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# 華潤置地有限公司 China Resources Land Limited

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

**(Stock Code: 1109)**

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

### **HIGHLIGHTS**

- Consolidated revenue for Year 2023 amounted to Renminbi (“RMB”) 251.14 billion, up 21.3% year on year (“YoY”). Among that, development property revenue was RMB212.08 billion, up 20.4% YoY, revenue of investment properties increased 30.6% YoY to RMB22.23 billion, revenue contribution from asset-light management business was RMB10.64 billion, increased 27.7% YoY, revenue of eco-system elementary business was RMB6.19 billion, increased 11.6% YoY. Revenue from recurring businesses totaled RMB39.06 billion, a YoY increase of 26.4%, and represented 15.6% of total consolidated revenue.
- In Year 2023, consolidated gross profit margin was 25.2%. Among that, development property gross profit margin was 20.7%, while investment property gross profit margin increased 4.0 percentage points YoY to 69.6%, and investment property (excluding hotel operations) gross profit margin increased 4.4 percentage points YoY to 75.7%.
- In Year 2023, profit attributable to the owners of the Company increased 11.7% YoY to RMB31.37 billion. Core profit attributable to the owners of the Company excluding revaluation gain from investment properties (hereinafter referred to as “core net profit”) reached RMB27.77 billion, an increase of 2.9% YoY. Among that, development property, investment property, asset-light management and eco-system elementary business accounted for 65.6%, 28.3%, 3.5% and 2.6% of core net profit respectively. Core net profit from recurring income represented 34.4% of total core net profit.
- In 2023, earnings per share achieved RMB4.40, an increase of 11.7% YoY, while core net profit per share of the Company increased by 2.9% YoY to RMB3.89.

- The Board recommended a final dividend of RMB1.243 per share for Year 2023. Together with the interim dividend of RMB0.198 per share, the total dividend for Year 2023 was up 2.9% YoY to RMB1.441 per share.
- As of end of Year 2023, net gearing ratio decreased 6.2 percentage points to 32.6% compared to the end of 2022, while weighted average cost of debt decreased 19 basis points to a ten-year low level of 3.56%.
- In Year 2023, the Group achieved contracted property sales of RMB307.03 billion, up 1.9% YoY, with contracted GFA of 13.07 million square meters. As of end of Year 2023, the Group had locked in contracted sales of RMB284.15 billion which will be recognised in Year 2024 and years to come, among which, subject to construction and final delivery schedule, RMB193.86 billion may be recognised in Year 2024.
- In Year 2023, the Group acquired land bank of 13.25 million square meters. As of the end of Year 2023, the Group's total land bank was approximately 62.50 million square meters.

The board of directors (the “Board”) of China Resources Land Limited (the “Company”) is pleased to announce the audited consolidated results of the Company and its subsidiaries (the “Group”) for the year ended 31 December 2023 (“Year 2023”) as follows:

## CONSOLIDATED STATEMENT OF PROFIT OR LOSS

	NOTES	Year ended 31 December	
		2023	2022
		RMB'000	RMB'000
Revenue	3	<b>251,137,103</b>	207,061,119
Cost of sales		<b>(187,975,189)</b>	(152,770,509)
Gross profit		<b>63,161,914</b>	54,290,610
Gain on changes in fair value of investment properties		<b>8,000,785</b>	6,977,861
Gain on changes in fair value of financial instruments at fair value through profit or loss		<b>51,010</b>	6,400
Other income, other gains and losses		<b>8,588,383</b>	3,112,873
Selling and marketing expenses		<b>(7,301,639)</b>	(5,894,694)
General and administrative expenses		<b>(6,678,829)</b>	(5,385,588)
Share of profits less losses of investments in joint ventures		<b>2,800,822</b>	3,484,705
Share of profits less losses of investments in associates		<b>(440,634)</b>	616,706
Finance costs	4	<b>(1,743,918)</b>	(1,699,518)
Profit before taxation		<b>66,437,894</b>	55,509,355
Income tax expenses	5	<b>(29,134,131)</b>	(23,139,594)
Profit for the year	6	<b>37,303,763</b>	32,369,761
Profit for the year attributable to:			
Owners of the Company		<b>31,365,372</b>	28,091,865
Non-controlling interests		<b>5,938,391</b>	4,277,896
		<b>37,303,763</b>	32,369,761
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY		RMB	RMB
Basic and diluted	8	<b>4.40</b>	3.94

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

	<b>Year ended 31 December</b>	
	<b>2023</b>	2022
	<b>RMB'000</b>	RMB'000
Profit for the year	<u><b>37,303,763</b></u>	<u>32,369,761</u>
Other comprehensive income		
<i>Items that may be reclassified subsequently to profit or loss</i>		
Fair value hedges and cash flow hedges:		
Changes in fair value of hedging instruments due to forward elements and effective portion arising during the year	<b>86,171</b>	(333,152)
Exchange differences on translation of foreign operations	<u><b>229,283</b></u>	<u>663,343</u>
Net other comprehensive income that may be reclassified to profit or loss in subsequent years	<u><b>315,454</b></u>	<u>330,191</u>
<i>Item that will not be reclassified subsequently to profit or loss</i>		
Loss on changes in fair value of equity instruments designated at fair value through other comprehensive income	<u><b>(22,970)</b></u>	<u>(19,801)</u>
Other comprehensive loss that will not be reclassified to profit or loss in subsequent years	<u><b>(22,970)</b></u>	<u>(19,801)</u>
Other comprehensive income for the year	<u><b>292,484</b></u>	<u>310,390</u>
Total comprehensive income for the year	<u><u><b>37,596,247</b></u></u>	<u><u>32,680,151</u></u>
Total comprehensive income attributable to:		
Owners of the Company	<b>31,604,881</b>	28,161,565
Non-controlling interests	<u><b>5,991,366</b></u>	<u>4,518,586</u>
	<u><u><b>37,596,247</b></u></u>	<u><u>32,680,151</u></u>

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	<i>NOTE</i>	<b>31 December 2023 RMB'000</b>	31 December 2022 RMB'000
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment		15,827,017	16,011,713
Right-of-use assets		5,282,553	5,773,760
Investment properties		262,808,194	237,885,277
Intangible assets		1,519,911	1,425,515
Goodwill		1,911,884	1,816,263
Investments in joint ventures		59,707,377	50,824,202
Investments in associates		25,937,418	24,893,083
Equity instruments designated at fair value through other comprehensive income		1,043,560	1,074,060
Financial assets at fair value through profit or loss		–	150,000
Time deposits		203,097	2,558,608
Prepayments for non-current assets		2,427,392	1,401,467
Deferred taxation assets		13,979,382	11,591,017
Amounts due from related parties		11,253,594	10,168,102
Amounts due from non-controlling interests		4,914,883	2,474,207
		<b>406,816,262</b>	<b>368,047,274</b>
<b>CURRENT ASSETS</b>			
Properties for sale		524,332,647	495,498,250
Other inventories		407,467	462,830
Trade receivables, other receivables, prepayments and deposits	9	51,301,058	45,010,794
Contract assets and contract costs		2,941,068	2,046,081
Time deposits		4,052,766	–
Financial assets at fair value through profit or loss		3,001,429	1,066,801
Derivative financial instruments		10,415	–
Amounts due from related parties		27,200,300	30,899,781
Amounts due from non-controlling interests		38,965,360	26,858,943
Prepaid taxation		17,807,894	13,973,575
Restricted bank deposits		1,665,351	1,922,996
Cash and cash equivalents		112,675,092	95,544,576
		<b>784,360,847</b>	<b>713,284,627</b>

