LOGAN
龙光地产

Logan Property Holdings Company Limited
龍光地產控股有限公司

(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 3380)

ANNUAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2019

2019 RESULTS HIGHLIGHTS

- Contracted sales attributable to the Group amounted to RMB91,524 million, representing an increase of 31% as compared with that of last year.
- Core profit* attributable to equity shareholders of the Company amounted to RMB10,020.2 million, representing an increase of 42.7% as compared with that of last year.
- Net profit amounted to RMB11,563.3 million. Core profit amounted to RMB10,314.0 million. Core profit margin was 17.9%.
- Cash and bank balances were RMB40,705.1 million as at 31 December 2019. Net debt-to-equity ratio was maintained at a healthy and stable level of 67.4%.
- Proposed final dividend of HK45 cents per share together with interim dividend of HK38 cents per share, will amount to a total dividend of HK83 cents per share. The total dividend accounted for approximately 40% of the core profit attributable to the equity shareholders of the Company.

* Core profit is equal to net profit adjusted to changes in fair value of investment properties and derivative financial instruments and the relevant deferred tax and share of changes in fair value of investment properties at an associate.

ANNUAL RESULTS

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

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

Year ended 31 December 2019

	Notes	2019 RMB'000	2018 RMB'000
REVENUE	4	**57,480,418**	44,136,908
Cost of sales		**(39,347,437)**	(29,250,015)
Gross profit		**18,132,981**	14,886,893
Other income and gains	4	**2,130,113**	1,368,665
Other expenses	5	**(115,456)**	(56,655)
Selling and marketing expenses		**(1,398,172)**	(1,231,356)
Administrative expenses		**(1,409,352)**	(1,133,851)
Net increase in fair value of investment properties		**1,622,065**	1,740,726
Net increase in fair value of derivative financial instruments		**32,683**	45,970
Share of losses of associates		**(63,400)**	(42,958)
Share of losses of joint ventures		**(112,960)**	(141,431)
PROFIT FROM OPERATIONS		**18,818,502**	15,436,003
Finance costs	6	**(1,366,250)**	(1,416,943)
PROFIT BEFORE TAX	7	**17,452,252**	14,019,060
Income tax expense	8	**(5,888,994)**	(5,023,154)
PROFIT FOR THE YEAR		**11,563,258**	8,995,906
Attributable to:			
Owners of the parent		**11,269,044**	8,288,398
Non-controlling interests		**294,214**	707,508
		11,563,258	8,995,906
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT *(RMB cents)*	10		
Basic		**202.24**	147.95
Diluted		**199.36**	145.69

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
Year ended 31 December 2019

	2019 *RMB'000*	2018 *RMB'000*
PROFIT FOR THE YEAR	**11,563,258**	8,995,906
OTHER COMPREHENSIVE INCOME FOR THE YEAR (after tax and reclassification adjustments)		
Item that may be reclassified to profit or loss in subsequent periods:		
Exchange differences on translation of financial statements of group entities	**23,451**	(283,783)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	**11,586,709**	8,712,123
Attributable to:		
Owners of the parent	**11,292,495**	8,004,615
Non-controlling interests	**294,214**	707,508
	11,586,709	8,712,123

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

31 December 2019

	Notes	**2019** *RMB'000*	2018 *RMB'000*
NON-CURRENT ASSETS			
Investment properties		**26,604,198**	18,338,011
Other property, plant and equipment		**891,954**	176,014
Deferred tax assets		**914,263**	649,725
Investments in associates		**3,460,487**	1,447,180
Investments in joint ventures		**13,934,196**	18,042,573
Assets under cross-border guarantee arrangements		**—**	526,335
Cash and bank balances		**980,543**	274,350
Total non-current assets		**46,785,641**	39,454,188
CURRENT ASSETS			
Inventories		**86,351,810**	54,780,698
Trade and other receivables, prepayments and other assets	*11*	**31,327,794**	37,816,369
Tax recoverable		**1,254,170**	773,299
Assets under cross-border guarantee arrangements	*12*	**566,140**	1,827,322
Cash and bank balances		**39,724,570**	35,442,801
Total current assets		**159,224,484**	130,640,489
CURRENT LIABILITIES			
Trade and other payables	*13*	**56,166,909**	47,449,771
Contract liabilities		**26,030,052**	16,784,879
Liabilities under cross-border guarantee arrangements	*12*	**921,994**	2,515,233
Bank and other loans		**9,443,571**	7,826,892
Senior notes		**3,128,150**	—
Other current liabilities		**17,024,670**	9,402,649
Tax payable		**6,381,743**	4,559,087
Total current liabilities		**119,097,089**	88,538,511
NET CURRENT ASSETS		**40,127,395**	42,101,978
TOTAL ASSETS LESS CURRENT LIABILITIES		**86,913,036**	81,556,166

	2019	2018
	RMB'000	*RMB'000*
NON-CURRENT LIABILITIES		
Liabilities under cross-border guarantee arrangements	**—**	526,335
Bank and other loans	**13,503,512**	11,966,970
Senior notes	**18,195,653**	16,764,667
Corporate bonds	**8,382,000**	12,980,000
Deferred tax liabilities	**3,837,852**	2,572,408
Total non-current liabilities	**43,919,017**	44,810,380
Net assets	**42,994,019**	36,745,786
EQUITY		
Equity attributable to owners of the parent		
Share capital	**435,167**	434,041
Perpetual capital securities	**2,363,346**	2,363,346
Reserves	**31,395,904**	26,451,419
	34,194,417	29,248,806
Non-controlling interests	**8,799,602**	7,496,980
Total equity	**42,994,019**	36,745,786

NOTES

31 December 2019

1. GENERAL INFORMATION

Logan Property Holdings Company Limited (the "Company") is incorporated in the Cayman Islands as an exempted company with limited liability. The registered office address of the Company is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands.

The Company and its subsidiaries (collectively referred to as the "Group") were principally engaged in property development, property investment, construction and decoration and primary land development in the People's Republic of China (the "PRC" or "Mainland China") during the year.

In the opinion of the directors, Junxi Investments Limited is the immediate holding company of the Company and the ultimate controlling party of the Company is Ms. Kei Perenna Hoi Ting, who is a non-executive director of the Company.

2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES

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

These financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") (which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("HKASs") and Interpretations) issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"), accounting principles generally accepted in Hong Kong and the disclosure requirements of the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention, except for investment properties and derivative financial instruments which have been measured at fair value.

These financial statements are presented in Renminbi ("RMB") and all values are rounded to the nearest thousand ("RMB'000") except when otherwise indicated.

The Group has adopted the following new and revised HKFRSs for the first time for the current year's financial statements:

Amendments to HKFRS 9	*Prepayment Features with Negative Compensation*
HKFRS 16	*Leases*
Amendments to HKAS 19	*Plan Amendment, Curtailment or Settlement*
Amendments to HKAS 28	*Long-term Interests in Associates and Joint Ventures*
HK(IFRIC)-Int 23	*Uncertainty over Income Tax Treatments*
Annual Improvements 2015–2017 Cycle	Amendments to HKFRS 3, HKFRS 11, HKAS 12 and HKAS 23

Except for the amendments to HKFRS 9 and HKAS 19, and Annual Improvements to HKFRSs 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 HKFRSs are described below:

(a) HKFRS 16 replaces HKAS 17 *Leases*, HK(IFRIC)-Int 4 *Determining whether an Arrangement contains a Lease*, HK(SIC)-Int 15 *Operating Leases — Incentives* and HK(SIC)-Int 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 HKFRS 16 is substantially unchanged from HKAS 17. Lessors continue to classify leases as either operating or finance leases using similar principles as in HKAS 17.

The Group adopted HKFRS 16 using the modified retrospective method 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 HKAS 17 and related interpretations.

