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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 2019**

ANNUAL RESULTS HIGHLIGHTS

- Contracted sales for the year of RMB78.36 billion, representing an increase of 29.3% as compared with last year;
- Turnover for the year of RMB42.43 billion, representing an increase of 23.4% as compared with last year;
- Profit for the year of RMB5.56 billion, representing an increase of 15.6% as compared with last year;
- Core net profit for the year ^{Note 1} of RMB5.81 billion, representing an increase of 27.4% as compared with last year;
- Core net profit attributable to the owners of the Company ^{Note 2} of RMB5.47 billion, representing an increase of 30.0% as compared with last year;
- Gross profit margin and net profit margin for the year of 29.3% and 13.1% respectively;
- Basic and diluted earnings per share for the year of RMB273 cents, representing an increase of 13.8% as compared with last year;
- Cash and bank balances of RMB29.28 billion as at 31 December 2019;
- The Board proposed a final dividend of RMB84.45 cents per share for the year ended 31 December 2019.

Note 1: Core net profit for the year represents net profit less impairment loss on goodwill, gain on remeasurement of the pre-existing interests in the joint ventures, gain incurred from bargain purchases or deemed disposals of subsidiaries, changes in fair value of self-owned investment properties, and excludes the impact of the related deferred tax, gain on acquisition of a joint venture and the premium paid on early redemption of senior notes.

Note 2: Core net profit attributable to owners of the Company represents net profit attributable to shareholders less impairment loss on goodwill, gain on remeasurement of the pre-existing interests in the joint ventures, gain incurred from bargain purchases or deemed disposals of subsidiaries, changes in fair value of self-owned investment properties, and excludes the impact of the related deferred tax, gain on acquisition of a joint venture and the premium paid on early redemption of senior notes.

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 2019 (the “Reporting Period”) together with the comparative figures for the corresponding year of 2018 as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

Year ended 31 December 2019

	<i>Notes</i>	2019 RMB'000	2018 <i>RMB'000</i>
REVENUE	<i>4</i>	42,433,383	34,375,010
Cost of sales		<u>(29,997,746)</u>	<u>(23,754,162)</u>
Gross profit		12,435,637	10,620,848
Other income and gains	<i>4</i>	1,033,777	1,030,565
Selling and marketing costs		(1,212,434)	(835,642)
Administrative expenses		(1,554,296)	(1,111,916)
Other expenses		(561,624)	(367,480)
Finance costs	<i>6</i>	(1,010,850)	(667,219)
Share of profits and losses of joint ventures and associates		<u>1,208,769</u>	<u>(330,531)</u>
PROFIT BEFORE TAX	<i>5</i>	10,338,979	8,338,625
Income tax expense	<i>7</i>	<u>(4,778,518)</u>	<u>(3,527,482)</u>
PROFIT FOR THE YEAR		<u>5,560,461</u>	<u>4,811,143</u>
Attributable to:			
Owners of the Company		5,212,623	4,399,190
Non-controlling interests		<u>347,838</u>	<u>411,953</u>
		<u>5,560,461</u>	<u>4,811,143</u>
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY	<i>8</i>		
Basic and diluted		<u>RMB273 cents</u>	<u>RMB240 cents</u>

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME*Year ended 31 December 2019*

	2019 <i>RMB'000</i>	2018 <i>RMB'000</i>
PROFIT FOR THE YEAR	<u>5,560,461</u>	<u>4,811,143</u>
OTHER COMPREHENSIVE LOSS		
Other comprehensive loss that may be reclassified to profit or loss in subsequent periods:		
Share of other comprehensive loss of a joint venture	(13,060)	(36,415)
Exchange differences on translation of foreign operations	<u>(237,400)</u>	<u>(541,535)</u>
	<u>(250,460)</u>	<u>(577,950)</u>
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	<u>4,103</u>	<u>203</u>
OTHER COMPREHENSIVE LOSS FOR THE YEAR	<u>(246,357)</u>	<u>(577,747)</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u>5,314,104</u>	<u>4,233,396</u>
Attributable to:		
Owners of the Company	4,966,266	3,821,443
Non-controlling interests	<u>347,838</u>	<u>411,953</u>
	<u>5,314,104</u>	<u>4,233,396</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2019

	<i>Notes</i>	2019 RMB'000	2018 RMB'000
NON-CURRENT ASSETS			
Property, plant and equipment		1,096,102	1,549,786
Inventories of properties		1,518,010	1,476,969
Right-of-use assets		138,186	–
Investment properties		3,489,209	1,336,299
Goodwill		88,526	441,850
Other intangible assets		142,927	152,605
Interests in joint ventures		7,587,048	4,668,550
Interests in associates		2,520,090	488,602
Equity investments designated at fair value through other comprehensive income		434,207	424,828
Deferred tax assets		1,678,601	1,092,131
Prepayments, deposits and other receivables		1,148,838	1,481,000
Total non-current assets		19,841,744	13,112,620
CURRENT ASSETS			
Inventories of properties		61,460,980	50,677,350
Trade receivables	<i>10</i>	6,101,701	4,889,684
Contract assets		210,434	–
Contract costs		619,341	216,567
Prepayments, deposits and other receivables		31,830,195	25,169,513
Financial asset at fair value through profit or loss		–	220,500
Amounts due from joint ventures		8,423,080	5,017,516
Amounts due from associates		1,874,858	1,094,766
Tax prepayments		1,456,341	1,227,953
Restricted bank deposits		3,404,545	4,051,526
Cash and cash equivalents		25,874,865	23,374,181
Total current assets		141,256,340	115,939,556
CURRENT LIABILITIES			
Trade and bills payables	<i>11</i>	14,470,947	8,520,818
Other payables and accruals		21,337,585	11,749,129
Contract liabilities		21,579,362	19,028,629
Amounts due to joint ventures		4,950,359	3,417,681
Interest-bearing bank and other borrowings		18,597,713	7,311,784
Lease liabilities		51,959	–
Tax payable		7,014,368	4,557,264
Total current liabilities		88,002,293	54,585,305
NET CURRENT ASSETS		53,254,047	61,354,251
TOTAL ASSETS LESS CURRENT LIABILITIES		73,095,791	74,466,871

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (continued)*As at 31 December 2019*

	2019 RMB'000	2018 RMB'000
TOTAL ASSETS LESS CURRENT LIABILITIES	73,095,791	74,466,871
NON-CURRENT LIABILITIES		
Interest-bearing bank and other borrowings	34,663,066	40,319,161
Other long-term payables	134,934	162,603
Lease liabilities	1,174,471	–
Deferred tax liabilities	1,418,965	1,688,915
Total non-current liabilities	37,391,436	42,170,679
Net assets	35,704,355	32,296,192
EQUITY		
Equity attributable to owners of the Company		
Share capital	154,528	145,260
Reserves	18,932,706	16,806,843
	19,087,234	16,952,103
Non-controlling interests	16,617,121	15,344,089
Total equity	35,704,355	32,296,192

NOTES TO FINANCIAL STATEMENTS

For the year ended 31 December 2019

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 Law, 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 P.O. Box 1350, Clifton House, 75 Fort Street, 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, property leasing and property management 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. ("Asiaciti") 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 Group.

The Company's shares were 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 2019.

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 following new and revised IFRSs for the first time for the current year's financial statements.

Amendments to IFRS 9	<i>Prepayment Features with Negative Compensation</i>
IFRS 16	<i>Leases</i>
Amendments to IAS 19	<i>Plan Amendment, Curtailment or Settlement</i>
Amendments to IAS 28	<i>Long-term Interests in Associates and Joint Ventures</i>
IFRIC 23	<i>Uncertainty over Income Tax Treatments</i>
<i>Annual Improvements to IFRSs 2015–2017 Cycle</i>	Amendments to IFRS 3, IFRS 11, IAS 12 and IAS 23

Except for the amendments to IFRS 9 and IAS 19, and *Annual Improvements to IFRSs 2015-2017 Cycle*, which are not relevant to the preparation of the Group's financial statements, the nature and the impact of the new and revised IFRSs are described below:

- (a) IFRS 16 replaces IAS 17 *Leases*, IFRIC 4 *Determining whether an Arrangement contains a Lease*, SIC 15 *Operating Leases-Incentives* and SIC-27 *Evaluating the Substance of Transactions Involving the Legal Form of a Lease*. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model to recognise and measure right-of-use assets and lease liabilities, except for certain recognition exemptions. Lessor accounting under IFRS 16 is substantially unchanged from IAS 17. Lessors continue to classify leases as either operating or finance leases using similar principles as in IAS 17.

For a sublease arrangement, the classification of the sublease is made by reference to the right-of-use asset arising from the head lease, instead of by reference to the underlying asset.

The Group reassessed a sublease arrangement at 1 January 2019 that was previously classified as an operating lease applying IAS 17 based on the remaining contractual terms and conditions of the head lease and sublease at 1 January 2019, and determined that this arrangement is a finance lease applying IFRS 16. Accordingly, the Group recognised a net investment in a sublease amounting to RMB36,648,000 and derecognised the corresponding right-of-use asset of the head lease amounting to RMB18,324,000, resulting in a gain of RMB18,324,000 recognised in the opening balance of retained profits at 1 January 2019.

