

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



Datang Group Holdings Limited
大唐集團控股有限公司
(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 2117)

ANNUAL RESULTS ANNOUNCEMENT
FOR THE YEAR ENDED 31 DECEMBER 2021

FINANCIAL HIGHLIGHTS OF 2021 ANNUAL RESULTS

- Revenue amounted to approximately RMB11.25 billion, which increased by approximately 6.3% compared to 2020;
- Gross profit and gross profit margin were approximately RMB2.699 billion and 24.0%, respectively;
- Net profit amounted to approximately RMB1.03 billion, which increased by approximately 8% compared to 2020, and the net profit margin reached approximately 9.1%;
- Profit attributable to owners of the Company was approximately RMB726 million, representing a slight increase from 2020;
- As of 31 December 2021, the net gearing ratio was 51.6% (2020: 58.7%), and the cash-to-current borrowings ratio was 1.13 (2020: 1.3), remaining at a stable level. As at 31 December 2021, the Group's cash and bank balances were sufficient and amounted to approximately RMB5.51 billion, which is similar to that of last year;
- The land bank is abundant with a total GFA of 23.71 million sq.m.. Newly acquired GFA amounted to 6.08 million sq.m., The distribution became more optimised and the land bank structure became more reasonable by the Company entering the Yangtze River Delta region and Chengyu region;

FINAL DIVIDEND

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

The board (the “**Board**”) of directors (the “**Directors**”) of Datang Group Holdings Limited (the “**Company**”) is pleased to announce the audited consolidated results of the Company and its subsidiaries (collectively the “**Group**”) for the year ended 31 December 2021 (the “**Reporting Period**”) together with the comparative figures for the previous year.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

		Year ended 31 December	
		2021	2020
	Note	RMB'000	RMB'000
Revenue	4	11,254,171	10,588,379
Cost of sales	6	<u>(8,554,974)</u>	<u>(7,892,454)</u>
Gross profit		2,699,197	2,695,925
Selling and marketing costs	6	(528,925)	(482,694)
Administrative expenses	6	(705,654)	(522,226)
Net impairment (losses)/reversal of impairment on financial and contract assets		(63,160)	7,918
Other income		39,674	42,257
Other expenses		(13,750)	(11,763)
Other gains – net	5	<u>192,973</u>	<u>51,543</u>
Operating profit		1,620,355	1,780,960
Finance income	7	33,470	28,799
Finance costs	7	<u>(81,586)</u>	<u>(48,374)</u>
Finance costs – net		(48,116)	(19,575)
Share of results of joint ventures and associates		<u>136,203</u>	<u>(45,730)</u>
Profit before income tax		1,708,442	1,715,655
Income tax expenses	8	<u>(682,668)</u>	<u>(765,706)</u>
Profit and total comprehensive income for the year		<u>1,025,774</u>	<u>949,949</u>
Profit attributable to:			
– Owners of the Company		726,438	715,372
– Non-controlling interests		<u>299,336</u>	<u>234,577</u>
		<u>1,025,774</u>	<u>949,949</u>
Earnings per share (expressed in RMB per share)			
Basic	9	<u>0.53</u>	<u>0.70</u>
Diluted	9	<u>0.50</u>	<u>0.65</u>

CONSOLIDATED BALANCE SHEET

		As at 31 December	
		2021	2020
	Note	RMB'000	RMB'000
Assets			
Non-current assets			
Property, plant and equipment		727,041	741,255
Investment properties		1,399,540	1,566,730
Intangible assets		10,808	15,310
Right-of-use assets		148,369	169,640
Properties under development		–	14,140
Investments accounted for using the equity method	10	5,664,959	4,768,998
Financial assets at fair value through profit or loss		–	217,841
Deferred income tax assets		776,644	804,192
		<u>8,727,361</u>	<u>8,298,106</u>
Current assets			
Inventories		21,437	1,214
Properties under development		28,332,047	23,429,576
Completed properties held for sale		3,021,622	2,134,716
Contract assets and contract acquisition costs		851,607	438,332
Trade and other receivables	11	14,106,901	6,721,652
Prepaid income taxes		528,104	571,369
Cash and bank deposits	12	5,509,422	5,660,333
		<u>52,371,140</u>	<u>38,957,192</u>
Total assets		<u><u>61,098,501</u></u>	<u><u>47,255,298</u></u>

		As at 31 December	
		2021	2020
	<i>Note</i>	RMB'000	RMB'000
Equity			
Equity attributable to owners of the Company			
Share capital		89,164	87,216
Share premium		1,645,296	1,677,903
Other reserves		1,364,134	1,147,588
Retained earnings		<u>2,524,168</u>	<u>1,987,465</u>
		<u>5,622,762</u>	<u>4,900,172</u>
Non-controlling interests		<u>4,582,225</u>	<u>3,021,806</u>
Total equity		<u>10,204,987</u>	<u>7,921,978</u>
Liabilities			
Non-current liabilities			
Borrowings	15	6,962,536	7,647,463
Lease liabilities		120,824	133,954
Deferred income tax liabilities		<u>1,300,365</u>	<u>1,217,226</u>
		<u>8,383,725</u>	<u>8,998,643</u>
Current liabilities			
Trade and other payables	13	18,884,058	14,581,655
Contract liabilities		18,421,640	11,694,527
Borrowings	15	3,817,631	2,666,675
Lease liabilities		12,207	9,256
Current income tax liabilities		<u>1,374,253</u>	<u>1,382,564</u>
		<u>42,509,789</u>	<u>30,334,677</u>
Total liabilities		<u>50,893,514</u>	<u>39,333,320</u>
Total equity and liabilities		<u>61,098,501</u>	<u>47,255,298</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2021

1 GENERAL INFORMATION

Datang Group Holdings Limited (the “**Company**”) was incorporated in the Cayman Islands on 14 December 2018 as an exempted company with limited liability under the Companies Law, Cap 22 (Law 3 of 1961 consolidated and revised). The address of the Company’s registered office and the principal place of business are respectively located at Windward 3, Regatta Office Park, PO Box 1350, Grand Cayman KY1-1108, Cayman Islands and Block 1, Hongqiao Jiahui, Lane 928, Shenhong Road, Minhang District, Shanghai, China.

The Company is engaged in investment holding. The Company and its subsidiaries (collectively the “**Group**”) are primarily engaged in property development business in the People’s Republic of China (the “**PRC**”). The ultimate holding company of the Company is Good First Holding Limited which is incorporated in the British Virgin Islands (“**BVI**”) and controlled by Ms. WONG Hei, the ultimate controlling shareholder (the “**Ultimate Controlling Shareholder**”).

The Company’s shares have been listed on The Stock Exchange of Hong Kong Limited (the “**Hong Kong Stock Exchange**”) since 11 December 2020.

The consolidated financial statements are presented in Renminbi (“**RMB**”), unless otherwise stated. These consolidated financial statements have been approved for issue by the Board of Directors on 30 March 2022.

The outbreak of the coronavirus disease 2019 (“**COVID-19**”) had brought unprecedented challenges and added uncertainties to the economy. COVID-19 may affect the financial performance and position of the Group including the revenue from property development and sales, fair value of investment properties, allowance for expected credit losses on trade and other receivables and so on. Due to the outbreak of COVID-19, the Group kept continuous attention on the situation of the COVID-19 outbreak and reacted actively to its impact on the financial position and operating results of the Group. As at the date of this announcement, COVID-19 does not have any material adverse impact on the financial position and operating result of the Group.

2 BASIS OF PREPARATION

- (a) Compliance with Hong Kong Financial Reporting Standards (“**HKFRS**”) and the Hong Kong Companies Ordinance

The consolidated financial statements of the Group have been prepared in accordance with HKFRS and disclosure requirements of the Hong Kong Companies Ordinance Cap. 622.

- (b) Historical cost convention

The consolidated financial statements have been prepared on a historical cost basis, except for investment properties, which are carried at fair value.

2.1 New standards, amendments and interpretations

(c) *New and amended standards adopted by the Group*

The Group has applied the following amendments for the first time for their annual reporting period commencing 1 January 2021:

- Interest Rate Benchmark Reform – Phase 2 -- amendments to HKFRS 9, HKAS 39, HKFRS 7, HKFRS 4 and HKFRS 16

The amendments listed above did not have any impact on the amounts recognised in prior periods and are not expected to significantly affected the current or future periods.

(d) *New standards and interpretations not yet adopted*

Certain new accounting standards, amendments to existing standards and interpretations have been published that are not mandatory for 31 December 2021 reporting periods and have not been early adopted by the Group.