New definition of a lease

Under HKFRS 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 HKAS 17 and HK(IFRIC)-Int 4 at the date of initial application. Contracts that were not identified as leases under HKAS 17 and HK(IFRIC)-Int 4 were not reassessed. Therefore, the definition of a lease under HKFRS 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 HKFRS 16

The Group has lease contracts for properties. 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 HKFRS 16, the Group applies a single approach to recognise and measure right-of-use assets and lease liabilities for all leases, except for an elective exemption for 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 and included in interest-bearing bank and other borrowings. 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 HKAS 36 on that date. The Group elected to present the right-of-use assets in other property, plant and equipment.

For the leasehold land and building (that were held to earn rental income and/or for capital appreciation) previously included in investment properties and measured at fair value, the Group has continued to include them as investment properties at 1 January 2019. They continue to be measured at fair value applying HKAS 40.

The Group has used the following elective practical expedient when applying HKFRS 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

Considering that the leasing arrangement is immaterial to the Group, the adoption of HKFRS 16 did not have any significant impact on the Group's financial statements.

(b) Amendments to HKAS 28 clarify that the scope exclusion of HKFRS 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 HKFRS 9, rather than HKAS 28, including the impairment requirements under HKFRS 9, in accounting for such long-term interests. HKAS 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 HKFRS 9. Accordingly, the amendments did not have any impact on the financial position or performance of the Group.

(c) HK(IFRIC)-Int 23 addresses the accounting for income taxes (current and deferred) when tax treatments involve uncertainty that affects the application of HKAS 12 (often referred to as "uncertain tax positions"). The interpretation does not apply to taxes or levies outside the scope of HKAS 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 whether it has any uncertain tax positions. The interpretation did not have any impact on the financial position or performance of the Group.

3. OPERATING SEGMENT INFORMATION

For management purposes, the Group is organised into business units based on their products and services and has four reportable operating segments as follows:

(a) the property development segment develops and sells residential properties and retail shops;

(b) the property leasing segment leases office units and retail shops to generate rental income and to gain from the appreciation in the properties' values in the long term;

(c) the construction and decoration contracts segment engages in the construction of office premises and residential buildings and provides decoration services for external customers and for group companies, and provides interior decoration services to property buyers; and

(d) the primary land development segment engages in the sale of land held for development.

The Group's revenue from external customers from each operating segment is set out in note 4 to the financial statements.

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 or loss before tax except that depreciation, other income and gains, other expenses, finance costs, share of profits or losses of joint ventures and associates, fair value gains or losses on investment properties and derivative financial instruments and head office and corporate income and expenses are excluded from such measurement. Segment assets and liabilities are not reported to the Group's chief operating decision maker regularly.

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

Information regarding the reportable segments is presented below.

	Property development *RMB'000*	Property leasing *RMB'000*	Construction and decoration contracts *RMB'000*	Primary land development *RMB'000*	Total *RMB'000*
Year ended 31 December 2019					
Gross revenue from external customers *(note 4)*	**41,180,693**	**129,616**	**11,568,862**	**4,900,000**	**57,779,171**
Less: Sales related taxes	**(259,853)**	**(2,099)**	**(36,801)**	**—**	**(298,753)**
Net revenue from external customers	**40,920,840**	**127,517**	**11,532,061**	**4,900,000**	**57,480,418**
Inter-segment revenue	**—**	**63,161**	**13,167,740**	**—**	**13,230,901**
Reportable segment revenue	**40,920,840**	**190,678**	**24,699,801**	**4,900,000**	**70,711,319**
Reportable segment profit	**10,203,386**	**152,824**	**5,225,809**	**2,911,861**	**18,493,880**

	Property development *RMB'000*	Property leasing *RMB'000*	Construction and decoration contracts *RMB'000*	Primary land development *RMB'000*	Total *RMB'000*
Year ended 31 December 2018					
Gross revenue from external customers *(note 4)*	39,062,896	91,676	4,191,649	1,067,449	44,413,670
Less: Sales related taxes	(258,518)	(8,530)	(9,519)	(195)	(276,762)
Net revenue from external customers	38,804,378	83,146	4,182,130	1,067,254	44,136,908
Inter-segment revenue	—	37,421	10,000,602	—	10,038,023
Reportable segment revenue	38,804,378	120,567	14,182,732	1,067,254	54,174,931
Reportable segment profit	11,895,962	93,574	3,500,457	640,574	16,130,567

Information about major customers

During the years ended 31 December 2019 and 2018, no revenue from transactions with a single external customer amounted to 10% or more of the Group's total revenue.

Reconciliation of reportable segment revenue and profit or loss

	2019 *RMB'000*	2018 *RMB'000*
Revenue		
Reportable segment revenue	**70,711,319**	54,174,931
Elimination of inter-segment revenue	**(13,230,901)**	(10,038,023)
Consolidated revenue	**57,480,418**	44,136,908
Profit		
Reportable segment profit	**18,493,880**	16,130,567
Elimination of inter-segment profits	**(2,711,710)**	(3,201,660)
Reportable segment profit derived from the Group's external customers	**15,782,170**	12,928,907
Other income and gains	**2,130,113**	1,368,665
Other expenses	**(115,456)**	(56,655)
Depreciation	**(60,590)**	(57,295)
Finance costs	**(1,366,250)**	(1,416,943)
Share of losses of associates	**(63,400)**	(42,958)
Share of losses of joint ventures	**(112,960)**	(141,431)
Net increase in fair value of investment properties	**1,622,065**	1,740,726
Net increase in fair value of derivative financial instruments	**32,683**	45,970
Unallocated head office and corporate expenses	**(396,123)**	(349,926)
Consolidated profit before tax	**17,452,252**	14,019,060

Geographical information

Geographical information is not presented since over 90% of the Group's revenue from external customers is generated in Mainland China and over 90% of the segment assets of the Group are located in Mainland China. Accordingly, in the opinion of the directors, the presentation of geographical information would provide no additional useful information to the users of these financial statements.

4. REVENUE, OTHER INCOME AND GAINS

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

	2019 *RMB'000*	2018 *RMB'000*
Revenue from contracts with customers		
Sales of properties*	**41,180,693**	39,062,896
Construction and decoration income	**11,568,862**	4,191,649
Primary land development income	**4,900,000**	1,067,449
Revenue from another source		
Gross rental income from investment property operating leases:		
Other lease payments, including fixed payments	**129,616**	91,676
	57,779,171	44,413,670
Less: Sales related taxes	**(298,753)**	(276,762)
	57,480,418	44,136,908

* The invoiced amount billed to buyers of properties was RMB45,015,384,000 (2018: RMB41,771,393,000), including value-added tax of RMB3,834,691,000 (2018: RMB2,708,497,000).

