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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 2019**

### **HIGHLIGHTS**

- Consolidated revenue for Year 2019 amounted to RMB147.74 billion, up by 21.9% YoY. Development property revenue increased by 21.0% YoY to RMB127.20 billion, rental income of investment property (including hotel operations) up by 26.3% YoY to RMB12.03 billion.
- Consolidated gross profit margin decreased to 37.9% in Year 2019 from 43.4% in Year 2018. Development property gross profit margin decreased to 36.5% in Year 2019 from 42.9% in Year 2018, while investment property (including hotel operations) gross profit margin rose to 66.5% in Year 2019 from 65.9% in Year 2018.
- In 2019, core profit attributable to the owners of the Company excluding revaluation gain from investment properties reached RMB21.65 billion, representing a YoY growth of 12.2%; profit attributable to the owners of the Company including the revaluation gain from investment properties increased by 18.3% YoY to RMB28.67 billion.
- Booked GFA amounted to approximately 7.53 million square meters in Year 2019, increased by 23.9% as compared with 6.08 million square meters in Year 2018.
- As of 31 December 2019, the Group has locked in unbooked contracted value of RMB223.93 billion that are subject to recognition in 2020 and years to come, among which, RMB128.69 billion will be recognized in 2020 as development property revenue.
- During Year 2019, the Group acquired land bank of 20.20 million square meters. As of 31 December 2019, the Group's total land bank was approximately 68.68 million square meters.
- Earnings per share achieved RMB4.12, up by 17.7% as compared with RMB3.50 in Year 2018, while core earnings per share attributable to the owners of the Company increased by 11.6% YoY to RMB3.11.
- The Board recommended a final dividend of RMB0.937 per share (equivalent to HK\$1.026). Together with the interim dividend of RMB0.129 per share (equivalent to HK\$0.144), the total dividend for Year 2019 was up by 0.7% YoY to RMB1.066 per share (equivalent to HK\$1.170).

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 2019 (“Year 2019”) as follows:

## CONSOLIDATED INCOME STATEMENT

		Year ended 31 December	
		2019	2018
	NOTES	RMB'000	RMB'000
Revenue	3	147,735,949	121,188,926
Cost of sales		<u>(91,735,973)</u>	<u>(68,607,237)</u>
Gross profit		55,999,976	52,581,689
Gain on changes in fair value of investment properties		10,559,718	6,904,294
Net gain on changes in fair value of financial instruments at fair value through profit or loss		29,961	135,205
Other income, other gains and losses		2,828,252	887,601
Selling and marketing expenses		(5,070,001)	(4,177,139)
General and administrative expenses		(5,744,747)	(4,159,441)
Share of profit of investments in joint ventures		1,976,713	194,602
Share of profit of investments in associates		1,740,993	1,102,169
Finance costs	4	<u>(1,326,766)</u>	<u>(1,742,695)</u>
Profit before taxation		60,994,099	51,726,285
Income tax expenses	5	<u>(26,642,500)</u>	<u>(24,449,036)</u>
Profit for the year	6	<u>34,351,599</u>	<u>27,277,249</u>
Profit for the year attributable to			
Owners of the Company		28,672,276	24,237,875
Owners of perpetual capital instruments		289,224	287,625
Non-controlling interests		<u>5,390,099</u>	<u>2,751,749</u>
		<u>34,351,599</u>	<u>27,277,249</u>
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY			
		RMB	RMB
Basic			
– For profit for the year	8	<u>4.12</u>	<u>3.50</u>

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	<b>Year ended 31 December</b>	
	<b>2019</b>	2018
	<i><b>RMB'000</b></i>	<i>RMB'000</i>
Profit for the year	<b>34,351,599</b>	27,277,249
Other comprehensive income		
<i>Item that may be reclassified subsequently to profit or loss</i>		
Cash flow hedges:		
Effective portion of changes in fair value of hedging instruments arising during the year	<b>(6,559)</b>	–
Exchange difference on translation of foreign operations	<b>210,808</b>	351,195
<i>Item that will not be reclassified subsequently to profit or loss</i>		
Revaluation gain of property, plant and equipment at the time of transfer to investment properties	<b>643,896</b>	–
Gains on changes in fair value of equity instruments at fair value through other comprehensive income	<b>24,473</b>	30,293
	<hr/>	<hr/>
Other comprehensive income for the year	<b>872,618</b>	381,488
	<hr/>	<hr/>
Total comprehensive income for the year	<b>35,224,217</b>	27,658,737
	<hr/>	<hr/>
Total comprehensive income attributable to:		
Owners of the Company	<b>29,492,074</b>	24,447,569
Owners of perpetual capital instruments	<b>289,224</b>	287,625
Non-controlling interests	<b>5,442,919</b>	2,923,543
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	<b>35,224,217</b>	27,658,737
	<hr/>	<hr/>

