招商局置地有限公司
CHINA MERCHANTS LAND LIMITED

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(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 978)

ANNOUNCEMENT OF FINAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2023

The board (the "**Board**") of directors (the "**Directors**") of China Merchants Land Limited (the "**Company**") announces the consolidated results of the Company and its subsidiaries (together referred to as the "**Group**") for the year ended 31 December 2023 together with the comparative figures for the year ended 31 December 2022 as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
For the year ended 31 December 2023

	NOTES	2023 RMB'000	2022 RMB'000
Revenue	3	**28,800,845**	29,871,347
Cost of sales		**(24,930,302)**	(25,867,814)
Gross profit		**3,870,543**	4,003,533
Other income	5	**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 ("**FVTPL**")		**(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	6	**(740,390)**	(627,910)

	NOTES	2023 RMB'000	2022 RMB'000
Profit before tax	*8*	**2,691,070**	2,980,643
Income tax expense	*7*	**(1,439,255)**	(1,250,617)
Profit for the year		**1,251,815**	1,730,026
Other comprehensive expense, net of income tax			
Item that may be reclassified subsequently to profit or loss:			
Exchange differences arising on translation of financial statements of foreign operations		**18,932**	46,870
Total comprehensive income for the year		**1,270,747**	1,776,896
Profit for the year attributable to:			
Owners of the Company		**133,414**	329,659
Non-controlling interests		**1,118,401**	1,400,367
		1,251,815	1,730,026
Total comprehensive income for the year attributable to:			
Owners of the Company		**152,346**	376,529
Non-controlling interests		**1,118,401**	1,400,367
		1,270,747	1,776,896
		RMB cents	*RMB cents*
Earnings per share	*10*		
Basic		**2.72**	6.72

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 December 2023

		At 31 December	
		2023	2022
	NOTES	***RMB'000***	*RMB'000*
Non-current assets			
Property, plant and equipment		**522,611**	235,375
Right-of-use assets		**50,387**	86,721
Investment properties		**3,106,657**	3,243,522
Goodwill		**160,210**	160,210
Interests in associates		**12,407,071**	10,149,691
Interests in joint ventures		**4,117,458**	5,495,028
Financial asset at FVTPL		**92,022**	128,442
Other receivables		**18,426,740**	13,051,869
Deferred tax assets		**931,491**	936,478
		39,814,647	33,487,336
Current assets			
Properties for sale		**67,634,899**	63,332,410
Deposits paid for acquisitions of land use rights		**249,750**	–
Trade and other receivables	*11*	**11,526,393**	18,842,556
Contract costs		**230,949**	229,025
Prepaid income tax		**2,930,587**	2,633,426
Bank balances and cash		**10,283,322**	12,343,547
		92,855,900	97,380,964
Current liabilities			
Contract liabilities		**21,441,790**	25,992,261
Trade and other payables	*12*	**35,155,132**	32,558,521
Lease liabilities		**54,038**	57,531
Loans from non-controlling interests		**479,241**	68,522
Loans from an intermediate holding company		**–**	22,185
Loans from a fellow subsidiary		**205,937**	–
Bank and other borrowings		**9,663,814**	1,919,439
Income tax payable		**3,271,885**	3,321,731
		70,271,837	63,940,190
Net current assets		**22,584,063**	33,440,774
Total assets less current liabilities		**62,398,710**	66,928,110

	At 31 December	
	2023	2022
	RMB'000	*RMB'000*
Non-current liabilities		
Loans from non-controlling interests	**1,409,035**	136,570
Loans from an intermediate holding company	**14,111,183**	15,285,356
Other payables	**88,030**	–
Bank and other borrowings	**10,306,790**	17,927,195
Lease liabilities	**315,254**	375,062
Loans from a fellow subsidiary	**543,723**	–
Deferred tax liabilities	**499,706**	477,662
	27,273,721	34,201,845
Net assets	**35,124,989**	32,726,265
Capital and reserves		
Share capital	**39,132**	39,132
Reserves	**9,873,118**	9,823,683
Equity attributable to owners of the Company	**9,912,250**	9,862,815
Non-controlling interests	**25,212,739**	22,863,450
Total equity	**35,124,989**	32,726,265

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2023

1. GENERAL

The Company is incorporated in the Cayman Islands as a limited liability company and its shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**"). The address of the registered office and principal place of business of the Company are disclosed in the "Corporate Information" section to the annual report.

The principal activity of the Company is investment holding and the principal activities of its subsidiaries are mainly investment holding, properties development and assets management.

The Company's immediate holding company is Success Well Investment Limited, a limited liability company incorporated in the British Virgin Islands (the "**BVI**"). One of its intermediate holding company is China Merchants Shekou Industrial Zone Holding Co., Ltd. ("**China Merchants Shekou**"), which is established in the People's Republic of China (the "**PRC**") and listed on the Shenzhen Stock Exchange Limited. The ultimate holding company of the Company is China Merchants Group Limited ("**CMG**"). CMG is a PRC enterprise regulated and directly managed by the State-owned Assets Supervision and Administration Commission of the State Council and is owned and controlled by the PRC government.

The consolidated financial statements are presented in Renminbi ("**RMB**"), which is also the functional currency of the Company.

2. APPLICATION OF AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs")

New and amendments to HKFRSs that are mandatorily effective for the current year

In the current year, the Group has applied the following new and amendments to HKFRSs issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**") for the first time, which are mandatorily effective for the Group's annual period beginning on 1 January 2023 for the preparation of the consolidated financial statements:

HKFRS 17 (including the October 2020 and February 2022 Amendments to HKFRS 17)	Insurance Contracts
Amendments to HKAS 8	Definition of Accounting Estimates
Amendments to HKAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction
Amendments to HKAS 12	International Tax Reform – Pillar Two Model Rules
Amendments to HKAS 1 and HKFRS Practice Statement 2	Disclosure of Accounting Policies

Except as described below, the application of the amendments to HKFRSs in the current year has had no material impact on the Group's financial positions and performance for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

Impacts on application of Amendments to HKAS 8 Definition of Accounting Estimates

The Group has applied the amendments for the first time in the current year. The amendments define accounting estimates as "monetary amounts in financial statements that are subject to measurement uncertainty". An accounting policy may require items in financial statements to be measured in a way that involves measurement uncertainty. In such a case, an entity develops an accounting estimate to achieve the objective set out by the accounting policy. The amendments to HKAS 8 clarify the distinction between changes in accounting estimates, and changes in accounting policies and the correction of errors.

The application of the amendments in the current year had no material impact on the consolidated financial statements.

Impacts on application of Amendments to HKAS 12 Deferred Tax related to Assets and Liabilities arising from a Single Transaction

The Group has applied the amendments for the first time in the current year. The amendments narrow the scope of the recognition exemption of deferred tax liabilities and deferred tax assets in paragraphs 15 and 24 of HKAS 12 Income Taxes so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences.

The application of the amendment during the year will have no material impact on the consolidated financial statements.

Impacts on application of Amendments to HKAS 1 and HKFRS Practice Statement 2 Disclosure of Accounting Policies

The Group has applied the amendments for the first time in the current year. HKAS 1 Presentation of Financial Statements is amended to replace all instances of the term "significant accounting policies" with "material accounting policy information". Accounting policy information is material if, when considered together with other information included in an entity's financial statements, it can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements.

The amendments also clarify that accounting policy information may be material because of the nature of the related transactions, other events or conditions, even if the amounts are immaterial. However, not all accounting policy information relating to material transactions, other events or conditions is itself material. If an entity chooses to disclose immaterial accounting policy information, such information must not obscure material accounting policy information.

HKFRS Practice Statement 2 Making Materiality Judgements (the "**Practice Statement**") is also amended to illustrate how an entity applies the "four-step materiality process" to accounting policy disclosures and to judge whether information about an accounting policy is material to its financial statements. Guidance and examples are added to the Practice Statement.

The application of the amendments has had no material impact on the Group's financial positions and performance.

Amendments to HKFRSs in issue but not yet effective

The Group has not early applied the following new and amendments to HKFRSs that have been issued but are not yet effective:

Amendments to HKAS 1	Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 (2020)[2]
Amendments to HKAS 1	Non-current Liabilities with Covenants[2]
Amendments to HKAS 7 and HKFRS 7	Supplier Finance Arrangements[2]
Amendments to HKAS 21	Lack of Exchangeability[3]

1 Effective for annual periods beginning on or after a date to be determined.
2 Effective for annual periods beginning on or after 1 January 2024.
3 Effective for annual periods beginning on or after 1 January 2025.

Except for the amendments to HKFRSs mentioned below, the directors of the Company anticipate that the application of all other new and amendments to HKFRSs will have no material impact on the consolidated financial statements in the foreseeable future.