Other income and gains

An analysis of the Group's other income and gains is as follows:

	2019 *RMB'000*	2018 *RMB'000*
Bank interest income	**411,354**	215,669
Interest income on amounts due from associates and joint ventures	**746,920**	798,298
Forfeiture income on deposits received	**55,645**	25,428
Government subsidies	**13,797**	6,760
Gain on deemed disposal of subsidiaries upon loss of control, net	**89,913**	188,368
Gain on remeasurement of pre-existing interests in joint ventures and an associate to the date of obtaining control and acquisition	**246,349**	47,384
Gain on bargain purchase	**351,316**	38
Foreign exchange differences, net	**15,939**	—
Others	**198,880**	86,720
	2,130,113	1,368,665

5. OTHER EXPENSES

	2019	2018
	RMB'000	*RMB'000*
Charitable donations	**12,979**	42,394
Premium on early redemption of senior notes	**53,328**	—
Foreign exchange differences, net	**—**	14,074
Net loss on disposal of items of other property, plant and equipment	**234**	3
Others	**48,915**	184
	115,456	56,655

6. FINANCE COSTS

An analysis of finance costs is as follows:

	2019	2018
	RMB'000	*RMB'000*
Interest on bank and other loans and other borrowing costs	**2,122,688**	1,339,967
Interest on senior notes	**1,433,320**	881,605
Interest on corporate bonds	**958,700**	975,814
Total interest expense	**4,514,708**	3,197,386
Less: Interest capitalised	**(3,148,458)**	(1,780,443)
	1,366,250	1,416,943

7. PROFIT BEFORE TAX

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

	2019	2018
	RMB'000	*RMB'000*
Cost of properties sold	**30,447,999**	25,413,679
Cost of services provided	**8,899,438**	3,836,336
Depreciation	**73,186**	62,423
Less: Amount capitalised	**(12,596)**	(5,128)
	60,590	57,295
Minimum lease payments under operating leases for land and buildings	**—**	17,339
Lease payments not included in the measurement of lease liabilities	**24,015**	—
Auditor's remuneration	**7,000**	6,360
Employee benefit expenses (including directors' remuneration):		
Salaries and other staff costs	**1,216,062**	1,113,402
Equity-settled share option expense	**57,659**	20,963
Pension scheme contributions	**87,933**	79,311
Less: Amount capitalised	**(390,748)**	(377,683)
	970,906	835,993
Foreign exchange differences, net	**(15,939)**	14,074
Interest income:		
— Cash at banks	**(411,354)**	(215,669)
— Amounts due from associates and joint ventures	**(746,920)**	(798,298)
Gain on deemed disposal of subsidiaries upon loss of control, net	**(89,913)**	(188,368)
Net loss on disposal of items of other property, plant and equipment	**234**	3
Gain on remeasurement of pre-existing interests in joint ventures and an associate to the date of obtaining control and acquisition	**(246,349)**	(47,384)
Gain on bargain purchase	**(351,316)**	(38)

8. INCOME TAX

No provision for Hong Kong profits tax has been made as the Group did not generate any assessable profits arising in Hong Kong during the year (2018: Nil). Taxes on profits assessable in Mainland China have been calculated at the rates of tax prevailing in the cities in which the Group's subsidiaries operate.

	2019	2018
	RMB'000	*RMB'000*
Current charge for the year:		
PRC corporate income tax ("CIT")	**4,495,200**	3,108,577
PRC land appreciation tax ("LAT")	**1,152,058**	1,731,850
Dividend withholding tax	**280,042**	210,000
Underprovision/(overprovision) in prior years, net:		
PRC CIT	**52,422**	(9,857)
	5,979,722	5,040,570
Deferred	**(90,728)**	(17,416)
Total tax charge for the year	**5,888,994**	5,023,154

9. DIVIDENDS

	2019	2018
	RMB'000	*RMB'000*
Interim and special dividends — HK38 cents and nil, respectively (2018: HK20 cents and HK8 cents) per ordinary share	**1,786,604**	1,346,229
Proposed final and special dividends — HK45 cents and nil, respectively (2018: HK40 cents and HK7 cents) per ordinary share	**2,220,403**	2,210,076
	4,007,007	3,556,305

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

10. EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

The calculation of the basic earnings per share amount is based on the profit for the year attributable to owners of the parent, adjusted for the distribution related to perpetual capital securities, and the weighted average number of ordinary shares of 5,489,585,000 (2018: 5,490,496,000) in issue during the year.

The calculation of the diluted earnings per share amount is based on the profit for the year attributable to owners of the parent, adjusted for the distribution related to perpetual capital securities. The weighted average number of ordinary shares used in the calculation is the weighted average number of ordinary shares in issue during the year, as used in the basic earnings per share calculation, and the weighted average number of ordinary shares assumed to have been issued at no consideration on the deemed exercise of all the dilutive potential ordinary shares into ordinary shares.

The calculations of the basic and diluted earnings per share are based on:

	2019	2018
	RMB'000	*RMB'000*
Earnings		
Profit attributable to owners of the parent	**11,269,044**	8,288,398
Distribution related to perpetual capital securities	**(167,153)**	(165,434)
Profit used in the basic and diluted earnings per share calculations	**11,101,891**	8,122,964

	Number of shares	
	2019	2018
	'000	*'000*
Shares		
Weighted average number of ordinary shares in issue during the year used in the basic earnings per share calculation	**5,489,585**	5,490,496
Effect of dilution — weighted average number of ordinary shares:		
Share options	**79,048**	84,912
Weighted average number of ordinary shares in issue during the year used in the diluted earnings per share calculation	**5,568,633**	5,575,408

11. TRADE AND OTHER RECEIVABLES, PREPAYMENTS AND OTHER ASSETS

The Group's trade receivables arise from the sales of properties, leasing of investment properties and provision of decoration services.

Consideration in respect of properties is payable by the purchasers in accordance with the terms of the related sale and purchase agreements. The Group normally requires its customers to make payment of monthly/quarterly charges in advance in relation to the leasing of investment properties and provision of property management services.

Since the Group's trade receivables are related to a number of diversified customers, there is no significant concentration of credit risk. The Group does not hold any collateral or other credit enhancements over its trade receivable balances. All trade receivables are non-interest-bearing.

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

	2019	2018
	RMB'000	*RMB'000*
Current to 30 days	**73,726**	488
31 days to 90 days	**447,875**	8,190
91 to 180 days	**20,280**	1,057
181 to 365 days	**740**	8,375
Over 365 days	**—**	104
	542,621	18,214

12. ASSETS AND LIABILITIES UNDER CROSS-BORDER GUARANTEE ARRANGEMENTS

During 2019 and 2018, the Group entered into some cross-border guarantee arrangements with certain financial institutions, whereby certain onshore funding (i.e. in the PRC) has been used as a pledge against advances to offshore (i.e. in Hong Kong) for the Group's general working capital.

Pursuant to these arrangements which are made in compliance with the relevant rules and regulations promulgated by the State Administration of Foreign Exchange, funds are advanced to the Group's subsidiaries in Hong Kong by depositing a certain amount of funds in the relevant financial institutions by the Group's subsidiaries in the PRC. The net cost of such arrangements is less than 1% per annum of the total funds advanced.

	2019	2018
	RMB'000	*RMB'000*
Assets under cross-border guarantee arrangements	**566,140**	2,353,657
Portion classified as current assets	**(566,140)**	(1,827,322)
Non-current portion	**—**	526,335
Liabilities under cross-border guarantee arrangements	**921,994**	3,041,568
Portion classified as current liabilities	**(921,994)**	(2,515,233)
Non-current portion	**—**	526,335

13. TRADE AND OTHER PAYABLES

An ageing analysis of the trade payables as at the end of the reporting period, based on the invoice date, is as follows:

	2019	2018
	RMB'000	*RMB'000*
Current to 30 days	**9,532,282**	3,512,217
31 to 90 days	**5,381,636**	2,719,421
91 to 180 days	**2,723,328**	1,411,230
181 to 365 days	**3,084,331**	2,805,100
Over 365 days	**3,405,675**	2,055,820
	24,127,252	12,503,788

The trade payables are non-interest-bearing.

14. ISSUANCE AND REDEMPTION OF DEBT SECURITIES

On 9 January 2019, the Company issued additional senior notes in the aggregate principal amount of US$50 million which were consolidated and form a single series with the US$200 million of 5.75% senior notes due in 2022 ("US$50m Senior Notes"). On 25 February 2019, the Company issued US$300 million of 7.5% senior notes due in 2022 ("US$300m Senior Notes"). On 16 July 2019, the Company issued US$400 million of 6.5% senior notes due in 2023 ("US$400m Senior Notes"). On 9 September 2019, the Company issued US$100 million of 6.9% senior notes due in 2024 ("US$100m Senior Notes"). US$50m Senior Notes and US$100m Senior Notes issued as aforesaid are listed on The Stock Exchange of Hong Kong Limited. US$300m Senior Notes and US$400m Senior Notes issued as aforesaid had been admitted to the official list of the Singapore Exchange Securities Trading Limited.

