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 2019 INTERIM RESULTS

HIGHLIGHTS

- Consolidated revenue for the first half of 2019 amounted to RMB45.85 billion, up by 4.7% YoY. Development property revenue was up by 0.3% YoY to RMB36.61 billion, rental income of investment properties (including hotel operations) was up by 30.4% YoY to RMB5.70 billion.
- Consolidated gross profit margin normalized to 38.2% in the first half of 2019 from 48.1% in the first half of 2018. Development property gross profit margin lowered to 36.0% in the first half of 2019 from 48.6% in the first half of 2018, while investment property (including hotel operations) gross profit margin went up to 67.6% in the first half of 2019 from 66.6% in the first half of 2018.
- Core profit attributable to the owners of the Company excluding revaluation gain from investment properties in the first half of 2019 reached RMB8.11 billion, up by 11.3% YoY; profit attributable to the owners of the Company including the revaluation gain from investment properties was up by 43.8% YoY to RMB12.73 billion.
- Booked GFA amounted to approximately 2.48 million square meters in the first half of 2019, increased by 27.9% YoY compared with approximately 1.94 million square meters in the first half of 2018.
- As of 30 June 2019, the Group had locked in contracted sales of RMB273.33 billion that were subject to recognition in 2019 and years to come (including revenue booked in the first half of 2019), among which RMB116.90 billion will be recognized in 2019 as development property revenue (including revenue booked in the first half of 2019).
- In the first half of 2019, total land bank newly added amounted to 10.21 million square meters. As of 30 June 2019, the Group's total land bank was approximately 67.37 million square meters.
- Earnings per share achieved RMB1.84 in the first half on 2019, up by 43.8% as compared with RMB1.28 in the first half of 2018, while core earnings per share attributable to the owners of the Company increased by 11.3% YoY to RMB1.17.
- The board resolved to declare an interim dividend of RMB0.129 per share (equivalent to HK$0.144), up by 17.3% YoY from RMB0.11 per share (equivalent to HK$0.13) in the first half of 2018.

The board of directors (the "Board") of China Resources Land Limited (the "Company") is pleased to announce the unaudited condensed consolidated results of the Company and its subsidiaries (the "Group") for the six months ended 30 June 2019 ("the first half of 2019") as follows:

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

FOR THE SIX MONTHS ENDED 30 JUNE 2019

		Six months ended 30 June	
		2019	2018
	NOTES	***RMB'000***	*RMB'000*
		(Unaudited)	(Unaudited)
Revenue	*3*	**45,848,952**	43,778,110
Cost of sales		**(28,329,888)**	(22,711,787)
Gross profit		**17,519,064**	21,066,323
Gain on changes in fair value of investment properties		**6,255,767**	2,031,772
Gain on changes in fair value of financial instruments at fair value through profit or loss		**12,633**	29,388
Other income, other gains and losses		**1,747,814**	931,778
Selling and marketing expenses		**(2,003,309)**	(1,474,456)
General and administration expenses		**(2,112,884)**	(1,580,320)
Share of profits of investments in joint ventures		**632,004**	254,142
Share of profits of investments in associates		**1,191,646**	87,102
Finance costs	*4*	**(726,389)**	(929,162)
Profit before taxation	*5*	**22,516,346**	20,416,567
Income tax expenses	*6*	**(7,893,032)**	(9,709,630)
Profit for the period		**14,623,314**	10,706,937
Profit for the period attributable to:			
Owners of the Company		**12,726,320**	8,850,911
Owner of perpetual capital instrument		**148,069**	137,667
Non-controlling interests		**1,748,925**	1,718,359
		14,623,314	10,706,937
		RMB	*RMB*
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY			
Basic			
— For profit for the period	*8*	**1.84**	1.28

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE SIX MONTHS ENDED 30 JUNE 2019

	Six months ended 30 June	
	2019	2018
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Profit for the period	**14,623,314**	10,706,937
Other comprehensive income		
Items that may be reclassified subsequently to profit or loss		
Cash flow hedges:		
Effective portion of changes in fair value of hedging instruments arising during the period	**(6,315)**	–
Exchange difference on translation of foreign operations	**(335,059)**	28,075
Net other comprehensive (expense)/income that may be reclassified to profit or loss in subsequent periods	**(341,374)**	28,075
Item that will not be reclassified subsequently to profit or loss		
Gain on changes in fair value of equity instruments at fair value through other comprehensive income	**32,649**	2,883
Other comprehensive (expense)/income for the period	**(308,725)**	30,958
Total comprehensive income for the period	**14,314,589**	10,737,895
Total comprehensive income attributable to:		
Owners of the Company	**12,579,583**	8,809,093
Owner of perpetual capital instrument	**148,069**	137,667
Non-controlling interests	**1,586,937**	1,791,135
	14,314,589	10,737,895

