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華潤置地有限公司 China Resources Land Limited

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1109)

ANNOUNCEMENT OF 2022 INTERIM RESULTS

HIGHLIGHTS

- Consolidated revenue for the first half of 2022 amounted to RMB72.89 billion, down by 1.1% year on year (“YoY”). Development property revenue fell 2.6% YoY to RMB59.37 billion. Revenue of investment properties (including hotel operations) declined 8.2% YoY to RMB7.60 billion. If excluding the rental relief, the revenue of investment properties growth rate was 10.5% YoY.
- Consolidated gross profit margin lowered to 26.9% in the first half of 2022 from 31.3% in the first half of 2021. Development property gross profit margin lowered to 22.8% in the first half of 2022 from 27.1% in the first half of 2021, while investment property (including hotel operations) gross profit margin decreased from 69.8% in the first half of 2021 to 65.5% in the first half of 2022.
- Core profit attributable to the owners of the Company excluding revaluation gain from investment properties in the first half of 2022 reached RMB10.16 billion, up by 2.6% YoY. As the revaluation gain from investment properties decreased, profit attributable to the owners of the Company including the revaluation gain from investment properties declined 19.2% YoY to RMB10.60 billion.
- Booked GFA amounted to approximately 5.13 million square meters in the first half of 2022, decreased by 0.2% YoY compared with approximately 5.14 million square meters in the first half of 2021.
- In the first half of 2022, the Group achieved contracted sales of RMB121.04 billion with contracted GFA of 5.87 million square meters, fell 26.6% and 39.0% YoY respectively. As of 30 June 2022, the Group had locked in consolidated contracted sales of RMB232.80 billion that were subject to recognition in 2022 and years to come, among which RMB92.00 billion will be recognized in the second half of 2022 as development property revenue. In addition, the Group had locked in contracted sales not subject to consolidation of RMB139.76 billion, among which RMB64.40 billion will be recognized in the second half of 2022.
- In the first half of 2022, the Group acquired land bank of 3.80 million square meters. As of 30 June 2022, the Group’s total land bank was approximately 66.14 million square meters.
- Earnings per share achieved RMB1.49 in the first half on 2022, down by 19.2% compared with RMB1.84 in the first half of 2021, while core earnings per share attributable to the owners of the Company was up 2.6 % YoY to RMB1.43.
- The board resolved to declare an interim dividend of RMB0.182 per share (equivalent to HKD0.208 per share), increased by 5.2% YoY from RMB0.173 per share (equivalent to HKD0.208 per share) in the first half of 2021.

The board of directors (the “Board”) of China Resources Land Limited (the “Company”) is pleased to announce the unaudited condensed consolidated results of the Company and its subsidiaries (the “Group”) for the six months ended 30 June 2022 (“the first half of 2022”) as follows:

CONDENSED CONSOLIDATED INCOME STATEMENT

	NOTES	Six months ended 30 June	
		2022	2021
		RMB'000	RMB'000
		(Unaudited)	(Unaudited)
Revenue	3	72,894,014	73,741,795
Cost of sales		(53,257,788)	(50,632,770)
Gross profit		19,636,226	23,109,025
Gain on changes in fair value of investment properties		2,380,217	4,740,182
Gain on changes in fair value of financial instruments at fair value through profit or loss		5,139	41,432
Other income, other gains and losses		1,224,072	1,766,762
Selling and marketing expenses		(2,002,961)	(2,532,358)
General and administrative expenses		(2,212,164)	(2,406,788)
Share of profits of investments in joint ventures		1,104,190	715,608
Share of profits of investments in associates		574,947	339,727
Finance costs	4	(904,542)	(943,137)
Profit before taxation		19,805,124	24,830,453
Income tax expenses	5	(7,121,111)	(9,240,469)
Profit for the period	6	12,684,013	15,589,984
Profit for the period attributable to:			
Owners of the Company		10,602,873	13,125,377
Non-controlling interests		2,081,140	2,464,607
		12,684,013	15,589,984
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY			
		RMB	RMB
		(Unaudited)	(Unaudited)
Basic			
— For profit for the period	8	1.49	1.84

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Six months ended 30 June	
	2022	2021
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Profit for the period	12,684,013	15,589,984
Other comprehensive income/(losses)		
<i>Items that may be reclassified subsequently to profit or loss</i>		
Fair value hedges and cash flow hedges:		
Changes in fair value of hedging instruments due to forward elements and effective portion arising during the period	(196,142)	(33,325)
Exchange differences on translation of foreign operations	450,127	(56,247)
Net other comprehensive income/(losses) that may be reclassified to profit or loss in subsequent periods	253,985	(89,572)
<i>Item that will not be reclassified subsequently to profit or loss</i>		
Loss on changes in fair value of equity instruments designated at fair value through other comprehensive income	(13,966)	(6,199)
Other comprehensive loss that will not be reclassified to profit or loss in subsequent periods	(13,966)	(6,199)
Other comprehensive income/(losses) for the period	240,019	(95,771)
Total comprehensive income for the period	12,924,032	15,494,213
Total comprehensive income attributable to:		
Owners of the Company	10,716,535	13,061,477
Non-controlling interests	2,207,497	2,432,736
	12,924,032	15,494,213

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	30 June	31 December
	2022	2021
<i>NOTE</i>	<i>RMB'000</i>	<i>RMB'000</i>
	(Unaudited)	(Audited)
NON-CURRENT ASSETS		
Property, plant and equipment	15,846,045	15,427,154
Right-of-use assets	5,974,114	6,239,461
Investment properties	222,421,408	217,530,118
Intangible assets	1,580,758	76,356
Goodwill	1,887,498	11,544
Investments in joint ventures	45,999,339	40,940,180
Investments in associates	23,211,057	21,059,848
Equity instruments designated at fair value through other comprehensive income	1,081,841	1,100,462
Financial assets at fair value through profit or loss	153,120	152,374
Time deposits	2,516,608	2,474,608
Prepayments for non-current assets	2,461,061	1,525,343
Deferred taxation assets	10,865,453	11,214,154
Amounts due from related parties	5,197,514	11,992,508
Amounts due from non-controlling interests	3,377,218	4,787,416
	<u>342,573,034</u>	<u>334,531,526</u>
CURRENT ASSETS		
Properties for sale	425,333,999	402,563,432
Other inventories	463,651	463,065
Trade receivables, other receivables, prepayments and deposits	58,058,217	48,461,358
Contract assets	1,269,272	1,547,444
Financial assets at fair value through profit or loss	1,257,449	1,237,439
Amounts due from related parties	32,641,441	25,921,325
Amounts due from non-controlling interests	18,934,514	14,801,388
Prepaid taxation	14,000,064	11,529,164
Restricted bank deposits	1,876,081	1,975,335
Cash and bank balances	114,571,384	106,772,788
	<u>668,406,072</u>	<u>615,272,738</u>

