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

HIGHLIGHTS

- Total operating revenue amounted to RMB13,272.1 million, representing a year-on-year decrease of 36.3%, of which rental income from investment properties and related services income amounted to RMB4,359.3 million, representing a year-on-year increase of 24.8%; the income from hotel operations amounted to RMB969.8 million, representing a year-on-year increase of 75.1% and income from property development amounted to RMB7,705.4 million, representing a year-on-year decrease of 53.3%.
- Contracted sales amounted to RMB18,086.0 million, representing a year-on-year decrease of 36.7%; and contracted sales area was 724,628.6 sq.m., representing a year-on-year decrease of 9.5%.
- Excluding the after-tax fair value gain on investment properties and the effect of exchange rate changes, the core net profit attributable to owners of the Company for the year was RMB991.3 million, representing a year-on-year increase of 20.5%.
- The Board has recommended the 2023 Final Dividend of HK0.72 cents (2022: HK1.2 cents) per Share and the Special Dividend of HK0.72 cents (2022: Nil) per Share. The 2023 Final Dividend, together with the Special Dividend, amounts to HK1.44 cents in aggregate per Share.

The Board announces the audited consolidated results of the Group for the year ended 31 December 2023 together with the comparative figures for the year ended 31 December 2022. The audited consolidated results for the year ended 31 December 2023 have been reviewed by the Audit Committee.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2023

	NOTE	Year ended 31 December	
		2023 RMB'000	2022 RMB'000
Revenue	3	13,272,094	20,831,357
Cost of sales and services rendered		<u>(7,630,603)</u>	<u>(14,424,999)</u>
Gross profit		5,641,491	6,406,358
Other income	4	454,529	340,982
Other gains and losses, net	5	867,086	(311,977)
Impairment losses under expected credit loss model, net of reversal		(974,289)	(102,410)
Distribution and selling costs		(861,985)	(851,314)
Administrative expenses		(911,327)	(865,073)
Fair value gain/(loss) on:			
Investment properties		85,473	(782,608)
Financial liabilities at fair value through profit or loss		—	(9,628)
Finance costs	6	(1,558,090)	(1,251,797)
Share of profits/(losses) of associates		87,858	(40,226)
Share of profits of joint ventures		<u>832,268</u>	<u>68,164</u>
Profit before tax	7	3,663,014	2,600,471
Income tax expense	8	<u>(2,243,388)</u>	<u>(1,499,893)</u>
Profit for the year		<u>1,419,626</u>	<u>1,100,578</u>
Profit for the year attributable to:			
Owners of the Company		340,027	530,773
Holders of perpetual capital instruments		294,326	334,593
Non-controlling interests		<u>785,273</u>	<u>235,212</u>
		<u>1,419,626</u>	<u>1,100,578</u>
Basic and diluted earnings per share	10	<u>RMB2.2 cents</u>	<u>RMB3.5 cents</u>

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2023

	Year ended 31 December	
	2023	2022
	RMB'000	RMB'000
Profit for the year	<u>1,419,626</u>	<u>1,100,578</u>
Other comprehensive expense:		
<i>Items that may be reclassified subsequently to profit or loss:</i>		
Exchange differences on translation	(102,077)	(596,491)
Fair value (loss)/gain on hedging instruments for cash flow hedges	<u>(43,360)</u>	<u>308,415</u>
Other comprehensive expense for the year net of income tax	<u>(145,437)</u>	<u>(288,076)</u>
Total comprehensive income for the year	<u>1,274,189</u>	<u>812,502</u>
Total comprehensive income for the year attributable to:		
Owners of the Company	194,590	233,145
Holder of perpetual capital instruments	294,326	334,593
Non-controlling interests	<u>785,273</u>	<u>244,764</u>
	<u>1,274,189</u>	<u>812,502</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AT 31 DECEMBER 2023

	<i>NOTE</i>	At 31 December	
		2023	2022
		RMB'000	RMB'000
NON-CURRENT ASSETS			
Investment properties		56,949,328	63,155,846
Property, plant and equipment		2,893,040	3,088,938
Right-of-use assets		1,465,333	1,530,879
Intangible assets		106,919	109,946
Interests in associates		1,461,151	750,483
Interests in joint ventures		6,675,550	6,323,625
Loans to associates		663,875	2,432,941
Loans to non-controlling interests		751,740	147,000
Amounts due from non-controlling interests		11,573	–
Financial assets at fair value through profit or loss		510	510
Goodwill		184,297	184,297
Deposits		158,329	158,575
Deferred tax assets		337,445	314,755
Hedging instruments		–	241,852
		<u>71,659,090</u>	<u>78,439,647</u>
CURRENT ASSETS			
Inventories		14,006	14,666
Properties held for sale		5,152,062	4,615,638
Properties under development for sale		38,915,341	33,417,306
Accounts receivable	<i>11</i>	114,448	117,615
Contract costs		266,239	85,518
Deposits, prepayments and other receivables		3,734,972	2,886,192
Amounts due from fellow subsidiaries		24,940	25,613
Amounts due from non-controlling interests		26,162	51,574
Amounts due from joint ventures		542,596	38,079
Amounts due from associates		906,228	743,737
Loans to associates		1,752,028	1,015,816
Loans to non-controlling interests		278,211	995,000
Tax recoverable		557,482	414,307
Hedging instruments		131,177	157,123
Derivative financial instruments		63,306	–
Restricted bank deposits		46,188	84,892
Pledged deposits		2,406	5,402
Cash and bank balances		<u>19,432,196</u>	<u>16,895,367</u>
		<u>71,959,988</u>	<u>61,563,845</u>
TOTAL ASSETS		<u><u>143,619,078</u></u>	<u><u>140,003,492</u></u>

		At 31 December	
	<i>NOTE</i>	2023	2022
		RMB'000	RMB'000
CURRENT LIABILITIES			
Accounts payable	12	5,437,282	6,004,257
Other payables and accruals		6,676,020	6,873,925
Contract liabilities		19,447,315	11,185,853
Lease liabilities		47,606	85,076
Amount due to the ultimate holding company		4	8
Amount due to an intermediate holding company		611	17,591
Amounts due to non-controlling interests		293,835	194,222
Amounts due to associates		742,603	511,904
Amounts due to joint ventures		280,166	250,190
Amounts due to fellow subsidiaries		210,763	287,899
Loans from fellow subsidiaries		590,761	221,649
Loans from non-controlling interests		–	1,833,015
Loans from third parties		974,020	25,560
Bank borrowings		7,202,336	4,935,955
Income tax and land appreciation tax payables		1,378,735	1,014,592
Deferred income		1,794	1,551
Bonds payable		819,614	1,017,676
Derivative financial instruments		15,784	–
		<u>44,119,249</u>	<u>34,460,923</u>
NET CURRENT ASSETS		<u>27,840,739</u>	<u>27,102,922</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u><u>99,499,829</u></u>	<u><u>105,542,569</u></u>

		At 31 December	
	<i>NOTE</i>	2023	2022
		<i>RMB'000</i>	<i>RMB'000</i>
NON-CURRENT LIABILITIES			
Other payables and accruals		572,458	966,378
Lease liabilities		77,615	117,738
Loans from fellow subsidiaries		2,940	1,068,500
Loans from third parties		6,924,780	7,898,800
Loan from an associate		248,934	—
Loans from joint ventures		5,824,800	5,574,800
Loans from non-controlling interests		94,856	821,872
Bank borrowings		18,347,571	19,406,417
Deferred tax liabilities		7,164,608	8,092,699
Bonds payable		3,264,939	2,962,245
Amounts due to non-controlling interests		—	4,842
Amount due to a joint venture		539,000	539,000
		43,062,501	47,453,291
NET ASSETS		56,437,328	58,089,278
CAPITAL AND RESERVES			
Share capital	<i>13</i>	1,122,414	1,122,414
Reserves		28,793,950	28,801,918
Equity attributable to owners of the Company		29,916,364	29,924,332
Perpetual capital instruments		5,601,361	7,245,471
Non-controlling interests		20,919,603	20,919,475
TOTAL EQUITY		56,437,328	58,089,278

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2023

1. GENERAL INFORMATION

The Company was incorporated in Bermuda with limited liability and its ordinary shares are listed on the Main Board of the Stock Exchange.

