



**China Merchants Land's 2021 Revenue Rose By 36.7% to RMB25.9 billion,
Aggregate Contracted Sales Increased By Over 10%,
with Solid Financial Position and Stable Business Development**

18 March 2022 -- China Merchants Land Limited (“China Merchants Land” or “the Company”, stock code: 00978) and its subsidiaries (the “Group”) announced an audited revenue of RMB25,921,416,000 (2020: RMB18,956,418,000) for the year ended 31 December 2021 (the “Year”), representing a year-on-year increase of approximately 36.7 per cent. Profit for the Year amounted to RMB1,582,866,000 (2020: RMB1,513,445,000). The Group’s basic earnings per share for the Year were RMB11.43 cents (2020: RMB14.30 cents). The board of China Merchants Land recommended the payment of a final dividend of HK\$0.06 per share in respect of the year ended 31 December 2021.

In 2021, China’s economy recovered steadily on all fronts under the effective prevention and control of the epidemic. The real estate industry experienced robust sales in the first half of the year, with most of the real estate enterprises accelerating the launch of projects amidst an active market. In the second half of the year, the new and secondary property markets cooled down due to austerity measures and tightened credit environment, but the overall market remained at relatively large scale throughout the year. Adapting to market changes, China Merchants Land achieved stable business development. During the Year, the Group, together with its associates and joint ventures, achieved an aggregate contracted sales of RMB55,196,000,000 (2020: RMB49,874,000,000), representing a year-on-year increase of approximately 10.7 per cent. Aggregate contracted sales area was 2,392,049 sq m (2020: 2,753,576 sq m), representing a year-on-year decrease of approximately 13.1 per cent. The average selling price was approximately RMB23,075 per sq m (2020: RMB18,113 per sq m), representing a year-on-year increase of approximately 27.4 per cent.

The Group’s financial position remained sound. As at 31 December 2021, the Group’s net gearing ratio was 65 per cent (2020: 31 per cent). The Group further utilizes the flexibility of its capital structure and resources in a rational manner according to project needs. In addition, the capital cost of the Group remained at an industry-low level. The weighted average finance costs was 4.6 per cent at the end of the Year.

As at 31 December 2021, the Group had 50 property development projects in Guangzhou, Foshan, Chongqing, Xi’an, Nanjing and Jurong, with a primary focus on the development of residential properties, as well as residential and commercial complex properties, types of products include apartments, villas, offices and retail shops, etc. In 2021, sales from projects in Foshan, Guangzhou,

Chongqing, Nanjing and Jurong, Xi'an and Hong Kong accounted for approximately 14.9 per cent, 8.6 per cent, 34.7 per cent, 32.8 per cent, 8.7 per cent and 0.3 per cent, respectively, of the total revenue of the Group. The saleable gross floor area of properties which had not been sold or presold as at 31 December 2021 was 5.406 million sq m.

During the Year, the Group recorded asset management services income of approximately RMB18,934,000.

According to the “Medium and Long-term Development Dynamic Model of China’s Real Estate Industry”, China’s real estate market will maintain a stable development trend in 2022, with sales area and new construction area expected to decline, while average sales price and investment growth rate will run steadily. China Merchants Land will adhere to the spirit of “continuous innovative and in-depth urban development”. In response to the rhythm of market changes, the Company will seize market opportunities in the process of industry adjustment to ensure stable business development. At the same time, the Group will strictly control its financial resources, enhance the efficiency of capital utilization and ensure the safety of cash flow. The Group will continue its prudent investment strategy, focusing on mainstream core cities, and to enhance brand competitiveness. At the time of industry restructuring, the Group will make full use of its advantages as a state-owned enterprise. In addition, the Group will continue to explore the potential of quality businesses in Hong Kong and overseas, actively focus on investment opportunities in Hong Kong and overseas regions, increase its participation in quality property development in Hong Kong, strengthen the Group’s existing investment business in Hong Kong and create value for shareholders.

About China Merchants Land Limited

As a subsidiary of China Merchants Shekou, China Merchants Land is a Hong Kong main board listed company, as well as a constituent stock of the Hang Seng Composite Industry Index – Properties & Construction, with comprehensive capabilities in property development and asset management. The asset management platform that the Company has successfully built encompasses industrial and financial capability for value added real estate fund and REITs. The Group’s property development, value added real estate fund investment management, and asset management businesses span across Hong Kong as well as first and second-tier major cities in China. Its controlling shareholder China Merchants Shekou indirectly owns a 74.35 per cent equity interest in the Company.

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(Attached with China Merchants Land’s consolidated statement of profit or loss and other comprehensive income for the year ended 31 December 2021)

China Merchants Land Limited (Stock Code: 978.HK)
Consolidated Statement of Profit or Loss and Other Comprehensive Income
For the year ended 31 December 2021

	2021	2020
	RMB'000	RMB'000
Revenue	25,921,416	18,956,418
Cost of sales	(21,129,665)	(14,236,842)
Gross profit	4,791,751	4,719,576
Other income	314,198	268,044
Net foreign exchange gains	53,622	72,902
Selling and marketing expenses	(822,717)	(673,586)
Administrative expenses	(277,676)	(202,843)
Allowance of expected credit losses on amounts due from associates and joint ventures	(262,073)	(187,294)
Fair value gain on financial asset at fair value through profit or loss	10,937	2,407
Gain on disposal of subsidiaries	–	81,577
Share of results of associates	330,551	195,728
Share of results of joint ventures	83,937	13,942
Finance costs	(691,661)	(685,307)
Profit before tax	3,530,869	3,605,146
Income tax expense	(1,948,003)	(2,091,701)
Profit for the year	1,582,866	1,513,445
Other comprehensive expense, net of income tax <i>Item that may be reclassified subsequently to profit or loss:</i>		
Exchange differences arising on translation of financial statements of foreign operations	(36,839)	(44,011)
Total comprehensive income for the year	1,546,027	1,469,434
Profit for the year attributable to:		
Owners of the Company	560,569	701,260
Non-controlling interests	1,022,297	812,185
	1,582,866	1,513,445
Total comprehensive income for the year attributable to:		
Owners of the Company	523,730	657,249
Non-controlling interests	1,022,297	812,185
	1,546,027	1,469,434
Earnings per share		
Basic (RMB cents)	11.43	14.30