

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



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 2024 INTERIM RESULTS

HIGHLIGHTS

- Consolidated revenue for the first half of 2024 (“1H2024”) amounted to RMB79.13 billion, up by 8.4% year on year (“YoY”). Among that, development property revenue was RMB59.13 billion, up by 8.3% YoY, revenue of investment properties increased by 7.0% YoY to RMB11.47 billion, revenue of asset-light management business was RMB5.89 billion, increased by 17.6% YoY, revenue of eco-system elementary business was RMB2.64 billion, increased by 0.8% YoY. Revenue from recurring businesses totaled RMB20.00 billion, an increase of 9.0% YoY, and represented 25.3% of total consolidated revenue.
- In 1H2024, consolidated gross profit margin was 22.3%. Among that, development property gross profit margin was 12.4%, while investment property gross profit margin increased by 0.2 percentage point YoY to 71.5% and investment property (excluding hotel operations) gross profit margin increased by 0.3 percentage point YoY to 77.4%.
- In 1H2024, profit attributable to the owners of the Company achieved RMB10.25 billion. Core profit attributable to the owners of the Company excluding revaluation gain from investment properties for the current period and after adding back the realized accumulated revaluation gain of certain investment properties disposed of in current period (hereinafter referred to as “core net profit”) achieved RMB10.74 billion. Among that, core net profit from recurring businesses achieved RMB5.52 billion, and represented 51.4% of total core net profit.
- In 1H2024, earnings per share was RMB1.44, while core net profit per share was RMB1.51.
- The Board has resolved to declare an interim dividend of RMB0.20 per share (equivalent to HKD0.219 per share) for 2024, increased by 1.0% YoY from RMB0.198 per share in the first half of 2023.

- In 1H2024, the Group achieved property contracted sales of RMB124.70 billion and contracted GFA of 5.21 million square meters. As of 30 June 2024, the Group had unrecognized contracted sales of approximately RMB321.45 billion, of which RMB166.12 billion is expected to be recognized in the second half of 2024.
- In 1H2024, the Group acquired an additional of 2.02 million square meters of land bank. As of 30 June 2024, the Group's total land bank amounted to approximately 56.99 million square meters.
- As of 30 June 2024, the Group's total borrowings amounted to RMB251.13 billion, the Group's bank balances and cash were RMB118.33 billion, and the Company's shareholders' equity was RMB266.52 billion. The net gearing ratio was 33.6%, while the weighted average cost of debt was 3.24%.

The board (the “Board”) of directors (the “Directors”) of China Resources Land Limited (the “Company”) is pleased to announce the unaudited consolidated results of the Company and its subsidiaries (the “Group”) for the six months ended 30 June 2024 (“the first half of 2024”) as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

	NOTES	Six months ended 30 June	
		2024 RMB'000 (Unaudited)	2023 RMB'000 (Unaudited)
Revenue	3	79,126,742	72,971,477
Cost of sales		(61,499,910)	(54,249,253)
Gross profit		17,626,832	18,722,224
Gain on changes in fair value of investment properties		3,548,770	3,732,355
Gain on changes in fair value of financial instruments at fair value through profit or loss		95,122	5,404
Other income, other gains and losses		3,404,694	4,472,523
Selling and marketing expenses		(2,735,185)	(2,660,651)
General and administrative expenses		(1,844,280)	(2,276,947)
Share of profits less losses of investments in joint ventures		1,156,668	1,162,669
Share of profits less losses of investments in associates		268,091	787,587
Finance costs	4	(870,931)	(892,364)
Profit before taxation		20,649,781	23,052,800
Income tax expenses	5	(8,135,103)	(6,993,573)
Profit for the period	6	12,514,678	16,059,227
Profit for the period attributable to:			
Owners of the Company		10,252,833	13,737,518
Non-controlling interests		2,261,845	2,321,709
		12,514,678	16,059,227
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY			
		RMB (Unaudited)	RMB (Unaudited)
Basic and diluted	8	1.44	1.93

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

	Six months ended 30 June	
	2024	2023
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Profit for the period	12,514,678	16,059,227
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 period	63,754	1,477
Exchange differences on translation of foreign operations	394,009	381,833
Other comprehensive income that may be reclassified to profit or loss in subsequent periods	457,763	383,310
<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	(6,386)	(11,235)
Other comprehensive income that will not be reclassified to profit or loss in subsequent periods	(6,386)	(11,235)
Other comprehensive income for the period	451,377	372,075
Total comprehensive income for the period	12,966,055	16,431,302
Total comprehensive income attributable to:		
Owners of the Company	10,662,924	14,039,876
Non-controlling interests	2,303,131	2,391,426
	12,966,055	16,431,302

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	30 June 2024	31 December 2023
<i>NOTE</i>	<i>RMB'000</i> (Unaudited)	<i>RMB'000</i> (Audited)
NON-CURRENT ASSETS		
Property, plant and equipment	15,705,485	15,827,017
Right-of-use assets	5,142,402	5,282,553
Investment properties	263,697,975	262,808,194
Intangible assets	1,358,874	1,519,911
Goodwill	1,911,884	1,911,884
Investments in joint ventures	61,306,436	59,707,377
Investments in associates	27,887,391	25,937,418
Equity instruments designated at fair value through other comprehensive income	1,035,045	1,043,560
Time deposits	3,114,478	203,097
Prepayments for non-current assets	1,315,125	2,427,392
Deferred taxation assets	12,773,951	13,979,382
Amounts due from related parties	13,082,488	11,253,594
Amounts due from non-controlling interests	5,364,365	4,914,883
	413,695,899	406,816,262
CURRENT ASSETS		
Properties for sale	538,941,041	524,332,647
Other inventories	366,953	407,467
Trade receivables, other receivables, prepayments and deposits	9 49,467,789	51,301,058
Contract assets and contract costs	3,003,643	2,941,068
Time deposits	3,170,670	4,052,766
Financial assets at fair value through profit or loss	2,566,659	3,001,429
Derivative financial instruments	182,384	10,415
Amounts due from related parties	23,919,175	27,200,300
Amounts due from non-controlling interests	42,010,671	38,965,360
Prepaid taxation	20,777,739	17,807,894
Restricted bank deposits	1,723,656	1,665,351
Cash and cash equivalents	116,604,075	112,675,092
	802,734,455	784,360,847