The Group has adopted IFRS 16 using the modified retrospective method of adoption with the date of initial application of 1 January 2019. Under this method, the standard has been applied retrospectively with the cumulative effect of initial adoption recognised as an adjustment to the opening balance of retained profits at 1 January 2019, and the comparative information for 2018 was not restated and continued to be reported under IAS 17 and related interpretations.

New definition of a lease

Under IFRS 16, a contract is, or contains a lease if the contract conveys a right to control the use of an identified asset for a period of time in exchange for consideration. Control is conveyed where the customer has both the right to obtain substantially all of the economic benefits from use of the identified asset and the right to direct the use of the identified asset. The Group elected to use the transition practical expedient allowing the standard to be applied only to contracts that were previously identified as leases applying IAS 17 and IFRIC 4 at the date of initial application. Contracts that were not identified as leases under IAS 17 and IFRIC 4 were not reassessed. Therefore, the definition of a lease under IFRS 16 has been applied only to contracts entered into or changed on or after 1 January 2019.

As a lessee – Leases previously classified as operating leases

Nature of the effect of adoption of IFRS 16

The Group has lease contracts for various items of buildings, office equipment, motor vehicles and land. As a lessee, the Group previously classified leases as either finance leases or operating leases based on the assessment of whether the lease transferred substantially all the rewards and risks of ownership of assets to the Group. Under IFRS 16, the Group applies a single approach to recognise and measure right-of-use assets and lease liabilities for all leases, except for two elective exemptions for leases of low-value assets (elected on a lease-by-lease basis) and leases with a lease term of 12 months or less (“short-term leases”) (elected by class of underlying asset). Instead of recognising rental expenses under operating leases on a straight-line basis over the lease term commencing from 1 January 2019, the Group recognises depreciation (and impairment, if any) of the right-of-use assets and interest accrued on the outstanding lease liabilities (as finance costs).

Impact on transition

Lease liabilities at 1 January 2019 were recognised based on the present value of the remaining lease payments, discounted using the incremental borrowing rate at 1 January 2019. The right-of-use assets were measured at the amount of the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to the lease recognised in the statement of financial position immediately before 1 January 2019.

All these assets were assessed for any impairment based on IAS 36 on that date. The Group elected to present the right-of-use assets separately in the statement of financial position. No lease assets were recognised under finance leases previously, thus, there was no reclassification from property, plant and equipment upon the adoption of IFRS 16.

For the leases previously accounted for as operating leases and entered into for earning sublease rental income, the related right-of-use assets of the head leases amounting to RMB1,993,452,000 were measured at fair value at 1 January 2019, and have been accounted for and classified as investment properties applying IAS 40 from that date.

The Group has used the following elective practical expedients when applying IFRS 16 at 1 January 2019:

- Applying the short-term lease exemptions to leases with a lease term that ends within 12 months from the date of initial application.
- Using hindsight in determining the lease term where the contract contains options to extend/terminate the lease.

Financial impact at 1 January 2019

The impact arising from the adoption IFRS 16 as at 1 January 2019 was as follows:

	Increase RMB'000
Assets	
Increase in right-of-use assets	94,764
Increase in investment properties	1,993,452
Increase in prepayments, deposits and other receivables	36,648
Decrease in property, plant and equipment	(473,542)
Decrease in inventories of properties	(449,862)
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Increase in total assets	1,201,460
	<hr/>
Liabilities	
Increase in lease liabilities	1,183,136
	<hr/>
Increase in total liabilities	1,183,136
	<hr/>
Increase in retained earnings	18,324
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The lease liabilities as at 1 January 2019 reconciled to the operating lease commitments as at 31 December 2018 are as follows:

	<i>RMB'000</i>
Operating lease commitments as at 31 December 2018	2,897,886
Less: Commitments relating to short-term leases and those leases with a remaining lease term ended on or before 31 December 2019	(10,474)
Commitments relating to leases of low-value assets	(6,151)
	<hr/>
	2,881,261
Weighted average incremental borrowing rate as at 1 January 2019	8.48%
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Discounted operating lease commitments at 1 January 2019	1,183,136
	<hr/>
Lease liabilities as at 1 January 2019	1,183,136

- (b) Amendments to IAS 28 clarify that the scope exclusion of IFRS 9 only includes interests in an associate or joint venture to which the equity method is applied and does not include long-term interests that in substance form part of the net investment in the associate or joint venture, to which the equity method has not been applied. Therefore, an entity applies IFRS 9, rather than IAS 28, including the impairment requirements under IFRS 9, in accounting for such long-term interests. IAS 28 is then applied to the net investment, which includes the long-term interests, only in the context of recognising losses of an associate or joint venture and impairment of the net investment in the associate or joint venture. The Group assessed its business model for its long-term interests in associates and joint ventures upon adoption of the amendments on 1 January 2019 and concluded that the long-term interests in associates and joint ventures continued to be measured at amortised cost in accordance with IFRS 9. Accordingly, the amendments did not have any impact on the financial position or performance of the Group.
- (c) IFRIC 23 addresses the accounting for income taxes (current and deferred) when tax treatments involve uncertainty that affects the application of IAS 12 (often referred to as “uncertain tax positions”). The interpretation does not apply to taxes or levies outside the scope of IAS 12, nor does it specifically include requirements relating to interest and penalties associated with uncertain tax treatments. The interpretation specifically addresses (i) whether an entity considers uncertain tax treatments separately; (ii) the assumptions an entity makes about the examination of tax treatments by taxation authorities; (iii) how an entity determines taxable profits or tax losses, tax bases, unused tax losses, unused tax credits and tax rates; and (iv) how an entity considers changes in facts and circumstances. Upon adoption of the interpretation, the Group considered the interpretation did not have any impact on the financial position or performance of the Group.

3. REVENUE AND 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
- (d) Property management: Provision of property management services

Upon the spin-off of Times Neighborhood Holdings Limited (“Times Neighborhood”) on 19 December 2019, which was previously of the reportable segment of property management, the Group has the remaining three 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 FVOCI amounting to USD1,253,000 (approximately equivalent to RMB8,726,000) (2018: certain equity investments designated at FVOCI amounting to USD1,238,000 (approximately equivalent to RMB8,521,000)) and the Company’s property, plant and equipment of RMB4,081,000 (2018: RMB5,066,000), the Group’s non-current assets are located in Mainland China. Except for the Group’s certain interest-bearing bank and other borrowings of senior notes and syndicated loans, and interest payable amounting to USD3,862,826,000 in total (approximately equivalent to RMB24,750,173,000) (2018: USD2,395,125,000 in total (approximately equivalent to RMB16,482,148,000)), 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, interest-bearing bank and other borrowings, interest payable, tax payable, deferred tax liabilities, other long-term payables and other unallocated head office and corporate liabilities as these liabilities are managed on a group basis.

During the year, no revenue from transactions with a single external customer amounted to 10% or more of the Group’s total revenue (2018: Nil).

Segment revenue, segment results and other segment information for the year 2019, and segment assets and liabilities as at 31 December 2019 are presented below:

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>
Segment revenue (note 4)						
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>
Segment results	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>
Segment assets	93,267,674	10,136,828	4,429,268	–	–	<u>107,833,770</u>
<i>Reconciliation:</i>						
Unallocated assets						<u>53,264,314</u>
Total assets						<u>161,098,084</u>
Segment liabilities	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>
Other segment information						
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>

Segment revenue, segment results and other segment information for the year 2018, and segment assets and liabilities as at 31 December 2018 are presented below:

Year ended 31 December 2018	Property development <i>RMB'000</i>	Urban redevelopment business <i>RMB'000</i>	Property leasing <i>RMB'000</i>	Property management <i>RMB'000</i>	Elimination <i>RMB'000</i>	Total <i>RMB'000</i>
Segment revenue (note 4)						
Sales to external customers	30,779,000	2,775,626	328,044	492,340	–	34,375,010
Intersegment sales	9,585	–	37,698	165,142	(212,425)	–
	<u>30,788,585</u>	<u>2,775,626</u>	<u>365,742</u>	<u>657,482</u>	<u>(212,425)</u>	<u>34,375,010</u>
Segment results	7,803,200	1,765,213	20,681	54,612	–	9,643,706
<i>Reconciliation:</i>						
Bank interest income						148,010
Unallocated corporate expenses						(455,341)
Finance costs						(667,219)
Share of profits and losses of joint ventures and associates						(330,531)
Profit before tax						<u>8,338,625</u>
Segment assets	76,298,588	7,762,244	2,807,154	520,829	–	<u>87,388,815</u>
<i>Reconciliation:</i>						
Unallocated assets						<u>41,663,361</u>
Total assets						<u>129,052,176</u>
Segment liabilities	36,889,809	944,665	452,632	267,754	–	38,554,860
<i>Reconciliation:</i>						
Unallocated liabilities						<u>58,201,124</u>
Total liabilities						<u>96,755,984</u>
Other segment information						
Impairment losses on financial assets	(40,208)	(435)	(143)	(215)	–	(41,001)
Impairment of goodwill	–	(9,719)	–	–	–	(9,719)
Loss on disposal of financial assets	(17,851)	–	–	–	–	(17,851)
Depreciation of property, plant and equipment	(35,389)	(6,782)	(83,546)	(5,069)	–	(130,786)
Amortisation of intangible assets:						
Allocated amounts	(10,143)	–	(128)	(895)	–	(11,166)
Unallocated amounts						(667)
Fair value gains on investment properties	–	–	26,491	–	–	26,491