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2019

	NOTE	30 June 2019 RMB'000 (Unaudited)	31 December 2018 RMB'000 (Audited)
NON-CURRENT ASSETS			
Property, plant and equipment		**11,615,795**	10,773,049
Right-of-use assets		**3,602,462**	–
Investment properties		**140,254,986**	126,864,008
Intangible assets		**400,537**	407,579
Land use rights		**–**	3,233,200
Goodwill		**11,544**	11,544
Investments in joint ventures		**15,200,385**	9,873,381
Investments in associates		**20,522,117**	21,067,592
Equity instruments at fair value through other comprehensive income		**1,137,389**	1,110,346
Financial assets at fair value through profit or loss		**7,322**	49,030
Prepayments and deposits for non-current assets		**1,439,712**	1,209,723
Deferred taxation assets		**7,359,889**	7,181,421
Amounts due from joint ventures		**5,521,949**	5,373,477
Amounts due from associates		**8,304,692**	5,025,906
Amounts due from non-controlling interests		**5,975,749**	1,659,818
		221,354,528	193,840,074
CURRENT ASSETS			
Properties for sale		**349,533,215**	304,500,869
Other inventories		**1,063,086**	1,094,343
Trade receivables, other receivables, prepayments and deposits	*9*	**46,860,292**	43,515,162
Contract assets		**622,866**	561,007
Financial assets at fair value through profit or loss		**434,993**	1,562,320
Amount due from the ultimate holding company		**882**	–
Amounts due from intermediate holding companies		**11,805**	46,023
Amounts due from fellow subsidiaries		**970,698**	729,837
Amounts due from joint ventures		**15,807,241**	12,406,093
Amounts due from associates		**8,233,369**	10,676,946
Amounts due from non-controlling interests		**3,980,730**	5,152,173
Prepaid taxation		**15,046,432**	10,689,054
Cash and bank balances		**63,159,252**	70,969,426
		505,724,861	461,903,253

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)
AS AT 30 JUNE 2019

	NOTE	**30 June 2019 RMB'000 (Unaudited)**	31 December 2018 RMB'000 (Audited)
CURRENT LIABILITIES			
Trade and other payables	*10*	**100,048,037**	88,245,877
Contract liabilities		**232,279,763**	192,265,229
Lease liabilities		**127,713**	–
Financial liability at fair value through profit or loss		**232,213**	–
Amount due to the ultimate holding company		**230**	92
Amounts due to intermediate holding companies		**1,799**	3,003,233
Amounts due to fellow subsidiaries		**275,362**	210,980
Amounts due to joint ventures		**2,468,732**	1,884,574
Amounts due to associates		**2,867,599**	2,216,706
Amounts due to non-controlling interests		**11,226,394**	15,614,023
Taxation payable		**20,526,948**	22,406,736
Bank borrowings — due within one year		**15,193,682**	14,494,284
Senior notes — due within one year		**–**	5,569,887
Medium-term notes — due within one year		**–**	2,036,594
		385,248,472	347,948,215
NET CURRENT ASSETS		**120,476,389**	113,955,038
TOTAL ASSETS LESS CURRENT LIABILITIES		**341,830,917**	307,795,112
EQUITY			
Share capital		**655,829**	655,829
Reserves		**143,563,201**	137,719,978
Equity attributable to owners of the Company		**144,219,030**	138,375,807
Perpetual capital instrument		**5,000,000**	5,000,000
Non-controlling interests		**40,766,433**	37,328,934
		189,985,463	180,704,741

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

AS AT 30 JUNE 2019

	30 June 2019	31 December 2018
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
NON-CURRENT LIABILITIES		
Bank borrowings — due after one year	**98,901,909**	83,501,063
Senior notes — due after one year	**13,528,429**	7,990,439
Medium-term notes — due after one year	**18,334,179**	18,619,448
Lease liabilities	**1,917,028**	–
Financial liabilities at fair value through profit or loss	**–**	232,420
Derivative financial instruments	**39,016**	–
Amounts due to associates	**–**	41,420
Amounts due to non-controlling interests	**2,087,057**	1,463,082
Deferred taxation liabilities	**17,037,836**	15,242,499
	151,845,454	127,090,371
TOTAL OF EQUITY AND NON-CURRENT LIABILITIES	**341,830,917**	307,795,112

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 30 JUNE 2019

1. BASIS OF PREPARATION

The interim condensed consolidated financial statements of the Group for the six months ended 30 June 2019 have been prepared in accordance with Hong Kong Accounting Standard 34 *Interim Financial Reporting* issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA") as well as the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited.