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

		30 June 2024	31 December 2023
	<i>NOTE</i>	<i>RMB'000</i> (Unaudited)	<i>RMB'000</i> (Audited)
CURRENT LIABILITIES			
Trade and other payables	<i>10</i>	150,427,766	158,671,034
Lease liabilities		1,624,956	1,580,663
Contract liabilities		286,694,499	267,618,392
Financial liabilities at fair value through profit or loss		257,000	114,025
Amounts due to related parties		40,327,446	39,185,761
Amounts due to non-controlling interests		16,148,192	17,343,703
Taxation payable		28,145,502	35,405,452
Bank and other borrowings — due within one year		42,909,722	42,576,778
Senior notes — due within one year		2,163,625	7,208,121
Super short-term commercial papers		6,000,000	6,000,000
Medium-term notes — due within one year		12,206,174	8,501,928
		<u>586,904,882</u>	<u>584,205,857</u>
NET CURRENT ASSETS		<u>215,829,573</u>	<u>200,154,990</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u><u>629,525,472</u></u>	<u><u>606,971,252</u></u>
EQUITY			
Share capital		673,829	673,829
Reserves		265,841,819	264,193,354
		<u>266,515,648</u>	<u>264,867,183</u>
Equity attributable to owners of the Company		266,515,648	264,867,183
Non-controlling interests		128,661,757	119,281,871
		<u>395,177,405</u>	<u>384,149,054</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

	30 June 2024 <i>RMB'000</i> (Unaudited)	31 December 2023 <i>RMB'000</i> (Audited)
NON-CURRENT LIABILITIES		
Bank and other borrowings — due after one year	133,957,960	113,537,417
Senior notes — due after one year	6,817,735	6,769,877
Medium-term notes — due after one year	39,997,761	47,685,216
Lease liabilities	5,343,424	5,469,413
Financial liabilities at fair value through profit or loss	195,944	221,131
Amounts due to related parties	8,660,844	9,101,388
Amounts due to non-controlling interests	951,049	1,150,293
Long-term payables	4,445,374	4,371,525
Deferred taxation liabilities	33,977,976	34,515,938
	234,348,067	222,822,198
TOTAL OF EQUITY AND NON-CURRENT LIABILITIES	629,525,472	606,971,252

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. BASIS OF PREPARATION

This interim financial report has been prepared in accordance with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, including compliance with Hong Kong Accounting Standard (“HKAS”) 34, *Interim financial reporting*, issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”).

The interim financial report has been prepared in accordance with the same accounting policies adopted in the 2023 annual financial statements, except for the accounting policy changes that are expected to be reflected in the 2024 annual financial statements.

The preparation of an interim financial report in conformity with HKAS 34 requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses on a year to date basis. Actual results may differ from these estimates.

This interim financial report contains condensed consolidated financial statements and selected explanatory notes. The notes include an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the group since the 2023 annual financial statements. The condensed consolidated interim financial statements and notes thereon do not include all of the information required for a full set of financial statements prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRSs”).

2. PRINCIPAL ACCOUNTING POLICIES

The Group has applied the following amendments to HKFRSs issued by the HKICPA to this interim financial report for the current accounting period:

- Amendments to HKAS 1, *Presentation of financial statements: Classification of liabilities as current or non-current*
- Amendments to HKAS 1, *Presentation of financial statements: Non-current liabilities with covenants*
- Amendments to HKAS 7, *Statement of cash flows and HKFRS 7, Financial instruments: Disclosures — Supplier finance arrangements*
- Amendments to HKFRS 16, *Leases: Lease liability in a sale and leaseback*

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

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 has presented the following four reportable segments.

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, rental housing business 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.

3. SEGMENT INFORMATION (CONTINUED)

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

For the six months ended 30 June 2024 (Unaudited)

	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>
SEGMENT REVENUE AND RESULTS					
Revenue					
Revenue from contracts with customers					
Recognised at a point in time	59,223,190	5,733	416,061	2,506,956	62,151,940
Recognised over time	–	3,774,420	6,987,949	3,930,589	14,692,958
Revenue from other sources					
Rental income	–	8,198,175	–	–	8,198,175
Segment revenue	59,223,190	11,978,328	7,404,010	6,437,545	85,043,073
Inter-segment revenue	(96,474)	(508,603)	(1,511,453)	(3,799,801)	(5,916,331)
Revenue from external customers	59,126,716	11,469,725	5,892,557	2,637,744	79,126,742
Results					
Share of profits less losses of investments in joint ventures and associates	480,047	904,206	(792)	41,298	1,424,759
Segment results (including share of profits of investments in joint ventures and associates)	5,659,214	7,563,345	994,492	515,906	14,732,957
Gain on changes in fair value of investment properties					3,548,770
Gain on changes in fair value of financial instruments at fair value through profit or loss					95,122
Other income, other gains and losses					3,404,694
Unallocated expenses					(260,831)
Finance costs					(870,931)
Profit before taxation					20,649,781

3. SEGMENT INFORMATION (CONTINUED)

For the six months ended 30 June 2023 (Unaudited)

	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>
SEGMENT REVENUE AND RESULTS					
Revenue					
Revenue from contracts with customers					
Recognised at a point in time	36,996,862	–	369,644	2,045,580	39,412,086
Recognised over time	17,680,714	3,238,682	5,888,372	5,846,042	32,653,810
Revenue from other sources					
Rental income	–	7,896,558	–	–	7,896,558
Segment revenue	54,677,576	11,135,240	6,258,016	7,891,622	79,962,454
Inter-segment revenue	(57,270)	(411,024)	(1,248,583)	(5,274,100)	(6,990,977)
Revenue from external customers	54,620,306	10,724,216	5,009,433	2,617,522	72,971,477
Results					
Share of profits less losses of investments in joint ventures and associates	1,591,473	352,634	1,046	5,103	1,950,256
Segment results (including share of profits of investments in joint ventures and associates)	8,517,885	6,251,531	714,582	485,784	15,969,782
Gain on changes in fair value of investment properties					3,732,355
Gain on changes in fair value of financial instruments at fair value through profit or loss					5,404
Other income, other gains and losses					4,472,523
Unallocated expenses					(234,900)
Finance costs					(892,364)
Profit before taxation					<u>23,052,800</u>

