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LONGFOR GROUP HOLDINGS LIMITED

龍湖集團控股有限公司

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 960)

ANNOUNCEMENT OF ANNUAL RESULTS FOR THE YEAR ENDED DECEMBER 31, 2023

FINANCIAL SUMMARY

- Contracted sales amounted to RMB173.49 billion with the corresponding sale of gross floor area (GFA) of 10.796 million square meters.
- Revenue was RMB180.74 billion, of which the revenue from investment property operation and services and others was RMB24.88 billion, representing a year-on-year increase of 5.7%.
- Profit attributable to shareholders was RMB12.85 billion. Excluding effects of fair value changes, core net profit attributable to shareholders was RMB11.35 billion, over 60% of which was from investment property operation and services and others. Gross profit was RMB30.58 billion with gross profit margin of 16.9%. Core net profit margin was 8.7%, and core net profit margin attributable to shareholders was 6.3%.
- The net debt to equity ratio (net debt divided by total equity) was 55.9%. Cash in hand was RMB60.42 billion.
- Consolidated total borrowing was RMB192.65 billion, representing a year-on-year decrease of 7.4% and average cost of borrowing was 4.24% per annum. Average maturity period of loan was 7.85 years.
- Basic earnings per share was RMB2.07. Excluding effects of fair value changes, core basic earnings per share was RMB1.82. The Board recommends a final dividend of RMB0.23 per share. Together with the interim dividend of RMB0.32 per share, the total dividend was RMB0.55 per share.

ANNUAL RESULTS

The board of directors (the “Board”) of Longfor Group Holdings Limited (the “Company”) is pleased to announce the audited consolidated results of the Company and its subsidiaries (collectively, the “Group”) for the year ended December 31, 2023 with comparative figures for the preceding financial year as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED DECEMBER 31, 2023

		2023	2022
	<i>NOTES</i>	<i>RMB'000</i>	<i>RMB'000</i>
Revenue	2	180,736,575	250,565,107
Cost of sales		<u>(150,152,727)</u>	<u>(197,526,615)</u>
Gross profit		30,583,848	53,038,492
Other income	3	1,508,598	1,949,742
Other gains and losses	4	819,202	(36,565)
Lease liability charges		(792,734)	(888,159)
Fair value gain upon transfer to investment properties		13,254	–
Change in fair value of investment properties		1,998,986	2,887,575
Change in fair value of other derivative financial instruments		(40,919)	(260,138)
Selling and marketing expenses		(5,262,817)	(5,337,715)
Administrative expenses		(5,502,495)	(6,794,312)
Finance costs	5	(149,479)	(158,193)
Share of results of associates		134,835	425,322
Share of results of joint ventures		<u>1,419,023</u>	<u>996,152</u>
Profit before taxation		24,729,302	45,822,201
Income tax expense	6	<u>(7,596,752)</u>	<u>(12,999,484)</u>
Profit for the year	7	<u>17,132,550</u>	<u>32,822,717</u>
Profit attributable to:			
Owners of the Company		12,850,011	24,362,046
Non-controlling interests		<u>4,282,539</u>	<u>8,460,671</u>
		<u>17,132,550</u>	<u>32,822,717</u>

		2023	2022
	<i>NOTES</i>	<i>RMB'000</i>	<i>RMB'000</i>
Profit for the year		<u>17,132,550</u>	<u>32,822,717</u>
Other comprehensive (expense) income:			
<i>Item that will not be reclassified to profit or loss:</i>			
Fair value (losses) gains on investments in equity instruments at fair value through other comprehensive income (“FVTOCI”)		<u>(1,417,318)</u>	<u>1,093,507</u>
<i>Items that may be reclassified subsequently to profit or loss:</i>			
Net fair value gains on hedging instruments		899,539	653,411
Losses on hedging instruments reclassified to profit or loss		<u>(929,886)</u>	<u>(3,721,941)</u>
		<u>(30,347)</u>	<u>(3,068,530)</u>
Total other comprehensive expense		<u>(1,447,665)</u>	<u>(1,975,023)</u>
Total comprehensive income for the year		<u>15,684,885</u>	<u>30,847,694</u>
Total comprehensive income attributable to:			
Owners of the Company		11,402,346	22,387,023
Non-controlling interests		<u>4,282,539</u>	<u>8,460,671</u>
		<u>15,684,885</u>	<u>30,847,694</u>
Earnings per share, in RMB			
Basic	9	<u>2.07</u>	<u>4.08</u>
Diluted	9	<u>2.06</u>	<u>4.05</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AT DECEMBER 31, 2023

		2023	2022
	<i>NOTES</i>	<i>RMB'000</i>	<i>RMB'000</i>
NON-CURRENT ASSETS			
Investment properties		199,751,631	187,671,060
Property, plant and equipment		2,200,305	2,770,400
Right-of-use assets		579,569	1,349,672
Goodwill		3,834,757	3,834,757
Intangible assets		2,009,314	2,196,421
Interests in associates		15,399,336	15,904,823
Interests in joint ventures		16,052,277	13,281,430
Equity instruments designated at FVTOCI		6,639,807	8,108,525
Derivative financial instruments		358,577	201,834
Deferred taxation assets		11,389,985	11,217,441
		<u>258,215,558</u>	<u>246,536,363</u>
CURRENT ASSETS			
Inventories of properties		254,779,161	325,035,092
Other inventories		61,519	434,123
Deposits paid for acquisition of properties held for development		4,488,522	5,851,083
Accounts and other receivables, deposits and prepayments	<i>10</i>	28,645,379	29,819,796
Contract cost		1,680,381	1,270,657
Amounts due from non-controlling interests		61,589,422	70,056,337
Amounts due from associates		4,215,911	6,969,133
Amounts due from joint ventures		13,166,780	15,597,233
Taxation recoverable		13,039,789	12,380,706
Financial assets at fair value through profit or loss (“FVTPL”)		2,000	34,933
Derivative financial instruments		99,723	164,665
Pledged bank deposits		1,198,327	528,886
Bank balances and cash		59,224,403	72,095,409
		<u>442,191,317</u>	<u>540,238,053</u>

		2023	2022
	<i>NOTES</i>	<i>RMB'000</i>	<i>RMB'000</i>
CURRENT LIABILITIES			
Accounts and bills payables, other payables and accrued charges	<i>11</i>	67,598,945	93,447,704
Contract liabilities		102,785,977	125,176,251
Amounts due to non-controlling interests		23,403,687	42,652,900
Amounts due to associates		9,173,004	11,655,376
Amounts due to joint ventures		7,692,958	6,897,980
Taxation payable		27,539,502	33,611,306
Financial liabilities at FVTPL		50,705	51,905
Lease liabilities – due within one year		1,666,987	1,460,684
Bank and other borrowings – due within one year		26,840,905	20,657,172
Derivative financial instruments		8,990	114,562
Other derivative financial instrument		227,767	149,494
		<u>266,989,427</u>	<u>335,875,334</u>
NET CURRENT ASSETS		<u>175,201,890</u>	<u>204,362,719</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>433,417,448</u>	<u>450,899,082</u>
CAPITAL AND RESERVES			
Share capital		574,477	546,290
Reserves		151,392,232	141,554,069
Equity attributable to owners of the Company		151,966,709	142,100,359
Non-controlling interests		84,491,558	91,078,731
TOTAL EQUITY		<u>236,458,267</u>	<u>233,179,090</u>
NON-CURRENT LIABILITIES			
Deferred consideration payable		1,268	454,913
Financial liabilities at FVTPL		56,983	60,223
Lease liabilities – due after one year		13,165,227	13,402,662
Bank and other borrowings – due after one year		154,501,113	174,145,759
Senior notes – due after one year		11,303,543	13,205,169
Derivative financial instruments		375,278	1,077,442
Other derivative financial instruments		513,557	561,762
Deferred taxation liabilities		17,042,212	14,812,062
		<u>196,959,181</u>	<u>217,719,992</u>
		<u>433,417,448</u>	<u>450,899,082</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2023

1. APPLICATION OF NEW AND AMENDMENTS TO INTERNATIONAL FINANCIAL REPORTING STANDARDS (“IFRSs”)

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

In the current year, the Group has applied the following new and amendments to IFRSs issued by the International Accounting Standards Board (“IASB”) for the first time, which are mandatorily effective for the Group’s annual period beginning on January 1, 2023 for the preparation of the consolidated financial statements:

IFRS 17 (including the June 2020 and December 2021 Amendments to IFRS 17)	Insurance Contracts
Amendments to IAS 8	Definition of Accounting Estimates
Amendments to IAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction
Amendments to IAS 12	International Tax Reform-Pillar Two model Rules
Amendments to IAS 1 and IFRS Practice Statement 2	Disclosure of Accounting Policies

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

(a) *Impacts on application of Amendments to IAS 12 Deferred Tax related to Assets and Liabilities arising from a Single Transaction*

The Group has applied the amendments for the first time in the current year. The amendments narrow the scope of the recognition exemption of deferred tax liabilities and deferred tax assets in paragraphs 15 and 24 of IAS 12 *Income Taxes* so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences.

In accordance with the transition provision:

- (i) the Group has applied the new accounting policy retrospectively to leasing transactions that occurred on or after January 1, 2022;
- (ii) the Group also, as at January 1, 2022, recognised a deferred tax asset (to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised) and a deferred tax liability for all deductible and taxable temporary difference associated with right-of-use-assets and lease liabilities.

The application of the amendments has had no material impact on the Group’s financial position and performance, except that the Group disclose the related deferred tax assets and deferred tax liabilities on a gross basis but it has no impact on the retained earnings at the earliest period presented.

(b) *Impacts on application of Amendments to IAS 1 and IFRS Practice Statement 2 Disclosure of Accounting Policies*

The Group has applied the amendments for the first time in the current year. IAS 1 *Presentation of Financial Statements* is amended to replace all instances of the term “significant accounting policies” with “material accounting policy information”. Accounting policy information is material if, when considered together with other information included in an entity’s financial statements, it can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements.

The amendments also clarify that accounting policy information may be material because of the nature of the related transactions, other events or conditions, even if the amounts are immaterial. However, not all accounting policy information relating to material transactions, other events or conditions is itself material. If an entity chooses to disclose immaterial accounting policy information, such information must not obscure material accounting policy information.

