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## **C&D INTERNATIONAL INVESTMENT GROUP LIMITED**

**建發國際投資集團有限公司**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 1908)**

### **ANNOUNCEMENT OF ANNUAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2023**

#### **FINANCIAL HIGHLIGHTS**

- For the year ended 31 December 2023, the Group, together with its joint ventures and associates, achieved the cumulated contracted sales attributable to the shareholders of the Company (the “Shareholders”) of approximately RMB137.96 billion with contracted sales GFA attributable to the Shareholders of approximately 6.664 million sq.m., representing an increase by approximately RMB16.44 billion and approximately 0.568 million sq.m. respectively (approximately 13.5% and 9.3% respectively) as compared with the previous financial year.
- For the year ended 31 December 2023, cash collected from property development by the Group, together with its joint ventures and associates, totalled approximately RMB184.3 billion.
- For the year ended 31 December 2023, the Group’s total revenue amounted to approximately RMB134,429.98 million, increased by approximately RMB34,794.47 million or 34.9% as compared with the previous financial year. Revenue from property development business amounted to approximately RMB130,131.91 million, increased by approximately RMB33,484.27 million or 34.6% as compared with the previous financial year.
- For the year ended 31 December 2023, the profit attributable to the equity holders of the Company amounted to approximately RMB5,034.71 million, increased by approximately RMB100.74 million or 2.0% as compared with the previous financial year.
- The Group’s basic earnings per share for the year ended 31 December 2023 was RMB2.61.
- The Board recommended payment of a final dividend of HK\$1.3 per Share, which will be payable in cash, but the Eligible Shareholders will be given the option of electing to receive the final dividend in the form of new Shares in lieu of cash in respect of part or all of the final dividend.

## ANNUAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2023

The board (the “Board”) of directors (the “Directors”) of C&D International Investment Group Limited (the “Company”) is pleased to announce the following consolidated results of the Company and its subsidiaries (collectively, the “Group”) for the year ended 31 December 2023 (the “Year”) together with the comparative figures for the year ended 31 December 2022.

### CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

*For the year ended 31 December 2023*

	<i>Notes</i>	<b>2023</b> <b>RMB'000</b>	2022 <b>RMB'000</b>
Revenue	4	<b>134,429,975</b>	99,635,501
Cost of sales		<b>(119,513,516)</b>	(84,416,087)
<b>Gross profit</b>		<b>14,916,459</b>	15,219,414
Other net gain	5	<b>1,125,729</b>	1,474,158
Loss on changes in fair value of investment properties		<b>(51,776)</b>	(33,893)
Administrative expenses		<b>(2,851,394)</b>	(4,442,440)
Selling expenses		<b>(4,308,012)</b>	(3,563,790)
Provision for expected credit losses allowance		<b>(242,659)</b>	(378,995)
Finance costs	6	<b>(386,503)</b>	(801,078)
Share of results of associates		<b>399,157</b>	645,451
Share of results of joint ventures		<b>(18,293)</b>	366,269
<b>Profit before income tax</b>	7	<b>8,582,708</b>	8,485,096
Income tax expense	8	<b>(2,247,482)</b>	(2,923,193)
<b>Profit for the year</b>		<b>6,335,226</b>	5,561,903

	<i>Notes</i>	<b>2023</b> <b>RMB'000</b>	2022 <i>RMB'000</i>
<b>Other comprehensive income</b>			
<b>Items that may be reclassified</b>			
<b>subsequently to profit or loss:</b>			
Currency translation differences		<u>(9,928)</u>	<u>(203,503)</u>
<b>Total comprehensive income for the year</b>		<u><b>6,325,298</b></u>	<u>5,358,400</u>
<b>Profit for the year attributable to:</b>			
— Equity holders of the Company		<u>5,034,712</u>	4,933,968
— Non-controlling interests		<u>1,300,514</u>	<u>627,935</u>
		<u><b>6,335,226</b></u>	<u>5,561,903</u>
<b>Total comprehensive income for the year</b>			
<b>attributable to:</b>			
— Equity holders of the Company		<u>5,022,816</u>	4,709,817
— Non-controlling interests		<u>1,302,482</u>	<u>648,583</u>
		<u><b>6,325,298</b></u>	<u>5,358,400</u>
<b>Earnings per share for profit attributable</b>			
<b>to the equity holders of the Company</b>			
Basic earnings per share	<i>10</i>	<u>RMB2.61</u>	<u>RMB2.84</u>
Diluted earnings per share	<i>10</i>	<u><b>RMB2.36</b></u>	<u>RMB2.60</u>

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2023

	<i>Notes</i>	<b>2023</b> <b>RMB'000</b>	2022 <b>RMB'000</b>
<b>ASSETS AND LIABILITIES</b>			
<b>Non-current assets</b>			
Property, plant and equipment		<b>390,972</b>	347,188
Right-of-use assets		<b>355,773</b>	290,841
Investment properties		<b>1,668,273</b>	1,308,134
Intangible assets		<b>732,830</b>	738,590
Interests in associates		<b>18,979,601</b>	17,498,188
Interests in joint ventures		<b>6,654,509</b>	4,530,846
Other financial assets		<b>115,538</b>	118,604
Deposits for land acquisitions		<b>64,166</b>	64,166
Deferred tax assets		<b>7,055,412</b>	5,875,310
		<b>36,017,074</b>	30,771,867
<b>Current assets</b>			
Inventories of properties, other			
inventories and other contract costs	<i>11</i>		
— Properties under development		<b>254,715,815</b>	248,861,831
— Properties held for sale		<b>14,559,515</b>	7,792,746
— Other inventories		<b>55,321</b>	34,229
— Other contract costs		<b>1,591,877</b>	1,815,745
Contract assets		<b>259,915</b>	177,447
Trade and other receivables	<i>12</i>	<b>11,454,706</b>	11,591,287
Amounts due from non-controlling interests		<b>41,828,357</b>	35,453,040
Other financial assets		<b>1,000</b>	5,000
Deposits for land acquisitions		<b>6,712,005</b>	2,860,999
Prepaid taxes		<b>5,920,609</b>	3,818,914
Cash at banks and on hand		<b>54,161,319</b>	50,280,062
		<b>391,260,439</b>	362,691,300
<b>Total assets</b>		<b>427,277,513</b>	393,463,167

	<i>Notes</i>	<b>2023</b> <b>RMB'000</b>	2022 <i>RMB'000</i>
<b>Current liabilities</b>			
Trade and other payables	<i>13</i>	<b>34,164,477</b>	25,909,986
Contract liabilities		<b>190,922,483</b>	177,604,681
Amounts due to related companies		<b>18,918,766</b>	11,126,370
Amounts due to non-controlling interests		<b>6,181,704</b>	4,413,995
Interest-bearing borrowings		<b>5,922,005</b>	5,890,230
Income tax liabilities		<b>4,670,639</b>	4,529,116
Lease liabilities		<b>80,388</b>	59,133
		<u><b>260,860,462</b></u>	<u>229,533,511</u>
<b>Net current assets</b>		<u><b>130,399,977</b></u>	<u>133,157,789</u>
<b>Total assets less current liabilities</b>		<u><b>166,417,051</b></u>	<u>163,929,656</u>
<b>Non-current liabilities</b>			
Loans from intermediate holding company		<b>47,829,395</b>	47,679,925
Lease liabilities		<b>136,171</b>	141,173
Interest-bearing borrowings		<b>26,154,283</b>	35,767,801
Deferred tax liabilities		<b>1,358,333</b>	920,269
		<u><b>75,478,182</b></u>	<u>84,509,168</u>
<b>Total liabilities</b>		<u><b>336,338,644</b></u>	<u>314,042,679</u>
<b>Net assets</b>		<u><b>90,938,869</b></u>	<u>79,420,488</u>
<b>EQUITY</b>			
Share capital	<i>14</i>	<b>163,148</b>	148,689
Reserves		<b>21,293,331</b>	16,988,531
<b>Equity attributable to the equity holders of the Company</b>		<b>21,456,479</b>	17,137,220
<b>Equity attributable to the subscriber of the perpetual loans</b>		<b>12,000,000</b>	14,500,000
<b>Equity attributable to owners of the parent</b>		<b>33,456,479</b>	31,637,220
Non-controlling interests		<b>57,482,390</b>	47,783,268
<b>Total equity</b>		<u><b>90,938,869</b></u>	<u>79,420,488</u>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

*For the year ended 31 December 2023*

## 1. GENERAL INFORMATION

C&D International Investment Group Limited (the “Company”) was incorporated in the Cayman Islands on 18 February 2011 as an exempted company with limited liability under Companies Law (Cap 22 of the Cayman Islands). The address of the Company’s registered office is Third Floor, Century Yard, Cricket Square, P.O. Box 902, Grand Cayman, KY1-1103, Cayman Islands and its principal place of business in Hong Kong is located at Office No. 3517, 35th Floor, Wu Chung House, 213 Queen’s Road East, Wanchai, Hong Kong. The Company’s shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) on 26 May 2014.

