五礦地產有限公司
MINMETALS LAND LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 230)

ANNOUNCEMENT OF RESULTS FOR THE YEAR ENDED 31 DECEMBER 2018

FINANCIAL RESULTS

The board of directors ("Directors") of Minmetals Land Limited (the "Company") is pleased to announce the consolidated results of the Company and its subsidiaries (the "Group") for the year ended 31 December 2018, together with the comparative figures in 2017, as follows:

Consolidated Statement of Profit or Loss
For the year ended 31 December 2018

	Notes	**2018** ***HK$'000***	2017 *HK$'000*
Revenue	*3*	**10,930,824**	11,935,505
Cost of sales		**(7,044,153)**	(7,841,935)
Gross profit		**3,886,671**	4,093,570
Other income, other gains and losses	*5*	**126,207**	61,306
Fair value changes on investment properties		**134,052**	151,334
Selling and marketing expenses		**(175,506)**	(185,569)
Administrative and other expenses		**(539,148)**	(590,113)
Expected credit losses, net of reversal		**(6,514)**	–
Finance income		**189,019**	147,039
Finance costs		**(137,524)**	(114,674)
Share of results of associates		**(10,531)**	(2,495)
Share of results of joint ventures		**(3,310)**	(2,610)
Profit before tax		**3,463,416**	3,557,788
Income tax expense	*6*	**(1,716,273)**	(2,108,987)
Profit for the year	*4*	**1,747,143**	1,448,801
Profit for the year attributable to:			
Equity holders of the Company		**934,964**	712,914
Holders of perpetual capital instruments		**184,362**	1,303
Non-controlling interests		**627,817**	734,584
		1,747,143	1,448,801
Earnings per share for profit attributable to equity holders of the Company, in HK cents			
Basic	*7*	27.94	21.32
Diluted	*7*	27.93	21.30

Consolidated Statement of Profit or Loss and Other Comprehensive Income
For the year ended 31 December 2018

	2018	2017
	HK$'000	*HK$'000*
Profit for the year	**1,747,143**	1,448,801
Other comprehensive (expense)/income:		
Items that may be reclassified subsequently to profit or loss:		
Currency translation differences	**(902,215)**	1,000,250
Fair value loss on hedging instruments in cash flow hedges	**(45,994)**	(39,552)
Share of other comprehensive (expense)/income of associates	**(55,635)**	79,886
Share of other comprehensive (expense)/income of joint ventures	**(4,407)**	3,156
	(1,008,251)	1,043,740
Item that will not be reclassified subsequently to profit or loss:		
Fair value gain on financial assets at fair value through other comprehensive income	**18,437**	311,135
Other comprehensive (expense)/income for the year	**(989,814)**	1,354,875
Total comprehensive income for the year	**757,329**	2,803,676
Total comprehensive income for the year attributable to:		
Equity holders of the Company	**214,924**	1,904,065
Holders of perpetual capital instruments	**71,312**	1,303
Non-controlling interests	**471,093**	898,308
	757,329	2,803,676

Consolidated Statement of Financial Position
As at 31 December 2018

	Notes	2018 HK$'000	2017 HK$'000
ASSETS			
Non-current assets			
Property, plant and equipment		**196,512**	190,025
Investment properties		**2,256,393**	1,814,294
Interests in associates		**1,152,277**	1,218,443
Interests in joint ventures		**97,028**	99,065
Financial assets at fair value through other comprehensive income		**811,254**	792,817
Other financial assets		**30,091**	76,085
Deferred tax assets		**778,610**	1,096,579
		5,322,165	5,287,308
Current assets			
Inventories		**25,787,021**	25,353,243
Amounts due from customers for contract work		**–**	119,020
Prepayments, trade and other receivables	*9*	**11,868,354**	12,003,147
Contract assets		**453,833**	–
Contract costs		**12,275**	–
Cash and bank deposits, restricted		**201,353**	623,774
Cash and bank deposits, unrestricted		**3,607,776**	5,631,889
		41,930,612	43,731,073
Total assets		**47,252,777**	49,018,381
EQUITY			
Share capital		**334,691**	334,503
Reserves	*10*	**8,033,017**	8,018,174
Equity attributable to equity holders of the Company		**8,367,708**	8,352,677
Perpetual capital instruments		**3,854,289**	2,393,903
Non-controlling interests		**2,588,454**	2,855,958
Total equity		**14,810,451**	13,602,538
LIABILITIES			
Non-current liabilities			
Borrowings		**14,039,272**	10,770,064
Deferred tax liabilities		**133,288**	168,431
Other liabilities		**223**	223
		14,172,783	10,938,718
Current liabilities			
Borrowings		**1,015,365**	3,978,151
Other financial liabilities		**–**	41,960
Trade and other payables	*11*	**10,682,838**	9,516,785
Contract liabilities		**6,119,742**	–
Deferred revenue		**5,461**	10,383,976
Taxation payable		**446,137**	556,253
		18,269,543	24,477,125
Total liabilities		**32,442,326**	35,415,843
Total equity and liabilities		**47,252,777**	49,018,381
Net current assets		**23,661,069**	19,253,948
Total assets less current liabilities		**28,983,234**	24,541,256

Notes to the Consolidated Financial Statements

1. General information

The Group is principally engaged in real estate development, specialised construction, property investment and securities investment. The People's Republic of China (the “PRC”) is the major market for the Group's businesses.

The Company is a limited liability company incorporated in Bermuda. The Company is listed on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”). Its immediate holding company is June Glory International Limited (incorporated in the British Virgin Islands) and its ultimate holding company is China Minmetals Corporation (incorporated in Mainland China).

The consolidated financial statements are presented in Hong Kong dollars (“HK$” or “HK dollar(s)”), unless otherwise stated, which is also the functional currency of the Company.

2. Basis of preparation and accounting policies

The consolidated financial statements 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 and by the Hong Kong Companies Ordinance.

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

The consolidated financial statements have been prepared on the historical cost basis except for certain properties and financial instruments that are measured at fair value at the end of each reporting period.

The Group has applied the following new and amendments to HKFRSs issued by the HKICPA for the first time in the current year.

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

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

2.1 HKFRS 15 Revenue from Contracts with Customers

The Group has applied HKFRS 15 for the first time in the current year. HKFRS 15 superseded HKAS 18 *Revenue*, HKAS 11 *Construction Contracts* and the related interpretations.

The Group has applied HKFRS 15 retrospectively with the cumulative effect of initially applying this standard recognised at the date of initial application, 1 January 2018. Any difference at the date of initial application is recognised in the opening retained earnings (or other components of equity, as appropriate) and comparative information has not been restated. Furthermore, in accordance with the transition provisions in HKFRS 15, the Group has elected to apply the standard retrospectively only to contracts that are not completed at 1 January 2018. Accordingly, certain comparative information may not be comparable as comparative information was prepared under HKAS 18 *Revenue*, HKAS 11 *Construction Contracts* and the related interpretations.

The Group recognises revenue from the following major sources which arise from contracts with customers:

- Sales of properties
- Provision of specialised construction services

Revenue from contracts with customers – Accounting policies applied from 1 January 2018

Under HKFRS 15, the Group recognises revenue when (or as) a performance obligation is satisfied, i.e. when "control" of the goods or services underlying the particular performance obligation is transferred to the customer.

A performance obligation represents a good or service (or a bundle of goods or services) that is distinct or a series of distinct goods or services that are substantially the same.

Control is transferred over time and revenue is recognised over time by reference to the progress towards complete satisfaction of the relevant performance obligation if one of the following criteria is met:

- the customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs;
- the Group's performance creates and enhances an asset that the customer controls as the Group performs; or
- the Group's performance does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

Otherwise, revenue is recognised at a point in time when the customer obtains control of the distinct good or service.

A contract asset represents the Group's right to consideration in exchange for goods or services that the Group has transferred to a customer that is not yet unconditional. It is assessed for impairment in accordance with HKFRS 9. In contrast, a receivable represents the Group's unconditional right to consideration, i.e. only the passage of time is required before payment of that consideration is due.

A contract liability represents the Group's obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer.

A contract asset and a contract liability relating to a contract are accounted for and presented on a net basis.

Over time revenue recognition: measurement of progress towards complete satisfaction of a performance obligation

Input method

The progress towards complete satisfaction of a performance obligation is measured based on input method, which is to recognise revenue on the basis of the Group's efforts or inputs to the satisfaction of a performance obligation relative to the total expected inputs to the satisfaction of that performance obligation, that best depicts the Group's performance in transferring control of goods or services.

Existence of significant financing component

In determining the transaction price, the Group adjusts the promised amount of consideration for the effects of the time value of money if the timing of payments agreed (either explicitly or implicitly) provides the customer or the Group with a significant benefit of financing the transfer of goods or services to the customer. In those circumstances, the contract contains a significant financing component. A significant financing component may exist regardless of whether the promise of financing is explicitly stated in the contract or implied by the payment terms agreed to by the parties to the contract.

