	9,886	3,045,610	11,307,055
At 31 December 2020:							
Cost	8,806,191	22,150	917,470	2,372,929	59,334	3,045,610	15,223,684
Accumulated depreciation and impairment	(2,265,569)	(20,264)	(185,894)	(1,395,454)	(49,448)	–	(3,916,629)
Net carrying amount	6,540,622	1,886	731,576	977,475	9,886	3,045,610	11,307,055

14. PROPERTY, PLANT AND EQUIPMENT (Continued)

At 31 December 2021, certain of the Group's hotel properties and buildings, construction in progress included in property, plant and equipment with an aggregate net carrying amount of approximately RMB3,213,792,000 (2020: RMB219,982,000) were pledged to secure bank and other loans granted to the Group (note 34).

15. PROPERTIES UNDER DEVELOPMENT

	Notes	2021 RMB'000	2020 RMB'000
Carrying amount at 1 January		**138,828,994**	131,511,819
Additions		**82,933,051**	63,078,730
Transfer to properties held for sale		**(76,099,507)**	(51,502,410)
Acquisition of subsidiaries	42	**10,342,813**	24,817,373
Disposal of subsidiaries	43	**(10,586,908)**	(27,533,056)
Impairment	7	**(594,285)**	(1,543,462)
Carrying amount at 31 December		**144,824,158**	138,828,994
Current portion		**(61,127,564)**	(79,473,565)
Non-current portion		**83,696,594**	59,355,429

At 31 December 2021, certain of the Group's properties included in properties under development with a net carrying amount of approximately RMB90,341,912,000 (2020: RMB75,307,751,000) were pledged to secure bank and other loans granted to the Group (note 34).

16. LAND UNDER DEVELOPMENT

Land under development represents the project cost, land requisition cost, compensation cost and other preliminary infrastructure costs in relation to the Group's land development projects (the "Projects") in Mainland China. Though the Group does not have the ownership title or land use right to such land, the Group is given the right to carry out construction and preparation works in respect of land infrastructure and ancillary public facilities as well as other development works in the Projects. When the land plots are sold by the local government, the Group is entitled to receive from the local authorities the land development fee.

	2021 RMB'000	2020 RMB'000
Carrying amount at 1 January	**11,923,909**	12,695,815
Additions	**8,931,213**	2,988,112
Recognised during the year	**(5,935,132)**	(3,760,018)
Carrying amount at 31 December	**14,919,990**	11,923,909
Current portion	**(1,854,024)**	(1,429,269)
Non-current portion	**13,065,966**	10,494,640

17. PROPERTIES HELD FOR SALE

All the properties held for sale are stated at the lower of cost and net realisable value. The Group's properties held for sale are situated in Mainland China.

For the year ended 31 December 2021, the Group recognised impairment losses of RMB399,306,000 (2020: RMB1,515,492,000) on properties held for sale (note 7). At 31 December 2021, the provision for impairment of properties held for sale amounted to RMB1,126,161,000 (2020: RMB1,515,492,000).

At 31 December 2021, certain of the Group's properties included in properties held for sale with a net carrying amount of approximately RMB132,501,000 (2020: RMB132,501,000) were pledged to secure bank and other loans granted to the Group (note 34).

18. INVESTMENT PROPERTIES

	Notes	2021 RMB'000	2020 RMB'000
Carrying amount at 1 January		**33,315,404**	31,260,683
Additions		**160,683**	328,198
Net (loss)/gain from a fair value adjustment	6	**(1,676,648)**	906,121
Transfer from property, plant and equipment	14	**14,500**	–
Transfer to property, plant and equipment	14	**(121,679)**	(49,539)
Transfer (to)/from right-of-use assets	19(a)	**(127,738)**	869,941
Carrying amount at 31 December		**31,564,522**	33,315,404

The Group's investment properties consist of 19 commercial properties in Mainland China. The directors of the Company have determined that the investment properties consist of one class of asset, i.e., commercial, based on the nature, characteristics and risks of each property. The Group's investment properties were revalued individually on 31 December 2021 based on valuations performed by Cushman & Wakefield Limited, Shanghai Cairui Real Estate Land Appraisal Co., Ltd., Beijing Renda Real Estate Appraisal Co., Ltd., and Beijing Zhuoxindahua Appraisal Co., Ltd., independent professionally qualified valuers. Each year, the Group's management decides to appoint which external valuers to be responsible for the external valuations of the Group's properties. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained. The Group's management has discussions with the valuers on the valuation assumptions and valuation results twice a year when the valuation is performed for interim and annual financial reporting.

As at 31 December 2021, three of the Group's investment properties were right-of-use asset with total carrying amount of RMB766,301,000 (2020: RMB937,917,000) relating to buildings which were leased out under one or more operating leases.

These investment properties are leased under operating leases, further summary details of which are included in note 19 to the financial statements.

At 31 December 2021, certain of the Group's investment properties with a carrying value of RMB11,881,000,000 (2020: RMB11,317,930,000) were pledged to secure bank and other loans granted to the Group (note 34).

18. INVESTMENT PROPERTIES (Continued)

Fair value hierarchy

The following table illustrates the fair value measurement hierarchy of the Group's investment properties:

	Fair value measurement as at 31 December 2021 using		
	Significant observable inputs (Level 2) RMB'000	Significant unobservable inputs (Level 3) RMB'000	Total RMB'000
Recurring fair value measurement for:			
Commercial properties	**41,800**	**31,522,722**	**31,564,522**

	Fair value measurement as at 31 December 2020 using		
	Significant observable inputs (Level 2) RMB'000	Significant unobservable inputs (Level 3) RMB'000	Total RMB'000
Recurring fair value measurement for:			
Commercial properties	41,900	33,273,504	33,315,404

During the year, there were no transfers of fair value measurements between Level 1 and Level 2 and no transfers into or out of Level 3 (2020: Nil).

Reconciliation of fair value measurements categorised within Level 3 of the fair value hierarchy:

	Commercial properties RMB'000
Carrying amount at 1 January 2020	31,218,583
Additions	328,198
Net gain from a fair value adjustment	906,321
Transfer to property, plant and equipment	(49,539)
Transfer from right-of-use assets	869,941
Carrying amount at 31 December 2020 and 1 January 2021	33,273,504
Additions	160,683
Net loss from a fair value adjustment	(1,676,548)
Transfer from property, plant and equipment	14,500
Transfer to property, plant and equipment	(121,679)
Transfer to right-of-use assets	(127,738)
Carrying amount at 31 December 2021	31,522,722

18. INVESTMENT PROPERTIES (Continued)

Fair value hierarchy (Continued)

Below is a summary of the valuation techniques used and the key inputs to the valuation of investment properties:

	Valuation techniques	Significant unobservable inputs	Range or weighted average 2021	2020
Property 1 – Beijing Chemsunny World Trade Centre	Term and reversion method	Term yield	5.00%	5.25%
		Reversionary yield	5.50%	5.75%
		Market rent (per square metre ("sqm") per annum ("p.a."))	RMB6,000 – RMB11,880	RMB5,789 – RMB9,815
Property 2 – Sinochem Tower	Term and reversion method	Term yield	3.00% – 5.00%	3.00% – 5.50%
		Reversionary yield	3.00% – 5.50%	3.50% – 6.00%
		Market rent (per sqm p.a.)	RMB3,408 – RMB9,600	RMB3,269 – RMB9,600
Property 3 – Jin Mao Tower	Term and reversion method	Term yield	3.50% – 4.00%	3.50% – 4.00%
		Reversionary yield	4.00% – 4.50%	4.00% – 4.50%
		Market rent (per sqm p.a.)	RMB4,884 – RMB18,000	RMB4,441 – RMB18,000
Property 4 – Zhuhai Every Garden	Term and reversion method	Term yield	5.00% – 6.00%	5.00% – 6.25%
		Reversionary yield	5.50% – 6.50%	5.50% – 6.50%
		Market rent (per sqm p.a.)	RMB528 – RMB792	RMB514 – RMB778
Property 5 – Nanjing Xuanwu Lake Jin Mao Plaza	Term and reversion method	Term yield	3.50% – 4.50%	3.50% – 4.50%
		Reversionary yield	4.00% – 5.00%	4.00% – 5.00%
		Market rent (per sqm p.a.)	RMB2,220 – RMB8,400	RMB2,160 – RMB7,560
Property 6 – Changsha Meixi Lake International R&D Centre	Discounted cash flow method	Estimated rental value (per sqm p.a.)	RMB2,003	RMB2,700
		Rental growth p.a.	2.50%	3.00%
		Long term vacancy rate	20.00%	8.22%
		Discount rate	7.00%	6.00%
	Market comparable method	Price per sqm	RMB13,300	NA
Property 7 – Lijiang J•LIFE	Term and reversion method	Term yield	5.00%	5.00%
		Reversionary yield	5.50%	5.50%
		Market rent (per sqm p.a.)	RMB1,080	RMB1,072
Property 8 – Shanghai International Shipping Service Center	Market comparable method	Price per sqm	RMB57,844 – RMB90,840	RMB57,525 – RMB90,500

18. INVESTMENT PROPERTIES (Continued)

Fair value hierarchy (Continued)

	Valuation techniques	Significant unobservable inputs	Range or weighted average 2021	Range or weighted average 2020
Property 9 – Qingdao Jinmao Harbour Shopping Center	Discounted cash flow method and market comparable method	Estimated rental value (per sqm p.a.)	RMB815	RMB828
		Rental growth p.a.	6.00% – 6.50%	5.00% – 7.00%
		Long term vacancy rate	5.00%	5.00%
		Discount rate	5.50%	5.50%
		Price per sqm	RMB16,836	RMB15,096
Property 10 – Ningbo Jiayuan Plaza	Term and reversion method	Term yield	4.00%	4.00%
		Reversionary yield	4.50%	4.50%
		Market rent (per sqm p.a.)	RMB708 – RMB5,160	RMB696 – RMB5,160
Property 11 – Ningbo Huijin Building	Term and reversion method	Term yield	4.00%	4.00%
		Reversionary yield	4.50%	4.50%
		Market rent (per sqm p.a.)	RMB996 – RMB5,160	RMB893 – RMB5,040
Property 12 – Changsha Jinmao Mall of Splendor	Discounted cash flow method and market comparable method	Estimated rental value (per sqm p.a.)	NA	RMB650
		Rental growth p.a.	NA	3.50% – 5.00%
		Long term vacancy rate	NA	5.00%
		Discount rate	NA	6.00%
		Price per sqm	NA	RMB14,002
	Term and reversion method	Term yield	4.50% – 5.00%	NA
		Reversionary yield	5.00% – 5.50%	NA
		Market rent (per sqm p.a.)	RMB1,660	NA
Property 13 – Beijing Chaoyang Jinmao Centre	Residual method	Developer's profit rate	NA	5.00%
	Term and reversion method	Reversionary yield	4.50% – 5.50%	5.00% – 5.50%
		Market rent (per sqm p.a.)	RMB1,750 – RMB2,740	RMB2,280 – RMB3,600
		Term yield	4.00% – 5.00%	NA
Property 14 – Nanjing Southern Hexi Yuzui Land Parcel No. G97	Residual method	Developer's profit rate	5.00%	5.00%
	Term and reversion method	Reversionary yield	3.00% – 6.00%	3.00% – 6.00%
		Market rent (per sqm p.a.)	RMB1,520 – RMB2,220	RMB1,680 – RMB2,544
Property 15 – Hangzhou Shangtang	Residual method	Developer's profit rate	NA	5.00%
	Term and reversion method	Reversionary yield	2.00%	2.00%
		Market rent (per sqm p.a.)	RMB1,395	RMB1,392
		Term yield	2.00%	NA

18. INVESTMENT PROPERTIES (Continued)

Fair value hierarchy (Continued)

	Valuation techniques	Significant unobservable inputs	Range or weighted average 2021	2020
Property 16 – Wangfujing Quadrangle Courtyard	Term and reversion method	Term yield	4.00%	4.00%
		Reversionary yield	4.50%	4.50%
		Market rent (per sqm p.a.)	RMB6,420	RMB6,300
Property 17 – Jinmao Boill e-Wisdom Valley Executive Apartment	Term and reversion method	Term yield	4.25%	NA
		Reversionary yield	4.25%	NA
		Market rent (per sqm p.a.)	RMB637	NA
	Discounted cash flow method	Estimated rental value (per sqm p.a.)	NA	RMB1,090
		Rental growth p.a.	NA	1.00%-3.00%
		Long term vacancy rate	NA	10.00%
		Discount rate	NA	4.84%
Property 18 – Jinmao Boill e-Wisdom Valley Youth Apartment	Term and reversion method	Term yield	4.25%	NA
		Reversionary yield	4.25%	NA
		Market rent (per sqm p.a.)	RMB796	NA
	Discounted cash flow method	Estimated rental value (per sqm p.a.)	NA	RMB1,023
		Rental growth p.a.	NA	3.00%
		Long term vacancy rate	NA	5.00%
		Discount rate	NA	4.04%
Property 19 – Beijing Royal International Mansion	Term and reversion method	Term yield	3.50% – 5.50%	5.00% – 5.50%
		Reversionary yield	4.00% – 6.00%	5.50% – 6.00%
		Market rent (per sqm p.a.)	RMB1,510 – RMB2,630	RMB1,668 – RMB2,484

The term and reversion method measures the fair value of the property by taking into account the rental income derived from the existing leases with due allowance for the reversionary income potential of the leases, which are then capitalised into the value at appropriate rates.

A significant increase (decrease) in the term yield and the reversionary yield in isolation would result in a significant decrease (increase) in the fair value of the investment properties. A significant increase (decrease) in the market rent would result in a significant increase (decrease) in the fair value of the investment properties.

Under the discounted cash flow method, fair value is estimated using assumptions regarding the benefits and liabilities of ownership over the asset's life including an exit or terminal value. This method involves the projection of a series of cash flows on a property interest. A market-derived discount rate is applied to the projected cash flow in order to establish the present value of the income stream associated with the asset. The exit yield is normally separately determined and differs from the discount rate.

18. INVESTMENT PROPERTIES (Continued)

Fair value hierarchy (Continued)

The duration of the cash flows and the specific timing of inflows and outflows are determined by events such as rent reviews, lease renewal and related reletting, redevelopment or refurbishment. The appropriate duration is driven by market behaviour that is a characteristic of the class of property. The periodic cash flow is estimated as gross income less vacancy, non-recoverable expenses, collection losses, lease incentives, maintenance costs, agent and commission costs and other operating and management expenses. The series of periodic net operating income, along with an estimate of the terminal value anticipated at the end of the projection period, is then discounted.

A significant increase (decrease) in the estimated rental value and the market rent growth rate per annum in isolation would result in a significant increase (decrease) in the fair value of the investment properties. A significant increase (decrease) in the long term vacancy rate and the discount rate in isolation would result in a significant decrease (increase) in the fair value of the investment properties. Generally, a change in the assumption made for the estimated rental value is accompanied by a directionally similar change in the rent growth per annum and the discount rate and an opposite change in the long term vacancy rate.

Under the market comparable method, a property's fair value is estimated based on comparable transactions. Although property interests are not homogeneous, the International Valuation Standards Council considers the market approach most commonly applied. "In order to compare the subject of the valuation with the price of other real property interests that have been recently exchanged or that may be currently available in the market, it is usual to adopt a suitable unit of comparison. Units of comparison that are commonly used include analysing sales prices by calculating the price per square meter of a building or per hectare for land. Other units used for price comparison where there is sufficient homogeneity between the physical characteristics include a price per room or a price per unit of output, e.g., crop yields. A unit of comparison is only useful when it is consistently selected and applied to the subject property and the comparable properties in each analysis".

