seazen
新城发展

SEAZEN GROUP LIMITED
新城發展控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1030)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2019

ANNUAL RESULTS HIGHLIGHTS

– Contracted sales were approximately RMB270,801 million, representing a year-on-year growth of approximately 22.5%;

– Rental income from Wuyue Plazas was approximately RMB4,069 million, representing a year-on-year growth of approximately 92.3%;

– Revenue was approximately RMB86,851 million, representing a year-on-year growth of approximately 58.5%;

– Net profit attributable to equity holders of the Company was approximately RMB7,812 million, representing a year-on-year increase of 15.5%;

– Core earnings* attributable to equity holders of the Company was approximately RMB6,802 million, representing a year-on-year increase of 20.1%;

– Total cash at hand** was approximately RMB65,574 million; the net debt-to-equity ratio was 38.5%;

– The contracted amount of pre-sold but not recognized properties was approximately RMB360,332 million, subject to further recognition;

– The total gross floor area ("**GFA**") of the land bank was approximately 124 million sq.m.; and

– The Board recommended a payment of final dividends of RMB31 cents per share.

* Core earnings equal to net profit less after-tax fair value gains or losses on investment properties, and exclude unrealized foreign exchange gains or losses relating to borrowings and after-tax gain on disposal of certain subsidiaries engaging in residential property management business.

** Including restricted cash.

The board (the "**Board**") of directors (the "**Directors**") of Seazen Group Limited (the "**Company**") is pleased to announce the audited consolidated financial results of the Company and its subsidiaries (the "**Group**") for the year ended 31 December 2019 together with the comparative figures for the year 2018 as follows:

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2019

	Note	**31 December 2019** *RMB'000*	31 December 2018 *RMB'000*
ASSETS			
Non-current assets			
Property, plant and equipment		**4,899,719**	3,014,910
Right-of-use assets		**191,934**	–
Investment properties		**66,182,793**	40,758,000
Intangible assets		**474,954**	539,109
Investments in associates		**7,833,878**	6,840,149
Investments in joint ventures		**11,734,122**	12,633,050
Deferred income tax assets		**3,900,916**	3,031,448
Financial assets at amortised costs		**488,996**	734,735
Financial assets at fair value through profit or loss		**581,673**	1,032,194
Goodwill		**10,260**	10,260
Land use rights		**426,306**	427,949
Trade and other receivables and prepayments	*5*	**250,654**	463,427
Total non-current assets		**96,976,205**	69,485,231
Current assets			
Prepayments for leasehold land		**578,819**	13,610,385
Properties held or under development for sale		**231,283,880**	145,596,570
Trade and other receivables and prepayments	*5*	**70,759,431**	58,906,517
Financial assets at amortised cost		**34,697**	220,001
Contract costs		**1,962,747**	1,229,533
Financial assets at fair value through other comprehensive income		**338,697**	–
Financial assets at fair value through profit or loss		**733,870**	–
Derivative financial instruments		**–**	151,475
Restricted cash		**5,882,328**	6,441,945
Cash and cash equivalents		**59,691,685**	41,213,881
Total current assets		**371,266,154**	267,370,307
Total assets		**468,242,359**	336,855,538

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONT'D)

As at 31 December 2019

	Note	**31 December 2019** ***RMB'000***	31 December 2018 *RMB'000*
EQUITY			
Equity attributable to owners of the Company			
Share capital: nominal value	*6*	**4,807**	4,813
Reserves		**24,987,914**	19,147,278
		24,992,721	19,152,091
Non-controlling interests		**32,823,080**	26,568,692
Total equity		**57,815,801**	45,720,783
LIABILITIES			
Non-current liabilities			
Borrowings	*7*	**46,997,939**	56,515,373
Lease liabilities		**58,282**	–
Deferred income tax liabilities		**4,486,053**	3,720,666
Trade and other payables	*8*	**–**	144,505
Total non-current liabilities		**51,542,274**	60,380,544
Current liabilities			
Trade and other payables	*8*	**106,303,180**	75,524,146
Advances from customers		**698,017**	435,133
Contract liabilities		**197,667,554**	118,230,992
Current income tax liabilities		**13,128,753**	9,476,038
Borrowings	*7*	**40,849,008**	24,987,790
Lease liabilities		**144,841**	–
Financial liabilities at fair value through profit or loss		**80,993**	2,069,576
Derivative financial instruments		**–**	12,478
Dividends payables		**11,938**	18,058
Total current liabilities		**358,884,284**	230,754,211
Total liabilities		**410,426,558**	291,134,755
Total equity and liabilities		**468,242,359**	336,855,538

CONSOLIDATED STATEMENT OF PROFIT OR LOSS
For the year ended 31 December 2019

	Note	Year ended 31 December 2019 RMB'000	2018 RMB'000
Revenue	9	**86,851,178**	54,780,995
Cost of sales and services	10	**(60,505,751)**	(35,723,588)
Gross profit		**26,345,427**	19,057,407
Fair value gains on investment properties		**2,438,106**	3,285,089
Fair value gains/(losses) on financial instruments at fair value through profit or loss		**131,177**	(235,790)
Selling and marketing costs	10	**(4,422,306)**	(2,374,416)
Administrative expenses	10	**(4,301,454)**	(2,650,816)
Net impairment losses on financial assets		**(146,849)**	(157,769)
Other income		**136,784**	97,929
Other expenses		**(12,650)**	(23,788)
Other gains – net		**902,282**	840,148
Operating profit		**21,070,517**	17,837,994
Finance income	11	**506,077**	229,626
Finance costs	11	**(1,845,650)**	(969,568)
Finance costs – net	11	**(1,339,573)**	(739,942)
Share of results of associates		**1,839,785**	990,068
Share of results of joint ventures		**54,442**	559,380
Profit before income tax		**21,625,171**	18,647,500
Income tax expense	12	**(9,018,982)**	(6,599,934)
Profit for the year		**12,606,189**	12,047,566
Profit for the year attributable to:			
– Equity holders of the Company		**7,812,268**	6,761,004
– Non-controlling interests		**4,793,921**	5,286,562
		12,606,189	12,047,566
Earnings per share for profit attributable to equity holders of the Company			
– Basic earnings per share	13	**RMB1.32**	RMB1.15
– Diluted earnings per share	13	**RMB1.32**	RMB1.12

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2019

	Year ended 31 December	
	2019	2018
	RMB'000	*RMB'000*
Profit for the year	**12,606,189**	12,047,566
Other comprehensive income/(loss)		
Items that may be reclassified subsequently to profit or loss		
– Currency translation differences	**(241,012)**	(304,371)
Items that may not be reclassified subsequently to profit or loss		
– Changes in fair value of financial instruments at fair value through other comprehensive income	**1,503**	10,674
Other comprehensive loss for the year, net of tax	**(239,509)**	(293,697)
Total comprehensive income for the year	**12,366,680**	11,753,869
Total comprehensive income for the year attributable to:		
– Equity holders of the Company	**7,648,137**	6,565,699
– Non-controlling interests	**4,718,543**	5,188,170
	12,366,680	11,753,869

NOTES:

1 GENERAL INFORMATION

Seazen Group Limited (formerly known as "**Future Land Development Holdings Limited**") (the "**Company**") was incorporated in the Cayman Islands on 23 April 2010 as an exempted company with limited liability under the Companies Law (2010 Revision) of the Cayman Islands. The address of its registered office is Grand Pavilion, Hibiscus Way, 802 West Bay Road, P.O. Box 31119, Grand Cayman KY1-1205, Cayman Islands.

The principal activities of the Company and its subsidiaries (together, the "**Group**") are property development and property investment in the People's Republic of China (the "**PRC**"). The Company's parent company is Wealth Zone Hong Kong Investments Limited ("**Wealth Zone Hong Kong**") and the Company's ultimate holding company is First Priority Group Limited, both of which are incorporated in the British Virgin Islands. The ultimate controlling party of the Group is Mr. Wang Zhenhua ("**Mr. Wang**" or the "**Controlling Shareholder**").

To prepare for the initial listing of the Company's shares on the Main Board of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**"), the Group has undertaken a reorganisation (the "**Reorganisation**") pursuant to which the Company became the holding company of the subsidiaries comprising the Group. Details of the Reorganisation are set out in the prospectus of the Company dated 19 November 2012.

The Company's shares began to list on the Main Board of the Stock Exchange on 29 November 2012 (the "**Listing**").

The consolidated financial statements are presented in thousands of Renminbi ("**RMB'000**"), unless otherwise stated.

The annual results set out in this announcement do not constitute the Group's consolidated financial statements for the year ended 31 December 2019 but are extracted from those financial statements.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

(i) Compliance with HKFRS and HKCO

The consolidated financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards ("**HKFRSs**") issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**") and disclosure requirements of the Hong Kong Companies Ordinance Cap. 622 ("**HKCO**").

(ii) Historical cost convention

The consolidated financial statements have been prepared under the historical cost convention, as modified by the revaluation of financial assets and financial liabilities (including derivative instruments) at fair value through profit or loss, financial assets at fair value through other comprehensive income and investment properties, which are carried at fair value.

(iii) New standard, amendments and interpretation adopted by the Group in 2019

A number of new standard, amendments and interpretation became applicable for the current reporting period and the Group changed its accounting policies and make adjustments as a result of adopting these new standard, amendments and interpretation set out below:

- HKFRS 16 – "Leases"
- HK (IFRIC) Interpretation 23 – "Uncertainty over Income Tax Treatments"
- Amendments to HKFRS 9 – Regarding prepayment features with negative compensation
- Amendments to HKAS 28 – Regarding long-term interests in associates and joint ventures
- Amendments to HKAS 19 – Regarding plan amendment, curtailment or settlement
- Amendments improvement to HKFRSs – Annual Improvements to HKFRS Standards 2015-2017 Cycle

The Group also elected to adopt the following amendments early.

- Amendments to HKFRS 3 – Regarding definition of a business

The effects of the adoption of HKFRS 16 and HKFRS 3 are disclosed in Note 3. The other amendments and interpretation described above are either currently not relevant to the Group or had no material impact on the Group's financial statements.

(iv) ***Impact of new standard and amendments issued but not yet adopted by the Group***

Certain new accounting standard and amendments have been published but are not mandatory for 31 December 2019 reporting period and have not been early adopted by the Group except for amendments to HKFRS 3 regarding definition of a business. The other yet-to-be adopted new standard and amendments are not expected to have a material impact on the Group's financial statements when they become effective.

3 CHANGE IN ACCOUNTING POLICIES

This note explains the impact of the adoption of HKFRS 16 "Leases" and amendments to HKFRS 3 regarding definition of a business on the Group's consolidated financial statements and also discloses the new accounting policies that have been applied from 1 January 2019, where they are different to those applied in prior periods.

3.1 Adoption of HKFRS 16

The Group has adopted HKFRS 16 from 1 January 2019, but has not restated comparatives for the 2018 reporting period, as permitted under the specific transitional provisions in the standard. The reclassifications and the adjustments arising from the new leasing rules are therefore recognised in the opening financial position on 1 January 2019.

3.1.1 Adjustments recognised on adoption of HKFRS 16

On adoption of HKFRS 16, the Group recognised lease liabilities in relation to leases which had previously been classified as "operating leases" under the principles of HKAS 17 "Leases". These liabilities were measured at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate as of 1 January 2019. The weighted average of lessee's incremental borrowing rate applied to the lease liabilities on 1 January 2019 was 6.63%.

	2019 ***RMB'000***
Operating lease commitments disclosed as at 31 December 2018	**409,631**
Less: short-term and low-value leases to be recognised on a straight-line basis as expenses	**(188,569)**
	221,062
Discounted using the lessee's incremental borrowing rate at the date of initial application, representing additional lease liabilities recognised as at 1 January 2019	**183,294**
Of which are:	
Current lease liabilities	**153,996**
Non-current lease liabilities	**29,298**
	183,294

The associated right-of-use assets were measured at the amount equal to the respective lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the statement of financial position as at 31 December 2018. There were no onerous lease contracts that would have required an adjustment to the right-of-use assets at the date of initial application.

The recognised right-of-use assets relate to the following types of assets:

	31 December 2019	1 January 2019
	RMB'000	*RMB'000*
Property, plant and equipment	**191,934**	215,512
Total right-of-use assets	**191,934**	215,512

The change in accounting policy affected the following items in the statement of financial position on 1 January 2019:

- right-of-use assets – increased by RMB215,512,000
- current lease liabilities – increased by RMB153,996,000
- non-current lease liabilities – increased by RMB29,298,000
- trade and other receivables and prepayments – decreased by RMB32,218,000

There is no impact on retained earnings as at 1 January 2019.