		Effective for annual periods beginning on or after
Amendment to HKFRS 16	Covid-19 related rent concessions beyond 30 June 2021	1 April 2021
Amendment to HKFRS 3	Reference to the conceptual framework	1 January 2022
Amendments to HKAS 16	Proceeds before intended use	1 January 2022
Amendments to HKAS 37	Cost of fulfilling a contract	1 January 2022
Annual improvement project	Annual improvements 2018-2020 Cycle	1 January 2022
Accounting Guideline 5 (Revised)	Merger accounting for common control combinations	1 January 2022
HK Interpretation 5	Presentation of financial statements-classification by the borrower of a term loan that contains a repayment on demand clause	1 January 2023
HKFRS 17	Insurance contracts	1 January 2023
Amendments to HKAS 1 and HKFRS Practice Statement 2	Classification for liabilities as current or non-current	1 January 2023
Amendments to HKAS 2	Disclosure of accounting policies	1 January 2023
Amendments to HKAS 8	Definition of accounting estimates	1 January 2023
Amendments to HKAS 12	Deferred tax related to assets and liabilities arising from a single transaction	1 January 2023
HKFRS 10 and HKAS 28 (Amendments)	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (amendments)	To be determined

The Group has already commenced an assessment of the impact of these new or revised standards, interpretation and amendments, certain of which are relevant to the Group's operations. According to the preliminary assessment made by the directors of the Company, no significant impact on the financial performance and position of the Group is expected when they become effective.

3 SEGMENT REPORTING

Management has determined the operating segments based on the reports reviewed by the chief operating decision-maker (“CODM”).

The Group is principally engaged in property development business in the PRC. Management reviews the operating results of the business as one operating segment to make decisions about resources to be allocated. Therefore, the CODM regards that there is only one segment which is used to make strategic decisions.

All of the Group’s revenue are derived in the PRC during the year ended 31 December 2021 and the Group’s non-current assets were all located in the PRC. No geographical information is therefore presented.

4 REVENUE

Revenue is analysed as follows:

	Year ended 31 December	
	2021	2020
	<i>RMB’000</i>	<i>RMB’000</i>
Sales of properties	10,653,058	10,109,291
Provision of construction services	208,312	241,973
Management and consulting services income	223,863	105,270
Rental income	91,050	56,408
Provision of hotel services	54,470	47,848
Others	23,418	27,589
	<u>11,254,171</u>	<u>10,588,379</u>

Represented by:

	Year ended 31 December	
	2021	2020
	<i>RMB’000</i>	<i>RMB’000</i>
Revenue from contracts with customers		
Sales of properties		
– Recognised at a point in time	<u>10,653,058</u>	<u>10,109,291</u>
Provision of construction, hotel and other services		
– Recognised at a point in time	23,061	27,589
– Recognised over time	<u>487,002</u>	<u>395,091</u>
	<u>510,063</u>	<u>422,680</u>
Revenue from other sources		
– Rental income	<u>91,050</u>	<u>56,408</u>
	<u>11,254,171</u>	<u>10,588,379</u>

There was no revenue derived from a single external customer accounting for 10% or more of the Group’s revenues during the years ended 31 December 2021 and 2020.

5 OTHER GAINS – NET

	Year ended 31 December	
	2021	2020
	<i>RMB'000</i>	<i>RMB'000</i>
Fair value and revaluation gains on investment properties	5,563	47,638
Gains/(losses) on disposals of investment properties	874	(5,419)
Fair value (losses)/gains of financial assets at fair value through profit or loss	(6,372)	17,035
Gains/(losses) on disposals of subsidiaries	52,185	(5,434)
Loss on de-registration of an associate	–	(2,099)
Gains on disposal of associates	139,369	–
Gains/(losses) on disposals of property, plant and equipment	140	(778)
Others	1,214	600
	<u>192,973</u>	<u>51,543</u>

6 EXPENSES BY NATURE

Expenses included in cost of sales, selling and marketing costs and administrative expenses are analysed as follows:

	Year ended 31 December	
	2021	2020
	RMB'000	RMB'000
Cost of properties sold – including construction costs, land and capitalised interest expenses	7,967,443	7,567,732
Employee benefit expenses	490,380	425,386
Cost of construction services	199,819	229,874
Amortisation of		
– Costs for obtaining contracts	204,217	135,744
– Intangible assets	5,331	6,533
Depreciation of		
– Property, plant and equipment	82,261	82,550
– Right-of-use assets	22,151	13,911
Write-downs of properties under development and completed properties held for sale	290,497	–
Advertising costs	159,313	151,037
Professional service expenses	90,365	56,592
Other taxes and other levies	78,954	68,918
Property management expenses	87,122	64,292
Entertainment expenses	44,285	34,195
Office and travelling expenses	42,073	34,851
Maintenance costs	5,988	5,718
Short-term lease payments	5,155	2,128
Auditor's remuneration		
– Audit services	5,300	3,800
– Non-audit services	280	250
Listing expenses	–	9,172
Other expenses	8,619	4,691
	<hr/>	<hr/>
Total cost of sales, selling and marketing costs and administrative expenses	9,789,553	8,897,374

7 FINANCE COST-NET

	Year ended 31 December	
	2021	2020
	<i>RMB'000</i>	<i>RMB'000</i>
Finance income:		
– Interest income from bank deposits	(33,470)	(28,799)
Finance costs:		
– Interest expenses on borrowings	1,452,368	883,149
– Others	<u>1,836</u>	<u>1,683</u>
	1,454,204	884,832
– Less: interests capitalised	<u>(1,375,800)</u>	<u>(842,987)</u>
	78,404	41,845
– Interest expenses on lease liabilities	11,005	6,529
– Net foreign exchange gains on financing activities	<u>(7,823)</u>	<u>–</u>
	<u>81,586</u>	<u>48,374</u>
Finance costs – net	<u><u>48,116</u></u>	<u><u>19,575</u></u>

(a) Capitalised borrowing costs

The capitalisation rate of borrowings was 9.30% per annum for the year ended 31 December 2021 (2020: 8.27% per annum).

8 INCOME TAX EXPENSES

	Year ended 31 December	
	2021	2020
	<i>RMB'000</i>	<i>RMB'000</i>
Current income tax		
– PRC corporate income tax	392,740	489,152
– PRC land appreciation tax (“LAT”)	<u>235,610</u>	<u>415,405</u>
	628,350	904,557
Deferred income tax		
– PRC corporate income tax	<u>54,318</u>	<u>(138,851)</u>
	<u><u>682,668</u></u>	<u><u>765,706</u></u>

(a) Hong Kong profits tax

No provision for Hong Kong profits tax has been made as the Group had no assessable profit for the year (2020: Nil).

(b) PRC corporate income tax

The income tax provision of the Group in respect of operations in Mainland China has been calculated at the applicable tax rate on the estimated assessable profits for the year, based on the existing legislation, interpretations and practices in respect thereof.

The corporate income tax rate applicable to entities of the Group located in Mainland China is 25% according to the Corporate Income Tax Law of the PRC (the “**CIT Law**”).

(c) LAT

Income from the sale or transfer of land, buildings and their attached facilities in the PRC is subject to LAT at progressive rates ranging from 30% to 60% of the appreciation value, with an exemption provided for sales of ordinary residential properties if their appreciation values do not exceed 20% of the sum of the total deductible items.

(d) Overseas income tax

The Company was incorporated in the Cayman Islands as an exempted company with limited liability under the Companies Law and, is exempted from Cayman Islands income tax.

(e) PRC dividend withholding income tax

Pursuant to the Detailed Implementation Regulations for Implementation of the Corporate Income Tax Law, dividends distributed from the profits generated by the PRC companies after 1 January 2008 to their foreign investors shall be subject to a withholding income tax of 10%. A lower 5% withholding tax rate may be applied when the immediate holding companies of the PRC subsidiaries are qualified as tax residents of Hong Kong according to the tax treaty arrangements between the PRC and Hong Kong. The Group has not accrued any withholding income tax for the undistributed earnings of its PRC subsidiaries as they do not have a plan to distribute these earnings out of Mainland China in the foreseeable future.