The market comparable method is based upon the principle of substitution under which a potential buyer will not pay more for the property than it will cost to buy a comparable substitute property. In theory, the best comparable sale would be an exact duplicate of the subject property and would indicate, by the known selling price of the duplicate, the price for which the subject property could be sold. The unit of comparison applied by the Group is the price per square metre. The market comparable approach is often used in combination with either the discounted cash flow or the term and reversion method as many inputs to these methods are based on market comparison.

A significant increase (decrease) in the price per square metre would result in a significant increase (decrease) in the fair value of the investment properties.

The residual method is essentially a mean of valuing land with reference to its development potential by deducting construction cost, interest and developer's profit from its estimated gross development value assuming it would have been completed as at the valuation date in accordance with the latest development scheme provided to the Group by relevant parties. The estimated total and outstanding construction costs and development schedule to be advised by the relevant parties will also be considered.

A significant increase (decrease) in the developer's profit rate would result in a significant decrease (increase) in the fair value of the investment properties.

19. LEASES

The Group as a lessee

The Group has lease contracts mainly for properties used in its operations. Lump sum payments were made upfront to acquire the leased land from the owners with lease periods of 30 to 70 years, and no ongoing payments will be made under the terms of these land leases. Leases of office properties and staff quarters generally have lease terms between 2 and 15 years.

(a) Right-of-use assets

The carrying amounts of the Group's right-of-use assets and the movements during the year are as follows:

	Leasehold land RMB'000	Office properties and staff quarters RMB'000	Total RMB'000
As at 1 January 2020	1,465,951	148,355	1,614,306
Additions	–	1,049,145	1,049,145
Additions as a result of acquisition of subsidiaries (note 42)	–	6,831	6,831
Transfer to investment properties (note 18)	–	(869,941)	(869,941)
Depreciation charge (note 6)	(54,612)	(110,537)	(165,149)
As at 31 December 2020 and 1 January 2021	**1,411,339**	**223,853**	**1,635,192**
Additions	**5,188**	**98,542**	**103,730**
Additions as a result of acquisition of subsidiaries (note 42)	**17,158**	**1,155**	**18,313**
Transfer from investment properties (note 18)	**–**	**127,738**	**127,738**
Depreciation charge (note 6)	**(54,975)**	**(132,112)**	**(187,087)**
As at 31 December 2021	**1,378,710**	**319,176**	**1,697,886**

At 31 December 2021, certain of the Group's right-of-use assets with an aggregate net carrying amount of approximately RMB618,864,000 (2020: Nil) were pledged to secure bank and other loans granted to the Group (note 34).

19. LEASES (Continued)

The Group as a lessee (Continued)

(b) *Lease liabilities*

The carrying amount of lease liabilities and the movements during the year are as follows:

	2021 RMB'000	2020 RMB'000
Carrying amount at 1 January	1,099,575	195,609
New leases	90,565	1,037,659
Additions as a result of acquisition of subsidiaries (note 42)	1,044	4,814
Accretion of interest recognised during the year (note 8)	49,685	40,907
Payments	(174,893)	(179,414)
Carrying amount at 31 December	1,065,976	1,099,575
Analysed into		
Current portion	117,206	96,548
Non-current portion	948,770	1,003,027

The maturity analysis of lease liabilities is disclosed in note 50 to the financial statements.

The Group has applied the practical expedient to all eligible rent concessions granted by the lessors for leases of certain office properties and staff quarters during the year.

19. LEASES (Continued)

The Group as a lessee (Continued)

(c) The amounts recognised in profit or loss in relation to leases are as follows:

	2021 RMB'000	2020 RMB'000
Interest on lease liabilities	49,685	40,907
Depreciation charge of right-of-use assets	187,087	165,149
Expense relating to short-term leases (included in cost of sales)	12,631	6,531
Expense relating to leases of low-value assets (included in administrative expenses)	63,455	26,115
Total amount recognised in profit or loss	312,858	238,702

(d) The total cash outflow for leases and future cash outflows relating to leases that have not yet commenced are disclosed in notes 44(c) and 46, respectively, to the financial statements.

The Group as a lessor

The Group leases its investment properties (note 18) consisting of 19 commercial properties in Mainland China under operating lease arrangements. The terms of the leases generally also require the tenants to pay security deposits and provide for periodic rent adjustments according to the then prevailing market conditions. Rental income recognised by the Group during the year was RMB1,563,348,000 (2020: RMB1,461,345,000), details of which are included in note 5 to the financial statements.

At 31 December 2021, the undiscounted lease payments receivable by the Group in future periods under non-cancellable operating leases with its tenants are as follows:

	2021 RMB'000	2020 RMB'000
Within one year	1,188,967	1,238,413
After one year but within two years	852,415	973,808
After two years but within three years	440,240	365,455
After three years but within four years	296,410	212,048
After four years but within five years	170,189	110,358
After five years	455,381	323,568
	3,403,602	3,223,650

20. INTANGIBLE ASSETS

	Computer software RMB'000
31 December 2021	
At 1 January 2021	
Cost	195,336
Accumulated amortisation and impairment	(87,864)
Net carrying amount	107,472
Cost at 1 January 2021, net of accumulated amortisation and impairment	107,472
Additions	90,665
Acquisition of subsidiaries (note 42)	76
Disposals	(159)
Amortisation provided during the year (note 6)	(23,166)
At 31 December 2021	174,888
At 31 December 2021	
Cost	259,320
Accumulated amortisation and impairment	(84,432)
Net carrying amount	174,888

	Computer software RMB'000
31 December 2020	
At 1 January 2020	
Cost	150,611
Accumulated amortisation and impairment	(100,588)
Net carrying amount	50,023
Cost at 1 January 2020, net of accumulated amortisation and impairment	50,023
Additions	77,440
Acquisition of subsidiaries (note 42)	1,833
Disposal of subsidiaries (note 43)	(664)
Disposals	(220)
Amortisation provided during the year (note 6)	(20,940)
At 31 December 2020	107,472
At 31 December 2020	
Cost	195,336
Accumulated amortisation and impairment	(87,864)
Net carrying amount	107,472

21. JOINT OPERATIONS AND INVESTMENTS IN JOINT VENTURES

Investments in joint ventures

	2021 RMB'000	2020 RMB'000
Share of net assets	22,187,070	16,319,443

The amounts due from and to joint ventures are disclosed in note 27 to the financial statements.

All of the Group's investments in joint ventures are indirectly held by the Company.

The Group has discontinued the recognition of its share of loss of certain joint ventures because the share of loss of the joint ventures exceeded the Group's interests in them and the Group has no obligation to take up further losses. The amounts of the Group's unrecognised share of loss of the joint ventures for the current year and cumulatively were RMB508,933,000 (2020: RMB424,992,000) and RMB1,413,152,000 (2020: RMB904,219,000), respectively.

The joint ventures of the Group are considered not individually material and the following table illustrates the aggregate financial information of the joint ventures:

	2021 RMB'000	2020 RMB'000
Share of the joint ventures' profit for the year	996,077	371,098
Share of the joint ventures' total comprehensive income for the year	996,077	371,098
Aggregate carrying amount of the Group's investments in the joint ventures	22,187,070	16,319,443

Joint operations

On 11 May 2010, the Company entered into a framework cooperation agreement with Qingdao Urban Construction Investment (Group) Co., Ltd. ("Qingdao Urban Investment Group") pursuant to which the Company and Qingdao Urban Investment Group intended to jointly develop the Lanhai Xingang City project located in Qingdao, the PRC.

On 5 November 2010, Qingdao Jin Mao, an indirect wholly-owned subsidiary of the Company was established for the purpose of operating the Lanhai Xingang City project, and Qingdao Urban Investment Group entered into a capital increase agreement pursuant to which Qingdao Jin Mao agreed to make a capital injection of RMB1 billion into Qingdao Lanhai Xingang City Properties Co., Ltd. ("Lanhai Xingang City"), a wholly-owned subsidiary of Qingdao Urban Investment Group, to subscribe for its new registered capital.

21. JOINT OPERATIONS AND INVESTMENTS IN JOINT VENTURES (Continued)

Joint operations (Continued)

On 28 July 2011, Qingdao Jin Mao completed the acquisition of a 50% equity interest in Lanhai Xingang City through contributing RMB1 billion to the newly registered capital of Lanhai Xingang City. On the same day, Qingdao Jin Mao and Qingdao Urban Investment Group entered into a supplementary agreement pursuant to which Lanhai Xingang City agreed to establish two branches, where branch 1 would be unilaterally managed and controlled by Qingdao Jin Mao in respect of the development of the Southern region with a land area of 200 mu (the "Southern Region") and branch 2 would be unilaterally managed and controlled by Qingdao Urban Investment Group in respect of the development of the Northern region with a total land area of 140 mu (the "Northern Region"). The land use right certificate in connection with the Southern Region is registered under the name of Lanhai Xingang City.

The Group considered this supplementary arrangement as a joint operation and recognised the assets, liabilities and revenue and expenses of branch 1 as the Group is given the rights to the assets and has obligations for the liabilities of branch 1 pursuant to the terms of the supplementary agreement.

The following table illustrates the summarised financial information of branch 1 of Lanhai Xingang City recognised in the Group's consolidated financial statements:

	2021 RMB'000	2020 RMB'000
Non-current assets		
Property, plant and equipment	179	200
Total non-current assets	179	200
Current assets		
Properties held for sale	300,958	332,926
Properties under development	–	151,671
Prepayments, other receivables and other assets	3,575	18,062
Prepaid tax	–	43,439
Restricted bank balances	563	65,485
Cash and cash equivalents	55,389	8,391
Total current assets	360,485	619,974
Current liabilities		
Trade and bills payables	157,029	134,817
Other payables and accruals	91,828	314,399
Total current liabilities	248,857	449,216
Net current assets	111,628	170,758
Total assets less current liabilities	111,807	170,958
Net assets	111,807	170,958

21. JOINT OPERATIONS AND INVESTMENTS IN JOINT VENTURES (Continued)

Joint operations (Continued)

	2021 RMB'000	2020 RMB'000
Revenue	273,190	65,501
Cost of sales	(243,837)	6,721
Gross profit	29,353	72,222
Other income and gains	962	759
Selling and marketing expenses	308	(2,131)
Administrative expenses	(527)	(2,912)
Profit before tax	30,096	67,938
Income tax	(18,659)	(38,498)
Profit for the year	11,437	29,440

22. INVESTMENTS IN ASSOCIATES

	2021 RMB'000	2020 RMB'000
Share of net assets	20,335,619	11,105,070

The amounts due from and to associates are disclosed in note 27 to the financial statements.

The Group has discontinued the recognition of its share of loss of certain associates because the share of loss of the associates exceeded the Group's interests in them and the Group has no obligation to take up further losses. The amounts of the Group's unrecognised share of loss of the associates for the current year and cumulatively were RMB549,982,000 (2020: RMB657,708,000) and RMB1,380,230,000 (2020: RMB830,248,000), respectively.

On 30 June 2021, the Company acquired a 29.9% equity interest in China VAST Industrial Urban Development Company Limited ("China VAST"), a company incorporated in the Cayman Islands, whose shares are listed on the Hong Kong Stock Exchange. China VAST is engaged in the business of (i) planning, development and operation of large-scale industrial towns, (ii) property development, and (iii) property leasing, in the PRC. The acquisition was made in line with the strategic development of the Group's real estate business. The purchase consideration for the acquisition was in the form of cash of HK$1,481,160,000 (equivalent to RMB1,234,764,000) paid at the acquisition date. The investment in China VAST is accounted as an associate and be measured using the equity method. The excess of the Company's share of net fair value of China VAST's identifiable assets and liabilities over the cost of the investment of RMB1,660,284,000 is included in other income and gains (note 5).

22. INVESTMENTS IN ASSOCIATES (Continued)

The associates of the Group are considered not individually material and the following table illustrates the aggregate financial information of the associates:

	2021 RMB'000	2020 RMB'000
Share of the associates' profit for the year	580,388	698,297
Share of the associates' total comprehensive income for the year	580,388	698,297
Aggregate carrying amount of the Group's investments in the associates	20,335,619	11,105,070

23. INVENTORIES

	2021 RMB'000	2020 RMB'000
Raw materials	217,517	158,777
Consumables and tools	202	3,093
Hotel merchandise	13,697	11,351
Trading stock	2,689	2,671
	234,105	175,892

24. TRADE RECEIVABLES

	2021 RMB'000	2020 RMB'000
Trade receivables	2,109,601	468,391
Impairment	(27,631)	(21,615)
	2,081,970	446,776

Consideration in respect of properties sold is receivable in accordance with the terms of the related sale and purchase agreements, whilst the Group's trading terms with its customers in relation to the provision of hotel, decoration and other services are mainly on credit, except for new customers, where payment in advance is normally required. The credit period is generally one to three months for major customers. Each customer has a maximum credit limit.

The Group seeks to maintain strict control over its outstanding receivables and overdue balances are reviewed regularly by senior management. In view of the aforementioned and the fact that the Group's trade receivables relate to a large number of diversified customers, there is no significant concentration of credit risk. The Group does not hold any collateral or other credit enhancements over its trade receivable balances. Trade receivables are non-interest-bearing.

At 31 December 2021, certain of the Group's trade receivables with a net carrying amount of approximately RMB 11,512,000 (2020: Nil) were pledged to secure bank and other loans granted to the Group (note 34).

24. TRADE RECEIVABLES (Continued)

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 RMB'000	2020 RMB'000
Within 1 month	1,197,902	139,498
1 to 3 months	145,350	95,817
4 to 6 months	148,740	67,956
6 months to 1 year	494,784	48,027
Over 1 year	95,194	95,478
	2,081,970	446,776

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

	2021 RMB'000	2020 RMB'000
At 1 January	21,615	16,195
Impairment losses, net (note 6)	6,016	5,420
At 31 December	27,631	21,615

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based on days past due for groupings of various customer segments with similar loss patterns (i.e., by customer type and rating, and forms of credit insurance). The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions. Generally, trade receivables are written off if past due for more than one year and are not subject to enforcement activity.

24. TRADE RECEIVABLES (Continued)

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

As at 31 December 2021

	Current	Past due Less than 1 month	Past due 1 to 3 months	Past due Over 3 months	Total
Expected credit loss rate	0.04%	3.21%	8.16%	27.32%	1.31%
Gross carrying amount (RMB'000)	2,003,067	4,859	5,979	95,696	2,109,601
Expected credit losses (RMB'000)	846	156	488	26,141	27,631

As at 31 December 2020

	Current	Past due Less than 1 month	Past due 1 to 3 months	Past due Over 3 months	Total
Expected credit loss rate	0.02%	1.19%	1.40%	27.06%	4.61%
Gross carrying amount (RMB'000)	378,977	3,964	6,347	79,103	468,391
Expected credit losses (RMB'000)	75	47	89	21,404	21,615

25. PREPAYMENTS, OTHER RECEIVABLES AND OTHER ASSETS

	2021 RMB'000	2020 RMB'000
Prepayments	**12,939,701**	15,603,587
Deposits	**4,123,248**	4,132,475
Other receivables	**7,261,024**	6,046,558
Due from non-controlling shareholders	**13,217,806**	11,960,338
Others	**631,333**	743,155
Carrying amount at 31 December	**38,173,112**	38,486,113
Current portion	**37,726,274**	38,075,532
Non-current portion	**446,838**	410,581

The financial assets included in the above balances relate to receivables for which there was no recent history of default and past due amounts. As at 31 December 2021 and 2020, the loss allowance was assessed to be minimal.