The Company’s functional currency is Hong Kong Dollars (“HK\$”). However, the consolidated financial statements are presented in Renminbi (“RMB”), as the Directors of the Company consider that RMB is the functional currency of the primary economic environment in which most of the Group’s transactions are denominated and settled in and this presentation is more useful for its current and potential investors. The consolidated financial statements are presented in thousands of RMB (“RMB’000”) unless otherwise stated.

The principal activity of the Company is investment holding. The Group is principally engaged in the businesses of property development, property management and other related services mainly in the People’s Republic of China (“PRC” or “China”).

Well Land International Limited (“Well Land”) is the Company’s immediate holding company which was incorporated in the British Virgin Islands (“BVI”) with limited liability; C&D Real Estate Corporation Limited\* (建發房地產集團有限公司) (“C&D Real Estate”) which was incorporated in the PRC with limited liability is the Company’s intermediate holding company; and Xiamen C&D Corporation Limited\* (廈門建發集團有限公司) (“Xiamen C&D”) which was incorporated in the PRC with limited liability is the Company’s ultimate holding company.

The consolidated financial statements for the year ended 31 December 2023 were approved for issue by the Board on 21 March 2024.

## 2. BASIS OF PREPARATION

The annual consolidated financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards (“HKFRSs”) which collective term includes all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards (“HKASs”) and Interpretations issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) and the accounting principles generally accepted in Hong Kong. The consolidated financial statements also comply with the applicable disclosure requirements of Hong Kong Companies Ordinance and the applicable disclosure requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (“Listing Rules”).

The material accounting policies were consistent with those applied to the preparation of the Group’s annual consolidated financial statements for the year ended 31 December 2022, except for the changes in accounting policies in relation to the adoption of new and amended HKFRSs and the impacts on the Group’s consolidated financial statements if any, are disclosed in Note 3.

## 2. BASIS OF PREPARATION *(Continued)*

The consolidated financial statements have been prepared on the historical cost basis, except for investment properties and financial assets at fair value through profit or loss which are stated at fair value.

It should be noted that accounting estimates and assumptions are used in preparation of the consolidated financial statements. Although these estimates are based on management's best knowledge and judgement of current events and actions, actual results may ultimately differ from those estimates.

## 3. ADOPTION OF NEW AND AMENDED HKFRSs AND CHANGES IN ACCOUNTING POLICIES

### (i) New and amended HKFRSs that are effective for annual periods beginning or after 1 January 2023

In the current year, the Group has applied for the first time the following new and amended HKFRSs issued by the HKICPA, which are relevant to the Group's operations and effective for the Group's consolidated financial statements for the annual period beginning on 1 January 2023:

HKFRS 17	Insurance Contracts and related amendment
Amendments to HKAS 1 and HKFRS Practice Statement 2	Disclosure of Accounting Policies
Amendments to HKAS 8	Definition of Accounting Estimates
Amendments to HKAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction
Amendments to HKAS 12	International Tax Reform — Pillar Two Model Rules

The adoption of the new and amended HKFRSs had no material impact on how the results and financial position for the current and prior periods have been prepared and presented.

### (ii) Issued but not yet effective HKFRSs

At the date of authorisation of the consolidated financial statements, certain amended HKFRSs have been published but are not yet effective, and have not been adopted early by the Group.

Amendments to HKFRS 10 and HKAS 28	Sale or contribution of assets between an investor and its Associate or Joint Venture <sup>3</sup>
Amendment to HKFRS 16	Lease Liability in a Sale and Leaseback <sup>1</sup>
Amendments to HKAS 1	Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 <sup>1</sup>
Amendments to HKAS 1	Non-current Liabilities with Covenants <sup>1</sup>
Amendments to HKAS 7 and HKFRS 7	Supplier Finance Arrangements <sup>1</sup>
Amendments to HKAS 21	Lack of exchangeability <sup>2</sup>

<sup>1</sup> Effective for annual periods beginning on or after 1 January 2024

<sup>2</sup> Effective for annual periods beginning on or after 1 January 2025

<sup>3</sup> Effective date not yet determined

The Directors anticipate that all of the amended HKFRSs will be adopted in the Group's accounting policy for the first period beginning on or after the effective date of the amended HKFRSs. These amended HKFRSs are not expected to have a material impact on the Group's consolidated financial statements.

#### 4. REVENUE AND SEGMENT INFORMATION

The Group determines its operating segment based on the reports reviewed by the chief operating decision-maker that are used to make strategic decisions. The chief operating decision-maker has been identified as the Company's executive directors.

The Group is principally engaged in the businesses of property development and property management and other related services. The property development and property management and other related services businesses has been identified as a single segment on the basis for internal management reports that are regularly reviewed by the chief operating decision-maker. No separate analysis is presented.

As the chief operating decision-maker of the Company considers most of the Group's revenue and results are attributable to the market in the PRC, the Group's assets are substantially located inside the PRC, no geographical information is presented.

For the years ended 31 December 2023 and 2022, none of customers contributed 10% or more of the Group's revenue.

An analysis of the Group's revenue is as follows:

	2023 <i>RMB'000</i>	2022 <i>RMB'000</i>
Property development	<b>130,131,910</b>	96,647,645
Property management and other related services ( <i>Note</i> )	<b>4,298,065</b>	2,987,856
	<b><u>134,429,975</u></b>	<b><u>99,635,501</u></b>

*Note:* The balance mainly comprises revenue from property management services of RMB2,600,158,000 (2022: RMB1,658,022,000), construction management service and entrusted construction services of RMB1,147,590,000 (2022: RMB1,061,275,000) and rental income from property leasing of RMB80,877,000 (2022: RMB66,031,000) of which rental income does not fall within the scope of HKFRS 15.

Disaggregation of revenue is as follows:

	2023 <i>RMB'000</i>	2022 <i>RMB'000</i>
Timing of revenue recognition		
— A point in time	<b>130,962,687</b>	96,759,522
— Over time	<b>3,467,288</b>	2,875,979
	<b><u>134,429,975</u></b>	<b><u>99,635,501</u></b>

## 5. OTHER NET GAIN

	2023 <i>RMB'000</i>	2022 <i>RMB'000</i>
Interest income from:		
— Banks	914,221	493,526
— Loans to associates	39,019	141,313
— Loans to joint ventures	65,540	53,360
— Financial assets at amortised cost	—	7,448
— Others	16,569	9,135
	<u>1,035,349</u>	<u>704,782</u>
Government subsidy income	19,893	96,289
Compensation income	52,549	89,666
Gain on changes in fair value of financial assets measured at fair value through profit or loss	13,643	15,400
Loss on disposal of subsidiaries	—	(97)
Gain on derecognition of financial liabilities at amortised cost ( <i>note</i> )	—	551,991
Sundry income	4,295	16,127
	<u>1,125,729</u>	<u>1,474,158</u>

*Note:* For the year ended 31 December 2022, gain on derecognition of financial liabilities measured at amortised cost attributed to extinguishment of certain amounts due to non-controlling interests.

## 6. FINANCE COSTS

	2023 <i>RMB'000</i>	2022 <i>RMB'000</i>
Interest charges on:		
— Bank borrowings	2,055,302	2,573,662
— Loans from intermediate holding company	1,085,289	1,171,972
— Amounts due to non-controlling interests	170,042	182,419
— Amounts due to associates	48,153	—
— Receipts under securitisation arrangements	27,562	87,045
— Significant financing component of contract liabilities	5,959,802	6,198,877
— Finance charges on lease liabilities	4,560	8,179
	<u>9,350,710</u>	<u>10,222,154</u>
Total borrowing costs	9,350,710	10,222,154
Less: Interest capitalised	(8,964,207)	(9,421,076)
	<u>386,503</u>	<u>801,078</u>

Borrowing costs have been capitalised at various applicable rates ranging from 1.3% to 10% per annum (2022: 1.95% to 10% per annum).

