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CHINA MERCHANTS LAND LIMITED

招商局置地有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 978)

**INTERIM RESULTS ANNOUNCEMENT
FOR THE SIX MONTHS ENDED 30 JUNE 2023**

The board (the “**Board**”) of directors (the “**Directors**”) of China Merchants Land Limited (the “**Company**”) is pleased to announce the unaudited condensed consolidated interim results of the Company and its subsidiaries (the “**Group**”) for the period from 1 January 2023 to 30 June 2023 together with the comparative figures as follows:

**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER
COMPREHENSIVE INCOME**

For the six months ended 30 June 2023

	<i>NOTES</i>	Six months ended 30 June	
		2023	2022
		RMB'000	RMB'000
		(Unaudited)	(Unaudited)
Revenue	4	9,814,296	13,794,534
Cost of sales		(7,921,189)	(11,636,046)
Gross profit		1,893,107	2,158,488
Other income		207,845	204,784
Net foreign exchange gains (losses)		10,664	(17,126)
Selling and marketing expenses		(278,896)	(438,892)
Administrative expenses		(99,662)	(153,369)
Share of results of associates		164,112	118,555
Share of results of joint ventures		11,486	118,730
Finance costs	6	(375,812)	(302,839)

		Six months ended 30 June	
		2023	2022
	<i>NOTES</i>	RMB'000	RMB'000
		(Unaudited)	(Unaudited)
Profit before tax		1,532,844	1,688,331
Income tax expense	7	(719,084)	(863,661)
Profit for the period	8	813,760	824,670
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		28,728	19,879
Total comprehensive income for the period		842,488	844,549
Profit for the period attributable to:			
Owners of the Company		84,140	249,763
Non-controlling interests		729,620	574,907
		813,760	824,670
Total comprehensive income for the period attributable to:			
Owners of the Company		112,868	269,642
Non-controlling interests		729,620	574,907
		842,488	844,549
Earnings per share			
Basic (RMB cents)	10	1.72	5.09

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2023

	<i>NOTES</i>	30.6.2023 RMB'000 (Unaudited)	31.12.2022 RMB'000 (Audited)
Non-current assets			
Property, plant and equipment		220,888	235,375
Right-of-use assets		69,226	86,721
Investment properties		3,197,363	3,243,522
Goodwill		160,210	160,210
Interests in associates		11,178,524	10,149,691
Interests in joint ventures		4,317,444	5,495,028
Financial asset at fair value through profit or loss		128,442	128,442
Other receivables		9,288,535	13,051,869
Deferred tax assets		1,134,920	936,478
		29,695,552	33,487,336
Current assets			
Properties for sale		72,346,979	63,332,410
Trade and other receivables	<i>11</i>	22,077,603	18,842,556
Contract costs		247,761	229,025
Prepaid income tax		3,029,620	2,633,426
Bank balances and cash		12,172,373	12,343,547
		109,874,336	97,380,964
Current liabilities			
Trade and other payables	<i>12</i>	34,385,418	32,558,521
Contract liabilities		30,364,835	25,992,261
Lease liabilities		56,860	57,531
Loans from non-controlling interests	<i>13</i>	34,700	68,522
Loans from an intermediate holding company		7,938,091	22,185
Bank and other borrowings	<i>14</i>	5,677,640	1,919,439
Income tax payable		3,290,081	3,321,731
		81,747,625	63,940,190
Net current assets		28,126,711	33,440,774
Total assets less current liabilities		57,822,263	66,928,110

		30.6.2023	31.12.2022
	<i>NOTES</i>	RMB'000	<i>RMB'000</i>
		(Unaudited)	(Audited)
Non-current liabilities			
Loans from non-controlling interests	<i>13</i>	1,547,302	136,570
Loans from an intermediate holding company		6,683,266	15,285,356
Bank and other borrowings	<i>14</i>	13,546,023	17,927,195
Lease liabilities		349,141	375,062
Deferred tax liabilities		496,282	477,662
		<u>22,622,014</u>	<u>34,201,845</u>
Net assets		<u>35,200,249</u>	<u>32,726,265</u>
Capital and reserves			
Share capital		39,132	39,132
Reserves		9,828,323	9,823,683
		<u>9,867,455</u>	<u>9,862,815</u>
Equity attributable to owners of the Company		25,332,794	22,863,450
Non-controlling interests		<u>35,200,249</u>	<u>32,726,265</u>
Total equity		<u>35,200,249</u>	<u>32,726,265</u>

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2023

1. GENERAL INFORMATION

China Merchants Land Limited (the “**Company**”, together with its subsidiaries, collectively referred to as the “**Group**”) 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 interim report.

The principal activities of the Group are development and sales of property, property leasing and assets management.

The condensed consolidated financial statements is presented in Renminbi (“**RMB**”), which is the same as the functional currency of the Company.

2. BASIS OF PREPARATION

The condensed consolidated financial statements have been prepared in accordance with Hong Kong Accounting Standard 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”) as well as with the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the “**Listing Rules**”).

3. PRINCIPAL ACCOUNTING POLICIES

The condensed consolidated financial statements have been prepared on the historical cost basis except for financial asset at fair value through profit or loss which is measured at fair value, as appropriate.