Amendments to HKAS 1 Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 (2020) (the "2020 Amendments") and Amendments to HKAS 1 Non-current Liabilities with Covenants (the "2022 Amendments")

The 2020 Amendments provide clarification and additional guidance on the assessment of right to defer settlement for at least twelve months from reporting date for classification of liabilities as current or noncurrent, which:

- clarify that if a liability has terms that could, at the option of the counterparty, result in its settlement by the transfer of the entity's own equity instruments, these terms do not affect its classification as current or non-current only if the entity recognises the option separately as an equity instrument applying HKAS 32 Financial Instruments: Presentation.

- specify that the classification of liabilities as current or non-current should be based on rights that are in existence at the end of the reporting period. Specifically, the amendments clarify that the classification should not be affected by management intentions or expectations to settle the liability within 12 months.

For rights to defer settlement for at least twelve months from reporting date which are conditional on the compliance with covenants, the requirements introduced by the 2020 Amendments have been modified by the 2022 Amendments. The 2022 Amendments specify that only covenants with which an entity is required to comply with on or before the end of the reporting period affect the entity's right to defer settlement of a liability for at least twelve months after the reporting date. Covenants which are required to comply with only after the reporting period do not affect whether that right exists at the end of the reporting period.

In addition, the 2022 Amendments specify the disclosure requirements about information that enables users of financial statements to understand the risk that the liabilities could become repayable within twelve months after the reporting period, if an entity classifies liabilities arising from loan arrangements as non-current when the entity's right to defer settlement of those liabilities is subject to the entity complying with covenants within twelve months after the reporting period. The 2022 Amendments also defer the effective date of applying the 2020 Amendments to annual reporting periods beginning on or after 1 January 2024.

The 2022 Amendments, together with the 2020 Amendments, are effective for annual reporting periods beginning on or after 1 January 2024, with early application permitted. If an entity applies the 2020 Amendments for an earlier period after the issue of the 2022 Amendments, the entity should also apply the 2022 Amendments for that period.

Based on the Group's outstanding liabilities as at 31 December 2023, and the related terms and conditions stipulated in the agreements between the Group and the relevant lenders, the application of the 2020 and 2022 Amendments will not result in reclassification of the Group's liabilities.

Amendments to HKAS 7 and HKFRS 7 Supplier Finance Arrangements

The amendments add a disclosure objective to HKAS 7 Cash flow statements stating that an entity is required to disclose information about its supplier finance arrangements that enables users of financial statements to assess the effects of those arrangements on the entity's liabilities and cash flows. In addition, HKFRS 7 Financial Instruments: Disclosures was amended to add supplier finance arrangements as an example within the requirements to disclose information about an entity's exposure to concentration of liquidity risk.

The term 'supplier finance arrangements' is not defined. Instead, the amendments describe the characteristics of an arrangement for which an entity would be required to provide the information.

To meet the disclosure objective, an entity will be required to disclose in aggregate for its supplier finance arrangements:

- The terms and conditions of the arrangements;

- The carrying amount and associated line items presented in the entity's statement of financial position, of the liabilities that are part of the arrangements, and the non-cash changes in the carrying amounts of these financial liabilities;

- The carrying amount, and associated line items for which the suppliers have already received payment from the finance providers;
- Ranges of payment due dates for both those financial liabilities that are part of a supplier finance arrangement and comparable trade payables that are not part of a supplier finance arrangement; and liquidity risk information

The amendments, which contain specific transition reliefs for the first annual reporting period in which an entity applies the amendments, are applicable for annual reporting periods beginning on or after 1 January 2024. Earlier application is permitted.

The application of the amendments is not expected to have impact on the financial position or performance of the Group but may affect the disclosures of liabilities, cash flows and the Group's exposure to liquidity risk related to the supplier finance arrangements entered into by the Group. The impacts of application, if any, will be disclosed in the Group's future consolidated financial statements.

3. REVENUE

An analysis of the Group's revenue for the year is as follows:

	2023	2022
	RMB'000	*RMB'000*
By types of goods or services		
Asset management segment		
Asset management services income	**14,971**	30,457
Properties segment		
Sales of properties for sale	**28,414,855**	29,422,870
Properties operation income	**109,891**	186,523
Rental income from investment properties *(Note 8)*	**261,128**	231,497
	28,785,874	29,840,890
	28,800,845	29,871,347
By timing of revenue recognition		
At a point in time	**28,414,855**	29,422,870
Over time	**124,862**	216,980
Revenue from contracts with customers *(Note)*	**28,539,717**	29,639,850
Rental income from investment properties	**261,128**	231,497
	28,800,845	29,871,347

Note: Revenue from contracts with customers are mainly derived from the PRC except for RMB14,971,000 (2022: RMB30,457,000) related to the operation in Hong Kong.

4. SEGMENT INFORMATION

The Group has adopted HKFRS 8 *Operating Segments*, which requires operating segments to be identified on the basis of internal report about the components of the Group that are regularly reviewed by the chief operating decision makers ("**CODM**") in order to allocate resources to segments and to assess their performance. The CODM is the Company's executive directors.

For the management purpose, the Group is organised into different property projects engaged in development and sales of properties, property leasing and assets management in various cities within the PRC, each of which is considered as an operating segment by the CODM. For segment reporting purpose, these operating segments have been aggregated into two reportable segments: (i) Development and sales of properties and property leasing ("**Properties Segment**"); and (ii) Asset management for office premises and shopping malls ("**Asset Management Segment**"), according to the nature and similarity of their products and services, the customer type or class, the method of products distribution or providing services, and the regulatory environment, which give rise to a more meaningful presentation.

Segment revenue and results

The following is an analysis of the Group's revenue and results by reportable and operating segments.

	Asset Management Segment	Properties Segment	Consolidated
	RMB'000	*RMB'000*	*RMB'000*
For the year ended 31 December 2023			
Segment revenue			
– external customers	**14,971**	**28,785,874**	**28,800,845**
Segment results	**5,674**	**3,231,011**	**3,236,685**
Unallocated net foreign exchange loss			**21,892**
Unallocated income			**24,390**
Unallocated expenses			**(14,521)**
Unallocated finance costs			**(577,376)**
Profit before tax			**2,691,070**

	Asset Management Segment *RMB'000*	Properties Segment *RMB'000*	Consolidated *RMB'000*
For the year ended 31 December 2022			
Segment revenue			
– external customers	30,457	29,840,890	29,871,347
Segment results	23,535	3,532,988	3,556,523
Unallocated net foreign exchange loss			(105,629)
Unallocated income			74,178
Unallocated expenses			(60,053)
Unallocated finance costs			(484,376)
Profit before tax			2,980,643

There was no inter-segment sales during both years.

The accounting policies of the operating segments are the same as the Group's accounting policies described in note 2. Segment results represent the profit earned by each segment without allocation of unallocated corporate costs, certain finance costs, certain other income and certain net foreign exchange losses or gains. This is the measure reported to the CODM for the purposes of resource allocation and performance assessment.

Segment assets and liabilities

The following is an analysis of the Group's assets and liabilities by reportable and operating segments:

	Asset Management Segment *RMB'000*	Properties Segment *RMB'000*	Consolidated *RMB'000*
At 31 December 2023			
Segment assets	**60,381**	**119,171,168**	**119,231,549**
Goodwill			**160,210**
Other unallocated assets			**13,278,788**
Total assets			**132,670,547**
Segment liabilities	**2,414**	**73,285,416**	**73,287,830**
Other unallocated liabilities			**24,257,728**
Total liabilities			**97,545,558**

	Asset Management Segment *RMB'000*	Properties Segment *RMB'000*	Consolidated *RMB'000*
At 31 December 2022			
Segment assets	59,247	116,075,846	116,135,093
Goodwill			160,210
Other unallocated assets			14,572,997
Total assets			130,868,300
Segment liabilities	4,463	75,282,804	75,287,267
Other unallocated liabilities			22,854,768
Total liabilities			98,142,035

For the purposes of monitoring segment performance and allocating resources between segments:

- all assets, other than goodwill, certain assets of the investment holding companies, are allocated to reportable and operating segments; and

- all liabilities, other than loans from an intermediate holding company, bank and other borrowings and other payables of the investment holding companies, are allocated to reportable and operating segment.

Other segment information

Amounts included in the measure of segment profit or loss or segment assets.

	Asset Management Segment	**Properties Segment**	**Consolidated**
	RMB'000	***RMB'000***	***RMB'000***
For the year ended 31 December 2023			
Addition to non-current assets *(Note)*	**–**	**3,062,993**	**3,062,993**
Interest income	**–**	**430,754**	**430,754**
Depreciation of property, plant and equipment	**4**	**50,022**	**50,026**
Depreciation of investment properties	**–**	**150,778**	**150,778**
Depreciation of right-of-use assets	**–**	**30,893**	**30,893**

	Asset Management Segment	Properties Segment	Consolidated
	RMB'000	*RMB'000*	*RMB'000*
For the year ended 31 December 2022			
Addition to non-current assets *(Note)*	–	935,248	935,248
Interest income	–	286,017	286,017
Depreciation of property, plant and equipment	7	42,514	42,521
Depreciation of investment properties	–	143,090	143,090
Depreciation of right-of-use assets	–	39,827	39,827
Write-down of properties for sale	–	206,773	206,773

Note: Non-current assets exclude deferred tax assets and non-current other receivables.