The interim condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the Group's annual financial statements for the year ended 31 December 2018.

2. PRINCIPAL ACCOUNTING POLICIES

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

Except for the adoption of new standards and amendments effective as of 1 January 2019 as described below, the accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended 30 June 2019 are the same as those followed in the preparation of the Group's financial statements for the year ended 31 December 2018.

Application of new and amendments to Hong Kong Financial Reporting Standards ("HKFRSs")

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

In the current period, the Group has applied, for the first time, the above new and amendments to HKFRSs issued by the HKICPA that are mandatorily effective for the period. The adoption of HKFRS 16 *Leases* has resulted in a change of accounting policy and a decrease of RMB18,635,000 in the opening balance of equity on 1 January 2019. Other than that, the new and revised standards have no material effect on the Group's condensed consolidated financial statements.

3. SEGMENT INFORMATION

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

For the six months ended 30 June 2019 (Unaudited)

	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*
SEGMENT REVENUE					
Revenue					
Revenue from contracts with customers					
Recognised at a point in time	**36,609,722**	**–**	**–**	**–**	**36,609,722**
Recognised over time	**–**	**875,017**	**716,326**	**8,519,762**	**10,111,105**
Revenue from other sources					
Rental income	**–**	**4,449,908**	**–**	**–**	**4,449,908**
Segment revenue	**36,609,722**	**5,324,925**	**716,326**	**8,519,762**	**51,170,735**
Inter-segment revenue	**–**	**(346,179)**	**–**	**(4,975,604)**	**(5,321,783)**
Revenue from external customers	**36,609,722**	**4,978,746**	**716,326**	**3,544,158**	**45,848,952**
Result					
Segment results	**12,186,916**	**3,350,804**	**(3,684)**	**(88,204)**	**15,445,832**
Unallocated other income, other gains and losses					**1,747,814**
Gain on changes in fair value of investment properties					**6,255,767**
Gain on changes in fair value of financial instruments at fair value through profit or loss					**12,633**
Unallocated expenses					**(219,311)**
Finance costs					**(726,389)**
Profit before taxation					**22,516,346**

3. **SEGMENT INFORMATION (CONTINUED)**

The following is an analysis of the Group's revenue and results by reportable and operating segments: (continued)

For the six months ended 30 June 2018 (Unaudited)

	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*
SEGMENT REVENUE					
Revenue					
Revenue from contracts with customers					
Recognised at a point in time	36,485,963	–	–	–	36,485,963
Recognised over time	–	649,887	678,360	7,535,122	8,863,369
Revenue from other sources					
Rental income	–	3,294,342	–	–	3,294,342
Segment revenue	36,485,963	3,944,229	678,360	7,535,122	48,643,674
Inter-segment revenue	–	(253,977)	–	(4,611,587)	(4,865,564)
Revenue from external customers	36,485,963	3,690,252	678,360	2,923,535	43,778,110
Result					
Segment results	16,342,083	2,302,186	25,818	77,156	18,747,243
Unallocated other income, other gains and losses					931,778
Gain on changes in fair value of investment properties					2,031,772
Gain on changes in fair value of financial instruments at fair value through profit or loss					29,388
Unallocated expenses					(394,452)
Finance costs					(929,162)
Profit before taxation					20,416,567

4. FINANCE COSTS

	Six months ended 30 June	
	2019	2018
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Total interests on bank borrowings, senior notes, medium-term notes and others	**3,614,131**	2,818,555
Total interest on lease liabilities	**37,914**	–
Total bank charges	**94,238**	58,484
Less: Amount capitalised in properties under development for sale, investment properties under development and construction in progress	**(3,019,894)**	(1,947,877)
	726,389	929,162

5. PROFIT BEFORE TAXATION

	Six months ended 30 June	
	2019	2018
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Profit before taxation has been arrived at after charging the following items:		
Depreciation of property, plant and equipment	**287,558**	276,860
Depreciation of right-of-use assets/land use rights	**57,230**	23,095

6. INCOME TAX EXPENSES

	Six months ended 30 June	
	2019	2018
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
The income tax expenses comprise of:		
PRC Enterprise Income Tax ("EIT") and withholding income tax	**2,900,553**	4,320,045
PRC Land Appreciation Tax ("LAT")	**3,375,698**	5,441,251
Tax (credit)/charge in other jurisdiction	**(38)**	5,080
	6,276,213	9,766,376
Deferred taxation	**1,616,819**	(56,746)
	7,893,032	9,709,630

6. INCOME TAX EXPENSES (CONTINUED)

(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 and operated in Hong Kong and fulfil 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) 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%.