(a) *Impact on segment disclosures and earnings per share*

Adjusted segment assets and segment liabilities for 31 December 2019 all increased as a result of the change in accounting policy. The following segments were increased/(decreased) by the change in policy:

	Segment profit	**Segment assets**	**Segment liabilities**
	RMB'000	***RMB'000***	***RMB'000***
A share companies	(10,670)	189,416	197,418
Non-A share companies	(2,055)	3,675	3,906
	(12,725)	193,091	201,324

There is no material impact for earnings per share for the year ended 31 December 2019 as a result of the adoption of HKFRS 16.

(b) *Practical expedients applied*

In applying HKFRS 16 for the first time, the Group has used the following practical expedients permitted by the standard:

- the use of a single discount rate to a portfolio of leases with reasonably similar characteristics;
- reliance on previous assessments on whether leases are onerous;
- the accounting for operating leases with a remaining lease term of less than 12 months as at 1 January 2019 as short-term leases;
- the exclusion of initial direct costs for the measurement of the right-of-use asset at the date of initial application; and
- the use of hindsight in determining the lease term where the contract contains options to extend or terminate the lease.

The Group has also elected not to reassess whether a contract is, or contains a lease at the date of initial application. Instead, for contracts entered into before the transition date the Group relied on its assessment made applying HKAS 17 and HK (IFRIC) Interpretation 4 "Determining whether an Arrangement contains a Lease".

3.1.2 The Group's leasing activities and how these are accounted for

The Group leases various offices and shopping malls. Rental contracts are typically made for fixed periods of 1 to 7 years but may have extension options. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants, but leased assets may not be used as security for borrowing purposes.

Until the 2018 financial year, leases of property, plant and equipment were classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) were charged to profit or loss on a straight-line basis over the period of the lease.

From 1 January 2019, leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Group. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The right-of-use asset is amortised over the shorter of the asset's useful life and the lease term on a straight-line basis.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable
- variable lease payment that are based on an index or a rate, initially measured using the index or rate as at the commencement date
- amounts expected to be payable by the Group under residual value guarantees
- the exercise price of a purchase option if the Group is reasonably certain to exercise that option, and
- payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Group, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability
- any lease payments made at or before the commencement date less any lease incentives received
- any initial direct costs, and
- restoration costs.

Payments associated with short-term leases of equipment and vehicles and leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise IT-equipment and small items of office furniture.

3.1.3 Adoption of amendments to HKFRS 3 – Regarding definition of a business

The Group elected to adopt the "Amendments to HKFRS 3 – Definition of a Business" from 1 January 2019.

The definition of a business was amended. To be considered a business, an acquisition would have to include an input and a substantive process that together significantly contribute to the ability to create outputs. The new guidance provides a framework to evaluate when an input and a substantive process are present. The new model also introduces an optional concentration test that, if met, eliminates the need for further assessment.

Concentration test

Under the concentration test, the Group considers whether substantially all of the fair value of the gross assets acquired is concentrated in a single asset (or a group of similar assets). If so, the assets acquired would not represent a business and no further analysis is required. Gross assets acquired exclude cash, deferred tax assets and any goodwill that results from the effects of deferred tax liabilities. The fair value of the gross assets acquired can usually be determined based on the consideration transferred (plus the fair value of any non-controlling interest and previously held interest, if any) plus the fair value of any liabilities assumed, other than deferred tax liabilities. In order to compare like with like, any items excluded from the "gross assets acquired" would also be excluded from the fair value of gross assets acquired calculation.

The Group carefully considers the specific facts and circumstances, including class of property and location when concluding whether assets purchased in a transaction are similar. A group of properties are not similar if they have significantly different risk characteristics.

Amended definition of business

The amended HKFRS 3 requires a business to include, as a minimum, an input and a substantive process that together significantly contribute to the ability to create output. Outputs are defined as "the results of inputs and processes applied to those inputs that provide goods or services to customers, generate investment income (such as dividends or interest) or generate other income from ordinary activities".

If there is no outputs, an acquired process is considered substantive where:

- the process is critical in converting an acquired input to an output;
- the inputs acquired include an organized workforce that has the necessary skills, knowledge and experience to perform that process; and
- other inputs are acquired that can be developed or converted into outputs by the organized workforce, for example, intellectual property, other economic resources that could be developed to create outputs, or rights to obtain materials or that enable future output to be created.

If outputs exist, an acquired process is considered substantive where, either:

- the process is critical in continuing to produce outputs, and the input includes an organized workforce with the necessary skills, knowledge or experience to perform that process; or
- the process significantly contributes to the ability to continue to produce outputs and is unique or scarce or cannot be replaced without significant cost.

The early adoption of the amendments to HKFRS 3 does not have material impact on the Group's beginning retained earnings, nor is its profit for the year ended 31 December 2019 affected. Nevertheless, it resulted in more acquisitions accounted for as asset acquisition.

4 SEGMENT INFORMATION

Management has determined the operating segments based on the reports reviewed by the chief operating decision maker (the "**CODM**") that are used to make strategic decisions. The board of directors has been identified as the CODM.

The Group manages its business by two operating segments, which is consistent with the way in which information is reported internally to the Group's CODM for the purpose of resources allocation and performance assessment. No operating segments have been aggregated to form the following reportable segments.

- Seazen Holdings Co., Ltd, (formerly known as "Future Land Holdings Co., Ltd.") a company listed on the Shanghai Stock Exchange (the "**A share company**" or "**Seazen Holdings**").

- Other service companies not within the A share company (the "**Non-A share companies**").

The A share company is mainly engaged in development of residential properties and mixed-use complexes for sale and investment, while the Non-A share companies are mainly engaged in businesses such as services. Corporate expenses are also primarily included in the Non-A share companies. All the property development projects are in the PRC, and accordingly majority of the revenue of the Group are derived from the PRC and most of the assets are located in the PRC.

The CODM assesses the performance of the operating segments based on a measure of revenue and profit before income tax. The measurement basis excludes the effects of income tax expense.

The segment information for 2019 has incorporated the impact of HKFRS 16 "Leases" which became effective on 1 January 2019 but as permitted by the leasing standard, the comparative information for 2018 has not been restated. Please refer to Note 3.1.1 (b) for more details.

	Year ended 31 December 2019				
	A share company *RMB'000*	**Non-A share companies** *RMB'000*	**Total segment** *RMB'000*	**Elimination** *RMB'000*	**Total Group** *RMB'000*
Segment revenue	**85,847,041**	**1,126,573**	**86,973,614**	**(122,436)**	**86,851,178**
– At a point in time	**80,862,931**	**648,766**	**81,511,697**	**(4,472)**	**81,507,225**
– Over time	**2,617,878**	**477,807**	**3,095,685**	**(48,545)**	**3,047,140**
– Rental income	**2,366,232**	**–**	**2,366,232**	**(69,419)**	**2,296,813**
Segment profit/(loss) before income tax expense	**22,397,782**	**1,693,251**	**24,091,033**	**(2,465,862)***	**21,625,171**
Fair value gains on investment properties	**2,550,616**	**–**	**2,550,616**	**(112,510)**	**2,438,106**
Finance income	**455,410**	**474,183**	**929,593**	**(423,516)**	**506,077**
Finance costs	**(1,205,912)**	**(1,063,254)**	**(2,269,166)**	**423,516**	**(1,845,650)**
Depreciation and amortisation	**(397,689)**	**(286,040)**	**(683,729)**	**–**	**(683,729)**
Share of results of associates	**1,822,444**	**17,341**	**1,839,785**	**–**	**1,839,785**
Share of results of joint ventures	**54,722**	**(280)**	**54,442**	**–**	**54,442**

* The elimination represents mainly the dividends declared by the A share company.

A reconciliation to profit for the year is as follows:

Total segment profits before income tax expense after elimination	21,625,171
Income tax expense	(9,018,982)
Profit for the year	12,606,189

	As at 31 December 2019				
	A share company *RMB'000*	**Non-A share companies** *RMB'000*	**Total segment** *RMB'000*	**Elimination** *RMB'000*	**Total Group** *RMB'000*
Segment assets	**462,110,081**	**15,676,802**	**477,786,883**	**(9,544,524)**	**468,242,359**
Segment assets include:					
Investments in associates	**7,266,384**	**3,388,341**	**10,654,725**	**(2,820,847)***	**7,833,878**
Investments in joint ventures	**11,622,254**	**111,868**	**11,734,122**	**–**	**11,734,122**
Additions to non-current assets (other than financial instruments and deferred tax assets)	**25,427,978**	**868,660**	**26,296,638**	**–**	**26,296,638**
Segment liabilities	**400,174,770**	**14,995,313**	**415,170,083**	**(4,743,525)**	**410,426,558**

* The elimination represents mainly the Non-A's associate interests in companies controlled by the A share company.

	Year ended 31 December 2018				
	A share company *RMB'000*	Non-A share companies *RMB'000*	Total segment *RMB'000*	Elimination *RMB'000*	Total Group *RMB'000*
Segment revenue	54,133,311	716,791	54,850,102	(69,107)	54,780,995
– At a point in time	51,096,362	374,724	51,471,086	(4,381)	51,466,705
– Over time	1,753,593	342,067	2,095,660	(24,229)	2,071,431
– Rental income	1,283,356	–	1,283,356	(40,497)	1,242,859
Segment profit/(loss) before income tax expense	19,094,619	792,840	19,887,459	(1,239,959)*	18,647,500
Fair value gains on investment properties	3,285,089	–	3,285,089	–	3,285,089
Finance income	186,680	509,021	695,701	(466,075)	229,626
Finance costs	(922,778)	(512,865)	(1,435,643)	466,075	(969,568)
Depreciation and amortisation	(264,079)	(180,498)	(444,577)	–	(444,577)
Share of results of associates	951,683	38,385	990,068	–	990,068
Share of results of joint ventures	560,039	(659)	559,380	–	559,380

* The elimination represents mainly the dividends declared by the A share company.

A reconciliation to profit for the year is as follows:

Total segment profits before income tax expense after elimination	18,647,500
Income tax expense	(6,599,934)
Profit for the year	12,047,566

	As at 31 December 2018				
	A share company *RMB'000*	Non-A share companies *RMB'000*	Total segment *RMB'000*	Elimination *RMB'000*	Total Group *RMB'000*
Segment assets	330,318,417	14,718,956	345,037,373	(8,181,835)	336,855,538
Segment assets include:					
Investments in associates	6,288,449	5,031,770	11,320,219	(4,480,070)*	6,840,149
Investments in joint ventures	12,520,106	112,944	12,633,050	–	12,633,050
Additions to non-current assets (other than financial instruments and deferred tax assets)	16,160,864	193,275	16,354,139	–	16,354,139
Segment liabilities	279,361,543	13,996,032	293,357,575	(2,222,820)	291,134,755

* The elimination represents mainly the Non-A's associate interests in companies controlled by the A share company.

5 TRADE AND OTHER RECEIVABLES AND PREPAYMENTS

	As at 31 December	
	2019	2018
	RMB'000	*RMB'000*
Trade accounts receivables	**648,824**	309,362
Notes receivables	**39,883**	89,605
Total trade receivables	**688,707**	398,967
Less: Impairment losses	**(6,488)**	(3,094)
Trade receivables – net	**682,219**	395,873
Prepayments		
– Prepaid income tax and land appreciate tax	**8,915,633**	5,145,787
– Prepaid value-added tax and input VAT to be deducted	**12,573,262**	6,197,867
– Prepaid surcharges and other taxes	**664,426**	344,843
– Prepayments for construction costs	**371,622**	560,693
– Others	**500,490**	723,146
	23,025,433	12,972,336
Receivables from government related bodies		
– Earnest money for reconstructing villages	**621,810**	2,300,000
– Tender deposits	**1,119,490**	345,000
– Advanced proceeds received from customers deposited with a government designated entity	**2,203,379**	187,759
– Government issued coupon for house buyers	**199,226**	294,478
– Deposits with public housing fund centres	**283,037**	140,923
– Deposits with property maintenance	**249,325**	183,340
– Others	**1,181,362**	1,557,689
	5,857,629	5,009,189
Less: Impairment losses	**(5,858)**	(5,009)
	5,851,771	5,004,180
Due from related parties	**22,571,773**	24,350,112
Less: Impairment losses for a particular item	**(148,197)**	–
	22,423,576	24,350,112
Less: Impairment losses for other items	**(211,861)**	(243,501)
	22,211,715	24,106,611
Receivables from joint ventures partners	**1,927,279**	5,636,983
Receivables from non-controlling shareholders of subsidiaries	**14,650,229**	9,983,992
	16,577,508	15,620,975

	As at 31 December	
	2019	2018
	RMB'000	*RMB'000*
Less: Impairment losses	**(165,775)**	(156,210)
	16,411,733	15,464,765
Receivables from others		
– Lending to an investee	**250,241**	390,485
– Other deposits	**1,042,785**	121,901
– Others	**1,581,698**	944,819
	2,874,724	1,457,205
Less: Impairment losses for a particular item	**(18,952)**	(16,620)
	2,855,772	1,440,585
Less: Impairment losses for other items	**(28,558)**	(14,406)
	2,827,214	1,426,179
Total trade and other receivables and prepayments	**71,595,774**	59,808,784
Less: Total impairment losses	**(585,689)**	(438,840)
	71,010,085	59,369,944
Less: Non-current portion	**(250,654)**	(463,427)
Current portion	**70,759,431**	58,906,517

The aging of trade receivables and notes receivables based on the invoice date as at 31 December 2019 and 2018 are as follows:

	As at 31 December	
	2019	2018
	RMB'000	*RMB'000*
Less than 1 year	**588,928**	367,084
Between 1 and 2 years	**91,714**	31,883
Between 2 and 3 years	**8,065**	–
	688,707	398,967

The maximum exposure to credit risk at 31 December 2019 and 2018 is the carrying value of each class of receivables mentioned above. The Group does not hold any collateral security.