The Group's revenue from external customers is derived from the PRC, including Hong Kong. No single customer of the Group contributed 10% or more to the Group's revenue for both years.

Substantially all of the Group's non-current assets (excluding deferred tax assets and financial instruments) are located in the PRC.

Geographical information

The Group's Properties Segment is located in Foshan, Guangzhou, Nanjing and Jurong, Chongqing, Xi'an, the PRC and Hong Kong.

Information about the revenue from external customers is presented based on the location of the operations. Assets of Properties Segment and Asset Management Segment are presented based on the location of the operation and place of management decision.

	Revenue from external customers		**Segment assets**	
	2023	2022	**2023**	2022
	RMB'000	*RMB'000*	***RMB'000***	*RMB'000*
Foshan	**1,330,279**	1,438,595	**5,545,617**	6,397,686
Guangzhou	**1,425,271**	1,456,587	**27,288,193**	26,348,349
Nanjing and Jurong	**11,075,927**	14,151,546	**38,429,428**	36,656,182
Chongqing	**4,980,921**	5,007,814	**24,966,064**	23,981,397
Xi'an	**9,922,881**	7,742,547	**21,953,581**	21,621,723
Hong Kong	**65,567**	74,258	**1,048,666**	1,129,756
	28,800,846	29,871,347	**119,231,549**	116,135,093

5. OTHER INCOME

	2023	2022
	RMB'000	*RMB'000*
Bank interest income	**190,054**	174,151
Interest income on amount due from associates	**137,265**	101,524
Interest income on amount due from joint ventures	**67,479**	77,059
Interest income on amount due from non-controlling interests	**10,878**	5,381
Interest income on amount due from a third party	**24,661**	243
Interest income on amount due from an investee	**430**	1,384
Government grants	**5,304**	9,203
Others	**17,666**	26,619
	453,737	395,564

6. FINANCE COSTS

	2023	2022
	RMB'000	*RMB'000*
Interest on:		
– bank and other borrowings	**861,481**	736,607
– lease liabilities	**18,446**	20,848
– loans from an intermediate holding company	**681,055**	854,200
– loans from non-controlling interests	**5,874**	55,284
Total borrowing costs	**1,566,856**	1,666,939
Less: Amounts capitalised in the cost of qualifying assets	**(826,466)**	(1,039,029)
	740,390	627,910

Borrowing costs capitalised to properties under development for sale were determined by the contracted interest rates of respective borrowings as disclosed in notes 26, 27, 28 and 29.

7. INCOME TAX EXPENSE

	2023	2022
	RMB'000	*RMB'000*
The income tax expenses comprise of:		
Hong Kong Profits Tax		
– Current year	**–**	6,667
– Over-provision in prior year	**(1,251)**	–
PRC Enterprise Income Tax ("**EIT**")		
– Current year	**715,570**	770,515
– Over-provision in prior year	**(2,389)**	(14,097)
Withholding tax expenses	**12,386**	16,015
LAT	**687,908**	487,639
	1,412,224	1,266,739
Deferred taxation	**27,031**	(16,122)
	1,439,255	1,250,617

Under the Law of the PRC on Enterprise Income Tax (the "**EIT Law**") and Implementation Regulation of the EIT Law, the statutory EIT rate of the subsidiaries incorporated in the PRC is 25%. Further, 5% or 10% withholding income tax is generally imposed on dividends relating to profits earned by the PRC entities that are owned by non-PRC entities within the Group.

LAT is levied at progressive rates ranging from 30% to 60% on the appreciation of land value, being the proceeds from sales of properties less estimated deductible expenditures including cost of land use right, borrowing costs and the relevant property development expenditures.

Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profit for the years ended 31 December 2023 and 2022. The directors of the Company considered the amount involved upon implementation of the two-tiered profits tax rates regime as insignificant to the consolidated financial statements.

8. PROFIT BEFORE TAX

	2023	2022
	RMB'000	*RMB'000*
Profit before tax has been arrived at after charging (crediting):		
Employee benefits expenses (including directors' remuneration):		
Salaries and other allowances	**341,083**	364,847
Pension scheme contributions	**38,245**	48,839
Total staff costs	**379,328**	413,686
Less: Amounts capitalised to properties under and for sale	**(230,916)**	(233,734)
	148,412	179,952
Gross rental income from investment properties *(Note 3)*	**(261,128)**	(231,497)
Less: Direct operating expenses incurred, excluding depreciation	**186,369**	195,569
Less: Depreciation of investment properties	**150,778**	143,090
	76,019	107,162
Cost of properties for sale recognised as expenses	**24,085,601**	25,295,266
Depreciation of investment properties	**150,778**	143,090
Depreciation of right-of-use assets	**30,893**	39,827
Depreciation of property, plant and equipment	**50,026**	42,521
Auditor's remuneration	**3,459**	3,940
Write-down of properties for sale (included in cost of properties for sale)	**–**	206,773
(Gain) loss on disposal of property, plant and equipment	**(48)**	33

9. DIVIDENDS

During the year ended 31 December 2023, a final dividend of HK$0.03 per ordinary share in respect of the year ended 31 December 2022 (2022: HK$0.06 per ordinary share in respect of the year ended 31 December 2021) was declared and paid to the shareholders of the Company. The aggregate amount of final dividend paid from share premium of the Company during the year amounted to approximately RMB135,459,000 (2022: RMB252,490,000).

Subsequent to the end of the reporting period, a final dividend in respect of the year ended 31 December 2023 of HK$0.012 (equivalent to approximately RMB0.011) per share has been proposed by the directors of the Company and is subject to approval by the shareholders of the Company in the forthcoming general meeting.

10. EARNINGS PER SHARE

The calculation of the basic earnings per share attributable to owners of the Company is based on the following data:

	2023	2022
	RMB'000	*RMB'000*
Earnings		
Earnings for the purpose of basic earnings per share, being profit for the year attributable to owners of the Company	**133,414**	329,659

	2023	2022
Number of shares		
Weighted average number of ordinary shares for the purpose of basic earnings per share	**4,905,257,860**	4,905,257,860

No diluted earnings per share for the years ended 31 December 2023 and 2022 were presented as there were no potential ordinary shares in issue for both years.

11. TRADE RECEIVABLES

	2023	2022
	RMB'000	*RMB'000*
Trade receivable		
– contract with customers	**16,882**	22,165
– operating lease receivables	**3,161**	4,760
	20,043	26,925

As at 1 January 2022, trade receivables from contract with customers amounted to RMB24,317,000.

Trade receivables mainly arise from properties operation income and rental income from the Properties Segment.

The Group's credit terms with its trade customers are generally within 30 days. The Group seeks to maintain strict control over its outstanding receivables in order to minimise credit risk. Overdue balances are reviewed regularly by senior management.

Considerations in respect of properties leasing are paid in accordance with the terms of the rental agreements and invoices, normally within 30 days from the date of invoices.

The ageing analysis of trade receivables at the end of the reporting period, based on the invoice date, is as follows:

	2023	2022
	RMB'000	*RMB'000*
0 – 180 days	**16,667**	19,813
181 – 365 days	**596**	2,036
Over 1 year	**2,780**	5,076
	20,043	26,925

12. TRADE PAYABLES

	2023	2022
	RMB'000	*RMB'000*
Trade payables	**11,228,026**	7,427,932

Trade payables arise from Properties Segment comprise construction costs and other project-related expenses which are payable based on project progress and the average credit period of these trade payables is 60 days. The Group has financial risk management policies in place to ensure that all payables are within the credit timeframe.

The following is an aging analysis of trade payables, based on the invoice date, at the end of the reporting period:

	2023	2022
	RMB'000	*RMB'000*
0 to 60 days	**6,476,523**	4,907,557
61 to 180 days	**896,699**	696,807
181 to 365 days	**2,243,008**	1,052,998
Over 365 days	**1,611,796**	770,570
	11,228,026	7,427,932

FINAL DIVIDEND

The Board 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 proposed final dividend is subject to the approval of the relevant resolution at the forthcoming annual general meeting of the Company to be held, the final dividend is expected to be paid on or about 30 June 2024 to shareholders.