## 7. PROFIT BEFORE INCOME TAX

Profit before income tax is arrived at after charging/(crediting):

	2023 RMB'000	2022 RMB'000
Auditor's remuneration		
— Audit services	2,962	2,980
— Non-audit services	288	275
Cost of properties sold	117,020,884	83,335,699
Depreciation:		
— Owned assets	46,287	31,503
— Right-of-use assets	91,164	80,123
Amortisation of intangible assets	13,418	7,418
Provision for ECL allowance on loans to associates and joint ventures	106,907	312,709
Provision for ECL allowance on trade and other receivables	129,415	57,287
Provision for ECL allowance on amounts due from non-controlling interests	6,337	8,999
Net foreign exchange loss/(gain)	6,337	(19,632)
Lease charges on short-term leases	44,469	40,553
Outgoings in respect of investment properties that generated rental income	9,047	4,302
Provision for inventories of properties and other inventories	1,637,783	3,790,687

## 8. INCOME TAX EXPENSE

	2023 RMB'000	2022 RMB'000
<b>Current income tax</b>		
PRC corporate income tax ("CIT")		
— Current year	3,167,753	3,837,940
— Over-provision in respect of prior years	(68,007)	(7,034)
<b>Current tax — overseas</b>	—	1,876
	3,099,746	3,832,782
PRC land appreciation tax ("LAT")	(110,226)	477,756
	2,989,520	4,310,538
<b>Deferred tax</b>	(742,038)	(1,387,345)
<b>Total income tax expense</b>	2,247,482	2,923,193

## 8. INCOME TAX EXPENSE (Continued)

Notes:

### (a) Hong Kong profits tax

No Hong Kong profits tax has been provided as the Group did not derive any assessable profit arising in Hong Kong during the years ended 31 December 2023 and 2022.

### (b) PRC CIT

The income tax provision of the Group in respect of operations in the PRC has been calculated at the applicable tax rate on the estimated assessable profits for the year, based on the existing legislation, interpretations and practices in respect thereof.

PRC CIT has been provided on the estimated assessable profits of subsidiaries operating in the PRC at 25% (2022: 25%) for the year ended 31 December 2023.

### (c) PRC LAT

Under the Provisional Rules on LAT Implementation Rules of the PRC implemented on 27 January 1995, all gains from the sales or transfer of land use rights, buildings and their attached facilities in the PRC are subject to LAT at progressive rates ranging from 30% to 60% on the appreciation of land value, being the proceeds of sale of properties less deductible expenditures including cost of land use rights, borrowing costs, business tax and all property development expenditures. There are certain exemptions available for the sale of ordinary residential properties if the appreciation values do not exceed 20% of the total deductible items (as defined in the relevant PRC tax laws). Sales of commercial properties are not eligible for such an exemption.

### (d) PRC withholding income tax

Pursuant to the Detailed Implementation Regulations for implementation of the new CIT Law issued on 6 December 2007, a 10% withholding income tax shall be levied on the dividends remitted by the companies established in the PRC to their foreign investors starting from 1 January 2008. Dividends coming from the profits generated by the PRC companies after 1 January 2008 shall be subject to this withholding income tax.

### (e) Cayman Islands corporate tax

Pursuant to the rules and regulations of Cayman Islands, the Group is not subject to any corporate tax in Cayman Islands for the years ended 31 December 2023 and 2022.

### (f) British Virgin Islands (“BVI”) profits tax

Pursuant to the rules and regulations of the BVI, the Group is not subject to any income tax in the BVI for the years ended 31 December 2023 and 2022.

### (g) Australia corporate tax

Australia’s corporate tax has been paid at 25% for the estimated assessable profits of the operating subsidiary operating in Australia for the year ended 31 December 2022. No Australia’s corporate tax should be provided as the Group did not derive any assessable profit in Australia for the year ended 31 December 2023.

## 9. DIVIDENDS

### (a) Dividends attributable to the year

	2023 <i>RMB'000</i>	2022 <i>RMB'000</i>
Proposed final dividend after the reporting date of HK\$1.3 per ordinary share (2022: HK\$1.3) ( <i>note (i)</i> )	<u>2,233,279</u>	<u>2,018,278</u>

*Notes:*

- (i) Subsequent to 31 December 2023, the Board recommended the payment of a final dividend of HK\$1.3 per share for the year ended 31 December 2023, totalling HK\$2,464,389,000 (equivalent to RMB2,233,279,000) with the eligible Shareholders being given an option to elect to receive the final dividend all in new shares, or partly in new shares and partly in cash, or all in cash. Such dividend is subjected to be approved by the shareholders at the forthcoming Annual General Meeting. The final dividend proposed after the reporting date has not been recognised as a liability as at 31 December 2023.

### (b) Dividends attributable to the previous financial year, approved and paid during the year

	2023 <i>RMB'000</i>	2022 <i>RMB'000</i>
Final dividend in respect of the previous financial year, of HK\$1.3 (2022: HK\$1.2) per ordinary share	<u>2,080,819</u>	<u>1,504,348</u>

The final dividend for the year ended 31 December 2022 totalling RMB2,080,819,000 has been paid partly in new shares of the Company and partly in cash in July 2023. The number of ordinary shares settled and issued as scrip dividends were 107,793,235 ordinary shares and the total amount of dividend paid as scrip dividends was RMB1,699,540,000 while cash dividend amounted to RMB381,279,000.

## 10. EARNINGS PER SHARE

### (a) Basic earnings per share

Basic earnings per share is calculated by adjusting the profit for the year attributable to the equity holders of the Company by the weighted average number of ordinary shares in issue during the year.

	2023 <i>RMB'000</i>	2022 <i>RMB'000</i>
<b>Earnings</b>		
Profit for the year attributable to the equity holders of the Company	5,034,712	4,933,968
Distributions to the subscriber of perpetual loans	<u>(695,581)</u>	<u>(713,891)</u>
Profit used to determine basic earnings per share	4,339,131	4,220,077
Weighted average number of ordinary shares in issue (thousands)	<u>1,663,504</u>	<u>1,488,202</u>
<b>Earnings per share (expressed in RMB per share)</b>	<u><u>RMB2.61</u></u>	<u><u>RMB2.84</u></u>

### (b) Diluted earnings per share

The restricted shares granted by the Company have potential dilutive effect on earnings per share. Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding by the assumption of the conversion of all potential dilutive ordinary shares arising from restricted shares granted by the Company (collectively forming the denominator for computing the diluted earnings per share). In addition, the profit attributable to equity holders of the Company (numerator) has been adjusted by the effect of the restricted shares granted by the Company's non wholly-owned subsidiary.

	2023 <i>RMB'000</i>	2022 <i>RMB'000</i>
<b>Earnings</b>		
Profit for the year attributable to the equity holders of the Company	5,034,712	4,933,968
Dilution effect arising from restricted shares issued by non wholly-owned subsidiary	<u>(7,974)</u>	<u>(1,929)</u>
Distributions to the subscriber of perpetual loans, net of taxation	<u>(695,581)</u>	<u>(713,891)</u>
Profit attributable to equity holders of the Company for the calculation of diluted earnings per share	4,331,157	4,218,148
<b>Shares</b>		
Weighted average number of ordinary shares in issue (thousands)	1,663,504	1,488,202
Adjustments for restricted shares (thousands)	<u>168,596</u>	<u>134,810</u>
Weighted average number of ordinary shares for the calculation of diluted earnings per share (thousands)	<u>1,832,100</u>	<u>1,623,012</u>
<b>Earnings per share (expressed in RMB per share)</b>	<u><u>RMB2.36</u></u>	<u><u>RMB2.60</u></u>

## 11. INVENTORIES OF PROPERTIES, OTHER INVENTORIES AND OTHER CONTRACT COSTS

	2023 <i>RMB'000</i>	2022 <i>RMB'000</i>
Inventories of properties		
Properties under development	<b>254,715,815</b>	248,861,831
Properties held for sale	<b>14,559,515</b>	7,792,746
	<b>269,275,330</b>	256,654,577
Other inventories	<b>55,321</b>	34,229
Other contract costs	<b>1,591,877</b>	1,815,745
	<b>270,922,528</b>	258,504,551
Inventories of properties and other inventories	<b>273,681,528</b>	261,251,364
Less: Provision for inventories	<b>(4,406,198)</b>	(4,596,787)
	<b>269,275,330</b>	256,654,577

