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AGILE GROUP HOLDINGS LIMITED

(*Incorporated in the Cayman Islands with limited liability*)
(Stock Code: 3383)

ANNOUNCEMENT OF ANNUAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2018

HIGHLIGHTS

Financial Highlights

	For the year ended 31 December		
	2018	2017	Change
Revenue *(RMB million)*	**56,145**	51,607	+8.8%
Gross profit *(RMB million)*	**24,674**	20,687	+19.3%
Net profit *(RMB million)*	**8,358**	6,780	+23.3%
Profit attributable to shareholders of the Company *(RMB million)*	**7,125**	6,025	+18.3%
Basic earnings per share *(RMB)*	**1.835**	1.552	+18.2%
Distributed interim dividend per share *(HK cents)*	**50.0**	22.0	+127.3%
Proposed final dividend per share *(HK cents)*	**50.0**	68.0	-26.5%
Full year dividend per share *(HK cents)*	**100.0**	90.0	+11.1%

Operational Highlights

- In 2018, the accumulated pre-sales value of the Group including joint ventures and associates, together with that of real estate projects managed by the Group and sold under the brand “Agile”, amounted to RMB102.67 billion, representing an increase of 14.5% when compared with last year. The accumulated GFA pre-sold was 7.98 million sq.m, representing an increase of 8.4% when compared with last year. The average selling price was RMB12,871 per sq.m., representing an increase of 5.6% when compared with last year. The overall pre-sales value exceeded RMB100.00 billion mark for the first time.

- During the year, the Group’s revenue was RMB56,145 million, representing an increase of 8.8% when compared with last year. The recognised sales of property development business was RMB52,488 million, representing an increase of 6.5% when compared with last year. The revenue from property development business and diversified businesses accounted for 93.5% and 6.5% respectively. The proportion of diversified businesses’ revenue increased by 2.0 percentage points when compared with last year, reflecting the Group’s business model of “focusing on property development, supported by a diversified range of businesses” has achieved satisfactory results.

- During the year, the overall gross profit margin and net profit margin of the Group were 43.9% and 14.9% respectively, representing an increase of 3.8 percentage points and 1.8 percentage points respectively when compared with last year.

- During the year, the Group’s revenue from property management, hotel operations, property investment and environmental protection businesses increased by 65.3%, 5.5%, 13.5% and 199.8% respectively when compared with last year, providing stable income for the Group.

- In response to the “Three-year Plan”, the Group was dedicated to expanding its nationwide presence through strategically acquiring 46 new land parcels in multiple city clusters by means of tender, auction, listing-for-sale and acquisition during the year. The total planned GFA of the new land parcels was 11.11 million sq.m., of which the Group’s total attributable planned GFA was 9.09 million sq.m.. The total consideration of the new land parcels was RMB42,600 million, and the consideration to be paid by the Group was RMB29,400 million. As at 31 December 2018, the Group had an aggregate land bank with a total planned GFA of 36.23 million sq.m. in a total of 65 cities. Among these, 20 cities are the Group’s newly explored markets.

- During the year, the spin-off and separate listing of A-Living on the Main Board of Hong Kong Stock Exchange was completed. The revenue of A-Living was RMB3,376.7 million, representing an increase of 91.8% when compared with last year. The gross profit margin and net profit margin were 38.2% and 24.0% respectively. Profit attributable to shareholders was RMB801 million, representing an increase of 176.5% when compared with last year, demonstrating strong financial performance.

- During the year, Moody's and S&P have raised their credit ratings on the Company to "Ba2" and "BB" respectively, both with a "Stable" outlook. China Chengxin Securities Rating, United Ratings and Golden Credit Rating International, which are onshore credit rating agencies, have also assigned an "AAA" onshore credit rating to the Company.

- As at 31 December 2018, the total cash and bank balances of the Group were RMB45,062 million.

CHAIRMAN'S STATEMENT

Dear shareholders,

I am pleased to report the audited consolidated results of Agile Group Holdings Limited ("**Agile**" or the "**Company**") and its subsidiaries (collectively, the "**Group**") for the year ended 31 December 2018 as follows:

Results and dividends

During the year, the revenue and gross profit of the Group were RMB56,145 million and RMB24,674 million respectively, representing an increase of 8.8% and 19.3% when compared with last year. Net profit amounted to RMB8,358 million, representing an increase of 23.3% when compared with last year. Profit attributable to shareholders amounted to RMB7,125 million, representing an increase of 18.3% over last year. Overall gross profit margin and net profit margin were 43.9% and 14.9% respectively, representing an increase of 3.8 percentage points and 1.8 percentage points when compared with last year.

During the year, the recognised sales of property development business was RMB52,488 million, representing an increase of 6.5% when compared with last year. The Group's revenue from property management, hotel operations, property investment and environmental protection businesses were RMB2,133 million, RMB722 million, RMB189 million and RMB614 million respectively.

Taking into account the Group's business development needs and shareholders' investment returns, the board of directors of the Company (the "**Board**") has proposed the declaration and payment of a final dividend of HKD50.0 cents per share for the year ended 31 December 2018. Together with the interim dividend of HKD50.0 cents per share paid in 2018, the total dividend of 2018 will be HKD100.0 cents per share, representing an increase of 11.1% when compared with last year.

Business review

In 2018, despite a slowdown in the growth momentum of the global economy and the complexity in the international environment, the Central Government made progress while maintaining stable performance with the support of the foundation laid over the years of reform and development. In face of the adverse market environment in the property market, the Group kept advancing against headwinds. By capitalising on development opportunity presented by the steady economic growth of China, the Group further implemented the operating model of "focusing on property development, supported by a diversified range of businesses". With different business segments complementing one other with their strengths, the Group obtained excellent results.

Flexible responses to changes boosting property sales to over RMB100 billion

In respect of property development business, in line with the Central Government's general guideline of "housing is for living in but not for speculation", the Group made active responses by adopting flexible sales strategies and launching projects in a timely manner at reasonable prices. The Group achieved record-high pre-sales for another year, which exceeded RMB100 billion for the first time. During the year, the accumulated pre-sales value of the Group including joint ventures and associates, together with that of real estate projects managed by the Group and sold under the brand "Agile", amounted to RMB102.67 billion. The accumulated GFA pre-sold and average selling price were 7.98 million sq.m. and RMB12,871 per sq.m. respectively, both of which were satisfactory.

In response to the on-going implementation of "Differentiated Control and City-specific Policies" by local governments, the Group continued to roll out its geographic diversification strategy, obtaining remarkable results. During the year, the Group not only reinforced its leading market position in Southern China Region, but also achieved excellent sales performance in Eastern China Region, Western China Region and Central China Region. In the meantime, the Group's tourism property projects in Hainan Region and Yunnan Region were also well received by the market. During the year, the Group launched a total of 43 new projects in Southern China Region, Eastern China Region, Western China Region and Central China Region, and projects available for sale totalled 115, generating steady and substantial revenue for the Group.

Acquiring land prudently and establishing presence to explore new markets

Being fully aware that land bank is an important cornerstone for the sustainable development of a property developer, the Group has been replenishing its land bank by way of tender, auction, listing-for-sale and equity acquisition. During the year, in view of its business development needs and market conditions in each region, the Group strategically acquired premium land parcels in Southern China Region, Eastern China Region, Western China Region, Central China Region, Northern China Region and Yunnan Region. Dali, Fuzhou, Handan, Hanzhong, Hefei, Huzhou, Jiaxing, Jinzhong, Jingzhou, Lianyungang, Maoming, Meizhou, Shangqiu, Shantou, Weihai, Wuhu, Xuchang, Xuzhou, Yunfu and Zhangzhou are the Group's newly explored markets, which demonstrate huge potential for future development. The total planned GFA of the newly acquired land parcels amounted to 11.11 million sq.m., of which the Group's total attributable planned GFA was 9.09 million sq.m.. The total consideration of the new land parcels was RMB42,600 million, and the consideration to be paid by the Group was RMB29,400 million.

As at 31 December 2018, the Group had an aggregate land bank with a total planned GFA of 36.23 million sq.m. in a total of 65 cities. The land bank meets the requirement for the development in the next few years. Of this, the abundant land bank in the "Guangdong-Hong Kong-Macao Greater Bay Area", which is vigorously promoted by the Central Government, is of great development potential in the future. The average land cost was RMB2,825 per sq.m., which was highly competitive.

During the year, the Group also continued to drive its urban renewal projects and featured towns and industrial real estate projects that features industry-city integration, thereby successfully structuring a more diversified portfolio of property projects.

Diversified business laying strong and solid foundation for future development

During the year, under the business model of "focusing on property development, supported by a diversified range of businesses", the Group made all efforts to drive its businesses including property development, property management, environmental protection, construction and education. The real estate construction management business was newly established, and the commercial business was also set up with the existing properties being consolidated. The implementation of the diversified development strategy was achieved. The Group invested over RMB10 billion on the development of more than 50 new projects during the year. The Group's business segments also fully capitalised on synergies to lay a solid foundation for long-standing development in the future.