MANAGEMENT DISCUSSION AND ANALYSIS

MARKET REVIEW

In 2023, China's annual GDP amounted to RMB126,058.2 billion, representing a year-on-year growth of 5.2% at constant prices. On a quarterly basis, GDP grew by 4.5% year-on-year in the first quarter, 6.3% in the second quarter, 4.9% in the third quarter, and 5.2% in the fourth quarter showing low growth in the early part of the year, high growth in the middle part of the year, and stable growth in the later part of the year, and further consolidating the upward trend.

2023 was the first year after the epidemic, there was indeed a "indian summer" in the property market in February and March, but the weak global economic growth, the rise of trade protectionism and the escalating geopolitical conflicts, including the domestic economic restructuring and other factors have had a significant impact on the general trend of economic development. For the whole year, investment in real estate development amounted to RMB11,091.3 billion, a decrease of 9.6% from the previous year, while sales area of commercial properties amounted to 1,117.35 million square meters, a decrease of 8.5% from the previous year, and sales value of commercial properties amounted to RMB11,662.2 billion, a decrease of 6.5%. On the other hand, the area of housing increased by 17.0% year-on-year to 998.31 million square metres, and the "guaranteed delivery" work was steadily promoted, with the effect continuing to show, up 17% year-on-year.

In addition, the "Matthew effect" of the industry's survival of the fittest is accelerating. Since 2021, more than half of the 100-billion-dollar real estate companies have exited, and there will be only sixteen 100-billion-dollar real estate companies in 2023, indicating that the real estate industry is still undergoing a profound and significant adjustment.

During the downturn of the industry in recent years, the Group has selected investment projects to reserve momentum for future development, adding 5 new projects with majority control with a total land premium of RMB8,220 million and an increase in value of goods by RMB17.5 billion in 2023. In addition, the Group collaborated with renowned real estate partners to win the project at Ma Tau Chung Road in Hong Kong. The Group was ranked among the top five in terms of sales in Nanjing and Chongqing, which is a fruitful result of city focus. Meanwhile, our subsidiary companies in Xi'an made significant progress and gradually became a new profit support point for the Group. The Group has been focusing on its gearing ratio and maintaining a healthy liquidity, seeking development in a stable manner.

FINANCIAL REVIEW

For the year of 2023, profit amounted to RMB1,251,815,000 (2022: RMB1,730,026,000), representing a year-on-year decrease of approximately 27.6%. The profit attributable to the owners of the Company was RMB133,414,000 (2022: RMB329,659,000), representing a year-on-year decrease of approximately 59.5%. Basic earnings per share was RMB2.72 cents (2022: RMB6.72 cents), representing a year-on-year decrease of approximately 59.5%.

Equity attributable to owners of the Company was RMB9,912,250,000 as at 31 December 2023 (2022: RMB9,862,815,000), representing a increase of approximately 0.5% as compared with that of the end of last year.

TURNOVER

In 2023, the Group recorded turnover of RMB28,800,845,000 (2022: RMB29,871,347,000), representing a year-on-year decrease of approximately 3.6%. In 2023, 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, of the total revenue of the Group.

GROSS PROFIT

Gross profit amounted to RMB3,870,543,000 (2022: RMB4,003,533,000), representing a year-on-year decrease of approximately 3.3%. This was mainly due to the relatively high proportion of items with lower gross profit margin in the carried forward income. The gross profit margin was approximately 13.44% (2022: approximately 13.4%), which was basically same as compared to the last year.

SHARE OF PROFITS OF ASSOCIATES

Share of profits of associates was RMB303,351,000 (2022: RMB143,788,000), representing a year-on-year increase of approximately 111%, which was mainly attributable to the delivery of the projects by Nanjing Huayao Property Real Estate Co.,Ltd.* (南京鏵耀房地產開發有限公司) and Guangzhou Kuangyu Investment Co., Ltd.* (廣州礦譽投資有限公司), contributing share of profits amounted to approximately RMB274,925,919 and RMB43,412,992 respectively in 2023.

* *For identification purpose only*

SHARE OF PROFITS OF JOINT VENTURES

Share of profits of joint ventures was RMB64,730,000 (2022: RMB120,148,000), representing a year-on-year decrease of approximately 46.1%, which was mainly due to the completion of the projects by Nanjing Jinhua Real Estate Development Limited* (南京錦華置業有限公司) and Nanjing Yuelin Property Development Co., Ltd.* (南京悅霖房地產開發有限公司) in this year and the carry-forward of income, contributing share of profits amounted to approximately RMB34,017,086 and RMB29,463,876 respectively in 2023.

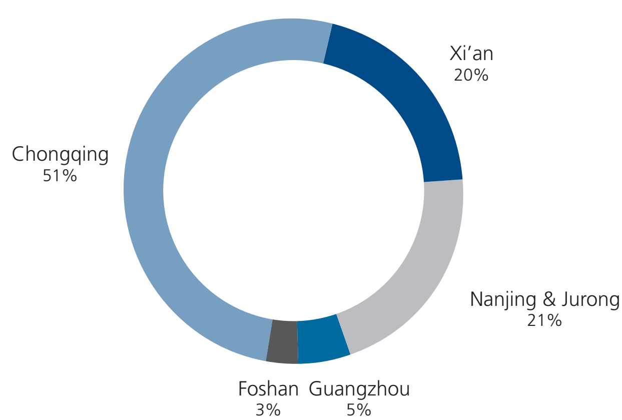
BUSINESS REVIEW

Property Development Business

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.

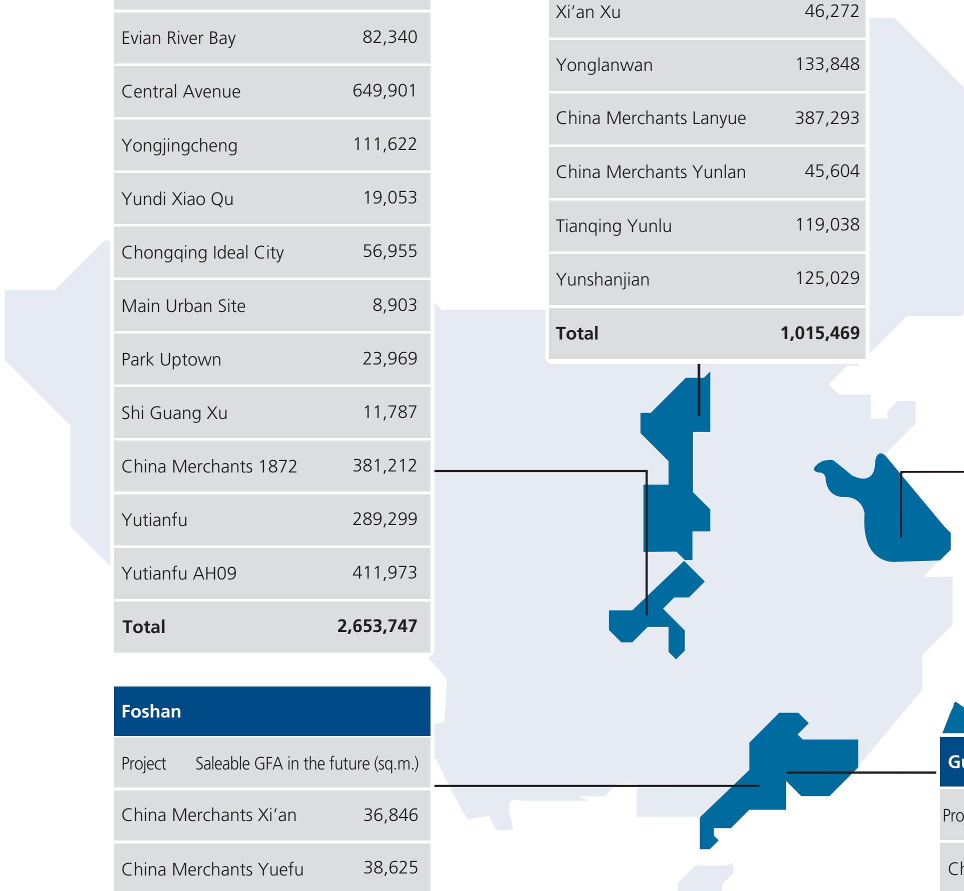
A breakdown of land bank by cities and a map showing the geographical locations and the land bank of the projects of the Group in the PRC are set out below. The saleable gross floor area of properties which had not been sold or presold as at 31 December 2023 ("**Land Bank**") was 5,201,674 sq.m..