The principal activities of the Group are principally investment holding, property investment and development and hotel operations. The immediate holding company of the Company, Grandjoy Holdings Group is a company established in the PRC with its A shares listed on the Shenzhen Stock Exchange. In the opinion of the Directors, the ultimate holding company of the Company is COFCO Corporation, a company established in the PRC.

The consolidated financial statements are presented in RMB, the currency of the primary economic environment in which most of the group entities operate (the functional currency of the Company and most of the entities comprising the Group), and all values are rounded to the nearest thousand ('000) unless otherwise indicated.

2. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”)

Amendments to HKFRSs that are mandatorily effective for the current year

In the current year, the Group has applied the first time, the following new and amendments to HKFRSs issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”), which are effective for the Group’s financial year beginning on 1 January 2023:

HKFRS 17 (including the October 2020 and February 2022 amendments to HKFRS 17)	Insurance Contracts
Amendments to HKAS 1 and HKFRS Practice Statement 2	Disclosure of Accounting Policies
Amendments to HKAS 8	Definition of Accounting Estimates
Amendments to HKAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction
Amendments to HKAS 12	International Tax Reform-Pillar Two Model Rules

The application of the new and amendments to HKFRSs in the current year has had no material effect on the Group’s financial performance and positions for the current and prior periods and/or on the disclosures set out in these consolidated financial statements.

Amendments to HKFRSs issued but not yet effective

The Group has not early applied the following amendments to HKFRSs that have been issued but are not yet effective:

Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ³
Amendments to HKFRS 16	Lease Liability in a Sale and Leaseback ¹
Amendments to HKAS 1	Classification of Liabilities as Current or Non-current and the related amendments to Hong Kong Interpretation 5 (2020)
Amendments to HKAS 1	Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause ¹
Amendments to HKAS 7 and HKFRS 7	Non-current Liabilities with Covenants ¹
Amendments to HKAS 21	Supplier Finance Arrangements ¹
	Lack of Exchangeability ²

¹ Effective for annual periods beginning on or after 1 January 2024.

² Effective for annual periods beginning on or after 1 January 2025.

³ Effective for annual periods beginning on or after a date to be determined.

The Directors anticipate that the application of the amendments to HKFRSs will have no material impact on the results and the financial position of the Group.

3. REVENUE AND SEGMENT INFORMATION

Revenue represents the net amounts received and receivable for goods sold and services rendered during the year.

The Group is organised into certain business units according to the nature of goods sold or services provided. The operating segments of the Group are determined by the Directors based on the business units by reference to the goods sold or services provided. These business units are the basis of internal reports provided to the Executive Directors, the chief operating decision maker (“CODM”), for the purpose of resource allocation and performance assessment.

The operating segments of the entities comprising the Group with similar economic characteristics and similar nature of goods sold or services provided have been aggregated into different reportable segments as follows:

Property investment	Property letting and related services
Property and land development	Development and sale of properties, and development of lands
Hotel operations	Hotel ownership and management
Output management project	Provision of output management services
Other services	Provision of miscellaneous services

An analysis of the Group’s revenue, which is also turnover of the Group, for the year is as follows:

	Year ended 31 December	
	2023	2022
	<i>RMB’000</i>	<i>RMB’000</i>
Property investment and development:		
Rental income from investment properties and related services	4,359,321	3,492,923
Sales of properties held for sale	7,705,374	16,483,682
Output management project	169,489	167,816
Other service income	68,160	133,237
	<u>12,302,344</u>	<u>20,277,658</u>
Hotel operations	<u>969,750</u>	<u>553,699</u>
Total revenue	<u>13,272,094</u>	<u>20,831,357</u>
Revenue from contract with customers	9,538,667	17,927,330
Leases	<u>3,733,427</u>	<u>2,904,027</u>
Total revenue	<u>13,272,094</u>	<u>20,831,357</u>

(i) Disaggregation of revenue from contracts with customers

For the year ended 31 December 2023

	Property investment <i>RMB'000</i>	Property and land development <i>RMB'000</i>	Hotel operations <i>RMB'000</i>	Output management project <i>RMB'000</i>	Other services <i>RMB'000</i>	Total <i>RMB'000</i>
Revenue from contracts with customers	625,894	7,705,374	969,750	169,489	68,160	9,538,667
Geographical markets						
Mainland China	608,947	7,705,374	969,750	126,046	65,126	9,475,243
Hong Kong	16,947	–	–	43,443	3,034	63,424
	625,894	7,705,374	969,750	169,489	68,160	9,538,667
Timing of revenue recognition						
A point in time	–	7,705,374	227,771	–	–	7,933,145
Over time	625,894	–	741,979	169,489	68,160	1,605,522
	625,894	7,705,374	969,750	169,489	68,160	9,538,667

Set out below is reconciliation of the revenue from contracts with customers with the amounts disclosed in the segment information.

	Property investment <i>RMB'000</i>	Property and land development <i>RMB'000</i>	Hotel operations <i>RMB'000</i>	Output management project <i>RMB'000</i>	Other services <i>RMB'000</i>	Total <i>RMB'000</i>
Revenue from contracts with customers						
External customers	625,894	7,705,374	969,750	169,489	68,160	9,538,667
Inter-segment	180,636	–	17	194,872	126,765	502,290
Total	806,530	7,705,374	969,767	364,361	194,925	10,040,957
Rental revenue	3,733,427	–	–	–	–	3,733,427
Inter-segment elimination	(180,636)	–	(17)	(194,872)	(126,765)	(502,290)
Revenue disclosed in segment information	4,359,321	7,705,374	969,750	169,489	68,160	13,272,094

For the year ended 31 December 2022

	Property investment <i>RMB'000</i>	Property and land development <i>RMB'000</i>	Hotel operations <i>RMB'000</i>	Output management project <i>RMB'000</i>	Other services <i>RMB'000</i>	Total <i>RMB'000</i>
Revenue from contracts with customers	<u>588,896</u>	<u>16,483,682</u>	<u>553,699</u>	<u>167,816</u>	<u>133,237</u>	<u>17,927,330</u>
Geographical markets						
Mainland China	573,729	16,483,682	553,699	124,764	131,511	17,867,385
Hong Kong	15,167	–	–	43,052	1,726	59,945
	<u>588,896</u>	<u>16,483,682</u>	<u>553,699</u>	<u>167,816</u>	<u>133,237</u>	<u>17,927,330</u>
Timing of revenue recognition						
A point in time	–	16,483,682	126,917	–	–	16,610,599
Over time	588,896	–	426,782	167,816	133,237	1,316,731
	<u>588,896</u>	<u>16,483,682</u>	<u>553,699</u>	<u>167,816</u>	<u>133,237</u>	<u>17,927,330</u>

Set out below is reconciliation of the revenue from contracts with customers with the amounts disclosed in the segment information.