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

	<i>NOTE</i>	<b>31 December 2023 RMB'000</b>	31 December 2022 RMB'000
<b>CURRENT LIABILITIES</b>			
Trade and other payables	10	<b>158,671,034</b>	162,834,305
Lease liabilities		<b>1,580,663</b>	998,721
Contract liabilities		<b>267,618,392</b>	225,789,214
Financial liabilities at fair value through profit or loss		<b>114,025</b>	–
Amounts due to related parties		<b>39,185,761</b>	39,185,729
Amounts due to non-controlling interests		<b>17,343,703</b>	10,563,199
Taxation payable		<b>35,405,452</b>	26,641,869
Bank and other borrowings — due within one year		<b>42,576,778</b>	52,336,890
Senior notes — due within one year		<b>7,208,121</b>	–
Super short-term commercial papers		<b>6,000,000</b>	–
Medium-term notes — due within one year		<b>8,501,928</b>	8,906,126
		<b><u>584,205,857</u></b>	<u>527,256,053</u>
<b>NET CURRENT ASSETS</b>		<b><u>200,154,990</u></b>	<u>186,028,574</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<b><u><u>606,971,252</u></u></b>	<u><u>554,075,848</u></u>
<b>EQUITY</b>			
Share capital		<b>673,829</b>	673,829
Reserves		<b>264,193,354</b>	243,373,240
Equity attributable to owners of the Company		<b>264,867,183</b>	244,047,069
Non-controlling interests		<b>119,281,871</b>	97,659,981
		<b><u><u>384,149,054</u></u></b>	<u><u>341,707,050</u></u>

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

	<b>31 December 2023 RMB'000</b>	31 December 2022 RMB'000
<b>NON-CURRENT LIABILITIES</b>		
Bank and other borrowings — due after one year	<b>113,537,417</b>	97,924,016
Senior notes — due after one year	<b>6,769,877</b>	13,744,457
Medium-term notes — due after one year	<b>47,685,216</b>	44,191,898
Lease liabilities	<b>5,469,413</b>	6,116,805
Financial liabilities at fair value through profit or loss	<b>221,131</b>	390,860
Amounts due to related parties	<b>9,101,388</b>	14,211,080
Amounts due to non-controlling interests	<b>1,150,293</b>	3,654,950
Long-term payables	<b>4,371,525</b>	101,635
Derivative financial instruments	–	212,742
Deferred taxation liabilities	<b>34,515,938</b>	31,820,355
	<b><u>222,822,198</u></b>	<u>212,368,798</u>
<b>TOTAL OF EQUITY AND NON-CURRENT LIABILITIES</b>	<b><u>606,971,252</u></b>	<u>554,075,848</u>

## 1. BASIS OF PREPARATION

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

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

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

## 2. PRINCIPAL ACCOUNTING POLICIES

The Group has applied the following new and amended HKFRSs issued by the HKICPA to these financial statements for the current year:

- HKFRS 17, *Insurance contracts*
- Amendments to HKAS 8, *Accounting policies, changes in accounting estimates and errors: Definition of accounting estimates*
- Amendments to HKAS 1, *Presentation of financial statements* and HKFRS Practice Statement 2, *Making materiality judgements: Disclosure of accounting policies*
- Amendments to HKAS 12, *Income taxes: Deferred tax related to assets and liabilities arising from a single transaction*
- Amendments to HKAS 12, *Income taxes: International tax reform — Pillar Two model rules*

None of these developments have had a material effect on how the Group’s results and financial position for the current or prior years have been prepared or presented in this financial report. The Group has not applied any new standard or interpretation that is not yet effective in the current year.

### 3. SEGMENT INFORMATION

Information reported to the executive directors of the Company, being the chief operating decision makers (“CODM”) of the Group, was specifically focused on business units based on their types of activities for the purpose of resource allocation and performance assessment. The Group changed the composition of its reportable segments in the current year to four main businesses:

Development property business: this segment mostly represents the income generated from development and sales of residential properties, office and commercial premises.

Investment property business: this segment represents the lease of investment properties, which are self-developed or under subleases by the Group to generate rental and other income and to gain from the appreciation in the properties’ values in the long term.

Asset-light management business: this segment represents the income generated from the commercial operation and property management business.

Eco-system elementary business: this segment represents the income generated from building operation, construction and operation services, leasing apartment and industrial property etc.

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

The Group has restated segment information comparative figures to conform with the presentation in the current year.

### 3. SEGMENT INFORMATION (CONTINUED)

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

#### For the year ended 31 December 2023

	Development property business <i>RMB'000</i>	Investment property business <i>RMB'000</i>	Asset-light management business <i>RMB'000</i>	Eco-system elementary business <i>RMB'000</i>	Consolidated <i>RMB'000</i>
<b>SEGMENT REVENUES AND RESULTS</b>					
Revenue					
Revenue from contracts with customers					
Recognised at a point in time	194,661,298	–	691,075	5,294,918	200,647,291
Recognised over time	17,680,714	7,041,318	12,899,696	11,819,574	49,441,302
Revenue from other sources					
Rental income	–	16,033,159	–	–	16,033,159
	<u>212,342,012</u>	<u>23,074,477</u>	<u>13,590,771</u>	<u>17,114,492</u>	<u>266,121,752</u>
Segment revenue	212,342,012	23,074,477	13,590,771	17,114,492	266,121,752
Inter-segment revenue	(263,614)	(846,533)	(2,947,478)	(10,927,024)	(14,984,649)
	<u>212,078,398</u>	<u>22,227,944</u>	<u>10,643,293</u>	<u>6,187,468</u>	<u>251,137,103</u>
Revenue from external customers	212,078,398	22,227,944	10,643,293	6,187,468	251,137,103
Results					
Share of profits of investments in joint ventures and associates	1,479,000	745,954	2,547	132,687	2,360,188
	<u>1,479,000</u>	<u>745,954</u>	<u>2,547</u>	<u>132,687</u>	<u>2,360,188</u>
Segment results (including share of profits of investments in joint ventures and associates)	37,705,930	12,543,726	1,269,689	1,097,965	52,617,310
	<u>37,705,930</u>	<u>12,543,726</u>	<u>1,269,689</u>	<u>1,097,965</u>	<u>52,617,310</u>
Gain on changes in fair value of investment properties					8,000,785
Gain on changes in fair value of financial instruments at fair value through profit or loss					51,010
Other income, other gains and losses					8,588,383
Unallocated expenses					(1,075,676)
Finance costs					(1,743,918)
					<u>66,437,894</u>
Profit before taxation					<u>66,437,894</u>

### 3. SEGMENT INFORMATION (CONTINUED)

For the year ended 31 December 2022

	Development property business RMB'000	Investment property business RMB'000	Asset-light management business RMB'000	Eco-system elementary business RMB'000	Consolidated RMB'000
<b>SEGMENT REVENUES AND RESULTS</b>					
Revenue					
Revenue from contracts with customers					
Recognised at a point in time	139,510,927	–	674,609	5,731,413	145,916,949
Recognised over time	36,651,408	5,628,323	10,048,430	12,768,640	65,096,801
Revenue from other sources					
Rental income	–	12,283,776	–	–	12,283,776
Segment revenue	176,162,335	17,912,099	10,723,039	18,500,053	223,297,526
Inter-segment revenue	–	(891,189)	(2,389,178)	(12,956,040)	(16,236,407)
Revenue from external customers	176,162,335	17,020,910	8,333,861	5,544,013	207,061,119
Results					
Share of profits/(loss) of investments in joint ventures and associates	3,822,711	330,583	480	(52,363)	4,101,411
Segment results (including share of profits of investments in joint ventures and associates)	39,073,801	8,196,909	926,486	71,525	48,268,721
Gain on changes in fair value of investment properties					6,977,861
Gain on changes in fair value of financial instruments at fair value through profit or loss					6,400
Other income, other gains and losses					3,112,873
Unallocated expenses					(1,156,982)
Finance costs					(1,699,518)
Profit before taxation					55,509,355