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
(CONTINUED)**

		30 June 2022	31 December 2021
	<i>NOTE</i>	<i>RMB'000</i> (Unaudited)	<i>RMB'000</i> (Audited)
CURRENT LIABILITIES			
Trade and other payables	<i>10</i>	133,630,199	131,692,790
Lease liabilities		972,716	1,044,306
Contract liabilities		237,491,546	212,719,073
Financial liabilities at fair value through profit or loss		390,627	3,510
Amounts due to related parties		31,353,472	25,928,254
Amounts due to non-controlling interests		8,983,769	9,187,825
Taxation payable		22,031,583	29,507,461
Bank and other borrowings — due within one year		45,216,468	49,321,902
Medium-term notes — due within one year		12,569,977	5,222,066
		<u>492,640,357</u>	<u>464,627,187</u>
NET CURRENT ASSETS		<u>175,765,715</u>	<u>150,645,551</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u><u>518,338,749</u></u>	<u><u>485,177,077</u></u>
EQUITY			
Share capital		673,829	673,829
Reserves		<u>227,407,341</u>	<u>225,855,441</u>
Equity attributable to owners of the Company		228,081,170	226,529,270
Non-controlling interests		<u>79,592,797</u>	<u>65,546,704</u>
		<u><u>307,673,967</u></u>	<u><u>292,075,974</u></u>

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
(CONTINUED)**

	30 June 2022	31 December 2021
	<i>RMB'000</i>	<i>RMB'000</i>
	(Unaudited)	(Audited)
NON-CURRENT LIABILITIES		
Bank and other borrowings — due after one year	113,163,534	90,746,848
Senior notes — due after one year	13,220,786	12,575,147
Medium-term notes — due after one year	27,699,971	22,108,888
Lease liabilities	5,241,642	4,757,826
Financial liabilities at fair value through profit or loss	685,324	—
Amounts due to related parties	12,368,826	21,694,690
Amounts due to non-controlling interests	5,566,206	11,686,927
Long-term payables	154,165	126,278
Derivative financial instruments	229,906	251,575
Deferred taxation liabilities	32,334,422	29,152,924
	<u>210,664,782</u>	<u>193,101,103</u>
TOTAL OF EQUITY AND NON-CURRENT LIABILITIES	<u><u>518,338,749</u></u>	<u><u>485,177,077</u></u>

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. BASIS OF PREPARATION

The interim condensed consolidated financial information of the Group for the six months ended 30 June 2022 has been prepared in accordance with Hong Kong Accounting Standard 34 *Interim Financial Reporting* issued by the Hong Kong Institute of Certified Public Accountant (“HKICPA”) as well as the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited. The interim condensed consolidated financial information does not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the Group’s annual consolidated financial statements for the year ended 31 December 2021.

2. PRINCIPAL ACCOUNTING POLICIES

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

The accounting policies adopted in the preparation of the interim condensed consolidated financial information are consistent with those applied in the preparation of the Group’s annual consolidated financial statements for the year ended 31 December 2021, except for the adoption of the following amendments to Hong Kong Financial Reporting Standards (“HKFRSs”) for the first time for the current period’s financial information. The Group has not early adopted any other standard, interpretation or amendment that has been issued but not yet effective.

Amendments to HKFRS 3	<i>Reference to the Conceptual Framework</i>
Amendments to HKAS 16	<i>Property, Plant and Equipment Proceeds before Intended Use</i>
Amendments to HKAS 37	<i>Onerous Contracts — Cost of Fulfilling a Contract</i>
<i>Annual Improvements to HKFRSs 2018–2020</i>	Amendments to HKFRS 1, HKFRS 9, Illustrative Examples accompanying HKFRS 16, and HKAS 41

The application of the above amendments to HKFRSs in the current period has had no material impact on the amounts and/or disclosures reported in these condensed consolidated financial statements.

3. SEGMENT INFORMATION

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

For the six months ended 30 June 2022 (Unaudited)

	Development properties for sale <i>RMB'000</i>	Property investments and management <i>RMB'000</i>	Hotel operations <i>RMB'000</i>	Construction, decoration services and others <i>RMB'000</i>	Consolidated <i>RMB'000</i>
SEGMENT REVENUE AND RESULTS					
Revenue					
Revenue from contracts with customers					
Recognised at a point in time	43,659,379	–	–	1,964,277	45,623,656
Recognised over time	15,706,054	2,060,237	570,058	10,406,245	28,742,594
Revenue from other sources					
Rental income	–	5,386,127	–	–	5,386,127
	<u>59,365,433</u>	<u>7,446,364</u>	<u>570,058</u>	<u>12,370,522</u>	<u>79,752,377</u>
Inter-segment revenue	–	(410,767)	(1,935)	(6,445,661)	(6,858,363)
	<u>59,365,433</u>	<u>7,035,597</u>	<u>568,123</u>	<u>5,924,861</u>	<u>72,894,014</u>
Results					
Share of profits of investments in joint ventures and associates	1,878,515	(215,602)	(34)	16,258	1,679,137
Segment results (including share of profits of investments in joint ventures and associates)	<u>13,560,724</u>	<u>3,515,022</u>	<u>(217,227)</u>	<u>531,619</u>	<u>17,390,138</u>
Other income, other gains and losses					1,224,072
Gain on changes in fair value of investment properties					2,380,217
Gain on changes in fair value of financial instruments at fair value through profit or loss					5,139
Unallocated expenses					(289,900)
Finance costs					(904,542)
Profit before taxation					<u><u>19,805,124</u></u>

