GREENLAND HONG KONG HOLDINGS LIMITED
綠地香港控股有限公司

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 337)

USD200 million 9.875 per cent. Bonds due 2020
(Stock Code: 5485)

USD300 million 6.0 per cent. Bonds due 2021
(Stock Code: 5412)

2019 ANNUAL RESULTS ANNOUNCEMENT

The board of directors of Greenland Hong Kong Holdings Limited (the "**Company**") is pleased to announce the unaudited consolidated results and financial position of the Company and its subsidiaries (collectively the "**Group**") for the year ended 31 December 2019 (the "**FY2019**"), together with the comparative figures for the corresponding period in 2018 as follows:

HIGHLIGHTS

- Profit for the year was approximately RMB3,041 million, representing a year-on-year increase of approximately 54%
- Profit for the year attributable to owners of the Company was approximately RMB2,474 million, representing a year-on-year increase of approximately 43%
- Gross profit for the year rose by approximately 32% to approximately RMB5,455 million
- Core net profit[1] for the year was approximately RMB2,548 million, representing a year-on-year increase of approximately 47%
- Basic earnings per share for the year increased by approximately 44% to approximately RMB0.88
- Proposed a 2019 final dividend of HK$0.25 per ordinary share
- Net gearing ratio as at 31 December 2019 further decreased sharply to approximately 18% from approximately 88% as at 31 December 2018 by 70 p.p.
- Contracted sales amounted to approximately RMB48,458 million for the year, representing a year-on-year increase of approximately 28%
- Since the beginning of FY2019 and up to the date of this announcement, acquired 18 land parcels with a total GFA of approximately 5.49 million square meters in 12 cities

(1) It represents the profit for the year excluding the post-tax gains arising from fair value changes on investment properties, net foreign exchange loss and net gains/losses from financial derivatives.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2019

	NOTES	**2019** *RMB'000*	2018 *RMB'000*
Revenue	*5*	**17,662,136**	15,444,246
Cost of sales		**(12,207,094)**	(11,306,122)
Gross profit		**5,455,042**	4,138,124
Other income	*6*	**31,137**	29,346
Other gains and losses	*7*	**(211,094)**	(659,896)
Selling and marketing costs		**(774,076)**	(811,226)
Administrative expenses		**(702,752)**	(529,847)
Other operating expenses		**(61,643)**	(47,817)
Impairment loss under expected credit loss model		**(67,497)**	(133,529)
Gain on disposal of interests in subsidiaries	*22*	**1,185,595**	487,691
Finance income	*8*	**71,655**	73,195
Finance costs	*9*	**(264,227)**	(187,488)
Share of losses of associates		**(24,049)**	(15,354)
Share of profits of joint ventures		**14,743**	161,431
Gain on changes in fair value of investment properties	*15*	**945,466**	1,226,688
Profit before tax		**5,598,300**	3,731,318
Income tax expenses	*10*	**(2,557,163)**	(1,750,378)
Profit for the year		**3,041,137**	1,980,940

	NOTES	**2019**	2018
		RMB'000	*RMB'000*
Other comprehensive income			
Items that will not be reclassified to profit or loss:			
Fair value gain on investments in equity instruments at fair value through other comprehensive income		**17,975**	112,340
Other comprehensive income for the year, net of income tax		**13,482**	84,255
Total comprehensive income for the year		**3,054,619**	2,065,195
Profit for the year attributable to:			
Owners of the Company		**2,473,818**	1,736,288
Non-controlling interests		**520,754**	244,652
Owners of perpetual securities		**46,565**	–
		3,041,137	1,980,940
Total comprehensive income attributable to:			
Owners of the Company		**2,487,300**	1,820,543
Non-controlling interests		**520,754**	244,652
Owners of perpetual securities		**46,565**	–
		3,054,619	2,065,195

	2019	2018
	RMB	*RMB*
Earnings per share:		
Basic	**0.88**	0.61

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2019

	NOTES	2019 RMB'000	2018 RMB'000
ASSETS			
Non-Current Assets			
Investment properties	*15*	**7,754,000**	13,083,000
Property, plant and equipment	*14*	**1,159,218**	1,208,629
Intangible assets		**1,206**	1,251
Right-of-use assets		**78,833**	–
Land use rights		**–**	69,315
Equity instruments at fair value through other comprehensive income ("FVTOCI")		**312,315**	294,340
Properties under development		**–**	13,194,256
Interests in associates	*16*	**197,817**	206,554
Interests in joint ventures	*17*	**634,087**	619,344
Deferred tax assets		**506,320**	644,169
Restricted bank deposits		**398,400**	–
Total non-current assets		**11,042,196**	29,320,858
Current Assets			
Properties under development		**44,391,733**	25,083,825
Completed properties held for sale		**8,941,822**	10,170,401
Trade and other receivables and advance deposits	*18*	**23,023,419**	17,538,455
Tax recoverable		**1,169,385**	944,494
Contract assets		**649,843**	839,997
Contract costs		**122,247**	54,962
Financial assets at fair value through profit and loss ("FVTPL")		**6,397**	–
Restricted bank deposits		**2,354,538**	2,217,430
Bank balances and cash		**7,568,342**	4,059,778
Total current assets		**88,227,726**	60,909,342
Total assets		**99,269,922**	90,230,200

(Continued)

	NOTES	2019 RMB'000	2018 RMB'000
EQUITY AND LIABILITIES			
Capital And Reserves			
Share capital		**1,132,097**	1,132,097
Reserves		**11,326,416**	9,330,298
Equity attributable to owners of the Company		**12,458,513**	10,462,395
Perpetual securities	*21*	**788,208**	787,823
Non-controlling interests		**3,344,717**	2,694,520
Total equity		**16,591,438**	13,944,738
LIABILITIES			
Non-Current Liabilities			
Lease liabilities		**1,042**	–
Interest-bearing loans		**6,399,050**	9,475,268
Bonds	*20*	**2,087,795**	1,367,416
Deferred tax liabilities		**1,477,795**	1,822,577
Total non-current liabilities		**9,965,682**	12,665,261
Current Liabilities			
Lease liabilities		**9,974**	–
Trade and other payables	*19*	**33,359,042**	29,485,687
Contract liabilities		**32,246,672**	24,511,228
Tax payable		**2,194,891**	1,963,342
Interest-bearing loans		**3,508,742**	3,209,345
Bonds	*20*	**1,393,481**	4,450,599
Total current liabilities		**72,712,802**	63,620,201
Total liabilities		**82,678,484**	76,285,462
Total equity and liabilities		**99,269,922**	90,230,200
Net current assets (liabilities)		**15,514,924**	(2,710,859)
Total assets less current liabilities		**26,557,120**	26,609,999

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2019

1. GENERAL INFORMATION

Greenland Hong Kong Holdings Limited (the "Company") was incorporated in the Cayman Islands on 13 April 2006 as an exempted company with limited liability under the Companies Law, Cap 22 (Law 3 of 2007, as consolidated and revised) of the Cayman Islands and its share are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "Hong Kong Stock Exchange").

Greenland Holdings Corporation Limited ("Greenland Holdings") is the ultimate controlling shareholder of the Company. The address of the registered office and principle place of business of the Company are disclosed in the corporate information section of the annual report.

The Company is an investment holding company. The principal activity of its subsidiaries (together with the Company referred to as the "Group") is the development for sale and rental of residential properties in the People's Republic of China (the "PRC") and the operation of hotels.

The consolidated financial statements are presented in Renminbi ("RMB"), which is also the functional currency of the Company.

2. APPLICATION OF NEW AND AMENDMENTS TO INTERNATIONAL FINANCIAL REPORTING STANDARDS ("IFRSs")

New and Amendments to IFRSs that are mandatorily effective for the current year

The Group has applied the following new and amendments to IFRSs issued by the International Accounting Standards Board ("IASB") for the first time in the current year.

IFRS 16	Leases
IFRIC 23	Uncertainty over Income Tax Treatments
Amendments to IFRS 9	Prepayment Features with Negative Compensation
Amendments to IAS 19	Plan Amendment, Curtailment or Settlement
Amendments to IAS 28	Long-term Interests in Associates and Joint Ventures
Amendments to IFRSs	Annual Improvements to IFRSs 2015-2017 Cycle

Except as described below, the application of the new and amendments to IFRSs in the current year has had no material impact on the Group's financial positions and performance for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

2.1 IFRS 16 Leases

The Group has applied IFRS 16 for the first time in the current period. IFRS 16 superseded IAS 17 *Leases* ("IAS 17"), and the related interpretations.

Definition of a lease

The Group has elected the practical expedient to apply IFRS 16 to contracts that were previously identified as leases applying IAS 17 and IFRIC 4 *Determining whether an Arrangement contains a Lease* and not apply this standard to contracts that were not previously identified as containing a lease. Therefore, the Group has not reassessed contracts which already existed prior to the date of initial application.

For contracts entered into or modified on or after January 1, 2019, the Group applies the definition of a lease in accordance with the requirements set out in IFRS 16 in assessing whether a contract contains a lease.

As a lessee

The Group has applied IFRS 16 retrospectively with the cumulative effect recognised at the date of initial application, 1 January 2019.

As at 1 January 2019, the Group recognised additional lease liabilities and right-of-use assets at amounts equal to the related lease liabilities adjusted by any prepaid or accrued lease payments by applying IFRS 16.C8(b)(ii) transition. Any difference at the date of initial application is recognised in the opening retained earnings and comparative information has not been restated.

When applying the modified retrospective approach under IFRS 16 at transition, the Group applied the following practical expedients to leases previously classified as operating leases under IAS 17, on lease-by-lease basis, to the extent relevant to the respective lease contracts:

i. relied on the assessment of whether leases are onerous by applying IAS 37 *Provisions, Contingent Liabilities and Contingent Assets* as an alternative of impairment review;

ii. elected not to recognise right-of-use assets and lease liabilities for leases with lease term ends within 12 months of the date of initial application; and

iii. excluded initial direct costs from measuring the right-of-use assets at the date of initial application.