#### 4. FINANCE COSTS

	Year ended 31 December	
	2023	2022
	RMB'000	RMB'000
Total interests on bank and other borrowings, senior notes, medium-term notes, super short-term commercial papers and others	10,156,396	9,202,050
Total interest on lease liabilities	346,354	295,034
Total bank charges	166,761	158,960
Less: Amounts capitalised in properties under development for sale, investment properties under construction and construction in progress	(8,925,593)	(7,956,526)
	<u>1,743,918</u>	<u>1,699,518</u>

#### 5. INCOME TAX EXPENSES

	Year ended 31 December	
	2023	2022
	RMB'000	RMB'000
The income tax expenses comprise of:		
Current taxation		
The People's Republic of China (the "PRC") Enterprise Income Tax ("EIT") and withholding income tax	17,638,219	10,688,929
PRC Land Appreciation Tax ("LAT")	11,915,850	9,322,150
Tax charge in other jurisdictions	18,541	13,106
Less: over-provision in prior years	(686,274)	(58,980)
	<u>28,886,336</u>	<u>19,965,205</u>
Deferred taxation	<u>247,795</u>	<u>3,174,389</u>
	<u>29,134,131</u>	<u>23,139,594</u>

##### (A) EIT

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

##### (B) PRC withholding income tax

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

## 5. INCOME TAX EXPENSES (CONTINUED)

### (C) LAT

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

### (D) Hong Kong Profits Tax

Hong Kong Profits Tax is calculated at 16.5% (2022: 16.5%) of the estimated assessable profits.

### (E) Tax charge in other jurisdictions

Tax charge in other jurisdictions mainly represents the current tax charge in the United Kingdom (the “UK”). Under the United Kingdom Tax Law, the tax rate of the subsidiary operating in the UK is 25% (2022:19%).

In addition, the Company and certain subsidiaries were incorporated in the Cayman Islands as exempted companies with limited liability under the Companies Law, Cap. 22 of the Cayman Islands and accordingly, are exempted from Cayman Islands income tax. The Company’s subsidiaries incorporated in the British Virgin Islands were registered under the International Business Companies Act of the British Virgin Islands and, accordingly, are exempted from British Virgin Islands income tax.

## 6. PROFIT FOR THE YEAR

	Year ended 31 December	
	2023	2022
	<i>RMB’000</i>	<i>RMB’000</i>
Profit for the year has been arrived at after charging the following items:		
Depreciation of property, plant and equipment	<b>798,201</b>	813,660
Depreciation of right-of-use assets	<b>412,138</b>	444,422
Amortisation of intangible assets	<b>102,242</b>	75,141

## 7. DIVIDENDS

	Year ended 31 December	
	2023	2022
	RMB'000	RMB'000
2023 interim dividend, RMB0.198 (2022: RMB0.182) per ordinary share	1,413,713	1,346,582
2023 final dividend, proposed, of RMB1.243 (2022: RMB1.219) per ordinary share ( <i>Note</i> )	<u>8,863,758</u>	<u>9,164,988</u>
	<u>10,277,471</u>	<u>10,511,570</u>

*Note:* At a meeting held by the Board on 25 March 2024, the Board proposed a final dividend in respect of the year ended 31 December 2023 of RMB1.243 per ordinary share of the Company, totaling approximately RMB8,863,758,000 based on the latest number of ordinary shares of 7,130,939,579 shares of the Company in issue. This proposed dividend is not reflected as a dividend payable in these consolidated financial statements, but will be reflected as a profit appropriation in the consolidated financial statements of the Company for the year ending 31 December 2024.

A final dividend for the year ended 31 December 2022 of RMB1.219 (equivalent to HK\$1.394) per ordinary share, totalling approximately RMB9,164,988,000, had been approved in the Company's Annual General Meeting on 7 June 2023 and paid during the year.

## 8. EARNINGS PER SHARE

The calculation of basic earnings per share is based on the profit attributable to ordinary equity holders of the Company and the weighted average number of shares in issue during the year ended 31 December 2023 of 7,130,939,579 (year ended 31 December 2022: 7,130,939,579) shares. There were no dilutive potential ordinary shares in existence during both years.

## 9. TRADE RECEIVABLES, OTHER RECEIVABLES, PREPAYMENTS AND DEPOSITS

	<b>31 December 2023</b>	31 December 2022
	<i>RMB'000</i>	<i>RMB'000</i>
Trade and bills receivables ( <i>Note</i> )	<b>3,604,776</b>	3,355,208
Less: provision for impairment ( <i>Note</i> )	<b>(172,638)</b>	(130,569)
	<b><u>3,432,138</u></b>	<u>3,224,639</u>
Prepayments for acquisition of land use rights	<b>11,501,608</b>	4,886,826
Other receivables	<b>12,817,305</b>	15,524,309
Less: provision for impairment	<b>(302,298)</b>	(234,490)
	<b><u>12,515,007</u></b>	<u>15,289,819</u>
Prepayments and deposits	<b>23,852,305</b>	21,609,510
	<b><u><u>51,301,058</u></u></b>	<u><u>45,010,794</u></u>

*Note:*

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

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

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

	<b>31 December 2023</b>	31 December 2022
	<i>RMB'000</i>	<i>RMB'000</i>
0–30 days	<b>1,075,848</b>	1,028,939
31–60 days	<b>532,494</b>	426,852
61–90 days	<b>198,041</b>	219,301
91–180 days	<b>463,369</b>	598,322
181–365 days	<b>548,239</b>	740,220
Over 1 year	<b>614,147</b>	211,005
	<b><u><u>3,432,138</u></u></b>	<u><u>3,224,639</u></u>

As at 31 December 2023, all the trade and bills receivables are measured at amortised cost.

## 10. TRADE AND OTHER PAYABLES

	<b>31 December 2023 RMB'000</b>	31 December 2022 RMB'000
Trade and bills payables ( <i>Note (a)</i> )	<b>84,243,425</b>	99,908,865
Other payables ( <i>Note (b)</i> )	<b>74,427,609</b>	62,925,440
	<b><u>158,671,034</u></b>	<u>162,834,305</u>

*Notes:*

### (a) Trade and bills payables

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

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

	<b>31 December 2023 RMB'000</b>	31 December 2022 RMB'000
0–30 days	<b>27,819,434</b>	21,161,893
31–60 days	<b>16,012,216</b>	11,723,707
61–90 days	<b>5,075,497</b>	4,762,964
91–180 days	<b>11,209,147</b>	16,903,527
181–365 days	<b>6,813,219</b>	26,208,838
Over 1 year	<b>17,313,912</b>	19,147,936
	<b><u>84,243,425</u></b>	<u>99,908,865</u>

### (b) Other payables

The amounts mainly include other taxes payable, consideration payables for acquisitions and accrued salaries.

## CHAIRMAN’S STATEMENT

I am pleased to present to shareholders a review of the performance of the Company and the Group for the year ended 31 December 2023 and our outlook for 2024.