Land Bank by cities



* *For identification purpose only*

A map showing the geographical location and land bank of the projects of the Group in the PRC as at 31 December 2023



Xi'an

Project	Saleable GFA in the future (sq.m.)
Main Urban Site DK2	42,776
Silk Road Center North Block	63,374
Silk Road Center South Block	29,534
Chang'an Xi	5,118
Weiyang Xi	16,179
China Merchants Huayu Zhen Jing	1,404
Xi'an Xu	46,272
Yonglanwan	133,848
China Merchants Lanyue	387,293
China Merchants Yunlan	45,604
Tianqing Yunlu	119,038
Yunshanjian	125,029
Total	**1,015,469**

Chongqing

Project	Saleable GFA in the future (sq.m.)
LANDMARK RIVERSIDE	606,733
Evian River Bay	82,340
Central Avenue	649,901
Yongjingcheng	111,622
Yundi Xiao Qu	19,053
Chongqing Ideal City	56,955
Main Urban Site	8,903
Park Uptown	23,969
Shi Guang Xu	11,787
China Merchants 1872	381,212
Yutianfu	289,299
Yutianfu AH09	411,973
Total	**2,653,747**

Nanjing and Jurong

Project	Saleable GFA in the future (sq.m.)
China Merchants International E City	851
Evian Huafu	67,730
Dongwangfu	22,239
Xijiang Ruifu	19,993
Nanjing Shuimu Yongrongfu	13,051
Nanjing Yongningfu	16,314
Ninglong Mingzhu	1,430
Yonglanyuefu	9,048
Jiangxinyin	38,682
Shanyujingfu	4,715
China Merchants Centre · Zhenjing	443,469
Baijia Zhenyuan	8,689
Jolly Garden	82,016
Nanjing Yuecheng Tiandi	352,214
Total	**1,080,441**

Foshan

Project	Saleable GFA in the future (sq.m.)
China Merchants Xi'an	36,846
China Merchants Yuefu	38,625
China Merchants Yueyuan	51,717
China Merchants Anzhitinglan	38,893
Times Merchants Tianxi	7,512
China Merchants Tianpufu	3,630
Total	**177,223**

Guangzhou

Project	Saleable GFA in the future (sq.m.)
China Merchants Yongjing Wan	16,625
EXCELLENCE China Merchants Zhenlongfu	14,139
Nansha Qingsheng Project	221,093
Bao Sui Tian Yu Court	22,937
Total	**274,794**

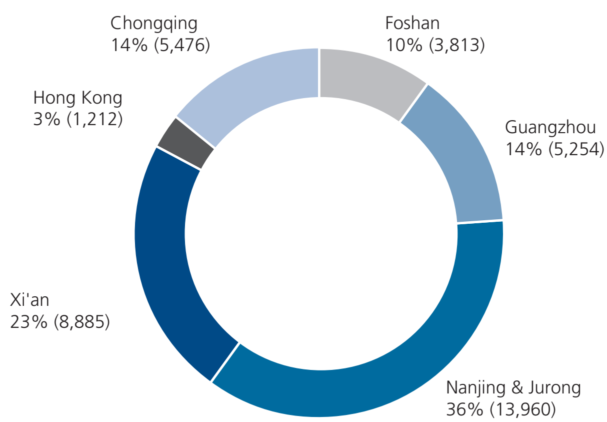
The table below shows the details of the Group's property development projects as at 31 December 2023 which (i) had been completed, (ii) were under development, or (iii) were held for future development. All figures in relation to area are rounded up to the nearest whole number:

				Completed					Under development			Future development	
Project	The Company's attributable interest in the projects	Total GFA	Future Total GFA Saleable	GFA completed	Total GFA saleable/ rentable	Of which sold and delivered	Of which sold but not yet delivered	Of which not pre-sold/ held for investment	GFA under development	Total GFA saleable/ rentable	Of which sold	GFA	Total GFA saleable/ rentable
China Merchants Xi'an	60%	231,607	36,846	231,607	198,663	161,578	239	36,846	–	–	–	–	–
China Merchants Yuefu	50%	326,112	38,625	326,112	249,776	206,993	4,158	38,625	–	–	–	–	–
China Merchants Yueyuan	50%	309,372	51,717	309,372	278,907	224,810	2,380	51,717	–	–	–	–	–
China Merchants Anzhitinglan	90%	183,599	38,893	183,599	170,256	71,832	59,531	38,893	–	–	–	–	–
Time Merchants Tianxi	50%	175,097	7,512	175,097	144,877	134,754	2,611	7,512	–	–	–	–	–
China Merchants Tianpufu	34%	35,881	3,630	35,881	35,881	32,179	72	3,630	–	–	–	–	–
Foshan subtotal		1,261,668	177,223	1,261,668	1,078,360	832,146	68,991	177,223	–	–	–	–	–
China Merchants Yongjing Wan	60%	283,587	16,625	283,587	283,587	266,911	51	16,625	–	–	–	–	–
EXCELLENCE China Merchants Zhenlongfu	50%	111,684	14,139	34,139	33,137	32,031	347	759	77,545	40,361	26,981	–	–
Nansha Qingsheng Project	100%	327,509	221,093	–	–	–	–	–	190,598	139,586	10,672	136,911	92,179
Bao Sui Tian Yu Court	50%	142,582	22,937	50,444	44,512	–	37,286	7,226	92,138	51,627	35,916	–	–
Guangzhou subtotal		865,362	274,794	368,170	361,236	298,942	37,684	24,610	360,281	231,574	73,569	136,911	92,179
LANDMARK RIVERSIDE	50%	1,791,062	606,733	1,302,162	1,250,234	1,003,909	7,303	239,022	404,239	374,558	91,507	84,661	84,660
Evian River Bay	100%	547,720	82,340	547,720	526,135	442,849	946	82,340	–	–	–	–	–
Central Avenue	50%	1,769,027	649,901	1,382,271	1,220,299	951,172	4,557	264,570	386,756	385,331	–	–	–
Yongjingcheng	100%	503,020	111,622	503,020	476,310	350,794	13,894	111,622	–	–	–	–	–
Yundi Xiao Qu	100%	136,704	19,053	136,704	122,814	103,761	–	19,053	–	–	–	–	–
Chongqing Ideal City	51%	190,499	56,955	190,499	178,447	120,880	612	56,955	–	–	–	–	–
Main Urban Site	100%	47,012	8,903	47,012	45,572	36,669	–	8,903	–	–	–	–	–
Park Uptown	100%	103,749	23,969	103,749	101,703	77,734	–	23,969	–	–	–	–	–
Shi Guang Xu	100%	39,505	11,787	39,505	36,341	24,114	440	11,787	–	–	–	–	–
China Merchants 1872	100%	476,367	381,212	–	–	–	–	–	279,683	267,373	81,895	196,684	195,734
Yutianfu	100%	381,541	289,299	115,664	110,164	80,089	3,907	26,168	83,322	83,038	2,462	182,555	182,555
Yutianfu AH09	100%	478,486	411,973	86,990	86,295	49,882	5,752	30,661	187,287	181,301	4,198	204,209	204,209
Chongqing subtotal		6,464,692	2,653,747	4,455,296	4,154,314	3,241,853	37,411	875,050	1,341,287	1,291,601	180,062	668,109	667,158
China Merchants International E City	100%	372,916	851	372,916	331,231	277,778	52,602	851	–	–	–	–	–
Evian Huafu	51%	357,867	67,730	357,867	265,193	197,463	–	67,730	–	–	–	–	–
Dongwangfu	51%	315,482	22,239	315,482	234,883	212,539	105	22,239	–	–	–	–	–
Xijiang Ruifu	20%	278,840	19,993	278,840	227,153	205,868	1,292	19,993	–	–	–	–	–
Nanjing Shuimu Yongrongfu	28%	243,759	13,051	243,759	189,248	176,032	165	13,051	–	–	–	–	–
Nanjing Yongningfu	51%	351,438	16,314	351,438	283,978	267,426	238	16,314	–	–	–	–	–
Ninglong Mingzhu	31%	72,670	1,430	72,670	57,405	55,673	302	1,430	–	–	–	–	–
Yonglanyuefu	51%	105,618	9,048	105,618	85,310	76,262	–	9,048	–	–	–	–	–
Jiangxinyin	51%	140,370	38,682	140,370	136,464	92,355	5,427	38,682	–	–	–	–	–
Shanyujingfu	20%	54,751	4,715	54,751	54,751	50,036	–	4,715	–	–	–	–	–
China Merchants Centre · Zhenjing	80%	734,393	443,469	152,476	152,476	105,143	6,268	41,065	581,917	453,116	50,712	–	–
Baijia Zhenyuan	82%	87,463	8,689	–	–	–	–	–	87,463	71,096	62,407	–	–
Jolly Garden	80%	144,175	82,016	–	–	–	–	–	144,175	112,099	30,083	–	–
Nanjing Yuecheng Tiandi	35%	600,076	352,214	129,682	109,916	87,788	8,986	13,142	470,394	356,605	17,533	–	–
Nanjing and Jurong subtotal		3,859,818	1,080,441	2,575,869	2,128,008	1,804,363	75,385	248,260	1,283,949	992,916	160,735	–	–
Main Urban Site DK1	51%	277,313	–	277,313	244,340	218,536	25,804	–	–	–	–	–	–
Main Urban Site DK2	51%	563,052	42,776	563,052	509,710	391,224	75,710	42,776	–	–	–	–	–
Main Urban Site DK3	51%	325,294	–	325,294	295,028	266,791	28,237	–	–	–	–	–	–
Silk Road Center North Block	51%	160,808	63,374	160,808	137,287	49,636	24,277	63,374	–	–	–	–	–
Silk Road Center South Block	51%	136,297	29,534	136,297	115,704	32,660	53,510	29,534	–	–	–	–	–
Chang'an Xi	26%	63,272	5,118	63,272	51,254	46,136	–	5,118	–	–	–	–	–
Weiyang Xi	51%	115,205	16,179	115,205	99,530	69,310	14,041	16,179	–	–	–	–	–
China Merchants Huayu Zhen Jing	51%	168,903	1,404	168,903	150,476	128,979	20,093	1,404	–	–	–	–	–
Xi'an Xu	51%	158,971	46,272	158,971	137,154	–	90,882	46,272	–	–	–	–	–
Yonglanwan	51%	225,380	133,848	–	–	–	–	–	225,380	196,805	62,957	–	–
China Merchants Lanyue	100%	387,293	387,293	–	–	–	–	–	–	–	–	387,293	387,293
China Merchants Yunlan	70%	137,492	45,604	–	–	–	–	–	137,492	91,250	45,646	–	–
Tianqing Yunlu	100%	171,592	119,038	–	–	–	–	–	–	–	–	171,592	119,038
Zhenguanfu	51%	230,634	–	230,634	188,293	175,108	13,185	–	–	–	–	–	–
Yunshanjian	99%	171,588	125,029	–	–	–	–	–	171,588	148,189	23,160	–	–
Xi'an subtotal		3,293,094	1,015,469	2,199,749	1,928,776	1,378,380	345,739	204,657	534,460	436,244	131,763	558,885	506,331
Total		15,744,634	5,201,674	10,860,752	9,650,694	7,555,684	565,210	1,529,800	3,519,977	2,952,335	546,129	1,363,905	1,265,668