In respect of property management business, the business segments of A-Living Services Co., Ltd. ("**A-Living**"), namely property management services, asset management services and community commercial services, continued to grow and recorded outstanding results. During the year, the revenue of A-Living was RMB3,376.7 million, representing an increase of 91.8% when compared with last year. Gross profit amounted to RMB1,289.9 million, representing an increase of 118.4% when compared with last year, while gross profit margin was 38.2%, representing an increase of 4.7 percentage points when compared with last year. Profit attributable to shareholders was RMB801 million, representing an increase of 176.5% when compared with last year. Net profit margin was 24.0%, representing an increase of 7.0 percentage points when compared with last year. Basic earnings per share of A-Living was RMB0.62, contributing significant return to the Group. As at 31 December 2018, the GFA under management and contracted GFA of A-Living were 138.1 million sq.m. and 229.8 million sq.m. respectively, which included the GFA of 31 million sq. m. obtained from merger and acquisition. As at 31 December 2018, the contracted GFA from projects of third-party developers was 106.4 million sq.m., accounting for 46.3% of the total contracted GFA and representing an increase of 48.4 million sq.m. or 83.2% compared with 2017. The remarkable results of A-Living were attributable to the continued implementation of the dual-branded development strategy based on "Agile Property Management" and "Greenland Property Services", deeper long-term cooperation with Greenland Holdings, and the successful expansion into property services for super high-rise and commercial properties during the year. In the meantime, A-Living also realised higher contribution of growth from active expansion through third-party developers and mergers and acquisitions.

In respect of environmental protection business, the Group has achieved fast and steady growth in its businesses including hazardous waste treatment, water treatment and common solid waste treatment. Of these, the hazardous waste treatment business recorded outstanding performance, securing a leading position in the industry. During the year, the environmental protection business developed 11 new hazardous waste treatment projects. The maximum hazardous waste processing capacity of all projects exceeded 2.7 million tonnes per year. The total capacity of its landfill was over 14 million cubic metres. The Group also expanded successfully into the business of recycling of waste and used metals, which has a promising outlook. In the meantime, major breakthroughs were made in the water treatment business and the common solid waste treatment business. The water treatment capacity increased by nearly 10 times, with the daily maximum water treatment capacity exceeding 2.1 million tonnes. The Group also developed 3 new domestic waste-to-energy projects, with the daily maximum treatment capacity reaching 2,500 tonnes. In addition, the environmental protection team entered into strategic cooperation with a number of industry leaders, and it is actively expanding into businesses including food waste treatment, kitchen waste treatment and sludge treatment. Environmental protection business is expected to become one of the sources of steady revenue for the Group.

In respect of construction business, the Group focused on the principal businesses including general construction contracting, landscaping and home decoration, supported by design consulting and materials trading businesses. While making great efforts to drive business development, the construction business also actively explored external markets. Its geographic coverage has been expanded to 24 provinces and municipalities and more than 70 cities. The number of projects undertaken by the business was around 300.

In respect of education business, the Group remained committed to providing ancillary facilities of pre-school education, primary and secondary education, tertiary education, training education and international education, adding value to the property projects.

A newly established business segment of the Group, the real estate construction management business generated revenue and profit for the Group during the year. This segment provides partners with high-end technical and professional services ranging from design and application for construction, construction management, cost control, brand export to product marketing. Business divisions including government agent construction, capital agent construction and commercial agent construction have also been established. During the year, the real estate construction management team provided full industry chain agent construction services for Agile Tiancheng Dongxi project in Jieyang and Agile Scenic Land project in Qingtian. The sales of these projects were in line with the Group's expectation. In addition, the real estate construction management team has entered into cooperation agreements with a number of real estate developers in Guangdong, Jiangsu and Jiangxi etc, with a view to expanding its presence in major city clusters, such as the "Guangdong-Hong Kong-Macao Greater Bay Area" and Yangtze River Delta.

During the year, the Group formed the commercial segment by integrating its hotel and investment properties with a range of commercial projects covering shopping centre, office building, cultural and tourism retail and community retail. Currently, the segment operates commercial projects in more than 50 cities, with a GFA exceeding 3 million sq.m. and a total of 50 projects under management. The commercial team provides the properties in the portfolio with professional operating and management services, creating stable income for the Group.

Extensive financing channels and enhanced capital and budget management

The Group firmly believes that solid financial strength is a vital pillar supporting the Group's diversified business development. Therefore, the Group made efforts to accelerate its sales turnover during the year, with its overall cash collection hitting another record high. In the meantime, the Group enhanced its capital and budget management, and successfully reinforced and optimised its debt structure through a number of financing channels. These included the issuance of USD500 million 6.875% senior perpetual capital securities, USD100 million 8.55% senior perpetual capital securities, USD600 million 8.5% senior notes due 2021 and USD400 million 9.5% senior notes due 2020. The Group was also granted a syndicated loan of HK$8,834 million (with a greenshoe option of HK$2,500 million) and USD200 million with a term of 48 months and entered into RMB4,600 million Commercial Mortgage Backed Securities. During the year, Moody's and S&P raised their credit ratings on the Company to "Ba2" and "BB" respectively, both with a "Stable" outlook. On the other hand, China Chengxin Securities Rating, United Ratings and Golden Credit Rating International, which are China-based credit rating agencies, have assigned an "AAA" onshore credit rating to the Company. The Company was also included as a constituent stock of Hang Seng China (Hong Kong-listed) 100 Index in December 2018.

As at 31 December 2018, the Group's total cash and bank deposits amounted to RMB45,062 million, with healthy cash flows. The Group's undrawn credit facilities was around RMB2,733 million.

Good corporate governance and improved corporate transparency

The Group always values corporate transparency and upholds the concept of "mutual communication for a win-win situation". Subject to the requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Hong Kong Stock Exchange**") (the "**Listing Rules**") and relevant laws, the Group maintains close and effective mutual communication and has built good relationships with commercial banks, investment banks, rating agencies, investors and analysts, thereby improving its corporate transparency on an on-going basis.

Performing corporate social responsibilities and driving sustainable development

The Group builds and operates every community with great care, and makes active efforts to fulfil its corporate social responsibilities and drive sustainable community development. Being committed to environmental protection, the Group adopts environmental-friendly elements in planning, design, material purchase, construction, property management and hotel operation, etc. Moreover, the Group makes rational use of environmental and natural resources during the course of operation, with an aim to minimise the consumption of natural resources and emission. The Group also actively promotes environmental education in communities and encourages the staff to practise low carbon living. In the meantime, the Group fully supports and actively participates in charity and community activities related to environmental protection, medical care, education, culture and sports.

Prospects and strategy

Looking ahead, the global economy is expected to be clouded by uncertainties in 2019. Policies such as "housing is for living in but not for speculation" and "City-specific Policies" will remain the keynote of the property market. However, as the Central Government continues to drive the economic and financial reform, promote the development of urbanisation and make more specific planning of the "Guangdong-Hong Kong-Macao Greater Bay Area", the property market is expected to continue developing at a steady pace. In light of the above conditions and the support of the Central Government for environmental protection, the Group will continue to adapt to the changing environment, move in line with trends and drive the steady development of its property development business and diversified businesses such as environmental protection.

The Group's property development business will capitalise on development opportunities in light of the market environment. It will particularly leverage on the advantage brought by the land bank with GFA of 9.87 million in the "Guangdong-Hong Kong-Macao Greater Bay Area", accelerate its business expansion, further implement the geographic diversification strategy and make all efforts to drive industry-city integration and urban renewal projects. A-Living will continue to reinforce its brand position and focus on the development of high-end property projects including commercial and office space, while accelerating the pace of merger and acquisition, with a view to generating ever increasing profit for the Group. The environmental protection business will continue to acquire premium projects, with a view to increasing its contribution to the Group's profit while ensuring long-standing and steady operation and sustainable development. The construction business will further reinforce the industry position of its landscaping and home decoration businesses, while expanding its business on an on-going basis. The education business will continue to build quality ancillary facilities, so as to add value to the property projects. The real estate construction management business will fully capitalise on the strength of Agile's brand to develop agent construction business with Agile's characteristics while continuing to acquire premium real estate construction management projects. The commercial business will also further integrate its existing assets and adjust the development direction for commercial, office, hotel and self-used properties in light of the market environment, with a view to expanding its scale, increasing its revenue and contribution to the Group's income.

The Group is fully confident in the future development of its property development and diversified businesses. The Group firmly believes that with the implementation of the "New Three-year Plan", the enhancement of its brand image, combined with the unwavering efforts of all staff members, the Group will capture opportunities in the challenging market environment and drive the sustainable development of its business as a whole steadily.

Acknowledgement

On behalf of the Board, I would like to extend our heartfelt gratitude towards our shareholders, customers and stakeholders for their enormous support, as well as our staff members for their dedicated efforts, with which the Group managed to facilitate the diversified development and excellent results.

CHEN Zhuo Lin
Chairman and President

Hong Kong, 20 March 2019

CONSOLIDATED INCOME STATEMENT

		Year ended 31 December	
		2018	2017
	Note	***(RMB'000)***	*(RMB'000)*
Operation			
Revenue	*2*	**56,144,926**	51,607,059
Cost of sales		**(31,471,009)**	(30,919,581)
Gross profit		**24,673,917**	20,687,478
Selling and marketing costs		**(2,318,044)**	(2,258,938)
Administrative expenses		**(2,909,554)**	(2,045,528)
Net impairment (losses)/ reversal on financial and contract assets		**(97,250)**	1,234
Other gains, net	*3*	**1,986,253**	40,049
Other income	*4*	**1,040,034**	570,485
Other expenses		**(257,002)**	(396,633)
Operating profit		**22,118,354**	16,598,147
Finance costs, net	*5*	**(2,744,353)**	(898,674)
Share of post-tax profit of associates		**22,297**	85,953
Share of post-tax profit of joint ventures		**4,801**	83,388
Profit before income tax		**19,401,099**	15,868,814
Income tax expenses	*6*	**(11,043,282)**	(9,088,536)
Profit for the year		**8,357,817**	6,780,278
Profit attributable to:			
Shareholders of the Company		**7,125,007**	6,025,244
Holders of Perpetual Capital Securities		**676,906**	472,663
Non-controlling interests		**555,904**	282,371
		8,357,817	6,780,278
Earnings per share from continuing operations attributable to the shareholders of the Company for the year (expressed in Renminbi per share)			
- Basic	*7*	**1.835**	1.552
- Diluted	*7*	**1.835**	1.552