Since the beginning of the “14th Five-Year Plan”, the real estate sector has undergone significant trends and structural shifts, such as scale contraction, escalating divergence among cities, and increased market consolidation. The sales market experienced a rapid decline from RMB18 trillion in 2021 to RMB11 trillion in 2023, posing challenges of insufficient demand and deleveraging for developers. However, the Group has successfully navigated these industry trends and fluctuations in consumer demand by capitalizing on our unique competitive advantages, and has achieved steady growth in both revenue and profit, maintained industry-leading position in core net profits, ranked fourth in terms of sales performance in the industry, and maintained the top position in the industry in terms of comprehensive strength in the commercial management business. We have successfully fulfilled the interim objectives of the “14th Five-Year Plan”.

Confronted with industry changes and challenges, the Group has vigorously promoted four management themes, namely “Cash Flow Generation”, “Enhancement of Gross Margin and ROIC”, “Cost Reduction, Quality Improvement and Efficiency Enhancement”, and “Tackling De-stocking”. These initiatives have resulted in steady progress and improvement in various core performance indicators. In 2023, the Group achieved revenue of RMB251.14 billion, representing a 21.3% YoY growth. The core net profit reached RMB27.77 billion, up 2.9% YoY. Together with the Interim Dividend paid and the proposed final dividend, total dividend per share will be RMB1.441, marking a 2.9% YoY increase. Against a complex industry landscape, the Group has demonstrated stability and positive momentum in various aspects. Steady and high quality growth has laid a solid foundation for achieving comprehensive and sustainable development. This commitment reflects our dedication to delivering on our promise of value creation for our shareholders.

**The performance of development property business has achieved steady growth, with a significant enhancement in our core competitiveness.** In 2023, the Group achieved contracted sales value of RMB307.03 billion, representing a 1.9% YoY increase and maintained a stable fourth position in industry rankings.

The Group adheres to a strategy-led approach to investment, emphasizing the principle of matching income with expenses and prioritizing conservative cash flow management. The Group continuously tracks policy and market changes, allowing it to dynamically and flexibly adjust the investment strategy in a scientifically informed manner. The Group also strives to maintain a reasonable investment pace by carefully managing the timing of its investments. During the year, 68 new projects were acquired, with 92.8% of investments focused on tier-one and tier-two cities. Notably, the Group's investment in a residential project in the Northern Metropolis area of Hong Kong serves as a pioneering example of cooperation between central state-owned-enterprises and Hong Kong capital in the region.

Through lean and effective management in development and operations, the Group has enhanced efficiency resulting in continuous quality improvements whilst maintaining industry leading customer satisfaction. The Group continue to strengthen our product platform and have officially released the new product standard of “Nine Perspectives of High-Quality”, which has significant following and is a leader in the industry.

**The high-quality development of the Group's investment property business has further solidified our leadership position in the industry.** In 2023, the Group's revenue from shopping malls reached RMB17.85 billion, representing a 29.7% YoY growth.

The Group's 76 operating shopping malls achieved retail sales of RMB163.87 billion in 2023, representing a YoY increase of 44.2%, among which 61 shopping malls ranked top three in terms of retail sales in their respective local markets. 10 shopping malls opened as scheduled with high quality, achieving an average occupancy rate of 96.2%. The Group acquired 8 new high-level shopping malls in top-tier cities such as Beijing, Shanghai, Guangzhou, Nanjing, Wuhan, and Sanya, making a critical breakthrough in strategic business allocation in core cities.

Despite significant market headwinds, the office business saw an increase in occupancy rate of 2.6 percentage points to 81.8% through the continuous optimization of tenancies. Revenue from the Group's hotel business saw significant growth, with room rates surpassing pre-pandemic levels and occupancy rates reaching 63.3%.

**The asset under management continues to increase, and the commercial REITs platform has been successfully established.** As of the end of 2023, assets under management of the Group reached RMB427.46 billion, up by 19.2% YoY, with shopping malls accounting for 63.3%. With the policy support of public REITs for consumption infrastructure, the Group identified “promoting the transformation of asset management business, expanding the asset under management, and building an industry-leading commercial REITs platform” as a key strategic direction. In November 2023, CAMC-China Resources Commercial Assets Closed-end Infrastructure Securities Investment Fund (華夏華潤商業資產封閉式基礎設施證券投資基金) (180601.SZ) was approved by the China Securities Regulatory Commission as one of the first consumption infrastructure REITs, which successfully listed on the Shenzhen Stock Exchange on 14 March 2024, raising proceeds of approximately RMB7.0 billion. This marks the beginning of the commercial REITs platform, enabling the Group to achieve a closed-loop system of investment, financing, construction, management and divestment, thereby laying a solid foundation for the gradual transformation into a large-scale asset management business.

**China Resources Mixc Lifestyle Services Limited (1209.HK, hereinafter referred to as “CR Mixc Lifestyle”) maintained rapid growth and is committed to transforming into an urban space operation service provider.** In 2023, CR Mixc Lifestyle achieved revenue of RMB14.77 billion, representing a 22.9% YoY growth. Net profit amounted to RMB2.92 billion, showing a 31.2% YoY increase.

The commercial management business maintained its leadership in the industry leveraging off its comprehensive strength. As of the end of 2023, CR Mixc Lifestyle managed operating 101 shopping malls, including 13 luxury shopping malls, with an additional 83 shopping malls in pipeline.

CR Mixc Lifestyle remained in the top tier in the property management industry, with continuous enhancement to the scale and quality of its market-oriented expansion. As of the end of 2023, the total managed area reached 370 million square meters, with a contracted area of 425 million square meters, covering 171 cities nationwide. CR Mixc Lifestyle has also actively transformed into an urban space operation service provider. During the year, a total of 128 urban space projects were expanded, amongst which, high-quality benchmark projects such as the Shenzhen Luohu Urban Steward, Chengdu Dong’an Lake Park, and Xi’an Olympic Sports and Exhibition Center were successfully opened. As a result, the Group’s industry influence continues to grow.

The mega membership system has made steady progress, with continuous expansion of the membership base. As of the end of 2023, the total number of MIXC Star members reached 46.25 million, with approximately 12.25 million new members added during the year. CR Mixc Lifestyle also independently developed and launched a cross-format customer engagement platform, enhancing the overall experience of cross-format services.

**The eco-system elementary businesses developed in an orderly manner and have achieved qualitative and scalable growth.** The market position and brand influence of the construction and operation agent business, leasing apartment, cultural and sports business, and urban operation business have continued to improve.

The Group has made every effort to support the holding of several major national competitions, and successfully completed its services for the Chengdu University Games, Hangzhou Asian Games and China-Central Asia Summit, once again demonstrating the Group's strong capabilities in the construction and operation of large-scale venues and the provision of services for important events.

By implementing the asset-light and asset-heavy business model, the Group has been vigorously developing its leasing apartment business. As at the end of 2023, the leasing apartment business had a total of 60 projects under management, with a management scale of 56,000 rooms. During the year, the revenue from the leasing apartment business (including asset-light management projects) increased by 9.5% YoY to RMB0.70 billion. CAMC-China Resources Youchao Rental Residential Housing Property Closed-end Infrastructure Securities Investment Fund (508077.SH) has delivered outstanding operating performance. In 2023, the infrastructure project company achieved revenue of RMB77.49 million, exceeding the estimate at the time of listing by 8.5%. The rental housing occupancy rate reached 93.07%, exceeding the listing estimate by 2.59 percentage points. From an investment perspective, the fund has fulfilled its commitments during listing with an estimated cash distribution rate of 5.03% for the year, significantly rewarding the market.

The Group has seized the opportunity for a comprehensive recovery of the post-pandemic sports events, shows and exhibitions market. While continuing to strengthen and optimize venue operations, it has also actively explored content operations to tap into the business potential. In 2023, the Group achieved venue operation revenue of RMB0.6 billion, representing a 95.7% YoY growth.