IFRS Practice Statement 2 *Making Materiality Judgements* (the “Practice Statement”) is also amended to illustrate how an entity applies the “four-step materiality process” to accounting policy disclosures and to judge whether information about an accounting policy is material to its financial statements. Guidance and examples are added to the Practice Statement.

The application of the amendments has had no material impact on the Group’s financial positions and performance but has affected the disclosure of the Group’s accounting policies in the consolidated financial statements.

2. SEGMENT INFORMATION

The Group determines its operating segments based on internal reports about components of the Group that are regularly reviewed by the chief operating decision maker (“CODM”) (i.e., the executive directors of the Company) in order to allocate resources to the segment and to assess its performance.

The Group is organised into business units based on their types of activities, based on which information is prepared and reported to the Group’s CODM for the purposes of resource allocation and assessment of performance. The Group’s operating segments under IFRS 8 *Operating Segments* are identified as three main operations:

- Property development: this segment represents the development and sales of office and commercial premises and residential properties. The Group’s activities in this regard are carried out in the PRC.
- Investment property operation: this segment represents the lease of investment properties, which are self-developed or under subleases by the Group to generate rental income and to gain from the appreciation in the properties’ values in the long term. Currently the Group’s investment property portfolio mainly comprises shopping malls and rental housing and are all located in the PRC.
- Services and others: this segment mainly represents the income generated from property management and related services, hotel operation and others. Currently the Group’s activities in this regard are carried out in the PRC.

(a) Segment results, assets and liabilities

For the purposes of assessing segment performance and allocating resources between segments, the Company's executive directors monitor the revenue, results, assets and liabilities attributable to each operating segment on the following basis:

Segment assets include all tangible assets, intangible assets and current assets directly attributable to each segment with the exception of deposits paid for acquisition of properties held for development, interests in associates and joint ventures, equity instruments designated at FVTOCI, deferred taxation assets, taxation recoverable, derivative financial instruments, financial assets at FVTPL and other corporate assets. Other corporate assets are not allocated to the operating segments because they are head office assets or assets which are managed centrally by the Group. The investment properties included in segment assets are stated at cost when assessed by the CODM.

Segment liabilities include accounts and bills payables and accrued expenditure on construction, lease liabilities, contract liabilities, deferred consideration payable and financial liabilities at FVTPL but exclude taxation payable, deferred taxation liabilities, bank and other borrowings, senior notes, derivative financial instruments, other derivative financial instruments and other corporate liabilities. Other corporate liabilities are not allocated to the operating segment because they are head office liabilities or liabilities which are managed on a group basis.

Revenue and expenses are allocated to the operating segments with reference to sales generated by those segments and the expenses incurred by those segments.

The measure used for reporting segment profit is adjusted earnings before interest, other income, other gains and losses, taxes, depreciation and amortisation, share of results of associates and joint ventures, change in fair value of investment properties and upon transfer to investment properties, change in fair value of other derivative financial instruments and finance costs ("Adjusted Earnings"), where "interest" includes investment income and "depreciation" includes impairment losses on non-current assets. To arrive at Adjusted Earnings of each segment, the segment earnings are further adjusted for items not specifically attributed to individual segments, such as directors' emoluments, auditor's remuneration and other head office or corporate administration costs.

For the measurement of segment assets and results, property, plant and equipment and certain right-of-use assets are allocated to segments while their corresponding depreciation and amortisation are not allocated to segments.

In addition to receiving segment information concerning segment profit, management is provided with segment information concerning revenue (including inter-segment sales) and additions to non-current segment assets used by the segments in their operations. Inter-segment sales are priced with reference to prices charged to external parties for similar service.

Information regarding the Group's operating and reportable segments is set out below.

	Year ended December 31, 2023			
	Property development <i>RMB'000</i> <i>(Note 1)</i>	Investment property operation <i>RMB'000</i> <i>(Note 2)</i>	Services and others <i>RMB'000</i> <i>(Note 3)</i>	Total <i>RMB'000</i>
Revenue from external customers	155,857,211	12,935,821	11,943,543	180,736,575
Inter-segment revenue	–	–	6,193,627	6,193,627
Segment revenue	<u>155,857,211</u>	<u>12,935,821</u>	<u>18,137,170</u>	<u>186,930,202</u>
Segment profit (Adjusted Earnings)	<u>12,078,240</u>	<u>7,451,041</u>	<u>4,999,016</u>	<u>24,528,297</u>
	Year ended December 31, 2022			
	Property development <i>RMB'000</i> <i>(Note 1)</i>	Investment property operation <i>RMB'000</i> <i>(Note 2)</i>	Services and others <i>RMB'000</i> <i>(Note 3)</i>	Total <i>RMB'000</i>
Revenue from external customers	227,017,339	11,879,811	11,667,957	250,565,107
Inter-segment revenue	–	–	6,481,307	6,481,307
Segment revenue	<u>227,017,339</u>	<u>11,879,811</u>	<u>18,149,264</u>	<u>257,046,414</u>
Segment profit (Adjusted Earnings)	<u>34,727,259</u>	<u>6,823,454</u>	<u>5,261,905</u>	<u>46,812,618</u>

Note:

1. Substantially all of the revenue from property development is recognised at a point in time.
2. All of the revenue from investment property operation is recognised over time.
3. During the year ended December 31, 2023, the amount of revenue from services and others recognised at a point in time and recognised overtime are RMB2,948,498,000 (December 31, 2022: RMB1,956,779,000) and RMB8,995,045,000 (December 31, 2022: RMB9,711,178,000) respectively.

Other segment information

In addition to receiving segment information concerning segment profit, the CODM is provided with information concerning the Group's consolidated amount of interests in associates and related share of results, interests in joint ventures and related share of results, change in fair value of investment properties and upon transfer to investment properties, change in fair value of other derivative financial instruments, other income, other gains and losses, finance costs from borrowings, depreciation and amortisation and impairment losses (if any) which are not allocated to operating segments.

(b) Reconciliations of segment revenues, profit or loss, assets and liabilities

	2023 <i>RMB'000</i>	2022 <i>RMB'000</i>
Revenue		
Segment revenue	186,930,202	257,046,414
Elimination of inter-segment revenue	<u>(6,193,627)</u>	<u>(6,481,307)</u>
Consolidated revenue	<u>180,736,575</u>	<u>250,565,107</u>
Profit		
Segment profit	24,528,297	46,812,618
Other income	1,508,598	1,949,742
Other gains and losses	819,202	(36,565)
Fair value gain upon transfer to investment properties	13,254	–
Change in fair value of investment properties	1,998,986	2,887,575
Change in fair value of other derivative financial instruments	(40,919)	(260,138)
Finance costs	(149,479)	(158,193)
Share of results of associates	134,835	425,322
Share of results of joint ventures	1,419,023	996,152
Depreciation and amortisation	(302,276)	(437,501)
Unallocated expenses	<u>(5,200,219)</u>	<u>(6,356,811)</u>
Consolidated profit before taxation	<u>24,729,302</u>	<u>45,822,201</u>
Assets		
Segment assets	449,483,963	511,926,300
Cumulative change in fair value of investment properties	43,668,837	41,616,690
Interests in associates	15,399,336	15,904,823
Interests in joint ventures	16,052,277	13,281,430
Equity instruments designated at FVTOCI	6,639,807	8,108,525
Deposits paid for acquisition of properties held for development	4,488,522	5,851,083
Deferred taxation assets	11,389,985	11,217,441
Derivative financial instruments	458,300	366,499
Taxation recoverable	13,039,789	12,380,706
Financial assets at FVTPL	2,000	34,933
Unallocated head office and other assets	<u>139,784,059</u>	<u>166,085,986</u>
Consolidated total assets	<u>700,406,875</u>	<u>786,774,416</u>
Liabilities		
Segment liabilities	160,540,953	205,288,350
Taxation payable	27,539,502	33,611,306
Deferred taxation liabilities	17,042,212	14,812,062
Bank and other borrowings	181,342,018	194,802,931
Senior notes	11,303,543	13,205,169
Derivative financial instruments	384,268	1,192,004
Other derivative financial instruments	741,324	711,256
Unallocated head office and other liabilities	<u>65,054,788</u>	<u>89,972,248</u>
Consolidated total liabilities	<u>463,948,608</u>	<u>553,595,326</u>

(c) **Revenue from major product and services**

The following is an analysis of the Group's revenue from its properties sold, properties self-developed or under subleases for investment and services provided:

	2023	2022
	<i>RMB'000</i>	<i>RMB'000</i>
Property development segment	155,857,211	227,017,339
Services and others	11,943,543	11,667,957
	<u>167,800,754</u>	<u>238,685,296</u>
Revenue from contract with customers	167,800,754	238,685,296
Rental income	12,935,821	11,879,811
	<u>180,736,575</u>	<u>250,565,107</u>
Total revenue	180,736,575	250,565,107

(d) **Leases**

	2023	2022
	<i>RMB'000</i>	<i>RMB'000</i>
For operating leases:		
Lease payments that are fixed (including those under subleases)	12,386,428	11,558,803
Variable lease payments that do not depend on an index or a rate	549,393	321,008
	<u>12,935,821</u>	<u>11,879,811</u>
Total revenue arising from leases	12,935,821	11,879,811

(e) **Geographical information**

The following table sets out information about the Group's revenue from external customers by cities in the PRC, based on the location at which the properties are sold, properties are invested or under subleases and services are provided. Information about its non-current assets is analysed by geographical location of assets.

	Revenue from external customers		Non-current assets	
	2023 RMB'000	2022 RMB'000	2023 RMB'000	2022 RMB'000
Zhejiang	26,745,620	52,189,904	28,767,776	27,114,854
Chengdu	20,298,566	18,802,372	27,896,930	25,011,543
Husu	18,468,646	12,382,205	37,700,332	31,638,799
Chongqing	17,981,985	25,782,500	41,108,607	38,855,460
Xizheng	16,297,229	11,541,197	3,832,219	3,225,115
Hefei	11,857,124	9,430,543	3,839,296	3,048,107
Beijing	11,669,112	13,847,652	27,807,257	26,143,364
Tianjin	7,995,138	10,965,517	2,613,568	974,774
Jinan	7,829,116	13,982,015	4,109,020	3,063,815
Wuhan	7,351,885	9,456,628	8,541,268	6,716,816
Dongbei	7,078,524	16,091,816	3,513,118	3,697,094
Jiaodong	6,285,714	12,800,158	1,854,162	1,942,097
Guangfo	5,002,598	10,335,371	4,951,163	4,674,828
Fujian	5,368,950	13,100,470	3,959,025	3,695,371
Other cities in the PRC	10,506,368	19,856,759	39,333,448	47,206,526
	<u>180,736,575</u>	<u>250,565,107</u>	<u>239,827,189</u>	<u>227,008,563</u>

Note: Non-current assets excluded financial instruments and deferred taxation assets.