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Year ended 31 December	
	2018	2017
	(RMB'000)	*(RMB'000)*
Profit for the year	**8,357,817**	6,780,278
Other comprehensive income		
Items that will not be reclassified subsequently to profit or loss		
- Revaluation gains arising from property, plant and equipment transferred to investment properties, net of tax	**261,111**	-
Items that may be reclassified to profit or loss		
- Currency translation differences	**(1,303)**	(6,634)
Other comprehensive income for the year, net of tax	**259,808**	(6,634)
Total comprehensive income for the year	**8,617,625**	6,773,644
Attributable to:		
- Shareholders of the Company	**7,379,636**	6,023,307
- Holders of the Perpetual Capital Securities	**676,906**	472,663
- Non-controlling interests	**561,083**	277,674
	8,617,625	6,773,644

CONSOLIDATED BALANCE SHEET

	Note	**As at 31 December 2018** *(RMB'000)*	As at 31 December 2017 *(RMB'000)*
ASSETS			
Non-current assets			
Property, plant and equipment		**8,753,527**	7,573,037
Land use rights		**2,039,236**	2,073,655
Other intangible assets		**258,990**	155,278
Goodwill		**1,841,613**	1,303,095
Investment properties	*9*	**8,804,220**	5,886,604
Interests in associates		**951,393**	567,221
Interests in joint ventures		**9,136,960**	6,438,514
Available-for-sale financial assets		**-**	277,500
Prepayments for acquisition of equity interests		**870,856**	1,078,421
Properties under development		**16,936,396**	17,826,344
Receivables from related parties	*10*	**12,510,503**	6,547,559
Deferred income tax assets		**1,433,982**	986,760
		63,537,676	50,713,988
Current assets			
Contract assets		**448,715**	-
Properties under development		**73,631,444**	46,990,187
Completed properties held for sale		**8,446,700**	9,915,913
Financial assets at fair value through profit or loss		**3,232,031**	1,204,478
Prepayments for acquisition of land use rights		**5,187,072**	5,762,937
Trade and other receivables	*10*	**27,735,425**	16,396,483
Prepaid income taxes		**3,165,117**	2,253,557
Restricted cash		**9,285,376**	11,078,175
Cash and cash equivalents		**35,776,231**	19,041,948
		166,908,111	112,643,678
Total assets		**230,445,787**	163,357,666

CONSOLIDATED BALANCE SHEET (Continued)

	Note	As at 31 December 2018 (RMB'000)	As at 31 December 2017 (RMB'000)
EQUITY			
Capital and reserves attributable to the shareholders of the Company			
Share capital and premium	*11*	**3,421,883**	3,421,883
Shares held for Share Award Scheme		**(156,588)**	(156,588)
Other reserves		**2,604,982**	785,400
Retained earnings		**35,368,931**	32,284,542
		41,239,208	36,335,237
Perpetual Capital Securities		**8,334,875**	5,529,424
Non-controlling interests		**5,406,850**	2,311,569
Total equity		**54,980,933**	44,176,230
LIABILITIES			
Non-current liabilities			
Derivative financial instruments		**6,144**	4,403
Borrowings		**53,196,485**	34,529,004
Deferred income tax liabilities		**1,884,085**	1,174,595
		55,086,714	35,708,002
Current liabilities			
Derivative financial instruments		**7,192**	240,845
Borrowings		**35,332,872**	27,146,235
Contract liabilities		**25,489,558**	-
Advanced proceeds received from customers		**-**	19,460,971
Trade and other payables	*12*	**42,533,971**	23,263,952
Current income tax liabilities		**17,014,547**	13,361,431
		120,378,140	83,473,434
Total liabilities		**175,464,854**	119,181,436
Total equity and liabilities		**230,445,787**	163,357,666

Notes:

1. Basis of preparation

The consolidated financial statements of the Group have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards (the "**HKFRS**") and the disclosure requirements of the Hong Kong Companies Ordinance Cap. 622. The consolidated financial statements have been prepared under the historical cost convention, as modified by the revaluation of available-for-sale financial assets, derivative financial instruments, investment properties and financial assets at fair value through profit or loss, which are carried at fair value.

The preparation of financial statements in conformity with the HKFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies.

(a) New and amended standards adopted by the Group

The Group has applied the following standards and amendments for the first time for their annual reporting period commencing on 1 January 2018:

- HKFRS 9 Financial Instruments
- HKFRS 15 Revenue from Contracts with Customers
- Classification and Measurement of Share-based Payment Transactions – Amendments to HKFRS 2
- Annual Improvements 2014-2016 cycle
- Transfers to Investment Property – Amendments to HKAS 40
- Interpretation 22 Foreign Currency Transactions and Advance Consideration

The Group had to change its accounting policies and make certain modified retrospective adjustments following the adoption of HKFRS 9 and HKFRS 15. Most of the other amendments listed above did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

1. Basis of preparation (continued)

(b) The following new standards and amendments to standards have been issued but are not effective for the financial period beginning 1 January 2018 and have not been early adopted:

		Effective for annual periods beginning on or after
HKFRS 16	Leases	1 January 2019
HK (IFRIC) 23	Uncertainty over Income Tax Treatments	1 January 2019
HKAS 28 (Amendment)	Long-term Interests in Associates and Joint Ventures	1 January 2019
HKFRS 9 (Amendment)	Prepayment features with negative compensation	1 January 2019
HKAS 19 (Amendment)	Plan amendment, curtailment or settlement	1 January 2019
Annual Improvements to HKFRSs 2015-2017 cycle	Clarifying previously held interest in a joint operation under HKFRS3 Business Combinations and HKFRS 11 Joint Arrangements Clarifying income tax consequences of payments on financial instruments classified as equity under HKAS 12 Income Taxes Clarifying borrowing costs eligible for capitalisation under HKAS 23 Borrowing Costs	1 January 2019
HKFRS 3 (Amendment)	Definition of a Business	1 January 2020
HKAS 1 and HKAS 8	Amendment definition of material	1 January 2020
HKFRS 17	Insurance contract	1 January 2021
HKFRS 10 and HKAS 28 (Amendment)	Sale or contribution of assets between an investor and its associate or joint venture	To be determined

The Group has already commenced an assessment of the impact of these new or revised standards, interpretation and amendments, certain of which are relevant to the Group's operations. The Group's assessment of the impact of these new standards and interpretations is set out below.

(i) HKFRS 16 Leases

<u>*Nature of change*</u>

HKFRS 16 was issued in January 2016. It will result in almost all leases being recognised on the balance sheet, as the distinction between operating and finance leases is removed. Under the new standard, an asset (the right to use the leased item) and a financial liability to pay rentals are recognised. The only exceptions are short-term and low-value leases.

1. Basis of preparation (continued)

(b) The following new standards and amendments to standards have been issued but are not effective for the financial period beginning 1 January 2018 and have not been early adopted: (continued)

(i) HKFRS 16 Leases (continued)

Impact

The Group has set up a project team which has reviewed all of the Group's leasing arrangements over the last year in light of the new lease accounting rules in HKFRS 16. The standard will affect primarily the accounting for the Group's operating leases.

As at the reporting date, the Group has non-cancellable operating lease commitments of RMB295,570,000. Of these commitments, approximately RMB18,311,000 relate to short-term leases and RMB3,100,000 to low value leases which will both be recognised on a straight-line basis as expense in consolidated income statement.

For the remaining lease commitments the Group expects to recognise right-of-use assets of approximately RMB239,420,000 on 1 January 2019, lease liabilities of RMB264,096,000 (after adjustments for prepayments and accrued lease payments recognised as at 31 December 2018).

The Group expects that net profit after tax will decrease by approximately RMB1,296,000 for 2019 as a result of adopting the new rules.

Operating cash flows will increase and financing cash flows will decrease by approximately RMB108,503,000 as repayment of the principal portion of the lease liabilities will be classified as cash flows from financing activities.

The Group's activities as a lessor is significant as the Group has several investment properties to rent. HKFRS16 has not much impact on lessor and hence the Group does not expect any significant impact on the financial statements. However, some additional disclosures will be required from next year.

Date of adoption by Group

The Group will apply the standard from its mandatory adoption date of 1 January 2019. The Group intends to apply the simplified transition approach and will not restate comparative amounts for the year prior to first adoption. Right-of-use assets for property leases will be measured on transition as if the new rules had always been applied. All other right-of-use assets will be measured at the amount of the lease liability on adoption (adjusted for any prepaid or accrued lease expenses).

There are no other standards that are not yet effective and that would be expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

1. Basis of preparation (continued)

(c) Changes in accounting policies

This note explains the impact of the adoption of HKFRS 9 Financial Instruments and HKFRS 15 Revenue from Contracts with Customers on the Group's financial statements and also discloses the new accounting policies that have been applied from 1 January 2018, where they are different to those applied in prior periods.

(i) Impact on the financial statements

The Group applied the modified retrospective approach to adopt HKFRS 9 and HKFRS 15 without restating comparative information. The reclassifications and the adjustments arising from the new accounting policies are therefore not reflected in the balance sheet as at 31 December 2017, but are recognised in the opening balance sheet on 1 January 2018.

The following illustration of HKFRS 9 and HKFRS 15 shows the impact on financial statements. The adjustments for each line item are explained in more detail by standard below.

(ii) HKFRS 9 Financial Instruments

Impact of adoption

HKFRS 9 replaces the provisions of HKAS 39 that relate to the recognition, classification and measurement of financial assets and financial liabilities, derecognition of financial instruments, impairment of financial assets and hedge accounting.

The adoption of HKFRS 9 Financial Instruments from 1 January 2018 resulted in changes in accounting policies and adjustments to the amounts recognised in the financial statements.