As at 31 December 2019 and 2018, the fair value of trade and other receivables approximate their carrying amounts.

As at 31 December 2019 and 2018, the carrying amounts of trade and other receivables and prepayments are primarily denominated in RMB.

6 SHARE CAPITAL

(a) Authorised shares

	Number of authorised shares *HKD share*
As at 1 January 2018, 31 December 2018, and 31 December 2019	10,000,000,000

(b) Issued shares

	Number of issued shares *HKD0.001 each*	Ordinary shares *RMB'000*
Opening balance as at 1 January 2019	5,907,000,000	4,813
Cancellation of shares (i)	(8,000,000)	(6)
Closing balance as at 31 December 2019	5,899,000,000	4,807

(i) During the year ended 31 December 2019, the Company cancelled 8,000,000 shares, which was bought back at the cost of HKD39,194,000 (equivalent to RMB34,793,000 approximately).

7 BORROWINGS

	As at 31 December	
	2019 ***RMB'000***	2018 *RMB'000*
Non-current, secured:		
– Bank loans and non-bank financial institutions	**29,993,247**	30,360,065
– Trust financing arrangements	**4,406,800**	3,576,239
– Senior notes	**7,976,092**	4,408,200
– Guaranteed senior notes	**12,716,031**	8,067,678
– Asset backed notes	**2,080,750**	2,100,000
	57,172,920	48,512,182
Non-current, unsecured:		
– Middle term notes	**8,500,000**	6,500,000
– Private placement notes	**4,500,000**	4,500,000
– Corporate bonds	**6,419,845**	11,193,345
	19,419,845	22,193,345
Less: Current portion of long-term borrowings	**(29,594,826)**	(14,190,154)
	46,997,939	56,515,373

	As at 31 December	
	2019	2018
	RMB'000	*RMB'000*
Current, secured:		
– Bank loans and non-bank financial institutions	**1,946,615**	1,339,067
– Trust financing arrangements	**2,839,110**	2,212,060
– Guaranteed senior notes	**2,091,910**	2,058,022
– Asset backed notes	**1,480,000**	–
– Financing under securitisation arrangements	**1,593,000**	1,811,800
	9,950,635	7,420,949
Current, unsecured:		
– Bank loans	**134,370**	136,687
– Corporate bonds	**1,169,177**	840,000
– Short-term commercial paper	**–**	2,400,000
	1,303,547	3,376,687
Current portion of long-term borrowings	**29,594,826**	14,190,154
	40,849,008	24,987,790

8 TRADE AND OTHER PAYABLES

	As at 31 December	
	2019	2018
	RMB'000	*RMB'000*
Trade payables	**36,785,256**	26,291,978
Notes payable	**4,267,825**	1,680,056
Payables to related parties	**30,599,865**	31,415,600
Payables for acquisition of subsidiaries, joint ventures and associates	**1,145,549**	1,215,328
Advances from non-controlling shareholders of subsidiaries	**3,464,387**	5,812,882
Accrued payroll	**1,827,052**	1,360,853
Amounts received for potential investments in property projects	**2,217,980**	1,679,451
Value-added and other taxes payable	**2,120,176**	1,623,750
Deposits for construction biddings and rental deposits	**2,511,944**	1,506,274
Interest payable	**1,371,484**	1,212,088
Others	**19,991,662**	1,870,391
	106,303,180	75,668,651
Less: Non-current portion	**–**	(144,505)
Current portion	**106,303,180**	75,524,146

The aging analysis of trade payables and notes payable based on the invoice date as at 31 December 2019 and 2018 are as follows:

	As at 31 December	
	2019	2018
	RMB'000	*RMB'000*
Less than 1 year	**39,101,037**	23,829,427
Between 1 and 2 years	**914,412**	3,479,076
Between 2 and 3 years	**487,357**	593,155
Over 3 years	**550,275**	70,376
	41,053,081	27,972,034

As at 31 December 2019 and 2018, the fair value of trade and other payables approximate their carrying amounts.

As at 31 December 2019 and 2018, the carrying amounts of trade and other payables are primarily denominated in RMB.

9 REVENUE

Revenue of the Group consists of the following for the years ended 31 December 2019 and 2018:

	Year ended 31 December	
	2019	2018
	RMB'000	*RMB'000*
Revenue from contract with customers recognised at a point in time		
A share company		
– Sales of properties	**80,322,329**	50,838,235
– Others services	**540,602**	258,127
Non-A share company		
– Others services	**644,294**	370,343
	81,507,225	51,466,705
Revenue from contract with customers recognised over time		
A share company		
– Commercial property management services	**1,640,085**	905,831
– Others services	**929,248**	823,533
Non-A share company		
– Others services	**477,807**	342,067
	3,047,140	2,071,431
Rental income	**2,296,813**	1,242,859
	86,851,178	54,780,995

10 EXPENSES BY NATURE

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

	Year ended 31 December	
	2019	2018
	RMB'000	*RMB'000*
Land use rights costs	**19,875,924**	11,799,749
Construction costs	**26,955,905**	15,935,062
Capitalised interest	**8,714,263**	5,154,272
Tax and surcharges	**357,855**	327,362
Provision for impairment of properties held or under development for sale	**939,796**	263,684
Depreciation of property, plant and equipment	**536,820**	397,925
Amortisation of right-of-use assets, intangible assets and land use rights	**146,909**	46,652
Bank charges	**141,643**	123,228
Staff costs	**5,495,655**	3,248,609
Entertainment expenses	**322,400**	202,863
Stamp duty and other taxes	**689,800**	334,662
Professional fees	**198,108**	138,050
Auditors' remuneration		
– annual audit and interim review of the Group	**2,400**	2,400
– annual audit of the A share company charged by its auditor	**5,200**	4,200
– non-audit services	**2,530**	1,041
Sales commission	**956,204**	287,088
Advertising and publicity costs	**1,634,600**	1,027,253
Rental expenses of low value and short term lease	**21,761**	187,313
Travelling expenses	**319,475**	226,278
Other expenses	**1,912,263**	1,041,129
Total cost of sales and services, selling and marketing expenses and administrative expenses	**69,229,511**	40,748,820

11 FINANCE INCOME AND COSTS

	Year ended 31 December	
	2019	2018
	RMB'000	*RMB'000*
Finance costs		
– Interest on borrowings	**(6,100,222)**	(4,025,386)
– Interest on proceeds from pre-sale to customers	**(9,071,450)**	(5,360,337)
– Interest and finance charges paid/payable for lease liabilities	**(8,251)**	–
– Less: Interest capitalised	**13,595,153**	8,850,411
	(1,584,770)	(535,312)
– Net foreign exchange losses	**(260,880)**	(434,256)
Total finance costs	**(1,845,650)**	(969,568)
Finance income		
– Interest income on bank deposits	**506,077**	229,626
Net finance costs	**(1,339,573)**	(739,942)

12 INCOME TAX EXPENSE

	Year ended 31 December	
	2019	2018
	RMB'000	*RMB'000*
Current income tax		
– PRC land appreciation tax	**4,584,788**	2,851,589
– PRC corporate income tax	**4,709,847**	3,729,925
	9,294,635	6,581,514
Deferred income tax	**(275,653)**	18,420
Total income tax charged for the year	**9,018,982**	6,599,934

Hong Kong profits tax

Hong Kong profits tax has been provided at 16.5% for as the Group has assessable profits in Hong Kong during the year (2018: 16.5%).

PRC corporate income tax

Under the Corporate Income Tax Law of the PRC (the "**CIT Law**"), the CIT rate applicable to the Group's subsidiaries located in mainland China is 25%.

The CIT Law and its implementation rules impose a withholding tax at 10% for dividends distributed by a PRC-resident enterprise to its immediate holding company outside the PRC for earnings generated beginning 1 January 2008 and undistributed earnings generated prior to 1 January 2008 are exempted from such withholding tax. A lower 5% withholding tax rate may be applied when the immediate holding companies are established in Hong Kong according to the tax treaty arrangement between the PRC and Hong Kong. For the year ended 31 December 2019, the Group accrued for PRC withholding tax based on the tax rate of 5% on a portion of the earnings generated by its PRC entities. The Group controls the dividend policies of these subsidiaries and it has been determined that it is probable that a majority of these earnings will not be distributed in the foreseeable future.

Land appreciation tax

PRC land appreciation tax is levied at progressive rates ranging from 30% to 60% on the appreciation of land value, being the proceeds from sales of properties less deductible expenditures including lease charges for land use rights and all property development expenditures, and is included in the consolidated statement of profit or loss as income tax expense.

13 EARNINGS PER SHARE

Basic earnings per share for the year is calculated by dividing the profit of the Group attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the year.

	Year ended 31 December	
	2019	2018
Consolidated profit attributable to equity holders of the Company (RMB'000)	**7,812,268**	6,761,004
Weighted average number of ordinary shares in issue ('000)	**5,899,000**	5,903,687
Basic earnings per share (RMB)	**1.32**	1.15

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. The Company has share options outstanding for the year ended 31 December 2019. However they are antidilutive for the year ended 31 December 2019.

	Year ended 31 December	
	2019	2018
Consolidated profit attributable to ordinary equity holders of the Company (RMB'000)	**7,812,268**	6,761,004
Add: interest savings of convertible bonds (RMB'000)	**–**	58,746
Consolidated profit attributable to equity holders of the Company in calculating diluted earnings per share (RMB'000)	**7,812,268**	6,819,750
Weighted average number of ordinary shares in issue ('000)	**5,899,000**	5,903,687
Add: maximum conversion ('000)	**–**	205,933
Weighted average number of ordinary shares in issue and potential ordinary shares used as the denominator in calculating diluted earnings per share ('000)	**5,899,000**	6,109,620
Diluted earnings per share (RMB)	**1.32**	1.12

14 DIVIDENDS

	Year ended 31 December	
	2019	2018
	RMB'000	*RMB'000*
Proposed final dividend of RMB0.31 (2018: RMB0.3) per ordinary share	**1,925,100**	1,769,700
Special dividend (2018: HKD: 7 cents per ordinary share)	**–**	367,894

No interim dividend was declared during the year (2018: Nil).

At a Board meeting held on 27 March 2020, the directors proposed a final dividend for 2019 of RMB0.31 per ordinary share using the share premium account and the retained earnings account. This proposed dividend is not reflected as a dividend payable in the financial statements, but will be reflected as an appropriation of reserves for the year ending 31 December 2020 upon approval by the shareholders at the forthcoming annual general meeting of the Company.

A final dividend in respect of 2018 of RMB0.3 per ordinary share, amounting to RMB1,769,700,000, was approved at the annual general meeting of the Company held on 8 May 2019. The dividend is reflected as an appropriation of share premium and retained earnings for the year ended 31 December 2019. As of 31 December 2019, such final dividend had been fully paid.

15 EVENTS AFTER THE BALANCE SHEET DATE

(a) On 15 January 2020, New Metro Global Limited, one of the subsidiaries of the Group, issued USD350,000,000, 6.8% senior notes due 2023 guaranteed by the Company. In addition, on 9 March 2020, the Company's subsidiary, the A share company, issued a three year corporate bond of RMB600,000,000, at an interest rate of 5.10% per annum.

(b) On 14 January 2020, the Company entered into a placing agreement with the vendors and the placing agents in relation to the placing of 311,000,000 ordinary shares at a placing price of HK$8.78 per share. On 21 January 2020, the share placing was completed.

(c) On 16 February 2020, the Company repaid its US$350,000,000 5.0% senior notes when it fell due.

(d) Since early 2020, the epidemic of Coronavirus Disease 2019 (the "COVID-19 outbreak") has spread across China and other countries, and it has affected business and economic activities to some extent. There is no impact to the Group for the year ended 31 December 2019.