For contracts where the period between payment and transfer of the associated goods or services is less than one year, the Group applies the practical expedient of not adjusting the transaction price for any significant financing component.

For advance payments received from customers before the transfer of the associated goods or services in which the Group adjusts for the promised amount of consideration for a significant financing component, the Group applies a discount rate that would be reflected in a separate financing transaction between the Group and the customer at contract inception.

Principal versus agent

When another party is involved in providing goods or services to a customer, the Group determines whether the nature of its promise is a performance obligation to provide the specified goods or services itself (i.e. the Group is a principal) or to arrange for those goods or services to be provided by the other party (i.e. the Group is an agent).

The Group is a principal if it controls the specified good or service before that good or service is transferred to a customer.

The Group is an agent if its performance obligation is to arrange for the provision of the specified good or service by another party. In this case, the Group does not control the specified good or service provided by another party before that good or service is transferred to the customer. When the Group acts as an agent, it recognises revenue in the amount of any fee or commission to which it expects to be entitled in exchange for arranging for the specified goods or services to be provided by the other party.

Incremental costs of obtaining a contract

Incremental costs of obtaining a contract are those costs that the Group incurs to obtain a contract with a customer that it would not have incurred if the contract had not been obtained.

The Group recognises such costs (sales commissions) as an asset if it expects to recover these costs. The asset so recognised is subsequently amortised to profit or loss on a systematic basis that is consistent with the transfer to the customer of the goods or services to which the assets relate.

The Group applies the practical expedient of expensing all incremental costs to obtain a contract if these costs would otherwise have been fully amortised to profit or loss within one year.

2.2 HKFRS 9 Financial Instruments and the related amendments

In the current year, the Group has applied HKFRS 9 Financial Instruments and the related consequential amendments to other HKFRSs. HKFRS 9 introduces new requirements for 1) the classification and measurement of financial assets and financial liabilities, 2) expected credit losses ("ECL") for financial assets and other items (for example, lease receivables, contract assets and financial guarantee contracts) and 3) general hedge accounting.

The Group has early adopted the 2010 version of HKFRS 9 on 1 January 2011.

The Group has applied HKFRS 9 in accordance with the transition provisions set out in HKFRS 9, i.e. applied the measurement requirements (including impairment under ECL model) retrospectively to instruments that have not been derecognised as at 1 January 2018 (date of initial application) and has not applied the requirements to instruments that have already been derecognised as at 1 January 2018. The difference between carrying amounts as at 31 December 2017 and the carrying amounts as at 1 January 2018 are recognised in the opening retained earnings and other components of equity, without restating comparative information.

In addition, the Group applied the hedge accounting prospectively.

Impairment of financial assets – Accounting policies applied from 1 January 2018

The Group recognises a loss allowance for ECL on financial assets which are subject to impairment under HKFRS 9 (including trade and other receivables, lease receivables, contract assets, cash and bank deposits and financial guarantee contracts). The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition.

Lifetime ECL represents the ECL that will result from all possible default events over the expected life of the relevant instrument. In contrast, 12-month ECL ("12m ECL") represents the portion of lifetime ECL that is expected to result from default events that are possible within 12 months after the reporting date. Assessment are done based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current conditions at the reporting date as well as the forecast of future conditions.

The Group always recognises lifetime ECL for trade receivables, contract assets and lease receivables. The ECL on these assets are assessed individually for debtors with impaired credit or related parties and collectively for the rest using a provision matrix with appropriate groupings.

For all other instruments, the Group measures the loss allowance equal to 12m ECL, unless when there has been a significant increase in credit risk since initial recognition, the Group recognises lifetime ECL. The assessment of whether lifetime ECL should be recognised is based on significant increases in the likelihood or risk of a default occurring since initial recognition.

(i) Significant increase in credit risk

In assessing whether the credit risk has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort.

In particular, the following information is taken into account when assessing whether credit risk has increased significantly:

- an actual or expected significant deterioration in the financial instrument’s external (if available) or internal credit rating;
- significant deterioration in external market indicators of credit risk, e.g. a significant increase in the credit spread, the credit default swap prices for the debtor;
- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;
- an actual or expected significant deterioration in the operating results of the debtor;
- an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor’s ability to meet its debt obligations.

Despite the aforegoing, the Group assumes that the credit risk on a debt instrument has not increased significantly since initial recognition if the debt instrument is determined to have low credit risk at the reporting date. A debt instrument is determined to have low credit risk if i) it has a low risk of default, ii) the borrower has a strong capacity to meet its contractual cash flow obligations in the near term and iii) adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

For financial guarantee contracts, the date that the Group becomes a party to the irrevocable commitment is considered to be the date of initial recognition for the purposes of assessing the financial instrument for impairment. In assessing whether there has been a significant increase in the credit risk since initial recognition of financial guarantee contracts, the Group considers the changes in the risk that the specified debtor will default on the contract.

The Group regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

(ii) Definition of default

For internal credit risk management, the Group considers an event of default occurs when information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full (without taking into account any collaterals held by the Group).

(iii) Credit-impaired financial assets

A financial asset is credit-impaired when one or more events of default that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

(a) significant financial difficulty of the issuer or the borrower;
(b) a breach of contract, such as a default or past due event;

(c) the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider;
(d) it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or
(e) the disappearance of an active market for that financial asset because of financial difficulties.

(iv) Write-off policy

The Group writes off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, for example, when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. A write-off constitutes a derecognition event. Any subsequent recoveries are recognised in profit or loss.

(v) Measurement and recognition of ECL

The measurement of ECL is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information. Estimation of ECL reflects an unbiased and probability-weighted amount that is determined with the respective risks of default occurring as the weights.

Generally, the ECL is the difference between all contractual cash flows that are due to the Group in accordance with the contract and the cash flows that the Group expects to receive, discounted at the effective interest rate determined at initial recognition. For a lease receivable, the cash flows used for determining the ECL is consistent with the cash flows used in measuring the lease receivable in accordance with HKAS 17 *Leases*.

For a financial guarantee contract, the Group is required to make payments only in the event of a default by the debtor in accordance with the terms of the instrument that is guaranteed. Accordingly, the expected losses is the present value of the expected payments to reimburse the holder for a credit loss that it incurs less any amounts that the Group expects to receive from the holder, the debtor or any other party.

For ECL on financial guarantee contracts for which the effective interest rate cannot be determined, the Group will apply a discount rate that reflects the current market assessment of the time value of money and the risks that are specific to the cash flows but only if, and to the extent that, the risks are taken into account by adjusting the discount rate instead of adjusting the cash shortfalls being discounted.

Where ECL is measured on a collective basis or cater for cases where evidence at the individual instrument level may not yet be available, the financial instruments are grouped on the basis:

- Nature of financial instruments (i.e. the Group's trade and other receivables, lease receivables and contract assets are each assessed as a separate group. Loans to related parties are assessed for expected credit losses on an individual basis);
- Past-due status;
- Nature of debtors; and
- External credit ratings where available.

The grouping is regularly reviewed by management to ensure the constituents of each group continue to share similar credit risk characteristics.

Interest income is calculated based on the gross carrying amount of the financial asset unless the financial asset is credit impaired, in which case interest income is calculated based on amortised cost of the financial asset.

For financial guarantee contracts, the loss allowances are recognised at the higher of the amount of the loss allowance determined in accordance with HKFRS 9; and the amount initially recognised less, where appropriate, cumulative amount of income recognised over the guarantee period.

The Group recognises an impairment gain or loss in profit or loss for all financial instruments by recognising the corresponding adjustment through a loss allowance account, with the exception of financial guarantee contracts where the Group recognises an impairment gain or loss by adjusting their carrying amount.

2.3 Amendments to HKAS 40 Transfers of Investment Property

The amendments clarify that a transfer to, or from, investment property necessitates an assessment of whether a property meets, or has ceased to meet, the definition of investment property, supported by evidence that a change in use has occurred. The amendments further clarify that situations other than the ones listed in HKAS 40 may evidence a change in use, and that a change in use is possible for properties under construction. (i.e. change in use is not limited to completed properties).

3. Revenue and segment information

Revenue (represents turnover) comprised the following:

	2018	2017
	HK$'000	*HK$'000*
Sales of properties	**9,918,725**	10,907,177
Revenue from specialised construction contracts	**941,654**	964,271
Rental and management fee income from investment properties	**70,445**	64,057
	10,930,824	11,935,505

(a) Operating segments

The chief operating decision maker has been identified as the executive directors. The executive directors review the Group's internal financial reports in order to assess performance and allocate resources. The executive directors have determined the operating segments based on these reports as follows:

Real estate development:	Development and sales of residential and commercial properties
Specialised construction:	Design, installation and selling of curtain walls and aluminium windows, doors and other materials
Property investment:	Holding of properties to generate rental income and/or to gain from the appreciation in the properties' values in the long-term
Securities investment:	Investment of securities

No operating segments identified by the executive directors have been aggregated in arriving at the reportable segments of the Group.

