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**JOY CITY PROPERTY LIMITED**  
**大悦城地產有限公司**

*(incorporated in Bermuda with limited liability)*

**(Stock code: 207)**

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

**HIGHLIGHTS**

- In 2020, the Group's total operating revenue was approximately RMB14,109.8 million, representing an increase of 36.5% over last year.
- In 2020, the Group's profit was approximately RMB2,169.1 million, representing a decrease of 18.7% over last year, of which the profit attributable to the owners of the Company was approximately RMB1,104.5 million, representing a decrease of 32.5% over last year.
- In 2020, the core net profit attributable to the owners of the Company after non-recurring net profit or loss<sup>(Note)</sup> was RMB828.9 million (2019: RMB585.2 million), representing an increase of 41.6% over last year.
- In 2020, the Group achieved contracted sales amount of approximately RMB20,121.9 million and contracted area of 653,015.8 sq.m., representing an increase of 67.3% and 42.6%, respectively, over last year.
- In 2020, the Group managed to keep its average borrowing cost at 4.36%, a relatively low level in the industry, by maintaining a good relationship with banks.
- The Group continued to optimize the leverage ratio and net gearing ratio was 34.7% as at 31 December 2020, representing a decrease of 6.2 percentage points over last year. The "three red lines" indicator for the Group is located in the green file with the healthiest financial status.

*Note:*

*Core net profit attributable to the owners of the Company after non-recurring net profit or loss = profit attributable to owners of the Company – foreign exchange gain/(loss) – fair value profit or loss after tax of investment property attributable to owners of the Company + accumulated after-tax fair value gains on the disposal of investment properties of the Company – one-off net income from disposal of subsidiaries*

The Board announces the audited consolidated results of the Group for the year ended 31 December 2020 together with the comparative figures for the year ended 31 December 2019. The audited consolidated results for the year ended 31 December 2020 have been reviewed by the Audit Committee.

## CONSOLIDATED STATEMENT OF PROFIT OR LOSS

*For the year ended 31 December 2020*

		Year ended 31 December	
	NOTES	2020	2019
		RMB'000	RMB'000
Revenue	3		
Contracts with customers		10,979,107	6,533,830
Leases		<u>3,130,725</u>	<u>3,803,938</u>
Total revenue		14,109,832	10,337,768
Cost of sales and services rendered		<u>(8,652,267)</u>	<u>(4,591,136)</u>
Gross profit		5,457,565	5,746,632
Other income	4	405,070	263,249
Other gains and losses, net	5	629,604	(203,117)
Impairment losses under expected credit loss model, net of reversal		(9,414)	(1,302)
Gain on disposal of subsidiaries		–	701,154
Distribution and selling costs		(579,925)	(647,257)
Administrative expenses		(816,329)	(1,001,422)
Fair value (loss)/gain on:			
investment properties		(11,794)	833,662
financial liabilities at fair value through profit or loss		(15,942)	(8,100)
Finance costs	6	(958,303)	(1,178,660)
Share of (losses)/profits of associates		(5,544)	1,883
Share of losses of joint ventures		<u>(189,250)</u>	<u>(86,801)</u>
Profit before tax	7	3,905,738	4,419,921
Income tax expense	8	<u>(1,736,646)</u>	<u>(1,751,422)</u>
Profit for the year		<u>2,169,092</u>	<u>2,668,499</u>
Profit for the year attributable to:			
Owners of the Company		1,104,533	1,635,906
Holders of perpetual capital instruments		211,196	151,976
Non-controlling interests		<u>853,363</u>	<u>880,617</u>
		<u>2,169,092</u>	<u>2,668,499</u>
Basic and diluted earnings per share	10	<u>RMB7.2 cents</u>	<u>RMB10.7 cents</u>

# CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2020

	Year ended 31 December	
	2020	2019
	RMB'000	RMB'000
Profit for the year	<u>2,169,092</u>	<u>2,668,499</u>
<b>Other comprehensive income/(expense):</b>		
<i>Items that may be reclassified subsequently to profit or loss:</i>		
Exchange differences on translation	155,573	(57,310)
Fair value (loss)/gain on hedging instruments designed as cash flow hedges	<u>(351,914)</u>	<u>55,149</u>
Other comprehensive expense for the year, net of income tax	<u>(196,341)</u>	<u>(2,161)</u>
<b>Total comprehensive income for the year</b>	<u><b>1,972,751</b></u>	<u><b>2,666,338</b></u>
Total comprehensive income for the year attributable to:		
Owners of the Company	933,227	1,632,757
Holders of perpetual capital instruments	211,196	151,976
Non-controlling interests	<u>828,328</u>	<u>881,605</u>
	<u><b>1,972,751</b></u>	<u><b>2,666,338</b></u>

# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 December 2020

	NOTES	At 31 December 2020 RMB'000	2019 RMB'000
<b>NON-CURRENT ASSETS</b>			
Investment properties		57,729,887	57,303,993
Property, plant and equipment		3,598,694	3,767,707
Right-of-use assets		1,686,685	1,761,700
Intangible assets		119,108	126,434
Interests in associates		81,572	109,958
Interests in joint ventures		6,069,875	6,164,344
Loan to a joint venture		–	92,290
Loans to associates		1,151,780	1,188,213
Financial assets at fair value through profit or loss		510	510
Goodwill		184,297	184,297
Deposits		185,112	136,194
Deferred tax assets		235,517	122,236
Hedging instruments		–	53,133
		<b>71,043,037</b>	<b>71,011,009</b>
<b>CURRENT ASSETS</b>			
Inventories		24,445	24,843
Properties held for sale		1,667,377	521,638
Properties under development for sale		29,280,964	21,209,749
Accounts receivable	11	155,967	145,887
Contract costs		69,199	68,698
Deposits, prepayments and other receivables		2,749,592	2,202,962
Amount due from the ultimate holding company		–	7
Amounts due from fellow subsidiaries		24,547	956
Amounts due from non-controlling interests		41,334	42,654
Amounts due from joint ventures		10,927	17,094
Amounts due from associates		516,606	290,074
Loans to associates		771,938	1,649,370
Loans to joint ventures		166,440	549,450
Loan to non-controlling interests		1,100,000	1,000,000
Tax recoverable		302,379	104,048
Restricted bank deposits		185,040	372,480
Pledged deposits		7,915	14,340
Cash and bank balances		16,049,627	11,752,111
		<b>53,124,297</b>	<b>39,966,361</b>
<b>TOTAL ASSETS</b>		<b>124,167,334</b>	<b>110,977,370</b>

		<b>At 31 December</b>	
	<i>NOTES</i>	<b>2020</b>	<b>2019</b>
		<b>RMB'000</b>	<b>RMB'000</b>
<b>CURRENT LIABILITIES</b>			
Accounts payable	12	7,124,271	2,510,357
Other payables and accruals		6,018,042	6,562,245
Contract liabilities		10,170,298	7,781,928
Lease liabilities		57,648	48,292
Amount due to the ultimate holding company		346	136
Amount due to an intermediate holding company		674	695
Amount due to the immediate holding company		–	8,090
Amounts due to non-controlling interests		1,424,712	1,755,037
Amount due to an associate		201,797	166,827
Amounts due to joint ventures		19,400	28,978
Amounts due to fellow subsidiaries		152,140	117,960
Loans from fellow subsidiaries		573,083	245,362
Loan from non-controlling interests		559,712	626,721
Loan from a joint venture		274,800	–
Loan from a third party		–	991,800
Bank borrowings		6,069,083	2,288,320
Income tax and land appreciation tax payables		1,486,144	1,327,280
Deferred income		6,692	6,883
Bonds payable		905,098	1,138,851
Hedging instruments		27,056	–
		<u>35,070,996</u>	<u>25,605,762</u>
<b>NET CURRENT ASSETS</b>		<u>18,053,301</u>	<u>14,360,599</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>89,096,338</u>	<u>85,371,608</u>
<b>NON-CURRENT LIABILITIES</b>			
Other payables and accruals		781,591	848,089
Lease liabilities		219,952	136,703
Loans from a fellow subsidiary		868,578	1,239,418
Loans from third parties		5,135,031	2,123,800
Bank borrowings		16,641,054	20,803,086
Deferred tax liabilities		7,741,084	7,300,545
Bonds payable		3,836,252	3,081,566
Hedging instruments		277,903	–
Amounts due to fellow subsidiaries		–	508
		<u>35,501,445</u>	<u>35,533,715</u>
<b>NET ASSETS</b>		<u>53,594,893</u>	<u>49,837,893</u>

		<b>At 31 December</b>	
	<i>NOTES</i>	<b>2020</b>	2019
		<b><i>RMB'000</i></b>	<i>RMB'000</i>
<b>CAPITAL AND RESERVES</b>			
Share capital	13	<b>1,122,414</b>	1,122,414
Reserves		<b><u>28,325,296</u></b>	<u>27,912,647</u>
Equity attributable to owners of the Company		<b>29,447,710</b>	29,035,061
Perpetual capital instruments		<b>7,158,633</b>	5,330,086
Non-controlling interests		<b><u>16,988,550</u></b>	<u>15,472,746</u>
<b>TOTAL EQUITY</b>		<b><u><u>53,594,893</u></u></b>	<u><u>49,837,893</u></u>

## NOTES

*For the year ended 31 December 2020*

### 1. GENERAL INFORMATION

Joy City Property Limited (the “**Company**”, together with its subsidiaries, collectively referred to as the “**Group**”) was incorporated in Bermuda with limited liability and its ordinary shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”).