No revenue from transaction with a single external customer amounts to 10% or more of the Group's revenue.

3. OTHER INCOME

	2023 RMB'000	2022 RMB'000
Interest income	874,358	1,302,279
Government subsidies (<i>Note a</i>)	171,438	242,539
Penalty income (<i>Note b</i>)	105,251	108,977
Consultancy income (<i>Note c</i>)	276,052	180,616
Sundry income	81,499	115,331
Total	<u>1,508,598</u>	<u>1,949,742</u>

Notes:

- (a) The amount represents the grants received from the relevant PRC government to encourage the investments in specific regions and rental housing market development. The subsidies are unconditional and granted on a discretionary basis to the Group during the year.
- (b) It represents penalty received from property buyers who did not execute sales and purchase agreements on property sales and from tenants who early terminated tenancy agreements.
- (c) The amount represents the consultancy services provided to the Group's joint ventures and associates and independent third parties in relation to the property development projects.

4. OTHER GAINS AND LOSSES

	2023	2022
	RMB'000	RMB'000
Loss on disposal and written-off of property, plant and equipment	(119,008)	(355,145)
Net exchange loss (<i>Note</i>)	(933,783)	(3,741,881)
Reclassification of fair value gains of hedging instruments from hedging reserve	929,886	3,721,941
Gain on repurchase of senior notes and bonds	889,734	264,556
Remeasurement gain on previously held interest in a joint venture and an associate and net gain on disposal of subsidiaries	109,343	70,419
Others	(56,970)	3,545
	<u>819,202</u>	<u>(36,565)</u>

Note: It represents exchange difference arising from the translation of bank balances, bank borrowings and senior notes denominated in foreign currencies of Hong Kong Dollar (“HKD”) or United States Dollar (“USD”).

5. FINANCE COSTS

	2023 <i>RMB'000</i>	2022 <i>RMB'000</i>
Interest on bank and other borrowings	(8,288,757)	(8,134,361)
Interest expense on senior notes	(538,459)	(665,801)
	(8,827,216)	(8,800,162)
Less: Amount capitalised to properties under development for sales and investment properties under development	8,677,737	8,641,969
	<u>(149,479)</u>	<u>(158,193)</u>

Borrowing costs capitalised arose on the general borrowing pool of the Group and were calculated by applying a capitalisation rate of 4.24% (2022: 4.10%) per annum for the year ended December 31, 2023, to expenditure on the qualifying assets.

6. INCOME TAX EXPENSE

	2023 <i>RMB'000</i>	2022 <i>RMB'000</i>
Current tax		
EIT	(4,105,477)	(8,600,870)
Hong Kong Profits Tax	(96,056)	(22,054)
Withholding tax on distributed earnings	(404,891)	(890,698)
LAT	(2,626,249)	(5,101,594)
	<u>(7,232,673)</u>	<u>(14,615,216)</u>
Overprovision in prior years:		
EIT (<i>Note a</i>)	175,175	541,253
LAT (<i>Note b</i>)	1,490,584	2,775,445
	<u>1,665,759</u>	<u>3,316,698</u>
Deferred taxation		
Current year	(2,029,838)	(1,700,966)
	<u>(7,596,752)</u>	<u>(12,999,484)</u>

Notes:

- (a) The assessment and computation of EIT payable in respect of certain subsidiaries which held completed property projects were finalised which differed from the management's estimation on EIT in prior years, resulting in an overprovision of EIT in respect of prior years. During the years ended December 31, 2023 and 2022, preferential tax rate has been granted to certain PRC subsidiaries for calculation of EIT in prior years, resulting to an overprovision of EIT in respect of prior years.
- (b) The actual appreciation amount of certain property projects had been finalised and the development plan for certain property projects had been revised in which the revised estimated or final appreciation amount was different with the appreciation amount made in prior years, resulting in an overprovision of LAT in respect of prior years.

Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profits.

Under the Law of the PRC on EIT (the "EIT Law") and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiaries is 25% for both years.

Certain of the Company's subsidiaries operating in the PRC are eligible for exemption from PRC EIT for both years.

7. PROFIT FOR THE YEAR

	2023 <i>RMB'000</i>	2022 <i>RMB'000</i>
Profit for the year has been arrived at after charging (crediting):		
Auditor's remuneration	8,508	8,863
Cost of property inventories included in cost of sales	138,569,781	186,340,731
Depreciation of property, plant and equipment	221,084	319,058
Depreciation of right-of-use assets	49,089	81,197
Amortisation of intangible assets	204,167	205,375
Write-down of inventories of properties to net realisable value	1,013,782	–
Staff costs		
Directors' emoluments (including equity-settled share-based payments)	171,458	208,995
Other staff costs		
Retirement benefit contributions	447,022	661,347
Equity-settled share-based payments	165,701	506,154
Other staff costs	4,650,061	5,303,447
Total staff costs	5,434,242	6,679,943
Less: Amount capitalised to properties under development for sales and investment properties under development	(798,627)	(1,499,203)
	<u>4,635,615</u>	<u>5,180,740</u>
Minimum lease income from investment properties	(12,386,428)	(11,558,803)
Contingent rental income	(549,393)	(321,008)
Less: direct expenses that generated rental income	3,038,481	2,901,401
	<u>(9,897,340)</u>	<u>(8,978,410)</u>

8. DIVIDENDS

	2023	2022
	<i>RMB'000</i>	<i>RMB'000</i>
Dividends recognised as distribution during the year:		
Interim dividend recognised in respect of 2023 of RMB0.32 (2022: RMB0.33) per share	2,109,362	2,072,632
Final dividend paid in respect of 2022 of RMB0.80 (2022: in respect of 2021 of RMB1.23) per share	<u>5,073,364</u>	<u>7,475,617</u>
	<u>7,182,726</u>	<u>9,548,249</u>

In respect of the final dividend for the year ended December 31, 2022, RMB1,134,614,000 has been paid in cash and the remaining portion has been settled by way of 250,050,403 new fully paid shares of the Company on August 21, 2023.

In respect of the interim dividend for the period ended June 30, 2023, RMB631,168,000 has been paid in cash and the remaining portion has been settled in form of 175,531,541 new fully paid shares of the Company on February 8, 2024.

Subsequent to the end of the reporting period, a final dividend of RMB1,516,104,000, representing RMB0.23 per share, based on the number of shares in issue as at December 31, 2023, in respect of the year ended December 31, 2023 (2022: final dividend of RMB5,025,234,000, representing RMB0.80 per share, in respect of the year ended December 31, 2022) has been proposed by the directors of the Company and is subject to approval by the shareholders in the forthcoming Annual General Meeting.

9. EARNINGS PER SHARE

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

	2023	2022
	RMB'000	RMB'000
Earnings attributable to the owners of the Company for the purposes of calculation of basic and diluted earnings per share	<u>12,850,011</u>	<u>24,362,046</u>
	2023	2022
Number of shares	'000	'000
Weighted average number of ordinary shares for the purpose of calculation of basic earnings per share	6,221,419	5,965,061
Effect of dilutive potential ordinary shares in respect of – Share options and share awards	<u>12,984</u>	<u>45,175</u>
Weighted average number of ordinary shares for the purpose of calculation of diluted earnings per share	<u>6,234,403</u>	<u>6,010,236</u>

The weighted average number of ordinary shares adopted in the calculation of basic and diluted earnings per share for both years have been arrived at after deducting the shares held in trust for the Company by an independent trustee under the share award scheme of the Company.

During the year ended December 31, 2023, certain share award schemes are not included in the calculation of diluted earnings per share.

10. ACCOUNTS AND OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	2023 <i>RMB'000</i>	2022 <i>RMB'000</i>
Trade receivables (<i>Note a</i>)		
– Contract with customers	4,497,620	5,165,101
– Rental	<u>98,041</u>	<u>281,677</u>
	4,595,661	5,446,778
Other receivables, net of allowance for doubtful debts (<i>Note b</i>)	6,683,449	6,767,801
Advances to contractors	3,086,071	3,310,976
Prepaid value added tax and other taxes	14,270,154	14,289,139
Prepayments and utilities deposits	<u>10,044</u>	<u>5,102</u>
	<u>28,645,379</u>	<u>29,819,796</u>

Notes:

- (a) Trade receivables are mainly arisen from sales of properties, investment property operation and rendering of services. Considerations in respect of sales of properties are paid by customers in accordance with the terms of the related sales and purchase agreements. For investment property operation, rental income are paid by tenants within two months from invoice date in accordance with the terms in the tenancy agreements. Service income is received in accordance with the terms of the relevant service agreements.

As at January 1, 2022, trade receivables from contract with customers amounted to RMB3,600,681,000.

The following is an aged analysis of trade receivables presented based on dates of delivery of goods and dates of demand notes.

	2023 <i>RMB'000</i>	2022 <i>RMB'000</i>
Within 60 days	3,183,144	4,143,512
61 – 180 days	878,144	826,654
181 – 365 days	341,124	304,111
1 – 2 years	155,347	137,254
2 – 3 years	28,069	27,732
Over 3 years	<u>9,833</u>	<u>7,515</u>
	<u>4,595,661</u>	<u>5,446,778</u>

As at December 31, 2023, included in the Group's trade receivables balance are debtors with aggregate carrying amount of RMB2,632,608,000 (2022: RMB2,426,168,000) which are past due as at the reporting date. Out of the past due balances, RMB534,373,000 (2022: RMB476,612,000) had been past due 90 days or more and are not considered as in default as those balances are mainly with those banks with good credit quality and pending for completing their mortgage procedures.

- (b) Other receivables mainly comprise rental deposits, receivables of refund of the deposits for land auction, deposits for construction work, temporary payments and miscellaneous project-related deposits paid which are refundable within one year.

