



China Merchants Land's 2023 Profit Reaches RMB1.25 Billion Multi-dimensional Expansion Business Strategies To Achieve Orderly Business Development

14 March 2024 - China Merchants Land Limited (“China Merchants Land” or the “Company”, stock code: 00978.HK) together with its subsidiaries (the “Group”) announced that its audited profit for the year ended 31 December 2023 amounted to RMB1,251,815,000 (2022: RMB1,730,026,000), profit attributable to the owners of the Company was RMB133,414,000 (2022: RMB329,659,000). Basic earnings per share were RMB2.72 cents (2022: RMB6.72 cents).

The board of directors of the Company recommended the payment of a final dividend of HK\$0.012 (equivalent to approximately RMB0.011) per share in respect of the year ended 31 December 2023, representing a total payment of approximately HK\$58,863,000 (equivalent to approximately RMB53,958,000). The revenue of China Merchants Land amounted to RMB28,800,845,000 (2022: RMB29,871,347,000), of which projects in Nanjing and Jurong, Xi'an, Chongqing, Guangzhou, Foshan and Hong Kong accounted for approximately 38.41%, 34.47%, 17.30%, 4.95%, 4.62% and 0.25%, respectively. During the year under review, the Group, together with its associates and joint ventures, achieved aggregate contracted sales of RMB38,600,000,000 (2022: RMB47,861,000,000). Aggregate contracted sales area was 1,898,545 sq m (2022: 1,931,711 sq m). The average selling price was approximately RMB20,331 per sq m (2022: RMB24,777 per sq m).

The saleable gross floor area of properties which had not been sold or presold as at 31 December 2023 was 5,201,674 sq m, of which 51%, 21% and 20% were located in Chongqing, Nanjing and Jurong, and Xi'an respectively, and the rest were located in Guangzhou and Foshan.

As at 31 December 2023, the Company had bank balances and cash of RMB10,283,322,000 (2022: RMB12,343,547,000). The Group had a healthy financial position. Its net interest-bearing debt (total interest-bearing debt minus bank balances and cash) to equity (including non-controlling interests) ratio (the “net gearing ratio”) was 71% as at 31 December 2023 (2022: 70%). The Group further leveraged the flexibility of its capital structure and resources in a rational manner according to project needs. The capital cost of the Group remained at an industry-low level. As at 31 December 2023, the weighted average finance cost of the interest-bearing debt was 4.18%, of which the

average finance costs of bank and financial institution borrowings was 4.08%.

As at 31 December 2023, the Group's portfolio of property development projects consisted of 48 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. During the year under review, the Group added 5 new projects with majority control, with a total land premium of RMB8,220 million. The Group had achieved milestones in its Hong Kong business. During the year under review, the consortium in which the Group participated won the Shing Tak Street/ Ma Tau Chung Road Development Project. As a result, the total number of resident development projects in which the Group participated in Hong Kong reached five, enriching its Hong Kong land bank attributable to its equity holding. The Group was ranked among the top five in terms of sales in Nanjing and Chongqing, reflecting its strategic focus on cities had been successful. Meanwhile, Xi'an Company made significant progress and gradually became a new source of profit for the Group.

During the year under review, the Group recorded asset management services income of approximately RMB14,971,000 (2022: RMB30,457,000).

In the future, the Group will increase revenue and reduce expenditure, and strive to control the level of the three expenses below the industry benchmark, in order to strive for a management dividend. Furthermore, it will upgrade the image of its residential product lines, and complete the establishment and application of the new star product lines – “Radiance Series”, “Tianqing Series” and “Xu Series” etc., adhere to customer value, and practically improve the quality of products and services. Furthermore, the Group has strengthened the application of digital empowerment, utilizing innovative digital means to support online marketing, speeding up the construction of public buildings and the “Together, we make the flame up project” (universal marketing), etc. The Group has taken various measures to resolutely sell its inventories and improve the quality of its assets, thereby ensuring that its cash flow will remain within a safe margin in the long run.

As a pillar industry of the national economy, the real estate sector will continue to maintain its enormous market potential and importance in the future. China Merchants Land will exercise caution when planning for its development, and continue to intensify its development in the cities in which it operates, by capitalizing on the take-off of the China Merchants Group's third entrepreneurship.

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. 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 consolidated statement of profit or loss and other comprehensive income for the year ended 31 December 2023)

China Merchants Land Limited (Stock Code: 978.HK)

Consolidated statement of profit or loss and other comprehensive income for the year ended 31 December 2023

	2023 RMB'000	2022 RMB'000
Revenue	28,800,845	29,871,347
Cost of sales	<u>(24,930,302)</u>	<u>(25,867,814)</u>
Gross profit	3,870,543	4,003,533
Other income	453,737	395,564
Net foreign exchange gains (losses)	6,451	(100,322)
Selling and marketing expenses	(849,323)	(796,621)
Administrative expenses	(379,112)	(296,312)
Allowance of expected credit losses on amounts due from associates and joint ventures	(2,497)	(59,059)
Fair value (loss) gain on financial asset at fair value through profit or loss	(36,420)	10,606
Gain on disposal of subsidiaries	-	56,710
Gain on acquisition of additional interests in an associate	-	130,518
Share of results of associates	303,351	143,788
Share of results of joint ventures	64,730	120,148
Finance costs	<u>(740,390)</u>	<u>(627,910)</u>
Profit before tax	2,691,070	2,980,643
Income tax expense	<u>(1,439,255)</u>	<u>(1,250,617)</u>
Profit for the year	1,251,815	1,730,026
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	<u>18,932</u>	<u>46,870</u>
Total comprehensive income for the year	<u>1,270,747</u>	<u>1,776,896</u>
Profit for the year attributable to:		
Owners of the Company	133,414	329,659
Non-controlling interests	<u>1,118,401</u>	<u>1,400,367</u>
	<u>1,251,815</u>	<u>1,730,026</u>
Total comprehensive income for the year attributable to:		
Owners of the Company	152,346	376,529
Non-controlling interests	<u>1,118,401</u>	<u>1,400,367</u>
	<u>1,270,747</u>	<u>1,776,896</u>
Earnings per share		
Basic (RMB cents)	<u>2.72</u>	<u>6.72</u>