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**时代中国**

**TIMES CHINA**

**TIMES CHINA HOLDINGS LIMITED**

**時代中國控股有限公司**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 1233)**

**ANNUAL RESULTS ANNOUNCEMENT  
FOR THE YEAR ENDED 31 DECEMBER 2020**

**ANNUAL RESULTS HIGHLIGHTS**

- Contracted sales for the year of RMB100.38 billion, representing an increase of 28.1% as compared with last year;
- Turnover for the year of RMB38.58 billion, representing a decrease of 9.1% as compared with last year;
- Profit for the year of RMB5.37 billion, representing a decrease of 3.5% as compared with last year;
- Gross profit margin for the year of 28.8%, basically same as that of last year;
- Net profit margin for the year of 13.9%, representing a year-on-year increase of 0.8 percentage points;
- Basic and diluted earnings per share for the year of RMB254 cents, representing a decrease of 7.0% as compared with last year;
- Cash and bank balances of RMB37.96 billion as at 31 December 2020;
- The Board proposed a final dividend of RMB76.68 cents per share for the year ended 31 December 2020.

## RESULTS

The board (the “Board”) of directors (the “Directors”) of Times China Holdings Limited (“Times China” or the “Company”) is pleased to announce the consolidated annual results of the Company and its subsidiaries (collectively, the “Group”) for the year ended 31 December 2020 (the “Reporting Period”) together with the comparative figures for the corresponding year of 2019 as follows:

### CONSOLIDATED STATEMENT OF PROFIT OR LOSS

Year ended 31 December 2020

	Notes	2020 RMB'000	2019 RMB'000
<b>REVENUE</b>	4	<b>38,576,694</b>	42,433,383
Cost of sales		<u>(27,474,248)</u>	<u>(29,997,746)</u>
<b>Gross profit</b>		<b>11,102,446</b>	12,435,637
Other income and gains	4	<b>1,935,114</b>	1,033,777
Selling and marketing costs		<b>(1,119,973)</b>	(1,212,434)
Administrative expenses		<b>(1,574,063)</b>	(1,554,296)
Other expenses		<b>(484,936)</b>	(561,624)
Finance costs	6	<b>(1,181,169)</b>	(1,010,850)
Share of profits and losses of joint ventures and associates		<u><b>445,059</b></u>	<u>1,208,769</u>
<b>PROFIT BEFORE TAX</b>	5	<b>9,122,478</b>	10,338,979
Income tax expense	7	<u><b>(3,756,468)</b></u>	<u>(4,778,518)</u>
<b>PROFIT FOR THE YEAR</b>		<u><b>5,366,010</b></u>	<u>5,560,461</u>
Attributable to:			
Owners of the Company		<b>4,941,190</b>	5,212,623
Non-controlling interests		<u><b>424,820</b></u>	<u>347,838</u>
		<u><b>5,366,010</b></u>	<u>5,560,461</u>
<b>EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY</b>	8		
Basic and diluted		<u><b>RMB254 cents</b></u>	<u>RMB273 cents</u>

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Year ended 31 December 2020

	2020 <i>RMB'000</i>	2019 <i>RMB'000</i>
<b>PROFIT FOR THE YEAR</b>	<b>5,366,010</b>	<b>5,560,461</b>
<b>OTHER COMPREHENSIVE INCOME/(LOSS)</b>		
Other comprehensive income/(loss) that may be reclassified to profit or loss in subsequent periods:		
Cash flow hedges:		
Effective portion of changes in fair value of derivative financial instruments arising during the year	(53,409)	–
Share of other comprehensive income/(loss) of a joint venture	49,081	(13,060)
Exchange differences on translation of foreign operations	1,267,404	(237,400)
	<b>1,263,076</b>	<b>(250,460)</b>
Other comprehensive income that will not be reclassified to profit or loss in subsequent periods:		
Net gain on equity investments designated at fair value through other comprehensive income	380	4,103
<b>OTHER COMPREHENSIVE INCOME/(LOSS) FOR THE YEAR</b>	<b>1,263,456</b>	<b>(246,357)</b>
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>	<b>6,629,466</b>	<b>5,314,104</b>
Attributable to:		
Owners of the Company	6,204,646	4,966,266
Non-controlling interests	424,820	347,838
	<b>6,629,466</b>	<b>5,314,104</b>

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2020

	<i>Notes</i>	<b>2020</b> <b>RMB'000</b>	2019 <b>RMB'000</b>
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment		<b>1,177,999</b>	1,096,102
Inventories of properties		<b>1,354,246</b>	1,518,010
Right-of-use assets		<b>85,523</b>	138,186
Investment properties		<b>7,007,400</b>	3,489,209
Goodwill		<b>78,318</b>	88,526
Other intangible assets		<b>165,949</b>	142,927
Interests in joint ventures		<b>9,383,838</b>	7,587,048
Interests in associates		<b>2,782,440</b>	2,520,090
Equity investments designated at fair value through other comprehensive income		<b>410,952</b>	434,207
Deferred tax assets		<b>1,924,839</b>	1,678,601
Prepayments, deposits and other receivables		<b>1,067,739</b>	1,148,838
		<hr/>	<hr/>
Total non-current assets		<b>25,439,243</b>	19,841,744
<b>CURRENT ASSETS</b>			
Inventories of properties		<b>79,079,315</b>	61,460,980
Trade receivables	<i>10</i>	<b>6,371,029</b>	6,101,701
Contract assets		<b>457,090</b>	210,434
Contract costs		<b>724,086</b>	619,341
Prepayments, deposits and other receivables		<b>30,733,096</b>	31,830,195
Amounts due from joint ventures		<b>7,532,760</b>	8,423,080
Amounts due from associates		<b>1,080,588</b>	1,874,858
Tax prepayments		<b>2,125,583</b>	1,456,341
Restricted bank deposits		<b>4,427,850</b>	3,404,545
Cash and cash equivalents		<b>33,531,747</b>	25,874,865
		<hr/>	<hr/>
Total current assets		<b>166,063,144</b>	141,256,340
<b>CURRENT LIABILITIES</b>			
Trade and bills payables	<i>11</i>	<b>20,608,415</b>	14,470,947
Other payables and accruals		<b>23,300,554</b>	20,481,285
Contract liabilities		<b>24,203,207</b>	21,579,362
Amounts due to joint ventures		<b>10,853,290</b>	4,950,359
Amounts due to associates		<b>638,847</b>	–
Interest-bearing bank and other borrowings and interest payable		<b>19,030,214</b>	19,454,013
Lease liabilities		<b>115,881</b>	51,959
Tax payable		<b>9,358,981</b>	7,014,368
		<hr/>	<hr/>
Total current liabilities		<b>108,109,389</b>	88,002,293
		<hr/>	<hr/>
<b>NET CURRENT ASSETS</b>		<b>57,953,755</b>	53,254,047
		<hr/>	<hr/>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<b>83,392,998</b>	73,095,791
		<hr/>	<hr/>

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION (continued)***As at 31 December 2020*

	<b>2020</b> <i>RMB'000</i>	2019 <i>RMB'000</i>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>	<b>83,392,998</b>	73,095,791
<b>NON-CURRENT LIABILITIES</b>		
Interest-bearing bank and other borrowings and interest payable	<b>43,439,917</b>	34,663,066
Derivative financial instruments	<b>57,405</b>	–
Other long-term payables	<b>58,581</b>	134,934
Lease liabilities	<b>2,210,090</b>	1,174,471
Deferred tax liabilities	<b>1,743,591</b>	1,418,965
Total non-current liabilities	<b>47,509,584</b>	37,391,436
Net assets	<b>35,883,414</b>	35,704,355
<b>EQUITY</b>		
Equity attributable to owners of the Company		
Share capital	<b>154,528</b>	154,528
Reserves	<b>18,623,208</b>	18,932,706
	<b>18,777,736</b>	19,087,234
Non-controlling interests	<b>17,105,678</b>	16,617,121
Total equity	<b>35,883,414</b>	35,704,355

## **NOTES TO FINANCIAL STATEMENTS**

*For the year ended 31 December 2020*

### **1. CORPORATE AND GROUP INFORMATION**

The Company was incorporated in the Cayman Islands on 14 November 2007 under the name of Times Property (Holdings) Co., Limited as an exempted company with limited liability under the Companies Act, Cap. 22 of the Cayman Islands. Pursuant to a special resolution passed on 24 January 2008, the Company's name was changed from Times Property (Holdings) Co., Limited to Times Property Holdings Limited. Pursuant to a special resolution passed on 15 January 2018, the Company's name was changed from Times Property Holdings Limited to Times China Holdings Limited. The registered office address is Windward 3, Regatta Office Park, PO Box 1350, Grand Cayman KY1-1108, Cayman Islands.

The Company is an investment holding company. During the year, the Company's subsidiaries were mainly involved in property development, urban redevelopment business and property leasing in the People's Republic of China (the "PRC").

In the opinion of the Directors, the immediate holding company of the Company is Asiaciti Enterprises Ltd., which was incorporated in the British Virgin Islands ("BVI"), and the ultimate holding company is Renowned Brand Investments Limited ("Renowned Brand"), which was incorporated in the BVI. Renowned Brand is wholly owned by Mr. Shum Chiu Hung ("Mr. Shum"), the founder of the Company and the Group.

The Company's shares became listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") on 11 December 2013.

### **2.1 BASIS OF PREPARATION**

The consolidated financial statements of the Group have been prepared in accordance with International Financial Reporting Standards ("IFRSs") (which include all International Financial Reporting Standards, International Accounting Standards ("IASs") and Interpretations) issued by the International Accounting Standards Board and the disclosure requirements of the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention, except for investment properties and certain financial instruments that are carried at fair value at the end of each reporting period.

#### **Basis of consolidation**

The consolidated financial statements include the financial statements of the Company and its subsidiaries (collectively referred to as the "Group") for the year ended 31 December 2020.

A subsidiary is an entity (including a structured entity), directly or indirectly, controlled by the Company. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee (i.e., existing rights that give the Group the current ability to direct the relevant activities of the investee).

When the Company has, directly or indirectly, less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- (a) the contractual arrangement with the other vote holders of the investee;
- (b) rights arising from other contractual arrangements; and
- (c) the Group's voting rights and potential voting rights.

The financial statements of the subsidiaries are prepared for the same reporting period as the Company, using consistent accounting policies. The results of subsidiaries are consolidated from the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

Profit or loss and each component of other comprehensive income are attributed to the owners of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control described above. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises (i) the assets (including goodwill) and liabilities of the subsidiary, (ii) the carrying amount of any non-controlling interest and (iii) the cumulative translation differences recorded in equity; and recognises (i) the fair value of the consideration received, (ii) the fair value of any investment retained and (iii) any resulting surplus or deficit in profit or loss. The Group's share of components previously recognised in other comprehensive income is reclassified to profit or loss or retained profits, as appropriate, on the same basis as would be required if the Group had directly disposed of the related assets or liabilities.

## 2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The Group has adopted the *Conceptual Framework for Financial Reporting 2018* and the following revised IFRSs for the first time for the current year's financial statements.

Amendments to IFRS 3	<i>Definition of a Business</i>
Amendments to IFRS 9, IAS 39 and IFRS 7	<i>Interest Rate Benchmark Reform</i>
Amendment to IFRS 16	<i>COVID-19-Related Rent Concessions</i> (early adopted)
Amendments to IAS 1 and IAS 8	<i>Definition of Material</i>

The nature and the impact of the *Conceptual Framework for Financial Reporting 2018* and the revised IFRSs are described below:

- (a) *Conceptual Framework for Financial Reporting 2018* (the "Conceptual Framework") sets out a comprehensive set of concepts for financial reporting and standard setting, and provides guidance for preparers of financial statements in developing consistent accounting policies and assistance to all parties to understand and interpret the standards. The Conceptual Framework includes new chapters on measurement and reporting financial performance, new guidance on the derecognition of assets and liabilities, and updated definitions and recognition criteria for assets and liabilities. It also clarifies the roles of stewardship, prudence and measurement uncertainty in financial reporting. The Conceptual Framework is not a standard, and none of the concepts contained therein override the concepts or requirements in any standard. The Conceptual Framework did not have any significant impact on the financial position and performance of the Group.

