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華潤置地有限公司
China Resources Land Limited

(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 1109)

ANNOUNCEMENT OF RESULTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

HIGHLIGHTS

- Consolidated revenue for Year 2018 amounted to RMB121.19 billion, up by 18.9% YoY. Development property revenue increased by 17.5% YoY to RMB105.15 billion, rental income of investment property (including hotel operations) up by 24.5% YoY to RMB9.52 billion.
- Consolidated gross profit margin increased to 43.4% in Year 2018 from 40.2% in Year 2017. Development property gross profit margin increased to 42.9% in Year 2018 from 39.7% in Year 2017, while investment property (including hotel operations) gross profit margin rose to 65.9% in Year 2018 from 61.4% in Year 2017.
- In 2018, core profit attributable to the owners of the Company excluding revaluation gain from investment properties reached RMB19.30 billion, representing a YoY growth of 17.8%; profit attributable to the owners of the Company including the revaluation gain from investment properties increased by 23.1% YoY to RMB24.24 billion.
- Booked GFA amounted to approximately 6.08 million square meters in Year 2018, decreased by 15.7% as compared with 7.21 million square meters in Year 2017.
- As of 31 December 2018, the Group has locked in unbooked contracted value of RMB187.35 billion that are subject to recognition in 2019 and years to come, among which, RMB99.22 billion will be recognized in 2019 as development property revenue.
- During Year 2018, the Group acquired land bank of 22.13 million square meters. As of 31 December 2018, the Group's total land bank was approximately 59.57 million square meters.
- Earnings per share achieved RMB3.50, up by 23.1% as compared with RMB2.84 in Year 2017, while core earnings per share attributable to the owners of the Company increased by 17.8% YoY to RMB2.78.
- The Board recommended a final dividend of RMB0.949 per share (equivalent to HK$1.112). Together with the interim dividend of RMB0.110 per share (equivalent to HK$0.13), the total dividend for Year 2018 was up by 28.4% YoY to RMB1.059 per share (equivalent to HK$1.242).

The board of directors (the “Board”) of China Resources Land Limited (the “Company”) is pleased to announce the audited consolidated results of the Company and its subsidiaries (the “Group”) for the year ended 31 December 2018 (“Year 2018”) as follows:

CONSOLIDATED INCOME STATEMENT

		Year ended 31 December	
		2018	**2017**
	NOTES	***RMB'000***	***RMB'000***
			(Restated)
Revenue	*5*	121,188,926	101,942,519
Cost of sales		(68,607,237)	(60,981,016)
Gross profit		52,581,689	40,961,503
Gain on changes in fair value of investment properties		6,904,294	5,150,014
Net gain/(loss) on changes in fair value of financial instruments at fair value through profit or loss		135,205	(18,236)
Other income, other gains and losses		887,601	1,768,987
Selling and marketing expenses		(4,177,139)	(3,381,421)
General and administrative expenses		(4,159,441)	(3,654,767)
Share of profit of investments in joint ventures		194,602	125,520
Share of profit of investments in associates		1,102,169	76,354
Finance costs	*6*	(1,742,695)	(1,602,700)
Profit before taxation		51,726,285	39,425,254
Income tax expenses	*7*	(24,449,036)	(17,674,982)
Profit for the year	*8*	27,277,249	21,750,272
Profit for the year attributable to			
Owners of the Company		24,237,875	19,690,400
Owner of perpetual capital instrument		287,625	–
Non-controlling interests		2,751,749	2,059,872
		27,277,249	21,750,272
		RMB	***RMB***
			(Restated)
Earnings per share	*10*		
Basic		3.50	2.84
Diluted		N/A	N/A

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Year ended 31 December 2018 *RMB'000*	2017 *RMB'000* (Restated)
Profit for the year	27,277,249	21,750,272
Other comprehensive income		
Item that may be reclassified subsequently to profit or loss		
Exchange difference on translation of foreign operations	351,195	419,560
Item that will not be reclassified subsequently to profit or loss		
Gains on changes in fair value of equity instruments at fair value through other comprehensive income	30,293	–
Other comprehensive income for the year	381,488	419,560
Total comprehensive income for the year	27,658,737	22,169,832
Total comprehensive income attributable to		
Owners of the Company	24,447,569	19,826,238
Owner of perpetual capital instrument	287,625	–
Non-controlling interests	2,923,543	2,343,594
	27,658,737	22,169,832

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	NOTE	**31.12.2018** *RMB'000*	**31.12.2017** *RMB'000* **(Restated)**	**1.1.2017** *RMB'000* **(Restated)**
NON-CURRENT ASSETS				
Property, plant and equipment		10,773,049	8,345,355	8,210,799
Investment properties		126,864,008	99,208,544	85,104,801
Intangible assets		407,579	421,662	–
Land use rights		3,233,200	2,287,797	2,019,412
Goodwill		11,544	11,544	11,544
Investments in joint ventures		9,873,381	7,115,812	3,291,203
Investments in associates		21,067,592	6,382,453	5,712,704
Available-for-sale investments		–	51,877	50,606
Equity instruments at fair value through other comprehensive income		1,110,346	–	–
Financial assets at fair value through profit or loss		49,030	7,022	–
Prepayments for non-current assets		1,209,723	777,576	363,328
Deferred taxation assets		7,181,421	4,894,068	3,421,062
Amounts due from joint ventures		5,373,477	8,655,505	3,263,086
Amounts due from associates		5,025,906	6,266,067	2,849,571
Amounts due from non-controlling interests		1,659,818	1,926,192	1,315,588
		193,840,074	146,351,474	115,613,704
CURRENT ASSETS				
Properties for sale		304,500,869	223,489,200	175,022,242
Other inventories		1,094,343	954,412	683,498
Trade receivables, other receivables, prepayments and deposits	*11*	43,515,162	42,049,976	39,640,004
Contract assets		561,007	–	–
Financial assets at fair value through profit or loss		1,562,320	–	–
Amounts due from customers for contract works		–	421,386	242,961
Amount due from the ultimate holding company		–	115	–
Amounts due from intermediate holding companies		46,023	18,657	11,087
Amounts due from fellow subsidiaries		729,837	814,511	161,515
Amounts due from joint ventures		12,406,093	1,187,231	45,723
Amounts due from associates		10,676,946	2,197,352	1,689,560
Amounts due from non-controlling interests		5,152,173	972,376	767,194
Prepaid taxation		10,689,054	8,219,810	6,522,598
Cash and bank balances		70,969,426	53,774,004	41,755,452
		461,903,253	334,099,030	266,541,834