In January 2020, the Group announced that rental and management fee charge would be deducted in half for tenants leasing the Group's investment properties for the period from 25 January 2020 to 31 March 2020. Based on the relevant lease contracts, it is estimated that the concession will result in approximately RMB500 million lower rental and management fee income for the Group.

As at 31 December 2019, book value of the Group's investment properties amounted to RMB66,182,793,000. The Group measures its investment properties using fair value model. Fair value of the investment properties may be affected by the COVID-19 outbreak in the future.

As at 31 December 2019, book value of the Group's properties held or under development for sale amounted to RMB232,513,480,000. Properties held or under development for sale was measured at lower of cost or net realizable value. Net realizable value of properties held or under development for sale may be affected by the COVID-19 outbreak in the future.

The Group will pay close attention to the development of the COVID-19 outbreak and evaluate its impact on the financial position and operating results of the Group. As at the date on which the consolidated financial statements were authorised for issue, the Group is still under assessment on the consolidated financial statements for subsequent periods as a result of the COVID-19 outbreak.

MANAGEMENT DISCUSSION AND ANALYSIS

Review

In 2019, the central government tightened its control over the real estate market. The central government strongly reiterated that "homes are for living in, not for speculation", and stated that real estate should not be used as a short-term means of stimulating the economy, so as to prevent the inclination towards financialization of commercial apartments and housing bubble. In addition, the central government has taken various economic measures, especially by giving credit in the form of financial instruments, to push ahead with the establishment of a long-term mechanism, which would ensure the steady and healthy development of the property market.

All our staff worked together and overcame risks and challenges under the guidance of the two-pronged strategy of "residential plus commercial properties" development. While maintaining the steady growth of results, we promoted the high quality development of our organization, the rapid upgrade of the building of systems and the achievement of various performance targets. In 2019, the Group achieved contracted sales of approximately RMB270,801 million, representing a year-on-year increase of 22.5%, and maintained its national ranking as 8th in respect of sales amount. The Group recorded commercial rental income of approximately RMB4,069 million, representing a year-on-year growth of 92.3%, and maintained its nationwide leading position in the ranking based on the scale of commercial plazas and rental income.

In 2019, the Group built on the advantages from residential and commercial properties which are mutually complementary and synergize with each other, thus creating a core competitive edge for sustainable development in the future.

Efficient operation of residential property development and a solid foundation with improved quality and efficiency

During the year, based on its strategy of focusing on regional development, the Group prioritized operations, adopted a high-quality and high-turnover model, and benefited from its competitiveness from economies of scale. The Group has achieved a contracted sales revenue of approximately RMB270.8 billion by launching over 380 projects in 102 cities. Among these, two of our regional companies in Suzhou and Sunan have respectively contributed sales of over RMB20 billion. Six regional companies in Shanghai, Nanjing, Hangzhou, Beijing, Tianjin, and Ningbo have contributed with respective contracted sales of over RMB10 billion. In addition, 10 regional companies have contributed with respective sales of over RMB5 billion. While exploiting the demand from city markets where we have presence and increase the market share year by year, the Group further expanded its coverage in popular first-tier and second-tier cities, including Beijing, Tianjin, Changsha and Kunming, with 72 newly acquired projects and additional land reserves that cover a GFA of approximately 25.08 million sq.m. Such moves have further solidified the Group's regional coverage and ensured the sustainability of its medium- to long-term development. As of 31 December 2019, the Group's land reserves have covered 105 cities nationwide, with a total land bank GFA of 124 million sq.m., providing sufficient saleable resources for maintaining stable development in the future.

With "100 malls in 100 cities" progressing rapidly, Wuyue Plazas stand firmly in the commercial sector

In 2019, the Group continued to speed up the expansion of Wuyue Plazas by obtaining 24 Wuyue Plazas, and opening a total of 21 Wuyue Plazas throughout the year, accumulated to opening a total of 63 Wuyue Plazas by the end of the year with an overall occupancy rate of over 99%. The Group recorded a rental income of approximately RMB4.07 billion. The expansion further improved the "Wuyue" brand and the nationwide layout and also secured stable profit for the Group. As at the date of this annual results announcement, the Group had a total of 124 Wuyue Plazas in 80 cities across the country, ranking top in the industry in terms of commercial projects and area under management.

Prospects

At the beginning of 2020, China was at the forefront of the impact of the COVID-19 epidemic. Most industries came across unprecedented crises and their normal operations were disrupted. The Group promptly responded to the call of the government and upheld its social responsibilities through donation and rental reduction in support of the safety of frontline healthcare workers. We also worked with our Wuyue Plaza merchants to overcome current difficulties. Despite the daunting challenges posed by the epidemic, the Group still firmly believes that we will stay united, turn the corner and overcome the epidemic under the leadership of the central government. The Group will pay close attention to the risks and opportunities brought about by the epidemic, and spare no efforts to achieve all our performance targets in 2020. Meanwhile, we will make up for business shortcomings resulting from the emergency, and stay alert on the changes in the industry model and further development opportunities.

As the industry has reached its peak and entered a plateau with increasing concentration, how to maintain high-quality, stable and sustainable growth in the future will be the main concern for the Group. In 2020, the Group will fully optimize its own investment level, operation capabilities, marketing methods, product quality, service coordination, organizational support mechanism, and accelerate the construction of information technology to ultimately achieve greater levels of profitability. The Group will maintain calm and objective judgements on the external environment, focus on the "residential + commercial" long-term development strategy supported by the two-pronged "residential plus commercial properties" model, spare no effort in reducing the adverse impact of the COVID-19 epidemic on the Company's residential property sales and business operations, and constantly adjust its strategies in response to changes in the market in a timely manner.

For 2020, the Group's target for contracted sales is RMB250 billion, with a plan to add 30 new Wuyue Plazas, and a target for rental income at RMB5.5 billion, which we are confident and will make all efforts to meet.

As a comprehensive developer with nationwide presence, the Group consistently upholds its mission of "Happy Home, Happy Life." The Group is committed to bringing happiness to more customers by continuously satisfying the needs of customers' pursuit of a better life through its professional product innovation capability. In 2020, the Group will continue to adhere to its original aspirations, engage in responsible decision-making and actions, and constantly strive to become an industry-leading and sustainable enterprise that is built to last.

Property Development

In 2019, the Group recorded contracted sales of approximately RMB270,801 million, representing an increase of 22.5% as compared with 2018. Contracted sales was approximately 24.32 million sq.m. in gross floor area ("**GFA**"), representing an increase of 34.2% over 2018. A total of 102 cities across the country has contributed to our contracted sales. The aggregate contracted selling price (excluding carparks sales) for the year was RMB11,703 per sq.m.

Table 1: Details of contracted sales of the Group in 2019

The following table sets out the geographic breakdown of the Group's contracted sales* in 2019:

City/Region	**Contracted GFA sold** *(sq.m.)*	**Contracted sales** *(RMB million)*
Yangtze River Delta Area		
Changzhou	1,270,610	19,740
Suzhou	911,348	13,580
Shanghai	216,360	11,753
Nantong	674,411	9,117
Shaoxing	626,100	8,676
Wenzhou	350,007	7,479
Yancheng	667,692	6,282
Nanjing	213,085	6,156
Jiaxing	368,162	5,511
Hefei	354,836	5,041
Suqian	579,220	4,568
Huai'an	556,467	4,403
Hangzhou	183,476	4,229
Lianyungang	399,562	3,685
Taizhou	250,756	3,510
Ningbo	239,422	3,242
Huzhou	224,853	3,121
Taizhou	292,644	3,032
Wuxi	246,633	3,021
Jinhua	275,882	2,890
Xuzhou	306,719	2,609
Zhenjiang	245,803	2,447

City/Region	Contracted GFA sold *(sq.m.)*	Contracted sales *(RMB million)*
Fuyang	243,660	2,379
Chuzhou	221,216	2,109
Yangzhou	227,508	2,078
Lu'an	165,505	1,366
Huaibei	197,843	1,226
Huzhou	67,612	1,082
Bengbu	145,596	1,063
Suzhou	108,145	1,056
Ma'anshan	66,810	597
Bozhou	39,571	289
Huainan	35,645	249
Tongling	21,816	124
Zhoushan	4,662	68
Central and Western China Area		
Changsha	663,195	6,902
Kunming	664,317	6,549
Chengdu	680,065	6,059
Chongqing	616,914	5,936
Wuhan	335,788	4,018
Nanning	198,119	2,208
Zhaotong	248,760	2,204
Jingzhou	227,042	2,129
Xi'an	156,727	1,714
Xiangyang	181,245	1,655
Zhengzhou	183,429	1,511
Xining	148,512	1,460
Hanzhong	186,011	1,439
Guiyang	139,090	1,325
Zunyi	171,452	1,142
Xiaogan	162,826	1,098
Qinzhou	170,487	1,082
Guilin	145,968	1,023
Baoji	144,185	1,020

City/Region	Contracted GFA sold *(sq.m.)*	Contracted sales *(RMB million)*
Shangrao	161,047	1,010
Xuchang	152,236	1,009
Huangshi	140,808	1,007
Taiyuan	77,905	974
Guigang	98,041	969
Yan'an	129,059	938
Suizhou	114,440	907
Nanchang	53,774	875
Beihai	70,420	763
Deyang	106,595	736
Huanggang	110,690	725
Meishan	103,493	715
Xiangtan	88,675	457
Zhuzhou	47,471	339
Ezhou	36,424	331
Yinchuan	37,631	313
Leshan	55,007	273
Jiujiang	27,107	228
Neijiang	16,716	189
Ya'an	24,193	159
Datong	2,276	36
Bohai Rim Area		
Tianjin	774,277	10,586
Beijing	132,015	6,645
Tangshan	403,845	5,248
Jinan	370,311	4,177
Qingdao	273,690	3,626
Shenyang	243,551	2,123
Baotou	266,642	2,117
Cangzhou	190,831	1,968
Tai'an	160,123	1,870
Changchun	113,033	1,150
Jining	94,121	1,095

City/Region	Contracted GFA sold *(sq.m.)*	Contracted sales *(RMB million)*
Liaocheng	143,054	932
Langfang	60,561	886
Dezhou	84,148	708
Zibo	80,766	682
Rizhao	62,829	504
Weifang	86,453	436
Yantai	13,651	259
Linyi	37,682	251
Weihai	27,321	240
Greater Bay Area		
Huizhou	279,955	2,236
Foshan	162,993	2,214
Zhaoqing	277,931	2,134
Jiangmen	90,378	575
Dongguan	25,324	551
Shanwei	72,846	462
Zhongshan	60,289	383
Carparks	1,653,645	5,539
Total	24,320,048	270,801

* Including joint ventures and associates' projects

Land Bank

As at 31 December 2019, the land bank of the Group was approximately 123,586,635 sq.m. The average acquisition cost of land bank was approximately RMB2,503 per sq.m. The geographic spread of the land bank of the Group as at 31 December 2019 was as follows:

Table 2: Breakdown of land bank of the Group

City/Region	Total GFA	Percentage of the Group's total GFA	GFA attributable to the Group's interests	Percentage of GFA attributable to the Group's interests
	(sq.m.)	*(%)*	*(sq.m.)*	*(%)*
Yangtze River Delta Area				
Changzhou	5,968,945	4.83%	2,908,689	4.61%
Suzhou	5,454,329	4.41%	2,128,071	3.37%
Yancheng	3,552,348	2.87%	2,247,868	3.56%
Xuzhou	2,772,012	2.24%	1,259,850	2.00%
Huai' an	2,665,367	2.16%	1,681,390	2.67%
Zhenjiang	2,215,633	1.79%	1,110,174	1.76%
Nantong	2,148,746	1.74%	629,049	1.00%
Huzhou	2,132,030	1.73%	1,265,681	2.01%
Suqian	1,991,262	1.61%	1,056,030	1.67%
Wenzhou	1,990,254	1.61%	512,410	0.81%
Taizhou	1,910,267	1.55%	927,915	1.47%
Taizhou	1,871,072	1.51%	1,048,414	1.66%
Yangzhou	1,764,666	1.43%	915,371	1.45%
Hefei	1,696,077	1.37%	707,404	1.12%
Nanjing	1,632,986	1.32%	726,310	1.15%
Shaoxing	1,624,676	1.31%	642,937	1.02%
Fuyang	1,602,744	1.30%	827,453	1.31%
Jiaxing	1,361,393	1.10%	697,526	1.11%
Chuzhou	1,323,885	1.07%	846,847	1.34%
Lianyungang	1,302,780	1.05%	872,467	1.38%
Shanghai	1,225,797	0.99%	226,915	0.36%
Ningbo	1,003,188	0.81%	568,094	0.90%
Hangzhou	831,931	0.67%	272,238	0.43%
Jinhua	827,728	0.67%	258,886	0.41%
Wuxi	812,913	0.66%	120,662	0.19%
Huaibei	691,900	0.56%	462,546	0.73%
Lu'an	668,519	0.54%	446,915	0.71%