On 12 August 2019, the Company has redeemed the 7.7% senior notes due 2020 in full in accordance with the terms and conditions of the notes. The total redemption price was 103% of the aggregate principal amount of US$260,000,000 of all of the outstanding notes, plus accrued and unpaid interest.

On 19 March 2019, Shenzhen Logan Holdings Co., Ltd ("Shenzhen Logan"), a wholly-owned subsidiary of the Company, issued the first tranche of domestic bonds to qualified investors, the principal amount of which was RMB1,510 million with a coupon rate of 5.5% per annum due 2024. The notes are listed and traded on the Shenzhen Stock Exchange. On 5 August 2019, Shenzhen Logan issued the first and second tranches of non-public domestic bonds to qualified investors, the principal amounts of which were RMB500 million and RMB1,000 million with coupon rates of 6.5% and 6.2% per annum due 2024 and 2023, respectively. On 18 November 2019, Shenzhen Logan issued the first tranche of domestic bonds to qualified investors, the principal amount of which was RMB2,000 million with a coupon rate of 5.09% per annum due 2024. The notes are listed and traded on the Shanghai Stock Exchange.

On 25 July 2019, 5.15% corporate bonds due 25 July 2021 were partially sold back to Shenzhen Logan, representing an aggregate principal amount of RMB1,028 million. The coupon rate was adjusted from 5.15% to 6.00% per annum.

15. EVENTS AFTER THE REPORTING PERIOD

(a) On 8 January 2020, Shenzhen Logan issued public domestic corporate bonds on the Shanghai Stock Exchange. The coupon rate of the domestic corporate bonds with a principal amount of RMB1,000,000,000 was 4.80% per annum. The terms of the domestic corporate bonds were 5 years. At the end of the third year, Shenzhen Logan shall be entitled to adjust the coupon rate, and the bond holders shall be entitled to sell back the bonds to Shenzhen Logan.

(b) On 14 January 2020, the Company issued senior notes with a principal amount of US$300,000,000 due in 2025. The senior notes are interest-bearing at 5.75% per annum and the interest is payable semi-annually in arrears. The maturity date of the senior notes is 14 January 2025. The details of the redemption price are disclosed in the relevant offering memorandum.

(c) On 17 January 2020, the Company issued senior notes with a principal amount of US$180,000,000 due in 2024. The senior notes are consolidated and form a single series with the US$100m Senior Notes due 2024 issued on 9 September 2019. The senior notes are interest-bearing at 6.90% per annum and the interest is payable semi-annually in arrears. The maturity date of the senior notes is 9 June 2024. The details of the redemption price are disclosed in the relevant offering memorandum.

CHAIRMAN'S STATEMENT

Dear Shareholders,

On behalf of the Board of the Company (the "**Board**"), I hereby present the annual results of the Group for the year ended 31 December 2019.

MARKET REVIEW

In 2019, global economic growth slowed down, and trade protectionism launched by the United States added instability to the global economy. In the face of complex international macro environment, the central government of China adheres to the supply side structural reform and economic structural optimization as the main development theme, continues to expand effective demand, as a result China's economy remains stable and positive. In 2019, GDP grew by 6.1% year on year.

In 2019, China real estate market remained stable. According to the data of the National Bureau of Statistics, nationwide real estate development investment reached RMB13,219.4 billion, an increase of 9.9% compared to last year. The sales area of commercial housing in China reached 1,715.58 million square meters, down 0.1% year on year. The sales volume of commercial housing reached RMB15,972.5 billion, up 6.5% year on year.

During the year, the Central Government of China issued "Opinions on Supporting Shenzhen in Building a Leading Demonstration Area of Socialism with Chinese Characteristics", aiming to build Shenzhen into a city of innovation and entrepreneurship with global influence, as well as a global benchmark city with outstanding competitiveness, innovation and influence. As of 31 December 2019, the saleable value of Group's land bank in Shenzhen and adjacent area was about RMB377.5 billion, and the number of subway property projects in Shenzhen has reached 14, with obvious first runner advantage, which will benefit from the economic growth and favorable policy of Shenzhen and the spillover effect of Shenzhen housing demand in the long run.

OVERALL PERFORMANCE

In 2019, the Group achieved attributable contracted sales of approximately RMB91.5 billion, representing an increase of approximately 31% as compared with last year, and achieved 108% of the 2019 annual sales target. The gross floor area of contracted sales amounted to approximately 6.915 million square meters. The Group's revenue amounted to approximately RMB57,480 million, representing an increase of approximately 30.2% as compared with last year. Gross profit amounted to approximately RMB18,133 million, with a gross profit margin of 31.5%. Core profit attributable to owners of the parent amounted to approximately RMB10,020 million, representing an increase of approximately 42.7% as compared with last year. Core profit margin was 17.9%, which was higher than the industry average.

During the period under review, the Group continued to gain high recognition from the industry and capital market based on its forward-looking long-term strategy and professional manager mechanism of co-creating value. During the period, the Group was promoted as a constituent in the Hang Seng Composite Large Cap Index, demonstrating the company's industry leadership and sustainable development. In terms of brand building and corporate awards, the Group has been selected for the ten consecutive year in China's top 100 Real Estate Companies organized by the State Council Development Research Center Enterprise Research Institute, the Real Estate Institute of Tsinghua University and the China Index Research Institute. The company's ranking increased from 23rd in 2019 to 22nd in 2020. The company also ranked No. 3 in the "Top 100 Chinese Real Estate Enterprises in 2020 — Top 10 in Profitability". In addition, Logan Property has been listed in the "Top 20 Real Estate Companies with Strongest Credit Capacity in Guangdong" for 17 consecutive years, and ranked 957 in Forbes' "Top 2000 Listed Companies in the World", leaping 430 places from 2018. Logan Property also ranked in Forbes' Global 2000: Growth Champions List. During the period, Logan Property was once again selected into the Fortune China 500 List, ranking 202nd, which is 64 places higher than that in 2018.

The Company is also highly recognized by the capital market and has been highly recommended by a number of renowned global investment banks such as Citibank, UBS, CICC, Nomura, Huatai Securities, CCBI, BOCOM International. Meanwhile, its healthy financial position and overall strengths were recognized by both domestic and overseas rating agencies. Currently, the Company is a constituent stock of Hang Seng Composite Large Cap Index, Hang Seng Stock Connect Greater Bay Area Composite Index, Hang Seng High Dividend Yield Index, MSCI China All Shares Index and FTSE Shariah Global Equity Index. The Group is rated "BB", "BB" and "Ba3" in ratings by international authoritative agencies including Standard & Poor's, Fitch and Moody's, respectively. To be more specific, Standard & Poor's and Fitch upgraded the rating of the Company from "BB-" to "BB", while Moody's had revised rating outlook from "stable" to "positive". A wholly-owned subsidiary of the Company, Shenzhen Logan Holdings Co., Ltd. is rated "AAA" in credit ratings by renowned domestic rating agencies namely China Cheng Xin Securities Rating Co., Ltd. and United Credit Rating Co., Ltd.

ACKNOWLEDGEMENTS

On behalf of the Board, I express my heartfelt gratitude to all our shareholders, investors, partners, customers, and the community for their support and trust. In the future, the Company will ensure transparency, health and justice, continue to strive for sustainable and high-quality growth.

Kei Hoi Pang
Chairman
Hong Kong

27 March 2020

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

Overall review

During the 12 months ended 31 December 2019, the urban renewal business contributed to revenue of approximately RMB4.9 billion, becoming the Group's new earnings growth driver. The Group has a professional urban renewal team, which has been focusing on the Greater Bay Area for 17 years. Being well versed in resources and channels of local business districts in the Greater Bay Area, we have an extensive understanding of local policies, as well as urban planning for industries and populations in the Greater Bay Area. Thus, our professional team enjoys significant competitive advantages in the urban renewal business. The Group's urban renewal business currently covers 10 cities with a total land value of more than RMB400 billion, 95% of which is located in the Greater Bay Area. Given the abundant valuable land resources, the Group enjoys a first mover advantage.