4. REVENUE, OTHER INCOME AND GAINS

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

	2019 <i>RMB'000</i>	2018 <i>RMB'000</i>
<i>Revenue from contracts with customers</i>	41,972,327	34,046,966
<i>Revenue from other sources</i>		
Gross rental income from investment property operating leases:		
Leases of self-owned properties	22,646	22,705
Subleases of leased properties	438,410	305,339
	461,056	328,044
	42,433,383	34,375,010

Revenue from contracts with customers

(i) Disaggregated revenue information

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>
Type of goods or services				
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	39,079,896	2,167,574	724,857	41,972,327
Time of revenue recognition				
Goods transferred at a point in time	38,630,145	2,167,574	–	40,797,719
Services transferred over time	449,751	–	724,857	1,174,608
Total revenue from contracts with customers	39,079,896	2,167,574	724,857	41,972,327

For the year ended 31 December 2018

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>
Type of goods or services				
Sale of completed properties	30,779,000	–	–	30,779,000
Urban redevelopment income	–	2,775,626	–	2,775,626
Property management services income	–	–	492,340	492,340
Total revenue from contracts with customers	<u>30,779,000</u>	<u>2,775,626</u>	<u>492,340</u>	<u>34,046,966</u>
Time of revenue recognition				
Goods transferred at a point in time	30,779,000	2,775,626	–	33,554,626
Services transferred over time	–	–	492,340	492,340
Total revenue from contracts with customers	<u>30,779,000</u>	<u>2,775,626</u>	<u>492,340</u>	<u>34,046,966</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 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>
Revenue from contracts with customers				
External customers	39,079,896	2,167,574	724,857	41,972,327
Intersegment sales	–	–	231,173	231,173
Elimination	<u>39,079,896</u>	<u>2,167,574</u>	<u>956,030</u>	<u>42,203,500</u>
	–	–	(231,173)	(231,173)
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>

For the year ended 31 December 2018

Segments	Property development RMB'000	Urban redevelopment business RMB'000	Property management RMB'000	Total RMB'000
Revenue from contracts with customers				
External customers	30,779,000	2,775,626	492,340	34,046,966
Intersegment sales	9,585	–	165,142	174,727
	<u>30,788,585</u>	<u>2,775,626</u>	<u>657,482</u>	<u>34,221,693</u>
Elimination	<u>(9,585)</u>	<u>–</u>	<u>(165,142)</u>	<u>(174,727)</u>
Total revenue from contracts with customers	<u>30,779,000</u>	<u>2,775,626</u>	<u>492,340</u>	<u>34,046,966</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:

	2019 RMB'000	2018 RMB'000
Sale of completed properties	12,861,956	10,037,225
Property management services income	38,835	37,672
	<u>12,900,791</u>	<u>10,074,897</u>

(ii) Performance obligations

Information about the Group's performance obligations is summarised below:

Sale of completed properties

For contracts entered into with customers on the sale of completed properties, the Group does not have an enforceable right to payment prior to transfer of the relevant properties to customer. Revenue from the sale of completed 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 a present right to payment and collection of the consideration is probable.

The Group receives deposits from customers when they sign the sale and purchase agreements. The Group considers that the receipts in advance contains a significant financing component which provides the customer with a significant benefit of financing the transfer of completed property to the customer for more than one year, and revenue is measured at the present value of the amount receivable, discounted using the discount rate that would be reflected in a separate financing transaction between the Group and the customer at contract inception, and accordingly revenue recognised under the contract includes the interest expense accreted on the contract liability under the effective interest method.

Construction services

The performance obligation is satisfied over time as services are rendered and payment is generally due within three to nine months from the date of billing. A certain percentage of payment is retained by customers until the end of the retention period as the Group's entitlement to the final payment is conditional on the satisfaction of the service quality by the customers over a certain period as stipulated in the contracts.

Urban redevelopment business

The performance obligation is satisfied at the point in time when control of the land held for development or other asset is transferred to the customer.

Property management services

The performance obligation is satisfied over time as services are rendered and short-term advances are normally required before rendering the services. Property management service contracts are for periods of long time and have no definite expiration date, and are billed based on the time incurred.

The amounts of transaction prices allocated to the remaining performance obligations (unsatisfied or partially unsatisfied) as at 31 December are as follows:

	2019 RMB'000	2018 RMB'000
Amounts expected to be recognised as revenue:		
Within one year	17,215,082	26,960,319
After one year	2,816,833	1,131,745
	20,031,915	28,092,064

The amounts of transaction prices allocated to the remaining performance obligations which are expected to be recognised as revenue after one year relate to the sale of completed properties with a significant financing component and are to be satisfied within two years.

	2019 RMB'000	2018 RMB'000
<u>Other income</u>		
Bank interest income	284,827	148,010
Interest income from third parties and joint ventures	237,044	58,037
Management fee income	239,829	23,996
Compensation income	92,722	110,548
Others	70,335	78,336
	924,757	418,927

Gains, net

Gain on partial disposal of an interest in a joint venture without loss of joint control	–	234,927
Remeasurement of the pre-existing interest in the joint ventures	15,764	330,792
Fair value gains on investment properties	15,712	26,491
Gain on write-back of trade payables	49,816	–
Gain on bargain purchases of subsidiaries	–	13,966
Gain on deemed disposals of subsidiaries	15,573	–
Gain on acquisition of a joint venture	8,156	–
Gain on disposals of financial assets at fair value through profit or loss	3,643	–
Foreign exchange gain, net	356	5,462
	109,020	611,638
	1,033,777	1,030,565

5. PROFIT BEFORE TAX

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

	2019 <i>RMB'000</i>	2018 <i>RMB'000</i>
Cost of completed properties sold	27,850,302	22,171,138
Cost of construction services provided	440,756	–
Cost of urban redevelopment business	1,082,024	982,656
Direct operating expenses (including repairs and maintenance) arising on leasing of self-owned properties	6,159	2,874
Direct operating expenses (including repairs and maintenance) (2018: including rental and depreciation of leasehold improvements) arising on subleasing of leased properties	87,464	189,079
Cost of property management services provided	531,041	408,415
Depreciation of property, plant and equipment	98,714	130,786
Depreciation of right-of-use assets	45,016	–
Amortisation of other intangible assets	12,719	11,833
Changes in fair value of investment properties	(15,712)	(26,491)
Auditors' remuneration	9,377	8,335
Employee benefit expense (excluding directors' and chief executive's remuneration):		
Wages and salaries	1,411,618	1,217,122
Pension scheme contributions	115,772	62,446
Less: Amount capitalised in properties under development	(690,073)	(599,868)
	<u>837,317</u>	<u>679,700</u>
Minimum lease payments under operating leases regarding office premises and leased properties for the subleasing business	–	147,605
Lease payments not included in the measurement of lease liabilities	20,927	–
Gain on bargain purchases of subsidiaries	–	(13,966)
Gain on deemed disposals of subsidiaries	(15,573)	–
Gain on acquisition of a joint venture	(8,156)	–
Gain on disposals of financial assets at fair value through profit or loss	3,643	–
Gain on partial disposal of an interest in a joint venture without loss of joint control	–	(234,927)
Remeasurement of the pre-existing interests in the joint ventures	(15,764)	(330,792)
Loss on disposal of items of property, plant and equipment	827	1,646
Impairment losses on financial assets:		
Impairment loss on trade receivables	33,855	20,206
Impairment loss on financial assets included in prepayments, deposits and other receivables	18,971	20,795
Loss on disposal of financial assets	41,914	17,851
Impairment of goodwill	306,094	9,719
Foreign exchange differences, net	(356)	(5,462)
Premium paid on early redemption of senior notes	–	106,964

6. FINANCE COSTS

An analysis of finance costs from continuing operations is as follows:

	2019 <i>RMB'000</i>	2018 <i>RMB'000</i>
Interest expense	4,333,985	3,184,996
Interest expense arising from revenue contracts	298,195	128,594
Interest on lease liabilities	96,144	–
	<hr/>	<hr/>
Total interest expense on financial liabilities not at fair value through profit or loss	4,728,324	3,313,590
Less: Interest capitalised	(3,717,474)	(2,646,371)
	<hr/>	<hr/>
	1,010,850	667,219
	<hr/>	<hr/>

7. INCOME TAX EXPENSE

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% (2018: 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 (2018: 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.