11. ACCOUNTS AND BILLS PAYABLES, OTHER PAYABLES AND ACCRUED CHARGES

	2023	2022
	<i>RMB'000</i>	<i>RMB'000</i>
Trade payables and accrued expenditure on construction (<i>Note a</i>)	42,482,145	64,096,184
Bills payables (<i>Note a</i>)	–	332,399
	42,482,145	64,428,583
Dividend payables	2,109,362	2,072,632
Other payables and accrued charges (<i>Note b</i>)	15,189,228	16,149,318
Value added tax payables	7,486,549	10,544,042
Consideration payable within one year for acquisition of assets and liabilities through acquisition of subsidiaries	–	132,682
Consideration payable for business combination	332,929	575,360
	67,600,213	93,902,617
Less: consideration payable due after one year shown under non-current liabilities	(1,268)	(454,913)
Amount due within one year shown under current liabilities	<u>67,598,945</u>	<u>93,447,704</u>

Notes:

- (a) Trade and bills payables and accrued expenditure on construction comprise construction costs and other project-related expenses which are payable based on project progress certified by the Group. The Group has financial risk management policies in place to ensure that all payables are settled within the credit timeframe.

The following is an aged analysis of trade and bills payables, based on the invoice date and issuance date of each bill, at the end of the reporting period:

	2023	2022
	<i>RMB'000</i>	<i>RMB'000</i>
Within 60 days	7,273,996	10,999,413
61 – 180 days	6,428,339	13,357,249
181 – 365 days	5,546,300	15,447,985
1 – 2 years	4,575,440	5,460,044
2 – 3 years	1,024,799	1,316,826
Over 3 years	539,735	723,234
	<u>25,388,609</u>	<u>47,304,751</u>

- (b) Other payables and accrued charges comprise mainly tax received and payable to the government on behalf of customers, accrued salaries and accrued staff welfare.

CHAIRMAN’S STATEMENT

I am pleased to present to our shareholders the full-year business review and outlook for the year ending 31 December 2023 of Longfor Group Holdings Limited (the “Company”, together with its subsidiaries, collectively the “Group”).

The focus of China’s economic development has shifted from prioritizing “high growth” to “high quality”. Over the past two years, the real estate market has experienced cyclical adjustments, and has been in the process of striking a new equilibrium between supply and demand under the themes of market stabilization, risk management, and transformation facilitation. In response to this new landscape, Longfor Group has proactively adjusted its operations and firmly executed its core strategy centered around high-quality development.

Financial security is the bedrock of the Company’s development. The Group’s interest-bearing liabilities as of the end of 2023 totaled RMB192.6 billion, representing a decrease of 7.4% as compared to 2022, with bank financing accounting for 77%. We have steadfastly long adhered to the financial discipline of repaying loans on time, avoiding rollovers and late payments, which earned us continued trust and support from our strategic partner banks, strengthening our solid foundation to navigate economic cycles. Backed by current policies, the Group has intensified efforts to raise funds through operating property loans, thereby further extending the average contract borrowing period at a more favorable cost. Moving forward, we will continue to optimize our debt structure by gradually and orderly reducing our indebtedness to ensure sustainability of our financial position.

In 2023, the Group achieved positive operating cash flow*, enabled by the synergies between each segments. Our emphasis on quality cash collection, centralized funding, and integrated management has contributed to this success. Additionally, we have flexibly adjusted investment and construction commencements according to market conditions while improving efficiency, lowering fees, and dynamically matching income with expenditures. This has enabled the Company’s various business segments to continue enhancing their financial stability.

* Including investing cash flow, interest and dividend paid, etc.

Among the Group's three major business segments, our property development business recorded contracted sales of RMB173.5 billion for the year, ranking ninth in the industry. The pace of new home sales recovery closely correlates with the improvement of homebuyers' expectation on income, where short-term adjustments are expected. We have a clear direction in mind and have promptly responded to the evolving market situation by conducting developments in core areas in key cities, adhering to our product-centered principle, focusing on sales-price balance and investment value realisation. We will continue to provide high-quality houses and products with timely delivery.

The investment property operation and services and others businesses generated a sustainable revenue of RMB24.9 billion for the year, representing a year-on-year growth of nearly 6%. The contribution of these two businesses to the core attributable profit has climbed to over 60%. The sustainable and healthy development of these two business segments has become an important engine for the Group's profit and growth trajectory.

Longfor Commercial has always focused on satisfying diverse consumer needs regarding shopping experience. We have achieved rapid recovery following the pandemic through the introduction of new forms of businesses and brands to drive regional consumption trends. Our shopping malls recorded a 30% year-on-year same-store sales increase and a 28% year-on-year same-store increase in average daily customer traffic for the year, with occupancy rates recovering from 93% at the beginning of last year to 96%, leading to a steady increase in rental income.

In response to the state's initiative of encouraging both housing purchase and leasing, Longfor has maintained our optimistic outlook on the rental housing business with the aim of establishing a favorable rental market. As of the end of last year, Longfor Goyoo launched 123,000 units in higher-tier cities, boosting the overall occupancy rate to 95.5%. Goyoo remains committed to meeting young people's needs for quality urban housing and living through product iteration and quality enhancement. Concurrently, it is actively engaged in the renovation and revitalization of existing projects to support urban renewal.

Within the Longfor portfolio, the service brands, Longfor Intelligent Living and Longfor Intelligent Construction, adopt the asset-light management model to effectively broaden and extend the real estate service chain. We stay alert to mere business expansion without focus but strive to focus on the core aspects of our business. On the customer front, we are deep-rooted in providing superior basic services and value-add services, complemented by our evolving digital technology capabilities to efficiently and effectively address the needs of property owners. On the business front, we are providing high-quality solutions to customers through intelligent construction and design capabilities across all sectors and cycles, creating significant value-add.

In 2023, the Longfor Group was included in the Hang Seng Corporate Sustainability Index and its MSCI ESG rating improved to AA. The recently-launched Smart Carbon Neutrality and Peaking Data Dashboard reinforces the green and low-carbon concept across the entire life cycle of buildings to effectively promote the accomplishment of the goal of carbon emission reduction. Longfor's unwavering commitment to continuously enhancing its ESG management system as well as implanting sustainable development and social responsibility into its organizational framework is an integral part of Longfor's high-quality development strategy.

Longfor is a true believer and committed pioneer of high-quality development strategy. From all the efforts devoted and lessons learnt through various economic cycles, our foundation has grown even stronger, supported by positive cash flow which drives the synergistic progression of the three core business segments: property development, investment property operation, and services and others. The Company is poised to achieve robust returns from the asset-heavy segments and provide premier services in the asset-light segments. We are confident that Longfor's competitiveness cultivated in this process will strengthen our adaptability to the market and our future readiness, which enable us to remain resilient and disciplined during favorable times and to persevere in the face of adversity.

Last but not least, on behalf of the board of directors, I would like to extend my heartfelt thanks to our shareholders, customers and all sectors of the society for your full support!

Longfor Group Holdings Limited

Chen Xuping
Chairman

MANAGEMENT DISCUSSION AND ANALYSIS

PROPERTY DEVELOPMENT

In 2023, revenue from Property Development business of the Group was RMB155.86 billion. The Group delivered 10.708 million square meters of property in gross floor area (GFA) terms. The gross profit margin of the property development business was 11.0%. Recognized average selling price was RMB14,555 per square meter in 2023.

Table 1: Breakdown of property development revenue of the Group in 2023

* Amount excluding tax

City	Revenue		Total GFA	
	2023	2022	2023	2022
	RMB million	RMB million	'000 Sqm	'000 Sqm
Hangzhou	20,127	24,769	779	857
Chengdu	13,612	9,698	763	675
Hefei	11,452	9,017	688	604
Xi'an	9,695	4,675	593	325
Chongqing	9,330	19,155	892	1,594
Beijing	6,123	5,165	209	194
Shanghai	5,658	3,902	155	159
Shenyang	5,131	7,427	532	636
Wuhan	5,021	7,312	470	519
Changsha	4,860	5,184	432	470
Tianjin	4,646	5,813	285	303
Wuxi	4,502	1,537	264	175
Nanjing	4,460	6,269	219	304
Qingdao	4,300	9,918	569	1,079
Shijiazhuang	4,188	3,428	276	264
Fuzhou	3,534	7,632	252	462
Kunming	2,829	5,949	198	352
Suzhou	2,621	5,542	146	349
Jinan	2,526	13,563	258	920
Hong Kong	2,110	941	7	4
Guangzhou	2,093	4,823	94	177
Changchun	2,048	4,552	222	368
Guiyang	2,000	3,223	241	381
Huizhou	1,989	2,604	151	243
Lanzhou	1,866	–	189	–
Zhengzhou	1,729	1,356	154	108
Dongguan	1,590	2,764	89	123
Xianyang	1,557	4,168	181	461
Haikou	1,168	1,189	66	61

City	Revenue		Total GFA	
	2023 <i>RMB million</i>	2022 <i>RMB million</i>	2023 <i>'000 Sqm</i>	2022 <i>'000 Sqm</i>
Nanchang	1,125	1,125	101	133
Taizhou	1,121	2,643	74	191
Xiamen	987	1,106	74	75
Shaoxing	975	3,923	73	186
Ganzhou	970	12	142	4
Yantai	726	1,343	107	208
Nantong	670	9	49	1
Tangshan	625	–	78	–
Dalian	624	2,614	79	198
Ningbo	611	8,019	47	304
Yancheng	565	–	29	–
Weihai	548	869	64	86
Taiyuan	456	535	58	64
Sanya	441	523	22	25
Quanzhou	331	2,280	41	189
Yangzhou	315	883	34	71
Foshan	313	1,728	34	119
Zhuhai	252	200	32	17
Shenzhen	241	934	6	31
Zhanjiang	232	–	22	–
Nanning	199	3,445	21	362
Jinzhong	173	482	23	57
Wenzhou	150	6,351	10	323
Baoding	132	52	21	5
Others	310	6,366	93	699
Total	155,857	227,017	10,708	15,515

In 2023, the Group achieved contracted sales of RMB173.49 billion with sales of total GFA of 10.796 million square meters. Average selling price of GFA sold was RMB16,070 per square meter. Contracted sales from Yangtze River Delta, Pan Bohai Rim, western China, southern China and central China were RMB50.07 billion, RMB37.77 billion, RMB49.25 billion, RMB20.54 billion and RMB15.86 billion respectively, accounting for 28.9%, 21.8%, 28.4%, 11.8% and 9.1% of the contracted sales of the Group, respectively.