The current balances of amounts due from non-controlling shareholders are unsecured, interest-free and repayable within one year, except for the amounts of RMB11,289,488,000, in aggregate, which bear interest at rates from 1.93% to 4.75% per annum (2020: RMB8,945,043,000, in aggregate, which bear interest at rates from 0.35% to 4.75% per annum).

Management expects the contracts costs, primarily sale commission and stamp duty paid/payable, as a result of obtaining the property sale contracts are recoverable. The Group has capitalised the amounts as contract costs and amortised when the related revenue are recognised.

As at 31 December 2021, the non-current balance included a pledged deposit of RMB246,000,000 (2020: RMB246,000,000) made to a local government for performance guarantee, which is not repayable within one year.

26. CONTRACT ASSETS

	31 December 2021 RMB'000	31 December 2020 RMB'000	1 January 2020 RMB'000
Contract assets arising from design, construction and decoration services	**1,400,898**	789,328	267,009

Contract assets are initially recognised for other revenue earned from the design, construction and decoration services as the receipt of consideration is conditional on successful completion of services, respectively. Included in contract assets for design, construction and decoration services are retention receivables. Upon completion of services and acceptance by the customer, the amounts recognised as contract assets are reclassified to trade receivables. The increase in contract assets in 2021 and 2020 was the result of the increase in the ongoing provision of design, construction and decoration services at the end of each of the years.

The expected timing of recovery or settlement for contract assets as at 31 December 2021 is within one year.

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates for the measurement of the expected credit losses of the contract assets are based on those of the trade receivables as the contract assets and the trade receivables are from the same customer bases. The provision rates of contract assets are based on days past due of trade receivables for groupings of various customer segments with similar loss patterns (i.e., by customer type and rating, and forms of credit insurance). The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions.

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

	2021	2020
Expected credit loss rate	**0%**	0%
Gross carrying amount (RMB'000)	**1,400,898**	789,328
Expected credit losses (RMB'000)	**–**	–

27. BALANCES WITH RELATED PARTIES

An analysis of the amounts due from related parties is as follows:

	Notes	2021 RMB'000	2020 RMB'000
Current:			
Due from related parties:			
The ultimate holding company		645	283
An intermediate holding company		259	360
The immediate holding company		1,162	1,308
An associate of the Group's ultimate holding company		95	–
Fellow subsidiaries		144,870	134,982
Associates	(i)	9,688,608	7,887,305
Joint ventures	(ii)	19,816,601	20,127,331
The substantial shareholder	(iii)	1,912,913	1,305,290
Impairment allowance		(1,311,180)	(1,311,180)
		30,253,973	28,145,679
Non-current:			
Due from related parties:			
Associates	(iv)	1,067,678	1,526,881
Joint ventures	(v)	10,789,364	12,013,207
The substantial shareholder	(vi)	–	873,704
		11,857,042	14,413,792

27. BALANCES WITH RELATED PARTIES (Continued)

At each reporting date, an impairment analysis is performed using the general approach to recognise the ECLs on the amounts due from the related parties. For those associates and joint ventures undertaking property development projects, if applicable, the loss allowance is measured at an amount equal to the lifetime ECL which would be calculated by taking into account the impairment losses of the properties under development and properties held for sale held by the associates and joint ventures. The ECLs reflect the current conditions and forecasts of future economic conditions, as appropriate. As at 31 December 2021, the loss allowance was assessed and recognised at an amount of RMB1,311,180,000 (2020: RMB1,311,180,000).

The amounts due from related parties are unsecured, interest-free and are repayable on demand, except for the following:

(i) The current balances of amounts due from associates as at 31 December 2021 of RMB4,019,333,000 in aggregate, which bear interest at rates ranging from 2.42% to 9.00% per annum (2020: RMB2,840,919,000 in aggregate, which bore interest at rates ranging from 4.35% to 10.00% per annum).

(ii) The current balances of amounts due from joint ventures as at 31 December 2021 of RMB10,684,273,000 in aggregate, which bear interest at rates ranging from 4.35% to 10.00% per annum (2020: RMB9,109,020,000 in aggregate, which bore interest at rates ranging from 2.18% to 13.88% per annum).

(iii) The current balances of amounts due from the substantial shareholder as at 31 December 2021 of RMB1,747,993,000 in aggregate, which bear interest at a rate of 2.18% to 2.75% per annum (2020: RMB1,014,548,000 in aggregate, which bore interest at a rate of 2.18% per annum).

(iv) The non-current balances of amounts due from associates as at 31 December 2021 of RMB987,798,000 in aggregate, which bear interest at rates ranging from 5.22% to 8.00% per annum (2020: RMB1,311,278,000 in aggregate, which bore interest at rates ranging from 2.42% to 12.00% per annum).

(v) The non-current balances of amounts due from joint ventures as at 31 December 2021 of RMB9,637,243,000 in aggregate which bear interest at rates ranging from 1.93% to 13.88% per annum (2020: RMB11,510,036,000 in aggregate, which bore interest at rates ranging from 1.93% to 12.00% per annum).

(vi) The non-current balances of amounts due from the substantial shareholder as at 31 December 2020 of RMB844,192,000, which bore interest at a rate of 2.75% per annum.

27. BALANCES WITH RELATED PARTIES (Continued)

An analysis of the amounts due to related parties is as follows:

	Notes	2021 RMB'000	2020 RMB'000
Current:			
Due to related parties:			
The ultimate holding company		2,170	2,170
An intermediate holding company		32,321	24,708
The immediate holding company		9,378,955	9,291,416
Fellow subsidiaries		4,527,859	7,882,360
Associates	(i)	10,672,565	8,033,323
Joint ventures	(ii)	11,759,046	12,158,468
Associates of the Group's ultimate holding company		15,951	2,671
The substantial shareholder		2,577,371	740,867
		38,966,238	38,135,983
Non-current:			
Due to related parties:			
An intermediate holding company	(iii)	11,556,775	9,818,013
Associates	(iv)	1,748,901	1,135,937
A joint venture	(v)	–	100,000
		13,305,676	11,053,950

The amounts due to related parties are unsecured, interest-free and are repayable on demand, except for the following:

(i) The current balances of amounts due to associates as at 31 December 2021 of RMB1,313,370,000 in aggregate, which bear interest at rates ranging from 2.18% to 3.85% per annum (2020: RMB1,415,406,000 in aggregate, which bore interest at rates ranging from 3.05% to 4.75% per annum).

(ii) The current balances of amounts due to joint ventures as at 31 December 2020 of RMB690,000,000, which bore interest at a rate of 4.75% per annum.

(iii) The non-current balances of amounts due to an intermediate holding company of RMB10,700,000,000, which bear interest from 4.20% to 4.35% per annum (2020: RMB9,300,000,000, which bore interest from 4.20% to 4.35% per annum).

27. BALANCES WITH RELATED PARTIES (Continued)

An analysis of the amounts due to related parties is as follows (continued):

(iv) The non-current balances of amounts due to associates as at 31 December 2021 of RMB777,000,000 in aggregate, which bear interest at rates ranging from 4.28% to 4.75% per annum (2020: RMB1,115,500,000 in aggregate, which bore interest at rates ranging from 2.38% to 4.28% per annum).

(v) The non-current balances of amounts due to a joint venture as at 31 December 2020 of RMB100,000,000, which bore interest at a rate of 2.00% per annum.

28. OTHER FINANCIAL ASSETS

	2021 RMB'000	2020 RMB'000
Non-current balances		
Unlisted equity investments, at fair value	105,000	50,000
A convertible bond, at fair value	806,403	–
Other unlisted investments, at fair value	637,933	96,669
	1,549,336	146,669
Current balances		
Other unlisted investments, at fair value	42	501,047
	1,549,378	647,716

The above equity investments were classified as financial assets at fair value through profit or loss.

Convertible bond was issued by China VAST in a principal amount of US$123,276,000 (equivalent to RMB797,657,000). The convertible bond has a term of 3 years with interest rate of 6% per annum payable semi-annually in arrears. The convertible price is HK$3.05 per share and a total of 313,735,125 shares of China VAST will be issued upon full conversion of the convertible bonds.

The above other unlisted investments were wealth management products issued by banks in Mainland China.

29. CASH AND CASH EQUIVALENTS, RESTRICTED BANK BALANCES AND DEPOSITS

	2021 RMB'000	2020 RMB'000
Cash and bank balances	30,984,729	40,052,376
Time deposits	8,759,700	12,025,378
	39,744,429	52,077,754
Less:		
Restricted bank balances	(8,693,792)	(8,622,174)
Cash and cash equivalents	31,050,637	43,455,580

At 31 December 2021, the cash and bank balances and the time deposits of the Group denominated in RMB amounted to RMB30,406,235,000 (2020: RMB38,370,842,000). The RMB is not freely convertible into other currencies, however, under Mainland China's Foreign Exchange Control Regulations and Administration of Settlement, Sale and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for other currencies through banks authorised to conduct foreign exchange business.

Cash at banks earns interest at floating rates based on daily bank deposit rates. Short term time deposits are made for varying periods of within one year depending on the immediate cash requirements of the Group, and earn interest at the respective short term time deposit rates. The bank balances and pledged deposits are deposited with creditworthy banks with no recent history of default.

Included in the Group's cash and cash equivalents are deposits of RMB9,972,529,000 (2020: RMB6,611,320,000) placed with Sinochem Group Finance Co., Ltd. ("Sinochem Finance"), a financial institution approved by the People's Bank of China. The interest rates on these deposits ranged from 0.35% to 1.90% per annum (2020: 0.35% to 1.725%). Further details of the interest income attributable to the deposits placed with Sinochem Finance are set out in note 47(a) to the financial statements.

As at 31 December 2021, restricted bank balances included the regulated pre-sales proceeds of properties of RMB6,980,418,000 (31 December 2020: RMB6,754,530,000).

30. DUE FROM NON-CONTROLLING SHAREHOLDERS

The non-current balances of amounts due from non-controlling shareholders are unsecured, bear interest at rates ranging from 2.18% to 4.75% (2020: 0.35% to 4.75%) per annum and are not repayable within one year.

31. TRADE AND BILLS PAYABLES

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

	2021 RMB'000	2020 RMB'000
Within 1 year or on demand	26,475,543	20,555,439
Over 1 year	2,476,019	1,351,409
	28,951,562	21,906,848

The trade and bills payables are non-interest-bearing and are normally settled on 60-day terms.

32. OTHER PAYABLES AND ACCRUALS

	Notes	2021 RMB'000	2020 RMB'000
Other payables	(a)	18,392,754	16,920,670
Receipts in advance		2,551,602	128,597
Contract liabilities	(b)	78,213,782	81,493,761
Accruals		218,956	175,909
Due to non-controlling shareholders	(c)	4,390,261	4,902,565
Dividend payable to non-controlling shareholders		33,627	250
Deferred revenue		781,743	1,180,365
Carrying amount at 31 December		104,582,725	104,802,117
Current portion		103,811,166	104,802,117
Non-current portion		771,559	–

Notes:

(a) Other payables are non-interest-bearing with an average term of not more than one year. The value added taxes ("VAT") relating to pre-sale of properties are included in other payables as at 31 December 2021 with an amount of approximately RMB6,861,506,000 (2020: RMB7,203,207,000). VAT payable is recognised when or as the control of the properties is transferred to customers and revenue is recognised.

(b) Details of contract liabilities are as follows:

	31 December 2021 RMB'000	31 December 2020 RMB'000	1 January 2020 RMB'000
Short-term advances received from customers:			
Sale of properties	77,681,366	81,113,070	64,548,683
Land development	–	23,586	–
Hotel operations	82,240	80,425	96,967
Others	450,176	276,680	228,279
Total contract liabilities	78,213,782	81,493,761	64,873,929

Contract liabilities include short-term advances received to deliver completed properties and land development assets, render hotel operations, design and decoration services and management services. The decrease in contract liabilities in 2021 was mainly due to the recognition of revenue arising from contract liabilities in relation to short-term advances received from customers.

(c) The amounts due to non-controlling shareholders as at 31 December 2021 are unsecured and interest-free, except for the amounts of RMB1,433,441,000 in aggregate, which bear interest at rates ranging from 4.35% to 12.00% per annum (2020: RMB2,861,677,000 in aggregate, which bore interest at rates ranging from 4.35% to 12.00% per annum).

33. DERIVATIVE FINANCIAL INSTRUMENTS

	2021 Liabilities RMB'000	2020 Liabilities RMB'000
Interest rate swaps	**39,108**	95,792
Cross currency interest rate swaps	**2,587**	–
Carrying amount at 31 December	**41,695**	95,792
Current portion	**(13,623)**	(10,403)
Non-current portion	**28,072**	85,389

Derivative financial instruments of the Group were conducted with creditworthy banks.

Cash flow hedge – Interest rate risk and foreign currency risk

At 31 December 2021, the Group had interest rate swap agreements in place with an aggregate notional amount of HK$960,000,000 and US$250,000,000, respectively, whereby they pay interest at fixed rates ranging from of 2.59% to 4.45% and receive interest at variable rates equal to the Hong Kong Interbank Offered Rate ("HIBOR") plus 1.65% and London Interbank Offered Rate ("LIBOR") plus 1.25% on the notional amount. The swaps are being used to hedge the interest rate exposure of floating rate unsecured bank loans with an aggregate face value of HK$960,000,000 and US$250,000,000, respectively.

33. DERIVATIVE FINANCIAL INSTRUMENTS (Continued)

At 31 December 2021, the Group had a cross currency interest rate swap agreement whereby the Group is required to pay interest at a fixed rate of 3.55% and pay RMB160,785,000 on the maturity date, and is entitled to receive interest at a variable rate equal to the LIBOR plus 0.30% and receive US$25,000,000 on the maturity date. The swap is being used to hedge the interest rate and foreign currency exposure of a floating rate unsecured bank loan with face value of US$25,000,000.

There is an economic relationship between the hedged items and the hedging instruments as the terms of the swaps and foreign currency forward contracts match the terms of the variable rate foreign currency denominated bank loans (i.e., notional amount, maturity and payment date). The Group has established a hedge ratio of 1:1 for the hedging relationships as the underlying risks of the swaps and foreign currency forward contracts are identical to the hedged risk components. To measure the hedge effectiveness, the Group uses the hypothetical derivative method and compares the changes in the fair value of the hedging instruments against the changes in fair value of the hedged items attributable to the hedged risks.