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	<b>31 December</b>	31 December
	<b>2019</b>	2018
<i>NOTE</i>	<i>RMB'000</i>	<i>RMB'000</i>
<b>NON-CURRENT ASSETS</b>		
Property, plant and equipment	<b>11,104,072</b>	10,773,049
Right-of-use assets	<b>4,664,852</b>	–
Investment properties	<b>156,489,981</b>	126,864,008
Intangible assets	<b>424,977</b>	407,579
Land use rights	–	3,233,200
Goodwill	<b>11,544</b>	11,544
Investments in joint ventures	<b>25,044,774</b>	9,873,381
Investments in associates	<b>15,785,956</b>	21,067,592
Equity instruments designated at fair value through other comprehensive income	<b>1,131,496</b>	1,110,346
Financial assets at fair value through profit or loss	–	49,030
Derivative financial instruments	<b>12,220</b>	–
Prepayments for non-current assets	<b>3,307,284</b>	1,209,723
Deferred taxation assets	<b>8,619,561</b>	7,181,421
Amounts due from joint ventures	<b>8,494,891</b>	5,373,477
Amounts due from associates	<b>3,721,911</b>	5,025,906
Amounts due from non-controlling interests	<b>3,199,816</b>	1,659,818
	<b>242,013,335</b>	193,840,074
<b>CURRENT ASSETS</b>		
Properties for sale	<b>355,122,141</b>	304,500,869
Other inventories	<b>1,087,786</b>	1,094,343
Trade receivables, other receivables, prepayments and deposits	<b>50,563,490</b>	43,515,162
Contract assets	<b>728,257</b>	561,007
Financial assets at fair value through profit or loss	<b>866,022</b>	1,562,320
Amount due from the ultimate holding company	<b>786</b>	–
Amounts due from intermediate holding companies	<b>21,328</b>	46,023
Amounts due from fellow subsidiaries	<b>1,106,454</b>	729,837
Amounts due from joint ventures	<b>19,018,012</b>	12,406,093
Amounts due from associates	<b>7,105,703</b>	10,676,946
Amounts due from non-controlling interests	<b>9,074,523</b>	5,152,173
Prepaid taxation	<b>11,700,600</b>	10,689,054
Cash and bank balances	<b>63,699,409</b>	70,969,426
	<b>520,094,511</b>	461,903,253

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

		31 December 2019	31 December 2018
	<i>NOTE</i>	<i>RMB'000</i>	<i>RMB'000</i>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	10	98,213,278	88,245,877
Lease liabilities		206,484	–
Contract liabilities		226,719,664	192,265,229
Financial liabilities at fair value through profit or loss		243,941	–
Amount due to the ultimate holding company		230	92
Amounts due to intermediate holding companies		899,891	3,003,233
Amounts due to fellow subsidiaries		503,174	210,980
Amounts due to joint ventures		4,148,000	1,884,574
Amounts due to associates		3,183,451	2,216,706
Amounts due to non-controlling interests		7,041,359	15,614,023
Taxation payable		28,562,495	22,406,736
Bank borrowings – due within one year		17,472,159	14,494,284
Senior notes – due within one year		–	5,569,887
Medium-term notes – due within one year		3,872,649	2,036,594
		<b>391,066,775</b>	<b>347,948,215</b>
<b>NET CURRENT ASSETS</b>		<b>129,027,736</b>	<b>113,955,038</b>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<b>371,041,071</b>	<b>307,795,112</b>
<b>EQUITY</b>			
Share capital		673,829	655,829
Reserves		172,900,303	137,719,978
Equity attributable to owners of the Company		173,574,132	138,375,807
Perpetual capital instruments		10,000,000	5,000,000
Non-controlling interests		49,898,438	37,328,934
		<b>233,472,570</b>	<b>180,704,741</b>

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

	31 December 2019 <i>RMB'000</i>	31 December 2018 <i>RMB'000</i>
<b>NON-CURRENT LIABILITIES</b>		
Bank borrowings – due after one year	<b>80,798,068</b>	83,501,063
Senior notes – due after one year	<b>13,743,971</b>	7,990,439
Medium-term notes – due after one year	<b>18,657,750</b>	18,619,448
Lease liabilities	<b>1,919,539</b>	–
Financial liabilities at fair value through profit or loss	<b>6,417</b>	232,420
Amounts due to associates	–	41,420
Amounts due to non-controlling interests	<b>3,002,386</b>	1,463,082
Deferred taxation liabilities	<b>19,440,370</b>	15,242,499
	<b>137,568,501</b>	127,090,371
<b>TOTAL OF EQUITY AND NON-CURRENT LIABILITIES</b>	<b>371,041,071</b>	307,795,112

## 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 under the historical cost convention, except for investment properties, derivative financial instruments, financial assets at fair value through profit or loss and equity investments which have been measured at fair value.

In the application of the Group’s accounting policies, the directors of the Company are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

## 2. APPLICATION OF NEW AND REVISED HKFRSs

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

HKFRS 16	<i>Leases</i>
HK(IFRIC)-Int 23	<i>Uncertainty over Income Tax Treatments</i>
Amendments to HKFRS 9	<i>Prepayment Features with Negative Compensation</i>
Amendments to HKAS 19	<i>Plan Amendment, Curtailment or Settlement</i>
Amendments to HKAS 28	<i>Long-term Interests in Associates and Joint Ventures</i>
<i>Annual Improvements to HKFRSs 2015-2017 Cycle</i>	Amendments to HKFRS 3, HKFRS 11, HKAS12 and HKAS 23

In the current year, 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 year. 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 consolidated financial statements.

The Group has not applied the following new and revised HKFRSs, that have been issued but are not yet effective, in these financial statements:

HKFRS 17	<i>Insurance Contracts</i> <sup>2</sup>
Amendments to HKFRS 3	<i>Definition of a Business</i> <sup>1</sup>
Amendments to HKFRS 9, HKAS 39 and HKFRS 7	<i>Interest Rate Benchmark Reform</i> <sup>1</sup>
Amendments to HKFRS 10 and HKAS 28 (2011)	<i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i> <sup>3</sup>
Amendments to HKAS 1 and HKAS 8	<i>Definition of Material</i> <sup>1</sup>

<sup>1</sup> Effective for annual periods beginning on or after 1 January 2020

<sup>2</sup> Effective for annual periods beginning on or after 1 January 2021

<sup>3</sup> No mandatory effective date yet determined

The Group is in the process of making an assessment of the impact of these new and revised HKFRSs upon initial application. So far, the Group has expected that these standards will not have a significant effect on the Group’s financial statement.