## 12. TRADE AND OTHER RECEIVABLES

	2023 <i>RMB'000</i>	2022 <i>RMB'000</i>
<b>Trade receivables</b> ( <i>note a</i> )		
From third parties	<b>2,727,964</b>	1,400,939
From related parties	<b>23,854</b>	19,660
Less: Loss allowance	<b>(193,563)</b>	(79,406)
	<b>2,558,255</b>	1,341,193
<b>Other receivables</b>		
Deposits ( <i>note b</i> )	<b>1,593,541</b>	3,062,306
Prepayments	<b>121,276</b>	106,545
Other receivables	<b>997,144</b>	826,601
Prepayments for proposed development projects ( <i>note c</i> )	–	645,400
Payments on behalf of property owners	<b>35,267</b>	30,643
Value-added-tax receivables	<b>6,217,807</b>	5,631,925
	<b>8,965,035</b>	10,303,420
Less: Loss allowance	<b>(68,584)</b>	(53,326)
	<b>8,896,451</b>	10,250,094
	<b>11,454,706</b>	11,591,287

## 12. TRADE AND OTHER RECEIVABLES (Continued)

Notes:

- (a) Trade receivables mainly arose from property development, property management and other related services. Trade receivables settled in accordance with the terms stipulated in the property sale and purchase agreements or service agreements.

Based on the invoice dates, the ageing analysis of the trade receivables, net of loss allowance, is as follows:

	2023 <i>RMB'000</i>	2022 <i>RMB'000</i>
0–30 days	1,606,463	516,415
31–90 days	239,289	193,627
91–180 days	82,008	94,867
181–365 days	247,256	101,242
Over 365 days	383,239	435,042
	<u>2,558,255</u>	<u>1,341,193</u>

Movements of the Group's loss allowance on trade receivables are as follows:

	2023 <i>RMB'000</i>	2022 <i>RMB'000</i>
Balance at 1 January	79,406	41,655
ECL allowances recognised during the year	<u>114,157</u>	<u>37,751</u>
<b>Balance at 31 December</b>	<u><b>193,563</b></u>	<u><b>79,406</b></u>

Movements of the Group's loss allowance on other receivables are as follows:

	2023 <i>RMB'000</i>	2022 <i>RMB'000</i>
Balance at 1 January	53,326	33,790
ECL allowances recognised during the year	<u>15,258</u>	<u>19,536</u>
<b>Balance at 31 December</b>	<u><b>68,584</b></u>	<u><b>53,326</b></u>

At each reporting date, the Group reviews receivables for evidence of impairment on both individual and collective basis. During the year ended 31 December 2023, the Group has made provision of ECL allowance for trade receivables and other receivables of approximately RMB114,157,000 and RMB15,258,000 (2022: RMB37,751,000 and RMB19,536,000) respectively.

## 12. TRADE AND OTHER RECEIVABLES (Continued)

- (b) Deposits mainly included rental deposits, utilities deposits, deposits for construction work, miscellaneous project-related deposits.
- (c) The Group had entered into several contractual arrangements with independent third parties in respect of the proposed acquisitions of equity interests in certain PRC entities, which own land use rights or property development projects in the PRC.
- (d) The Directors of the Group considered that the fair values of trade and other receivables are not materially different from the carrying amounts because these balances have short maturity periods on their inception.

## 13. TRADE AND OTHER PAYABLES

	2023 <i>RMB'000</i>	2022 <i>RMB'000</i>
<b>Trade payables (note a)</b>	<b>26,851,284</b>	18,570,229
<b>Other payables</b>		
Receipts in advances and other payables	310,298	395,452
Interest payable	28,376	53,142
Salaries payable	1,059,912	1,206,430
Value-added-tax payable	798,083	1,465,422
Deposits received	936,436	807,915
Accrued expenses	1,982,387	1,402,434
Collection and payment on behalf of others	928,401	1,088,968
Payables in relation to restricted share incentive schemes	1,269,300	919,994
	<b>7,313,193</b>	7,339,757
	<b>34,164,477</b>	25,909,986

### 13. TRADE AND OTHER PAYABLES (Continued)

Notes:

- (a) The credit terms of trade payables vary according to the terms agreed with different suppliers. Included in trade payables are trade creditors with the following ageing analysis, based on invoice dates, as of the reporting date:

	2023 <i>RMB'000</i>	2022 <i>RMB'000</i>
0–30 days	10,674,788	8,543,242
31–60 days	2,824,192	1,203,005
61–90 days	1,952,943	1,198,273
Over 90 days	11,399,361	7,625,709
	<u>26,851,284</u>	<u>18,570,229</u>

- (b) The carrying values of trade and other payables are considered to be a reasonable approximation of their fair values.

### 14. SHARE CAPITAL

	2023		2022	
	Number of shares	Amount <i>RMB'000</i>	Number of shares	Amount <i>RMB'000</i>
<b>Authorised:</b>				
Ordinary shares of HK\$0.1 each At 31 December	<u>3,000,000,000</u>	<u>254,870</u>	<u>3,000,000,000</u>	<u>254,870</u>
<b>Issued and fully paid:</b>				
At 1 January	1,738,020,891	148,689	1,377,820,204	117,215
Issuance of new shares by the way of placing (note (a))	–	–	75,000,000	6,665
Issuance of shares in respect of restricted share incentive schemes (note (b))	49,870,000	4,531	100,000,000	8,957
Issuance of shares in respect of scrip dividend (note (c))	107,793,235	9,928	105,200,687	9,047
Issuance of shares in respect of the acquisition of C&D Property Management Group Co., Ltd. (note (d))	–	–	80,000,000	6,805
At 31 December	<u>1,895,684,126</u>	<u>163,148</u>	<u>1,738,020,891</u>	<u>148,689</u>

## 14. SHARE CAPITAL (Continued)

Notes:

- (a) On 21 July 2022 and 6 December 2022, the Company completed the placing of 30,000,000 ordinary shares and 45,000,000 ordinary shares at a placing price of HK\$17.00 per share and HK\$17.98 per share respectively under general mandates with total gross proceed of HK\$1,319,100,000 (equivalent to RMB1,160,221,000), giving rise to an increase in share premium of approximately RMB1,153,556,000. Share issuance expenses directly attributable to the issue of new shares amounting to RMB101,000 was treated as a deduction against the share premium account.
- (b) On 28 December 2023, the Company issued 49,870,000 restricted shares at a price of HK\$8.8 per share and recorded an amount of approximately HK\$438,856,000 (equivalent to RMB398,750,000) received from participants, which was included in other payables as payables in relation to restricted share incentive schemes.

On 29 December 2022, the Company issued 100,000,000 restricted shares at a price of HK\$7.01 per share and recorded an amount of approximately HK\$701,000,000 (equivalent to RMB627,907,000) received from participants, which was included in other payables as payables in relation to restricted share incentive schemes.

- (c) On 30 March 2023, the Board declared the final dividend of HK\$1.3 per share (equivalent to approximately RMB1.18 per share) for the year ended 31 December 2022. The shareholders were provided with an option to receive the final dividend in form of scrip dividend. On 7 July 2023, 107,793,235 shares were issued at an issue price of HK\$17.12 per share to shareholders who elected to receive share in lieu of cash dividends pursuant to a scrip dividend scheme, totalling HK\$1,845,420,000 (equivalent to RMB1,699,540,000).
- (d) On 23 May 2022, 80,000,000 new shares were allotted and issued at a consideration of HK\$14.45 per share for the acquisition of C&D Property Management Group Co., Ltd. A par value of HK\$8,000,000 (equivalent to approximately RMB6,805,000) was credited to share capital and the premium of HK\$1,148,000,000 (equivalent to approximately RMB976,244,000) was credited to share premium account.

