華潤置地有限公司
China Resources Land Limited

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1109)

ANNOUNCEMENT OF RESULTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

HIGHLIGHTS

- Consolidated revenue for Year 2020 amounted to RMB179.59 billion, up by 21.2% YoY. Development property revenue increased by 23.5% YoY to RMB157.14 billion, rental income of investment property (including hotel operations) up by 4.5% YoY to RMB12.79 billion.
- Consolidated gross profit margin decreased to 30.9% in Year 2020 from 37.9% in Year 2019. Development property gross profit margin decreased to 29.1% in Year 2020 from 36.5% in Year 2019, while the gross profit margin of investment property (including hotel operations) was 66.4%, in line with the gross margin for the same period in Year 2019.
- In 2020, core profit attributable to the owners of the Company excluding revaluation gain from investment properties reached RMB24.14 billion, representing a YoY growth of 11.6%; profit attributable to the owners of the Company included in the revaluation gain from investment properties increased by 3.6% YoY to RMB29.81 billion.
- Booked GFA amounted to approximately 10.43 million square meters in Year 2020, increased by 38.5% YoY.
- As of 31 December 2020, the Group has locked in unbooked contracted value of RMB272.8 billion that are subject to recognition in 2021 and years to come, among which, RMB157.6 billion will be recognized in 2021 as development property revenue.
- During Year 2020, the Group acquired land bank of 14.92 million square meters. As of 31 December 2020, the Group's total land bank was approximately 68.09 million square meters.
- Earnings per share in Year 2020 achieved RMB4.18, up by 1.2% YoY as compared with RMB4.13 in Year 2019, while core earnings per share attributable to the owners of the Company increased by 9.0% YoY to RMB3.38.
- The Board recommended a final dividend of RMB1.102 per share (equivalent to HK$1.312). Together with the interim dividend of RMB0.15 per share (equivalent to HK$0.168), the total dividend for Year 2020 was up by 17.4% YoY to RMB1.252 per share (equivalent to HK$1.480).

The board of directors (the "Board") of China Resources Land Limited (the "Company") is pleased to announce the audited consolidated results of the Company and its subsidiaries (the "Group") for the year ended 31 December 2020 ("Year 2020") as follows:

CONSOLIDATED INCOME STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2020

		Year ended 31 December	
		2020	2019
	NOTES	***RMB'000***	*RMB'000*
			(Restated)
Revenue	*4*	**179,587,269**	148,167,235
Cost of sales		**(124,172,054)**	(92,028,716)
Gross profit		**55,415,215**	56,138,519
Gain on changes in fair value of investment properties		**8,884,264**	10,732,358
Net gain on changes in fair value of financial instruments at fair value through profit or loss		**59,888**	29,961
Other income, other gains and losses		**4,536,310**	2,858,028
Selling and marketing expenses		**(5,351,916)**	(5,163,040)
General and administrative expenses		**(5,087,244)**	(5,779,010)
Share of profit of investments in joint ventures		**1,899,799**	1,976,713
Share of profit of investments in associates		**1,099,806**	1,740,993
Finance costs	*5*	**(1,284,073)**	(1,389,547)
Profit before taxation		**60,172,049**	61,144,975
Income tax expenses	*6*	**(26,081,775)**	(26,681,970)
Profit for the year	*7*	**34,090,274**	34,463,005
Profit for the year attributable to:			
Owners of the Company		**29,809,959**	28,783,682
Owners of perpetual capital instruments		**220,569**	289,224
Non-controlling interests		**4,059,746**	5,390,099
		34,090,274	34,463,005
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY		***RMB***	*RMB*
Basic			
— For profit for the year	*9*	**4.18**	4.13

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2020

	Year ended 31 December	
	2020	2019
	RMB'000	*RMB'000*
		(Restated)
Profit for the year	**34,090,274**	34,463,005
Other comprehensive income		
Items that may be reclassified subsequently to profit or loss		
Fair value hedges and cash flow hedges:		
Changes in fair value of hedging instruments due to forward elements and effective portion arising during the year	**232,423**	(6,559)
Exchange differences on translation of foreign operations	**39,894**	210,808
Net other comprehensive income that may be reclassified to profit or loss in subsequent years	**272,317**	204,249
Items that will not be reclassified subsequently to profit or loss		
Revaluation gain of property, plant and equipment at the time of transfer to investment properties	**–**	643,896
(Loss)/gain on changes in fair value of equity instruments at fair value through other comprehensive income	**(10,420)**	24,473
Other comprehensive (loss)/income that will not be reclassified to profit or loss in subsequent years	**(10,420)**	668,369
Other comprehensive income for the year	**261,897**	872,618
Total comprehensive income for the year	**34,352,171**	35,335,623
Total comprehensive income attributable to:		
Owners of the Company	**30,058,329**	29,603,480
Owners of perpetual capital instruments	**220,569**	289,224
Non-controlling interests	**4,073,273**	5,442,919
	34,352,171	35,335,623

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AT 31 DECEMBER 2020

	NOTE	**31 December 2020** *RMB'000*	31 December 2019 *RMB'000* (Restated)	1 January 2019 *RMB'000* (Restated)
NON-CURRENT ASSETS				
Property, plant and equipment		**14,095,322**	11,130,699	10,806,401
Right-of-use assets		**5,816,935**	4,674,492	3,529,120
Investment properties		**187,379,425**	161,214,781	132,211,926
Intangible assets		**40,913**	424,977	407,579
Goodwill		**11,544**	11,544	11,544
Investments in joint ventures		**35,586,348**	25,044,774	9,873,381
Investments in associates		**17,848,954**	15,785,956	21,067,592
Equity instruments at fair value through other comprehensive income		**1,116,163**	1,131,496	1,110,346
Financial assets at fair value through profit or loss		**150,124**	–	49,030
Derivative financial instruments		**–**	12,220	–
Prepayments for non-current assets		**2,121,759**	3,307,284	1,209,723
Deferred taxation assets		**10,306,764**	8,640,760	7,193,980
Amounts due from joint ventures		**11,198,863**	8,494,891	5,373,477
Amounts due from associates		**3,098,460**	3,721,911	5,025,906
Amounts due from non-controlling interests		**6,216,637**	3,199,816	1,659,818
		294,988,211	246,795,601	199,529,823
CURRENT ASSETS				
Properties for sale		**376,161,525**	356,030,497	305,104,449
Other inventories		**928,754**	1,087,786	1,094,343
Trade receivables, other receivables, prepayments and deposits	*10*	**49,163,844**	50,579,080	43,634,961
Contract assets		**1,388,227**	728,257	561,007
Financial assets at fair value through profit or loss		**4,783,678**	866,022	1,562,320
Amount due from the ultimate holding company		**324**	786	–
Amounts due from intermediate holding companies		**32,307**	21,328	46,023
Amounts due from fellow subsidiaries		**1,091,039**	2,134,724	1,070,897
Amounts due from joint ventures		**21,889,112**	19,018,012	12,406,093
Amounts due from associates		**7,060,716**	7,105,703	10,676,946
Amounts due from non-controlling interests		**10,654,057**	9,074,523	5,152,173
Prepaid taxation		**11,449,061**	11,784,837	10,689,054
Cash and bank balances		**89,450,545**	64,661,399	71,821,947
		574,053,189	523,092,954	463,820,213