	Property investment <i>RMB'000</i>	Property and land development <i>RMB'000</i>	Hotel operations <i>RMB'000</i>	Output management project <i>RMB'000</i>	Other services <i>RMB'000</i>	Total <i>RMB'000</i>
Revenue from contracts with customers						
External customers	588,896	16,483,682	553,699	167,816	133,237	17,927,330
Inter-segment	15,718	–	302	84,279	46,621	146,920
Total	<u>604,614</u>	<u>16,483,682</u>	<u>554,001</u>	<u>252,095</u>	<u>179,858</u>	<u>18,074,250</u>
Rental revenue	2,915,841	–	–	–	–	2,915,841
Rental adjustments	(11,814)	–	–	–	–	(11,814)
Revenue from rental total	<u>2,904,027</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>2,904,027</u>
Inter-segment elimination	<u>(15,718)</u>	<u>–</u>	<u>(302)</u>	<u>(84,279)</u>	<u>(46,621)</u>	<u>(146,920)</u>
Revenue disclosed in segment information	<u>3,492,923</u>	<u>16,483,682</u>	<u>553,699</u>	<u>167,816</u>	<u>133,237</u>	<u>20,831,357</u>

(ii) Performance obligations for contracts with customers

Development and sales of properties (revenue recognised at a point in time)

For contracts entered into with customers on sales of properties, the relevant properties specified in the contracts are based on customer's specifications with no alternative use. Taking into consideration of the relevant contract terms, the legal environment and relevant legal precedent, the Directors concluded that the Group does not have an enforceable right to payment prior to transfer of the relevant properties to customers. Revenue from sales of residential properties is therefore recognised at a point in time when the completed property is transferred to customers, being at the point that the customer obtains the control of the completed property and the Group has present right to payment and collection of the consideration is probable.

The Group receives 20%~100% (2022: 20%~100%) of the contract value as deposits from customers when they sign the sale and purchase agreement. This will give rise to contract liabilities until the completed property is transferred to the customers. In determining the transaction price, the Group adjusts the promised amount of consideration for the effects of the time value of money if the timing of payments agreed (either explicitly or implicitly) provides the customer or the Group with a significant benefit of financing the transfer of goods or services to the customer. In those circumstances, the contract contains a significant financing component. A significant financing component may exist regardless of whether the promise of financing is explicitly stated in the contract or implied by the payment terms agreed to by the parties to the contract.

The Group assesses the advance payment by contract whether it may contain significant financing component. If the effects of the financing component will materially change the amount of revenue at a contract level, accordingly the amount of consideration is adjusted for the effects of the time value of money taking into consideration the credit characteristics of the party receiving financing in the contract. As this accrual increases the amount of the contract liability during the period of construction, it increases the amount of revenue recognised when control of the completed property is transferred to the customer.

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

Property management related services, hotel room operation and other services

Revenue relating to the property management related services, hotel room operation and other services is recognised over time by reference to the progress towards complete satisfaction of the relevant performance obligation if the customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs, or at a point in time when the customer obtains control of the distinct good or service, as appropriate.

(iii) Transaction price allocated to the remaining performance obligation for contracts with customers

The transaction price allocated to the remaining performance obligations (unsatisfied or partially unsatisfied) as at 31 December 2023 and 2022, and the expected timing of recognising revenue are as follows :

	Sales of properties	
	Year ended 31 December	
	2023	2022
	<i>RMB'000</i>	<i>RMB'000</i>
Within one year	14,816,236	5,971,559
More than one year but not more than two years	5,679,695	7,371,449
	<u>20,495,931</u>	<u>13,343,008</u>

All the property management related services, hotel room operation and other services are for periods of one year or less. As permitted under HKFRS 15, the transaction price allocated to these unsatisfied contracts is not disclosed.

(iv) Leases

	Year ended 31 December	
	2023	2022
	<i>RMB'000</i>	<i>RMB'000</i>
Total revenue arising from operating lease		
Lease payments that are fixed or linked to the performance of lessees	<u>3,733,427</u>	<u>2,904,027</u>

Information regarding the segments is reported below.

Segment revenue and segment results

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

Year ended 31 December 2023

	Property investment <i>RMB'000</i>	Property and land development <i>RMB'000</i>	Hotel operations <i>RMB'000</i>	Output management project <i>RMB'000</i>	Other services <i>RMB'000</i>	Segment total <i>RMB'000</i>	Inter-segment elimination <i>RMB'000</i>	Total <i>RMB'000</i>
Segment revenue								
External customers	4,359,321	7,705,374	969,750	169,489	68,160	13,272,094	–	13,272,094
Inter-segment revenue	180,636	–	17	194,872	126,765	502,290	(502,290)	–
Consolidated	<u>4,539,957</u>	<u>7,705,374</u>	<u>969,767</u>	<u>364,361</u>	<u>194,925</u>	<u>13,774,384</u>	<u>(502,290)</u>	<u>13,272,094</u>
Segment results	<u>2,698,218</u>	<u>339,314</u>	<u>58,187</u>	<u>284,454</u>	<u>38,171</u>	<u>3,418,344</u>		<u>3,418,344</u>
Unallocated corporate income and other gains								2,146,836
Unallocated corporate expenses and other losses								(305,565)
Finance costs								(1,558,090)
Share of losses of associates								87,858
Share of profits of joint ventures								832,268
Impairment loss recognised on loans to associates								(933,798)
Impairment loss recognised on amount due from a joint venture								(193)
Impairment loss recognised on amount due from a non-controlling interest								<u>(24,646)</u>
Profit before tax as presented in consolidated statement of profit or loss								<u>3,663,014</u>

Year ended 31 December 2022

	Property investment <i>RMB'000</i>	Property and land development <i>RMB'000</i>	Hotel operations <i>RMB'000</i>	Output management project <i>RMB'000</i>	Other services <i>RMB'000</i>	Segment total <i>RMB'000</i>	Inter-segment elimination <i>RMB'000</i>	Total <i>RMB'000</i>
Segment revenue								
External customers	3,504,737	16,483,682	553,699	167,816	133,237	20,843,171	–	20,843,171
Inter-segment revenue	15,718	–	302	84,279	46,621	146,920	(146,920)	–
Consolidated	<u>3,520,455</u>	<u>16,483,682</u>	<u>554,001</u>	<u>252,095</u>	<u>179,858</u>	<u>20,990,091</u>	<u>(146,920)</u>	<u>20,843,171</u>
Rental adjustments								<u>(11,814)</u>
Revenue as presented in consolidated statement of profit or loss								<u>20,831,357</u>
Segment results	<u>1,155,164</u>	<u>2,812,076</u>	<u>(113,815)</u>	<u>158,924</u>	<u>65,404</u>	<u>4,077,753</u>		<u>4,077,753</u>
Unallocated corporate income and other gains								222,146
Unallocated corporate expenses and other losses								(439,724)
Finance costs								(1,251,797)
Share of losses of associates								(40,226)
Share of profits of joint ventures								68,164
Impairment loss recognised on loan to an associate								<u>(35,845)</u>
Profit before tax as presented in consolidated statement of profit or loss								<u>2,600,471</u>

Inter-segment revenue was charged at prices agreed between group entities, which have no material differences as compared to the prices provided to the third parties.

Segment revenue represents revenue earned by each segment without rental adjustments for property letting relating to the recognition of rental income from operating lease on a straight-line basis over the term of the relevant lease. Segment results represent the profit earned/loss incurred by each segment without allocation of certain items incurred for management purpose, including certain other income, certain other gains and losses, certain administrative expenses, finance costs, share of profits/losses of associates and joint ventures, impairment loss recognised on loans to associates and amounts due to a joint venture and a non-controlling interest. The above is the measure reported to the Executive Director for the purposes of resource allocation and performance assessment.

Segment assets and liabilities

Segment assets and liabilities are not disclosed in the consolidated financial statements as they are not regularly provided to the Executive Director for the purposes of resource allocation and performance assessment.