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

	NOTE	**31.12.2018** *RMB'000*	**31.12.2017** *RMB'000* **(Restated)**	**1.1.2017** *RMB'000* **(Restated)**
CURRENT LIABILITIES				
Trade and other payables	*12*	88,245,877	64,108,641	52,590,461
Advances received from pre-sales of properties		–	119,372,967	94,516,990
Amounts due to customers for contract works		–	160,953	134,589
Contract liabilities		192,265,229	–	–
Amount due to the ultimate holding company		92	–	92
Amounts due to intermediate holding companies		3,003,233	1,503,081	10,868
Amounts due to fellow subsidiaries		210,980	2,573,911	5,960,485
Amounts due to joint ventures		1,884,574	417,926	382,904
Amounts due to associates		2,216,706	1,203,701	141,455
Amounts due to non-controlling interests		15,614,023	5,210,687	4,341,308
Taxation payable		22,406,736	19,613,385	13,888,150
Bank borrowings — due within one year		14,494,284	25,255,749	10,723,585
Senior notes — due within one year		5,569,887	200,804	–
Medium-term notes — due within one year		2,036,594	201,015	–
		347,948,215	239,822,820	182,690,887
NET CURRENT ASSETS		113,955,038	94,276,210	83,850,947
TOTAL ASSETS LESS CURRENT LIABILITIES		307,795,112	240,627,684	199,464,651
EQUITY				
Share capital		655,829	655,829	655,829
Reserves		137,719,978	119,062,651	103,544,538
Equity attributable to owners of the Company		138,375,807	119,718,480	104,200,367
Perpetual equity instrument		5,000,000	–	–
Non-controlling interests		37,328,934	24,521,792	20,324,293
		180,704,741	144,240,272	124,524,660
NON-CURRENT LIABILITIES				
Bank borrowings — due after one year		83,501,063	57,213,258	41,804,160
Senior notes — due after one year		7,990,439	12,708,505	13,724,106
Medium-term notes — due after one year		18,619,448	9,976,857	5,086,366
Financial liabilities at fair value through profit or loss		232,420	256,369	–
Amounts due to associates		41,420	–	380,230
Amounts due to non-controlling interests		1,463,082	3,964,387	2,834,304
Deferred taxation liabilities		15,242,499	12,268,036	11,110,825
		127,090,371	96,387,412	74,939,991
TOTAL OF EQUITY AND NON-CURRENT LIABILITIES		307,795,112	240,627,684	199,464,651

1. BASIS OF PREPARATION

The consolidated financial statements of the Group have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"). In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and by the disclosure requirements of the Hong Kong Companies Ordinance.

The consolidated financial statements have been prepared on the historical cost basis except for investment properties and certain financial instruments which have been measured at fair value.

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

2. CHANGE OF PRESENTATION CURRENCY

The Company's functional currency is Renminbi ("RMB"). The presentation currency of the consolidated financial statements in the prior financial year was Hong Kong dollars ("HK$").

Since the Group mainly operates its business in the Mainland China and most of the assets and liabilities of the Group are denominated in RMB, the directors of the Company consider that it is more appropriate to use RMB as the presentation currency of the Group and the presentation of financial statements in RMB can provide more relevant information for management to control and monitor the performance and financial position of the Group. Accordingly, the Group has changed its presentation currency for the preparation of the financial statements from HK$ to RMB starting from 1 January 2018. The comparative figures have been restated to conform with the current year's presentation in RMB.

For the purpose of presenting the consolidated financial statements of the Group in RMB, the assets and liabilities for the consolidated statement of financial position are translated into RMB at the closing rate at the end of the reporting period. Income and expenses for the consolidated income statement and consolidated statement of comprehensive income are translated at the average exchange rates for the financial period. The share capital, the share premium and reserves are translated at the exchange rate at the date of transaction. The non-controlling interests for the consolidated statement of financial position are translated into RMB at the closing rate at the end of the reporting period.

3. MERGER ACCOUNTING RESTATEMENT

Merger accounting for business combination involving business under common control

On 30 April 2018, China Resources Shenzhen Bay Development Company Limited ("CR Shenzhen Bay"), a wholly-owned subsidiary of China Resources (Holdings) Company Limited ("CRH"), entered into a Management Rights Authorization Termination Agreement with China Resources Land (Shenzhen) Development Company Limited ("CRL Shenzhen"), a wholly-owned subsidiary of the Group, to transfer the relevant assets and liabilities of the Shenzhen Bay Sports Center ("the Transferred Business") to CRL Shenzhen for a consideration of RMB322,000,000. Shenzhen Bay Sports Center is a multi-use stadium located within the Nanshan District of Shenzhen, in the People's Republic of China (the "PRC"), built by CRL Shenzhen on behalf of the Nanshan Government. The consideration was settled by cash on 24 May 2018. The acquisition of the Transferred Business was completed on 1 May 2018.

The Transferred Business has been considered as a business as it possessed of all three components of a business (inputs, processes and outputs) and is capable of providing a return to its owners. Since CR Shenzhen Bay and the Group are under common control of CRH, the acquisition of the Transferred Business has been accounted for as business combination under common control in accordance with Accounting Guideline 5 *Merger Accounting for Common Control Combinations* ("AG 5") issued by the HKICPA.

3. MERGER ACCOUNTING RESTATEMENT (CONTINUED)

Merger accounting for business combination involving business under common control (continued)

Under merger accounting, the results of the Transferred Business has been combined from the date when they first came under the control of CRH. The assets and liabilities of the Transferred Business have been reflected at their existing carrying values at the date of combination. No amount has been recognised in respect of goodwill or excess of the acquirer's interest in the net fair value of acquiree's identifiable assets, liabilities and contingent liabilities over cost at the time of common control combination, which, instead, has been recorded in other reserve in equity.

Accordingly, the consolidated income statement, consolidated statement of comprehensive income, consolidated statement of changes in equity and the consolidated statement of cash flows for the year ended 31 December 2018 have been restated to include the assets and liabilities and the operating results of the Transferred Business. The consolidated statement of financial position as at 1 January 2017 and 31 December 2017 have been restated to include the carrying amounts of the assets and liabilities of the Transferred Business.

The effect of restatements described above on the consolidated income statement for the year ended 31 December 2017 has resulted in an increase in the Group's revenue of RMB298,893,000, an increase in the Group's profit attributable to the owners of the Company of RMB64,476,000, respectively.

The effect of restatements described above on the consolidated statement of financial position as at 1 January and 31 December 2017 have resulted an increase in the Group's total equity by RMB45,809,000 and RMB110,285,000 respectively.

4. APPLICATION OF NEW AND REVISED HKFRSs

The Group has adopted the following new standards, improvements, amendments to existing standards and interpretation issued by the HKICPA for the first time:

HKFRS 9	Financial Instruments
HKFRS 15	Revenue from Contracts with Customers
HK(IFRIC)-Int 22	Foreign Currency Transactions and Advance Consideration
Amendments to HKFRS 2	Classification and Measurement of Share-based Payment Transactions
Amendments to HKFRS 4	Applying HKFRS 9 Financial Instruments with HKFRS 4 Insurance Contracts
Amendments to HKFRS 15	Clarification to HKFRS 15 Revenue from Contracts with Customers
Amendments to HKAS 40	Transfers of Investment Property
Annual Improvements 2014–2016 Cycle	Amendments to HKFRS 1 and HKAS 28

In the current year, the Group has adopted all of the new standards, improvements, amendments and interpretations issued by the HKICPA that are relevant to the Group's operations and mandatory for annual periods beginning on 1 January 2018. The Group had to change its accounting policies with effect from 1 January 2018 as a result of adopting HKFRS 9 *Financial Instruments* ("HKFRS 9") and HKFRS 15 *Revenue from Contracts with Customers* ("HKFRS 15"). The adoption of these two standards have resulted in a decrease of RMB87,051,000 and an increase of RMB48,229,000 under HKFRS 9 and HKFRS 15, respectively, in the balance of total equity on 1 January 2018 (the date of initial application of HKFRS 9 and HKFRS 15). In addition, the adoption of HKFRS15 has resulted in an increase of RMB5,274,006,000 in both revenue and cost of sales, an increase of RMB110,440,000 in the profit for the year for the year ended 31 December 2018 and an increase of RMB158,669,000 in the balance of total equity as at 31 December 2018. The adoption of the other standards did not require the Group to change its accounting policies or make retrospective adjustments as they did not have a material effect on the Group's financial statements.