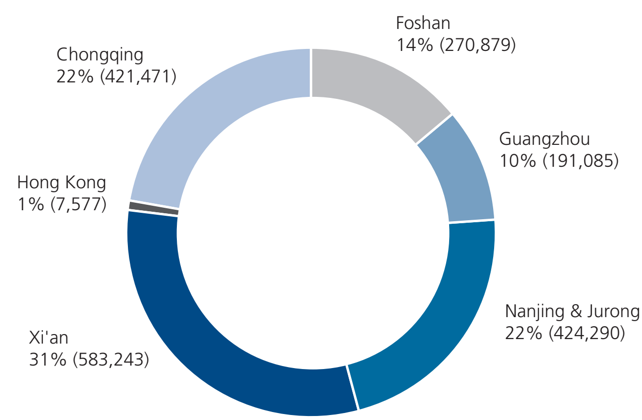
Contracted sales

The Group, together with its associates and joint ventures, achieved aggregate contracted sales of RMB38,600,000,000 (2022: RMB47,861,000,000), representing a year-on-year decrease of approximately 19.35%. Aggregate contracted sales area was 1,898,545 sq.m. (2022: 1,931,711 sq.m.), representing a year-on-year decrease of approximately 1.72%. The average selling price was approximately RMB 20,331 per sq.m. (2022: RMB24,777 per sq.m.), representing a year-on-year decrease of approximately 17.9%.

Contracted sales amount by region in 2023 (RMB million)



Contracted sales area by region in 2023 (sq.m.)



Newly Acquired Land Bank

The newly acquired lands over which the Group has a majority control for the year ended 31 December 2023 are as follows:

Cities	**Projects**	**Total land consideration** *(RMB million)*	**Total site area** *(sq.m.)*	**Total permissible area** *(sq.m.)*	**Average land premium per permissible area** *(RMB/sq.m.)*
Xi'an	China Merchants Yunlan	1,170	39,865	95,760	12,218
	Tianqing Yunlu	1,386	50,884	122,262	11,336
	Tianqing Yunmo	1,389	33,022	92,461	15,023
	China Merchants Lanyue	2,460	143,503	501,662	4,903
Nanjing	Jolly Garden	1,815	49,628	104,217	17,416

Foshan

In 2023, contracted sales amount in Foshan was approximately RMB3,813 million and contracted sales area was 270,879 sq.m. As at 31 December 2023, total GFA of the Group's projects in Foshan reached 1,261,668 sq.m. and the saleable GFA in the future will amount to 177,223 sq.m..

In 2023, contracted sales projects of the Group (together with its associates and joint ventures) in Foshan mainly comprised of Foshan Dongyue Bay Project (佛山東樾灣府):

Introduction of Foshan Dongyue Bay Project

Dongyue Bay is located at the east of Lishui Avenue, across the river is Jinshazhou, in the "pan-Jinshazhou area". From the project, a 30-minute drive to Guangzhou, Foshan core areas, enjoy the same city of Guangzhou and Foshan 30-minute living circle, the location is very obvious advantages. With the project as the centre, there are three major business districts (Jinshazhou business district, Huangqi business district and Lishui business district) within a 5–10-minute drive. There are four provincial and municipal schools within five kilometres of the project.

The project has a total site area of 74,000 square metres and a total gross floor area of approximately 180,000 square metres, covering residences, flats, commercial and car parking spaces.

Computerised photos

Guangzhou

In 2023, contracted sales amount in Guangzhou was approximately RMB5,254 million and contracted sales area was 191,085 sq.m.. As of 31 December 2023, total GFA of the Group's projects in Guangzhou reached 865,362 sq.m. and the saleable GFA in the future will amount to 274,794 sq.m..

In 2023, contracted sales projects of the Group (together with its associates and joint ventures) in Guangzhou mainly comprised of Guangzhou Jiangtianji (廣州江天際):

Introduction of Guangzhou (廣州江天際)

Guangzhou Jiang Tianji is a large-scale residential project located in Baiyun District, Guangzhou, occupying an area of 70,000 square meters with a construction area of 340,000 square meters. The project consists of 12 high-rise buildings, kindergartens, and commercial facilities, providing 1,407 residential units, mainly three-bedroom and four-bedroom layouts, allowing residents to enjoy a high-quality riverside lifestyle. The surrounding area boasts convenient transportation with six subway stations nearby, comprehensive commercial amenities, and abundant educational resources, including 39 kindergartens, 20 primary schools, and 13 secondary schools. Medical facilities are also well-equipped, with three first-class and above hospitals within a 3-kilometer radius. The ecological environment is superior, with 75 parks dotted around the area, the nearest being only 727 meters away. Guangzhou Jiang Tianji is an ideal residential choice in the Baiyun Riverside area, meeting various living needs of residents.

Computerised photos

Chongqing

In 2023, contracted sales amount in Chongqing was approximately RMB5,476 million and contracted sales area was 421,471 sq.m.. As of 31 December 2023, total GFA of the Group's projects in Chongqing reached 6,464,692 sq.m. and the saleable GFA in the future will amount to 2,653,747 sq.m..

In 2023, contracted sales projects of the Group (together with its associates and joint ventures) in Chongqing mainly comprised of LANDMARK RIVERSIDE (長嘉匯):

Introduction of LANDMARK RIVERSIDE (長嘉匯)

Located on Taichang Road in Nan'an District, Chongqing, China, with a total gross floor area of approximately 1.5 million square metres, LANDMARK RIVERSIDE is an integrated urban living project comprising residential and commercial properties.

The "Two Rivers Peak" series, with a gross floor area of approximately 400-460 square metres and a 174 square metre high-rise, occupies a more central position along the river, with a panoramic view of the landmarks of Chaotianmen, Jiangbeizui and Nanbin Road as well as the landmark where the Jialing and Yangtze rivers meet. The project is well-equipped with a wide range of transport, medical, education, financial and living facilities.

The commercial properties of the project are located in the golden triangle of Chongqing's CBD, with famous facilities such as LANDMARK RIVERSIDE Shopping Park, Danzishi Old Street and Danzishi Square, among which LANDMARK RIVERSIDE Shopping Park gathers global fashion trends and Danzishi Old Street is listed as a national 4A tourist scenic area. The Danzishi Square is a broader view of the confluence of the two rivers and is known as the "best place to take photographs of the confluence of the two rivers".

Computerised photos

Nanjing and Jurong

In 2023, contracted sales amount in Nanjing and Jurong was approximately RMB13,960 million and contracted sales area was 424,290 sq.m.. As of 31 December 2023, total GFA of the Group's projects in Nanjing and Jurong reached 3,859,818 sq.m. and the saleable GFA in the future will amount to 1,080,441 sq.m..