The Group has abundant urban renewal projects with estimated saleable value of approximately RMB289 billion in several cities, including Shenzhen, Huizhou, Dongguan and Zhuhai. Those projects have high quality, short incubation period, and a good track record with clear earnings visibility. In 2019, three projects were incubated: Shenzhen Shekou Free Trade Zone, Huizhou Daya Bay and Shenzhen Qiaocheng East, respectively, with a total saleable value of about RMB70 billion.

The Group has always believed that a stable and prudent capital structure will build a solid foundation for its long term sustainable development. In 2019, the Company successfully issued senior notes with an aggregate principal amount of US$850 million, at an average coupon rate of 7.03%. Shenzhen Logan Holdings Co., Ltd., a wholly-owned subsidiary of the Company, issued domestic corporate bonds with principal amount of RMB5.01 billion at an average coupon rate of 5.58% per annum. As at 31 December 2019, the Group had cash and bank balances (including restricted and pledged deposits) of approximately RMB40.7 billion, with a net debt gearing ratio of 67.4% (As at 31 December 2018: 63.2%), the average weighted borrowing interest rate was 6.1%. In the future, the Group will continue to explore and diversify its financing channels to ensure sustainable and steady development.

Property Development

Contracted sales

In 2019, the Group continued to utilize its market advantages in the Guangdong-Hong Kong-Macao Greater Bay Area ("Greater Bay Area") and achieved satisfactory sales performance. For the year ended 31 December 2019, the Group attained contracted sales of approximately RMB96,022.1 million, representing an increase of approximately 33.7% as compared with year 2018. For the contracted sales in 2019, Shenzhen region, other regions of Greater Bay Area, Nanning region, Shantou region, Yangtze River Delta region, Singapore and other regions accounted for approximately 12.4%, 43.9%, 25.1%, 7.4%, 3.1%, 6.6% and 1.5%, respectively. The contracted sales were mainly generated from Greater Bay Area and Nanning region. For Shenzhen region, the sales were mainly generated from Logan • Carat Complex (龍光•玖鑽) erected on the Hongshan subway station at the Shenzhen's subway line 4, Logan • Acesite Park (龍光•玖龍台) in Shenzhen Guangming New District. The sales from Nanning region were mainly contributed by projects, namely Nanning • Glory Lake (南寧•玖譽湖) and Nanning • Glory City (南寧•玖譽城). In 2020, Shenzhen Logan • Acescene Park (龍光•玖悦台) and Huizhou Logan City (龍光城) will continue to be launched for sale.

It is expected that such projects will bring an encouraging sales performance to the Group. Since the land cost of such project lands is relatively low, the selling prices are in line with the Group's expectation, therefore bringing significant revenue to the Group in the future.

	Contracted sales in 2019				
Region	**Amount** *(RMB million)*	**Percentage**	**Total GFA**[1] *(sq.m.)*	**Percentage**	**ASP**[1] *(RMB/ sq.m.)*
Shenzhen region	11,891	12.4%	221,441	3.2%	53,697
Other regions of Greater Bay Area[2]	42,135	43.9%	3,115,845	45.1%	13,355
Nanning region	24,067	25.1%	2,476,615	35.8%	9,432
Shantou region	7,071	7.4%	708,679	10.2%	9,399
Yangtze River region	3,033	3.1%	142,782	2.1%	18,716
Singapore	6,350	6.6%	72,500	1.0%	87,584
Other regions	1,475	1.5%	177,119	2.6%	9,796
Total	96,022	100.0%	6,914,981	100.0%	13,635

1. Excluding car parking spaces

2. Excluding Shenzhen region

Newly commenced projects

For the year ended 31 December 2019, the Group commenced construction of a total of 66 projects or new project phases with a total planned GFA of approximately 12.2 million sq.m..

Completed projects

For the year ended 31 December 2019, the Group completed 29 projects or project phases with a total planned GFA of approximately 6.1 million sq.m..

Developing projects

As at 31 December 2019, the Group had a total of 98 projects or project phases under construction with a total planned GFA of approximately 21.4 million sq.m..

Land Reserves

For the year ended 31 December 2019, the Group acquired 31 new projects through public tendering, auction and listing with GFA of 5,742,035 sq.m..

List of newly acquired projects through public tendering, auction and listing in 2019

Region	**Site area** *(sq.m.)*	**GFA** *(sq.m.)*
Shenzhen	32,667	148,300
Foshan	198,164	511,584
Zhuhai	173,103	405,361
Zhongshan	36,834	74,179
Guangzhou	50,198	160,276
Jiangmen	78,358	165,876
Subtotal of Guangdong-Hong Kong-Macao Greater Bay Area	569,324	1,465,576
Southwest Region	1,018,777	3,394,792
Yangtze River Delta Region	252,723	670,634
Other Regions	36,804	211,033
Total	1,877,628	5,742,035

As at 31 December 2019, the average cost of land reserves was RMB4,081 per sq.m., in which Guangdong-Hong Kong-Macao Greater Bay Area accounted for approximately 71% of land reserve in terms of saleable value.

Land reserves as at 31 December 2019

	GFA *(sq.m.)*	**Percentage**
Shenzhen	1,144,603	3.1%
Huizhou/Dongguan	7,429,963	20.3%
Guangzhou/Foshan/Zhaoqing	6,878,711	18.8%
Zhuhai/Zhongshan	3,517,398	9.6%
Hong Kong	41,805	0.1%
Heyuan/Yangjiang/Qingyuan/Jiangmen	3,344,894	9.1%
Subtotal of Guangdong-Hong Kong-Macao Greater Bay Area	22,357,374	61.0%
Southwest Region	9,141,929	24.9%
Yangtze River Delta Region	811,690	2.2%
Singapore	147,334	0.4%
Other Regions	4,215,694	11.5%
Total	36,674,021	100.0%
Land cost *(RMB per sq.m.)*	4,081	

Saleable Resources in 2020

In 2020, the amount of the attributable saleable value of the group to be launched is expected to reach approximately RMB180 billion, in which Greater Bay Area is estimated to account for 60% with the amount of RMB108 billion.

PROSPECTS

China Central Government proposes to adhere to city-specific property policies, enhance the balance of supply and demand, and accelerate the establishment of a long-term mechanism to promote the steady and healthy development of the real estate market. It is expected that China's real estate market will maintain stable development, the industry concentration will further increase, and the population and industry will continually concentrate in China's metropolitan areas. Based on high-quality land bank, standardized product lines and proven cross-regional execution, the Group will continue to expand market share in the Greater Bay Area, the Yangtze River Delta Region metropolitan area and southwest China city-cluster.

Given the accelerating market share concentration trend in the property industry, more merger and acquisition opportunities will arise in the property market in China. By utilizing its extensive operation experience in the real estate industry in China, the Group will actively seize opportunities of land acquisitions in the future, seek more mergers and acquisitions targets, and increase the Group's premium land bank through multiple channels, thereby locking in more high-return projects at the lowest cost. The Group will also accelerate sales cycle and strive to enhance the overall product competitiveness of different projects. The Group will continue to uphold the tenet that "quality builds a brand" and incessantly strengthen its market competitiveness and penetration, so as to become a national developer with leading comprehensive strength.