7. DIVIDENDS

A dividend of RMB0.949 (equivalent to approximately HK$1.112) per ordinary share that relates to the year ended 31 December 2018 amounting to RMB6,779,737,000 (equivalent to approximately HK$7,707,205.000) was recognised during the six months ended 30 June 2019 and paid in July 2019.

A dividend of HK$0.867 per ordinary share that relates to the year ended 31 December 2017 amounting to HK$6,009,125,000 (equivalent to approximately RMB5,066,288,000) was recognised during the six months ended 30 June 2018 and paid in July 2018.

An interim dividend of RMB0.129 (equivalent to approximately HK$0.144) per ordinary share in respect of the six months ended 30 June 2019 (2018: RMB0.11 (equivalent to approximately HK$0.13) per ordinary share) was declared by the Board of the Company on 20 August 2019. This interim dividend, amounting to RMB894,091,000 (equivalent to approximately HK$998,055,000) (2018:RMB762,403,000 (equivalent to approximately HK$901,022,000)), has not been recognised as a liability in these condensed consolidated financial statements.

8. EARNINGS PER SHARE

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

	Six months ended 30 June	
	2019	2018
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Earnings		
Earnings for the purpose of basic earnings per share (profit for the period attributable to owners of the Company)	**12,726,320**	8,850,911

	2019	2018
Number of shares		
Weighted average 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 six months ended 30 June 2019 and 30 June 2018 as there were no potential ordinary shares outstanding.

9. TRADE RECEIVABLES, OTHER RECEIVABLES, PREPAYMENTS AND DEPOSITS

	30 June 2019	31 December 2018
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
Trade and bills receivables *(Note)*	**2,586,817**	2,207,118
Less: provision for impairment *(Note)*	**(89,304)**	(89,657)
	2,497,513	2,117,461
Other receivables	**14,537,471**	14,436,898
Less: provision for impairment	**(352,571)**	(346,589)
	14,184,900	14,090,309
Prepayments for acquisition of land use rights	**5,051,118**	8,482,689
Prepayments and deposits	**25,126,761**	18,824,703
	46,860,292	43,515,162

Note:

Proceeds receivable in respect of the sale of properties are settled in accordance with the terms stipulated in the sale and purchase agreements. Rental income from lease of properties and proceeds from construction contracts are generally receivable in accordance with the terms of the relevant agreements.

Except for the proceeds from sales of properties, 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 30 to 45 days to its customers or not granted with any credit period.

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

Note: (Continued)

The following is an aging analysis of trade and bills receivables (net of provision for impairment) at the end of the reporting period:

	30 June 2019 *RMB'000* **(Unaudited)**	31 December 2018 *RMB'000* (Audited)
0–30 days	**941,366**	664,913
31–60 days	**119,208**	190,162
61–90 days	**117,574**	175,757
91–180 days	**500,080**	503,534
181–365 days	**497,325**	304,721
Over 1 year	**321,960**	278,374
	2,497,513	2,117,461

10. TRADE AND OTHER PAYABLES

	30 June 2019 *RMB'000* **(Unaudited)**	31 December 2018 *RMB'000* (Audited)
Trade and bills payables *(Note a)*	**60,005,490**	53,797,915
Other payables *(Note b)*	**40,042,547**	34,447,962
	100,048,037	88,245,877

Notes:

(a) The average credit period of trade and bills payables are according to the terms stipulated in the contract normally ranges from 30 days to 1 year.

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

	30 June 2019 *RMB'000* **(Unaudited)**	31 December 2018 *RMB'000* (Audited)
0–30 days	**21,843,886**	22,938,273
31–60 days	**1,242,343**	2,048,840
61–90 days	**1,706,600**	1,332,803
91–180 days	**5,632,252**	4,598,350
181–365 days	**12,022,673**	7,046,217
Over 1 year	**17,557,736**	15,833,432
	60,005,490	53,797,915

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

CHAIRMAN'S STATEMENT

I am pleased to present to shareholders the interim business review and outlook of the Company and the Group for the half year ended 30 June 2019.