	2019 <i>RMB'000</i>	2018 <i>RMB'000</i>
Current:		
CIT	2,853,316	2,808,394
LAT	2,978,954	1,327,257
	<hr/>	<hr/>
Deferred	(1,053,752)	(608,169)
	<hr/>	<hr/>
Total tax charge for the year	4,778,518	3,527,482
	<hr/>	<hr/>

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

The calculations of the basic and the diluted earnings per share amount 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 1,906,606,000 (2018: 1,833,817,000) in issue during the year.

	2019	2018
Profit attributable to ordinary equity holders of the Company (RMB'000)	<u>5,212,623</u>	<u>4,399,190</u>
Weighted average number of ordinary shares in issue (in thousand)	<u>1,906,606</u>	<u>1,833,817</u>
Basic and diluted earnings per share (RMB cents per share)	<u>273</u>	<u>240</u>

The Group had no potentially dilutive ordinary shares in issue during the years ended 31 December 2019 and 2018 respectively.

9. DIVIDENDS

(a) Dividends

The proposed 2018 final dividend of RMB68.77 cents per share, totalling RMB1,335,388,000 was approved by the Company's shareholders at the annual general meeting on 17 May 2019 and was distributed in July 2019.

The board of directors recommended the payment of a final dividend of RMB84.45 cents per share totalling RMB1,639,865,000, for the year ended 31 December 2019 (2018: RMB68.77 cents).

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

(b) Distribution in specie

On 19 December 2019 (the "Distribution Date"), in connection with the listing of Times Neighborhood, the Company's then wholly-owned subsidiary, on the Main Board of the Stock Exchange, the entire issued share capital of Times Neighborhood was distributed to the then existing shareholders of the Company. Since then, Times Neighborhood became a fellow subsidiary of the Company and both the Company and Times Neighborhood are ultimately controlled by Renowned Brand before and after the distribution. A distribution in specie to shareholders of RMB139,339,000 was recognised, which represented the carrying value of net assets of Times Neighborhood attributable to the owners of the Company as at the Distribution Date.

Details of net assets of Times Neighborhood at the Distribution Date are set out below:

	<i>RMB'000</i>
Total assets	815,426
Total liabilities	<u>(676,087)</u>
Total identifiable net assets	<u>139,339</u>
Carrying value of net assets attributable to the owners of the Company distributed	<u>139,339</u>
Represented by:	
– Retained earnings	<u>139,339</u>
Analysis of net outflow of cash and cash equivalents in respect of the distribution:	
	<i>RMB'000</i>
Cash proceeds on distribution	–
Cash and cash equivalents of Times Neighborhood as at the Distribution Date	<u>(163,287)</u>
Net cash distributed in respect of the distribution in specie	<u>(163,287)</u>

10. TRADE RECEIVABLES

Trade receivables are mainly arisen from sale of completed properties, urban redevelopment business, property leasing and construction services. 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 government in accordance with urban redevelopment contracts; rentals in respect of leased properties are generally received in advance; and construction services fees are generally granted a credit term of three months to nine months.

	2019 <i>RMB'000</i>	2018 <i>RMB'000</i>
Trade receivables	6,155,762	4,909,890
Impairment	<u>(54,061)</u>	<u>(20,206)</u>
	<u>6,101,701</u>	<u>4,889,684</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:

	2019 <i>RMB'000</i>	2018 <i>RMB'000</i>
Within 3 months	4,398,144	3,381,960
4 to 6 months	305,113	32,013
7 to 12 months	575,916	369,821
Over 1 year	<u>822,528</u>	<u>1,105,890</u>
	<u>6,101,701</u>	<u>4,889,684</u>

11. TRADE AND BILLS PAYABLES

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

	2019 <i>RMB'000</i>	2018 <i>RMB'000</i>
Within 1 year	13,306,676	8,057,054
Over 1 year	1,164,271	463,764
	<u>14,470,947</u>	<u>8,520,818</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,

The past year, 2019, was extraordinary to the world and China. The international economy was complicating and volatile, while the development of Sino-US trade friction has been tortuous. Despite various challenges, China's economy was able to keep steady growth with per capita GDP surpassing USD10,000, bringing triumph to new China in the celebration of its 70th anniversary.

2019 was a milestone for Times China.

This year, reaching the 20th year of development, Times China held a grand coming-of-age ceremony to celebrate its growth from a juvenile to a youth. Over 20 years, we have grown from a small team of 35 people to a large family of more than 13,000 staff. We have also developed from a start-up enterprise to a listed group with market value of over hundred billions, serving more than 600,000 owners.

This year, Times China's results have maintained rapid growth. The contracted sales reached RMB78.36 billion, representing an increase of 29.3% over last year; profit for the year amounted to RMB5.56 billion, representing an increase of 15.6% on a year-on-year basis; core net profit attributable to shareholders was RMB5.47 billion, representing an increase of 30.0% over last year; basic earnings per share was RMB2.73, representing an increase of 13.8% over last year. We continued to expand its presence across the Guangdong-Hong Kong-Macau Greater Bay Area, and extended its layout to other cities with high growth potential in China. We have tapped into Hangzhou and Wuhan, which has refined regional layout and made a breakthrough in the urban redevelopment. There was a further breakthrough in the urban redevelopment business with 10 projects successfully transformed, with total GFA of approximately 3.68 million sq.m., of which 8 projects were included in the Company's land reserves with total GFA of approximately 3.49 million sq.m. As of December 31, 2019, there were over 120 urban redevelopment projects in aggregate, with an estimated potential total GFA of approximately 43 million sq.m.

This year, Times China's corporate credit rating was upgraded to AAA from AA+. It completed the spin-off of its subsidiary, Times Neighborhood (09928.HK), which is now successfully listed on the Stock Exchange.

This year, we have basically completed the establishment of central management system, making digital management possible in the Company.

This year, Times Foundation continued to give back to the society with love and Times China donated RMB133 million, which benefitted 50,000 people. We received the Red Cross humanitarian medal of China and the most influential charitable organization award in the Guangdong-Hong Kong-Macau Greater Bay Area.

Glory represents the past, and we strive for success in the future.

In 2020, the annual theme of Times China is "new start, new future", meaning that Times China will enter a new stage and start a new future.

Bright prospect can never be achieved at one's fingertips and the road to the crown is often beset with brambles, but we are not afraid of those and the faith in our heart shall carry us onwards with determination.

As an ancient saying goes, "Those that do, often achieve. Those that walk, often arrive." What accumulated from the past has become the new start for every Times people and partner. Let's seize the day, live it to the full, work together and empower more people to live with a lifestyle they aspire to.

Shum Chiu Hung

Chairman of the Board, Executive Director and Chief Executive Officer

9 March 2020

BUSINESS REVIEW

Overview

For 2019, the Group's operations recorded a revenue of RMB42,433.4 million, representing an increase of 23.4% when compared with that of 2018. Profit for 2019 amounted to RMB5,560.5 million, representing an increase of 15.6% when compared with that of 2018. The core net profit for 2019 (net profit less impairment loss on goodwill, gain on remeasurement of the pre-existing interests in the joint ventures, gain incurred from bargain purchases or deemed disposals of subsidiaries, changes in fair value of self-owned investment properties, and excludes the impact of the related deferred tax, gain on acquisition of a joint venture and the premium paid on early redemption of senior notes) increased to RMB5,813.6 million, representing an increase of 27.4% when compared with that of 2018. Profit attributable to the owners of the Company amounted to RMB5,212.6 million, representing an increase of 18.5% as compared to that of 2018. Basic and diluted earnings per share for 2019 were RMB273 cents (2018: RMB240 cents), representing an increase of 13.8%.

Property Development

The Group focuses on the major core cities in the Guangdong-Hong Kong-Macau Greater Bay Area. As at 31 December 2019, the Group had 127 major projects in total at various stages, including 119 projects in major cities of Guangdong province, namely, Guangzhou, Foshan, Jiangmen, Dongguan, Huizhou, Zhuhai, Zhongshan, Qingyuan, Zhaoqing, Shantou, Shanwei and Heyuan, and 4 projects in Changsha, Hunan province, 1 project in Wuhan, Hubei province, 2 projects in Chengdu, Sichuan province and 1 project in Hangzhou, Zhejiang province. For 2019, 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 2019, the Group's contracted sales⁽¹⁾ amounted to approximately RMB78.36 billion with total GFA of approximately 5,347,000 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 2019:

Region	Available for sale project numbers	Contracted sales area (sq.m.)	Contracted sales amount (RMB million)	Percentage of amounts (%)
Guangzhou	30	1,105,000	21,641	27.6
Foshan	31	1,457,000	22,760	29.0
Jiangmen	5	248,000	1,993	2.6
Zhuhai	19	377,000	7,878	10.1
Zhongshan	8	366,000	4,268	5.4
Qingyuan	15	502,000	4,716	6.0
Changsha	9	573,000	5,049	6.5
Huizhou	6	265,000	2,663	3.4
Dongguan	8	281,000	5,553	7.1
Zhaoqing	1	55,000	501	0.6
Chengdu	1	28,000	344	0.4
Shantou	1	90,000	994	1.3
Total	134	5,347,000	78,360	100.0

The contracted sales target for 2020 is expected to be approximately RMB82.3 billion.