- (b) Amendments to IFRS 3 clarify and provide additional guidance on the definition of a business. The amendments clarify that for an integrated set of activities and assets to be considered a business, it must include, at a minimum, an input and a substantive process that together significantly contribute to the ability to create output. A business can exist without including all of the inputs and processes needed to create outputs. The amendments remove the assessment of whether market participants are capable of acquiring the business and continue to produce outputs. Instead, the focus is on whether acquired inputs and acquired substantive processes together significantly contribute to the ability to create outputs. The amendments have also narrowed the definition of outputs to focus on goods or services provided to customers, investment income or other income from ordinary activities. Furthermore, the amendments provide guidance to assess whether an acquired process is substantive and introduce an optional fair value concentration test to permit a simplified assessment of whether an acquired set of activities and assets is not a business. The Group has applied the amendments prospectively to transactions or other events that occurred on or after 1 January 2020. The amendments did not have any impact on the financial position and performance of the Group.
- (c) Amendments to IFRS 9, IAS 39 and IFRS 7 address issues affecting financial reporting in the period before the replacement of an existing interest rate benchmark with an alternative risk-free rate (“RFR”). The amendments provide temporary reliefs which enable hedge accounting to continue during the period of uncertainty before the introduction of the alternative RFR. In addition, the amendments require companies to provide additional information to investors about their hedging relationships which are directly affected by these uncertainties. The amendments did not have any significant impact on the financial position and performance of the Group.
- (d) Amendment to IFRS 16 provides a practical expedient for lessees to elect not to apply lease modification accounting for rent concessions arising as a direct consequence of the COVID-19 pandemic. The practical expedient applies only to rent concessions occurring as a direct consequence of the pandemic and only if (i) the change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change; (ii) any reduction in lease payments affects only payments originally due on or before 30 June 2021; and (iii) there is no substantive change to other terms and conditions of the lease. The amendment is effective for annual periods beginning on or after 1 June 2020 with earlier application permitted and shall be applied retrospectively. The amendments did not have any significant impact on the financial position and performance of the Group.
- (e) Amendments to IAS 1 and IAS 8 provide a new definition of material. The new definition states that information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements. The amendments clarify that materiality will depend on the nature or magnitude of information, or both. The amendments did not have any significant impact on the financial position and performance of the Group.



### 3. OPERATING SEGMENT INFORMATION

For management purposes, the Group is organised into the following reportable operating segments:

- (a) Property development: Development and sale of properties and provision of construction services
- (b) Urban redevelopment business: Sale of land held for development and other related activities
- (c) Property leasing: Property leasing (including the leasing of self-owned properties and subleasing of leased properties) and other related activities

Upon the spin-off of Times Neighborhood Holdings Limited (“Times Neighborhood”) on 19 December 2019, which was previously the reportable segment of property management of the Group, the Group has the three remaining reportable segments of property development, urban redevelopment business and property leasing.

Management monitors the results of the Group’s operating segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on reportable segment profit or loss, which is a measure of adjusted profit or loss before tax. The adjusted profit or loss before tax is measured consistently with the Group’s profit before tax except that bank interest income, non-lease-related finance costs, share of profits and losses of joint ventures and associates, as well as head office and corporate income and expenses are excluded from this measurement.

The Group’s revenue from external customers is derived solely from its operations in Mainland China. Except for the Group’s certain equity investments designated at fair value through other comprehensive income (“FVOCI”) amounting to USD1,217,000 (approximately equivalent to RMB7,943,000) (2019: certain equity investments designated at FVOCI amounting to USD1,253,000 (approximately equivalent to RMB8,726,000)), the Group’s certain right-of-use assets amounting to RMB35,403,000 (2019: Nil), and the Group’s certain property, plant and equipment of RMB1,920,000 (2019: RMB4,081,000), the Group’s non-current assets are located in Mainland China. Except for the Group’s certain interest-bearing bank and other borrowings and interest payable of senior notes and syndicated loans amounting to USD3,649,726,000 and HKD966,722,000 in total (approximately equivalent to RMB24,627,807,000) (2019: USD3,862,826,000 in total (approximately equivalent to RMB24,750,173,000)), the Group’s liabilities are located in Mainland China.

Segment assets exclude interests in joint ventures, interests in associates, equity investments designated at FVOCI, deferred tax assets, amounts due from joint ventures, amounts due from associates, tax prepayments, restricted bank deposits, cash and cash equivalents and other unallocated head office and corporate assets as these assets are managed on a group basis.

Segment liabilities exclude amounts due to joint ventures, amounts due to associates, interest-bearing bank and other borrowings and interest payable, tax payable, deferred tax liabilities, other long-term payables, derivative financial instruments and other unallocated head office and corporate liabilities as these liabilities are managed on a group basis.

Intersegment sales and transfers are transacted with reference to the selling prices used for sales made to third parties at the then prevailing market prices.

During the year, no revenue from transactions with a single external customer amounted to 10% or more of the Group’s total revenue (2019: Nil).

<u>Year ended 31 December 2020</u>	<u>Property development</u>	<u>Urban redevelopment business</u>	<u>Property leasing</u>	<u>Elimination</u>	<u>Total</u>
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
<b>Segment revenue (Note 4)</b>					
Sales to external customers	32,673,269	5,453,261	450,164	–	38,576,694
Intersegment sales	–	30,556	65,336	(95,892)	–
	<u>32,673,269</u>	<u>5,483,817</u>	<u>515,500</u>	<u>(95,892)</u>	<u>38,576,694</u>
<b>Segment results</b>	<b>5,542,494</b>	<b>4,039,526</b>	<b>169,522</b>	<b>–</b>	<b>9,751,542</b>
<i>Reconciliation:</i>					
Bank interest income					330,027
Unallocated corporate expenses					(364,753)
Finance costs (other than interest on lease liabilities)					(1,039,397)
Share of profits and losses of joint ventures and associates					445,059
Profit before tax					<u>9,122,478</u>
<b>Segment assets</b>	<b>106,698,447</b>	<b>14,063,655</b>	<b>7,530,251</b>	<b>–</b>	<b>128,292,353</b>
<i>Reconciliation:</i>					
Unallocated assets					63,210,034
Total assets					<u>191,502,387</u>
<b>Segment liabilities</b>	<b>64,734,087</b>	<b>2,299,655</b>	<b>3,404,405</b>	<b>–</b>	<b>70,438,147</b>
<i>Reconciliation:</i>					
Unallocated liabilities					85,180,826
Total liabilities					<u>155,618,973</u>
<b>Other segment information</b>					
Impairment losses on financial assets	(29,924)	(10,531)	(76)	–	(40,531)
Impairment of goodwill	(10,208)	–	–	–	(10,208)
Depreciation of property, plant and equipment	(80,027)	(113)	(32,838)	–	(112,978)
Depreciation of right-of-use assets	(77,395)	–	(817)	–	(78,212)
Amortisation of other intangible assets:					
Allocated amounts	(14,350)	–	(227)	–	(14,577)
Unallocated amounts					(667)
Fair value gains on investment properties	–	–	18,817	–	18,817

Year ended 31 December 2019	Property development	Urban redevelopment business	Property leasing	Property management	Elimination	Total
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
<b>Segment revenue (Note 4)</b>						
Sales to external customers	39,079,896	2,167,574	461,056	724,857	–	42,433,383
Intersegment sales	–	–	46,784	231,173	(277,957)	–
	<u>39,079,896</u>	<u>2,167,574</u>	<u>507,840</u>	<u>956,030</u>	<u>(277,957)</u>	<u>42,433,383</u>
<b>Segment results</b>	8,734,204	1,074,632	165,362	45,315	–	10,019,513
<i>Reconciliation:</i>						
Bank interest income						284,827
Unallocated corporate expenses						(259,424)
Finance costs (other than interest on lease liabilities)						(914,706)
Share of profits and losses of joint ventures and associates						<u>1,208,769</u>
Profit before tax						<u>10,338,979</u>
<b>Segment assets</b>	93,267,674	10,136,828	4,429,268	–	–	107,833,770
<i>Reconciliation:</i>						
Unallocated assets						<u>53,264,314</u>
Total assets						<u>161,098,084</u>
<b>Segment liabilities</b>	54,944,937	740,570	2,072,517	–	–	57,758,024
<i>Reconciliation:</i>						
Unallocated liabilities						<u>67,635,705</u>
Total liabilities						<u>125,393,729</u>
<b>Other segment information</b>						
Impairment losses on financial assets	(49,118)	(2,946)	(977)	215	–	(52,826)
Impairment of goodwill	(306,094)	–	–	–	–	(306,094)
Loss on disposal of financial assets	(41,914)	–	–	–	–	(41,914)
Depreciation of property, plant and equipment	(62,587)	(87)	(31,691)	(4,349)	–	(98,714)
Depreciation of right-of-use assets	(44,199)	–	(817)	–	–	(45,016)
Amortisation of other intangible assets:						
Allocated amounts	(11,789)	–	(128)	(135)	–	(12,052)
Unallocated amounts						(667)
Fair value gains on investment properties	–	–	15,712	–	–	<u>15,712</u>

#### 4. REVENUE, OTHER INCOME AND GAINS

An analysis of the Group's revenue is as follows:

	2020 <i>RMB'000</i>	2019 <i>RMB'000</i>
<i>Revenue from contracts with customers</i>	<b>38,126,530</b>	41,972,327
<i>Revenue from other sources</i>		
Gross rental income from investment property operating leases:		
Leases of self-owned properties	<b>22,838</b>	22,646
Subleases of leased properties	<b>427,326</b>	438,410
	<b>450,164</b>	461,056
	<b>38,576,694</b>	42,433,383

#### Revenue from contracts with customers

##### (i) *Disaggregated revenue information*

For the year ended 31 December 2020

Segments	Property development <i>RMB'000</i>	Urban redevelopment business <i>RMB'000</i>	Total <i>RMB'000</i>
<b>Types of goods or services</b>			
Sale of completed properties	<b>32,673,269</b>	–	<b>32,673,269</b>
Urban redevelopment income	–	<b>5,453,261</b>	<b>5,453,261</b>
Total revenue from contracts with customers	<b>32,673,269</b>	<b>5,453,261</b>	<b>38,126,530</b>

All revenue from contracts with customers for the Group is recognised at a point in time when the goods and assets for urban redevelopment project are transferred to customers.

For the year ended 31 December 2019

Segments	Property development <i>RMB'000</i>	Urban redevelopment business <i>RMB'000</i>	Property management <i>RMB'000</i>	Total <i>RMB'000</i>
<b>Types of goods or services</b>				
Sale of completed properties	38,630,145	–	–	38,630,145
Construction services income	449,751	–	–	449,751
Urban redevelopment income	–	2,167,574	–	2,167,574
Property management services income	–	–	724,857	724,857
Total revenue from contracts with customers	<u>39,079,896</u>	<u>2,167,574</u>	<u>724,857</u>	<u>41,972,327</u>
<b>Timing of revenue recognition</b>				
Goods transferred at a point in time	38,630,145	2,167,574	–	40,797,719
Services transferred over time	<u>449,751</u>	<u>–</u>	<u>724,857</u>	<u>1,174,608</u>
Total revenue from contracts with customers	<u>39,079,896</u>	<u>2,167,574</u>	<u>724,857</u>	<u>41,972,327</u>

Set out below is the reconciliation of the revenue from contracts with customers to the amounts disclosed in the segment information:

For the year ended 31 December 2020

Segments	Property development <i>RMB'000</i>	Urban redevelopment business <i>RMB'000</i>	Total <i>RMB'000</i>
<b>Revenue from contracts with customers</b>			
External customers	32,673,269	5,453,261	38,126,530
Intersegment sales	–	30,556	30,556
	<u>32,673,269</u>	<u>5,483,817</u>	<u>38,157,086</u>
Elimination	–	(30,556)	(30,556)
Total revenue from contracts with customers	<u>32,673,269</u>	<u>5,453,261</u>	<u>38,126,530</u>

For the year ended 31 December 2019

Segments	Property development <i>RMB'000</i>	Urban redevelopment business <i>RMB'000</i>	Property management <i>RMB'000</i>	Total <i>RMB'000</i>
<b>Revenue from contracts with customers</b>				
External customers	39,079,896	2,167,574	724,857	41,972,327
Intersegment sales	—	—	231,173	231,173
	<u>39,079,896</u>	<u>2,167,574</u>	<u>956,030</u>	<u>42,203,500</u>
Elimination	—	—	(231,173)	(231,173)
	<u>—</u>	<u>—</u>	<u>(231,173)</u>	<u>(231,173)</u>
Total revenue from contracts with customers	<u>39,079,896</u>	<u>2,167,574</u>	<u>724,857</u>	<u>41,972,327</u>

The following table shows the amounts of revenue recognised in the current reporting period that were included in the contract liabilities at the beginning of the reporting period:

	2020 <i>RMB'000</i>	2019 <i>RMB'000</i>
Sale of completed properties	10,002,768	12,861,956
Property management services income	—	38,835
	<u>10,002,768</u>	<u>12,900,791</u>

	2020 <i>RMB'000</i>	2019 <i>RMB'000</i>
<i>Other income</i>		
Bank interest income	<b>330,027</b>	284,827
Interest income from third parties and joint ventures	<b>146,471</b>	237,044
Management fee income	<b>105,957</b>	239,829
Consultation fee income	<b>95,074</b>	–
Compensation income	<b>90,224</b>	92,722
Others	<b>88,701</b>	68,034
	<b>856,454</b>	922,456
<i>Gain, net</i>		
Remeasurement of the pre-existing interest in a joint venture	–	15,764
Remeasurement of the pre-existing interest in an associate	<b>311,900</b>	–
Fair value gains on self-owned investment properties	<b>2,136</b>	18,013
Gain on write-back of the trade payables	–	49,816
Gain on bargain purchase of a subsidiary	<b>500,060</b>	–
Gain on bargain purchase of a joint venture	–	8,156
Gain on deemed disposal of subsidiaries	–	15,573
Gain on disposal of a subsidiary	<b>99,418</b>	–
Gain on disposal of financial assets at fair value through profit or loss	<b>82</b>	3,643
Foreign exchange gain, net	<b>165,064</b>	356
	<b>1,078,660</b>	111,321
	<b>1,935,114</b>	1,033,777

