



**China Merchants Land's 2020 Contracted Sales Rose 33% to RMB49.9 billion,  
Continued To Pay Dividend Despite Adversity  
with Solid Financial Position and Stable Business Development**

18 March 2021 -- China Merchants Land Limited (“China Merchants Land” or “the Company”, stock code: 00978) and its subsidiaries (the “Group”) announced an audited revenue of RMB18,956,418,000 (2019: RMB19,453,295,000) for the year ended 31 December 2020 (the “Year”), representing a year-on-year decrease of approximately 3 per cent, mainly due to the year-on-year decrease in the area completed and delivered during the year. Profit for the Year amounted to RMB1,513,445,000 (2019: RMB2,699,736,000). The profit attributable to the owners of the Company was RMB701,260,000 (2019: RMB1,794,470,000).

Economic disruption and uncertainty swept across the globe as the COVID-19 outbreak continued in 2020. The pandemic prompted governments to impose lockdowns, causing large-scale economic disruption. China Merchants Land strove to overcome the challenges of market conditions and achieved contracted sales growth amid a severe operating environment. During the Year, the Group, together with its associates and joint ventures, achieved an aggregate contracted sales of RMB49,874,000,000 (2019: RMB37,633,312,000), representing a year-on-year increase of approximately 33 per cent. Aggregate contracted sales area was 2,753,576 sq m. (2019: 2,116,012 sq m), representing a year-on-year increase of approximately 30 per cent. The average selling price was approximately RMB18,113 per sq m (2019: RMB17,785 per sq m), representing a year-on-year increase of approximately 2 per cent.

In addition, the Group adhered to a prudent dividend policy and shared profits with shareholders to thank them for their support. The board of China Merchants Land recommended the payment of a final dividend of HK\$0.07 per share in respect of the year ended 31 December 2020 (2019: HK\$0.14 per share). During the Year, the Group’s basic earnings per share were RMB14.30 cents (2019: RMB36.58 cents). The Group’s gross profit margin was approximately 25 per cent (2019: 33 per cent), representing a year-on-year decrease of approximately 8 percentage points.

The Group’s financial position remained sound, with strong financing capacity and net debt ratio controlled at industry’s average low level. As at 31 December 2020, the Group’s net gearing ratio was 31 per cent (2019: 45 per cent). The Group will continue to optimize its debt structure to be better than the industry’s. In addition, the capital cost of the Group still remained at industry-low

level. The weighted average finance costs is 4.9% in 2020.

As at 31 December 2020, the Group had 41 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 2020, projects in Foshan, Guangzhou, Chongqing, Nanjing and Jurong, and Xi'an accounted for approximately 12 per cent, 17 per cent, 36 per cent, 33 per cent, and 1 per cent, respectively, of the total revenue of the Group.

Adhering to the business development principle of "continued capability and services improvement, and innovative development" and leveraging the abundant inventory resources of China Merchants Group Limited and China Merchants Shekou Industrial Zone Holdings Co., Ltd., China Merchants Land has been actively exploring market investment opportunities. The saleable gross floor area of properties which had not been sold or presold as at 31 December 2020 was 5,493,428 sq m. With respect to intensive development of existing cities, priority is given to cities such as provincial capital cities that have a net inflow of population.

During the Year, the Group's asset-light business transformation was being implemented as planned. In addition to managing private equity value-added real estate fund, the Group also managed China Merchants Commercial Real Estate Investment Trust, which contributed an asset management services income of RMB18,074,000 during the Year, representing year-on-year growth.

Looking into 2021, the global economy will continue to be affected by the pandemic. The progress of COVID-19 vaccine development will help foster economic recovery. It is expected that economic growth will not be strong at the beginning of 2021. However, with the successful development of vaccines and increase in vaccinations, restrictions on the movement of people will gradually be lifted and an accelerated upturn in the global economy is expected by the third quarter. Taking into account the base effect, the outlook for economic growth for 2021 is relatively positive. 2021 marks the beginning of the 14th Five-Year Plan and also the first year in which China's economy enters a new stage of development. The central government is expected to continue to promote the expansion of domestic demand, support innovation and development, and improve the business environment. Consequently, China's economic growth rate is likely to return to normal growth rate or above; in general, the outlook is "optimistic".

In respect of industry policies, "houses are for living not for speculation" has become a national policy. The Group will conduct thorough research and in-depth exploration of the structural opportunities in the industry, persevere with intensive city development, and grasp the opportunities arising from urban renewal. From the aspect of industry competition, the real estate

market continues to improve under the four-tier administration of the “three red lines” rule, which is part of the long-term mechanism that works through the coordinating efforts among five departments; as a result, there is a growing trend for industry concentration and resource integration. The Group will continue to improve its management capabilities and operational capabilities to a higher level, taking the lead into the era of “managing dividends”. At the same time, China Merchants Land is responsible for implementing China Merchants Group’s overseas development strategy, and will continue to pay attention to investment opportunities in Hong Kong and overseas regions, increase its participation in premium property development in Hong Kong, strengthen the Company’s existing business in Hong Kong, and create a brand effect. Leveraging the competitive edge as an overseas listing platform, the Company will continue to expand its market and create value for shareholders.

### **About China Merchants Land Limited**

China Merchants Land is a Hong Kong main board listed company, also 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 is actively building is a whole-industry-chain property business platform encompassing industrial and financial capability for value-added real estate fund and REITs’ investment properties. 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 tiers 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 consolidated statement of profit or loss and other comprehensive income for the year ended 31 December 2020)

**China Merchants Land Limited (Stock Code: 978.HK)**  
**Consolidated Statement of Profit or Loss and Other Comprehensive Income**  
**For the year ended 31 December 2020**

	2020	2019
	RMB'000	RMB'000
Revenue	18,956,418	19,453,295
Cost of sales	<u>(14,236,842)</u>	<u>(13,123,667)</u>
Gross profit	4,719,576	6,329,628
Other income	268,044	370,897
Net foreign exchange gains	72,902	44,482
Selling and marketing expenses	(673,586)	(507,007)
Administrative expenses	(202,843)	(247,011)
Allowance of expected credit losses on amounts due from associates and joint ventures	(187,294)	–
Fair value gain on financial asset at fair value through profit or loss	2,407	3,031
Gain on disposal of a joint venture	–	18,013
Gain on disposal of subsidiaries	81,577	204
Share of profits of associates	195,728	433,017
Share of profits of joint ventures	13,942	40,423
Finance costs	<u>(685,307)</u>	<u>(733,006)</u>
Profit before tax	3,605,146	5,752,671
Income tax expense	<u>(2,091,701)</u>	<u>(3,052,935)</u>
Profit for the year	1,513,445	2,699,736
Other comprehensive (expense) 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	<u>(44,011)</u>	14,190
Total comprehensive income for the year	<u><b>1,469,434</b></u>	<u><b>2,713,926</b></u>
Profit for the year attributable to:		
Owners of the Company	701,260	1,794,470
Non-controlling interests	<u>812,185</u>	<u>905,266</u>
	<u><b>1,513,445</b></u>	<u><b>2,699,736</b></u>
Total comprehensive income for the year attributable to:		
Owners of the Company	657,249	1,808,660
Non-controlling interests	<u>812,185</u>	<u>905,266</u>
	<u><b>1,469,434</b></u>	<u><b>2,713,926</b></u>
Earnings per share		
Basic (RMB cents)	<u><b>14.30</b></u>	<u><b>36.58</b></u>