3. SEGMENT INFORMATION (CONTINUED)

For the six months ended 30 June 2021 (Unaudited)

	Development properties for sale <i>RMB'000</i>	Property investments and management <i>RMB'000</i>	Hotel operations <i>RMB'000</i>	Construction, decoration services and others <i>RMB'000</i>	Consolidated <i>RMB'000</i>
SEGMENT REVENUE AND RESULTS					
Revenue					
Revenue from contracts with customers					
Recognised at a point in time	45,803,802	–	–	–	45,803,802
Recognised over time	15,126,658	2,259,972	735,169	9,270,509	27,392,308
Revenue from other sources					
Rental income	–	6,285,245	–	–	6,285,245
Segment revenue	60,930,460	8,545,217	735,169	9,270,509	79,481,355
Inter-segment revenue	–	(997,763)	(70)	(4,741,727)	(5,739,560)
Revenue from external customers	60,930,460	7,547,454	735,099	4,528,782	73,741,795
Results					
Share of profits of investments in joint ventures and associates	803,286	283,282	(68)	(31,165)	1,055,335
Segment results (including share of profits of investments in joint ventures and associates)	15,069,628	4,774,831	(172,345)	59,165	19,731,279
Other income, other gains and losses					1,766,762
Gain on changes in fair value of investment properties					4,740,182
Gain on changes in fair value of financial instruments at fair value through profit or loss					41,432
Unallocated expenses					(506,065)
Finance costs					(943,137)
Profit before taxation					24,830,453

4. FINANCE COSTS

	Six months ended 30 June	
	2022	2021
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Total interests on bank and other borrowings, senior notes, medium-term notes and others	4,186,710	3,720,734
Total interest on lease liabilities	146,629	135,729
Total bank charges	89,637	109,816
Less: Amounts capitalised in properties under development for sale, investment properties under construction and construction in progress	(3,518,434)	(3,023,142)
	<u>904,542</u>	<u>943,137</u>

5. INCOME TAX EXPENSES

	Six months ended 30 June	
	2022	2021
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
The income tax expenses comprise of:		
Current taxation		
PRC Enterprise Income Tax (“EIT”) and withholding income tax	1,816,347	3,147,272
PRC Land Appreciation Tax (“LAT”)	2,050,906	3,419,320
Tax charge in other jurisdiction	6,519	7,446
	<u>3,873,772</u>	<u>6,574,038</u>
Less: Over provision in prior years	(126,001)	(77,280)
Deferred taxation	<u>3,373,340</u>	<u>2,743,711</u>
	<u>7,121,111</u>	<u>9,240,469</u>

(a) EIT

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

(b) PRC withholding income tax

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

5. INCOME TAX EXPENSES (CONTINUED)

(c) LAT

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

(d) Hong Kong Profits Tax

Hong Kong Profits Tax is calculated at 16.5% (2021: 16.5%) of the 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% (2021: 19%).

6. PROFIT FOR THE PERIOD

	Six months ended 30 June	
	2022	2021
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Profit for the period has been arrived at after charging the following items:		
Depreciation of property, plant and equipment	452,587	444,593
Depreciation of right-of-use assets	249,823	174,391
Amortisation of intangible assets	25,698	1,309

7. DIVIDENDS

A dividend of RMB1.207 (equivalent to HKD1.484) per ordinary share that relates to the year ended 31 December 2021 amounting to RMB9,032,747,000 was recognised during the six months ended 30 June 2022 and paid in August 2022.

A dividend of RMB1.102 (equivalent to HKD1.312) per ordinary share that relates to the year ended 31 December 2020 amounting to RMB7,680,929,000 was recognised during the six months ended 30 June 2021 and paid in July 2021.

An interim dividend of RMB0.182 (equivalent to HKD0.208) per ordinary share in respect of the six months ended 30 June 2022 (2021: RMB0.173 (equivalent to HKD0.208) per ordinary share) was declared by the Board of Directors of the Company on 30 August 2022. This interim dividend, amounting to RMB1,297,831,000 (2021: RMB1,233,653,000), has not been recognised as a liability in these condensed consolidated financial statements.

8. EARNINGS PER SHARE

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

	Six months ended 30 June	
	2022	2021
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Earnings		
Earnings for the purpose of basic earnings per share (profit for the period attributable to owners of the Company)	<u>10,602,873</u>	<u>13,125,377</u>
	2022	2021
Number of shares		
Weighted average number of ordinary shares for the purpose of basic earnings per share	<u>7,130,939,579</u>	<u>7,130,939,579</u>

No diluted earnings per share is presented for the six months ended 30 June 2022 and 2021 as there were no potential ordinary shares outstanding.

9. TRADE RECEIVABLES, OTHER RECEIVABLES, PREPAYMENTS AND DEPOSITS

	30 June	31 December
	2022	2021
	RMB'000	RMB'000
	(Unaudited)	(Audited)
Trade and bills receivables (<i>Note</i>)	3,024,938	2,425,042
Less: provision for impairment (<i>Note</i>)	<u>(118,649)</u>	<u>(91,371)</u>
	<u>2,906,289</u>	<u>2,333,671</u>
Prepayments for acquisition of land use rights	<u>14,152,877</u>	<u>4,851,777</u>
Other receivables	15,269,595	17,058,068
Less: provision for impairment	<u>(306,414)</u>	<u>(292,088)</u>
	<u>14,963,181</u>	<u>16,765,980</u>
Prepayments and deposits	<u>26,035,870</u>	<u>24,509,930</u>
	<u>58,058,217</u>	<u>48,461,358</u>

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

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 not granted its customers with any credit period.

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

	30 June 2022 RMB'000 (Unaudited)	31 December 2021 RMB'000 (Audited)
0–30 days	442,982	738,688
31–60 days	276,092	235,526
61–90 days	286,888	108,269
91–180 days	721,064	297,431
181–365 days	754,869	485,830
Over 1 year	424,394	467,927
	<u>2,906,289</u>	<u>2,333,671</u>

10. TRADE AND OTHER PAYABLES

	30 June 2022 RMB'000 (Unaudited)	31 December 2021 RMB'000 (Audited)
Trade and bills payables (<i>Note a</i>)	87,978,725	91,622,135
Other payables (<i>Note b</i>)	45,651,474	40,070,655
	<u>133,630,199</u>	<u>131,692,790</u>

10. TRADE AND OTHER PAYABLES (CONTINUED)

Notes:

(a) Trade and bills payables

The average credit period of trade and bills payables is determined according to the terms stipulated in the contract, normally ranging from 30 days to 1 year.