The principal activities of the Company and its subsidiaries (the “**Group**”) are principally investment holding, property investment and development and hotel operations.

The immediate holding company of the Company changed from Vibrant Oak Limited, a company incorporated in the British Virgin Islands, to Grandjoy Holdings Group Co., Ltd (“**Grandjoy Holdings**”, formerly known as COFCO Property (Group) Co., Ltd.), a company established in the People’s Republic of China (the “**PRC**”) with its A shares listed on the Shenzhen Stock Exchange, in January 2019. Vibrant Oak Limited and Grandjoy Holdings are both under common control of COFCO (Hong Kong) Limited, an intermediate holding company of the Company. In the opinion of the directors of the Company (the “**Directors**”), before and subsequent to the change of immediate holding company, the ultimate holding company of the Company is COFCO Corporation, a company established in the PRC.

The consolidated financial statements are presented in Renminbi (“**RMB**”), the currency of the primary economic environment in which most of the group entities operate (the functional currency of the Company and most of the entities comprising the Group), and all values are rounded to the nearest thousand (‘000) unless otherwise indicated.

### 2. APPLICATION OF AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS (“**HKFRSs**”)

#### *Amendments to HKFRSs that are mandatorily effective for the current year*

In the current year, the Group has applied the *Amendments to References to the Conceptual Framework in HKFRS Standards* and the following amendments to HKFRSs issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”) for the first time, which are mandatory effective for the annual period beginning on or after 1 January 2020 for the preparation of the Group’s consolidated financial statements:

Amendments to HKAS 1 and HKAS 8	Definition of Material
Amendments to HKFRS 3	Definition of a Business
Amendments to HKFRS 9, HKAS 39 and HKFRS 7	Interest Rate Benchmark Reform

Except as described below, the application of the *Amendments to References to the Conceptual Framework in HKFRS Standards* and the amendments to HKFRSs in the current year has had no material impact on the Group’s financial positions and performance for the current and prior years and on the disclosures set out in these consolidated financial statements.

## ***2.1 Impacts of application on Amendments to HKAS 1 and HKAS 8 “Definition of Material”***

The Group has applied the Amendments to HKAS 1 and HKAS 8 for the first time in the current year. The amendments provide a new definition of material that states “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, which provide financial information about a specific reporting entity.” The amendments also clarify that materiality depends on the nature or magnitude of information, either individually or in combination with other information, in the context of the financial statements taken as a whole.

The application of the amendments in the current year had no impact on the consolidated financial statements.

## ***2.2 Impacts on application of Amendments to HKFRS 3 Definition of a Business***

The Group has applied the amendments for the first time in the current year. The amendments clarify that while businesses usually have outputs, outputs are not required for an integrated set of activities and assets to qualify as a business. To be considered a business, an acquired set of activities and assets must include, at a minimum, an input and a substantive process that together significantly contribute to the ability to create outputs.

The amendments remove the assessment of whether market participants are capable of replacing any missing inputs or processes and continuing to produce outputs. The amendments also introduce additional guidance that helps to determine whether a substantive process has been acquired.

In addition, the amendments introduce an optional concentration test that permits a simplified assessment of whether an acquired set of activities and assets is not a business. Under the optional concentration test, the acquired set of activities and assets is not a business if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar assets. The gross assets under assessment exclude cash and cash equivalents, deferred tax assets, and goodwill resulting from the effects of deferred tax liabilities. The election on whether to apply the optional concentration test is available on transaction-by-transaction basis.

The amendments had no impact on the consolidated financial statements of the Group but may impact future periods should the Group make any acquisition.



### **2.3 Impacts on application of Amendments to HKFRS 9, HKAS 39 and HKFRS 7 Interest Rate Benchmark Reform**

The Group has applied the amendments for the first time in the current year. The amendments modify specific hedge accounting requirements to allow hedge accounting to continue for affected hedges during the year of uncertainty before the hedged items or hedging instruments affected by the current interest rate benchmarks are amended as a result of the on-going interest rate benchmark reform. The amendments are relevant to the Group given that it applies hedge accounting to its benchmark interest rate exposures.

The amendments had no material impact on the consolidated financial statements of the Group as the Group's designated hedged items is not affected by the interest rate benchmark reform.

#### ***New and amendments to HKFRSs in issue but not yet effective***

The Group has not early applied the following new and amendments to HKFRSs that have been issued but are not yet effective:

HKFRS 17	Insurance Contracts and the related Amendments <sup>1</sup>
Amendment to HKFRS 16	Covid-19-Related Rent Concessions <sup>4</sup>
Amendments to HKFRS 3	Reference to the Conceptual Framework <sup>2</sup>
Amendments to HKFRS 9, HKAS 39, HKFRS 7, HKFRS 4 and HKFRS 16	Interest Rate Benchmark Reform – Phase 2 <sup>5</sup>
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture <sup>3</sup>
Amendments to HKAS 1	Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 (2020) <sup>1</sup>
Amendments to HKAS 16	Property, Plant and Equipment: Proceeds before Intended Use <sup>2</sup>
Amendments to HKAS 37	Onerous Contracts – Cost of Fulfilling a Contract <sup>2</sup>
Amendments to HKFRSs	Annual Improvements to HKFRSs 2018-2020 <sup>2</sup>

<sup>1</sup> Effective for annual periods beginning on or after 1 January 2023.

<sup>2</sup> Effective for annual periods beginning on or after 1 January 2022.

<sup>3</sup> Effective for annual periods beginning on or after a date to be determined.

<sup>4</sup> Effective for annual periods beginning on or after 1 June 2020.

<sup>5</sup> Effective for annual periods beginning on or after 1 January 2021.

Except for the amendments to HKFRSs mentioned below, the Directors anticipate that the application of the above new and amendments to HKFRSs will have no material impact on the Group's consolidated financial statements in the foreseeable future.

## **Amendments to HKFRS 9, HKAS 39, HKFRS 7, HKFRS 4 and HKFRS 16 *Interest Rate Benchmark Reform – Phase 2***

Amendments to HKFRS 9, HKAS 39, HKFRS 7, HKFRS 4 and HKFRS 16 Interest Rate Benchmark Reform – Phase 2 relate to the modification of financial assets, financial liabilities and lease liabilities, specific hedge accounting requirements and disclosure requirements applying HKFRS 7 Financial Instruments: Disclosures to accompany the amendments regarding modifications and hedge accounting.

- Modification of financial assets, financial liabilities and lease liabilities. A practical expedient is introduced for modifications required by the reform (modifications required as a direct consequence of the interest rate benchmark reform and made on an economically equivalent basis). These modifications are accounted for by updating the effective interest rate. All other modifications are accounted for using the current HKFRSs requirements. A similar practical expedient is proposed for lessee accounting applying HKFRS 16;
- Hedge accounting requirements. Under the amendments, hedge accounting is not discontinued solely because of the interest rate benchmark reform. Hedging relationships (and related documentation) are required to be amended to reflect modifications to the hedged item, hedging instrument and hedged risk. Amended hedging relationships should meet all qualifying criteria to apply hedge accounting, including effectiveness requirements; and
- Disclosures. The amendments require disclosures in order to allow users to understand the nature and extent of risks arising from the interest rate benchmark reform to which the Group is exposed to and how the entity manages those risks as well as the entity's progress in transitioning from interbank offered rates to alternative benchmark rates, and how the entity is managing this transition.

As at 31 December 2020, the Group has several London Interbank Offered Rate (“**LIBOR**”), Hong Kong Interbank Offered Rate (“**HIBOR**”) bank loans, and several LIBOR bank loans entered into interest rate swap agreements with independent counterparties which may be subject to interest rate benchmark reform. The Group expects no significant gains or losses should the interest rate benchmark for these loans change resulting from the reform on application of the amendments.

### 3. REVENUE AND SEGMENT INFORMATION

Revenue represents the net amounts received and receivable for goods sold and services rendered during the year.

The Group is organised into certain business units according to the nature of goods sold or services provided. The operating segments of the Group are determined by the Directors based on the business units by reference to the goods sold or services provided. These business units are the basis of internal reports provided to the Executive Directors, the chief operating decision maker (“CODM”), for the purpose of resource allocation and performance assessment. In the current period, information reported to CODM for the purposes of performance assessment and resource allocation had been re-categorised. Segment of “output management project and other services” reported in the prior periods has been disaggregated into new segments of “output management project” and “other services” in accordance with the information reported to CODM. Comparative figures are re-presented to conform with changes in presentation in the current period.