4. APPLICATION OF NEW AND REVISED HKFRSs (CONTINUED)

The Group has not early applied the following new standards, improvements, amendments to existing standards and interpretation that have been issued but are not yet effective:

HKFRS 16	Leases[1]
HKFRS 17	Insurance Contracts[3]
HK(IFRIC)-Int 23	Uncertainty over Income Tax Treatments[1]
Amendments to HKFRS 3	Definition of Business[2]
Amendments to HKFRS 9	Prepayment Features with Negative Compensation[1]
Amendments to HKFRS 10 and HKAS 28 (2011)	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[4]
Amendments to HKAS 1 and HKAS 8	Definition of Material[2]
Amendments to HKAS 19	Plan Amendment, Curtailment or Settlement[1]
Amendments to HKAS 28	Long-term Interests in Associates and Joint Ventures[1]
Annual Improvements 2015–2017 Cycle	Amendments to HKFRS 3, HKFRS 11, HKAS 12 and HKAS 23[1]

[1] Effective for annual periods beginning on or after 1 January 2019
[2] Effective for annual periods beginning on or after 1 January 2020
[3] Effective for annual periods beginning on or after 1 January 2021
[4] The mandatory effective date will be determined

The Group has already commenced an assessment of the impact of these new standards, amendments, improvements to existing standards and interpretations in the period of initial application. So far the Group has identified some aspects of HKFRS 16 Leases which may have an impact on the Group. Further details of the expected impacts are discussed below.

HKFRS 16 Lease

HKFRS 16 was issued in May 2016. It will result in almost all leases being recognised on the statement of financial position, 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.

The accounting for lessor will not significantly change. The standard will primarily affect the accounting for the Group's operating leases as lessees. The Group does not expect any significant impact on the financial statement as a lessor. However, some additional disclosures will be required from next year.

The Group will apply the standard from its mandatory adoption date of 1 January 2019. The Group intends to apply the transitional provision and will not restate comparative amounts for the year prior to first adoption. The right-of-use asset will be 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 the date of initial application.

The Group expects to recognize right-of-use assets and lease liability on 1 January 2019.

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

5. SEGMENT INFORMATION

Information reported to the executive directors of the Company, being the chief operating decision makers ("CODM") of the Group, was specifically focused on the segments of development properties for sale, property investments and management, hotel operations and construction, decoration services and others for the purpose of resource allocation and performance assessment. These divisions are the basis on which the Group reports its segment information under HKFRS 8 Operating Segments.

5. **SEGMENT INFORMATION (CONTINUED)**

Segment results represent the profit earned or loss incurred before taxation by each segment without allocation of income or expenses which are not recurring in nature or unrelated to the CODM's assessment of the Group's operating performance, e.g. other income, other gains and losses, gain on changes in fair value of investment properties, net gain/(loss) on changes in fair value of financial instruments at fair value through profit or loss, central administration costs and finance costs. Segment revenues and results are the measure reported to the CODM for the purposes of resource allocation and performance assessment. Inter-segment sales are transacted at mutually agreed prices.

Segment revenues and results

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

Year ended 31 December 2018

	Development properties for sale *RMB'000*	**Property investments and management** *RMB'000*	**Hotel operations** *RMB'000*	**Construction, decoration services and others** *RMB'000*	**Consolidated** *RMB'000*
Revenue					
Revenue from contracts with customers					
Recognised at a point in time	105,147,535	–	–	–	105,147,535
Recognised over time	–	1,346,328	1,427,077	16,290,784	19,064,189
Revenue from other sources					
Rental income	–	7,339,272	–	–	7,339,272
Segment revenue	105,147,535	8,685,600	1,427,077	16,290,784	131,550,996
Inter-segment revenue	–	(593,225)	–	(9,768,845)	(10,362,070)
Revenue from external customers	105,147,535	8,092,375	1,427,077	6,521,939	121,188,926
Result					
Segment results	42,566,047	3,786,801	66,607	143,353	46,562,808
Other income, other gains and losses					887,601
Gain on changes in fair value of investment properties					6,904,294
Gain on changes in fair value of financial instruments at fair value through profit or loss					135,205
Unallocated expenses					(1,020,928)
Finance costs					(1,742,695)
Profit before taxation					51,726,285

5. SEGMENT INFORMATION (CONTINUED)

Segment revenues and results (continued)

Year ended 31 December 2017

(Restated)	Development properties for sale *RMB'000*	Property investments and management *RMB'000*	Hotel operations *RMB'000*	Construction, decoration services and others *RMB'000*	Consolidated *RMB'000*
Revenue					
Segment revenue	89,510,677	6,757,320	1,294,683	11,923,520	109,486,200
Inter-segment revenue	–	(406,244)	–	(7,137,437)	(7,543,681)
Revenue from external customers	89,510,677	6,351,076	1,294,683	4,786,083	101,942,519
Result					
Segment results	32,487,607	2,530,331	30,121	222,724	35,270,783
Other income, other gains and losses					1,768,987
Gain on changes in fair value of investment properties					5,150,014
Net loss on changes in fair value of financial instruments at fair value through profit or loss					(18,236)
Unallocated expenses					(1,143,594)
Finance costs					(1,602,700)
Profit before taxation					39,425,254

6. FINANCE COSTS

	Year ended 31 December 2018 *RMB'000*	2017 *RMB'000* (Restated)
Total interests on bank borrowings, senior notes, medium-term notes and others	(6,124,699)	(4,828,107)
Total bank charges	(149,648)	(219,629)
Less: Amounts capitalised in properties under development for sale, investment properties under construction and construction in progress	4,531,652	3,445,036
	(1,742,695)	(1,602,700)

7. INCOME TAX EXPENSES

	Year ended 31 December 2018 *RMB'000*	2017 *RMB'000* (Restated)
The income tax expenses comprise of:		
PRC Enterprise Income Tax ("EIT") and withholding income tax	(11,507,794)	(9,390,079)
PRC Land Appreciation Tax ("LAT")	(12,722,209)	(8,717,067)
Hong Kong Profits Tax	(128)	–
Tax charge in other jurisdiction	(20,786)	(3,738)
	(24,250,917)	(18,110,884)
Deferred taxation	(198,119)	435,902
	(24,449,036)	(17,674,982)

(a) EIT

Under the Law of the People's Republic of China on Enterprise Income Tax (the "EIT Law") and Implementation Regulation of the EIT Law, the tax rate of the Group's PRC subsidiaries is 25% from 1 January 2008 onwards.

(b) PRC withholding income tax

PRC withholding income tax of 10% shall be levied on the dividends declared by the companies established in the PRC to their foreign investors out of their profits earned after 1 January 2008. A lower 5% withholding tax rate may be applied when the immediate holding companies of the PRC subsidiaries are incorporated or operated in Hong Kong and fulfill the requirements to the tax treaty arrangements between the PRC and Hong Kong.

(c) LAT

The provision for LAT is estimated according to the requirements set forth in the relevant PRC tax laws and regulations. LAT has been provided at ranges of progressive rates of the appreciation value, with certain allowable deductions.

(d) Hong Kong Profits Tax

Hong Kong Profits Tax is calculated at 16.5% (2017: 16.5%) of the estimated assessable profits.

(e) 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 the Cayman Islands and accordingly, is exempted from Cayman Islands income tax. The Company's subsidiaries incorporated in the British Virgin Islands were incorporated under the International Business Companies Act of the British Virgin Islands and, accordingly, are exempted from British Virgin Islands income tax.

(f) Tax charge in other jurisdiction

Tax charge in other jurisdiction mainly represents the current tax charge in the United Kingdom (the "UK"). Under the United Kingdom Tax Law, the tax rate of the subsidiary operating in the UK is 20% (2017: 20%).