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

	30 June 2022 RMB'000 (Unaudited)	31 December 2021 RMB'000 (Audited)
0–30 days	10,484,019	13,775,960
31–60 days	6,493,683	9,880,454
61–90 days	3,330,722	5,364,314
91–180 days	14,699,098	19,167,599
181–365 days	37,550,574	26,116,162
Over 1 year	15,420,629	17,317,646
	<u>87,978,725</u>	<u>91,622,135</u>

(b) Other Payables

The 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 half year ended 30 June 2022.

In the first half of 2022, China’s economy has demonstrated its resilience and potential with long-term growth momentum amid headwinds from slowed down global economy, complex and grim international environment and a heavy blow from lingered domestic COVID-19 cases. The Chinese government responded swiftly to unexpected factors with effective coordination in pandemic control and economic and social development, and stepped up its efforts to adjust macro policies by implementing a series of pro-growth policies. With the pandemic being under control, the national economy stabilized and rebounded with sustained high-quality development momentum and strong fundamentals. China’s GDP expanded 2.5% YoY in the first half of 2022.

In the first half of 2022, China’s real estate market underwent unprecedented challenges. The sales of commercial houses plunged and the total investment growth in real estate development was negative as compared to last year. Facing the challenging economic situation and under pressure, the Group made every effort for stable growth, good results and healthy development. As of 30 June 2022, the Group achieved consolidated turnover of RMB72.89 billion, net profit attributable to shareholders of RMB10.60 billion and core profit attributable to shareholders of RMB10.16 billion, successfully accomplishing its half-year performance targets.

Development Property Business

Amid industry dynamics, the Group will continue to focus on its key management themes of “cost reduction, quality improvement and efficiency enhancement” while adhering to its strategic driven investment policy with a focus on key cities and core regions, continuously promote the fine management system for production and operation, and enhance its product strength and market competitiveness in various aspects. As of 30 June 2022, the Group achieved its half-year sales target with contracted sales for development property business of RMB121.04 billion.

Investment Property Business

Shopping Malls

In the first half of the year, under macroeconomic downturn and sluggish consumer sentiment, the total national retail sales of consumer goods declined by 0.7% YoY. In particular, hindered by the epidemic prevention and control, shopping malls in many cities witnessed the closure of some businesses and a slump in foot traffic, the combined effects of which had a significant impact on physical market. Despite such unfavorable market conditions, the retail sales of the Group's shopping malls in the first half of the year reached RMB54.11 billion with 7.0% YoY growth, significantly outperforming the market average. The Group believes that China's consumer market has strong growth potential in the long term with six shopping malls opened as scheduled in the first half of the year, including Wuhan Mixc, Fuzhou Mixc, Haikou Mixc and other signature projects with city influence. Average occupancy rate of such newly opened shopping malls recorded at 88.6%.

Bearing long-termism philosophy, the Group is committed to working and overcoming difficulties together with our tenants for a prosperous future. Against epidemic resurgence in the first half of the year, the Group took the initiative to grant rental relief totaling approximately RMB1.75 billion to our qualified tenants. After granting rent concessions, rental income of shopping malls declined by 6.2% YoY to RMB6.19 billion (if excluding rental relief impact during the period, the YoY actual growth could have been 14.2%).

Offices

The Group's office business leads the industry in its asset quality. Under the impact of the epidemic, the Group seized the market opportunity to increase the occupancy rate and optimize the tenant mix. In the first half of 2022, with excellent marketing and operation, the Group attracted a number of high-quality tenants and recorded an increase in occupancy rate of 4.7 percentage points YoY. The revenue from office business reached RMB0.84 billion, with a YoY decrease of 10.9% (if excluding rental relief impact during the period, the YoY actual growth could have been 10.4%).

Hotels

In the first half of the year, the hotel industry continued to be impacted by the epidemic, and the hotel business of the Group recorded revenue of RMB0.57 billion, down by 22.7% YoY. Amid the severe business environment, the Group actively implemented management measures for "innovative operation, cost reduction and efficiency improvement" to continuously enhance the utilisation efficiency of hotel costs and expenses. We believe that the revenue and profit from hotel business of the Group will resume gradual recovery and stable growth after the epidemic stabilizes.

Asset-Light Business Service Platform (CR Mixc Lifestyle, 01209.HK)

As the Group’s asset-light business service platform, China Resources Mixc Lifestyle Services Limited (01209.HK, hereinafter referred to as “**CR Mixc Lifestyle**”) actively captured the development opportunities and continuously strengthened its management to build “the PRC’s first brand in commercial management” for its commercial management business, while actively transforming into “urban space operator” for its property management business. During the period, CR Mixc Lifestyle expedited the establishment of a cross-scenario, integrated membership system and officially launched the “Mixc Star”, with all core indicators sustained steady growth. In the first half of 2022, CR Mixc Lifestyle recognized a 31.5% YoY growth in revenue to RMB5.28 billion, and core net profit attributable to shareholders increased 33.5% YoY to RMB1.04 billion. As of 30 June 2022, there were 74 shopping malls and 24 office projects in operation. As the residential and other property management business seized the market opportunity and acquired quality targets including Yuzhou Property Management Co., Ltd., Jiangsu Zhongnan Property Management Co., Ltd. and Sichuan Jiuzhou Qiancheng Property Management Co., Ltd., the contracted area reached 323 million square meters, while the area under management increased 98 million square meters to 245 million square meters from year end of 2021.

Eco-System Elementary Business

The Group’s eco-system elementary business is comprised of construction and operation services, leasing apartment and industrial property etc., which derive from the real estate industry and played an important role in serving the key property business, synergizing resource acquisition and enhancing brand influence. In the first half of 2022, the revenue from the Group’s eco-system elementary business amounted to RMB7.60 billion, representing a YoY increase of 19.4%. During the period, the Group successfully held 18 sports event protection tests, specifically for Chengdu Universiade and Hangzhou Asian Games, which further strengthened its integrated capacity of “planning, design, construction, event support and operation” for stadiums.