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

AT 31 DECEMBER 2020

	NOTE	**31 December 2020** ***RMB'000***	31 December 2019 *RMB'000* (Restated)	1 January 2019 *RMB'000* (Restated)
CURRENT LIABILITIES				
Trade and other payables	*11*	**117,898,821**	99,082,091	88,694,028
Lease liabilities		**187,785**	288,532	75,092
Contract liabilities		**232,584,967**	228,811,678	193,452,512
Financial liability at fair value through profit or loss		**–**	243,941	–
Amount due to the ultimate holding company		**313**	230	92
Amounts due to intermediate holding companies		**2,954,713**	899,891	3,003,233
Amounts due to fellow subsidiaries		**1,270,346**	1,343,003	781,979
Amounts due to joint ventures		**11,580,417**	4,148,000	1,884,574
Amounts due to associates		**5,654,752**	3,183,451	2,216,706
Amounts due to non-controlling interests		**5,311,492**	7,041,359	15,614,023
Taxation payable		**30,863,640**	28,565,346	22,406,736
Bank and other borrowings — due within one year		**25,721,787**	17,472,159	14,494,284
Senior notes — due within one year		**–**	–	5,569,887
Medium-term notes — due within one year		**9,821,573**	3,872,649	2,036,594
		443,850,606	394,952,330	350,229,740
NET CURRENT ASSETS		**130,202,583**	128,140,624	113,590,473
TOTAL ASSETS LESS CURRENT LIABILITIES		**425,190,794**	374,936,225	313,120,296
EQUITY				
Share capital		**673,829**	673,829	655,829
Reserves		**202,784,299**	175,218,563	139,908,197
Equity attributable to owners of the Company		**203,458,128**	175,892,392	140,564,026
Perpetual capital instruments		**–**	10,000,000	5,000,000
Non-controlling interests		**52,784,050**	49,898,438	37,328,934
		256,242,178	235,790,830	182,892,960

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

AT 31 DECEMBER 2020

	31 December 2020 *RMB'000*	31 December 2019 *RMB'000* (Restated)	1 January 2019 *RMB'000* (Restated)
NON-CURRENT LIABILITIES			
Bank and other borrowings — due after one year	**102,232,609**	80,798,068	83,501,063
Senior notes — due after one year	**12,878,137**	13,743,971	7,990,439
Medium-term notes — due after one year	**14,330,869**	18,657,750	18,619,448
Lease liabilities	**5,256,522**	3,102,965	2,789,054
Financial liabilities at fair value through profit or loss	**15,789**	6,417	232,420
Amount due to an intermediate holding company	**6,733,100**	–	–
Amounts due to associates	**–**	–	41,420
Amounts due to non-controlling interests	**2,823,148**	3,002,386	1,463,082
Long-term payables	**111,379**	–	–
Derivative financial instruments	**100,262**	–	–
Deferred taxation liabilities	**24,466,801**	19,833,838	15,590,410
	168,948,616	139,145,395	130,227,336
TOTAL OF EQUITY AND NON-CURRENT LIABILITIES	**425,190,794**	374,936,225	313,120,296

1. BASIS OF PREPARATION

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

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

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

2. MERGER ACCOUNTING RESTATEMENT

Merger accounting for business combination involving business under common control

On 22 June 2020, Ting Cao (C.I.) Holding Corp ("Ting Cao"), an indirect wholly-owned subsidiary of China Resources (Holdings) Company Limited ("CRH"), entered into a sale and purchase agreement, to transfer its entire interest in China Resources Huan Le Song (Hong Kong) Limited ("Huan Le Song HK") and its subsidiaries to the Group for a consideration of approximately RMB523,000,000. Huan Le Song HK in turn holds 100% of CR Run Xin Commercial Management (Shenzhen) Co., Ltd., a company incorporated in the People's Republic of China ("PRC") which manages and provides commercial subleasing services for Shenzhen Buji MIXONE. The transfer of Huan Le Song HK was completed on 15 September 2020.

On 22 June 2020, China Resources Vanguard (Hong Kong) Company Limited, an indirect wholly-owned subsidiary of CRH, entered into a sale and purchase agreement, to transfer its entire interest in China Resources Vanguard Real Estate (Shenyang) Co., Ltd. ("Vanguard Shenyang") to the Group for a consideration of approximately RMB1,299,000,000. Vanguard Shenyang is a property development company which directly holds the entire interest in the Shenyang Project. The Shenyang Project is a property development project strategically located in the central district of Shenyang city on Changbai Island, Heping District, Shenyang, Liaoning Province, PRC. The transfer of Vanguard Shenyang was completed on 9 September 2020.

On 22 June 2020, Hong Kong Runxin Beijing Investments Co. Limited, an indirect wholly-owned subsidiary of CRH, entered into a sale and purchase agreement, to transfer its entire interest in Runxin Real Estate (Beijing) Co., Ltd. ("Runxin Beijing") to the Group for a consideration of approximately RMB497,000,000. Runxin Beijing is a property development company which directly holds the entire interest in the Beijing Project. The Beijing Project is a property development project located in a residential area at Yaojiayuan Road, Chaoyang District, Beijing, PRC. The transfer of Runxin Beijing was completed on 23 November 2020.