The operating segments of the entities comprising the Group with similar economic characteristics and similar nature of goods sold or services provided have been aggregated into different reportable segments as follows:

Property investment	Property letting and related services
Property and land development	Development and sale of properties, and development of lands
Hotel operations	Hotel ownership and management
Output management project	Provision of output management services
Other services	Provision of miscellaneous services

An analysis of the Group's revenue, which is also turnover of the Group, for the year is as follows:

	Year ended 31 December	
	2020 RMB'000	2019 RMB'000
Property investment and development:		
Rental income from investment properties and related services	3,586,814	4,341,371
Sales of properties held for sale	9,568,816	4,640,980
Service income for primary land development	153,653	267,456
Output management project	147,235	133,236
Other service income	55,050	113,141
	<u>13,511,568</u>	<u>9,496,184</u>
Hotel operations:		
Hotel room revenue	442,752	606,956
Other ancillary service	155,512	234,628
	<u>598,264</u>	<u>841,584</u>
Total revenue	<u>14,109,832</u>	<u>10,337,768</u>

(i) **Disaggregation of revenue from contracts with customers**

**For the year ended 31 December 2020**

	Property investment <i>RMB'000</i>	Property and land development <i>RMB'000</i>	Hotel operations <i>RMB'000</i>	Output management project <i>RMB'000</i>	Other services <i>RMB'000</i>	Total <i>RMB'000</i>
<b>Revenue from contracts with customers</b>	<u>456,089</u>	<u>9,722,469</u>	<u>598,264</u>	<u>147,235</u>	<u>55,050</u>	<u>10,979,107</u>
<b>Geographical markets</b>						
Mainland China	439,196	9,722,469	598,264	107,482	51,918	10,919,329
Hong Kong	<u>16,893</u>	<u>–</u>	<u>–</u>	<u>39,753</u>	<u>3,132</u>	<u>59,778</u>
	<u>456,089</u>	<u>9,722,469</u>	<u>598,264</u>	<u>147,235</u>	<u>55,050</u>	<u>10,979,107</u>
<b>Timing of revenue recognition</b>						
A point in time	–	9,722,469	155,512	–	–	9,877,981
Over time	<u>456,089</u>	<u>–</u>	<u>442,752</u>	<u>147,235</u>	<u>55,050</u>	<u>1,101,126</u>
	<u>456,089</u>	<u>9,722,469</u>	<u>598,264</u>	<u>147,235</u>	<u>55,050</u>	<u>10,979,107</u>

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

	Property investment <i>RMB'000</i>	Property and land development <i>RMB'000</i>	Hotel operations <i>RMB'000</i>	Output management project <i>RMB'000</i>	Other services <i>RMB'000</i>	Total <i>RMB'000</i>
<b>Revenue from contracts with customers</b>						
External customers	456,089	9,722,469	598,264	147,235	55,050	10,979,107
Inter-segment	<u>10,211</u>	<u>–</u>	<u>–</u>	<u>136,763</u>	<u>34,177</u>	<u>181,151</u>
<b>Total</b>	<u>466,300</u>	<u>9,722,469</u>	<u>598,264</u>	<u>283,998</u>	<u>89,227</u>	<u>11,160,258</u>
And: rental revenue	3,133,310	–	–	–	–	3,133,310
rental adjustments	<u>(2,585)</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>(2,585)</u>
<b>Revenue from rental</b>	<u>3,130,725</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>3,130,725</u>
<b>Inter-segment elimination</b>	<u>(10,211)</u>	<u>–</u>	<u>–</u>	<u>(136,763)</u>	<u>(34,177)</u>	<u>(181,151)</u>
<b>Revenue disclosed in segment information</b>	<u>3,586,814</u>	<u>9,722,469</u>	<u>598,264</u>	<u>147,235</u>	<u>55,050</u>	<u>14,109,832</u>

**For the year ended 31 December 2019**

	<b>Property investment</b> <i>RMB'000</i>	<b>Property and land development</b> <i>RMB'000</i>	<b>Hotel operations</b> <i>RMB'000</i>	<b>Output management project</b> <i>RMB'000</i>	<b>Other services</b> <i>RMB'000</i>	<b>Total</b> <i>RMB'000</i>
<b>Revenue from contracts with customers</b>	537,433	4,908,436	841,584	133,236	113,141	6,533,830
<b>Geographical markets</b>						
Mainland China	518,297	4,908,436	841,584	99,933	108,474	6,476,724
Hong Kong	19,136	–	–	33,303	4,667	57,106
	<u>537,433</u>	<u>4,908,436</u>	<u>841,584</u>	<u>133,236</u>	<u>113,141</u>	<u>6,533,830</u>
<b>Timing of revenue recognition</b>						
A point in time	–	4,908,436	234,628	–	–	5,143,064
Over time	537,433	–	606,956	133,236	113,141	1,390,766
	<u>537,433</u>	<u>4,908,436</u>	<u>841,584</u>	<u>133,236</u>	<u>113,141</u>	<u>6,533,830</u>

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

	<b>Property investment</b> <i>RMB'000</i>	<b>Property and land development</b> <i>RMB'000</i>	<b>Hotel operations</b> <i>RMB'000</i>	<b>Output management project</b> <i>RMB'000</i>	<b>Other services</b> <i>RMB'000</i>	<b>Total</b> <i>RMB'000</i>
<b>Revenue from contracts with customers</b>						
External customers	537,433	4,908,436	841,584	133,236	113,141	6,533,830
Inter-segment	10,917	–	–	119,175	6,324	136,416
<b>Total</b>	<u>548,350</u>	<u>4,908,436</u>	<u>841,584</u>	<u>252,411</u>	<u>119,465</u>	<u>6,670,246</u>
And: rental revenue	3,806,523	–	–	–	–	3,806,523
rental adjustments	(2,585)	–	–	–	–	(2,585)
<b>Revenue from rental</b>	<u>3,803,938</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>3,803,938</u>
<b>Inter-segment elimination</b>	<u>(10,917)</u>	<u>–</u>	<u>–</u>	<u>(119,175)</u>	<u>(6,324)</u>	<u>(136,416)</u>
<b>Revenue disclosed in segment information</b>	<u>4,341,371</u>	<u>4,908,436</u>	<u>841,584</u>	<u>133,236</u>	<u>113,141</u>	<u>10,337,768</u>

**(ii) Performance obligations for contracts with customers**

**Development and sales of properties (revenue recognised at a point in time)**

For contracts entered into with customers on sales of properties, the relevant properties specified in the contracts are based on customer's specifications with no alternative use. Taking into consideration of the relevant contract terms, the legal environment and relevant legal precedent, the Directors concluded that the Group does not have an enforceable right to payment prior to transfer of the relevant properties to customers. Revenue from sales of residential properties is therefore recognised at a point in time when the completed property is transferred to customers, being at the point that the customer obtains the control of the completed property and the Group has present right to payment and collection of the consideration is probable.

The Group receives 30% ~100% of the contract value as deposits from customers when they sign the sale and purchase agreement. This will give rise to contract liabilities until the completed property is transferred to the customers. In determining the transaction price, the Group adjusts the promised amount of consideration for the effects of the time value of money if the timing of payments agreed (either explicitly or implicitly) provides the customer or the Group with a significant benefit of financing the transfer of goods or services to the customer. In those circumstances, the contract contains a significant financing component. A significant financing component may exist regardless of whether the promise of financing is explicitly stated in the contract or implied by the payment terms agreed to by the parties to the contract.

The Group assesses the advance payment by contract whether it may contain significant financing component. If the effects of the financing component will materially change the amount of revenue at a contract level, accordingly the amount of consideration is adjusted for the effects of the time value of money taking into consideration the credit characteristics of the party receiving financing in the contract. As this accrual increases the amount of the contract liability during the period of construction, it increases the amount of revenue recognised when control of the completed property is transferred to the customer.

The Directors apply the practical expedient of expensing all incremental costs to obtain a contract if these costs would otherwise have been fully amortised to profit or loss within one year.

**Property management related services, hotel room operation and other services**

Revenue relating to the property management related services, hotel room operation and other services is recognised over time by reference to the progress towards complete satisfaction of the relevant performance obligation if the customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs, or at a point in time when the customer obtains control of the distinct good or service, as appropriate.

**(iii) Transaction price allocated to the remaining performance obligation for contracts with customers**

The transaction price allocated to the remaining performance obligations (unsatisfied or partially unsatisfied) as at 31 December 2020 and 2019, and the expected timing of recognising revenue are as follows:

	<b>Sales of properties</b>	
	<b>Year ended at 31 December</b>	
	<b>2020</b>	<b>2019</b>
	<b><i>RMB'000</i></b>	<b><i>RMB'000</i></b>
Within one year	<b>8,336,265</b>	6,458,926
More than one year but not more than two years	<b><u>3,662,928</u></b>	<u>2,320,608</u>
	<b><u>11,999,193</u></b>	<u>8,779,534</u>

All the property management related services, hotel room operation and other services are for periods of one year or less. As permitted under HKFRS 15, the transaction price allocated to these unsatisfied contracts is not disclosed.

**(iv) Leases**

	<b>Year ended 31 December</b>	
	<b>2020</b>	<b>2019</b>
	<b><i>RMB'000</i></b>	<b><i>RMB'000</i></b>
Total revenue arising from operating lease:		
Lease payments that are fixed or linked to the performance of lessees	<b><u>3,130,725</u></b>	<u>3,803,938</u>

Information regarding the segments is reported below.

## Segment revenue and segment results

The following is an analysis of the Group's revenue and results by reportable segments.