FINANCIAL REVIEW

Performance Highlights

	2019	2018	Changes per year
	RMB'000	*RMB'000*	*%*
Revenue	**57,480,418**	44,136,908	30.2%
Among which: Sales of properties			
— Income from properties delivered	**40,920,840**	38,804,378	5.5%
— GFA[1] of properties delivered *(sq.m.)*	**3,275,867**	1,862,470	75.9%
— ASP[1] of properties delivered *(RMB/sq.m.)*	**13,300**	21,901	−39.3%
Property leasing	**127,517**	83,146	53.4%
Construction and decoration income	**11,532,061**	4,182,130	175.7%
Primary land development	**4,900,000**	1,067,254	359.1%
Gross profit	**18,132,981**	14,886,893	21.8%
Profit for the year			
— Attributable to equity shareholders	**11,269,044**	8,288,398	36.0%
— Attributable to non-controlling shareholders	**294,214**	707,508	−58.4%
— Total	**11,563,258**	8,995,906	28.5%
Core profit(1)			
— Attributable to equity shareholders	**10,020,235**	7,022,962	42.7%
— Attributable to non-controlling shareholders	**293,792**	631,731	−53.5%
— Total	**10,314,027**	7,654,693	34.7%
Total assets	**206,010,125**	170,094,677	21.1%
Cash and bank balances	**40,705,113**	35,717,151	14.0%
Total bank and other borrowings[2]	**69,677,556**	58,941,178	18.2%
Total equity	**42,994,019**	36,745,786	17.0%
Total equity attributable to equity shareholders	**34,194,417**	29,248,806	16.9%
Key financial ratios			
Gross profit margin(2)	**31.5%**	33.7%	
Core profit margin(3)	**17.9%**	17.3%	
Net debt-to-equity ratio(4)	**67.4%**	63.2%	
Liability to asset ratio(5)	**79.1%**	78.4%	

Notes: 1. Excluding the car parking portion
2. Including bank and other loans, senior notes and corporate bonds

(1) Core profit: net profit excluding changes in fair value of investment properties and derivatives financial instruments and relevant deferred tax and share of changes in fair value of investment properties at an associate.

(2) Gross profit margin: Gross profit ÷ Revenue × 100%

(3) Core profit margin: Core profit ÷ Revenue × 100%

(4) Net debt-to-equity ratio: (Total bank and other borrowings — Cash and bank balances) ÷ total equity × 100%

(5) Liability to asset ratio: Total liabilities ÷ Total assets × 100%

(I) Revenue

Total revenue of the Group for the year ended 31 December 2019 increased to RMB57,480.4 million by approximately RMB13,343.5 million, or approximately 30.2%, as compared with 2018. Revenue from sales of properties, income from the property leasing business, income from the construction and decoration business and income from primary land development for the year ended 31 December 2019 amounted to approximately RMB40,920.8 million, RMB127.5 million, RMB11,532.1 million and RMB4,900.0 million respectively (2018: approximately RMB38,804.4 million, RMB83.1 million and RMB4,182.1 million and RMB1,067.3 million, respectively).

Revenue from sale of properties

During the year ended 31 December 2019, revenue from sale of properties amounted to approximately RMB40,920.8 million, representing an increase of approximately 5.5% as compared with RMB38,804.4 million in 2018, and accounted for approximately 71.2% of the Group's total revenue. GFA delivered (excluding car parking spaces) increased by approximately 75.9% to 3,275,867 sq.m. during the year 2019 from 1,862,470 sq.m. for the year 2018.

Shenzhen Region, other regions of the Greater Bay Area, Shantou Region, Nanning Region and other regions contributed to the Group's revenue from sale of properties of 2019, accounting for approximately 33.4%, 33.7%, 11.6%, 18.5% and 2.8%, respectively.

Details of revenue from sale of properties by region are as follows:

	Amount *(RMB Million)*	**Percentage**	**GFA**[1] *(sq.m.)*	**Percentage**	**ASP**[1] *(RMB per sq.m.)*
Shenzhen region	**13,760**	**33.4%**	**280,282**	**8.6%**	**52,719**
Other regions of the Greater Bay Area	**13,865**	**33.7%**	**1,230,423**	**37.6%**	**12,107**
Nanning region	**7,599**	**18.5%**	**1,062,954**	**32.4%**	**7,352**
Shantou region	**4,785**	**11.6%**	**594,187**	**18.1%**	**8,171**
Other regions	**1,172**	**2.8%**	**108,021**	**3.3%**	**11,346**
Total	**41,181**	**100.0%**	**3,275,867**	**100.0%**	**13,300**
Less: Sales related taxes	**(260)**				
Revenue from sales of properties	**40,921**				

1. Excluding the car parking portion

Details of the revenue from sales of properties by project are as follows:

Project name	**2019** **GFA**[1] ***(sq.m.)***	**2019** **Amount**[2] ***(RMB'000)***	2018 GFA[1] *(sq.m.)*	2018 Amount[2] *(RMB'000)*
Shenzhen Acesite Park (深圳玖龍臺)	**191,001**	**8,992,373**	—	—
Shenzhen Carat Complex (深圳玖鑽)	**88,329**	**4,728,757**	331,790	18,481,679
Huizhou Logan City (惠州龍光城)	**294,330**	**4,266,330**	10,404	183,063
Fangchenggang Sunshine Seaward (防城港陽光海岸)	**483,658**	**2,731,732**	129,532	702,268
Liuzhou Acesite Park (柳州玖瓏府)	**292,767**	**2,253,721**	—	—
Huizhou Acesite Bay (惠州玖龍灣)	**172,075**	**2,032,700**	—	—
Zhongshan Acesite Bay (中山玖龍灣)	**154,532**	**1,808,018**	—	—
Chauzhou Sunshine Seaward (潮州陽光水岸)	**247,054**	**1,603,759**	—	—

Project name	2019 GFA[1] (sq.m.)	2019 Amount[2] (RMB'000)	2018 GFA[1] (sq.m.)	2018 Amount[2] (RMB'000)
Huizhou Acesite Mount (惠州玖龍山)	**180,217**	**1,503,897**	—	—
Zhaoqing Acesite Lake (肇慶玖龍湖)	**155,316**	**1,087,453**	—	—
Shantou Royal View Jubilee Garden (汕頭悅景陽光禧園)	**123,013**	**1,020,055**	—	—
Heyuan Acesite Park (河源玖龍府)	**129,699**	**992,042**	—	—
Shantou Grand Sunshine Castle (汕頭錦繡陽光御府)	**126,860**	**974,022**	—	—
Chengdu Xinjin Acesite Park (成都新津玖龍府)	**104,801**	**957,622**	—	—
Guilin Provence (桂林普羅旺斯)	**142,119**	**910,662**	135,140	829,884
Nanning Acesite Park (南寧玖龍府)	**92,503**	**887,264**	148,130	1,050,545
Foshan Grand Riverside Bay (佛山水悅龍灣)	**71,252**	**837,179**	250,998	2,983,483
Zhuhai Acesite Bay (珠海玖龍灣)	**23,073**	**767,309**	31,053	1,081,234
Shantou Golden Sunshine Castle (汕頭金色陽光悅府)	**73,542**	**662,838**	—	—
Nanning Sunshine Royal Lake (南寧御湖陽光)	**43,489**	**608,460**	265,610	2,409,830
Shantou Royal & Seaward Jubilee Garden (汕頭御海禧園)	**18,177**	**431,007**	—	23,566
Zhongshan Acesite Park (中山玖龍府)	**44,644**	**407,013**	—	—
Singapore Florence Residences (新加坡悅湖苑)	**2,028**	**164,309**	—	—
Nanning Logan Century (南寧龍光世紀)	**8,911**	**146,872**	—	—
Shantou Sea & Sunshine (汕頭碧海陽光)	**5,211**	**64,405**	15,147	248,841
Foshan Grand Riverside Bay (佛山水悅龍灣)	**1,866**	**42,492**	1,394	72,129
Shenzhen Acesite Mansion (深圳玖龍璽)	**458**	**38,693**	41,597	2,996,875
Zhuhai Acesite Park (珠海玖龍府)	**1,243**	**28,074**	145,622	2,569,306