China's GDP expanded 6.3% in the first half of 2019 ("1H 2019"), the economic performance remained within a reasonable range with further optimized economic structure and stable momentum. While adhering to the principle of "housing is for living, not for speculation", central government implemented one city one policy, city-specific policies and city government responsibility system, pledged to set up a long-term regulatory mechanism for property market to promote stable and healthy development of the real estate market.

In 1H 2019, targeting at "stable land price, stable housing prices and stable expectations", China's property sector achieved overall stable sales with city divergence: rebounding yet stable in some cities within hot city clusters, while sales in some tier 3/4 cities were under pressure. The national investment in real estate was RMB6.2 trillion, up 10.9% YoY; the commercial housing sales totaled RMB7.1 trillion with GFA sold reached 0.76 billion square meters, up by 5.6% and down by 1.8% YoY respectively. During the reporting period, 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 RMB118.8 billion, which ranked Top 10 in the industry.

During 1H 2019, China's total retail sales of consumer goods reached RMB19.5 trillion, up 8.4% YoY, consumption continued to play an anchor's role in driving stable economic growth. The Group's shopping malls achieved total retail sales of RMB29.3 billion, up 37.0% YoY, which was much higher than the market average, reflecting the Group's excellent mall operation and management expertise.

During 1H 2019, the Group seized on opportunities arose from urban upgrade, consumption upgrade and industrial upgrade, and further focused and crystalized its "2+X" business model by promoting innovations and synergies in "X" businesses, with a strategic target to transform the Group into an integrated operator in city investment, development and operation.

RESULTS REVIEW

In 1H 2019, the Group realized a consolidated turnover of RMB45.85 billion, profit attributable to the owners of the Company amounted to RMB12.73 billion, core profit attributable to owners of the Company excluding revaluation gain from investment properties amounted to RMB8.11 billion, the Group's earnings per share achieved RMB1.84, of which RMB1.17 per share were core earnings. As of 30 June 2019, the net assets per share amounted to RMB20.81, representing an increase of 4.2% comparing to the end of 2018.

The Board has resolved to declare an interim dividend of RMB0.129 per share (equivalent to HK$0.144 per share), up 17.3% comparing to the interim dividend of 2018.

The Group attaches great importance to consistent shareholder value creation and pursues long-term sustainable growth with a balanced scale, risk and return model.

DEVELOPMENT PROPERTY

Through precise investment, efficient operation and further improved quality of product and service, the Group realized RMB36.61 billion development property revenue during the reporting period, up 0.3% YoY, with gross profit margin at 36.0%, 12.6pt lower YoY due to mix change in booked projects.

INVESTMENT PROPERTY

As of 30 June 2019, the Group's investment properties in operation had a total GFA of 9.50 million square meters, leading the market in scale, with 22 MIXc/MIXc World malls and 13 MIXc One/Hi5 malls in operation and 48 projects in pipeline. Besides, the Group had 27 asset-light shopping mall projects, of which 18 were in operation and 9 were in pipeline.

In 1H 2019, the Group's turnover from investment properties realized a YoY growth of 30.4% to RMB5.70 billion, of which turnover from shopping mall business amounted to RMB4.29 billion, turnover from office business amounted to RMB0.69 billion and turnover from hotel business amounted to RMB0.72 billion, up 39.5%, 11.9% and 5.6% YoY respectively.

In 1H 2019, Anshan MIXc One and Wujiang MIXc One were opened at 99% and 96% opening rate respectively and performed well after their openings. Another 8 shopping malls will come into stream for operation in the second half of this year, which will further scale up the Group's investment property portfolio.

LAND BANK

In 1H 2019, the Group continued its market penetration strategy and proactively replenished 39 land parcels with total land premium of RMB82.06 billion (of which attributable land premium was RMB52.70 billion). Total GFA acquired was 10.21 million square meters, up 24.8% YoY, of which 9.36 million square meters were for development properties and 0.85 million square meters were for investment properties. During the reporting period, the Group tapped into 5 new cities including Zhangjiakou, Shanwei, Yibin, Yichang and Chongzuo.