### Year ended 31 December 2020

	Property investment RMB'000	Property and land development RMB'000	Hotel operations RMB'000	Output management project RMB'000	Other services RMB'000	Segment total RMB'000	Inter- segment elimination RMB'000	Total RMB'000
<b>Segment revenue</b>								
External customers	3,589,399	9,722,469	598,264	147,235	55,050	14,112,417	-	14,112,417
Inter-segment revenue	<u>10,211</u>	<u>-</u>	<u>-</u>	<u>136,763</u>	<u>34,177</u>	<u>181,151</u>	(181,151)	<u>-</u>
Consolidated	<u>3,599,610</u>	<u>9,722,469</u>	<u>598,264</u>	<u>283,998</u>	<u>89,227</u>	<u>14,293,568</u>	(181,151)	14,112,417
Rental adjustments								<u>(2,585)</u>
Revenue as presented in consolidated statement of profit or loss								<u>14,109,832</u>
Segment results	<u>2,431,399</u>	<u>2,090,899</u>	<u>(67,507)</u>	<u>213,348</u>	<u>(126,049)</u>	<u>4,542,090</u>	-	4,542,090
Unallocated corporate income and other gains								783,740
Unallocated corporate expenses and other losses								(266,995)
Finance costs								(958,303)
Share of losses of associates								(5,544)
Share of losses of joint ventures								<u>(189,250)</u>
Profit before tax as presented in consolidated statement of profit or loss								<u>3,905,738</u>



Year ended 31 December 2019

	Property investment <i>RMB'000</i>	Property and land development <i>RMB'000</i>	Hotel operations <i>RMB'000</i>	Output management project <i>RMB'000</i>	Other services <i>RMB'000</i>	Segment total <i>RMB'000</i>	Inter- segment elimination <i>RMB'000</i>	Total <i>RMB'000</i>
<b>Segment revenue</b>								
External customers	4,343,956	4,908,436	841,584	133,236	113,141	10,340,353	–	10,340,353
Inter-segment revenue	<u>10,917</u>	<u>–</u>	<u>–</u>	<u>119,175</u>	<u>6,324</u>	<u>136,416</u>	(136,416)	<u>–</u>
Consolidated	<u>4,354,873</u>	<u>4,908,436</u>	<u>841,584</u>	<u>252,411</u>	<u>119,465</u>	<u>10,476,769</u>	(136,416)	10,340,353
Rental adjustments								<u>(2,585)</u>
Revenue as presented in consolidated statement of profit or loss								<u>10,337,768</u>
Segment results	<u>4,056,527</u>	<u>1,747,945</u>	<u>11,333</u>	<u>186,453</u>	<u>(210,111)</u>	<u>5,792,147</u>	–	5,792,147
Unallocated corporate income and other gains								108,327
Unallocated corporate expenses and other losses								(216,975)
Finance costs								(1,178,660)
Share of profits of associates								1,883
Share of losses of joint ventures								<u>(86,801)</u>
Profit before tax as presented in consolidated statement of profit or loss								<u>4,419,921</u>

Inter-segment revenue was charged at prices agreed between group entities, which have no material differences as compared to the prices provided to the third parties.

Segment revenue represents revenue earned by each segment without rental adjustments for property letting relating to the recognition of rental income from operating lease on a straight-line basis over the term of the relevant lease. Segment results represent the profit earned/loss incurred by each segment without allocation of certain items incurred for management purpose, including certain other income, other gains and losses, administrative expenses, finance costs, share of profits/losses of associates and joint ventures. The above is the measure reported to the Executive Directors for the purposes of resource allocation and performance assessment.

### Segment assets and liabilities

Segment assets and liabilities are not disclosed in the consolidated financial statements as they are not regularly provided to the Executive Directors for the purposes of resource allocation and performance assessment.

### Geographical information

The following table sets out information about the Group's revenue from external customers by geographical location. The geographical location of customers is based on the location at which the services were provided or the goods and properties were delivered.

	<b>Year ended 31 December</b>	
	<b>2020</b> <i>RMB'000</i>	<b>2019</b> <i>RMB'000</i>
Mainland China	<b>13,972,901</b>	10,196,119
Hong Kong	<b>136,931</b>	141,649
	<b><u>14,109,832</u></b>	<b><u>10,337,768</u></b>

Information about the Group's non-current assets by location is detailed below.

	<b>At 31 December</b>	
	<b>2020</b> <i>RMB'000</i>	<b>2019</b> <i>RMB'000</i>
Mainland China	<b>66,515,456</b>	66,406,267
Hong Kong	<b>2,770,365</b>	2,827,869
	<b><u>69,285,821</u></b>	<b><u>69,234,136</u></b>

Non-current assets exclude goodwill, deferred tax assets, financial instruments under non-current assets.

### ***Information about major customer***

Revenue generated from a single customer, Shanghai Donghui Shiye Company Limited and Shanghai Dongqing Shiye Company Limited which are under common control and wholly owned subsidiaries of a state-owned enterprise from property and lead development was RMB1,904,765,000 (2019: nil) which amounted to more than 10% of the Group's revenue for the year ended 31 December 2020.

### ***Other information***

Amounts regularly provided to CODM are as follows:

	Property investment RMB'000	Property and land development RMB'000	Hotel operations RMB'000	Output management project RMB'000	Other services RMB'000	Total RMB'000
<b>Year ended 31 December 2020</b>						
Impairment loss recognised on accounts and other receivables, net	8,309	741	291	16	57	9,414
Depreciation of property, plant and equipment	25,786	2,037	185,068	2,863	16,578	232,332
Depreciation of right-of-use assets	11,118	2,134	56,184	–	2,783	72,219
Loss/(gain) on disposal of property, plant and equipment, net	<u>5,068</u>	<u>(23)</u>	<u>(2)</u>	<u>–</u>	<u>(138)</u>	<u>4,905</u>
<b>Year ended 31 December 2019</b>						
Impairment loss recognised/ (reversed) on accounts and other receivables, net	5,060	(154)	(4)	–	(3,600)	1,302
Depreciation of property, plant and equipment	42,191	3,179	157,990	2,573	15,608	221,541
Depreciation of right-of-use assets	10,772	2,791	83,008	–	3,502	100,073
Loss/(gain) on disposal of property, plant and equipment, net	12,342	(310)	134	–	13,007	25,173
Impairment loss on goodwill	<u>–</u>	<u>68,745</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>68,745</u>

#### 4. OTHER INCOME

	Year ended 31 December	
	2020	2019
	<i>RMB'000</i>	<i>RMB'000</i>
Interest income from:		
Banks	131,340	66,130
Loans to joint ventures	21,281	39,075
Loans to associates	190,846	125,277
Loan to non-controlling interest	3,240	4,191
Government grants ( <i>Note</i> )	54,479	12,434
Refund of PRC value added tax and surcharges	452	11,220
Others	3,432	4,922
	<u>405,070</u>	<u>263,249</u>

*Note:* Various government grants have been received for developments in certain provinces in Mainland China. The government grants mainly related to discretionary awards granted by local governments to certain subsidiaries of the Group to award their contributions to the local development. There are no unfulfilled conditions or contingencies relating to these grants.

#### 5. OTHER GAINS AND LOSSES, NET

	Year ended 31 December	
	2020	2019
	<i>RMB'000</i>	<i>RMB'000</i>
Loss on disposal of property, plant and equipment, net	(4,905)	(25,173)
Impairment loss on goodwill	–	(68,745)
Exchange gain/(loss), net	597,198	(113,996)
Others	37,311	4,797
	<u>629,604</u>	<u>(203,117)</u>

## 6. FINANCE COSTS

	Year ended 31 December	
	2020	2019
	RMB'000	RMB'000
Interest on:		
Bank borrowings	880,709	888,691
Loans from a non-banking financial institution*	56,142	58,961
Loans from other fellow subsidiaries	6,463	9,333
Loan from a joint venture	1,161	227
Loan from non-controlling interests	48,756	52,353
Bonds payable	198,836	175,704
Guaranteed notes	–	187,833
Loans from third parties	357,347	70,478
Lease liabilities	9,856	9,074
Others	21,872	12,174
	<u>1,581,142</u>	<u>1,464,828</u>
Total interest expenses		
Less: Interest capitalised:		
Investment properties under development	(117,175)	(9,538)
Properties under development for sale	(505,664)	(276,630)
	<u>(622,839)</u>	<u>(286,168)</u>
	<u><u>958,303</u></u>	<u><u>1,178,660</u></u>

\* The non-banking financial institution represented COFCO Finance Corporation Limited (“**COFCO Finance**”), a fellow subsidiary of the Group.

Borrowing costs capitalised to investment properties under development and properties under development for sale were based on actual borrowing costs incurred.

Borrowing costs from borrowings were capitalised at rates ranging from 4.41% to 8.90% (2019: 4.41% to 8.90%) per annum.