The effects of the adoption of HKFRS 9 are as follows:

On 1 January 2018 (the date of initial application of HKFRS 9), the Group's management has assessed which business models apply to the financial assets held by the Group and has classified its financial instruments into the appropriate HKFRS 9 categories. The main effect resulting from this reclassification is as follows:

	Note	**Fair value through profit or loss ("FVPL") (RMB'000)**
Closing balance at 31 December 2017 - HKAS 39		1,204,478
Reclassify investments from available-for-sale financial assets to FVPL	(a)	277,500
Opening balance at 1 January 2018 - HKFRS 9		1,481,978

Note :

(a) The amounts represent the equity interests in certain non-listed companies in the PRC. They do not meet the HKFRS 9 criteria for classification at amortised cost, because their cash flows do not represent solely payments of principal and interest.

1. Basis of preparation (continued)

(c) Changes in accounting policies (continued)

(ii) HKFRS 9 Financial Instruments (continued)

Impairment of financial assets

The Group has three types of financial assets that are subject to HKFRS 9's new expected credit loss model:

- trade receivables for sales of property development and from the provision of management services and other services.
- contract assets relating to property development.
- other financial assets at amortised cost.

While cash and cash equivalents are also subject to the impairment requirements of HKFRS 9, the identified impairment loss was immaterial.

The Group was required to revise its impairment methodology under HKFRS 9. The Directors of the Group consider that there is no material impact of the change in impairment methodology on the Group's retained earnings and equity.

(iii) HKFRS 15 Revenue from Contracts with Customers

The Group has adopted HKFRS 15 Revenue from Contracts with Customers from 1 January 2018 which resulted in changes in accounting policies.

Impact on financial statements

Under HKFRS 15, for properties that have no alternative use to the Group due to contractual reasons and when the Group has an enforceable right to payment from the customers for performance completed to date, the Group recognises revenue as the performance obligation is satisfied over time in accordance with the input method for measuring progress.

For the year ended 31 December 2018 , the Group has assessed and considered that there is an enforceable right to payment from the customers for performance completed to date for certain properties, but the Group considered that the adoption of HKFRS 15 did not have a material impact on the timing of revenue recognition.

For contracts where the period between the payment by the customer and the transfer of the promised property or service exceeds one year, the transaction price and the amount of revenue from the sales of completed properties is adjusted for the effects of a financing component, if significant. For the year ended 31 December 2018, the Group has assessed and considered that the financing component effect is insignificant.

1. Basis of preparation (continued)

(c) Changes in accounting policies (continued)

(iii) HKFRS 15 Revenue from Contracts with Customers (continued)

Impact on financial statements (continued)

The effects of the adoption of HKFRS 15 are as follows:

On 1 January 2018 (the date of initial application of HKFRS 15), the Group's management has assessed impact of HKFRS 15 and has classified each individual line item into the appropriate HKFRS 15 categories. The main effect resulting from this reclassification is as follows:

	Closing balance at 31 December 2017 ***(RMB'000)***	**Reclassification**	**Opening balance at 1 January 2018** ***(RMB'000)***
Contract assets	-	194,659	194,659
Trade and other receivables	16,396,483	(194,659)	16,201,824
Contract liabilities	-	17,804,146	17,804,146
Advance receipts from customers	19,460,971	(19,460,971)	-
Trade and other payables	23,263,952	1,656,825	24,920,777

Presentation of assets and liabilities related to contracts with customers

The excess of cumulative revenue recognised in consolidated income statement over the cumulative billings to purchasers of properties is recognised as contract assets. The contract assets will be reclassified as receivables when the progress billings are issued or properties are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

Under HKFRS 15, the incremental costs of obtaining a contract and the costs directly related to fulfilling a contract, such as sales commissions, are capitalised as contract assets.

Under HKFRS 15, contract liabilities for progress billing are recognised in relation to sale of properties and property management services.

2. Segment information

The executive directors of the Company, who are the chief operating decision-makers of the Group, review the Group's internal reporting in order to assess performance and allocate resources. Management has determined the operating segments based on reports reviewed by the executive directors of the Company and used to make strategic decision.

The Group is organised into five business segments: property development, property management, hotel operations, property investment and environmental protection. The associates and joint ventures of the Group are principally engaged in property development, property management and environmental protection and are included in the property development, property management and environmental protection segment respectively. As the executive directors of the Company consider most of the Group's consolidated revenue and results are attributable from the market in the PRC. Most of the non-current assets are located in the PRC and less than 10% of the Group's consolidated assets are located outside the PRC, geographical segment information is not considered necessary.

The executive directors of the Company assess the performance of the operating segments based on a measure of segment results, being profit before income tax before deducting finance costs.

The Group has a large number of customers, none of whom contributed 5% or more of the Group's revenue.

Analysis of revenue from external customers by the category for the years ended 31 December 2018 and 2017 is as follows:

	2018	2017
	(RMB'000)	*(RMB'000)*
Revenue:		
- Sales of developed properties	**52,487,664**	49,261,750
- Property management services	**2,132,813**	1,290,148
- Hotel operations	**721,667**	683,939
- Rental income from investment properties	**189,045**	166,502
- Environmental protection services	**613,737**	204,720
	56,144,926	51,607,059

2. Segment information (continued)

Segment information provided to the executive directors of the Company for the reporting segments for the years ended 31 December 2018 and 2017 are as follows:

Year ended 31 December 2018

	Property development *(RMB'000)*	**Property management** *(RMB'000)*	**Hotel operations** *(RMB'000)*	**Property investment** *(RMB'000)*	**Environmental protection** *(RMB'000)*	**Elimination** *(RMB'000)*	**Group** *(RMB'000)*
Gross segment sales	52,487,664	3,376,749	721,667	189,045	613,737	-	57,388,862
Inter-segment sales	-	(1,243,936)	-	-	-	-	(1,243,936)
Sales to external customers	52,487,664	2,132,813	721,667	189,045	613,737	-	56,144,926
Timing of revenue recognition							
- At a point in time	51,668,575	4,195	-	-	-	-	51,672,770
- Over time	819,089	2,128,618	721,667	189,045	613,737	-	4,472,156
Fair value gains on investment properties (note 3)	-	-	-	1,952,355	-	-	1,952,355
Operating profit/(losses)	18,952,097	1,076,280	(127,848)	2,020,407	197,418	-	22,118,354
Share of post-tax profit of associates	17,525	-	-	-	4,772	-	22,297
Share of post-tax (loss)/profit of joint ventures	(23,357)	(68)	-	-	28,226	-	4,801
Segment result	18,946,265	1,076,212	(127,848)	2,020,407	230,416	-	22,145,452
Finance costs, net (note 5)							(2,744,353)
Profit before income tax							19,401,099
Income tax expenses (note 6)							(11,043,282)
Profit for the year							8,357,817
Depreciation	192,439	10,121	280,794	-	31,161	-	514,515
Amortisation of land use rights and intangible assets	16,805	23,302	48,670	-	5,177	-	93,954
Write-down of properties under development and completed properties held for sale	1,489,770	-	-	-	-	-	1,489,770

2. Segment information (continued)

Year ended 31 December 2017

	Property development (RMB'000)	Property management (RMB'000)	Hotel operations (RMB'000)	Property investment (RMB'000)	Environmental protection (RMB'000)	Elimination (RMB'000)	Group (RMB'000)
Gross segment sales	49,261,750	1,760,753	683,939	166,502	204,720	-	52,077,664
Inter-segment sales	-	(470,605)	-	-	-	-	(470,605)
Sales to external customers	49,261,750	1,290,148	683,939	166,502	204,720	-	51,607,059
Timing of revenue recognition							
- At a point in time	49,261,750	-	-	-	-	-	49,261,750
- Over time	-	1,290,148	683,939	166,502	204,720		2,345,309
Fair value gains on investment properties (note 3)	-	-	-	4,376	-	-	4,376
Operating profit/(loss)	16,205,456	398,417	(57,255)	26,382	25,147	-	16,598,147
Share of post-tax profit of associates	85,953	-	-	-	-	-	85,953
Share of post-tax profit of joint ventures	83,388	-	-	-	-	-	83,388
Segment result	16,374,797	398,417	(57,255)	26,382	25,147	-	16,767,488
Finance costs, net (note 5)							(898,674)
Profit before income tax							15,868,814
Income tax expenses (note 6)							(9,088,536)
Profit for the year							6,780,278
Depreciation	214,840	7,354	274,497	-	7,687	-	504,378
Amortisation of land use rights and intangible assets	15,850	8,148	61,295	-	1,401	-	86,694
Write-down of properties under development and completed properties held for sale	312,722	-	-	-	-	-	312,722

2. Segment information (continued)

Segment assets and liabilities and capital expenditure as at 31 December 2018 are as follow:

	Property development *(RMB'000)*	Property management *(RMB'000)*	Hotel operations *(RMB'000)*	Property investment *(RMB'000)*	Environmental protection *(RMB'000)*	Elimination *(RMB'000)*	Group *(RMB'000)*
Segment assets	192,769,689	7,280,920	8,432,727	8,804,220	6,955,524	(1,628,423)	222,614,657
Unallocated assets							7,831,130
Total assets							230,445,787
Segment assets include:							
Interests in associates	831,121	-	-	-	120,272	-	951,393
Interests in joint ventures	8,879,241	422	-	-	257,297	-	9,136,960
Segment liabilities	59,113,638	1,558,055	3,449,498	18,839	5,511,922	(1,628,423)	68,023,529
Unallocated liabilities							107,441,325
Total liabilities							175,464,854
Capital expenditure	356,805	100,326	108,331	-	1,339,968	-	1,905,430

Segment assets and liabilities and capital expenditure as at 31 December 2017 are as follow:

	Property development *(RMB'000)*	Property management *(RMB'000)*	Hotel operations *(RMB'000)*	Property investment *(RMB'000)*	Environmental protection *(RMB'000)*	Elimination *(RMB'000)*	Group *(RMB'000)*
Segment assets	142,059,581	2,498,963	8,813,269	5,886,604	1,457,382	(1,802,928)	158,912,871
Unallocated assets							4,444,795
Total assets							163,357,666
Segment assets include:							
Interest in associates	567,221	-	-	-	-	-	567,221
Interests in joint ventures	6,438,514	-	-	-	-	-	6,438,514
Segment liabilities	38,968,256	952,375	4,174,525	33,502	399,193	(1,802,928)	42,724,923
Unallocated liabilities							76,456,513
Total liabilities							119,181,436
Capital expenditure	74,857	29,564	145,301	19,432	274,978	-	544,132

2. Segment information (continued)

Segment assets and liabilities are reconciled to total assets and liabilities as at 31 December 2018 as follows:

	Assets (RMB'000)	Liabilities (RMB'000)
Segment assets/liabilities	222,614,657	68,023,529
Unallocated:	-	-
Deferred income taxes	1,433,982	1,884,085
Prepaid income taxes	3,165,117	-
Financial assets at fair value through profit or loss	3,232,031	-
Derivative financial instrument	-	13,336
Current income tax liabilities	-	17,014,547
Current borrowings	-	35,332,872
Non-current borrowings	-	53,196,485
	230,445,787	175,464,854

Segment assets and liabilities are reconciled to total assets and liabilities as at 31 December 2017 as follows:

	Assets (RMB'000)	Liabilities (RMB'000)
Segment assets/liabilities	158,912,871	42,724,923
Unallocated:		
Deferred income taxes	986,760	1,174,595
Prepaid income taxes	2,253,557	-
Financial assets at fair value through profit or loss	1,204,478	-
Derivative financial instrument	-	245,248
Current income tax liabilities	-	13,361,431
Current borrowings	-	27,146,235
Non-current borrowings	-	34,529,004
	163,357,666	119,181,436

Inter-segment transfers or transactions are entered into at terms and conditions agreed upon by respective parties.

Eliminations comprise inter-segment trade and non-trade balances.

Pricing policy for inter-segment transactions is determined by reference to market price.

Segment assets consist primarily of property, plant and equipment, land use rights, properties under development, completed properties held for sale, investment properties, receivables and cash balances. Unallocated assets comprise deferred tax assets, prepaid income taxes and financial assets at fair value through profit or loss. Segment liabilities comprise operating liabilities. Unallocated liabilities comprise taxation, borrowings and derivative financial instruments.

Capital expenditure comprises additions to property, plant and equipment, land use rights for self-owned properties, investment properties and intangible assets.

3 Other gains, net

	2018	2017
	(RMB'000)	*(RMB'000)*
Fair value gains on investment properties	**1,952,355**	4,376
Exchange gains/(losses), net (note (a))	**327,177**	(140,647)
Gains/(losses) on disposal of property, plant and equipment and investment properties	**23,330**	(16,716)
Fair value (losses)/gains on financial assets at fair value through profit or loss	**(352,434)**	160,865
Others	**35,825**	32,171
	1,986,253	40,049

Note:

(a) Amount mainly represents the gains or losses of translation of financial assets and liabilities, which are denominated in foreign currency into RMB at the prevailing period-end exchange rate. It does not include the exchange gain or loss related to borrowings which are included in the finance costs, net (note 5).

4 Other income

	2018	2017
	(RMB'000)	*(RMB'000)*
Interest income	**328,104**	284,371
Interest income from related parties	**376,136**	149,383
Dividend income from financial assets at fair value through profit or loss	**171,751**	-
Government grants	**39,468**	-
Forfeited deposits from customers	**22,374**	30,391
Miscellaneous	**102,201**	106,340
	1,040,034	570,485

5 Finance costs, net

	2018	2017
	(RMB'000)	*(RMB'000)*
Interest expense:		
- Bank borrowings, syndicated loans and other borrowings	**(3,571,673)**	(1,927,867)
- Senior notes	**(578,539)**	(740,783)
- PRC Corporate Bonds, commercial mortgage backed securities and asset-backed securities	**(906,165)**	(644,624)
Less: interests capitalised	**3,657,861**	2,050,016
Exchange (losses)/gains from borrowings	**(1,738,800)**	1,186,418
Less: exchange losses capitalised	**491,031**	**-**
Changes in fair value of derivative financial instruments	**(98,068)**	(821,834)
	(2,744,353)	(898,674)

6 Income tax expenses

	2018 *(RMB'000)*	2017 *(RMB'000)*
Current income tax		
- PRC corporate income tax	**3,802,299**	3,548,589
- PRC land appreciation tax	**6,838,137**	5,289,831
- PRC withholding income tax	**260,579**	523,175
Deferred income tax		
- PRC corporate income tax	**153,933**	(299,602)
- Hong Kong profit tax	**(11,666)**	26,543
	11,043,282	9,088,536

PRC land appreciation tax

PRC land appreciation tax is levied at progressive rate ranging from 30% to 60% on the appreciation of land value, being the proceeds of sales of properties less deductible expenditures including land use rights and expenditures directly related to property development activities.

PRC corporate income tax

The income tax provision of the Group in respect of operations in Mainland China has been calculated at the applicable tax rate on the estimated assessable profits for the year, based on the existing legislation, interpretations and practices in respect thereof.

The corporate income tax rate applicable to the Group entities located in Mainland China is 25% according to the Corporate Income Tax Law of the People's Republic of China (the "**CIT Law**") effective on 1 January 2008.

PRC withholding income tax

According to the CIT Law, starting from 1 January 2008, a withholding tax of 10% will be levied on the immediate holding companies outside the PRC when their PRC subsidiaries declare dividend out of profits earned after 1 January 2008. A lower of 5% withholding tax rate may be applied when the immediate holding companies of the PRC subsidiaries are established in Hong Kong and fulfil requirements under the tax treaty arrangements between the PRC and Hong Kong.

During the year ended 31 December 2018, certain immediate holding companies of the PRC subsidiaries of the Group became qualified as Hong Kong resident enterprises and fulfil the requirements under the tax treaty arrangements between the PRC and Hong Kong. Therefore 5% withholding tax rate has been applied.

6 Income tax expenses (continued)

Overseas income tax

The Company was incorporated in the Cayman Islands as an exempted company with limited liability under the Companies Law, Cap 22 of Cayman Islands and accordingly, is exempted from Cayman Islands income tax. Group entities in the British Virgin Islands were incorporated either under the BVI Business Companies Act or were automatically re-registered under the same act on 1 January 2007 and, accordingly, are exempted from British Virgin Islands income tax.

Hong Kong profits tax

Except for provision for the fair value gains of financial assets at fair value through profit or loss, no other provision for Hong Kong profits tax has been made in the consolidated financial statements. The remaining profit of the group entities in Hong Kong is mainly derived from dividend income and interest income of bank deposits, which are not subject to Hong Kong profits tax.

7 Earnings per share

Basic earnings per share is calculated by dividing the profit attributable to shareholders of the Company by the weighted average number of ordinary shares in issue during the year less shares held for Share Award Scheme.

	2018	2017
Profit attributable to shareholders of the Company *(RMB'000)*	**7,125,007**	6,025,244
Weighted average number of ordinary shares in issue less shares held for Share Award Scheme *(thousands)*	**3,882,578**	3,882,578
Basic earnings per share *(RMB per share)*	**1.835**	1.552

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. During the years ended 31 December 2018 and 2017, there was no diluted potential ordinary share, diluted earnings per share equally to basic earnings per share.

8 Dividends

	2018 **(*RMB'000*)**	2017 *(RMB'000)*
Interim dividend paid of HKD0.50 (2017: HKD0.22) per ordinary share (note (a))	**1,705,463**	740,881
Less: Dividend for shares held for Share Award Scheme	**(14,746)**	(6,269)
	1,690,717	734,612
Proposed final dividend of HKD0.50 (2017: HKD0.68) per ordinary share (note (b))	**1,673,167**	2,245,648
Less: Dividend for Shares held for Share Award Scheme	**(14,724)**	(20,057)
	1,658,443	2,225,591

Notes:

(a) An interim dividend in respect of the six months ended 30 June 2018 of HKD0.50 per ordinary share, approximately HKD1,958,524,000 (equivalent to RMB1,705,463,000 was declared by the Board of Directors of the Company (2017: RMB740,881,000).

(b) A final dividend in respect of 2017 of HK$0.68 per ordinary share, approximately HK$2,663,291,000 (equivalent to RMB2,245,648,000) was declared at the Annual General Meeting of the Company on 8 May 2018, of which HK$23,430,000 (equivalent to RMB20,057,000) was declared for shares held by Share Award Scheme. The final dividend has been distributed out of the Company's retained earnings.

A final dividend in respect of 2018 of HK$0.50 per ordinary share have been proposed by the Board of Directors of the Company and are subject to the approval of the shareholders at the Annual General Meeting to be held on 10 May 2019. The final dividend will be distributed out of the Company's retained earnings. These consolidated financial statements have not reflected these dividends payable.

9 Investment properties

	2018 **(*RMB'000*)**	2017 *(RMB'000)*
Opening net book amount	**5,886,604**	6,326,943
Capitalised subsequent expenditure	**-**	19,432
Disposals	**-**	(216,590)
Transfer from completed properties held for sale	**718,580**	-
Transfer from property, plant and equipment	**400,528**	-
Transfer from land use rights	**23,073**	-
Transfer to property, plant and equipment	**(176,920)**	(247,557)
Revaluation gains recognised in consolidated income statement	**1,952,355**	4,376
Closing net book amount	**8,804,220**	5,886,604
Investment properties:		
- Completed investment properties	**7,550,320**	5,886,604
- Investment properties under construction	**1,253,900**	-
Total	**8,804,220**	5,886,604

Notes:

(a) The investment properties are located in the PRC and are held on lease of between 40 to 70 years.