Geographical information

The following table sets out information about the Group's revenue from external customers by geographical location. The geographical location of customers is based on the location at which the services were provided or the goods and properties were delivered.

	Year ended 31 December	
	2023	2022
	<i>RMB'000</i>	<i>RMB'000</i>
Mainland China	13,150,501	20,715,893
Hong Kong	121,593	115,464
	<u>13,272,094</u>	<u>20,831,357</u>

Information about the Group's non-current assets by location is detailed below.

	At 31 December	
	2023	2022
	<i>RMB'000</i>	<i>RMB'000</i>
Mainland China	67,035,941	72,256,327
Hong Kong	2,515,380	2,703,390
	<u>69,551,321</u>	<u>74,959,717</u>

Non-current assets exclude goodwill, deferred tax assets, financial instruments and deposits under non-current assets.

Other information

Amounts regularly provided to the CODM (included in the measure of segment profit or loss or segment assets) are as follows:

	Property investment <i>RMB'000</i>	Property and land development <i>RMB'000</i>	Hotel operations <i>RMB'000</i>	Output management project <i>RMB'000</i>	Other services <i>RMB'000</i>	Total <i>RMB'000</i>
Year ended 31 December 2023						
Impairment loss recognised under expected credit loss model, net	5,843	7,195	8	1,403	1,203	15,652
Depreciation of property, plant and equipment	18,688	3,663	158,177	859	9,452	190,839
Depreciation of right-of-use assets	8,780	1,013	57,872	439	860	68,964
Loss/(gain) on disposal of property, plant and equipment, net	2,941	411	(29)	166	(363)	3,126
Impairment loss on properties held for sale	–	130,890	–	–	–	130,890
Impairment loss on properties under development for sales	–	734,204	–	–	–	734,204
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Year ended 31 December 2022						
Impairment loss recognised/ (reversed) under expected credit loss model, net	15,903	4,626	(696)	42,138	4,594	66,565
Depreciation of property, plant and equipment	19,588	3,755	163,819	1,188	11,845	200,195
Depreciation of right-of-use assets	12,327	2,603	54,534	1,141	1,519	72,124
Loss/(gain) on disposal of property, plant and equipment, net	3,213	14	(1,184)	–	–	2,043
Impairment loss on properties held for sale	–	209,114	–	–	–	209,114
Impairment loss on properties under development for sales	–	81,972	–	–	–	81,972
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>

4. OTHER INCOME

	Year ended 31 December	
	2023	2022
	RMB'000	RMB'000
Interest income from:		
Banks	191,545	120,920
A non-banking financial institution*	31,336	19,685
Loans to joint ventures	191	7
Loans to associates	153,294	136,708
Loan to non-controlling interests	26,667	13,728
Government grants (<i>Note</i>)	44,311	42,704
Others	7,185	7,230
	454,529	340,982

* The non-banking financial institution is COFCO Finance Corporation Limited (“COFCO Finance”), a fellow subsidiary of the Group.

Note: Various government grants have been received for developments in certain provinces in Mainland China. The government grants mainly related to discretionary awards granted by local governments to certain subsidiaries of the Group to award their contributions to the local development. There are no unfulfilled conditions or contingencies relating to these grants.

5. OTHER GAINS AND LOSSES, NET

	Year ended 31 December	
	2023	2022
	RMB'000	RMB'000
Loss on disposal of property, plant and equipment, net	(3,126)	(2,043)
Impairment loss on properties held for sale	(130,890)	(209,114)
Impairment loss on properties under development for sale	(734,204)	(81,972)
Gain on disposal of subsidiaries	1,644,899	10,314
Exchange gain/(loss), net	62,028	(147,084)
Others	28,379	117,922
	867,086	(311,977)

6. FINANCE COSTS

	Year ended 31 December	
	2023	2022
	RMB'000	RMB'000
Interest on:		
Bank borrowings	1,159,495	731,206
Loans from a non-banking financial institution*	25,501	51,920
Loans from other fellow subsidiaries	14,632	7,355
Loan from a joint venture	219,525	183,580
Loan from non-controlling interests	36,175	112,777
Loan from an associate	9,940	771
Bonds payable	137,320	134,542
Loans from third parties	389,261	430,416
Lease liabilities	8,251	11,256
Others	39,334	35,757
	<u>2,039,434</u>	<u>1,699,580</u>
Total interest expenses		
Less: Interest capitalised:		
Investment properties under development	(77,709)	(88,278)
Properties under development for sale	(403,635)	(359,505)
	<u>(481,344)</u>	<u>(447,783)</u>
	<u>1,558,090</u>	<u>1,251,797</u>

* The non-banking financial institution represented COFCO Finance.

Borrowing costs capitalised to investment properties under development and properties under development for sale were based on actual borrowing costs incurred.

Borrowing costs were capitalised at rates ranging from 2.35% to 6.91% (2022: 3.00% to 6.48%) per annum.

7. PROFIT BEFORE TAX

	Year ended 31 December	
	2023	2022
	RMB'000	RMB'000
Profit before tax has been arrived at after charging/(crediting):		
Directors' emoluments	3,647	2,718
Depreciation and amortisation:		
Amortisation:		
– Intangible assets (included in cost of sales)	5,114	4,191
– Intangible assets (included in administrative expenses)	4,513	5,584
– Intangible assets (included in distribution and selling costs)	755	1,190
Depreciation of right-of-use assets	68,964	72,124
Depreciation of property, plant and equipment	190,839	200,195
Total depreciation and amortisation	270,185	283,284
Cost of sales and services rendered:		
Cost of properties sold	5,859,523	12,887,739
Direct operating expenses arising from investment properties that generated rental income	999,931	888,996
Direct operating expenses arising from provision of property management and other property related services	76,984	128,352
Direct operating expenses from hotel services provided	694,165	519,912
	7,630,603	14,424,999
Employee benefits expense (including directors' emoluments):		
Salaries, allowances and other benefits	1,050,336	1,005,727
Retirement benefit scheme contributions	88,900	96,206
	1,139,236	1,101,933
Less: Capitalised in properties under development for sale and investment properties under development	(156,210)	(159,325)
	983,026	942,608
Advertising and promotion expenses (included in distribution and selling costs)	224,361	196,224
Auditors' remuneration	2,250	2,250

8. INCOME TAX EXPENSE

	Year ended 31 December	
	2023	2022
	<i>RMB'000</i>	<i>RMB'000</i>
Current tax:		
PRC Enterprise Income Tax (“EIT”)	1,613,207	992,708
PRC dividend Withholding Tax	60,635	34,239
Land Appreciation Tax (“LAT”)	182,893	409,671
Hong Kong Profits Tax	30,267	13,991
	<u>1,887,002</u>	<u>1,450,609</u>
Under provision in prior years:		
PRC Enterprise Income Tax	<u>11,338</u>	<u>16,148</u>
Deferred tax	<u>345,048</u>	<u>33,136</u>
Total	<u>2,243,388</u>	<u>1,499,893</u>

Under the two-tiered profits tax rates regime, the first HK\$2 million of profits of the qualifying group entity will be taxed at 8.25%, and profits above HK\$2 million will be taxed at 16.5%. The profits of group entities not qualifying for the two-tiered profits tax rates regime will continue to be taxed at a flat rate of 16.5%.

The Directors considered the amount involved upon implementation of the two-tiered profits tax rates regime is insignificant to the consolidated financial statements. Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profit for both years.

The subsidiaries in Mainland China are subject to PRC EIT at 25% for both years. Taxation arising in other jurisdictions is calculated at the rates prevailing in the relevant jurisdictions.