In 2023, contracted sales projects of the Group (together with its associates and joint ventures) in Nanjing and Jurong mainly comprised of Nanjing China Merchants Centre•Zhenjing (南京招商局中心·臻境):

Project of Nanjing China Merchants Centre•Zhenjing (南京招商局中心·臻境)

Located in Nanjing's Xuanwu District, Nanjing China Merchants Centre•Zhenjing occupies the core of the new Xuanwu area in the heart of Nanjing's main city, close to Nanjing Station and Zhongshan Scenic Park. The project covers an area of approximately 174,000 square metres with a total gross floor area of approximately 750,000 square metres, incorporating a variety of commercial and high-end residential developments, and is directly connected to the metro to form a large-scale TOD project, bringing China Merchants' unique "Sea World" world-class lifestyle to Nanjing.

The project is extremely conveniently located on Nanjing's Line 6 and Line 9 metro, with three other metro lines within 2km – Line 1, 3 and 7. There are 9 bus routes within 1km of the site. Hongshan Road, Hengjia Road, Beiyuan East Road, Jingwu Road, Daimagnan Road, Lingzhi Road and Hongshan South Road form a four vertical and three horizontal road networks, which connects directly to Nanjing's city inner ring via Xinzhuang Junction, providing quick access to the whole city.

Within the new Xuanwu area, there are 5 primary schools, 2 junior high schools and 12 kindergartens, all of which are among the top 10 schools in the city. The project features 118, 134, 143 and 181 square metres, covering 3- and 4-bedroom units.

Computerised photos

Xi'an

In 2023, contracted sales amount in Xi'an was approximately RMB8,885 million and contracted sales area was 583,243 sq.m.. As at 31 December 2023, total GFA of the Group's projects in Xi'an reached 3,293,094 sq.m. and the saleable GFA in the future will amount to 1,015,469 sq.m..

In 2023, contracted sales projects of the Group (together with its associates and joint ventures) in Xi'an mainly comprised of Xi'an Xu Project (西安序項目):

Introduction of Xi'an Xu Project (西安序)

China Merchants Xi'an Xu is located at the northeast corner of the intersection of Guangyuntan Avenue and Eurasia Five Road in Xi'an City, Shaanxi Province, with a project area of about 150,000 square meters, a total planned number of 15 buildings and a greening rate of 35%, to create 306 international waterfront luxury residences with a floor area ranging from about 301 square meters to 370 square meters, with a 270 ° ring curtain viewing terrace without obstruction of the view, an aerial courtyard to allow the fusion of life and nature, and an oversized open-type LDKS with more living space. The compound square hall has more living space, and the "six constant systems" (i.e. adjust the temperature and humidity automatically, maintain ventilation, maintain tranquility, maintain hygiene, smart home) lead the new trend of scientific and technological residence.

China Merchants Xi'an Xu, as a work of 150 years of China Merchants Group brand, continues the pure luxury residential pedigree of China Merchants Group brand, and the project has been awarded the first WELL Healthy Community Interim Certification in Northwest China, Asia's Best Science and Technology Luxury Residence Award in 2022, the Platinum Award for Interior Design of the U.S. TITAN Real Estate Award in 2022, and the Best Demonstration Area Landscape of the Year – Gold Award of the Sixth ELA International Landscape Award in 2022.

Computerised photos

Asset Management Business

The Company commences its REIT management business through China Merchants Land Asset Management Co., Limited, a wholly-owned subsidiary of the Company and the REIT manager of the China Merchants Commercial Real Estate Investment Trust. During the year ended 31 December 2023, the Group recorded asset management services income of approximately RMB14,971,000 (2022: RMB30,457,000).

FINANCIAL AND TREASURY MANAGEMENT PRINCIPLES

As at 31 December 2023, the net assets attributable to owners of the Company amounted to RMB9,912,250,000 (2022: RMB9,862,815,000).

As at 31 December 2023, bank balances and cash was RMB10,283,322,000 (2022: RMB12,343,547,000). In terms of currency denomination, bank balances and cash can be divided into RMB10,077,319,000 in Renminbi, RMB102,355,000 in US$ and RMB103,648,000 in Hong Kong dollars ("**HK$**").

As at 31 December 2023, total interest-bearing debt of the Group was RMB35,238,088,000 (2022: RMB35,245,097,000). In terms of maturity, the outstanding total interest-bearing debt can be divided into RMB9,882,551,000 repayable within one year, RMB7,408,883,000 repayable after one year but within two years, RMB16,100,389,000 repayable after two years but within five years and RMB1,846,265,000 repayable after five years.

As at 31 December 2023, the Group's 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% (2022: 70%). The Group further utilizes the flexibility of its capital structure and resources in a rational manner according to project needs. The capital cost of the Group still remained at industry-low level. As at 31 December 2023, the weighted average finance costs of the interest-bearing debt is 4.18%, of which the average finance costs of bank and financial institution borrowings was 4.08%.

The monetary assets and liabilities and business transactions of the Group are mainly carried and conducted in RMB, US$ and HK$. The Group maintains a prudent strategy in its foreign exchange risk management, where foreign exchange risks are minimised via balancing the monetary assets versus monetary liabilities.

NON-COMPETITION DEED

To minimise actual and potential competition, the Group and China Merchants Property Development Co., Ltd.* (招商局地產控股股份有限公司) ("**CMPD**") (a company later merged with CMSK (as defined below) in December 2015) entered into a non-competition deed on 19 June 2013 as amended and supplemented on 4 October 2013 (the "**Non-Competition Deed**"). On 30 December 2015, the Company, CMPD and China Merchants Shekou Industrial Zone Holdings Co., Ltd. (招商局蛇口工業區控股股份有限公司) ("**CMSK**") *Note 1* had entered into a deed of amendment and novation, pursuant to which all the obligations, undertakings, interests and benefits of CMPD under the Non-Competition Deed were novated to and undertaken by CMSK in replacement of CMPD as if CMSK has been a party to the Non-Competition Deed in substitution of CMPD with effective from 30 December 2015. Other than that, all the other terms of the Non-Competition Deed shall remain unchanged *Note 2*. On 17 December 2018, the Company and CMSK entered into an amended and restated non-competition deed which supersede and replace in its entirety the Non-Competition Deed (the "**Amended and Restated Non-Competition Deed**"), and subsequently entered into a re-amended and restated non-competition deed (the "**Re-Amended and Restated Non-Competition Deed**") on 21 October 2019, which supersede and replace in its entirely the Amended and Restated Non-Competition Deed.

Notes:

1. According to the announcements published by CMSK and CMPD on the Shenzhen Stock Exchange, on 30 December 2015, CMSK and CMPD had completed the major asset restructuring and integration exercise pursuant to which, among other things, all assets, liabilities, businesses, employees, contracts and all others rights and obligations of CMPD have been taken up and assumed by CMSK in replacement of CMPD, CMPD was delisted from the Shenzhen Stock Exchange and the shares of CMSK became listed on the Shenzhen Stock Exchange, all with effect from 30 December 2015.

2. In the above paragraph under the heading of "Non-competition Deed", for the avoidance of doubt, references to CMSK should be construed as referring to CMPD in the context of any time before 30 December 2015.

* *For identification purpose only*

Pursuant to the Amended and Restated Non-Competition Deed, (i) CMSK and its subsidiaries (excluding the Group) ("**CMSK Group**") will not compete with the Group in the cities of Foshan, Guangzhou, Nanjing, and Jurong (the "**Four CML Cities**") except for certain operation transitional assets ("**Operation Transitional Assets**") located in Foshan which would be retained by CMSK Group but managed by the Group under certain operation agreement entered into between the Group and CMSK; (ii) with respect to Chongqing and Xi'an, the Company is considering to cease to conduct Property Business (other than participating in property-related investments on a minority basis across the PRC (the "**Non-Controlling Investment Arrangement**")) in and exit from such two cities in due course, depending on the results of an annual review process; (iii) CMSK Group will not compete with the Group in the cities of Chongqing and Xi'an unless the Group ceases to conduct Property Business (other than the Non-Controlling Investment Arrangement) in such city; (iv) the Group will not compete with CMSK in 46 other cities in the PRC ("**CMSK Cities**") except the Group will have the rights to participate in the Non-Controlling Investment Arrangement across the PRC (including the CMSK Cities); (v) the Group will also be entitled to conduct the Asset Management Business for office premises in Beijing and Shanghai exclusively, subject to the duly transfer of all equity interest of CMSK Group in Asset Management Business for office premises in Beijing and Shanghai to the Group (the "**Proposed Transfer I**"); and (vi) the Company will no longer have the perpetual right of first refusal to conduct Property Business (the "**Right of First Refusal**") for other cities in the PRC in which neither the Group nor the CMSK Group has an Property Business as at the date of the Non-Competition Deed ("**Unoccupied Cities**").