8. PROFIT FOR THE YEAR

	Year ended 31 December 2018 RMB'000	2017 RMB'000 (Restated)
Profit for the year has been arrived at after charging the following items:		
Depreciation of property, plant and equipment	564,925	507,552
Amortisation of land use rights	42,745	34,992
Amortisation of intangible assets	14,083	2,347

9. DIVIDENDS

	Year ended 31 December 2018 RMB'000	2017 RMB'000 (Restated)
2018 interim dividend, RMB0.11 (2017: HK$0.1) per ordinary share	762,403	584,682
2018 final dividend, proposed, of RMB0.949 (2017: HK$0.867) per ordinary share *(Note)*	6,577,462	5,066,288
	7,339,865	5,650,970

Note: At a meeting held by the Board on 26 March 2019, the Board proposed a final dividend in respect of the year ended 31 December 2018 of RMB0.949 (equivalent to HK$1.112) per ordinary share of the Company, totalling approximately RMB6,577,462,000 (equivalent to approximately HK$7,707,205,000) based on the latest number of ordinary shares of 6,930,939,579 shares of the Company in issue. This proposed dividend is not reflected as a dividend payable in these consolidated financial statements, but will be reflected as a profit appropriation in the consolidated financial statements of the Company for the year ending 31 December 2019.

A final dividend for the year ended 31 December 2017 of HK$0.867 per ordinary share, totalling approximately HK$6,009,125,000 (equivalent to approximately RMB5,066,288,000) had been approved in the Company's Annual General Meeting on 1 June 2018 and paid during the year.

10. EARNINGS PER SHARE

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

	Year ended 31 December	
	2018	**2017**
	RMB'000	*RMB'000*
		(Restated)
Earnings		
Earnings for the purpose of basic earnings per share (profit for the year attributable to owners of the Company)	24,237,875	19,690,400

	2018	**2017**
Number of shares		
Number of ordinary shares for the purpose of basic earnings per share	6,930,939,579	6,930,939,579

No diluted earnings per share is presented for the years ended 31 December 2018 and 2017 as there were no potential ordinary shares outstanding.

11. TRADE RECEIVABLES, OTHER RECEIVABLES, PREPAYMENTS AND DEPOSITS

	31.12.2018	**31.12.2017**
	RMB'000	*RMB'000*
		(Restated)
Trade and bills receivables *(Note a)*	2,207,118	2,432,200
Less: allowance for doubtful debts *(Note a)*	(89,657)	(94,025)
	2,117,461	2,338,175
Prepayments for acquisition of land use rights *(Note b)*	8,482,689	11,437,680
Other receivables	14,436,898	19,724,156
Less: allowance for doubtful debts	(346,589)	(325,662)
	14,090,309	19,398,494
Prepayments and deposits	18,824,703	8,875,627
	43,515,162	42,049,976

11. TRADE RECEIVABLES, OTHER RECEIVABLES, PREPAYMENTS AND DEPOSITS (CONTINUED)

Notes:

(a) Trade and bills receivables

Proceeds receivable in respect of sale of properties are settled in accordance with the terms stipulated in the sale and purchase agreements. Generally, purchasers of properties are required to settle the balance within 30 days as specified in the sales and purchase agreements or not granted with any credit period.

Except for the proceeds receivable from sale of properties that mentioned above, rental income from lease of properties and proceeds from construction contracts which are receivable in accordance with the terms of the relevant agreements, the Group generally allows a credit period of not exceeding 45 days to its customers.

The following is an aging analysis of trade and bills receivables (net of allowance of doubtful debts) based on the date of the properties delivered and sales were recognised at the end of the reporting period:

	31.12.2018 *RMB'000*	**31.12.2017** *RMB'000* **(Restated)**
0–30 days	664,913	1,016,697
31–60 days	190,162	175,286
61–90 days	175,757	124,529
91–180 days	503,534	225,071
181–365 days	304,721	436,464
Over 1 year	278,374	360,128
	2,117,461	2,338,175

(b) Prepayments for acquisition of land use rights

The amount represents the prepayments made by the Group for the acquisition of land use rights in the PRC for property development for sale. The land use right certificates have not yet been obtained by the Group at the end of the reporting period.

12. TRADE AND OTHER PAYABLES

	31.12.2018	**31.12.2017**
	RMB'000	***RMB'000***
		(Restated)
Trade and bills payables *(Note a)*	53,797,915	41,895,368
Other payables *(Note b)*	34,447,962	22,213,273
	88,245,877	64,108,641

Notes:

(a) The following is an aging analysis of trade and bills payables at the end of the reporting period based on the invoice date:

	31.12.2018	**31.12.2017**
	RMB'000	***RMB'000***
		(Restated)
0–30 days	22,938,273	15,797,291
31–60 days	2,048,840	1,143,044
61–90 days	1,332,803	968,666
91–180 days	4,598,350	2,746,833
181–365 days	7,046,217	5,814,571
Over 1 year	15,833,432	15,424,963
	53,797,915	41,895,368

(b) Amounts mainly include other taxes payable, temporary receipts and accrued salaries.

CHAIRMAN STATEMENT

I am pleased to present the annual business review and outlook of the Company and the Group for the year ended 31 December 2018 to shareholders.

In year 2018, China's economy well balanced between steady growth and risk prevention by adhering to the "six stabilities" policy and delivered GDP growth of 6.6%. Facing complicated international environment and arduous domestic challenges in reform, development and stabilization, Chinese government successfully kept the key economic indicators within an appropriate range and maintained economic stability while making steady progress. While adhering to the principle of "housing is for living rather than speculation", central government implemented city-specific policies and category-specific guidance, increased land supply through diversified channels and policy-supported housing supply, accelerated improvement of the housing social welfare system, introduced policies to support leasing markets, pledged to set up a long-term mechanism for property market to promote stable and healthy development of the real estate market.

In year 2018, Chinese property regulations were set to "stabilize land price, stabilize property price and stabilize expectation", and the overall market gradually returned to rationality. Policy effect in tier 1 and 2 cities was in line with regulatory expectations, while in tier 3 and 4 cities was more obvious. The national investment in real estate development was RMB12 trillion, up 9.5% YoY; the commercial housing sales totaled RMB15 trillion with GFA sold reached 1.72 billion square meters, reflecting YoY growth of 12.2% and 1.3% respectively. During the year, the Group proactively complied with the national development strategy, further optimized its investment allocation, coupled with market penetration strategy and higher operation efficiency, and achieved contracted sales of RMB210.68 billion, ranked within Top 10 in the industry.

In year 2018, China's total retail sales of consumer goods totaled RMB38.1 trillion, up 9.0% YoY, while consumption became the most important driver of economic growth. During the year, benefited from excellent mall operation and management expertise, retail sales of the Group's shopping malls achieved RMB47.29 billion with a YoY growth of 31.8%, which was much higher than the market average.

During the year under review, the Group constantly pursued changes, progresses and innovations from stability by adhering to its development concept of "Make it Solid, Make it Stronger, Make it Bigger, Make it Good, Make it Longer". Focusing on urban upgrade, consumption upgrade and industrial upgrade, the Group further crystalized its "2+X" business model by promoting business innovations in senior housing, leasing apartment, industry fund, industry town, culture & sports, cinemas businesses etc. with a strategic target to transform the Group into an integrated operator in city investment, development and operation.

Results Review

In year 2018, the Group realized a consolidated turnover of RMB121.19 billion, core profit attributable to the shareholders of the Company excluding revaluation gain from investment properties amounted to RMB19.30 billion, profit attributable to the shareholders of the Company including revaluation gain from investment properties amounted to RMB24.24 billion, the Group's earnings per share achieved RMB3.50, of which core net profit attributable to shareholders is RMB2.78 per share. As of 31 December 2018, the net assets per share amounted to RMB19.96, representing an increase of 15.6% comparing to the end of 2017.