On 22 June 2020, Runxin Marlborough (HK) Co. Limited, an indirect wholly-owned subsidiary of CRH, entered into a sale and purchase agreement, to transfer its entire interest in Ningbo Qianhu Ledu Real Estate Co., Ltd. ("Ningbo Qianhu") to the Group for a consideration of approximately RMB238,000,000. Ningbo Qianhu is a property development company which directly holds the entire interest in the Ningbo Project. The Ningbo Project is a property development project located at Songzhaoqiaocun, Yinzhou District, Ningbo, Zhejiang Province, PRC. The transfer of Ningbo Qianhu was completed on 1 December 2020.

2. MERGER ACCOUNTING RESTATEMENT (CONTINUED)

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

On 26 August 2020, China Resources Land (Wuhan) Property Management Company Limited ("CRL Wuhan"), an indirect wholly-owned subsidiary of the Group entered into an equity transfer agreement with China Resources Company Limited ("CRCL"), pursuant to which CRL Wuhan has agreed to acquire from CRCL all its equity interest in Hubei Run Lian Property Management Co. Ltd. ("Run Lian") for a consideration of approximately RMB47,000,000. Run Lian is a company incorporated in the PRC with various property management projects mainly in the Hubei Province. The transfer of Run Lian was completed on 22 September 2020.

The acquisition of Huan Le Song HK, Vanguard Shenyang, Runxin Beijing, Ningbo Qianhu and Run Lian (together "the Acquired Businesses") has been considered as acquired businesses as each acquired set of activities and assets includes an input and a substantive process that together significantly contribute to the ability to create output. Since the Acquired Businesses and the Group are under common control of CRCL, the acquisition of the Acquired Businesses has been accounted for as business combination under common control in accordance with Accounting Guideline 5 *Merger Accounting for Common Control Combinations* ("AG 5") issued by the HKICPA.

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

Accordingly, the consolidated income statement, consolidated statement of comprehensive income, consolidated statement of changes in equity and the consolidated statement of cash flows for the year ended 31 December 2019 have been restated to include the assets and liabilities and the operating results of the Acquired Businesses. The consolidated statement of financial position as at 1 January 2019 and 31 December 2019 have been restated to include the carrying amounts of the assets and liabilities of the Acquired Businesses.

The effect of restatements described above on the consolidated income statement for the year ended 31 December 2019 has resulted in an increase in the Group's revenue of RMB431,286,000, an increase in the Group's profit attributable to the owners of the Company of RMB111,406,000, respectively.

The effect of restatements described above on the consolidated statement of financial position as at 1 January 2019 and 31 December 2019 have resulted an increase in the Group's total equity by RMB2,206,854,000 and RMB2,318,260,000 respectively.

3. APPLICATION OF NEW AND REVISED HKFRSS

The Group has adopted the following revised HKFRSs for the first time in the current year's financial statements:

Amendments to HKFRS 3	*Definition of a business*
Amendments to HKFRS 7, HKFRS 9 and HKAS 39	*Interest rate benchmark reform*
Amendment to HKFRS 16	*Covid-19-related rent concessions (early adopted)*
Amendments to HKAS 1 and HKAS 8	*Definition of material*

The adoption of the other standards did not require the Group to change its accounting policies or make retrospective adjustments as they did not have a material effect on the Group's financial statements.

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

HKFRS 17	*Insurance contracts*[3]
Amendments to HKFRS 3	*Reference to the conceptual framework*[2]
Amendments to HKFRS 9, HKAS 39, HKFRS 7, HKFRS 4 and HKFRS 16	*Interest rate benchmark reform – phase 2*[1]
Amendments to HKFRS 10 and HKAS 28 (2011)	*Sale or contribution of assets between an investor and its associate or joint venture*[4]
Amendments to HKFRS 17	*Insurance contracts*[3, 6]
Amendments to HKAS 1	*Classification of liabilities as current or non-current*[3, 5]
Amendments to HKAS 16	*Property, plant and equipment: proceeds before intended use*[2]
Amendments to HKAS 37	*Onerous contracts — cost of fulfilling a contract*[2]
Annual Improvements to HKFRSs 2018–2020	Amendments to HKFRS 1, HKFRS 9, illustrative examples accompanying HKFRS 16, and HKAS 41[2]

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

2 Effective for annual periods beginning on or after 1 January 2022

3 Effective for annual periods beginning on or after 1 January 2023

4 No mandatory effective date yet determined but available for adoption

5 As a consequence of the amendments to HKAS 1, Hong Kong Interpretation 5 *Presentation of Financial Statements — Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause* was revised in October 2020 to align the corresponding wording with no change in conclusion

6 As a consequence of the amendments to HKFRS 17 issued in October 2020, HKFRS 4 was amended to extend the temporary exemption that permits insurers to apply HKAS 39 rather than HKFRS 9 for annual periods beginning before 1 January 2023

4. SEGMENT INFORMATION

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

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

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

For the year ended 31 December 2020

	Development properties for sale *RMB'000*	Property investments and management *RMB'000*	Hotel operations *RMB'000*	Construction, decoration services and others *RMB'000*	Consolidated *RMB'000*
SEGMENT REVENUE					
Revenue					
Revenue from contracts with customers					
Recognised at a point in time	142,213,120	–	–	–	142,213,120
Recognised over time	14,927,034	3,489,062	1,089,179	20,459,801	39,965,076
Revenue from other sources					
Rental income	–	9,703,570	–	–	9,703,570
Segment revenue	157,140,154	13,192,632	1,089,179	20,459,801	191,881,766
Inter-segment revenue	–	(1,495,098)	–	(10,799,399)	(12,294,497)
Revenue from external customers	157,140,154	11,697,534	1,089,179	9,660,402	179,587,269
Result					
Segment results	43,757,438	5,817,540	(228,101)	(241,563)	49,105,314
Other income, other gains and losses					4,536,310
Gain on changes in fair value of investment properties					8,884,264
Net gain on changes in fair value of financial instruments at fair value through profit or loss					59,888
Unallocated expenses					(1,129,654)
Finance costs					(1,284,073)
Profit before taxation					60,172,049