## 5. PROFIT BEFORE TAX

The Group's profit before tax is arrived at after charging/(crediting):

	2020 <i>RMB'000</i>	2019 <i>RMB'000</i>
Cost of completed properties sold	<b>25,809,068</b>	27,850,302
Cost of construction services provided	–	440,756
Cost of urban redevelopment business	<b>1,603,806</b>	1,082,024
Direct operating expenses (including repairs and maintenance) arising on leasing of self owned properties	<b>3,224</b>	6,159
Direct operating expenses (including repairs and maintenance) arising on subleasing of leased properties	<b>58,150</b>	87,464
Cost of property management services provided	–	531,041
Depreciation of property, plant and equipment	<b>112,978</b>	98,714
Depreciation of right-of-use assets	<b>78,212</b>	45,016
Amortisation of other intangible assets	<b>15,244</b>	12,719
Changes in fair value of self-owned investment properties	<b>(2,136)</b>	(18,013)
Changes in fair value of sub-leased investment properties	<b>(16,681)</b>	2,301
Auditor's remuneration	<b>10,081</b>	9,377
Employee benefit expense (excluding Directors' and chief executive's remuneration):		
Wages and salaries	<b>1,797,304</b>	1,411,618
Pension scheme contributions	<b>44,942</b>	115,772
Less: Amount capitalised in inventories of properties	<b>(910,661)</b>	(690,073)
	<b>931,585</b>	837,317
Lease payments not included in the measurement of lease liabilities	<b>19,417</b>	20,927
Gain on disposal of a subsidiary	<b>(99,418)</b>	–
Gain on bargain purchase of a subsidiary	<b>(500,060)</b>	–
Gain on bargain purchase of a joint venture	–	(8,156)
Gain on deemed disposal of subsidiaries	–	(15,573)
Gain on disposal of financial assets at fair value through profit or loss	<b>(82)</b>	(3,643)
Remeasurement of the pre-existing interest in an associate	<b>(311,900)</b>	–
Remeasurement of the pre-existing interest in a joint venture	–	(15,764)
Loss on disposal of items of property, plant and equipment	<b>156</b>	827
Write-down of inventories of properties to net realisable value	<b>86,997</b>	–
Impairment losses on financial assets:		
Impairment loss on trade receivables	<b>11,463</b>	33,855
Impairment loss on financial assets included in prepayments, deposits and other receivables	<b>29,068</b>	18,971
Loss on write-off of other receivables	<b>133,491</b>	–
Loss on disposal of financial assets	–	41,914
Fair value losses on derivative financial instruments, net	<b>103</b>	–
Impairment of goodwill	<b>10,208</b>	306,094
Foreign exchange differences, net	<b>(165,064)</b>	(356)
Premium paid on early redemption of senior notes	<b>12,669</b>	–



## 6. FINANCE COSTS

An analysis of finance costs is as follows:

	2020 <i>RMB'000</i>	2019 <i>RMB'000</i>
Interest expense	5,426,402	4,333,985
Interest on lease liabilities	141,772	96,144
Total interest expense on financial liabilities not at fair value through profit or loss	5,568,174	4,430,129
Less: Interest capitalised	(4,387,005)	(3,419,279)
	<u>1,181,169</u>	<u>1,010,850</u>

## 7. INCOME TAX

The Group is subject to income tax on an entity basis on profits arising in or derived from the jurisdictions in which members of the Group are domiciled and operate. Pursuant to the rules and regulations of the Cayman Islands and BVI, the entities of the Group which were incorporated in the Cayman Islands and BVI are not subject to any income tax.

### Hong Kong profits tax

The statutory rate of Hong Kong profits tax was 16.5% (2019: 16.5%) on the estimated assessable profits arising in Hong Kong. No provision for Hong Kong profits tax was made as the Group had no assessable profits arising in Hong Kong during the year (2019: Nil).

### PRC corporate income tax ("CIT")

The Group's income tax provision in respect of its operations in Mainland China has been calculated at the applicable tax rates on the taxable profits for both years, based on the existing legislation, interpretations and practices in respect thereof. Certain of the Group's PRC subsidiaries enjoyed a preferential CIT rate of 15% during both years.

### PRC land appreciation tax ("LAT")

PRC LAT is levied at progressive rates ranging from 30% to 60% on the appreciation of land value, being the proceeds from sales of completed properties less deductible expenditures including cost of land, borrowing costs and relevant property development expenditures, and is included in the consolidated statement of profit or loss as income tax expense.

	2020 <i>RMB'000</i>	2019 <i>RMB'000</i>
Current:		
CIT	3,065,857	2,853,316
LAT	1,264,403	2,978,954
Deferred	(573,792)	(1,053,752)
Total tax charge for the year	<u>3,756,468</u>	<u>4,778,518</u>

## 8. EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY

The calculations of the basic and the diluted earnings per share amounts are based on the profit for the year attributable to ordinary equity holders of the Company and the weighted average number of ordinary shares of 1,941,817,000 (2019: 1,906,606,000) in issue during the year.

	2020	2019
Profit attributable to ordinary equity holders of the Company ( <i>RMB'000</i> )	<u>4,941,190</u>	<u>5,212,623</u>
Weighted average number of ordinary shares in issue ( <i>in thousand</i> )	<u>1,941,817</u>	<u>1,906,606</u>
Basic and diluted earnings per share ( <i>RMB cents per share</i> )	<u>254</u>	<u>273</u>

The Group had no potentially dilutive ordinary shares in issue during the years ended 31 December 2020 and 2019 respectively.

## 9. DIVIDENDS

The Board recommended the payment of a final dividend of RMB76.68 cents per share totalling RMB1,488,985,000 for the year ended 31 December 2020 (2019: RMB84.45 cents). The final dividend will be either payable in cash or, at the scrip option of the shareholders, in form of new fully paid scrip shares of the Company in lieu of cash, or partly in cash and partly in the scrip shares.

The proposed final dividend for the year is subject to the approval of the Company's shareholders at the forthcoming annual general meeting.

The proposed 2019 final dividend of RMB84.45 cents per share totalling RMB1,639,865,000 was approved by the Company's shareholders at the annual general meeting on 15 May 2020 and was distributed in July 2020.

## 10. TRADE RECEIVABLES

Trade receivables mainly arise from the sale of completed properties, urban redevelopment business and property leasing. Considerations in respect of the completed properties sold are payable by the purchasers in accordance with the terms of the related sale and purchase agreements; receivables from urban redevelopment business are payable by the government in accordance with urban redevelopment contracts and rentals in respect of leased properties are generally received in advance.

	2020	2019
	<i>RMB'000</i>	<i>RMB'000</i>
Trade receivables	6,436,553	6,155,762
Impairment	<u>(65,524)</u>	<u>(54,061)</u>
	<u>6,371,029</u>	<u>6,101,701</u>

An ageing analysis of the trade receivables as at the end of the reporting period, based on the invoice date and net of loss allowance, is as follows:

	<b>2020</b>	2019
	<b><i>RMB'000</i></b>	<i>RMB'000</i>
Within 3 months	<b>4,417,153</b>	4,398,144
4 to 6 months	<b>65,903</b>	305,113
7 to 12 months	<b>1,594,541</b>	575,916
Over 1 year	<b>293,432</b>	822,528
	<b><u>6,371,029</u></b>	<u>6,101,701</u>

#### **11. TRADE AND BILLS PAYABLES**

The ageing analysis of the trade and bills payables is as follows:

	<b>2020</b>	2019
	<b><i>RMB'000</i></b>	<i>RMB'000</i>
Within 1 year	<b>18,756,949</b>	13,306,676
Over 1 year	<b>1,851,466</b>	1,164,271
	<b><u>20,608,415</u></b>	<u>14,470,947</u>

The trade and bills payables are unsecured, interest-free and repayable within the normal operating cycle or on demand.

## CHAIRMAN'S STATEMENT

Dear Shareholders,

In the year 2020 just passed, we continued to practice “The Warrior is walking down the road full of thorns”, a famous saying of the ancient Roman poet Ovidius.

In this year full of ups and downs, the PRC government took the lead in controlling the spread of the epidemic, making it the first country to resume positive economic growth among the world's major economies. This year, Times China bucked the trend, won great achievements, and never stopped the pace of moving forward.

Looking back on 2020, we walked through such tough times together. Some Times people worked day and night to purchase supplies cross borders for the front line of the battle against the epidemic, while some were courageous and volunteered to support the construction of the quarantine area, and some stood out to light up households of the community. It was exceptionally warm for people to care for each other, and watch over each other. As General Secretary Xi Jinping said in his New Year's greetings: “Greatness is forged in the ordinary. Heroes come from the people. Every person is remarkable!”

In 2020, we developed at high gear. Times China has maintained rapid growth, achieved sales of RMB100.38 billion for the year and broken 100 billion for the first time with a year-on-year increase of 28.1%, and proudly embarked on a new journey. We continued to expand our presences across the Guangdong-Hong Kong-Macao Greater Bay Area and accelerated our layout in other cities with high growth potential such as the Yangtze River Delta, the middle stream of the Yangtze River, and the Chengdu-Chongqing urban agglomeration. We continued to build on our strengths in urban renewal and kept stepping up our pace in the expansion and transformation of our projects. Our land reserves have steadily expanded, providing a strong guarantee for the future growth. Times Favorite Car Town (時代愛車小鎮) and Times Global Chuangke Town were successfully landed in Foshan, making a strategic breakthrough in the industry city business.

In 2020, the “Digital Transformation of Enterprises” of Times China began to bear fruit. After three years of persistent efforts, we have achieved the full online connection of business workflow, approval workflow, and data workflow, and basically realized business workflow automation and business operation mechanization, as well as intelligence analysis and decision making. Times China has begun the exploration of “the Wise System of the Times”, helping enterprises to transform from traditional functional organizations to platform-based organizations.

The past is just a prologue, and only by working hard can we create and extend glory.

2021 marks the 100th anniversary of the founding of the Communist Party of China, the first year of the 14th Five-Year Plan of PRC, and also the first year of the new journey of building a modern socialist country. This is a great time and we are fortunate to take part in.

Achieving sales goal of RMB100 billion is a milestone for the Company's development and also a starting point for our next stage. We will insist on long-termism and quality growth, always maintain an aggressive mindset and forge ahead, so as to maintain stable and sustainable development.

**Shum Chiu Hung**

*Chairman of the Board, Executive Director and Chief Executive Officer*

23 March 2021

## BUSINESS REVIEW

### Overview

For 2020, the Group's operations recorded a revenue of RMB38,576.7 million, representing a decrease of 9.1% when compared with that of 2019. Profit for 2020 amounted to RMB5,366.0 million, representing a decrease of 3.5% when compared with that of 2019. The core net profit for 2020 (net profit less impairment loss on goodwill, changes in fair value of self-owned investment properties, excluding the impact of the related deferred tax, changes in fair value of derivative financial instruments and the premium paid on early redemption of senior notes) decreased to RMB5,388.4 million, representing a decrease of 7.3% when compared with that of 2019. Profit attributable to the owners of the Company amounted to RMB4,941.2 million, representing a decrease of 5.2% as compared to that of 2019. Basic and diluted earnings per share for 2020 were RMB254 cents (2019: RMB273 cents), representing a decrease of 7.0%.

### *Property Development*

The Group focuses on the major core cities in the Guangdong-Hong Kong-Macau Greater Bay Area. As at 31 December 2020, the Group had 138 major projects in total at various stages, including 128 projects in major cities of Guangdong province, namely, Guangzhou, Foshan, Jiangmen, Dongguan, Huizhou, Zhuhai, Zhongshan, Qingyuan, Zhaoqing, Shantou, Shanwei and Heyuan, and 5 projects in Changsha, Hunan province, 1 project in Wuhan, Hubei province, 2 projects in Chengdu, Sichuan province and 2 projects in Hangzhou Area, Zhejiang province. For 2020, with its outstanding operating capability and high quality projects situated in prime locations, the Group still managed to accomplish expected contracted sales for the year. For 2020, the Group's contracted sales<sup>(1)</sup> amounted to approximately RMB100.38 billion with total GFA of approximately 6,731,000 sq.m. The Group focuses in its projects on peripheral facilities, seeking to enhance customers' experience in art and to fulfill the needs of the middle to upper class households.

*Note 1:* Contracted sales is summarised based on sale and purchase agreements and purchase confirmation agreements.