When recognising the lease liabilities for leases previously classified as operating leases, the Group has applied incremental borrowing rates of the relevant group entities at the date of initial application. The weighted average incremental borrowing rate applied is from 4.74% to 6.65%.

	At 1 January 2019
	RMB'000
Operating lease commitments disclosed as at 31 December 2018	30,340
Lease liabilities discounted at relevant incremental borrowing rates	29,282
Less: recognition exemption – short-term leases	(8,391)
Lease liabilities as at 1 January 2019	20,891
Analysed as	
Current	12,755
Non-current	8,136
	20,891

The carrying amount of right-of-use assets for own use as at 1 January 2019 comprises the following:

	Right-of-use assets
	RMB'000
Right-of-use assets relating to operating leases recognised upon application of IFRS 16	20,891
Reclassified from land use rights *(Note)*	69,315
	90,206
By class:	
Leasehold lands and buildings	89,792
Office equipment	414
	90,206

Note: Upfront payments for leasehold lands in the PRC for own used properties were classified as prepaid lease payments as at 31 December 2018. Upon application of IFRS 16, land use right amounting to RMB69,315,000 were reclassified to right-of-use assets.

As a lessor

In accordance with the transitional provisions in IFRS 16, the Group is not required to make any adjustment on transition for leases in which the Group is a lessor but account for these leases in accordance with IFRS 16 from the date of initial application and comparative information has not been restated.

Upon application of IFRS 16, new lease contracts entered into but commence after the date of initial application relating to the same underlying assets under existing lease contracts are accounted as if the existing leases are modified as at 1 January 2019. The application has had no impact on the Group's consolidated statement of financial position at 1 January 2019. However, effective 1 January 2019, lease payments relating to the revised lease team after modification are recognised as income on straight-line basis over the extended lease term.

Before application of IFRS 16, refundable rental deposits received were considered as rights and obligations under leases to which IAS 17 applied under trade and other payables. Based on the definition of lease payments under IFRS 16, such deposits are not payments relating to the right-of-use assets and were adjusted to reflect the discounting effect at transition. However, the management considered that the impact on the Group's consolidated statement of financial position at 1 January 2019 is insignificant.

2.2 Impacts on each financial statement line item arising from the application of all new standards

The following adjustments were made to the amounts recognised in the consolidated statement of financial position at 1 January 2019. Line items that were not affected by the changes have not been included.

	Carrying amounts previously reported at 31 December 2018	**Adjustments**	**Carrying amounts under IFRS 16 at 1 January 2019**
	RMB'000	*RMB'000*	*RMB'000*
	(Audited)		(Restated)
Non-current Assets			
Land use rights	69,315	(69,315)	–
Right-of-use assets	–	90,206	90,206
Non-current Liabilities			
Lease Liabilities	–	8,136	8,136
Current Liabilities			
Lease Liabilities	–	12,755	12,755

Note: For the purpose of reporting cash flows from operating activities under indirect method for the year ended 31 December 2019, movements in working capital have been computed based on opening consolidated statement of financial position as at 1 January 2019 as disclosed above.

New and amendments to IFRSs in issue but not yet effective:

The Group has not early applied the following new and amendments to IFRSs that have been issued but are not yet effective:

IFRS 17	Insurance Contracts[1]
Amendments to IFRS 3	Definition of a Business[2]
Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[3]
Amendments to IAS 1	Classification of Liabilities as current or non-current[5]
Amendments to IAS 1 and IAS 8	Definition of Material[4]
Amendments to IFRS 9, IAS 39 and IFRS 7	Interest Rate Benchmark Reform[4]

1 Effective for annual periods beginning on or after 1 January 2021.

2 Effective for business combinations and asset acquisitions for which the acquisition date is on or after the beginning of the first annual period beginning on or after 1 January 2020.

3 Effective for annual periods beginning on or after a date to be determined.

4 Effective for annual periods beginning on or after 1 January 2020.

5 Effective for annual periods beginning on or after 1 January 2022.

In addition to the above new and amendments to IFRSs, a revised Conceptual Framework for Financial Reporting was issued in 2018. Its consequential amendments, the Amendments to References to the Conceptual Framework in IFRS Standards, will be effective for annual periods beginning on or after 1 January 2020.

Except as described below, the directors of the Company anticipate that the application of all new and amendments to IFRSs will have no material impact on the consolidated financial statements in the foreseeable future.

Conceptual Framework for Financial Reporting 2018 (the "New Framework") and the Amendments to References to the Conceptual Framework in IFRS Standards

The New Framework:

- reintroduces the terms stewardship and prudence;
- introduces a new asset definition that focuses on rights and a new liability definition that is likely to be broader than the definition it replaces, but does not change the distinction between a liability and an equity instrument;
- discusses historical cost and current value measures, and provides additional guidance on how to select a measurement basis for a particular asset or liability;
- states that the primary measure of financial performance is profit or loss, and that only in exceptional circumstances other comprehensive income will be used and only for income or expenses that arise from a change in the current value of an asset or liability; and
- discusses uncertainty, derecognition, unit of account, the reporting entity and combined financial statements.

Consequential amendments have been made so that references in certain IFRSs have been updated to the New Framework, whilst some IFRSs are still referred to the previous versions of the framework. These amendments are effective for annual periods beginning on or after 1 January 2020, with earlier application permitted. Other than specific standards which still refer to the previous versions of the framework, the Group will rely on the New Framework on its effective date in determining the accounting policies especially for transactions, events or conditions that are not otherwise dealt with under the accounting standards.

3. SIGNIFICANT ACCOUNTING POLICIES

Statement of compliance

The consolidated financial statements have been prepared in accordance with IFRSs issued by IASB. 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 ("Listing Rules") and by the Hong Kong Companies Ordinance.

Fair value and historical cost

The consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments and investment properties that are measured at fair values at the end of reporting period, as explained in the accounting policies set out below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and disclosure purposes in these consolidated financial statements is determined on such a basis, except for leasing transactions that are accounted for in accordance with IFRS 16 (since 1 January 2019) or IAS 17 (before application of IFRS 16), and measurements that have some similarities to fair value but are not fair value, such as net realisable value in IAS 2 *Inventories* or value in use in IAS 36 *Impairment of Assets*.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

For financial instruments and investment properties which are transacted at fair value and a valuation technique that unobservable inputs is to be used to measure fair value in subsequent periods, the valuation technique is calibrated so that at initial recognition the results of the valuation technique equals the transaction price.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

The principal accounting policies are set out below.

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company and its subsidiaries. Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the Group has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Group considers all relevant facts and circumstances in assessing whether or not the Group's voting rights in an investee are sufficient to give it power, including:

- the size of the Group's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;

- potential voting rights held by the Group, other vote holders or other parties;
- rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the Group has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Group gains control until the date when the Group ceases to control the subsidiary.

Profit or loss and each item of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

Non-controlling interests in subsidiaries are presented separately from the Group's equity therein, which represent present ownership interests entitling their holders to a proportionate share of net assets of the relevant subsidiaries upon liquidation.

Changes in the Group's interests in existing subsidiaries

Changes in the Group's interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's relevant components of equity and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries, including re-attribution of relevant reserves between the Group and the non-controlling interests according to the Group's and the non-controlling interests' proportionate interests.

Any difference between the amount by which the non-controlling interests are adjusted, and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

When the Group loses control of a subsidiary, the assets and liabilities of that subsidiary and non-controlling interests (if any) are derecognised. A gain or loss is recognised in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the carrying amount of the assets (including goodwill), and liabilities of the subsidiary attributable to the owners of the Company. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred directly to another category of equity as specified by applicable IFRSs). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under IFRS 9 Financial Instruments ("IFRS 9") when applicable, the cost on initial recognition of an investment in a joint venture or an associate.

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, which are described in note 3, the directors of the Company are required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revisions affects both current and future periods.

Critical judgements in applying accounting policies

The followings are the critical judgements, apart from those involving estimations (see below), that the directors of the company has made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised in the consolidated financial statements.

Deferred taxation on investment properties

The Group recognises deferred tax in respect of the changes in fair value of the investment properties based on directors' best estimate assuming future tax consequences through usage of such properties for rental purpose, rather than through sale. The final tax outcome could be different from the deferred tax liabilities recognised in the consolidated financial statements should the investment properties are subsequently disposed by the Group, rather than consumed substantially all of the economic benefits embodied in the investment properties by leasing over time. In the event the investment properties are being disposed, the Group may be liable to higher tax upon disposal considering the impact of land appreciation tax.

Key sources of estimation uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Valuation of investment properties

Investment properties in the consolidated statement of financial position at 31 December 2019 are carried at their fair values of approximately RMB7,754 million (2018: RMB13,083 million), details of which are disclosed in note 15. The fair values of the investment properties are determined by reference to valuations conducted on these properties by an independent firm of property valuer using property valuation techniques which involve certain assumptions of prevailing market conditions. Favourable or unfavorable changes to these assumptions may result in changes in the fair values of the Group's investment properties and corresponding adjustments to the changes in fair values reported in the consolidated statement of profit or loss and the carrying amounts of these properties included in the consolidated statement of financial position.

PRC land appreciation taxes

The Group is subject to land appreciation taxes ("LAT") in the PRC. The implementation and settlement of these taxes varies among various tax jurisdictions in cities of the PRC, and the Group has not finalised its PRC LAT calculation and payments with most of local tax authorities in the PRC. The calculation of PRC LAT are highly dependent on the appropriateness of the rates used, which are determined by the appreciation of land value. The appreciation of land value is determined with reference to proceeds of the properties less the estimated deductible expenditures, including the cost of land use rights and all property development expenditures. The Group estimated the deductible expenditures according to the understanding of the relevant PRC tax laws and regulations. The final tax outcome could be different from the amounts that were initially recorded, and these differences will impact the income tax expense and the related income tax provisions in the periods in which such tax is finalised with local tax authorities.