4. SEGMENT INFORMATION (CONTINUED)

For the year ended 31 December 2019 (Restated)

	Development properties for sale *RMB'000*	Property investments and management *RMB'000*	Hotel operations *RMB'000*	Construction, decoration services and others *RMB'000*	Consolidated *RMB'000*
SEGMENT REVENUE					
Revenue					
Revenue from contracts with customers					
Recognised at a point in time	124,783,654	–	–	–	124,783,654
Recognised over time	2,414,903	2,004,015	1,491,432	20,788,842	26,699,192
Revenue from other sources					
Rental income	–	9,687,190	–	–	9,687,190
Segment revenue	127,198,557	11,691,205	1,491,432	20,788,842	161,170,036
Inter-segment revenue	–	(943,611)	–	(12,059,190)	(13,002,801)
Revenue from external customers	127,198,557	10,747,594	1,491,432	8,729,652	148,167,235
Result					
Segment results	44,194,137	5,696,779	41,795	112,837	50,045,548
Other income, other gains and losses					2,858,028
Gain on changes in fair value of investment properties					10,732,358
Net gain on changes in fair value of financial instruments at fair value through profit or loss					29,961
Unallocated expenses					(1,131,373)
Finance costs					(1,389,547)
Profit before taxation					61,144,975

5. FINANCE COSTS

	Year ended 31 December	
	2020	2019
	RMB'000	*RMB'000*
		(Restated)
Total interest including bank and other borrowings, senior notes, medium-term notes and others	**7,463,021**	7,446,513
Total interest on lease liabilities	**213,032**	159,728
Total bank charges	**209,803**	197,306
Less: Amounts capitalised in properties under development for sale, investment properties under construction and construction in progress	**(6,601,783)**	(6,414,000)
	1,284,073	1,389,547

6. INCOME TAX EXPENSES

	Year ended 31 December	
	2020	2019
	RMB'000	*RMB'000*
		(Restated)
The income tax expenses comprise of:		
Current taxation		
PRC Enterprise Income Tax ("EIT") and withholding income tax	**10,105,523**	10,971,749
PRC Land Approximation Tax ("LAT")	**12,932,766**	13,129,391
Hong Kong Profits Tax	**–**	77
Tax charge in other jurisdiction	**12,158**	4,371
	23,050,447	24,105,588
Deferred taxation	**3,031,328**	2,576,382
	26,081,775	26,681,970

(a) EIT

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

(b) PRC withholding income tax

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

(c) LAT

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

(d) Hong Kong Profits Tax

Hong Kong Profits Tax is calculated at 16.5% (2019: 16.5%) of the estimated assessable profits.

(e) Overseas income tax

The Company was incorporated in the Cayman Islands as an exempted company with limited liability under the Companies Law, Cap. 22 of the Cayman Islands and accordingly, is exempted from Cayman Islands income tax. The Company's subsidiaries incorporated in the British Virgin Islands were incorporated under the International Business Companies Act of the British Virgin Islands and accordingly, are exempted from British Virgin Islands income tax.

(f) Tax charge in other jurisdiction

Tax charge in other jurisdiction mainly represents the current tax charge in the United Kingdom (the "UK"). Under the United Kingdom Tax Law, the tax rate of the subsidiary operating in the UK is 19% (2019:19%).

7. PROFIT FOR THE YEAR

	Year ended 31 December	
	2020	2019
	RMB'000	*RMB'000*
		(Restated)
Profit for the year has been arrived at after charging the following items:		
Depreciation of property, plant and equipment	**669,859**	615,487
Depreciation of right-of-use assets	**242,514**	157,816
Amortisation of intangible assets	**14,083**	14,083

8. DIVIDENDS

	Year ended 31 December	
	2020	2019
	RMB'000	*RMB'000*
2020 interim dividend, RMB0.15 (2019: RMB0.129) per ordinary share	**1,069,641**	894,091
2020 final dividend, proposed, of RMB1.102 (2019: RMB0.937) per ordinary share *(Note)*	**7,858,295**	6,689,780
	8,927,936	7,583,871

Note: At a meeting held by the Board on 29 March 2021, the Board proposed a final dividend in respect of the year ended 31 December 2020 of RMB1.102 (equivalent to HK$1.312) per ordinary share of the Company, totalling approximately RMB7,858,295,000 (equivalent to approximately HK$9,355,793,000) based on the latest number of ordinary shares of 7,130,939,579 shares of the Company in issue. This proposed dividend is not reflected as a dividend payable in these consolidated financial statements, but will be reflected as a profit appropriation in the consolidated financial statements of the Company for the year ending 31 December 2021.

A final dividend for the year ended 31 December 2019 of RMB0.937 (equivalent to HK$1.026) per ordinary share, totalling approximately RMB6,689,780,000 (equivalent to approximately HK$7,316,344,000), had been approved in the Company's Annual General Meeting on 2 June 2020 and paid during the year.

9. EARNINGS PER SHARE

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

	Year ended 31 December	
	2020	2019
	RMB'000	*RMB'000*
		(Restated)
Earnings		
Earnings for the purpose of basic earnings per share (profit for the year attributable to owners of the Company)	**29,809,959**	28,783,682

	2020	2019
Number of shares		
Weighted average number of ordinary shares for the purpose of basic earnings per share	**7,130,939,579**	6,964,272,912

No diluted earnings per share is presented for the years ended 31 December 2020 and 2019 as there were no potential ordinary shares outstanding.

10. TRADE RECEIVABLES, OTHER RECEIVABLES, PREPAYMENTS AND DEPOSITS

	31 December 2020	31 December 2019
	RMB'000	*RMB'000*
		(Restated)
Trade and bills receivables *(Note)*	**2,611,627**	2,559,146
Less: provision for impairment *(Note)*	**(90,061)**	(90,572)
	2,521,566	2,468,574
Prepayments for acquisition of land use rights	**10,317,530**	13,651,542
Other receivables	**17,494,720**	16,173,884
Less: provision for impairment	**(470,817)**	(420,741)
	17,023,903	15,753,143
Prepayments and deposits	**19,300,845**	18,705,821
	49,163,844	50,579,080

Note:

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

Except for the proceeds from sales of properties, rental income from leases of properties and proceeds from construction contracts which are receivable in accordance with the terms of the relevant agreements, the Group generally allows a credit period of not exceeding 30 to 45 days to its customers or does not grant its customers with any credit period.