Segment revenue and results

	Real estate development		Specialised construction		Property investment		Securities investment		Total	
	2018	2017	**2018**	2017	**2018**	2017	**2018**	2017	**2018**	2017
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
Revenue										
Total segment revenue	**9,918,725**	10,907,177	**1,044,183**	970,123	**75,613**	69,093	**–**	–	**11,038,521**	11,946,393
Inter-segment revenue	**–**	–	**(102,529)**	(5,852)	**(5,168)**	(5,036)	**–**	–	**(107,697)**	(10,888)
Sales to external customers	**9,918,725**	10,907,177	**941,654**	964,271	**70,445**	64,057	**–**	–	**10,930,824**	11,935,505
Results										
Segment results	**3,371,789**	3,665,578	**1,609**	(123,705)	**191,744**	224,429	**69,121**	39,490	**3,634,263**	3,805,792
Unallocated corporate expenses, net									**(208,501)**	(275,264)
									3,425,762	3,530,528
Finance income									**189,019**	147,039
Finance costs									**(137,524)**	(114,674)
Share of results of associates									**(10,531)**	(2,495)
Share of results of joint ventures									**(3,310)**	(2,610)
Profit before tax									**3,463,416**	3,557,788

The accounting policies of the reportable and operating segments are the same as the Group's accounting policies. Segment results represent the profit before tax without allocation of unallocated corporate expenses, finance income, finance costs and share of results of associates and joint ventures.

Inter-segment revenue is charged at prevailing market rates.

Finance income, finance costs and share of results of associates and joint ventures are not included in the measure of segment results.

Segment assets and liabilities

	Real estate development		Specialised construction		Property investment		Securities investment		Total	
	2018	2017	**2018**	2017	**2018**	2017	**2018**	2017	**2018**	2017
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
Assets										
Segment assets	**40,524,343**	41,568,430	**1,049,409**	929,363	**2,027,991**	1,912,047	**811,254**	811,636	**44,412,997**	45,221,476
Unallocated corporate assets									**2,839,780**	3,796,905
Total assets									**47,252,777**	49,018,381
Liabilities										
Segment liabilities	**29,161,255**	32,212,713	**740,702**	572,653	**23,367**	21,710	**–**	–	**29,925,324**	32,807,076
Unallocated corporate liabilities									**2,517,002**	2,608,767
Total liabilities									**32,442,326**	35,415,843

Segment assets consist primarily of interests in associates, interests in joint ventures, property, plant and equipment, investment properties, inventories, receivables, contract assets, contract costs and operating cash but exclude items such as bank deposits for corporate use and deferred tax assets. Segment liabilities comprise all operating liabilities but exclude items such as taxation.

Other segment information

Amounts included in the measure of segment profit or loss or segment assets:

	Real estate development		Specialised construction		Property investment		Securities investment		Segment total		Unallocated		Total	
	2018	2017	**2018**	2017	**2018**	2017	**2018**	2017	**2018**	2017	**2018**	2017	**2018**	2017
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
Interests in associates	**1,152,277**	1,218,443	**–**	–	**–**	–	**–**	–	**1,152,277**	1,218,443	**–**	–	**1,152,277**	1,218,443
Interests in joint ventures	**97,028**	99,065	**–**	–	**–**	–	**–**	–	**97,028**	99,065	**–**	–	**97,028**	99,065
Capital expenditures	**3,709**	8,893	**11,814**	2,046	**354**	81	**–**	–	**15,877**	11,020	**340**	230	**16,217**	11,250
Depreciation recognised in the consolidated statement of profit or loss	**4,637**	3,840	**2,143**	1,770	**460**	460	**–**	–	**7,240**	6,070	**1,028**	1,133	**8,268**	7,203
Fair value changes on investment properties	**–**	–	**–**	–	**134,052**	151,334	**–**	–	**134,052**	151,334	**–**	–	**134,052**	151,334
Allowance for impairment of inventories	**45,284**	83,713	**–**	–	**–**	–	**–**	–	**45,284**	83,713	**–**	–	**45,284**	83,713
Allowance for impairment of trade and other receivables	**–**	1,212	**6,514**	29,017	**–**	–	**–**	–	**6,514**	30,229	**–**	–	**6,514**	30,229
Allowance for impairment of goodwill	**–**	–	**–**	9,425	**–**	–	**–**	–	**–**	9,425	**–**	–	**–**	9,425

(b) Geographical information

The Group operates its businesses in two main geographical areas:

Hong Kong: Real estate development, specialised construction, property investment and securities investment

Mainland China and Macau: Real estate development, specialised construction and property investment

In presenting geographical information, sales are presented based on the geographical locations of the customers. Total non-current assets excluded financial instruments and deferred tax assets.

	Hong Kong		**Mainland China and Macau**		**Total**	
	2018	2017	**2018**	2017	**2018**	2017
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
External sales	**548,711**	554,494	**10,382,113**	11,381,011	**10,930,824**	11,935,505
Total non-current assets	**2,085,473**	1,952,837	**1,616,737**	1,368,990	**3,702,210**	3,321,827

(c) Information about major customer

No revenue from transaction with single external customer is amounted to 10% or more of the Group's revenue for both years.

4. Profit for the year

	2018 *HK$'000*	2017 *HK$'000*
Cost of properties sold (Note (i))	**6,160,075**	6,840,034
Cost of specialised construction	**869,540**	988,646
Depreciation	**8,268**	7,203
Auditor's remuneration	**4,200**	4,500
Direct operating expenses incurred for investment properties that generated rental income	**14,538**	13,255
Employee benefit expense (including directors' emoluments)	**232,007**	224,108
Operating lease charges – minimum lease payments in respect of land and buildings	**14,219**	13,193
Allowance for impairment of inventories	**45,284**	83,713
Allowance for impairment of trade and other receivables	**6,514**	30,229
Allowance for impairment of goodwill	**–**	9,425
Net exchange gain	**(5,451)**	(14,064)

Note:

(i) Included in cost of properties sold are interest expenses of HK$368,372,000 (2017: HK$545,923,000).

5. Other income, other gains and losses

	2018 *HK$'000*	2017 *HK$'000*
Government subsidies	**2,585**	4,363
Dividend income	**69,141**	39,562
Management fee income from an intermediate holding company and ultimate holding company	**7,399**	32,666
Management fee income from fellow subsidiaries	**15,919**	–
Fair value changes of other financial liabilities	**(609)**	(41,960)
Gain on revaluation of inventories upon transfer to investment properties	**5,623**	–
Others	**26,149**	26,675
	126,207	61,306

6. Income tax expense

No provision for Hong Kong profits tax has been made in the consolidated financial statements as the Group has no assessable profit for the year or has sufficient tax losses brought forward to offset current year's assessable profit (2017: Hong Kong profits tax was calculated on the estimated assessable profit derived in Hong Kong at the rate of 16.5%).

The PRC enterprise income tax has been calculated on the estimated assessable profit for the year derived in Mainland China at the rate of 25% (2017: 25%).

Land appreciation tax is levied at progressive rates ranging from 30% to 60% on the appreciation of land value, being the proceeds of sales of properties less deductible expenditures including costs of land and development and construction expenditures.

	2018	2017
	HK$'000	*HK$'000*
Current tax		
PRC enterprise income tax	**629,088**	1,245,063
Hong Kong profits tax	**–**	1,852
Land appreciation tax	**843,141**	1,305,285
	1,472,229	2,552,200
Deferred tax	**244,044**	(443,213)
	1,716,273	2,108,987

7. Earnings per share – basic and diluted

The calculation of basic earnings per share is based on the profit attributable to equity holders of the Company divided by the weighted average number of ordinary shares in issue during the year.

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume exercise of share options granted under the Company's share option schemes.

	2018	2017
Weighted average number of ordinary shares in issue (thousands shares)	**3,346,009**	3,344,548
Adjustment for share options (thousands shares)	**1,614**	2,298
Weighted average number of ordinary shares for diluted earnings per share (thousands shares)	**3,347,623**	3,346,846
Profit attributable to equity holders of the Company (HK$'000)	**934,964**	712,914
Basic earnings per share (HK cents)	**27.94**	21.32
Diluted earnings per share (HK cents)	**27.93**	21.30

8. Dividends

The Directors recommend the payment of a final dividend of HK8.0 cents (2017: HK6.0 cents) per ordinary share with total amount of HK$267,753,000 (2017: HK$200,715,000). Such dividend is to be approved by the shareholders at the annual general meeting of the Company to be held on 10 May 2019. These consolidated financial statements do not reflect this dividend payable.

Final dividends in respect of the year ended 31 December 2017 of HK6.0 cents per ordinary share totaling HK$200,739,000 (2017: final dividends in respect of the year ended 31 December 2016 of HK4.0 cents per ordinary share totaling HK$133,777,000) was recognised as distribution during the year.