Deferred tax assets

At 31 December 2019, the Group has recognised deferred tax assets RMB506,320,000. The ability to realise the deferred tax assets mainly depends on whether it is probable that future taxable profits will be available against which related tax benefits under the deferred tax assets can be utilised. In cases where the actual future taxable profits generated are less than expected, a reversal of deferred tax assets may arise, which will be recognised in profit or loss for the period in which such a reversal takes place.

Impairment of non-financial long-lived assets

If circumstances indicate that the carrying amounts of non-financial long-lived assets (other than investment properties, properties under development, completed properties held for sale and deferred tax assets) may not be recoverable, the assets may be considered impaired and are tested for impairment. An impairment loss is recognised when the asset's recoverable amount has declined below its carrying amount. The recoverable amount is the greater of the fair value less costs of disposal and value in use. In determining the recoverable amount, the Group estimates the future cash flows to be derived from continuing use and ultimate disposal of the asset and applies an appropriate discount rate to these future cash flows.

Write-down of properties under development and completed properties held for sale

Management performs a regular review on the carrying amounts of properties under development and completed properties held for sale. Based on management's review, write-down of properties under development and completed properties held for sale will be made when the estimated net realisable value has declined below the carrying amount.

In determining the net realisable value of completed properties held for sale, management refers to prevailing market data such as recent sales transactions, market survey reports available from independent property valuers and internally available information, as basis for evaluation. As of 31 December 2019, the amount of the write-down of completed properties held for sale was RMB334,875,000 (2018: RMB19,542,000).

In respect of properties under development, the net realisable value is the estimated selling price of the completed units (based on the current prevailing market conditions) less estimated selling expenses and estimated cost of completion (if any). These estimates require judgement as to the anticipated sale prices by reference to recent sales transactions in nearby locations, marketing costs (including price discounts required to stimulate sales) and the estimated costs to completion of properties, the legal and regulatory framework and general market conditions.

ECL allowance

The Group recognises a loss allowance for ECL on financial assets including trade receivables and other non-trade receivables and other items such as contract assets which are subject to impairment under IFRS 9. The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition. Significant judgements and estimations are required in determining the impairment assessment including the judgements on grouping basis for the provision matrix and individual assessment and the estimations on the expected loss rates used to calculate the ECL allowance. At every reporting date, the historical observed default rates are reassessed and changes in the forward-looking information are considered. As at 31 December 2019, the carrying amount of trade receivables, contract assets and other receivables are RMB340,804,000, RMB649,843,000 and RMB15,382,918,000 respectively, net of accumulated ECL impairment loss of RMB28,500,000, RMB1,086,000 and RMB268,119,000 respectively.

5. REVENUE

Disaggregation of revenue from contracts with customers

	For the year ended 31 December 2019		
	Revenue recognised at a point in time *RMB'000*	**Revenue recognised over time** *RMB'000*	**Total** *RMB'000*
Types of goods or service			
Sales of properties and construction management service	**16,636,632**	**357,960**	**16,994,592**
Hotel and related services	**–**	**133,941**	**133,941**
Property management and other services	**–**	**457,266**	**457,266**
Revenue from contracts with customers	**16,636,632**	**949,167**	**17,585,799**
Leases – rental income	**–**	**76,337**	**76,337**
Total revenue	**16,636,632**	**1,025,504**	**17,662,136**

	For the year ended 31 December 2018		
	Revenue recognised at a point in time *RMB'000*	Revenue recognised over time *RMB'000*	Total *RMB'000*
Types of goods or service			
Sales of properties and construction management service	13,029,929	1,801,400	14,831,329
Hotel and related services	–	134,541	134,541
Property management and other services	–	426,923	426,923
Revenue from contracts with customers	13,029,929	2,362,864	15,392,793
Leases – rental income	–	51,453	51,453
Total revenue	13,029,929	2,414,317	15,444,246

6. OTHER INCOME

	2019	2018
	RMB'000	*RMB'000*
Forfeited deposits from customers	**13,300**	17,135
Government grants *(Note)*	**12,419**	8,099
Others	**5,418**	4,112
	31,137	29,346

Note: The amount of government grants represents the incentive subsidies received from the PRC local district authorities for the business activities carried out by the Group in the district. There are no specific conditions attached to the grants.

7. OTHER GAINS AND LOSSES

	2019	2018
	RMB'000	*RMB'000*
Net foreign exchange loss	**(223,488)**	(655,459)
Gains (losses) from financial assets at FVTPL	**7,321**	(15,247)
Net gain on disposal of property, plant and equipment	**246**	10,810
Others	**4,827**	–
	(211,094)	(659,896)

8. FINANCE INCOME

	2019	2018
	RMB'000	*RMB'000*
Interest income on bank deposits and entrusted loans	**71,655**	73,195

9. FINANCE COSTS

	2019	2018
	RMB'000	*RMB'000*
Interest expenses on bonds	**331,288**	263,424
Interest expenses on interest-bearing loans	**690,428**	651,393
Interest expenses on lease liabilities	**673**	–
Interest expenses on contract liabilities	**829,005**	521,267
Less: interest of bonds capitalised	**(257,598)**	(194,247)
interest of interest-bearing loans capitalised	**(500,564)**	(572,271)
interest of contract liabilities capitalised	**(829,005)**	(482,078)
Net interest expenses	**264,227**	187,488

The weighted average interest rate of capitalised interest of borrowings and bond is 5.31% (2018: 5.57%) per annum.

10. INCOME TAX EXPENSES

	2019	2018
	RMB'000	*RMB'000*
Current tax		
– PRC Enterprise Income Tax ("EIT")	**1,235,806**	754,927
– PRC LAT	**1,069,491**	667,969
	2,305,297	1,422,896
(Over) under provision in prior years		
– PRC EIT	**(26,273)**	20,147
Deferred tax	**278,139**	307,335
	2,557,163	1,750,378

No provision for Hong Kong Profits Tax has been made as the Group did not earn any income subject to Hong Kong Profits Tax during both years.

Enterprise Income Tax

Pursuant to the Enterprise Income Tax Law of the PRC, the Group's main operating companies were subject to PRC Enterprise Income Tax at a rate of 25% (2018: 25%).

In addition, the EIT Law provides that qualified dividend income between two "resident enterprises" that have a direct investment relationship is exempted from income tax. Otherwise, such dividends will be subject to a 5% or 10% withholding tax under the EIT Law. A 10% withholding tax rate is applicable to the Group.

Land Appreciation Tax

According to the requirements of the Provisional Regulations of the PRC on LAT effective from 1 January 1994, and the Detailed Implementation Rules on the Provisional Regulations of the PRC on LAT effective from 27 January 1995, all income from the sale or transfer of state-owned land use rights, buildings and their attached facilities in the PRC is subject to LAT at progressive rates ranging from 30% to 60% of the appreciation value, with an exemption provided for property sales of ordinary residential properties if their appreciation values do not exceed 20% of the sum of the total deductible items.

The income tax expenses for the year can be reconciled to the profit before tax per the consolidated statement of profit or loss and other comprehensive income accounting as follows:

	2019	2018
	RMB'000	*RMB'000*
Profit before tax	**5,598,300**	3,731,318
Tax at the applicable PRC EIT rate of 25%	**1,399,575**	932,830
Tax effect of income not taxable for tax purposes	**(13,379)**	(12,045)
Tax effect of share of results of associates	**6,012**	3,838
Tax effect of share of results of joint ventures	**(3,686)**	(40,358)
Tax effect of expenses not deductible for tax purposes	**327,310**	272,899
(Over) Under provision in respect of prior years	**(26,273)**	42,729
Tax effect of tax losses not recognised	**111,048**	130,004
Utilisation of tax losses previously not recognised	**(20,189)**	(33,977)
Tax effect on disposal of subsidiaries *(Note)*	**(25,373)**	(46,519)
PRC LAT provision for the year	**1,069,491**	667,969
Tax effect of PRC LAT deductible for PRC EIT	**(267,373)**	(166,992)
Income tax expenses for the year	**2,557,163**	1,750,378

Note: EIT on disposals of subsidiaries is calculated at 10% of the difference between consideration and the registered capital of the relevant subsidiary incorporated in the PRC.

11. PROFIT FOR THE YEAR

	2019 *RMB'000*	2018 *RMB'000*
Profit for the year from continuing operations has been arrived at after charging (crediting)		
Cost of properties sold	**11,239,292**	10,836,197
Staff costs (including directors' emoluments)	**780,783**	656,386
Less: capitalised in properties under development and investment properties under development	**(189,115)**	(171,269)
	591,668	485,117
Auditors' remuneration		
– audit services	**2,680**	2,380
– non-audit services	**5,680**	1,000
	8,360	3,380
Depreciation of property, plant and equipment	**85,699**	89,003
Amortisation of land use rights	**–**	1,395
Amortisation of intangible assets	**45**	45
Amortisation of right-of-use assets	**15,089**	–
Amortisation of contract costs	**47,148**	59,441
	147,981	149,884
Write-down of completed properties held for sale	**315,333**	–
Operating lease charges	**–**	27,717
Gross rental income from investment properties	**76,337**	51,453
Less: Direct operating expenses incurred for investment properties that generated rental income during the year	**(38,068)**	(30,604)
Direct operating expenses incurred for investment properties that did not generate rental income during the year	**(7,739)**	(7,064)
	30,530	13,785

12. DIVIDENDS

	2019	2018
	RMB'000	*RMB'000*
Dividends for ordinary shareholders of the Company recognised as distribution during the year		
2018 Final – HK$0.20 per share (2018: 2017 Final – HK$0.15 per share)	**491,182**	342,114

Subsequent to the end of the reporting period, final dividend in respect of the year ended 31 December 2019 of HK$0.25 (2018: HK$0.2) per share in an aggregate amount of HK$697,971,000 (2018: HK$558,377,000) has been proposed by the directors of the Company and is subject to approval by the shareholders in the forthcoming general meeting.

13. EARNINGS PER SHARE

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

	2019	2018
	RMB'000	*RMB'000*
Earnings used in the calculation of basic earnings per share (profit for the year attributable to owners of the Company)	**2,473,818**	1,736,288

Number of shares

	2019	2018
Weighted average number of ordinary shares for the purpose of basic earnings per share	**2,769,188,000**	2,770,145,000

No diluted earnings per share for both 2019 and 2018 were presented as there were no potential ordinary shares in issue for both 2019 and 2018.