Urban redevelopment business

The Group's income from urban redevelopment business for the year amounted to RMB2,167.6 million. The income was mainly generated from the Zheng Da Kang Di, Lishui Zhou Village, Water Pump Plant and Lishui Meadow. As of 31 December 2019, there were over 120 urban redevelopment projects in aggregate, with a potential total GFA of approximately 43 million sq.m.

Properties for leasing and sub-leasing

As at 31 December 2019, the Group held a GFA of approximately 46,138 sq.m. and 204 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 its subsidiaries for sub-leasing purposes was approximately 556,323 sq.m.. For 2019, the Group's rental income amounted to RMB461.1 million, contributing to 1.1% of the total revenue.

Property management services

Property management services income represents revenue generated from property management services provided in relation to delivered properties. For 2019, the Group provided property management services for 217 project phases. The Group's revenue from property management services increased from RMB492.3 million for 2018 to RMB724.8 million for 2019. This increase was primarily due to the increase in the number of project phases that the Group managed with the delivery of the properties we made in 2019.

Land Reserves

As at 31 December 2019, the Group had total land reserves of approximately 23.0 million sq.m., which the Group believes will be sufficient to support the Group's development need for the next three to five years. The table below sets forth the information of land reserves in major cities that the Group has established footholds:

Region	Total land reserves	
	(sq.m.)	(%)
Guangzhou	4,309,061	18.8
Foshan	2,912,217	12.7
Jiangmen	2,599,725	11.3
Zhuhai	809,206	3.5
Zhongshan	1,636,617	7.1
Qingyuan	5,291,807	23.0
Changsha	1,399,433	6.1
Dongguan	899,745	3.9
Huizhou	1,249,714	5.4
Chengdu	289,807	1.3
Zhaoqing	670,334	2.9
Shantou	182,690	0.8
Shanwei	163,253	0.7
Hangzhou	93,714	0.4
Heyuan	210,103	0.9
Wuhan	286,720	1.2
Total	23,004,146	100.0

The following table sets forth the GFA breakdown of the Group's land reserves by planned use as at 31 December 2019:

Planned Use	Total land reserves	
	(sq.m.)	(%)
Residential	14,015,159	60.9
Commercial	2,025,418	8.8
Others (<i>Note</i>)	6,963,569	30.3
Total	23,004,146	100.0

Note: Others mainly comprises car parks and ancillary facilities.

Portfolio of Property Development Projects

The table below is a summary of the portfolio of property development projects as at 31 December 2019⁽¹⁾.

Project	Project type	Actual/expected completion dates	Site area (sq.m.)	Completed GFA for sale ⁽²⁾⁽⁴⁾ (sq.m.)	Completed Other GFA ⁽³⁾ (sq.m.)	Under development/ future development		Ownership interest ⁽⁵⁾ (%)
						GFA for sale ⁽⁴⁾ (sq.m.)	Other GFA ⁽³⁾ (sq.m.)	
Guangzhou								
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	–	–	85,653	24,120	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	454	9,316	–	52,222	60
B2-1 land parcel, Sino-Singapore Knowledge City	Residential and commercial	2016-2019	103,890	4,392	987	–	–	60
Times Cambridge (Huadu)	Residential and commercial	2017-2018	31,665	9,951	18,313	–	–	100
Project of Shigang Road, Haizhu District	Residential and commercial	2021	20,211	–	–	33,356	51,512	60
Times Fairy Land	Residential and commercial	2019	20,076	4,729	–	–	17,483	91
Times Forture	Residential and commercial	2018	20,177	27,606	–	–	33,356	100
Times The Shore	Residential and commercial	2020	53,985	–	–	138,035	56,040	60

Project	Project type	Actual/expected completion dates	Site area (sq.m.)	Completed	Completed	Under development/ future development		Ownership interest ⁽⁵⁾ (%)
				GFA for sale ⁽²⁾⁽⁴⁾ (sq.m.)	Other GFA ⁽³⁾ (sq.m.)	GFA for sale ⁽⁴⁾ (sq.m.)	Other GFA ⁽³⁾ (sq.m.)	
Project of Qinghe East Road, Panyu, Guangzhou	Residential and commercial	2021	27,256	–	–	83,600	37,485	31
Project of Chengaihui Xintang, Zengcheng, Guangzhou	Residential and commercial	2020	24,825	–	–	78,297	33,510	52
Tendering, Auction or Listing Project of Jiuhe Village (for the land parcel on the North), Times Realm (Guangzhou)	Residential and commercial	2020	90,976	–	–	281,155	147,415	51
Tendering, Auction or Listing Project of Jiuhe Village (for the land parcel on the South), Times Realm (Guangzhou)	Residential and commercial	2021	31,509	–	–	98,138	52,970	70
Times City (Guangzhou)	Residential and commercial	2021-2027	178,038	–	–	527,311	223,321	100
Guangzhou Baiyun District Airport Committee Project Land Parcel I	Residential and commercial	2021	67,695	–	–	166,134	89,352	70
Guangzhou Baiyun District Airport Committee Project Land Parcel II	Residential and commercial	2021	81,178	–	–	159,672	71,959	49
Project of Times China Bay Area Headquarter, Nansha District, Guangzhou	Commercial	2025	11,447	–	–	127,352	31,868	89
Guangzhou Huangpu Hua Fu Project	Residential and commercial	2022	44,995	–	–	114,616	54,848	30
Guangzhou Conghua Laitai Project	Residential and commercial	2021	102,948	–	–	388,285	177,490	35
Guangzhou Zengzheng Xiangjun Project	Residential and commercial	2022	77,530	–	–	220,504	96,815	32
Foshan								
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

Project	Project type	Actual/expected completion dates	Site area (sq.m.)	Completed	Completed	Under development/ future development		Ownership interest ⁽⁵⁾ (%)
				GFA for sale ⁽²⁾⁽⁴⁾ (sq.m.)	Other GFA ⁽³⁾ (sq.m.)	GFA for sale ⁽⁴⁾ (sq.m.)	Other GFA ⁽³⁾ (sq.m.)	
Times Riverbank (Foshan)	Residential and commercial	2017	64,697	–	15,805	–	–	100
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	235,588	40,709	–	67,031	75
Ocean Times (Foshan) Phase I	Residential and commercial	2018	105,553	1,063	32,933	–	–	91
Timing Home	Residential and commercial	2019	40,794	89,727	40,677	–	–	51
Ocean Times (Foshan) Phase II	Residential and commercial	2019	89,927	81,599	29,112	–	39,927	100
Mt. Tittlis (Foshan)	Residential and commercial	2019	117,893	41,993	99,304	–	–	90
Project of Juxian, Nanshan, Sanshui, Foshan	Residential and commercial	2020	49,125	–	–	157,001	36,304	91
Project of Aoli Garden, Datang, Sanshui, Foshan	Residential and commercial	2018-2019	91,760	14,427	363	–	64,180	80
Project of Xinya, Nanhai, Foshan	Residential and commercial	2020	41,772	–	–	133,936	53,787	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	–	–	121,938	51,986	50
Times Realm (Foshan)	Residential and commercial	2021	67,579	–	–	210,312	74,994	70
Project of Yinghai Road, Sanshui, Foshan	Residential and commercial	2021	48,498	–	–	131,196	47,189	49
Foshan Chan City Water Pump Plant Project	Residential and commercial	2021	120,487	–	–	399,145	107,295	33
Foshan Auto Town Project	Residential and commercial	2021-2022	62,063	–	–	207,074	72,479	100
Jiangmen								
Times King City (Heshan)	Residential and commercial	2020	120,804	–	–	296,188	81,509	70
Lake Forest	Residential and commercial	2020-2021	316,980	–	–	402,531	127,519	51
Central Park Living	Residential and commercial	2019	90,034	9,726	3,029	–	42,591	100
Project of Grace Spring Villa, Enping	Residential and commercial	2021	156,743	–	–	247,552	77,226	51