Hedge ineffectiveness can arise from:

- Differences in the timing of the cash flows of the forecasted payments and the hedging instruments
- Different interest rate curves applied to discount the hedged items and hedging instruments
- The counterparties' credit risks differently impacting the fair value movements of the hedging instruments and hedged items
- Changes to the forecasted amounts of cash flows of hedged items and hedging instruments

34. INTEREST-BEARING BANK AND OTHER BORROWINGS

	2021			2020		
	Effective interest rate (%)	Maturity	RMB'000	Effective interest rate (%)	Maturity	RMB'000
Current						
Bank loans, unsecured	1.00-4.73	2022	8,969,339	2.15-4.00	2021	8,012,672
Other loans, unsecured	3.80-4.75	2022	1,162,000	4.37	2021	690,000
Notes, unsecured	3.92	2022	800,000	–	–	–
Current portion of long term bank loans, secured	3.85-5.39	2022	2,027,883	4.28-5.39	2021	2,049,150
Current portion of long term bank loans, unsecured	1.60-4.90	2022	6,910,121	4.75-5.28	2021	6,575,056
Current portion of long term other loans, unsecured	4.37-4.75	2022	24,200	4.37-7.00	2021	3,572,816
Current portion of long term other loans, secured	4.60-6.05	2022	724,272	–	–	–
Current portion of long term notes, unsecured	3.60-6.40	2022	4,463,371	4.99-6.75	2021	6,871,735
			25,081,186			27,771,429
Non-current						
Bank loans, secured	4.23-5.39	2023-2033	10,573,543	4.15-5.61	2022-2027	6,619,088
Bank loans, unsecured	1.42-5.50	2023-2032	15,000,522	1.52-5.70	2022-2031	16,015,210
Other loans, unsecured	4.37-6.90	2023-2027	20,876,713	5.50-6.90	2023-2024	19,031,370
Other loans, secured	2.65-6.05	2023-2037	12,701,172	2.65-4.10	2022-2037	9,492,000
Notes, unsecured	3.20-4.00	2023-2024	8,994,953	3.28-6.40	2022-2029	9,849,181
Domestic corporate bonds, unsecured	3.10-3.74	2023-2024	13,800,000	3.10-3.72	2022-2024	8,800,000
			81,946,903			69,806,849
			107,028,089			97,578,278

34. INTEREST-BEARING BANK AND OTHER BORROWINGS (Continued)

	2021 RMB'000	2020 RMB'000
Analysed into:		
Bank loans repayable:		
Within one year	**17,907,343**	16,636,878
In the second year	**2,429,820**	12,236,182
In the third to fifth years, inclusive	**22,621,737**	8,291,406
Beyond five years	**522,508**	2,106,710
	43,481,408	39,271,176
Other borrowings repayable:		
Within one year	**7,173,843**	11,134,551
In the second year	**16,349,124**	12,259,795
In the third to fifth years, inclusive	**18,755,141**	21,224,915
Beyond five years	**21,268,573**	13,687,841
	63,546,681	58,307,102
	107,028,089	97,578,278

Notes:

(a) As at 31 December 2021, the Group had loan facilities amounting to RMB191,275,284,000 (2020: RMB173,624,510,000), of which RMB79,769,764,000 (2020: RMB72,057,362,000) had been utilised.

(b) Certain of the Group's bank and other loans are secured by:

(i) mortgages over certain of the Group's property, plant and equipment, which had an aggregate net carrying value at the end of the reporting period of RMB3,213,792,000 (2020: RMB219,982,000);

(ii) mortgages over certain of the Group's properties under development, which had an aggregate carrying amount at the end of the reporting period of approximately RMB90,341,912,000 (2020: RMB75,307,751,000);

(iii) mortgages over certain of the Group's properties held for sale, which had an aggregate carrying amount at the end of the reporting period of RMB132,501,000 (2020: RMB132,501,000);

(iv) mortgages over certain of the Group's investment properties, which had an aggregate carrying value at the end of the reporting period of approximately RMB11,881,000,000 (2020: RMB11,317,930,000);

(v) mortgages over certain of the Group's trade receivables, which had an aggregate net carrying value at the end of the reporting period of RMB11,512,000 (2020: Nil);

(vi) mortgages over certain of the Group's right-of-use assets, which had an aggregate net carrying value at the end of the reporting period of RMB618,864,000 (2020: Nil).

(c) Except for the bank and other borrowings amounting to approximately RMB22,138,025,000 (2020: RMB21,225,405,000) and RMB18,590,342,000 (2020: RMB13,673,743,000) which are denominated in United States dollars and Hong Kong dollars, respectively, all bank and other borrowings are denominated in RMB.

35. PROVISION FOR LAND APPRECIATION TAX

	RMB'000
At 1 January 2020	3,290,135
Charged to the statement of profit or loss during the year (note 11)	913,728
Payment during the year	(1,558,981)
Transfer from prepaid tax	(570,736)
At 31 December 2020 and 1 January 2021	**2,074,146**
Charged to the statement of profit or loss during the year (note 11)	**2,044,745**
Payment during the year	**(869,053)**
Transfer from prepaid tax	**(935,775)**
At 31 December 2021	**2,314,063**

PRC land appreciation tax

According to the requirements of the Provisional Regulations of the PRC on LAT (中華人民共和國土地增值税暫行條例) effective from 1 January 1994, and the Detailed Implementation Rules on the Provisional Regulations of the PRC on LAT (中華人民共和國土地增值税暫行條例實施細則) effective from 27 January 1995, all income arising from the sale or transfer of state-owned land use rights, buildings and their attached facilities in Mainland China is subject to LAT at progressive rates ranging from 30% to 60% of the appreciation value, with an exemption for the sale of ordinary residential properties (普通標準住宅) if their appreciation values do not exceed 20% of the sum of the total deductible items.

Effective from 1995, the local tax bureau requires the prepayment of LAT on the pre-sales and sales proceeds of property development. According to the relevant tax notices issued by local tax authorities, the Group is required to pay LAT in advance at 1% to 3.5% on the pre-sales and sales proceeds of the Group's properties.

The Group has estimated, made and included in taxation a provision for LAT according to the requirements set out in the relevant PRC tax laws and regulations. The actual LAT liabilities are subject to the determination by the tax authorities upon completion of the property development projects. The tax authorities might disagree with the basis on which the provision for LAT is calculated.

36. DEFERRED TAX

The movements in deferred tax liabilities and assets during the year are as follows:

Deferred tax liabilities

	Revaluation of properties RMB'000	Depreciation allowance in excess of related depreciation RMB'000	Fair value adjustment arising from acquisition of subsidiaries RMB'000	Withholding taxes RMB'000	Accrued interest income RMB'000	Others RMB'000	Total RMB'000
At 1 January 2020	3,739,995	679,242	815,076	142,197	223,212	323,621	5,923,343
Acquisition of subsidiaries (note 42)	–	–	738,975	–	–	–	738,975
Deferred tax charged/(credited) to the statement of profit or loss during the year (note 11)	298,264	46,656	(410,659)	–	(160,916)	405,071	178,416
Gross deferred tax liabilities at 31 December 2020 and 1 January 2021	4,038,259	725,898	1,143,392	142,197	62,296	728,692	6,840,734
Acquisition of subsidiaries (note 42)	–	–	354,980	–	–	–	354,980
Deferred tax charged/(credited) to the statement of profit or loss during the year (note 11)	78,566	61,993	(428,679)	–	(23,401)	88,657	(222,864)
Deferred tax charged to asset revaluation reserve during the year	2,795	–	–	–	–	–	2,795
Gross deferred tax liabilities at 31 December 2021	4,119,620	787,891	1,069,693	142,197	38,895	817,349	6,975,645

36. DEFERRED TAX (Continued)

Deferred tax assets

	Provision for LAT RMB'000	Losses available for offsetting against future taxable profits RMB'000	Unrealised profit arising from intra-group transactions RMB'000	Others RMB'000	Total RMB'000
At 1 January 2020	777,105	710,968	1,176,641	56,460	2,721,174
Acquisition of subsidiaries (note 42)	–	14,508	–	–	14,508
Deferred tax credited/(charged) to the statement of profit or loss during the year (note 11)	(336,683)	(42,515)	48,059	691,900	360,761
Disposal of subsidiaries (note 43)	–	–	(30,770)	–	(30,770)
Gross deferred tax assets at 31 December 2020	440,422	682,961	1,193,930	748,360	3,065,673
Acquisition of subsidiaries (note 42)	–	58,428	–	–	58,428
Deferred tax credited/(charged) to the statement of profit or loss during the year (note 11)	(26,597)	431,660	(5,761)	(237,127)	162,175
Disposal of subsidiaries (note 43)	–	(24,910)	–	–	(24,910)
Gross deferred tax assets at 31 December 2021	413,825	1,148,139	1,188,169	511,233	3,261,366

For presentation purposes, certain deferred tax assets and liabilities have been offset in the consolidated statement of financial position.

36. DEFERRED TAX (Continued)

Deferred tax assets (Continued)

The following is an analysis of the deferred tax balances of the Group for financial reporting purposes:

	2021 RMB'000	2020 RMB'000
Net deferred tax assets recognised in the consolidated statement of financial position	**3,248,538**	3,052,845
Net deferred tax liabilities recognised in the consolidated statement of financial position	**(6,962,817)**	(6,827,906)
	(3,714,279)	(3,775,061)

The Group also has tax losses arising in Mainland China of RMB6,233,364,000 (2020: RMB4,508,776,000) that will expire in one to five years for offsetting against future taxable profits. Deferred tax assets have not been recognised in respect of these losses as they have arisen in subsidiaries that have been loss-making for some time and it is not considered probable that taxable profits will be available against which the tax losses can be utilised.

Pursuant to the PRC Corporate Income Tax Law, a 10% withholding tax is levied on dividends declared to foreign investors from the foreign investment enterprises established in Mainland China. The requirement is effective from 1 January 2008 and applies to earnings after 31 December 2007. A lower withholding tax rate may be applied if there is a tax treaty between Mainland China and the jurisdiction of the foreign investors. For the Group, the applicable rate is 5%. The Group is therefore liable for withholding taxes on dividends distributed by those subsidiaries established in Mainland China in respect of earnings generated from 1 January 2008.

At 31 December 2021, the Group recognised deferred tax liabilities of approximately RMB142,197,000 (2020 RMB142,197,000) for withholding taxes that would be payable on the unremitted earnings of the Group's subsidiaries established in Mainland China. In the opinion of the directors, it is not probable that the remaining unremitted earnings of the Group's subsidiaries, associates, joint ventures and joint operations will be distributed in the foreseeable future. The aggregate amount of temporary differences associated with investments in subsidiaries, associates, joint ventures and joint operations in Mainland China for which deferred tax liabilities have not been recognised totalled approximately RMB39,195,296,000 at 31 December 2021 (2020: RMB31,700,547,000).

There is no income tax consequence attaching to the payment of dividends by the Company to its shareholders.

37. PERPETUAL CAPITAL INSTRUMENTS

(a) 2016 Subordinate Guaranteed Perpetual Capital Securities

On 4 February 2016, Franshion Brilliant Limited, a wholly-owned subsidiary of the Company, issued the subordinate guaranteed perpetual capital securities with an aggregate principal amount of US$500,000,000 (equivalent to approximately RMB3,270,950,000). The direct transaction costs attributable to the issuance amounted to US$1,470,000 (equivalent to approximately RMB9,619,000).

The securities confer a right to receive distributions at the applicable distribution rate of 6% per annum from and including 4 February 2016, payable semi-annually on 4 February and 4 August of each year. The issuer may, at its sole discretion, elect to defer a distribution pursuant to the terms of the securities. The securities may be redeemed at the option of the issuer, in whole but not in part.

On 4 February 2021, the Group redeemed all of these 2016 Subordinate Guaranteed Perpetual Capital Securities with a principal amount of US$500,000,000.

(b) 2017 Subordinate Guaranteed Perpetual Capital Securities

On 17 January 2017, Franshion Brilliant Limited issued the subordinate guaranteed perpetual capital securities with an amount of US$497,615,000 (equivalent to approximately RMB3,433,145,000), at 99.523% of the principal amount of US$500,000,000. The direct transaction costs attributable to the issuance amounted to US$3,862,000 (equivalent to approximately RMB26,645,000).

The securities confer a right to receive distributions at the applicable distribution rate of 5.75% per annum from and including 17 January 2017, payable semi-annually on January 17 and July 17 of each year. The issuer may, at its sole discretion, elect to defer a distribution pursuant to the terms of the securities. The securities may be redeemed at the option of the issuer, in whole but not in part.

On 6 November 2017, Franshion Brilliant Limited issued the subordinate guaranteed perpetual capital securities with an aggregate principal amount of US$300,000,000 (equivalent to approximately RMB1,987,410,000). The direct transaction costs attributable to the issuance amounted to US$196,000 (equivalent to approximately RMB1,296,000).

The securities confer a right to receive distributions at the applicable distribution rate of 4.875% per annum from and including 6 May 2018, payable semi-annually on May 6 and November 6 of each year. The issuer may, at its sole discretion, elect to defer a distribution pursuant to the terms of the securities. The securities may be redeemed at the option of the issuer, in whole but not in part.

37. PERPETUAL CAPITAL INSTRUMENTS (Continued)

(c) 2017 Senior Guaranteed Perpetual Capital Securities

On 3 July 2017, Franshion Brilliant Limited issued the senior guaranteed perpetual capital securities in an aggregate principal amount of US$300,000,000 (equivalent to RMB2,033,160,000). On 1 September 2017, Franshion Brilliant Limited completed another issue of the senior guaranteed perpetual capital securities with an amount of US$200,182,000 (equivalent to RMB1,319,380,000), at 100.091% of the principal amount of US$200,000,000 and an accrued distribution of US$1,289,000 (equivalent to RMB8,495,000) compensated from the bankers.

The securities confer a right to receive distribution at 4.00% per annum payable semi-annually in arrears beginning on 3 January 2018 with no stated maturity date. The transaction costs related to the issuance were approximately US$1,735,000 (equivalent to RMB11,566,000).

(d) 2017 Hwabao Trust Perpetual Capital Securities

On 22 December 2017, Jinmao Investment Management (Shanghai) Co., Ltd. completed an issue of the guaranteed perpetual capital securities, in an aggregate principal amount of RMB621,000,000 with the trust plan established by Hwabao Trust Co., Ltd.

The securities confer a right to receive distribution at 6.95% per annum payable semi-annually in arrears beginning on 21 June 2018. The issuer, may at its sole discretion, elect to defer a distribution pursuant to the terms of the securities.

On 29 December 2020, the Group redeemed all of these guaranteed perpetual capital securities with a principal amount of RMB621,000,000.

(e) 2018 Senior Guaranteed Perpetual Capital Securities

On 4 December 2018, Franshion Brilliant Limited issued the senior guaranteed perpetual capital securities in an aggregate principal amount of US$300,000,000 (equivalent to RMB2,068,170,000). The direct transaction costs attributable to the issuance amounted to US$1,997,700 (equivalent to approximately RMB13,772,000).

The securities confer a right to receive distributions at the 6.90% per annum payable semi-annually in arrears beginning on 4 December 2018 with no stated maturity date. The issuer may, at its sole discretion, elect to defer a distribution pursuant to the terms of the securities. The securities may be redeemed at the option of the issuer, in whole but not in part.

On 6 December 2021, the Group redeemed all of these 2018 Senior Guaranteed Perpetual Capital Securities with a principal amount of US$300,000,000.

37. PERPETUAL CAPITAL INSTRUMENTS (Continued)

(f) 2018 Domestic Unsecured Perpetual Medium-Term Notes

On 18 December 2018, Jinmao Investment Management (Shanghai) Co., Ltd., issued the unsecured perpetual medium-term notes, with an aggregate principal amount of RMB2,000,000,000. The direct transaction costs attributable to the issuance amounted to RMB6,882,000.

The notes confer a right to receive distribution at 5.00% per annum payable annually beginning on 20 December 2018 and every three interest-bearing years shall be a cycle. The Group has the option for extension at the end of every three interest-bearing years.

On 18 December 2021, the Group redeemed all of these 2018 Domestic Unsecured Perpetual Medium-Term Notes with a principal amount of RMB2,000,000,000.

(g) 2019 Subordinate Guaranteed Perpetual Capital Securities

On 6 December 2019, Franshion Brilliant Limited issued the subordinate guaranteed perpetual capital securities with an aggregate principal amount of US$400,000,000 (equivalent to approximately RMB2,815,320,000). The direct transaction costs attributable to the issuance amounted to US$759,000 (equivalent to approximately RMB5,340,000).

The securities confer a right to receive distributions at the applicable distribution rate of 7.125% per annum from and including 6 June 2020, payable semi-annually on 6 June and 6 December of each year. The issuer may, at its sole discretion, elect to defer a distribution pursuant to the terms of the securities. The securities may be redeemed at the option of the issuer, in whole but not in part.