### 3. 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*.

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 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.

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

#### For the Year ended 31 December 2019

	Development properties for sale <i>RMB’000</i>	Property investments and management <i>RMB’000</i>	Hotel operations <i>RMB’000</i>	Construction, decoration services and others <i>RMB’000</i>	Consolidated <i>RMB’000</i>
<b>SEGMENT REVENUES AND RESULTS</b>					
Revenue					
Revenue from contracts with customers					
Recognised at a point in time	124,783,654	–	–	–	124,783,654
Recognised over time	2,414,903	1,950,963	1,491,432	20,568,762	26,426,060
Revenue from other sources					
Rental income	–	9,528,985	–	–	9,528,985
	<u>127,198,557</u>	<u>11,479,948</u>	<u>1,491,432</u>	<u>20,568,762</u>	<u>160,738,699</u>
Segment revenue	127,198,557	11,479,948	1,491,432	20,568,762	160,738,699
Inter-segment revenue	–	(943,560)	–	(12,059,190)	(13,002,750)
	<u>127,198,557</u>	<u>10,536,388</u>	<u>1,491,432</u>	<u>8,509,572</u>	<u>147,735,949</u>
Revenue from external customers					
	<u>127,198,557</u>	<u>10,536,388</u>	<u>1,491,432</u>	<u>8,509,572</u>	<u>147,735,949</u>
Result					
Segment results	<u>44,253,378</u>	<u>5,612,091</u>	<u>41,795</u>	<u>127,043</u>	50,034,307
Other income, other gains and losses					2,828,252
Gain on changes in fair value of investment properties					10,559,718
Net gain on changes in fair value of financial instruments at fair value through profit or loss					29,961
Unallocated expenses					(1,131,373)
Finance costs					(1,326,766)
Profit before taxation					<u>60,994,099</u>



### 3. SEGMENT INFORMATION (CONTINUED)

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

**For the year ended 31 December 2018**

	Development properties for sale <i>RMB'000</i>	Property investments and management <i>RMB'000</i>	Hotel operations <i>RMB'000</i>	Construction, decoration services and others <i>RMB'000</i>	Consolidated <i>RMB'000</i>
<b>SEGMENT REVENUES AND RESULTS</b>					
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
Net 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

#### 4. FINANCE COSTS

	Year ended 31 December	
	2019	2018
	<i>RMB'000</i>	<i>RMB'000</i>
Total interests on bank borrowings, senior notes, medium-term notes and others	7,446,286	6,124,699
Total interest on lease liabilities	97,712	–
Total bank charges	196,768	149,648
Less: Amounts capitalised in properties under development for sale, investment properties under construction and construction in progress	<u>(6,414,000)</u>	<u>(4,531,652)</u>
	<u><b>1,326,766</b></u>	<u><b>1,742,695</b></u>

#### 5. INCOME TAX EXPENSES

	Year ended 31 December	
	2019	2018
	<i>RMB'000</i>	<i>RMB'000</i>
The income tax expenses comprise of:		
PRC Enterprise Income Tax (“EIT”) and withholding income tax	10,969,197	11,507,794
PRC Land Appreciation Tax (“LAT”)	13,129,391	12,722,209
Hong Kong Profits Tax	77	128
Tax charge in other jurisdiction	<u>4,371</u>	<u>20,786</u>
	<b>24,103,036</b>	24,250,917
Deferred taxation	<u>2,539,464</u>	<u>198,119</u>
	<u><b>26,642,500</b></u>	<u><b>24,449,036</b></u>

(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 fulfil the requirements to the tax treaty arrangements between the PRC and Hong Kong.

## 5. INCOME TAX EXPENSES (CONTINUED)

### (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% (2018: 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 Island 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 19% (2018: 19%).

## 6. PROFIT FOR THE YEAR

	Year ended 31 December	
	2019	2018
	<i>RMB'000</i>	<i>RMB'000</i>
Profit for the year has been arrived at after charging the following items:		
Depreciation of property, plant and equipment	<b>603,641</b>	564,925
Depreciation of right-of-use assets	<b>157,392</b>	–
Amortisation of land use rights	–	42,745
Amortisation of intangible assets	<b>14,083</b>	14,083

## 7. DIVIDENDS

	Year ended 31 December	
	2019	2018
	RMB'000	RMB'000
2019 interim dividend, RMB0.129 (2018: RMB0.11) per ordinary share	894,091	762,403
2019 final dividend, proposed, of RMB0.937 (2018: RMB0.949) per ordinary share ( <i>Note</i> )	<u>6,681,690</u>	<u>6,779,737</u>
	<u>7,575,781</u>	<u>7,542,140</u>

*Note:* At a meeting held by the Board on 26 March 2020, the Board proposed a final dividend in respect of the year ended 31 December 2019 of RMB0.937 (equivalent to HK\$1.026) per ordinary share of the Company, totalling approximately RMB6,681,690,000 (equivalent to approximately HK\$7,316,344,000) based on the latest number of ordinary shares of 7,130,939,579 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 2020.