9. Prepayments, trade and other receivables

	2018	2017
	HK$'000	*HK$'000*
Trade receivables, net (a)	**448,660**	603,515
Retention receivables	**–**	181,040
Deposits	**63,390**	35,243
Prepayments (b)	**855,178**	840,991
Prepayments for land cost (c)	**1,986,073**	1,497,699
Loans to a non-controlling shareholder of a subsidiary	**2,951,037**	3,748,606
Amount due from a non-controlling shareholder of a subsidiary	**–**	125,058
Amount due from an associate	**837,513**	94,674
Amounts due from joint ventures	**4,616,224**	4,750,871
Amounts due from an intermediate holding company and ultimate holding company	**–**	35,889
Others	**110,279**	89,561
	11,868,354	12,003,147

(a) The aging analysis of trade receivables based on due date for rental receivables, date of properties delivered to purchasers and billing date of construction services certified is as follows:

	2018	2017
	HK$'000	*HK$'000*
0 to 90 days	**209,399**	321,052
91 to 180 days	**55,922**	83,580
181 days to 1 year	**45,833**	50,740
1 year to 2 years	**92,846**	92,465
Over 2 years	**96,236**	113,389
	500,236	661,226
Less: allowance for impairment	**(51,576)**	(57,711)
	448,660	603,515

(b) As at 31 December 2018, prepayments include prepaid taxes and other charges of approximately HK$687,619,000 (2017: HK$777,501,000).

(c) As at 31 December 2018, prepayments for land cost represent payments to the PRC Bureau of Land and Resources for the acquisition of lands in Mainland China and the amount will be reclassified to inventory upon issuance of land use rights certificates.

10. Reserves

	Share premium *HK$'000*	Contributed surplus *HK$'000*	Capital redemption reserve *HK$'000*	Employee share-based compensation reserve *HK$'000*	Investments revaluation reserve *HK$'000*	Cash flow hedging reserve *HK$'000*	Revaluation reserve *HK$'000*	Other reserve *HK$'000*	Exchange reserve *HK$'000*	Retained earnings *HK$'000*	Total *HK$'000*
Balance as at 1 January 2017	4,270,004	515,336	769	35,484	(76,055)	115,637	4,359	(311,448)	(1,262,190)	2,955,784	6,247,680
Issue of shares	206	–	–	–	–	–	–	–	–	–	206
Reclassification of employee share option benefits	3,673	–	–	(34,301)	–	–	–	–	–	30,628	–
Fair value gain of financial assets at fair value through other comprehensive income	–	–	–	–	311,135	–	–	–	–	–	311,135
Fair value loss on hedging instruments in cash flow hedges	–	–	–	–	–	(39,552)	–	–	–	–	(39,552)
Currency translation adjustments	–	–	–	–	–	–	–	–	919,568	–	919,568
2016 final dividend paid	–	–	–	–	–	–	–	–	–	(133,777)	(133,777)
Profit for the year	–	–	–	–	–	–	–	–	–	712,914	712,914
Balance as at 31 December 2017	4,273,883	515,336	769	1,183	235,080	76,085	4,359	(311,448)	(342,622)	3,565,549	8,018,174
Issue of shares	**1,289**	**–**	**–**	**(631)**	**–**	**–**	**–**	**–**	**–**	**–**	**658**
Reclassification of employee share option benefits	**–**	**–**	**–**	**(552)**	**–**	**–**	**–**	**–**	**–**	**552**	**–**
Fair value gain of financial assets at fair value through other comprehensive income	**–**	**–**	**–**	**–**	**18,437**	**–**	**–**	**–**	**–**	**–**	**18,437**
Fair value loss on hedging instruments in cash flow hedges	**–**	**–**	**–**	**–**	**–**	**(45,994)**	**–**	**–**	**–**	**–**	**(45,994)**
Currency translation adjustments	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**(692,483)**	**–**	**(692,483)**
2017 final dividend paid	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**(200,739)**	**(200,739)**
Profit for the year	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**934,964**	**934,964**
Balance as at 31 December 2018	**4,275,172**	**515,336**	**769**	**–**	**253,517**	**30,091**	**4,359**	**(311,448)**	**(1,035,105)**	**4,300,326**	**8,033,017**

11. Trade and other payables

	2018	2017
	HK$'000	*HK$'000*
Trade, bills and contract payables (a)	**1,986,284**	897,746
Retention payables	**52,158**	46,014
Accrued construction costs, other accruals and other payables	**5,471,033**	4,210,333
Rental deposits received	**18,247**	16,630
Amounts due to non-controlling shareholders of subsidiaries	**184,721**	68,112
Amounts due to a fellow subsidiary	**2,004,416**	3,310,162
Amounts due to associates	**965,979**	967,788
	10,682,838	9,516,785

(a) The aging analysis of trade, bills and contract payables of the Group based on invoice date is as follows:

	2018	2017
	HK$'000	*HK$'000*
0 to 90 days	**1,360,582**	149,314
91 to 180 days	**324,248**	7,220
181 days to 1 year	**152,413**	473,659
1 year to 2 years	**68,971**	182,947
Over 2 years	**80,070**	84,606
	1,986,284	897,746

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

The Group's consolidated revenue slid 8.4% to HK$10,930.8 million compared to HK$11,935.5 million of last year. Real estate development segment recorded a revenue decline of 9.1% to HK$9,918.7 million (2017: HK$10,907.2 million) as a result of a decrease in gross floor area of properties delivered. Specialised construction segment also recorded a revenue decline of 2.3% to HK$941.7 million (2017: HK$964.3 million), which was primarily attributed to the completion of MGM Cotai project in Macau. The revenue from property investment segment recorded a revenue growth of 10.0% to HK$70.4 million (2017: HK$64.0 million).

Segment Revenue

	For the year ended 31 December				**Year-on-year**
	2018		2017		**change**
	HK$ million	**%**	HK$ million	%	**%**
Real estate development	**9,918.7**	**90.7**	10,907.2	91.4	**-9.1**
Specialised construction	**941.7**	**8.6**	964.3	8.1	**-2.3**
Property investment	**70.4**	**0.7**	64.0	0.5	**+10.0**
Securities investment	**—**	**—**	—	—	**—**
Total	**10,930.8**	**100.0**	11,935.5	100.0	**-8.4**

Segment Results

	For the year ended 31 December				Year-on-year
	2018		2017		**Change**
	HK$ million	**%**	HK$ million	%	**%**
Real estate development	**3,371.8**	**92.8**	3,665.6	96.3	**-8.0**
Specialised construction	**1.6**	**0.0**	(123.7)	(3.2)	**N/A**
Property investment	**191.8**	**5.3**	224.4	5.9	**-14.5**
Securities investment	**69.1**	**1.9**	39.5	1.0	**+74.9**
Total	**3,634.3**	**100.0**	3,805.8	100.0	**-4.5**

As a result of recognition of higher-margin projects, overall gross profit margin improved from 34.3% to 35.6%. The Group's selling and marketing costs decreased 5.4% to HK$175.5 million (2017: HK$185.6 million) due to the reduction of selling expenses from a lower contracted sales during the year. Due to a higher one-off provision of inventory, receivables and others in the previous year which caused a significant decrease of 63.3% in the provision this year, the administrative and other expenses decreased by 8.6% to HK$539.1 million (2017: HK$590.1 million).

During the year under review, due to the increase in interest income from loans to a non-controlling shareholder of a subsidiary, finance income increased 28.6% to HK$189.0 million (2017: HK$147.0 million). Due to a change in the financing structure, the borrowing cost increased during the year. Accordingly, finance costs charged to the profit or loss recorded an increase of 19.9% to HK$137.5 million (2017: HK$114.7 million). As associates commenced an early start promotional activities, loss from share of results of associates increased to HK$10.5 million (2017: HK$2.5 million). Due to the significant reduction in the land appreciation tax expense, income tax expense decreased 18.6% to HK$1,716.3 million (2017: HK$2,109.0 million). Profit attributable to equity holders of the Company surged 31.1% to HK$935.0 million from HK$712.9 million of last year, representing a basic earnings per share of HK27.94 cents (2017: HK21.32 cents) for the year.

As at 31 December 2018, the Group's total assets slipped 3.6% to HK$47,252.8 million (2017: HK$49,018.4 million) whilst net assets increased 8.9% to HK$14,810.5 million (2017: HK$13,602.5 million), which is primarily attributed to the issuance of US$200 million senior perpetual securities at par value with initial distribution rate of 7.0% per annum on 17 May 2018. The financial position of the Group remains healthy with gearing ratio (total liabilities to total assets) of 68.7% (2017: 72.3%); net gearing ratio of 75.9% (2017: 62.4%); Contract liabilities, which mainly represents contracted sales proceeds received and will subsequently be recognised as the Group's revenue when presold properties are completed and delivered to buyers, declined 41.1% to HK$6,119.7 million (2017: HK$10,384.0 million) as a result of postponement in certain project sales schedule and near year-end sales launch.