Investment and Land Bank

The Group adhered to a prudent investment strategy with a focus on key cities for high-quality capital increment. As of 30 June 2022, the Group seized investment opportunities to acquire 24 new projects with attributable GFA of 2.90 million square meters. Investment in first- and second-tier cities accounted for 92%, with premium commercial complex projects acquired in Hefei and Foshan, etc.. Currently, the Group has a land bank with total GFA of 66.14 million square meters and attributable GFA of 47.30 million square meters which can support the Group’s development for next 3 years or more, with high quality layout and structure.

Financial Capabilities

Facing dynamic industry and overseas capital market, the Group consistently adopted prudent financial management policy, implementing various measures to optimize financing elements, innovating commercial asset securitization model, thereby enhancing financial flexibility and anti-risk capabilities with the industry-lowest gearing ratio and funding cost while staying in green zone under the “three red lines” policy. Standard & Poor’s, Moody’s, and Fitch Ratings maintained the Group’s credit ratings at “BBB+/Stable”, “Baa1/Stable”, and “BBB+/Stable”.

Environmental, Social and Governance (ESG)

In the first half of the year, the Group continued to carry out research on goals on carbon peaking and carbon neutrality and its implementation path. We completed the carbon verification of self-owned projects, formulated corporate action plan for carbon peaking and various green and low-carbon measures, and conducted dual-carbon pilot practice in 8 projects. The Group contributed to the national rural revitalization strategy and participated in the planning and construction of China Resources Hope Town project. Specifically, the construction of Sichuan Nanjiang Hope Town was commenced in January. The Group supported the anti-pandemic work across the country. The Shanghai Jing’an Sports Center was quickly converted into a makeshift hospital, where the logistical support and overall operation received high praise from the joint prevention and control supervision team of the State Council. During the reporting period, the Group’s 3,319 volunteer employees forming 202 anti-pandemic commando teams to safeguard stable operation of the city and community safety. We actively explored green financing and successfully obtained ESG loans of about HKD8.0 billion in the first half of the year. We continued to strengthen ESG information disclosure, compiled and released independent sustainability reports for 9 consecutive years, and ranked first in the corporate social responsibility development index of the real estate industry by the Chinese Academy of Social Sciences for 8 consecutive years. During the reporting period, the Group remained as a constituent stock of the Hang Seng Corporate Sustainability Benchmark Index. In August 2022, the Group’s ESG rating was upgraded to “A” from “BBB” by MSCI.

Outlook

Looking forward to the second half of 2022, the external environment for China’s economy is still tough and complex, but with the implementation of a package of pro-growth policies and the gradual weakened impact of the epidemic, the recovery of domestic production is expected to further accelerate. As the central government adheres to the positioning of “houses are for living not for speculation” while supports local governments to stabilize the real estate market with city-specific policies, the real estate industry is expected to head into a more smooth and healthier second half of the year.

Development Property Business

We have the conviction that China’s real estate industry will remain at 10 trillion-level market in long run. Property purchasing demand will gradually return to the essence of living, with a new trend of increasing urban and regional divergence. Adhering to the investment strategy of live within your means with healthy cash flows, the Group will proactively seize investment opportunities and focus on specific cities and regions for high-quality scale growth.

Investment Property Business

In the second half of the year, we believe that the Central Government will continue to implement pro-growth measures to boost consumer confidence and encourage consumption which play a leading role in the economic cycle. The Group remains committed to its high-quality development strategy for its investment property business, and will adjust its investment portfolios and development pace in response to the market changes and competitive landscape while increase its market shares in key cities on an ongoing basis. In the second half of 2022, seven new shopping malls are scheduled to open in Shanghai, Shenzhen, Nanjing, Nanchang, Qingdao, Dalian and Dongguan, and our flagship project Shenzhen Mixc Phase III will also be grand opening in the second half of this year.

Asset Light Business Service

In the second half of the year, CR Mixc Lifestyle will adhere to its strategic positioning of being a “Quality urban lifestyle service platform”, and target at high-quality and stable development. For commercial management business, the Group will continue expansion through quality acquisitions leveraging on its own strengths. Based on high-quality services, the Group will also systematically enhance its platform-based operation capability to continuously consolidate its industry leading position. For property management business, the Group will carry out classified management to improve its service quality. Besides, the Group will continue to expand its scale by seizing the market opportunities through multiple measures, while strengthening the merge and acquisition integrations to improve efficiency, thereby accelerating the transformation into an “urban space operator”. Meanwhile, with a focus on empowerment and foot traffic boosting, the Group will continuously improve its membership system, enhance the customer experience and thus drive the business development.

Eco-system Elementary Business

The Group will continue to leverage synergies in the eco-system elementary business to improve the quality of its operations and consolidate its market position and brand recognition. At the same time, the Group will actively grasp the national trend of vigorous development in rental housing. Specifically, it will seize the significant opportunity of public REITs for affordable rental housing. Moreover, it will continue to improve the operating efficiency and service quality of its leasing apartment business, and explore long-term sustainable profit models.

In the second half of the year, the industry will encounter opportunities in the middle of crisis. Strategically positioned as “an operator in urban investment, development and operation”, the Group will continue to pursue strategy-driven investments, refine the management of production and operation, optimize organizational reform and inspire vitality, with an aim to achieve steady earnings growth and sustainable shareholder value enhancement.

Finally, on behalf of the Board, I would like to express my sincere appreciation to shareholders, customers and all stakeholders for your long-term support and trust in the Group.

MANAGEMENT DISCUSSION AND ANALYSIS

In the first half of 2022, the sales and other operating activities of the Group were affected by increasing downward pressure on the domestic economy and resurgent pandemic. The Group actively adjusted its sales strategy and delivered a sales performance which was not as expected at the beginning of the year but outperformed the industry. Meanwhile, the Group continued its mutual benefit and win-win philosophy with its tenants, and adopted a rental relief scheme for qualified tenants this year, which was believed to be beneficial to the Group’s long-term development. In the first half of 2022, the Group took various measures to improve operational efficiency, and delivered steady growth in core net profit, while laying a solid foundation for the annual results.