Table 2: Details of contracted sales of the Group in 2023

* Amount including tax

City	Contracted sales		Total GFA	
	2023	2022	2023	2022
	RMB million	RMB million	'000 Sqm	'000 Sqm
Chengdu	19,801	12,912	960	756
Xi'an	14,189	8,349	779	482
Beijing	11,212	7,717	302	222
Hefei	10,591	14,578	588	935
Suzhou	9,699	8,028	393	430
Wuhan	7,483	9,287	535	725
Chongqing	7,474	9,577	804	886
Tianjin	6,795	4,129	350	273
Changsha	6,044	6,017	468	480
Shanghai	5,689	6,374	117	236
Nanjing	4,991	8,537	211	375
Ji'nan	4,856	9,250	311	637
Hangzhou	4,514	21,929	332	738
Ningbo	4,157	2,810	194	136
Quanzhou	4,034	1,178	269	92
Changchun	3,417	3,001	370	288
Shenyang	3,201	6,212	304	531
Guangzhou	3,165	4,325	119	154
Qingdao	3,103	4,699	414	524
Kunming	2,631	3,863	191	296
Hong Kong	2,594	1,726	9	6
Shijiazhuang	2,403	2,175	163	133
Guiyang	2,152	1,909	128	328
Wuxi	2,033	3,246	136	234
Fuzhou	1,859	4,566	149	257
Huizhou	1,814	1,964	140	132
Taizhou	1,745	2,981	112	186
Zhengzhou	1,728	693	159	63
Changzhou	1,524	1,672	114	112
Wenzhou	1,501	2,848	125	165
Xianyang	1,470	1,653	142	199
Lanzhou	1,432	1,154	157	114
Shaoxing	1,374	1,102	85	52
Haikou	1,247	1,311	70	80
Dongguan	1,020	1,518	56	102
Foshan	795	905	59	61
Yantai	746	1,019	137	201

City	Contracted sales		Total GFA	
	2023 <i>RMB million</i>	2022 <i>RMB million</i>	2023 <i>'000 Sqm</i>	2022 <i>'000 Sqm</i>
Zhanjiang	741	679	79	69
Shenzhen	714	759	25	26
Jinhua	709	389	31	17
Zhuhai	637	206	49	27
Huzhou	572	883	40	55
Taiyuan	567	659	68	74
Xiamen	536	906	52	56
Tangshan	504	565	60	72
Jinzhong	430	271	51	31
Nantong	403	796	34	51
Xuzhou	387	276	30	23
Weihai	367	577	53	56
Putian	352	2,081	22	119
Nanchang	329	1,313	35	123
Zhongshan	325	241	24	23
Jiangmen	319	444	48	64
Sanya	253	434	12	22
Ganzhou	240	574	38	60
Dalian	126	1,086	23	92
Yancheng	125	204	7	9
Others	369	3,031	63	357
Total	173,488	201,588	10,796	13,047

As at December 31, 2023, the Group had sold but unrecognized contracted sales of RMB173.4 billion (with GFA of 12.60 million square meters), which formed a solid basis for the Group's sustainable and stable development in the future.

INVESTMENT PROPERTY OPERATION

The Group has been intensifying the management of its properties based on its coverage in first and second-tier cities in China. Currently, the Investment Property Operation of the Group are mainly shopping malls and Goyoo. The shopping malls of the Group have two main product lines, namely urban shopping malls under the brand name of “Paradise Walk” and community shopping malls under the brand name of “Starry Street series”. “Goyoo”, having the purpose of providing new generations with comprehensive rental housing services, have commenced operation in several high-magnitude cities such as Beijing, Shanghai, Guangzhou, Shenzhen, Chengdu, Hangzhou, Chongqing, Wuhan and Nanjing.

In 2023, the rental income, net of tax, of the Group’s Investment Property Operation was RMB12.94 billion[#], representing an increase of 8.9% as compared to last year. The rental income from shopping malls, rental housing and others accounted for 77.4%[#], 19.7% and 2.9% of the total rental income respectively. The gross profit margin of the Investment Property Operation was 75.9%, representing an increase of 0.3% as compared to last year. As at December 31, 2023, the Group has shopping malls totalling 7.97 million square meters in GFA (10.28 million square meters in GFA including parking space) that had commenced operation with an occupancy rate of 96.2%. Additionally, 123,000 apartments by Goyoo had also commenced operation, boasting a leading position in the industry in terms of its scales with the occupancy rate of 95.5%. The occupancy rate of the portions of Goyoo which have commenced operation for more than six months was 96.4%.

[#] Excluding Beijing Chang’an Paradise Walk etc.

Table 3: Breakdown of rental income of shopping malls of the Group in 2023^{##}

* Amount excluding tax

	GFA <i>Sqm</i>	Rental income <i>RMB'000</i>	2023		2022		Occupancy Rate
			% of Revenue	Occupancy Rate	Rental income <i>RMB'000</i>	% of Revenue	
Chongqing North Paradise Walk	120,778	510,245	5.0%	96.3%	524,351	5.6%	96.9%
Chongqing West Paradise Walk	76,031	104,800	1.0%	94.1%	131,871	1.4%	91.1%
Chongqing Time Paradise Walk Phase I	160,168	353,676	3.4%	94.9%	398,685	4.2%	92.5%
Chongqing Time Paradise Walk Phase II	154,460	247,790	2.4%	94.8%	261,946	2.8%	93.8%
Chongqing Time Paradise Walk Phase III	73,774	60,953	0.6%	86.7%	93,803	1.0%	78.9%
Chengdu Three Thousand Paradise Walk	38,043	8,589	0.1%	77.7%	26,041	0.3%	63.0%
Chengdu North Paradise Walk	215,536	140,134	1.4%	90.6%	167,324	1.8%	80.1%
Chengdu Time Paradise Walk Phase I	61,989	53,042	0.5%	97.5%	56,238	0.6%	95.4%
Beijing Changying Paradise Walk	221,286	539,095	5.2%	98.0%	555,255	5.9%	97.8%

	GFA <i>Sqm</i>	Rental income <i>RMB'000</i>	2023		2022		Occupancy Rate
			% of Revenue	Occupancy Rate	Rental income <i>RMB'000</i>	% of Revenue	
Hangzhou Jinsha Paradise Walk	151,135	306,117	3.0%	99.2%	304,253	3.2%	96.4%
Chengdu Jinnan Paradise Walk	91,638	137,056	1.3%	97.0%	136,019	1.4%	97.2%
Beijing Daxing Paradise Walk	144,565	255,828	2.5%	98.5%	265,187	2.8%	95.5%
Shanghai Hongqiao Paradise Walk	170,450	144,139	1.4%	95.1%	140,148	1.5%	94.4%
Chongqing U-City Paradise Walk Phase I	15,516	18,075	0.2%	97.0%	19,451	0.2%	84.9%
Chongqing U-City Paradise Walk Phase II	96,411	139,544	1.4%	97.1%	151,085	1.6%	94.2%
Chongqing Hometown Paradise Walk	93,152	131,302	1.3%	98.6%	136,250	1.4%	94.4%
Hangzhou Binjiang Paradise Walk Phase I	158,067	367,832	3.6%	98.9%	343,541	3.6%	97.5%
Suzhou Shishan Paradise Walk	197,466	361,616	3.4%	98.1%	343,937	3.6%	98.3%
Shanghai Baoshan Paradise Walk	98,339	228,955	2.2%	99.1%	226,876	2.4%	94.8%
Changzhou Longcheng Paradise Walk	119,328	124,010	1.2%	94.9%	121,043	1.3%	95.0%
Beijing Fangshan Paradise Walk	103,688	206,730	2.0%	98.7%	208,963	2.2%	98.5%
Chengdu Xichen Paradise Walk	152,639	160,480	1.6%	96.6%	171,140	1.8%	94.3%
Chengdu Binjiang Paradise Walk	140,000	160,872	1.6%	98.6%	159,392	1.7%	95.8%
Hangzhou Binjiang Paradise Walk Phase II	22,627	40,749	0.4%	99.1%	36,344	0.4%	90.2%
Hangzhou Xixi Paradise Walk	130,063	254,766	2.5%	98.2%	253,830	2.7%	96.7%
Hangzhou Zijing Paradise Walk	83,000	128,261	1.1%	94.6%	139,560	1.5%	94.0%
Shanghai Huajing Paradise Walk	42,253	62,682	0.6%	95.1%	63,142	0.7%	96.7%
Shanghai Minhang Paradise Walk	94,859	179,292	1.7%	99.5%	169,913	1.8%	98.2%
Hefei Yaohai Paradise Walk	98,320	82,816	0.8%	97.9%	76,341	0.8%	94.1%
Nanjing Liuhe Paradise Walk	108,000	60,683	0.6%	93.2%	67,730	0.7%	88.4%
Beijing Chang'an Paradise Walk	52,563	108,106	1.1%	99.7%	113,899	1.2%	99.3%
Nanjing Longwan Paradise Walk	120,367	150,993	1.5%	95.6%	168,749	1.8%	93.6%
Nanjing Jiangbei Paradise Walk	146,286	148,935	1.4%	95.6%	157,059	1.7%	90.0%
Xi'an Xiangti Paradise Walk	78,962	86,109	0.8%	96.9%	80,836	0.9%	96.8%
Chongqing Jinsha Paradise Walk	204,113	266,524	2.6%	94.2%	330,628	3.5%	88.3%
Chengdu Shangcheng Paradise Walk	114,227	110,550	1.1%	93.7%	132,030	1.4%	89.6%
Chengdu Time Paradise Walk Phase II	63,183	58,739	0.6%	92.2%	61,133	0.6%	93.5%
Suzhou Star Lake Paradise Walk	112,537	114,466	1.1%	96.5%	120,721	1.3%	95.8%
Chongqing Lijia Paradise Walk	110,508	123,970	1.2%	94.5%	142,013	1.5%	92.7%
Ji'an Olympic Sports Center Paradise Walk	77,571	92,668	0.9%	98.0%	91,231	1.0%	94.2%
Beijing Lize Paradise Walk	92,014	158,814	1.5%	98.4%	156,234	1.7%	99.1%
Suzhou Shishan Paradise Walk Block B	12,259	20,268	0.2%	87.7%	18,800	0.2%	96.7%
Changsha Yanghu Paradise Walk	101,629	67,738	0.7%	94.1%	92,502	1.0%	88.9%
Wuhan Imperial Paradise Walk	138,583	214,054	2.1%	98.5%	231,672	2.5%	95.0%
Chengdu Jincheng Paradise Walk	83,000	90,767	0.9%	100.0%	89,589	1.0%	95.8%
Nanjing Hexi Paradise Walk	112,123	123,897	1.2%	93.1%	151,018	1.6%	89.8%
Beijing Xiyue Paradise Walk	105,311	164,056	1.6%	99.1%	170,699	1.8%	97.2%
Hangzhou Jiangdong Paradise Walk	107,125	89,335	0.9%	97.0%	98,662	1.0%	94.6%
Suzhou Dongwu Paradise Walk	114,200	171,582	1.7%	98.6%	166,335	1.8%	99.3%
Hangzhou Dingqiao Paradise Walk	125,186	172,253	1.7%	95.2%	188,228	2.0%	94.6%
Chongqing Gongyuan Paradise Walk	138,034	91,235	0.9%	91.6%	121,557	1.3%	86.4%
Chongqing Time Paradise Walk Phase IV	77,188	72,371	0.7%	91.4%	16,188	0.2%	94.2%