The table below illustrates the contracted sales achieved by the Group by region for 2020:

<b>Region</b>	<b>Available for sale project numbers</b>	<b>Contracted sales area (sq.m.)</b>	<b>Contracted sales amount (RMB million)</b>	<b>Percentage of amounts (%)</b>
Guangzhou	48	1,332,000	30,005	29.9%
Foshan	45	1,323,000	22,286	22.2%
Jiangmen	4	503,000	3,905	3.9%
Zhuhai	22	289,000	4,420	4.4%
Zhongshan	22	271,000	2,823	2.8%
Qingyuan	16	697,000	5,856	5.8%
Changsha	11	771,000	9,680	9.7%
Huizhou	9	371,000	3,952	3.9%
Dongguan	11	467,000	8,934	8.9%
Zhaoqing	3	250,000	2,115	2.1%
Chengdu	2	160,000	3,612	3.6%
Shantou	1	99,000	1,116	1.1%
Shanwei	1	92,000	701	0.7%
Heyuan	1	106,000	976	1.0%
<b>Total</b>	<b>196</b>	<b>6,731,000</b>	<b>100,381</b>	<b>100.0%</b>

The contracted sales target for 2021 is expected to be approximately RMB110.0 billion.

#### *Urban redevelopment business*

The Group's income from urban redevelopment business for the year amounted to RMB5,453.3 million. The income was mainly generated from urban redevelopment projects in Guangzhou and Foshan etc.. As of 31 December 2020, there were over 160 urban redevelopment projects in aggregate, with a potential total GFA of approximately 53.37 million sq.m.

#### *Properties for leasing and sub-leasing*

As at 31 December 2020, the Group held a GFA of approximately 30,979 sq.m. and 246 car parking spaces at Times Property Center and a GFA of approximately 37,567 sq.m. at Block No. 26 of Times King City (Zhongshan) for rental purposes and the GFA for Guangzhou Times Commercial Management Co., Ltd. and other subsidiaries for sub-leasing purposes was approximately 608,274 sq.m.. For 2020, the Group's rental income amounted to RMB450.1 million, contributing to 1.2% of the total revenue.

#### *Property management services*

Property management fee income represents revenue generated from property management services provided in relation to delivered properties before the spin-off of Times Neighborhood. In 2020, no new income from property management services was recorded by the Group primarily due to the spin-off of Times Neighborhood which was principally engaged in the provision of property management services.

## Land Reserves

As at 31 December 2020, the Group had total land reserves of approximately 21.6 million sq.m., which the Group believes will be sufficient to support the Group's development need for the next three years. The table below sets forth the information of land reserves in major cities that the Group has established footholds:

<b>Region</b>	<b>Land reserves (sq.m.)</b>	<b>Percentage (%)</b>
Guangzhou	5,043,500	23.4%
Qingyuan	4,192,503	19.4%
Foshan	3,282,355	15.2%
Huizhou	1,048,376	4.9%
Jiangmen	1,603,590	7.4%
Changsha	1,312,102	6.1%
Dongguan	1,211,391	5.6%
Zhongshan	1,069,628	5.0%
Zhuhai	795,351	3.7%
Zhaoqing	665,237	3.1%
Wuhan	284,018	1.3%
Chengdu	228,437	1.1%
Heyuan	210,103	1.0%
Shantou	182,690	0.8%
Shanwei	163,491	0.7%
Hangzhou Area	292,957	1.3%
Total	<u>21,585,729</u>	<u>100.0%</u>



## Portfolio of Property Development Projects

The table below is a summary of the portfolio of property development projects as at 31 December 2020<sup>(1)</sup>.

Project	Project type	Actual/expected completion dates	Site area (sq.m.)	Completed	Completed	Under development/ future development		Ownership interest <sup>(5)</sup> (%)
				GFA for sale <sup>(2)(4)</sup> (sq.m.)	Other GFA <sup>(3)</sup> (sq.m.)	GFA for sale <sup>(4)</sup> (sq.m.)	Other GFA <sup>(3)</sup> (sq.m.)	
<b>Guangzhou</b>								
Times Bund	Residential and commercial	2013-2016	92,123	–	30,520	–	–	99
Ocean Times	Residential and commercial	2011-2015	354,156	11,325	23,170	–	–	91
Guangzhou Tianhe Project (Pige Factory Project)	Industrial	Pending	–	–	–	–	–	70
Guangzhou Tiansi Project (Qingchu Shiliu Gang Project)	Industrial	Pending	–	–	–	–	–	42
Yun Du Hui	Apartment and commercial	2015	17,480	–	35	–	–	50
Times Cloud Atlas (Guangzhou)	Residential and commercial	2016	45,593	–	6,160	–	–	100
Times Bridges (Zengcheng)	Residential and commercial	2017	93,756	–	91,350	–	–	100
Times Centralpark Living (Guangzhou)	Residential and commercial	2017	70,648	–	74,199	–	–	100
Nansha Times Long Island Project	Residential and commercial	2016-2018	71,310	193	6,973	–	–	100
Times Cloud Port (Huadu)	Residential and commercial	2020	29,959	707	9,600	–	–	100
Times Park Laurel (Guangzhou)	Residential and commercial	2018	45,537	8,660	39,290	–	–	100
Times Aerobic City (Guangzhou)	Residential and commercial	2018	64,374	9,185	69,078	–	–	95
Huangpu Chemical	Commercial	2022	18,279	–	–	81,797	27,504	45
B2-2 land parcel, Sino- Singapore Knowledge City	Residential and commercial	2019	61,145	12,721	49,260	–	–	100
B2-1 land parcel, Sino- Singapore Knowledge City	Residential and commercial	2016-2019	103,890	4,392	987	–	–	100
Times Cambridge (Huadu)	Residential and commercial	2017-2018	31,665	6,367	1,286	–	–	100
Project of Shigang Road, Haizhu District	Residential and commercial	2021	20,211	–	–	71,038	13,830	60

Project	Project type	Actual/expected completion dates	Site area (sq.m.)	Completed	Completed	Under development/ future development		Ownership interest <sup>(5)</sup> (%)
				GFA for sale <sup>(2)(4)</sup> (sq.m.)	Other GFA <sup>(3)</sup> (sq.m.)	GFA for sale <sup>(4)</sup> (sq.m.)	Other GFA <sup>(3)</sup> (sq.m.)	
Times Fairy Land	Residential and commercial	2019	20,076	4,729	17,483	–	–	45
Times Forture	Residential and commercial	2018	20,177	2,340	–	–	33,734	100
Times The Shore	Residential and commercial	2020	53,985	7,697	51,058	–	–	60
Times Elegance (Zengcheng)	Residential and commercial	2020	24,825	–	265	–	26,700	52
Times King City (Sino-Singapore)	Residential and commercial	2020	90,976	–	–	135,017	90,235	51
Times King City (Sino-Singapore)	Residential and commercial	2021	31,509	–	–	98,138	52,970	70
Times City (Guangzhou)	Residential and commercial	2021-2027	178,038	–	–	601,521	149,110	51
Times Yunlai (Guangzhou)	Residential and commercial	2021	67,695	–	–	193,842	65,152	70
Times Longfor Dream Land	Residential and commercial	2021	81,178	–	–	186,780	52,530	49
Project of Times China Bay Area Headquarter, Nansha District, Guangzhou	Commercial	2025	11,447	–	–	138,939	37,019	100
Times Realm (Guangzhou)	Residential and commercial	2022	44,995	–	–	141,402	40,436	30
Times Impression (Guangzhou)	Residential and commercial	2021	102,948	–	–	455,702	102,157	75
Times Classic (Zengcheng)	Residential and commercial	2022	77,530	–	–	250,674	72,150	74
Times Horizon (Huangpu)	Residential and commercial	2022-2024	100,321	–	–	436,502	127,440	70
Times Flourism (Huangpu)	Residential and commercial	2022	23,467	–	–	73,855	23,460	60
Times Rhythm (Guangzhou)	Residential and commercial	2022-2023	110,168	–	–	420,288	90,960	50
Golden Field Yuefu	Residential and commercial	2021	33,321	–	–	161,762	51,826	30 <sup>(6)</sup>
<b>Foshan</b>								
Times King City (Shunde)	Residential and commercial	2016-2017	125,782	–	31,570	–	–	100
Times City (Foshan)	Residential and commercial	2010-2017	505,776	–	92,817	–	–	100
Times City (Foshan) Phases V and VI	Residential and commercial	2016	12,860	–	3,084	–	–	100
Times Cloud Atlas (Foshan)	Residential and commercial	2015-2016	58,149	–	23,870	–	–	100
Times King City (Foshan) Phase IV	Residential and commercial	2015	34,308	–	355	–	–	91
Goden Lotus (Foshan)	Residential and commercial	2017	20,464	–	2,310	–	–	100
Times Prime (Foshan)	Residential and commercial	2016	17,148	–	910	–	–	100
Times Riverbank (Foshan)	Residential and commercial	2017	64,697	–	15,805	–	–	100

Project	Project type	Actual/expected completion dates	Site area (sq.m.)	Completed	Completed	Under development/ future development		Ownership interest <sup>(5)</sup> (%)
				GFA for sale <sup>(2)(4)</sup> (sq.m.)	Other GFA <sup>(3)</sup> (sq.m.)	GFA for sale <sup>(4)</sup> (sq.m.)	Other GFA <sup>(3)</sup> (sq.m.)	
Times The Shore (Foshan)	Residential and commercial	2017	51,457	–	7,753	–	–	100
Times Classic (Foshan)	Residential and commercial	2018	35,383	–	15,342	–	–	100
Times Riverbank (Foshan) Phase II	Residential and commercial	2018-2019	111,658	566	36,789	–	–	75
Ocean Times (Foshan) Phase I	Residential and commercial	2018	105,553	4,072	29,924	–	–	91
Timing Home	Residential and commercial	2019	40,794	4,681	18,592	–	–	51
Ocean Times (Foshan) Phase II	Residential and commercial	2019	89,927	892	30,908	–	–	100
My. Tittlis (Foshan)	Residential and commercial	2019	117,893	282	34,860	–	–	90
Project of Juxian, Nanshan, Sanshui, Foshan	Residential and commercial	2020	49,125	12,907	36,304	–	–	100
Project of Aoli Garden, Datang, Sanshui, Foshan	Residential and commercial	2018-2019	91,760	14,427	64,543	–	–	80
Project of Xinya, Nanhai, Foshan	Residential and commercial	2020	41,772	28,891	–	–	22,816	60
Times Starry Mansion (Foshan)	Residential and commercial	2018-2019	37,835	–	35,132	–	–	75
Times Merchants Tianxi (Foshan)	Residential and commercial	2021	43,518	–	–	140,174	33,750	50
Times Realm (Foshan)	Residential and commercial	2021	67,579	–	–	232,995	54,270	70
Poly Times (Foshan)	Residential and commercial	2021	48,498	–	–	142,950	33,780	49
Toplus (Foshan)	Residential and commercial	2021	120,487	–	–	504,649	3,127	33
Times Memory (Foshan)	Residential and commercial	2021-2022	62,063	–	–	260,916	57,631	51
Foshan Dali Yanjiang Road Project	Residential and commercial	2021	36,313	–	–	105,615	21,780	51
Hexiquan Project in Shuitou Industrial Zone, Nanhai, Foshan	Residential and commercial	2021	12,688	–	–	32,281	8,215	33
Foshan's Shunde Lunjiao Project	Residential and commercial	2022	38,654	–	–	128,760	28,636	100
Times Global Chuangke Town	Residential and commercial	2022-2023	223,952	–	–	631,872	180,054	75
Panjian Project in Shuitou Industrial Zone, Nanhai, Foshan	Residential and commercial	2022	11,304	–	–	36,501	11,298	33 <sup>(7)</sup>
Times Cloud Atlas (Sanshui) Phase II	Residential and commercial	2022	26,658	–	–	54,299	8,400	100

Project	Project type	Actual/expected completion dates	Site area (sq.m.)	Completed	Completed	Under development/ future development		Ownership interest <sup>(5)</sup> (%)
				GFA for sale <sup>(2)(4)</sup> (sq.m.)	Other GFA <sup>(3)</sup> (sq.m.)	GFA for sale <sup>(4)</sup> (sq.m.)	Other GFA <sup>(3)</sup> (sq.m.)	
<b>Jiangmen</b>								
Times King City (Heshan)	Residential and commercial	2019-2020	120,804	49,967	43,292	–	–	70
Lake Forest	Residential and commercial	2020-2021	316,980	7,028	32,095	320,165	68,525	51
Central Park Living	Residential and commercial	2019	90,034	15,386	39,960	–	–	100
Times Horizon (Heshan)	Residential and commercial	2020-2021	49,735	1,507	1,787	9,720	28,813	90
Central Park Living (Heshan) Phase II	Residential and commercial	2020-2021	119,153	17,758	3,034	169,202	53,147	91
Times Elegance (Heshan)	Residential and commercial	2022-2024	187,782	–	–	491,262	123,930	51
Times King City (Jiangmen)	Residential and commercial	2020	34,674	–	–	100,670	26,342	51
<b>Zhuhai</b>								
Eolia City (Zhuhai) Phase VI	Residential and commercial	2013-2014	51,003	–	525	–	–	100
Times Harbor (Zhuhai)	Residential and commercial	2015	81,393	–	8,750	–	–	100
Times King City (Zhuhai) Phase I	Residential and commercial	2015	52,950	–	6,615	–	–	100
Times King City (Zhuhai) Phases II, III and IV	Residential and commercial	2016-2017	198,204	–	3,708	–	–	100
The Shore (Zhuhai)	Residential and commercial	2016-2017	119,169	–	41,160	–	–	100
Baoli Xiangbin Huayuan Project	Residential and commercial	2017	77,206	–	10,708	–	–	49
West of Tin Ka Ping Secondary School, Zhuhai	Residential and commercial	2018	85,363	1,708	49,318	–	–	100
Zhuhai Times Eolia City (Zhuhai)	Residential and commercial	2018	53,963	–	37,971	–	–	60
Times King City (Zhuhai) Phase V	Residential and commercial	2018	17,791	–	13,112	–	–	80
Times Poly TOPlaza (Zhuhai)	Residential and commercial	2019-2021	60,138	63,735	40,597	139,764	30,510	50
West of Heyi Road (Middle), Baijiao Township, Doumen District, Zhuhai	Residential and commercial	2020	20,000	–	–	41,202	9,504	51
Times Horizon II	Residential and commercial	2020	11,393	17,159	8,353	–	–	50
Times Horizon III	Residential and commercial	2021	23,712	–	–	61,276	18,691	50
Times Horizon I	Residential	2020	9,540	–	–	24,054	6,693	38
Times Horizon IV	Residential and commercial	2021	48,432	–	–	127,999	32,239	38