9 EARNINGS PER SHARE

(a) Basic

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

	Year ended 31 December	
	2021	2020
Profit attributable to owners of the Company (<i>RMB'000</i>)	<u>726,438</u>	<u>715,372</u>
Weighted average number of ordinary shares in issue (<i>'000</i>)	<u>1,363,131</u>	<u>1,019,130</u>
Earnings per share — Basic (<i>RMB</i>)	<u>0.53</u>	<u>0.70</u>

(b) Diluted

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all potentially dilutive ordinary shares. Restricted shares granted to employees under the Group's share incentive scheme are considered to be potentially dilutive ordinary shares. For the restricted shares, a calculation is done to determine the number of shares that could have been acquired at fair value (determined as the average annual market share price of the Company's shares) based on the monetary value of the subscription rights attached to outstanding restricted shares.

	Year ended 31 December	
	2021	2020
Profit attributable to owners of the Company (<i>RMB'000</i>)	<u>726,438</u>	<u>715,372</u>
Weighted average number of ordinary shares in issue (<i>'000</i>)	<u>1,363,131</u>	<u>1,019,130</u>
Adjustments for Restricted Shares (<i>'000</i>)	<u>79,017</u>	<u>81,550</u>
Weighted average number of ordinary shares for diluted earnings per share (<i>'000</i>)	<u>1,442,148</u>	<u>1,100,680</u>
Diluted earnings per share (<i>RMB</i>)	<u>0.50</u>	<u>0.65</u>

10. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

Amount represented:	Year ended 31 December	
	2021	2020
	<i>RMB'000</i>	<i>RMB'000</i>
Investment in joint ventures (a)	1,356,305	2,267,721
Investment in associates (b)	4,308,654	2,501,277
	<u>5,664,959</u>	<u>4,768,998</u>

(a) Investment in joint ventures

The movement of investments in joint ventures is as follows:

	Year ended 31 December	
	2021	2020
	<i>RMB'000</i>	<i>RMB'000</i>
Share of net assets:		
Opening balances	2,267,721	625,118
Transfer from investments in subsidiaries	–	5,500
Additions	446,623	1,649,630
Transfer to investments in subsidiaries	(1,287,579)	–
Share of results	(70,460)	(12,527)
Closing balances	<u>1,356,305</u>	<u>2,267,721</u>

(b) Investments in associates

The movement of investments in associates is as follows:

	Year ended 31 December	
	2021	2020
	<i>RMB'000</i>	<i>RMB'000</i>
Share of net assets:		
Opening balances	2,501,277	881,880
Additions	1,545,333	1,585,495
Transfer from investments in subsidiaries	277,444	78,690
Disposal (*)	(222,063)	–
Liquidation	–	(11,585)
Share of results	206,663	(33,203)
Closing balances	<u>4,308,654</u>	<u>2,501,277</u>

* During the year ended 31 December 2021, the Group disposed of its 30% equity interest in associate (Shenzhen Tanghui Investment Holding Co., Ltd., 深圳市唐匯投資有限公司) to a third party at a cash consideration of RMB361,432,000, which resulted in a disposal gain of RMB139,369,000.

11 TRADE AND OTHER RECEIVABLES

	As at 31 December	
	2021	2020
	<i>RMB'000</i>	<i>RMB'000</i>
Trade receivables (a)		
– Related parties	54,362	3,164
– Third parties	<u>1,297,902</u>	<u>34,396</u>
	1,352,264	37,560
Less: allowance for impairment	<u>(3,168)</u>	<u>(1,726)</u>
	<u>1,349,096</u>	<u>35,834</u>
Other receivables		
– Note receivables	–	2,010
– Amounts due from related parties	4,552,838	1,175,714
– Amounts due from non-controlling interests	6,780,682	3,392,404
– Prepayment of land and deposits for land auction	494,473	305,340
– Construction deposits	135,640	87,582
– Amounts due from governments	277,948	69,828
– Others	<u>317,589</u>	<u>105,282</u>
	12,559,170	5,138,160
Less: allowance for impairment	<u>(103,849)</u>	<u>(22,613)</u>
	<u>12,455,321</u>	<u>5,115,547</u>
Prepayments		
– For acquisitions of land	47,478	1,003,629
– For construction costs and construction materials	70,866	76,568
– For value-added and other taxes	<u>184,140</u>	<u>490,074</u>
	<u>302,484</u>	<u>1,570,271</u>
Total trade and other receivables	<u><u>14,106,901</u></u>	<u><u>6,721,652</u></u>

(a) The aging analysis of trade receivables based on invoice date was as follows:

	As at 31 December	
	2021	2020
	<i>RMB'000</i>	<i>RMB'000</i>
Within 90 days	1,317,642	18,031
Over 90 days and within 180 days	7,919	1,051
Over 180 days and within 365 days	19,487	3,210
Over 365 days	<u>7,216</u>	<u>15,268</u>
	<u>1,352,264</u>	<u>37,560</u>

12. CASH AND BANK DEPOSITS

	As at 31 December	
	2021	2020
	<i>RMB'000</i>	<i>RMB'000</i>
Cash and bank deposits	5,509,422	5,660,333
Less: Restricted cash (a)	(1,198,994)	(2,196,977)
Term deposits	—	(567)
	<u> </u>	<u> </u>
Cash and cash equivalents	<u>4,310,428</u>	<u>3,462,789</u>

(a) Restricted cash

The balance of restricted cash mainly represented RMB-denominated guarantee deposits for construction of pre-sale properties placed in designated accounts which will be released in accordance with certain construction progress milestones.

13 TRADE AND OTHER PAYABLES

	As at 31 December	
	2021	2020
	RMB'000	RMB'000
Trade payables (a)		
– Related parties	169,681	24,002
– Third parties	3,396,678	3,241,716
– Notes payable	350,397	98,489
	<u>3,916,756</u>	<u>3,364,207</u>
Other payables		
– Amounts due to related parties	8,345,369	6,746,015
– Amounts due to non-controlling interests	4,767,930	2,312,216
– Construction guarantee deposits received	227,378	368,170
– Accrued payroll	156,218	139,924
– Other taxes payables	798,780	1,006,524
– Interest payables	10,581	39,747
– Others	661,046	604,852
	<u>14,967,302</u>	<u>11,217,448</u>
	<u>18,884,058</u>	<u>14,581,655</u>

(a) The aging analysis of the trade payables based on invoice date is as follows:

	As at 31 December	
	2021	2020
	RMB'000	RMB'000
Within 90 days	2,895,806	2,379,388
Over 90 days and within 180 days	262,363	309,780
Over 180 days and within 365 days	122,247	271,922
Over 365 days	636,340	403,117
	<u>3,916,756</u>	<u>3,364,207</u>

14 DIVIDENDS

	As at 31 December	
	2021	2020
	<i>RMB'000</i>	<i>RMB'000</i>
Proposed final dividend - Nil (2020: RMB11 cents) per share	<u>–</u>	<u>149,990</u>

15 BANK AND OTHER BORROWINGS

	As at 31 December	
	2021	2020
	<i>RMB'000</i>	<i>RMB'000</i>
Non-current		
Bank borrowings – secured/guaranteed	6,162,561	6,439,838
Other borrowings – secured/guaranteed (b)	<u>2,701,700</u>	<u>3,459,300</u>
	8,864,261	9,899,138
Less: current portion of non-current borrowings	<u>(1,901,725)</u>	<u>(2,251,675)</u>
	<u>6,962,536</u>	<u>7,647,463</u>
Current		
Bank borrowings – secured/guaranteed	–	100,000
Senior notes (b)	1,915,906	–
Other borrowings – secured/guaranteed (c)	–	315,000
Current portion of non-current borrowings	<u>1,901,725</u>	<u>2,251,675</u>
	<u>3,817,631</u>	<u>2,666,675</u>
Total borrowings	<u>10,780,167</u>	<u>10,314,138</u>

- (a) Certain subsidiaries in the PRC have entered into funding arrangements with trust companies, securities companies and assets management companies, pursuant to which these financial institutions raised funds and provided the proceeds, directly or through entrusted banks, to the Group.
- (b) On 7 June 2021, the Group issued US\$300,000,000 12.5% senior notes which are listed on the Hong Kong Stock Exchange. The notes are unsecured, will mature in June 2022 and are repayable at its nominal value. The senior notes are guaranteed by certain wholly-owned subsidiaries of the Company. The Group may redeem all or a portion of the note at the redemption prices specified in the offering circular after the drawdown date, plus accrued and unpaid interests to the redemption date, subject to the terms and conditions specified in the offering circular.