14. PROPERTY, PLANT AND EQUIPMENT

	Buildings	Leasehold improvements	Motor vehicles	Fixtures, fittings and equipment	Construction in progress	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Cost						
At 1 January 2018	1,277,221	91,569	47,674	341,303	14,682	1,772,449
Addition	1,559	29,080	2,547	34,365	3,670	71,221
Transfer	18,352	–	–	–	(18,352)	–
Acquisition of a subsidiary	672	–	78	757	–	1,507
Disposal of a subsidiary	–	–	–	(492)	–	(492)
Disposals	(672)	(32,439)	(3,020)	(24,000)	–	(60,131)
At 31 December 2018	1,297,132	88,210	47,279	351,933	–	1,784,554
Addition	316	13,843	4,588	13,475	–	32,222
Acquisition of subsidiaries	–	3,806	–	1,070	–	4,876
Disposal of subsidiaries *(note 22)*	–	–	–	(318)	–	(318)
Disposals	(42)	–	(722)	(3,221)	–	(3,985)
At 31 December 2019	1,297,406	105,859	51,145	362,939	–	1,817,349
Depreciation						
At 1 January 2018	248,835	55,179	40,124	199,852	–	543,990
Charge for the year	49,561	13,391	2,653	23,398	–	89,003
Disposal of a subsidiary	–	–	–	(261)	–	(261)
Disposals	(114)	(32,439)	(2,746)	(21,508)	–	(56,807)
At 31 December 2018	298,282	36,131	40,031	201,481	–	575,925
Charge for the year	51,801	12,055	2,759	19,084	–	85,699
Disposal of subsidiaries *(note 22)*	–	–	–	(186)	–	(186)
Disposals	(24)	–	(710)	(2,573)	–	(3,307)
At 31 December 2019	350,059	48,186	42,080	217,806	–	658,131
Carrying amounts						
At 31 December 2018	998,850	52,079	7,248	150,452	–	1,208,629
At 31 December 2019	947,347	57,673	9,065	145,133	–	1,159,218

The above items of property, plant and equipment, except for buildings under development, after taking into account the residual values, are depreciated on a straight-line basis at the following rates per annum:

Buildings	2.25%-4.75%
Leasehold improvements	9.5%
Motor vehicles	9%-19%
Fixtures, fittings and equipment	18%-31.67%

15. INVESTMENT PROPERTIES

The Group leases out various offices and retail stores under operating leases with rentals payable monthly. The leases typically run for an initial period of 1 to 20 years. The minimum annual lease payment that are fixed or depend on an index or a rate over the lease term.

The Group is not exposed to foreign currency risk as a result of the lease arrangements as all leases are denominated in the respective functional currencies of group entities. The lease contracts do not contain residual value guarantee or lessee's option to purchase the property at the end of lease term.

	Investment properties	**Investment properties under development**	**Total**
	RMB'000	*RMB'000*	*RMB'000*
FAIR VALUE			
As at 1 January 2018	2,646,000	6,436,000	9,082,000
Additions	–	1,310,438	1,310,438
Transfer from completed properties held for sale	1,486,543	–	1,486,543
Disposal	(22,669)	–	(22,669)
Transfer	406,978	(406,978)	–
Net increase in fair value recognised in profit and loss	560,513	666,175	1,226,688
As at 31 December 2018	5,077,365	8,005,635	13,083,000
Additions	–	646,923	646,923
Transfer from completed properties held for sale	891,766	–	891,766
Transfer	7,863,567	(7,863,567)	–
Disposal of subsidiaries *(note 22)*	(7,480,000)	–	(7,480,000)
Disposal	(333,155)	–	(333,155)
Net increase in fair value recognised in profit and loss	944,457	1,009	945,466
As at 31 December 2019	6,964,000	790,000	7,754,000

During the year ended 31 December 2019, certain properties held for sale with carrying amount of RMB891,766,000 (2018: RMB1,486,543,000) was transferred to completed investment properties upon the change in use of the properties evidenced by commencement of leasing agreement for the properties to generate rental income. At the date of transfer, the properties is fair valued by Cushman & Wakefield ("C&W") by reference to income capitalisation approach, the gain on revaluation of properties transferred from properties held for sale to investment properties amounting to RMB34,693,000 (2018: RMB375,457,000) was recognised in the profit or loss.

All of the Group's property interests held under operating leases to earn rentals or for capital appreciation purposes are measured using the fair value model and are classified and accounted for as investment properties.

The fair value of the Group's investment properties as at 31 December 2019 and 2018 has been arrived at on the basis of a valuation carried out on the respective dates by C&W an independent valuer not connected to the Group.

In determining the fair value of the relevant properties, the board of directors of the Company has set up a valuation committee, which is headed up by the Chief Financial Officer of the Company, to determine the appropriate valuation techniques and inputs for fair value measurements.

For completed investment properties, the valuations have been arrived at using income capitalisation approach, where appropriate, by capitalising the net rental income derived from the existing tenancies with due allowance for the reversionary income potential of the respective properties.

For investment properties under construction or development, the valuations have been arrived at assuming that the investment properties will be completed in accordance with the development proposals and the relevant approvals for the proposals have been obtained. The key inputs in the valuations include the market value of the completed investment properties, which are estimated with reference to sales evidence of similar properties in the nearest locality, with adjustments made to account for its differences in locations and other factors specific to the respective properties based on the valuer's judgement. Costs of development are also taken into account including construction costs, finance costs and professional fees, as well as developer's profit margin which reflects the remaining risks associated with the development of the properties at the valuation date and the return that the developer would require for bringing them to completion status, which is determined by the valuer based on its analyses of recent land transactions and market value of similar completed properties in the respective locations.

There has been no change to the valuation technique during the year.

In estimating the fair value of the investment properties, the highest and best use of the investment properties is their current use.

The following table presents the fair value of the Group's investment properties measured at the end of the reporting period on a recurring basis, categorised into the level 3 fair value hierarchy as defined in IFRS 13, fair value measurement. The level into which a fair value measurement is classified is determined with reference to the observability and significance of the inputs used in the valuation technique as follows:

At 31 December 2019, the Group's investment properties are measured at level 3 category of fair value measurement and during the year ended 31 December 2019, there were no transfers into or out of Level 3.

	Valuation Techniques	**Key input**	**Range**	*Notes*
Completed investment properties and investment properties under development located in Mainland China 2019: RMB6,409,000,000 2018: RMB4,522,365,000	Income capitalisation approach	Capitalisation rates	3.5% – 8.5%	*Note (i)*
		Average unit market rent	RMB39 – RMB440 per sq.m per month	*Note (ii)*
Completed investment properties and investment properties under development located in Mainland China 2019: RMB1,345,000,000 2018: RMB8,560,635,000	Direct comparison approach	Average unit market price	RMB8,000 –RMB14,000 per sq.m	*Note (ii)*
		Estimated total construction cost to complete	RMB369,101,000	*Note (iii)*

Notes:

(i) A slight increase in the capitalisation rate used would result in a significant decrease in fair value, and vice versa.

(ii) A significant increase in the market rent used would result in a significant increase in fair value, and vice versa.

(iii) A significant increase in the cost would result in a significant decrease in fair value, and vice versa.

16. INTERESTS IN ASSOCIATES

	2019	2018
	RMB'000	*RMB'000*
Cost of unlisted investments in associates	**266,315**	236,915
Share of post-acquisition profits, net of dividends received	**(68,498)**	(30,361)
	197,817	206,554

No associate was individually material to the Group for both years.

Details of each of the Group's associates at the end of the reporting period are as follow:

Name of associate	**Place of incorporation and principal place of business**	**Proportion of ownership interest and voting power held by the Group as at 31 December**		**Principal activity**
		2019	2018	
Shanghai Yingkun Investment Limited Partnership Corporation	Shanghai, the PRC	23%	23%	Investing and consulting
Guangxi Greenland Jinyao Property Co., Ltd.	Guangxi, the PRC	18% *(note i)*	18% *(note i)*	Property development
Guangxi Jiuquwan Automobile Industry Investment Limited	Guangxi, the PRC	15% *(note ii)*	15% *(note ii)*	Property development
Guangxi Yulin Tongzhou Logistics Co., Ltd.	Guangxi, the PRC	42.5%	42.5%	Property development
Guangxi Yulin Tonghe Investment Co., Ltd.	Guangxi, the PRC	42.5%	42.5%	Property development
Guangxi Yulin Tongxing Investment Co., Ltd.	Guangxi, the PRC	42.5%	42.5%	Property development
Guangxi Yuelv Health Industry Development Co., Ltd.	Guangxi, the PRC	49% *(note iii)*	–	Property development
Guangxi Liuzhou Hongyong Investment Co., Ltd.	Guangxi, the PRC	49% *(note iii)*	–	Property development

Notes:

(i) The Group is able to exercise significant influence over Guangxi Greenland Jinyao Property Co., Ltd because it has the power to appoint one out of six directors of that company under the Articles of Association of that company.

(ii) The Group is able to exercise significant influence over Guangxi Jiuquwan Automobile Industry Investment Limited because it has the power to appoint one out of five directors of that company under the Articles of Association of that company.

(iii) The Group is able to exercise significant influence over Guangxi Yuelv Health Industry Development Co., Ltd and Guangxi Liuzhou Hongyong Investment Co., Ltd established in 2019 because it has the power to appoint two out of five directors of those companies under the Articles of Association of those companies.