	GFA Sqm	Rental income RMB'000	2023	2022	Rental income RMB'000	2022	Occupancy Rate
			% of Revenue	Occupancy Rate		% of Revenue	
Chongqing High-Tech Paradise Walk	125,158	124,233	1.2%	97.0%	8,645	0.1%	97.5%
Chengdu Shuxin Paradise Walk	114,721	103,129	1.0%	96.4%	11,110	0.1%	98.0%
Beijing Yizhuang Paradise Walk	107,101	215,114	2.1%	99.7%	73,357	0.8%	99.3%
Qingdao Jiaozhou Paradise Walk	86,935	63,476	0.6%	97.2%	39,519	0.4%	94.0%
Shenyang Hunnan Paradise Walk	86,812	56,195	0.5%	90.4%	26,081	0.3%	86.1%
Shanghai Fengxian Paradise Walk	104,163	194,218	1.9%	99.0%	13,325	0.1%	100.0%
Shanghai Jinhui Paradise Walk	72,919	92,403	0.9%	99.4%	30,480	0.3%	98.1%
Hangzhou Wujiao Paradise Walk	53,884	39,787	0.4%	94.2%	30,100	0.3%	92.3%
Ningbo Yinzhou Paradise Walk	110,899	126,384	1.2%	96.2%	9,930	0.1%	98.3%
Wuhan Baisha Paradise Walk Phase II	35,822	27,365	0.3%	94.4%	6,353	0.1%	93.0%
Wuhan Baisha Paradise Walk Phase I	105,577	122,314	1.2%	97.5%	28,875	0.3%	97.7%
Nanchang Qingshanhu Paradise Walk	95,463	74,755	0.7%	97.0%	34,360	0.4%	93.7%
Hangzhou Guofang Paradise Walk	73,896	57,513	0.6%	97.8%	-	-	-
Changsha Furong Paradise Walk	105,372	58,100	0.6%	98.2%	-	-	-
Suzhou Xujiang Paradise Walk	91,437	69,443	0.7%	95.7%	-	-	-
Ningbo Haishu Paradise Walk	92,344	47,890	0.5%	97.1%	-	-	-
Ji'nan Beichen Paradise Walk	93,121	12,278	0.1%	100.0%	-	-	-
Chongqing Lijia Paradise Walk Block C	20,552	2,980	0.0%	88.9%	-	-	-
Beijing Beiyuan Paradise Walk	93,262	53,107	0.5%	99.2%	-	-	-
Paradise Walk Subtotal	7,389,988	9,808,243	95.4%	96.2%	8,961,577	95.1%	93.8%
Chongqing Crystal Castle	16,161	18,070	0.2%	85.5%	20,784	0.2%	92.6%
Chongqing Chunsen Starry Street	54,618	39,682	0.4%	91.8%	42,509	0.5%	94.9%
Chongqing Fairy Castle	29,413	13,639	0.1%	100.0%	12,436	0.1%	100.0%
Beijing Summer Palace Starry Street	6,320	34,723	0.3%	100.0%	31,149	0.3%	100.0%
Xi'an Daxing Starry Street	44,227	58,844	0.6%	96.3%	61,822	0.7%	87.4%
Xi'an Qujiang Starry Street	63,206	75,473	0.8%	96.3%	75,613	0.8%	94.6%
Shanghai Minhang Starry Street	24,740	21,882	0.2%	96.8%	23,546	0.3%	92.7%
Chengdu Wuhou Starry Street	31,168	35,167	0.3%	99.2%	36,980	0.4%	99.4%
Chongqing Aijia Starry Street	52,500	55,317	0.6%	95.6%	47,506	0.5%	95.7%
Longfor Leshan Starry Street	38,190	13,519	0.1%	90.6%	-	-	-
Shijiazhuang Dongchuang Longfor Yuhua Starry Street	39,663	1,967	0.0%	93.3%	-	-	-
Others	147,476	77,177	0.8%	N/A	82,690	0.9%	N/A
Starry Street Subtotal	547,682	445,460	4.4%	95.3%	435,035	4.6%	95.0%
Chongqing MOCO	29,104	23,832	0.2%	91.3%	29,699	0.3%	92.8%
MOCO Subtotal	29,104	23,832	0.2%	91.3%	29,699	0.3%	92.8%
Total rental income of shopping malls	7,966,774	10,277,535	100.0%	96.2%	9,426,311	100.0%	93.9%

In 2023, the total sales volume for shopping malls were RMB63.2 billion. Annual average daily foot traffic was 2.63 million.

Major investment properties under construction of the Group are as follows:

Table 4: Major investment properties under construction of the Group

	Estimated Commencement of Operation	Planned GFA Sqm
Chengdu Dong'an Paradise Walk	2024	101,583
Hefei High-Tech Paradise Walk	2024	121,020
Nanning Qingxiu Paradise Walk	2024	121,483
Nanjing Yushan Paradise Walk	2024	125,885
Tianjin Meijiang Paradise Walk	2024	128,028
Shaoxing Jinghu Paradise Walk	2024	133,560
Suzhou Xiangcheng Paradise Walk	2024	143,200
Haikou TOD Paradise Walk	2024	222,032
Chongqing Longxing Core District Paradise Walk	2025 and thereafter	75,652
Changzhou Yuanshan Paradise Walk	2025 and thereafter	81,889
Hangzhou Binkang Paradise Walk	2025 and thereafter	101,331
Xi'an XingFu Green Belt	2025 and thereafter	105,169
Chongqing Nanping Paradise Walk	2025 and thereafter	111,192
Changsha Kaifu Paradise Walk	2025 and thereafter	111,591
Changsha Xinyao Paradise Walk	2025 and thereafter	127,940
Kunming Time Paradise Walk	2025 and thereafter	133,022
Hangzhou Yuncheng Paradise Walk	2025 and thereafter	135,046
Hangzhou Shangcheng Paradise Walk	2025 and thereafter	135,945
Wuhan Xinrong Bus Terminal	2025 and thereafter	152,747
Ji'nan West Railway Station Paradise Walk	2025 and thereafter	157,514
Wuchang Binjiang Paradise Walk	2025 and thereafter	170,600

Due to the rental increase of shopping malls in operation, continuous investments in shopping malls under construction and the development of rental housing Goyoo, the valuation gain of investment properties of the Group amounted to RMB2.01 billion in 2023.

SERVICES AND OTHERS

In 2023, the total income, net of tax, generated from services and others of the Group was RMB11.94 billion, representing an increase of 2.4% as compared to last year. The gross profit margin of the services and others was 31.0%, representing an increase of 2.0% as compared to last year. As at December 31, 2023, the area of the Group's properties in operation was 360 million square meters.

COST CONTROL

In 2023, benefiting from the Group's continuous focus on organization and business efficiency improvement and high quality talents, the Group's share of general and administrative expenses to the revenue decreased by 0.2% to 2.8% as compared to last year, the selling expenses as a percentage to the revenue was 2.7%, representing an increase of 0.3% as compared to last year.

SHARE OF RESULTS OF JOINT VENTURES

In 2023, the contribution of joint ventures was mainly from projects such as the Group's 49.9%-owned Suzhou Oriental Tower Project. The attributable profit after tax of the Group in joint ventures was RMB1.42 billion.

SHARE OF RESULTS OF ASSOCIATES

In 2023, the contribution of associates was mainly from projects such as the Group's 30.0%-owned Beijing Sidaoqiao Project. The attributable profit after tax of the Group in associates was RMB130 million.

INCOME TAX EXPENSE

Income tax expense includes PRC enterprise income tax and land appreciation tax. In 2023, the enterprise income tax expense and land appreciation tax of the Group were RMB6.46 billion and RMB1.14 billion, respectively. The total income tax expenses for the period amounted to RMB7.60 billion.

PROFITABILITY

In 2023, the Group's core net profit margin was 8.7%, while that of last year was 12.3%; and core net profit margin attributable to shareholders was 6.3%, while that of last year was 9.0%. It was mainly due to the combined effects of revenue, expenses, share of results of joint ventures and associates and changes in tax expenses for the year.

LAND BANK REPLENISHMENT

As at December 31, 2023, the Group's total land bank was 45.39 million square meters or 32.36 million square meters on an attributable basis. The average unit land cost was RMB4,705 per square meter, accounting for 29.3% of the unit price of current contracted sales. In terms of regional breakdown, the land bank in Pan Bohai Rim, western China, Yangtze River Delta, central China and southern China accounted for 33.1%, 25.3%, 16.7%, 13.8% and 11.1% of total land bank, respectively.

In 2023, the Group acquired new land bank with total GFA of 3.68 million square meters or 2.66 million square meters on an attributable basis. Average cost of acquisition on an attributable basis was RMB9,730 per square meter. In terms of regional breakdown, the newly acquired area in Yangtze River Delta, western China, southern China, Pan Bohai Rim and central China accounted for 26.3%, 41.8%, 9.5%, 11.4% and 11.0% of the total GFA of the newly acquired land bank, respectively.