## 15. EVENT AFTER THE REPORTING DATE

### **Entering into the Equity Transfer Agreement in relation to the acquisition of Chengdu Zhaorongsheng**

On 6 November 2023, Chengdu Zhaoxinlin Real Estate Development Company Limited\* (成都兆欣麟房地產開發有限公司) (“Chengdu Zhaoxinlin”), an indirect wholly-owned subsidiary of the Company, entered into the Chengdu Zhaorongsheng Real Estate Development Company Limited\* (成都兆蓉晟房地產開發有限公司) (“Chengdu Zhaorongsheng”) Equity Transfer Agreement with C&D Real Estate Group Chengdu Co., Ltd\* (建發房地產集團成都有限公司) (“C&D Real Estate Chengdu”), a fellow subsidiary, pursuant to which C&D Real Estate Chengdu agreed to sell and Chengdu Zhaoxinlin agreed to purchase 100% equity interests in Chengdu Zhaorongsheng. The aggregate cash consideration under the Chengdu Zhaorongsheng Equity Transfer Agreement shall be nil. Chengdu Zhaoxinlin shall also repay the shareholder’s loan (principal and interest) in the amount of approximately RMB1,640,052,000 (subject to adjustment) previously advanced by C&D Real Estate Chengdu to Chengdu Zhaorongsheng. Please refer to the Company’s announcements dated 6 November 2023 and 12 January 2024; and the Company’s circular dated 21 December 2023 for further details.

The acquisition of Chengdu Zhaorongsheng is expected to be completed before or in the second quarter of 2024.

## **MANAGEMENT DISCUSSION AND ANALYSIS**

### **MARKET REVIEW**

In 2023, despite the relatively loosen policies in the real estate industry that brought overall benefits to businesses, the external market conditions remained challenging, with insufficient consumer confidence among residents. After an initial surge in the first quarter, the sales of the real estate market in the PRC continued to decline, resulting in an overall contraction in the industry's scale.

From the perspective of the supply side, the industry is experiencing accelerated reshuffling and integration, leading to a more pronounced differentiation among real estate companies and a clearer competitive landscape. Real estate companies with strong comprehensive strengths in terms of product, service, operation and financing capacity, will gradually emerge as competitive leaders.

From the perspective of demand, the livability of real estate had regained importance, as people's preferences shift from "merely owning a house" to "desiring a high-quality house", with emphasis changing from "meeting basic housing needs" to "satisfying the desire for a high-quality living experience", thus putting forward a higher demand for residential space, community environment and supporting services. The demand for improved housing has become a crucial factor in residents' property acquisition decisions.

### **BUSINESS REVIEW**

The Group is principally engaged in the business of property development, real estate industry chain investment services and emerging industry investment. During the Year, the main source of revenue for the Company was property development.

During the Year, the revenue of the Group was approximately RMB134,429.98 million, representing a year-on-year increase of approximately RMB34,794.47 million (approximately 34.9%) as compared with the previous financial year. The gross profit of the Group amounted to approximately RMB14,916.46 million, decreased by approximately RMB302.96 million (approximately 2.0%) as compared with the previous financial year. Profit for the Year increased from approximately RMB5,561.90 million for the year ended 31 December 2022 to approximately RMB6,335.23 million in the Year. The profit attributable to the equity holders of the Company increased by approximately RMB100.74 million (approximately 2.0%) to approximately RMB5,034.71 million as compared with the previous financial year.

## Property Development Business

During the Year, the Group's revenue from property development business was approximately RMB130,131.91 million, representing increase of approximately RMB33,484.27 million as compared with the previous financial year and accounting for approximately 96.80% of the Group's total revenue. During the Year, the gross floor area ("GFA") of delivered properties was approximately 8.522 million sq.m., representing an increase of approximately 3.876 million sq.m. as compared with the previous financial year.

The amount recognised for sales by city in 2022 and 2023 are set out in the following table:

City	Amount (RMB ten thousand)	
	2023	2022
Xiamen	1,306,963	2,710,401
Chengdu	1,071,485	–
Shanghai	876,758	844,021
Wuxi	867,998	673,054
Zhangzhou	751,444	446,249
Quanzhou	747,207	117,956
Suzhou	702,593	546,062
Nanning	698,412	501,163
Fuzhou	561,908	621,407
Beijing	510,258	–
Ningde	465,300	376,076
Nantong	337,093	–
Putian	331,029	388,168
Hefei	320,526	–
Longyan	282,244	125,523
Guiyang	279,881	63,614
Nanjing	271,887	401,377
Nanping	250,536	262,499
Zhuzhou	198,561	–
Ningbo	193,837	–
Huai'an	193,212	–
Chongqing	179,061	–
Jiangmen	164,771	–
Jinan	155,984	–
Shangrao	145,341	–
Foshan	144,253	–
Changsha	139,149	183,716

City	Amount (RMB ten thousand)	
	2023	2022
Yiyang	117,897	–
Suqian	101,701	–
Bengbu	91,753	101,040
Hangzhou	90,971	574,321
Guangzhou	89,643	310,600
Liuzhou	87,709	–
Taizhou	85,867	–
Lu'an	83,139	–
Zhuhai	79,073	241,437
Huangshi	22,246	–
Wuhan	11,256	88,751
Shaoxing	4,245	75,940
Sydney	–	6,720
Shenzhen	–	4,670
<b>Total</b>	<b>13,013,191</b>	<b>9,664,765</b>

### *Contracted Sales*

During the Year, the Group, together with its joint ventures and associates, achieved the cumulative contracted sales attributable to the Shareholders of approximately RMB137.96 billion, representing an increase of approximately 13.5% as compared to the previous financial year. As of 31 December 2023, the cumulative contracted sales GFA attributable to the Shareholders was approximately 6.664 million sq.m., representing an increase of approximately 9.3% as compared to the previous financial year.

The amount and GFA for contracted sales attributable to the Shareholders by city in 2022 and 2023 are set out in the following table:

City	2023		2022	
	Amount Sold (RMB ten thousand)	GFA Sold (sq.m.)	Amount Sold (RMB ten thousand)	GFA Sold (sq.m.)
Xiamen	1,493,637	369,395	1,483,684	343,335
Shanghai	1,485,821	344,208	961,565	177,926
Hangzhou	1,339,295	389,145	705,117	155,588
Suzhou	1,206,024	414,380	345,626	208,062
Beijing	810,890	132,208	837,205	133,849
Fuzhou	781,956	240,277	621,738	229,447
Chengdu	648,937	271,708	687,103	251,781
Wuxi	558,669	369,493	539,965	263,813
Changsha	465,083	359,035	465,253	398,657
Quanzhou	462,639	372,560	603,217	525,331
Putian	428,516	364,843	279,194	191,275
Ningbo	363,413	96,466	578,496	166,331
Zhangzhou	338,504	354,018	541,935	510,281
Nanning	323,150	271,932	352,285	269,473
Nanjing	259,934	109,236	166,978	50,852
Ningde	252,923	217,906	232,628	195,999
Wuhan	227,149	67,848	25,923	14,892
Guiyang	205,508	198,329	167,305	169,752
Longyan	203,331	185,814	195,479	164,274
Jinan	163,185	173,558	105,526	112,985
Xuzhou	146,503	67,940	89,515	50,080
Nantong	139,405	91,914	140,190	77,587
Guangzhou	111,962	31,714	90,721	22,462
Foshan	111,336	79,876	211,014	127,227
Nanchang	104,426	77,750	370,800	220,096
Hefei	99,414	57,494	207,458	90,262

City	2023		2022	
	Amount Sold (RMB ten thousand)	GFA Sold (sq.m.)	Amount Sold (RMB ten thousand)	GFA Sold (sq.m.)
Jiangmen	91,582	96,090	69,298	56,746
Suqian	89,018	69,447	50,612	36,102
Wenzhou	84,421	31,891	84,378	33,392
Taizhou	82,035	32,032	102,393	33,119
Huai'an	80,661	54,907	54,910	29,048
Nanping	77,287	95,557	152,005	196,064
Zhuzhou	71,757	102,008	60,145	86,435
Bengbu	63,328	66,930	55,679	44,763
Shangrao	59,466	88,070	82,517	115,358
Shaoxing	54,394	13,619	77,432	19,574
Chongqing	54,300	33,836	37,716	22,288
Huangshi	41,250	52,819	41,021	49,285
Yiyang	39,934	66,882	45,384	69,794
Jiujiang	39,902	52,890	30,365	37,423
Lishui	31,354	12,002	—	—
Lu'an	30,304	42,855	34,110	33,927
Yiwu	29,789	7,541	47,394	12,149
Liuzhou	17,540	15,658	55,092	53,265
Yancheng	10,289	11,448	7,647	7,599
Zhuhai	8,618	6,919	55,288	36,848
Shenzhen	6,774	1,900	2,956	736
<b>Total</b>	<b>13,795,613</b>	<b>6,664,348</b>	<b>12,152,262</b>	<b>6,095,532</b>

## ***Land Reserves***

As of 31 December 2023, the aggregate saleable GFA of land reserves of the Group was approximately 15.52 million sq.m., with a total of 311 projects in China.