Property Development

1. Review of Contracted Sales

In the first half of 2022, the Group recorded 26.6% YoY decrease in contracted sales to RMB121.04 billion, and 39.0% YoY decrease in contracted GFA to 5.87 million square meters.

The Group's contracted sales breakdown by region in the first half of 2022 is set out in the table below:

Region	Contracted Sales		Contracted GFA	
	<i>RMB'000</i>	%	<i>Sqm</i>	%
North China Region	28,344,139	23.4%	1,026,978	17.5%
East China Region	33,662,254	27.8%	1,282,203	21.8%
South China Region	9,177,972	7.6%	644,418	11.0%
West China Region	14,805,797	12.2%	1,050,896	17.9%
Northeast China Region	9,145,923	7.6%	799,038	13.6%
Central China Region	14,160,600	11.7%	772,925	13.2%
Shenzhen Region	11,744,798	9.7%	296,517	5.0%
Total	121,041,483	100.0%	5,872,975	100.0%

2. Review of Revenue

In the first half of 2022, the Group recorded 2.6% YoY decrease in development property revenue to RMB59.37 billion with 0.2% YoY decrease in booked GFA to 5.13 million square meters. The gross profit margin of development property of the Group was 22.8% in the first half of 2022.

The Group's revenue breakdown by region in the first half of 2022 is listed as below:

Region	Revenue		Booked GFA	
	<i>RMB'000</i>	%	<i>Sqm</i>	%
North China Region	5,790,370	9.8%	555,367	10.8%
East China Region	9,414,061	15.9%	738,670	14.4%
South China Region	8,347,694	14.0%	775,899	15.1%
West China Region	9,469,977	15.9%	1,098,725	21.4%
Northeast China Region	10,687,747	18.0%	959,337	18.7%
Central China Region	5,379,770	9.1%	653,991	12.8%
Shenzhen Region	10,275,814	17.3%	350,889	6.8%
Total	59,365,433	100.0%	5,132,878	100.0%

As at 30 June 2022, the Group had locked in consolidated contracted sales of RMB232.8 billion that are subject to future recognition as development property revenue, among which RMB92.0 billion will be recognized in the second half of 2022, a solid foundation for good results in 2022. The Group will accelerate the sales of bookable resources in the second half of the year to ensure stable performance for the full year.

Investment Property Business

1. Shopping Malls

As at 30 June 2022, the revenue from shopping malls reached RMB6.19 billion, with a YoY decrease of 6.2% (if excluding rental relief impact during the period, the YoY actual growth could have been 14.2%). The occupancy rate increased by 0.4 percentage point YoY to 96.4%. The total carry amount of the Group's shopping malls after revaluation, accounted for 17.0% of the Group's total assets, was RMB171.93 billion after a revaluation gain of RMB2.62 billion. As at 30 June 2022, the GFA of the Group's shopping malls in operation achieved 7.26 million square meters, with a YoY increase of 17.7%, and the attributable GFA was 6.03 million square meters.

2. Offices

As at 30 June 2022, the revenue from office reached RMB0.84 billion, with a YoY decrease of 10.9% (if excluding rental relief impact during the period, the YoY actual growth could have been 10.4%). The occupancy rate increased by 4.7 percentage points YoY to 80.4%. The total carry amount of the Group's office after revaluation, accounted for 3.3% of the Group's total assets, was RMB33.08 billion with a revaluation loss of RMB0.04 billion. As at 30 June 2022, the GFA of the Group's office in operation achieved 1.22 million square meters, with a YoY decrease of 4.9% (due to the conversion of some operational office to office for sale), and attributable GFA was 0.94 million square meters.

3. Hotels

As of 30 June 2022, the revenue from hotel reached RMB0.57 billion, with a YoY decrease of 22.7% due to the epidemic disturbance. The average occupancy rate decreased by 15.7 percentage points YoY to 34.0%. The book value of the Group's hotels in operation was RMB11.08 billion (including land use right), accounted for 1.1% of the Group's total assets. As at 30 June 2022, the GFA of the Group's hotels in operation achieved 0.73 million square meters with a YoY increase of 14.5% and attributable GFA was 0.62 million square meters.

Details of the Group's key investment properties opened in the first half of 2022 are listed below:

Investment Property	City	Interest Attributable to the Group	Total GFA (Sqm)	Attributable GFA (Sqm)
Nanning Zhongshan Road Mixc One	Nanning	50.0%	55,372	27,686
Comprising: Commercial			38,872	19,436
Car Park			16,500	8,250
Beijing Yaojiayuan Mixc One	Beijing	100.0%	84,897	84,897
Comprising: Commercial			47,494	47,494
Car Park			37,403	37,403
Shenyang Huanggu Mixc One	Shenyang	100.0%	137,705	137,705
Comprising: Commercial			94,353	94,353
Car Park			43,352	43,352
Wuhan Mixc	Wuhan	51.0%	263,586	134,429
Comprising: Commercial			182,724	93,189
Car Park			80,862	41,240
Fuzhou Mixc	Fuzhou	100.0%	160,903	160,903
Comprising: Commercial			89,753	89,753
Car Park			71,150	71,150
Haikou Mixc	Haikou	100.0%	204,996	204,996
Comprising: Commercial			113,553	113,553
Car Park			91,443	91,443
Total			907,459	750,616
Comprising: Commercial			566,749	457,778
Car Park			340,710	292,838

Asset Light Business

In the first half of 2022, the Group's commercial operation and property management business "China Resources Mixc Lifestyle" recorded stable results. During the period, CR Mixc Lifestyle realized a revenue of RMB5.28 billion, increased by 31.5% YoY, of which RMB3.35 billion was from residential property management services, and RMB1.93 billion was from commercial operation and property management services.

Eco-system Elementary Business

In the first half of 2022, the revenue of the Group's eco-system elementary business (including construction and operation services, leasing apartment and industrial property, etc.) was RMB7.60 billion (including intra-group businesses), of which RMB7.20 billion was from construction and operation business.