17. INTERESTS IN JOINT VENTURES

	2019 RMB'000	2018 RMB'000
Cost of unlisted investments in joint ventures	**133,307**	133,307
Share of post-acquisition profits, net of dividends received	**500,780**	486,037
	634,087	619,344

Details of each of the Group's joint ventures at the end of reporting period is as follows:

Name of joint venture	Place of incorporation and principal place of business	Proportion of ownership interest and voting power held by the Group as at 31 December 2019	2018	Principal activity
Forever Rich Enterprise Limited ("Forever Rich")	Suzhou, Jiangsu Province, the PRC	**50%**	50%	Property development
Haikou Chengjian Green Island Landscape Engineering Co., Ltd ("Haikou Chengjian")	Haikou, Hainan Province, the PRC	**32.5%** ***(Note)***	32.5% *(Note)*	Landscape engineering

Note: In March 2016, Haikou Chengjian was established by the Group and other two shareholders. The Group occupied 32.5% equity interests. According to the Articles of Association of Haikou Chengjian, the Group and other shareholders jointly control Haikou Chengjian. Therefore, Haikou Chengjian is recognised as a joint venture.

Summarised financial information of a material joint venture

Summarised financial information in respect of the joint venture that is material to the Group set out below. The summarised financial information below represents amounts shown in the joint venture's financial statements prepared in accordance with the accounting policies of the Group.

The joint venture is accounted for using the equity method in these consolidated financial statements.

Forever Rich

	2019 RMB'000	2018 RMB'000
Non-current assets	**824,230**	413,525
Current assets	**3,810,404**	3,465,555
Current liabilities	**3,476,538**	2,748,910

The above amounts of assets and liabilities include the following:

	2019 RMB'000	2018 RMB'000
Bank balances and cash	**1,016,529**	1,269,942

	2019	2018
	RMB'000	*RMB'000*
Revenue	**97,627**	1,041,975
Profit and total comprehensive income for the year	**27,926**	323,505
Dividend received during the year	**–**	–

The above profit for the year includes the following:

Depreciation and amortisation	**455**	309
Finance income	**66,165**	33,469
Income tax expense	**10,238**	108,214

Reconciliation of the above summarised financial information to the carrying amount of the interest in the joint venture recognised in the consolidated financial statements:

	2019	2018
	RMB'000	*RMB'000*
Net assets of Forever Rich	**1,158,096**	1,130,170
Proportion of the Group's ownership interest in Forever Rich	**50%**	50%
Carrying amount of the Group's interest in Forever Rich	**579,048**	565,085

Aggregate information of the joint venture that is not individually material:

	2019	2018
	RMB'000	*RMB'000*
Group's share of total profits (losses) for the year	**780**	(321)
Aggregate carrying amount of the Group's interests in the joint ventures	**55,039**	54,259

18. TRADE AND OTHER RECEIVABLES AND ADVANCE DEPOSITS

	2019	2018
	RMB'000	*RMB'000*
Trade receivables		
– due from related parties *(note i)*	**1,330**	5,522
– due from non-related parties in respect of contracts with customers	**367,974**	278,372
	369,304	283,894
Less: Allowance for credit losses	**(28,500)**	(41,405)
Trade receivables, net of allowance for credit losses	**340,804**	242,489
Other receivables		
– due from related parties *(note i)*	**7,609,395**	6,529,479
– due from non-controlling shareholders of subsidiaries	**3,808,159**	4,158,678
– due from non-related parties *(note ii)*	**1,921,071**	2,601,032
– due from subsidiaries disposed of during the year	**1,572,273**	–
– consideration receivable due from a related party	**287,113**	903,913
– consideration receivable due from a third party	**453,026**	–
	15,651,037	14,193,102
Less: Allowance for credit losses	**(268,119)**	(187,400)
Other receivables, net of allowance for credit losses	**15,382,918**	14,005,702
Advance payments to contractors	**1,160,750**	894,739
Advance to related parties	**288,529**	138,319
Advance deposits for right-of-use assets for sale	**4,308,034**	1,119,312
Other tax prepayments *(note iii)*	**1,542,384**	1,137,894
Total	**23,023,419**	17,538,455

Notes:

(i) The receivables due from related parties are unsecured and repayable on demand.

(ii) Non-trade receivable balances, deposits and advances to third parties are expected to be settled or recovered within one year.

(iii) Other tax prepayments mainly represent prepayment of value-added tax, tax surcharge during the pre-sale stage of certain properties.

In general, the Group provides no credit term to its customers. As at 31 December 2019, included in the Group's trade receivables balance are debtors with aggregate carrying amount of RMB340,804,000 (2018:RMB242,489,000) which are past due as at the reporting date. Out of the past due balances, RMB109,345,000 (2018:RMB72,750,000) has been past due 90 days or more and is not considered as in default since the directors of the Group considered such balances could be recovered based on repayment history, the financial conditions and the current credit worthiness of each customers.

The following is an aged analysis of trade receivables, net of allowance for credit losses, presented based on the invoice dates:

	2019	2018
	RMB'000	*RMB'000*
0-90 days	**231,459**	169,739
91-180 days	**4,590**	6,673
181-365 days	**57,286**	5,747
Over 365 days	**47,469**	60,330
	340,804	242,489

19. TRADE AND OTHER PAYABLES

	2019	2018
	RMB'000	*RMB'000*
Payables due to related parties		
– trade related	**536,580**	744,750
– non-trade related	**7,316,315**	12,963,598
	7,852,895	13,708,348
Trade payables	**12,630,799**	11,177,086
Payable on purchase of land use rights	**620,555**	620,555
Other taxes payable	**188,983**	209,390
Interest payable	**105,070**	96,579
Dividends payable	**245**	240
Other payables and accrued expenses	**11,960,495**	3,673,489
	25,506,147	15,777,339
	33,359,042	29,485,687

The following is an aged analysis of trade payables due to related parties and third parties presented based on the invoice date:

	2019	2018
	RMB'000	*RMB'000*
0-90 days	**6,316,223**	9,312,288
91-180 days	**5,103,789**	637,596
181-365 days	**365,749**	462,261
Over 365 days	**1,381,618**	1,509,691
	13,167,379	11,921,836

20. BONDS

	2019	2018
	RMB'000	*RMB'000*
A Bond	**–**	3,080,165
B Bond	**–**	1,370,434
C Bond	**1,393,481**	1,367,416
D Bond	**2,087,795**	–
	3,481,276	5,818,015
Less: Amount due within one year shown under current liabilities	**(1,393,481)**	(4,450,599)
Amount due after one year shown under non-current liabilities	**2,087,795**	1,367,416

On 28 July 2016, the Company issued 3.875% bonds due 2019 (the "A Bond") with an aggregated nominal value of USD450,000,000 at a value equal to 99.301% of the face value. The A Bond is listed on the Hong Kong Stock Exchange. The A Bond carries interest at the rate of 3.875% per annum, payable semi-annually on 28 January and 28 July in arrears and matured and repaid during the year.

On 27 June 2018, the Company issued 7.875% bonds due 2019 (the "B Bond") with an aggregated nominal value of USD200,000,000 at a value equal to 100% of the face value. The B Bond is listed on the Hong Kong Stock Exchange. The B Bond carries interest at the rate of 7.875% per annum, payable semi-annually on 27 December and 27 June in arrears and matured and repaid during the year.

On 17 December 2018, the Company issued 9.875% bonds due 2020 (the "C Bond") with an aggregated nominal value of USD200,000,000 at a value equal to 100% of the face value. The C Bond is listed on the Hong Kong Stock Exchange. The C Bond carries interest at the rate of 9.875% per annum, payable semi-annually on 17 June and 17 December in arrears and will mature on 17 June 2020, unless redeemed earlier. The net proceeds after deducting the direct issuance costs, amounted to approximately USD199,219,000 (equivalent to RMB1,375,886,000).

On 17 July 2019, the Company issued 6.00% bonds due 2021 (the "D Bond") with an aggregated nominal value of USD300,000,000 at a value equal to 100% of the face value. The D Bond is listed on the Hong Kong Stock Exchange. The D Bond carries interest at the rate of 6.00% per annum, payable semi-annually on 17 January and 17 July in arrears and will mature on 17 July 2021, unless redeemed earlier. The net proceeds after deducting the direct issuance costs, amounted to approximately USD 299,070,000 (equivalent to RMB 2,058,409,000).

The A Bond has the benefit of a keepwell deed from Greenland Holdings Group Company Limited, the intermediate controlling shareholder of the Company.

The B Bond has an embedded issuer's redemption option, the Company may, by giving not more than 30 days' notice to the trustee and the bondholders in writing, redeem the bond, in whole or in part, at a redemption price equal to 100 percent of their principal amount, together with accrued and unpaid interest.

The C Bond has an embedded issuer's redemption option, the Company may, by giving not less than 15 nor more than 30 days' notice to the trustee and the bondholders in writing, redeem the bond, in whole or in part, at a redemption price equal to 100 percent of their principal amount, together with accrued and unpaid interest.

The D Bond have an embedded issuer's redemption option, the Company may, by giving not less than 15 nor more than 30 days' notice to the trustee and the bondholders in writing, redeem the bond, in whole or in part, at a redemption price equal to 100 percent of their principal amount, together with accrued and unpaid interest.

The directors consider the fair value of the issuer's redemption options of the B Bond, C Bond and D Bond are immaterial to the Group as at 31 December 2019.

The Bonds represent the contractually determined stream of future cash flows discounted at the rate of interest determined by the market instruments of comparable credit status taken into account the business risk and financial risk of the Company. The effective interest rate is 6.167% - 10.162% (2018: 4.355% to 10.162%) per annum for the year ended 31 December 2019.

21. PERPETUAL SECURITIES

On 27 July 2016 (the "Issue Date"), the Group issued USD denominated senior perpetual capital securities ("Perpetual Securities") with an aggregate principal amount of USD120,000,000. The Perpetual Securities confer the holders a right to receive distributions at the applicable distribution rate from the Issue Date payable semi-annually in arrears in USD.

The Perpetual Securities only impose contractual obligations on the Group to repay principal or to pay any distributions under certain circumstances which are at the Group's discretion, they have in substance confer the Group an unconditional right to avoid delivering cash or other financial asset to settle contractual obligations. As a result, the whole instrument is classified as equity, and distributions if and when declared are treated as equity dividends.

Distribution of USD6,750,000 (equivalent to RMB46,180,000) (2018: USD6,750,000) (equivalent to RMB42,716,000) has been provided and paid by the Company for the year.