REAL ESTATE DEVELOPMENT

Contracted Sales*

In 2018, the Group's total contracted sales declined approximately 15.3% to RMB6,818 million (2017: RMB8,051 million) but the gross floor area ("GFA") contracted for sale rose approximately 19.6% to 445,000 square metres (2017: 372,000 square metres). Total number of units sold during the year slid 3.5% to 5,430 units (2017: 5,626) and the average selling price ("ASP") dropped 29.5% to RMB15,300 (2017: RMB21,700) per square metre approximately. The majority of the contracted sales was derived from Tier 1 and Tier 2 cities.

The table below provides an analysis of contracted sales by project for the years 2017 and 2018:

Project	Year ended 31 December 2018 Contracted amount (RMB million)	Contracted GFA (sq.m.)	ASP (RMB/sq.m.)	2017 Contracted amount (RMB million)	Contracted GFA (sq.m.)	ASP (RMB/sq.m.)
Beijing Fortune Garden	**1,387**	**25,537**	**54,318**	3,035	36,679	82,738
Yingkou Platinum Bay	**430**	**65,071**	**6,600**	250	42,178	5,930
Langfang Harrow Town	**19**	**2,379**	**7,968**	564	46,559	12,113
Nanjing Sello Royale	**45**	**1,891**	**23,503**	–	–	–
Nanjing Academic Royale	**192**	**4,069**	**47,188**	1,800	45,268	39,764
Nanjing Yan Shan Ju#	**160**	**3,154**	**50,827**	941	21,759	43,232
Nanjing Enchanté Oasis	**521**	**17,156**	**30,369**	–	–	–
Nanjing Enchanté Cove	**850**	**31,483**	**26,990**	–	–	–
Changsha LOHAS International Community#	**195**	**6,987**	**27,913**	801	131,959	6,073
Changsha Scotland Town	**41**	**4,409**	**9,375**	44	4,970	8,942
Changsha Qin Royale#	**1,895**	**198,816**	**9,533**	214	10,166	21,003
Wuhan Enchanté Crest	**270**	**21,263**	**12,708**	–	–	–
Huizhou Hallstatt See	**556**	**55,216**	**10,077**	402	32,160	12,502
Foshan Academic Royale	**190**	**6,768**	**28,018**	–	–	–
Guangzhou Greenery Terrace	**67**	**1,013**	**65,671**	–	–	–
Total	**6,818**	**445,212**	**15,313**	8,051	371,698	21,667

* "Contracted Sales" means sales contracts entered into between the Group and purchasers pursuant to the Administrative Measures on the Sales of Commodity Buildings promulgated by the Ministry of Housing and Urban-rural Development on 4 April 2001 and implemented on 1 June 2001. Sale of commodity buildings included both pre-completion sales (pre-sale) and post-completion sales, and included sales from residential, commercial and car park units.

\# The difference in contract ASP for 2017 and 2018 was mainly due to the change in product mix.

Project Profiles

Location/Project		Attributable interest to the Group	Site Area (sq.m.)	Estimated GFA (sq.m.)	GFA completed (sq.m.)	GFA under development (sq.m.)	GFA held for future development (sq.m.)
Pan Bohai Rim							
1.	Beijing Fortune Garden	51.0%	139,000	414,000	414,000	—	—
2.	Yingkou Platinum Bay	100.0%	396,000	391,000	208,000	168,000	15,000
3.	Langfang Harrow Town	50.0%	433,000	1,256,000	284,000	—	972,000
4.	Tianjin Minmetals International	100.0%	21,000	183,000	183,000	—	—
Yangtze River Delta							
5.	Nanjing Sello Royale	100.0%	179,000	270,000	270,000	—	—
6.	Nanjing Academic Royale	100.0%	136,000	482,000	482,000	—	—
7.	Nanjing Yan Shan Ju	100.0%	91,000	203,000	203,000	—	—
8.	Nanjing Enchanté Oasis	100.0%	95,000	255,000	25,000	230,000	—
9.	Nanjing Enchanté Cove	100.0%	68,000	144,000	144,000	—	—
10.	Nanjing Yu Shan Tang	39.8%	83,400	283,000	—	283,000	—
11.	Nanjing Hexi Project	33.9%	43,000	230,000	—	230,000	—
Central China							
12.	Changsha LOHAS International Community	100.0%	643,000	1,084,000	1,084,000	—	—
13.	Changsha Scotland Town	100.0%	333,000	442,000	442,000	—	—
14.	Changsha Qin Royale	100.0%	150,000	560,000	178,000	334,000	48,000
15.	Wuhan Enchanté Crest	100.0%	61,000	178,000	—	178,000	—
16.	Wuhan Scenery Cove	100.0%	52,400	215,000	—	215,000	—
Pearl River Delta							
17.	Huizhou Hallstatt See	100.0%	984,000	1,621,000	213,000	179,000	1,229,000
18.	Foshan Academic Royale	100.0%	42,500	214,000	—	193,000	21,000
19.	Guangzhou Greenery Terrace	100.0%	30,600	29,000	—	29,000	—
20.	Guangzhou Maoganglu Project*	100.0%	14,000	73,000	—	—	73,000
21.	Guangzhou Changlingju Project*	100.0%	72,000	252,000	—	—	252,000
22.	Hong Kong Yau Tong Project	100.0%	10,500	53,000	—	53,000	—

* *New Project of 2018*

Beijing Fortune Garden

Fortune Garden is a residential development project located at Xibeiwang Town, Haidian District, Beijing. It occupies an aggregate site area of approximately 139,000 square metres and has an aggregate gross floor area of approximately 414,000 square metres. Fortune Garden received the "International Award" granted by the British Association of Landscape Industries in recognition of its outstanding landscape design. So far, 97.7% of the gross saleable floor area was sold. In 2018, this project achieved a contracted sales of 25,537 square metres.

Yingkou Platinum Bay

Platinum Bay is a residential development project comprises villas and apartments located at Liaoning (Yingkou) Coastal Industrial Base, Yingkou City, Liaoning Province. It occupies an aggregate site area of approximately 396,000 square metres and has an aggregate planned gross floor area of approximately 391,000 square metres. This project comprises five phases. The first three phases were delivered to buyers. Part I of Phase IV was completed and delivered to buyers at the end of 2018. Part II of Phase IV commenced pre-sale in the second quarter of 2018 and it is expected to complete construction by the end of 2019. Construction of Part III of Phase IV was commenced in March 2018 and pre-sale was launched in May 2018. Phase V will be comprised of high-rise units, the construction schedule of which will be dependent on market condition. In 2018, this project achieved a contracted sales of 65,071 square metres.

Langfang Harrow Town

Harrow Town (formerly known as Minmetals Vanke City) is a residential development project comprises villas and high-rise units located in Jiangxintun Town, Xianghe County, Langfang City, Hebei Province. It occupies an aggregate site area of approximately 433,000 square metres and has an aggregate planned gross floor area of approximately 1,256,000 square metres. Phase I and high rise units of Phase II of this project were delivered to buyers. The remaining part of the project is currently under planning and the expected construction completion date for the entire project is subject to further analysis. As a result of the newly introduced sales restriction in Langfang city, there is a sharp decline in property transaction volume. In 2018, this project achieved a contracted sales of 2,379 square metres.

Tianjin Minmetals International

Minmetals International is a mixed commercial and residential development project located at the east of Yingbin Main Road and south of Tuochang Road, Tanggu District, Tianjin. This project comprises office space, apartments, retail stores and car-parking spaces. It occupies an aggregate site area of approximately 21,000 square metres and has an aggregate gross floor area of approximately 183,000 square metres. So far, 96.5% of the gross saleable floor area was sold.

Nanjing Sello Royale

Sello Royale is a residential development project located at the south of Hongjing Road, Science Park, Jiangning District, Nanjing, Jiangsu Province. This project comprises villas and low-rise apartments. It occupies an aggregate site area of approximately 179,000 square metres and has an aggregate gross floor area of approximately 270,000 square metres. The project was awarded the “Best Residential Development in 2014 (East & Central China)” at the first China Property Awards held by Ensign Media. So far, 99.1% of the gross saleable floor area was sold. In 2018, this project achieved a contracted sales of 1,891 square metres.

Nanjing Academic Royale

Academic Royale is a residential development project located at Tian He Road, Jianye District, Nanjing, Jiangsu Province. It is located approximately 5 kilometres from the Nanjing Olympic Sports Centre and is situated in the Nanjing Hexi New City Zone, a district of key future development with a construction plan of becoming a comfortable living Eco-City. This project is designed as a high-quality residential community with low density. It occupies an aggregate site area of approximately 136,000 square metres and has an aggregate planned gross floor area of approximately 482,000 square metres. The project comprises four phases. The first three phases were delivered to buyers. Phase IV commenced construction in April 2016 and is expected to deliver to buyers with full refurbishment in the second quarter of 2019. In 2018, this project achieved a contracted sales of 4,069 square metres.