4. FINANCE COSTS

	Six months ended 30 June	
	2024	2023
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Total interests on bank and other borrowings, senior notes, medium-term notes, super short-term commercial papers and others	5,068,273	4,738,386
Total interest on lease liabilities	165,838	169,791
Total bank charges	69,681	110,125
Less: Amounts capitalised in properties under development for sale, investment properties under construction and construction in progress	(4,432,861)	(4,125,938)
	870,931	892,364

5. INCOME TAX EXPENSE

	Six months ended 30 June	
	2024	2023
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
The income tax expenses comprise of:		
Current taxation		
The People's Republic of China (the "PRC") Enterprise Income Tax ("EIT") and withholding income tax	4,548,926	3,095,621
PRC Land Appreciation Tax ("LAT")	1,945,405	1,379,970
Tax charge in other jurisdictions	12,825	8,481
Less: over-provision in prior years	(590,774)	(273,700)
	5,916,382	4,210,372
Deferred taxation	2,218,721	2,783,201
	8,135,103	6,993,573

(A) EIT

Under the Law of the PRC 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.

5. INCOME TAX EXPENSES (CONTINUED)

(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 and operated in Hong Kong and fulfil the requirements to the tax treaty arrangements between the Chinese Mainland and Hong Kong.

(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% (2023: 16.5%) of the estimated assessable profits. No Hong Kong Profits Tax was recognised for the six months ended 30 June 2024 and 2023.

(E) Tax charge in other jurisdictions

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.

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% (2023: 25%).

6. PROFIT FOR THE PERIOD

	Six months ended 30 June	
	2024	2023
	<i>RMB'000</i>	<i>RMB'000</i>
	(Unaudited)	(Unaudited)
Profit for the period has been arrived at after charging the following items:		
Depreciation of property, plant and equipment	471,423	506,899
Depreciation of right-of-use assets	184,783	198,494
Amortisation of intangible assets	52,804	51,126

7. DIVIDENDS

A dividend of RMB1.243 (equivalent to HK\$1.366) per ordinary share that relates to the year ended 31 December 2023 amounting to RMB8,874,504,000 was recognised during the six months ended 30 June 2024 and paid in July 2024.

A dividend of RMB1.219 (equivalent to HK\$1.394) per ordinary share that relates to the year ended 31 December 2022 amounting to RMB9,164,988,000 was recognised during the six months ended 30 June 2023 and paid in July 2023.

An interim dividend of RMB0.200 (equivalent to HK\$0.219) per ordinary share in respect of the six months ended 30 June 2024 (2023: RMB0.198 (equivalent to HK\$0.216) per ordinary share) was declared by the Board of Directors of the Company on 27 August 2024. This interim dividend, amounting to RMB1,426,188,000 (2023: RMB1,413,713,000), has not been recognised as a liability in the interim financial report.

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 for the six months ended 30 June 2024 of 7,130,939,579 (six months ended 30 June 2023: 7,130,939,579) shares. There were no dilutive potential ordinary shares in existence during both periods.

9. TRADE RECEIVABLES, OTHER RECEIVABLES, PREPAYMENTS AND DEPOSITS

	30 June 2024	31 December 2023
	RMB'000	RMB'000
	(Unaudited)	(Audited)
Trade and bills receivables (<i>Note</i>)	4,152,992	3,604,776
Less: provision for impairment (<i>Note</i>)	(199,168)	(172,638)
	3,953,824	3,432,138
Prepayments for acquisition of land use rights	4,857,379	11,501,608
Other receivables	12,168,269	12,817,305
Less: provision for impairment	(305,733)	(302,298)
	11,862,536	12,515,007
Prepayments and deposits	28,794,050	23,852,305
	49,467,789	51,301,058

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

Note:

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

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

	30 June 2024 RMB'000 (Unaudited)	31 December 2023 RMB'000 (Audited)
0–30 days	1,060,100	1,075,848
31–60 days	313,420	532,494
61–90 days	297,168	198,041
91–180 days	543,283	463,369
181–365 days	982,237	548,239
Over 1 year	757,616	614,147
	<u>3,953,824</u>	<u>3,432,138</u>

As at 30 June 2024, all the trade and bill receivables are measured at amortised cost.

10. TRADE AND OTHER PAYABLES

	30 June 2024	31 December 2023
	RMB'000	RMB'000
	(Unaudited)	(Audited)
Trade and bills payables (<i>Note a</i>)	68,930,131	84,243,425
Other payables (<i>Note b</i>)	81,497,635	74,427,609
	<u>150,427,766</u>	<u>158,671,034</u>

Notes:

(a) Trade and bills payables

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

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

	30 June 2024	31 December 2023
	RMB'000	RMB'000
	(Unaudited)	(Audited)
0–30 days	7,866,350	27,819,434
31–60 days	2,962,898	16,012,216
61–90 days	4,365,122	5,075,497
91–180 days	10,020,097	11,209,147
181–365 days	27,347,189	6,813,219
Over 1 year	16,368,475	17,313,912
	<u>68,930,131</u>	<u>84,243,425</u>

(b) Other payables

The amount mainly includes dividends payables, consideration payables for acquisitions and other taxes payable.

CHAIRMAN’S STATEMENT

I am pleased to present the interim results and outlook of the Company and the Group for the six months ended 30 June 2024.

In 1H2024, the Gross Domestic Product (“GDP”) of the People’s Republic of China (the “PRC”) reached RMB61.7 trillion, representing a year-on-year (“YoY”) increase of 5.0%. Overall economic activities were generally stable amidst ongoing transformation and enhancements. The national sales of new residential properties amounted to RMB4.7 trillion, a YoY decrease of 25.0%. The government actively adjusted and optimized real estate policies to support end-user and upgrade demand, which led to more market activities. However, the real estate market is still in a period of adjustment and transformation, and the impact of these policies will take time to be fully realized. The national total retail sales of consumer goods increased by 3.7% YoY. Online consumption continued to increase its share, while sectors such as tourism and catering became more vibrant, driving a 7.5% growth in service retail sales. The overall scale of the consumer market continued to expand, but the rate of growth has decreased.