(h) 2020 Sinochem Corporation Perpetual Debts

On 14 December 2020, Jinmao Investment Management (Tianjin) Co., Ltd. entered into a perpetual debt agreement, in an aggregate principal amount of RMB5,000,000,000 with its intermediate holding company, Sinochem Corporation. The debts confer a right to receive distribution at 4.95% per annum payable annually in arrears beginning on 14 December 2021. Jinmao Investment Management (Tianjin) Co., Ltd., may at its sole discretion, elect to defer a distribution pursuant to the terms of the debts.

37. PERPETUAL CAPITAL INSTRUMENTS (Continued)

(i) 2021 Subordinate Guaranteed Perpetual Capital Securities

On 8 February 2021, Franshion Brilliant Limited issued the subordinate guaranteed perpetual capital securities with an aggregate principal amount of US$500,000,000 (equivalent to approximately RMB3,233,900,000). The direct transaction costs attributable to the issuance amounted to US$1,695,000 (equivalent to approximately RMB10,964,000).

The securities confer a right to receive distributions at the applicable distribution rate of 6.00% per annum from and including 8 August 2021, payable semi-annually on 8 February and 8 August of each year. The issuer may, at its sole discretion, elect to defer a distribution pursuant to the terms of the securities. The securities may be redeemed at the option of the issuer, in whole but not in part.

(j) 2021 Yangguang Guaranteed Perpetual Debts

On 29 June 2021, Suzhou Yongmao Properties Limited, a wholly-owned subsidiary of the Company, entered into a perpetual debt agreement, in an aggregate principal amount of RMB1,000,000,000 with Yangguang Asset Management Co., Ltd. The debts are guaranteed by Shanghai Jinmao Investment Management Group Co., Ltd. The debts confer a right to receive distribution at 5.40% per annum from and including 20 September 2021, payable quarterly on 20 March, 20 June, 20 September and 20 December of each year. The Group may at its sole discretion, elect to defer a distribution pursuant to the terms of the debts.

In the opinion of the directors, the Group is able to control the delivery of cash or other financial assets to the holders of the perpetual capital instruments in (a) to (j) above due to redemption other than an unforeseen liquidation of the Company or the issuers. Accordingly, these instruments are classified as equity instruments.

38. SHARE CAPITAL

Shares

	2021 RMB'000	2020 RMB'000
Issued and fully paid:		
12,688,342,090 (2020: 12,736,243,290) ordinary shares	11,530,230	11,527,148

A summary of movements in the Company's share capital is as follows:

	Number of shares in issue	Share capital RMB'000
At 1 January 2020	11,769,524,490	21,250,860
Issue of new shares (note a)	951,790,000	4,845,815
Share options exercised (note b)	14,928,800	35,573
At 31 December 2020 and 1 January 2021	12,736,243,290	26,132,248
Share options exercised (note c)	3,700,800	8,217
Shares repurchased (note d)	(51,602,000)	–
31 December 2021	12,688,342,090	26,140,465

Notes:

(a) The Company issued 951,790,000 ordinary shares at the placing price of HK$5.70 per share with net proceeds of approximately RMB4,845,815,000.

(b) 14,928,800 share options were exercised at the subscription price of HK$2.196 per share (note 39), resulting in the issue of 14,928,800 shares for a total cash consideration, before expenses, of RMB29,428,000. An amount of RMB6,145,000 was transferred from the share option reserve to share capital upon the exercise of the share options.

(c) 3,700,800 share options were exercised at the subscription price of HK$2.196 per share (note 39), resulting in the issue of 3,700,800 shares for a total cash consideration, before expenses, of RMB6,768,000. An amount of RMB1,449,000 was transferred from the share option reserve to share capital upon the exercise of the share options.

(d) The Company purchased 51,602,000 ordinary shares of the company on the Hong Kong Stock Exchange in 2021 at a total consideration of RMB134,804,000 which was paid wholly out of retained profits. The purchased shares were cancelled during the year.

Share options

Details of the Company's share option scheme and the share options issued under the scheme are included in note 39 to the financial statements.

39. SHARE OPTION SCHEME

2007 Scheme

The Company operated a share option scheme (the "2007 Scheme") for the purpose of providing incentives and rewards to eligible participants who contributed to the success of the Group's operations. Eligible participants of the 2007 Scheme included the Company's executive and non-executive directors and the Group's senior management, key technical and professional personnel, managers and employees, but did not include the Company's independent non-executive directors. The 2007 Scheme became effective on 22 November 2007 and expired on 22 November 2017, after 10 years from the effective date. However, the options granted under the 2007 Scheme continued to be valid and exercisable in accordance with the terms of issue.

The maximum number of unexercised share options currently permitted to be granted under the 2007 Scheme was an amount equivalent, upon their exercise, to 10% of the shares of the Company in issue at any time. The maximum number of shares issuable under share options to each eligible participant in the 2007 Scheme within any 12-month period was limited to 1% of the shares of the Company in issue at any time. Any further grant of share options in excess of this limit was subject to shareholders' approval in a general meeting.

Share options granted to a director, chief executive or substantial shareholder of the Company, or to any of their associates, were subject to approval in advance by the independent non-executive directors. In addition, any share options granted to a director, chief executive or substantial shareholder of the Company, or to any of their associates, in excess of 0.1% of the shares of the Company in issue at any time or with an aggregate value (based on the price of the Company's shares at the date of grant) in excess of HK$5 million, within any 12-month period, were subject to shareholders' approval in advance in a general meeting.

The offer of a grant of share options might be accepted within 28 days from the date of offer, upon payment of a nominal consideration of HK$1 in total by the grantee. The exercise and exercisability of the share options was related to the performance of individuals and of the Company. The board of directors would determine performance targets concerned and set out in the grant notice. The share options granted would become exercisable after two years from the grant date or a later date as set out in the relevant grant notice, and in any event shall end not later than seven years from the grant date but subject to the provisions for early termination of employment.

The exercise price of share options was determinable by the directors, but might not be less than the highest of (i) the Hong Kong Stock Exchange closing price of the Company's shares on the grant date of the share options; (ii) the average Hong Kong Stock Exchange closing price of the Company's shares for the five trading days immediately preceding the grant date; and (iii) the par value of the Company's share.

Share options did not confer rights on the holders to dividends or to vote at shareholders' meetings.

39. SHARE OPTION SCHEME (Continued)

2007 Scheme (Continued)

The following share options were outstanding under the 2007 Scheme during the year:

	2021 Weighted average exercise price HK$ per share	2021 Number of options	2020 Weighted average exercise price HK$ per share	2020 Number of options
At 1 January	2.196	73,169,200	2.196	89,258,000
Forfeited during the year	2.196	–	2.196	(1,160,000)
Exercised during the year	2.196	(3,700,800)	2.196	(14,928,800)
At 31 December	2.196	69,468,400	2.196	73,169,200

The weighted average share price at the date of exercise for share options exercised during the year was HK$2.196 per share (2020: HK$2.196 per share).

The exercise prices and exercise periods of the share options outstanding under the 2007 Scheme as at the end of the reporting period are as follows:

2021

Number of options	Exercise price* HK$ per share	Exercise period
5,188,800	2.196	17 October 2018 to 16 October 2023
24,342,800	2.196	17 October 2019 to 16 October 2023
39,936,800	2.196	17 October 2020 to 16 October 2023
69,468,400		

2020

Number of options	Exercise price* HK$ per share	Exercise period
5,458,800	2.196	17 October 2018 to 16 October 2023
25,799,200	2.196	17 October 2019 to 16 October 2023
41,911,200	2.196	17 October 2020 to 16 October 2023
73,169,200		

* The exercise price of the share options is subject to adjustment in the case of rights or bonus issues, or other similar changes in the Company's share capital.

39. SHARE OPTION SCHEME (Continued)

2007 Scheme (Continued)

The fair value of the share options granted during the year ended 31 December 2016 was HK$80,332,000 (HK$0.47 each), which was fully recognised in prior years.

The 3,700,800 share options exercised during the year resulted in the issue of 3,700,800 ordinary shares of the Company and new share capital of HK$9,866,000 (equivalent to RMB8,217,000) (before issue expenses), as further detailed in note 38 to the financial statements.

New Scheme

On 29 January 2019, a new share option scheme (the "New Scheme") was adopted by the Company to enhance the Company's continuous commitment to eligible participants and enhance them to pursue the objectives of the Company. On 8 February 2019, an aggregate of 265,950,000 share options were granted under the New Scheme to eligible participants of the Group. These share options have an exercise price of HK$3.99 per share. One-third of the share options granted will be vested in two years from 8 February 2019, one-third of the share options granted will be vested in three years from 8 February 2019 and one-third of the options granted will be vested in four years from 8 February 2019. Once the share options are vested, they are exercisable until 7 February 2026.

On 9 September 2019, an aggregate of 9,000,000 share options were granted under the New Scheme to eligible participants of the Group. These share options have an exercise price of HK$4.58 per share. One-third of the share options granted will be vested in two years from 9 September 2019, one-third of the share options granted will be vested in three years from 9 September and one-third of the options granted will be vested in four years from 9 September. Once the share options are vested, they are exercisable until 8 September 2026.

According to the terms of the New Scheme, the board of directors shall at its absolute discretion grant to any participant a certain number of options at any time within 10 years after the adoption date of the New Scheme. Participants, i.e. recipients of the options granted, include any existing executive or non-executive directors of any member of the Group and any senior management, key technical and professional personnel, managers and employees of any member of the Group, but do not include any independent non-executive directors of the Company.

The number of shares to be issued at any time upon exercise of all options granted under the New Scheme and other share option schemes of the Company shall not in aggregate exceed 10% of the then issued share capital of the Company.

39. SHARE OPTION SCHEME (Continued)

New Scheme (Continued)

Unless an approval of shareholders is obtained at a general meeting, if the total number of shares issued and shares which may fall to be issued upon exercise of the share options (including exercised, cancelled and outstanding options) granted under the New Scheme and any other share option schemes of the Company to a participant in any 12-month period in aggregate exceeds 1% of the issued share capital of the Company at any time, no further options shall be granted to such participant. Upon acceptance of the grant, the grantee undertakes that he/she will, at the request of the Company, pay a consideration of HK$1 or the equivalent (to be determined on the date when the offer of the grant is accepted) to the Company for acceptance of the offer of the grant of the share option.

Share options do not confer rights on the holders to dividends or to vote at shareholders' meetings. The following share options were outstanding under the New Scheme during the year:

	2021		2020	
	Weighted average exercise price HK$ per share	Number of options	Weighted average exercise price HK$ per share	Number of options
At 1 January	4.01	262,350,000	4.01	269,100,000
Forfeited during the year	3.99	(21,350,000)	3.99	(6,750,000)
At 31 December	4.01	241,000,000	4.01	262,350,000

The exercise prices and exercise periods of the share options outstanding under the New Scheme as at the end of the reporting period are as follows:

2021

Number of options	Exercise price* HK$ per share	Exercise period
76,394,000	3.99	8 February 2021 to 7 February 2026
77,794,000	3.99	8 February 2022 to 7 February 2026
77,812,000	3.99	8 February 2023 to 7 February 2026
3,000,000	4.58	9 September 2021 to 8 September 2026
3,000,000	4.58	9 September 2022 to 8 September 2026
3,000,000	4.58	9 September 2023 to 8 September 2026
241,000,000		

39. SHARE OPTION SCHEME (Continued)

New Scheme (Continued)

2020

Number of options	Exercise price* HK$ per share	Exercise period
84,444,000	3.99	8 February 2021 to 7 February 2026
84,444,000	3.99	8 February 2022 to 7 February 2026
84,462,000	3.99	8 February 2023 to 7 February 2026
3,000,000	4.58	9 September 2021 to 8 September 2026
3,000,000	4.58	9 September 2022 to 8 September 2026
3,000,000	4.58	9 September 2023 to 8 September 2026
262,350,000		

* The exercise price of the share options is subject to adjustment in the case of rights or bonus issues, or other similar changes in the Company's share capital.

The fair value of the share options granted during the year ended 31 December 2019 was HK$257,594,000 of which the Group recognised a share option expense of HK$55,555,000 (equivalent to RMB46,127,000) (2020: RMB82,721,000) during the year ended 31 December 2021.

No other feature of the options granted was incorporated into the measurement of fair value.

At the end of the reporting period, the Company had 69,468,400 share options outstanding under the 2007 Scheme and 241,000,000 share options outstanding under the New Scheme. The exercise in full of the outstanding share options would, under the present capital structure of the Company, result in the issue of 310,468,400 additional ordinary shares of the Company and additional share capital of HK$1,119,453,000 (equivalent to RMB929,469,000) (before issue expenses).

40. RESERVES

The amounts of the Group's reserves and the movements therein for the current and prior years are presented in the consolidated statement of changes in equity on pages 176 to 177 of the financial statements.

Capital reserve

The capital reserve represents additional contribution made by the shareholders of the Company's subsidiaries and, in the case of an acquisition of an additional equity interest in a non-wholly-owned subsidiary, the difference between the cost of acquisition and the non-controlling interests acquired.

PRC statutory surplus reserve

Transfers from retained profits to the statutory surplus reserve were made in accordance with the relevant PRC rules and regulations and the articles of association of the Group's subsidiaries established in Mainland China and were approved by the board of directors of the respective subsidiaries.

The statutory surplus reserve can be used to cover previous years' losses, if any, and may be converted into capital in proportion to equity holders' existing equity holding, provided that the balance after such conversion is not less than 25% of their registered capital.

Asset revaluation reserve

The asset revaluation reserve arose from the change in use from owner-occupied properties to investment properties carried at fair value.

Share option reserve

The share option reserve comprises the fair value of share options granted which are yet to be exercised, as further explained in the accounting policy for share-based payments in note 2.4 to the financial statements. The amount will either be transferred to the share capital account when the related options are exercised, or be transferred to retained profits should the related options expire or be forfeited.

Hedging reserve

The hedging reserve represents reserves related to net investment hedges and cash flow hedges.

41. PARTLY-OWNED SUBSIDIARIES WITH MATERIAL NON-CONTROLLING INTERESTS

Details of the Group's subsidiaries that have material non-controlling interests are set out below:

	Nanjing Runmao RMB'000	Suzhou Anmao RMB'000
2021		
Percentage of equity interest held by non-controlling interests	72.50%	73.50%
(Loss)/profit for the year allocated to non-controlling interests	(275,801)	259,809
Dividends declared to non-controlling interests	–	110,250
Accumulated balances of non-controlling interests at the reporting date	1,818,231	3,684,866

	Nanjing Runmao RMB'000	Suzhou Anmao RMB'000
2020		
Percentage of equity interest held by non-controlling interests	72.50%	73.50%
(Loss)/profit for the year allocated to non-controlling interests	(16,017)	205,829
Dividends declared to non-controlling interests	–	110,250
Accumulated balances of non-controlling interests at the reporting date	2,102,226	3,530,703

41. PARTLY-OWNED SUBSIDIARIES WITH MATERIAL NON-CONTROLLING INTERESTS (Continued)

The following tables illustrate the summarised financial information of the above subsidiaries. The amounts disclosed are before any inter-company eliminations:

	Nanjing Runmao RMB'000	Suzhou Anmao RMB'000
2021		
Revenue	4,977,972	3,443,538
Total expenses	(5,358,387)	(3,090,056)
(Loss)/profit for the year	(380,415)	353,482
Total comprehensive (loss)/income for the year	(380,415)	353,482
Current assets	4,555,745	6,091,812
Non-current assets	1,342,346	144
Current liabilities	(2,962,130)	(1,076,219)
Non-current liabilities	(428,056)	(2,314)
Net cash flows (used in)/from operating activities	(354,503)	1,351,368
Net cash flows used in investing activities	(88)	(950,000)
Net cash flows used in financing activities	(93,610)	(754,913)
Net decrease in cash and cash equivalents	(448,201)	(353,545)

	Nanjing Runmao RMB'000	Suzhou Anmao RMB'000
2020		
Revenue	3,810	5,069,754
Total expenses	(25,902)	(4,789,714)
(Loss)/profit for the year	(22,092)	280,040
Total comprehensive (loss)/income for the year	(22,092)	280,040
Current assets	7,064,879	7,464,164
Non-current assets	3,317,757	260
Current liabilities	(6,862,139)	(2,289,781)
Non-current liabilities	(623,835)	(363,081)
Net cash flows (used in)/from operating activities	(326,960)	2,785,909
Net cash flows used in investing activities	(185)	(1,800,000)
Net cash flows used in financing activities	(362,861)	(793,012)
Net (decrease)/increase in cash and cash equivalents	(690,006)	192,897

42. BUSINESS COMBINATION

Business combination during the year ended 31 December 2021 mainly included the acquisitions of a number of property development companies and acquisition of additional interests in joint ventures and associates (collectively referred to as the "2021 Acquirees"). The directors of the Company consider that none of these subsidiaries acquired during the year was significant to the Group and thus the individual financial information of these subsidiaries on the acquisition date was not disclosed.

