



China Merchants Land's 2023 H1 Revenue Reached RMB9.81 Billion Orderly Business Development through Development + Operation Full-chain Model

23 August 2023 -- China Merchants Land Limited (“China Merchants Land” or the “Company”, stock code: 00978.HK) together with its subsidiaries (the “Group”) announced a revenue of RMB9,814,296,000 (2022 corresponding period: RMB13,794,534,000) for the six months ended 30 June 2023 (the “Period”). The year-on-year downward adjustment is mainly attributable to the Group’s decrease in the total gross floor area completed and delivered in the first half of 2023. Profit for the Period amounted to RMB813,760,000 (2022 corresponding period: RMB824,670,000). During the Period, basic earnings per share of the Group were RMB1.72 cents (2022 corresponding period: RMB5.09 cents).

During the Period, the Group, together with its associates and joint ventures, achieved an aggregate contracted sales of approximately RMB19,940,000,000. Aggregate contracted sales area was approximately 1,011,454 sq m, representing a year-on-year increase of approximately 26%. The average selling price was approximately RMB19,714 per sq m.

As at 30 June 2023, the Group’s net gearing ratio was 62 per cent. The Group will continue to adopt relatively stable financial policies, to ensure stable development of the Group.

As at 30 June 2023, the Group had 46 property development projects in Foshan, Guangzhou, Chongqing, Nanjing, Jurong and Xi’an, 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 the first half of 2023, projects in Foshan, Guangzhou, Chongqing, Nanjing, Xi’an and Hong Kong accounted for approximately 1.6 per cent, 3.4 per cent, 19.5 per cent, 20.1 per cent, 55 per cent and 0.4 per cent, respectively, of the total revenue of the Group, respectively. The saleable floor area of properties comprising projects which had not been sold or presold as at 30 June 2023 was approximately 4.93 million sq m.

During the Period, the Group’s wholly-owned subsidiary, being the REIT manager of the China Merchants Commercial Real Estate Investment Trust, recorded asset management services income of approximately RMB 7,588,000.

Looking ahead to the second half of the year, the real estate market will maintain an orderly recovery.

The meeting of the Political Bureau of the Central Committee put forth “adjusting and optimizing the real estate policy at the right timing in light of new situations in China’s real estate market in which there are significant changes in the relationship between supply and demand. This message strengthens market expectations for policy loosening. Along with the central bank’s Loan Prime Rate benchmark interest rate cut in June, the commercial bank mortgage benchmark interest rate will be correspondingly lowered. Personal mortgage rate is expected to remain low which, coupled with the gradual relaxation of restrictive home purchase policies, will further transform potential demand to transactions. With the Matthew effect becoming more prevalent in the real estate industry, the real estate enterprises with robust balance sheets and outstanding operational ability will acquire more market share and development opportunities. China Merchants Land adheres to the strategy of "deep urban cultivation", and has formed a development + operation full-chain model, possessing a mix of asset-light and asset-heavy businesses, covering residential development, hotel operation, REIT asset management, etc.

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About China Merchants Land Limited

China Merchants Land is a Hong Kong main board listed company with comprehensive capabilities in property development and asset management under China Merchants Group, a state-owned enterprise. The Company has also successfully built an asset management platform that encompasses industrial and financial capability, with a portfolio comprising 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 Industrial Zone Holdings Co., Ltd. indirectly owns a 74.35 per cent equity interest in the Company.

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(Attached with China Merchants Land’s condensed consolidated statement of profit or loss and other comprehensive income for the six months ended 30 June 2023)

China Merchants Land Limited (Stock Code: 978.HK)
Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income
For the six months ended 30 June 2023

	Six months ended 30 June	
	2023	2022
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Revenue	9,814,296	13,794,534
Cost of sales	(7,921,189)	(11,636,046)
Gross profit	1,893,107	2,158,488
Other income	207,845	204,784
Net foreign exchange (losses) gains	10,664	(17,126)
Selling and marketing expenses	(278,896)	(438,892)
Administrative expenses	(99,662)	(153,369)
Share of results of associates	164,112	118,555
Share of results of joint ventures	11,486	118,730
Finance costs	(375,812)	(302,839)
Profit before tax	1,532,844	1,688,331
Income tax expense	(719,084)	(863,661)
Profit for the period	813,760	824,670
Other comprehensive income, 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	28,728	19,879
Total comprehensive income for the period	842,488	844,549
Profit for the period attributable to:		
Owners of the Company	84,140	249,763
Non-controlling interests	729,620	574,907
	813,760	824,670
Total comprehensive income for the period attributable to:		
Owners of the Company	112,868	269,642
Non-controlling interests	729,620	574,907
	842,488	844,549
Earnings per share		
Basic (RMB cents)	1.72	5.09