## 7. PROFIT BEFORE TAX

	Year ended 31 December	
	2020	2019
	RMB'000	RMB'000
Profit before tax has been arrived at after charging/(crediting):		
Directors' emoluments	2,864	2,947
Depreciation and amortisation:		
Amortisation:		
– Intangible assets (included in cost of sales)	4,273	3,913
– Intangible assets (included in administrative expenses)	8,081	8,443
– Intangible assets (included in distribution and selling costs)	1,918	2,330
Depreciation of right-of-use assets	72,219	100,073
Depreciation of property, plant and equipment	232,332	221,541
Total depreciation and amortisation	318,823	336,300
Cost of sales and services rendered:		
Cost of properties sold	7,255,559	2,680,527
Direct operating expenses arising from investment properties letted	758,234	1,021,446
Cost of primary land development services provided	57,404	158,335
Direct operating expenses arising from provision of property management and other property related services	81,738	149,988
Direct operating expenses from hotel services provided	499,332	580,840
	8,652,267	4,591,136
Employee benefits expense (including directors' emoluments):		
Salaries, allowances and other benefits	901,756	1,015,802
Retirement benefit scheme contributions	65,765	91,930
	967,521	1,107,732
Less: Capitalised in properties under development for sale and investment properties under development	(164,936)	(142,574)
	802,585	965,158
Advertising and promotion expenses (included in distribution and selling costs)	170,055	232,889
Auditors' remuneration	3,019	3,019

## 8. INCOME TAX EXPENSE

	Year ended 31 December	
	2020	2019
	<i>RMB'000</i>	<i>RMB'000</i>
Current tax:		
PRC Enterprise Income Tax	745,941	865,869
PRC Dividend Withholding Tax	48,209	—
Land Appreciation Tax	550,252	578,872
Hong Kong profits Tax	23,857	61,853
	<u>1,368,259</u>	<u>1,506,594</u>
(Over)/under provision in prior years:		
PRC Enterprise Income Tax	<u>(3,586)</u>	<u>14,556</u>
Deferred tax	<u>371,973</u>	<u>230,272</u>
	<u><u>1,736,646</u></u>	<u><u>1,751,422</u></u>

On 21 March 2018, the Hong Kong Legislative Council passed The Inland Revenue (Amendment) (No. 7) Bill 2017 (the “**Bill**”) which introduces the two-tiered profits tax rates regime. The Bill was signed into law on 28 March 2018 and was gazetted on the following day. Under the two-tiered profits tax rates regime, the first HK\$2 million of profits of the qualifying group entity will be taxed at 8.25%, and profits above HK\$2 million will be taxed at 16.5%. The profits of group entities not qualifying for the two-tiered profits tax rates regime will continue to be taxed at a flat rate of 16.5%.

The Directors considered the amount involved upon implementation of the two-tiered profits tax rates regime as insignificant to the consolidated financial statements. Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profit for both years.

The subsidiaries in mainland China are subject to PRC Enterprise Income Tax (“**EIT**”) at 25% for both years. Taxation arising in other jurisdictions is calculated at the rates prevailing in the relevant jurisdictions.

The law of the PRC on EIT provides that qualified dividend income between two “resident enterprises” that have a direct investment relationship is exempted from income tax. Otherwise, such dividends will be subject to 5% to 10% withholding tax under the tax treaty or the domestic law. The Group is currently subject to withholding tax at 10%.

The provision of LAT is estimated according to the requirements set forth in the relevant PRC tax laws and regulations. LAT is levied at progressive rates ranging from 30% to 60% on the appreciation of land value, being the proceeds of sales of properties less deductible expenditures including cost of land use right and all property development expenditures.

Pursuant to the rules and regulations of the British Virgin Islands, Bermuda and Samoa, the Group is not subject to any income tax in the British Virgin Islands, Bermuda and Samoa.

## 9. DIVIDENDS

Dividends for the shareholders of ordinary shares and CPS of the Company recognised as distribution during the year:

	<b>Year ended 31 December</b>	
	<b>2020</b>	<b>2019</b>
	<b><i>RMB'000</i></b>	<b><i>RMB'000</i></b>
2019 Final – HK4 cents per share (2018 Final: HK6 cents):		
Ordinary shares	<b>521,997</b>	750,507
Non-redeemable convertible preference shares	<b>40,176</b>	57,763
	<b><u>562,173</u></b>	<b><u>808,270</u></b>

Final dividend in respect of the year ended 31 December 2019 of HK 4 cents per ordinary share has been proposed by the Directors and was approved by the shareholders at the annual general meeting conducted on 3 June 2020. The holders of the CPS were entitled to receive any dividend pari passu with the holders of ordinary shares of the Company and therefore entitled to receive the 2019 final dividend of approximately HK\$44 million or RMB40 million.

Subsequent to the end of the reporting period, a final dividend in respect of the year ended 31 December 2020 of HK3 cents per ordinary share, in an aggregate amount of HK\$427 million or approximately RMB359 million, has been proposed by the Directors and is subject to approval by the shareholders at the forthcoming annual general meeting.

The holders of the CPS are entitled to receive any dividend pari passu with the holders of ordinary shares of the Company and therefore they are entitled to receive the 2020 final dividend of approximately HK\$33 million or RMB28 million.



## 10. EARNINGS PER SHARE

The calculation of the basic earnings per share attributable to the ordinary shareholders of the Company is based on the following data:

	<b>Year ended 31 December</b>	
	<b>2020</b>	<b>2019</b>
	<b><i>RMB'000</i></b>	<b><i>RMB'000</i></b>
<b>Earnings</b>		
Earnings for the purpose of basic earnings per share		
(Profit for the year attributable to owners of the Company)	<b><u>1,104,533</u></b>	<b><u>1,635,906</u></b>
	<b>Year ended 31 December</b>	
	<b>2020</b>	<b>2019</b>
<b>Number of shares ('000)</b>		
For the purpose of basic earnings per share:		
Number of ordinary shares	<b>14,231,125</b>	14,231,125
Number of non-redeemable convertible preference shares	<b><u>1,095,301</u></b>	<b><u>1,095,301</u></b>
Number of shares for the purpose of basic earnings per share	<b><u>15,326,426</u></b>	<b><u>15,326,426</u></b>

The number of shares used for the purpose of calculating basic earnings per share for the years ended 31 December 2020 and 2019 were calculated on the basis of the number of the ordinary shares of the Company and CPS in issue during the years.

The calculation of the diluted earnings per share for the years ended 31 December 2020 and 2019 does not assume the exercise of the written put option on shares of a subsidiary as the dilution effect is not considered material.

## 11. ACCOUNTS RECEIVABLE

	At 31 December	
	2020	2019
	RMB'000	RMB'000
Lease receivables	151,860	120,774
Property management fee receivables	3,196	9,098
Receivables from hotel operations and related services	23,631	29,994
Others	1,748	1,160
Less: Allowance for credit losses	<u>(35,668)</u>	<u>(28,923)</u>
	144,767	132,103
Rental adjustments*	<u>11,200</u>	<u>13,784</u>
	<u><b>155,967</b></u>	<u><b>145,887</b></u>

\* *Rental adjustments relating to the recognition of rental income from operating lease on a straight-line basis over the term of the relevant lease.*

At 1 January 2019, accounts receivable from contracts with customers amounted to RMB55,144,000.

At 31 December 2020, accounts receivable with an aggregate carrying amount of RMB9,055,000 (2019: RMB20,807,000) were pledged to secure certain banking facilities granted to the Group .

The following is an aged analysis of accounts receivable at the end of the reporting period, excluding rental adjustments and net of allowance for credit losses, presented based on invoice date, except for lease receivables, which were presented based on the date of rental demand notice issued:

	At 31 December	
	2020	2019
	RMB'000	RMB'000
Less than 3 months	97,063	112,635
3 months to 1 year	42,148	13,244
1 to 2 years	4,190	5,765
2 to 3 years	<u>1,366</u>	<u>459</u>
	<u><b>144,767</b></u>	<u><b>132,103</b></u>

As at 31 December 2020, included in the Group's accounts receivable balance are debtors with aggregate carrying amount of RMB60,868,000 (31 December 2019: RMB54,371,000) which are past due as at the reporting date. Out of the past due balances, RMB30,773,000 (31 December 2019: RMB18,695,000) has been past due for 90 days or more and is not considered as in default due to historical repayment history from these customers. The Group does not hold any collateral over these balances.

## 12. ACCOUNTS PAYABLE

	<b>At 31 December</b>	
	<b>2020</b>	<b>2019</b>
	<b><i>RMB'000</i></b>	<b><i>RMB'000</i></b>
Trade payables	<b>44,231</b>	43,547
Accrued expenditures on construction	<b>7,080,040</b>	2,466,810
	<b><u>7,124,271</u></b>	<b><u>2,510,357</u></b>

Accounts payable, including trade payables, accrued expenditures on construction and accrued land cost, mainly comprise construction costs, land cost and other project-related expenses in relation to properties under development for sale which are payable based on project progress measured by the Group. Trade payables are generally with credit period of 60 to 90 days, except for the retention monies of certain construction costs of which the credit period is up to 2 years. The Group has financial risk management policies in place to ensure that all payables are within the credit timeframe.

The following is an aged analysis of trade payables at the end of the reporting period based on invoice date.

	<b>At 31 December</b>	
	<b>2020</b>	<b>2019</b>
	<b><i>RMB'000</i></b>	<b><i>RMB'000</i></b>
Within 1 year	<b>42,814</b>	41,567
1 to 2 years	–	10
2 to 3 years	–	8
Over 3 years	<b>1,417</b>	1,962
	<b><u>44,231</u></b>	<b><u>43,547</u></b>

### 13. SHARE CAPITAL

#### Ordinary share capital of the Company

	Number of shares	Amount <i>HK\$'000</i>	(RMB equivalent) <i>RMB'000</i>
Authorised:			
<i>Ordinary shares of HK\$0.10 each</i>			
At 1 January 2019, 31 December 2019 and 31 December 2020	<u>28,904,699,222</u>	<u>2,890,470</u>	<u>2,293,502</u>
Issued and fully paid:			
<i>Ordinary shares of HK\$0.10 each</i>			
At 1 January 2019, 31 December 2019 and 31 December 2020	<u>14,231,124,858</u>	<u>1,423,112</u>	<u>1,122,414</u>

## **SCOPE OF WORK OF MESSRS. DELOITTE TOUCHE TOHMATSU**

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the year ended 31 December 2020 as set out in this announcement have been agreed by the Group's auditor, Messrs. Deloitte Touche Tohmatsu, to the amounts set out in the Group's audited consolidated financial statements for the year ended 31 December 2020. The work performed by Messrs. Deloitte Touche Tohmatsu 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 Messrs. Deloitte Touche Tohmatsu in respect of the financial figures in this announcement.