22. DISPOSAL OF SUBSIDIARIES

On 27 November 2019, the Group disposed of its entire 100% equity interest in Prosper Spring Investments Limited ("Prosper Spring") to a third party BSREP III China Retail Holdings Limited ("BSREP III") for a cash consideration of approximately RMB3,002,362,000.

The net assets of Prosper Spring at the date of disposal were as follows:

	RMB'000
Consideration received:	
Cash received	2,549,336
Deferred cash consideration (included in other receivables)	453,026
	3,002,362
Analysis of assets and liabilities over which control was lost:	
Investment properties	7,480,000
Property, plant and equipment	132
Properties under development	2,614,051
Trade and other receivables and advance deposits	1,705,478
Bank balances and cash	1,927,261
Tax recoverable	47,358
Deferred tax assets	67,271
Interest-bearing loans	(3,325,600)
Deferred tax liabilities	(556,837)
Contract liabilities	(56,812)
Trade and other payables	(7,912,937)
Tax payable	(172,598)
Net assets disposed of	1,816,767
Gain on disposal of a subsidiary:	
Cash Consideration	3,002,362
Net assets disposed of	(1,816,767)
Gain on disposal	1,185,595
Net cash inflow arising on disposal:	
Total consideration	2,549,336
Less: Bank balances and cash disposed of	(1,927,261)
Proceeds from disposal of Prosper Spring	622,075

BUSINESS REVIEW

Results

In 2019, the overall economic growth in China reached the targeted level, and its gross domestic product (GDP) growth was higher than the global economic growth, reaching the new level of GDP per capita of US$10,000 for the first time. While the economic aggregate output continues to increase, the quality of economic development in China is also steadily improving. In response to the real estate market, the Central Economic Work Conference of the Central Committee of the Communist Party of the PRC reiterated its view of "no speculation on residential properties", and remained committed to the full implementation of the policy of developing different strategies for different cities and the long-term management and control mechanism of stabilizing land prices, housing prices and expectations, so as to promote the stable and healthy development of the real estate market. At the same time, the number of the construction projects in relation to shanty-town redevelopment significantly decreased and the situation that "the output was actually more than enough notwithstanding the planned reduction" was also expected. The proportion of redeveloped projects with financial compensation decreased, and the demolition progress in most of the cities surveyed slowed down significantly. For the year ended 31 December 2019 ("the year under review"), the total contracted sales of the Group amounted to approximately RMB48,458 million, representing a year-on-year increase of approximately 28%, and the aggregate contracted gross floor area sold amounted to 3,272,029 sq.m. The overall performance of the Group was as sound as expected.

During the year under review, the Group recorded a total revenue of approximately RMB17,662 million, representing an increase of approximately 14% from 2018, which was mainly attributable to the increase in area of properties sold and delivered in 2019. Profit for the year amounted to approximately RMB3,041 million, representing an increase of approximately 54% from 2018. Profit for the year attributable to owners of the Company was approximately RMB2,474 million, representing a year-on-year increase of approximately 43%. Basic earnings per share of the Group amounted to RMB0.88 per share, compared with RMB0.61 per share in 2018.

During the year under review, the total GFA of projects sold and delivered was 1,306,112 sq.m., representing an increase of approximately 27% compared with 2018. The average selling price (the "ASP") was approximately RMB12,739 per sq.m.. The revenue derived from sales of properties was approximately RMB16,995 million, representing an increase of approximately 15% as compared with approximately RMB14,831 million in 2018. Details of major projects completed and delivered in 2019 are as follows:

Item	**City**	**Approximate GFA sold and delivered in 2019**	**Approximate sales recognized in 2019**	**Average selling price**
		sq.m.	*RMB'000*	*RMB/sq.m.*
– Property				
Greenland Central Plaza	Nanning	203,828	3,089,736	15,159
Haikou Greenland City	Haikou	211,682	2,490,945	11,767
Greenland Suzhou ONE	Suzhou	117,207	1,873,384	15,984
Greenland Dian Lake International Health Town	Kunming	142,887	1,488,183	10,415
Greenland Shanding Park	Taiyuan	108,242	1,367,415	12,633
Greenland Jiangnan Huafu	Suzhou	94,264	1,285,399	13,636
Greenland Xi Shui Dong	Wuxi	55,082	1,246,551	22,631
Greenland Central Plaza	Jiaxing	73,446	921,915	12,552
China Resources Greenland Triumph Arch	Xuzhou	73,478	836,193	11,380
Greenland Central Culture Center	Haikou	57,350	419,744	7,319
Greenland Lakeside Villa	Xuzhou	33,089	330,013	9,973
Greenland Dongmeng International Town	Nanning	27,259	263,060	9,650
Greenland Xin Li Pu Yue Garden	Nanning	26,662	234,886	8,810
Greenland Taiping Lake Resort	Huangshan	14,015	113,942	8,130
Greenland Bihu International	Ningbo	12,630	112,761	8,928
Greenland Hai Po Lan Ting	Kunming	7,091	109,648	15,463
Greenland Yunduhui Square	Kunming	13,349	96,370	7,219
The Metropolitan	Kunming	9,566	88,094	9,209
Greenland Hai Chang Liu	Haikou	5,812	78,127	13,442
Wuxiang Greenland Center	Nanning	4,237	59,170	13,965
Greenland Lincoln Garden	Suzhou	4,832	45,098	9,333
Greenland Xiang Shu Hua Cheng	Kunming	5,053	39,459	7,809
Greenland International Huadu	Nanning	1,889	26,220	13,880
Others		3,162	22,782	7,205
Sub-total		**1,306,112**	**16,639,095**	**12,739**

Item	City	Approximate sales recognized in 2019
		RMB'000
– Carparking lot		
Greenland Central Plaza	Nanning	132,918
Greenland Jiangnan Huafu	Suzhou	77,927
Greenland Hai Po Lan Ting	Kunming	48,946
Greenland Xi Shui Dong	Wuxi	20,337
Greenland Cifi City	Hangzhou	17,457
Haikou Greenland City	Haikou	13,184
The Metropolitan	Kunming	11,165
Greenland International Huadu	Nanning	10,978
Others		22,585
Sub-total		**355,497**
Total property sales		**16,994,592**

Contracted Sales

Leveraging the operating scale and brand influence of its parent company, Greenland Holdings Corporation Limited ("Greenland Holdings" (600606.SH)), the Group, through defining project positioning and pricing strategy precisely, seized the sales window-period to actively develop high-quality projects, and meanwhile enhanced sales performance through more diversified products. In 2019, the Group recorded a year-on-year increase in its total contracted sales of approximately RMB10,533 million to approximately RMB48,458 million, representing an increase of approximately 28%. During the year, the average selling price was approximately RMB14,810 per sq.m., inclusive of the impact from the equity disposal of Greenland Huangpu Center in Shanghai.

During the year under review, the contracted sales of the Group were mainly derived from the projects located in key areas such as the Pan-Yangtze River Delta and the Pan-Pearl River Delta, including those in Shanghai, Jiangsu and Guangxi, which accounted for approximately 24%, 20% and 17% of the total contracted sales, respectively. Other contracted sales mainly consisted of those derived from core projects in Yunnan and Zhejiang, which accounted for approximately 15% and 11% of such contracted sales, respectively.

Strategic Cooperation

In February 2019, the Group and the Government of Dantu District in Zhenjiang City of Jiangsu Province entered into a cooperation framework agreement to render consultant services for design, investment planning and project construction development of reconstruction and upgrading of the land parcels in relation to the urban renewal construction project, the intercity station project and the nationality characteristic town project. The cooperation will give full play to advantages of Greenland Hong Kong in urban planning and design, construction of intercity station as well as education and healthcare sectors, etc. to help Dantu Xincheng be equipped with a new development engine and assist Zhenjiang in achieving substantial improvement in urban cities.

On 6 May 2019, the PGA Tour Series China • Huangshan Championship Press Conference cum Signing Ceremony of Strategic Cooperation Agreement between the Group and Beijing Shankai Sports Development Co., Ltd. ("Shankai Sports") was held with grandeur in Shanghai. The Group entered the three-year strategic cooperation agreement with Shankai Sports to create the new cooperation mode between the real estate industry and the sports industry, so as to tap into the new sector of ecological sports tourism together. Both parties will carry out cooperation pilot projects in the Greenland Taiping Lake Resort in Huangshan and intend to deepen their cooperation by holding international competition events, building a sports training center, purchase of sports products and themed catering, setting up their headquarters for sports and cultural enterprises, in order to achieve a win-win situation and optimal allocation of resources. This strategic cooperation with Shankai Sports was of material importance, under which ambitious and innovative attempts in respect of the specific segment of "ecological sports tourism" were made, serving as another important layout and breakthrough for Greenland Hong Kong in terms of cultural, business and tourism businesses and bringing us new momentum generated from the sports sector and as a results upgrading the Group's strategic model of "Real Estate +".

On 12 September 2019, the Kunming Universal Healthcare Industry Development Conference 2019 was grandly held at the New Town Hall in Kunming, Yunnan Province, with the debut nationwide opening of the Greenland Kunming H1 Health Town Exhibition Hall. This was the first time that Greenland Kunming H1 Health Town, as a demonstrative zone under Greenland Dian Lake International Health Town, was unveiled to the public, turning a new leaf for the "universal medical and healthcare" roadmap of Greenland Hong Kong. This exhibition hall is primarily for the purpose of enabling a closer look at and more hands-on experience of the universal healthcare vision and horizon that Greenland Hong Kong attempts to bring to the community. Across the spectrum from lifestyle to medical and healthcare arrangements and from health management, Chinese medication to elderly care, the world top-notched cooperation partners work together to deliver the best care of highest standard. For example, the presence of the national medical center, international training center for medical care, food and nutrition center, chronic diseases management center, international testing and diagnostic center, international anti-aging center, international aesthetic medical center, the Provectus Care center and so forth, is exemplary representative of world-class sophistication in healthcare. With the mission of becoming a "Chinese achiever of the universal healthcare era in the world", Greenland will start off from here and continue to explore and practice the strategic "Healthy China" notion, with a view to fabricating a world-class role model for healthy living, supporting the industry upgrade of Yunnan Province, and endorsing Kunming's rise to becoming a healthy city by a national or even an international standard.