Subsequent to the reporting period[#], the Group acquired new land bank with a total GFA of 154,000 square meters or 125,000 square meters on an attributable basis. In terms of regional breakdown, the newly acquired area in western China and southern China accounted for 47.2% and 52.8% of the total GFA of the newly acquired land bank, respectively.

[#] *As of March 7, 2024*

The geographic spread of the land bank of the Group was as follows:

Table 5: Breakdown of the land bank of the Group

Region	City	Total GFA Sqm	% of Total	Attributable GFA Sqm	% of Total
Pan Bohai Rim	Yantai	7,286,109	16.1%	7,286,109	22.5%
	Shenyang	1,359,968	3.0%	800,185	2.5%
	Qingdao	1,637,456	3.6%	1,100,381	3.4%
	Ji'nan	1,456,817	3.2%	1,307,640	4.0%
	Changchun	981,538	2.2%	703,102	2.2%
	Tianjin	725,716	1.6%	592,131	1.8%
	Baoding	520,668	1.1%	520,668	1.6%
	Beijing	335,683	0.7%	116,191	0.4%
	Shijiazhuang	241,801	0.5%	165,146	0.5%
	Tangshan	100,981	0.2%	50,491	0.2%
	Taiyuan	174,035	0.4%	174,035	0.5%
	Dalian	30,889	0.1%	28,305	0.1%
	Jinzhong	82,617	0.2%	82,617	0.3%
	Weihai	68,346	0.2%	47,843	0.1%
		Subtotal	15,002,624	33.1%	12,974,844
Central China	Wuhan	2,265,723	5.0%	1,207,144	3.8%
	Changsha	1,604,601	3.5%	1,037,090	3.2%
	Ezhou	1,771,863	3.9%	620,152	1.9%
	Zhengzhou	504,738	1.1%	302,407	0.9%
	Ganzhou	119,784	0.3%	78,353	0.2%
	Subtotal	6,266,709	13.8%	3,245,146	10.0%
Western China	Chongqing	3,176,887	7.0%	2,054,574	6.3%
	Chengdu	1,900,382	4.2%	1,419,456	4.4%
	Guiyang	1,961,191	4.3%	1,104,255	3.4%
	Xi'an	1,620,196	3.6%	1,152,916	3.6%
	Xianyang	934,996	2.1%	518,502	1.6%
	Kunming	598,763	1.3%	543,710	1.7%
	Lanzhou	767,794	1.7%	597,874	1.8%
	Yuxi	515,924	1.1%	515,924	1.6%
	Subtotal	11,476,133	25.3%	7,907,211	24.4%

Region	City	Total GFA <i>Sqm</i>	% of Total	Attributable	
				GFA <i>Sqm</i>	% of Total
Yangtze River Delta	Hangzhou	1,245,997	2.7%	866,262	2.7%
	Hefei	1,256,586	2.8%	905,146	2.8%
	Suzhou	814,230	1.8%	551,058	1.7%
	Nanjing	946,901	2.1%	803,801	2.4%
	Ningbo	625,022	1.4%	312,511	1.0%
	Wuxi	284,658	0.6%	190,609	0.6%
	Taizhou	400,986	0.9%	214,977	0.7%
	Shanghai	274,326	0.6%	228,697	0.7%
	Wenzhou	467,759	1.0%	244,821	0.8%
	Changzhou	539,006	1.2%	330,264	1.0%
	Shaoxing	198,918	0.4%	99,459	0.3%
	Yancheng	260,047	0.6%	156,473	0.5%
	Nantong	229,351	0.5%	123,328	0.4%
	Xuzhou	55,352	0.1%	28,229	0.1%
	Yangzhou	4,004	0.0%	4,004	0.0%
		Subtotal	7,603,143	16.7%	5,059,639
Southern China	Haikou	558,062	1.2%	558,062	1.7%
	Xiamen	522,701	1.2%	209,548	0.6%
	Guangzhou	522,559	1.2%	439,828	1.4%
	Zhuhai	491,333	1.1%	136,479	0.4%
	Quanzhou	452,916	1.0%	288,313	0.9%
	Putian	397,008	0.9%	99,212	0.3%
	Dongguan	245,719	0.5%	245,719	0.8%
	Fuzhou	244,622	0.5%	161,848	0.5%
	Zhanjiang	232,212	0.5%	177,138	0.5%
	Nanning	210,421	0.5%	103,106	0.3%
	Huizhou	198,297	0.4%	149,876	0.5%
	Zhaoqing	186,346	0.4%	130,442	0.4%
	Foshan	181,141	0.4%	144,913	0.4%
	Shenzhen	170,264	0.4%	122,104	0.4%
	Zhongshan	145,992	0.3%	58,397	0.3%
	Jiangmen	141,950	0.3%	70,975	0.2%
	Qingyuan	135,359	0.3%	69,033	0.2%
	Sanya	6,391	0.0%	6,391	0.0%
	Subtotal	5,043,293	11.1%	3,171,384	9.8%
	Total	45,391,902	100.0%	32,358,224	100.0%

Table 6: Land acquisitions in 2023

Region	Project Name	City	Attributable Interest %	Total GFA Sqm	Attributable GFA Sqm
Pan Bohai Rim	West Railway Station Tian Yue North Plot	Ji'nan	80%	306,600	245,280
	Shunyi New Town Block 2 Plot	Beijing	50%	59,851	29,926
	Hedong Dongsuntai Plot	Tianjin	50%	54,061	27,031
	Subtotal			420,512	302,237
Western China	Yubei N18 Plot	Chongqing	50%	82,208	41,104
	Liangjiang New District Yuanyang Plot	Chongqing	75%	25,895	19,421
	CaoBei Plot	Xi'an	70%	332,220	232,554
	HIDZ GX3-42-72-2 Plot	Xi'an	52%	220,941	114,889
	HIDZ GX3-42-24-2 Plot	Xi'an	61%	147,086	89,722
	HIDZ GX3-18-46 Plot	Xi'an	50%	143,458	71,729
	E-sports Town No. 46 Plot	Guiyang	90%	51,600	46,440
	Pidu 75 Mu Plot	Chengdu	60%	159,807	95,884
	Jinniu 49 Mu Plot	Chengdu	100%	111,465	111,465
	Xinglong Street 50 Mu Plot	Chengdu	84%	100,597	84,501
	Tianfu 44 Mu Plot	Chengdu	50%	74,350	37,175
	Pidu Xipu 24 Mu Plot	Chengdu	100%	49,736	49,736
	Pidu Xipu 21 Mu Plot	Chengdu	70%	35,150	24,605
	Subtotal		1,534,513	1,019,225	
Yangtze River Delta	Shihu West Road Plot	Suzhou	70%	243,355	170,349
	Dongwu Paradise Walk North Plot	Suzhou	70%	43,621	30,535
	Jiading District Jiangqiaozen Plot	Shanghai	70%	152,891	107,024
	Yinzhou A5-1 Plot	Ningbo	50%	59,834	29,917
	Feixi Zipeng Road Plot	Hefei	100%	152,070	152,070
	Baohe Shanghai Road Plot	Hefei	50%	40,606	20,303
	Qiantang Xiasha Plot	Hangzhou	100%	212,777	212,777
	Xiaoshan Xiang Lake Plot	Hangzhou	66%	60,712	40,070
	Subtotal		965,866	763,045	

Region	Project Name	City	Attributable Interest %	Total GFA Sqm	Attributable GFA Sqm
Central China	Xinlian Road Liangan Plot	Changsha	70%	183,498	128,449
	Datang Liangan Plot	Changsha	51%	74,866	38,181
	WUT North Plot	Wuhan	100%	147,042	147,042
	Subtotal			405,406	313,672
Southern China	Matian Street Plot	Shenzhen	55%	93,306	51,318
	Longgang Street Plot	Shenzhen	85%	41,148	34,976
	Jinjiang Chidian No. 33 Plot	Quanzhou	100%	87,131	87,131
	Yingbin Road Plot	Gaungzhou	70%	127,194	89,036
	Subtotal			348,779	262,461
	Total			3,675,076	2,660,640

The details of the land bank acquired by the Group subsequent to the reporting period[#] are as follows:

Table 7: Land acquisitions subsequent to the period[#]

Region	Project Name	City	Attributable Interest %	Expected GFA Sqm	Attributable GFA Sqm
Western China	Xi'an Hangtian 31 Mu Plot	Xi'an	60%	72,670	43,602
Southern China	Foshan Amusement Park Plot	Foshan	100%	81,365	81,365
	Total			154,035	124,967

[#] As of March 7, 2024

FINANCIAL POSITION

As at December 31, 2023, the Group's consolidated borrowings amounted to RMB192.65 billion. Cash in hand was RMB60.42 billion*. Net debt to equity ratio (net debt divided by total equity) was 55.9%. Liabilities to asset ratio (ex. Pre-sale Deposits)** was 60.4%. The credit rating of the Group was BBB- by Standard & Poor, Ba1 by Moody's, BBB- by Fitch, and AAA by CCXR***, Shanghai Brilliance.

* *Of them, regulated pre-sale funds amounted to RMB22.76 billion*

** *Liabilities to asset ratio (ex. Pre-sale Deposits) = (total liabilities – Pre-sale Deposits)/(total assets – Pre-sale Deposits)*

*** *The ratings given by CCXR were for the rating on Chongqing Longhu Development Co., Ltd., a major subsidiary of the Company in Mainland China.*

Approximately 82.3% of the Group's total borrowings were denominated in RMB, while 17.7% were denominated in foreign currencies. The Group maintains its borrowings in foreign currencies in a low proportion with a certain amount of exchange rate swap so as to minimize the risk in exchange losses.

Approximately RMB61.15 billion of the Group's consolidated borrowings were with fixed interest rates ranging from 3.0% to 4.8% per annum, depending on the term of the loans, and the other loans were quoted at floating rates. As of December 31, 2023, the fixed interest debt as a percentage of total debt was 32% (December 31, 2022: 33%).

The Group's average cost of borrowing was 4.24% per annum. The average maturity period of loan was 7.85 years. The unsecured debt as a percentage of total debt was 59.8%. The debt due within one year was RMB26.84 billion, accounting for 13.9% of total debt. Excluding regulated pre-sale funds and restricted capital, cash to short-term debt multiple was 1.36X.

In 2023, the Group successfully issued medium-term notes of RMB2.3 billion in the domestic capital market, at a coupon rate ranging from 3.50% to 3.70% per annum with a term of three years.