## **BUSINESS REVIEW AND OUTLOOK**

### **Market Review**

2020 saw the global economy hit hard by COVID-19. Varying prevention strategies and economic policies have resulted in obvious differences in the effectiveness of pandemic controls and economic recovery in different countries. In contrast with rest of the world, China's pandemic prevention and control has achieved remarkable results, with an outstanding economic growth. In the past year, China's economic policies have focused more on the balance between "stabilizing growth" and "adjusting structure". The counter-cyclical policy focused on offsetting the impact of COVID-19 on enterprises, driving the resumption of production, as well as a steady recovery of consumption and exports. The Chinese economy achieved a steady recovery in 2020, with a GDP growth rate of 2.3%, making it the only major economy in the world that achieved positive economic growth.

The real estate industry has shown resilience in spite of the disruption caused by COVID-19. After the pandemic has been fully contained, market demand was steadily released, coupled with increased supply, leading to a continued upturn in sales. Throughout the year, the national commercial housing sales were approximately RMB17.36 trillion, representing a year-on-year increase of 8.7%; the sales area of commercial housing was approximately 1.761 billion square meters, representing a year-on-year increase of 2.6%. Housing prices stabilized generally, with the price index of 100 cities rising 3.46% year-on-year.

In terms of commercial real estate, shopping malls opened successively after the pandemic was brought under control. However, due to the impact of the pandemic, fewer than 300 shopping malls with a GFA of more than 20,000 square meters opened nationwide throughout the year, representing a year-on-year decrease of nearly 40%. In the second half of the year, with 100 typical shopping malls in key cities as the sample targets, the decline in rental index of Top 100 shopping malls has narrowed, but it still fell by 0.25% compared with the first half of the year. COVID-19 is also accelerating industry reforms, giving birth to new trends such as online shopping malls, live broadcast sales, and marketplace events. After the pandemic has been under control, shopping malls focus more on the customer gathering effect of leisure, entertainment, and social interaction. Festival marketing, IP marketing and other activities have emerged one after another. Community operation, first store economy, Internet celebrity brands, etc. have become the focus of the industry, and brands have also started a new round of expansion.

## Business Review

During the year, the Group gave full play to its strengths and made nimble responses to the pandemic shock, ensuring stable development in its four business segments, namely investment properties, property development, hotel operations, and output management and other services.

### *Business Review on Investment Properties*

In terms of investment properties, the Group innovated online channels and launched live broadcast sales. Our projects actively carried out community operation by organizing a range of original IP marketing campaigns, including “Joy City Spring Outing Season”, “Hi, It’s New Shopping Festival”, and “Joy City Shopping Festival”, leading to a steady upturn in sales. During the pandemic, the Group also actively performed its social responsibility as an enterprise directly under the central government by cutting the rents for some smaller merchants to support them in overcoming the challenges. During the year, the Group’s shopping malls recorded a rental revenue of approximately RMB2.381 billion. Among them, Chengdu Joy City saw a rebound in its sales to the level in the same period of last year, while the office business strengthened operational services and achieved growth against the trend.

	Year ended 31 December	
	2020	2019
Rental income from investment properties and related services income ( <i>RMB million</i> )	<u>3,586.8</u>	<u>4,341.4</u>

The table below sets forth the rental income and occupancy rate of the major investment properties of the Group in 2020:

Project	City	Use/intended use	Rental income (RMB million)	Occupancy rate (%)
Xidan Joy City Shopping Mall	Beijing	Retail	571.7	97
Xidan Joy City Offices	Beijing	Office	43.0	88
Chaoyang Joy City Shopping Mall	Beijing	Retail	555.0	97
Tianjin Joy City Shopping Mall	Tianjin	Retail	396.8	97
Shanghai Jing'an Joy City Shopping Mall	Shanghai	Retail	163.5	86
Shenyang Joy City Shopping Mall	Shenyang	Retail	224.0	95
Yantai Joy City Shopping Mall	Yantai	Retail	114.1	90
Chengdu Joy City Shopping Mall	Chengdu	Retail	197.1	96
Hangzhou Joy City Shopping Mall	Hangzhou	Retail	159.1	91
COFCO Plaza Offices	Beijing	Office and Retail	295.1	90
Fraser Suites Top Glory Shanghai	Shanghai	Serviced apartment	121.1	87
Hong Kong COFCO Tower	Hong Kong	Office and Retail	77.2	85
COFCO • Landmark Tower	Beijing	Office and Retail	163.4	90
Total			<u>3,081.1</u>	

The table below sets forth the rental income and occupancy rate of the major investment properties of the Group in 2019:

Project	City	Use/intended use	Rental income (RMB million)	Occupancy rate (%)
Xidan Joy City Shopping Mall	Beijing	Retail	702.6	99
Xidan Joy City Offices	Beijing	Office	47.6	91
Chaoyang Joy City Shopping Mall	Beijing	Retail	671.0	98
Tianjin Joy City Shopping Mall	Tianjin	Retail	438.4	98
Shanghai Jing'an Joy City Shopping Mall	Shanghai	Retail	242.4	96
Shenyang Joy City Shopping Mall	Shenyang	Retail	246.7	97
Yantai Joy City Shopping Mall	Yantai	Retail	140.1	95
Chengdu Joy City Shopping Mall	Chengdu	Retail	197.6	93
Hangzhou Joy City Shopping Mall	Hangzhou	Retail	193.6	94
Shanghai Parkside Joy City Shopping Mall*	Shanghai	Retail	79.0	92
Xi'an Joy City Shopping Mall*	Xi'an	Retail	152.6	99
COFCO Plaza Offices	Beijing	Office and Retail	289.2	90
Fraser Suites Top Glory Shanghai	Shanghai	Serviced apartment	121.5	88
Hong Kong COFCO Tower	Hong Kong	Office and Retail	85.1	95
COFCO • Landmark Tower	Beijing	Office and Retail	127.6	70
Total			<u>3,735.0</u>	

\* The data for Shanghai Parkside Joy City and Xi'an Joy City are from January to September 2019.

## ***Business Review on Property Development***

In terms of property development, the Group strengthened its marketing efforts and built online channels including online live broadcast, activities and promotions to attract customers. Amid the pandemic, the Group introduced the “3H Healthy Living System” for residential products to improve product quality. During the year, the Group recorded approximately RMB20.12 billion in contracted sales of property development, including RMB6.82 billion from Shanghai Joy Mansion. Shanghai Qiantan Ocean One Office Building was successfully sold also as a whole in 2020, with a contracted sales of approximately RMB2.10 billion.

In 2020, the contracted sales amount and contracted sales area of each region achieved by the Group are as follows:

<b>Region</b>	<b>Contracted sales</b>		<b>Contracted sales area</b>	
	<b>2020</b>	<b>2019</b>	<b>2020</b>	<b>2019</b>
	<b>(RMB million)</b>	<b>(RMB million)</b>	<b>(sq.m.)</b>	<b>(sq.m.)</b>
Shanghai	<b>8,920.3</b>	4,226.9	<b>104,205.3</b>	39,683.8
Hainan	<b>902.1</b>	464.8	<b>31,113.7</b>	23,363.0
Southwest China	<b>3,245.7</b>	1,148.0	<b>173,483.1</b>	76,692.8
Zhejiang	<b>432.7</b>	561.6	<b>13,934.9</b>	15,548.3
Shandong	<b>1,823.2</b>	2,076.8	<b>129,020.0</b>	115,281.8
Southern Jiangsu	<b>3,196.1</b>	1,466.6	<b>122,418.0</b>	65,618.1
Central China	<b>1,601.8</b>	2,081.5	<b>78,840.8</b>	121,699.3
<b>Total</b>	<b><u>20,121.9</u></b>	<b><u>12,026.2</u></b>	<b><u>653,015.8</u></b>	<b><u>457,887.1</u></b>



## ***Business Review on Hotel Operations***

In terms of hotel operations, the Group significantly increased the exposure of its hotels through product innovation and marketing enhancement, resulting in a good profit and reputation. As the pandemic came under control, the business performance of hotel operations recovered steadily, with the total revenue of MGM Grand Sanya and St. Regis Sanya in the second half of the year hitting a record high. In particular, MGM Grand Sanya was ranked first in the Yalong Bay area by annual total revenue. During the year, Waldorf Astoria Beijing was ranked the best hotel in China and 17th globally in Readers' Choice Awards 2020 by Condé Nast Traveler. Zijin Mansion, the Chinese restaurant in the hotel, was rated as one-star restaurant in the Michelin Guide Beijing 2021.