Project name	2019 GFA[1] (sq.m.)	2019 Amount[2] (RMB'000)	2018 GFA[1] (sq.m.)	2018 Amount[2] (RMB'000)
Nanning Grand Riverside Bay (南寧水悅龍灣)	**—**	**27,510**	—	16,261
Foshan Shin Street Building (佛山尚街大廈)	**676**	**27,348**	—	123
Chengdu Joy Residence (成都君悅華庭)	**218**	**24,681**	4,873	81,840
Shantou Logan Flying Dragon Landscape (汕頭龍騰嘉園)	**—**	**23,404**	1,936	57,542
Nanning Provence (南寧普羅旺斯)	**—**	**19,944**	—	53,314
Haikou Sea and City (海南海雲天)	**975**	**17,706**	4,353	75,707
Guangzhou Landscape Residence (廣州峰景華庭)	**322**	**12,770**	—	6,392
Foshan Sky Lake Castle (佛山天湖華府)	**230**	**10,169**	1,106	31,271
Dongguan Imperial Summit Sky Villa (東莞君御旗峰)	**—**	**9,814**	—	18,127
Nanning Joy Residence (南寧君悅華庭)	**—**	**9,003**	—	8,706
Chengdu Sky Palace (成都天悅龍庭)	**—**	**7,913**	—	7,815
Huizhou Grand Riverside Bay (惠州水悅龍灣)	**—**	**7,167**	—	65,076
Foshan Grand Sky (佛山水悅雲天)	**569**	**7,072**	—	—
Foshan Grand Joy Castle (佛山君悅華府)	**—**	**6,089**	725	17,289
Foshan Joy Palace (佛山君悅龍庭)	**—**	**5,834**	2,328	40,796
Nanning Royal Castle (南寧君御華府)	**—**	**3,972**	—	14,906
Shantou Royal Sea Sunshine (汕頭陽光華府)	**330**	**3,905**	—	—
Huizhou Sky Palace (惠州天悅龍庭)	**165**	**2,827**	—	—
Shantou Seaward Sunshine (汕頭尚海陽光)	**—**	**1,499**	1,828	38,419
Zhongshan Grand Garden (中山海悅熙園)	**214**	**1,495**	—	—

Project name	2019 GFA[1] (sq.m.)	2019 Amount[2] (RMB'000)	2018 GFA[1] (sq.m.)	2018 Amount[2] (RMB'000)
Guangzhou Palm Waterfront (廣州棕櫚水岸)	—	**758**	—	5,292
Zhongshan Grand Joy Garden (中山水悦馨園)	—	**394**	—	21,786
Zhongshan Ocean Vista Residence (中山海悦華庭)	—	**360**	245	2,429
Foshan Riverine View Castle (佛山望江府)	—	—	193,941	2,326,116
Shantou Royal & Seaward Heaven Garden (汕頭御海天禧花園)	—	—	134,474	2,106,265
Shenzhen Masterpiece (深圳玖雲著)	—	—	10,115	378,355
Foshan Grand Garden (佛山水悦熙園)	—	—	—	53,326
Zhongshan Grand Garden (中山水悦熙園)	—	—	—	1,579
Shantou Flying Dragon Garden (汕頭龍騰熙園)	—	—	129	1,106
Zhuhai Easy Life (珠海海悦雲天)	—	—	—	355
Total	**3,275,867**	**41,180,692**	1,862,470	39,062,896
Less: Sales related taxes		**(259,852)**		(258,518)
Revenue from sales of properties		**40,920,840**		38,804,378

Notes: 1. Excluding the car parking portion.
2. Including revenue from sales of car parking spaces, but before deduction of sales related taxes.

Construction and decoration income

The construction and decoration income of the Group for the year ended 31 December 2019 amounted to approximately RMB11,532.1 million (2018: RMB4,182.1 million), representing an increase of 175.7%. The increase was mainly attributable to the increase in construction and decoration services provided to projects jointly controlled by the Group and joint venture partners.

Primary land development business

The income from primary land development business of the Group for the year ended 31 December 2019 amounted to approximately RMB4,900.0 million (2018: RMB1,067.3 million), representing an increase of 359.1%. The increase was attributable to a single project, which primarily was a factory located in Shenzhen, of which the designated usage of the property has been changed.

Rental income

For the year ended 31 December 2019, the rental income of the Group amounted to RMB127.5 million (2018: RMB83.1 million), representing an increase of approximately 53.4%. As at 31 December 2019, the Group had 37 investment properties with a total GFA of approximately 716,313 sq.m. As for this investment property portfolio, 33 investment properties with a total GFA of approximately 485,640 sq.m. were completed, while the remaining 4 projects are still under development.

(II) Cost of sales

The cost of sales of the Group for the year ended 31 December 2019 increased to RMB39,347.4 million by approximately RMB10,097.4 million, or approximately 34.5%, as compared with 2018, primarily due to the increase in cost of sale of properties and construction and decoration business. Key components of costs are as follows:

	2019 ***RMB'000***	2018 *RMB'000*	Change per year *%*
Costs	**39,347,437**	29,250,015	34.5%
— Sales of properties	**28,545,824**	24,996,099	14.2%
— Construction and decoration business	**8,875,879**	3,822,667	132.2%
— Property leasing business	**23,559**	13,669	72.4%
— Primary land development business	**1,902,175**	417,580	355.5%

(III) Selling and marketing expenses and administrative expenses

The selling and marketing expenses of the Group for the year ended 31 December 2019 amounted to approximately RMB1,398.2 million (2018: RMB1,231.4 million). As the Group further increased its property marketing efforts in response to the challenging market environment in 2019, the selling and marketing expenses had increased by approximately 13.5% as compared with 2018.

The administrative expenses of the Group for 2019 amounted to approximately RMB1,409.4 million (2018: RMB1,133.9 million), representing an increase of approximately 24.3% as compared with 2018, which was mainly attributable to an increase in the labor costs.

(IV) Profit from operations

The profit from operations of the Group for 2019 amounted to approximately RMB18,818.5 million (2018: RMB15,436.0 million), representing an increase of approximately 21.9%. As the revenue and other income and gains of the Group increased by approximately RMB14,105.0 million as compared with 2018, the relevant cost of sales, selling and marketing expenses and administrative expenses increased by approximately RMB10,539.7 million as compared with 2018, whereas other expenses, net gain in the fair value of investment properties and changes in the fair value of derivative financial instruments, and share of net losses of associates and joint ventures decreased by approximately RMB182.8 million as compared with 2018. As a result, the profit from operations of the Group increased by approximately RMB3,382.5 million as compared with 2018.

(V) Net finance costs

The net finance costs of the Group for 2019 decreased to approximately RMB1,366.3 million (2018: RMB1,416.9 million).

(VI) Tax

Taxes of the Group for the year ended 31 December 2019 included CIT and LAT. Taking into account the impact of the relevant changes in deferred tax, the net CIT and LAT amounted to approximately RMB4,736.9 million and RMB1,152.1 million, respectively (2018: approximately RMB3,291.3 million and RMB1,731.9 million).

(VII) Core Profit

The core profit of the Group for the year ended 31 December 2019 amounted to approximately RMB10,314.0 million, representing an increase of approximately RMB2,659.3 million as compared with 2018. The core profit margin of the Group for the year ended 31 December 2019 was approximately 17.9% (2018: approximately 17.3%), representing an increase of approximately 0.6 percentage points as compared with 2018.