The Board of the Company has resolved to recommend a final dividend of RMB0.949 (equivalent to HK$1.112) per share, up 28.3% comparing to the final dividend of 2017.

The Group attaches great importance to consistent shareholder value creation with a balanced scale, risk and return model, pursues long-term sustainable growth and maximizes shareholder interests. In the past ten years, the Group's CAGR of consolidated turnover, earnings per share and dividend per share achieved 26.5%, 18.2% and 20.2% respectively.

Development Property

In year 2018, the Group made great efforts to accelerate asset turnover while still retaining quality products and services. Operation efficiency was greatly improved and the Group's development property realized turnover of RMB105.15 billion, up 17.5% YoY, with gross profit margin expanded by 3.2pt YoY to 42.9%.

During the year under review, the Group improved its system for third-party evaluation and inspection on engineering quality, level of which maintained industry benchmark high level according the inspection result. The Group continued technical research to promote construction industrialization, and applied fabricated construction to projects with GFA of 11.59 million square meters. Home buyers' customer satisfaction improved a lot due to upgraded customer information service platform, faster response to customer demands, and improved quality of delivered projects.

Investment Property

As of 31 December 2018, the Group's investment properties in operation had a total GFA of 9.21 million square meters, leading the market in scale. Shopping mall business in specific, the Group had 23 MIXc/MIXc World malls and 12 Hi5/MIXc One malls in operation and 43 projects in pipeline. Besides, the Group had 25 asset-light shopping mall projects, of which 17 were in operation and 8 were in pipeline.

During the year under review, 8 shopping malls, namely Hangzhou Xiaoshan MIXc, Taiyuan MIXc, Chongqing Danzishi MIXc One, Nantong MIXc, Liuzhou MIXc, Shijiazhuang Mixc, Xiamen Mixc and Shenzhen Bay Mixc were opened with market leading opening rates. Besides, the Group acquired high-quality commercial projects in Shenzhen, Tianjin, Hangzhou, Nanjing, Nanchang, Huizhou and Dongguan in 2018.

In year 2018, the Group's turnover from investment properties achieved a YoY growth of 24.5% to RMB9.52 billion, of which turnover from shopping mall business amounted to RMB6.86 billion, turnover from office business amounted to RMB1.24 billion and turnover from hotel business amounted to RMB1.43 billion, up 29.9%, 15.3% and 10.2% YoY respectively.

Land Bank

During the year under review, the Group continued to deepen market penetration, proactively replenished its land bank and acquired 103 new projects with total land premium of RMB151.4 billion (of which attributable land premium was RMB103.7 billion). Total GFA acquired was 22.13 million square meters, up 84.9% YoY, of which 19.38 million square meters were for development properties and 2.75 million square meters were for investment properties.

As of 31 December 2018, the Group had expanded its geographical exposure to 70 cities worldwide with a total land bank GFA of 59.57 million square meters, of which 50.14 million square meters were for development properties and 9.43 million square meters were for investment properties. Land bank GFA in tier 1, 2 cities and tier 3 cities with industrial support accounted for 83.0% of total, such high quality land bank matches well with the Group's business model.

X Strategy and Innovative Development

During the year under review, the Group further crystalized its "2+X" business model by focusing on urban, consumption and industrial upgrade and transformed into an integrated operator in city investment, development and operation by promoting innovation and synergy in business sectors including urban redevelopment, property services, senior housing, leasing apartments, industrial funds, industrial towns, culture and sports, cinemas etc..

To meet the endogenous needs of constant self-restoration, function-optimization and dimension-expansion in urban city devolvement, the Group took an active part and has become market leader in urban redevelopment business after its successful delivery of the flagship urban redevelopment project "Shenzhen CR City". Considering local policy feasibility and "Guangdong-Hong Kong-Macao Greater Bay Area" development strategy promoted by government, the Group primarily focuses on quality urban redevelopment opportunities in core cities within the area like Shenzhen, Guangzhou and Dongguan etc. to support sustainable growth of the Group. Currently, the Group is actively working on over 30 urban redevelopment projects, of which 16 matured ones have total land bank GFA of approximately 22 million square meters.

Property services business followed the “customer first” philosophy, targeted market in tier 1 and tier 2 cities and actively expanded its business by acquiring high-quality projects. During the year, the Group has successfully piloted and promoted the smart community and smart property. The smart community model “Smart Yinhu Blue Mountain” covers more than 10 business scenarios while the smart property model “Smart CR City” covers 5 scenarios including smart fire-fighting, smart transportation, smart energy, smart operation, and smart customer experience. The promotion and landing of the above smart projects has realized significant savings in traditional working hours and greatly improved the customer satisfaction and the profitability of the business.

Senior housing business, in asset-light and asset-heavy models, is committed to provide high quality medical care and healthcare services to mid to high-end consumers with fundamental demand and leading consumption concepts.

Leasing apartment business focused on the high-quality assets in prime location in core cities. With both asset-light and asset-heavy models, the Group is set to build communities providing comfortable, healthy, safe, environmental friendly and cultural living conditions to customers. Operation efficiency will be improved by increasing utilization ratio, reducing vacancy rate and controlling cost.

Financial Policy

The Group adhered to its prudent financial policies. As of 31 December 2018, total interest-bearing debt ratio was 42.3% which stayed flat compared with that as the end of 2017, while net interest-bearing debt ratio lowered to 33.9% from 35.9% by 2017 year-end. During the year, Standard and Poor’s, Moody’s and Fitch maintained the Company’s credit ratings at “BBB+/stable”, “Baa1/stable” and “BBB+/stable” respectively.

Environment, Social and Governance (“ESG”)

The Group follows its social responsibility philosophy of “quality life, better city” and commits to build beautiful city, create better life, and build up community of shared interests between the enterprise and the economy, society and the environment.

The Group values the idea of integrating environment protection into project development and corporate operations to reduce and minimize the side effects to environment by better emission management, energy and resources saving, as well as applications of environmental friendly materials and low-carbon equipment etc.

In year 2018, the Group achieved improvements in various aspects such as job creation, labor and social security, safe production, tax compliance, and public welfare & charity etc.

The Group's endeavor and achievements in ESG received wide recognition. After being included as one of the 93 constituent stocks of Hang Seng Sustainable Development Corporate Benchmark Index (HSSUSB) in 2017, the Group was selected as one of the 30 constituent stocks of Hang Seng Sustainable Development Corporate Index (HSSUS) in 2018. The Group further improved its performance score to 84 in GRESB and ranked the second among developers in the Asia-Pacific region, becoming one of the global leaders. The Group has ranked the first in real estate development industry for 5 consecutive years in the social responsibility development index by the Corporate Social Responsibility Research Center of the Chinese Academy of Social Sciences.

Outlook

The river always flows and the world is always new. All great undertakings are making progress by building on past successes to further advance the cause. Looking forward to the year 2019, the Group will remain committed to implement the central government's macro policies under the guidance of "stabilize land price, housing price and expectation" by the Ministry of Housing and Construction, and earnestly promote a healthy and sustainable property market. The Group will make its brilliant mark on China Resources Group's 100-year historic canvas by implementing China Resources' spirit of "transformation, quality improvement, stability and innovation" and adhering to the Group's strategy of "precise investment, excellent operation and innovation".

For development property business, the Group will further participate in the urbanization process, continuously meet the needs from customers' pursuit of a better life, promote value chain standardization, improve quality and efficiency, control costs, and increase asset turnover. The Group will put the customer at first priority, act in clients' best interests, attach importance to customer experience, and to provide quality product and service to realize quality growth.