Project	Project type	Actual/expected completion dates	Site area (sq.m.)	Completed	Completed	Under development/ future development		Ownership interest ⁽⁵⁾ (%)
				GFA for sale ⁽²⁾⁽⁴⁾ (sq.m.)	Other GFA ⁽³⁾ (sq.m.)	GFA for sale ⁽⁴⁾ (sq.m.)	Other GFA ⁽³⁾ (sq.m.)	
Times Horizon (Heshan)	Residential and commercial	2020-2021	49,735	–	–	130,526	36,969	90
Project of Left Bank Garden, Enping	Residential and commercial	2022	22,248	–	–	47,568	14,964	51
Central Park Living (Heshan) Phase II	Residential and commercial	2020-2021	119,153	–	–	274,893	60,439	91
Times Elegance (Heshan)	Residential and commercial	2021	187,782	–	–	477,016	138,068	51
Times King City (Jiangmen)	Residential and commercial	2020	34,674	–	–	98,606	32,805	51
Zhuhai								
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	–	–	60
The Shore (Zhuhai)	Residential and commercial	2016-2017	119,169	–	41,160	–	–	100
Baoli Xiangbin Huayuan Project	Residential and commercial	2017	77,206	–	14,700	–	–	49
Zhuhai Baisheng	Industrial	Pending	100,331	–	–	–	–	100
West of Tin Ka Ping Secondary School, Zhuhai	Residential and commercial	2018	85,363	1,708	49,318	–	–	100
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
Top Plaza	Residential and commercial	2019-2021	60,138	63,735	21,027	123,407	64,280	50
West of Heyi Road (Middle), Baijiao Township, Doumen District, Zhuhai	Residential and commercial	2020	20,000	–	–	41,202	9,504	60
Times Horizon II	Residential and commercial	2020	11,393	–	–	29,179	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	–	–	122,791	37,447	38

Project	Project type	Actual/expected completion dates	Site area (sq.m.)	Completed GFA for sale ⁽²⁾⁽⁴⁾ (sq.m.)	Completed Other GFA ⁽³⁾ (sq.m.)	Under development/ future development		Ownership interest ⁽⁵⁾ (%)
						GFA for sale ⁽⁴⁾ (sq.m.)	Other GFA ⁽³⁾ (sq.m.)	
Zhongshan								
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	–	–	378,433	135,351	71
Royal City (Zhongshan)	Residential and commercial	2018-2021	104,430	111,293	19,247	193,176	77,978	49
Times Byland (Zhongshan)	Residential and commercial	2014-2021	54,725	27,716	12,154	59,393	5,772	19
Sanxi Village Project (Zhongshan)	Residential and commercial	2019	39,351	4,533	5,886	–	23,738	91
Baoyi Project (Zhongshan)	Residential and commercial	2020	26,256	–	–	61,844	21,234	80
Jieyue Project of Times North Shore (Zhongshan)	Residential and commercial	2019	25,672	47,651	4,353	–	14,705	73
Guanfu Project of Times North Shore (Zhongshan)	Residential and commercial	2020	24,328	–	–	45,308	18,805	73
Project of Qijiang New Town, Zhongshan	Residential and commercial	2023-2024	87,272	–	–	222,150	111,555	51
Qingyuan								
Times King City (Qingyuan)	Residential and commercial	2014-2019	301,368	25,422	91,720	–	20,570	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	13,112	29,798	41,522	48,128	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	–	–	952,880	325,384	100
The Shore (Qingyuan) Jiada Feilai Lake Project	Residential and commercial	2021-2023	91,127	–	–	331,466	103,810	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	107,877	–	–	51,740	100
Fogang Songfeng Project (Qingyuan)	Residential and commercial	2021-2022	118,164	–	–	345,095	125,416	70
Times The Shore II (Qingyuan) Hengda Feilai Lake Project	Residential and commercial	2019-2021	133,102	5,773	–	408,005	154,928	100
Feilai South Road Project (Qingyuan)	Residential and commercial	2022	23,137	–	–	71,498	30,832	100
Times Sweet (Qingyuan)	Residential and commercial	2019-2020	28,620	9,684	11,185	53,096	23,200	100

Project	Project type	Actual/expected completion dates	Site area (sq.m.)	Completed	Completed	Under development/ future development		Ownership interest ⁽⁵⁾ (%)
				GFA for sale ⁽²⁾⁽⁴⁾ (sq.m.)	Other GFA ⁽³⁾ (sq.m.)	GFA for sale ⁽⁴⁾ (sq.m.)	Other GFA ⁽³⁾ (sq.m.)	
Xinteng Project (Qingyuan)	Residential and commercial	2021-2022	123,987	–	–	351,404	105,343	75
Project of Hengfeng (Qingyuan)	Residential and commercial	2021	53,164	–	–	143,663	50,231	100
Changsha								
Times King City (Changsha)	Residential and commercial	2013-2021	649,862	34,181	35,060	447,588	220,583	100
Times Prime (Changsha)	Residential and commercial	2020	48,017	–	–	145,292	39,197	55
Times Memory (Changsha)	Residential and commercial	2021	39,722	–	–	97,260	24,624	60
Times Mt. Tittlis (Meixi)	Residential and commercial	2021	71,041	–	–	298,790	56,858	60
Dongguan								
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 Thriving City (Dongguan)	Residential and commercial	2018-2020	42,519	52,477	–	–	20,397	100
Acquisition Project of Xiaohu Road, Daoqiang Town (Dongguan)	Residential and commercial	2019-2021	56,298	5,505	2,733	106,661	51,786	60
Project of Luwu Village, Changping Town (Dongguan)	Residential and commercial	2019-2020	26,345	59,102	–	20,799	23,791	17
Shipai Town Project (Dongguan)	Residential and commercial	2019-2021	95,977	–	–	227,193	58,817	13
Project of Douchizhou, Zhongtang Town, Dongguan	Residential and commercial	2021	22,451	–	–	68,007	19,269	70
Project of Land Parcel II of Douchizhou, Zhongtang Town, Dongguan	Residential and commercial	2021	38,096	–	–	98,075	29,623	49
Huizhou								
Desai Land Parcel of Gutang'ao	Residential and commercial	2020-2021	284,414	–	–	630,889	212,177	49
Golden Totus (Huizhou)	Residential and commercial	2020	23,459	–	–	77,092	25,796	80
Vantin Casa (Huizhou)	Residential and commercial	2020	71,274	–	–	93,537	43,051	100
Sanhe Road Housing Estate (Huizhou)	Residential and commercial	2021-2022	62,000	–	–	121,389	45,783	80

Project	Project type	Actual/expected completion dates	Site area (sq.m.)	Completed	Completed	Under development/ future development		Ownership interest ⁽⁵⁾ (%)
				GFA for sale ⁽²⁾⁽⁴⁾ (sq.m.)	Other GFA ⁽³⁾ (sq.m.)	GFA for sale ⁽⁴⁾ (sq.m.)	Other GFA ⁽³⁾ (sq.m.)	
Chengdu								
Times King City (Chengdu)	Residential and commercial	2020	30,429	–	–	62,534	28,046	100
Times Realm (Chengdu)	Residential and commercial	2021-2022	38,338	–	–	127,669	71,558	70
Zhaoqing								
Times Bund (Zhaoqing)	Residential and commercial	2020	59,677	–	–	180,082	52,150	50
Project of Fenghuang Avenue, Zhaoqing New District	Residential and commercial	2022	51,385	–	–	181,709	40,700	51
Project of Yaosha Village, Zhenshan, Sihui City	Residential and commercial	2022-2023	59,394	–	–	168,597	47,096	50
Shantou								
Times Horizon (Shantou)	Residential and commercial	2021	36,230	–	–	137,118	45,572	100
Shanwei								
Times Riverbank (Haifeng)	Residential and commercial	2021	27,612	–	–	122,088	41,165	100
Hangzhou								
Project of Future Science and Technology City, Yuhang District, Hangzhou	Residential and commercial	2021	26,861	–	–	61,843	31,871	80
Heyuan								
Times King City (Heyuan)	Residential and commercial	2021	44,470	–	–	152,040	58,063	60
Wuhan								
Project of Shamao Street, Hannan, Wuhan	Residential and commercial	2021-2022	78,037	–	–	196,600	90,120	100
Total			10,944,610	1,146,750	1,321,608	14,893,827	5,641,961	

- (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.

Acquisitions of Land Parcels during the year 2019

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 2019, the Group acquired 28 parcels of land in Guangzhou, Foshan, Jiangmen, Qingyuan, Dongguan, Chengdu, Zhaoqing, Changsha, Heyuan, Hangzhou, Shantou, Shanwei, Zhongshan and Wuhan, and the land acquisition costs amounted to a total of approximately RMB23,397 million.

Location (City) of Projects	Number of projects	Expected total GFA (sq.m.)	Estimated total GFA (attributable to the Company) (sq.m.)	Total land costs (attributable to the Company) (RMB million)
Guangzhou	7	2,449,529	1,534,065	9,697
Foshan	4	1,249,684	731,268	5,382
Jiangmen	3	1,081,826	685,562	876
Qingyuan	1	193,895	193,895	421
Dongguan	2	214,973	123,665	959
Chengdu	1	199,227	139,459	1,088
Zhaoqing	2	438,102	221,275	630
Changsha	2	477,532	286,519	1,583
Heyuan	1	210,103	126,062	345
Hangzhou	1	93,714	74,971	796
Shantou	1	182,690	182,690	638
Shanwei	1	163,253	163,253	100
Zhongshan	1	333,705	170,189	544
Wuhan	1	286,720	286,720	338
Total	28	7,574,953	4,919,593	23,397

MARKET REVIEW

For the year ended 31 December 2019, the real estate industry maintained growth in both transaction volume and price, hitting a record high and has grown at a significantly slower pace. According to the National Bureau of Statistics, the saleable area of commercial properties reached 1,715.58 million sq.m. nationwide, which decreased by 0.1% on a year-on-year basis, representing a decrease of 1.4 percentage points in growth rate compared with the corresponding period of last year. The transaction volume of commercial properties reached RMB15,972.5 billion, which increased by 6.5% on a year-on-year basis, representing a decrease of 5.7 percentage points in growth rate compared with the corresponding period of last year. The average sales price of commercial properties was RMB9,310/sq.m., which increased by 6.6% on a year-on-year basis, representing a decrease of 4.1 percentage points in growth rate compared with the corresponding period of last year.