(b) As at 31 December 2018, investment properties of RMB5,854,120,000 (2017: RMB4,593,324,000) and certain rights of receiving rental income were pledged as collateral for the Group's bank borrowings.

10 Trade and other receivables

	2018	2017
	(RMB'000)	*(RMB'000)*
Trade receivables (note (a))	**6,709,562**	6,664,759
Less: allowance for impairment of trade receivables	**(32,069)**	(7,443)
Total trade receivables	**6,677,493**	6,657,316
Other receivables due from:		
- Associates	**5,280,259**	2,625,524
- Joint ventures	**13,516,462**	5,416,625
- Other related parties	**195,484**	190,000
- Amounts due from non-controlling interests	**1,272,542**	637,390
- Third parties	**10,911,505**	5,161,860
Prepaid value added taxes and other taxes	**887,133**	657,806
Deposits for acquisition of land use rights	**1,117,773**	1,224,012
Prepayments	**479,686**	374,765
Less: allowance for impairment of other receivables	**(92,409)**	(1,256)
Total other receivables	**33,568,435**	16,286,726
Less: Other receivable due from related parties-non-current portion	**(12,510,503)**	(6,547,559)
Other receivables-current portion	**21,057,932**	9,739,167
Trade and other receivable-current Portion	27,735,425	16,396,483

As at 31 December 2018, the fair value of trade and other receivables approximated their carrying amounts.

Note:

(a) Trade receivables mainly arose from sales of properties and provision of property management services. Trade receivables are settled in accordance with the terms stipulated in the property sale and purchase agreements or property management service agreements. As at 31 December 2018 and 2017, the ageing analysis of the trade receivables based on invoice date is as follows:

	2018	2017
	(RMB'000)	*(RMB'000)*
Within 90 days	**3,662,447**	4,268,721
Over 90 days and within 365 days	**2,350,270**	2,231,705
Over 365 days	**696,845**	164,333
	6,709,562	6,664,759

11 Share capital and premium

	Number of ordinary shares	Nominal value of ordinary shares *(HKD'000)*	Equivalent nominal value of ordinary shares *(RMB'000)*	Share premium *(RMB'000)*	Total *(RMB'000)*
Authorised					
As at 31 December 2018 and 2017	10,000,000,000	1,000,000			
Movements of issued and fully paid share capital					
Year ended 31 December 2017					
At 1 January 2017	3,917,047,500	391,705	400,253	3,889,775	4,290,028
Dividends (note 8)	-	-	-	(868,145)	(868,145)
At 31 December 2017	3,917,047,500	391,705	400,253	3,021,630	3,421,883
Year ended 31 December 2018	**3,917,047,500**	**391,705**	**400,253**	**3,021,630**	**3,421,883**

12 Trade and other payables

	2018 *(RMB'000)*	2017 *(RMB'000)*
Trade payables (note (a))	**16,852,035**	13,778,090
Other payables due to:		
- Related parties	**5,590,518**	3,386,339
- Amounts due to non-controlling interests	**3,596,848**	614,436
- Third parties	**8,935,399**	1,667,662
Staff welfare benefit payable	**797,198**	583,285
Accruals	**1,465,095**	1,567,254
Advances from disposal of a subsidiary	**987,700**	-
Other taxes payable	**4,309,178**	1,666,886
	42,533,971	23,263,952

Note:

(a) The ageing analysis of trade payables of the Group as at 31 December 2018 and 2017 is as follows:

	2018 *(RMB'000)*	2017 *(RMB'000)*
Within 90 days	**13,387,512**	11,550,349
Over 90 days and within 180 days	**2,729,635**	1,731,714
Over 180 days and within 365 days	**559,318**	391,199
Over 365 days	**175,570**	104,828
	16,852,035	13,778,090

MANAGEMENT DISCUSSION AND ANALYSIS

Overall performance

During the year, the Group's revenue was RMB56,145 million (2017: RMB51,607 million), representing an increase of 8.8% over 2017. The operating profit was RMB22,118 million (2017: RMB16,598 million), representing an increase of 33.3% over last year. Profit attributable to shareholders was RMB7,125 million (2017: RMB6,025 million), representing an increase of 18.3% over last year. Basic earnings per share was RMB1.835 (2017: RMB1.552).

Land bank

In response to the "Three-year Plan", the Group expanded its land bank in view of market conditions in each region. As at 31 December 2018, the Group had a land bank with a total planned GFA of 36.23 million sq.m. in 65 cities. The land bank spanned across Southern China Region, Eastern China Region, Western China Region, Central China Region, Hainan Region, Yunnan Region, Northeast China Region, Northern China Region, Hong Kong and overseas. The average land cost was RMB2,825 per sq.m., which was competitive.

During the year, the Group strategically acquired new land parcels by way of tender, auction, listing-for-sale and equity acquisition. The total planned GFA of the newly acquired land parcels amounted to 11.11 million sq.m., in which the Group's total attributable planned GFA was 9.09 million sq.m.. The consideration payable by the Group was RMB29,400 million. The newly acquired new land parcels are located in "Southern China Region", "Eastern China Region", "Western China Region", "Central China Region", "Northern China Region" and "Yunnan Region". Dali, Fuzhou, Handan, Hanzhong, Hefei, Huzhou, Jiaxing, Jinzhong, Jingzhou, Lianyungang, Maoming, Meizhou, Shangqiu, Shantou, Weihai, Wuhu, Xuchang, Xuzhou, Yunfu and Zhangzhou were the Group's newly explored markets.

The following table sets forth the details of the newly acquired land parcels:

Land Parcel Name	City	Attributable Interest (%)	Total Planned GFA (sq.m.)
Southern China Region			
Site A in Xincheng Town	Yunfu	50	338,006
Site B in Xincheng Town	Yunfu	50	132,222
Site in Shishan Town	Foshan	100	88,342
Site in Gaoming District	Foshan	33	243,407
Site in Construction Avenue	Foshan	33	252,846
Site in Beijiao Town	Foshan	40	203,638
Site in Maonan Development District	Maoming	90	64,390
Site in Sanfeng Village	Meizhou	50	116,412
Site in Chaoyang District	Shantou	100	351,869
Site in Taicheng New District South	Jiangmen	100	146,026
Site in Xiangyan Lake	Jiangmen	45	73,142
Site in Yuancheng District	Heyuan	100	283,006

The following table sets forth the details of the newly acquired land parcels: (continued)

Land Parcel Name	City	Attributable Interest (%)	Total Planned GFA (sq.m.)
Eastern China Region			
Site in Mawei District	Fuzhou	100	56,254
Site in Tingjiang District	Fuzhou	49	197,730
Site in Nanhu District	Jiaxing	50.022	120,048
Site A in Fenghuang District East	Huzhou	100	134,862
Site B in Fenghuang District East	Huzhou	50	130,514
Site in Chongchuan District	Nantong	100	41,494
Site in Binhu District	Wuxi	50	43,180
Site in Tongshan District	Xuzhou	34	177,037
Site in Gaoxin District	Lianyungang	33	113,185
Site in Luyang District	Hefei	49	174,164
Site in Yijiang District	Wuhu	60	190,930
Site in Zhangqiu District	Jinan	33	38,170
Site in Changqing District	Jinan	100	180,687
Site in Zhonglou District	Changzhou	49	121,712
Site in Dream Lake Fairy Hill	Changzhou	100	187,289
Site in Xiangshan Bay	Zhangzhou	51	1,140,725
Site in Pukou District	Nanjing	100	74,394
Site in Sports and Leisure Town	Weihai	84.8	816,000
Western China Region			
Site in Hantai District	Hanzhong	100	1,549,263
Site in Xinping Town	Chengdu	33	139,999
Site in Wujin Street	Chengdu	100	165,023
Site in Qingbaijiang District	Chengdu	49	112,011
Central China Region			
Site in Yuanda Road 2	Changsha	100	69,596
Site in Wude Road	Jingzhou	100	147,395
Site in Longhu Town	Zhengzhou	100	156,566
Site in Dongcheng District	Xuchang	100	279,558
Site in Weidu District	Xuchang	100	46,625
Site in Suiyang District	Shangqiu	49	179,093
Site in Riyue Lake New District	Shangqiu	100	157,820
Site in Bianxi New District	Kaifeng	51	148,863
Northern China Region			
Site in Yuci District	Jinzhong	29.7	163,112
Site in Haijiao Garden	Tianjin	100	206,236
Site in Hangu District	Tianjin	52	524,160
Site A in Congtai District	Handan	90	36,480
Site B in Congtai District	Handan	49	61,162
Yunana Region			
Site in Manjiang Area District	Dali	45	239,585
Site in Quenya	Xishuangbanna	100	500,000

Property development and sales

During the year, revenue from recognised sales of property development of the Group was RMB52,488 million, representing an increase of 6.5% when compared with RMB49,262 million in 2017. The increase was mainly attributable to higher recognised average selling price. The recognised average selling price increased to RMB11,206 per sq.m. in 2018 representing an increase of 7.5% when compared with RMB10,424 per sq.m. in 2017. The total recognised GFA sold was 4.68 million sq.m. which is at similar level as 2017.

Property management

During the year, revenue from property management of the Group was RMB2,133 million, representing an increase of 65.3% when compared with RMB1,290 million in 2017. Operating profit from property management was RMB1,076 million, representing an increase of 170.1% which compared with RMB398 million in 2017. The growth was mainly attributable to an increase in the total GFA under management to 138.12 million sq.m. (2017: 78.34 million sq.m.).