The Group has been actively exploring urban operation businesses and has taken the Shenzhen Houhai Central District Smart City Construction and Operation Service Project as an innovative reform pilot. Through this initiative, the Group has made progress in establishing a systematic solution for urban operation services with a comprehensive business structure and a clear business model, which has accelerated its transformation into an "urban operator."

In order to promote the structural optimization of the eco-system elementary businesses and achieve quality scale growth, the Group has made clear its plans to orderly exit the general contracting business, furniture business, decoration business and senior housing business during the 14th Five-Year Plan period.

**The Group has actively embraced its social responsibilities and demonstrated its corporate commitment.** It has responded proactively to the national dual-carbon strategy and has undertaken over ten ultra-low-energy residential and complex low-carbon pilot projects. In particular, the project of Nanchang Mixc has received the Bronze Carbon Neutral Building Certification, becoming the first large-scale commercial complex in China to achieve carbon neutrality during its operational phase. The Group has also implemented the spirit of central housing security policies. The project named “New Era Home for Urban Builders and Managers” in Maqiao, Shanghai has established a multi-level rental housing supply system with “one bed, one room, one suite” configurations, becoming a model community of subsidized rental housing nationwide. This initiative better meets the housing needs of new residents and young people in the city. In addition, the Group has also contributed to rural revitalization by completing and delivering the China Resources Hope Town project in Nanjiang, Sichuan Province with high quality. Meanwhile, it has continuously provided consumption supportive programs to stimulate rural development. Furthermore, the Group has constantly improved its corporate image in respect of ESG, maintaining an A rating in MSCI-ESG assessment and ranking the 7th in the “State-owned Enterprises ESG Pioneer 100 Index” of the State-owned Assets Supervision and Administration Commission of the State Council.

**The Group maintains a strong focus in prioritising cash flow and maintaining financial flexibility.** The Group’s operating cash flow is significant, and its balance sheet remains robust. In 2023, we proactively controlled the growth of our financings and kept expenditure within the limits of cash inflow, while supporting new investment with operating cash flows, thus achieving healthy and organic growth. The Group’s total interest-bearing gearing ratio and net gearing ratio have both decreased to industry-low levels of 38.4% and 32.6%, respectively. The Group stayed in green zone under the “Three Red Lines” policy, while Standard & Poor’s, Moody’s and Fitch maintained the Company’s credit ratings at “BBB+”, “Baa1”, and “BBB+” respectively. The weighted average cost of financing stood at 3.56%, marking the lowest level in nearly a decade.

In 2023, which marked the midpoint of the 14th Five-Year Plan, the Group comprehensively reviewed the implementation effectiveness of the first half of the plan and revised the strategic plan accordingly. Looking forward, the Group is determined to leveraging off the industry situation and seize a new round of development opportunities brought about by industry structural changes. We will also be prepared to cope with a series of challenges brought by industry trend changes and consumer demand fluctuations, and accelerate the transformation towards positioning ourselves as an urban operator, aiming to achieve the overall strategic goal of “becoming a leading urban investment, development, and operation company, and creating a world-class enterprise”. For the property development business, the Group will continue to implement strategic-led focused investment, with further penetration in key regions, whilst promoting comprehensive reshaping and enhancement of the organizational capacities across the value chain so as to further solidify our industry position. For the property investment business, the Group will rely on our high-quality assets, industry-leading asset management and operational capabilities to accelerate the transformation to the “large-scale asset management” model. CR Mixc Lifestyle will continuously improve its management capabilities and service quality, strengthen and optimize its commercial operation and property management business, continue to promote digital transformation, enhance customer experience and management efficiency and create new growth engines. The eco-system elementary business will further promote its business focus, continuously improve industry positioning and brand influence, form a joint force based on the Group’s strategic positioning of an urban operator to create overall value, and promote the comprehensive implementation of urban operation models on the basis of the pilot project in Houhai, Shenzhen.

In 2024, although the property market will continue to face many challenges, with the implementation of supportive Government policies to mitigate risks and city-specific measures, the confidence of enterprises and residents will gradually recover. The real estate industry will also gradually return to stable development and transition towards new development models. The Group will uphold the unwavering belief of “defining ourselves through hard work”, as well as “to seek stable progress”. With a focus on the interests of shareholders, society, and the environment, the Group will grow together with its partners, ensuring stable growth in its performance and continuous improvement in shareholder returns.

Lastly, on behalf of the Board, I would like to express my sincere gratitude to our long-term shareholders, customers, suppliers, employees, and the wider community for their continuous attention, support, and trust in the Group.

## MANAGEMENT DISCUSSION AND ANALYSIS

### Review of Revenue and Profit Performance

#### 1. Revenue and core net profit

In 2023, China's economy and social activity returned to normal, resulting in overall improvements. However, the macroeconomic situation and external environment remained challenging and complex. The real estate industry has undergone significant changes in supply and demand dynamics, thereby posing challenges to the overall industry's sales and profitability levels. In this context, the Group adhering to its business philosophy of high-quality development and the integrated "3+1" business development model, continued to improve operating capability and operating efficiency, thereby maintaining steady progress in overall performance. During the year, the Group achieved total comprehensive revenue of RMB251.14 billion, a YoY increase of 21.3%. The core net profit reached RMB27.77 billion, representing a YoY increase of 2.9%, mainly due to the steady growth in the Group's business scale, continuous improvement in operational efficiency, substantial improvement in profit structure, and income contributions from completing several projects related to the discounted acquisition of China Fortune Land Development Co., Ltd. Recurring business revenue recorded growth of 26.4% YoY, and accounted for 15.6% of total revenue, an increase of 0.7 percentage points. Correspondingly, the core net profit of recurring business recorded a growth of 47.6% YoY, with an increase of 10.4 percentage points in profit contribution, reaching 34.4%, laying a solid foundation for the Group to achieve high-quality earnings.

Business	Revenue	YoY	Percentage	Core Net Profit	YoY	Percentage
	<i>RMB billion</i>	%	%	<i>RMB billion</i>	%	%
A. Property Development Business	212.08	20.4%	84.4%	18.21	-11.2%	65.6%
B. Recurring Business	39.06	26.4%	15.6%	9.56	47.6%	34.4%
(1) Investment Property Business	22.23	30.6%	8.9%	7.85	47.6%	28.3%
(2) Asset-light Management Business	10.64	27.7%	4.2%	0.97	25.3%	3.5%
(3) Eco-system Elementary Business	6.19	11.6%	2.5%	0.74	92.5%	2.6%
<b>Total</b>	<b>251.14</b>	<b>21.3%</b>	<b>100.0%</b>	<b>27.77</b>	<b>2.9%</b>	<b>100.0%</b>

## **2. *Gross Profit and Gross Margin***

In 2023, the Group achieved gross profit of RMB63.16 billion, with a comprehensive gross profit margin of 25.2%, representing a decrease of 1.0 percentage point YoY. During the year, the gross profit margin of our development property business decreased by 2.3 percentage points to 20.7% due to the impact of product mix change and provision for inventory impairment. The gross profit margin of investment property business, driven by rapid growth in retail sales and effective cost reduction and efficiency improvements, increased by 4.0 percentage points to 69.6%, while the gross profit margin of investment property (excluding hotels) reached 75.7%, representing a YoY increase of 4.4 percentage points. The improvement in operational efficiency of CR Mixc Lifestyle led to a YoY increase of 1.7 percentage points in gross profit margin to 31.8%.