Project	Project type	Actual/expected completion dates	Site area (sq.m.)	Completed	Completed	Under development/ future development		Ownership interest <sup>(5)</sup> (%)
				GFA for sale <sup>(2)(4)</sup> (sq.m.)	Other GFA <sup>(3)</sup> (sq.m.)	GFA for sale <sup>(4)</sup> (sq.m.)	Other GFA <sup>(3)</sup> (sq.m.)	
<b>Zhongshan</b>								
Times King City (Zhongshan)	Residential and commercial	2013-2015	101,821	–	33,775	–	–	100
Times Cloud Atlas (Zhongshan)	Residential and commercial	2015-2016	46,667	–	567	–	–	100
Jin Sha Project (Zhongshan)	Residential and commercial	2020-2021	132,290	207,394	76,997	212,806	16,650	71
Sanxi Village Project (Zhongshan)	Residential and commercial	2019	39,351	4,533	29,624	–	–	91
Baoyi Project (Zhongshan)	Residential and commercial	2020	26,256	1,478	21,234	–	–	100
Jieyue Project of Times North Shore (Zhongshan)	Residential and commercial	2019	25,672	47,650	19,103	–	–	73
Guanfu Project of Times North Shore (Zhongshan)	Residential and commercial	2020	24,328	45,306	18,806	–	–	73
Project of Qijiang New Town, Zhongshan	Residential and commercial	2023-2024	87,272	–	–	264,825	68,880	51 <sup>(6)</sup>
<b>Qingyuan</b>								
Times King City (Qingyuan)	Residential and commercial	2014-2019	301,368	45,992	91,720	–	–	100
Times Garden (Qingyuan) (Phase I)	Residential and commercial	2016	70,650	–	33,086	–	–	100
Times Garden (Qingyuan) (Phase II)	Residential and commercial	2019-2020	84,440	7,889	15,331	–	43,558	100
Fogang Shilian Project	Residential and commercial	2026	551,087	–	–	1,090,746	43,896	100
Fogang Huanghua Lake Project	Residential and commercial	2021-2023	477,020	–	–	418,725	49,361	58
The Shore (Qingyuan) Jiada Feilai Lake Project	Residential and commercial	2021-2023	91,127	–	–	346,115	89,160	100
The Shore (Qingyuan) Wanda West Project	Residential and commercial	2019	68,840	10,665	80,632	–	–	90
Times King City (Qingyuan) Phase IX (Heshun Project)	Residential and commercial	2019	42,214	4,121	48,253	–	–	100
Fogang Songfeng Project (Qingyuan)	Residential and commercial	2021-2022	118,164	–	–	374,527	95,490	70
Times The Shore II (Qingyuan) Hengda Feilai Lake Project	Residential and commercial	2019-2021	133,102	59,383	520	330,867	62,329	100
Feilai South Road Project (Qingyuan)	Residential and commercial	2022	23,137	–	–	80,670	21,660	100
Times Sweet (Qingyuan)	Residential and commercial	2019-2020	28,620	62,781	34,384	–	–	100
Xinteng Project (Qingyuan)	Residential and commercial	2021-2022	123,987	–	–	362,487	94,260	75
Project of Hengfeng (Qingyuan)	Residential and commercial	2021	53,164	–	–	153,695	40,200	100

Project	Project type	Actual/expected completion dates	Site area (sq.m.)	Completed	Completed	Under development/ future development		Ownership interest <sup>(5)</sup> (%)
				GFA for sale <sup>(2)(4)</sup> (sq.m.)	Other GFA <sup>(3)</sup> (sq.m.)	GFA for sale <sup>(4)</sup> (sq.m.)	Other GFA <sup>(3)</sup> (sq.m.)	
<b>Changsha</b>								
Times King City (Changsha)	Residential and commercial	2013-2021	649,862	31,911	89,078	313,412	139,913	100
Times Prime (Changsha)	Residential and commercial	2020	48,017	151,724	32,762	–	–	55
Times Memory (Changsha)	Residential and commercial	2021	39,722	–	–	102,534	19,350	60
Times Mt. Tittlis (Meixi)	Residential and commercial	2021	71,041	–	–	313,502	51,046	60
Project of Huangtuling, Yuhua District, Changsha	Commercial	2022	8,848	–	–	57,213	9,657	80
<b>Dongguan</b>								
Times King City (Dongguan)	Residential and commercial	2018	55,792	1,845	692	–	–	100
Times Realm (Dongguan)	Residential and commercial	2018-2020	79,190	13,853	39,120	–	–	80
Times Thrivinh City (Dongguan)	Residential and commercial	2018-2020	42,519	5,506	15,483	–	–	100
Acquisition Project of Xiaohe Road, Daoqiang Town (Dongguan)	Residential and commercial	2019-2021	56,298	8,658	20,380	67,499	14,619	60
Project of Luwu Village, Changping Town (Dongguan)	Residential and commercial	2019-2020	26,345	28,852	–	–	23,791	17
Shipai Town Project (Dongguan)	Residential and commercial	2019-2021	95,977	45,917	–	124,992	54,798	13
Project of Douchizhou, Zhongtang Town, Dongguan	Residential and commercial	2021	22,451	–	–	68,007	19,269	51
Project of Land Parcel II of Douchizhou, Zhongtang Town, Dongguan	Residential and commercial	2021	38,096	–	–	98,075	29,623	49
Project of Dingshan, Houjie Town, Dongguan	Residential and commercial	2023	69,524	–	–	234,093	44,376	33
Land Parcel 014 of Douchizhou, Zhongtang Town, Dongguan	Residential and commercial	2022	41,837	–	–	118,172	22,968	51
Land Parcel 016 of Douchizhou, Zhongtang Town, Dongguan	Residential and commercial	2022	27,572	–	–	87,840	22,963	49

Project	Project type	Actual/expected completion dates	Site area (sq.m.)	Completed	Completed	Under development/ future development		Ownership interest <sup>(5)</sup> (%)
				GFA for sale <sup>(2)(4)</sup> (sq.m.)	Other GFA <sup>(3)</sup> (sq.m.)	GFA for sale <sup>(4)</sup> (sq.m.)	Other GFA <sup>(3)</sup> (sq.m.)	
<b>Huizhou</b>								
Desai Land Parcel of Gutang'ao	Residential and commercial	2020-2021	284,414	30,799	16,966	523,226	156,814	49
Golden Totus (Huizhou)	Residential and commercial	2020	23,459	–	–	77,092	25,796	80
Vantin Casa (Huiyang)	Residential and commercial	2020	71,274	14,211	–	–	36,300	100
Sanhe Road Housing Estate (Huizhou)	Residential and commercial	2021-2022	62,000	–	–	130,932	36,240	80
<b>Chengdu</b>								
Times Blossom (Chengdu)	Residential and commercial	2020	30,429	9,698	–	–	21,960	100
Times Realm (Chengdu)	Residential and commercial	2021-2022	38,338	–	–	158,828	37,951	70
<b>Zhaoqing</b>								
Times Bund (Zhaoqing)	Residential and commercial	2020	59,677	18,841	–	–	39,780	50
Project of Fenghuang Avenue, Zhaoqing New District	Residential and commercial	2022	51,385	–	–	186,620	35,790	51
Project of Yaosha Village, Zhenshan, Sihui City	Residential and commercial	2022-2023	59,394	–	–	192,143	23,336	50
Times Xinghu Memory (Zhaoqing)	Residential and commercial	2022-2023	43,031	–	–	131,457	37,270	100
<b>Shantou</b>								
Times Horizon (Shantou)	Residential and commercial	2021	36,230	–	–	151,010	31,680	100
<b>Shanwei</b>								
Times Riverbank (Haifeng)	Residential and commercial	2021	27,612	–	–	128,075	35,416	100
<b>Hangzhou Area</b>								
Times Realm (Hangzhou)	Residential and commercial	2021	26,861	–	–	74,712	19,002	80
Project of Longduhu, Xucun Town, Haining	Residential and commercial	Pending	46,938	–	–	153,373	45,870	51
<b>Heyuan</b>								
Times King City (Heyuan)	Residential and commercial	2021	44,470	–	–	161,983	48,120	60
<b>Wuhan</b>								
Times Mark (Wuhan)	Residential and commercial	2021-2022	78,037	–	–	202,537	81,481	50
<b>Total</b>			<b>11,333,473</b>	<b>1,168,289</b>	<b>2,011,080</b>	<b>14,696,373</b>	<b>3,709,987</b>	

- (1) The table above includes properties for which (i) the Group has obtained the relevant land use rights certificate(s), but has not obtained the requisite construction permits, or (ii) the Group has signed a land grant contract with the relevant government authority, but has not obtained the land use rights certificate(s). The figures for total and saleable GFA are based on figures provided in the relevant governmental documents, such as the property ownership certificates, the construction work planning permits, the pre-sale permits, the construction land planning permits or the land use rights certificate. The categories of information are based on our internal records.
- (2) Certain completed projects have no GFA available for sale by the Group as all saleable GFA have been sold, pre-sold or rented out.
- (3) “Other GFA” mainly comprises car parks and ancillary facilities.
- (4) “GFA for sale” and “GFA under development and GFA held for future development” are derived from the Group’s internal records and estimates.
- (5) “Ownership interest” is based on the Group’s effective ownership interest in the respective project companies.
- (6) As of 31 December 2020, the acquisition of Golden Field Yuefu and the Project of Qijiang New Town, Zhongshan has not been completed.
- (7) As of 31 December 2020, the change of business registration for ownership interests of Panjian Project in Shuitou Industrial Zone, Nanhai, Foshan has not been completed and the said project has not been delivered.

### Acquisitions of Land Parcels during the year 2020

The Group continued to expand its land reserves through various channels, including participations in government public auctions, urban redevelopment projects, primary development, cooperation and acquisitions.

For 2020, the Group acquired 16 parcels of land in Guangzhou, Foshan, Dongguan, Zhaoqing, Changsha and Hangzhou Area, and the land acquisition costs amounted to a total of approximately RMB17,119 million.

<b>Location (City) of Projects</b>	<b>Number of projects</b>	<b>Expected total GFA (sq.m.)</b>	<b>Estimated total GFA (attributable to the Company) (sq.m.)</b>	<b>Total land costs (attributable to the Company) (RMB million)</b>
Foshan	6	1,247,711	923,148	7,010
Guangzhou	4	1,386,092	772,848	7,414
Dongguan	3	530,412	218,170	1,722
Changsha	1	66,870	53,496	281
Hangzhou Area	1	199,243	101,614	347
Zhaoqing	1	168,727	168,727	345
<b>Total</b>	<b>16</b>	<b>3,599,055</b>	<b>2,238,003</b>	<b>17,119</b>



## MARKET REVIEW

As of 30 December 2020, transaction volume continued to rise to new highs while price kept increasing in the whole real estate industry. According to the National Bureau of Statistics, the saleable area of commercial properties reached 1,760.8622 million sq.m. nationwide, which increased by 2.6 percentage points on a year-on-year basis, representing an increase of 2.7 percentage points in growth rate compared with that of the corresponding period of last year. The transaction volume of commercial properties reached RMB17,361.266 billion, which increased by 8.7 percentage points on a year-on-year basis, representing an increase of 2.2 percentage points in growth rate compared with that of the corresponding period of last year. The average sales price of commercial properties was RMB9,860/sq.m., which increased by 5.9 percentage points on a year-on-year basis, representing a decrease of 0.7 percentage points in growth rate compared with that of the corresponding period of last year. The market performance of the core regions was even better, with growth rates of 21%, 18% and 10% were recorded for commercial properties sales in Zhejiang, Jiangsu and Guangdong province, respectively, which were far higher than that of the national market. The total market share of commercial properties sales in the three provinces was 34.2%, representing an increase of 2.7 percentage points as compared with that of the corresponding period of last year.