Hotel operations

During the year, revenue from hotel operations of the Group was RMB722 million, representing an increase of 5.5% when compared with RMB684 million in 2017. It was primarily attributable to the revenue generated from Shanghai Marriott Hotel City Centre, Raffles Hainan, Holiday Inn Resort Hainan Clearwater Bay, Sheraton Bailuhu Resort Huizhou Hotel and Howard Johnson Agile Plaza Chengdu.

Property investment

During the year, revenue from property investment of the Group was RMB189 million, representing an increase of 13.5% when compared with RMB167 million in 2017. The increase was mainly due to the increase in the unit rental rate and occupancy rate for the year.

Environmental protection

During the year, revenue from environmental protection of the Group was RMB614 million, representing an increase of 199.8% when compared with RMB205 million in 2017. Operating profit from environmental protection was RMB197 million, representing an increase of 685.1% which compared with RMB25 million in 2017. The growth was mainly attributable to increased number of new hazardous waste treatment projects and faster growth of water treatment capacity in 2018.

Cost of sales

Cost of sales of the Group mainly refers to the costs incurred directly from its property development activities, including cost of construction, fitting-out and design, land use rights, capitalised interest and tax surcharge.

During the year, cost of sales of the Group was RMB31,471 million, representing an increase of 1.8% when compared with RMB30,920 million in 2017. The increase was mainly due to the increase recognised sales.

Gross profit

During the year, gross profit of the Group was RMB24,674 million, representing an increase of 19.3% when compared with RMB20,687 million in 2017. During the year, gross profit margin of the Group was 43.9%, representing an increase of 3.8 percentage points when compared with 40.1% in 2017. The increase in gross profit margin was mainly attributable to higher recognised average selling price of property sold and the increased weightings of projects with higher profitability.

Other gains, net

During the year, other gains, net of the Group was RMB1,986 million, representing an increase of 4859.6% compared with RMB40 million in 2017. The increase was mainly due to the increase in fair value gain of existing investment properties and a completed property held for sale transferred to investment properties.

Other income

During the year, other income of the Group was RMB1,040 million, representing an increase of 82.3% when compared with RMB570 million in 2017. The increase was mainly attributable to the increased interest income from bank deposit and related parties and dividend income from financial assets at fair value through profit or loss.

Selling and marketing costs

During the year, selling and marketing costs of the Group was RMB2,318 million, representing an increase of 2.6% when compared with RMB2,259 million in 2017. The increase was mainly attributable to the increase in advertising fee in relation to certain projects commenced pre-sale in 2018.

Administrative expenses

During the year, administrative expenses of the Group was to RMB2,910 million, representing an increase of 42.2% when compared with RMB2,046 million in 2017. The growth was mainly due to the increase of employees resulting from business expansion of the Group.

Other expenses

During the year, other expenses of the Group was RMB257 million, representing a decrease of 35.2% when compared with RMB397 million in 2017. The decrease was mainly attributable to the absence of cost incurred by the early redemption of certain senior notes and asset-backed securities and the decrease of charitable donation by RMB48 million to RMB121 million in 2018.

Finance costs, net

The Group's finance costs mainly consists of interest expenses on bank borrowings, syndicated loans, other borrowings, senior notes, PRC corporate bonds and commercial mortgage backed securities ("**CMBS**") and asset-backed securities ("**ABS**") less capitalised interests, exchange gains or losses on foreign currency denominated borrowings and changes in fair value of derivative financial instruments. Interest on borrowings relating to project development is capitalised to the extent that directly attributable to a particular project and used to finance the development of that project.

During the year, finance costs, net of the Group was RMB2,744 million, representing an increase of 205.4% when compared with RMB899 million in 2017. The increase was mainly attributable to the non-capitalised interest expenses of RMB1,399 million and the non-capitalised exchange losses from foreign currency denominated borrowings of RMB1,248 million.

Share of post-tax profit of associates

During the year, the share of post-tax profit of associates was RMB22 million, representing a decrease of 74.1% when compared with RMB86 million in 2017.

Share of post-tax profit of joint ventures

During the year, share of post-tax profit of joint ventures of the Group was RMB5 million, representing a decrease of 94.2% when compared with RMB83 million in 2017.

Profit attributable to shareholders

During the year, profit attributable to shareholders of the Group was RMB7,125 million, representing an increase of 18.3% when compared with RMB6,025 million in 2017.

Liquidity, financial and capital resources

Cash position and fund available

As at 31 December 2018, the total cash and bank balances of the Group were RMB45,062 million (31 December 2017: RMB30,120 million), of which RMB35,776 million (31 December 2017: RMB19,042 million) was cash and cash equivalents and RMB9,286 million (31 December 2017: RMB11,078 million) was restricted cash.

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.

As at 31 December 2018, the Group's undrawn borrowing facilities were RMB2,733 million (31 December 2017: RMB8,605 million).

Borrowings

As at 31 December 2018, the Group's total borrowings amounted to RMB88,529 million, of which bank borrowings and other borrowings, senior notes, PRC corporate bonds, CMBS and ABS amounted to RMB63,293 million, RMB11,551 million and RMB13,685 million respectively.

Repayment schedule	**As at 31 December 2018 (RMB million)**	As at 31 December 2017 (RMB million)
Bank borrowings and other borrowings		
Within 1 year	**30,542**	22,957
Over 1 year and within 2 years	**10,919**	6,962
Over 2 years and within 5 years	**15,743**	8,834
Over 5 years	**6,089**	5,600
Subtotal	**63,293**	44,353
Senior notes		
Over 1 year and within 2 years	**6,115**	-
Over 2 years and within 5 years	**5,436**	4,515
Subtotal	**11,551**	4,515
PRC corporate bonds, CMBS and ABS		
Within 1 year	**4,791**	4,190
Over 1 year and within 2 years	**2,025**	6,369
Over 2 years and within 5 years	**6,869**	2,248
Subtotal	**13,685**	12,807
Total	**88,529**	61,675

As at 31 December 2018, the Group's bank borrowings (including syndicated loans) of RMB37,704 million (31 December 2017: RMB23,926 million) and other borrowings of RMB11,495 million (31 December 2017: RMB7,057 million) were secured by its cash, land use rights, self-used properties, properties held for sale, properties under development, investment properties, the shares of subsidiaries and equity interest. The senior notes were guaranteed by certain subsidiaries of the Group and were secured by the pledges of their shares. The net assets of these subsidiaries were RMB4,026 million as at 31 December 2018 (31 December 2017: RMB1,867 million). The ABS and CMBS of RMB1,055 million (31 December 2017: RMB1,054 million) and RMB 4,073 million (31 December 2017: nil) were secured by its trade receivables and land use rights, self-used properties and investment properties.

The gearing ratio is the ratio of net borrowings (total borrowings less total cash and cash equivalents and restricted cash) to total equity. As at 31 December 2018, the gearing ratio was 79.1% (31 December 2017: 71.4%).

Currency risk

The Group conducts its business primarily in Renminbi. Certain bank deposits and bank loans were denominated in Hong Kong dollars, United States dollars and Malaysian Ringgit, and the Group's certain senior notes and bank borrowings were mainly denominated in United States dollars and Hong Kong dollars. Since early 2016, the Group has adopted a hedging policy and entered into capped forward contracts to mitigate certain of its foreign currency exposure in United States dollars and Hong Kong dollars denominated indebtedness and achieve better management over foreign exchange risk. The objective of the arrangement is to minimize the volatility of the RMB cost of highly probable forecast repayments of debts. Other than those disclosed, the Group does not have any material exposures to foreign exchange fluctuations.

As at 31 December 2018, the Group had capped forward contracts of USD3,200 million. As at 31 December 2018, the Group recorded RMB98 million (2017: RMB822 million) as fair value losses in derivative financial instruments.

Cost of borrowings

In 2018, the total cost of borrowings of the Group was RMB5,056 million, representing an increase of 52.6% when compared with RMB3,313 million in 2017. The increase was mainly attributable to higher average balance of banking borrowings in 2018. Regardless of exchange differences arising from foreign currencies borrowings, the Group's effective borrowing rate for the year was 6.49% (2017: 6.20%).

Financial guarantee

The Group is in cooperation with certain financial institutions for the provision of mortgage loan facility for its purchasers of property and has provided guarantees to secure repayment obligations by such purchasers. As at 31 December 2018, the outstanding guarantees were RMB44,775 million (31 December 2017: RMB38,571 million). Such guarantees shall terminate upon the earlier of (i) issuance of the real estate ownership certificate which will generally be available within one year after taking over of the possession of the relevant property by the purchasers; or (ii) the satisfaction of relevant mortgage loans by the purchasers.

The Group's proportionate interest in financial guarantee of mortgage facilities for certain purchasers relating to the associate and joint ventures as at 31 December 2018 was RMB73 million (2017: RMB964 million) and RMB3,407 million (2017: RMB456 million) respectively.

Pursuant to the terms of the guarantees, upon default in mortgage payments by these purchasers, the Group is responsible to repay the outstanding mortgage principals together with any accrued interests and penalties owed by the defaulted purchasers to the banks, and the Group is entitled to take over the legal title and possession of the related properties. The Group's guarantee starts from the dates the mortgagees grant the mortgage loans. No provision has been made for the guarantees as the management is of the view that the net realisable value of the related properties can cover the repayment of the outstanding mortgage principals together with the accrued interests and penalties in case of default in payments.

Several subsidiaries of the Group and associate counter parties have provided certain guarantees in proportion of their shareholding in certain associate in respect of loan facilities amounting to RMB848 million (2017: RMB2,480 million). The Group's share of the guarantees amounted to RMB424 million (2017: RMB496 million).