## **3. *Selling and Marketing Expenses and General and Administrative Expenses***

In 2023, the Group maintained an efficient and lean organizational structure with selling and marketing expenses of RMB7.30 billion, being 2.9% of revenue, a 0.1 percentage point YoY increase. General and administrative expenses were RMB6.68 billion, accounting for a 0.1 percentage point YoY increase to 2.7% of revenue.

## **4. *Share of Net Profits of Investments in Associates and Joint Ventures***

In 2023, the Group's share of net profits of investments in associates and joint ventures totaled RMB2.36 billion, representing a decrease of RMB1.74 billion YoY.

## **5. *Income Tax Expenses***

Income tax expenses include enterprise income tax (including deferred taxation) and land appreciation tax. In 2023, the Group's income tax expenses were RMB29.13 billion, up 25.9% YoY. Amongst that, enterprise income tax expenses were RMB17.21 billion, up by 24.6% YoY, while land appreciation tax was RMB11.92 billion, up by 27.8% YoY.

## REVIEW OF MAIN BUSINESSES

### 1. Development Property Business

#### *Review of Contracted Sales*

Contracted sales for the Year 2023 were RMB307.03 billion, up 1.9% YoY, and contracted GFA decreased 8.3% YoY to 13.07 million square meters.

The Group's contracted sales breakdown by region in 2023 is set out in the table below:

Region	Contracted Sales		Contracted GFA	
	RMB'000	%	Sqm	%
Shenzhen Region	45,865,346	14.9%	1,567,998	12.0%
South China Region	33,176,438	10.8%	1,210,291	9.3%
Midwest China Region	63,938,792	20.8%	3,440,244	26.3%
East China Region	87,573,897	28.6%	2,890,341	22.1%
North China Region	72,579,819	23.6%	3,953,339	30.2%
Hong Kong Region	3,898,681	1.3%	10,893	0.1%
<b>Total</b>	<b>307,032,973</b>	<b>100.0%</b>	<b>13,073,106</b>	<b>100.0%</b>

#### *Review of Recognised Revenue*

Development property recognised revenue for the Year 2023 of RMB212.08 billion, an increase of 20.4% YoY, and booked GFA decreased by 4.0% YoY to 11.84 million square meters.

The Group's revenue breakdown by region in 2023 is listed as below:

Region	Revenue		GFA Booked	
	RMB'000	%	Sqm	%
Shenzhen Region	46,407,213	21.9%	1,631,169	13.8%
South China Region	11,000,873	5.2%	716,200	6.0%
Midwest China Region	56,641,928	26.7%	3,832,241	32.4%
East China Region	43,770,892	20.6%	1,999,060	16.9%
North China Region	54,257,492	25.6%	3,660,652	30.9%
<b>Total</b>	<b>212,078,398</b>	<b>100.0%</b>	<b>11,839,322</b>	<b>100.0%</b>

As of 31 December 2023, the Group had unbooked contracted sales of RMB284.15 billion which will be recognised as future development property revenue. Of this, it is estimated that approximately RMB193.86 billion may be recognised in 2024 based on construction and delivery schedules, providing a solid foundation for the development property business in 2024.

## **2. Investment Property Business**

In 2023, revenue from the investment property business reached RMB22.23 billion, up 30.6% YoY.

### ***Shopping Malls***

In 2023, the revenue from shopping malls of the Group reached RMB17.85 billion, up 29.7% YoY. The occupancy rate was 96.5%, 0.3 percentage point higher YoY. The total carrying value of the Group's shopping malls was RMB206.69 billion after a revaluation gain of RMB7.52 billion, and accounted for 17.4% of the Group's total assets. As at the end of 2023, the GFA of shopping malls was 9.63 million square meters, increased by 20.7% YoY, while the attributable GFA was 7.69 million square meters. During the year, the Group opened 10 new shopping malls, bringing the total number of operating shopping malls to 76 by the end of the year.

### ***Offices***

In 2023, the Group recorded total revenue of RMB2.06 billion from office rental, representing a YoY growth of 10.2%. The occupancy rate reached 81.8%, 2.6 percentage points higher YoY. The total carrying value of the Group's offices was RMB35.93 billion after revaluation, accounting for 3.0% of the Group's total assets. As at the end of 2023, the total GFA of offices was 1.26 million square meters, while the attributable GFA was 0.97 million square meters. The Group had 20 office buildings in operation at the end of the year.

## **Hotels**

In 2023, the Group achieved total revenue of RMB2.32 billion from hotel operations, representing a YoY growth of 66.3%. The average occupancy rate was 63.3%, increased by 21.6 percentage points YoY. The cost of the Group's operating hotels was RMB12.85 billion (including land use rights), accounting for 1.1% of the Group's total assets. As of the end of 2023, the total GFA of hotels was 0.83 million square meter, increasing by 13.2% YoY, while the attributable GFA was 0.69 million square meters. During the year, the Group opened 3 new hotels, bringing the total number of operating hotels to 18 by the end of the year, with a total of 5,270 rooms.

Details of the Group's key investment properties opened in 2023 are listed below:

<b>Investment Property</b>	<b>City</b>	<b>Interest Attributable to the Group</b>	<b>Total GFA (Sqm)</b>	<b>Attributable GFA (Sqm)</b>
Beijing Xisanqi Mixc One	Beijing	100%	119,699	119,699
Comprising:				
— Commercial			77,816	77,816
— Carpark			41,883	41,883
Chongqing Mixc Phase II	Chongqing	100%	158,897	158,897
Comprising:				
— Commercial			99,172	99,172
— Carpark			59,725	59,725
Changchun Mixc	Changchun	100%	251,823	251,823
Comprising:				
— Commercial			148,524	148,524
— Carpark			103,299	103,299
Yibin Mixc One	Yibin	100%	77,720	77,720
Comprising:				
— Commercial			56,168	56,168
— Carpark			21,552	21,552
Hangzhou Chengbei Mixc	Hangzhou	100%	271,577	271,577
Comprising:				
— Commercial			151,923	151,923
— Carpark			119,654	119,654
Shenyang Santaizi Mixc One	Shenyang	100%	181,835	181,835
Comprising:				
— Commercial			127,495	127,495
— Carpark			54,340	54,340

<b>Investment Property</b>	<b>City</b>	<b>Interest Attributable to the Group</b>	<b>Total GFA (Sqm)</b>	<b>Attributable GFA (Sqm)</b>
Hangzhou Center	Hangzhou	45%	180,153	81,069
Comprising:	— Commercial		125,049	56,272
	— Carpark		55,104	24,797
Nanjing Chengbei Mixc One	Nanjing	50%	288,518	144,259
Comprising:	— Commercial		213,311	106,656
	— Carpark		75,207	37,603
Wenzhou Binjiang Mixc	Wenzhou	51%	218,638	111,505
Comprising:	— Commercial		134,463	68,576
	— Carpark		84,175	42,929
Kunming Mixc	Kunming	60%	256,081	153,649
Comprising:	— Commercial		145,717	87,430
	— Carpark		110,364	66,219
Wuxi Binhu Mixc One	Wuxi	100%	164,410	164,410
Comprising:	— Commercial		120,163	120,163
	— Carpark		44,247	44,247
Chengdu Mixc Mumian Hotel	Chengdu	100%	18,292	18,292
Rizhao Mumian Hotel	Rizhao	100%	27,628	27,628
Hangzhou Asian Games Village Mumian Hotel	Hangzhou	66%	50,370	33,244
<b>Total</b>			<b>2,265,641</b>	<b>1,795,607</b>
<b>Comprising:</b>	<b>Commercial</b>		<b>1,399,801</b>	<b>1,100,195</b>
	<b>Carpark</b>		<b>769,550</b>	<b>616,248</b>
	<b>Hotel</b>		<b>96,290</b>	<b>79,164</b>

### **3. Asset-light Management Business**

In 2023, the revenue of the Group's asset-light management business was RMB10.64 billion, mainly contributed by income from CR Mixc Lifestyle (excluding intra-group business), a listed subsidiary of the Group, which specializes in asset-light management services. Throughout the year, the commercial operation and property management business of CR Mixc Lifestyle achieved stable growth amidst intense market competition. As of 31 December 2023, the commercial operation business had 101 projects under management, including 23 projects providing management services to third parties, which demonstrates an ongoing enhancement of brand competitiveness. The Group's property management business covered 171 cities nationwide, with a managed contracted area of 425 million square meters, representing an increase of 16.2% from the year end of 2022. During the year, CR Mixc Lifestyle's revenue increased by 22.9% YoY to RMB14.77 billion, of which RMB9.60 billion was from residential property management services, and RMB5.17 billion was from commercial operation and property management services.