The law of the PRC on EIT provides that qualified dividend income between two “resident enterprises” that have a direct investment relationship is exempted from income tax. Otherwise, such dividends will be subject to 5% to 10% withholding tax under the tax treaty or the domestic law. The Group is currently subject to withholding tax at 10% for both years.

The provision of LAT is estimated according to the requirements set forth in the relevant PRC tax laws and regulations. LAT is levied at progressive rates ranging from 30% to 60% on the appreciation of land value, being the proceeds of sales of properties less deductible expenditures including cost of land use right and all property development expenditures.

Pursuant to the rules and regulations of the British Virgin Islands, Bermuda and Samoa, the Group is not subject to any income tax in the British Virgin Islands, Bermuda and Samoa.

9. DIVIDENDS

Final dividend in respect of the year ended 31 December 2022 of HK1.2 cents per ordinary share has been proposed by the Directors on 31 March 2023 and was approved by the shareholders at the annual general meeting conducted on 7 June 2023 (the “**2022 Final Dividend**”). Pursuant to the approval of the shareholders, 2022 Final Dividend of approximately HK\$171 million or RMB153 million and HK\$13 million or RMB12 million were distributed to the ordinary shareholders and holders of the CPS respectively during the year ended 31 December 2023.

Subsequent to the end of the reporting period, a final dividend and special dividend in respect of the year ended 31 December 2023 of HK0.72 cents and HK0.72 cents per ordinary share respectively, in an aggregate amount of approximately HK\$205 million or RMB183 million (2022: a final dividend of approximately HK\$171 million or RMB153 million), has been proposed by the Directors and is subject to approval by the shareholders at the forthcoming annual general meeting.

The holders of the CPS are entitled to receive any dividend *pari passu* with the holders of ordinary shares of the Company and therefore they are entitled to receive the 2023 final dividend and special dividend of approximately HK\$16 million or RMB14 million in aggregate (2022: a final dividend of approximately HK\$13 million or RMB12 million).

10. EARNINGS PER SHARE

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

	Year ended 31 December	
	2023	2022
	<i>RMB'000</i>	<i>RMB'000</i>
Earnings		
Earnings for the purpose of basic earnings per share (Profit for the year attributable to owners of the Company)	<u>340,027</u>	<u>530,773</u>
	Year ended 31 December	Year ended 31 December
	2023	2022
Number of shares ('000)		
For the purpose of basic earnings per share:		
Number of ordinary shares	<u>14,231,125</u>	14,231,125
Number of non-redeemable convertible preference shares	<u>1,095,301</u>	1,095,301
Number of shares for the purpose of basic earnings per share	<u>15,326,426</u>	<u>15,326,426</u>

The number of shares used for the purpose of calculating basic earnings per share for the years ended 31 December 2023 and 2022 were calculated on the basis of the number of the ordinary shares of the Company and CPS in issue during the years.

The calculation of the diluted earnings per share for the years ended 31 December 2023 and 2022 does not assume the exercise of the written put option on shares of a subsidiary as the dilution effect is not considered material.

11. ACCOUNTS RECEIVABLE

	At 31 December	
	2023	2022
	<i>RMB'000</i>	<i>RMB'000</i>
Lease receivables	108,621	107,452
Property management fee receivables	6,465	11,427
Receivables from hotel operations and related services	17,803	19,686
Others	4,737	1,013
Less: Allowance for credit losses	(23,178)	(21,963)
	114,448	117,615

At 31 December 2023, the gross amount of accounts receivable from contracts with customers amounted to RMB29,005,000 (2022: RMB32,126,000).

At 31 December 2023, accounts receivable with an aggregate carrying amount of RMB2,756,000 (2022: RMB24,890,000) were pledged to secure certain banking facilities granted to the Group.

The following is an aged analysis of accounts receivable at the end of the reporting period, excluding rental adjustments and net of allowance for credit losses, presented based on invoice date, except for lease receivables, which were presented based on the date of rental demand notice issued:

	At 31 December	
	2023	2022
	<i>RMB'000</i>	<i>RMB'000</i>
Less than 3 months	92,444	78,171
3 months to 1 year	13,155	34,074
1 to 2 years	7,709	3,356
2 to 3 years	1,140	2,014
	114,448	117,615

As at 31 December 2023, included in the Group's accounts receivable balance are debtors with aggregate carrying amount of RMB109,255,000 (31 December 2022: RMB88,805,000) which are past due as at the reporting date. Out of the past due balances, RMB18,962,000 (31 December 2022: RMB31,980,000) has been past due for 90 days or more and is not considered as in default due to historical repayment history from these customers. The Group does not hold any collateral over these balances.

12. ACCOUNTS PAYABLE

	At 31 December	
	2023	2022
	<i>RMB'000</i>	<i>RMB'000</i>
Trade payables	45,024	35,734
Accrued expenditures on construction	5,392,258	5,968,523
	<u>5,437,282</u>	<u>6,004,257</u>

Accounts payable, including trade payables, accrued expenditures on construction and accrued land cost, mainly comprise construction costs, land cost and other project-related expenses in relation to properties under development for sale which are payable based on project progress measured by the Group. Trade payables are generally with credit period of 60 to 90 days, except for the retention monies of certain construction costs of which the credit period is up to 2 years. The Group has financial risk management policies in place to ensure that all payables are within the credit timeframe.

The following is an aged analysis of trade payables at the end of the reporting period based on invoice date.

	At 31 December	
	2023	2022
	<i>RMB'000</i>	<i>RMB'000</i>
Within 1 year	43,765	35,649
1 to 2 years	1,259	85
	<u>45,024</u>	<u>35,734</u>

13. SHARE CAPITAL

Ordinary share capital of the Company

	Number of shares	Amount <i>HK\$'000</i>	(RMB equivalent) <i>RMB'000</i>
Authorised:			
Ordinary shares of HK\$0.10 each			
At 1 January 2022, 31 December 2022, 1 January 2023 and 31 December 2023	<u>28,904,699,222</u>	<u>2,890,470</u>	<u>2,293,502</u>
Issued and fully paid:			
Ordinary shares of HK\$0.10 each			
At 1 January 2022, 31 December 2022, 1 January 2023 and 31 December 2023	<u>14,231,124,858</u>	<u>1,423,112</u>	<u>1,122,414</u>

SCOPE OF WORK OF SHINEWING (HK) CPA LIMITED

The figures in respect of the Group’s consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the year ended 31 December 2023 as set out in this announcement have been agreed by the Group’s auditor, SHINEWING (HK) CPA Limited (“SHINEWING”), to the amounts set out in the Group’s audited consolidated financial statements for the year ended 31 December 2023. The work performed by SHINEWING in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants, and consequently no assurance has been expressed by SHINEWING in respect of the financial figures in this announcement.

MARKET REVIEW

In 2023, in response to the complicated domestic and international situation, the central and local governments stuck to the general principle of seeking progress in a stable manner, furthered all-round reform and opening-up, tightened macro regulation and control, focused on expanding domestic demand, optimized structure, boosted confidence, and prevented and resolved risks, thus steadily improving supply demand, and solidly promoting high-quality development. China’s overall economy picked up its upward momentum and China’s GDP hit approximately RMB126 trillion in 2023, up 5.2% year on year. The market sales recovered rapidly, and the service consumption sector grew rapidly. In 2023, the total retail sales of consumer goods reached approximately RMB47.2 trillion, representing an increase of 7.2% as compared with the previous year.

In terms of the real estate market, in 2023, the industry was still in a period of adjustment. During the year, the investment in real estate development continued to be under pressure, and the investment in real estate development nationwide amounted to approximately RMB11.1 trillion, down 9.6% year on year; and the sales of commercial housing amounted to approximately RMB11.7 trillion, down 6.5% year on year. Real estate prices were in a weak trend, with the price index of newly built commercial housing in 70 large and medium-sized cities nationwide falling by 0.9% year on year in December 2023.