(VIII) Liquidity and financial resources

As at 31 December 2019, total assets of the Group amounted to approximately RMB206,010.1 million (31 December 2018: RMB170,094.7 million), of which current assets amounted to approximately RMB159,224.5 million (31 December 2018: RMB130,640.5 million). Total liabilities amounted to approximately RMB163,016.1 million (31 December 2018: RMB133,348.9 million), of which non-current liabilities amounted to approximately RMB43,919.0 million (31 December 2018: RMB44,810.4 million). Total equity amounted to approximately RMB42,994.0 million (31 December 2018: RMB36,745.8 million).

As at 31 December 2019, the Group had cash and bank balances of approximately RMB40,705.1 million (31 December 2018: RMB35,717.2 million) and total borrowings of approximately RMB69,677.6 million (31 December 2018: RMB58,941.2 million). As at 31 December 2019, total net borrowings of the Group amounted to approximately RMB28,972.5 million (31 December 2018: RMB23,224.0 million), the net debt-to-equity ratio of the Group was 67.4% (31 December 2018: 63.2%).

(IX) Financing activities

In 2019, the Group successfully issued four tranches of senior notes of US$850,000,000. The first tranche of senior notes amounted to US$50,000,000, with a coupon rate of 5.75% and a maturity date on 3 January 2022. The second tranche of senior notes amounted to US$300,000,000, with a coupon rate of 7.5% and a maturity date on 25 August 2022. The third tranche of senior notes amounted to US$400,000,000, with a coupon rate of 6.5% and a maturity date on 16 July 2023. The fourth tranche of senior notes amounted to US$100,000,000, with a coupon rate of 6.9% and a maturity date on 9 June 2024.

Also, Shenzhen Logan, a subsidiary of the Group in PRC, had issued domestic corporate bonds with total principal amount of RMB5.01 billion during the year.

(X) Foreign Exchange Exposure

The Group's businesses are principally conducted in Renminbi. Other than the bank deposits, bank borrowings and the senior notes denominated in foreign currencies, the Group does not have any material exposure directly due to foreign exchange fluctuations. The Group has not entered into any material forward exchange contract to hedge its exposure to foreign exchange risk. The Group will continue to monitor foreign exchange changes to best preserve the Group's cash value.

(XI) Employees and Remuneration Policy

As at 31 December 2019, the Group had approximately 3,315 employees (2018: 3,219). Compensation for the employees includes basic wages, variable wages, bonuses and other staff benefits. The remuneration policy of the Group is to provide remuneration packages, including basic salary, short term bonuses and long term rewards such as options, so as to attract and retain top quality staff. The remuneration committee of the Company reviews such packages annually, or when occasion requires.

The Company has also adopted a share option scheme for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Group's operations. Further details in relation to the Share Option Scheme will be set out in the Company's annual report for the year ended 31 December 2019, which will be published on or before end of April 2020.

ANNUAL GENERAL MEETING

The annual general meeting of the Company (the "**AGM**") is scheduled to be held on Friday, 22 May 2020. A notice convening the AGM will be published and dispatched to the shareholders of the Company in the manner required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**") in due course.

FINAL DIVIDEND

The Board recommends the payment of a final dividend of HK45 cents per share for the year ended 31 December 2019 (the "**Dividend**") (2018: a final dividend of HK40 cents per share and a special dividend of HK7 cents per share), subject to the approval by shareholders at the forthcoming AGM. The Dividend, if approved by the Company's shareholders at the AGM, will be paid in cash on Friday, 17 July 2020 to the shareholders whose names appear on the register of members of the Company on Wednesday, 8 July 2020.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed for the following periods:

(a) To ascertain the shareholders' entitlement to attend and vote at the AGM, the register of members of the Company will be closed from Tuesday, 19 May 2020 to Friday, 22 May 2020, both days inclusive. In order to qualify for attending and voting at the AGM, all transfer documents should be lodged for registration with the Company's Hong Kong branch share registrar, Tricor Investor Services Limited at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong not later than 4:30 p.m. on Monday, 18 May 2020.

(b) To ascertain the shareholders' entitlement to the Dividend, the register of members of the Company will be closed from Monday, 6 July 2020 to Wednesday, 8 July 2020, both days inclusive. In order to qualify for the Dividend, all transfer documents should be lodged for registration with the Company's Hong Kong branch share registrar, Tricor Investor Services Limited at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong not later than 4:30 p.m. on Friday, 3 July 2020.

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

During the year ended 31 December 2019, the Company repurchased from the market a total of 19,130,000 shares of the Company (the "**Shares**"). All the Shares repurchased have been cancelled. Details of the repurchases of the Shares are as follows:

Date of Repurchase	Number of Shares Repurchased	Highest price per share *(HK$)*	Lowest price per share *(HK$)*	Aggregate consideration *(HK$)*
30 January 2019	15,330,000	10.40	9.50	154,684,240
31 January 2019	3,300,000	10.68	10.46	34,941,560
18 April 2019	500,000	12.98	12.84	6,456,000

Save as disclosed above and elsewhere in this announcement, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities during the year ended 31 December 2019.

CORPORATE GOVERNANCE PRACTICES

The Company has applied the principles and complied with all the code provisions of the Corporate Governance Code as set out in Appendix 14 to the Listing Rules throughout the year 2019.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") as set out in Appendix 10 to the Listing Rules. Having made specific enquiries, the Company confirmed that all the directors have complied with the required standard set out in the Model Code during the year ended 31 December 2019.

AUDIT COMMITTEE AND REVIEW OF ANNUAL RESULTS

The Audit Committee comprises three independent non-executive directors, namely Ms. Liu Ka Ying, Rebecca, Mr. Zhang Huaqiao and Mr. Cai Suisheng. The Audit Committee has reviewed with the management the accounting principles and practices adopted by the Group and discussed auditing, risk management, internal control and financial reporting matters including the review of the 2019 annual results announcement and the consolidated financial statements for the year ended 31 December 2019.

SCOPE OF WORK OF ERNST & YOUNG

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss, consolidated statement of comprehensive income and the related notes thereto for the year ended 31 December 2019 as set out in this preliminary announcement have been agreed by the Group's auditors, Ernst & Young ("**EY**"), to the amounts set out in the Group's draft consolidated financial statements for the year. The work performed by EY 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 EY on the preliminary announcement.

FORWARD-LOOKING STATEMENTS

This announcement includes forward-looking statements. These forward-looking statements can be identified by the use of forward-looking terminology, including the terms "believe", "estimate", "anticipate", "expect", "intend", "may", "will" or"should" (or of related nature), or, in each case, their negative or other variations or similar terminology. These forward-looking statements include all matters that are not historical facts. They appear in a number of places throughout this announcement and include statements regarding our intentions, beliefs or current expectations concerning, among other things, our results of operations, financial condition, liquidity, prospects and growth strategies, and the industries in which the Group operates. By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. We caution you that forward-looking statements are not guarantees of future performance and that our actual results of operations, financial condition and liquidity, and the development of the industry in which the Group operates may differ materially from those made in, or suggested by, the forward-looking statements contained in this announcement. In addition, even if our results of operations, financial condition and liquidity, and the development of the industry in which the Group operates are consistent with the forward-looking statements contained in this announcement, those results or developments may not be indicative of results or developments in subsequent periods.

PUBLICATION OF ANNUAL REPORT

The 2019 annual report of the Company containing all the applicable information required by the Listing Rules will be despatched to the shareholders of the Company and published on the websites of The Stock Exchange of Hong Kong Limited (www.hkexnews.hk) and the Company (http://www.loganproperty.com) in due course.

By order of the Board
Logan Property Holdings Company Limited
Kei Hoi Pang
Chairman

Hong Kong, 27 March 2020

As at the date of this announcement, the executive directors are Mr. Kei Hoi Pang, Mr. Lai Zhuobin, Mr. Xiao Xu and Mr. Wu Jian; the non-executive director is Ms. Kei Perenna Hoi Ting; and the independent non-executive directors are Mr. Zhang Huaqiao, Ms. Liu Ka Ying, Rebecca and Mr. Cai Suisheng.