Despite the ongoing and profound changes in the industry, the Group remains resilient, and overcame challenges and actively seized strategic initiatives, thereby leading to an acceleration in the pace of transformation and upgrading. Leveraging its differentiated business model and diversified business segments, the Group proactively explored new development models for real estate enterprises and cultivated new drivers of growth, enabling the delivery of stable results in the first half of the year. As of 30 June 2024, the Group achieved revenue of RMB79.13 billion, representing a YoY growth of 8.4%. The core net profit reached RMB10.74 billion, a slight decrease of 4.7%. Among this, the Group’s recurring business revenue grew by 9.0% YoY, accounting for 25.3% of total revenue, an increase of 0.2 percentage point. The core net profit from recurring business increased by 14.4% YoY, accounting for 51.4% of total core net profit, an increase of 8.6 percentage points. The interim dividend per share is RMB0.2, representing a YoY increase of 1.0%. The overall performance of the Company outpaced the industry trend, and the market capitalisation of the Group remains the largest of listed property company in the PRC.

Investment Property Business

In 1H2024, the Group's shopping mall rental income reached RMB9.48 billion, a YoY increase of 9.7%. The Group's 82 operating shopping malls achieved retail sales of RMB91.62 billion, a YoY increase of 21.9%, with 69 shopping malls ranking amongst the top three in their respective local markets. 6 shopping malls were opened as scheduled, achieving both high quality and an opening occupancy rate of 97.8%. The Group also acquired 2 new shopping mall land parcels in Beijing and Dalian, continuing the penetration of our commercial presence in these core cities.

In 1H2024, despite the overall market downturn, the Group's office business maintained an overall occupancy rate of 75.0%. The key tenants were from the financial insurance, business services, and internet software and information technology industries, serving 120 Fortune 500 clients worldwide.

In 1H2024, the Group enhanced its capital management operation and optimized its "comprehensive asset management" business. CAMC-China Resources Commercial Assets Closed-end Infrastructure Securities Investment Fund REIT (trading code: 180601.SZ) was officially listed on the Shenzhen Stock Exchange on 14 March, realizing a net operating income of RMB196 million in the first half of the year, 107.4% of what had been budgeted. The Group was among the first to distribute dividend on a quarterly basis in the initial batch of consumer REITs, with an annualized distribution rate of 5.03% in the first quarter, higher than the originally forecast value. Currently, the Group has already built a dual REITs platform of Commercial REIT and Youchao REIT, further enhancing the smooth capital circulation of "investment, financing, construction, management, and exit" in the real estate industry. The transformation of the Group's comprehensive asset management business has been accelerating.

CR Mixc Lifestyle

In 1H2024, China Resources Mixc Lifestyle Services Limited (stock code: 1209.HK, hereinafter referred to as "CR Mixc Lifestyle") continued implementing its strategy as a leading urban space operator, consolidating its industry-leading position. Both its operating revenue and core net profit maintained double-digit growth, with its stock price outperforming the industry, and its market capitalization and price-to-earnings ratio consistently ranking the first in the industry. CR Mixc Lifestyle achieved revenue of RMB7.96 billion, a YoY increase of 17.1%, and core net profit of RMB1.77 billion, a YoY increase of 24.2%.

The commercial management business maintained its industry-leading comprehensive strength. During the period, CR Mixc Lifestyle managed a total of 108 operating shopping malls, including 13 luxury shopping malls.

The property management business continued to expand the scale and quality of its market-oriented operations, with an area under management of 398 million square meters and a contracted area of 446 million square meters. CR Mixc Lifestyle has actively transformed itself into an urban space operator and the proportion of urban space projects developed during the six months reached 89.7%. The implementation of the “beautiful city” operation ecology has achieved remarkable results, further strengthening the advantages of its integrated operation and service model.

The mega membership system has made steady progress, with continuous expansion of the membership base. During the period, the total number of MIXC STAR members exceeded 52.20 million, an increase of 13% compared to the end of last year. The total amount of MIXC STAR points issued increased by 19% YoY to RMB500 million, and the total amount of points redeemed increased by 21% YoY to RMB340 million.

The Eco-system Elementary Business

During 1H2024, the Group’s eco-system elementary business saw a steady improvement in its development quality and brand influence.

The smart city construction and operation service project in the Houhai Central District of Shenzhen has preliminarily established a large-scale, comprehensive operation model that coordinates the various urban operation elements both internally and externally. This has formed specialized tracks such as smart operations, cultural activities, business district coordination, and urban space services, further accelerating the Group’s transformation into an urban operator.

The agency construction business achieved revenue of RMB0.39 billion, with 358 projects under management at the end of the period. The Company ranked the second in the industry in terms of the signed area of new government construction management projects, making a positive contribution to the planning and construction of urban public services and municipal infrastructure.

The rental housing business achieved revenue of RMB0.38 billion. The Company currently manages a total of 62 rental housing projects, ranked 8th in the industry by assets under management, and “Youtha” (有巢) brand was included in the “China’s 500 Most Valuable Brands” list for the first time. The performance of the CAMC-China Resources Youchao Rental Residential Housing Property Closed-end Infrastructure Securities Investment Fund (508077.SH) has been steadily improving. According to the data disclosed in the first and second quarter reports, it achieved a fund revenue of RMB39.31 million, a YoY increase of 1.5%, and a fund EBITDA of RMB24.6 million, a YoY increase of 4.3%. As of the end of June, the secondary market value has cumulatively increased by 10% within the period. The Group is currently actively promoting fund expansion and plans to complete the first expansion in the second half of the year.

The sports and cultural venue operation business achieved a revenue of RMB0.30 billion, with 17 projects under management at the end of the period, ranked the 1st in the industry by assets under management. In 1H2024, the Company obtained the operation rights for 3 high-quality venues in Shenzhen and Xiamen, further strengthening its all-round event operation service capabilities.

In the hotel management business, the Company has established in-depth cooperation with Hyatt Hotels Corporation. 6 Mumian hotels have been listed on the Hyatt Hotels Corporation website, leveraging the strengths of both parties to drive the improvement of Mumian's operational capabilities and brand influence.