Nanjing Yan Shan Ju

Yan Shan Ju is a residential development project located in the established prime residential area at the southeast of Zijin Mountains in Nanjing Xuanwu District, Nanjing, Jiangsu Province where land supply is limited. It occupies an aggregate site area of approximately 91,000 square metres and has an aggregate gross floor area of approximately 203,000 square metres. There are well developed transportation facilities and the project is in close proximity to the Ninghang Expressway and Subway Line No. 2. In addition, it enjoys excellent surrounding environment and neighbours a number of educational and research institutions. It is designed as a high-end low-density residential community comprises low-rise apartments for first time buyers and upgraders from the local district and the Nanjing city. So far, 97.0% of the gross saleable floor area was sold. In 2018, this project achieved a contracted sales of 3,154 square metres.

Nanjing Enchanté Oasis

Enchanté Oasis is a residential development project located within the core centre of Zijin Technology Entrepreneurial Special Zone and at the junction of Shuanglong Avenue and Xuelindong Road, Jiangning District, Nanjing, Jiangsu Province and to the west of Shangqinhuai Wetland Park, the largest wetland park in China. It occupies an aggregate site area of approximately 95,000 square metres and has an aggregate planned gross floor area of approximately 255,000 square metres. This project comprises two phases. Development of Phase I has commenced in the second quarter of 2017 and is expected to be delivered to buyers by the end of 2019. Development of Phase II has commenced in January 2018 and is expected to deliver to buyers by the second quarter of 2020. In 2018, this project achieved a contracted sales of 17,156 square metres.

Nanjing Enchanté Cove

Enchanté Cove is a residential development project located at the junction of Fangqian Avenue and Wushi Road in the Jiangning University Town at the south-eastern corner of Fangshan, Jiangning District, Nanjing, Jiangsu Province. It occupies an aggregate site area of approximately 68,000 square metres and has an aggregate planned gross floor area of approximately 144,000 square metres. Development of the project was commenced in the second quarter of 2017. It has reached completion in the fourth quarter of 2018 for pre-sale and is expected to deliver to buyers by the third quarter of 2019. In 2018, this project achieved a contracted sales of 31,483 square metres.

Nanjing Yu Shan Tang

Yu Shan Tang is a residential development project located at the junction of Guangming Road and Lixin Road, Pukou District, Nanjing, Jiangsu Province with close proximity to Metro Line No. 10 Yushan Road Station and is equipped with well-established facilities. It occupies an aggregate site area of approximately 83,400 square metres and has an aggregate planned gross floor area of approximately 283,000 square metres. Development of the project was commenced in December 2017. It is expected to reach completion in the second quarter of 2019 for pre-sale and to deliver to buyers by the fourth quarter of 2020.

Nanjing Hexi Project

Hexi Project is a residential and commercial development project located at the junction of Yanshan Road and Shuiximen Avenue, Gulou District, the northern part of Hexi, Nanjing, Jiangsu Province where it enjoys an array of transportation, commercial and educational resources. It occupies an aggregate site area of approximately 43,000 square metres and has an aggregate planned gross floor area of approximately 230,000 square metres. Development of the project was commenced in the third quarter of 2018. It is expected to reach completion in the fourth quarter of 2019 for pre-sale and to deliver to buyers by the fourth quarter of 2021.

Changsha LOHAS International Community

LOHAS International Community is a large-scale residential development project with ancillary facilities such as clubhouse, shops, car-parking lots, schools and landscaped garden. Located at Gaoyun Road, Muyun Town, Changsha County, Hunan Province, the project occupies an aggregate site area of approximately 643,000 square metres, including a private lake of 30,000 square metres, and has an aggregate gross floor area of approximately 1,084,000 square metres. So far, 99.3% of the gross saleable floor area was sold. In 2018, this project achieved a contracted sales of 6,987 square metres.

Changsha Scotland Town

Scotland Town is a residential development project located at Yuntang Village and Yuetang Village, Muyun Town, Changsha County, Hunan Province and is adjacent to LOHAS International Community. It occupies an aggregate site area of approximately 333,000 square metres and has an aggregate gross floor area of approximately 442,000 square metres. So far, 98.7% of the gross saleable floor area was sold. In 2018, this project achieved a contracted sales of 4,409 square metres.

Changsha Qin Royale

Qin Royale is a residential and commercial development project located at Fu Yuan West Road, Kaifu District, Changsha County, Hunan Province, which is within a comfortable living Eco-City zone under planning, with close proximity to the Kaifu District Administration Centre. It occupies an aggregate site area of approximately 150,000 square metres and has an aggregate planned gross floor area of approximately 560,000 square metres. Whilst the residential portion of the project will be developed into a quality residential community for first home buyers and upgraders, the commercial portion will be developed as an entertainment complex with a studio in the center of the development surrounded by office buildings, hotel, shopping malls, and food and beverage facilities. This project comprises four phases. Phase I comprises villas and selected high-rise units and it was completed and delivered to buyers. Phase II is expected to deliver to buyers in the fourth quarter of 2019. The first part of Phase III commercial development was opened for business in December 2018 and the remaining part is currently under planning. Development of Phase IV residential units was commenced in second quarter of 2018 with pre-sale in third quarter of 2018. It is expected to complete in the first quarter of 2021 and deliver to buyers in the second quarter of 2021. In 2018, this project achieved a contracted sales of 198,816 square metres.

Wuhan Enchanté Crest

Enchanté Crest is a residential development project located at the junction of Songjiagang East Road and Huayun Road, Panlongcheng Economic Development Zone, Huangpi District, Wuhan, Hubei Province. It occupies an aggregate site area of approximately 61,000 square metres and has an aggregate planned gross floor area of approximately 178,000 square metres. This project is designed as a high-end residential community comprises low-rise apartments for first home buyers and upgraders. Development of the project commenced in the fourth quarter of 2017 and pre-sale was launched in the third quarter of 2018. It is expected to reach completion by the second quarter of 2020. In 2018, this project achieved a contracted sales of 21,263 square metres.

Wuhan Scenery Cove

Wuhan Scenery Cove is a residential development project located between the south of Third Ring and Fourth Ring of Wuhan, Hubei Province with close proximity to Huangjiahu University Town and the 2019 Military World Game Stadium. It is well equipped with transportation and community facilities, including the nearby Metro Line No. 8 Stadium Station. It occupies an aggregate site area of approximately 52,400 square metres and has an aggregate planned gross floor area of approximately 215,000 square metres. This project commenced development in the second quarter of 2018 and is expected to launch pre-sale in the second quarter of 2019.

Huizhou Hallstatt See

Hallstatt See is a large-scale residential development project located at Mai Tian Ling, Boluo County, Huizhou City, Guangdong Province with close proximity to many amenities such as golf course. Surrounded by hills and a 20-acre lake, the project occupies an aggregate site area of approximately 984,000 square metres and has an aggregate planned gross floor area of approximately 1,621,000 square metres. The project received 4A tourist attraction rating by China National Tourism Administration in 2015, and was given an award for its innovative cultural and resort real estate model in the 10th Annual Real Estate Billboard event hosted by China Commercial Real Estate Commission. This project comprises seven phases. Development of Phase I and part of Phase II was completed and delivered to buyers. Construction of the majority of Phase II and Phase III was completed and the high rise portion of Phase II is expected to deliver to buyers in the third quarter of 2020. Pre-sale of the high rise portion of Phase IV will be launched in the third quarter of 2019. It is expected to deliver to buyers in the fourth quarter of 2021. In 2018, this project achieved a contracted sales of 55,216 square metres.

Foshan Academic Royale

Foshan Academic Royale is a residential development project located at Lujingdong Road, Chancheng District, Foshan. Being situated in the Guangzhou-Foshan Urban Integration Development Region, this project is located at the junction of the Central Nanhai District and Chancheng District, within half an hour drive to Guangzhou and the core districts of Foshan. It occupies an aggregate site area of approximately 42,500 square metres and has an aggregate planned gross floor area of approximately 214,000 square metres. This project comprises mainly high-rise buildings over two phases. It will be developed into a quality residential community for first home buyers and upgraders. Phase I development was commenced in the first quarter of 2017 and pre-sale was launched in the third quarter of 2018. It is expected to complete and deliver to buyers in the fourth quarter of 2020. Phase II development was commenced in the second quarter of 2018 and pre-sale will be launched in the fourth quarter of 2019. It is expected to complete and deliver to buyers in the second quarter of 2021. In 2018, this project achieved a contracted sales of 6,768 square metres.

Guangzhou Greenery Terrace
Greenery Terrace is a residential development project located at Xingnan Avenue, Nancun County, Panyu District, Guangzhou within the Huanan New Town Zone. Being one of the few low-density sites located in the Huanan New Town Zone, the close proximity to Metro Line No. 7 and the various developments and facilities in the Wanbo Commercial Area in the near future will add tremendous value to the project. It occupies an aggregate site area of approximately 30,600 square metres and has an aggregate planned gross floor area of approximately 29,000 square metres. This project will be developed into a high-end low-density villa community. Development was commenced in the third quarter of 2017 and pre-sale was launched in the third quarter of 2018. It is expected to complete and deliver to buyers in the fourth quarter of 2019. In 2018, this project achieved a contracted sales of 1,013 square metres.