In terms of commercial real estate, in 2023, the central and local governments continued to make efforts to expand domestic demand and promote consumption, the consumer market recovered comfortably, and the economic conditions of service industry recovered steadily. Some high-quality retail commercial projects achieved growth in both footfall and turnover, and the demand for office building leasing was released. In 2023, approximately 380 commercial projects (including existing renovation properties; each with a commercial GFA of 20,000 sq.m. or above) were put into operation nationwide. In recent years, the diversification and complexity of the consumer market and consumption environment have given rise to an increasing number of “niche consumption” categories; the consumption concept of young consumers is changing to adapt to the new changes of the times, and catering to the new consumption trends has become an important issue that the China’s shopping centers industry will face in the present and future in the long term. Currently, shopping centers are not only the daily consumption places for consumers, but also the window to reflect the city’s “good life”, and an important space to lead the consumption upgrading of districts and regions.

BUSINESS REVIEW

The Group gave full play to its strengths to ensure stable development of its four business segments, namely investment properties, property development, hotel operations, and output management and other services. The Group's revenue for the year amounted to approximately RMB13,272.1 million (2022: RMB20,831.4 million), representing a year-on-year decrease of 36.3%, which was mainly due to the year-on-year decrease in revenue from property development as a result of the decrease in the settlement area of property development during the year. The Group's cost of sales and services rendered was approximately RMB7,630.6 million (2022: RMB14,425.0 million), representing a year-on-year decrease of 47.1%. Overall gross profit margin was 43%, representing a year-on-year increase of 12 percentage points, mainly due to the increase in total income from investment properties as a percentage of revenue, which boosted the overall gross profit margin.

Business Review on Investment Properties

During the year, consumer market and physical commercial customer traffic recovered steadily, and the total rental income from investment properties and related services income was approximately RMB4,359.3 million, representing an increase of 24.8% as compared with RMB3,492.9 million in the previous year. The gross profit margin of the investment properties segment was 77.1%, representing an increase of 2.6 percentage points from 74.5% in the previous year. Shopping malls, office buildings and other income accounted for 83%, 12% and 5%, respectively.

The Group's shopping malls recorded sales of approximately RMB33,000 million, representing a year-on-year increase of 33%, and rental income of RMB2,997.7 million, representing an increase of 38.9% as compared with RMB2,157.6 million in the previous year.

Adhering to the customer-oriented approach, the office building business continued to build a closed loop of office building ecosystem, and the rental income during the year was approximately RMB513.3 million, representing a year-on-year increase of 1.4%.

	Year ended 31 December	
	2023	2022
Rental income from investment properties and related services income (RMB million)	<u>4,359.3</u>	<u>3,492.9</u>

The table below sets forth the rental income and occupancy rate of the major investment properties of the Group in 2023:

Project	City	Use	Rental income (RMB million)	Occupancy rate (%)
Xidan Joy City Shopping Mall	Beijing	Retail	607.0	98
Chaoyang Joy City Shopping Mall	Beijing	Retail	665.0	97
Tianjin Joy City Shopping Mall	Tianjin	Retail	461.4	97
Shanghai Jing'an Joy City Shopping Mall	Shanghai	Retail	201.2	95
Shenyang Joy City Shopping Mall	Shenyang	Retail	256.7	98
Yantai Joy City Shopping Mall	Yantai	Retail	76.7	97
Chengdu Joy City Shopping Mall	Chengdu	Retail	322.7	98
Hangzhou Joy City Shopping Mall	Hangzhou	Retail	152.5	97
Suzhou Joy City Shopping Mall	Suzhou	Retail	137.1	98
Chongqing Joy City Shopping Mall	Chongqing	Retail	15.8	90
Wuhan Joy City Shopping Mall	Wuhan	Retail	101.5	97
Xidan Joy City Offices	Beijing	Office	39.5	85
COFCO Plaza Offices	Beijing	Office and Retail	277.8	91
Hong Kong COFCO Tower	Hong Kong	Office and Retail	58.2	84
COFCO • Landmark Tower*	Beijing	Office and Retail	137.9	86
Fraser Suites Top Glory Shanghai*	Shanghai	Serviced apartment	124.4	91
Total			3,635.4	

* As of the end of 2023, the disposals of the entire equity interest of COFCO • Landmark Tower and Fraser Suites Top Glory Shanghai held by the Group's subsidiaries were completed.

The table below sets forth the rental income and occupancy rate of the major investment properties of the Group in 2022:

Project	City	Use	Rental income (RMB million)	Occupancy rate (%)
Xidan Joy City Shopping Mall	Beijing	Retail	572.9	95
Chaoyang Joy City Shopping Mall	Beijing	Retail	487.0	99
Tianjin Joy City Shopping Mall	Tianjin	Retail	295.8	97
Shanghai Jing'an Joy City Shopping Mall	Shanghai	Retail	118.8	91
Shenyang Joy City Shopping Mall	Shenyang	Retail	154.8	91
Yantai Joy City Shopping Mall	Yantai	Retail	57.0	89
Chengdu Joy City Shopping Mall	Chengdu	Retail	185.6	95
Hangzhou Joy City Shopping Mall	Hangzhou	Retail	122.8	95
Suzhou Joy Breeze Shopping Mall	Suzhou	Retail	76.8	94
Chongqing Joy City Shopping Mall	Chongqing	Retail	15.0	81
Wuhan Joy City Shopping Mall	Wuhan	Retail	71.1	91
Xidan Joy City Offices	Beijing	Office	33.4	85
COFCO Plaza Offices	Beijing	Office and Retail	267.9	90
Hong Kong COFCO Tower	Hong Kong	Office and Retail	55.5	78
COFCO • Landmark Tower	Beijing	Office and Retail	149.4	89
Fraser Suites Top Glory Shanghai	Shanghai	Serviced apartment	130.4	91
Total			<u>2,794.2</u>	

Business Review on Property Development

During the year, the Group's operating revenue from the property development segment was RMB7,705.4 million, representing a decrease of 53.3% from RMB16,483.7 million in the previous year. The settlement area of properties delivered was 425,428 sq.m., representing a decrease of approximately 40.7% as compared to the previous year. The unit settlement price was RMB17,217/sq.m., representing a decrease of approximately 25.0% as compared to the previous year. Due to the changes in structure of the properties delivered, the gross profit margin of the property development segment for the year increased by 2 percentage points year-on-year to 24%.

The Group's contracted sales for the year decreased by 36.7% year on year to approximately RMB18,086.0 million amid a broad downturn in the housing market. Contracted sales area was 724,628.6 sq.m., representing a year-on-year decrease of 9.5%; and the average unit selling price was RMB24,959 per sq.m., representing a year-on-year decrease of 30.0%.

In 2023, the contracted sales amount and contracted sales area of each region achieved by the Group are as follows:

Region	Contracted sales		Contracted sales area	
	2023 (RMB million)	2022 (RMB million)	2023 (sq.m.)	2022 (sq.m.)
Shanghai	3,375.1	12,812.0	96,229.3	244,811.4
Hainan	1,734.5	565.3	58,775.2	22,022.7
Southwest China	2,697.8	2,580.8	127,470.3	130,617.6
Zhejiang	563.7	2,384.2	21,223.9	52,259.3
Nanjing	3,254.1	4,360.2	169,002.8	176,617.8
Central China	484.0	575.6	46,102.1	45,141.7
Southern China	1,245.5	2,527.0	27,641.6	56,289.6
Beijing	2,671.2	2,662.0	68,864.6	61,965.6
Northeast China	75.2	90.9	8,902.8	11,220.9
Northwest China	1,984.9	—	100,416.0	—
Total	<u>18,086.0</u>	<u>28,558.0</u>	<u>724,628.6</u>	<u>800,946.4</u>

Business Review on Hotel Operations

In 2023, the hotel operations recorded operating revenue of approximately RMB969.8 million, representing a year-on-year increase of 75.1%; and the average occupancy rate was 75%, representing a year-on-year increase of 25 percentage points.