A final dividend for the year ended 31 December 2018 of RMB0.949 (equivalent to HK\$1.112) per ordinary share, totalling approximately RMB6,779,737,000 (equivalent to approximately HK\$7,707,205,000) had been approved in the Company's Annual General Meeting on 6 June 2019 and paid during the year.

## 8. EARNINGS PER SHARE

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

	Year ended 31 December	
	2019	2018
	RMB'000	RMB'000
<b>Earnings</b>		
Earnings for the purpose of basic earnings per share (profit for the year attributable to owners of the Company)	<u>28,672,276</u>	<u>24,237,875</u>
	2019	2018
<b>Number of shares</b>		
Weighted average number of ordinary shares for the purpose of basic earnings per share	<u>6,964,272,912</u>	<u>6,930,939,579</u>

No diluted earnings per share is presented for the years ended 31 December 2019 and 2018 as there were no potential ordinary shares outstanding.

## 9. TRADE RECEIVABLES, OTHER RECEIVABLES, PREPAYMENTS AND DEPOSITS

	<b>31 December 2019 RMB'000</b>	31 December 2018 RMB'000
Trade and bills receivables ( <i>Note a</i> )	<b>2,746,618</b>	2,207,118
Less: allowance for doubtful debts ( <i>Note a</i> )	<b>(90,572)</b>	(89,657)
	<u><b>2,656,046</b></u>	<u>2,117,461</u>
Prepayments for acquisition of land use rights ( <i>Note b</i> )	<u><b>13,651,542</b></u>	<u>8,482,689</u>
Other receivables	<b>15,970,822</b>	14,436,898
Less: allowance for doubtful debts	<b>(420,741)</b>	(346,589)
	<u><b>15,550,081</b></u>	<u>14,090,309</u>
Prepayments and deposits	<u><b>18,705,821</b></u>	<u>18,824,703</u>
	<u><b>50,563,490</b></u>	<u>43,515,162</u>

### *Notes:*

#### (a) Trade and bills receivables

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)

Notes: (Continued)

### (a) Trade and bills receivables (Continued)

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

	<b>31 December 2019 RMB'000</b>	31 December 2018 RMB'000
0 – 30 days	1,259,833	664,913
31 – 60 days	215,406	190,162
61 – 90 days	147,003	175,757
91 – 180 days	344,477	503,534
181 – 365 days	422,906	304,721
Over 1 year	266,421	278,374
	<u>2,656,046</u>	<u>2,117,461</u>

### (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.

## 10. TRADE AND OTHER PAYABLES

	<b>31 December 2019 RMB'000</b>	31 December 2018 RMB'000
Trade and bills payables (Note a)	70,842,672	53,797,915
Other payables (Note b)	27,370,606	34,447,962
	<u>98,213,278</u>	<u>88,245,877</u>

## 10. TRADE AND OTHER PAYABLES (CONTINUED)

*Notes:*

(a) Trade and bills payables

The average credit period of the trade and bills payable are according to the terms stipulated in the contract, and 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:

	<b>31 December 2019 RMB'000</b>	31 December 2018 RMB'000
0 – 30 days	<b>32,069,923</b>	22,938,273
31 – 60 days	<b>3,109,428</b>	2,048,840
61 – 90 days	<b>2,536,177</b>	1,332,803
91 – 180 days	<b>6,903,590</b>	4,598,350
181 – 365 days	<b>11,023,956</b>	7,046,217
Over 1 year	<b>15,199,598</b>	15,833,432
	<b><u>70,842,672</u></b>	<b><u>53,797,915</u></b>

(b) Other payables

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

## CHAIRMAN STATEMENT

### **China Resources Group will continuously support China Resources Land to Make it Solid, Make it Stronger, Make it Bigger, Make it Good, Make it Longer**

I am pleased to present the annual business review and outlook of the Company and the Group for the year ended 31 December 2019 to the shareholders.

In 2019, China achieved GDP growth of 6.1% YoY, while successfully maintained sustainable and healthy economic and social development, amid the complexity of rising risks and challenges both at home and abroad. The government adhered to the general principle of pursuing progress while ensuring stability, insisted supply-side structural reform as the main task for promoting the high-quality development, and “maintained stability in employment, financial operations, foreign trade, foreign investment, domestic investment, and expectations”. Regarding the property sector, the government insisted on the positioning of “houses are for living in, not for speculation”, and comprehensively implemented the long-term city-specific management and regulation mechanism for stable land prices, stable house prices and stable price expectations, to promote stable and healthy development of the property sector.

In 2019, China’s national real estate investment rose 9.9% YoY to RMB13.2 trillion, whereas commodity housing sales achieved YoY growth of 6.5% to RMB16.0 trillion, while GFA sold stayed flat versus 2018 at 1.72 billion square meters. Following the national strategy of developing three key regions, namely the Beijing-Tianjin-Hebei region, the Yangtze River Delta and the Guangdong-Hong Kong-Macao Greater Bay Area, the Group increased quality resources allocation in the key regions, implemented a strategic urban cascade layout, coupled with further market penetration and higher operational efficiency, the Group achieved contracted sales of RMB242.5 billion in 2019, continued to rank among top ten in terms of scale in the industry.

China’s total retail sales of consumer goods reached RMB41.2 trillion in 2019, an increase of 8.0% YoY. Consumption has become the main driving force of China’s economic growth for six years in a row, contributing 57.8% to economic growth and driving GDP growth up by 3.5 percentage points. The Group’s shopping malls achieved total retail sales of RMB64.59 billion, up 36.6% YoY, far beyond the market average performance, reflecting its efficient operation management.