Guangzhou Maoganglu Project
Maoganglu Project is a residential development project located at Maogang Road, Huangpu District, Guangzhou. This project strategically positioned at the pivotal intersection between Huangpu Yuzhu Port Economic Zone and Guangzhou International Financial City, the second CBD of Guangzhou. It is conveniently located with close proximity to the planned Metro Line No. 13 and equipped with quality educational, healthcare and transportation facilities. It occupies an aggregate site area of approximately 14,000 square metres and has an aggregate planned gross floor area of approximately 73,000 square metres. This project will be developed into a mid-end quality high-rise community. It is expected to commence development in the third quarter of 2019 and launch pre-sale in the first quarter of 2020. It is expected to complete and deliver to buyers in the fourth quarter of 2021.

Guangzhou Changlingju Project
Changlingju Project is a residential development project located at Changling Road, Huangpu District, Guangzhou. It is 8 kilometres northeast to the Huangpu District municipal government office and 23 kilometres from Guangzhou International Financial City, the second CBD of Guangzhou. The project is conveniently located with close proximity to the planned Huangpu Tram Line No. 1 and equipped with quality educational, healthcare and transportation facilities. It occupies an aggregate site area of approximately 72,000 square metres and has an aggregate planned gross floor area of approximately 252,000 square metres. The project will be developed into a mid-end quality high-rise community. It is expected to commence development in the third quarter of 2019 and launch pre-sale in the second quarter of 2020. It is expected to complete and deliver to buyers in the fourth quarter of 2021.

Hong Kong Yau Tong Project
Yau Tong Project is a residential development project located at the junction of Shung Shun Street and Yan Yue Wai, Yau Tong, Kowloon, Hong Kong. With idyllic and unobstructed view of the Victoria Harbour, the development offers stylish and relaxing living environment. It occupies an aggregate site area of approximately 10,500 square metres and has an aggregate planned gross floor area of approximately 53,000 square metres. This project comprises four high-rise blocks with 688 units, which are mostly small to medium-sized. It aims to meet owner occupier and upgrade demand from single and expanding families. It also provides three and four-bedroom units for self-use and upgrade demand. Development of the project has commenced in the fourth quarter of 2017 with pre-sale scheduled to commence in the third quarter of 2020. This project is expected to complete in 2022.

Land Bank

As at 31 December 2018, the Group had a land bank developable in gross floor area of approximately 4,560,000 square metres across 22 real estate development projects in 11 cities, namely Beijing, Yingkou, Langfang, Tianjin, Nanjing, Changsha, Wuhan, Huizhou, Foshan, Guangzhou and Hong Kong.

New Land Bank Acquisition

Throughout the year of 2018, the Group has added two new projects to its real estate development portfolio and thus the developable gross floor area of land bank increased approximately 325,000 square metres. The total cost and average cost for the newly acquired land bank amounted to approximately RMB3,337 million and RMB10,300 per square metre respectively. The newly acquired land bank located in Guangzhou where the Group has already established a solid footprint. These acquisitions will further advance the Group's leading position in the Greater Bay Area market with enhancing brand penetration that continue to promote rapid expansion of the Group.

Location/Project	Property type	Attributable interest to the Group	Site area (sq.m.)	Estimated GFA (sq.m.)	Total land cost (RMB million)	Average land cost (RMB per sq.m.)
1. Guangzhou Maoganglu Project	Residential	100%	14,000	73,000	1,090	15,000
2. Guangzhou Changlingju Project	Residential	100%	72,000	252,000	2,247	9,000

SPECIALISED CONSTRUCTION

The Group is engaged in the business of specialised construction mainly encompassing the services of design, production and installation of curtain walls system and associated metal works via Minmetals Condo (Shanghai) Construction Co., Ltd. ("Condo Shanghai") for the PRC market and Minmetals Condo (Hong Kong) Engineering Company Limited ("Condo Hong Kong") for the Hong Kong market. In 2018, although the revenue derived from this segment dropped 2.3% to HK$941.7 million (2017: HK$964.3 million), its operating results, net of intra-group transactions, improved significantly with operating profit of HK$1.6 million (2017: operating loss of HK$123.7 million).

Condo Hong Kong's active participation in both private development and public sector over the years has earned itself positive market recognition within the construction sector, which has led to an increase in project bidding invitation. However, competition has intensified as a result of curtain wall construction companies from other regions entering into the Hong Kong market. In view of the shortage of skilled labour, rising trend in direct and indirect costs, Condo Hong Kong implemented a relatively conservative bidding strategy and underwent tight risk management measures whilst Condo Shanghai has prioritised itself over operational risk management. In 2018, this segment secured new tenders amounting to over RMB700 million with projects on hand amounting to approximately RMB1 billion as at 31 December 2018.

PROPERTY INVESTMENT

The Group's investment property portfolio in Hong Kong comprises two commercial office buildings, namely China Minmetals Tower in Tsimshatsui and LKF 29 in Central, together with four residential units, all of which are located in Hong Kong with a total gross floor area of 15,826 square metres. As retail sales continued to be adversely affected in 2018, popular tourist districts including Lan Kwai Fong in Central and Tsimshatsui have seen waves of early closing. Occupancy rate in the said districts have dropped to a new low level in recent years with significant downward revision in rental rate. Apart from downward revision on the rental rate, the Group also followed market practice to give marketing incentive to attract potential tenants.

In 2018, revenue from this segment increased 10.0% to HK$70.4 million (2017: HK$64.0 million). As at 31 December 2018, the occupancy rate of LKF 29 was 100% (31 December 2017: 87.4%) while China Minmetals Tower was 92.3% occupied (31 December 2017: 95.0%).

ENTRUSTED ASSET MANAGEMENT

During the year of 2018, the Group has recorded RMB9.2 million in management fee income according to the entrusted management service agreement whereby China Minmetals entrusted the Company with the management of all non-listed assets within its real estate development and construction division. The entrusted assets include real estate development and management projects in Beijing, Tianjin, Shenyang, Liaoning, Shandong, Qinghai, Jiangsu, Hunan and Guangdong.

PROPECTS AND OUTLOOK

Our operational and management principle for 2019 is "adhering to strategic leadership, improving turnover efficiency, continuously improving professional capacity and innovating and implementing quality strategies". In order to minimize market risks while ensuring cash flow generation, shortening development cycle and improving sales turnover will be our top operational priority. We will focus on the existing four major districts and Chengdu-Chongqing metropolitan area that we have given special attention to, and continue to adopt JV development strategies and seize opportunities to increase our high-quality land resources when appropriate. Moreover, we will strengthen our real estate development expertise, improve the value-add in our products and services, improve our integrated competitiveness and provide all-round support to our business growth. In terms of financial management, we will adhere to prudent financial management principles to closely monitor gearing ratio and operating expenses, strengthen capital market capability, optimise capital structure, and fully utilise capital raising capability in our Hong Kong listed platform.

FINANCIAL REVIEW

LIQUIDITY AND FINANCIAL RESOURCES

During the year of 2018, the Group's operations were financed mainly by cash flows generated internally from business operations as well as borrowings.

As at 31 December 2018, the Group had cash and bank deposits (excluding restricted cash and bank deposits) of HK$3,607.8 million (2017: HK$5,631.9 million), of which 75.8%, 15.1%, 9.0% and 0.1% (2017: 93.0%, 3.4%, 2.5% and 1.1%) were denominated in Renminbi, Hong Kong dollar, United States dollar and Macau Pataca respectively.

The Group had utilised financing to supplement internal resources to finance the acquisition of new projects and the development of existing projects. Total borrowings of the Group stood at HK$15,054.6 million as at 31 December 2018 (2017: HK$14,748.2 million), which mainly comprised borrowings from banks and bond issuance. The net gearing ratio (net debt to total equity) of the Group as at 31 December 2018 was 75.9% (2017: 62.4%).

The weighted average borrowing costs of the Group maintained at a low level of around 4.75% (2017: 3.81%).

The maturity profile of the Group's borrowings is as follows:

	As at 31 December			
	2018		2017	
	HK$ million	**%**	HK$ million	%
Within one year	**1,015.4**	**6.7**	3,978.2	27.0
In the second year	**8,067.7**	**53.6**	35.9	0.2
In the third to fifth year	**5,971.5**	**39.7**	9,765.1	66.2
Beyond five years	**–**	**–**	969.0	6.6
Total	**15,054.6**	**100.0**	14,748.2	100.0

The currency profile of the Group's borrowings is as follows:

	As at 31 December			
	2018		2017	
	HK$ million	**%**	HK$ million	%
Renminbi	**1,153.0**	**7.7**	143.5	1.0
Hong Kong Dollar	**10,591.6**	**70.4**	11,882.0	80.6
United States Dollar	**3,310.0**	**21.9**	2,722.7	18.4
Total	**15,054.6**	**100.0**	14,748.2	100.0

The finance costs charged to the profit or loss for 2018 amounted to HK$137.5 million (2017: HK$114.7 million) after capitalisation of HK$553.8 million (2017: HK$539.1 million) into properties under development. The unutilised banking facilities of the Group as at 31 December 2018 amounted to HK$10,557.7 million (2017: HK$4,544.5 million).

