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Future Land Development Holdings Limited

新城發展控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1030)

OVERSEAS REGULATORY ANNOUNCEMENT

This announcement is made by Future Land Development Holdings Limited (the “**Company**”) pursuant to Rule 13.10B of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

Seazen Holdings Co., Ltd.* (新城控股集團股份有限公司) (“**Seazen Holdings**”) is a subsidiary of the Company with its A shares listed on the Shanghai Stock Exchange (the “**SSE**”) (stock code: 601155).

On July 24, 2019, the eighteenth meeting (the “**Meeting**”) of the second session of the board of directors of Seazen Holdings (the “**Board**”) was convened. The Meeting was chaired by Mr. Wang Xiaosong, chairman of the Board and the following are considered and approved at the Meeting as follows:

1) SEAZEN HOLDINGS’ CURRENT BUSINESS STRATEGY

To comply with the Chinese government’s requirements of establishing a long-term mechanism for the property market and in response to China’s policy guidance on the real estate industry, Seazen Holdings’ has clarified its current business strategy as follows:

- a. Focusing on the long-term development strategy supported by two drivers, i.e. residential and commercial properties; systematically optimizing Seazen Holdings’ asset and liability structure to achieve stability and high-quality development of Seazen Holdings to protect the interests of all investors and related parties of Seazen Holdings.
- b. Develop real estate projects in a customer and quality-oriented manner, offer high-quality products and services to clients.
- c. Continuously refining the management of project development. Based on the current sales target of RMB270 billion in 2019 and achieving stable sales target in 2020 and 2021, the existing land reserve will be optimized so that funds will be recovered to control the scale of its liabilities.

- d. Continue to develop investment properties. On the basis of the rent and management fee income totaling RMB4 billion in 2019, the target rent and management fee income derived from investment properties in 2020 and 2021 should not be less than RMB6 billion and RMB9 billion.
- e. To enhance the profit-sharing relationship between employees and shared interests of the organisation, establish a medium to long-term employee incentive mechanism and adopt various proactive measures to protect the interests of employees and achieve the common development with Seazen Holdings.

2) OPTIMISING THE ASSET STRUCTURE

In order to implement Seazen Holdings' current business strategies and optimize its asset and liability structure, Seazen Holdings intends to sell part of its equity interests in the project companies and associated creditor's rights (the "**Transactions**").

a. The proposals for the Transactions

- i. The proposed amount of value of the equity interest in the project companies and associated creditors' rights in aggregate shall not exceed RMB15 billion.
- ii. The proposed consideration of the equity interest in the project companies and associated creditors' rights to be sold is determined with reference to Seazen Holdings' cumulative investment in the project companies.
- iii. The proposed projects to be sold shall be solely residential projects that are newly acquired by Seazen Holdings in the open market. The projects are all in the early development stage and are not ready for sale.
- iv. Seazen Holdings will make proper arrangements for employees of the project companies.

The total amount of equity interest in the project companies and associated creditors' rights is the maximum potential value of the Transactions as estimated by Seazen Holdings. To improve decision-making efficiency and operational flexibility, in accordance with the Articles of Association and provided that the aforementioned total value of the equity interest in the project companies and associated creditors' rights to be sold has not exceeded, an application has been submitted to the Board of Directors for authorizing Seazen Holdings' management to execute the sale of the equity interest and associated creditors' rights, including but not limited to determining counter-parties, transaction methods and transaction value, selling relevant equity interest and creditors' rights in ways permitted by laws and regulations, and signing relevant agreements.

b. Impact of the Transactions

The possible impact of the Transactions on Seazen Holdings' overall operations are as follows:

- i. If the Transactions are completed, Seazen Holdings can recover some of the land payments already paid in the first half of the year, which should increase net cash by approximately RMB15 billion and reduce the subsequent development costs and expenses of the part of the projects by approximately RMB3 billion. The Transactions will increase Seazen Holdings' monetary funds, improve the asset and liability structure, increase Seazen Holdings' current ratio, and strengthen its ability to repay debts.
- ii. After the completion of the Transactions, the newly acquired net cash and Seazen Holdings' existing monetary funds will provide assurances for investments in and the stable and safe operations of its other projects.
- iii. Seazen Holdings' land investment amount was approximately RMB55 billion in the first half of 2019. After deducting the proposed sale of the Transactions, the land investment in the first half of 2019 amounted to approximately RMB40 billion, an increase of about 15% compared with the same period of last year.
- iv. The total value of the projects to be sold under the Transactions are approximately RMB45 billion, of which the value of properties available for sale is approximately for 2019, 2020 and 2021 are about RMB10 billion, RMB25 billion and RMB10 billion respectively.
- v. The consideration for the projects to be sold under the Transactions are determined by reference to Seazen Holdings' accumulated investment in the project companies. The investment is recovered at not less than the input cost. Accordingly, the Transactions will not have an adverse impact on Seazen Holdings' net assets.
- vi. The projects to be sold in the Transactions are all newly acquired residential projects that are not ready for sale. The Transactions will not affect the current projects of Seazen Holdings' or its commercial complex projects. Seazen Holdings' 2019 annual contract sales target remains at RMB270 billion. The sale of the equity interests in the project companies will not have a considerable impact on Seazen Holdings' 2019 annual operating results.

The relevant figures disclosed in this announcement are preliminary figures of Seazen Holdings. Please refer to Seazen Holdings' periodic reports for the final figures.

Seazen Holdings published an announcement headlined “Announcement on the Resolutions of the 18th Meeting of the Second Session of the Board of Directors of Seazen Holdings (新城控股集團股份有限公司第二屆董事會第十八次會議決議公告)” on the website of the SSE (www.sse.com.cn). A copy of the said announcement is attached to this announcement.

By order of the Board
Future Land Development Holdings Limited
WANG Xiaosong
Chairman

The PRC, July 24, 2019

As at the date of this announcement, the Directors are Mr. Lv Xiaoping, Mr. Qu Dejun, and Mr. Lu Zhongming as executive Directors, Mr. Wang Xiaosong and Mr. Zhang Shengman as non-executive Directors and Mr. Chen Huakang, Mr. Zhu Zengjin and Mr. Zhong Wei as independent non-executive Directors.

* *for identification only*

新城控股集团股份有限公司

第二届董事会第十八次会议决议公告

本公司董事会及全体董事保证本公告内容不存在任何虚假记载、误导性陈述或者重大遗漏，并对其内容的真实性、准确性和完整性承担个别及连带责任。

重要内容提示：

● 公司拟筹划转让部分项目公司股权及相关债权（以下简称“本轮交易”），本轮交易总额不超过 150 亿元。此次转让将进一步提高公司经营质量，优化公司资产负债结构，增强抗风险能力和经营稳健性。

● 本轮交易完成后，公司的土地储备依旧布局均衡、货值充裕，足以应对周期轮动和市场风险，保障公司未来几年内的平稳及可持续发展。

● 本轮交易完成后，新获取的净现金及公司现有货币资金将对公司其余项目的各项支出及稳定、安全运营提供保障。

一、董事会会议召开情况

（一）本次董事会会议的召开符合有关法律、行政法规、部门规章、规范性文件和公司章程的规定。

（二）根据《公司章程》第一百二十一条规定，因情况紧急，需要尽快召开董事会临时会议的，可以通过电话或者其他口头方式发出会议通知，立即召开董事会。本次董事会会议以电话及邮件形式通知召开，会议通知时间为 2019 年 7 月 24 日。

（三）第二届董事会第十八次会议以现场结合通讯表决的方式于 2019 年 7 月 24 日召开。

（四）因曲德君先生作为公司第二届董事会董事候选人，尚未经公司股东大会

审议通过选举，本次董事会会议应出席董事 8 名，实际出席会议董事 8 名（以通讯表决方式出席会议董事 5 名）。

（五）本次董事会会议由董事长王晓松先生主持，财务负责人管有冬先生及董事会秘书陈鹏先生列席本次会议。

二、董事会会议审议情况

以 8 票同意、0 票反对、0 票弃权审议通过了《关于明确公司经营策略及优化资产结构的议案》。

（一）关于明确当前公司经营策略

为适应国家对房地产市场长效机制建设的要求，响应国家关于房地产行业的政策指导，公司对当前经营策略明确如下：

1、进一步聚焦“住宅+商业”双轮驱动的长期发展战略，有计划、有步骤地优化公司资产负债结构，实现公司稳健、高质量发展，以保障公司全体投资者和相关方的利益。

2、房地产项目开发建设以客户为中心，以品质为优先，坚持为客户提供优质的产品和服务。

3、持续提升项目开发的精细化管理水平。在 2019 年度 2700 亿元销售目标的基础上，保持 2020 年及 2021 年销售规模平稳，并据此优化现有土地储备，积极回笼资金，控制负债规模。