City/Region	Total GFA	Percentage of the Group's total GFA	GFA attributable to the Group's interests	Percentage of GFA attributable to the Group's interests
	(sq.m.)	*(%)*	*(sq.m.)*	*(%)*
Tongling	556,956	0.45%	372,334	0.59%
Bengbu	416,696	0.34%	275,059	0.44%
Huainan	393,626	0.32%	263,145	0.42%
Suzhou	366,121	0.30%	244,758	0.39%
Bozhou	226,069	0.18%	73,405	0.12%
Ma'anshan	206,536	0.17%	133,694	0.21%
Wuhu	166,368	0.13%	107,557	0.17%
Zhoushan	56,442	0.05%	12,641	0.02%
Central and Western China Area				
Kunming	4,244,056	3.43%	2,351,538	3.73%
Chongqing	3,352,106	2.71%	1,460,687	2.32%
Changsha	3,236,360	2.62%	1,597,152	2.53%
Chengdu	2,635,742	2.13%	1,132,340	1.79%
Wuhan	2,199,250	1.78%	1,178,170	1.87%
Zhengzhou	1,789,284	1.45%	759,873	1.20%
Xi'an	1,509,258	1.22%	987,004	1.56%
Zunyi	1,030,255	0.83%	691,552	1.10%
Guilin	984,272	0.80%	602,032	0.95%
Taiyuan	951,314	0.77%	476,992	0.76%
Xiaogan	849,658	0.69%	350,366	0.56%
Datong	847,778	0.69%	572,420	0.91%
Xiangyang	832,737	0.67%	447,987	0.71%
Zhaotong	816,202	0.66%	441,982	0.70%
Jingzhou	793,333	0.64%	428,263	0.68%
Liupanshui	788,138	0.64%	528,617	0.84%
Guiyang	768,045	0.62%	438,896	0.70%
Xiangtan	720,522	0.58%	481,096	0.76%
Xuchang	714,105	0.58%	227,387	0.36%
Suizhou	691,437	0.56%	505,793	0.80%
Guigang	642,966	0.52%	429,833	0.68%
Yinchuan	612,828	0.50%	413,781	0.66%
Baoji	599,059	0.48%	400,480	0.63%
Huangshi	564,616	0.46%	266,138	0.42%
Hanzhong	559,313	0.45%	373,909	0.59%

City/Region	Total GFA	Percentage of the Group's total GFA	GFA attributable to the Group's interests	Percentage of GFA attributable to the Group's interests
	(sq.m.)	*(%)*	*(sq.m.)*	*(%)*
Nanning	552,486	0.45%	282,433	0.45%
Neijiang	551,307	0.45%	368,558	0.58%
Beihai	531,897	0.43%	355,582	0.56%
Deyang	525,366	0.43%	351,216	0.56%
Yan'an	491,235	0.40%	328,398	0.52%
Qinzhou	488,927	0.40%	326,855	0.52%
Xining	351,092	0.28%	234,710	0.37%
Shangrao	310,572	0.25%	207,622	0.33%
Zhuzhou	285,688	0.23%	95,387	0.15%
Ya'an	279,501	0.23%	116,836	0.19%
Jiujiang	255,180	0.21%	102,362	0.16%
Meishan	234,578	0.19%	85,571	0.14%
Leshan	230,709	0.19%	148,360	0.24%
Nanchang	220,132	0.18%	128,273	0.20%
Huanggang	219,190	0.18%	46,515	0.07%
Ezhou	112,692	0.09%	72,467	0.11%
Pingxiang	103,211	0.08%	35,192	0.06%
Bohai Rim Area				
Tianjin	4,368,907	3.54%	2,401,503	3.81%
Qingdao	3,859,337	3.12%	1,412,554	2.24%
Weifang	1,486,699	1.20%	720,661	1.14%
Jinan	1,249,692	1.01%	637,718	1.01%
Tangshan	1,188,172	0.96%	552,451	0.88%
Baotou	1,115,894	0.90%	748,479	1.19%
Beijing	1,101,995	0.89%	238,077	0.38%
Shenyang	1,085,876	0.88%	725,925	1.15%
Dezhou	997,752	0.81%	667,013	1.06%
Cangzhou	940,462	0.76%	659,542	1.05%
Tai'an	930,758	0.75%	513,673	0.81%
Jining	596,532	0.48%	398,791	0.63%
Changchun	548,247	0.44%	362,847	0.58%
Zibo	411,936	0.33%	192,778	0.31%
Liaocheng	389,850	0.32%	242,810	0.38%
Rizhao	374,100	0.30%	172,452	0.27%

City/Region	Total GFA	Percentage of the Group's total GFA	GFA attributable to the Group's interests	Percentage of GFA attributable to the Group's interests
	(sq.m.)	*(%)*	*(sq.m.)*	*(%)*
Linyi	280,627	0.23%	188,165	0.30%
Weihai	234,999	0.19%	110,975	0.18%
Yantai	231,146	0.19%	125,725	0.20%
Langfang	220,956	0.18%	111,818	0.18%
Dongying	96,798	0.08%	42,450	0.07%
Greater Bay Area				
Huizhou	2,171,243	1.76%	595,238	0.94%
Shanwei	1,039,812	0.84%	702,081	1.11%
Zhaoqing	994,284	0.80%	563,772	0.89%
Foshan	644,858	0.52%	345,784	0.55%
Zhongshan	254,042	0.21%	74,993	0.12%
Dongguan	200,750	0.16%	117,943	0.19%
Jiangmen	137,776	0.11%	71,761	0.11%
Other completed projects	2,524,477	2.04%	1,704,527	2.71%
Total	**123,586,635**	**100.00%**	**63,083,836**	**100.00%**

In 2019, the Group acquired a total of 72 projects to replenish its land bank. The acquired land bank was approximately 25.1 million sq.m. (including those of the Group's joint ventures and associates' projects on a 100% basis) (including underground floor area) whilst the average acquisition cost was approximately RMB2,421 per sq.m.

Table 3: Breakdown of land acquisition from January to December 2019

City	Name of Land Parcel	Land use	Proportion of interest	Site area	Total GFA	Total land premium
				(sq.m.)	*(sq.m.)*	*(RMB million)*
Beijing	Beijing Seazen Capital Wisdom Mansion	Residential	34.44%	48,464	199,739	4,953.00
Shanghai	Shanghai Jinganying	Residential	22.67%	26,190	103,952	3,051.74
Tianjin	Tianjin Ninghe Yuejun Mansion	Residential	73.15%	166,240	391,166	878.00
	Tianjin Binhai Wuyue Plaza	Complex	73.69%	163,958	490,606	1,465.50
	Tianjin Beichen Yuejun Fenghua	Residential	73.49%	69,359	145,600	461.85
	Tianjin Binhai Yuejun Duhui	Residential	33.43%	36,042	111,301	361.10

City	Name of Land Parcel	Land use	Proportion of interest	Site area (sq.m.)	Total GFA (sq.m.)	Total land premium (RMB million)
	Tianjin Dongli Yuejun Gongyuan	Residential	34.10%	58,750	127,690	419.00
	Tianjin Wuqing Yuejun Yangzhe	Residential	52.15%	119,867	259,766	1,520.00
	Tianjin Ninghe Wuyue Plaza	Complex	66.85%	56,035	168,546	151.40
	No. 8, Guangming Road, Ninghe, Tianjin	Residential	33.43%	28,664	80,310	269.00
	Tianjin Wuqing Yuejun Nianhua	Residential	64.72%	93,523	217,236	886.00
	Tianjin Jinnan Hexingfu	Residential	45.31%	40,119	189,186	420.00
Hangzhou	Jiande 2019-14 Xin'an River Land Parcel	Residential	10.11%	33,301	95,097	492.03
Xi'an	Seazen Shengyu Lanwan	Residential	67.36%	60,474	217,287	784.60
Chongqing	Chongqing Langcui	Residential	64.31%	48,667	168,924	910.00
Qingdao	Laixi Seazen Yuejun Gongyuanli	Residential	47.22%	61,227	156,233	117.60
Suzhou	Changshu Riverside Garden	Residential	10.11%	44,671	137,067	1,446.00
Changsha	Changsha County Yuejun	Residential	39.06%	58,652	237,545	545.47
	Changsha County Yuejun Gongyuan	Residential	40.06%	52,477	274,021	330.61
	Changsha Meixi Huafu	Residential	26.71%	45,274	288,641	1,385.39
	Changsha Meixi Lake Xiyue	Residential	26.71%	51,270	194,317	953.61
	Changsha Ningxiang Wuyue Plaza	Complex	66.85%	160,951	606,655	524.36
Wuhan	Wuhan Seazen Puyue Mendi	Residential	51.44%	171,524	553,104	2,800.18
	Wuhan Seazen Taolijun	Residential	51.44%	171,968	677,604	2,508.20
Ningbo	Ninghai Yuejun Minghufu	Residential	29.64%	48,361	148,570	775.61
Zhengzhou	Gongyi Xiyue Mendi	Residential	71.08%	69,629	192,326	423.50
	Gongyi Xi'an Park	Residential	71.08%	50,086	135,516	285.90
Kunming	Kunming Anning Wuyue Plaza	Complex	66.85%	185,619	947,238	838.80
	Languang Seazen Country Garden Gudian Shuiyuncheng	Residential	14.71%	283,164	624,112	754.55
	Kunming Jinning Wuyue Plaza	Complex	66.85%	264,802	750,292	564.98
Taiyuan	Taiyuan Wuyue Plaza	Complex	50.14%	59,877	521,607	849.20
Wenzhou	Wenzhou Longwan Wuyue Plaza	Complex	33.43%	34,271	128,380	1,243.00
Changzhou	Changzhou Yujun Garden	Residential	65.06%	21,500	70,579	842.00
	Changzhou Yuecui Jiujun Garden	Residential	32.33%	111,718	323,448	2,211.00
Jiaxing	Haiyan Jingjun Lanting	Residential	60.80%	27,154	77,551	382.19
	Pinghu Haiyue Fenghua	Residential	33.47%	31,865	101,190	248.54
Zhenjiang	Zhenjiang Yonghefu	Residential	21.36%	49,964	88,901	300.15
	Zhenjiang Yangzhong Wuyue Plaza	Complex	66.85%	191,444	665,918	933.88
Fuyang	Fuyang Da Du Hui	Residential	64.65%	57,136	158,851	557.08
	Fuyang Yunyu Dongfang	Residential	64.65%	63,721	183,055	367.99
Taizhou	Taizhou Wenling Yunyueguanling	Residential	21.79%	114,369	382,153	2,649.00
Huizhou	Huizhou Jiahong Boyafu	Residential	34.44%	57,151	230,962	686.27

City	Name of Land Parcel	Land use	Proportion of interest	Site area *(sq.m.)*	Total GFA *(sq.m.)*	Total land premium *(RMB million)*
Yantai	Yantai Seazen Mingyu Jinyuan	Residential	67.47%	17,216	81,857	470.00
Tai'an	Tai'an Wuyue Fenghua	Residential	45.54%	163,070	605,402	1,639.69
	Tai'an Taishan Wuyue Plaza	Complex	73.15%	94,988	325,356	227.22
Linyi	Linyi Jinyue Mendi	Residential	67.47%	61,541	91,370	111.00
Wuhu	Wuhu Da Du Hui	Residential	64.65%	62,643	166,368	874.26
Bozhou	Bozhou Xiyuefu	Residential	32.47%	109,620	226,069	415.00
Jiujiang	Jiujiang Yuejun Central Park	Residential	40.11%	87,200	255,180	675.90
Jining	Jining Wuyue Plaza	Complex	66.85%	232,099	596,532	1,496.87
Tangshan	Tangshan Seazen Ruifu	Residential	34.10%	42,906	149,014	319.65
	Tangshan Xitangshangyuan	Residential	16.88%	21,729	44,595	312.89
Pingxiang	Pingxiang Guoyuefu	Residential	34.10%	44,955	103,211	115.09
Huzhou	Huzhou Nanxun Wuyue Plaza	Complex	66.85%	198,524	670,739	1,008.00
Xuzhou	Xuzhou Wuyue Plaza	Complex	67.52%	264,052	855,726	750.45
Liupanshui	Seazen Fenghuangtai	Residential	67.07%	209,353	788,138	659.00
Zhoushan	Zhoushan Donghaifu	Residential	22.40%	17,042	56,442	232.63
Suqian	Seazan Shili Jinyue	Residential	63.67%	82,935	302,210	461.12
Datong	Datong Wuyue Plaza	Complex	67.52%	289,784	847,778	362.04
Dongying	Dongying Yuejun Shidai	Residential	43.85%	62,647	96,798	210.50
Cangzhou	Cangzhou Yuejun Shidai	Residential	66.85%	41,618	137,576	313.20
	Cangzhou Wuyue Plaza	Complex	73.15%	134,239	489,383	1,148.00
Deyang	Deyang Wuyue Plaza	Complex	66.85%	144,300	525,366	606.06
Suizhou	Suizhou Wuyue Plaza	Complex	73.15%	299,953	691,437	477.10
Yancheng	Yancheng Dafeng Wuyue Plaza	Complex	73.15%	226,792	833,684	599.00
	Yancheng Dongtai Wuyue Plaza	Complex	73.15%	198,689	693,996	927.69
Chuzhou	Chuzhou Nanqiao Wuyue Plaza	Complex	66.85%	219,782	617,665	800.14
	Chuzhou Tianchang Wuyue Plaza	Complex	67.52%	226,919	613,252	468.39
Huai'an	Huai'an Lianshui Wuyue Plaza	Complex	73.15%	241,591	676,239	297.12
Yinchuan	Yinchuan Wuyue Plaza	Complex	67.52%	260,757	612,828	734.33
Tongling	Tongling Wuyue Plaza	Complex	66.85%	214,900	556,956	1,031.63
Neijiang	Neijiang Wuyue Plaza	Complex	66.85%	164,208	551,307	450.01

Property Investment

The Group's investment properties were mainly derived from the 63 Wuyue Plazas in operation as at 31 December 2019.