Several subsidiaries of the Group and joint venture parties have provided certain guarantees in proportion to their shareholdings in certain joint ventures in respect of loan facilities amounting to RMB13,779 million (2017: RMB5,473 million). The Group's share of the guarantees amounted to RMB6,245 million (2017: RMB1,566 million).

Commitments

As at 31 December 2018, the commitments of the Group in connection with the property development activities were RMB29,659 million (31 December 2017: RMB23,773 million). The Group has also committed to pay outstanding land premium resulting from land acquisitions in the amount of RMB6,311 million (31 December 2017: RMB6,430 million). Additionally, the Group's capital commitments in respect of purchases of property, plant, equipment amounted to approximately RMB1,265 million (31 December 2017: nil).

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

(a) Pursuant to the cooperative agreement dated on 11 December 2018 and the supplemental agreement dated on 27 February 2019 (the "**Supplemental agreement**") entered into by and among a third party acquired (the "**Acquirer**") and Huizhou Bailuhu Tour Enterprise Development Co., Ltd. (an indirect wholly-owned subsidiary of the Company, "**Bailuhu**"), it was agreed that the Acquirer will acquire 34% equity interest of a subsidiary of Bailuhu ("**the Project Company**") at a total consideration of approximate RMB1,394,400,000 and contribute to the Project Company approximate RMB580,999,800. According to the Supplemental Agreements, the Project Company would be jointly controlled by the Acquirer and Bailuhu. Up to the report date, the transaction was not completed.

(b) On 7 March 2019, the Company issued 6.7% senior notes due 2022 with an aggregate nominal value of US$500,000,000 at face value. The net proceeds, after deducting the issuance costs, approximated to US$496,000,000 (equivalent to RMB3,328,656,000).

Employees and remuneration policy

As at 31 December 2018, the Group had a total of 24,410 employees, among which 64 were senior management and 480 were middle management. By geographical locations, there were 24,350 employees in China and 60 employees in Hong Kong, Malaysia and Vietnam. For the year ended 31 December 2018, the total remuneration costs, including directors' remuneration, were RMB3,793 million (2017: RMB2,233 million).

The Group remunerates its employees is reference to the market levels, individual performance and contributions. Bonuses are also distributed based on the performance of employees. The Group also provides a comprehensive benefit package and career development opportunities, including retirement schemes, medical benefits, and both internal and external training appropriate to the employees' needs.

Outlook

Looking ahead, the Group will continue to adjust its operating strategies flexibly in light of the market environment in 2019, with a view to driving the development of its property development and diversified businesses continuously in the future.

The Group's property development business will capitalise on development opportunities. It will particularly leverage on the advantage brought by the land bank with GFA of 9.87 million in the "Guangdong-Hong Kong-Macao Greater Bay Area", accelerate its business expansion, further implement the geographic diversification strategy and make all efforts to drive industry-city integration and urban renewal projects. A-Living will continue to reinforce its brand position and focus on the development of high-end property projects while accelerating the pace of merger and acquisition. The environmental protection business will continue to acquire premium projects, with a view to ensuring long-standing and steady operation and business development. The construction business will continue to reinforce the industry position of its landscaping and home decoration businesses while driving the business expansion. The education business will continue to build quality ancillary facilities, so as to add value to the property projects. The real estate construction management business will make all efforts to develop agent construction business with Agile's characteristics and acquire premium real estate construction management projects. The commercial business will also further integrate its existing assets with a view to expanding its scale.

The Group is fully confident in the future development of its property development and diversified businesses. With the implementation of the "New Three-year Plan", the enhancement of its brand image and the unwavering efforts of all staff members, the Group will be able to capture opportunities in the market environment and drive the development of its business as a whole steadily.

DIVIDENDS

During the year, the Company declared and paid an interim dividend of HK50.0 cents (2017: HK22.0 cents) per ordinary share to the shareholders. The Board has proposed the payment of a final dividend of HK50.0 cents (2017: HK68.0 cents) per ordinary share to the shareholders. Subject to the approval by the shareholders at the annual general meeting of the Company to be held on Friday, 10 May 2019 ("**2019 AGM**"), the proposed final dividend is expected to be paid on or about Thursday, 30 May 2019 to shareholders whose names appear on the register of members of the Company on Wednesday, 22 May 2019.

CLOSURE OF REGISTER OF MEMBERS

To determine the identity of shareholders who are entitled to attend and vote at the 2019 AGM

Latest time for lodging transfer documents of shares	:	4:30 p.m. on Monday, 6 May 2019
Period of closure of register of members	:	Tuesday, 7 May 2019 to Friday, 10 May 2019 (both dates inclusive)

To determine the shareholders' entitlement to the final dividend

Ex-entitlement date for final dividend	:	Thursday, 16 May 2019
Latest time for lodging transfer documents of shares	:	4:30 p.m. on Friday, 17 May 2019
Period of closure of register of members	:	Monday, 20 May 2019 to Wednesday, 22 May 2019 (both dates inclusive)
Record date	:	Wednesday, 22 May 2019

To qualify for attending and voting at the 2019 AGM and/or entitlement to the final dividend, all properly completed transfer forms accompanied by the share certificates must be lodged with the Company's branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration not later than the corresponding latest time for lodging transfer documents of shares.

NOTICE OF ANNUAL GENERAL MEETING

Notice of 2019 AGM will be published on the respective website of the Company at www.agile.com.cn and the Hong Kong Stock Exchange at www.hkex.com.hk and will be dispatched to the shareholders of the Company within the prescribed time and in such manner as required under the Listing Rules. A copy of the said notice will also be published on the website of Singapore Exchange Securities Trading Limited ("**SGX**") at www.sgx.com.

AUDIT COMMITTEE

The audit committee of the Company had reviewed the audited consolidated financial statements of the Group for the year ended 31 December 2018, and reviewed the accounting principles and practices adopted by the Group with the Group's management, and discussed the internal controls and financial reporting matters with them.

PUBLIC FLOAT

From information that is publicly available to the Company and within the knowledge of its Directors for the year ended 31 December 2018 and as at the date of this announcement, at least 25% of the Company's total issued share capital is held by the public.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted a code for securities transactions by directors ("**Securities Dealing Code for Directors**"), which is on terms no less exacting than the required standard as set out in the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Listing Rules. After enquiry, each of the Directors of the Company has confirmed to the Company that he or she had fully complied with the Securities Dealing Code for Directors during the year ended 31 December 2018.

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

During the year ended 31 December 2018, the Company has complied with all code provisions of the Corporate Governance Code and Corporate Governance Report contained in Appendix 14 to the Listing Rules ("**CG Code**") except for certain deviations as specified with considered reasons below.

The code provision A.2.1 of the CG Code requires that the roles of chairman and chief executive should be separate and should not be performed by the same individual. However, in view of the present composition of the Board, Chen Zhuo Lin's in-depth knowledge of the operations of the Group and of the industry, his extensive business network and connections in the sector and the scope of operations of the Group, the Board believes that Chen Zhuo Lin, in his dual capacity as the Chairman of the Board and President, will provide strong and consistent leadership for the development of the Group. The Board also believes that this structure is in the best interest of the Company and will not impair the balance of power and authority of the Board and such arrangement will be subject to review from time to time.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

On 3 May 2018, Guangzhou Panyu Agile Realty Development Co., Ltd. (廣州番禺雅居樂房地產開發有限公司) (an indirect wholly-owned subsidiary of the Company incorporated in China) repurchased all its outstanding domestic non-public corporate bonds in an aggregate principal amount of RMB1,200 million due 2020 with a coupon rate of 5.8% at the repurchase price of RMB100 each being the face value of such domestic corporate bonds.

On 30 July 2018, the Company repurchased 20,300,000 domestic non-public corporate bonds in an aggregate principal amount of RMB2,030,000,000 due 2020 with an initial coupon rate of 4.98% at the repurchase price of RMB100 each being the face value of such domestic corporate bonds.

Save as above, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during 2018.

PUBLICATION OF ANNUAL RESULTS AND ANNUAL REPORT ON THE WEBSITES OF THE COMPANY, THE HONG KONG STOCK EXCHANGE AND SGX

This announcement is published on the respective website of the Company at www.agile.com.cn, the Hong Kong Stock Exchange at www.hkex.com.hk and SGX at www.sgx.com. The annual report of the Company for the year ended 31 December 2018 containing all the information required under the Listing Rules will be dispatched to the Company's shareholders and will be posted on the above websites in due course.

BOARD OF DIRECTORS

As at the date of this announcement, the Board comprises twelve members, being Mr. Chen Zhuo Lin* (Chairman and President), Mr. Chan Cheuk Yin** (Vice Chairperson), Madam Luk Sin Fong, Fion** (Vice Chairperson), Mr. Chan Cheuk Hung*, Mr. Huang Fengchao*, Mr. Chen Zhongqi*, Mr. Chan Cheuk Hei**, Mr. Chan Cheuk Nam**, Dr. Cheng Hon Kwan#, Mr. Kwong Che Keung, Gordon#, Mr. Hui Chiu Chung, Stephen# and Mr. Wong Shiu Hoi, Peter#.

* *Executive Directors*
** *Non-executive Directors*
\# *Independent Non-executive Directors*

By Order of the Board
Agile Group Holdings Limited
CHEN Zhuo Lin
Chairman and President

Hong Kong, 20 March 2019

Scope of work of PricewaterhouseCoopers
The figures in respect of the Group's consolidated balance sheet, consolidated income statement, consolidated statement of comprehensive income and the related notes thereto for the year ended 31 December 2018 as set out in the preliminary announcement have been agreed by the Group's auditor, PricewaterhouseCoopers, to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by PricewaterhouseCoopers 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 PricewaterhouseCoopers on the preliminary announcement.