Development Property Business

In 1H2024, the Group achieved contracted sales of RMB124.70 billion, maintaining its industry ranking at fourth and the top 5 market share in 20 cities. The Group adhered to its strategy of focused investments, taking into account supply and demand dynamics and focusing on core city locations, which resulted in the acquisition of prime projects in cities such as Beijing and Sanya. Furthermore, the Group strengthened efficient management of production and operations, resolutely optimized its existing portfolio, and mitigated risks whilst enhancing cost control and improving development efficiency. The Group continues to enhance its product capabilities while optimizing costs, and comprehensively built full-dimensional, realistic demonstration projects, such as the highly acclaimed Wangyun Jingchen Palace in Hangzhou and Haitang Yuefu in Sanya.

Environmental, Social, and Governance (ESG)

As an industry-leading “urban investment, development and operation company”, CR Land shoulders the mission of driving high-quality urban development and fulfilling people's aspiration for a better life. The Group has been steadfastly shouldering social responsibilities and proactively implementing its sustainable development strategy. Across the six key areas of “corporate governance, employee development, product and service, win-win partnership, environmental benefits, and community contributions”, CR Land has fully integrated ESG (Environmental, Social, and Governance) principles into its corporate strategy and operations. In environmental protection, the Group actively responds to the national “dual-carbon” strategy, accelerating its green transformation. It has heavily invested in the R&D of low-carbon technology, and 12 of its projects have received the WELL health and safety certification. In fulfilling social responsibilities, CR Land has supported rural revitalization by participating in the construction of Shandong Yimeng and Inner Mongolia Aershan China Resources Hope Towns, with a total of 14 Hope Towns built or under construction, plus another 4 Hope Towns currently under planning. In the first half of 2024, the Group undertook the construction of 16.19 million square meters of affordable housing and managed 56,000 rental housing units. In ESG ratings, CR Land was ranked 10th on China Central Television's “Top 100 ESG Pioneer Chinese Listed Companies”, maintained an ‘A’ rating from MSCI-ESG, and is a constituent of the Hang Seng Sustainability Benchmark Index and the Hang Seng ESG 50 Index.

Financial Stability

The Group views cash flow safety as the lifeblood of development, firmly controlling expenditure whilst aggressively enhancing income, and conducting special coordination of cash flow on a monthly basis. In 1H2024, the Group's comprehensive financing cost was 3.24%, down by 32 basis points from the beginning of the year, hitting a new historical low. The three red lines remains in the green zone, whilst maintaining the industry's highest international credit ratings.

In the short term, the real estate industry will continue to face many challenges, and 2024 will undoubtedly be another important milestone, as the industry has fully entered the era of inventory management. In the second half of the year, the Group will better coordinate “development and security”, with the four major management themes of “cash flow creation”, “gross profit margin and ROIC improvement”, “cost reduction, quality improvement and efficiency enhancement”, and “inventory destocking”, to ensure steady growth of performance.

For the development property business, the Group will properly address industry risks and navigate through industry cycles. For the investment property business, it will continue to play the role of a “performance stabilizer”. For the “comprehensive asset management” business, the Group will accelerate its development as the second growth curve. CR Mixc Lifestyle will continue to consolidate its leading industry position, with both revenue and profit maintaining double-digit growth. For the eco-system elementary business, it will continue to inject new momentum into the Group's development.

Faced with the era of inventory, the Group will abandon the old way of thinking and shift the focus of its work to inventory destocking. It will optimize the existing inventory, adopt “project-specific” strategies to reshape product strength and service capabilities, and create “good houses” that meet market demand. It will reduce costs, improve quality and efficiency, and ensure cash flow safety. It will also enhance risk prevention and control, and steadily address risks such as construction quality and supply chain. With the certainty of its own capabilities, the Group will respond to the uncertainty of the changing situation, navigate through the cycle, and rise against the trend to maintain its leading position.

In the medium to long term, as the confidence of enterprises and residents gradually recovers, the real estate industry will also return to stable development. The 20th CPC Central Committee's third plenary session pointed out that "we should accelerate the establishment of a housing system with both rental and purchase, and accelerate the construction of a new model of real estate development." The Group will continue to adhere to the excellent tradition of "long-termism", take the initiative to grasp the situation, actively go with the trend, and make early plans and deployments. It will strive to transform into a "city operator", and accelerate the exploration of new industry development models. It will actively integrate the "3+1" business capabilities and external operator resources, continuously explore new tracks, and build a mature and diverse business ecosystem. Furthermore, the Group will vigorously develop the "comprehensive asset management" business and accelerate the creation of a second growth curve, and will operate the public REITs platform with high quality, strictly fulfill its performance commitments, and continuously expand its influence in the capital market. It will solidly build and manage its best-performing shopping malls to enhance its market competitiveness in the mall business, and cultivate scalable and normalized capital raising and asset exit capabilities. It will actively promote technological innovation to empower business development, and proactively adapt to market changes, seize the benefits of technological progress, particularly in the directions of health, energy saving, and intelligent control, build new-era good products and good services to continuously meet people's needs for a better life.

The Group will uphold the firm belief of "always defining itself by hard work", accelerate its transformation into an industry-leading urban investor, developer and operator, create a world-class enterprise, grow together with its partners, provide customers with good products and services, and enhance investment returns for shareholders.

Finally, on behalf of the Board, I would like to express heartfelt gratitude to our shareholders, customers, suppliers, employees and all sectors of society who have been caring for, supporting and trusting the Group for a long time!

MANAGEMENT DISCUSSION AND ANALYSIS

Review of Revenue and Profit Performance

1. Revenue and core net profit

In 1H2024, the economy of the PRC progressed steadily, with domestic demand continuing to recover. The real estate market showed signs of moderate recovery, but overall it was still in an adjustment cycle, with reduced demand. Faced with the current market environment, the Group actively responded to risks and challenges, balancing development and security, and steadily promoted various quality enhancement and efficiency improvement management initiatives, thereby leading to a steady overall performance in the first half of the year. During the period, the Group achieved total comprehensive revenue of RMB79.13 billion, a YoY increase of 8.4%, and a core net profit (which excludes revaluation gains from investment properties and includes the realised accumulated revaluation gain of certain investment properties disposed of in the period) of RMB10.74 billion, a YoY decrease of 4.7%. Among them, the Group's recurring revenue increased by 9.0% YoY, accounting for 25.3% of total revenue, up by 0.2 percentage point YoY. The core net profit of the recurring business increased by 14.4% YoY, and the profit contribution increased by 8.6 percentage points YoY to 51.4%.