For investment property business, the Group will keep its leading position in China by exploring opportunities in both existing and incremental assets through diversified channels to scale up, and to improve customers' shopping experience by seizing the new retail trend, embracing the internet and new technologies, exploring digital transformation and strengthening shopping scenario.

For X strategy, with a focus on the urban, consumption and industrial upgrade, the Group will actively foster innovative businesses, explore new profit engines, and continuously transform to an integrated operator in city investment, development and operation.

2019 and 2020 will be a critical period for China to win the three tough battles, while its economy enduring mid-high speed platform period. The Group will promote reforms in quality, efficiency and growth drivers to achieve growth with “high quality, high efficiency and low risk”. Positioned to build up a corporate structure with “specialized headquarters, stronger regions and practical city companies”, the Group will improve evaluation system and incentive scheme, optimize training system to maximize efficiency and stimulate front-line vitality. In addition, the Group will adhere to its traditional culture where honesty, entrepreneurship, pragmatism, professionalism and eagerness to learn are greatly cherished, and further shoulder the solemn mission of “lead business progress and create a better life”, in order to provide better quality product and service and bring more comprehensive, convenient and comfortable life experience to customers.

Finally, on behalf of the Board of Directors, I would like to express my sincere appreciation to shareholders, customers and all related parties in the society for your long term support!

TANG Yong
Chairman

MANAGEMENT DISCUSSION AND ANALYSIS

In Year 2018, the Group's development property and investment property both maintained stable momentum. During the reporting year, contracted sales performance and construction progress of each project were in line with management's expectation, laying a solid foundation for 2019.

Review of Development Property Contracted Sales in Year 2018

In Year 2018, the Group achieved contracted sales of RMB210.68 billion with contracted GFA of 11.99 million square meters, up 22.3% and 17.6% YoY respectively.

Regional breakdown of the Group's contracted sales is set out in the following table:

Region	**Contracted Sales**		**Contracted GFA**	
	RMB'000	***%***	***Sq.m.***	***%***
North China Region	51,376,170	24.4%	2,477,893	20.7%
East China Region	46,881,197	22.3%	2,314,428	19.3%
South China Region	48,872,794	23.2%	1,526,766	12.7%
West China Region	21,705,103	10.3%	2,030,566	16.9%
Northeast China Region	27,133,080	12.9%	2,258,980	18.9%
Central China Region	14,631,655	6.9%	1,377,360	11.5%
Others	80,824	0.0%	3,270	0.0%
Total	210,680,823	100.0%	11,989,263	100.0%

Review of Development Property Revenue in Year 2018

In Year 2018, the Group achieved developed property revenue of RMB105.15 billion with booked GFA of 6.08 million square meters, representing YoY growth of 17.5% and decline of 15.7% respectively. Gross profit margin of development property reached 42.9% in Year 2018, higher than 39.7% in Year 2017.

Region breakdown of the Group's revenue in Year 2018 is listed below:

Region	**Revenue**	**GFA Booked**
	RMB'000	***Sq.m.***
North China Region	20,028,720	1,130,960
East China Region	22,560,862	1,277,075
South China Region	36,868,136	906,930
West China Region	6,695,467	822,911
Northeast China Region	10,670,995	1,116,917
Central China Region	8,261,329	822,533
Others	62,026	2,649
Total	105,147,535	6,079,975

As of 31 December 2018, the Group has locked in unbooked contracted sales of RMB187.35 billion that are subject to recognition as development property revenue in 2019 and years to come, among which RMB99.22 billion will be recognized in 2019, laying a solid foundation for the Group's 2019 full year results.

Review of Investment Property Business in Year 2018

As of 31 December 2018, the book value of the investment properties of the Group amounted to RMB126.86 billion, accounting for 19.3% of the Group's total assets value. In compliance with accounting policies, the Group engaged an independent appraiser to revalue its investment properties, including those under construction, and a revaluation gain of RMB4.94 billion (after taxation and minority interests) was booked in Year 2018 based on the appraisal report. In Year 2018, rental income of investment properties, including hotel operation, amounted to RMB9.52 billion, representing a 24.5% YoY growth.

The following table sets out the details of the Group's rental income and occupancy rates of key investment properties in Year 2018:

Investment Property	Opening Date	Revenue 2018 *RMB'000*	Revenue 2017 *RMB'000*	% yoy	Average Occupancy Rate 2018 *(%)*	Average Occupancy Rate 2017 *(%)*	Pt yoy
Shenzhen Mixc	19/12/2004	1,017,460	929,501	9.5%	99.5%	99.5%	0.0pt
Hangzhou Mixc	22/04/2010	546,241	477,116	14.5%	88.6%	92.5%	-3.9pt
Shenyang Mixc	15/05/2011	654,004	548,476	19.2%	99.2%	98.8%	0.4pt
Chengdu Mixc	11/05/2012	325,715	257,529	26.5%	97.4%	95.4%	2.0pt
Nanning Mixc	01/09/2012	561,823	490,852	14.5%	98.4%	98.8%	-0.4pt
Zhengzhou Mixc	19/04/2014	108,502	95,822	13.2%	88.0%	80.7%	7.3pt
Chongqing Mixc	19/09/2014	303,144	243,366	24.6%	86.1%	92.5%	-6.4pt
Wuxi Mixc	20/12/2014	145,429	112,755	29.0%	89.0%	85.0%	4.0pt
Qingdao Mixc	30/04/2015	413,852	329,917	25.4%	90.9%	87.7%	3.2pt
Hefei Mixc	25/09/2015	239,895	192,705	24.5%	98.0%	96.3%	1.7pt
Ganzhou Mixc	19/09/2015	151,260	113,834	32.9%	96.0%	95.7%	0.3pt
Wenzhou Mixc	30/04/2016	219,564	179,096	22.6%	92.5%	87.8%	4.7pt
Xi'an Xixian Mixc	21/04/2017	72,658	37,471	93.9%	97.3%	96.7%	0.6pt
Shanghai Mixc[1]	23/09/2017	334,091	89,898	271.6%	96.1%	90.0%	6.1pt
Taizhou Mixc	31/12/2017	11,573	N/A	N/A	98.0%	100.0%	-2.0pt
Taiyuan Mixc	15/09/2018	77,559	N/A	N/A	96.2%	N/A	N/A
Nantong Mixc	30/09/2018	42,092	N/A	N/A	93.1%	N/A	N/A
Liuzhou Mixc	30/09/2018	46,464	N/A	N/A	92.5%	N/A	N/A
Shijiazhuang Mixc	10/11/2018	31,194	N/A	N/A	90.7%	N/A	N/A
Xiamen Mixc	23/11/2018	30,665	N/A	N/A	86.4%	N/A	N/A
Shenzhen Bay Mixc	18/12/2018	13,084	N/A	N/A	72.9%	N/A	N/A
Shanghai Time Square Commercial	18/01/1997	2,329	11,265	N/A	Closed for renovation	Closed for renovation	N/A