During the year under review, positioned as an integrated operator in city investment, development and operation, the Group focused on its management theme of “transformation, quality improvement, stability and innovation” to improve product quality, execution efficiency and growth motivation. Meanwhile, the Group consistently optimized its “Development Property + Investment Property + X” business model, and levered on urban upgrading, consumption upgrading, and industrial upgrading to cultivate business innovations in urban redevelopment, property management, senior housing, leasing apartment, industrial real estate, construction business, culture and sports and cinema.

## **Results Review**

In 2019, the Group realized a consolidated turnover of RMB147.74 billion, core net profit attributable to the shareholders of the Company excluding revaluation gain from investment properties amounted to RMB21.65 billion, profit attributable to the shareholders of the Company including revaluation gain from investment properties amounted to RMB28.67 billion, the Group’s earnings per share achieved RMB4.12, of which core net profit per share was RMB3.11. As of 31 December 2019, the net assets per share amounted to RMB24.34, representing an increase of 21.9% comparing to the year end of 2018.

The Board of the Company has resolved to recommend a final dividend of RMB0.937 (equivalent to HK\$1.026) per share, decreased 1.3% comparing to the final dividend of 2018.

The Group attached great importance to continuously create value for our shareholders while balancing the management scale, risk and return, strive to achieve long-term sustainable growth and maximize the interests of shareholders. In the past ten years, the Group realized a CAGR of 26.0% in consolidated turnover, a CAGR of 18.2% in earning per share, and a CAGR of 17.7% in dividend per share.

## **Development Property**

In 2019, the Group's development property realized turnover of RMB127.20 billion, up 21.0% YoY, with gross profit margin step down by 6.4 percentage points YoY to 36.5%.

During the year under review, the Group improved operational efficiency and optimized its inventory structure through accelerated destocking of commercial products; reshaped its customer relationship management system into a “whole cycle, whole value-chain and whole journey” one with customer focus, and achieved a higher score in residential customer satisfaction survey; accomplished the formulation and implementation of product standardization, leading the industry in which aspect; optimized its cost management system through cost standardization and informatization; and comprehensively and systematically improved its project management focusing on high quality, high development efficiency, low delivery risk and optimal settlement cost.

## **Investment Property**

In 2019, the Group's turnover from investment properties realized a YoY growth of 26.3% to RMB12.03 billion, of which turnover from shopping mall business amounted to RMB9.15 billion, turnover from office business amounted to RMB1.39 billion and turnover from hotel business amounted to RMB1.49 billion, up 33.4%, 12.3% and 4.5% YoY respectively.

As of 31 December 2019, the Group's investment properties in operation had a total GFA over 10 million square meters. The Group had 25 MIXc/MIX World malls and 17 MIXc One in operation, with another 46 projects in pipeline. Besides, the Group had a total of 28 asset-light malls, of which 19 projects were in operation and 9 were in pipeline.

During the year under review, the Group opened 8 shopping malls and reopened 3 malls. Newly opened malls included Suzhou Wujiang Mixc One, Harbin Songbei Mixc One, Linyi Mixc One, Guilin Mixc, Hefei Luyang Mixc One, Jinan Mixc, Kunshan Mixc One, and Yangzhou Mixc One; projects reopened after renovation were Anshan Mixc One, Fuzhou Cangshan Mixc One, and Shanghai CR Time Square. The average opening rate was 96%, 8 shopping malls' turnover exceeded RMB10 million in the opening day. Besides, the Group acquired several quality commercial projects in Beijing and Shenzhen, with a proactive and strategic-driven approach.

## **Landbank**

During the year under review, the Group strengthened precise investment strategy with an aim to optimize its land bank structure, investment rhythm and geographic exposure, with a more diversified access to land bank. Tapped into 9 new cities, the Group acquired 82 projects with total land premium of RMB142.4 billion, total GFA was 20.20 million square meters, of which 17.84 million square meters were for development properties and 2.36 million square meters were for investment properties.

As of 31 December 2019, the Group has expanded its geographical exposure to 80 cities with total GFA of 68.68 million square meters, which can meet the Group's development needs for the next three years. Of which 58.52 million square meters were for development properties, 10.16 million square meters were for investment properties. Land bank GFA in tier one, tier two and industrial-supported tier three cities accounted for 83.8%, land bank structure had been continuously optimized.

## **X Strategy and Innovative Development**

During the year under review, the Group continued to crystalize its “Development Property + Investment Property + X” business model by promoting innovative businesses to cultivate new earnings drivers for the Group's long-term stable development.

Urban redevelopment business is based in the Big Bay Area, with a city focus in Guangzhou, Shenzhen, Dongguan, Foshan and Huizhou. Nation-wide expansion focuses on cities with preferential policies to replenish quality land bank for the long-term sustainable development of the Group.

With a vision to “become the most trustworthy asset manager in China”, the Group's property management business focused on quality property, asset management and smart internet of things, expanded quality projects in tier one and tier two cities, further strengthened customer relations with good service.

The development vision for senior housing business is to “give full play to our own advantages to acquire scarce resources and build up core competence and business model” with a geographic focus on the three metropolitan areas, especially on key cities in Big Bay Area. While actively building up the core competence in operation and brand influence, the Group tried to integrate education, medical care, senior care, rehabilitation (nursing) and research into a “five in one” innovative model, which has initially closed the loop for the value chain in health care business.