### **4. Eco-System Elementary Business**

In 2023, the Group's eco-system elementary business achieved a revenue of RMB6.19 billion. Among them, the construction business generated a revenue of RMB3.04 billion, while the revenue from agent construction and operation and leasing apartment reached RMB1.74 billion and RMB0.40 billion, respectively.

## **LAND BANK**

In 2023, the Group acquired 68 high-quality land parcels at an attributable consideration of RMB111.8 billion, adding a total GFA of 13.25 million square meters. As of 31 December 2023, the Group's total land bank GFA reached 62.50 million square meters.

## 1. Development Properties

As of 31 December 2023, the Group's land bank for development properties amounted to 52.45 million square meters, with an attributable GFA of 36.25 million square meters.

<b>Regions</b>	<b>GFA (Sqm)</b>	<b>Attributable GFA (Sqm)</b>
Shenzhen Region	8,822,606	5,110,099
South China Region	6,263,488	4,191,914
Midwest China Regions	16,819,102	13,082,085
East China Region	8,847,053	5,620,999
North China Region	11,528,554	8,152,134
Hong Kong Region	172,285	90,169
<b>Total</b>	<b>52,453,088</b>	<b>36,247,400</b>

## 2. Investment Properties

As of 31 December 2023, the Group's land bank for investment properties amounted to 10.04 million square meters, with an attributable area of 6.92 million square meters. Among which, the land bank for commercial properties accounted for 7.18 million square meters, representing 71.5% of the total. The Group has 50 shopping malls under planning and construction, with a strategic focus on key cities such as Beijing, Shanghai, Shenzhen, Guangzhou, Hangzhou, Nanjing, and Chengdu.

Details of investment property land bank by asset category are set out below:

<b>Products</b>	<b>Total GFA (Sqm)</b>	<b>Attributable GFA (Sqm)</b>
<b>Total GFA</b>	<b>10,043,986</b>	<b>6,922,082</b>
Comprising: Commercial	7,182,812	4,966,430
Office	1,645,549	1,147,085
Hotel	704,299	509,523
Leasing Apartment	372,992	243,710
Industrial Park	138,334	55,334

This land bank has further solidified the foundation for the sustained growth of the Group's businesses. Going forward, the Group will continue to adhere to a prudent investment strategy, optimizing structure, investment pace and regional exposure, whilst focusing on key cities and effectively investing to achieve incremental growth, all the while ensuring financial stability and strictly adhering to financial return targets.

## **LEVERAGE RATIO, FINANCING, AND FOREIGN EXCHANGE RISK MANAGEMENT**

### **1. Gearing Ratio**

In 2023, while achieving growth in contracted sales, the Group also prioritized the timely collection of sales proceeds. As of 31 December 2023, the Group's total outstanding borrowings amounted to approximately RMB239.53 billion, with cash and bank balances totaling approximately RMB114.34 billion. The net interest-bearing debt-to-equity ratio (including non-controlling interests) was 32.6%, reducing by 6.2 percentage points compared to 38.8% as at the end of 2022, which is amongst the lowest in the industry.

### **2. Financing Costs**

As of 31 December 2023, approximately 27% of the Group's interest-bearing debt will mature within one year, with the remainder being long-term interest-bearing debt. The Group maintained its financing costs at the lowest level in the industry, with a weighted average financing cost of approximately 3.56% as of 31 December 2023, a decrease of 19 basis points compared to 3.75% at the year end of 2022.

### **3. Open Market Financing**

To support the Group's business activities, expand financing channels, and reduce financing costs, the Group raised approximately RMB21.50 billion in 2023 through the issuance of super short-term commercial papers, medium-term notes and corporate bonds. The coupon rates of these instruments ranged from 2.16% to 3.55%.

The details of the Group's open market financings in 2023 are set out as follows:

Financing Entity	Currency	Product Name	Amount (Million)	Value Date	Maturity Date	Tenure (Years)	Coupon Rate
China Resources Land Holdings Company Limited	RMB	Medium-term Notes	3,000	2023/3/28	2026/3/28	3	2.80%
China Resources Land Holdings Company Limited	RMB	Medium-term Notes	1,000	2023/3/28	2028/3/28	5	3.39%
China Resources Land Holdings Company Limited	RMB	Super short-term commercial papers	1,500	2023/1/16	2023/7/14	0.5	2.19%
China Resources Land Holdings Company Limited	RMB	Super short-term commercial papers	2,000	2023/1/18	2023/7/12	0.5	2.16%
China Resources Land Holdings Company Limited	RMB	Super short-term commercial papers	1,000	2023/6/20	2024/3/15	0.75	2.25%
China Resources Land Holdings Company Limited	RMB	Super short-term commercial papers	1,500	2023/6/20	2024/3/15	0.75	2.25%
China Resources Land Holdings Company Limited	RMB	Super short-term commercial papers	1,500	2023/8/25	2024/2/21	0.5	2.25%
China Resources Land Holdings Company Limited	RMB	Super short-term commercial papers	1,000	2023/8/25	2024/2/21	0.5	2.25%
China Resources Land Holdings Company Limited	RMB	Super short-term commercial papers	1,000	2023/8/28	2024/2/24	0.5	2.25%
China Resources Land Holdings Company Limited	RMB	Corporate Bonds	1,500	2023/7/7	2026/7/6	3	2.85%
China Resources Land Holdings Company Limited	RMB	Corporate Bonds	1,000	2023/7/7	2028/7/6	5	3.20%
China Resources Land Holdings Company Limited	RMB	Corporate Bonds	500	2023/7/7	2033/7/6	10	3.55%
China Resources Land Holdings Company Limited	RMB	Corporate Bonds	1,000	2023/11/3	2028/11/3	5	3.30%
China Resources Land Holdings Company Limited	RMB	Corporate Bonds	2,000	2023/11/28	2028/11/28	5	3.25%
China Resources Land Holdings Company Limited	RMB	Corporate Bonds	1,000	2023/12/27	2026/12/27	3	2.95%
China Resources Land Holdings Company Limited	RMB	Corporate Bonds	1,000	2023/12/27	2028/12/17	5	3.25%
<b>Total</b>			<b>21,500</b>				

#### **4. Credit Ratings**

In 2023, the three international rating agencies, Standard & Poor's, Moody's, and Fitch, maintained the Company's credit ratings at "BBB+", "Baa1", and "BBB+", respectively.

#### **5. Asset Mortgages**

As of 31 December 2023, the Group has total facilities under mortgage amounting to RMB59.1 billion. The outstanding loan balances drawn under these facilities were RMB33.1 billion, and the loan terms ranged from 3 to 25 years.