Focusing on the central government's target of "stable land prices, property prices and market expectations", the government continued to carry out targeted policy for different cities and marginally adjusted within the framework of a long-term mechanism. The industry policy was generally stable while the austerity measures has regularized.

During the year, despite the overall monetary environment was loose, financial and regulatory policies for real estate industry have been tightened starting from the second quarter. Sales in the market faced fierce competition while the overall financing environment of the industry was tightening. Transactions in land market have generally slowed down but land prices continued to rise. According to China Index Academy, the domestic residential land transaction area increased by 6.7% year-on-year, representing a decrease of 5.4 percentage points in growth rate compared with the corresponding period of last year; price of the floor area of domestic residential land transactions was RMB4,352/sq.m., representing an increase of 15.9% year-on-year. The average premium rate was 14.5%, which continued to fall.

PROSPECTS

Looking forward to 2020, the outbreak of the new coronavirus in the Spring Festival will have a short-term impact on the Chinese economy. Under the effective control measures of the Chinese government, the epidemic has achieved basic control. Due to the differences in the size and structure of the Chinese economy, the impact of the epidemic on the economy is higher than that of the period during the Severe Acute Respiratory Syndrome (SARS) in 2003. The revenue from the service industries such as catering, retail, transportation, and tourism declined significantly. As the global epidemic spreads, trade is affected and resulted in a weaker foreign demand. In order to achieve this year's economic goals, the Chinese government will adopt a more proactive monetary and fiscal policy to increase investment, promote consumption and stabilize foreign demand.

The epidemic will also have a short-term impact on sales, development, investment, and cash flow of the real estate industry. However, real estate continues to be the backbone for the growth of the economy. The government will introduce more relaxed policies to underpin the market and maintain a reasonable growth in real estate investment. The financial policies concerning of the real estate industry will also remain stable, individual housing loan will increase steadily, and there is room for downward adjustments of mortgage rate. It is expected that market transactions throughout the year will stabilize following some moderation. During the epidemic, the performance of the well-established infrastructure and public management stood out in major cities, the value of the economic core will be further highlighted, and the attractiveness of the cities will continue to increase in the future.

The outbreak will also have a certain impact on the Group, and the specific impact depends on the duration and development trend of the epidemic situation. We will adopt a more aggressive sales strategy by adjusting marketing plans and strategies in a timely manner to accelerate marketing reform. Meanwhile, we continue to strengthen cash flow management, speed up repayments and increase capital turnover rate. By optimizing the operation adjustment, we set to refine and strengthen the management of project timeline.

We will maintain a prudent investment strategy, and ensure sufficient and quality land reserve through proactively participating in urban redevelopment and renewal. The Group will continue to deepen its presence across the Guangdong-Hong Kong-Macau Greater Bay Area, vigorously boost its market share in regions where the Group has made its presence, gradually extending its layout across areas with high growth potential such as the Yangtze River Delta, Chengdu-Chongqing and the mid-stream of the Yangtze River.

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 92.1%, 5.1%, 1.1% and 1.7% respectively of the revenue of 2019. The Group's revenue increased by RMB8,058.4 million, or 23.4%, to RMB42,433.4 million for 2019 from RMB34,375.0 million for 2018. This increase was primarily attributable to the increase in revenue from the sale of properties.

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

	Year 2019		Year 2018	
	(RMB in millions)	(%)	(RMB in millions)	(%)
Sales of properties	39,079.9	92.1	30,779.0	89.5
Income from urban redevelopment business	2,167.6	5.1	2,775.7	8.1
Rental income	461.1	1.1	328.0	1.0
Property management fee income	724.8	1.7	492.3	1.4
	42,433.4	100.0	34,375.0	100.0

Property development

The Group's revenue from sales of properties increased by RMB8,300.9 million, or 27.0%, to RMB39,079.9 million for 2019 from RMB30,779.0 million for 2018. The increase was primarily due to the increase in delivered gross floor area for the year. The projects that contributed substantially to the Group's revenue for 2019 mainly included Sino-Singapore Knowledge City Project, Times Riverbank (Foshan) Phase II, Mt. Tittlis (Foshan), Times Starry Mansion (Foshan), Times King City (Changsha), Times Prime (Changsha), Times King City (Qingyuan), Ocean Times (Foshan) Phase II, Sanxi Village Project (Zhongshan), Project of Aoli Garden, Datang, Sanshui, Foshan and Times Garden (Qingyuan) etc..

Urban redevelopment business

The Group's income from urban redevelopment business for the year amounted to RMB2,167.6 million. The income was mainly generated from the Zheng Da Kang Di, Lishui Zhou Village, Water Pump Plant and Lishui Meadow. As of 31 December 2019, there were over 120 urban redevelopment projects in aggregate, with a potential total GFA of approximately 43 million sq.m.

Property leasing and sub-leasing

The Group's gross rental income increased by RMB133.1 million, or 40.6%, to RMB461.1 million for 2019 from RMB328.0 million for 2018. The increase was primarily due to the rise in rental and occupancy rate for the year.

Property management services

The Group's revenue from property management services increased by RMB232.5 million, or 47.2%, to RMB724.8 million for 2019 from RMB492.3 million for 2018. The increase was primarily attributable to the increase in the number of projects and areas that the Group managed.

Cost of sales

The Group's cost of sales increased by RMB6,243.5 million, or 26.3%, to RMB29,997.7 million for 2019 from RMB23,754.2 million for 2018. The increase was primarily attributable to the increase of property sales.

Gross profit and gross profit margin

The Group's gross profit increased by RMB1,814.8 million, or 17.1%, to RMB12,435.6 million for 2019 from RMB10,620.8 million for 2018. For 2019, the Group's gross profit margin decreased to 29.3% from 30.9% for 2018. The decrease was primarily due to the decrease in recognised income from products with higher gross profit margin as compared with 2018 and the decrease in the gross profit margin from that of urban redevelopment business.

Other income and gains

The Group's other income and gains increased to RMB1,033.8 million for 2019 from RMB1,030.6 million for 2018 which is primarily due to the increase in bank interest income, management fee income and interest income from third parties and joint ventures.

Selling and marketing costs

The Group's selling and marketing costs increased by RMB376.8 million, or 45.1%, from RMB835.6 million for 2018 to RMB1,212.4 million for 2019. The increase was mainly due to the increase in sales volume.

Administrative expenses

The Group's administrative expenses increased by RMB442.4 million, or 39.8%, to RMB1,554.3 million for 2019 from RMB1,111.9 million for 2018, which was primarily due to the increase in the number of employees resulting from business expansion of the Group.

Other expenses

The Group's other expenses increased by RMB194.1 million to RMB561.6 million for 2019 from RMB367.5 million for 2018. The increase was primarily due to the increase in impairment of goodwill and increase in donations.

Finance costs

The Group's finance costs increased by RMB343.7 million, or 51.5%, to RMB1,010.9 million for 2019 from RMB667.2 million for 2018. 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 increased by RMB1,251.0 million, or 35.5%, to RMB4,778.5 million for 2019 from RMB3,527.5 million for 2018. The increase was primarily attributable to the increase in the Group's taxable profit in 2019.

Profit for the year

The Company's profit for the year increased by RMB749.4 million, or 15.6%, to RMB5,560.5 million as of 31 December 2019 from RMB4,811.1 million as of 31 December 2018. Basic and diluted earnings per share for 2019 were RMB273 cents (2018: RMB240 cents).

Profit attributable to the owners of the Company

Profit attributable to the owners of the Company increased by RMB813.4 million, or 18.5%, to RMB5,212.6 million for the year ended 31 December 2019 from RMB4,399.2 million for the year ended 31 December 2018. Core net profit attributable to the owners of the Company (net profit attributable to shareholders less impairment loss on goodwill, gain on remeasurement of the pre-existing interests in the joint ventures, gain incurred from bargain purchases or deemed disposals of subsidiaries, changes in fair value of self-owned investment properties, and excludes the impact of the related deferred tax, gain on acquisition of a joint venture and the premium paid on early redemption of senior notes) increased by RMB1,262.1 million, or 30.0% to RMB5,465.7 million for the year ended 31 December 2019 from RMB4,203.6 million for the year ended 31 December 2018.

Liquidity, Financial and Capital Resources

Cash position

As at 31 December 2019, the carrying balance of the Group's cash and bank deposits was approximately RMB29,279.4 million (31 December 2018: RMB27,425.7 million), representing an increase of 6.8% when compared with that of 31 December 2018. 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 2019, the Group's restricted bank deposits was RMB3,404.5 million (31 December 2018: RMB4,051.5 million).