The amount of saleable GFA and attributable GFA of land reserves by city in 2022 and 2023 are set out in the following table:

<b>City</b>	<b>2023</b>		<b>2022</b>	
	<b>Saleable GFA</b> <i>(sq.m.)</i>	<b>Attributable GFA</b> <i>(sq.m.)</i>	<b>Saleable GFA</b> <i>(sq.m.)</i>	<b>Attributable GFA</b> <i>(sq.m.)</i>
Shanghai	<b>1,017,849</b>	<b>742,298</b>	568,964	510,148
Wuxi	<b>886,857</b>	<b>544,412</b>	1,157,541	715,071
Suzhou	<b>789,550</b>	<b>624,998</b>	628,977	464,122
Guiyang	<b>746,692</b>	<b>746,692</b>	950,180	950,180
Nanchang	<b>736,104</b>	<b>605,827</b>	351,667	182,753
Changsha	<b>720,336</b>	<b>566,839</b>	908,869	706,301
Zhuzhou	<b>651,178</b>	<b>651,178</b>	779,729	779,729
Quanzhou	<b>630,133</b>	<b>530,817</b>	398,501	323,200
Xiamen	<b>612,186</b>	<b>477,659</b>	694,516	493,981
Fuzhou	<b>533,281</b>	<b>332,687</b>	691,229	496,935
Wenzhou	<b>504,070</b>	<b>216,041</b>	428,276	154,532
Suqian	<b>483,497</b>	<b>483,497</b>	551,944	551,944
Chengdu	<b>446,296</b>	<b>315,444</b>	463,806	424,553
Hangzhou	<b>428,508</b>	<b>284,615</b>	166,745	93,884
Zhangzhou	<b>419,944</b>	<b>291,306</b>	560,010	357,110
Beijing	<b>412,497</b>	<b>380,401</b>	240,161	187,098
Huangshi	<b>408,940</b>	<b>408,940</b>	462,546	462,546
Taizhou	<b>382,010</b>	<b>271,113</b>	98,577	49,424
Longyan	<b>372,935</b>	<b>335,928</b>	305,125	254,111
Huai'an	<b>359,998</b>	<b>287,999</b>	441,307	353,046
Foshan	<b>352,322</b>	<b>308,190</b>	261,334	197,220
Nanjing	<b>308,696</b>	<b>244,450</b>	358,957	268,166
Putian	<b>289,212</b>	<b>163,164</b>	792,105	427,361
Jinan	<b>276,576</b>	<b>248,461</b>	322,325	322,325
Chongqing	<b>260,064</b>	<b>168,494</b>	263,536	173,635
Hefei	<b>235,488</b>	<b>127,006</b>	171,370	109,273

City	2023		2022	
	Saleable GFA (sq.m.)	Attributable GFA (sq.m.)	Saleable GFA (sq.m.)	Attributable GFA (sq.m.)
Yiyang	188,242	188,242	256,182	256,182
Nanning	187,056	158,044	419,308	387,616
Jiangmen	182,199	105,077	301,023	203,880
Ningde	181,661	108,909	444,488	276,020
Nantong	180,609	173,048	200,248	185,240
Ningbo	147,448	75,958	118,076	94,461
Yancheng	142,003	69,582	165,366	81,029
Jiaying	131,455	131,455	–	–
Nanping	128,969	90,056	252,988	186,130
Xuzhou	122,002	68,170	70,093	70,093
Guangzhou	107,107	95,183	153,583	132,694
Yiwu	79,945	26,382	102,798	33,923
Bengbu	78,647	78,647	154,198	154,198
Liuzhou	73,911	73,911	18,862	18,862
Wuhan	65,754	49,448	143,796	117,451
Dongguan	60,503	42,352	–	–
Lishui	52,245	52,245	–	–
Zhuhai	40,346	40,346	47,383	47,383
Shaoxing	38,199	19,553	63,784	33,172
Shangrao	37,691	29,712	160,241	116,216
Jiujiang	23,969	15,996	106,715	68,875
Shenzhen	–	–	6,371	3,249
<b>Total</b>	<b>15,515,180</b>	<b>12,050,772</b>	<b>16,203,800</b>	<b>12,475,322</b>

## FINANCIAL REVIEW

### Revenue

The following table sets forth the Group's revenue from each of these segments and as a percentage of the total revenue for the relevant financial years:

	2023		2022	
	RMB'000	%	RMB'000	%
Property development	130,131,910	96.80	96,647,645	97.00
Property management and other related services ( <i>Note</i> )	<u>4,298,065</u>	<u>3.20</u>	<u>2,987,856</u>	<u>3.00</u>
<b>Total</b>	<b><u>134,429,975</u></b>	<b><u>100.00</u></b>	<b><u>99,635,501</u></b>	<b><u>100.00</u></b>

*Note:* Represents income from property management services, construction management services, entrusted construction services and other related services.

### *Property development*

Revenue from property development increased by approximately RMB33,484.27 million from approximately RMB96,647.65 million for the year ended 31 December 2022 to approximately RMB130,131.91 million for the Year. Saleable GFA delivered for each of the years ended 31 December 2022 and 2023 were approximately 4.646 million sq.m. and approximately 8.522 million sq.m., respectively. The revenue derived from property development for the Year increased mainly due to the increase in saleable GFA delivered.

### *Property management and other related services*

Revenue from property management and other related services for the Year increased by approximately RMB1,310.21 million from approximately RMB2,987.86 million for the year ended 31 December 2022 to approximately RMB4,298.07 million for the Year. Such increase was mainly due to the increase in revenue from property management services, which was primarily attributed to the rapid increase of the GFA under management and the successful delivery of home furniture services.

### Cost of Sales

Cost of sales increased by approximately RMB35,097.43 million from approximately RMB84,416.09 million for the year ended 31 December 2022 to approximately RMB119,513.52 million for the Year. This result was primarily attributable to the increase in saleable GFA sold and delivered during the Year.

## **Gross Profit and Gross Profit Margin**

The gross profit amounted to approximately RMB15,219.41 million and RMB14,916.46 million for each of the two years ended 31 December 2022 and 2023 respectively, representing a gross profit margin of approximately 15.3% and 11.1% respectively. The decrease in gross profit margin was mainly due to the lower gross profit margin level of certain projects delivered with income carried forward during the Year as compared with the previous financial year as a result of the significant downturn in the real estate market in recent years.

## **Other Net Gain**

Other net gain decreased from approximately RMB1,474.16 million for the year ended 31 December 2022 to approximately RMB1,125.73 million for the Year. The decrease was mainly due to a decrease in gain on derecognition of financial liabilities at amortised cost in the Year.

## **Borrowing Costs**

Borrowing costs incurred for the construction projects under development were capitalised during the Year. Other borrowing costs were expensed when incurred.

Total borrowing costs (excluding the significant financing component of contract liabilities and the finance charges on lease liabilities) decreased slightly from approximately RMB4,015.10 million for the year ended 31 December 2022 to approximately RMB3,386.35 million for the Year. The decrease was mainly due to total borrowings and average financing interest rate decreased slightly as compared with the previous financial year.

## **Loss on Changes in Fair Value of Investment Properties**

The loss on changes in fair value of investment properties was approximately RMB51.78 million for the Year (2022: loss of approximately RMB33.89 million). The loss reflected the adjustments in the value of investment properties during the Year.

## **Administrative Expenses**

Administrative expenses decreased by approximately RMB1,591.05 million to approximately RMB2,851.39 million for the Year from approximately RMB4,442.44 million for the year ended 31 December 2022. This was primarily due to a decrease in the provision for inventories of properties during the Year as compared to the previous financial year.