(c) The Group's borrowings were repayable as follows:

	As at 31 December	
	2021	2020
	<i>RMB'000</i>	<i>RMB'000</i>
Within 1 year	3,817,631	2,666,675
Between 1 and 2 years	4,228,710	4,310,213
Between 2 and 5 years	2,243,448	3,122,000
Over 5 years	490,378	215,250
	<u>10,780,167</u>	<u>10,314,138</u>

(d) The weighted average effective interest rates per annum were as follows:

	As at 31 December	
	2021	2020
	<i>RMB'000</i>	<i>RMB'000</i>
Bank borrowings (%)	7.30%	6.36%
Other borrowings (%)	12.73%	10.79%
All borrowings (%)	<u>9.30%</u>	<u>8.27%</u>

CHAIRMAN’S STATEMENT

Dear Shareholders,

On behalf of the Board of Datang Group Holdings Limited, I am pleased to present the audited annual results of the Group for the year ended 31 December 2021.

MACRO INDUSTRY ANALYSIS

In 2021, benefiting from the gradual easing of the global COVID-19 pandemic and the widespread implementation of quantitative easing stimulus policy, the world economy showed recovery growth. China has achieved remarkable results in economic growth and pandemic prevention and control, and the macro economy continued to stabilize and improve. Throughout the year, the GDP increased by 8.1% year-on-year, and the economic growth rate was at the forefront of the world’s major economies. In 2021, the real estate regulation policy continued to stress on “residential properties are for living, not speculation”, “localized policy” and “stabilizing land prices, stabilizing housing prices and stabilizing expectations”, and ensured the smooth operation and healthy development of the real estate market in long run.

In the first half of the year, in response to the rapid recovery of the macro economy and the effective control of the pandemic, the overall performance of the real estate market was good, and the market heat continued. The transactions in first- and second-tier cities were active with volume and prices rising steadily. The third- and fourth-tier cities were clearly differentiated, but prices were stable. From the second half of the year, due to stricter real estate control policies, as well as the combined influence of policy factors such as “Three Red Lines”, “loan concentration” and “two-centralised land supply”, the industry has generally turned to deleveraging in an all-round way; and due to debt default of certain benchmark real estate enterprises, the overall market expectations have declined, and the demands have gradually weakened. However, looking at the performance of the real estate market throughout the year, the overall sales and investment scale still maintained its growth. According to data from the National Bureau of Statistics of China, the contracted sales of commercial housing in China throughout the year amounted to approximately RMB18.2 trillion, representing a year-on-year increase of 4.8%; the sales area of commercial housing was approximately 1.79 billion square meters, representing a year-on-year increase of 1.9%, which shows that the real estate industry still plays a pillar role in the growth of the national economy.

OPERATING RESULTS

In 2021, the Group achieved revenue of approximately RMB11.25 billion, representing an increase of 6.3% compared with the same period of last year, with a gross profit margin of approximately 24.0%. The Group achieved net profit of approximately RMB1.03 billion, representing an increase of 8% compared with the same period of last year, of which, the profit attributable to owners of the Company was approximately RMB726 million. The Board does not recommend the payment of final dividend for the year ended 31 December 2021.

ADEQUATE LAND RESERVE

In response to the changes in the way of centralized land transfer in key cities during the year, on the one hand, the Group actively studied the changes to the centralized land transfer policy and its impact; on the other hand, we also adhered to the investment standard of giving priority to cash flow indicators to efficiently replenish land reserves. During the Reporting Period, the Group acquired land reserves with the total Gross Floor Area (the “GFA”) of 6.08 million square metres (the “sq.m.”), and entered into 3 new cities, which further expanded the regional layout. As of 31 December 2021, the Group had a total of 146 real estate projects at different development stages in six major city clusters, with the total GFA of land bank of approximately 23.71 million sq.m., prepared for the Group’s sustainable and stable development in the coming year.

OUTLOOK FOR 2022

Since stabilizing economic growth remains one of the major objectives of the Chinese government in its economy work, the Group expects that China will implement proactive financial policies and steady and flexible monetary policies, whilst maintaining rational and sufficient liquidity, and continuously promoting the new development layout with mutual advancement, so as to push ahead stable economic development. Nevertheless, although the control of the pandemic achieved certain results in the world, a possible repeat of the pandemic together with the expectation for rising inflation and subsequent gradual withdraw of quantitative easing policies by countries, and numerous geopolitical factors will bring uncertainties to the global economic growth.

Outlook for 2022, the Group will follow closely on the “14th Five-Year Plan” development strategy of China, and continue to firmly implement the strategy of “making the layout of urban agglomeration, taking root in metropolitan area”. The Group will work to grasp the trending opportunities in the new era of China’s real estate development and strive to open up broader development room so as to further consolidate our industry and market positions and realize sustained and steady business growth. As inelastic and upgrade housing demand will still dominate the overall market, the Group anticipates that the Chinese government would continue to increase land supply and optimize the land collective transfer mechanism, which would lead to the overall performance of the land market becoming more rational and guide real estate enterprises into a development era of quality competition.

Meanwhile, the Group will maintain good corporate governance, continuously improve comprehensive management capabilities, and enhance the construction of self-owned sales channels, to ensure the achievement of annual sales target. Moreover, the Group will continue to actively seek to promote the Company to achieve steady development through introduction of strategic investors and platform resources, etc. in order to build the Company into a high-quality listed company with sustainable growth capabilities.

APPRECIATION

I would like to extend my sincere appreciation to the Directors for the strong leadership, to all employees for their persistent efforts, and to the Shareholders, customers and partners for their full trust and support in contributing to the excellent performance and business development of the Group!

Datang Group Holdings Limited

Wu Di

Chairman of the Board

Hong Kong, 30 March 2022

MANAGEMENT DISCUSSION AND ANALYSIS

I. Review for 2021

In 2021, under the circumstances of the intertwined influence of century-old changes and the pandemic of the century, real estate developers in China has been facing unprecedented challenges. Nevertheless, the annual sales of commercial housing in China still exceeded RMB18 trillion, which showed that the real estate market in China still had a certain degree of resilience in the face of major crises. In the first half of 2021, the market was hot, and land was in high demand in land auction market. In the second half of the year, the impact of credit supervision showed, and the land market turned cold. 2021 was the most up-and-down year for the industry in nearly 20 years. The Group expects that the real estate market will bottom out in the first and second quarters of 2022 and gradually recover in the third and fourth quarters. Under the new situation and new challenges, we can only adhere to the original intention, return to the essence of the enterprise, pay attention to the quality of operation, and create value by putting customers as the center.

Under the “Precision Work 2.0” system of the Group, there are 9 major types of work, 12 phases, 8 coordinations, 56 high standard management processes, a total of more than 3,000 quality checkpoints, covering the full-cycle construction process of our projects. Before delivery, we regularly carry out site open days, create model rooms for delivery and model rooms for work art and process in order to allow customers to conduct “inspection” in advance on the quality of the house. For sales commitments, contract drawings, design changes, product defects, engineering quality and other matters, we will carry on inspections to find out differential risks. We will check 84 checkpoints from 15 dimensions every week. During centralized delivery, we will record customer requests for house repairs on a case-by-case basis, and request our house repair team to address specific issues within 24 hours to ensure the quality of delivery.

In addition, the Group continued to strengthen the collection of sales payments and the management of operating cash flow, the coordination capability of domestic and overseas funds, and improve the efficiency of capital utilization. Besides, the Group has maintained at least two fulfillments of the “Three Red Lines”, and made full use of domestic and overseas diversified financing channels. The Group continued to optimize the liability structure, and did a good job in dynamic risk warning and prevention. As at 31 December 2021, the Group’s total cash and bank deposits amounted to approximately RMB5.51 billion, showing sufficient liquidity.

1. Real Estate Business

In 2021, the Group followed the geographical layout of 3+X, continued to focus on existing areas, and established a relatively stable scale advantage in the two urban agglomerations of the Haixi and Beibu Gulf. Meanwhile, we seized the opportunity of relocating our headquarters to Shanghai, and through various methods, expanded into new cities including Guangzhou, Nanjing and Nanchang, and further improved our regional layout in the Yangtze River Delta and other important urban metropolitan regions.

In 2021, the Group implemented a precise marketing strategy, and strengthened the integration of online and offline marketing methods. At the same time, the Group accelerated the pace of development and achieved rapid growth in contracted sales during the year, with contracted sales reaching a new high. For the year ended 31 December 2021, the Group’s contracted sales (including the contributions from projects of joint ventures and associates) amounted to approximately RMB50.58 billion. The average price of contracted sales was approximately RMB10,255 per sq.m.