	<b>Year ended 31 December</b>	
	<b>2020</b>	<b>2019</b>
Sales revenue from hotel operations ( <i>RMB million</i> )	<b><u>598.3</u></b>	<b><u>841.6</u></b>

The table below sets forth the average occupancy rate, RevPAR and average room rate of the major hotels of the Group in 2020:

<b>Project</b>	<b>City</b>	<b>Use/ Intended use</b>	<b>Average occupancy rate (%)</b>	<b>RevPAR (RMB)</b>	<b>Average room rate (RMB)</b>
The St. Regis Sanya Yalong Bay Resort	Sanya	Resort	<b>54</b>	<b>966</b>	<b>1,797</b>
MGM Grand Sanya	Sanya	Resort	<b>63</b>	<b>798</b>	<b>1,269</b>
Cactus Resort Sanya by Gloria	Sanya	Resort	<b>34</b>	<b>102</b>	<b>298</b>
Waldorf Astoria Beijing	Beijing	Business Inn	<b>38</b>	<b>792</b>	<b>2,106</b>
Joy City Hotel & Apartment Beijing	Beijing	Hotel	<b>37</b>	<b>268</b>	<b>725</b>

The table below sets forth the average occupancy rate, RevPAR and average room rate of the major hotels of the Group in 2019:

<b>Project</b>	<b>City</b>	<b>Use/Intended use</b>	<b>Average occupancy rate (%)</b>	<b>RevPAR (RMB)</b>	<b>Average room rate (RMB)</b>
The St. Regis Sanya Yalong Bay Resort	Sanya	Resort	71	1,105	1,401
MGM Grand Sanya	Sanya	Resort	87	1,015	1,143
Cactus Resort Sanya by Gloria	Sanya	Resort	72	226	316
Waldorf Astoria Beijing	Beijing	Business Inn	75	1,624	2,201
Joy City Hotel & Apartment Beijing	Beijing	Hotel	70	580	834

## Financial Review

### *Revenue*

In 2020, the Group's operating revenue was approximately RMB14,109.8 million (2019: RMB10,337.8 million), representing a year-on-year increase of 36.5%, mainly due to a substantial increase in revenue from property development and primary land development resulting from the increase in delivered settlement area in 2020.

In 2020, the Group's total rental income from investment properties and related services income was approximately RMB3,586.8 million, accounting for 25.4% of the total revenue, representing a decrease of 17.4% as compared with 2019, of which the rental income from Joy City recorded approximately RMB2,381.3 million, representing a decrease of 22.3% as compared to RMB3,064.0 million in 2019. Excluding the impact of the disposal of Shanghai Parkside Joy City and Xi'an Joy City in 2019, Joy City's rental income fell 15.9% as compared with last year, mainly due to the negative impact of COVID-19 on retail market in the first half of 2020, leading to a decrease in the passenger flow. Appropriate rent reductions have been implemented for its leased properties, thus rental income fell sharply year-on-year. The Group took every effort to overcome the difficulty caused by the pandemic, strengthened operations, actively innovated, and took multiple measures to recover performance. The annual rental decline was significantly narrower than that in the first half of the year.

Revenue from property development and primary land development was approximately RMB9,722.5 million, accounting for 68.9% of the total revenue, representing an increase of 98.1% as compared to RMB4,908.4 million in 2019. In 2020, the scale of delivered products in Hangzhou, Suzhou, Shanghai and other regions increased, with a settlement area of approximately 346,659.4 square meters, representing an increase of 257,418 square meters or approximately 288.5% over the same period in 2019.

Revenue from hotel operations was approximately RMB598.3 million, accounting for 4.2% of the total revenue, representing a decrease of 28.9% as compared with 2019, mainly due to the negative impact of COVID-19 on the tourism market in the first half of 2020, resulting in the shrinking of the demand for hotel accommodation and the decrease in occupancy rate. In the second half of the year, especially in Sanya, the regional market rebounded significantly, driving the increase in occupancy rates, therefore the operating revenue of hotel business for the second half of the year increased by 4.9% year-on-year. However, due to the impact of the first half of the year, the operating revenue of hotel business for the whole year still decreased compared with 2019.

Total revenue from output management was approximately RMB147.2 million, accounting for 1.0% of the total revenue, representing an increase of 10.5% as compared with 2019.

Total revenue from other services was approximately RMB55.1 million, accounting for 0.4% of the total revenue, representing a decrease of 51.3% as compared with 2019.

### ***Cost of Sales and services rendered and Gross Profit Margin***

In 2020, the Group's cost of sales and services amounted to approximately RMB8,652.3 million (2019: RMB4,591.1 million). The overall gross profit margin for 2020 was approximately 38.7%, representing a decrease of 16.9 percentage points as compared with 55.6% in 2019.

### ***Profit***

In 2020, the profit of the Group amounted to approximately RMB2,169.1 million (2019: RMB2,668.5 million), representing a decrease of 18.7% from last year, of which, the profit attributable to the owners of the Company amounted to approximately RMB1,104.5 million, representing a decrease of 32.5% from last year. The core net profit attributable to the owners of the Company after non-recurring net profit or loss was RMB828.9 million (2019: RMB585.2 million), representing an increase of 41.6% over last year.

### **Business Outlook**

Looking forward to 2021, the international environment is still more unstable and uncertain, but the domestic economy will still recover steadily. In the future, China will further unblock the domestic cycle, release the potential of domestic demand, and lay a solid foundation for the new “dual cycle” pattern. With a population of 1.4 billion and a per capita GDP of more than US\$10,000, China is the world's largest and most potential consumer market. All these will provide huge space for the development of commercial real estate. However, the changes in consumption habits brought about by the pandemic are still affecting the development of the industry. The volume of private brands and directly-operated stores will gradually increase. The economy of Internet Celebrity Store and First Store will receive more attention, and digital technology will be further widely used. Community operation is more important, and asset-light management will also move to the front. Based on this, the Group will continue to upgrade its operation model and business format, serve urban development, serve the people's better life, and continue to enhance Joy City's position in the commercial real estate industry.

## LIQUIDITY AND FINANCIAL POSITION

	As at 31 December	
	2020	2019
	RMB (million)	RMB (million)
Total assets	124,167.3	110,977.4
Cash and cash equivalents (including restricted bank deposits and pledged deposits)	16,242.6	12,138.9
Total borrowings *	34,862.7	32,538.9
Total equity	53,594.9	49,837.9
Current ratio	1.51	1.56
Net debt to total equity ratio **	34.7%	40.9%
Weighted average borrowing cost	4.36%	4.55%

\*: Total borrowings include bank borrowings, loans from fellow subsidiaries, joint ventures, non-controlling shareholders and third parties and corporate bonds.

\*\*\*: The net debt to total equity ratio is calculated as net borrowings divided by total equity, in which the net borrowings are calculated as total borrowings less cash and cash equivalents.

As at 31 December 2020, the Group had total assets of approximately RMB124,167.3 million (as at 31 December 2019: approximately RMB110,977.4 million). Total equity was approximately RMB53,594.9 million, representing an increase of 7.5% as compared to approximately RMB49,837.9 million as at 31 December 2019.

As at 31 December 2020, bank and other interest-bearing borrowings amounted to approximately RMB34,862.7 million, representing an increase of 7.1% as compared to RMB32,538.9 million as at 31 December 2019. The net debt to total equity ratio was approximately 34.7%, representing a decrease of 6.2 percentage points as compared to 40.9% in 2019. The “three red lines” indicator for the Group is located in the green file with the healthiest financial status. Among the interest-bearing borrowings, approximately 60.8% were denominated in RMB while approximately 39.2% were denominated in HKD and USD.

The Group is committed to optimizing the Company’s capital structure and reducing financing costs. In March 2020, COFCO Commercial Property Investment Co., Ltd, a subsidiary of the Company, issued corporate bonds with amount of RMB1.5 billion, of which RMB0.9 billion for 3-year at the coupon rate of 3.14% and RMB0.6 billion for 5-year at the coupon rate of 3.60%. In November 2020, COFCO Commercial Property Investment Co., Ltd, a subsidiary of the Company, issued perpetual medium-term notes with amount of RMB1.5 billion for 3+N at the coupon rate of 4.51%. The Group has the financial advantages from multiple platforms in domestic and overseas and could be able to obtain financing at a lower cost to help the development of the Group.

In 2020, the Group, through maintaining good bank-enterprise relationship, continuously optimized financing structure, reduced financing costs, with an average financing cost at of 4.36% in 2020, representing a decrease of 0.19 percentage point as compared with 2019, a relatively low level in the industry.

In view of the Group's current cash and bank balances, the management of the Company believes that the Group's financial resources are sufficiently available for its future development.

## **EMPLOYEE AND REMUNERATION POLICY**

The Group attaches great importance to the development of talents. We improve the employment mechanism, expand recruitment channels, pay equal attention to social recruitment and campus recruitment, and create a diversified talent team. The Group establish a comprehensive talent training system with core of "Short term Training Course for Senior Executives", "Golden Helmsman", "Golden Seed", "Sword Casting Plan", "New Joy Training Camp", "Future Star Training Camp" and supplemented by "Joy Seminar". Through the "Team Members Competition" programme, the "Team Members Swapping" programme and the "Team Members Training" programme, it opens up internal talent exchange channels. Based on the market, we continuously optimize remuneration and benefits, and establish an incentive system consisting of "Performance Commission", "Special Award", and "Annual Evaluation", so as to stimulate employee creativity. Eventually, a human resource management system with the concept of "Company and employees grow together" is formed, and a streamlined and efficient staff team is built, which provide strong talent support for the realization of the Group's strategic goals. As of 31 December 2020, the Group had 4,423 employees in total.