Pursuant to the Re-Amended and Restated Non-Competition Deed, the Group will have the rights to participate in the REIT Management Business for REITs with underlying properties permitted to be situated in or come from all over the PRC on an exclusive basis. In return, the Company (by itself or through its subsidiaries) are entitled to receive cash and/or units in the REITs. Other than the inclusion of the REIT Management Business and the updates to the terms with respect to the Asset Management Business for Office Premises in Beijing and Shanghai in order to reflect the situation at the time of the completion of the Proposed Transfer I, the other terms with respect to the (a) Non-Controlling Investment Arrangement; (b) Asset Management Business for Office Premises in Four CML Cities, Xi'an and Chongqing plus Beijing and Shanghai; and (c) Property Business of the Re-Amended and Restated Non-Competition Deed remain unchanged compared to the Amended and Restated Non-Competition Deed.

For details of the Non-Competition Deed and Operation Transitional Assets, please refer to the section headed "Relationship with the Controlling Shareholders" in the circular of the Company dated 10 October 2013.

For details of the Amended and Restated Non-Competition Deed, the Four CML Cities, Property Business, Non-Controlling Investment Arrangement, the CMSK Cities, Asset Management Business, the Proposed Transfer I, the Right of First Refusal and the Unoccupied Cities, please refer to the circular of the Company dated 10 January 2019.

For the details of the Re-Amended and Restated Non-Competition Deed, REIT Management Business and REITs, please refer to the circular of the Company dated 21 October 2019.

The independent board committee comprising all the independent non-executive Directors of the Company, had (i) reviewed the reports prepared by the Company's management containing latest information on the respective property projects portfolios of CMSK Group and the Group; (ii) carried out a review on the implementation of and compliance with Re-Amended and Restated Non-Competition Deed by CMSK Group and the Group during the year ended 31 December 2023; and (iii) confirmed that the terms of the Re-Amended and Restated Non-Competition Deed had been complied with by CMSK Group and the Group during the year ended 31 December 2023.

The Group will continue to operate its traditional property development business in Guangzhou, Foshan, Nanjing and Jurong. In addition, upon the annual review of the portfolio of the Group's Property Business for the year ended 31 December 2023, taking into account the financial resources available to the Group at the relevant time and the relevant market conditions, the Group decides to continue its Property Business in Chongqing and Xi'an for the time being.

PROSPECTS AND OUTLOOK

There are many favorable conditions for the future development of the real estate market. First, China is still in the stage of continuous urbanization. Last year, the urbanization rate of the resident population increased by 0.94 percentage points from the previous year, reaching 66.16%, but there is still room for comparison with the level of about 80% in developed countries. In the past five years, China's urbanization rate has increased by an average of 0.93 percentage points per year, with more than 10 million rural residents entering cities and towns each year, bringing with it a large demand for new housing. Secondly, although the per capita housing area is not small, there is still an urgent demand for upgrading housing functions and improving the living experience.

In the future, the Group will strive for excellence in a number of areas. Firstly, the Group will increase revenue and reduce expenditure, and strive to control the level of the three expenses (i.e., selling expenses, management expenses and financing expenses) below the industry benchmark, in order to strive for a management dividend. Secondly, we continued to carry out iterative improvement and image upgrading of our residential product lines, and completed the establishment and application of the new star product line "Radiance Series". The launch of Xi'an Xu and Nanjing Jolly Garden fulfilled the Group's commitment to the "people-oriented" philosophy, adhering to customer value, insisting on quality development, promoting the spirit of craftsmanship, and practically improving the quality of products and services. Thirdly, 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, real estate will continue to be a 10 trillion-dollar market in the future, and the "Matthew effect" of the industry is accelerating. The Group will need to be prudent in its deployment and continue to cultivate the cities in which it operates, capitalizing on the take-off of the China Merchants Group's third entrepreneurship.

EMPLOYEE REMUNERATION AND RELATIONS

The Group remunerates the employees by reference to their qualifications, experience, responsibilities, profitability of the Group and current market conditions.

As at 31 December 2023, the Group had 859 (2022: 799) employees in the PRC and Hong Kong.The Group determines its staff remuneration based on various factors such as qualifications, length of service, market conditions and performance of the individual employees. For the year ended 31 December 2023, the Company had no share option scheme in effect.

FINANCIAL GUARANTEE CONTRACTS

The Group has contingent liabilities amounted to RMB6,432,174,000 as at 31 December 2023 (2022: RMB7,908,240,000).

PLEDGE OF ASSETS

As at 31 December 2023, land included in properties for sale and located in Chongqing, Xi'an and Nanjing with carrying values of approximately RMB10,673,297,000 (2022: RMB3,777,371,000), investment properties with carrying values of approximately RMB1,631,574,000 (2022: RMB1,724,601,000), trade receivables with carrying value of approximately RMB1,071,000 (2022: RMB345,000) and equity held in an associate with carrying value of approximately RMB213,584,000 (2022: 0) have been pledged to secure bank borrowings amounting to RMB3,848,969,000 (2022: RMB2,594,112,000) granted to the Group.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities during the year of 2023.

AUDIT COMMITTEE

The Audit Committee comprises two independent non-executive directors and one non-executive director. Dr. Wong Wing Kuen, Albert, chairman of the Audit Committee, has the appropriate professional qualification and experience in financial matters as required by the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the "**Listing Rules**"). This committee is authorised by the Board and is responsible for reviewing the financial reports, internal control principles and for maintaining an appropriate relationship with the Company's auditors. The Audit Committee has reviewed the Group's consolidated financial statements for the year of 2023, including the internal controls, financial reporting matters, accounting principles and practices adopted by the Group.

SCOPE OF WORK OF MESSRS. DELOITTE TOUCHE TOHMATSU

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the year ended 31 December 2023 as set out in the preliminary announcement have been agreed by the Group's auditor, Messrs. Deloitte Touche Tohmatsu, to the amounts set out in the audited consolidated financial statements of the Group for the year as approved by the Board of Directors on 14 March 2024. The work performed by Messrs. Deloitte Touche Tohmatsu in this respect did not constitute an assurance engagement and consequently no opinion or assurance conclusion has been expressed by Messrs. Deloitte Touche Tohmatsu on the preliminary announcement.

CORPORATE GOVERNANCE CODE

The Company had complied with the code provisions of the Corporate Governance Code as set out in Appendix 14 of the Listing Rules during the year ended 31 December 2023, save that:

Code Provision B.2.2 stipulates that every director, including those appointed for a specific term, should be subject to retirement by rotation at least once every three years. All Directors do not have specific terms of appointment. However, all of them are subject to retirement by rotation and re-election at annual general meeting according to the Company's articles of association. The Board considers that the requirement has the same effect of accomplishing the same objective as a specific term of appointment.

Code Provision C.1.6 stipulates that independent non-executive directors and other non-executive directors should attend general meetings, and develop a balanced understanding of the views of shareholders. Mr. XU Yongjun and Dr. SHI Xinping, a then non-executive Director and an independent non-executive Director respectively, did not attend the annual general meeting of the Company held on 25 May 2023 due to other business engagement. However, there were sufficient Directors, including executive Directors, independent non-executive Directors and non-executive Director, present to enable the Board to develop a balanced understanding of the views of the Company's shareholders.

Code Provision F.2.2 stipulates that the chairman of the Board should attend the annual general meeting. Mr. XU Yongjun, the then chairman of the Board, could not attend the AGM held on 25 May 2023 (the "**AGM**") due to other business engagement. However, he had appointed Mr. Huang Junlong, a non-executive Director as his alternate director who presided at the AGM and answered questions for shareholders of the Company.

MODEL CODE FOR DIRECTORS' SECURITIES TRANSACTIONS

The Group has adopted its code of conduct for securities transactions by Directors of the Company on terms no less exacting than the required standard set out in the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") as set out in Appendix 10 of the Listing Rules. Following specific enquiry by the Company, all the Directors have confirmed that they have complied with the required standard set out in the Model Code throughout the year ended 31 December 2023.

PUBLICATION OF ANNUAL REPORT ON THE STOCK EXCHANGE WEBSITE

The annual report of the Company for the year of 2023 containing all information required by the Listing Rules will be despatched to the Company's shareholders and published on the website of the Stock Exchange at www.hkexnews.hk and the website of the Company at ir.cmland.hk.

On behalf of the Board
China Merchants Land Limited
JIANG Tiefeng
Chairman

Hong Kong, 14 March 2024

As at the date of this announcement, the Board comprises Mr. JIANG Tiefeng, Mr. HUANG Junlong and Mr. LI Yao as non-executive Directors; Dr. SO Shu Fai, Mr. WONG King Yuen and Ms. CHEN Yan as executive Directors and Dr. WONG Wing Kuen, Albert, Ms. CHEN Yanping, Dr. SHI Xinping and Mr. IP Man Ki, Ryan as independent non-executive Directors.