Table 4: Breakdown of rental and management fee income from investment properties of the Group in 2019

Rental and management fee income	Occupancy Rate	Year ended 31 December **2019** *RMB'000*	2018 *RMB'000*	Opening date
Changzhou Wujin Wuyue Plaza	99.18%	**207,265**	179,418	April 2012
Changzhou Wuyue International Plaza	99.09%	**153,363**	134,531	December 2012
Shanghai Qingpu Wuyue Plaza	94.39%	**139,205**	121,126	December 2014
Suzhou Wujiang Wuyue Plaza	98.86%	**77,243**	55,198	June 2015
Suzhou Zhangjiagang Wuyue Plaza	99.03%	**79,789**	71,160	September 2015
Zhenjiang Danyang Wuyue Plaza	99.55%	**101,612**	78,814	December 2015
Haikou Wuyue Plaza	100.00%	**116,663**	89,879	October 2016
Nanchang Wuyue Plaza	99.02%	**77,442**	64,094	November 2016
Changzhou Jintan Wuyue Plaza	99.24%	**93,784**	73,452	December 2016
Anqing Wuyue Plaza	99.57%	**78,989**	57,825	December 2016
Chengdu Wuyue Plaza	100.00%	**91,969**	76,745	December 2016
Jiaxing Tongxiang Wuyue Plaza	100.00%	**105,606**	75,376	May 2017
Quzhou Wuyue Plaza	100.00%	**79,517**	59,999	June 2017
Changchun Wuyue Plaza	99.45%	**94,887**	80,518	July 2017
Shaoxing Zhuji Wuyue Plaza	97.82%	**43,935**	42,748	July 2017
Zhenjiang Wuyue Plaza	99.19%	**93,669**	68,017	August 2017
Qingdao Wuyue Plaza	99.01%	**114,433**	96,833	September 2017
Shaoxing Shengzhou Wuyue Plaza	100.00%	**85,007**	62,828	October 2017
Nantong Rugao Wuyue Plaza	100.00%	**82,668**	61,408	November 2017
Ningbo Wuyue Plaza	100.00%	**67,813**	54,035	November 2017
Nanjing Wuyue Plaza	99.86%	**64,075**	60,485	December 2017
Chengdu Wuhou Wuyue Plaza	95.31%	**52,219**	64,031	December 2017
Quanzhou Jinjiang Wuyue Plaza	98.24%	**60,574**	58,138	December 2017

Rental and management fee income	Occupancy Rate	Year ended 31 December 2019	2018	Opening date
		RMB'000	*RMB'000*	
Weinan Wuyue Plaza	99.29%	**39,945**	21,058	May 2018
Wenzhou Rui'an Wuyue Plaza	100.00%	**121,519**	51,709	July 2018
Jinhua Yiwu Wuyue Plaza	100.00%	**92,279**	40,365	July 2018
Huainan Wuyue Plaza	100.00%	**69,503**	23,515	August 2018
Taizhou Huangyan Wuyue Plaza	100.00%	**82,902**	23,496	September 2018
Jiaxing Pinghu Wuyue Plaza	100.00%	**74,541**	21,695	September 2018
Suzhou Kunshan Wuyue Plaza	100.00%	**66,524**	20,808	September 2018
Yangzhou Wuyue Plaza	99.64%	**75,467**	21,724	September 2018
Nanchang New District Wuyue Plaza	91.15%	**57,286**	13,112	November 2018
Kunming Wuyue Plaza	95.33%	**76,730**	14,280	November 2018
Taizhou Taixing Wuyue Plaza	98.45%	**81,636**	12,543	November 2018
Changsha Wuyue Plaza	99.68%	**102,862**	13,750	November 2018
Nanning Wuyue Plaza	98.72%	**64,702**	8,697	December 2018
Zhenjiang Jurong Wuyue Plaza	96.60%	**67,014**	9,152	December 2018
Linyi Wuyue Plaza	99.15%	**77,553**	9,131	December 2018
Taizhou Yuhuan Wuyue Plaza	100.00%	**80,207**	9,180	December 2018
Nantong Qidong Wuyue Plaza	100.00%	**68,659**	6,100	December 2018
Taizhou Xianju Plaza	98.70%	**61,899**	4,055	December 2018
Ningbo Cixi Wuyue Plaza	99.05%	**89,292**	4,967	December 2018
Shangrao Wuyue Plaza	100.00%	**46,750**	–	June 2019
Hefei Wuyue Plaza	99.52%	**61,384**	–	June 2019
Huai'an Wuyue Plaza	99.38%	**44,283**	–	July 2019
Qinzhou Wuyue Plaza	98.07%	**35,334**	–	July 2019
Xi'an Xixian Wuyue Plaza	100.00%	**40,193**	–	September 2019
Yan'an Wuyue Plaza	97.68%	**21,392**	–	September 2019
Lianyungang Ganyu Wuyue Plaza	100.00%	**26,779**	–	September 2019
Changzhou Tianning Wuyue Plaza	100.00%	**35,066**	–	October 2019
Baoji Wuyue Plaza	100.00%	**18,616**	–	October 2019
Yangzhou Baoying Wuyue Plaza	100.00%	**18,433**	–	October 2019
Tianjin Jinnan Wuyue Plaza	100.00%	**20,214**	–	November 2019
Huaibei Wuyue Plaza	100.00%	**12,218**	–	November 2019
Hanzhong Wuyue Plaza	100.00%	**15,933**	–	November 2019

Rental and management fee income	Occupancy Rate	Year ended 31 December 2019 RMB'000	2018 RMB'000	Opening date
Guilin Wuyue Plaza	100.00%	**6,469**	–	November 2019
Lianyungang Haizhou Wuyue Plaza	100.00%	**11,600**	–	December 2019
Changzhou Liyang Wuyue Plaza	100.00%	**9,213**	–	December 2019
Yancheng Wuyue Plaza	100.00%	**7,652**	–	December 2019
Yangzhou Gaoyou Wuyue Plaza	100.00%	**7,205**	–	December 2019
Bengbu Wuyue Plaza	100.00%	**6,970**	–	December 2019
Suzhou Wuyue Plaza	100.00%	**4,174**	–	December 2019
Changsha High-speed Rail Wuyue Plaza	100.00%	**6,566**	–	December 2019
Shanghai Future Land Holdings Tower B (office building)	94.91%	**39,524**	47,755	January 2016
Total		**4,108,210**	2,163,749	

Notes:

1. Shaoxing Zhuji Wuyue Plaza, Qingdao Wuyue Plaza, Chengdu Wuhou Wuyue Plaza, Weinan Wuyue Plaza, Hefei Wuyue Plaza and Shanghai Qingpu Wuyue Plaza are commercial light-asset projects of the Company. The rental income amounted to RMB451,119,631 (rental income attributable to the Company: RMB327,442,614);

2. Management fee income includes management fees regarding carparks, various operations and other miscellaneous management fee income; and

3. The Company has repurchased Shanghai Qingpu Wuyue Plaza as at 25 June 2019.

As at 31 December 2019, the Group had 59 investment properties under development.

The Group did not hold any other significant investments except for the aforementioned investment properties as at 31 December 2019.

Property Delivery and Revenue from Sale of Properties

For the year ended 31 December 2019, revenue from sale of properties by the Group was approximately RMB80,322.3 million, representing an increase of 58.0% compared to 2018. Properties with a total GFA of approximately 6,878,657 sq.m. was delivered during the year ended 31 December 2019, representing an increase of 54.4% compared to 2018. Average selling price of properties delivered and recognized as sales was RMB11,677 per sq.m. in 2019.

The following table sets forth the revenue information relating to the properties the Group delivered for sale during the year 2019:

Projects	City	Revenue *(RMB million)*	GFA *(sq.m.)*	Average selling price *(RMB/sq.m.)*
Nanjing Puyue Zhongshan	Nanjing	4,590.92	114,192	40,203
Wuhan Jingtang	Wuhan	3,754.02	241,810	15,525
Hangzhou Future Legend Mansion	Hangzhou	3,417.83	159,966	21,366
Tianjin Jinnan Wuyue Plaza	Tianjin	3,076.35	159,752	19,257
Jinan Fragrant Legend	Jinan	3,003.94	244,814	12,270
Taizhou Huangyan Wuyue Plaza	Taizhou	2,759.68	177,450	15,552
Shangrao Wuyue Plaza	Shangrao	2,517.76	284,623	8,846
Jiaxing Pinghu Wuyue Plaza	Jiaxing	2,464.29	195,683	12,593
Nantong Qidong Wuyue Plaza	Nantong	2,478.08	209,877	11,807
Taizhou Taixing Wuyue Plaza	Taizhou	2,359.92	291,845	8,086
Kunming Wuhua Wuyue Plaza	Kunming	2,321.88	261,009	8,896
Qingdao Excellent Queen's Road	Qingdao	2,252.62	123,666	18,215
Ningbo Cixi Wuyue Plaza	Ningbo	2,085.97	174,476	11,956
Nanjing Puyue Heshan	Nanjing	2,023.03	68,482	29,541
Jurong Yuefu	Jurong	1,875.63	219,469	8,546
Other projects		39,340.41	3,951,542	9,956
Total		80,322.33	6,878,657	

Of the properties the Group had pre-sold, a total GFA of 35,914,066 sq.m. with value of approximately RMB360,332 million, but had not been delivered as at 31 December 2019 (including those of the Group's joint ventures and associates' projects). This laid a solid foundation for a steady growth in the Group's revenue for the year to come.

Principal Risks and Uncertainties

The PRC economy has been transitioning from a centrally planned economy to a more market oriented economy. For approximately three decades, the PRC government has implemented economic reform measures to utilize market forces in the development of the PRC economy. The Group cannot predict whether changes in the PRC's economic, political and social conditions and in its laws, regulations and policies will have any adverse effect on the Group's current or future business, financial condition or results of operations. In addition, many of the economic reforms carried out by the PRC government are unprecedented or experimental and are expected to be refined and improved over time. This refining and adjustment process may not necessarily have a positive effect on the Group's operations and business development.

The PRC property market is volatile and may experience undersupply or oversupply of property units and significant property price fluctuations. The Group's business depends and will continue to depend on the growth of the economy in the PRC. A significant downturn in the PRC economy could adversely affect the demand for commercial and residential properties. The PRC central and local governments frequently adjust monetary, fiscal or other economic policies to prevent and curtail the overheating of the economy, which may affect the PRC property market. Such policies may lead to changes in market conditions, including price instability and an imbalance of supply and demand in respect of commercial and residential properties, which may materially and adversely affect the Group's business and financial condition.

The property market in the Yangtze River Delta and major cities along the Shanghai-Nanjing Economic Corridor has been highly competitive in recent years. Property developers from the PRC and overseas have entered the property development markets in the Yangtze River Delta and major cities along the Shanghai-Nanjing Economic Corridor where the Group has operations or where the Group may expand into. Many of the Group's competitors, including overseas listed foreign developers and top-tier domestic developers, may have more financial or other resources than the Group and may be more sophisticated than the Group in terms of engineering and technical skills. Competition among property developers may cause an increase in land costs and raw material costs, shortages in quality construction contractors, surplus in property supply leading to property price decline, further delays in issuance of governmental approvals, and higher costs to attract or retain talented employees. Moreover, property markets across the PRC are influenced by other various factors, including changes in economic conditions, banking practices and consumer sentiment.