The long-term mechanism of real estate is improving gradually, and the local governments carry out targeted policy for respective cities continuously. The financial and regulatory control over real estate industry has been further strengthened. In August, a new regulation on real estate financing characterized by “three red lines” was promulgated to limit the increase in maximum debt of real estate enterprises. In December, a centralized management system for real estate loans was introduced to stipulate the upper limit of the proportion of outstanding real estate loan granted by bank and the proportion of outstanding housing loan. The prudential regulation system imposed on the real estate financing has been optimizing in the macro-environment to maintain steady and healthy development of the industry.

Although central banks of various countries have adopted loose monetary policies to maintain sufficient liquidity in view of the hit by the COVID-19 worldwide and the total amount of funds flowing to the real estate industry has been growing as a whole, the growth rate was still below the overall credit level. From January to December, the medium to long-term loans to residents increased by 9.2% in aggregate on a year on-year basis, lower than the growth rate of new loans in Renminbi, which was 16.8%.

Under the background of loose liquidity, the domestic transactions in land market maintained stable. The income from domestic residential land transfer increased by 19.2% on a year-on-year basis, the area of land transaction increased by 12.5% on a year-on-year basis, and the land price continued to rise with an increase of 6.0% on a year-on-year basis.

## **PROSPECTS**

Looking forward to 2021, as the pandemic gradually fades away around the globe, the economy will be on track to recovery. China's monetary policy will be marginally tightened, whereas fiscal policy will emphasize more on precision and effectiveness.

Under the policy tone of “stable land prices, housing prices and market expectations”, the local governments will continue to carry out targeted policy for respective cities to maintain the steady development of the real estate industry. Backed by the prudent management system of real estate financing, real estate financing and individual housing loan will be more orderly. The market turnover in the industry varies across regions, and the market demand in major metropolitan areas will remain buoyant. With the ongoing investment in new infrastructure and the construction of digital cities, the value of the major metropolitan areas is further highlighted.

The Group will insist on the quality of growth, while maintaining the balance of growth, benefits and risks. It will also ensure the quality growth of residential development business, further enhance the competitive advantages of urban redevelopment business and collaborative development of business including commercial properties and industrial parks.

We will adopt a diversified land acquisition strategy, proactively engage in urban redevelopment and renewal, and ensure land reserves are sufficient and with high quality. We will continue to deepen our presence across the Guangdong-Hong Kong-Macau Greater Bay Area, significantly increase the market share in regions where we operate, gradually increasing the investments in cities with high growth potential such as Yangtze River Delta, the middle stream of the Yangtze River and Chengdu-Chongqing urban agglomeration.

The Group will adhere to the aggressive sales strategies, strengthen our cash flow management and increase the capital turnover rate.

## Financial Review

### Revenue

The Group's revenue is primarily generated from property development, urban redevelopment business, property leasing and sub-leasing and property management services, which contributed about 84.7%, 14.1% and 1.2% respectively of the revenue of 2020. The Group's revenue decreased by RMB3,856.7 million, or 9.1%, to RMB38,576.7 million for 2020 from RMB42,433.4 million for 2019. This decrease in revenue was primarily attributable to the decrease in property management fee income and the decrease in the delivered area of property sales.

The table below sets forth the breakdown of the Group's revenue by operating segments as indicated:

	Year 2020		Year 2019	
	(RMB in millions)	(%)	(RMB in millions)	(%)
Sales of properties	<b>32,673.3</b>	<b>84.7</b>	39,079.9	92.1
Income from urban redevelopment business	<b>5,453.3</b>	<b>14.1</b>	2,167.6	5.1
Rental income	<b>450.1</b>	<b>1.2</b>	461.1	1.1
Property management fee income	<b>0.0</b>	<b>0.0</b>	724.8	1.7
	<b><u>38,576.7</u></b>	<b><u>100.0</u></b>	<b><u>42,433.4</u></b>	<b><u>100.0</u></b>

### Property development

The Group's revenue from sales of properties decreased by RMB6,406.6 million, or 16.4%, to RMB32,673.3 million for 2020 from RMB39,079.9 million for 2019. The decrease was primarily due to the decrease in delivered gross floor area for the year. The projects that contributed substantially to the Group's revenue for 2020 mainly included Times The Shore (Guangzhou), Times Horizon (Foshan), Times Riverbank (Foshan), Times King City (Heshan) and Timing Home (Foshan) etc..

### Urban redevelopment business

In 2020, the Group's income from urban redevelopment business increased by RMB3,285.7 million, or more than 100.0%, to RMB5,453.3 million for 2020 from RMB2,167.6 million for 2019. The income was mainly generated from urban redevelopment projects in Guangzhou and Foshan etc.. As of 31 December 2020, there were over 160 urban redevelopment projects in aggregate, with a potential total GFA of approximately 53.37 million sq.m.

### *Property leasing and sub-leasing*

The Group's gross rental income decreased by RMB11.0 million, or 2.4%, to RMB450.1 million for 2020 from RMB461.1 million for 2019. The decrease was primarily due to certain rent exempt was granted to tenants as a result of the epidemic during the year.

### *Property management services*

In 2020, no income from property management services was recorded by the Group due to the spin-off of Times Neighborhood which was principally engaged in the provision of property management services.

### *Cost of sales*

The Group's cost of sales decreased by RMB2,523.5 million, or 8.4%, to RMB27,474.2 million for 2020 from RMB29,997.7 million for 2019. The decrease was primarily attributable to the decrease in the delivered area of property sales.

### *Gross profit and gross profit margin*

The Group's gross profit decreased by RMB1,333.2 million, or 10.7%, to RMB11,102.4 million for 2020 from RMB12,435.6 million for 2019. For 2020, the Group's gross profit margin decreased to 28.8% from 29.3% for 2019. The decrease was primarily due to the decrease in recognised income from products with higher gross profit margin as compared with 2019.

### *Other income and gains*

The Group's other income and gains increased to RMB1,935.1 million for 2020 from RMB1,033.8 million for 2019 which is primarily attributable to the breakthrough results attained in urban redevelopment business, bringing premium income after the successful transformation of Guangzhou Hongwei project and net foreign exchange gain.

### *Selling and marketing costs*

The Group's selling and marketing costs decreased by RMB92.4 million, or 7.6%, from RMB1,212.4 million for 2019 to RMB1,120.0 million for 2020. The decrease was mainly due to the strict control over the marketing expenses of the Group.

### *Administrative expenses*

The Group's administrative expenses increased by RMB19.8 million, or 1.3%, to RMB1,574.1 million for 2020 from RMB1,554.3 million for 2019, which remained basically the same as that of 2019.

### *Other expenses*

The Group's other expenses decreased by RMB76.7 million to RMB484.9 million for 2020 from RMB561.6 million for 2019. The decrease was primarily due to the decrease in impairment of goodwill.

### *Finance costs*

The Group's finance costs increased by RMB170.3 million, or 16.8%, to RMB1,181.2 million for 2020 from RMB1,010.9 million for 2019. The increase was primarily due to an increase in the amounts of bank facilities in relation to the Group's land acquisitions and expansion of property developments.

### *Income tax expenses*

The Group's income tax expenses decreased by RMB1,022.0 million, or 21.4%, to RMB3,756.5 million for 2020 from RMB4,778.5 million for 2019. The decrease was primarily attributable to the decrease in the Group's taxable profit in 2020.

### *Profit for the year*

The Company's profit for the year decreased by RMB194.5 million, or 3.5%, to RMB5,366.0 million as of 31 December 2020 from RMB5,560.5 million as of 31 December 2019. Basic and diluted earnings per share for 2020 were RMB254 cents (2019: RMB273 cents).

### *Profit attributable to the owners of the Company*

Profit attributable to the owners of the Company decreased by RMB271.4 million, or 5.2%, to RMB4,941.2 million for the year ended 31 December 2020 from RMB5,212.6 million for the year ended 31 December 2019. Core net profit attributable to the owners of the Company (net profit attributable to shareholders less impairment loss on goodwill, changes in fair value of self-owned investment properties, excluding the impact of the related deferred tax, changes in fair value of derivative financial instruments and the premium paid on early redemption of senior notes) decreased by RMB502.1 million, or 9.2% to RMB4,963.6 million for the year ended 31 December 2020 from RMB5,465.7 million for the year ended 31 December 2019.

## Liquidity, Financial and Capital Resources

### *Cash position*

As at 31 December 2020, the carrying balance of the Group's cash and bank deposits was approximately RMB37,959.6 million (31 December 2019: RMB29,279.4 million), representing an increase of 29.6% when compared with that of 31 December 2019. Under relevant PRC laws and regulations, some of the Group's project companies are required to place a certain amount of pre-sale proceeds in designated bank accounts as guarantee deposits for construction of the relevant properties. These guarantee deposits may only be used for payments to construction contractors in the project development process and for other construction-related payments, such as purchase of materials. The remaining guarantee deposits are released when certificates of completion for the relevant properties have been obtained. In addition, a portion of the Group's bank deposits represented loan proceeds in the monitoring accounts designated by the banks, in which case the use of the restricted bank deposits, subject to the banks' approval, is restricted to the purposes as set out in the relevant loan agreements. As at 31 December 2020, the Group's restricted bank deposits was RMB4,427.9 million (31 December 2019: RMB3,404.5 million).

### *Borrowings and pledged assets*

The Group had aggregate interest-bearing bank loans and other borrowings (excluding interest payable) of approximately RMB61,510.4 million as at 31 December 2020. Borrowings that are due within one year decreased from RMB18,597.7 million as at 31 December 2019 to RMB18,070.5 million as at 31 December 2020, and approximately RMB40,690.4 million of borrowings are due within two to five years and approximately RMB2,749.5 million of borrowings are due in over five years. As at 31 December 2020, the Group's outstanding borrowings were secured by certain of investment properties, trade receivables, inventories of properties and property, plant and equipment with carrying values of approximately RMB901.0 million, RMB1,821.6 million, RMB12,420.7 million and RMB710.1 million respectively.

Details of the equity or debt securities issued by the Company and/or its subsidiaries are set out below:

#### (a) USD 6.20% Senior Notes due 2026

On 22 September 2020, the Company issued 6.20% senior notes due 2026 in a principal amount of USD350,000,000 (equivalent to approximately RMB2,283,724,000) (the "USD 6.20% Senior Notes issued in September 2020"). The USD 6.20% Senior Notes issued in September 2020 are listed on the Stock Exchange and bear interest from and including 22 September 2020 at the rate of 6.20% per annum, payable semi-annually in arrears.

(b) RMB 5.94% Non-Public Domestic Corporate Bonds due 2024

On 21 August 2020, Guangzhou Times Holdings Co., Ltd.\* (廣州市時代控股有限公司) (“Guangzhou Times”) issued non-public domestic corporate bonds at a coupon rate of 5.94% per annum at a par value of RMB1,100,000,000 (“RMB 5.94% Non-Public Domestic Corporate Bonds due 2024”) for a term of four years in the PRC. Guangzhou Times is entitled to adjust coupon rate at the end of the second year, while investors are entitled to sell back. RMB 5.94% Non-Public Domestic Corporate Bonds due 2024 are listed on the Shanghai Stock Exchange and bear interest from and including 24 August 2020 at the rate of 5.94% per annum, payable annually in arrears.

(c) RMB 5.68% Non-Public Domestic Corporate Bonds due 2024

On 3 August 2020, Guangzhou Times issued non-public domestic corporate bonds at a coupon rate of 5.68% per annum at a par value of RMB500,000,000 (“RMB 5.68% Non-Public Domestic Corporate Bonds due 2024”) for a term of four years in the PRC. Guangzhou Times is entitled to adjust coupon rate at the end of the second year, while investors are entitled to sell back. RMB 5.68% Non-Public Domestic Corporate Bonds due 2024 are listed on the Shanghai Stock Exchange and bear interest from and including 4 August 2020 at the rate of 5.68% per annum, payable annually in arrears.

(d) RMB 5.94% Public Domestic Corporate Bonds due 2025

On 16 July 2020, Guangzhou Times issued public domestic corporate bonds at a coupon rate of 5.94% per annum at a par value of RMB1,600,000,000 (“RMB 5.94% Public Domestic Corporate Bonds due 2025”) for a term of five years in the PRC. Guangzhou Times is entitled to adjust coupon rate at the end of the third year, while investors are entitled to sell back. RMB 5.94% Public Domestic Corporate Bonds due 2025 are listed on the Shanghai Stock Exchange and bear interest from and including 17 July 2020 at the rate of 5.94% per annum, payable annually in arrears.