## **Selling Expenses**

Selling expenses increased by approximately RMB744.22 million to approximately RMB4,308.01 million for the Year from approximately RMB3,563.79 million for the year ended 31 December 2022. It was mainly due to the increase in marketing expenses such as corresponding contract costs in line with the increase in the delivery of property development projects during the Year.

## **Profit before Income Tax**

As a cumulative effect of the foregoing factors, the Group recorded a profit before income tax of approximately RMB8,582.71 million for the Year, representing an increase of approximately RMB97.61 million (approximately 1.2%) from a profit of approximately RMB8,485.10 million in the previous financial year.

## **Income Tax Expense**

Income tax expense decreased from approximately RMB2,923.19 million in the previous financial year to approximately RMB2,247.48 million for the Year. The decrease in income tax expense was mainly due to the decrease in PRC LAT as compared with the previous financial year as a result of the better-than-expected results of LAT clearance for multiple projects.

## **Profit for the Year Attributable to the Equity Holders of the Company**

The profit attributable to the equity holders of the Company increased by approximately RMB100.74 million (approximately 2.0%) from approximately RMB4,933.97 million in the previous financial year to approximately RMB5,034.71 million for the Year.

## **Liquidity and Financial Resources**

The long-term funding and working capital required by the Group were primarily derived from income generated from core business operations, bank borrowings, loans from intermediate holding company and cash proceeds derived from receipt in advance from the pre-sale of properties, which were used to finance its business operations and investment in construction projects. The Group's liquidity position was well-managed during the Year.

The Group continued to adopt a prudent financing policy and sustain a sound capital structure with healthy cash flow. As at 31 December 2023, the Group's cash at banks and on hand amounted to approximately RMB54,161.32 million (as at 31 December 2022: approximately RMB50,280.06 million) while total assets and net assets (after deducting non-controlling interests) were approximately RMB427,277.51 million (as at 31 December 2022: approximately RMB393,463.17 million) and approximately RMB33,456.48 million (as at 31 December 2022: approximately RMB31,637.22 million)

respectively. As at 31 December 2023, the Group's working capital amounted to approximately RMB130,399.98 million (as at 31 December 2022: approximately RMB133,157.79 million). As at 31 December 2023, the Group recorded net debt of approximately RMB30,595.49 million (as at 31 December 2022: approximately RMB41,767.35 million) with net debt to equity ratio of approximately 33.64% (as at 31 December 2022: approximately 52.59%). Cash and bank balances held by the Group of which about 99% was denominated in Renminbi, and about 1% was denominated in HK dollars.

As at 31 December 2023, the Group had (i) interest-bearing borrowings of approximately RMB32,076.29 million denominated in RMB which borne an interest rate ranging from 1.3% to 4.5875% (as at 31 December 2022: approximately RMB41,613.37million, with an interest rate ranging from 1.95% to 6.5% per annum) per annum; (ii) no interest-bearing borrowings denominated in HK\$ (as at 31 December 2022: approximately RMB44.66 million denominated in HK\$, with an interest rate ranging from 6.49% per annum); (iii) loans from intermediate holding company of approximately RMB47,829.40 million denominated in RMB which borne an interest rate at 4.53% (as at 31 December 2022: approximately RMB47,679.93 million, with an interest rate at 4.81% per annum) per annum; (iv) the amounts due to non-controlling shareholders of the Company of approximately RMB1,364.96 million denominated in RMB which borne an interest rate ranging from 3.55% to 10% (as at 31 December 2022: approximately RMB1,238.59 million, with an interest rate ranging from 4.35% to 10% per annum) per annum; and (v) the amounts due to associates of the Company of approximately RMB3,486.16 million denominated in RMB which borne an interest rate ranging from 3.43% to 4.75% (as at 31 December 2022: approximately RMB1,470.86 million, with an interest rate ranging from 3.43% to 4.75% per annum) per annum. No particular trend of seasonality was observed for the Group's borrowing requirements for the Year. Approximately 99.9% and 0.1% of the Group's borrowings carried interest on a floating rate basis and fixed rate basis, respectively.

The Group's gearing ratio (total borrowings divided by total equity) as at 31 December 2023 decreased to 93.2% (as at 31 December 2022: 115.90%) due to an increase in contribution from the non-controlling interests and a decrease in total borrowings during the Year.

Of the total borrowings, approximately RMB10,773.13 million are repayable within one year while approximately RMB73,665.7 million are repayable after one year but within five years.

To manage liquidity risk, the Group monitors and maintains a level of cash and cash equivalents which the management considers to be adequate to finance the Group's operations and mitigate the effects of fluctuations in cash flow. The Group's management also monitors its net current assets/liabilities and the utilisation of borrowings to ensure efficient use of the available banking facilities and compliance with loan covenants.

## **Financial Guarantee Contracts**

The Group had arranged bank financing for certain purchasers of the Group's property units and provided guarantees to secure obligations of such purchasers for repayments. The balance as at 31 December 2023 was approximately RMB77,444.07 million (as at 31 December 2022: approximately RMB75,072.62 million). The increase in balance was mainly attributable to the increase of pre-sale real estate mortgage loan due to the increase of the sales of property projects in the Year.

## **Capital Commitments**

Capital commitments were those contracts that were concluded but not provided for leasehold improvement, prepayments for intended projects that were concluded but not provided for allowance, nor for the construction of properties under development. The capital commitment balance was approximately RMB69,247.74 million as at 31 December 2023 (as at 31 December 2022: approximately RMB45,242.16 million). The increase was mainly attributable to the increase in construction of properties under development that were concluded but not provided for allowance during the Year as compared with 2022.

## **Pledge of Assets**

As at 31 December 2023, the Group's bank loan was secured by legal charges in respect of property, plant and equipment with carrying value of approximately RMBNil (as at 31 December 2022: approximately RMB3.94 million), investment properties with a fair value of approximately RMB630 million (as at 31 December 2022: approximately RMB652.66 million) and properties under development with carrying value of approximately RMB43,975.36 million (as at 31 December 2022: approximately RMB44,890.94 million).

## **Capital Structure**

As at 31 December 2023, the Company's issued share capital was HK\$189,568,412.6, divided into 1,895,684,126 ordinary shares (the "Shares") of HK\$0.1 each (as at 31 December 2022: HK\$173,802,089.1, divided into 1,738,020,891 Shares).

## **Foreign Currency Exposure**

The business operations of the Company's subsidiaries were conducted mainly in the PRC with revenues and expenses denominated mainly in RMB.

As at 31 December 2023, except for the bank deposits denominated in foreign currencies, the Group did not have significant foreign currency exposure from its operations.

As the Directors considered the Group's foreign exchange risk to be insignificant, the Group did not use any financial instruments for hedging purposes during the Year.

### **Contingent Liabilities**

As at 31 December 2023, the Group did not have any material contingent liabilities (as at 31 December 2022: Nil).

### **Significant Investments, Material Acquisitions and Disposals of Subsidiaries, Joint Ventures and Associates**

During the Year, the Group did not hold any significant investment or significant securities investment as part of its asset portfolio, or had no material acquisition or disposal of subsidiaries, joint ventures and associates.

### **Future Plans for Material Investments or Capital Assets**

The Board currently does not have any future plans for material investments or capital assets.

### **Employees and Emolument Policy**

As at 31 December 2023, the Group employed a total of 20,913 full-time employees (as at 31 December 2022: 19,594 full-time employees). Total staff costs, including Directors' emoluments, of the Group were approximately RMB3,889.88 million for the Year (2022: approximately RMB3,599.55 million). The Group reviews the remuneration policies and packages on a regular basis and makes necessary adjustment that commensurate with the remuneration level in the industry. In addition to a basic monthly salary, year-end bonuses are offered to those staff with outstanding performance. The restricted share incentive schemes have been adopted to attract and retain eligible employees to contribute to the Group.

The same remuneration philosophy is also applicable to the Directors. Apart from benchmarking against the market, the Company reviews individual competence, contributions and the affordability of the Company in determining the exact level of remuneration for each Director.