As of 30 June 2019, the Group had expanded its geographical exposure to 75 cities worldwide with a total land bank GFA of 67.37 million square meters, sufficient for the Group's next 3 years development, of which 57.67 million square meters were for development properties and 9.70 million square meters were for investment properties. Land bank GFA in tier 1 and 2 cities accounted for 84.6% of total, such high quality land bank matches well with the Group's business model.

X STRATEGY AND INNOVATIVE DEVELOPMENT

During the reporting period, 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 innovations and synergies in business sectors including urban redevelopment, property services, city development and operation, senior housing, leasing apartments, industrial funds, culture and sports, cinemas etc..

The Group takes an active part in urban redevelopment projects to meet the endogenous needs in city devolvement with focus in core cities in “Guangdong-Hong Kong-Macao Greater Bay Area”, and has gradually gained market influence and brand recognition. As of 30 June 2019, the Group had followed up with 46 urban redevelopment projects in Shenzhen, Guangzhou, Dongguan and Guangxi, of which 18 key projects had a total planned GFA of approximately 23.60 million square meters.

Property management business has made great efforts to improve customer satisfaction, and has actively expanded its business by acquiring high-quality projects in tier 1 and 2 cities, while steadily promoting the intelligent transformation with continuous experiments in smart communities and smart properties.

Senior housing business is committed to provide high quality medical care and healthcare services to high-end customers, targeting market in 5 metropolitan clusters and pursuits for operating capability improvement and stable business growth.

In compliance with the national strategy to support rental housing market, the Group has acquired quality projects in core cities with prime locations for leasing apartment business. At present, leasing apartment projects in operation has realized decent rental income and occupancy rate. The Group will gradually build up its leasing apartment business with quality scale growth.

FINANCIAL POLICY

The Group adheres to its prudent financial policies. As of 30 June 2019, both total and net interest-bearing debt ratios were maintained at relatively low levels in property sector, with total interest-bearing debt ratio increased slightly to 43.4% versus 42.3% as at the year end of 2018 and net interest-bearing debt ratio expanded to 43.6% versus 33.9% as at the year end of 2018. During the reporting period, Standard and Poor’s, Moody’s and Fitch maintained the Company’s credit ratings at “BBB+/stable”, “Baa1/stable” and “BBB+/stable” respectively.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE (“ESG”)

In 1H 2019, the Group grew together with its stakeholders by adhering to its values of “integrity, performance-oriented, people-oriented, innovation and development”. Our mission is to build beautiful cities and create better life, with social responsibilities focused on helping people’s pursuit for happiness and better life in this new era.

In 1H 2019, the Group extended applications of environmental friendly material and low carbon equipment in new projects, consistently promoted energy and resources saving by better emission management.

In 1H 2019, the Group further improved ESG management in a systematic way by establishing a corporate social responsibility committee under the board of the Company and providing ESG training to board members. The Group has published "the sustainable report" on the website of the Stock Exchange for six consecutive years and 8 profit centers under the Group also published their "sustainability report" on the website of the Company. A five-star report award was granted to the Group by the Corporate Social Responsibility Committee of the Chinese Academy of Social Sciences for the fifth consecutive year.

OUTLOOK

In the second half of 2019, facing challenges from the ever-changing global economic and political environment, the Group will endeavor to deliver "high quality, high efficiency, low risk" growth as committed to shareholders through innovative reforms to improve quality and efficiency to empower growth engines.

For development property business, the Group will further participate in the urbanization progress to achieve quality growth by precise investment, high efficient operation, and continuous focus on improvement of product and service quality.

For investment property business, the Group will further improve operation efficiency and return profile by seizing the new retail trend, embracing new technologies in internet and communications, exploring digital transformation, and improving off line customer experience. Meanwhile, the Group will scale up and keep its leading position in China by exploring opportunities in both primary and secondary markets through diversified channels.

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

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 1H 2019, the Group's business of development property and investment property maintained stable momentum. During the reporting period, contracted sales 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 1H 2019

In 1H 2019, the Group achieved contracted sales of RMB118.8 billion with contracted GFA of 6.26 million square meters, up 26.0% and 9.6% YoY respectively.