(e) USD 6.75% Senior Notes due 2025

On 8 July 2020, the Company issued 6.75% senior notes due 2025 in a principal amount of USD300,000,000 (equivalent to approximately RMB1,957,477,000) (the “USD 6.75% Senior Notes issued in July 2020”). On 30 October 2020, the Company issued 6.75% senior notes due 2025 in a principal amount of USD250,000,000 (equivalent to approximately RMB1,631,231,000) (the “USD 6.75% Senior Notes issued in October 2020”). The USD 6.75% Senior Notes issued in July 2020 and the USD 6.75% Senior Notes issued in October 2020 were consolidated and formed a single series, collectively as the “USD 6.75% Senior Notes due 2025”. The USD 6.75% Senior Notes due 2025 are listed on the Stock Exchange and bear interest from and including 8 July 2020 at the rate of 6.75% per annum, payable semi-annually in arrears.



(f) RMB 5.24% Public Domestic Corporate Bonds due 2025

On 26 May 2020, Guangzhou Times issued 5.24% public domestic corporate bonds in a principal amount of RMB2,500,000,000 (“RMB 5.24% Public Domestic Corporate Bonds due 2025”). Guangzhou Times is entitled to adjust coupon rate at the end of the third year, while investors are entitled to sell back. RMB 5.24% Public Domestic Corporate Bonds due 2025 are listed on the Shanghai Stock Exchange and bear interest from and including 27 May 2020 at the rate of 5.24% per annum, payable annually in arrears.

(g) USD 6.00% Senior Notes due 2021

On 6 May 2020, the Company issued 6.00% senior notes due 2021 in a principal amount of USD200,000,000 (equivalent to approximately RMB1,304,985,000) (the “USD 6.00% Senior Notes due 2021”). The USD 6.00% Senior Notes due 2021 are listed on the Stock Exchange and bear interest from and including 6 May 2020 at the rate of 6.00% per annum, payable semi-annually in arrears.

(h) RMB 5.10% Public Domestic Corporate Bonds due 2025

On 26 March 2020, Guangzhou Times issued 5.10% public domestic corporate bonds due 2025 in a principal amount of RMB1,550,000,000 (“RMB 5.10% Public Domestic Corporate Bonds due 2025”). Guangzhou Times is entitled to adjust coupon rate at the end of the third year, while investors are entitled to sell back. RMB 5.10% Public Domestic Corporate Bonds due 2025 are listed on the Shanghai Stock Exchange and bear interest from and including 30 March 2020 at the rate of 5.10% per annum, payable annually in arrears.

(i) RMB 6.30% Public Domestic Corporate Bonds due 2027

On 26 March 2020, Guangzhou Times issued 6.30% public domestic corporate bonds due 2027 in a principal amount of RMB950,000,000 (“RMB 6.30% Public Domestic Corporate Bonds due 2027”). Guangzhou Times is entitled to adjust coupon rate at the end of the fifth year, while investors are entitled to sell back. RMB 6.30% Public Domestic Corporate Bonds due 2027 are listed on the Shanghai Stock Exchange and bear interest from and including 30 March 2020 at the rate of 6.30% per annum, payable annually in arrears.



(j) RMB 5.00% Public Domestic Corporate Bonds due 2025

On 21 February 2020, Guangzhou Times issued 5.00% public domestic corporate bonds due 2025 in a principal amount of RMB740,000,000 (“RMB 5.00% Public Domestic Corporate Bonds due 2025”). Guangzhou Times is entitled to adjust coupon rate at the end of the third year, while investors are entitled to sell back. RMB 5.00% Public Domestic Corporate Bonds due 2025 are listed on the Shanghai Stock Exchange and bear interest from and including 24 February 2020 at the rate of 5.00% per annum, payable annually in arrears.

(k) RMB 6.20% Public Domestic Corporate Bonds due 2027

On 21 February 2020, Guangzhou Times issued 6.20% public domestic corporate bonds due 2027 in a principal amount of RMB575,000,000 (“RMB 6.20% Public Domestic Corporate Bonds due 2027”). Guangzhou Times is entitled to adjust coupon rate at the end of the fifth year, while investors are entitled to sell back. RMB 6.20% Public Domestic Corporate Bonds due 2027 are listed on the Shanghai Stock Exchange and bear interest from and including 24 February 2020 at the rate of 6.20% per annum, payable annually in arrears.

(l) USD 6.75% Senior Notes due 2023

On 16 July 2019, the Company issued 6.75% senior notes due 2023 in a principal amount of USD400,000,000 (approximately equivalent to RMB2,609,970,000) (the “USD 6.75% Senior Notes issued in July 2019”). On 4 September 2019, the Company issued 6.75% senior notes due 2023 in a principal amount of USD100,000,000 (approximately equivalent to RMB652,492,000) (the “USD 6.75% Senior Notes issued in September 2019”). The USD 6.75% Senior Notes issued in July 2019 and the USD 6.75% Senior Notes issued in September 2019 were consolidated and formed a single series which are referred to as the “USD 6.75% Senior Notes due 2023”. The USD 6.75% Senior Notes due 2023 are listed on the Stock Exchange and bear interest from and including 16 July 2019 at the rate of 6.75% per annum, payable semi-annually in arrears.

(m) RMB 6.80% Public Domestic Corporate Bonds due 2024

On 6 June 2019, Guangzhou Times issued 6.80% public domestic corporate bonds due 2024 in a principal amount of RMB500,000,000 (“RMB 6.80% Public Domestic Corporate Bonds due 2024”). RMB 6.80% Public Domestic Corporate Bonds due 2024 are listed on the Shanghai Stock Exchange and bear interest from and including 10 June 2019 at the rate of 6.80% per annum, payable annually in arrears.

(n) USD 7.625% Senior Notes due 2022

On 21 February 2019, the Company issued 7.625% senior notes due 2022 in a principal amount of USD500,000,000 (equivalent to approximately RMB3,262,462,000) (“USD 7.625% Senior Notes due 2022”). USD 7.625% Senior Notes due 2022 are listed on the Stock Exchange and bear interest from and including 21 February 2019 at the rate of 7.625% per annum, payable semi-annually in arrears.

(o) RMB 7.50% Non-Public Domestic Corporate Bonds due 2022

On 24 January 2019, Guangzhou Times issued 7.50% non-public domestic corporate bonds due 2022 in a principal amount of RMB1,100,000,000 (“RMB 7.50% Non-Public Domestic Corporate Bonds due 2022”). Guangzhou Times is entitled to adjust coupon rate at the end of the second year, while investors are entitled to sell back. RMB 7.50% Non-Public Domestic Corporate Bonds due 2022 are listed on the Shanghai Stock Exchange and bear interest from and including 25 January 2019 at the rate of 7.50% per annum, payable annually in arrears.

(p) RMB 7.50% Public Domestic Corporate Bonds due 2021

On 7 December 2018, Guangzhou Times issued 7.50% public domestic corporate bonds due 2021 in a principal amount of RMB1,100,000,000 (“RMB 7.50% Public Domestic Corporate Bonds due 2021”). Guangzhou Times is entitled to adjust coupon rate at the end of the second year, while investors are entitled to sell back. RMB 7.50% Public Domestic Corporate Bonds due 2021 are listed on the Shanghai Stock Exchange and bear interest from and including 10 December 2018 at the rate of 7.50% per annum, payable annually in arrears. In November 2020, holders of RMB 7.50% Public Domestic Corporate Bonds due 2021 have registered to sell back 11,000,000 bonds at a price of RMB100 each. The Group has subsequently repaid the registered sellback bank bonds of RMB1,100,000,000 in December 2020.

(q) RMB 8.10% Public Domestic Corporate Bonds due 2023

On 7 December 2018, Guangzhou Times issued 8.10% public domestic corporate bonds due 2023 in a principal amount of RMB1,900,000,000 (“RMB 8.10% Public Domestic Corporate Bonds due 2023”). Guangzhou Times is entitled to adjust coupon rate at the end of the third year, while investors are entitled to sell back. RMB 8.10% Public Domestic Corporate Bonds due 2023 are listed on the Shanghai Stock Exchange and bear interest from and including 10 December 2018 at the rate of 8.10% per annum, payable annually in arrears.

(r) USD 10.95% Senior Notes due 2020

On 27 November 2018, the Company issued 10.95% senior notes due 2020 in a principal amount of USD300,000,000 (equivalent to approximately RMB1,957,470,000) (“USD 10.95% Senior Notes due 2020”). USD 10.95% Senior Notes due 2020 are listed on the Stock Exchange and bear interest from and including 27 November 2018 at the rate of 10.95% per annum, payable semi-annually in arrears. The Company has repaid all principal amount and interest on 27 November 2020.

(s) RMB 8.40% Non-Public Domestic Corporate Bonds II due 2021

On 17 October 2018, Guangzhou Times issued 8.40% non-public domestic corporate bonds due 2021 in a principal amount of RMB1,700,000,000 (“RMB 8.40% Non-Public Domestic Corporate Bonds II due 2021”). Guangzhou Times is entitled to adjust coupon rate at the end of the second year, while investors are entitled to sell back. RMB 8.40% Non-Public Domestic Corporate Bonds II due 2021 are listed on the Shanghai Stock Exchange and bear interest from and including 17 October 2018 at the rate of 8.40% per annum, payable annually in arrears. In September 2020, holders of RMB 8.40% Non-Public Domestic Corporate Bonds II due 2021 have registered to sell back 17,000,000 bonds at a price of RMB100 each. The Group has subsequently repaid the registered sellback bank bonds of RMB1,700,000,000 in October 2020.

(t) RMB 8.40% Non-Public Domestic Corporate Bonds I due 2021

On 20 August 2018, Guangzhou Times issued 8.40% non-public domestic corporate bonds due 2021 in a principal amount of RMB2,200,000,000 (“RMB 8.40% Non-Public Domestic Corporate Bonds I due 2021”). Guangzhou Times is entitled to adjust coupon rate at the end of the second year, while investors are entitled to sell back. RMB 8.40% Non-Public Domestic Corporate Bonds I due 2021 are listed on the Shanghai Stock Exchange and bear interest from and including 20 August 2018 at the rate of 8.40% per annum, payable annually in arrears. In July 2020, holders of RMB 8.40% Non-Public Domestic Corporate Bonds I due 2021 have registered to sell back 22,000,000 bonds at a price of RMB100 each. The Group has subsequently repaid the registered sellback bank bonds of RMB2,200,000,000 in August 2020.

(u) USD 7.85% Senior Notes due 2021

On 4 June 2018, the Company issued 7.85% senior notes due 2021 (the “USD 7.85% Senior Notes due 2021”) in a principal amount of USD450,000,000 (equivalent to approximately RMB2,936,216,000). The USD 7.85% Senior Notes due 2021 are listed on the Stock Exchange and bear interest from and including 4 June 2018 at the rate of 7.85% per annum, payable semi-annually in arrears.

(v) USD 6.25% Senior Notes due 2021

On 17 January 2018, the Company issued 6.25% senior notes due 2021 (the “USD 6.25% Senior Notes due 2021”) in a principal amount of USD500,000,000 (equivalent to approximately RMB3,262,450,000). The USD 6.25% Senior Notes due 2021 are listed on the Stock Exchange and bear interest from and including 17 January 2018 at the rate of 6.25% per annum, payable semi-annually in arrears. On 25 September 2020, the Company has completed the offer to purchase the USD 6.25% Senior Notes due 2021 in a principal amount of USD207,833,000 for cash. On 17 January 2021, the Company has repaid all remaining principal amount and interest.

(w) USD 6.60% Senior Notes due 2023

On 30 November 2017, the Company issued 6.60% senior notes due 2023 (the “USD 6.60% Senior Notes due 2023”) in a principal amount of USD300,000,000 (equivalent to approximately RMB1,957,477,000). The USD 6.60% Senior Notes due 2023 are listed on the Stock Exchange and bear interest from and including 30 November 2017 at the rate of 6.60% per annum, payable semi-annually in arrears.

(x) RMB 5.50% Non-Public Domestic Corporate Bonds due 2022

On 8 September 2017, Guangzhou Times issued 8.20% non-public domestic corporate bonds due 2022 (the “RMB 8.20% Non-Public Domestic Corporate Bonds due 2022”) in a principal amount of RMB1,100,000,000. Guangzhou Times is entitled to adjust coupon rate at the end of the third year, while investors are entitled to sell back. RMB 8.20% Non-Public Domestic Corporate Bonds due 2022 are listed on the Shanghai Stock Exchange and bear interest from and including 8 September 2017 at the rate of 8.20% per annum, payable annually in arrears. On 8 September 2020, Guangzhou Times adjusted the coupon rate of the bonds to 5.50% (the “RMB 5.50% Non-Public Domestic Corporate Bonds due 2022”).

(y) RMB 7.20% Non-Public Domestic Corporate Bonds due 2020

On 8 September 2017, Guangzhou Times issued 7.75% non-public domestic corporate bonds due 2020 (the “RMB 7.75% Non-Public Domestic Corporate Bonds due 2020”) in a principal amount of RMB500,000,000. Guangzhou Times is entitled to adjust coupon rate at the end of the second year, while investors are entitled to sell back. RMB 7.75% Non-Public Domestic Corporate Bonds due 2020 are listed on the Shanghai Stock Exchange and bear interest from and including 8 September 2017 at the rate of 7.75% per annum, payable annually in arrears. On 8 September 2019, Guangzhou Times adjusted the coupon rate of the bonds to 7.20% (the “RMB 7.20% Non-Public Domestic Corporate Bonds due 2020”). On 18 September 2020, the Company redeemed the RMB 7.20% Non-Public Domestic Corporate Bonds due 2020 in full at a redemption price of RMB500,000,000, which equals to 100% of the principal amount of such notes plus the accrued and unpaid interest to the due date.