	Year ended 31 December	
	2023	2022
Revenue from hotel operations (RMB million)	<u>969.8</u>	<u>553.7</u>

The table below sets forth the average occupancy rate, RevPAR and average room rate of the major hotels of the Group in 2023:

Project	City	Use	Average occupancy rate (%)	RevPAR (RMB)	Average room rate (RMB)
The St. Regis Sanya Yalong Bay Resort	Sanya	Resort	68	1,446	2,131
MGM Grand Sanya	Sanya	Resort	83	1,330	1,595
Cactus Resort Sanya by Gloria	Sanya	Resort	47	125	270
Waldorf Astoria Beijing	Beijing	Business Inn	70	1,727	2,458
Le Joy Hotel Beijing	Beijing	Hotel	91	632	693

The table below sets forth the average occupancy rate, RevPAR and average room rate of the major hotels of the Group in 2022:

Project	City	Use	Average occupancy rate (%)	RevPAR (RMB)	Average room rate (RMB)
The St. Regis Sanya Yalong Bay Resort	Sanya	Resort	40	802	2,016
MGM Grand Sanya	Sanya	Resort	58	757	1,298
Cactus Resort Sanya by Gloria	Sanya	Resort	37	108	293
Waldorf Astoria Beijing	Beijing	Business Inn	31	717	2,334
Le Joy Hotel Beijing	Beijing	Hotel	79	448	569

Business Review on Output Management

The Group fully leveraged the appeal and operation capability of “Joy City” as a brand. During the year, the total revenue from output management was approximately RMB169.5 million.

Profit

The Group recorded profit for the year of approximately RMB1,419.6 million (2022: RMB1,100.6 million), representing a year-on-year increase of 29.0%, which was due to the good operating conditions of the investment properties and the gain on disposal of subsidiaries. Profit attributable to owners of the Company amounted to approximately RMB340.0 million, representing a year-on-year decrease of 35.9%. After excluding the after-tax fair value gains of investment properties and the effect of exchange rate changes, the core net profit attributable to owners of the Company for the year amounted to approximately RMB991.3 million, representing a year-on-year increase of 20.5%.

Business Outlook

Looking forward to 2024, with the improvement of consumers' pursuit of scenario-based and experience, more shopping malls will pay attention to customers' "experience, circle and social interaction", and create a rich variety of business categories. Marketing innovation has become a "booster" for the in-depth operation of shopping malls. The shopping malls hold various activities and exhibitions, use various marketing innovation methods and approaches to create new consumption space, and interact with consumers in a virtual and real manner, effectively improving its space value of "novelty", "attractive" and "fun", so as to attract consumers' attention and participation, and further transform into business performance. In the future, the Group will continue to implement the positioning of "a service provider of urban operation and better life", take meeting consumer needs as the basic point, take the leading trend and creating consumption scenarios as the starting point, seize industry opportunities, integrate multi-field resources, continue to optimize its operation capabilities, so as to achieve good operating results.

LIQUIDITY AND FINANCIAL POSITION

	As at 31 December	
	2023	2022
	<i>RMB (million)</i>	<i>RMB (million)</i>
Total assets	143,619.1	140,003.5
Cash and cash equivalents (including restricted bank deposits and pledged deposits)	19,480.8	16,985.7
Total interest-bearing borrowings*	44,295.6	45,766.5
Total equity	56,437.3	58,089.3
Current ratio	1.63	1.79
Net debt to total equity ratio **	44.0%	49.5%
Weighted average borrowing cost	4.49%	3.97%

*: Total interest-bearing borrowings include bank borrowings, loans from fellow subsidiaries, associates, joint ventures, non-controlling shareholders and third parties, and corporate bonds.

** : The net debt to total equity ratio is calculated as net debt divided by total equity, in which the net debt is calculated as total interest-bearing borrowings less cash and bank balances, restricted and pledged bank deposits.

As at 31 December 2023, the Group had total assets of approximately RMB143,619.1 million (31 December 2022: approximately RMB140,003.5 million). The total equity of the Group was approximately RMB56,437.3 million, representing a decrease of approximately 2.8% as compared to RMB58,089.3 million as at 31 December 2022.

As at 31 December 2023, the total amount of interest-bearing borrowings amounted to approximately RMB44,295.6 million, representing a decrease of 3.2% as compared with RMB45,766.5 million as at 31 December 2022. The net debt to total equity ratio was approximately 44.0%, representing a decrease of 5.5 percentage points from 49.5% in the previous year. Among the interest-bearing borrowings, approximately 75.7% were denominated in RMB while approximately 24.3% were denominated in HKD and USD.

The Group is committed to optimizing its capital structure and reducing financing costs. COFCO Commercial Property Investment Co., Ltd., a non-wholly owned subsidiary of the Company, issued unsecured corporate bonds on the Shenzhen Stock Exchange in April 2023, comprising RMB1,000 million with a term of 3 + 2 years and a coupon rate of 3.34%. The entity also issued perpetual medium-term notes of RMB1,500 million with a term of 2 + N years and a coupon rate of 3.45%. The Company seized the opportunities in the financing market and obtained financing at a lower cost to facilitate the development of the Group.

In 2023, the Company maintained good relationships with banks and actively broadened financing channels to optimize its financing structure. Despite the US dollars interest rate hikes, the Company's average financing cost stood at 4.49%, which remained at a relatively low level in the industry.

As at 31 December 2023, the Group had banking facilities of RMB54,063 million, of which unused facilities amounted to RMB28,514 million, all denominated in RMB, HKD and USD, indicating that Group had adequate access to financing and sufficient credit facilities.

In view of the Group's current cash and bank balances, the management of the Company believes that the Group's financial resources are sufficiently available for its future development.

EMPLOYEE AND REMUNERATION POLICY

The Group attaches great importance to the selection, employment, training and retainment of talents. In this regard, the Group keeps improving its selection and employment mechanisms, expands recruitment channels, and places equal emphasis on social recruitment and campus recruitment, with the aim to build a diversified talent team and maintain a harmonious and consistent labor relationship with its employees. At present, the Group has established core training projects, including “Core Team Training Camp”, “Golden Helmsman”, “Golden Seed”, “Class 3040”, “Sword Casting Plan”, “New Joy Training Camp”, “Future Star Training Camp” and “Joy Seminar” and so on. It explores the internal courses of the Group, and revitalizes internal training resources by establishing a professional and systematic internal training lecturer team and improving online learning systems to create an all-round talent training system. Through internal recruitment, rotation training and basic training of young beginners and other forms, the Group facilitates internal talents exchange and the talent transfer and promotion. The Group provided employees with competitive salaries and comprehensive benefits by reference to prevailing market pay levels, further optimized its incentive system and adopted a performance-oriented approach to motivate its employees. These efforts have enabled the Group to create a human resources management system with a focus on achieving “common development of employer and employees” and build a competent and efficient workforce to provide strong talent support for the Group in achieving its strategic objectives. As of 31 December 2023, the Group had a total of 3, 638 employees.