The Group's contracted sales breakdown by region in 1H 2019 is set out in the table below:

Region	**Contracted Sales** *RMB'000*	*%*	**Contracted GFA** *Sqm*	*%*
North China Region	32,030,956	27.0%	1,440,956	23.0%
East China Region	35,837,938	30.1%	1,650,289	26.4%
South China Region	24,226,229	20.4%	745,746	11.9%
West China Region	12,475,555	10.5%	1,123,524	17.9%
Northeast China Region	9,187,453	7.7%	774,554	12.4%
Central China Region	5,062,051	4.3%	524,671	8.4%
Total	118,820,182	100.0%	6,259,740	100.0%

Review of Development Property Revenue in 1H 2019

In 1H 2019, the Group achieved 0.3% YoY growth in development property revenue of RMB36.61 billion with 27.9% higher YoY booked GFA of 2.48 million square meters. The gross profit margin of development property was 36.0% in 1H 2019, lower than 48.6% in the first half of 2018 ("1H 2018").

The Group's revenue breakdown by region in 1H 2019 is listed below:

Region	**Revenue** *RMB'000*	**GFA Booked** *Sqm*
North China Region	8,202,987	451,520
East China Region	5,976,526	433,092
South China Region	8,672,631	338,257
West China Region	5,775,173	599,678
Northeast China Region	3,346,729	319,718
Central China Region	4,585,717	330,392
Others	49,959	3,777
Total	36,609,722	2,476,434

As of 30 June 2019, the Group had locked in unbooked contracted sales of RMB273.33 billion (including the revenue recognized in 1H 2019) that are subject to recognition as development property revenue in the second half of 2019 and years to come, among which RMB116.90 billion will be recognized within the year (including the revenue recognized in 1H 2019), laying a solid foundation for good results in 2019.

Review of Investment Property Business in 1H 2019

As of 30 June 2019, the book value of the investment properties of the Group was RMB140.25 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 RMB4.62 billion (net of taxation and minority interests) was booked in 1H 2019. In 1H 2019, rental income of investment properties, including hotel operation, amounted to RMB5.70 billion, representing a 30.4%YoY growth.

Details of the Group's key investment property opened in 1H 2019 is listed below:

Investment Property	**City**	**Interest Attributable to the Group** *(%)*	**Total GFA** *(Sqm)*	**Attributable GFA** *(Sqm)*
Suzhou Wujiang Mixc One	Suzhou	50%	135,662	67,831
Comprising: Commercial			88,977	44,489
Car Park			46,685	23,342

As of 30 June 2019, the Group's investment properties in operation achieved 9.50 million square meters in total GFA, plus another 9.70 million square meters GFA under construction or planning, details of which are set out below:

	Investment property in Operation		**Investment Properties Under Construction or Planning**	
	Total GFA *(Sqm)*	**Attributable GFA** *(Sqm)*	**Total GFA** *(Sqm)*	**Attributable GFA** *(Sqm)*
Total GFA	**9,497,870**	**8,257,446**	**9,699,421**	**6,909,291**
Comprising: Commercial	4,944,983	4,222,585	5,317,305	3,864,214
Office	706,989	664,224	2,360,220	1,562,662
Hotel	438,119	369,260	1,091,804	814,402
Others	3,407,779	3,001,377	930,092	668,013

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

Land Bank

In 1H 2019, the Group acquired 39 quality land parcels totaling 10.21 million square meters in GFA with a total land premium of RMB82.06 billion (attributable land premium amounted to RMB52.70 billion). As of 30 June 2019, the total GFA of the Group's land bank amounted to 67.37 million square meters, the regional breakdown of which is set out below:

Region	Total GFA	Attributable GFA
	(Sqm)	*(Sqm)*
North China Region	12,354,756	8,690,836
East China Region	11,232,696	7,063,587
South China Region	15,327,158	10,702,866
West China Region	11,699,400	10,650,861
Northeast China Region	6,729,612	6,587,448
Central China Region	9,876,996	6,740,251
Others	153,513	123,358
Total	67,374,131	50,559,207

Sufficient land bank further reinforced the foundation for the Group's sustainable growth in the future. As of 30 June 2019, the Group's geographic presence has been extended to 75 cities worldwide.

Going forward, while maintaining a healthy financial position and adopting the optimal capital structure, the Group will strictly follow its financial return criteria to allocate its resources. The Group will also replenish quality land bank at low cost through diversified land bank accesses to match its development strategies and business model, especially in the cities without tightening policies. Further land bank acquisitions will be funded by the Group's internal resources together with external financing.

Loans, Debt Ratios, Asset Pledge and Foreign Exchange Risk

As at 30 June 2019, the Group's total debt outstanding balance was RMB145.96 billion equivalent while its cash and bank balance amounted to RMB63.16 billion. The Group's net interest-bearing debt to equity ratio (including minority interests) was 43.6%, higher than 33.9% as of the end of 2018.