### **KEY RISK FACTORS AND UNCERTAINTIES**

The property market in China is affected by a number of factors, such as changes in social, political, economic and legal environment and the government's undertakings of fiscal, economic, monetary, industrial and environmental policies. Changes in macro-economic conditions, consumer confidence, consumption spending, and consumption

preferences may also affect the Group's business. As such, the Group, taking into account the market situations, implements locally differentiated investment and marketing strategies and nurtures a number of projects across different regional markets so as to reduce reliance on individual markets. In addition, the Group's operations are exposed to a variety of idiosyncratic risks in property development, property investment, and property related businesses. Default by buyers and partners, manual and systematic negligence or mistake in internal processes, and other external factors may have impact on operation. The Epidemic may also have negative influences on the property industry operations and consumers' property preferences, if there are any changes as to the situation in relation to the Epidemic. In addition to the aforesaid factors, other risk factors and uncertainties may exist.

## **EVENTS AFTER REPORTING PERIOD**

Details of material events affecting the Group after 31 December 2023 are set out in note 15 to this announcement.

## **OUTLOOK AND PROSPECT**

In 2024, despite increased uncertainties in the external environment, the real estate industry remains closely linked to people's aspirations for a better life, offering vast and sustainable business opportunities. It also provides a broad market for quality real estate enterprises. In the face of competition and challenges, the Group will stay true to its original mission, uphold a "customer-centric" approach, pursue profitability and operational cash flow, maintain liquidity, ensure secure operations, and continue to promote quality growth.

**(1) Continue to maintain sound liquidity and strengthen policy trend analysis to seize market opportunity windows.**

The Group will firmly give top priority to the health of our assets, keep a close eye on cash flow management and maintain liquidity. We will focus our investments to minimize risk and insist on ploughing into high-powered cities with stable long-term demand, giving priority to first- and second-tier cities as well as third- and fourth-tier cities with strong brand influence. The Group will enhance research on policies and markets by establishing a dynamic tracking mechanism, so as to improve its understanding of markets in cities.

**(2) Enhance product and service competitiveness by unwaveringly adopting a customer-oriented approach, and fully develop new Chinese-style products.**

The Group will steadfastly develop new Chinese-style products, and consistently develop improved products through keeping pace with technological advancements as well as strengthening, accelerating and

intensifying innovation and research and development on product upgrades. New technologies will be utilized to create a residential system with features of “healthy living + green and low-carbon + smart homes”. More efforts will be made to the research and development of new materials and processes, with the aim of creating a “Lighthouse Project” through active innovation.

**(3) Continue to deepen lean management to enhance the efficiency and effectiveness of production and operation.**

The Group will continue to expedite the construction of its digital platforms, and establish rules for resource allocation, operational efficiency, process optimization, and internal control building. By utilizing digital means to guide our operations, we will enhance the ability to provide early warning and control of management, support precise decision-making and promote refined management, so as to actively improve the efficiency and effectiveness of production and operation.

In 2024, the Group will actively adapt to national policies and directions, flexibly respond to market conditions, and make timely adjustments. We will pursue differentiation, rely on product strength, bring happiness to customers, and strive for further breakthroughs to achieve long-term, sustainable and high-quality development, so as to continue to create greater value for customers, the Shareholders and the society.

## **FINAL DIVIDEND**

The Board recommended payment of a final dividend of HK\$1.3 per Share for the Year (2022: HK\$1.3 per Share). Shareholders of the Company whose names appear on the register of members of the Company on Friday, 31 May 2024, (the “Eligible Shareholders”) may select to receive the final dividend in the form of new Shares in lieu of cash in respect of part or all of such dividend (the “Scrip Dividend Scheme”).

The Scrip Dividend Scheme is subject to the approval of the resolution relating to the payment of the final dividend at the annual general meeting; and the Stock Exchange granting the listing of and permission to deal in the new Shares to be issued pursuant thereto.

A circular containing details of the Scrip Dividend Scheme together with the relevant form of election will be sent to the Eligible Shareholders on or around Friday, 7 June 2024. If approved by the Shareholders, it is expected that the final dividend and certificates for the new Shares (in case the Eligible Shareholders have elected to receive part or all of the final dividend in the form of new Shares) will be distributed and despatched to the Eligible Shareholders on or around Monday, 8 July 2024.

## **ANNUAL GENERAL MEETING**

The annual general meeting of the Company (the “AGM”) will be held on Friday, 24 May 2024. A notice convening the AGM with all other relevant documents will be published and despatched to the Shareholders in due course.

## **CLOSURE OF REGISTER OF MEMBERS**

For the purpose of determining the Shareholders’ entitlement to attend and vote at the AGM, the register of members of the Company will be closed from Tuesday, 21 May 2024 to Friday, 24 May 2024 (both days inclusive). In order to qualify for attending and voting at the AGM, all transfer documents accompanied by the relevant share certificates must be lodged with the Company’s Hong Kong branch share registrar, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong for registration by 4:30 p.m. on Monday, 20 May 2024.

For the purpose of determining the Shareholders’ entitlement to the proposed final dividend for the Year, the register of members of the Company will be closed from Thursday, 30 May 2024 to Friday, 31 May 2024 (both days inclusive). In order to qualify for the final dividend, all transfer documents accompanied by the relevant share certificates must be lodged with the Company’s Hong Kong branch share registrar, Tricor Investor Services Limited, at the above-mentioned address for registration by 4:30 p.m. on Wednesday, 29 May 2024.

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

The Company had adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “Model Code”) as set out in Appendix C3 to the Listing Rules for dealings in securities of the Company by its Directors. The Company has made specific enquiries to all Directors and each of them confirmed that they have complied with the required standard set out in the Model Code for the Year.

## **CORPORATE GOVERNANCE PRACTICES**

The Company is committed to maintaining high corporate governance standards. It believes that high corporate governance standards are essential in providing a framework for the Company to safeguard the interests of the Shareholders, enhance corporate value, formulate its business strategies and policies, and enhance its transparency and accountability. The Company has complied with all the code provisions as set out in the Corporate Governance Code contained in Appendix C1 to the Listing Rules during the Year.

Further information on the Company’s corporate governance practices will be set out in the Corporate Governance Report contained in the Company’s annual report for the Year, which will be released in due course.

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

Save for the issuance of 49,870,000 new Shares pursuant to the 2023 restricted share incentive scheme, neither the Company nor any of its subsidiaries purchased, redeemed or sold any of the Company's listed securities during the Year.

For details of issuance of Shares under the 2023 restricted share incentive scheme, please refer to the announcements of the Company dated 7 November 2023 and 21 December 2023 and the circular of the Company dated 4 December 2023.

## **REVIEW OF RESULTS BY AUDIT COMMITTEE**

The audit committee of the Company (comprising all the four independent non-executive Directors, namely Mr. Wong Chi Wai (committee chairman), Mr. Wong Tat Yan, Paul, Mr. Chan Chun Yee and Mr. Dai Yiyi) has reviewed with management the consolidated financial statements of the Company for the Year.

## **SCOPE OF WORK OF THE AUDITOR**

The figures in respect of the preliminary announcement of the Group's results for the year ended 31 December 2023 have been agreed by the Group's auditor, Grant Thornton Hong Kong Limited (the "Auditor"), to the amounts set out in the Group's draft consolidated financial statements for the Year. The work performed by the Auditor 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 Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by the Auditor on the preliminary announcement.

## **ANNUAL REPORT**

The annual report of the Company for the year ended 31 December 2023 will be despatched to the Shareholders who requested for a printed copy and available on the respective websites of the Stock Exchange and the Company in due course.

## APPRECIATION

We would like to take this opportunity to express our sincere gratitude to the Shareholders for their continuing support, and our appreciation to all staff members for the dedication and loyalty to the Group.

By Order of the Board  
**C&D International Investment Group Limited**  
**Zhao Chengmin**  
*Chairperson and Executive Director*

Hong Kong, 21 March 2024

As at the date of this announcement, the Board comprises:

*Executive Directors:*

Ms. Zhao Chengmin (*Chairperson*)  
Mr. Lin Weiguo (*Chief Executive Officer*)  
Mr. Tian Meitan  
Mr. Peng Yong

*Non-executive Directors:*

Mr. Huang Wenzhou  
Ms. Ye Yanliu  
Mr. Zheng Yongda

*Independent Non-executive Directors:*

Mr. Wong Chi Wai  
Mr. Wong Tat Yan, Paul  
Mr. Chan Chun Yee  
Mr. Dai Yiyi

*This announcement is prepared in both English and Chinese; in the event of inconsistency, the English text of the announcement shall prevail over the Chinese text.*

\* *denotes English translation of the name of a Chinese company, entity or place and is provided for identification purpose only*