The Group remeasured the fair value of the equity interest previously held as joint ventures or associates at the date of acquisition, and fair value gains of RMB266,183,000 were recognised in other income and gains in the consolidated statement of profit or loss during the year ended 31 December 2021 (note 5).

The Group has elected to measure the non-controlling interest in the 2021 Acquirees at the non-controlling interest's proportionate share of the 2021 Acquirees' identifiable net assets.

The fair values of the identifiable assets and liabilities of the 2021 Acquirees as at the date of acquisition were as follows:

	Notes	RMB'000
Property, plant and equipment	14	151,944
Right-of-use assets	19(a)	18,313
Intangible assets	20	76
Properties under development	15	10,342,813
Properties held for sale		1,883,798
Deferred tax assets	36	58,428
Prepayments, other receivables and other assets		1,975,883
Prepaid tax		607,037
Restricted bank balances		724,050
Cash and cash equivalents		2,491,362
Trade and bills payables		(380,692)
Other payables and accruals		(14,181,831)
Interest-bearing bank and other borrowings	44	(1,191,629)
Tax payable		(582)
Lease liabilities	19(b), 44	(1,044)
Deferred tax liabilities	36	(354,980)
Total identifiable net assets at fair value		2,142,946
Non-controlling interests		(504,183)
Gain on bargain purchase recognised in other income and gains in the consolidated income statement	5	(93,763)
		1,545,000
Satisfied by:		
Cash*		958,704
Fair value of equity interest previously held as investments in joint ventures and associates		586,296
Total purchase consideration		1,545,000

* Cash consideration of RMB160,833,000 had been pre-paid by the Group as at 31 December 2020 and the consideration of RMB768,681,000 was paid during the year. As at 31 December 2021, the consideration of RMB29,190,000 remained outstanding.

42. BUSINESS COMBINATION (Continued)

The fair values of its other receivables as at the date of acquisition amounted to RMB1,975,883,000, which are equal to its gross contractual amounts. There was no estimated uncollectable amount of the contractual cash flows at the date of acquisition.

The Group incurred transaction costs of RMB550,000 for these acquisitions. These transaction costs have been expensed and are included in administrative expenses in the consolidated statement of profit or loss.

The Group measured the acquired lease liabilities using the present value of the remaining lease payments at the date of acquisition. The right-of-use assets were measured at an amount equal to the lease liabilities and adjusted to reflect the favourable terms of the leases relative to market terms.

The Group recognised a gain on bargain purchase of approximately RMB93,763,000 in the consolidated statement of profit or loss for the year ended 31 December 2021, which was, in the opinion of the directors, primarily attributable to the Group's ability in negotiating the agreed terms of the transaction with the independent third parties, as the Group has good reputation and rich experience in the property development and management of residential properties, commercial buildings and hotel properties, and has sufficient available funds for the ongoing development of the project.

An analysis of the cash flows in respect of the acquisition of the subsidiaries is as follows:

	RMB'000
Cash consideration	**(768,681)**
Cash and bank balances acquired	**2,491,362**
Net inflow of cash and cash equivalents included in cash flows from investing activities	**1,722,681**
Transaction costs of the acquisition included in cash flows used in operating activities	**(550)**
	1,722,131

Since the acquisition, the 2021 Acquirees contributed RMB3,710,000,000 to the Group's revenue and incurred a loss of RMB209,000,000 to the consolidated profit for the year ended 31 December 2021 in aggregate.

Had the combination taken place at the beginning of the year ended 31 December 2021, the revenue from continuing operations of the Group and the profit of the Group for the year ended 31 December 2021 would have been RMB90,059,934,000 and RMB7,700,938,000 respectively.

42. BUSINESS COMBINATION (Continued)

Business combination during the year ended 31 December 2020 mainly included the acquisitions of a number of property development companies and the acquisition of additional interests in joint ventures and associates (collectively referred to as the "2020 Acquirees"). The directors of the Company consider that none of these subsidiaries acquired during the year was significant to the Group and thus the individual financial information of these subsidiaries on the acquisition date was not disclosed.

The Group remeasured the fair value of the equity interest previously held as joint ventures or associates at the date of acquisition, and fair value gains of RMB1,307,456,000 were recognised in other income and gains in the consolidated statement of profit or loss during the year ended 31 December 2020 (note 5).

The Group has elected to measure the non-controlling interest in the 2020 Acquirees at the non-controlling interest's proportionate share of the 2020 Acquirees' identifiable net assets.

The fair values of the identifiable assets and liabilities of the 2020 Acquirees as at the date of acquisition were as follows:

	Notes	RMB'000
Property, plant and equipment	14	3,089
Right-of-use assets	19(a)	6,831
Intangible assets	20	1,833
Investments in associates		197,966
Properties under development	15	24,817,373
Properties held for sale		468,612
Deferred tax assets	36	14,508
Trade and bills receivables		11,100
Prepayments, other receivables and other assets		1,081,192
Prepaid tax		858,604
Cash and cash equivalents		481,017
Trade and bills payables		(462,382)
Other payables and accruals		(7,928,932)
Interest-bearing bank and other borrowings	44	(12,179,396)
Tax payable		(57,549)
Lease liabilities	19(b), 44	(4,814)
Deferred tax liabilities	36	(738,975)
Total identifiable net assets at fair value		6,570,077
Non-controlling interests		(628,428)
Gain on bargain purchase recognised in other income and gains in the consolidated income statement	5	(146,548)
		5,795,101
Satisfied by:		
Cash*		4,289,225
Fair value of equity interest previously held as investments in joint ventures and associates		1,505,876
Total purchase consideration		5,795,101

* Cash consideration of RMB2,303,775,000 had been pre-paid by the Group as at 31 December 2019, and the consideration of RMB1,985,450,000 was paid during the year.

42. BUSINESS COMBINATION (Continued)

The fair values of its other receivables as at the date of acquisition amounted to RMB1,081,192,000, which are equal to its gross contractual amounts. There was no estimated uncollectable amount of the contractual cash flows at the date of acquisition.

The Group incurred transaction costs of RMB303,000 for these acquisitions. These transaction costs have been expensed and are included in administrative expenses in the consolidated statement of profit or loss.

The Group measured the acquired lease liabilities using the present value of the remaining lease payments at the date of acquisition. The right-of-use assets were measured at an amount equal to the lease liabilities and adjusted to reflect the favourable terms of the leases relative to market terms.

The Group recognised a gain on bargain purchase of approximately RMB146,548,000 in the consolidated statement of profit or loss for the year ended 31 December 2020, which was, in the opinion of the directors, primarily attributable to the Group's ability in negotiating the agreed terms of the transaction with the independent third parties, as the Group has good reputation and rich experience in the property development and management of residential properties, commercial buildings and hotel properties, and has sufficient available funds for the ongoing development of the project.

An analysis of the cash flows in respect of the acquisition of the subsidiaries is as follows:

	RMB'000
Cash consideration	(1,985,450)
Cash and bank balances acquired	481,017
Net outflow of cash and cash equivalents included in cash flows used in investing activities	(1,504,433)
Transaction costs of the acquisition included in cash flows used in operating activities	(303)
	(1,504,736)

Since the acquisition, the 2020 Acquirees contributed RMB8,088,518,000 to the Group's revenue and incurred a loss of RMB493,417,000 to the consolidated profit for the year ended 31 December 2020 in aggregate.

Had the combination taken place at the beginning of the year ended 31 December 2020, the revenue from continuing operations of the Group and the profit of the Group for the year ended 31 December 2020 would have been RMB61,347,684,000 and RMB6,198,478,000, respectively.

43. DISPOSAL OF SUBSIDIARIES

During the years ended 31 December 2021 and 31 December 2020, the Group lost control over certain subsidiaries.

	Notes	2021 RMB'000	2020 RMB'000
Net assets disposed of:			
Property, plant and equipment	14	1,821	4,347
Intangible assets	20	–	664
Deferred tax assets	36	24,910	30,770
Cash and cash equivalents		885,123	3,189,001
Properties under development	15	10,586,908	27,533,056
Prepayments, other receivables and other assets		1,498,058	2,858,032
Prepaid tax		363,987	456,118
Trade and bills payables		(552,713)	(1,108,363)
Other payables and accruals		(9,244,323)	(22,667,510)
Interest-bearing bank and other borrowings	44	(1,296,400)	(4,877,100)
		2,267,371	5,419,015
Non-controlling interests		–	(1,023,942)
		2,267,371	4,395,073
Gain on disposal of subsidiaries	5	1,068,824	1,543,156
		3,336,195	5,938,229
Satisfied by:			
Cash*		2,722,592	2,814,904
Fair value of interests retained by the Group		613,603	3,123,325
		3,336,195	5,938,229

* Cash consideration of RMB35,077,000 had been received in advance by the Group as at 31 December 2020 and the remaining consideration of RMB2,687,515,000 was received during the year.

An analysis of the net outflow of cash and cash equivalents in respect of the disposal of subsidiaries is as follows:

	2021 RMB'000	2020 RMB'000
Cash consideration	2,687,515	2,814,904
Cash and cash equivalents disposed of	(885,123)	(3,189,001)
Net inflow/(outflow) of cash and cash equivalents in respect of the disposal of subsidiaries	1,802,392	(374,097)

44. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

(a) Major non-cash transactions

During the year, the Group had non-cash additions to right-of-use assets and lease liabilities of RMB90,565,000 (2020: RMB1,037,659,00, including those classified under investment properties of RMB869,941,000) and RMB90,565,000 (2020: RMB1,037,659,000), respectively.

(b) Changes in liabilities arising from financing activities:

2021

	Bank and other loans RMB'000	Payable to non-controlling shareholders and others RMB'000	Amount due to immediate holding company RMB'000	Lease liabilities RMB'000
At 1 January 2021	97,578,278	15,280,239	–	1,099,575
Changes from financing cash flows	10,463,493	(4,391,469)	(960,958)	(174,893)
Foreign exchange movement	(946,142)	–	–	–
New leases	–	–	–	90,565
Interest expense	37,231	–	–	49,685
2020 final dividend	–	–	514,241	–
2021 interim dividend	–	–	446,717	–
Dividends to non-controlling shareholders	–	1,218,244	–	–
Increase arising from acquisition of subsidiaries (note 42)	1,191,629	–	–	1,044
Decrease arising from disposal of subsidiaries (note 43)	(1,296,400)	–	–	–
At 31 December 2021	107,028,089	12,107,014	–	1,065,976

44. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS (Continued)

(b) Changes in liabilities arising from financing activities: (Continued)

2020

	Bank and other loans RMB'000	Payable to non-controlling shareholders and others RMB'000	Amount due to immediate holding company RMB'000	Lease liabilities RMB'000
At 1 January 2020	96,571,686	12,754,794	–	195,609
Changes from financing cash flows	(3,999,756)	2,117,986	(1,068,018)	(179,414)
Foreign exchange movement	(2,295,948)	–	–	–
New leases	–	–	–	1,037,659
Interest expense	–	–	–	40,907
2019 final dividend	–	–	589,189	–
2020 interim dividend	–	–	478,829	–
Dividends to non-controlling shareholders	–	407,459	–	–
Increase arising from acquisition of subsidiaries (note 42)	12,179,396	–	–	4,814
Decrease arising from disposal of subsidiaries (note 43)	(4,877,100)	–	–	–
At 31 December 2020	97,578,278	15,280,239	–	1,099,575

(c) Total cash outflow for leases:

The total cash outflow for leases included in the statement of cash flows is as follows:

	2021 RMB'000	2020 RMB'000
Within operating activities	12,631	32,646
Within financing activities	174,893	179,414
	187,524	212,060

45. FINANCIAL GUARANTEES

At the end of the reporting period, the Group has provided guarantees amounting to approximately RMB38,661,226,000 (2020: RMB30,337,792,000) in respect of mortgage facilities for certain purchasers of the Group's properties.

Besides, the Group also provided guarantees, based on the Group's proportion of equity interest of 29.9%, in respect of certain notes issued by an associate with an aggregate principal amount of US$66,000,000 (equal to RMB420,796,200), and the related aggregate amount of guarantees provided was US$19,734,000 (equal to RMB125,818,000) as at 31 December 2021 (2020:Nil).

The Group assessed that the fair value at initial recognition of the financial guarantees and the ECL allowance during the year were not significant.

46. COMMITMENTS

(a) The Group had the following commitments at the end of the reporting period:

	2021 RMB'000	2020 RMB'000
Contracted, but not provided for:		
Properties under development	78,578,100	43,470,487
Land under development	6,531,622	5,042,970
Property, plant and equipment	28,407	290,252
Capital contributions to joint ventures and associates	8,943,937	5,555,316
	94,082,066	54,359,025

(b) The Group has various lease contracts that have not yet commenced as at 31 December 2021. The future lease payments for these non-cancellable lease contracts are RMB26,098,000 due within one year.

47. RELATED PARTY TRANSACTIONS

(a) In addition to the transactions detailed elsewhere in these financial statements, the Group had the following material transactions with related parties during the year:

	Notes	2021 RMB'000	2020 RMB'000
Fellow subsidiaries:			
Rental income*	(i)	211,295	243,433
Property management fee income*	(i)	37,126	49,186
Interest expense*	(ii)	144,696	258,831
Interest income*	(iii)	37,684	141,209
Building decoration service income	(i)	220	–
The immediate holding company:			
Rental expense	(i)	4,398	5,285
Interest expense	(ii)	149,780	168,779
An intermediate holding company:			
Rental income*	(i)	107,711	88,569
Property management fee income*	(i)	9,021	11,556
Interest expense	(ii)	492,583	663,373
Building decoration service income	(i)	6,294	–
The ultimate holding company:			
Rental income*	(i)	7,910	7,910
Interest expense	(ii)	–	882
Property management fee income*	(i)	727	–
Joint ventures:			
Interest income	(iii)	1,673,349	1,777,867
Interest expense	(ii)	356,394	209,897
Consulting fee expense	(i)	–	236,305
Rental income	(i)	2,355	2,747
Property management fee income	(i)	111,564	87,096
Building decoration service income	(i)	652,861	401,921
Consulting fee income	(i)	54,849	44,431
Other service income	(i)	565	–
Associates:			
Interest income	(iii)	7,222	799,266
Interest expense	(ii)	202,494	139,669
Property management fee income	(i)	79,538	65,245
Building decoration service income	(i)	329,181	410,688
Consulting fee income	(i)	41,165	69,115
Rental income	(i)	3,007	–
Other service income	(i)	829	–
Associates of the Group's ultimate holding company:			
Rental income*	(i)	39,232	8,161
Property management fee income*	(i)	5,675	656
The substantial shareholder:			
Interest income*	(iii)	116,193	88,814
Interest expense*	(ii)	7,234	18,595

47. RELATED PARTY TRANSACTIONS (Continued)

(a) (Continued)

Notes:

(i) These transactions were carried out in accordance with the terms and conditions mutually agreed by the parties involved.

