SHANGHAI ZENDAI PROPERTY LIMITED
上海証大房地產有限公司*

(Incorporated in Bermuda with limited liability)

(Stock code: 755)

SUPPLEMENTAL ANNOUNCEMENT IN RELATION TO THE RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2019

Reference is made to the results announcement dated 26 March 2020 (the "**Results Announcement**") of Shanghai Zendai Property Limited (the "**Company**", together with its subsidiaries, the "**Group**") for the year ended 31 December 2019. Unless otherwise defined, capitalised terms used in this announcement shall have the same meanings as defined in the Results Announcement.

The Company would like to supplement the information contained in the Results Announcement as follows:

CONSOLIDATED CASH FLOW STATEMENT

	Year ended 31 December	
	2019	2018
	HK$'000	HK$'000
Cash flows from operating activities		
Loss before income tax	**(1,082,071)**	(658,465)
Adjustments for:		
Interest income	**(4,938)**	(11,862)
Dividend income	**–**	(3,555)
Finance costs	**771,034**	805,072
Depreciation of property, plant and equipment	**54,833**	33,961
Amortisation of land use rights	**–**	21,351
Change in fair value of investment properties	**12,560**	(1,705)
Share of results of an associate	**18,916**	48,498
Impairment of properties under development and completed properties held-for-sale	**–**	70,012
Loss on disposal of property, plant and equipment	**188**	1,215
Gain on disposal of investment in an associate	**–**	(3,739)
Gain on disposal of subsidiaries	**–**	(17,363)
Exchange gain	**(2,122)**	(20,594)
Net impairment losses on financial assets	**102,669**	56,963
Loss on settlement of arbitration	**–**	62,858
Operating (loss)/gain before working capital changes	**(128,931)**	382,647

* *For identification purpose only*

CONSOLIDATED CASH FLOW STATEMENT (CONTINUED)

	Year ended 31 December	
	2019	2018
	HK$'000	HK$'000
(Increase)/decrease in properties under development and completed properties held-for-sale	**(25,740)**	3,039,110
Decrease/(increase) in inventories	**417**	(814)
Decrease/(increase) in trade and other receivables	**224,285**	(191,979)
Decrease in pledged bank deposits	**21,992**	–
(Increase)/decrease in contract assets	**(7,090)**	16,996
Decrease/(increase) in deposits for properties under development	**8,993**	(3,645)
(Decrease)/increase in trade and other payables	**(524,191)**	1,514,360
Increase/(decrease) in contract liabilities	**1,465,348**	(1,795,519)
Cash generated from operations	**1,035,083**	2,961,156
Interest received	**4,938**	11,862
Interest paid	**(765,928)**	(997,530)
Income taxes paid	**(207,251)**	(644,228)
Net cash inflow from operating activities	**66,842**	1,331,260
Investing activities		
Purchases of property, plant and equipment	**(3,713)**	(11,490)
Additions to investment properties	**(7,867)**	(4,577)
Purchases of financial assets at fair value through profit or loss	**(16,193)**	(13,366)
Proceeds from disposal of property, plant and equipment	**4,872**	1,573
Dividends received from financial assets at fair value through other comprehensive income	**3,403**	–
Decrease in amounts due from an associate	**–**	629,841
Net cash inflow on disposal of subsidiaries	**–**	248,876
Net proceeds on disposal of financial assets at fair value through profit or loss	**5,117**	7,805
Net proceeds on disposal of financial assets at fair value through other comprehensive income	**–**	31,931
Payment for the remaining consideration of a business combination in previous year	**–**	(113,895)
Net cash (outflow)/inflow from investing activities	**(14,381)**	776,698

CONSOLIDATED CASH FLOW STATEMENT (CONTINUED)

	Year ended 31 December	
	2019	2018
	HK$'000	HK$'000
Financing activities		
Increase/(decrease) in amounts due to minority owners of subsidiaries	**2,269**	(113,895)
Proceeds from borrowings and loans	**3,083,096**	3,054,480
Repayment of borrowings and loans	**(3,056,860)**	(5,224,210)
Increase in pledged bank deposits	**(357,363)**	(334,271)
Principal elements of lease payments	**(40,712)**	–
Net cash outflow from financing activities	**(369,570)**	(2,617,896)
Net decrease in cash and cash equivalents	**(317,109)**	(509,938)
Cash and cash equivalents at beginning of year	**843,049**	1,420,068
Effect of foreign exchange rate changes	**(15,789)**	(67,081)
Cash and cash equivalents at end of year	**510,151**	843,049

The Board confirms that the above supplemental information does not affect other information contained in the Results Announcement and the content of the Results Announcement remains correct and unchanged.

By order of the Board
Shanghai Zendai Property Limited
Mr. Wang Letian
Chairman

Hong Kong, 1 April 2020

As at the date of this announcement, the executive Directors are Mr. Wang Letian, Mr. Qin Renzhong, Mr. Zhang Huagang and Mr. Tang Jian. The non-executive Directors are Ms. Wang Zheng, Mr. Gong Ping and Ms. Jiang Zhengyan. The independent non-executive Directors are Mr. Chow Alexander Yue Nong, Dr. Xu Changsheng, Mr. Ng Man Kung, Mr. How Sze Ming and Dr. Di Ruipeng.