Business	Revenue	YoY	Percentage	Core Net	YoY	Percentage
	RMB billion	Change		Profit	Change	
				RMB billion		
A. Property Development Business	59.13	+8.3%	74.7%	5.22	-19.0%	48.6%
B. Recurring Business	20.00	+9.0%	25.3%	5.52	+14.4%	51.4%
(1) Investment Property Business	11.47	+7.0%	14.5%	4.51	+12.5%	42.0%
(2) Asset-light Management Business	5.89	+17.6%	7.5%	0.72	+41.0%	6.7%
(3) Eco-system Elementary Business	2.64	+0.8%	3.3%	0.29	-5.8%	2.7%
Total	79.13	+8.4%	100.0%	10.74	-4.7%	100.0%

2. *Gross Profit and Gross Profit Margin*

In 1H2024, the Group achieved gross profit of RMB17.63 billion, with a comprehensive gross profit margin of 22.3%, representing a decrease of 3.4 percentage points YoY. During the period, the gross profit margin of the development property businesses of the Group decreased by 4.6 percentage points YoY to 12.4%. The gross profit margin for investment property business increased by 0.2 percentage point YoY to 71.5%, with the gross profit margin for investment property (excluding hotels) at 77.4%, representing a YoY increase of 0.3 percentage point. CR Mixc Lifestyle, with improved operational efficiency, has achieved a 0.8 percentage point increase YoY in gross profit margin to 34.0%.

3. *Sales and Marketing Expenses and Administrative Expenses*

In 1H2024, the Group maintained an efficient and lean organizational structure with sales and marketing expenses of RMB2.74 billion, being 3.5% of revenue, a 0.1 percentage point YoY decrease. During the period, general and administrative expenses were RMB1.84 billion, representing a 0.8 percentage point YoY decrease to 2.3% of revenue.

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

In 1H2024, the Group's share of profits of investments in associates and joint ventures totaled RMB1.42 billion, representing a decrease of RMB0.53 billion YoY.

5. *Income Tax Expenses*

Income tax expenses include enterprise income tax (including deferred taxation) and land appreciation tax. In 1H2024, the Group's income tax expenses were RMB8.14 billion, up by 16.3% YoY. Amongst that, enterprise income tax expenses were RMB6.19 billion, up by 10.3% YoY, while land appreciation tax was RMB1.95 billion, up by 41.0% YoY.

REVIEW OF MAIN BUSINESSES

1. Investment Property Business

In 1H2024, the revenue from investment property business reached RMB11.47 billion, up by 7.0% YoY.

Shopping Malls

In 1H2024, the revenue from shopping malls of the Group reached RMB9.48 billion, up by 9.7% YoY. The occupancy rate of the shopping malls of the Group was 97.3%, 1.1 percentage points higher YoY. The total carrying value of the Group's shopping malls was RMB206.61 billion after a revaluation gain of RMB3.32 billion (the overall value appreciation was primarily driven by the strong performance of certain projects within the portfolio), and accounted for 17.0% of the Group's total assets. As at 30 June 2024, the GFA of shopping malls was 10.45 million square meters, increased by 28.6% YoY, while the attributable GFA was 7.98 million square meters. The Group opened 6 new shopping malls, bringing the total number of operating shopping malls to 82.

Offices

In 1H2024, the Group recorded total revenue of RMB0.95 billion from office rental, representing a YoY decrease of 4.9%. The occupancy rate of the offices of the Group reached 75.0%, 6.8 percentage points lower YoY, mainly due to the recently launched Jinan CR Land Centre T1 being in the ramp-up period of its occupancy rate. The total carrying value of the Group's offices was RMB36.43 billion after revaluation, accounting for 3.0% of the Group's total assets. As at 30 June 2024, the total GFA of offices was 1.36 million square meters, increased by 7.7% YoY, while the attributable GFA was 1.05 million square meters. The Group opened 1 new office building, bringing the total number of office buildings in operation to 21.

Hotels

In 1H2024, the Group achieved a total revenue of RMB1.04 billion from hotel operations, representing a YoY decrease of 3.8%. The average occupancy rate of the hotels of the Group was 62.5%, decreased by 1.4 percentage points YoY. The book value of the Group's hotels in operation was RMB12.48 billion (including land use rights), accounting for 1.0% of the Group's total assets. As of 30 June 2024, the total GFA of hotels was 0.78 million square meters, increasing by 1.0% YoY, while the attributable GFA was 0.65 million square meters. The Group has 17 hotels in operation, with a total of 4,995 rooms.

Details of the Group's key investment properties opened in 1H2024 are listed below:

Investment Property	City	Interest Attributable to the Group	Total GFA (sqm)	Attributable GFA (sqm)
Handan Mixc One	Handan	30%	147,759	44,328
Comprising: Commercial			98,109	29,433
Carpark			49,650	14,895
Wuhan Wuchang Mixc	Wuhan	100%	365,291	365,291
Comprising: Commercial			267,811	267,811
Carpark			97,480	97,480
Hefei Baohe Mixc One	Hefei	50%	199,273	99,637
Comprising: Commercial			145,829	72,915
Carpark			53,444	26,722
Changzhou Mixc	Changzhou	100%	217,729	217,729
Comprising: Commercial			143,179	143,179
Carpark			74,550	74,550
Beijing Xibeiwang Mixc One	Beijing	100%	66,718	66,718
Comprising: Commercial			66,718	66,718
Tongxiang Mixc One	Jiaxing	16.7%	148,535	24,805
Comprising: Commercial			97,715	16,318
Carpark			50,820	8,487
Jinan CRL Center T1	Jinan	89%	97,255	86,557
Comprising: Office			97,255	86,557
Total			1,242,560	905,065
Comprising: Commercial			819,361	596,374
 Carpark			325,944	222,134
 Office			97,255	86,557

2. Asset-light Management Business

In 1H2024, the revenue of the Group's asset-light management business was RMB5.89 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 period, the commercial management business and property management business of CR Mixc Lifestyle achieved stable growth amidst intense market competition. As of 30 June 2024, the commercial management business had 108 shopping malls 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 164 cities nationwide, with a managed contracted area of 446 million square meters, representing an increase of 4.9% from the year end of 2023. During the period, CR Mixc Lifestyle's revenue increased by 17.1% YoY to RMB7.96 billion, of which RMB5.10 billion was from property management services, and RMB2.85 billion was from commercial management business.