Land Bank

During the year under review, the Group strategically and systematically increased land bank in prime zones of core cities in the Pan-Yangtze River Delta and the Belt and Road Gateway.

In March 2019, Greenland Hong Kong won the bid for land parcels in ASEAN Economic Development Zone in Nanning of Guangxi, at a consideration of approximately RMB661 million, with a planned GFA of approximately 911,000 sq.m. at the average floor price of approximately RMB726 per sq.m.. The project will be developed as Phase II of Greenland Dongmeng International Town for residential, commercial and hotel purposes.

In April 2019, the Group successfully acquired a plot of land in Tongxiang at a consideration of approximately RMB483 million, with a planned GFA of approximately 216,000 sq.m. at the average floor price of approximately RMB2,236 per sq.m.. The plot is planned to be used for the development of Phase II of the Tongxiang Greenland Central Plaza, which will be built into a new technology town of Tongxiang in the future. In the same month, the Group won the bid for a parcel of land in Dantu District in Zhenjiang City, at a consideration of approximately RMB561 million, with a planned GFA of approximately 150,420 sq.m. at the average floor price of approximately RMB3,732 per sq.m.. The parcel is located in the Dantu New Town of Zhenjiang City, which is 7 km away from the commercial center of the city and adjacent to Yangzhou – Liyang Expressway and Shanghai-Nanjing Expressway. As the key area of the municipal government, Dantu New Town is the center of future urban development.

In May 2019, the Group successfully acquired a plot of land for the project which will be developed as Phase II of Greenland Dian Lake International Health Town, at a consideration of approximately RMB1,532 million, with a planned GFA of approximately 421,456 sq.m. at the average floor price of approximately RMB3,635 per sq.m..

In June 2019, the Group successfully acquired several plots of land in Guangde County in Xuancheng of Anhui, at a consideration of approximately RMB636 million, with a planned GFA of approximately 829,200 sq.m. at the average floor price of approximately RMB767 per sq.m.. The project is located in area near the high-speed railway new city in Guangde County in Xuancheng of Anhui Province. The project is planned to be developed as an integrated community with high-speed railway that covers educational resources, hotel resources, industrial offices, characteristic businesses and ecological tourism.

In July 2019, the Group successfully acquired one plot of land in Zhenjiang of Jiangsu, at a consideration of approximately RMB312 million, with a planned GFA of approximately 157,735 sq.m. at the average floor price of approximately RMB1,980 per sq.m. for residential purpose.

In August 2019, the Group successfully acquired one plot of land in Wujiang of Jiangsu, at a consideration of approximately RMB1,728 million, with a planned GFA of approximately 213,690 sq.m. at the average floor price of approximately RMB8,086 per sq.m.. The plot is located in Suzhou Bay, which belongs to the Wujiang Economic and Technological Development Zone, and the project will be developed for residential, commercial and hotel purposes.

In September 2019, the Group successfully acquired two plots of land in Changzhou of Jiangsu, with a planned GFA of approximately 226,386 sq.m. at the average floor price of approximately RMB4,541 per sq.m.. The project is located in the area near Xinlong in Xinbei District in Changzhou. In the same month, the Group also won the bid for two adjacent parcels of land in Yushan Bay District in Jiangyin City in Wuxi of Jiangsu, at a consideration of approximately RMB1,192 million and RMB828 million respectively, with an aggregate planned GFA of approximately 380,391 sq.m. at the average floor price of approximately RMB5,311 per sq.m.. The project, located in the core area of Yushan Bay District, which will be the sub-focus of future urban development of Jiangyin City, is the Group's first project developed in this area and will be developed for residential, commercial and hotel purposes. In addition, the Group successfully further acquired one plot of land in Nanning and the first plot of land in Qinzhou of Guangxi, with a planned GFA of approximately 236,000 sq.m. and 280,900 sq.m. and a site area of approximately 94,423 sq.m. and 73,358 sq.m., respectively, which will be developed for residential and commercial purposes.

In October 2019, the Group successfully acquired one plot of land in Yangzhou of Jiangsu, at a consideration of approximately RMB1,057 million, with a planned GFA of approximately 169,618 sq.m. at the average floor price of approximately RMB6,232 per sq.m.. The project is located in the area near the canal in the southeastern part of Guangling District in Yangzhou City. As this is the first project developed by the Group in Yangzhou, the Group will cooperate with the government of Yangzhou with focus on the reservation and development of the industrial relics of Yangzhou, and also the effective protection and enhancement of its historical and cultural features, aiming to create industrial streets and districts with characteristic features of Yangzhou. In the same month, the Group successfully acquired the first plot of land in Wuzhou of Guangxi with a planned GFA of approximately 228,500 sq.m. and a site area of approximately 76,000 sq.m.. The project will be developed for residential and commercial purposes.

In November 2019, the Group successfully acquired one plot of land in Wujiang Taihu New City in Suzhou of Jiangsu, the core area of the integration of the Yangtze River Delta region under the national strategy, at a consideration of approximately RMB1,018 million, with a planned GFA of approximately 64,691 sq.m. at the average floor price of approximately RMB15,737 per sq.m..

In December 2019, the Group successfully acquired one plot of land in the core area of High-tech Development Zone in Nantong City of Jiangsu Province, at a consideration of approximately RMB1,233 million, with a planned GFA of approximately 290,225 sq.m. at the average floor price of approximately RMB4,249 per sq.m..

In February 2020, the Group successfully won bids for two plots of land in Chenggong District and Xishan District in Kunming city with the planned GFA of approximately 216,200 sq.m. and 275,000 sq.m. at the total consideration of approximately RMB385 million and approximately RMB950 million, respectively, for residential and commercial purposes. The land parcel in Xishan district would be developed jointly with a subsidiary of Agile Group.

In March 2020, the Group further acquired a plot of land in ASEAN Economic Development Zone in Nanning of Guangxi, at a total consideration of approximately RMB137 million with a planned GFA of approximately 224,800 sq.m. for commercial, office and hotel purposes.

As at the date of the announcement of the annual results for the year ended 31 December 2019, the Group held a land bank of approximately 21,370,000 sq.m., which was mainly strategically located in the prime zones of major cities in the Pan-Yangtze River Delta and Pan-Pearl River Delta in China. The land bank that the Group holds is sufficient to support its development in recent years. The Group will continue to seek additional high-quality land projects with promising potential of development in the future.

Offshore Financing

On 17 July 2019, the Group successfully issued USD300 million 6% bonds due 2021, which was well received by investors in secondary market with a slight rise in price. The net proceeds from such issuance of bonds were mainly used for offshore debt refinancing.

OUTLOOK

In general, the national economy operated in a reasonable range over the past year, continuing an overall stable, steady and progressive development trend. The housing problem is not only related to the well-being of the residents, but also economic growth and financial stability. With the passage of time, the real estate control policy has become increasingly sophisticated, mature, effective and tailored to local conditions. Looking forward to this year, downward pressure on the economy still exists. Vast economic uncertainty exists as the Sino-US trade war escalates and the COVID-19 pandemic sweeps. It is expected that China's real estate control policy will be stable, and targeted policies for specific cities will remain the fundamentals of real estate regulation.

From a holistic perspective, an external environment of grave difficulty and complexity will continue to confront Greenland Hong Kong in year 2020. The Group shall pull together its strengths and insights to surmount hurdles and resolve difficulties, with unfailing enforcement of the mission of "sales performance, growth drivers, painstaking efforts and self-enhancement". The Group will strive to ceaselessly uplift its market competitiveness and foster high-quality corporate development. It will continuously advance the business strategy of "Real Estate +", establish property projects in sectors such as cultural and business tourism, sports life as well as medical and healthcare, further explore and preserve high-quality land parcels, penetrate the core cities in Pan-Yangtze River Delta and Pan-Pearl River Delta, proactively respond to China's national strategies, foster constructions under the Belt and Road initiative, arrange for key deployments in the Greater Bay Area, and steer efforts to regional constructions. At the same time, the Group will also expedite its old-town renovation projects, to gather new momentum for urban development. The Group will further solidify its operational and cost control, uplift efficiency, refine its 6+X brand series, cater to the multifaceted consumption needs of the property market, enhance its overall competitiveness and market influence, so as to lay a solid foundation for the ongoing and stable business development of the Group.

FINANCIAL PERFORMANCE

Revenue

The total revenue of the Group increased by approximately 14% from approximately RMB15,444 million in 2018 to approximately RMB17,662 million in 2019, which was mainly due to the increase of sales of properties.

Sales of properties and construction management service, as the core business activities of the Group, generated revenue of approximately RMB16,995 million in 2019 (2018: approximately RMB14,831 million), accounting for approximately 96% of the total revenue and representing an increase of approximately 15% as compared with last year. The revenue from other segments of the Group included the income deriving from the lease of properties, property management and other services and the operation of hotel and related services.

	2019	2018	Change
	RMB'000	*RMB'000*	*RMB'000*
Sales of properties and construction management service	**16,994,592**	14,831,329	2,163,263
Property management and other services	**457,266**	426,923	30,343
Hotel and related services	**133,941**	134,541	(600)
Leases – rental income	**76,337**	51,453	24,884
Total	**17,662,136**	15,444,246	2,217,890

Cost of Sales

Cost of sales increased by approximately 8% from approximately RMB11,306 million in 2018 to approximately RMB12,207 million. The cost of sales mainly comprised land costs, construction costs, capitalized finance costs and sales tax.

Gross Profit and Margin

Gross profit rose to approximately RMB5,455 million from approximately RMB4,138 million in 2018, representing an increase of approximately 32%, and margin rose from 27% to 31%, mainly attributable to the efficient management over the cost control of the Group.

Other Gains and Losses and Other Operating Expenses

Other gains and losses and other operating expenses declined from a loss of approximately RMB708 million in 2018 to approximately RMB273 million in 2019, which was mainly due to sharp decrease in foreign exchange loss resulted from the depreciation of Renminbi during the year under review.

