



CHINA MERCHANTS LAND ISSUES POSITIVE PROFIT ALERT ON SIGNIFICANT INCREASE OF PROFIT ATTRIBUTABLE TO THE OWNERS OF THE COMPANY FOR 2019

6 January 2020 - China Merchants Land Limited (“China Merchants Land” or “the Company”, stock code: 00978) and its subsidiaries (the “Group”) issued a positive profit alert. Based on the initial evaluation of the unaudited consolidated management accounts of the Group, the increase of the profit attributable to the owners of the Company for the year ended 31 December 2019 is expected to be no less than 35 per cent when compared with that of 2018. The increase is mainly due to (i) a substantial increase in gross profit for the twelve-month period ending 31 December 2019, which was attributable to a drastic increase in the total gross floor area of properties completed and delivered during the period; (ii) the increase in the number of properties completed and delivered before 31 December 2019 mainly held by project companies in which the Group holds a relatively high proportion of equity interests will lead to a substantial increase in profit attributable to the owners of the Company during the period.

During the year, the Company's business transformation came to an orderly implementation. Non-competition Deed amendments between China Merchants Land and its controlling shareholder, China Merchants Shekou Industrial Zone Holdings Co., Ltd (“CMSK”) were approved twice subsequently by the shareholders in 2019, and strategically implemented asset-light management business including entering the office premise markets in Beijing and Shanghai through the industry-finance integration. CMSK transferred, through a wholly-owned subsidiary, 20 per cent of the interests in a real estate fund holding three office properties to China Merchants Land. The real estate fund holds a comprehensive development project (Beijing Merchants Tower) in Chaoyang District, Beijing, China, a comprehensive development project (Shanghai Merchants Tower) in Pudong District, Shanghai, China, and a comprehensive development project (Shanghai Merchants Plaza) in Jing'an District, Shanghai, China. In addition, CMSK also transferred a 51 per cent equity interest of the management company that provides asset management services to the above properties to China Merchants Land.

In addition to managing private equity value-added real estate fund, the Company has also made significant progress in managing real estate trust fund. At the end of 2019, the Company, through its wholly-owned subsidiary, obtained the Type 9 license (asset management license) issued by the Securities and Futures Commission. At the same time,

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China Merchants Commercial Real Estate Investment Trust managed by the Company's wholly-owned subsidiary was also officially listed. The assets managed by China Merchants Land have spread to first-tier cities in China.

About China Merchants Land Limited

China Merchants Land is a Hong Kong-listed company 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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