In response to the national call to “vigorously develop rental housing”, the Group actively explored collective land, rental land and other large-scale project opportunities in core cities with risk control as the bottom line, and the performance of its operational projects achieved stable growth.

## **Financial Policy**

The Group adhered to its prudent financial policies. As of 31 December 2019, leverage ratios were maintained at relatively low levels in property sector, with total interest-bearing debt ratio decreased by 5.7 percentage points to 36.6% versus 42.3% as at the year end of 2018, while net interest-bearing debt ratio decreased by 3.6 percentage points to 30.3% from 33.9% by 2018 year-end. During the reporting year, 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”)**

Upholding to its “better quality better city” vision, the Group commits to build beautiful cities, create a better life, and build a community of interests for the economy, society and the environment.

In 2019, the Group grew together with various stakeholders by adhering to China Resources values of “integrity, performance-oriented, people-oriented, innovation and development”, with a mission to build beautiful cities and create better life.

In 2019, the Group improved emission management and promoted energy and resources saving through increased application of environmental friendly materials and low carbon equipment in new projects.

In March 2019, to further promote systematic management of ESG, the Company established at the board level a Corporate Social Responsibility (“CSR”) Committee and provided ESG trainings to board members. The Group has published sustainability report on the website of the Hong Kong Stock Exchange for six consecutive years, awarded as five-star report by the CSR Research Center of the Chinese Academy of Social Science (“CASS”) for five consecutive years. Through report preparation process, a working mechanism has been established to enhance internal management. Led by the Group’s headquarter, all regions and divisions have published independent reports, which has comprehensively promoted the awareness of significance and integration of ESG management within the Group.

The Group's endeavor in ESG has received wide recognition. The Group was selected as one of the 30 constituent stocks of Hang Seng Sustainable Development Corporate Benchmark Index (HSSUS) in 2019 for the second year, and ranks number one in real estate industry for 6 consecutive years in the social responsibility development index of the CSR Research Center of the CASS.

## **Outlook**

The year of 2020 is the decisive year for building a moderately prosperous society in all aspects and realizing the first Centenary Goal. It is also a crucial year for China Resources Land to close *13th Five-Year Plan* while start the *14th Five-Year Plan*. Facing the sudden outbreak of the COVID-19 at the beginning of the year, the CR Group resolutely implemented the national deployment, taking full responsibilities of being a conglomerate with diversified businesses closely linked with people's livelihood, and has ensured the smooth livelihood supplies throughout the country, especially in key regions of the epidemic. The Group has fully implemented the requirements of CR Group to fight the epidemic and stabilize the operation at the same time, we are committed to work hard together to overcome current difficulties while striving for a sustainable growth of the Company.

For development property, the Group will adapt to the changing dynamic and further participate in the national urbanization process for market consolidation and management enhancement:

The Group will continue to optimize its land bank structure and allocate resources with a strategic-driven and city- and project-specific approach; identifying market changes and manage its investment rhythm with a dynamic approach; while keep optimizing its geographic exposure with a focus on market share penetration in three key regions, namely Beijing-Tianjin-Hebei, Yangtze River Delta and the Big Bay Area, plus regional hub cities and related city clusters, with an aim to become market leader in each region.

The Group will continue to improve its operational efficiency, accelerating asset turnover of both land bank and the commercial inventory, optimizing the supply chain ecology, optimizing management systems of product, engineering, cost and customer relationship, to realize "cost reduction, quality improvement and efficiency enhancement".

The Group will continue to vigorously develop the development property to ensure "high quality, high efficiency, low risk and optimal cost" to enhance the brand influence, and to maintain top 10 market position in the industry and realize the growth in both scale and profit.

For investment property, the Group will follow the tide of new retail trend, tap opportunities in both primary and secondary markets to achieve high-quality and orderly scale growth, while optimizing operational standards to improve management quality and operational efficiency. Meanwhile, the Group will keep being innovative and work out its commercial digitization and asset securitization strategies, and to maintain the Group's leading position in China's investment property market.

Innovative businesses will synergize with the core businesses, focusing on urban, consumption and industrial upgrading opportunities, focusing on the Group's position as an "urban comprehensive investment and development operator", focusing on strategy and business model, focusing on development quality, and continuously explore new engines to support the Company's sustainable development.

The Group will build a digital CR Land focusing on "intelligence, digitalization, informatization and network security", a digital system of "operation+, customer+, product+ and employee+" will be built to realize real-time online and efficient collaboration of all businesses, to establish all-round linkages with customers, and to enhance intelligence and IT level of the Company.

After over 20 years of development, the Group has established a clear and leading development strategy, a mature and optimizing operational system, as well as a diligent and pragmatic talent team. Looking forward to 2020, the Group will:

Adhere to the development vision of "Make it Solid, Make it Stronger, Make it Bigger, Make it Good, Make it Longer";

Adhere to its brand vision of "better quality better city";

Adhere to its business model of "development property + investment property + X";

Adhere to its development theme of "solid foundation, quality development, steady progress";

The Group is confident and capable to meet targets set by the *13th Five-Year Plan*, and will march forward against a more competitive and complex market, greeting the beginning of the *14th Five-Year Plan* with a brand-new and full confidence.

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.

## MANAGEMENT DISCUSSION AND ANALYSIS

In Year 2019, the Group's development property and investment property maintained stable momentum. During the reporting year, contracted sales and construction progress of each project were in line with management's expectation, laying a solid foundation for 2020.