EMPLOYEES AND COMPENSATION POLICY

The Group remunerates its employees based on their performance, work experience and the prevailing market wage level. The total compensation of employees consisted of base salary, cash bonus and share-based rewards. The distribution of cash bonus is assessed and determined based on a combination of factors, such as the Group's actual performance against its targets and the scores gained on the balanced scorecard of its subsidiaries

REVIEW AND OUTLOOK

In 2023, the national new home sales reached RMB11.7 trillion, down 6.5% year-on-year. The sea change in the supply and demand dynamics within the real estate market prompted comprehensive policy adjustments tailored to each city's unique circumstances. These adjustments were made to optimize real estate regulation and control with a primary focus on ensuring the delivery of housing projects, assuring security in basic living needs, and maintaining stability. Therefore, efforts were made to support improved housing demand, promote the stable operation of the real estate market, and foster a new model for real estate development.

Based on the high-quality development model, the Group centers on three major business segments of property development, operation and service and firmly pursue the synergy between business divisions such as property development, commercial investment, rental housings, property management, and smart construction, expanding the extensive strategy to tier-1 and tier-2 cities across the country. By targeting customers' needs, the Group proactively observes and seizes market opportunities, through which the Group constantly iterates and upgrades structural systems in the form of reformations while solidifying its core businesses, improving the professional capabilities of the entire chain and bolstering operational efficiency and efficacy.

In terms of commercial investment, 12 new malls were launched as scheduled throughout the year, of which 7 were asset-light, demonstrating steady development with a mixture of both asset-light and asset-heavy projects. Longfor Commercial endeavors to enrich the consumer scenario through continuous space innovation and brand renewals, leading to a recovery in the occupancy rate to 96% at the end of the period. Furthermore, same-store turnover and customer traffic achieved a nearly 30% increase year-on-year, and rental income soared by 9% to RMB10.28 billion.

Goyoo, the Group's rental housing brand, persistently seeks product upgrades and the creation of multi-functional composite spaces to meet diverse needs for housing. As of the end of the period, Goyoo has opened 123,000 rental housing units, yielding an overall occupancy rate increase to 95.5%. Particularly noteworthy is the occupancy rate of rooms in operation for over 6 months, which climbed to 96.4%. Rental income surged by 6% year-on-year, reaching a total of RMB2.55 billion. That means Goyoo effectively boosts operational efficiency and ensures a steady rise in profitability.

Longfor Intelligent Living, known for its high-quality services and stellar reputation alongside full digital empowerment, continues to expand its service scope. As of the end of the period, Longfor Intelligent Living has managed a property area of over 359 million square meters, spanning 13 major property types, including residential, office buildings, industrial buildings, public buildings, and other facilities. Emphasizing the service mantra of “Satisfaction + Surprise”, Longfor has garnered considerable customer recognition, maintaining a customer satisfaction rate of over 90% for 15 consecutive years.

The Group’s smart construction brand, Longfor Smart Construction, continues to fortify its digital technology capabilities by resolving the pain points of traditional construction, thereby enhancing development and operational efficiency. Drawing upon extensive experience in all-type development and industry-leading digital technology capabilities, the Group has extended its business footprint to core tier-1 and tier-2 cities, such as Beijing, Chengdu, Chongqing, and Hangzhou.

Backed by high quality land bank and with our focus on tier-1 and tier-2 core cities, the Company spares unrivalled flexibility to launch saleable resources in a timely manner after having regard for the market situations. Additionally, the Group still focuses on the demand for home improvement by leveraging our product series, including Glory of Galaxy, Glory of Thorns, Cloud Palace, and Noble Mansion to well align with marketable property types and capitalize on market opportunities to increase sales.

The Group (including joint ventures and associates) completed properties with a total GFA of approximately 16 million square meters in 2023 and plans to complete properties with a total GFA of 15 million square meters in 2024, most of which will be completed in the second half of the year. Steady progress has been made in the construction and sales of these projects.

In terms of commercial properties, approximately 14 shopping malls are expected to be in operation in 2024, located in cities such as Chengdu, Nanjing, Tianjin, and other cities, marking our steadfast commitment to the models of both asset-light and asset-heavy, and strengthens the grid layout of core cities. As our rental housing projects are in operation in tier-1 and tier-2 cities such as Beijing, Shanghai, Shenzhen, Hangzhou, Chengdu, and Chongqing, our future focus is to drive product iteration and enhance service quality.

Looking ahead, the Group will prioritize high-quality development and uphold a prudent financial management strategy. Longfor will achieve internal growth through generating positive operating cash flow from multiple business and continue to optimize our profit structure to ensure the Group’s profit growth is more robust and sustainable in the future.

FINAL DIVIDEND

The Board proposed the payment of a final dividend of RMB0.23 per share for the year ended December 31, 2023 to shareholders whose names appear on the register of members of the Company on Wednesday, July 17, 2024. The proposed final dividend shall be paid on Thursday, August 22, 2024 after approval by shareholders of the Company at the forthcoming annual general meeting of the Company (the “AGM”). The proposed final dividend shall be declared in RMB and paid in Hong Kong dollars. The final dividend payable in Hong Kong dollars will be converted from RMB at the average middle rate of RMB to Hong Kong dollars as announced by the People’s Bank of China for the period from Monday, June 17, 2024 to Tuesday, June 18, 2024.

Eligible Shareholders will be given an option to elect to receive the final dividend all in cash or all in new Shares or partly in new Shares and partly in cash (the “Scrip Dividend Scheme”).

The Scrip Dividend Scheme is subject to (1) the approval of the proposed final dividend by the shareholders of the Company at the AGM; (2) the Stock Exchange granting the listing of and permission to deal in the new Shares to be issued pursuant thereto; and (3) where necessary, the whitewash waiver granted by the Executive Director of the Corporate Finance Division of the Securities and Futures Commission or any of his/her delegate.

A circular containing full details of the Scrip Dividend Scheme together with the relevant form of election will be sent to the shareholders of the Company on or around Wednesday, July 24, 2024. It is expected that the final dividend warrants and certificates for the new Shares (in case the eligible shareholders have elected to receive part or all their final dividend in the form of new Shares) will be dispatched to the shareholders of the Company on Thursday, August 22, 2024.

ANNUAL GENERAL MEETING

The AGM is to be held on Tuesday, June 18, 2024 and the notice of AGM will be published and dispatched to the shareholders of the Company within the prescribed time and in such manner as required by the Rules Governing the Listing of Securities (the “Listing Rules”) on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”).

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Thursday, June 13, 2024 to Tuesday, June 18, 2024, both days inclusive, during which period no transfer of shares of the Company will be effected. In order to determine the identity of members who are entitled to attend and vote at the annual general meeting to be held on Tuesday, June 18, 2024, all share transfer documents accompanied by the relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong not later than 4:30 p.m. on Wednesday, June 12, 2024.

The register of members of the Company will be closed from Tuesday, July 16, 2024 to Wednesday, July 17, 2024 (both days inclusive) during which period no transfer of shares of the Company will be effected. To qualify for the proposed final dividend, all transfer documents accompanied by the relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong not later than 4:30 p.m. on Monday, July 15, 2024.

AUDIT COMMITTEE

The Audit Committee of the Company comprises of three independent non-executive Directors. The Audit Committee has reviewed the accounting principles and practices adopted by the Group and discussed risk management and internal control systems and financial reporting matters including the review of the Group's audited consolidated results for the year ended December 31, 2023.

CORPORATE GOVERNANCE

The Company recognises the importance of corporate transparency and accountability. We are committed in achieving a high standard of corporate governance and leading the Group to attain better results and enhance company value with effective corporate governance procedures. Throughout this year, the Company has adopted, applied and complied with the code provisions as set out in the Corporate Governance Code (the "Code") contained in Appendix C1 to the Listing Rules, except with the following deviation:

Following the appointment of Mr. Chen Xuping as the Chairman of the Board with effect from October 28, 2022, Mr. Chen Xuping assumes the dual roles of the Chairman of the Board and the Chief Executive Officer of the Company. This deviates from code provision C.2.1 of the Code, which requires that the roles of chairman and the chief executive officer should be separate and should not be performed by the same individual. After evaluating the development of the Group and taking into account of the experience of Mr. Chen Xuping, the Board was of the opinion that it is in the best interest of the Company at the present stage for vesting the roles of the Chairman of the Board and the Chief Executive Officer of the Company in the same person as it helps to facilitate the execution of the Group’s development strategies. The Board will nevertheless review this structure from time to time for accommodating and facilitating the development of the Company.

COMPLIANCE WITH THE MODEL CODE OF THE LISTING RULES

The Company has adopted a code of conduct regarding the Company’s securities transactions of directors (the “Securities Code”) on no less exacting the required standard set out in the Model Code for Securities Transactions by Directors of Listed Issuers (the “Model Code”) contained in Appendix C3 to the Listing Rules. All Directors confirmed that they have complied with the required standard set out in the Securities Code during the year ended December 31, 2023.

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

During the year, the trustee of the Restricted Share Award Scheme purchased on the Stock Exchange a total of 17,921,000 shares at a total consideration of approximately RMB311,136,000 pursuant to the terms of the trust deed under the Restricted Share Award Scheme; in addition, a subsidiary of the Company purchased senior notes issued by the Company in an aggregate principal amount of USD299,875,000 on the open market.

Other than the aforesaid, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company’s listed securities during the year.

**PUBLICATION OF FINAL RESULTS AND ANNUAL REPORT ON THE WEBSITES
OF THE STOCK EXCHANGE AND THE COMPANY**

This results announcement is published on the websites of the Stock Exchange (www.hkex.com.hk) and the Company (www.longfor.com). The annual report of the Company for the year ended December 31, 2023 containing all the information required by the Listing Rules will be dispatched to the Company's shareholders and posted on the above websites in due course.

By Order of the Board
Longfor Group Holdings Limited
Chen Xuping
Chairman

Hong Kong, 22 March 2024

As at the date of this announcement, the Board comprises nine members: Mr. Chen Xuping, Mr. Zhao Yi, Mr. Zhang Xuzhong and Ms. Shen Ying who are executive directors; Mr. Xia Yunpeng who is non-executive director; and Mr. Frederick Peter Churchouse, Mr. Chan Chi On, Derek, Mr. Xiang Bing and Mr. Leong Chong who are independent non-executive directors.