Sales and Marketing Expenses and Administrative Expenses

In the first half of 2022, with the continuous improvement of operation and management efficiency, sales and marketing expenses of the Group accounted for 2.7% of the revenue, reduced by 0.7 percentage point over the same period of last year, and general and administrative expenses accounted for 3.0% of the revenue, reduced by 0.2 percentage point over the same period of last year.

Share of profits of investments in associates and joint ventures

In the first half of 2022, with the increase in the recognition scale from the associates and joint ventures, the Group's share of profits of investments in associates and joint ventures totaled RMB1.68 billion, representing an increase of 59.1% over the same period of last year. During the period, the share of profits of investments in associates was RMB0.57 billion, a YoY increase of 69.2%, and the share of profits of investments in joint ventures was RMB1.11 billion, a YoY increase of 54.3%.

Income tax expenses

Income tax expenses include enterprise income tax (including deferred taxation) and land appreciation tax. In the first half of 2022, as the gross profit margin of property development gradually returned to normal level, the Group's income tax expenses reduced by 22.9% YoY to RMB7.12 billion. Among which, the enterprise income tax expenses reduced by 12.9% YoY to RMB5.07 billion, while the land appreciation tax reduced by 40.0% YoY to RMB2.05 billion.

LAND BANK

In the first half of 2022, the Group acquired 24 quality land parcels totaling 3.80 million square meters in GFA with a total land premium of RMB57.84 billion (attributable land premium was RMB46.92 billion). As of 30 June 2022, the GFA of the Group's land bank totaled 66.14 million square meters.

1. Property Development

As of 30 June 2022, the Group's land bank for property development totaled 55.44 million square meters with attributable GFA of 39.50 million square meters.

Region	Total GFA (Sqm)	Attributable GFA (Sqm)
North China Region	7,860,574	4,181,271
East China Region	9,668,699	6,292,087
South China Region	8,935,868	6,099,751
West China Region	7,784,274	7,021,087
Northeast China Region	6,636,522	6,049,369
Central China Region	9,110,500	6,229,185
Shenzhen Region	5,374,682	3,578,244
Hong Kong	64,759	44,238
Total	<u>55,435,878</u>	<u>39,495,232</u>

2. Investment Properties

As of 30 June 2022, the Group's land bank for investment properties totaled 10.70 million square meters with attributable GFA of 7.80 million square meters. Among which, the commercial land bank was 7.34 million square meters, accounting for 69%, and mainly distributed in 30 core cities such as Beijing, Shanghai, Shenzhen, Guangzhou, Hangzhou, Nanjing and Chengdu.

Investment properties business, shopping malls in particular, is one of the Group's key businesses. The next two to three years will continue to be the peak years for new openings of shopping malls. The Group will further improve efficiency in construction and operation of its investment properties to ensure stable rental income and profit growth.

Product	Total GFA (Sqm)	Attributable GFA (Sqm)
Total GFA	10,698,143	7,802,709
Comprising: Commercial	7,342,184	5,444,158
Office	1,587,655	1,021,191
Hotel	900,702	680,497
Leasing Apartment	770,859	570,230
Senior Housing	79,892	79,892
Industrial Park	16,851	6,741

Sufficient land bank reinforces the foundation for sustainable growth of the Group. Looking ahead, while keeping a balance between healthy financial position and growth pursuit, the Group will strictly follow its financial return hurdles to replenish quality land bank on selective basis through diversified channels with further penetration in key regions to match its development strategies and business model, and continuously optimize its land bank structure, the investment rhythm and the geographic exposure.

DEBT RATIOS

As of 30 June 2022, the Group's total outstanding debt balance was equivalent to RMB222.82 billion while its cash and bank balance was equivalent to RMB116.45 billion. The Group's net interest-bearing debt to equity (including minority interests) ratio was 34.6%, an increase of 4.2 percentage points from the end of 2021.

DEBT STRUCTURE AND FINANCING COST

As of 30 June 2022, the non-RMB net interest-bearing debt exposure of the Group was 18.9%. Approximately 26% of the total interest-bearing debt was repayable within one year while the rest was long-term interest-bearing debt. The Group maintained a sector-low weighted average funding cost at approximately 3.78% as at 30 June 2022, 7 basis points higher than 3.71% as at the end of 2021.

FINANCING THROUGH OPEN MARKET

To better support future growth, broaden funding channels and reduce funding cost, the Group raised a total of RMB15.1 billion by issuing corporate bonds, medium-term notes and asset-backed securities during the first half of the year.

Details of the Group's funding through open market in the first half of 2022 are as follows:

Issuer/Property	Currency	Product Name	Amount (Million)	Value Date	Maturity Date	Term (Years)	Coupon Rate
China Resources Land Holdings Company Limited	RMB	Medium-term Notes	2,000	2022/3/25	2025/3/25	3	3.10%
China Resources Land Holdings Company Limited	RMB	Medium-term Notes	1,000	2022/3/25	2027/3/25	5	3.54%
China Resources Land Holdings Company Limited	RMB	Medium-term Notes	2,000	2022/4/27	2025/4/27	3	3.05%
China Resources Land Holdings Company Limited	RMB	Corporate Bonds	5,000	2022/4/22	2027/4/22	5	3.63%
China Resources Land Holdings Company Limited	RMB	Corporate Bonds	1,000	2022/4/27	2025/4/27	3	2.79%
China Resources Land Holdings Company Limited	RMB	Corporate Bonds	1,000	2022/6/2	2025/6/2	3	2.60%
China Resources Land Holdings Company Limited	RMB	Corporate Bonds	1,000	2022/6/2	2027/6/2	5	3.30%
Shenyang Tiexi Mixc One	RMB	CMBS	<u>2,100</u>	2022/4/27	2040/4/26	3+3+3+3+3+3	3.30%
Total			<u>15,100</u>				

CREDIT RATINGS

In the first half of 2022, Standard and Poor's, Moody's and Fitch maintained the Company's credit ratings at BBB+/stable, Baa1/stable and BBB+/stable respectively.

ASSET PLEDGE

As of 30 June 2022, the Group had a total loan credit line of RMB62.1 billion through asset pledge with tenors ranging from 0.5 to 25 years, and the Group's total balance of asset-pledged loan was RMB33.0 billion.