EXPOSURE TO FLUCTUATION IN EXCHANGE RATES AND INTEREST RATES

Exchange Rate Risk

The Group's principal business is located in Mainland China where external financing is denominated in Hong Kong dollar and revenue is denominated in Renminbi primarily. The Group is exposed to exchange rate risk on transactions that are denominated in a currency other than Hong Kong dollar, the reporting and functional currency of the Company. The Group has been closely monitoring the fluctuation in Renminbi exchange rate and has adopted necessary measures to minimise the impact arising from adverse currency fluctuation including adjustment to the proportion of borrowings in foreign currency and utilisation of foreign exchange hedging instruments such as forward foreign exchange contracts or capped forward contracts. In 2017, the Group has entered capped foreign exchange contracts with certain banks in order to hedge against exchange rate risk at an aggregate nominated sum of US$80 million, which were settled by the end of February 2018.

Interest Rate Risk

The Group is also exposed to interest rate risk resulting from fluctuation in interest rates. Most of the borrowings of the Group was on a floating rate basis and therefore, an increase in interest rate would raise the Group's interest cost. In order to mitigate the interest rate risk, the Group entered into interest rate swap contracts in which the Group would receive interest of one-month HIBOR and pay monthly interest at a fixed rate based on the notional amount of HK$4.6 billion. As at 31 December 2018, approximately 52.5% (2017: 42.9%) of the Group's borrowings was on a fixed rate basis after hedging with the remainder on a floating rate basis.

As at 31 December 2018, save as disclosed above, the Group has not possessed any kind of financial instruments for hedging and speculative purposes.

CHARGES ON GROUP ASSETS

As at 31 December 2018, certain assets of the Group were pledged to secure certain banking facilities granted to the Group and mortgage loan facilities to the purchasers of the Group's properties, and these pledged assets of the Group included:

i. inventories with carrying amounts of approximately HK$7,735,867,000 (2017: HK$6,165,669,000); and
ii. 100% equity interest in a subsidiary.

FINANCIAL GUARANTEES AND CONTINGENT LIABILITIES

As at 31 December 2018, guarantees given to banks for mortgage facilities granted to certain purchasers of the Group's properties amounted to HK$7,538.1 million (2017: HK$13,142.9 million). Such guarantees will terminate upon the earlier of (i) the issuance of the property ownership certificate which will generally be available within one year after the purchasers taken the possession of the relevant properties; or (ii) the repayment of mortgaged loans by the purchasers. After taking in account the net realisable value of the related properties and the low default rate, the guarantee contracts at initial recognition and subsequently at the end of each reporting period is not significant.

EMPLOYEES

The total number of staff of the Group, including the Directors, increased 8.2% to 849 (2017: 785) as at 31 December 2018. The Group will continue to adopt a remuneration policy in line with local market practice and standards. The total remuneration and benefits for the Directors and staff of the Group for the year ended 31 December 2018 were approximately HK$350.3 million (2017: HK$356.8 million).

SHARE OPTION SCHEME

The share option scheme adopted by the Company on 29 May 2003 (the "2003 Share Option Scheme") has expired on 28 May 2013. However, share options granted under the 2003 Share Option Scheme prior to its expiration shall continue to be valid and exercisable in accordance with their terms of issue.

A new share option scheme was adopted by the Company on 7 June 2013 (the "2013 Share Option Scheme") to recognise and acknowledge eligible persons for their contribution or potential contribution to the Group. The 2013 Share Option Scheme shall remain in force for 10 years from its adoption date. Details of the 2013 Share Option Scheme will be set out in the 2018 annual report of the Company.

As at 31 December 2018, there were no (2017: 3,524,665) outstanding share options which were granted under the 2003 Share Option Scheme. No share options have yet been granted by the Company pursuant to the 2013 Share Option Scheme.

FINAL DIVIDEND

The Directors recommend the payment of a final dividend of HK8.0 cents (2017: HK6.0 cents) per share payable in cash to shareholders whose names appearing on the register of members of the Company on Wednesday, 29 May 2019.

The dividend cheques will be distributed to shareholders on or about Monday, 10 June 2019.

ANNUAL GENERAL MEETING

An annual general meeting of the shareholders of the Company is convened to be held on Friday, 10 May 2019 (the "2019 AGM"). The notice of the 2019 AGM which forms part of the circular to shareholders of the Company will be despatched together with the 2018 annual report.

CLOSURE OF REGISTER OF MEMBERS FOR ANNUAL GENERAL MEETING

The register of members of the Company will be closed from Tuesday, 7 May 2019 to Friday, 10 May 2019 (both days inclusive), during which period no transfer of shares will be registered for the purpose of determining shareholders' entitlement to attend and vote at the 2019 AGM.

In order to qualify to attend and vote at the 2019 AGM, all share certificates with completed transfer forms must be lodged with the Company's Hong Kong branch share registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong not later than 4:30 p.m. on Monday, 6 May 2019.

CLOSURE OF REGISTER OF MEMBERS FOR FINAL DIVIDEND

The register of members of the Company will be closed from Monday, 27 May 2019 to Wednesday, 29 May 2019 (both days inclusive), for the purpose of determining shareholders' entitlement to the proposed final dividend.

In order to qualify for the proposed final dividend, all share certificates with completed transfer forms must be lodged with the Company's Hong Kong branch share registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong not later than 4:30 p.m. on Friday, 24 May 2019.

CORPORATE GOVERNANCE

Corporate Governance Code

In the opinion of the Directors, throughout the year ended 31 December 2018, the Company has complied with the code provisions of the Corporate Governance Code as set out in Appendix 14 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules"), except for the following deviations:

1. Code provision A.4.2 requires that all directors appointed to fill a casual vacancy in listed companies be subject to election by shareholders at the first general meeting after their appointment. Every director, including those appointed for a specific term, should be subject to retirement by rotation at least once every three years.

   Instead of having elected at the first general meeting, Directors (save for the Chairman and the Managing Director) appointed by the Company to fill a casual vacancy are subject to election at the first annual general meeting after their appointment. Besides, all Directors are subject to retirement by rotation in the manner as set out in the said code provision save for the Chairman and the Managing Director of the Company where they are not required to do so pursuant to the private company act 1991 by which the Company was incorporated.

2. Code provision E.1.2 requires that the chairman of the board and the chairman of all the board committees of listed companies to attend and answer questions at the annual general meeting.

   Mr. Li Fuli, the Chairman of the Board and of the Nomination Committee during the year ended 31 December 2018, was not available for the Company's annual general meeting for 2018 due to ad hoc business commitment. Accordingly, Mr. He Jianbo, the then Deputy Chairman, Managing Director and a member of the Nomination Committee, took the chair of the said meeting.

Code for Securities Transactions by Directors
The Company has established a set of guidelines as its own "Rules and Procedures for Directors and Relevant Employees of the Company in respect of Dealings in Securities of the Company" (the "Rules for Securities Transactions") on terms no less exacting than those contained in the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Listing Rules.

Having made specific enquiries of all the Directors, they had confirmed in writing that they had complied with the Rules for Securities Transactions throughout the year ended 31 December 2018.

REVIEW BY AUDIT COMMITTEE

The audit committee of the Company has discussed with the management of the Company and the Group's auditor, Messrs. Deloitte Touche Tohmatsu, on the consolidated financial statements of the Group for the year ended 31 December 2018 and also reviewed accounting principles and practices adopted by the Group, internal control and other financial reporting matters. The consolidated financial statements of the Group for the year ended 31 December 2018 have been recommended by the audit committee of the Company to the Board for approval.

SCOPE OF WORK OF MESSRS. DELOITTE TOUCHE TOHMATSU

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the year ended 31 December 2018 as set out in this announcement have been agreed by the Group's auditor, Messrs. Deloitte Touche Tohmastu, to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by Messrs. Deloitte Touche Tohmastu in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the HKICPA and consequently no assurance has been expressed by Messrs. Deloitte Touche Tohmastu on this announcement.

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

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities during the year ended 31 December 2018.

BOARD OF DIRECTORS

As at the date of this announcement, the board of Directors of the Company comprises eight directors, namely Mr. He Jianbo as the Chairman and an executive director, Mr. Liu Zeping, Mr. Chen Xingwu and Mr. Yang Shangping as executive directors, Ms. He Xiaoli as a non-executive director, and Mr. Selwyn Mar, Mr. Lam Chung Lun, Billy and Ms. Law Fan Chiu Fun, Fanny as independent non-executive directors.

By order of the Board
He Jianbo
Chairman

Hong Kong, 21 March 2019

The Company's 2018 annual report containing, inter alia, the corporate governance report, the report of the directors and the consolidated financial statements for the year ended 31 December 2018 will be published on the Company's website at www.minmetalsland.com and the website of The Stock Exchange of Hong Kong Limited at www.hkexnews.hk in due course.