The employees of the Group’s subsidiaries which operate in the mainland China are required to participate in a central pension scheme operated by the local municipal government. These subsidiaries are required to contribute a certain percentage of its payroll costs to the central pension scheme. Further, the Group’s principal retirement benefits scheme available to its Hong Kong employees, namely the Mandatory Provident Fund, is also a defined contribution scheme which is administered by independent trustees. The Group is required to contribute to the Mandatory Provident Fund based on a certain percentage of its employees’ salaries. The contributions made by the Group to the defined contribution schemes above are charged to the statement of profit or loss as they become payable in accordance with the rules of the respective defined contribution schemes. The only obligation of the Group with respect to such defined contribution schemes is to make the specified contributions. There was no forfeited contributions under the defined contribution schemes above. Accordingly, there was no forfeited contribution used by the Group or available for the Group to reduce its existing level of contributions during the year.

DIVIDENDS

The Board has recommended the 2023 Final Dividend of HK0.72 cents (2022: HK1.2 cents) per Share and the Special Dividend of HK0.72 cents (2022: Nil) per Share. The 2023 Final Dividend, together with the Special Dividend (the “**Dividends**”), amounts to HK1.44 cents in aggregate per Share. If approved by Shareholders at the 2024 Annual General Meeting, the Dividends will be payable in cash, to Shareholders whose names appear on the register of members of the Company on Friday, 21 June 2024. Dividend warrants are expected to be despatched to Shareholders on Thursday, 4 July 2024.

2024 ANNUAL GENERAL MEETING

The 2024 Annual General Meeting will be held on Thursday, 13 June 2024. Notice of 2024 Annual General Meeting will be published on the websites of the Company at www.joy-cityproperty.com and the Stock Exchange at www.hkexnews.hk and, where applicable, will be sent to Shareholders in due course.

CLOSURE OF REGISTER OF MEMBERS

For the purpose of ascertaining the Shareholders' rights to attend and vote at the 2024 Annual General Meeting, the register of members of the Company will be closed from Friday, 7 June 2024 to Thursday, 13 June 2024, both days inclusive, during which period no transfer of Shares will be registered. In order to qualify for the right to attend and vote at the 2024 Annual General Meeting, all properly completed transfer forms accompanied by the relevant share certificates must be lodged with the Company's branch share registrar and transfer office in Hong Kong, Tricor Progressive Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong for registration, by no later than 4:30 pm on Thursday, 6 June 2024.

RECORD DATE FOR THE DIVIDENDS

The record date for determining the entitlement of Shareholders to the Dividends is Friday, 21 June 2024. In order to qualify for the Dividends payable on Thursday, 4 July 2024, all properly completed transfer forms accompanied by the relevant share certificates must be lodged with the Company's branch share registrar and transfer office in Hong Kong, Tricor Progressive Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong for registration, by no later than 4:30 pm on Friday, 21 June 2024.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

There was no purchase, sale or redemption of the Company's listed securities by the Company or any of its subsidiaries during the year ended 31 December 2023.

COMPLIANCE WITH CORPORATE GOVERNANCE CODE

The Company has adopted all code provisions in the Corporate Governance Code as set out in Part 2 of Appendix C1 to the Listing Rules as its own code on corporate governance. Throughout the year ended 31 December 2023, the Company has complied with all the applicable code provisions as set out in the Corporate Governance Code.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted a code of conduct for dealings in the securities of the Company by its Directors (the “**Securities Dealings Code**”) that is based on the Model Code. The terms of the Securities Dealings Code are no less exacting than the required standards set out in the Model Code. All Directors have confirmed, following specific enquiry by the Company, that they have complied with the Securities Dealings Code throughout the year ended 31 December 2023.

REVIEW OF FINANCIAL RESULTS BY THE AUDIT COMMITTEE

The Audit Committee has reviewed together with the management and the auditor of the Company, the accounting policies adopted by the Group and the audited consolidated financial statements of the Group for the year ended 31 December 2023.

EVENTS AFTER THE END OF THE YEAR UNDER REVIEW

Save as disclosed in the Company’s announcements in relation to (1) issuance by a subsidiary of 2024 first tranche of domestic corporate bonds dated 18 January 2024, (2) the provision of financial assistance dated 7 March 2024 and (3) the retirement of a non-executive Director dated 27 March 2024, there was no other important event or transaction affecting the Group and which is required to be disclosed by the Company to its Shareholders after 31 December 2023 and up to the date of this announcement.

PUBLICATION OF ANNUAL RESULTS ANNOUNCEMENT AND ANNUAL REPORT

This annual results announcement is published on the websites of the Company at www.joy-cityproperty.com and the Stock Exchange at www.hkexnews.hk. The 2023 Annual Report containing all the information required by the Listing Rules will be published on the above websites and, where applicable, printed copies will be dispatched to the Shareholders in due course.

DEFINITIONS

In this announcement, the following expressions have the following meanings unless the context requires otherwise:

“2023 Final Dividend”	the proposed final dividend in respect of the year ended 31 December 2023
“2024 Annual General Meeting”	the annual general meeting of the Company (or any adjournment thereof) to be held on Thursday, 13 June 2024 at 11:00 a.m.;
“Audit Committee”	the audit committee of the Company;
“Board”	the board of Directors;
“Corporate Governance Code”	Corporate Governance Code contained in Appendix C1 to the Listing Rules;
“COFCO Corporation”	COFCO Corporation (中糧集團有限公司), a state-owned enterprise incorporated in the PRC in September 1952 under the purview of the State-owned Assets Supervision and Administration Commission of the State Council (國務院國有資產監督管理委員會), the holding company of Grandjoy Holdings Group and thus an indirect controlling shareholder of the Company;
“Company”	Joy City Property Limited (大悅城地產有限公司), a company incorporated under the laws of Bermuda with limited liability, the Shares of which are listed on the Main Board of the Stock Exchange (stock code: 207);
“CPS”	non-redeemable convertible preference shares of HK\$0.10 each in the share capital of the Company;
“Director(s)”	director(s) of the Company;
“Grandjoy Holdings Group”	Grandjoy Holdings Group Co., Ltd.* (大悅城控股集團股份有限公司), a company established in the PRC whose A shares are listed on the Shenzhen Stock Exchange (stock code: 31.SZ) and a controlling shareholder of the Company;
“Group”	the Company and its subsidiaries;
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC;

“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (as amended from time to time);
“Model Code”	the Mode Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Listing Rules;
“PRC or China”	the People’s Republic of China which, for the purposes of this announcement, excludes Hong Kong, the Macau Special Administrative Region and Taiwan;
“RevPAR”	revenue per available room, which is calculated by dividing the total hotel room revenue by the total number of room nights available for sale in a given period;
“RMB”	Renminbi, the lawful currency of the PRC;
“Share(s)”	ordinary share(s) of HK\$0.10 each in the share capital of the Company;
“Shareholder(s)”	registered holder(s) of the Shares;
“Special Dividend”	the proposed one-off special dividend in relation to the completion of the disposals of two subsidiaries during the year;
“sqm”	square metre(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong; and
“%”	per cent.

The English names of Chinese entities marked with “” are translations of their Chinese names and are included in this announcement for identification purpose only, and should not be regarded as their official English translation. In the event of any inconsistency, the Chinese name prevails.*

By order of the Board
JOY CITY PROPERTY LIMITED
CHEN Lang
Chairman

Hong Kong, 28 March 2024

As at the date of this announcement, the Board comprises Mr. CHEN Lang as Chairman and non-executive Director; Mr. YAO Changlin as executive Director; Mr. LIU Yun and Mr. ZHU Laibin as non-executive Directors; and Mr. LAU Hon Chuen, Ambrose, GBS, JP, Mr. LAM Kin Ming, Lawrence and Mr. CHAN Fan Shing as independent non-executive Directors.