3. Eco-System Elementary Business

In 1H2024, the revenue of the Group's eco-system elementary business was RMB2.64 billion, of which RMB1.20 billion was from building and construction business, RMB0.69 billion was from construction and operation services and RMB0.24 billion was from rental housing business.

4. Development Property Business

Review of Contracted Sales

In 1H2024, contracted sales were RMB124.70 billion, down by 26.7% YoY, and contracted GFA decreased by 25.7% YoY to 5.21 million square meters.

The Group's contracted sales breakdown by region in 1H2024 is set out in the table below:

Region	Contracted Sales		Contracted GFA	
	RMB'000	Percentage	sqm	Percentage
Shenzhen Region	16,020,903	12.8%	694,193	13.3%
South China Region	13,702,079	11.0%	542,721	10.4%
Midwest China Region	29,782,903	23.9%	1,414,179	27.1%
East China Region	37,925,166	30.4%	1,185,879	22.8%
North China Region	22,594,413	18.1%	1,360,116	26.1%
Hong Kong Region	4,677,979	3.8%	14,062	0.3%
Total	<u>124,703,443</u>	<u>100.0%</u>	<u>5,211,150</u>	<u>100.0%</u>

Review of Recognised Revenue

In 1H2024, development property recognised revenue of RMB59.13 billion, an increase of 8.3% YoY, and booked GFA decreased by 9.6% YoY to 3.45 million square meters.

The Group's recognised revenue breakdown by region in 1H2024 is listed as below:

Region	Recognised revenue		Booked GFA	
	<i>RMB'000</i>	<i>Percentage</i>	<i>sqm</i>	<i>Percentage</i>
Shenzhen Region	6,302,463	10.7%	315,895	9.1%
South China Region	2,682,171	4.5%	174,704	5.1%
Midwest China Region	21,927,698	37.1%	1,455,706	42.1%
East China Region	15,314,076	25.9%	600,577	17.4%
North China Region	12,900,308	21.8%	907,748	26.3%
Total	<u>59,126,716</u>	<u>100.0%</u>	<u>3,454,630</u>	<u>100.0%</u>

As of 30 June 2024, the Group had unbooked contracted sales of RMB321.45 billion that are subject to future recognition as development property revenue, among which, subject to construction and final delivery schedule, RMB166.12 billion may be recognised in the second half of 2024, providing a solid foundation for good results in 2024.

LAND BANK

In 1H2024, the Group acquired 11 high-quality land parcels at a total land premium of RMB25.6 billion (attributable land premium of RMB18.33 billion), adding a total GFA of 2.02 million square meters. As of 30 June 2024, the Group's total land bank area reached 56.99 million square meters.

1. Investment Properties

As of 30 June 2024, the Group's land bank for investment properties amounted to 9.28 million square meters, with an attributable area of 6.51 million square meters. Among which, the land bank for commercial properties accounted for 6.79 million square meters, representing 73.2% of the total. The Group has 46 shopping malls under planning and construction, which focused strategically on core cities, including Beijing, Shanghai, Shenzhen, Guangzhou, Hangzhou, Nanjing, etc.

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

Products	Total GFA <i>(sqm)</i>	Attributable GFA <i>(sqm)</i>
Commercial	6,788,341	4,724,934
Office	1,445,949	1,047,141
Hotel	607,636	471,339
Apartment	364,356	235,588
Industrial	72,641	29,056
Total	<u>9,278,923</u>	<u>6,508,058</u>

2. Property Development

As of 30 June 2024, the Group's land bank for property development amounted to 47.71 million square meters, with an attributable area 32.98 million square meters.

Regions	Total GFA <i>(sqm)</i>	Attributable GFA <i>(sqm)</i>
Shenzhen Region	7,532,474	4,378,171
South China Region	6,085,953	4,012,708
Midwest China Region	15,511,958	12,048,480
East China Region	7,790,157	4,949,558
North China Region	10,552,604	7,477,710
Hong Kong Region	238,704	116,577
Total	<u>47,711,850</u>	<u>32,983,204</u>

The Group's land bank provides a solid foundation for the sustained growth of the Group's business and performance. Going forward, based on business development needs, the Group will continue to adhere to its prudent investment strategy of optimizing investment structure and pace, assessing regional exposure with a focus on key cities, and effectively investing to achieve incremental growth, whilst ensuring financial stability and strict adherence to financial return targets.

LEVERAGE RATIO, FINANCING, AND FOREIGN EXCHANGE RISK MANAGEMENT

1. Gearing Ratio

As of 30 June 2024, the Group's total outstanding borrowings amounted to approximately RMB251.13 billion, with cash and bank balances totaling approximately RMB118.33 billion. The net interest-bearing debt-to-equity ratio (including non-controlling interests) was 33.6%, increasing by 1.0 percentage point compared to 32.6% as at the end of 2023, which is amongst the lowest in the industry.

2. Financing Cost

As of 30 June 2024, approximately 26% 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 3.24% as of 30 June 2024, a decrease of 32 basis points compared to 3.56% at the end of 2023.

3. Open Market Financing

To support the Company's business development, expand financing channels, and reduce financing costs, the Group raised approximately RMB6.0 billion through the issuance of super short-term commercial papers in 1H2024. The coupon rate ranged from 1.98% to 2.38%.

The details of the Group’s open market financings in 1H2024 are set out as follows:

Financing Entity/Asset	Currency	Product Name	Amount	Value Date	Maturity Date	Tenure	Coupon Rate
			RMB Million			Year	
China Resources Land Holdings Company Limited	RMB	Super short-term commercial papers	1,000	2024/3/22	2024/9/13	0.5	2.38
China Resources Land Holdings Company Limited	RMB	Super short-term commercial papers	1,000	2024/3/22	2024/9/13	0.5	2.38
China Resources Land Holdings Company Limited	RMB	Super short-term commercial papers	1,000	2024/3/22	2024/9/13	0.5	2.38
China Resources Land Holdings Company Limited	RMB	Super short-term commercial papers	1,000	2024/4/15	2024/10/11	0.5	2.21
China Resources Land Holdings Company Limited	RMB	Super short-term commercial papers	1,000	2024/4/15	2024/10/11	0.5	2.21
China Resources Land Holdings Company Limited	RMB	Super short-term commercial papers	1,000	2024/4/26	2024/10/18	0.5	1.98
Total			6,000				

4. Credit Ratings

In 1H2024, 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 30 June 2024, the Group had facilities totalling RMB97.8 billion which were secured through asset mortgages. The outstanding loan balance under these facilities was RMB61.5 billion, and the asset mortgages had terms ranging from 1.2 to 25 years.