Investment Property	Opening Date	Revenue 2018 RMB'000	Revenue 2017 RMB'000	% yoy	Average Occupancy Rate 2018 (%)	Average Occupancy Rate 2017 (%)	Pt yoy
Beijing Phoenix Plaza Commercial	31/12/2011	88,246	90,016	-2.0%	97.2%	97.5%	-0.3pt
Beijing Qinghe Hi5	03/07/2011	271,727	240,481	13.0%	98.5%	99.5%	-1.0pt
Hefei Shushan Hi5	01/05/2014	37,093	33,091	12.1%	96.6%	100.0%	-3.4pt
Ningbo Yuyao Hi5	28/06/2014	66,785	61,283	9.0%	97.5%	97.0%	0.5pt
Shanghai Nanxiang Hi5	25/10/2014	38,318	35,521	7.9%	95.6%	97.4%	-1.8pt
Shandong Zibo Mix One	27/05/2015	138,613	120,626	14.9%	93.7%	90.6%	3.1pt
Shenyang Tiexi Mix One	30/09/2015	176,993	152,868	15.8%	96.7%	94.0%	2.7pt
Changsha Xingsha Mix One	28/11/2015	68,182	54,129	26.0%	99.3%	99.6%	-0.3pt
Shandong Rizhao Mix One	26/09/2016	62,266	55,928	11.3%	98.2%	98.6%	-0.4pt
Shenzhen Mixc World	27/09/2017	373,219	62,583	496.4%	96.9%	96.2%	0.7pt
Beijing Miyun Mix One	10/11/2017	74,897	5,891	1,171.3%	96.6%	99.6%	-3.0pt
Hangzhou Xiaoshan Mix One	15/06/2018	101,215	N/A	N/A	96.8%	N/A	N/A
Chonqing Danzishi Mix One	15/09/2018	8,559	N/A	N/A	97.6%	N/A	N/A
Beijing CR Building	18/06/1999	201,134	196,513	2.4%	97.0%	96.9%	0.1pt
Shenzhen CR Building	09/12/2004	136,392	148,242	-8.0%	95.0%	97.6%	-2.6pt
Shenyang CR Building	09/05/2011	83,234	81,283	2.4%	96.9%	93.1%	3.8pt
Chengdu CR Building	20/04/2012	89,682	73,664	21.7%	93.0%	93.2%	-0.2pt
Nanning CR Building	06/06/2012	41,266	30,578	35.0%	89.2%	81.2%	8.0pt
Hangzhou CR Building	23/03/2015	100,888	60,662	66.3%	90.0%	71.5%	18.5pt
Shanghai Times Square Office	01/07/1997	103,361	95,207	8.6%	90.0%	85.3%	4.7pt
Beijing Phoenix Plaza Office	01/12/2011	292,278	289,137	1.1%	94.0%	95.7%	-1.7pt
Beijing Qinghe Hi5 Office	25/02/2013	19,078	19,191	-0.6%	100.0%	100.0%	0.0pt
Shenzhen CR City Office	10/07/2018	18,381	N/A	N/A	61.1%	N/A	N/A
20 Gresham Street London Office	30/09/2008	136,066	87,763	55.0%	100.0%	100.0%	0.0pt
Others	N/A	349,996	336,715	3.9%	N/A	N/A	N/A
Shenzhen Grand Hyatt Hotel	01/07/2010	453,268	418,412	8.3%	88.4%	86.8%	1.6pt
Shimei Bay Le Meridien Hotel	01/11/2008	55,441	64,348	-13.8%	46.0%	51.2%	-5.2pt
Shenyang Grand Hyatt Hotel	30/08/2013	201,135	193,881	3.7%	67.4%	68.5%	-1.1pt
Dalian Grand Hyatt Hotel	12/09/2014	211,088	198,666	6.3%	58.5%	56.6%	1.9pt
Huizhou Le Meridien Hotel	30/09/2016	87,525	78,818	11.0%	45.7%	44.1%	1.6pt
Zibo Sheraton Hotel	07/10/2016	72,275	61,940	16.7%	77.4%	63.6%	13.8pt
Hangzhou Park Hyatt Hotel	28/09/2016	229,439	178,118	28.8%	64.3%	58.6%	5.7pt
Shenzhen Bay Kapok Hotel	03/11/2012	110,159	100,499	9.6%	75.4%	N/A	N/A
Luohu Kapok Hotel	17/10/2018	6,746	N/A	N/A	53.4%	N/A	N/A
Total		9,519,452	7,645,759	24.5%	N/A	N/A	N/A

Note:

1 The Group holds 50% interest in Shanghai Mixc, which is not consolidated by the Group.

Details of the Group's key investment properties opened in Year 2018 are listed below:

Investment Property	**City**	**Interest Attribute to the Group**	**Total GFA** *Sq.m.*	**Attribution GFA** *Sq.m.*
Hangzhou Xiaoshan Mixc One	Hangzhou	100%	186,060	186,060
Comprising: Commercial			93,560	93,560
Car Park			92,500	92,500
Taiyuan Mixc	Taiyuan	100%	292,315	292,315
Comprising: Commercial			209,987	209,987
Car Park			82,328	82,328
Chongqing Danzishi Mixc One	Chongqing	100%	92,153	92,153
Comprising: Commercial			59,015	59,015
Car Park			33,138	33,138
Nantong Mixc	Nantong	55%	169,307	93,119
Comprising: Commercial			132,858	73,072
Car Park			36,449	20,047
Liuzhou Mixc	Liuzhou	55%	198,279	109,053
Comprising: Commercial			122,779	67,528
Car Park			75,500	41,525
Shijiazhuang Mixc	Shijiazhuang	100%	285,077	285,077
Comprising: Commercial			161,294	161,294
Car Park			123,783	123,783
Xiamen Mixc	Xiamen	100%	209,083	209,083
Comprising: Commercial			130,783	130,783
Car Park			78,300	78,300
Shenzhen Bay Mixc	Shenzhen	100%	292,108	292,108
Comprising: Commercial			76,000	76,000
Car Park			216,108	216,108

As of 31 December 2018, the Group's investment properties in operation achieved 9.21 million square meters in total GFA, plus another 9.43 million square meters GFA under construction or planning, details of which are set out below:

		Investment Properties in Operation		Investment Properties under Construction or Planning	
		Total GFA	**Attribute GFA**	**Total GFA**	**Attribute GFA**
		Sq.m.	***Sq.m.***	***Sq.m.***	***Sq.m.***
Total GFA		9,211,205	8,035,697	9,432,344	6,753,690
Comprising:	Commercial	4,877,965	4,197,912	5,060,583	3,648,926
	Office	632,929	589,734	2,291,471	1,569,342
	Hotel	438,119	369,260	1,091,804	814,402
	Others	3,262,192	2,878,791	988,486	721,020

Investment properties, shopping malls in particular, are the Group's key business focus. The upcoming two to three years will continue to be the peak years for new openings of shopping malls. The Group will further improve efficiency in construction and operation of investment properties to ensure stable rental income growth and earnings sustainability.

Land Bank

In Year 2018, the Group acquired 103 quality land parcels totaling 22.13 million square meters in GFA with a total land premium of RMB151.35 billion (attributable land premium was RMB103.68 billion). As of 31 December 2018, the total GFA of the Group's total land bank amounted to 59.57 million square meters, the regional breakdown of which is set out below:

Region	**Total GFA**	**Attribute GFA**
	Sq.m.	***Sq.m.***
North China Region	11,405,876	8,605,746
East China Region	10,875,640	6,829,210
South China Region	13,709,256	9,220,374
West China Region	9,443,366	8,262,662
Northeast China Region	5,258,327	5,175,896
Central China Region	8,807,322	6,640,715
Others	73,175	70,801
Total	59,572,962	44,805,404

Sufficient land bank further reinforced the Group's sustainable growth in the future. As of 31 December 2018, the Group's geographic presence extended to 70 cities all over the world.

Looking ahead, while maintaining a healthy financial position and within certain target capital structure constraints, the Group will strictly follow its financial return criteria to replenish quality land bank at low cost through diversified land bank channels. The Group will allocate resources with geographic focus to match its development strategies and business model. Land bank replenishment will be funded by the Group's internal resources together with external financing.