### Part I. Review of 2019 Annual Result

#### 1. REVIEW OF DEVELOPMENT PROPERTY CONTRACTED SALES IN 2019

In Year 2019, the Group achieved contracted sales of RMB242.5 billion with contracted GFA of 13.248 million square meters, up 15.1% and 10.5% YoY respectively.

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

Region	Contracted Sales		Contracted GFA	
	RMB'000	%	Sqm	%
North China Region	52,728,000	21.7%	2,531,963	19.1%
East China Region	72,927,453	30.1%	3,057,850	23.1%
South China Region	48,151,178	19.9%	1,796,065	13.5%
West China Region	26,236,674	10.8%	2,273,487	17.2%
Northeast China Region	25,436,688	10.5%	2,092,944	15.8%
Central China Region	17,020,008	7.0%	1,496,040	11.3%
Total	<u>242,500,001</u>	<u>100.0%</u>	<u>13,248,349</u>	<u>100.0%</u>

#### 2. REVIEW OF DEVELOPMENT PROPERTY REVENUE IN 2019

In 2019, the Group achieved 21.0% YoY growth in development property revenue of RMB127.2 billion with 23.9% increased YoY booked GFA of 7.535 million square meters. The gross profit margin of development property was 36.5% in Year 2019, versus 42.9% in 2018.

The Group's revenue breakdown by region in 2019 is as below:

Region	Revenue		GFA Booked	
	RMB'000	%	Sqm	%
North China Region	23,647,498	18.6%	1,224,948	16.2%
East China Region	26,005,096	20.5%	1,326,568	17.6%
South China Region	34,238,383	26.9%	1,196,131	15.9%
West China Region	17,072,331	13.4%	1,481,919	19.7%
Northeast China Region	17,697,898	13.9%	1,536,727	20.4%
Central China Region	8,537,351	6.7%	768,497	10.2%
Total	<u>127,198,557</u>	<u>100.0%</u>	<u>7,534,790</u>	<u>100.0%</u>

As of 31 December 2019, the Group had unbooked contracted sales of RMB223.9 billion that are subject to recognition as development property revenue in the coming years, among which RMB128.7 billion will be recognized in 2020, laying a solid foundation for good results in 2020.

### 3. REVIEW OF INVESTMENT PROPERTY BUSINESS IN 2019

#### 1) Shopping Mall

As of 31 December 2019, the book value of the shopping malls of the Group was RMB113.17 billion, accounted for 14.8% of the Group's total assets value. In year 2019, the rental income from shopping malls reached RMB9.15 billion, with YoY growth of 33.4%. The occupancy rate increased 0.6 percentage point to 94.9%.

#### 2) Office

As of 31 December 2019, the book value of the office of the Group was RMB35.76 billion, accounted for 4.7% of the Group's total assets value. In Year 2019, the rental income from office reached RMB1.39 billion, with YoY growth of 12.3%. Due to the low occupancy rate of the newly opened office, the overall occupancy rate decreased 16.9 percentage point to 72.9%.



### 3) Hotel

As of 31 December 2019, the Group had 9 operational hotels, which contributed a revenue of RMB1.49 billion with a YoY growth of 4.5%, average hotel occupancy rate was increased by 3.7 percentage points YoY to 69.9%, and the hotel business EBITDA margin increased by 1.4 percentage points YoY to 27.3% due to improvement in operating efficiency.

Details of the Group's key investment properties opened in 2019 are listed below:

<b>Investment Property</b>	<b>City</b>	<b>Interest Attributable to the Group (%)</b>	<b>Total GFA (Sqm)</b>	<b>Attributable GFA (Sqm)</b>
Suzhou Wujiang Mixc One	Suzhou	50.0%	123,579	61,790
Comprising: Commercial			91,287	45,644
Car Park			32,292	16,146
Suzhou Kunshan Mixc One	Kunshan	51.0%	170,021	86,711
Comprising: Commercial			101,399	51,714
Car Park			68,622	34,997
Jinan Mixc	Jinan	55.0%	306,457	168,551
Comprising: Commercial			188,220	103,521
Car Park			118,237	65,030
Linyi Mixc One	Linyi	100.0%	169,682	169,682
Comprising: Commercial			105,132	105,132
Car Park			64,550	64,550
Harbin Songbei Mixc One	Harbin	100.0%	118,280	118,280
Comprising: Commercial			89,280	89,280
Car Park			29,000	29,000
Guilin Mixc	Guilin	100.0%	139,416	139,416
Comprising: Commercial			95,455	95,455
Car Park			43,961	43,961
Hefei Luyang Mixc One	Hefei	100.0%	99,080	99,080
Comprising: Commercial			75,316	75,316
Car Park			23,764	23,764
Beijing Kunlun Centre Office	Beijing	100.0%	32,700	32,700
Xiamen CR Building	Xiamen	100.0%	95,952	95,952

As of 31 December 2019, the Group's investment properties in operation achieved 11.06 million square meters in total GFA, plus another 10.16 million square meters GFA under construction or planning, details of which are set out below:

	<b>Investment Properties in Operation</b>		<b>Investment Properties under Construction or Planning</b>	
	<b>Total GFA (Sqm)</b>	<b>Attribute GFA (Sqm)</b>	<b>Total GFA (Sqm)</b>	<b>Attribute GFA (Sqm)</b>
Total GFA	11,059,155	9,521,311	10,158,595	6,936,593
Comprising: Commercial	5,472,009	4,654,918	5,283,599	3,747,110
Office	1,101,778	1,045,435	2,230,912	1,426,536
Hotel	477,318	408,900	1,074,102	791,390
Others	4,008,050	3,412,058	1,569,982	971,557

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

#### 4. *REVIEW OF PROPERTY MANAGEMENT BUSINESS IN 2019*

As of 31 December 2019, the Group's property management business achieved growth in area under management and income by 40.8% YoY to 140 million square meters and by 31.5% YoY to RMB5.78 billion respectively. Of which, residential and other property management income reached RMB3.81 billion, up 35.8% YoY, investment property management fee income was RMB1.97 billion, up 24.0% YoY.