The Group continues to improve its remuneration and welfare policies, so as to attract and motivate professionals and create the implementation of performance-promotion strategy. We continue to reference market salary levels, provide employees with market-competitive salaries, and offer comprehensive welfare guarantees. The Group provides medical insurance for employees in Hong Kong and provides retirement benefits through the Mandatory Provident Fund Scheme (MPF Scheme). In Mainland China, employees are provided with basic pension insurance, medical insurance, maternity insurance, work injury insurance, unemployment insurance, and housing provident fund in accordance with relevant provincial and municipal laws and regulations. In addition, the Group cooperates with commercial insurance companies to provide employees with supplementary medical insurance and accident insurance; implements supplementary pension plans for "Enterprise Annuity" for eligible companies, thus establishes a multi-level pension insurance system, and better guarantees employees' living standards after retirement. Through a comprehensive remuneration and welfare system, the Group establishes a harmonious labor relationship with its employees.

## FINAL DIVIDEND

The Board recommended the payment of a final dividend of HK3 cents per share for the year ended 31 December 2020 (the “**2020 Final Dividend**”) (2019: HK4 cents per share). It is expected that the final dividend will be paid on Monday, 19 July 2021 to shareholders whose names appear on the register of members of the Company on Wednesday, 30 June 2021 (the “**Record Date**”) upon the approval of shareholders at the Annual General Meeting held by the Company on Friday, 18 June 2021.

Pursuant to “Notice on Determination of Tax Resident Enterprises of Chinese-controlled Offshore Incorporated Enterprises in accordance with Their De Facto Management Bodies” (《關於境外註冊中資控股企業依據實際管理機構標準認定為居民企業有關問題的通知》) (“**Notice**”), which was issued by the State Administration of Taxation (the “**SAT**”) of the People’s Republic of China, if the relevant conditions are met, enterprises controlled by Chinese enterprises or enterprise groups and registered outside China shall be regarded as Chinese resident enterprises. Once it is recognized as a Chinese resident enterprise, it is not required to withhold and pay enterprise income tax when any dividends are declared and paid by its subsidiaries registered in China. The Company and its certain offshore subsidiaries have applied to the relevant tax authorities for recognition of Chinese resident enterprises. The Company will continue to maintain close communication with tax authorities in China to promote the identification. Pursuant to the “Enterprise Income Tax Law of the PRC” (the “**Enterprise Income Tax Law**”) and the “Detailed Rules for the Implementation of the Enterprise Income Tax Law of the PRC” (the “**Implementation Rules**”), and the Notice, if the Company is regarded as a Chinese resident enterprise, it is required to withhold and pay an enterprise income tax at the rate of 10% before it distributes the 2020 Final Dividend to its enterprise shareholders as appearing on the register of members of the Company on the Record Date, other than those enterprises which are duly incorporated in the PRC or under the laws of foreign countries (or regions) but with PRC-based de facto management bodies (such enterprises are defined as resident enterprises in the Enterprise Income Tax Law). The withholding and payment obligation lies with the Company. The Board hereby advises on the distribution of the 2020 Final Dividend and the enterprise income tax withholding arrangements pursuant to the Enterprise Income Tax Law and the Implementation Rules as follows.

In respect of all shareholders whose names appear on the Company’s register of members on the Record Date and who are not individuals (including HKSCC Nominees Limited, corporate nominees or trustees such as securities companies and banks, and other entities or organizations, which are all considered as enterprise shareholders), the Company will distribute the 2020 Final Dividend after deducting the enterprise income tax at a rate of 10%. The Company will not withhold and pay income tax in respect of the 2020 Final Dividend payable to any natural person shareholders whose names appear on the Company’s register of members on the Record Date. If any enterprise shareholder listed on the Company’s register of members considers it to be a resident enterprise and does not wish the Company to withhold the 10% enterprise income tax, it shall lodge with the Branch Share Registrar documents from its governing tax authority confirming that the Company is not required to withhold and pay the enterprise income tax in respect of the 2020 Final Dividend to which it is entitled no later than 4:30 p.m. on Wednesday, 23 June 2021. In the event that the Company is not regarded as a Chinese resident enterprise and hence no enterprise income tax should have been withheld, to the extent that such tax remains in the custody of the Company, the Company will procure such tax to be refunded



to the relevant enterprise shareholders in respect of whom enterprise income tax had been withheld pursuant to the arrangements set out above. The Company would make a further announcement in such event. If anyone would like to change the identity of the shareholders in the register of members, please enquire about the relevant procedures with the nominees or trustees. The Company will withhold for payment of the enterprise income tax for its non-resident enterprise shareholders strictly in accordance with the relevant laws and requirements of the relevant government authorities and adhere strictly to the information set out in the Company's register of members on the Record Date.

Shareholders and investors should read this announcement carefully. The Company assumes no liability whatsoever, and will not entertain any claims arising from any delay in or inaccurate determination of the status of the shareholders, or any disputes over the withholding arrangements.

## **CLOSURE OF REGISTER OF MEMBERS**

### **Annual General Meeting**

The Annual General Meeting of the Company will be held on Friday, 18 June 2021. For determining the eligibility of the Shareholders to attend and vote at the Annual General Meeting, the register of members of the Company will be closed from Friday, 11 June 2021 to Friday, 18 June 2021, both days inclusive, during which period no transfer of Shares will be registered. In order to qualify for attending and voting at the Annual General Meeting, all transfer documents, accompanied by the relevant share certificate(s), must be lodged for registration with the Branch Share Registrar at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong no later than 4:30 p.m. on Thursday, 10 June 2021. The notice of the Annual General Meeting, which constitutes part of the circular to Shareholders, will be sent together with the Annual Report 2020.

### **Final Dividend**

For the purposes of ascertaining shareholders' entitlement to the proposed final dividend, the register of members of the Company will be closed from Thursday, 24 June 2021 to Wednesday, 30 June 2021, both days inclusive, during which period no transfer of Shares will be registered. In order to qualify for the proposed final dividend, all transfer documents, accompanied by the relevant share certificate(s), must be lodged for registration with the Branch Share Registrar at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong no later than 4:30 p.m. on Wednesday, 23 June 2021.

## **CODE ON CORPORATE GOVERNANCE PRACTICES**

The Company is committed to maintaining a high standard of corporate governance within a sensible framework with an emphasis on the principles of transparency, accountability and independence. The Company has adopted all code provisions in the CG Code as its own code on corporate governance. The Board considers that during the year ended 31 December 2020, the Company had complied with all code provisions as set out in the CG Code except for code provision E.1.2. Code provision E.1.2 stipulates that the chairman of the board of directors should attend the annual general meeting. The Chairman of the Board was unable to attend the annual general meeting of the Company on 3 June 2020 due to travel restrictions during the COVID-19 pandemic, Mr. LAU Hon Chuen, Ambrose, the independent non-executive Director, chaired the annual general meeting on behalf of the Chairman of the Board and was available to answer questions.

## **SECURITIES TRANSACTIONS BY DIRECTORS**

The Company has adopted the Model Code as its code of conduct regarding directors' securities transactions. After specific enquiry by the Company, all Directors have confirmed that they had complied with the required standards set out in the Model Code throughout the year ended 31 December 2020.

## **PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES**

During the year ended 31 December 2020, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities.

## **PUBLICATION OF THE RESULTS ANNOUNCEMENT AND ANNUAL REPORT**

This results announcement is published on the HKExnews website of the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) and the website of the Company ([www.joy-cityproperty.com](http://www.joy-cityproperty.com)). The Annual Report 2020 of the Company will be published on the above websites and despatched to shareholders in due course.

By order of the Board  
**Joy City Property Limited**  
**YOU Wei**  
*Chairman*

The PRC, 25 March 2021

*As at the date of this announcement, the Board comprises Mr. YOU Wei (Chairman) and Mr. CAO Ronggen as Executive Directors; Mr. MA Dewei, Mr. LIU Yun and Mr. ZHU Laibin as Non-executive Directors; and Mr. LAU Hon Chuen, Ambrose, GBS, JP, Mr. LAM Kin Ming, Lawrence and Mr. CHAN Fan Shing as Independent Non-executive Directors.*



## GLOSSARY

In this announcement, the following expressions have the following meanings unless the context requires otherwise:

“Annual General Meeting”	the annual general meeting of the Company (or any adjournment thereof) to be held on Friday, 18 June 2021;
“Audit Committee”	the audit committee of the Board;
“Board”	the board of Directors;
“Branch Share Registrar”	Tricor Progressive Limited, the Company’s branch share registrar and transfer office in Hong Kong;
“CG Code”	Corporate Governance Code contained in Appendix 14 to the Listing Rules;
“COFCO Group”	COFCO Corporation and its subsidiaries, excluding the Group;
“Company”	Joy City Property Limited (formerly known as COFCO Land Holdings Limited), a company incorporated in Bermuda with limited liability, whose Shares are listed on the main board of the Stock Exchange;
“CPS”	non-redeemable convertible preference shares of HK\$0.10 each in the share capital of the Company;
“Director(s)”	director(s) of the Company;
“Group”	the Company and its subsidiaries;
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China;
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (as amended from time to time);
“Model Code”	the Mode Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Listing Rules;
“PRC”	the People’s Republic of China which, for the purposes of this announcement, excludes Hong Kong, the Macau Special Administrative Region and Taiwan;

“RevPAR”	revenue per available room, which is calculated by dividing the total hotel room revenue by the total number of room nights available for sale in a given period;
“RMB”	Renminbi, the lawful currency of the PRC;
“Share(s)”	ordinary share(s) of HK\$0.10 each in the share capital of the Company;
“Shareholder(s)”	holder(s) of the Shares;
“sqm”	square metre(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong; and
“%”	per cent.