LOANS, DEBT RATIOS, ASSET PLEDGE AND FOREIGN EXCHANGE RISK

As at 31 December 2018, the Group's total debt was RMB132.2 billion equivalent while its cash and bank balance amounted to RMB70.97 billion. The Group's net interest-bearing debt to equity ratio (including minority interests) was 33.9%, lower than 35.9% as of end of 2017.

On 9 March 2018, the Group completed the issuance of RMB6.0 billion onshore medium term notes with a term of 3 years at a coupon rate of 5.38% per annum.

On 2 April 2018, the Group completed the issuance of RMB4.0 billion onshore medium term notes, of which RMB0.5 billion notes with a term of 3 years at a coupon rate of 4.98% per annum, and RMB3.5 billion notes with a term of 5 years at a coupon rate of 5.23% per annum.

On 19 February 2019, the Group completed the issuance of US$800 million offshore medium term notes, of which US$300 million notes with a term of 5.5 years at a coupon rate of 3.75% per annum, and US$500 million notes with a term of 10 years at a coupon rate of 4.125% per annum.

As of 31 December 2018, the Group's non-RMB net debt exposure accounted for 22.7%. For the total interest-bearing debts, approximate 17% of the interest-bearing debt is repayable within one year while the rest is long-term interest-bearing debt. The Group maintained its borrowing cost at a sector-low level, with the weighted average cost of funding at 4.47% as at 31 December 2018.

In Year 2018, the international credit rating agencies namely Standard and Poor's, Moody's and Fitch maintained the Company credit ratings at "BBB+/stable", "Baa1/stable" and "BBB+/stable" respectively.

As of 31 December 2018, the Group had total loan facilities of RMB29.78 billion through asset pledge with pledge tenor ranging from 3 to 14 years, and the Group's total balance of asset-pledged loan was RMB15.90 billion.

As of 31 December 2018, the Group's had a cross currency swap contract with a principal amount of HK$1.5 billion (equivalent to RMB1.31 billion) for hedging foreign exchange risk and interest rate risk, and an interest rate swap contract with a principal amount of £85.8 million (equivalent to RMB0.75 billion) for hedging interest rate risk. As RMB exchange mechanism becomes more market-oriented, RMB increasingly becomes a two-way floating currency. However, the Group's foreign exchange risk is manageable which will not impose material impact on the Group's financial position. The Group will closely monitor its exchange risk exposure and adjust its debt profile when necessary based on market changes.

EMPLOYEE AND COMPENSATION POLICY

As of 31 December 2018, the Group had 46,518 full time employees in Mainland China and Hong Kong (including property management and agency subsidiaries). The Group remunerates its employees based on their performance, working experience and market salary levels. In addition, performance bonus is granted on a discretionary basis. Other employee benefits include provident fund, insurance and medical coverage.

CONTINGENT LIABILITIES

Temporary guarantees are provided to banks with respect to mortgage loans procured by some purchasers of the Group's properties. Such guarantees will be released by banks upon the issuance of the real estate ownership certificate to the purchasers or the receipt of mortgaged loan by the purchasers, whichever is earlier. In the opinion of the Board, the fair value of these financial guarantee contracts is insignificant.

CORPORATE GOVERNANCE

The Company and the Board are committed to establishing good corporate governance practices and procedures. The Company recognizes the importance of maintaining high standards of corporate governance to the long-term stable development of the Group. The Company has adopted the Corporate Governance Code (the "CG Code") set out in Appendix 14 to the Rules Governing the Listing of Securities (the "Listing Rules") on The Stock Exchange of Hong Kong Limited (the "Stock Exchange").

From 1 January 2018 to 4 December 2018, Mr. Tang Yong, vice chairman and executive director of the Company, continued to effectively preside over the daily operations and management of the Board and was responsible for managing the Company's daily operations at the same time. Besides, Mr. Wu Xiangdong remained as Chairman of the nomination committee after his resignation as Chairman of the Company during the year. Mr. Tang Yong ceased to be the Vice Chairman of the Board of the Company and was appointed as the CEO of the Company on 4 December 2018, and ceased to be the CEO of the Company and was appointed as the Chairman of the Board and the Chairman of the nomination committee of the Company on 12 February 2019. He is responsible for leading the Board of the Company and formulating the strategies and policies of the Group. Mr. Li Xin, an executive Director, was appointed as the President of the Company on 4 December 2018. He is responsible for the day-to-day operations of the Company.

Due to other business commitments, some independent non-Executive Directors and non-Executive Directors of the Company did not attend the Company's annual general meeting held on 1 June 2018.

Save for the above arrangements, the Company had complied with the code provisions set out in CG Code for the period from 1 January 2018 to 31 December 2018.

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") set out in Appendix 10 to the Listing Rules as code of conduct regarding securities transactions by the Directors of the Company. Having made specific enquiry with all Directors, all Directors confirmed that they have complied with the required standard set out in the Model Code during the year under review.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

Neither the Company nor its subsidiaries purchased, sold or redeemed any of the Company's listed securities during Year 2018.

AUDIT COMMITTEE AND AUDITOR

Final results of Year 2018 have been reviewed by the Audit Committee which comprises five independent non-executive directors and two non-executive directors. The financial information included in this preliminary results announcement for Year 2018 has been agreed by the auditor of the Company.

FINAL DIVIDEND

The Board recommended a final dividend of RMB0.949 per share (equivalent to HK$1.112) for Year 2018 (2017: HK$0.867) payable on or about 4 July 2019 to shareholders whose names appear on the Register of Members of the Company on 20 June 2019.

CLOSURE OF REGISTER OF MEMBERS

For determining the entitlement to attend and vote at the annual general meeting of the Company to be held on 6 June 2019, the register of members of the Company will be closed from 3 June 2019 to 6 June 2019 (both days inclusive), during which period no transfer of shares of the Company will be registered. In order to be eligible to attend and vote at the above meeting, unregistered holders of shares of the Company should ensure that all transfer forms accompanied by the relevant share certificates must be lodged with the Branch Share Registrar, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration no later than 4:30 p.m. on 31 May 2019.

For determining the entitlement to the proposed final dividend for Year 2018 (subject to approval by the shareholders at the annual general meeting), the register of members of the Company will be closed on 20 June 2019, during which no transfer of shares of the Company will be registered. In order to be eligible for the above proposed final dividend, unregistered holders of shares of the Company should ensure that all transfer forms accompanied by the relevant share certificates must be lodged with the Branch Share Registrar, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration no later than 4:30 p.m. on 19 June 2019.

PUBLICATION OF ANNUAL RESULTS ON THE WEBSITE OF THE STOCK EXCHANGE

The Company's Year 2018 Annual Report containing the relevant information required by the Listing Rules will be published on the website of the Stock Exchange and the Company (http://www.crland.com.hk) in due course.

By Order of the Board
China Resources Land Limited
TANG Yong
Chairman

Hong Kong, 26 March 2019

As at the date of this announcement, the executive directors of the Company are Mr. Tang Yong, Mr. Li Xin, Mr. Zhang Dawei, Mr. Xie Ji, Mr. Shen Tongdong and Mr. Wu Bingqi; the non-executive directors of the Company are Mr. Yan Biao, Mr. Chen Ying, Mr. Wang Yan and Mr. Chen Rong; and the independent non-executive directors of the Company are Mr. Andrew Y. Yan, Mr. Ho Hin Ngai, Bosco, Mr. Wan Kam To, Peter, Mr. Zhong Wei and Mr. Sun Zhe.