#### 5. *REVIEW OF CONSTRUCTION BUSINESS IN 2019*

The Group's construction business mainly provides construction services and space management, based on a comprehensive and integrated urban construction system focus on seven major businesses including professional construction, decoration, electrical and mechanical, furniture, curtain wall, decorative design, and building materials. The business' revenue achieved a growth of 20.1% YoY to RMB14.80 billion in 2019, which strongly supported the construction of the Group's key projects, such as Xi'an Convention and Exhibition Center, Jinan Mixc, etc.

## Part II. Land Bank

In 2019, the Group acquired 82 quality land parcels totaling 20.20 million square meters in GFA with a total land premium of RMB142.44 billion (attributable land premium amounted to RMB93.39 billion). As of 31 December 2019, the GFA of the Group's land bank totaled 68.68 million square meters, the regional breakdown of which is set out below:

<b>Region</b>	<b>Total GFA (Sqm)</b>	<b>Attributable GFA (Sqm)</b>
North China Region	14,498,967	9,038,887
East China Region	10,463,408	6,304,307
South China Region	14,683,773	9,037,492
West China Region	12,098,587	10,991,210
Northeast China Region	6,938,211	6,458,865
Central China Region	9,925,143	6,728,547
Others	69,183	48,658
Total	<u>68,677,272</u>	<u>48,607,966</u>

Sufficient land bank further reinforced the foundation for the Group's sustainable growth in the future. As of 31 December 2019, the Group has expanded its footprints to 79 cities worldwide.

Going forward, while maintaining healthy financial position and 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, further land bank acquisitions will be funded by both internal resources and external financing.

## Part III. Loans, Debt Ratios, Asset Pledge And Foreign Exchange Risk

As of 31 December 2019, the Group's total debt outstanding balance was RMB134.54 billion equivalent while its cash and bank balance were equivalent to RMB63.70 billion. The Group's net interest-bearing debt to equity ratio (including minority interests) was 30.3%, slightly lower than 33.9% as of end of 2018.

As of 31 December 2019, the non-RMB net interest-bearing debt exposure of the Group was 7.9%. Approximate 15.9% of the total interest-bearing debt was repayable within one year while the rest was long-term interest-bearing debt. The Group maintained its borrowing cost at a sector-low level, weighted average cost of funding was 4.45% as at 31 December 2019.

In Year 2019, 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 2019, the Group had a total loan credit line of RMB54.5 billion through asset pledge with tenors ranging from 3 to 25 years, and the Group's total balance of asset-pledged loan was RMB20.77 billion.

As of 31 December 2019, the Group had principal amount of HK\$1.5 billion (equivalent to RMB1.34 billion) cross-currency swap contracts to hedge exchange rate and interest rate risk, principal amount of USD0.6 billion (equivalent to RMB4.19 billion) cross-currency swap contracts to hedge exchange rate, and principal amount of GBP85.8 million (equivalent to RMB 0.88 billion) interest rate swap contracts to hedge 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.

#### **Part IV. Employee And Compensation Policy**

As of 31 December 2019, the Group had 51,976 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.

#### **Part V. Contingent Liabilities**

Certain temporary guarantees were 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 of directors of the Company are committed to establishing good corporate governance practices and procedures. The Company recognizes the importance of maintaining high standards of corporate governance to the longterm 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 2019 to 11 February 2019, Mr. Wu Xiangdong remained as chairman of the nomination committee after his resignation as the 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.

Save for the above arrangements, the Company has complied with the code provisions set out in CG Code for the period from 1 January 2019 to 31 December 2019.

## **MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS**

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) 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 2019.

## **AUDIT COMMITTEE AND AUDITOR**

Final results of Year 2019 have been reviewed by the Audit Committee which comprises four independent non-executive directors and two non-executive directors. The financial information included in this preliminary results announcement for Year 2019 has been agreed by the auditor of the Company.

## **FINAL DIVIDEND**

The Board recommended a final dividend of RMB0.937 per share (equivalent to HK\$1.026) for Year 2019 (2018: HK\$1.112) payable on or about 15 July 2020 to shareholders whose names appear on the Register of Members of the Company on 22 June 2020.

## **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 2 June 2020, the register of members of the Company will be closed from 27 May 2020 to 2 June 2020 (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 54, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration no later than 4:30 p.m. on 26 May 2020.

For determining the entitlement to the proposed final dividend for Year 2019 (subject to approval by the shareholders at the annual general meeting), the register of members of the Company will be closed on 22 June 2020, 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 54, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration no later than 4:30 p.m. on 19 June 2020.

## **PUBLICATION OF ANNUAL RESULTS ON THE WEBSITE OF THE STOCK EXCHANGE**

The Company's Year 2019 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**  
**Wang Xiangming**  
*Chairman*

PRC, 26 March 2020

*As at the date of this announcement, the executive directors of the Company are 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. Wang Xiangming, 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.*