(ii) The interest expense was charged at rates ranging from 2.18% to 9.37% (2020: 2.00% to 4.75%) per annum.

(iii) The interest income was determined at rates ranging from 1.93% to 13.88% (2020: 1.93% to 13.88%) per annum.

* A certain portion of these related party transactions also constitute continuing connected transactions as defined in Chapter 14A of the Listing Rules.

(b) Compensation of key management personnel of the Group

	2021 RMB'000	2020 RMB'000
Short term employee benefits	48,328	46,290
Post-employment benefits	2,772	2,490
Equity-settled share option expense	4,648	6,808
Total compensation paid to key management personnel	55,748	55,588

Further details of directors' and the chief executive's emoluments are included in note 9 to the financial statements.

(c) Transactions and balances with other state-owned entities

The Group is indirectly controlled by the PRC government and operates in an economic environment predominated by entities directly or indirectly owned or controlled by the government through its agencies, affiliates or other organisations (collectively "State-owned Entities" ("SOEs")). During the year, the Group had transactions with other SOEs including, but not limited to, borrowings, deposits, the sale of properties developed, the provision of property lease and management services and the provision of sub-contracting services. The directors of the Company consider that these transactions with other SOEs are activities conducted in the ordinary course of business and that the dealings of the Group have not been significantly or unduly affected by the fact that the Group and the other SOEs are ultimately controlled or owned by the PRC government. The Group has also established pricing policies for its products and services and such pricing policies do not depend on whether or not the customers are SOEs.

(d) Provision of guarantees to an associate

As at 31 December 2021, the Group provided guarantees for notes issued by an associate with an aggregate principal amount of US$66,000,000 (equal to RMB420,796,200), based on the Group's proportion of equity interests of 29.9% in the associate and the related aggregate amount of guarantees provided was US$19,734,000 (equal to RMB125,818,000) as at 31 December 2021 (2020:Nil).

The Group assessed that the fair value at initial recognition of the above financial guarantees and the ECL allowance during the year were not significant.

48. FINANCIAL INSTRUMENTS BY CATEGORY

The carrying amounts of each of the categories of financial instruments as at the end of the reporting period are as follows:

	2021			2020		
	Financial assets at fair value through profit or loss			Financial assets at fair value through profit or loss		
	Designated as such upon initial recognition RMB'000	Financial assets at amortised cost RMB'000	Total RMB'000	Designated as such upon initial recognition RMB'000	Financial assets at amortised cost RMB'000	Total RMB'000
Financial assets						
Trade receivables	–	2,081,970	2,081,970	–	446,776	446,776
Financial assets included in prepayments, other receivables and other assets	–	25,479,411	25,479,411	–	22,385,371	22,385,371
Due from related parties	–	42,111,015	42,111,015	–	42,559,471	42,559,471
Due from non-controlling shareholders	–	4,533,781	4,533,781	–	866,814	866,814
Other financial assets	1,549,378	–	1,549,378	647,716	–	647,716
Restricted bank balances	–	8,693,792	8,693,792	–	8,622,174	8,622,174
Cash and cash equivalents	–	31,050,637	31,050,637	–	43,455,580	43,455,580
	1,549,378	113,950,606	115,499,984	647,716	118,336,186	118,983,902

	2021			2020		
	Financial liabilities at fair value through profit or loss–held for trading RMB'000	Financial liabilities at amortised cost RMB'000	Total RMB'000	Financial liabilities at fair value through profit or loss – held for trading RMB'000	Financial liabilities at amortised cost RMB'000	Total RMB'000
Financial liabilities						
Trade and bills payables	–	28,951,562	28,951,562	–	21,906,848	21,906,848
Financial liabilities included in other payables and accruals	–	25,255,928	25,255,928	–	21,823,485	21,823,485
Derivative financial instruments	41,695	–	41,695	95,792	–	95,792
Due to related parties	–	52,271,914	52,271,914	–	49,189,933	49,189,933
Interest-bearing bank and other borrowings	–	107,028,089	107,028,089	–	97,578,278	97,578,278
Lease liabilities	–	1,065,976	1,065,976	–	1,099,575	1,099,575
Long-term payables	–	–	–	–	71,996	71,996
	41,695	214,573,469	214,615,164	95,792	191,670,115	191,765,907

49. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

The carrying amounts and fair values of the Group's financial instruments, other than those with carrying amounts that reasonably approximate to fair values, are as follows:

	Carrying amounts		Fair values	
	2021 RMB'000	2020 RMB'000	2021 RMB'000	2020 RMB'000
Financial assets				
Other financial assets	1,549,378	647,716	1,549,378	647,716
Financial liabilities				
Derivative financial instruments	41,695	95,792	41,695	95,792
Interest-bearing bank and other borrowings	107,028,089	97,578,278	107,403,497	98,961,766

Management has assessed that the fair values of cash and cash equivalents, restricted bank balances, trade receivables, financial assets included in prepayments, other receivables and other assets, other financial assets, trade and bills payables, financial liabilities included in other payables and accruals, amounts due from/to related parties, and lease liabilities approximate to their carrying amounts largely due to the short term maturities of these instruments.

The Group's finance department is responsible for determining the policies and procedures for the fair value measurement of financial instruments.

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

The fair values of long-term time deposits, interest-bearing bank and other borrowings except for notes and domestic corporate bonds have been calculated by discounting the expected future cash flows using rates currently available for instruments with similar terms, credit risk and remaining maturities. The fair values of notes and domestic corporate bonds are based on quoted market prices. The changes in fair value as a result of the Group's own non-performance risk for interest-bearing bank and other borrowings as at 31 December 2021 were assessed to be insignificant.

The fair value of a convertible bond is estimated using the binominal option pricing model. The binominal option pricing model incorporates various inputs including risk-free interest rate and expected volatility.

49. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (Continued)

The fair values of unlisted equity investments designated at fair value through profit or loss included in other financial assets, have been estimated using a market-based valuation technique based on assumptions that are not supported by observable market prices or rates. The valuation requires the directors to determine comparable public companies (peers) based on industry, size, leverage and strategy, and to calculate an appropriate price multiple, such as enterprise value to earnings before interest, taxes, depreciation and amortisation ("EV/EBITDA") multiple and price to earnings ("P/E") multiple, for each comparable company identified. The multiple is calculated by dividing the enterprise value of the comparable company by an earnings measure. The trading multiple is then discounted for considerations such as illiquidity and size differences between the comparable companies based on company-specific facts and circumstances. The discounted multiple is applied to the corresponding earnings measure of the unlisted equity investments to measure the fair value. The directors believe that the estimated fair values resulting from the valuation technique, which are recorded in the consolidated statement of financial position, and the related changes in fair values, which are recorded in profit or loss, are reasonable, and that they were the most appropriate values at the end of the reporting period.

The Group invests in unlisted investments, which represent wealth management products issued by banks in Mainland China. The Group has estimated the fair value of these unlisted investments by using a discounted cash flow valuation model based on the market interest rates of instruments with similar terms and risks.

The Group enters into derivative financial instruments with counterparties, principally financial institutions with good credit ratings. Derivative financial instruments are measured using present value calculations or similar calculations. The models incorporate various market observable inputs including the credit quality of counterparties, foreign exchange spot and forward rates and interest rate curves.

Below is a summary of significant unobservable inputs to the valuation of financial instruments together with a quantitative sensitivity analysis as at 31 December 2021 and 2020:

	Valuation technique	Significant unobservable input	Sensitivity of fair value to the input
A convertible bond	Binomial option pricing	Share price	5% increase in share price would result in increase in fair value by RMB79,000, 5% decrease in share price would not result in changes in fair value
		Expected volatility	5% increase in expected volatility would result in increase in fair value by RMB79,000, 5% decrease in expected volatility would not result in changes in fair value

49. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (Continued)

Fair value hierarchy

The following tables illustrate the fair value measurement hierarchy of the Group's financial instruments:

Assets measured at fair value:

As at 31 December 2021

	Fair value measurement using		
	Significant observable inputs (Level 2) RMB'000	Significant unobservable inputs (Level 3) RMB'000	Total RMB'000
Other financial assets	**742,975**	**806,403**	**1,549,378**

As at 31 December 2020

	Fair value measurement using		
	Significant observable inputs (Level 2) RMB'000	Significant unobservable inputs (Level 3) RMB'000	Total RMB'000
Other financial assets	647,716	–	647,716

The Group's assets were not categorised in Level 1 as at 31 December 2021 (2020: Nil).

The movements in fair value measurements within Level 3 during the year are as follows:

	2021 RMB'000
At 1 January	–
Purchases	**797,657**
Total gains recognised in the statement of profit or loss included in other income	**20,598**
Total losses recognised in other comprehensive income	**(11,852)**
At 31 December	**806,403**

49. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (Continued)

Fair value hierarchy (Continued)

Liabilities measured at fair value:

Fair value measurement using significant observable inputs (Level 2)

As at 31 December 2021

	2021 RMB'000	2020 RMB'000
Derivative financial instruments	41,695	95,792

During the year, there were no transfers of fair value measurements between Level 1 and Level 2 and no transfers into or out of Level 3 for both financial assets and financial liabilities (2020: Nil).

Assets for which fair values are disclosed:

The carrying amounts of the Group's financial assets were either measured at fair value in the statement of financial positions or approximate to fair values as at 31 December 2020 and 2021.

Liabilities for which fair values are disclosed:

As at 31 December 2021

	Fair value measurement using			
	Quoted prices in active markets (Level 1) RMB'000	Significant observable inputs (Level 2) RMB'000	Significant unobservable inputs (Level 3) RMB'000	Total RMB'000
Interest-bearing bank and other borrowings	28,433,732	78,969,765	–	107,403,497

As at 31 December 2020

	Fair value measurement using			
	Quoted prices in active markets (Level 1) RMB'000	Significant observable inputs (Level 2) RMB'000	Significant unobservable inputs (Level 3) RMB'000	Total RMB'000
Interest-bearing bank and other borrowings	26,904,404	72,057,362	–	98,961,766

50. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's principal financial instruments, other than derivatives, comprise bank loans and other borrowings, and cash and short term deposits. The main purpose of these financial instruments is to raise finance for the Group's operations. The Group has various other financial assets and liabilities such as trade receivables and trade payables, which arise directly from its operations.

The Group also enters into derivative financial instruments, including forward currency contracts and interest rate swaps. The purpose is to manage foreign currency risk arising from the Group's net investment in foreign operations, and to manage the interest rate and currency risks arising from the Group's operations and its sources of finance.

The main risks arising from the Group's financial instruments are interest rate risk, foreign currency risk, credit risk and liquidity risk. The board of directors reviews and agrees policies for managing each of these risks and they are summarised below. The Group's accounting policies in relation to derivatives are set out in note 2.4 to the financial statements.

Interest rate risk

The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's long term debt obligations with floating interest rates.

The following table demonstrates the sensitivity to a reasonably possible change in interest rates, with all other variables held constant, of the Group's profit before tax (through the impact on floating rate borrowings).

	Increase/ (decrease) in basis points	Increase/ (decrease) in profit before tax RMB'000
31 December 2021		
RMB	**25**	**(30,429)**
US$	**25**	**(21,981)**
HK$	**25**	**(37,905)**
RMB	**(25)**	**30,429**
US$	**(25)**	**21,981**
HK$	**(25)**	**37,905**
31 December 2020		
RMB	25	(33,450)
US$	25	(13,545)
HK$	25	(15,231)
RMB	(25)	33,450
US$	(25)	13,545
HK$	(25)	15,231

50. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

Interest rate risk (Continued)

The sensitivity analysis above has been determined assuming that the change in interest rates had occurred at the end of the year and has applied the exposure to interest rate risk to those bank and other borrowings in existence at that date. The estimated percentage increase or decrease represents management's assessment of a reasonably possible change in interest rates over the year until the end of the next reporting period.

Foreign currency risk

All of the Group's revenue and substantially all of the Group's operating expenses are denominated in RMB, which is currently not a freely convertible currency. The PRC Government imposes controls on the convertibility of RMB into foreign currencies and, in certain cases, the remittance of currencies out of Mainland China. Shortages in the availability of foreign currencies may restrict the ability of the Group's PRC subsidiaries to remit sufficient foreign currencies to pay dividends or other amounts to the Group.

Under existing PRC foreign exchange regulations, payments of current account items, including dividends, trade and service-related foreign exchange transactions, can be made in foreign currencies without the prior approval from the State Administration of Foreign Exchange by complying with certain procedural requirements. However, the approval from the appropriate PRC Governmental authorities is required where RMB is to be converted into foreign currencies and remitted out of Mainland China to pay capital account items, such as the repayment of bank loans denominated in foreign currencies.

Currently, the Group's PRC subsidiaries may purchase foreign currencies for settlement of current account transactions, including the payment of dividends to the Company, without the prior approval of the State Administration of Foreign Exchange. The Group's PRC subsidiaries may also retain foreign currencies in their current accounts to satisfy foreign currency liabilities or to pay dividends. Since foreign currency transactions on the capital account are still subject to limitations and require the approval from the State Administration of Foreign Exchange, this could affect the ability of the Group's subsidiaries to obtain the required foreign currencies through debt or equity financing, including by means of loans or capital contributions.

The Group's financial assets and liabilities are not subject to foreign currency risk, except for certain short term deposits and interest-bearing borrowings denominated in United States dollars and Hong Kong dollars. The fluctuations in the exchange rates of RMB against foreign currencies could affect the Group's results of operations. The Group have used derivative financial instruments to reduce the exposure to foreign currency borrowings.

The Group entered into derivative financial instruments in respect of the cash flow hedges to minimise the foreign currency exposures as detailed in note 33 to the financial statements. It's the Group's policy to negotiate the terms of the hedge derivatives to match the terms of the hedged item to maximise hedge effectiveness. The Group will constantly review the economic situation and its foreign currency risk profile, and will consider other appropriate hedging measures in future as may be necessary.

50. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

Foreign currency risk (Continued)

The following table demonstrates the sensitivity at the end of the reporting period to a reasonably possible change in the exchange rate between HK$ and US$ of the Group's profits for the years ended 31 December 2021 and 2020.

Increase/(decrease) in US$ rate	Increase/ (decrease) in profit for the year 2021 RMB'000	Increase/ (decrease) in profit for the year 2020 RMB'000
1%	(224,766)	(208,719)
(1%)	224,766	208,719

The following table demonstrates the sensitivity at the end of the reporting period to a reasonably possible change in the exchange rate between RMB and US$ of the Group's profits for the years ended 31 December 2021 and 2020.

Increase/(decrease) in US$ rate	Increase/ (decrease) in profit for the year 2021 RMB'000	Increase/ (decrease) in profit for the year 2020 RMB'000
5%	274	3,773
(5%)	(274)	(3,773)

50. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

Credit risk

Maximum exposure and year-end staging

The tables below show the credit quality and the maximum exposure to credit risk based on the Group's credit policy, which is mainly based on past due information unless other information is available without undue cost or effort, and year-end staging classification as at 31 December. The amounts presented are gross carrying amounts for financial assets and the exposure to credit risk for the financial guarantee contracts.