Newly acquired land

In terms of the land market, 22 key cities in China (the “**PRC**”) have piloted “two centralized” management of land for the first time, the purpose of which is to improve the transparency and predictability of land supply, stabilize market expectations, and reduce the premium of land sales, so as to achieve the goal of stabilizing land prices, stabilizing housing prices and stabilizing expectations. In 2021, through various land acquisition methods such as public bidding, auction and listing and joint ventures, a total of 24 high-quality land parcels were obtained by the Group, with a total planned GFA of 6.08 million sq.m.

2. Land Bank

As of 31 December 2021, the total GFA of the Group's land bank was approximately 23.71 million sq.m., among which, the GFA of completed but undelivered properties was 0.73 million sq.m., the rentable GFA for investment was approximately 0.16 million sq.m., and the GFA of properties under development was 22.83 million sq.m..

City where the project is located	Project name	Completion year	Floor area (square meters)	Primary intended use	Completed but undelivered GFA (square meters)	GFA held for property investment (square meters)	Total GFA under development (square meters)	Total GFA (square meters)	Percentage of interest owned by the Group
Chengdu	Bo Yue Royalty	2023	37,394	Residential	-	-	106,336	106,336	34%
Chengdu	Chong Zhou Jin Xiu Royalty	2024	39,771	Residential	-	-	129,257	129,257	50%
Chengdu	Qionglai Jiuyue Lanwan	2023	68,901	Residential	-	-	234,354	234,354	40%
Chengdu	Tianyue Royalty	2023	58,065	Residential	-	-	192,264	192,264	26%
Chengdu	Yu Lan Royalty	2024	40,812	Residential	-	-	118,800	118,800	34%
Suining	Suining Zhongliang No. 1 Yard	2022	48,282	Residential	-	-	97,983	97,983	39%
Yibin	Jinke Town	2025	184,590	Residential	-	-	622,309	622,309	40%
Chongqing	Boyun Mansion	2022	63,610	Residential	-	-	140,637	140,637	30%
Chongqing	Feng Ling Wan Xiang	2024	67,121	Residential	-	-	146,168	146,168	12%
Chongqing	Hanlin Tianchen	2022	90,075	Residential	-	-	184,866	184,866	30%
Chongqing	Jiuzhu Tianchen	2022	136,328	Residential	-	-	293,187	293,187	33%
Chongqing	Lin Xi Fu	2023	127,842	Residential	-	-	444,676	444,676	20%
Chongqing	Xichen Yijing	2022	42,170	Residential	-	-	87,143	87,143	31%
Chongqing	Xiao Feng Jiang Nan (141)	2024	94,061	Residential	-	-	252,920	252,920	8%
Chongqing	Xiao Feng Jiang Nan (71)	2023	47,039	Residential	-	-	95,227	95,227	8%
Guigang	Guigang Chenguang	2024	32,759	Residential	-	-	168,782	168,782	34%
Guigang	Guigang Dynasty Royalty	2022	42,054	Residential	-	-	191,686	191,686	63%
Guigang	Guigang Yating	2024	45,229	Residential	-	-	178,009	178,009	26%
Kunming	Dynasty Meiquan Royalty	2024	43,271	Residential	-	-	183,015	183,015	61%
Liuzhou	Dynasty Biyuan East Garden	2024	45,246	Residential	-	-	165,141	165,141	100%
Liuzhou	Dynasty Biyuan West Garden	2022	56,796	Residential	-	-	195,781	195,781	98%
Liuzhou	Liuzhou Dynasty Mansion	2024	74,989	Residential	-	-	282,772	282,772	51%
Nanning	Anji Dynasty Royalty	2022	27,962	Residential	-	-	147,171	147,171	55%
Nanning	Anji Dynasty Royalty Phase II	2023	9,170	Residential	-	-	59,710	59,710	55%
Nanning	Binjiang Jinwan	2023	36,039	Residential	-	-	178,164	178,164	100%
Nanning	Chengyang Royalty	2025	20,942	Residential	-	-	94,775	94,775	70%
Nanning	Dynasty Shengshi Phase III	2022	87,047	Parking	74,236	-	-	74,236	100%
Nanning	Dynasty Shengshi Xuhui Mansion	2023	25,404	Residential	-	-	110,685	110,685	51%
Nanning	Dynasty Tiancheng Phase III	2022	19,141	Residential	-	-	181,093	181,093	100%
Nanning	Dynasty Tiancheng Phase I & II	2019	25,027	Commercial	3,981	67,846	-	71,827	100%
Nanning	Dynasty Tianyue	2022	28,320	Residential	-	-	132,977	132,977	56%

City where the project is located	Project name	Completion year	Floor area (square meters)	Primary intended use	Completed but undelivered GFA (square meters)	GFA held for property investment (square meters)	Total GFA under development (square meters)	Total GFA (square meters)	Percentage of interest owned by the Group
Nanning	Dynasty Zhenguan	2022	45,582	Residential	-	-	214,678	214,678	85%
Nanning	Dynasty Zhongnan Ziyun Impression	2025	50,128	Residential	-	-	278,070	278,070	25%
Nanning	Jinju Royalty	2022	68,401	Residential	-	-	376,203	376,203	25%
Nanning	Nanning Jinxiu Royalty	2023	23,565	Residential	-	-	98,189	98,189	56%
Nanning	Shenghu Yuejing	2022	90,929	Residential	-	-	342,918	342,918	26%
Nanning	Shengshi Chunjiang	2025	52,774	Residential	-	-	223,043	223,043	17%
Nanning	Shengshi Jinyue	2022	25,265	Residential	-	-	103,582	103,582	24%
Nanning	Tanfu Impression	2022	137,811	Residential	41,416	-	393,725	435,142	30%
Nanning	Wuxiang BMA Center	2025	62,744	Commercial	-	-	282,408	282,408	10%
Nanning	Wuxiang Dynasty Royalty	2023	29,136	Residential	-	-	133,140	133,140	85%
Nanning	Wuxiang Huguang Institution	2024	65,007	Residential	-	-	328,390	328,390	20%
Nanning	Wuxiang Lanting Mansion	2023	159,991	Residential	-	-	903,878	903,878	33%
Nanning	Xi'an Royalty	2023	29,498	Residential	-	-	139,707	139,707	17%
Nanning	Xingning Dynasty Impression	2021	95,750	Parking	96,542	-	-	96,542	40%
Nanning	Yango Dynasty Royalty	2023	37,047	Residential	-	-	204,192	204,192	49%
Nanning	Yango Dynasty Tanjing	2024	177,954	Residential	-	-	866,659	866,659	41%
Nanning	Impression Discovery Bay	2022	111,138	Residential	-	-	614,237	614,237	17%
Nanning	Yunxitai	2022	20,014	Residential	-	-	69,155	69,155	23%
Nanning	Zhenyuan	2026	91,849	Residential	-	-	487,748	487,748	39%
Nanning	Goug Yuan Yue	2024	57,875	Residential	-	-	283,165	283,165	100%
Fuzhou	CDC Dynasty Yang Yun	2023	26,027	Residential	-	-	88,689	88,689	40%
Fuzhou	Longjiang Jiu Jin Pavilion	2023	113,059	Residential	-	-	373,010	373,010	33%
Fuzhou	Pukou Dynasty Royalty	2022	15,954	Residential	-	-	53,597	53,597	80%
Fuzhou	Yu Rong Impression	2023	25,835	Residential	-	-	86,316	86,316	60%
Longyan	Royalty Wangyue Garden	2023	27,903	Residential	-	-	101,398	101,398	18%
Longyan	Royalty Wenyuan	2022	26,197	Residential	-	-	79,863	79,863	33%
Longyan	Zhiyuan FeiCui Jun	2023	17,873	Residential	-	-	52,908	52,908	30%
Nanchang	Shan Hu Yin	2024	41,849	Residential	-	-	136,907	136,907	62%
Ningde	Ningde Dynasty Royalty	2025	19,409	Residential	-	-	55,531	55,531	55%
Ningde	Xinghai Shidai	2024	45,135	Residential	-	-	144,616	144,616	30%
Putian	Hu Xin Mansion	2023	32,851	Residential	-	-	109,498	109,498	100%
Putian	Putian Xiuyu Dynasty Royalty	2023	83,197	Residential	-	-	253,914	253,914	35%
Putian	Putian Yuhu Impression	2024	41,858	Residential	-	-	149,728	149,728	65%
Putian	Yuexiu Royalty	2023	53,647	Residential	-	-	151,840	151,840	40%
Quanzhou	Hui'an Julong Guofeng	2024	102,427	Residential	-	-	282,816	282,816	10%
Quanzhou	Jinjiang Dynasty Mansion	2023	66,781	Residential	-	-	217,631	217,631	60%
Quanzhou	Shimao Yuncheng	2024	89,544	Residential	-	-	346,255	346,255	15%
Sanming	Shaxian Yunzhu	2023	53,688	Residential	-	-	123,361	123,361	40%
Xiamen	Dynasty Hotel	2022	16,850	Commercial	-	-	64,320	64,320	100%
Xiamen	Tong'an Shuiyunjian	2021	15,000	Parking	30,067	-	-	30,067	100%
Zhangzhou	Dynasty JinXiu Royalty	2021	48,278	Parking	23,154	-	-	23,154	70%
Zhangzhou	Dynasty Sanmu Impression West Lake	2023	17,659	Residential	-	-	69,114	69,114	49%