#### **6. Exchange Rate Fluctuation Risk**

In 2023, the Group actively reduced its non-RMB net debt exposure. As of 31 December 2023, the exposure ratio decreased to 4.4%, 12.4 percentage points lower when compared to the end of 2022. At the end of the Year, the Group's total transaction principal amount for hedging exchange rate risk through cross-currency swap contracts was approximately USD0.60 billion (equivalent to RMB4.25 billion). With the gradual improvement of the market-oriented mechanism for the RMB exchange rate, the two-way fluctuation range of the RMB exchange rate has further expanded. However, the Group's overall foreign exchange risk is manageable, and RMB exchange rate fluctuations will not have a significant impact on the Group's financial condition. Additionally, the Group implements dynamic monitoring of foreign exchange risk exposure and will make necessary adjustments based on changes in the market environment.

#### **7. Contingent Liabilities**

The Group provides interim guarantees to banks for mortgage loans obtained by buyers of certain of our properties. The banks will release these guarantees upon the issuance of property ownership certificates or upon the completion of mortgage loans by such property buyers, whichever occurs earlier. The Board believes that the fair value of these financial guarantee contracts is not significant.

### **EMPLOYEE AND COMPENSATION POLICIES**

As of 31 December 2023, the Group had a total of 61,658 employees in Chinese Mainland and Hong Kong. The Group determines employee compensation based on performance, work experience and market salary levels. Additionally, discretionary performance bonuses are provided, and other employee benefits include provident fund contributions, insurance coverage, and medical plans.

## **CORPORATE GOVERNANCE**

The Company and the Board are committed to establishing good corporate governance practices and procedures. The Company recognizes the importance of maintaining high standards of corporate governance to the long-term stable development of the Group. The Company has adopted the Corporate Governance Code (the “CG Code”) set out in Appendix C1 (formerly known as Appendix 14) to the Rules Governing the Listing of Securities (the “Listing Rules”) on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”).

The Company has complied with the code provisions that were in force as set out in CG Code for the period from 1 January 2023 to 31 December 2023, except the following deviation from Code Provision C.2.1:

Code Provision C.2.1 of the CG Code provides that the roles of chairman and chief executive should be separate and should not be performed by the same individual. Since the resignation of Mr. Wu Bingqi as the president of the Company with effect from 28 September 2023, Mr. Li Xin, the Chairman of the Board, assumed the interim duties and responsibilities of the president of the Company, which was not in strict compliance with Code Provision C.2.1 of the CG Code.

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

The Board has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (“Model Code”) set out in Appendix C3 (formerly known as Appendix 10) to the Listing Rules as code of conduct regarding securities transactions of the directors of the Company (“Director(s)”). The Company, having made specific enquiry of all Directors, confirmed that they have complied with the required standards set out in the Model Code regarding their securities transactions during 2023.

## **PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES**

Neither the Company nor its subsidiaries purchased, sold or redeemed any of the Company’s listed securities during the year ended 31 December 2023.

## **AUDIT COMMITTEE**

Final results for the year ended 31 December 2023 have been reviewed by the Audit Committee which comprises five independent non-executive Directors and one non-executive Director.

## **SCOPE OF WORK OF THE COMPANY’S AUDITOR**

The figures in respect of the Group’s consolidated statement of Company’s financial position, consolidated statement of profit or loss and consolidated statement of comprehensive income, and the related notes thereto for the year ended 31 December 2023 as set out in the preliminary announcement have been agreed by the Company’s auditor, KPMG, Certified Public Accountants, to the amounts set out in the Group’s consolidated financial statements for the year. The work performed by KPMG in this respect did not constitute an assurance engagement and consequently no opinion or assurance conclusion has been expressed by KPMG on the preliminary announcement.

## **CLOSURE OF REGISTER OF MEMBERS**

For determining the entitlement to attend and vote at the annual general meeting of the Company to be held on 7 June 2024 (the “Annual General Meeting”), the register of members of the Company will be closed from 3 June 2024 to 7 June 2024 (both days inclusive), during which period no transfer of shares of the Company will be registered. In order to be eligible to attend and vote at the above meeting, unregistered holders of shares of the Company should ensure that all transfer forms accompanied by the relevant share certificates must be lodged with the branch share registrar of the Company, Tricor Standard Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong for registration no later than 4:30 p.m. on 31 May 2024.

For determining the entitlement to the proposed final dividend for the year ended 31 December 2023 (subject to approval by the shareholders at the Annual General Meeting), the register of members of the Company will be closed from 14 June 2024 to 17 June 2024 (both days inclusive), during which no transfer of shares of the Company will be registered. In order to be eligible for the above proposed final dividend, unregistered holders of shares of the Company should ensure that all transfer forms accompanied by the relevant share certificates must be lodged with the branch share registrar of the Company, Tricor Standard Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong for registration no later than 4:30 p.m. on 13 June 2024.

## **FINAL DIVIDEND**

The Board recommended a final dividend (“2023 Final Dividend”) of RMB1.243 per share for the year ended 31 December 2023 (2022: RMB1.219) payable on Friday, 26 July 2024 to shareholders whose names appear on the register of members of the Company on Friday, 14 June 2024. The final dividend, if approved, is payable in cash in Hong Kong dollars (“HKD”) unless an election is made to receive the same in RMB, which will be converted from RMB at the average CNY Central Parity Rate announced by the People’s Bank of China for the five business days prior to and including the date of the Annual General Meeting (as defined in the previous section headed “Closure of Register of Members”).

Unless a permanent election on dividend currency had been made by shareholders, shareholders should complete the dividend currency election form which is expected to be dispatched to shareholders in late June 2024 as soon as practicable after the record date of 14 June 2024 to determine shareholders' entitlement to the 2023 Final Dividend, and lodge it to branch share registrar of the Company, Tricor Standard Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong for registration no later than 4:30 p.m. on 9 July 2024.

Shareholders who are minded to elect to receive all or part of their dividends in RMB by cheques should note that (i) they should ensure that they have an appropriate bank account to which the RMB cheques for dividend can be presented for payment; and (ii) there is no assurance that RMB cheques can be cleared without material handling charges or delay in Hong Kong or that RMB cheques will be honored for payment upon presentation outside Hong Kong. The cheques are expected to be posted to the relevant shareholders by ordinary post on 26 July 2024 at the shareholders' own risk.

If no duly completed dividend currency election form in respect of that shareholder is received by the branch share registrar of the Company by 4:30 p.m. on 9 July 2024, such shareholder will automatically receive the 2023 Final Dividend in HKD. All dividend payments in HKD will be made in the usual way on 26 July 2024.

If shareholders wish to receive the 2023 Final Dividend in HKD in the usual way, no additional action is required.

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

## **PUBLICATION OF ANNUAL RESULTS ANNOUNCEMENT AND ANNUAL REPORT**

The annual results announcement is published on the websites of the Stock Exchange and the Company (<http://www.crland.com.hk>). The Company's 2023 annual report will be published on the abovementioned websites in due course.

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

Hong Kong, 25 March 2024

*As at the date of this announcement, the executive Directors of the Company are Mr. Li Xin, Mr. Zhang Dawei, Mr. Xie Ji, Mr. Guo Shiqing and Mr. Chen Wei; the non-executive Directors of the Company are Mr. Dou Jian, Ms. Cheng Hong and Mr. Huang Ting; and the independent non-executive Directors of the Company are Mr. Zhong Wei, Mr. Sun Zhe, Mr. Frank Chan Fan, Mr. Leong Kwok-kuen, Lincoln and Ms. Qin Hong.*