Borrowings and pledged assets

The Group had aggregate interest-bearing bank loans and other borrowings of approximately RMB53,260.8 million as at 31 December 2019. Borrowings that are due within one year increased from RMB7,311.8 million as at 31 December 2018 to RMB18,597.7 million as at 31 December 2019, and approximately RMB34,210.7 million of borrowings are due within two to five years and approximately RMB452.4 million of borrowings are due in over five years. As at 31 December 2019, the Group's outstanding borrowings were secured by certain of investment properties, interests in joint ventures, inventories of properties and property, plant and equipment with carrying values of approximately RMB579.4 million, RMB510.2 million, RMB8,048.3 million and RMB495.8 million respectively.

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

(a) Placing

Reference is made to the Company's announcement dated 18 April 2019 (the "2019 Placing Announcement"). The Group successfully raised gross proceeds of approximately HK\$1,570.32 million through the placing of 108,000,000 existing shares (the "2019 Placing") at the placing price of HK\$14.54 per share for the Company's development purposes and as general working capital. The Company subsequently allotted and issued 108,000,000 new shares to Asiaciti Enterprises Ltd.

Upon the completion of the 2019 Placing, the Company received gross proceeds of approximately HK\$1,570,320,000 and net proceeds, after deducting all applicable costs and related expenses, of approximately HK\$1,552,530,000, representing a net issue price of approximately HK\$14.38 per 2019 placing share.

As at the date of this announcement, the Group had utilised all the net proceeds from the 2019 Placing for the Company's development purposes and as general working capital of the Group, which were consistent with the purposes disclosed in the 2019 Placing Announcement.

(b) USD6.75% 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 RMB2,754,133,000) (the "USD6.75% 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 RMB714,940,000) (the "USD6.75% Senior Notes issued in September 2019"). The USD6.75% Senior Notes issued in July 2019 and the USD6.75% Senior Notes issued in September 2019 were consolidated and formed a single series which are referred to as the "USD6.75% Senior Notes due 2023". The USD6.75% 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.

(c) RMB6.80% Public Domestic Corporate Bonds due 2024

On 6 June 2019, 廣州市時代控股集團有限公司 (Guangzhou Times Holdings Group Co., Ltd.*) (“Guangzhou Times”, formerly known as 廣州市時代地產集團有限公司 (Guangzhou Times Property Group Co., Ltd*)) issued 6.80% public domestic corporate bonds due 2024 in a principal amount of RMB500,000,000 (“RMB6.80% Public Domestic Corporate Bonds due 2024”). RMB6.80% 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.

(d) USD7.625% 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 RMB3,348,725,000) (“USD 7.625% Senior Notes due 2022”). USD7.625% 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.

(e) RMB7.50% 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 (“RMB7.50% 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. RMB7.50% 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.

(f) RMB7.50% 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 (“RMB7.50% 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. RMB7.50% 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.

(g) RMB8.10% 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 (“RMB8.10% 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. RMB8.10% 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.

(h) USD10.95% 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 RMB2,087,726,000) (“USD 10.95% Senior Notes due 2020”). USD10.95% 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.

(i) RMB8.40% 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 (“RMB8.40% 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. RMB8.40% 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.

(j) RMB8.40% 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 (“RMB8.40% 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. RMB8.40% 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.

(k) USD7.85% Senior Notes due 2021

On 4 June 2018, the Company issued 7.85% senior notes due 2021 (the “USD7.85% Senior Notes due 2021”) in a principal amount of USD450,000,000 (equivalent to approximately RMB2,884,954,000). The USD7.85% 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.

(l) USD6.25% 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 RMB3,296,573,000). The USD6.25% 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.

(m) USD6.6% Senior Notes due 2023

On 30 November 2017, the Company issued 6.6% senior notes due 2023 (the “USD 6.6% Senior Notes due 2023”) in a principal amount of USD300,000,000 (equivalent to approximately RMB1,981,020,000). The USD6.6% Senior Notes due 2023 are listed on the Stock Exchange and bear interest from and including 30 November 2017 at the rate of 6.6% per annum, payable semi-annually in arrears.

(n) RMB8.2% Non-Public Domestic Corporate Bonds due 2022

On 8 September 2017, Guangzhou Times issued 8.2% non-public domestic corporate bonds due 2022 (the “RMB8.2% 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. RMB8.2% 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 8.2% per annum, payable annually in arrears.

(o) RMB7.75% Non-Public Domestic Corporate Bonds due 2020

On 8 September 2017, Guangzhou Times issued 7.75% non-public domestic corporate bonds due 2020 (the “RMB7.75% 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. RMB7.75% 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.

(p) USD5.75% Senior Notes due 2022

On 26 April 2017, the Company issued 5.75% senior notes due 2022 (the “USD5.75% Senior Notes due 2022”) in a principal amount of USD225,000,000 (equivalent to approximately RMB1,549,013,000). USD5.75% 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.

(q) USD6.25% 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 RMB2,571,450,000). USD6.25% 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.

(r) RMB7.88% Non-Public Domestic Corporate Bonds due 2019

On 18 January 2016, Guangzhou Times issued 7.88% non-public domestic corporate bonds due 2019 (the “RMB7.88% Non-Public Domestic Corporate Bonds due 2019”) in a principal amount of RMB3,000,000,000, with the option to redeem by Guangzhou Times at the end of the second year. RMB7.88% Non-Public Domestic Corporate Bonds due 2019 are listed on the Shenzhen Stock Exchange and bear interest from and including 18 January 2016 at the rate of 7.88% per annum, payable annually in arrears. On 18 January 2019, the Company redeemed the RMB7.88% Non-Public Domestic Corporate Bonds due 2019 at a redemption price of RMB3,236,400,000, which equals to 100% of the principal amount of such notes plus the accrued and unpaid interest to the due date.

(s) RMB7.50% Public Domestic Corporate Bonds due 2020

On 10 July 2015, Guangzhou Times issued 6.75% public domestic corporate bonds due 2020 (the “RMB6.75% 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. RMB6.75% 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 RMB6.75% 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 “RMB7.50% Public Domestic Corporate Bonds due 2020”).

Financial guarantee

As at 31 December 2019, the outstanding guarantee mortgage loans that domestic banks provided to purchasers of the Group's properties amounted to approximately RMB24,026.4 million (31 December 2018: approximately RMB18,017.4 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.

During the year, the Group has guaranteed banking facilities granted to a related party, two associates and certain joint ventures. Guarantee of RMB9,261,923,000 (2018: RMB7,218,611,000) was utilized. As at 31 December 2019, the outstanding balance of these interest-bearing loans guaranteed by the Group of a related party, an associate and certain joint ventures was in an aggregate amount of RMB8,244,032,000 (2018:RMB6,349,947,000).

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 2019, 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 21 February 2020, Guangzhou Times issued public domestic corporate bonds at a par value of RMB1,315,000,000 in the PRC collectively in two batches. The first batch was issued with a term of seven years at the coupon rate of 6.2% per annum (the “RMB6.2% Public Domestic Corporate Bonds I due 2027”) and amounted to RMB575 million, with the option to adjust the coupon rate by Guangzhou Times, and the investors have the option to sell back the bonds at the end of the fifth year. The second batch was issued with a term of five years at the coupon rate of 5.0% per annum (the “RMB5.0% Public Domestic Corporate Bonds II due 2025”) and amounted to RMB740 million, with the option to adjust the coupon rate by Guangzhou Times, and the investors have the option to sell back the bonds at the end of the third year. The “RMB6.2% Public Domestic Corporate Bonds I due 2027” and the “RMB5.0% Public Domestic Corporate Bonds II due 2025” are non-guaranteed and are listed on the Shanghai Stock Exchange. Further details have been set out in the related announcement of the Company dated 25 February 2020.

Employees and Remuneration Policy

As at 31 December 2019, the Group had 5,955 employees (31 December 2018: 9,502 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 2019. The Group’s employee benefit expense (excluding Directors’ remuneration) is approximately RMB1,527.4 million for the year ended 31 December 2019 (2018: RMB1,279.6 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 RMB84.45 cents per share for the year ended 31 December 2019 (2018: RMB68.77 cents) to the shareholders of the Company (the “Shareholders”). The final dividend, if approved, will be payable on or around 2 July 2020 and is subject to the approval of the Shareholders at the annual general meeting to be held on 15 May 2020 (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 15 May 2020.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from 12 May 2020 (Tuesday) to 15 May 2020 (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 11 May 2020 (Monday).

The record date for qualifying to receive the proposed final dividend is 25 May 2020 (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 21 May 2020 (Thursday) to 25 May 2020 (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 20 May 2020 (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 2019.

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 2019.

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 2019 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 2019.

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 2019 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 2019 is scheduled to be held on 15 May 2020 (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) and the Company (www.timesgroup.cn), and the annual report for the year ended 31 December 2019 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, 9 March 2020

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