City where the project is located	Project name	Completion year	Floor area (square meters)	Primary intended use	Completed but undelivered GFA (square meters)	GFA held for property investment (square meters)	Total GFA under development (square meters)	Total GFA (square meters)	Percentage of interest owned by the Group
Zhangzhou	Jiangshan Tianjing	2022	23,861	Parking	31,843	-	-	31,843	30%
Zhangzhou	Jiaomei Dynasty Royalty	2023	41,558	Residential	-	-	172,965	172,965	67%
Zhangzhou	Jiaomei Dynasty Impression	2023	15,748	Residential	-	-	45,773	45,773	30%
Zhangzhou	Tianlai Town Phase I	2024	73,607	Residential	-	-	91,444	91,444	70%
Zhangzhou	Yango Dynasty Feili Impression	2024	83,810	Residential	-	-	261,324	261,324	50%
Zhangzhou	Zhangzhou Dynasty Chunfengli Phase II	2021	61,896	Parking	34,619	-	-	34,619	60%
Yueyang	Yunyang Dynasty Royalty Phases IV & V	2023	124,891	Residential	-	-	405,226	405,226	100%
Yueyang	Yunyang Dynasty Royalty Phases I, II & III	2023	122,085	Residential	15,416	-	324,216	339,632	100%
Changsha	Dynasty Impression-Yuxi	2022	81,362	Residential	-	-	189,855	189,855	100%
Changsha	Hantang Royalty	2023	240,003	Residential	-	-	610,256	610,256	49%
Changsha	Hanlin Mansion	2024	143,193	Residential	-	-	438,254	438,254	17%
Guangzhou	Tianyu Datang Project	2025	497,200	Residential	-	-	2,154,000	2,154,000	20%
Xiamen	Datang Center	2024	93,166	Commercial	-	38,131	27,917	66,048	100%
Tianjin	Tangsheng Yayuan	2022	198,873	Residential	-	-	341,139	341,139	100%
Tianjin	Tangxi Yayuan	2022	35,627	Residential	-	-	134,849	134,849	100%
Tianjin	Tangyun Yayuan	2024	97,911	Residential	-	-	321,637	321,637	100%
Tianjin	Vision Commercial Square	2023	74,080	Commercial	3,120	-	117,116	120,237	30%
Tianjin	Shangyue Graden	2022	53,338	Residential	-	-	140,126	140,126	51%
Tianjin	Yuhu Shangguan Garden	2022	58,093	Residential	-	-	138,698	138,698	40%
Fuyang	Yunjing	2024	79,519	Residential	-	-	241,733	241,733	33%
Jiangyin	Lanyue Yayuan	2023	47,112	Residential	-	-	130,519	130,519	33%
Nanjing	Mingwangfu	2023	15,324	Residential	-	-	52,543	52,543	33%
Nantong	Langyuan	2024	42,430	Residential	-	-	99,837	99,837	20%
Nantong	Yuehuyuan	2022	60,240	Residential	-	-	97,778	97,778	55%
Nantong	Yunchenxinyuan	2023	73,942	Residential	-	-	185,433	185,433	20%
Taichang	Huayu Jing An Yayuan	2024	41,329	Residential	-	-	115,383	115,383	20%
Zhangjiagang	Dongtangchunxiao Garden	2024	44,598	Residential	-	-	130,974	130,974	35%
Ningbo	Chenyue Royalty	2022	38,013	Residential	-	-	113,150	113,150	51%
Ningbo	Feili Heming	2024	74,965	Residential	-	-	216,415	216,415	40%
Ningbo	Feng Lan Di	2022	24,387	Residential	-	-	61,884	61,884	35%
Ningbo	Jiuyuci County	2023	49,511	Residential	-	-	120,237	120,237	40%
Ningbo	Jiuyun Mansion	2023	37,177	Residential	-	-	87,214	87,214	12%
Ningbo	Qi Yue Li	2023	20,388	Residential	-	-	39,218	39,218	100%
Taizhou	Chuangshi Mingdi	2022	32,862	Residential	-	-	101,628	101,628	49%
Taizhou	Nanguan Impression	2023	16,048	Residential	-	-	41,807	41,807	66%
Wenzhou	Cuican Tianrui	2024	42,634	Residential	-	-	121,304	121,304	40%
Wenzhou	Xingyue Mingzhu	2023	26,686	Residential	-	-	84,154	84,154	35%
Others			N/A		372,834	53,834	170,402	597,070	N/A
Total					<u>727,235</u>	<u>159,811</u>	<u>22,826,738</u>	<u>23,713,784</u>	

3. *Investment and Operation of Commercial Properties*

During the Reporting Period, the Group achieved rental income of approximately RMB91.1 million, representing an increase of 61.5% compared to the same period of last year. The increase was mainly attributable to the additional rent from commercial space of Nanning Dynasty Tiancheng Phases I & II. The Group has 8 commercial properties projects mainly located in Xiamen, Fujian and Nanning, Guangxi respectively.

4. *Hotel Operation*

During the Reporting Period, the Group achieved sales revenue from hotel operation business of approximately RMB54.5 million, representing an increase of 14.0% compared to the same period of last year. The increase was mainly attributable to the improvement of performance of Xiamen Dynasty Ginlan Jia Hotel and Nanning Dynasty Congyue Hotel.

As of the date of this announcement, the Group has two hotels in operation, namely Xiamen Dynasty Ginlan Jia Hotel and Nanning Dynasty Congyue Hotel.

II. Financial Review

1. *Revenue*

For the year ended 31 December 2021, the Group's revenue amounted to approximately RMB11,254.2 million, representing an increase of 6.3% from approximately RMB10,588.4 million for the corresponding period last year. The revenue mainly included income generated from property sales, commercial property investment and operations and hotel operations. The increase in revenue for the year ended 31 December 2021 is primarily due to the increase in delivery of projects during the Reporting Period. In particular, revenue from (i) property sales amounted to approximately RMB10,653.1 million, representing an increase of 5.4% as compared with the corresponding period last year, and contributed 94.7% of the total revenue recognised; (ii) provision of construction services amounted to approximately RMB208.3 million, representing a decrease of 13.9% as compared with the corresponding period last year; (iii) commercial property investment and operations amounted to approximately RMB91.1 million, representing an increase of 61.5% as compared with the corresponding period last year; and (iv) hotel operations amounted to approximately RMB54.5 million, representing an increase of 14.0% as compared with the corresponding period last year.

2. *Cost of Sales*

For the year ended 31 December 2021, the Group's cost of sales amounted to approximately RMB8,555.0 million. The increase was mainly due to the increased number of projects delivered during the Reporting Period.

3. *Gross Profit and Gross Profit Margin*

For the year ended 31 December 2021, the Group's gross profit was approximately RMB2,699.2 million, representing an increase of 0.1% from approximately RMB2,695.9 million for the corresponding period of 2020. Such increase was primarily attributable to the increased number of projects delivered during the Reporting Period. For the year ended 31 December 2021, the gross profit margin was 24.0%, while the gross profit margin was 25.5% for the corresponding period of 2020, which remained stable relatively year-on-year.

4. *Selling and Marketing Costs*

For the year ended 31 December 2021, the Group's selling and marketing costs amounted to approximately RMB528.9 million, representing an increase of 9.6% from approximately RMB482.7 million for the corresponding period last year. Such increase was due to the launch of new property projects of the Group for presale in 2021.