On 19 February 2019, the Group completed issuance of USD0.8 billion offshore Medium-Term Note ("MTN"), of which USD0.3 billion note with a term of 5.5 years at a coupon rate of 3.75% per annum, and USD0.5 billion note with a term of 10 years at a coupon rate of 4.125% per annum.

On 8 July 2019, the Group completed issuance of RMB1.0 billion onshore MTN with a term of 3 years at a coupon rate of 3.65% per annum.

On 22 July 2019, the Group completed issuance of RMB1.0 billion onshore MTN with a term of 3 years at a coupon rate of 3.63% per annum.

On 5 August 2019, the Group completed issuance of RMB1.0 billion onshore MTN with a term of 3 years at a coupon rate of 3.53% per annum.

As at 30 June 2019, the non-RMB net interest-bearing debt exposure of the Group was 19.0%. Approximately 6.5% of the Group's total interest-bearing debt is repayable within one year while the rest is long term interest-bearing debt. The Group has maintained its borrowing cost at a sector-low level, with the weighted average cost of funding at approximately 4.45% as at 30 June 2019.

In 1H 2019, the international credit rating agencies namely Standard and Poor's, Moody's and Fitch maintained the Company's credit ratings at "BBB+/stable", "Baa1/stable" and "BBB+/stable" respectively.

As of 30 June 2019, the Group had total loan facilities of RMB49.89 billion through asset pledge with pledge tenor ranging from 3 to 25 years, and the Group's total balance of asset-pledged loan was RMB20.60 billion.

As of 30 June 2019, the Group achieved a principal amount of HK$1.5 billion (equivalent to RMB1.32 billion) through the cross-currency swap contract for the hedging of exchange rate and interest rate, had a total principal amount of USD0.5 billion (equivalent to RMB3.44 billion) through the cross-currency swap contracts for the hedging of exchange rate, and had a principal amount of GBP85.8 million (equivalent to RMB0.75 billion) through the interest rate swap for the hedging of the interest rate risk. Two-way volatility of RMB exchange rate may increase as RMB exchange mechanism becomes more market-oriented. However, the Group's foreign exchange risk is well under control and will not pose a 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 30 June 2019, the Group had 48,852 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 mortgage 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 recognizes the importance of maintaining high standards of corporate governance to the long-term sustainable development of the Group, and thus set up the Corporate Governance Committee on 9 March 2012 with an aim to further improve the Group's corporate governance standard.

During the six months ended 30 June 2019, the Company has complied with all the code provisions of the Corporate Governance Code set out in Appendix 14 to the Listing Rules except the following deviations: From 1 January 2019 to 11 February 2019, Mr. Wu Xiangdong remained as Chairman of the nomination committee after his resignation as Chairman of the Company. On 12 February 2019, Mr. Wu Xiangdong resigned as the Chairman of the nomination committee and Mr. Tang Yong ceased to be the Chief Executive Officer of the Company and was appointed as the Chairman of the Board and the Chairman of the nomination committee of the Company.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code set out in Appendix 10 to the Listing Rules as code of conduct regarding securities transactions by the directors. 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 period 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 the six months ended 30 June 2019.

REVIEW BY AUDIT COMMITTEE AND AUDITORS

The 2019 Interim Report has been reviewed by Audit Committee which comprises four independent non-executive directors and two non-executive directors.

The unaudited condensed consolidated financial information of the Group for the six months ended 30 June 2019 had been reviewed by the Company's independent auditor, Ernst & Young, in accordance with Hong Kong Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Hong Kong Institute of Certified Public Accountants.

INTERIM DIVIDEND

The Board has resolved to declare an interim dividend of RMB0.129 per share for the six months ended 30 June 2019 (equivalent to HK$0.144, 2018: HK$0.13) payable on or about 15 October 2019 to shareholders whose names appear on the Register of Members of the Company on 27 September 2019.

CLOSURE OF REGISTER

The register of Members will be closed on 27 September 2019 (Friday). In order to be eligible for the interim dividend, all completed transfer forms accompanied by the relevant share certificates must be lodged with the branch share registrar of the Company, Tricor Standard Limited of Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong, not later than 4:30 pm on 26 September 2019 (Thursday).

PUBLICATION OF INTERIM REPORT ON THE WEBSITE OF THE STOCK EXCHANGE

The Company's 2019 Interim Report containing the relevant information required by the Listing Rules will be published on the website of the Stock Exchange and the Company in due course.

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

Hong Kong, 20 August 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.