FOREIGN EXCHANGE RISK

As of 30 June 2022, the Group had principal amount of approximately US\$0.6 billion (equivalent to RMB4.03 billion) cross-currency swap contracts to hedge exchange rate risk and principal amount of approximately GBP85.8 million (equivalent to RMB0.7 billion) interest rate swap contracts to hedge interest rate risk. Although the two-way volatility of the RMB exchange rate has further increased, with the RMB exchange mechanism becoming more market-oriented, 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. Meanwhile, the Group will closely monitor its exchange risk exposure and make necessary adjustment based on market changes.

EMPLOYEE AND COMPENSATION POLICY

As of 30 June 2022, the Group had 52,451 full time employees in Mainland China and Hong Kong (including property management and agency subsidiaries). The Group remunerates its employees based on their performance, working experience and market salary levels. In addition, performance bonus is granted on a discretionary basis. Other employee benefits include provident fund, insurance and medical coverage.

CONTINGENT LIABILITIES

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 and completion of the relevant mortgage properties registration. In the opinion of the Board, the fair value of these financial guarantee contracts is insignificant.

CORPORATE GOVERNANCE

The Company recognizes the importance of maintaining high standards of corporate governance to the long-term sustainable development of the Group, and thus set up the Corporate Governance Committee on 9 March 2012 with an aim to further improve the Company's corporate governance standard.

During the six months ended 30 June 2022, the Company has complied with all the code provisions of the Corporate Governance Code (“**CG Code**”) set out in Appendix 14 to the Listing Rules except the following deviation from Code Provision C.2.1:

Code Provision C.2.1 of the CG Code provides that the roles of chairman and chief executive should be separate and should not be performed by the same individual. Since the resignation of Mr. Wang Xiangming as the Chairman of the board with effect from 5 May 2022 and up to 25 July 2022, Mr. Li Xin, the then President of the Company, also assumed the role of the Chairman of the Board to provide the Group with consistent leadership. With effect from 26 July 2022, Mr. Li Xin resigned and Mr. Wu Bingqi was appointed as the President of the Company in compliance with Code Provision C.2.1.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code set out in Appendix 10 to the Listing Rules as code of conduct regarding securities transactions by the directors. Having made specific enquiry with all directors, all directors confirmed that they have complied with the required standard set out in the Model Code during the period under review.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

Neither the Company nor its subsidiaries purchased, sold or redeemed any of the Company’s listed securities during the six months ended 30 June 2022.

REVIEW BY AUDIT COMMITTEE AND AUDITORS

The 2022 Interim Report has been reviewed by Audit Committee which comprises four independent non-executive directors.

The unaudited condensed consolidated financial information of the Group for the six months ended 30 June 2022 had been reviewed by the Company’s independent auditor, Ernst & Young, in accordance with Hong Kong Standard on Review Engagements 2410 “Review of Interim Financial Information Performed by the Independent Auditor of the Entity” issued by the Hong Kong Institute of Certified Public Accountants.

INTERIM DIVIDEND AND CLOSURE OF REGISTER OF MEMBERS

The board has resolved to declare an interim dividend (“**2022 Interim Dividend**”) of HKD0.208 per share (2021: HKD0.208 per share) for the year ending 31 December 2022, payable on Monday, 31 October 2022 to shareholders whose names appear on the Company’s register of members on Friday, 16 September 2022. The register of members of the Company will be closed on Friday, 16 September 2022, during which period no transfer of shares will be effected. In order to be eligible for the interim dividend, all completed transfer forms accompanied by the relevant share certificates must be lodged with the Hong Kong branch share registrar of the Company, Tricor Standard Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong for registration no later than 4:30 p.m. on Thursday, 15 September 2022.

The 2022 Interim Dividend will be payable in cash to each shareholder in Hong Kong Dollars (“**HKD**”) unless an election is made to receive the same in Renminbi (“**RMB**”).

Shareholders will be given the option to elect to receive all or part of the 2022 Interim Dividend in RMB at the exchange rate of HKD1.0:RMB0.8733, being the average benchmark exchange rate of HKD to RMB as published by the People’s Bank of China during the five business days immediately before 30 August 2022. If shareholders elect to receive the 2022 Interim Dividend in RMB, such dividend will be paid to shareholders at RMB0.182 per share. To make such election, shareholders should complete the dividend currency election form which is expected to be dispatched to shareholders on 26 September 2022 as soon as practicable after the record date of 16 September 2022 to determine shareholders’ entitlement to the 2022 Interim Dividend, and lodge it to Hong Kong branch share registrar of the Company, Tricor Standard Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong for registration no later than 4:30 p.m. on 11 October 2022.

Shareholders who are minded to elect to receive all or part of their dividends in RMB by cheques should note that (i) they should ensure that they have an appropriate bank account to which the RMB cheques for dividend can be presented for payment; and (ii) there is no assurance that RMB cheques can be cleared without material handling charges or delay in Hong Kong or that RMB cheques will be honored for payment upon presentation outside Hong Kong. The cheques are expected to be posted to the relevant shareholders by ordinary post on 31 October 2022 at the shareholders’ own risk.

If no duly completed dividend currency election form in respect of that shareholder is received by the branch share registrar of the Company by 4:30 p.m. on 11 October 2022, such shareholder will automatically receive the 2022 Interim Dividend in HKD. All dividend payments in HKD will be made in the usual ways on 31 October 2022.

If shareholders wish to receive the 2022 Interim Dividend in HKD in the usual way, no additional action is required.

Shareholders should seek professional advice with their own tax advisers regarding the possible tax implications of the dividend payment.

PUBLICATION OF INTERIM REPORT ON THE WEBSITE OF THE STOCK EXCHANGE

The Company's 2022 Interim Report containing the relevant information required by the Listing Rules will be published on the website of the Stock Exchange and the Company in due course.

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

PRC, 30 August 2022

As at the date of this announcement, the executive directors of the Company are Mr. Li Xin, Mr. Wu Bingqi, Mr. Zhang Dawei, Mr. Xie Ji and Mr. Guo Shiqing; the non-executive directors of the Company are Mr. Liu Xiaoyong, Mr. Zhang Liang, Mr. Dou Jian and Ms. Cheng Hong; 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.