4、持续发展投资性房地产。在 2019 年度 40 亿元租金和管理费收入的基础上，2020 年、2021 年投资性房地产的租金和管理费收入目标不低于 60 亿元和 90 亿元。

5、全面提升员工与组织的利益共享关系，建立中长期的员工激励机制，采取多种积极措施保障员工利益，实现员工与公司的共同成长。

（二）关于优化资产结构

为执行公司当前经营策略，优化公司资产负债结构，公司拟筹划转让部分项目公司股权及相关债权。

1、本轮交易计划

(1) 拟转让项目公司股权及相关债权总额为不超过 150 亿元。

(2) 拟转让项目公司股权及相关债权交易对价参考公司对项目公司的累计投入确定。

(3) 拟转让项目为公司近期公开市场新获取的纯住宅项目，项目均处于前期阶段，尚未销售。

(4) 公司将妥善安排拟转让项目公司的在职人员。

上述拟转让项目公司股权及相关债权总额为公司预计的本轮转让可能会发生的最高限额。为了提高决策效率及操作灵活性，根据《公司章程》的相关规定，在不超出以上拟转让项目公司股权及相关债权总额的前提下，提请董事会授权公司经营层具体执行该股权及相关债权转让计划，包括但不限于确定具体的交易对方、确定具体的交易方式、确定具体的交易金额、通过法律法规允许的各种方式转让相关股权及债权并签署相关协议。

2、交易产生的影响

本轮交易对公司整体经营可能产生的影响如下：

(1) 如本轮交易完成，公司可收回部分上半年已支付的土地款，公司预计可新增净现金约 150 亿元，预计可减少该部分项目当年度后续开发成本及费用支出约 30 亿元。将增加公司货币资金、改善资产负债结构，提高公司流动比率，增强偿债能力。

(2) 本轮交易完成后，新获取的净现金及公司现有货币资金将对公司其余项目的各项支出及稳定、安全运营提供保障。

(3) 2019 年上半年公司土地投资金额约为 550 亿元，扣除本轮交易拟转让部分后，2019 年上半年土地投资金额约为 400 亿元，相比去年同期增长约为 15%。

(4) 本轮交易拟转让项目的总货值约为 450 亿元，其中 2019 年可推货值约为 100 亿元、2020 年可推货值约为 250 亿元、2021 年可推货值约为 100 亿元。

(5) 本轮交易拟转让项目的交易对价参考公司对项目公司的累计投入确定，以不低于投入成本收回投资，对公司净资产不会产生不利影响。

(6) 本轮交易拟转让项目均为近期新获取、尚未销售的纯住宅项目，对目前

公司在售项目与商业综合体项目均无影响。公司 2019 年度合同销售目标仍为 2700 亿元，本轮转让项目公司股权不会对公司 2019 年度经营业绩产生较大影响。

本公告披露的相关数据为公司初步统计数据，相关数据请以公司定期报告为准。

（三）决议有效期

本轮交易决议的有效期为自本轮交易相关议案提交董事会审议通过之日起 3 个月内。

（四）独立董事意见

公司独立董事曹建新、Aimin Yan 及陈文化在仔细核查了公司明确经营策略及出售项目公司股权事项的相关资料、实施及决策程序后一致同意本次事宜，并发表如下独立意见：

1、公司本次筹划转让部分项目公司股权及相关债权，是为了充分应对当前形势，稳定市场预期，执行公司当前的经营策略，优化公司资产负债结构。本轮交易完成后，新获取的净现金及公司现有货币资金将对公司其余项目的各项支出及稳定、安全运营提供保障，有利于公司的平稳、可持续发展，符合公司及全体股东的利益。

2、本次事项的审议程序符合《公司法》等法律法规和《公司章程》的有关规定。

特此公告。

新城控股集团股份有限公司

董 事 会

二〇一九年七月二十五日