As at 31 December 2021

	12-month ECLs	Lifetime ECLs			
	Stage 1 RMB'000	Stage 2 RMB'000	Stage 3 RMB'000	Simplified approach RMB'000	Total RMB'000
Contract assets*	–	–	–	1,400,898	1,400,898
Trade receivables*	–	–	–	2,109,601	2,109,601
Financial assets included in prepayments, other receivables and other assets – Normal**	25,479,411	–	–	–	25,479,411
Due from non-controlling shareholders	4,533,781	–	–	–	4,533,781
Due from related parties	38,302,420	5,119,775	–	–	43,422,195
Other financial assets	1,549,378	–	–	–	1,549,378
Restricted bank balances – Not yet past due	8,693,792	–	–	–	8,693,792
Cash and cash equivalents – Not yet past due	31,050,637	–	–	–	31,050,637
Guarantee given to banks for mortgage facilities	38,661,226	–	–	–	38,661,226
Guarantee given in respect notes issued by an associate	125,818	–	–	–	125,818
	148,396,463	5,119,775	–	3,510,499	157,026,737

50. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

Credit risk (Continued)

Maximum exposure and year-end staging **(Continued)**

As at 31 December 2020

	12-month ECLs	Lifetime ECLs			
	Stage 1 RMB'000	Stage 2 RMB'000	Stage 3 RMB'000	Simplified approach RMB'000	Total RMB'000
Contract assets*	–	–	–	789,328	789,328
Trade receivables*	–	–	–	468,391	468,391
Financial assets included in prepayments, other receivables and other assets – Normal**	22,385,371	–	–	–	22,385,371
Due from non-controlling shareholders	866,814	–	–	–	866,814
Due from related parties	37,746,335	6,124,316	–	–	43,870,651
Other financial assets	647,716	–	–	–	647,716
Restricted bank balances – Not yet past due	8,622,174	–	–	–	8,622,174
Cash and cash equivalents – Not yet past due	43,455,580	–	–	–	43,455,580
Guarantee given to banks for mortgage facilities	30,337,792	–	–	–	30,337,792
	144,061,782	6,124,316	–	1,257,719	151,443,817

* For trade receivables and contract assets to which the Group applies the simplified approach for impairment, information based on the provision matrix is disclosed in notes 24 and 26 to the financial statements, respectively.

** The credit quality of the financial assets included in prepayments, other receivables and other assets is considered to be "normal" when they are not past due and there is no information indicating that the financial assets had a significant increase in credit risk since initial recognition. Otherwise, the credit quality of the financial assets is considered to be "doubtful".

Further quantitative data in respect of the Group's exposure to credit risk arising from trade receivables and contract assets are disclosed in notes 24 and 26 to the financial statements.

Liquidity risk

Due to the capital intensive nature of the Group's business, the Group ensures that it maintains sufficient cash and credit facilities to meet its liquidity requirements. The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of bank loans, lease liabilities and other interest-bearing loans. In the opinion of the directors, most of the borrowings that mature within one year are able to be renewed and the Group is expected to have adequate source of funding to finance and manage its liquidity position.

50. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

Liquidity risk (Continued)

The maturity profile of the Group's financial liabilities as at the end of the reporting period, based on the contractual undiscounted payments, is as follows:

	2021				
	Within 1 year or on demand RMB'000	More than 1 year but less than 2 years RMB'000	More than 2 years but less than 5 years RMB'000	More than 5 years RMB'000	Total RMB'000
Interest-bearing bank and other borrowings	34,402,923	21,751,398	44,937,719	22,280,475	123,372,515
Lease liabilities	180,863	181,949	359,864	886,637	1,609,313
Trade and bills payables	28,951,562	–	–	–	28,951,562
Other payables	22,045,083	–	771,559	–	22,816,642
Derivative financial instruments	13,623	–	28,072	–	41,695
Due to related parties	38,966,238	13,305,676	–	–	52,271,914
Guarantee given to banks for mortgage facilities	38,661,226	–	–	–	38,661,226
Guarantee given in respect notes issued by an associate	125,818	–	–	–	125,818
	163,347,336	35,239,023	46,097,214	23,167,112	267,850,685

	2020				
	Within 1 year or on demand RMB'000	More than 1 year but less than 2 years RMB'000	More than 2 years but less than 5 years RMB'000	More than 5 years RMB'000	Total RMB'000
Interest-bearing bank and other borrowings	29,806,622	25,879,513	31,552,240	15,904,747	103,143,122
Lease liabilities	187,146	147,070	324,450	881,494	1,540,160
Trade and bills payables	21,906,848	–	–	–	21,906,848
Other payables	21,823,484	–	–	–	21,823,484
Derivative financial instruments	10,403	–	85,389	–	95,792
Due to related parties	38,135,983	9,918,013	1,135,937	–	49,189,933
Long-term payables	22,549	19,211	36,422	2,000	80,182
Guarantee given to banks for mortgage facilities	30,337,792	–	–	–	30,337,792
	142,230,827	35,963,807	33,134,438	16,788,241	228,117,313

50. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

Capital management

The primary objectives of the Group's capital management are to safeguard the Group's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders, and to provide an adequate return to shareholders by pricing products and services commensurately with the level of risk.

The Group manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, issue new shares or sell assets to reduce debt. The Group is not subject to any externally imposed capital requirements. No changes were made in the objectives, policies or processes for managing capital during the years ended 31 December 2021 and 31 December 2020.

The Group monitors capital on the basis of the net debt-to-adjusted-capital ratio. This ratio is calculated as net debt divided by adjusted capital. Net debt is calculated as total interest-bearing bank and other borrowings (as shown in the statement of financial position) less cash and cash equivalents, restricted bank balances and certain financial assets at fair value through profit or loss. Adjusted capital comprises all components of equity (including non-controlling interests) and the Company's amounts due to the immediate holding company. The Group aims to maintain the net debt-to-adjusted-capital ratio at a reasonable level. The net debt-to-adjusted-capital ratios as at the end of the reporting periods were as follows:

	Note	2021 RMB'000	2020 RMB'000
Interest-bearing bank and other borrowings	34	**107,028,089**	97,578,278
Less: Cash and cash equivalents, restricted bank balances and certain other financial assets		**(39,744,471)**	(52,578,801)
Net debt		**67,283,618**	44,999,477
Total equity		**106,793,628**	101,827,082
Add: the Company's amounts due to the immediate holding company		**8,929,278**	8,828,531
Adjusted capital		**115,722,906**	110,655,613
Net debt-to-adjusted-capital ratio		**58.1%**	40.7%

51. EVENTS AFTER THE REPORTING PERIOD

(a) On 18 January 2022, the Group completed the redemption and cancellation of the 2017 Subordinate Guaranteed Perpetual Capital Securities with a principal amount of US$500,000,000.

(b) On 16 February 2022, Shanghai Jinmao Investment Management Group Co., Ltd. ("Shanghai Jinmao"), a wholly-owned subsidiary of the Company, completed the issue of the first tranche of corporate bonds with an amount of RMB1,800,000,000. The corporate bonds are unsecured and have a term of 5 years with a fixed rate of 3.20% per annum. The issuer shall be entitled to adjust the coupon rate and the investors shall be entitled to sell back the corporate bonds at the end of the third year.

On 25 March 2022, Shanghai Jinmao completed the issue of the second tranche of corporate bonds with an amount of RMB1,500,000,000. The corporate bonds are unsecured and have a term of 5 years with a fixed rate of 3.50% per annum. The issuer shall be entitled to adjust the coupon rate and the investors shall be entitled to sell back the corporate bonds at the end of the third year.

(c) Distribution in specie

On 18 February 2022, the Company declared a conditional special dividend by mean of distribution in specie of 191,680,031 ordinary shares of Jinmao Property Services Co., Limited (the "Jinmao Services") to the qualifying shareholders as which is conditional to the separate listing of the shares of Jinmao Services on the Hong Kong Stock Exchange (the "Global Offering"). The distribution became unconditional on 10 March 2022 upon the completion of the Global Offering as further described below.

On 10 March 2022, Jinmao Services completed its Global Offering and 101,411,500 shares were issued at offering price of HK$8.14 per share. Upon completion of the distribution and the Global Offering, the Company holds approximately 67.5% of the total number of issued shares of Jinmao Services and Jinmao Services remains as a subsidiary of the Company.

(d) On 4 March 2022, Franshion Brilliant Limited, a wholly-owned subsidiary of the Company, completed the issue of guaranteed senior notes with a principal amount of US$200,000,000 (the "Original Notes"). On 22 March 2022, Franshion Brilliant Limited completed an additional issue of guaranteed senior notes with a principal amount of US$150,000,000 (the "New Notes"). The New Notes were consolidated and formed a single series with the Original Notes with an aggregate principal amount of US$350,000,000 (the "Notes"). The Notes were unsecured, interest-bearing at 4.40% per annum payable semi-annually in arrears and will mature on 4 March 2025.

52. STATEMENT OF FINANCIAL POSITION OF THE COMPANY

Information about the statement of financial position of the Company at the end of the reporting period is as follows:

	2021 RMB'000	2020 RMB'000
NON-CURRENT ASSETS		
Property, plant and equipment	75	103
Right-of-use assets	4,974	–
Investments in subsidiaries	36,444,226	38,410,585
Total non-current assets	36,449,275	38,410,688
CURRENT ASSETS		
Due from subsidiaries	44,981,355	51,068,672
Prepayments, other receivables and other assets	593,037	598,931
Due from related parties	1,202	1,350
Other financial assets	806,403	–
Cash and cash equivalents	553,142	2,669,304
Total current assets	46,935,139	54,338,257
CURRENT LIABILITIES		
Other payables and accruals	206,585	360,357
Due to related parties	8,929,278	12,743,427
Interest-bearing bank and other borrowings	9,269,227	12,925,194
Lease liabilities	5,071	–
Total current liabilities	18,410,161	26,028,978
NET CURRENT ASSETS	28,524,978	28,309,279
TOTAL ASSETS LESS CURRENT LIABILITIES	64,974,253	66,719,967
NON-CURRENT LIABILITIES		
Due to subsidiaries	26,479,941	30,873,361
Interest-bearing bank and other borrowings	13,813,805	8,556,430
Derivative financial instruments	28,072	64,319
Total non-current liabilities	40,321,818	39,494,110
Net assets	24,652,435	27,225,857
EQUITY		
Share capital	26,140,465	26,132,248
Reserves (note)	(1,488,030)	1,093,609
Total equity	24,652,435	27,225,857

Li Congrui
Director

Jiang Nan
Director

52. STATEMENT OF FINANCIAL POSITION OF THE COMPANY (Continued)

Note:

A summary of the Company's reserves is as follows:

	Exchange fluctuation reserve RMB'000	Hedging reserve RMB'000	Share option reserve RMB'000	Retained profits RMB'000	Total RMB'000
At 1 January 2020	400,347	(34,991)	112,929	1,566,857	2,045,142
Final 2019 dividend declared	–	–	–	(1,181,924)	(1,181,924)
2020 interim dividend declared	–	–	–	(1,364,184)	(1,364,184)
Total comprehensive income for the year	(1,683,559)	(29,328)	–	3,225,821	1,512,934
Equity-settled share option arrangements	–	–	87,786	–	87,786
Exercise of share options	–	–	(6,145)	–	(6,145)
Transfer of share option reserve upon the forfeiture of share options	–	–	(7,603)	7,603	–
At 31 December 2020 and 1 January 2021	(1,283,212)	(64,319)	186,967	2,254,173	1,093,609
Repurchase of shares	–	–	–	(134,804)	(134,804)
Final 2020 dividend declared	–	–	–	(1,462,990)	(1,462,990)
2021 interim dividend declared	–	–	–	(1,266,204)	(1,266,204)
Total comprehensive income for the year	(761,991)	36,247	–	963,425	237,681
Equity-settled share option arrangements	–	–	46,127	–	46,127
Exercise of share options	–	–	(1,449)	–	(1,449)
Transfer of share option reserve upon the forfeiture of share options	–	–	(24,922)	24,922	–
At 31 December 2021	(2,045,203)	(28,072)	206,723	378,522	(1,488,030)

The share option reserve comprises the fair value of share options granted which are yet to be exercised, as further explained in the accounting policy for share-based payments in note 2.4 to the financial statements. The amount will either be transferred to share capital when the related options are exercised, or be transferred to retained profits should the related options expire or be forfeited.

53. APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements were approved and authorised for issue by the board of directors on 29 March 2022.

Five-Year Financial Information

31 December 2021

I. MAJOR INFORMATION OF STATEMENTS OF PROFIT OR LOSS

	2017 RMB'000 (Restated)	2018 RMB'000 (Restated)	2019 RMB'000 (Restated)	2020 RMB'000	2021 RMB'000
RESULTS					
Revenue	31,074,845	38,732,667	43,355,941	60,053,878	**90,059,934**
Cost of sales	(21,034,199)	(24,194,452)	(30,591,198)	(47,939,514)	**(73,302,309)**
Gross profit	10,040,646	14,538,215	12,764,743	12,114,364	**16,757,625**
Other income and gains	4,020,323	2,878,286	6,135,704	8,698,685	**7,028,274**
Selling and marketing expenses	(977,448)	(1,083,018)	(1,302,401)	(1,600,582)	**(2,378,428)**
Administrative expenses	(2,143,024)	(2,418,344)	(3,056,412)	(3,529,395)	**(4,675,358)**
Other expenses and losses, net	(323,952)	(36,146)	(6,916)	(4,381,312)	**(2,806,638)**
Finance costs	(1,692,438)	(2,420,573)	(2,270,766)	(2,726,978)	**(2,787,670)**
Share of profits and losses of:					
Joint ventures	30,358	363,035	722,390	371,098	**996,077**
Associates	31,622	10,749	(132,653)	698,297	**580,388**
PROFIT BEFORE TAX	8,986,087	11,832,204	12,853,689	9,644,177	**12,714,270**
Income tax expense	(3,723,757)	(4,387,483)	(4,195,030)	(3,449,056)	**(5,009,439)**
PROFIT FOR THE YEAR	5,262,330	7,444,721	8,658,659	6,195,121	**7,704,831**
Attributable to:					
Owners of the parent	4,089,840	5,278,885	6,481,751	3,880,986	**4,689,944**
Non-controlling interests	1,172,490	2,165,836	2,176,908	2,314,135	**3,014,887**
	5,262,330	7,444,721	8,658,659	6,195,121	**7,704,831**

II. MAJOR INFORMATION OF FINANCIAL POSITION

	2017 RMB'000 (Restated)	2018 RMB'000 (Restated)	2019 RMB'000 (Restated)	2020 RMB'000	2021 RMB'000
Total non-current assets	110,265,307	126,785,854	158,941,891	162,530,406	**206,091,016**
Total current assets	118,462,916	152,031,998	175,939,517	225,225,768	**205,911,288**
Total assets	228,728,223	278,817,852	334,881,408	387,756,174	**412,002,304**
Total current liabilities	107,122,016	122,576,765	166,730,932	197,079,975	**201,244,879**
Total non-current liabilities	48,526,616	71,369,917	75,716,122	88,849,117	**103,963,797**
Total liabilities	155,648,632	193,946,682	242,447,054	285,929,092	**305,208,676**
Equity attributable to:					
Owners of the parent	39,487,976	42,402,139	45,948,360	46,762,064	**49,961,349**
Non-controlling interests	33,591,615	42,469,031	46,485,994	55,065,018	**56,832,279**
Total equity	73,079,591	84,871,170	92,434,354	101,827,082	**106,793,628**

PROTECT ENVIRONMENT, CREATE FUTURE TOGETHER

For the reason of good corporate citizenship, we print our 2021 Annual Report with paper from responsible source to fulfill our corporate responsibility and create a bright future for our next generation.

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