5. *Administrative Expenses*

For the year ended 31 December 2021, the Group's administrative expenses amounted to approximately RMB705.7 million, representing an increase of 35.1% from approximately RMB522.2 million for the corresponding period last year. Such increase was mainly due to the increased number of employees resulted from the Group's business expansion.

6. *Share of Results of Joint Ventures and Associates*

For the year ended 31 December 2021, the Group's share of profits of joint ventures and associates amounted to approximately RMB136.2 million, representing an increase of RMB181.9 million from the share of losses of joint ventures and associates of approximately RMB45.7 million for the corresponding period last year. Such increase was primarily attributable to the carry-forward of profits from several cooperation projects during the Reporting Period.

7. *Finance Costs – Net*

For the year ended 31 December 2021, the Group's net finance costs amounted to approximately RMB48.1 million, representing an increase of RMB28.5 million from approximately RMB19.6 million for the corresponding period last year. Such increase was attributable to the increase in interest expenses due to the increase in borrowings.

8. *Income Tax Expenses*

For the year ended 31 December 2021, the Group's income tax expenses amounted to approximately RMB682.7 million, representing a decrease of 10.8% from approximately RMB765.7 million for the corresponding period last year. The Group's income tax expenses included the provision for the corporate income tax and land appreciation tax during the Reporting Period. The decrease in income tax for the Reporting Period was mainly due to the decrease in the Group's land appreciation tax.

9. *Profit for the Year*

As a result of the aforementioned factors, the Group's profit before tax decreased by 0.4% to approximately RMB1,708.4 million for the year ended 31 December 2021 from approximately RMB1,715.7 million for the corresponding period last year. The Group's net profit increased by 8% to approximately RMB1,025.8 million, of which net profit attributable to owners of the Company amounted to approximately RMB726.4 million for the year ended 31 December 2021 increased from approximately RMB715.4 million for the corresponding period last year.

10. *Foreign Currency Risk*

The Group primarily operates in the PRC and the majority of the Group's transactions were denominated and settled in RMB. Except for certain assets denominated and settled in USD and HK\$ held by the Group, and senior notes denominated in USD, the Group has no other significant risks related to foreign exchange fluctuations. The management will continue to monitor the foreign exchange exposure, and take prudent measures to reduce foreign currency risk. The Company does not engage in any hedging activities in relation to the foreign currency risk.

III. Liquidity, Finance and Capital

1. *Cash Position*

As at 31 December 2021, the Group's cash and bank deposit balances were approximately RMB5.51 billion (31 December 2020: approximately RMB5.66 billion), of which, restricted cash balances amounted to approximately RMB1.21 billion (31 December 2020: RMB2.20 billion).

2. Borrowings and Pledged Assets

Indebtedness

As at 31 December 2021, the Group's total indebtedness, including interest-bearing bank and other borrowings and lease liabilities, amounted to approximately RMB10,913.2 million (31 December 2020; approximately RMB10,457.3 million), of which RMB7,675.0 million bears fixed interest rates.

The following table sets forth the components of the Group's indebtedness as at the dates indicated:

	As at 31 December	
	2021	2020
	(RMB'000)	(RMB'000)
Non-current		
Bank borrowings – secured/guaranteed	6,162,561	6,439,838
Other borrowings – secured/guaranteed	2,701,700	3,459,300
Lease liabilities	120,824	133,954
	<u>8,985,085</u>	<u>10,033,092</u>
Less: current portion of non-current borrowings	<u>(1,901,725)</u>	<u>(2,251,675)</u>
	<u>7,083,360</u>	<u>7,647,463</u>
Current		
Bank borrowings – secured/guaranteed	–	100,000
Senior notes	1,915,906	–
Other borrowings – secured/guaranteed	–	315,000
Current portion of non-current borrowings	1,901,725	2,251,675
Lease liabilities	12,207	9,256
	<u>3,829,838</u>	<u>2,675,931</u>
Total indebtedness	<u><u>10,913,198</u></u>	<u><u>10,457,348</u></u>

Note:

- (1) Other borrowings include financing arrangement with trust companies, asset management companies, other financial institutions and other third party companies.

The following table sets forth the maturity profiles of the Group's bank and other borrowings as at the dates indicated:

	As at 31 December	
	2021	2020
	(RMB'000)	(RMB'000)
Within 1 year	3,829,838	2,675,276
Between 1 and 2 years	4,244,218	4,324,355
Between 2 and 5 years	2,306,407	3,178,144
Over 5 years	532,735	279,573
	<hr/>	<hr/>
Total	<u>10,913,198</u>	<u>10,457,348</u>

Pledge of assets

As at 31 December 2021, certain of the Group's bank and other borrowings are secured by the pledges of the Group's assets with carrying value of approximately RMB15,403 million (31 December 2020: approximately RMB12,193 million) which include (i) property, plant and equipment; (ii) right-of-use assets; (iii) investment properties; (iv) properties under development; and (v) completed properties held for sale.

3. *Gearing Ratio*

As at 31 December 2021, the Group's net gearing ratio (total borrowings less cash and bank balances divided by total equity) was approximately 51.6%, as compared to approximately 58.7% as at 31 December 2020. As at 31 December 2021, the Group's gearing ratio (total debts divided by total assets) was approximately 83.3%, as compared to approximately 83.2% as at 31 December 2020. As at 31 December 2021, the Group's debt-to-asset ratio excluding advances from customers (total debt excluding contract liabilities divided by total assets excluding contract liabilities) was approximately 76.1%, as compared to approximately 77.7% on 31 December 2020. As at 31 December 2021, the Group's current ratio (current assets divided by current liabilities) was approximately 1.23 times, as compared to approximately 1.28 times as at 31 December 2020. As at 31 December 2021, cash to short-term debt ratio of the Group (unrestricted cash and bank balances divided by short-term borrowings) was approximately 1.13 times, as compared to approximately 1.30 times as at 31 December 2020.

4. *Capital Commitment*

As of 31 December 2021, the Group's contracted but unprovided commitment payments for non-current assets were approximately RMB20 million (as at 31 December 2020: approximately RMB40 million).

5. *Contingent Liabilities*

Pursuant to the mortgage contracts, the banks require the Group to provide guarantees to the purchasers in respect of their mortgage loans. Such mortgage guarantees provided to the purchasers are usually released when the title deeds of the respective properties are pledged to the banks as security to continue to support the mortgage loans, which generally take place after the delivery of relevant properties to the purchasers. If the purchasers are in default on their mortgage loans, the Group shall be liable to the repayment of the outstanding mortgage principal amount together with the accrued interest and penalties owed by the defaulting purchasers to the banks and the Group shall be entitled to take over the legal title and possession of the related properties.

As at 31 December 2021, the Group provided guarantees of approximately RMB12.82 billion to certain banks in respect of the mortgage loans granted to certain purchasers of the Group's properties (as at 31 December 2020: approximately RMB12.08 billion).

As at 31 December 2021, the Group provided guarantees of approximately RMB3.75 billion to related companies (as at 31 December 2020: approximately RMB3.43 billion). These related companies are not controlled by the Ultimate Controlling Shareholder as defined in the notes to the consolidated financial statements. Save as disclosed in this announcement, the Group had no other significant contingency liabilities for the year ended 31 December 2021.

6. *Senior Notes*

In June 2021, the Company issued senior notes in the aggregate principal amount of US\$300 million maturing in June 2022 with a fixed interest rate of 12.5% per annum. The proceeds has been utilized for general corporate purposes.

Please refer to the Company's announcements dated 31 May 2021, 1, 7 and 8 June 2021 for details.

IV. Corporate Governance and Other Information

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

On 8 July 2021, Zhangzhou Tanglin Real Estate Development Company Limited (漳州唐林房地產開發有限公司) (“**Zhangzhou Tanglin**”) (an indirect wholly-owned subsidiary of the Company) as the subscriber, Nanning Tianyu Yujun Investment Co., Ltd*. (南寧天譽譽浚投資有限公司) (“**Tianyu Yujun**”) as the vendor and Nanning Tianyu Jurong Realty Company Limited* (南寧天譽巨榮置業有限公司) (“**Tianyu Jurong**”) as the target company entered into the capital increase agreement (the “**Capital Increase Agreement**”), pursuant to which, Zhangzhou Tanglin agreed to acquire 20% of the equity interests of Tianyu Jurong by way of capital contribution of RMB605,930,000 to Tianyu Jurong (the “**Acquisition**”). Upon completion of the transaction, each of Zhangzhou Tanglin and Tianyu Yujun will own 20% and 80% of the entire equity interests of Tianyu Jurong, respectively. For details, please refer to the announcement of the Company dated 9 July 2021.