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

Note: (continued)

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

	31 December 2020 *RMB'000*	31 December 2019 *RMB'000* (Restated)
0–30 days	**919,751**	1,137,325
31–60 days	**168,711**	204,377
61–90 days	**130,503**	143,860
91–180 days	**414,361**	329,939
181–365 days	**428,759**	393,230
Over 1 year	**459,481**	259,843
	2,521,566	2,468,574

11. TRADE AND OTHER PAYABLES

	31 December 2020 *RMB'000*	31 December 2019 *RMB'000* (Restated)
Trade and bills payables *(Note a)*	**87,278,133**	70,974,556
Other payables *(Note b)*	**30,620,688**	28,107,535
	117,898,821	99,082,091

Notes:

(a) Trade and bills payables

The average credit period of trade and bill payable are according to the terms in the contract normally ranges from 30 days to 1 year.

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

	31 December 2020 *RMB'000*	31 December 2019 *RMB'000* (Restated)
0–30 days	**38,697,290**	32,129,253
31–60 days	**4,944,992**	3,115,562
61–90 days	**3,147,104**	2,541,838
91–180 days	**9,489,712**	6,915,441
181–365 days	**12,573,024**	11,041,838
Over 1 year	**18,426,011**	15,230,624
	87,278,133	70,974,556

(b) Other payables

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

CHAIRMAN'S STATEMENT

I am pleased to present to shareholders the business review and outlook of the Company and the Group for the year ended 31 December 2020.

The year 2020 was an exceptional year in human history, the world was forced to another vital crossroad by the outbreak of the COVID-19 and ever-changing international economic and political dynamics. The whole country, including every enterprise and individual, was involved in the fight against the COVID-19 epidemic since the beginning of the year. Fortunately, the COVID-19 was got under control efficiently in short time and the consumption market recovered gradually. Leveraging on the increasing endogenous demand, domestic economy recorded outstanding achievements with GDP exceeded RMB100 trillion for the first time, the only major economy in the world that recorded positive economic growth, fully achieved of its goal set in the 13th Five-Year Plan. Resilient economy also harbored steady development of real estate industry, with new housing sales achieved YoY growth driven by inherent demand from urbanization and people's further pursuit for better life.

Despite the grave and complex challenges posed by the COVID-19 pandemic, the Group implemented measures of "cost reduction, quality improvement and efficiency enhancement" to race against time and managed to deliver steady growth in all aspects of its core businesses in 2020. The Group recognized a 21.2% YoY growth in consolidated turnover to RMB179.59 billion in 2020, among which, the development property revenue increased 23.5% YoY to RMB157.14 billion and the rental income increased 4.5% YoY to RMB12.79 billion. The contracted sales increased 17.5% YoY to RMB285.0 billion in 2020. The core net profit attributable to the shareholders of the Company excluding revaluation gain from investment properties increased 11.6% YoY to RMB24.14 billion and the profit attributable to the shareholders of the Company including revaluation gain from investment properties increased 3.6% YoY to RMB29.81 billion. The Group's earnings per share achieved RMB4.18, of which core net profit per share was RMB3.38. As of 31 December 2020, the net assets per share amounted to RMB28.53, representing an increase of 15.7% comparing to the year end of 2019. The Board of the Company has recommended a payment of final dividend of RMB1.102 (equivalent to HK$1.312) per share, increased 17.5% YoY. The total annual dividend per share was RMB1.252 , representing an increase 17.4% YoY, equivalent to annual dividend per share of HK$1.480 representing an increase 26.5% YoY. The dividend payout ratio in 2020 increased by 2 percentage points to 37.0% comparing to 2019.

Opportunities and risks co-exist while risks can be turned into opportunities. Accurate identifying and seizing investment opportunities is a core competence for development. The Group acquired high-quality land parcels in Beijing, Shenyang and Suzhou in the first quarter when land market was languished, and stuck to disciplined investment policy which restricted high bids in the second quarter. In the second half of the year, the Group made timely adjustments of its investment strategies according to policy trend and focused on higher-tier cities such as Shenzhen, Guangzhou and Wuhan. During the year, the Group acquired 69 new projects with attributable GFA of 11.48 million square meters, focusing its footprint in Guangdong-Hong Kong-Macao Greater Bay Area, the Yangtze River Delta, the Beijing-Tianjin-Hebei region and Chengdu-Chongqing Economic Circle, as well as nine national hub cities and other tier one and two cities. Currently, the Group has tapped into 82 cities worldwide with total GFA of 68.09 million square meters and attributable GFA of 48.01

million square meters. Its high quality land bank in layout and structure is sufficient for the Group's development for next 3–5 years.

Under the temporary pressure in its shopping mall operation during the epidemic period, the Group offered rental concession to its tenants, while still managed to achieve steady rental growth in 2020 attributed to its outstanding and market-leading mall operational strength. As of 31 December 2020, the Group has 45 Mixc-series shopping malls in operation, with another 57 projects in pipeline. The Group will continue to enhance and improve its investment property, an engine for the Group's long-term sustainable growth.

After nearly 20 years of enormous efforts and experience, the Group's commercial operational services and property management business was mature enough for value unlocking. On 9 December, China Resources Mixc Lifestyle Services Limited ("**China Resources Mixc Lifestyle**") successfully span off and listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "**HK Stock Exchange**"), being the third biggest IPO in the HK Stock Exchange with leading position in the industry in terms of P/E ratio. This was not only an important milestone for the Group to implement strategies in state-owned enterprises reform in the new era to accelerate industry layout for high-quality development, but also a value-driven choice to fulfill its long-term commitment to shareholders and reciprocate the shareholders by unlocking the value of the Company. An employee-shareholding scheme was implemented during the spin-off, which was an innovative breakthrough in incentive methods. Looking ahead, China Resources Mixc Lifestyle will become one of the Group's key growth poles.