(z) USD 5.75% Senior Notes due 2022

On 26 April 2017, the Company issued 5.75% senior notes due 2022 (the “USD 5.75% Senior Notes due 2022”) in a principal amount of USD225,000,000 (equivalent to approximately RMB1,468,108,000). USD 5.75% Senior Notes due 2022 are listed on the Stock Exchange and bear interest from and including 26 April 2017 at the rate of 5.75% per annum, payable semi-annually in arrears.

(aa) USD 6.25% Senior Notes due 2020

On 23 January 2017, the Company issued 6.25% senior notes due 2020 (the “USD 6.25% Senior Notes due 2020”) in a principal amount of USD375,000,000 (equivalent to approximately RMB2,446,838,000). USD 6.25% Senior Notes due 2020 are listed on the Stock Exchange and bear interest from and including 23 January 2017 at the rate of 6.25% per annum, payable semi-annually in arrears. The Company paid all the principal and interest on 20 January 2020.

(ab) RMB 7.50% Public Domestic Corporate Bonds due 2020

On 10 July 2015, Guangzhou Times issued 6.75% public domestic corporate bonds due 2020 (the “RMB 6.75% Public Domestic Corporate Bonds due 2020”) in a principal amount of RMB2,000,000,000. Guangzhou Times shall be entitled to increase the coupon rate at the end of the third year and the investors shall be entitled to sell back the bonds. RMB 6.75% Public Domestic Corporate Bonds due 2020 are listed on the Shanghai Stock Exchange and bear interest from and including 10 July 2015 at the rate of 6.75% per annum, payable annually in arrears. In June 2018, holders of RMB 6.75% Public Domestic Corporate Bonds due 2020 have registered to sell back 1,843,920 bonds at a price of RMB100. The Group has subsequently redeemed the registered sellback bank bonds of RMB184,392,000 in July 2018. On 10 July 2018, Guangzhou Times adjusted the coupon rate of the bonds to 7.50% (the “RMB 7.50% Public Domestic Corporate Bonds due 2020”). On 10 July 2020, the Company redeemed the RMB 7.50% Public Domestic Corporate Bonds due 2020 in full at a redemption price of RMB1,815,608,000, which equals to 100% of the principal amount of such notes plus the accrued and unpaid interest to the due date.

### *Contingent liabilities*

As at 31 December 2020, the outstanding guarantee mortgage loans that domestic banks provided to purchasers of the Group's properties amounted to approximately RMB29,867.7 million (31 December 2019: approximately RMB24,026.4 million). These guarantees are released upon the earlier of (i) the relevant certificates of registration of mortgage or the certificates of other interests with respect to the relevant properties being delivered to the mortgagor banks; and (ii) the settlement of mortgage loans between the mortgagor banks and the purchasers of the Group's projects. If a purchaser defaults on a mortgage loan before the guarantees are released, the Group may have to repurchase the underlying property by paying off mortgage. If the Group fails to do so, the mortgagor bank may auction the underlying property and recover any outstanding amount from the Group if the amount of outstanding loan exceeds the net foreclosure sales proceeds from the auction. In line with industry practices, the Group does not conduct independent credit reviews of our customers but rely on the credit reviews conducted by the mortgagor banks.

As at 31 December 2020, the Group provided guarantees in respect of certain bank loans of approximately RMB6,625,218,000 (2019: approximately RMB4,034,181,000) for its joint ventures and associated companies.

### *Foreign currency risks*

The Group mainly operates in the PRC and conducts its operations mainly in RMB. The Group will closely monitor the fluctuations of the RMB exchange rate and give prudent consideration as to entering into any currency swap arrangement as and when appropriate for hedging corresponding risks. As at 31 December 2020, the Group had not engaged in hedging activities for managing foreign exchange rate risk.

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

Save as disclosed in this announcement, there were no other significant investments held, no material acquisitions or disposals of subsidiaries, associates and joint ventures during the year, nor was there any plan authorised by the Board for other material investments or additions of capital assets at the date of this announcement.



## **Events After the Reporting Period**

The Group has the following material subsequent events:

On 14 January 2021, the Company issued 5.75% senior notes due 2027 in a principal amount of USD350,000,000 (equivalent to approximately RMB2,266,110,000) (the “USD 5.75% Senior Notes due 2027”). The USD 5.75% Senior Notes due 2027 are listed on the Stock Exchange and bear interest from and including 14 January 2021 at the rate of 5.75% per annum, payable semi-annually in arrears. Further details are set out in the relevant announcement of the Company dated 8 January 2021.

On 8 February 2021, the Company partially redeemed the USD 7.85% Senior Notes due 2021 in a principal amount of USD350,000,000 at a redemption price of USD358,384,444.44, which equals to 101% of the principal amount of such partially redeemed notes plus the accrued and unpaid interest to the redemption date. Further details are set out in the relevant announcement of the Company dated 8 January 2021.

On 17 March 2021, the Company issued 6.20% senior notes due 2026 in a principal amount of USD100,000,000 (approximately equivalent to RMB652,490,000) (the “USD 6.20% Senior Notes issued in March 2021”). The USD 6.20% Senior Notes issued in March 2021 and the USD 6.20% Senior Notes issued in September 2020 were consolidated and formed a single series which are referred to as the “USD 6.20% Senior Notes due 2026”. Further details are set out in the relevant announcement of the Company dated 12 March 2021.

## **Employees and Remuneration Policy**

As at 31 December 2020, the Group had 6,698 employees (31 December 2019: 5,955 employees). The remunerations of the employees are commensurate with their performance, skills, knowledge, experience and the market trend. Employee benefits provided by the Group include provident fund schemes, medical insurance scheme, unemployment insurance scheme and housing provident fund. The Group reviews the remuneration policies and packages on a regular basis and will make necessary adjustments that accommodate the pay levels in the industry. In addition to basic salaries, the employees may be offered with discretionary bonuses and cash awards based on individual performances. The Group also provides training programs for the employees with a view to constantly upgrading their skills and knowledge. Further, the Group adopted the share option scheme on 19 November 2013 (the “Share Option Scheme”) as incentives or rewards for the employees’ contributions to the Group. Further information of the Share Option Scheme is available in the Company’s annual report for the year ended 31 December 2020. The Group’s employee benefit expense (excluding Directors’ remuneration) is approximately RMB1,842.2 million for the year ended 31 December 2020 (2019: RMB1,527.4 million).

## **USE OF NET PROCEEDS FROM LISTING**

The net proceeds from the listing of the Company (after deducting underwriting fees and related expenses) amounted to approximately HK\$1,477.4 million, which shall be applied in compliance with the intended use of proceeds set out in the section headed “Future plans and use of proceeds” of the prospectus of the Company dated 29 November 2013 (the “Prospectus”), of which, approximately 33.3% of the net proceeds were utilised for settling part of the outstanding installments under the Restructuring Deed (as defined in the Prospectus) and approximately 55.1% of the net proceeds were utilised for financing new and existing projects, including the land acquisition and construction costs of potential development projects.

## **FINAL DIVIDEND**

The Board recommended the payment of a final dividend of RMB76.68 cents per share for the year ended 31 December 2020 (2019: RMB84.45 cents) to the shareholders of the Company (the “Shareholders”), which included scrip dividend alternative offered to the Shareholders. The proposed final dividend, if approved, will be payable on or around 2 July 2021 and is subject to the approval of the Shareholders at the annual general meeting to be held on 21 May 2021 (the “AGM”).

The proposed final dividend shall be declared in RMB and paid in Hong Kong dollars (“HKD”). The final dividend payable in HKD will be converted from RMB at the average exchange rate of HKD against RMB announced by the People’s Bank of China on 21 May 2021.

## **CLOSURE OF REGISTER OF MEMBERS**

The register of members of the Company will be closed from 17 May 2021 (Monday) to 21 May 2021 (Friday), both days inclusive, in order to determine the identity of the Shareholders who are entitled to attend the forthcoming AGM. In order to be eligible to attend and vote at the forthcoming AGM, all transfer accompanied by the relevant share certificates and transfer forms must be lodged with the Company’s Hong Kong share registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong before 4:30 p.m. on 14 May 2021 (Friday).

The record date for qualifying to receive the proposed final dividend is 31 May 2021 (Monday). In order to determine the right of the Shareholders entitled to receive the proposed final dividend, which is subject to the approval by the Shareholders in the forthcoming AGM, the register of members of the Company will also be closed from 27 May 2021 (Thursday) to 31 May 2021 (Monday), both days inclusive. All transfer accompanied by the relevant share certificates and transfer forms must be lodged with the Company’s Hong Kong share registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong before 4:30 p.m. on 26 May 2021 (Wednesday).

## **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 Corporate Governance Code (the “CG Code”) contained in Appendix 14 to the Rules Governing the Listing of Securities on the Stock Exchange (the “Listing Rules”) as its own code of corporate governance.

The Company has been conducting its business according to the principles of the CG Code set out in Appendix 14 to the Listing Rules. Save for the deviation disclosed in this announcement, in the opinion of the Directors, the Company has complied with all the code provisions as set out in the CG Code during the year ended 31 December 2020.



The code provision A.2.1 of the CG Code provides that the roles of chairman and chief executive should be separate and should not be performed by the same individual. Mr. Shum currently assumes the roles of both the chairman and the chief executive officer of the Company. Mr. Shum is one of the founders of the Group and has extensive experience in property development. The Board believes that by holding both roles, Mr. Shum will be able to provide the Group with strong and consistent leadership and allows for more effective and efficient business planning and decisions as well as execution of long-term business strategies of the Group. As such, the structure is beneficial to the business prospects of the Group. Furthermore, the Directors had regular discussions in relation to major matters affecting the operations of the Group and the Group has an effective risk management and internal control systems in place for providing adequate checks and balances. Based on the foregoing, the Board believes that a balance of power and authority has been and will be maintained.

### **Compliance with Code of Conduct Regarding Directors' Securities Transactions**

The Company has also adopted a code of conduct regarding Directors' securities transactions on terms no less exacting than the required standard set out in the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Listing Rules (the "Model Code"). All Directors have confirmed, following specific enquiry by the Company, that they have complied with the Model Code for the year ended 31 December 2020.

The Company has also adopted a code for dealing in the Company's securities by relevant employees, who are likely to be in possession of inside information in relation to the Company or its securities, on no less exacting terms than the required standard set out in the Model Code.

### **Audit Committee and Review of Financial Statements**

The Board has established the audit committee of the Company (the "Audit Committee") which comprises three independent non-executive Directors, namely Mr. Wong Wai Man (chairman), Mr. Jin Qingjun and Ms. Sun Hui.

The Audit Committee has reviewed the annual report and the consolidated annual results of the Group for the year ended 31 December 2020 in conjunction with the Company's management. The Audit Committee has also reviewed the effectiveness of the risk management and the internal control systems of the Company and considers the risk management and internal control systems to be effective and adequate.

### **Purchase, Sale or Redemption of Listed Securities**

Save as disclosed in this announcement, there was no purchase, sale and redemption of any listed securities of the Company by the Company or any of its subsidiaries during the year ended 31 December 2020.

## **REVIEW OF PRELIMINARY ANNOUNCEMENT OF RESULTS BY THE INDEPENDENT AUDITOR**

The figures in respect of the Group's results for the year ended 31 December 2020 as set out in this preliminary announcement have been agreed by the Group's independent auditor, Ernst & Young, Certified Public Accountants of Hong Kong ("Ernst & Young") to the amounts set out in the Group's consolidated financial statements for the year. The work performed by Ernst & Young in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently, no assurance has been expressed by Ernst & Young on this preliminary announcement of results.

## **ANNUAL GENERAL MEETING**

The AGM of the Company for the year ended 31 December 2020 is scheduled to be held on 21 May 2021 (Friday). A notice convening the AGM will be issued and disseminated to the Shareholders in due course.

## **PUBLICATION OF THE ANNUAL RESULTS AND 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](http://www.hkexnews.hk)) and the Company ([www.timesgroup.cn](http://www.timesgroup.cn)), and the annual report for the year ended 31 December 2020 containing all the information required by the Listing Rules will be despatched to the Shareholders and published on the respective websites of the Stock Exchange and the Company in due course.

By Order of the Board  
**Times China Holdings Limited**  
**Shum Chiu Hung**  
*Chairman*

Hong Kong, 23 March 2021

*As at the date of this announcement, the executive Directors are Mr. Shum Chiu Hung, Mr. Guan Jianhui, Mr. Bai Xihong, Mr. Li Qiang, Mr. Shum Siu Hung and Mr. Niu Jimin; and the independent non-executive Directors are Mr. Jin Qingjun, Ms. Sun Hui, and Mr. Wong Wai Man.*

\* *For identification purpose only*