

# TARGET

## Intelligence Report

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### **CHINA RESOURCES LAND LTD: THIS COMPANY IS WELL-WORTH WATCHING**

#### **Profits Could Be Expected To Rise From One High Plateau To Another ... Even Higher Plateau!**

Unquestionable, China Resources Land Ltd (華潤置地有限公司) (Code: 1109, Main Board, The Stock Exchange of Hongkong Ltd) is a corporate entity, legally and beneficially owned by various entities under the direct authority and auspices of the Government of the People's Republic of China (PRC).

The PRC nomenclature of the entity that is, ultimately, the Controlling Shareholder of China Resources Land Ltd, via a labyrinth of intermediate corporate entities, is the State-Owned Assets Supervision and Administration Commission of the State Council of the PRC (中華人民共和國國務院國有資產監督管理委員會).

However, be that as it may, China Resources Land Ltd has all the appearances of being a well-managed and extremely profitable corporate entity.

On Wednesday, April 28, 2021, Management of China Resources Land Ltd produced and disseminated its 2020 Annual Report in the **Hongkong Special Administrative Region (HKSAR)** of the PRC with regard to the Financial Year, ended December 31, 2020.

At Page 120 of the 316-Page Annual Report, the Consolidated Income Statement was furnished, primarily, no doubt for the benefit of minority shareholders of the Company.

The following table are the highlights of this report:

	For The Financial Year, Ended December 31		Percentage Increase/(Decrease)*
	2020	2019	
	All Figures Are Denominated In Renminbi (RMB)'000 (except where otherwise stipulated)		
Revenue	179,587,269	148,167,235	21.21
Gross Profit	55,415,215	56,138,519	(1.29)
Gross Profit Margin*	30.86 percent	37.89 percent	(18.55)
Other Income, Other Gains And Losses	4,536,310	2,858,028	58.72
Profit Before Taxation	60,172,049	61,144,975	(1.59)
Profit For The Year	34,090,274	34,463,005	(1.08)

Net Profit Attributable To Shareholders	<b>29,809,959</b>	28,783,682	<b>3.57</b>
Net Profit Margin*	<b>16.60 percent</b>	19.43 percent	<b>(14.57)</b>
Earnings Per Share	<b>RMB4.18</b>	RMB4.13	<b>1.21</b>

\*These are **TARGET**'s calculations.

At Page 202 of the 2020 Annual Report of China Resources Land Ltd, Note Eight to the Accounts, under the subheading, '**OTHER INCOME, OTHER GAINS AND LOSSES**', the following table was presented for explanatory purposes, primarily, giving detailed descriptions of the above-mentioned items:

	<b>2020</b>	2019
	<b>All Figures Are Denominated In RMB'000</b>	
Interest Income	<b>2,170,181</b>	2,168,870
Gain/(Loss) Arising On Disposal Of Investment Properties	<b>313</b>	(141,753)
Government Grants	<b>119,259</b>	42,880
Loss On Remeasurement Of The Previously Held Interest In Joint Ventures	<b>(12,309)</b>	Nil
Gain On Remeasurement Of The Previously Held Interest In Associates	<b>Nil</b>	320,193
Gain On Deemed Disposal Of Subsidiaries	<b>16,483</b>	Nil
Exchange Gain/(Loss), Net	<b>1,367,869</b>	(118,131)
Others	<b>874,514</b>	585,969
<b>TOTAL</b>	<b>4,536,310</b>	<b>2,858,028</b>

At Page 122 of the 2020 Annual Report of China Resources Land Ltd, under the heading, '**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**', one was informed that, as at December 31, 2020, the Company had '*Properties for Sale*' at the Book Value of RMB376,161,525,000.00.

With regard of the 2019 Financial Year, the Company had '*Properties for Sale*' at the Book Value of RMB356,030,497,000.00.

At Page 123 of the 2020 Annual Report of China Resources Land Ltd, under the heading, '*Bank and other borrowings – due within one (Financial) year: RMB25,721,787,000.00.*'

As at December 31, 2019, '*Bank and other borrowings – due within one (Financial) year: RMB17,472,159,000.00.*'

The Net Assets Attributable to Shareholders of the Company (Shareholders' Funds), stood at RMB203,458,128,000.00, representing an increase, Year-On-Year, of 15.67 percent.

As would have become only too evident to **TARGET** Subscribers upon scanning the above-mentioned financials, China Resources Land Ltd is engaged in the development of properties for sale, property investments and management, hotel operations, and the provision of construction-decoration services and other property development-related services in the PRC, proper, being separate and distinct from the **HKSAR** of the **People's Republic of China (PRC)**, proper.

The Company was listed on the premier equity market of The Stock Exchange of Hongkong Ltd on or about November 8, 1996.

### **Management's Discussion**

At Page 28 of the 2020 Annual Report of the Company, the impact of COVID-19 was brought to bear on the global economy, with the PRC, proper, also being caught up in its deadly web.

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