It's pretty obvious that China's property industry has peaked off its growth curve after its fast development. Capabilities in urban ecological construction, regional overall planning and industrial chain integration, providing cities with a package of high-quality services from planning, investment, construction to operation have become vital for real estate enterprises. Positioned as "an operator in city investment, development and operation", the Group has promoted a number of new businesses that derive from, serve for and empower its key businesses with "managerial independence, financially self-sufficient, core competence and self-owned brands building" development strategies. During the 13th Five-Year Plan period, the Group's city development and operation business achieved significant progress and accomplished construction of national landmark projects including Beijing Daxing International Airport Integrated Service Building, "Three Centers" in Xi'an, Chengdu Dong'an Lake Sports Park, Jiaxing Nanhu Lakeside Red Cultural Tourist Complex. By doing which, the Group not only complied with the national strategy and highlighted its central enterprise's responsibility, but also realised synergies in resource acquisition and enhanced its brand influence. By the end of 2020, the Group has undertaken more than 140 city development and operation projects, over 10 of which realised resource acquisition synergy with its principal business.

Facing the complex international situation and the impact of the epidemic on the economic environment, the Group further strengthened its financial policy and financing management, by "increasing channels, adjusting structure, reducing costs and controlling risks", the Group's debt ratio and financing cost were maintained at the lowest level in the industry, demonstrating the Group's risk resilience. Standard & Poor's, Moody's, and Fitch Ratings maintained the Company's credit ratings of "BBB+/Stable", "Baa1/Stable", and "BBB+/Stable".

The Group remained true to the original aspiration by actively fulfilling its social responsibilities and joining hands with stakeholders to overcome difficulties. The Group took the lead in the industry in offering rental concession totalled RMB940 million, benefiting about 13,000 tenants nationwide. The Group also participated in poverty alleviation by engaging in the construction of three hope towns as not-for-profit projects, namely Hubei Hong'an, Guizhou Jianhe and Shaanxi Yan'an hope towns. During the year, the Group's ESG rating was upgraded to BB by MSCI, and was selected as a constituent stock of the Hang Seng ESG50 Index.

Looking back on the 13th Five-Year Plan period, the Group has maintained its industry leading position and achieved all KPIs. The Group has successfully transformed into an urban investment and development operator. Based on the "2+X" business model, the Group vigorously implemented the three strategic measures of "precise investment, excellent operation, transformation and innovation" and has built five core competencies regarding the investment/construction/operation of large-scale urban landmark complexes, large-scale urban renewal projects, large-scale urban cultural and sports exhibition centers, and urban TOD projects, as well as business operation of urban investment, development and operation ecosystem, while digging deep moat to achieve high-quality development. During the same period, the Group realized a CAGR of 16.5% in turnover, a CAGR of 15.8% in net profit, and a CAGR of 27.0% in gross contracted sales, with continuous increase in shareholder returns.

Looking forward to the 14th Five-Year Plan period, the Group will adhere to its strategic positioning of an urban investment and development operator and build a "3+1" business model to facilitate its strategic goal of "reshaping China Resources Land and sustaining high-quality growth". Under "3+1" business model, "3" refers to three key businesses, namely development property business, investment property business and asset-light business (China Resources Mixc Lifestyle), and "1" refers to relative elementary businesses as a whole. The key businesses and elementary businesses are organically co-related and integrated as an ecosystem, while each business has its different role. Of which, the development property business includes residential property, saleable public construction, is the main contributor to the Company's revenue and provides cash flow for investment property business. Investment property business includes holding malls and offices, generates recurrent income for the Company in long run, helping development property business to balance risks, obtain resources, and improve asset-light service capabilities. China Resources Mixc Lifestyle, as a platform for the Group's commercial operational services and property management business, is the new growth pole for the Company, which can synergize with development property business to obtain resources and realize the preservation and appreciation of asset value. Elementary businesses include urban development and operation, urban redevelopment, leasing apartment, industrial property, senior housing, etc. They work together with the three main businesses to build comprehensive capabilities for urban investment, development and operation, which can effectively support the main business performance growth, realize independent profitability, independent development, and at the same time become a prominent contributor to China Resources Land's brand influence. The Group will build two systems for strategy-driven investment and refined management of production and operation, to take advantage of regional development and enhance competitiveness in its entire chain of businesses. In addition, the Group will build three development-driven engines from technological empowerment, financial innovation, organizational reform and incentives, focus on promoting four strategic tasks and five major battles, to achieve the strategic goal of "reshaping China Resources Land": top ten ranking in contracted sales for development property business, number one in comprehensive strength of shopping malls, China Resources Mixc Lifestyle's property management entering the first echelon, and maintaining number one in commercial management.

2021 is the first year of the "14th Five-Year Plan", China will embark on a new journey to build a modern socialist country in all respects and accelerate the establishment of a "dual circulation" development pattern, in which domestic and foreign markets can boost each other, with the domestic market as the mainstay. The Group will further leverage on the diversified business advantages of the parent company, China Resources Group, seize the great opportunities from the new urbanization, the implementation of national strategy for regional coordinated development, the comprehensive deepening reform of state-owned enterprises, the consumption upgrading and the innovation of science and technology. The Group will further optimize its industrial layout with competition strategy to achieve a high-quality development and to create greater value for shareholders.

Finally, on behalf of the Board of Directors, I would like to express my sincere appreciation to shareholders, customers and all related parties for your long-term support and trust in the Group. Looking ahead, we will definitely live up to our trust with resilient growth and tenacious progress! There is a long journey awaiting, the only choice for us is fighting!

MANAGEMENT DISCUSSION AND ANALYSIS

In 2020, the sudden epidemic had a severe impact on the global economy and people's lives. Facing complex external environment and fierce industry competition, the Group has effectively promoted the resumption of work and production on the basis of preventing and controlling the epidemic in order to race against time and to deliver satisfactory results, and minimized the impact of the epidemic through "cost reduction, quality improvement and efficiency enhancement" measures. All projects and sales offices of the Group have resumed their work at the end of March, and the major businesses have fully recovered at the end of April. The retail sales of its shopping malls rebounded strongly in May. Each of the Group's operating businesses have quickly recovered after the epidemic, and the annual result achieved steady growth.