On 30 September 2021, Tianyu Jurong, Chongqing Hesheng Property Development Co., Ltd. (重慶核盛房地產開發有限公司) (“**Chongqing Hesheng**”), Chongqing Tangcheng Property Development Co., Ltd. (重慶唐承房地產開發有限公司) (“**Chongqing Tangcheng**”) (an indirect wholly-owned subsidiary of the Company) and Chongqing Zhiyuan Property Co., Ltd. (重慶之遠地產有限公司) (“**Chongqing Zhiyuan**”) entered into a co-operative development agreement, pursuant to which, Chongqing Hesheng agreed to increase its capital contribution in Chongqing Zhiyuan from RMB20,820,000 to RMB60,000,000 and Chongqing Tangcheng agreed to make a capital contribution of RMB20,000,000 to Chongqing Zhiyuan. Since the capital injection will result in the dilution of shareholding of Tianyu Jurong in Chongqing Zhiyuan, Chongqing Tangcheng agreed to pay Tianyu Jurong an amount of RMB84,778,000 as the consideration. After the completion of the capital injection, the registered and paid up capital of Chongqing Zhiyuan will be increased to RMB100,000,000 and will be held by Tianyu Jurong, Chongqing Hesheng and Chongqing Tangcheng as to 20%, 60% and 20%, respectively. For details, please refer to the announcement of the Company dated 30 September 2021.

Save as disclose above, there were no other significant investments held, no material acquisitions or disposals of subsidiaries, associates and joint ventures, nor was there any plan authorized by the Board for other material investments or additions of capital assets as at 31 December 2021.

2. *Employee and Remuneration Policy*

As at 31 December 2021, the Group had 2,709 employees (31 December 2020: 2,592 employees). For the year ended 31 December 2021, the staff cost recognised as expenses of the Group amounted to RMB490.4 million (31 December 2020: RMB425.4 million). The remuneration of the employees of the Group is mainly determined based on the prevailing market level of remuneration and the individual performance and work experience of the employees. Bonuses are also distributed based on the performance of the employees. The Group provides employees with career development opportunities and considers if their remuneration should be raised or if they should be promoted with reference to their individual performance and potential. Other benefits provided by the Group include medical benefits and specialised training. There was no shareholder who waived or agreed to waive any dividend arrangement.

3. *Use of Proceeds from the Initial Public Offering (the “IPO”) and the Partial Exercise of the Over-allotment Option*

The Company’s net proceeds from the global offering are approximately HK\$1.49 billion. On 31 December 2020, ICBC International Capital Limited, the sponsor of the IPO of the Company, partially exercised the over-allotment option in connection with the Company’s global offering. Accordingly, the Company has allotted and issued 30,144,000 additional shares of the Company (the “Share(s)”) at price of HK\$4.56 per Share (for details, please refer to the announcement of the Company dated 4 January 2021). The net proceeds from the partial exercise of the over-allotment option were approximately HK\$135 million. As of the date of this announcement, the Company has applied the balance of proceeds raised from the global offering and the balance of proceeds from the partial exercise of such over-allotment option in accordance with the proposed applications as disclosed in the prospectus of the Company dated 27 November 2020.

The following table sets forth a breakdown of the actual utilization of net proceeds as at 31 December 2021:

Usage	Net proceeds from the IPO <i>HK\$ million</i>	Unutilized amount as of 31 December 2020 <i>HK\$ million</i>	Net proceeds	Actual utilized during the period <i>HK\$ million</i>	Unutilized amount as of 31 December 2021 <i>HK\$ million</i>
			from the partial exercise of the over-allotment option <i>HK\$ million</i>		
Construction costs of existing property development projects	951	–	116	116	–
Repayment of part of existing interest-bearing bank borrowings	384	239	–	239	–
General working capital	158	–	19	19	–
Total	<u>1,493</u>	<u>239</u>	<u>135</u>	<u>374</u>	<u>–</u>

4. *Purchase, Sale or Redemption of Any of the Company's Listed Securities*

During the year ended 31 December 2021, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities.

5. *Currency Risk*

The Group primarily operates in the PRC and the majority of the Group's transactions were denominated and settled in RMB. The Group was not subject to any material risk directly relating to foreign exchange fluctuation. The management will continue to monitor the foreign exchange exposure, and take prudent measure to reduce foreign exchange risks. The Company does not engage in any hedging activities in relation to the foreign currency risk.

6. *Corporate Governance*

The Group is committed to implementing high standards of corporate governance to safeguard the interests of the shareholders of the Company (the "**Shareholders**") and enhance the corporate value as well as the responsibility commitments. The Company has adopted the Corporate Governance Code (the "**CG Code**") as set out in Appendix 14 to the Rules Governing the Listing of Securities (the "**Listing Rules**") on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") as the code of corporate governance.

To the knowledge of the Directors, the Group has complied with all applicable code provisions set out in the CG Code from the Listing Date to 31 December 2021, and the Directors will use their best endeavors to procure the Group to continue to comply with the CG Code.

7. *Annual General Meeting*

The annual general meeting (the "**AGM**") of the Company is proposed to be held on 13 June 2022.

8. *Closure of Register of Members*

In order to determine the entitlement to attend and vote at the AGM, the register of members of the Company will be closed from 7 June 2022 to 13 June 2022, both days inclusive, during which period no transfer of shares will be registered. All transfer documents of the Company accompanied by the relevant share certificates must be lodged with the branch share registrar of the Company in Hong Kong, Tricor Investor Services Limited at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration not later than 4:30 p.m. on 6 June 2022.

9. Compliance with the Model Code for Securities Transactions by Directors of Listed Issuers

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) set out in Appendix 10 to the Listing Rules as its code for dealing in securities of the Company by the Directors. Having made specific enquiries of all the Directors, all Directors have confirmed their compliance with the required standard set out in the Model Code from the Listing Date to 31 December 2021.

10. Review of Annual Results

The Board has established its audit committee with written terms of reference in compliance with Rules 3.21 and 3.22 of the Listing Rules and code provision D.3 of the CG Code. The primary duties of our audit committee are to review and monitor the Group’s financial reporting process, risk management and internal control system, to oversee the audit process, to provide recommendation and advice to the Board, and to perform other duties and responsibilities as may be assigned by the Board. Our audit committee consists of three members, including Mr. QU Wenzhou, Ms. XIN Zhu and Mr. TAM Chi Choi. Our audit committee is chaired by Mr. QU Wenzhou, who has appropriate professional qualifications.

Our audit committee has reviewed the Company’s audited consolidated financial statements for the year ended 31 December 2021 and confirmed that it has complied with all applicable accounting principles, standards and requirements, and made sufficient disclosures. Our audit committee has also discussed the matters of audit and financial reporting.

The figures in respect of the Group’s consolidated balance sheet, consolidated statement of comprehensive income and the related notes thereto for the year ended 31 December 2021, as set out in the preliminary announcement, have been agreed by the Company’s auditor, PricewaterhouseCoopers, to the amounts set out in the Group’s audited consolidated financial statements for the year. The work performed by PricewaterhouseCoopers in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by PricewaterhouseCoopers on this preliminary announcement.

11. Events After the Reporting Period

On 23 December 2021, the Company as guarantor entered into certain guarantee agreements to provide guarantees for two subsidiaries of Good First Group Co., Limited. (福信集團有限公司). The guarantee agreements were approved by independent Shareholders on the virtual general meeting held on 21 February 2022. For details, please refer to the announcement of the Company dated 24 December 2021 and circular of the Company dated 26 January 2022. No other significant events occurred after the Reporting Period.

PUBLICATION OF ANNUAL RESULTS

The annual results announcement has been published on the websites of the Stock Exchange (<http://www.hkexnews.hk>) and the Company (<http://www.dyna888.com>). The Company's 2021 annual report will be despatched to Shareholders and published on the websites of the Stock Exchange and the Company in due course.

By order of the Board
Datang Group Holdings Limited
WU Di
Chairman

Hong Kong, 30 March 2022

As at the date of this announcement, the executive Directors are Mr. WU Di, Mr. HAO Shengchun, Mr. TANG Guozhong, Ms. ZHANG Jianhua and Ms. CHAN Tan Yee, the non-executive Director is Ms. CHEN Xiaoyun, and the independent non-executive Directors are Mr. QU Wenzhou, Ms. XIN Zhu and Mr. TAM Chi Choi.