The business of the Group is subject to general economic and social conditions in China. Natural disasters, epidemics and other acts of God which are beyond the Company's control may adversely affect the economy, infrastructure and livelihood of the people in China. An outbreak of epidemics in China, such as the avian flu, the human swine flu or reoccurence of SARS, especially in the cities where the Group has operations, may result in material disruptions to the Group's property development projects and the Group's sales and marketing efforts, which in turn may adversely affect the Group's financial condition and results of operations.

Compliance with Relevant Laws and Regulations

The PRC property market is heavily regulated and subject to frequent introduction of new regulations, including further measures by the PRC government to slow down the growth of the property sector, which may adversely affect property developers. The PRC government exerts considerable direct and indirect influence on the growth and development of the PRC property market through industry policies and other economic measures such as setting interest rates, controlling the supply of credit by changing bank reserve ratios and implementing lending restrictions, increasing tax and duties on property transfers and imposing foreign investment and currency exchange restrictions. From 2004 to 2019, the PRC government introduced a series of regulations and policies designed to control the growth of the property market, including, among others:

(i) strictly enforcing the idle land related laws and regulations;

(ii) restricting the grant or extension of revolving credit facilities to property developers that hold a large amount of idle land and vacant commodity properties;

(iii) prohibiting commercial banks from lending funds to real estate developers with an internal capital ratio of less than a certain prescribed percentage; and

(iv) restricting PRC commercial banks from granting loans to property developers for the purpose of paying land grant premiums.

In particular, the PRC government also introduced the following policies, among others, to specifically control the growth of the residential property market by:

(i) limiting the maximum amount of monthly mortgage and the maximum amount of total monthly debt service payments of an individual borrower;

(ii) imposing tax levy on the sales proceeds for second-hand transfers subject to the length of holding period and type of properties;

(iii) increasing the minimum amount of down payment of the purchase price of the residential property of a family;

(iv) tightening the availability of individual housing loans in the property market to individuals and their family members with more than one residential property; and

(v) limiting the availability of individual housing provident fund loans for the purchase of second (or more) residential properties by labourers and their family members.

These measures resulted in downward pricing pressures on the PRC property market and low transaction volumes in recent years. The PRC government may implement further tightening measures to restrain the PRC property market at the national, provincial, municipal and/or local level, which may lead to the declining trends in transaction volume and selling prices of properties in the PRC. As a result, the Group's financial condition and results of operations may be affected.

Environmental Policies and Performance

Property developers in China are subject to a number of environmental laws and regulations including the Environment Protection Law of the People's Republic of China (《中華人民共和國環境保護法》), the Prevention and Control of Noise Pollution Law of the People's Republic of China (《中華人民共和國環境噪聲污染防治法》), the Environmental Impact Assessment Law (《環境影響評價法》), and Administrative Regulations on Environmental Protection in relation to Construction Projects (《建設項目環境保護管理條例》). The Group is subject to these laws and regulations concerning the protection of health and environment. As required by PRC laws, independent environmental consultants have conducted environmental impact assessments at all of construction projects and environmental impact assessment documents were submitted to the relevant government authorities for approval before commencement of construction. The local authorities may request a developer to submit the environmental impact documents, issue orders to suspend the construction and impose a penalty for a project where environmental impact assessment documents have not been approved before commencement of construction. For the year ended 31 December 2019, no fines or penalties for non-compliance of PRC environmental laws and regulations were imposed on the Group. The Group is in compliance in all material respects with applicable environmental laws and regulations in China and has obtained all required approvals in relation to the environmental impact reports for property development projects.

Relationships with Customers and Suppliers

The Group has maintained good relationships with its customers and suppliers. The major suppliers of the Group are construction material suppliers and construction contractors, and the five largest suppliers accounted for approximately 13.4% of total purchases for the year ended 31 December 2019. The Group's five largest customers accounted for approximately 0.2% of total revenue for the year ended 31 December 2019.

The Group engages third-party contractors to carry out various services relating to property development projects, including design, pile setting, foundation building, construction, equipment installation, electromechanical and pipeline engineering, elevator installation and landscaping. The Group generally selects third-party contractors through a tender process and endeavor to engage companies with a strong reputation and track record, high performance, reliability and adequate financial resources.

Financial Review

Revenue

The Group's revenue comprises income from sale of properties and, to a lesser extent, property management, rental and other related services earned during the year. The Group's revenue increased by 58.5%, to approximately RMB86,851.2 million for the year ended 31 December 2019 from approximately RMB54,781.0 million for the year ended 31 December 2018.

	For the year ended 31 December	
	2019	2018
	RMB million	*RMB million*
Revenue from sale of properties	**80,322.3**	50,838.2
Revenue from commercial property management services	**1,640.1**	905.8
Rental income	**2,296.8**	1,242.9
Other income	**2,592.0**	1,794.1
	86,851.2	54,781.0

Cost of Sales and Services

Cost of sales and services consists primarily of the costs the Group incurred directly in relation to property development activities, leasing and property management and other businesses. Cost of sales and services includes construction costs, land use rights costs, tax and surcharges, capitalized interest and other business costs. The Group's cost of sales and services increased by 69.4% to approximately RMB60,505.8 million for the year ended 31 December 2019 from approximately RMB35,723.6 million for the year ended 31 December 2018.

The following table sets forth information relating to the Group's cost of sales for the years indicated:

Table 6: Breakdown of the Group's cost of sales and services

Breakdown of the Group's cost of sales and services	**For the year ended 31 December**		**Year-on-year change compared to**
	2019	2018	**2018**
	RMB'000	*RMB'000*	*%*
Land use rights costs	**19,875,924**	11,799,749	68
Construction costs	**26,955,905**	15,935,062	69
Capitalised interest	**8,714,263**	5,154,272	69
Tax and surcharges	**357,855**	327,362	9
Provision for impairment of properties held or under development for sale	**939,796**	263,684	256
Other expenses	**3,662,008**	2,243,459	63
Total	**60,505,751**	35,723,588	69
Total GFA delivered (sq.m.)	**6,878,657**	4,453,962	54
Average cost per sq.m. sold (RMB) *(Note)*	**8,075**	7,384	9
Average selling price per sq.m. sold (RMB)	**11,677**	11,414	2
Average cost as percentage of average selling price	**69.15%**	64.69%	7

Note: Average cost per sq.m. sold refers to the average cost of the Group's property sales (excluding the Group's leasing and property management operations) and is derived by dividing the sum of construction costs, land use rights costs and capitalized interest for the year by the total GFA delivered in that year.

Gross Profit

The Group's gross profit increased by 38.2% to approximately RMB26,345.4 million for the year ended 31 December 2019 from approximately RMB19,057.4 million for the year ended 31 December 2018. The increase in gross profit was mainly attributable to the increase in revenue from sale of properties. The Group recorded a gross profit margin of approximately 30.3% for the year ended 31 December 2019.

Fair Value Gains on Investment Properties

The Group develops and holds certain of its commercial properties such as retail shops, shopping malls and carparks for rental income or capital appreciation. The Group's investment properties are appraised annually by an independent property valuer. Any appreciation or depreciation in the Group's investment property value is recognized as fair value gains or losses in the Group's consolidated statements of income. Valuation gains on investment properties was approximately RMB2,438.1 million before tax for the year ended 31 December 2019. The fair value gain recorded for investment properties was primarily attributable to the increase in capital value on the whole.

Other Gains – Net

Net other gains amounted to approximately RMB902.3 million, mainly derived from the gain arising from the remeasurement when certain joint ventures engaging in real estate development were converted into subsidiaries, and interest income from joint ventures and associates.

Selling and Marketing Expenses

Selling and marketing expenses increased by 86.2% to approximately RMB4,422.3 million for the year ended 31 December 2019 from approximately RMB2,374.4 million for the year ended 31 December 2018. The increase was primarily attributable to an increase in selling and marketing expenses incurred as the Group launched more projects for pre-sale in 2019.

Administrative Expenses

Administrative expenses increased by 62.3% to approximately RMB4,301.5 million for the year ended 31 December 2019 from approximately RMB2,650.8 million for the year ended 31 December 2018. The increase in administrative expenses was primarily attributable to an increase in staff costs resulting from an increase in the Group's staff headcount in 2019.

Finance Costs – Net

The Group's finance costs primarily consists of interest expenses on bank loans, senior notes and corporate bonds less capitalized interest, and foreign exchange losses and gains. Interest on borrowings relating to project development is capitalized to the extent that it is directly attributable to a particular project and used to finance the development of that project. Net finance costs of the Group increased by 81.0% to approximately RMB1,339.6 million for the year ended 31 December 2019 from approximately RMB739.9 million for the year ended 31 December 2018. The increase in net finance costs was mainly attributable to the increase in average balance of borrowings in 2019 as compared with the previous year.

Income Tax Expense

The Group's income tax expense includes provisions made for land appreciation tax, PRC corporate income tax and deferred income tax during the year. Income tax expense increased by 36.7% to approximately RMB9,019.0 million for the year ended 31 December 2019 from RMB6,599.9 million for the year ended 31 December 2018. The increase in income tax expense was primarily due to the increase in the Group's profit in 2019.

Profit for the Year

Net profit attributable to equity holders of the Company increased by 15.5% to approximately RMB7,812.3 million for the year ended 31 December 2019 from approximately RMB6,761.0 million for the year ended 31 December 2018.

Core earnings attributable to equity holders of the Company increased by 20.1% to approximately RMB6,802.0 million for the year ended 31 December 2019 from approximately RMB5,663.1 million for the year ended 31 December 2018.

Liquidity, Financial and Capital Resources

Cash position

The Group's cash at bank and at hand is as follows:

	As at 31 December	
	2019	2018
	RMB million	*RMB million*
Cash at bank and on hand (including restricted cash)	**65,574.0**	47,655.8
Cash and cash equivalents	**59,691.7**	41,213.9

Borrowings and charges on the Group's assets

The Group's outstanding current and non-current borrowings amounted to RMB87,846.9 million. The maturity groupings of the borrowings are as follows:

Borrowing terms	As at 31 December **2019** *RMB million*	2018 *RMB million*
Within 1 year	**40,849.0**	27,057.4
Over 1 year but within 2 years	**31,100.3**	37,106.4
Over 2 years but within 5 years	**15,480.2**	19,352.7
Over 5 years	**417.4**	56.2
	87,846.9	83,572.7

As at 31 December 2019, the Group's bank loans were approximately RMB31,199.2 million. Bank loans include guaranteed borrowings. Guaranteed borrowings were secured by one or a combination of the following methods: land use rights, properties under development, investment properties, property, plant and equipment, shares of the Company's subsidiaries, financial assets, bank deposits and/or guarantees by the Company's subsidiaries. The Group's bank borrowings are from major commercial banks, all of which are independent third parties.

The proportion of the Group's long-term borrowings in the total borrowings was 53.5% as at 31 December 2019, ensuring the healthy and stable cash flow of the Group in the future. The Directors believed that the constant optimization of the Group's debt level and financial structure had laid a solid foundation for the Group to withstand market volatility and diminish financial risks.

The weighted average interest rate for the Group's bank borrowings, senior notes and corporate bonds, etc. as at 31 December 2019 was 6.57%.

Net debt-to-equity ratio

As at 31 December 2019, the Group's net debt-to-equity ratio decreased to 38.5% from 78.6% in 2018, primarily due to an increase in cash and net assets of the Group. Net debt-to-equity ratio is calculated by dividing net debt at the end of the period by total equity and multiplying by 100%. Net debt is calculated as total borrowings less cash, cash equivalents and restricted cash.

Contingent Liabilities

Pursuant to the mortgage contracts, banks require the Group to guarantee its purchasers' mortgage loans. Guarantees for mortgages on pre-sold residential properties are generally discharged at: (i) the issue of the real estate ownership certificate by government authorities to the purchaser; or (ii) the satisfaction of mortgage loans by the purchasers of the properties (whichever is earliest). If a purchaser defaults on a mortgage loan, the Group is responsible to repay the outstanding mortgage principal together with accrued interest and penalties owed by the defaulting purchasers to the banks and the Group is entitled to take over the legal title and possession of the related properties. The Group's guarantee period typically starts from the date of grant of the mortgage.

As at 31 December 2019, the Group's contingent liabilities in respect of the guarantees given to the financial institutions for mortgage loan facilities granted to purchasers of the Group's properties amounted to approximately RMB67,426.5 million (as at 31 December 2018: approximately RMB41,015.5 million). In light of the minimal historical default rates of such mortgage loans facilities, the Directors considered that the likelihood of default of payments by the purchasers is minimal and therefore the financial guarantee measured at fair value is immaterial.

As at 31 December 2019, there are certain corporate guarantees provided by the Company's subsidiaries for each other in respect of borrowings. The Directors considered that the Company's subsidiaries are sufficiently and financially resourced to settle their obligations.