6. Exchange Rate Fluctuation Risk

In 2024, the Group actively reduced its non-RMB net debt exposure. As of 30 June 2024, the exposure ratio decreased to 2.0%, 2.4 percentage points lower when compared to the end of 2023. At the end of June, the Group’s total transaction principal amount for hedging exchange rate risk through cross-currency swap contracts was approximately USD0.60 billion (equivalent to RMB4.28 billion). 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 position. At the same time, 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 property buyers, whichever occurs earlier. The Board is of the view that the fair value of these financial guarantee contracts is not significant.

EMPLOYEE AND COMPENSATION POLICIES

As of 30 June 2024, the Group had a total of 61,826 employees in mainland China and Hong Kong. The Group determines employee compensation based on performance, work experience, and market wage levels. In addition, performance bonuses are granted on a discretionary basis, and other employee benefits include provident funds, insurance 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 to the Rules Governing the Listing of Securities (the “Listing Rules”) on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) as its own code of corporate governance.

The Company has complied with the applicable code provisions that were in force as set out in the CG Code for 1H2024, 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, as the Company needs time to identify a suitable candidate to assume the role of the President, which was not in strict compliance with requirements under Code Provision C.2.1 of the CG Code. The Board considers that the balance of power and authority, accountability and independent decision making under present arrangement is not impaired because of the diverse background and experience of the executive Directors, non-executive Directors and independent non-executive Directors.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the model code (the “Model Code”) set out in Appendix C3 to the Listing Rules as code of conduct regarding securities transactions by the Directors. Having made specific enquiry with all Directors, all Directors confirmed that they have complied with the required standard set out in the Model Code during the period under review.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

Neither the Company nor its subsidiaries purchased, sold or redeemed any of the Company’s listed securities during the six months ended 30 June 2024. The Company did not have any treasury shares (as defined under the Listing Rules) as at 30 June 2024.

SIGNIFICANT INVESTMENT HELD

As at 30 June 2024, the Group did not hold any significant investment in equity interest in any other companies.

MATERIAL ACQUISITION AND DISPOSAL

The Group did not have any material acquisition and disposal of subsidiaries, associates and joint ventures during the six months ended 30 June 2024.

FUTURE PLANS FOR MATERIAL INVESTMENTS AND CAPITAL ASSETS

The Group did not have plans for material investments and capital assets as at 30 June 2024.

REVIEW BY AUDIT COMMITTEE AND AUDITORS

The Company’s 2024 Interim Report has been reviewed with no disagreement by the audit committee of the Company which comprises five independent non-executive Directors and one non-executive Director.

The unaudited interim financial report of the Group for the six months ended 30 June 2024 has been reviewed by the Company’s independent auditor, KPMG, in accordance with Hong Kong Standard on Review Engagements 2410 “Review of Interim Financial Information Performed by the Independent Auditor of the Entity” issued by the Hong Kong Institute of Certified Public Accountants, whose unmodified review report is included in the interim report to be sent to shareholders.

INTERIM DIVIDEND AND CLOSURE OF REGISTER OF MEMBERS

The Board has resolved to declare an interim dividend (“2024 Interim Dividend”) of RMB0.20 per share (equivalent to HKD0.219 per share) (2023: HKD0.216 per share) for 1H2024, payable on Friday, 25 October 2024 to shareholders whose names appear on the Company’s register of members on Wednesday, 11 September 2024. The register of members of the Company will be closed from Wednesday, 11 September to Thursday, 12 September 2024, during which period no transfer of shares will be effected. In order to be eligible for the 2024 Interim Dividend, all completed transfer forms accompanied by the relevant share certificates must be lodged with the Hong Kong branch share registrar of the Company, Tricor Standard Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong for registration no later than 4:30 p.m. on Tuesday, 10 September 2024.

The 2024 Interim Dividend will be payable in cash to each shareholder in Hong Kong Dollars (“HKD”) unless an election is made to receive the same in RMB, which will be converted from RMB at the exchange rate of RMB1.0:HKD1.0932 being the average benchmark exchange rate of RMB to HKD as published by the People’s Bank of China during the five business days immediately before Tuesday, 27 August 2024.

Shareholders will be given the option to elect to receive all or part of the 2024 Interim Dividend in RMB. If shareholders elect to receive the 2024 Interim Dividend in RMB, such dividend will be paid to shareholders at RMB0.20 per share. To make such election, shareholders should complete the dividend currency election form which is expected to be dispatched to shareholders on Friday, 20 September 2024 as soon as practicable after the record date of Wednesday, 11 September 2024 to determine shareholders’ entitlement to the 2024 Interim Dividend, and lodge it to Hong Kong branch share registrar of the Company, Tricor Standard Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong for registration no later than 4:30 p.m. on Monday, 7 October 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 Friday, 25 October 2024 at the shareholders’ own risk.

If no duly completed dividend currency election form in respect of that shareholder is received by the Hong Kong branch share registrar of the Company by 4:30 p.m. on Monday, 7 October 2024, such shareholder will automatically receive the 2024 Interim Dividend in HKD. All dividend payments in HKD will be made in the usual ways on Friday, 25 October 2024.

If shareholders wish to receive the 2024 Interim Dividend in HKD in the usual way, no additional action is required.

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

SUBSEQUENT EVENTS

The Group had no significant subsequent events since 30 June 2024 and up to the date of this announcement.

PUBLICATION OF INTERIM REPORT ON THE WEBSITE OF THE STOCK EXCHANGE

The Company's 2024 Interim Report containing the relevant information required by the Listing Rules will be published on the Stock Exchange's (www.hkexnews.hk) and the Company's (www.crland.com.hk) websites in due course.

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

Hong Kong, 27 August 2024

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