



China Merchants Land's 2024 H1 Revenue Reached RMB5.24 Billion Realizing Organic Combination of Heavy and Light Asset Businesses

29 August 2024 -- China Merchants Land Limited ("China Merchants Land" or the "Company", stock code: 00978.HK) together with its subsidiaries (the "Group") announced a revenue of RMB5,244,150,000 (2023 corresponding period: RMB9,814,296,000) for the six months ended 30 June 2024 (the "Period"). The year-on-year adjustment is mainly attributable to the Group's decrease in the total gross floor area ("GFA") completed and delivered in the first half of 2024. Loss for the Period amounted to RMB241,012,000 (profit for 2023 corresponding period: RMB813,760,000). During the Period, the Group's gross profit amounted to RMB198,635,000, with a gross profit margin of 4%. The Group's loss for the Period was attributable to the significant year-on-year decrease in total gross profit as a result of the significant decrease in the scale of real estate development projects carried forward and gross profit margins as compared to the corresponding period to the previous year against the backdrop that the real estate market was in a downward cycle.

During the Period, the Group, together with its associates and joint ventures, achieved aggregate contracted sales of approximately RMB19,683,000,000. Aggregate contracted sales area was approximately 868,378 sq m, representing a year-on-year decrease of approximately 14%. The average selling price was approximately RMB22,667 per sq m. As at 30 June 2024, the Group's net gearing ratio was 79%.

As at 30 June 2024, the Group's portfolio of property development projects consisted of 48 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, products types including apartments, villas, offices and retail shops, etc. For the first half of 2024, projects in Foshan, Guangzhou, Chongqing, Nanjing, Xi'an and Hong Kong accounted for 8.1%, 0.7%, 25.3%, 24.1%, 41.1% and 0.7% of the total revenue of the Group respectively. The saleable GFA of properties comprising projects which had not been sold or pre-sold as at 30 June 2024 was approximately 4.62 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 service income of approximately RMB9,314,000.

In the second half of the year, China Merchants Land will continue to adhere to the principle of

investing on the basis of projected sales results and select investment projects. On the premise of ensuring safe cash flow and controllable risks, appropriate replenishment will be carried out based on the inventory situation, with a focus on high-quality projects with higher certainty in core cities. In terms of real estate development, the Group will carefully select and focus on high-quality projects in core cities, carefully refine the quality of its products and improve the quality of its services; the Group will promote sales and increase the cash flow; reduce costs and increase efficiency. The Group also emphasizes the prevention of operational risks to ensure safe production. In terms of asset operation, the Group will strengthen its operational capabilities, create star benchmark projects with quality multi-industry synergies and refined cost control to enhance the value of its assets.

In the future, China Merchants Land will consistently adhere to the core concept of “deep urban cultivation” and build a full-chain business model covering residential property development, hotel operation and REIT asset management. This approach will realize an organic combination of heavy and light asset businesses to meet the various challenges that may arise.

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About China Merchants Land Limited

China Merchants Land Limited, a company listed on the Main Board of the Hong Kong Stock Exchange under China Merchants Group, a central government owned enterprise, has a business landscape that reflects the dual brilliance of real estate development and asset management. The Company not only possesses experience in real estate development, but also has built an asset management platform, i.e. Real Estate Investment Trusts (REITs) management, which is an innovative business system that integrates industry and finance, and has built a seamless bridge between capital and industry. China Merchants Land 's strategic layout spans across Hong Kong and the Mainland, with a precise focus on first-tier and popular second-tier cities in China.

The Company is indirectly held as to 74.35% by its controlling shareholder, China Merchants Shekou Industrial Zone Holdings Co.,Ltd., which provides China Merchants Land with a continuous source of resources and impetus to ensure its steady progress in the face of fierce market competition.

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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 2024)

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 2024

	Six months ended 30 June	
	2024	2023
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Revenue	5,244,150	9,814,296
Cost of sales	(5,045,515)	(7,921,189)
Gross profit	198,635	1,893,107
Other income	231,496	207,845
Net foreign exchange (losses) gains	(15,323)	10,664
Selling and marketing expenses	(257,414)	(278,896)
Administrative expenses	(14,486)	(99,662)
Share of results of associates	50,041	164,112
Share of results of joint ventures	(4,822)	11,486
Finance costs	(399,489)	(375,812)
(Loss)/profit before tax	(211,362)	1,532,844
Income tax expense	(29,650)	(719,084)
(Loss)/profit for the period	(241,012)	813,760
Other comprehensive income, net of income tax		
<i>Items that may be reclassified subsequently to profit or loss:</i>		
Exchange differences arising on translation of financial statements of foreign operations	(30,073)	28,728
Total comprehensive income for the period	(271,085)	842,488
(Loss)/profit for the period attributable to:		
Owners of the Company	(327,653)	84,140
Non-controlling interests	86,641	729,620
	(241,012)	813,760
Total comprehensive income for the period attributable to:		
Owners of the Company	(357,726)	112,868
Non-controlling interests	86,641	729,620
	(271,085)	842,488
(Loss)/earnings per share		
Basic (RMB cents)	(6.68)	1.72