Part I. Review of 2020 Annual Result

1. *Review of development property contracted sales*

In Year 2020, the Group achieved 17.5% YoY growth in contracted sales of RMB285.03 billion with 7.1% increased YoY contracted GFA of 14.187 million square meters.

The Group's contracted sales breakdown by region in 2020 is set out in the table below:

Region	**Contracted Sales**		**Contracted GFA**	
	RMB'000	***%***	***Sqm***	***%***
North China Region	55,533,983	19.5%	3,084,469	21.7%
East China Region	79,342,014	27.8%	2,690,662	19.0%
South China Region	79,134,661	27.8%	2,694,976	19.0%
West China Region	27,531,647	9.7%	2,268,230	16.0%
Northeast China Region	23,993,544	8.4%	1,935,230	13.6%
Central China Region	19,498,130	6.8%	1,513,692	10.7%
Total	285,033,979	100.0%	14,187,259	100.0%

2. *Review of development property business revenue*

In 2020, the Group achieved 23.5% YoY growth in development property revenue of RMB157.14 billion with 38.5% increased YoY booked GFA of 10.432 million square meters. The gross profit margin of development property of the Group was 29.1% in Year 2020, versus 36.5% in 2019.

The Group's revenue breakdown by region in 2020 is listed as below:

Region	**Revenue**		**GFA Booked**	
	RMB'000	*%*	***Sqm***	*%*
North China Region	33,707,908	21.4%	2,228,251	21.3%
East China Region	29,986,935	19.1%	1,708,638	16.4%
South China Region	39,812,014	25.3%	1,540,166	14.8%
West China Region	18,992,690	12.1%	1,828,487	17.5%
Northeast China Region	24,301,973	15.5%	2,105,285	20.2%
Central China Region	10,338,634	6.6%	1,021,667	9.8%
Total	157,140,154	100.0%	10,432,494	100.0%

As of 31 December 2020, the Group had unbooked contracted sales of RMB272.8 billion that are subject to recognition as development property revenue, among which RMB157.6 billion will be recognized in 2021, laying a solid foundation for good results in 2021.

3. *Review of investment property business*

(1) Shopping mall

As of 31 December 2020, the total carry amount of the Group's shopping malls after asset valuation was RMB136.0 billion, accounted for 15.7% of the Group's total assets value. During the year, the revenue from shopping malls reached RMB10.09 billion, with YoY growth of 7.9% (if excluding rental concession impact, the YoY rental growth could have been 16.2%). The occupancy rate lowered 0.2 percentage point YoY to 94.7%.

(2) Office

As of 31 December 2020, the total carry amount of the Group's office after asset valuation was RMB37.91 billion, accounted for 4.4% of the Group's total assets value. During the year, the revenue from office reached RMB1.6 billion, with YoY growth of 15.5% (if excluding rental concession impact, the YoY rental growth could have been 16.7%). The occupancy rate increased by 8.9 percentage points to YoY 81.8%.

(3) Hotels

As of 31 December 2020, the Group had 13 hotels in operation, with carrying book value of RMB9.59 billion. During the year, due to the impact of COVID-19, hotel revenue declined 27% YoY to RMB1.09 billion, average hotel occupancy rate decreased 22 percentage points YoY to 48%.

Details of the Group's key investment properties opened in 2020 are listed below:

Investment Property		**City**	**Interest Attributable to the Group**	**Total GFA** *(Sqm)*	**Attributable GFA** *(Sqm)*
Ningbo Qianhu Mixc One		Ningbo	100%	99,989	99,989
Comprising:	Commercial			54,841	54,841
	Car Park			45,148	45,148
Shenyang Changbai Mixc One		Shenyang	100%	110,270	110,270
Comprising:	Commercial			73,205	73,205
	Car Park			37,065	37,065
Chengdu Mixc (Phase II)		Chengdu	100%	262,983	262,983
Comprising:	Commercial			158,400	158,400
	Car Park			104,583	104,583
CR Land (Beijing)		Beijing	78.52%	43,665	34,286

As at 31 December 2020, the Group's investment properties in operation achieved 11.98 million square meters in total GFA, plus another 9.88 million square meters GFA under construction and planning, details of which are set out below:

		Investment Properties in Operation		**Investment Properties under Construction or Planning**	
		Total GFA *(Sqm)*	**Attribute GFA** *(Sqm)*	**Total GFA** *(Sqm)*	**Attribute GFA** *(Sqm)*
Total GFA		11,978,526	10,230,415	9,876,741	7,024,406
Comprising:	Commercial	5,762,746	4,943,252	5,799,055	4,291,361
	Office	1,277,821	1,032,842	1,629,354	1,048,245
	Hotel	631,347	543,418	989,556	749,571
	Others	4,306,612	3,710,903	1,458,776	935,229

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

4. *Review of asset-light business*

In 2020, the Group spun off its commercial operation and property management businesses to establish "China Resources Mixc Lifestyle", which was successfully listed on the Main Board of the Hong Kong Stock Exchange. As of 31 December 2020, the Group's property management business covered 69 cities across China, with a total of 119 million square meters of residential and commercial properties under management. During the year, China Resources Mixc Lifestyle realized turnover of RMB6.78 billion, of which RMB3.88 billion was from residential property management services and RMB2.90 billion was from commercial operation and property management services.

5. *Review of elementary business*

The Group's elementary business includes urban construction and operation, urban renewal, leasing apartment, industrial property, senior housing, movie theaters, education etc., together with the three key businesses to build a urban investment and development operation system. During the year, the revenue of elementary business was RMB15.4 billion (including the intra-group business), of which turnover of urban construction and operation business amounted to RMB14.9 billion.

Part II. Land Bank

In 2020, the Group acquired 69 quality land parcels totaling 14.921 million square meters in GFA with a total land premium of RMB137.95 billion (attributable land premium amounted to RMB98.73 billion). As of 31 December 2020, the GFA of the Group's land bank totaled 68.087 million square meters, the regional breakdown of which is set out below:

Region	**Total GFA** *(Sqm)*	**Attributable GFA** *(Sqm)*
North China Region	14,237,886	8,397,423
East China Region	9,704,393	6,322,616
South China Region	15,594,986	9,413,419
West China Region	11,561,244	10,580,126
Northeast China Region	7,457,593	7,078,541
Central China Region	9,461,248	6,173,952
Hong Kong	69,328	48,790
Total	68,086,678	48,014,867

Sufficient land bank further reinforced the foundation for the Group's sustainable growth in the future. As of 31 December 2020, the Group has expanded its footprints to 82 cities worldwide.