As at 31 December 2019, the Group provided guarantee with the amount of RMB19,299.6 million (as at 31 December 2018: RMB25,218.4 million) to its joint ventures and associates.

Save as those disclosed in this results announcement, the Group had no other material contingent liabilities as at 31 December 2019.

Foreign Exchange Risk

As at 31 December 2019, the cash balances held by the Group are as follows:

Cash balances	**As at 31 December**	
	2019	2018
	RMB million	*RMB million*
Denominated in Renminbi	**62,263.2**	46,300.6
Denominated in Hong Kong dollars	**15.2**	187.6
Denominated in U.S. dollars	**3,295.6**	1,167.6
	65,574.0	47,655.8

Almost all of the Group's operating activities are carried out in the PRC with most of the transactions denominated in Renminbi. The Group is exposed to foreign currency risk arising from the exposure of U.S. dollars and Hong Kong dollars against Renminbi as a result of certain cash balances and the settlement of certain general and administrative expenses and other loans in U.S. dollars or Hong Kong dollars.

As a result of the issuance of these senior notes, the Group became exposed to foreign currency risk arising from the exposure of Renminbi against U.S. dollars. The Directors have closely monitored the foreign exchange risks and have adopted hedging instruments to cover part of the exchange rate exposure.

In addition, Renminbi is not freely convertible into foreign currencies and the conversion of Renminbi into foreign currencies is subject to rules and regulations of the foreign exchange control promulgated by the PRC government.

Material Acquisition and Disposal

The Company has transferred a total of eight real estate projects to subsidiaries of Jinke Property Group Co., Ltd. at an aggregate amount of RMB2,737.5 million (the "**Disposals**"). As a result of the Disposals, the Group recorded gain of approximately RMB17.7 million. The proceeds generated from the Disposals was applied as general working capital of the Group and provide assurances for expenditures in and the stable and safe operations of its other projects. Further details are set out in the announcement of the Company dated 28 July 2019.

Save as the disclosed above, during the year ended 31 December 2019, the Group did not have any material acquisition or disposal of subsidiaries, associates or assets.

Future Plans for Material Investment or Capital Assets

The Directors confirmed that as at the date of this results announcement, there are no current plans to acquire any material investment or capital assets other than in the Group's ordinary business of property development.

Employees and Compensation Policy

As at 31 December 2019, the Group had 30,908 full-time employees in the PRC and Hong Kong, 28,058 of which worked in the property development operations and management of commercial complexes and 2,850 were engaged in other operations.

The Group determines the remuneration packages of all employees (including the Directors) based on their performance, work experience and the prevailing market wage level, and provides promotional opportunities for them with reference to their individual strengths and potentials. The remuneration package of the employees consists of basic salary, cash bonus and share-based payments. The Group has established a performance appraisal system so as to evaluate the performance of its employees on an annual basis and use the evaluation results to determine their salary increment or promotion accordingly. The Group recognized an expense in relation to share-based payments of RMB41.0 million for the year ended 31 December 2019 (for the year ended 31 December 2018: RMB29.5 million).

Issuance of Senior Notes and Redemption of Convertible Bonds during the year

In January 2019, the Company issued the 7.5% senior notes due 2021 with a principal amount of USD300 million (the "**2021 Notes**"). In April 2019, the Company issued the 6.15% senior notes due 2023 with a principal amount of USD200 million (the "**2023 Notes**"). The 2021 Notes and 2023 Notes are listed and traded on the Singapore Stock Exchange. Details of the issuance of 2021 Notes and 2023 Notes are set out in the announcements of the Company dated 14 January 2019, 15 January 2019, 3 April 2019 and 4 April 2019. The proceeds had been fully utilised to repay certain of its existing indebtedness.

On 11 February 2019, the Company has fully redeemed the 2.25% convertible bonds at maturity of the principal amount of HK$2,346 million together with all accrued interests thereon. Details of the redemption are set out in the announcement of the Company dated 11 February 2019.

ANNUAL GENERAL MEETING

The annual general meeting of the Company (the "**AGM**") is to be held on Wednesday, 10 June 2020 and the notice of AGM is expected to be published and dispatched to the shareholders of the Company (the "**Shareholders**") on or about Tuesday, 21 April 2020.

FINAL DIVIDEND

The Board recommended the payment of a final dividend of RMB0.31 per share for the year ended 31 December 2019 (2018: RMB0.3 per share) to the Shareholders.

The proposed final dividend will be paid on or about 31 July 2020 after approval by the Shareholders at the forthcoming AGM.

The proposed final dividend shall be declared in RMB and paid in Hong Kong dollars. The final dividend payable in Hong Kong dollars will be converted from RMB at the average middle rate of RMB to Hong Kong dollars as announced by the People's Bank of China for the business days during the period from 4 June 2020 to 8 June 2020.

CLOSURE OF THE REGISTER OF MEMBERS

To determine the identity of Shareholders who are entitled to attend and vote at the annual general meeting

Latest date for lodging transfer:	4:30 p.m. on Thursday, 4 June 2020
Period of closure of register:	Friday, 5 June 2020 to Wednesday, 10 June 2020, both days inclusive

To determine the Shareholders' entitlement to the final dividend

Ex-entitlement date for final dividend:	Friday, 12 June 2020
Latest date for lodging transfer:	4:30 p.m. on Monday, 15 June 2020
Period of closure of register:	Tuesday, 16 June 2020 to Thursday, 18 June 2020, both days inclusive
Record date:	Thursday, 18 June 2020

In order to be eligible to attend and vote at the AGM and/or entitled to the final dividend, all properly completed transfer forms accompanied by the relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17/F, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, no later than the corresponding latest date for registration.

CORPORATE GOVERNANCE PRACTICES

The Group is committed to maintaining high standards of corporate governance to safeguard the interests of the Shareholders and to enhance corporate value and accountability. The Company has adopted the Corporate Governance Code and Corporate Governance Report (the "**CG Code**") as set out in Appendix 14 of the Rules (the "**Listing Rules**") Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") as its own code of corporate governance. The Company has complied with all applicable code provisions of the CG Code throughout the year ended 31 December 2019. The Company will continue to review and monitor its corporate governance practices to ensure compliance with the CG Code.

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") as set out in Appendix 10 to the Listing Rules as its own code of conduct regarding Directors' securities transactions. Having made specific enquiries with all the Directors, each of the Directors has confirmed that he has complied with the Model Code during the year ended 31 December 2019.

During the year ended 31 December 2019, the Company has also adopted its own code of conduct regarding employees' securities transactions on terms no less exacting than the standards set out in the Model Code for compliance by its relevant employees who are likely to be in possession of inside information of the Company in respect of their dealings in the Company's securities.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

Neither the Company, nor any of its subsidiaries have purchased, sold or redeemed any of the Company's listed securities during the year ended 31 December 2019.

EVENTS DURING THE REPORTING PERIOD

Change of English Company Name, Stock Short Name, Company Logo and Company Website

On 30 October 2019, the Shareholders passed a resolution, among other things, at the extraordinary general meeting to change the English company name of the Company from "Future Land Development Holdings Limited" to "Seazen Group Limited" with the dual foreign name in Chinese remaining unchanged as "新城發展控股有限公司". The stock short name of the Company for trading in the shares on the Stock Exchange was changed from "FUTURE LAND" to "SEAZEN" in English and the Chinese from "新城發展控股" to "新城發展" in Chinese with effect from 9:00 a.m. on 22 November 2019. The stock code "1030" of the Company on the Stock Exchange remains unchanged.

Further details of the change of Company name are set out in the announcements of the Company dated 8 October 2019 and 19 November 2019 and the circular of the Company dated 8 October 2019.

Grant of Share Options

On 1 November 2019, the Company has granted 15,075,000 share options to 2 executive Directors, 1 non-executive Director and 23 employees of the Company to subscribe for 15,075,000 Shares under the share option scheme adopted by the Company on 6 November 2012. The exercise price is HK$8.62 per share and will be vested subject to the fulfillment of the vesting conditions of the share options. Further details are set out in the announcement of the Company dated 3 November 2019 and will be made in the annual report of the Company.

Adoption of Share Award Scheme

On 1 November 2019, the Board has resolved to adopt the share award scheme (the "**Share Award Scheme**"). The purpose of the Share Award Scheme is to recognize the contribution of Employees and to provide incentives for the Employees to continuously make greater contributions for the Group's long-term growth in the future. Accordingly, the Company will entrust an independent third party trustee to purchase existing shares in the open market based on the overall remuneration incentive plan. The trustee will hold such shares on behalf of the employees selected by the Board (the "**Selected Employees**") on trust, until such shares are vested with the relevant Selected Employees in accordance with the scheme rules. The Board would determine the timing of awards, list of the Selected Employees and number of shares awarded by the Board based on the overall results and performance of the Group and contributions made by the Selected Employees, as part of the overall remuneration system of the Group. The aggregated maximum number of shares that the trustee may purchase must not exceed 0.5% of the total share capital in issue of the Company on 1 November 2019. Further details of the Share Award Scheme are set out in the announcement of the Company dated 3 November 2019.

Adoption of Subsidiary Share Incentive Scheme

On 30 October 2019, the Shareholders passed a resolution, among other things, at the extraordinary general meeting to adopt the Subsidiary Share Incentive Scheme (the "**Subsidiary Share Incentive Scheme**"), pursuant to which a total of 11,663,600 A Shares of Seazen Holdings Co., Ltd.* (新城控股集團股份有限公司) ("**Seazen Holdings**") may be granted under the subsidiary restricted incentive scheme while a total of 15,568,800 share options may be granted under the subsidiary option scheme, of which a total of 14,515,000 share options (which is convertible into 14,515,000 A Shares) will be initially granted. It is anticipated that there will be 108 participants in the Subsidiary Share Incentive Scheme, including directors, senior management, middle management and key personnel of Seazen Holdings. All participants must be in the employment with Seazen Holdings or its subsidiaries during the assessment period of the Subsidiary Share Incentive Scheme. The subsidiary option scheme under the Subsidiary Share Incentive Scheme constitutes a share option scheme under Chapter 17 of the Listing Rules and further details will be made in the annual report of the Company.

Further details of the adoption of Subsidiary Share Incentive Scheme are set out in the announcements of the Company dated 27 September 2019 and 30 October 2019 and the circular of the Company dated 8 October 2019.

EVENTS AFTER THE REPORTING PERIOD

Placing of new shares under general mandate

The Company has conducted a fund raising activity by way of placing of new shares under general mandate of 311,000,000 shares (the "**Placing Shares**") at a price of HK$8.78 per share (the "**Placing**"). The Placing was completed on 21 January 2020. The Placing Shares, representing approximately 5.01% of the issued share capital of the Company as enlarged by the allotment and issue of the Placing Shares, have been successfully placed to not less than six placees pursuant to the terms and conditions of the placing agreement dated 14 January 2020. The Company's issued share capital was increased from 5,899,000,000 shares to 6,210,000,000 shares after the Placing.

The net proceeds from the Placing, after deduction of related costs and expenses to be borne by the Company, amounted to approximately HK$2,711 million, will be used for the Company's long term business development and as general working capital of the Group. As of the date of this announcement, the net proceeds are fully used in accordance with the disclosure made.

Further details of the placing of new Shares under general mandate are set out in the announcements of the Company dated 14 January 2020 and 21 January 2020, the circular of the Company dated 27 March 2019 and will be made in the annual report of the Company.

Redemption of Senior Notes

On 16 February 2020, the Company has fully redeemed the 5% senior bonds at maturity of the principal amount of US$350 million together with all accrued interests thereon. Details of the redemption are set out in the announcement of the Company dated 16 February 2020.

REVIEW OF ANNUAL RESULTS BY AUDIT COMMITTEE

The audit committee of the Company, comprising all the independent non-executive Directors, has reviewed together with the management and external auditor the accounting principles and policies adopted by the Group and the consolidated financial statements for the year ended 31 December 2019.

The financial information contained in this announcement is based on the audited consolidated financial statements of the Group for the year ended 31 December 2019. Such information was extracted from the financial statements agreed with the auditors of the Company.

PUBLICATION OF THE CONSOLIDATED ANNUAL RESULTS AND 2019 ANNUAL REPORT ON THE WEBSITES OF THE STOCK EXCHANGE AND THE COMPANY

This annual results announcement is published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.seazengroup.com.cn), and the 2019 annual report containing all the information required under the Listing Rules will be dispatched to the Shareholders and published on the respective websites of the Stock Exchange and the Company in due course.

By order of the Board
Seazen Group Limited
Wang Xiaosong
Chairman

PRC, 27 March 2020

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

* *Denotes English translation of the name of a Chinese company or entity is provided for identification purpose only.*