Operating Expenses

Due to the development and expansion of the Group, administrative expenses increased to approximately RMB703 million in 2019 from approximately RMB530 million in 2018, while selling and marketing costs declined to approximately RMB774 million in 2019 from approximately RMB811 million last year due to the control over promotion expenses.

Gain on Disposal of Interests in Subsidiaries

Gain on disposal of interests in subsidiaries was the gain arising from the equity disposal of Greenland Huangpu Center in Shanghai.

Finance Costs

Finance costs increased from approximately RMB187 million in 2018 to approximately RMB264 million in 2019. The increase was in line with the fluctuation in effective interest costs.

Gain on Changes in Fair Value of Investment Properties

The Group recorded fair value gains on investment properties of approximately RMB945 million, as compared with a gain of approximately RMB1,227 million in 2018. The fair value gains were mainly attributable to gain on investment properties in Shanghai in the PRC.

Income Tax Expenses

Income tax expenses increased to approximately RMB2,557 million in 2019 from approximately RMB1,750 million in 2018, which was mainly due to more enterprise income tax and land appreciation tax provision for the properties delivered with higher margin.

Profit for the Year and Profit Attributable to Owners of the Company

Profit for the year and profit attributable to owners of the Company rose to approximately RMB3,041 million and approximately RMB2,474 million, respectively in 2019, representing a year-on-year increase of approximately 54% and 43%, as compared with approximately RMB1,981 million and approximately RMB1,736 million, respectively in 2018, mainly attributable to an improvement in gross profit margin and the net gain arising from the completion of equity disposal of Greenland Huangpu Center in Shanghai.

Financial Position

As at 31 December 2019, the Group's total equity was approximately RMB16,591 million (31 December 2018: approximately RMB13,945 million), total assets amounted to approximately RMB99,270 million (31 December 2018: approximately RMB90,230 million) and total liabilities stood at approximately RMB82,679 million (31 December 2018: approximately RMB76,285 million).

Liquidity and Financial Resources

The Group's business operations, bank borrowings and cash proceeds raised have been the primary source of liquidity of the Group, which have been utilized to fund its business operations and project investment and development.

As at 31 December 2019, net gearing ratio (total borrowings less cash and cash equivalents (including restricted cash) divided by total equity) sharply decreased to the level of approximately 18% (31 December 2018: approximately 88%). Total cash and cash equivalents (including restricted cash) amounted to approximately RMB10,321 million, with total borrowings of RMB13,389 million and an equity base of approximately RMB16,591 million.

Treasury Policy

The business transactions of the Group were mainly denominated in RMB. Apart from fund raising transactions conducted in the capital market, there is limited exposure to foreign exchange risk.

The Group has borrowings denominated in United States dollars and Hong Kong dollars, while its operating income is mainly denominated in RMB. During the year under review, the depreciation of RMB put the Group's corporate financing costs and performance of earnings under pressure. The Group's financial results were accordingly affected to a certain degree. Therefore, as at the date of the annual results announcement, the Group entered into forward foreign exchange contracts in an aggregate principal amount of US$200 million to hedge against the exchange risk arising from RMB against United States dollars. The Group will continue to monitor the trend of exchange rate of RMB against United States dollars, and adopt appropriate measures to hedge against the risk in foreign currency exchange.

The Group has established a treasury policy with the objective of enhancing its control over treasury functions and lowering its capital costs. In providing funds to its operations, terms of funding have been centrally reviewed and monitored at the Group level.

In order to minimize its interest risk, the Group continued to closely monitor and manage its loan portfolio through interests stipulated in its existing agreements which varied according to market interest rates and offers from the banks.

Credit Policy

Trade receivables mainly arose from sales and lease of properties and were settled in accordance with the terms stipulated in the sale and purchase agreements and lease agreements.

Pledge of Assets

As at 31 December 2019, the Group pledged its properties, land use rights and time deposits with carrying amount of approximately RMB16.5 billion to secure bank facilities, and the total secured loan balance outstanding amounted to approximately RMB8 billion.

Financial Guarantees

As at 31 December 2019, the Group provided guarantees to banks for:

	31 December 2019 *RMB'000*	31 December 2018 *RMB'000*
Mortgage	**13,361,488**	11,561,273

Capital commitment

	31 December 2019 *RMB'000*	31 December 2018 *RMB'000*
Property development business:		
– Contracted, but not provided for	**11,821,276**	13,487,602

Human Resources

As at 31 December 2019, the Group employed a total of 4,275 employees (31 December 2018: 3,722), among which approximately 2,231 employees worked for the property development business. The Group has adopted a performance-based rewarding system to motivate its employees. In addition to a basic salary, year-end bonuses are offered to employees with an outstanding performance with an aim of attracting and retaining talent. The Group also provides various training programs to improve their skills and develop their respective expertise.

FINAL DIVIDEND

The board of Directors (the "**Board**") has resolved to recommend a 2019 final dividend of HK$0.25 per ordinary share, amounting to a total of approximately HK$698 million, for the year ended 31 December 2019, subject to the approval by the shareholders of the Company (the "**Shareholders**") at the forthcoming annual general meeting (the "**AGM**").

ANNUAL GENERAL MEETING AND CLOSURE OF REGISTER OF MEMBERS

The exact date of the AGM is yet to be determined due to the uncertainties arising from the COVID-19 epidemic. Hence, the record date for the determination of which shareholders will be entitled to the proposed final dividend is yet to be determined too. The AGM of the Company is expected to be held in June 2020. Once the date of the AGM is determined, the notice convening the AGM will be published and despatched in due course to the Shareholders in the manner required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**"). Furthermore, the Company will then announce the aforesaid record date for the proposed final dividend, and the dates of closure of the register of members of the Company for the purposes of determining the identity of the Shareholders who are qualified to attend the AGM and to receive the proposed final dividend.

CORPORATE GOVERNANCE

For the year ended 31 December 2019, the Company had complied with the code provisions set out in the Corporate Governance Code (the "**CG Code**") contained in Appendix 14 to the Listing Rules, except for code provisions A.2.1, A.4.2 and E.1.2 as described below.

Code provision A.2.1 stipulates that the roles of chairman and chief executive should be separate and should not be performed by the same individual. From 1 January 2019 to 31 December 2019, Mr. CHEN Jun had undertaken the role of both chairman of the Board and chief executive officer of the Company. The Company considers that the combination of the roles is conducive to the efficient formulation and implementation of the Group's strategies and policies and such combination has not impaired the corporate governance practices of the Group. The balance of power and authority is ensured by the management of the Company's affairs by the Board which meets regularly to discuss and determine issues concerning the operations of the Group.

Code provision A.4.2 stipulates that all directors appointed to fill a casual vacancy should be subject to election by shareholders at the first general meeting after their appointment. Pursuant to the Company's articles of association, any person appointed as a Director by the Board shall stand for re-election at the next following AGM of the Company. Such arrangement is considered appropriate in light of the requirement of paragraph 4(2) of Appendix 3 to the Listing Rules which requires that any person appointed by the Directors to fill a casual vacancy shall hold office only until the next following AGM and shall then be eligible for re-election. During the year under review, no Director was appointed to fill in any casual vacancy.

Code provision E.1.2 stipulates that the chairman of the Board should attend the AGMs. The chairman of the Board did not attend the AGM held on 28 June 2019 due to other business commitments.

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

Neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities during the year ended 31 December 2019.

EVENTS AFTER THE REPORTING PERIOD

On 24 February 2020, Kunming Shenggao Dacheng Real Estate Development Company Limited, which is a wholly-owned subsidiary of the Company, Yunnan Agile Real Estate Development Company Limited and Kunming Yaxin Real Estate Development Company Limited (the "**JV Company**") entered into a cooperation and development agreement to form a joint venture for the property development project in respect of the land parcels situated at Qianwei Street Office, Xishan District, Kunming City, Yunnan Province, the PRC (中國雲南省昆明市西山區前衛街道辦事處) owned by the JV Company. Please refer to the announcement of the Company dated 24 February 2020 for details.

REVIEW OF UNAUDITED ANNUAL RESULTS

The annual results of the Group for the year ended 31 December 2019 have not been audited nor agreed with the Company's auditor, Deloitte Touche Tohmatsu ("**Deloitte**"), which were unable to complete their auditing process due to the travel restrictions and quarantine policies adopted in various part of the PRC to combat the COVID-19 epidemic. Hence, additional time is required for the completion of the auditing process. Once the auditing process has been completed, the Company will publish an announcement on the audited results. It is currently expected that the auditing process will be completed in April 2020 subject to any further epidemic prevention measures in the PRC. The unaudited annual results of the Group for the year ended 31 December 2019 contained herein have been reviewed by the Audit Committee of the Company. The Audit Committee is of the view that the unaudited results for the year ended 31 December 2019 are in compliance with the applicable accounting standards and requirements, and appropriate disclosures have been made.

The annual results of the Group for the year ended 31 December 2019 have not been audited by nor agreed with the auditors. Shareholders and potential investors of the Company are advised to exercise caution when dealing in the securities of the Company.

PUBLICATION OF THE ANNUAL RESULTS AND ANNUAL REPORT

This announcement is published on the HKEXnews website at www.hkexnews.hk and the Company's website at www.greenlandhk.com. The 2019 annual report will be available on the HKEXnews website and the Company's website, and is currently expected be despatched to the Shareholders in April 2020.

By Order of the Board
Greenland Hong Kong Holdings Limited
Chen Jun
Chairman

Hong Kong, 30 March 2020

As at the date of this announcement, the executive directors of the Company are Mr. Chen Jun, Mr. Wang Weixian, Mr. Hou Guangjun, Mr. Wu Zhengkui and Ms. Wang Xuling; and the independent non-executive directors are Mr. Fong Wo, Felix, JP, Mr. Kwan Kai Cheong and Dr. Lam, Lee G.

This announcement is made in English and Chinese. In case of any inconsistency, the English version shall prevail.