Going forward, while maintaining healthy financial position and optimal capital structure, the Group will strictly follow its financial return criteria to allocate its resources. The Group will also replenish quality land bank through diversified land bank accesses to match its development strategies and business model, further land bank acquisitions will be funded by both internal resources and external financing.

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

As of 31 December 2020, the Group's total debt outstanding balance was equivalent to RMB165.0 billion while its cash and bank balance were equivalent to RMB89.5 billion. The Group's net interest-bearing debt to equity ratio (including minority interests) was 29.5%, slightly lower than 29.6% as of end of 2019.

As of 31 December 2020, the non-RMB net interest-bearing debt exposure of the Group was 12.8%. Approximately 21.5% of the total interest-bearing debt was repayable within one year while the rest was long-term interest-bearing debt. The Group maintained its borrowing cost at a sector-low level. The weighted average cost of funding was approximately 4.08% as at 31 December 2020, 37 basis points lower than 4.45% as of end of 2019.

To better support future growth, broaden financing channel and further reduce funding cost, 華潤置地控股有限公司, a wholly-owned subsidiary of the Company, issued 2 trenches of RMB medium-term notes during the year with total principal amount of RMB4.0 billion, among which, RMB800 million due in 2023 and RMB1.2 billion due in 2025 were issued on 13 April; RMB1.5 billion due in 2023 and RMB500 million due in 2025 were issued on 6 May. All notes were issued in the interbank market of the PRC. Medium-term notes totaled RMB2.3 billion due in 2023 carry coupon rates of 2.65% and 2.42% per annum respectively, and medium-term notes totaled RMB1.7 billion due in 2025 carry coupon rates of 3.20% and 2.95% per annum respectively. 華潤置地控股有限公司 also issued RMB1.5 billion special corporate bonds for housing lease due in 2023 with a coupon rate of 3.2% per annum on Shenzhen Stock Exchange on 14 August. In addition, 華潤置地投資有限公司, a wholly-owned subsidiary of the Company, as the original equity holder, issued an asset-backed special plan that backed by Chengdu Mixc on Shenzhen Stock Exchange on 11 November, and the issue size was RMB2,501 million with maturity of 3+3+3+3+3+3 years and senior coupon rate of 3.8% per annum.

In 2020, Standard and Poor's, Moody's and Fitch maintained the Company's credit ratings at "BBB+/stable", "Baa1/stable" and "BBB+/stable" respectively.

As of 31 December 2020, the Group had a total loan credit line of RMB43.5 billion through asset pledge with tenors ranging from 3 to 25 years, and the Group's total balance of asset-pledged loan was RMB23.0 billion.

As of 31 December 2020, the Group had principal amount of approximately US$0.6 billion (equivalent to RMB3.91 billion) cross-currency swap contracts to hedge exchange rate and principal amount of approximately GBP85.8 million (equivalent to RMB0.76 billion) interest rate swap contracts to hedge interest rate risk. Two-way volatility of RMB exchange rate may increase as RMB exchange mechanism becomes more market-oriented. However, the Group's foreign exchange risk is well under control and RMB exchange rate fluctuations will not pose a material impact on the Group's financial position. The Group will closely monitor its exchange risk exposure and adjust its debt profile when necessary based on market changes.

Part IV. Employee and Compensation Policy

As of 31 December 2020, the Group had 48,414 full time employees in Mainland China and Hong Kong (including property management and agency subsidiaries). The Group remunerates its employees based on their performance, working experience and market salary levels. In addition, performance bonus is granted on a discretionary basis. Other employee benefits include provident fund, insurance and medical coverage.

Part V. Contingent Liabilities

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

CORPORATE GOVERNANCE

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

The Company has complied with the code provisions set out in CG Code for the period from 1 January 2020 to 31 December 2020.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

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

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

Neither the Company nor its subsidiaries purchased, sold or redeemed any of the Company's listed securities during Year 2020.

AUDIT COMMITTEE AND AUDITOR

Final results of Year 2020 have been reviewed by the Audit Committee which comprises four independent non-executive directors and two non-executive directors. The financial information included in this preliminary results announcement for Year 2020 has been agreed by the auditor of the Company.

FINAL DIVIDEND

The Board recommended a final dividend of RMB1.102 per share (equivalent to HK$1.312) for Year 2020 (2019: HK$1.026) payable on or about 9 July 2021 to shareholders whose names appear on the Register of Members of the Company on 22 June 2021.

CLOSURE OF REGISTER OF MEMBERS

For determining the entitlement to attend and vote at the annual general meeting of the Company to be held on 9 June 2021, the register of members of the Company will be closed from 2 June 2021 to 9 June 2021 (both days inclusive), during which period no transfer of shares of the Company will be registered. In order to be eligible to attend and vote at the above meeting, unregistered holders of shares of the Company should ensure that all transfer forms accompanied by the relevant share certificates must be lodged with the Branch Share Registrar, Tricor Standard Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration no later than 4:30 p.m. on 1 June 2021.

For determining the entitlement to the proposed final dividend for Year 2020 (subject to approval by the shareholders at the annual general meeting), the register of members of the Company will be closed on 22 June 2021, during which no transfer of shares of the Company will be registered. In order to be eligible for the above proposed final dividend, unregistered holders of shares of the Company should ensure that all transfer forms accompanied by the relevant share certificates must be lodged with the Branch Share Registrar, Tricor Standard Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration no later than 4:30 p.m. on 21 June 2021.

PUBLICATION OF ANNUAL RESULTS ON THE WEBSITE OF THE STOCK EXCHANGE

The Company's Year 2020 Annual Report containing the relevant information required by the Listing Rules will be published on the website of the Stock Exchange and the Company (http://www.crland.com.hk) in due course.

By Order of the Board
China Resources Land Limited
Li Xin
President

PRC, 29 March 2021

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