



**CHINA MERCHANTS LAND'S 2019 FIRST HALF PROFIT ATTRIBUTABLE TO OWNERS OF THE COMPANY SURGED BY 15% YOY TO RMB491 MILLION
CONTRACTED SALES ROSE BY 9% YOY TO RMB15,830 MILLION**

19 August 2019 - China Merchants Land Limited ("China Merchants Land" or the "Company", stock code: 00978) and its subsidiaries (the "Group") announced a profit of RMB528,223,000 for the six months ended 30 June 2019 (the "Period") (2018 corresponding period: RMB809,702,000), representing an adjustment of approximately 35 per cent year-on-year. The profit attributable to the owners of the Company was RMB491,215,000 (2018 corresponding period: RMB427,087,000), representing an increase of approximately 15 per cent year-on-year. The increase in the profit attributable to the owners of the Company was mainly due to increased amount of completed and delivered properties held by the project companies in which the Group had higher proportion of equity interests for the Period, as well as a net foreign exchange gain during the Period, when compared to a loss recorded for the corresponding period of last year. The Group's gross profit amounted to RMB949,684,000, with a gross profit margin of 33 per cent (2018 corresponding period: 44 per cent), down by approximately 11 percentage points as compared with that of the corresponding period of last year. During the Period, basic earnings per share were RMB10.01 cents (2018 corresponding period: RMB8.71 cents). The board does not recommend the payment of an interim dividend for the six months ended 30 June 2019.

The Group recorded a turnover of RMB2,904,538,000 (2018 corresponding period: RMB3,248,598,000), representing a drop of approximately 11 per cent as compared to the corresponding period of last year. Such decrease was attributable to the decrease in the total gross floor area ("GFA") completed and delivered in the first half of 2019. During the Period, the Group, together with its associated companies and joint ventures, achieved an aggregate contracted sales amount of RMB15,830,042,000, representing an increase of 9 per cent year-on-year. Aggregate contracted sales area was 923,726 sq m, up by 14 per cent year-on-year. The average selling price was approximately RMB17,137 per sq m, representing a decrease of 4 per cent year-on-year. Pre-sales amount reached RMB21.5 billion, up by 44 per cent year-on-year.

As at 30 June 2019, the Group's net gearing ratio (i.e. total interest-bearing debt minus bank balances and cash to equity (including non-controlling interests) ratio) was 45 per cent (31 December 2018: 50 per cent). The Group continued to optimize its debt structure, which was better than the industry's. In addition, the Group had a lower proportion of foreign liabilities which allowed the Group to effectively manage its foreign exchange risk. The Group's financial position remained sound, with a relatively strong potential financing capacity. The Group will continue to

adopt relatively prudent financial policies and to control the net gearing ratio at the industry average level.

As at 30 June 2019, the Group's portfolio of property development projects consisted of 30 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 included apartments, villas, offices and retail shops etc. During the Period, projects in Foshan, Guangzhou, Chongqing, Nanjing, Xi'an and Hong Kong accounted for approximately 52 per cent, 18 per cent, 5 per cent, 23 per cent, 1 per cent and 1 per cent respectively of the total revenue of the Group. The saleable GFA of the properties comprising the projects which had not been sold or pre-sold as at 30 June 2019 was 5,012,038 sq m, of which 27 per cent was located in the Greater Bay Area.

In terms of newly acquired resources, the Group acquired land parcel in Foshan with a total permissible area of 116,087 sq m. Meanwhile, the Group tapped the Hong Kong residential market through joint venture for the first time and will actively explore other opportunities in the future. In addition, according to the Group's operating statistics announced on 11 July 2019, the Company acquired five other new projects, in the first half of 2019, with a total GFA of 1,028,698 sq m and attributable GFA amounted to 406,857 sq m.

Looking into the second half of the year, domestic economic will continue to be exposed to significant downside risk. It is anticipated that the market will remain stable, and regulatory policies will be aiming at achieving stability. In the face of a complicated and changing economic environment, the Group will maintain stable and prudent financial strategies, optimize financial structure, implement business plans effectively, take advantage of its capital resources and deploy new businesses at a faster pace, such that the Group could effectively grasp market opportunities arising from the shift from new supply to those existing in the market and be able to flexibly respond to changes in the market.

About China Merchants Land Limited

China Merchants Land Limited is a holding company with comprehensive capabilities of property development, operation and management. Its property portfolio spans across Hong Kong, Guangzhou, Foshan, Nanjing, Chongqing and Xi'an. Currently, China Merchants Shekou Industrial Zone Holdings Co., Ltd. indirectly owns a 74.35 per cent equity interest in the Company.

(Attached with China Merchants Land's condensed consolidated statement of profit or loss and other comprehensive income for the six months ended 30 June 2019)

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China Merchants Land Limited (Stock Code: 00978)
Condensed Consolidated Statement of Profit or Loss
and Other Comprehensive Income For the Six Months Ended 30 June 2019

	Six months ended 30 June	
	2019 <i>RMB'000</i> (unaudited)	2018 <i>RMB'000</i> (unaudited)
Revenue	2,904,538	3,248,598
Cost of sales	<u>(1,954,854)</u>	<u>(1,827,827)</u>
Gross profit	949,684	1,420,771
Other income	107,640	102,924
Net foreign exchange gains (losses)	49,308	(43,556)
Selling and marketing expenses	(96,116)	(117,352)
Administrative expenses	(131,604)	(70,032)
Fair value loss on derivative financial instruments	–	(21,013)
Gain on disposal of a subsidiary	204	–
Share of profits (losses) of associates	302,110	(7,947)
Share of (losses) profits of joint ventures	(17,630)	376,039
Finance costs	<u>(217,010)</u>	<u>(237,848)</u>
Profit before tax	946,586	1,401,986
Income tax expense	<u>(418,363)</u>	<u>(592,284)</u>
Profit for the period	<u>528,223</u>	<u>809,702</u>
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	<u>1,914</u>	<u>866</u>
Total comprehensive income for the period	<u>530,137</u>	<u>810,568</u>
Profit for the period attributable to :		
Owners of the Company	491,215	427,087
Non-controlling interests	<u>37,008</u>	<u>382,615</u>
	<u>528,223</u>	<u>809,702</u>
Total comprehensive income for the period attributable to:		
Owners of the Company	493,129	427,953
Non-controlling interests	<u>37,008</u>	<u>382,615</u>
	<u>530,137</u>	<u>810,568</u>
Earnings per share		
Basic (RMB cents)	<u>10.01</u>	<u>8.71</u>
Diluted (RMB cents)	<u>N/A</u>	<u>8.71</u>