Other than additional accounting policies resulting from application of amendments to Hong Kong Financial Reporting Standards (“**HKFRSs**”), and application of certain accounting policies which became relevant to the Group, the accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended 30 June 2023 are the same as those presented in the Group’s annual financial statements for the year ended 31 December 2022.

Application of amendments to HKFRSs

In the current interim period, the Group has applied the following amendments to HKFRSs issued by the HKICPA, for the first time, which are mandatorily effective for the annual period beginning on 1 January 2023 for the preparation of the Group’s condensed consolidated financial statements:

HKFRS 17	Insurance Contracts
Amendments to HKAS 1 and HKFRS Practice Statement 2	Disclosure of Accounting Policies
Amendments to HKAS 8	Definition of Accounting Estimates
Amendments to HKAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction

The application of the amendments to HKFRSs in the current period has had no material impact on the Group's financial positions and performance for the current and prior periods and/or on the disclosures set out in these condensed consolidated financial statements.

4. REVENUE

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

	Six months ended 30 June 2023 RMB'000 (Unaudited)	Six months ended 30 June 2022 RMB'000 (Unaudited)
By types of goods or services		
Sales of properties for sale	9,667,573	13,648,598
Rental income from investment properties	117,206	116,983
Properties operation income	21,929	19,188
Asset management service	7,588	9,765
	<u>9,814,296</u>	<u>13,794,534</u>
By timing of revenue recognition		
At a point in time	9,667,573	13,648,598
Over time	29,517	28,953
	<u>9,697,090</u>	<u>13,677,551</u>
Rental income from investment properties	117,206	116,983
	<u>9,814,296</u>	<u>13,794,534</u>

5. 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 maker (“**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 the following two operating and 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**”). Each of which was considered as a separate operating segment by the CODM.

Segment revenue and results

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

	Asset management segment RMB’000	Properties segment RMB’000	Consolidated RMB’000
For the six months ended 30 June 2023 (unaudited)			
Segment revenue – external customers	<u>7,588</u>	<u>9,806,708</u>	<u>9,814,296</u>
Segment results	<u>5,824</u>	<u>1,766,370</u>	1,772,194
Unallocated net foreign exchange gains			24,959
Unallocated finance costs			(304,998)
Unallocated income			64,090
Unallocated expenses			<u>(23,401)</u>
Profit before tax			<u>1,532,844</u>

	Asset management segment <i>RMB'000</i>	Properties segment <i>RMB'000</i>	Consolidated <i>RMB'000</i>
For the six months ended 30 June 2022 (unaudited)			
Segment revenue – external customers	<u>9,765</u>	<u>13,784,769</u>	<u>13,794,534</u>
Segment results	<u>6,544</u>	<u>1,952,531</u>	1,959,075
Unallocated net foreign exchange losses			(22,106)
Unallocated finance costs			(240,618)
Unallocated income			29,263
Unallocated expenses			<u>(37,283)</u>
Profit before tax			<u>1,688,331</u>

There were no inter-segment sales for both periods.

Segment results represent the profit earned by each segment without allocation of unallocated corporate expenses, net of certain finance costs, certain other income and certain net foreign exchange gains/losses. This is the measure reported to the CODM for the purposes of resource allocation and performance assessment.

6. FINANCE COSTS

	Six months ended 30 June	
	2023	2022
	<i>RMB'000</i>	<i>RMB'000</i>
	(Unaudited)	(Unaudited)
Interest on:		
– bank and other borrowings	438,191	345,460
– lease liabilities	9,603	10,636
– loans from an intermediate holding company	337,003	423,962
– loans from non-controlling interests	<u>1,298</u>	<u>63,016</u>
Total borrowing costs	786,095	843,074
Less: Amount capitalised in the cost of qualifying assets	<u>(410,283)</u>	<u>(540,235)</u>
	<u>375,812</u>	<u>302,839</u>

7. INCOME TAX EXPENSE

	Six months ended 30 June	
	2023	2022
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
The income tax expenses (credit) comprise of:		
PRC Enterprise Income Tax (“EIT”)	302,770	491,834
Land Appreciation Tax (“LAT”)	396,007	507,999
	<u>698,777</u>	<u>999,833</u>
Deferred tax	20,307	(136,172)
	<u>719,084</u>	<u>863,661</u>

No provision for Hong Kong Profits Tax has been made as the Group has no assessable profit in Hong Kong for both reporting periods.

Under the Law of the People’s Republic of China (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 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 of sales of properties less estimated deductible expenditures including cost of land use right, borrowing costs and the relevant property development expenditures.

8. PROFIT FOR THE PERIOD

The profit for the period has been arrived at after charging:

	Six months ended 30 June	
	2023	2022
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Depreciation of property, plant and equipment	22,364	20,789
Depreciation of right-of-use assets	16,582	16,816
Depreciation of investment properties	<u>75,484</u>	<u>74,931</u>

9. DIVIDENDS

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

No interim dividend was paid, declared or proposed during the six months ended 30 June 2023, nor has any dividend been proposed since the end of the interim reporting period (2022: Nil).

10. EARNINGS PER SHARE

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

	Six months ended 30 June	
	2023	2022
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Earnings		
Earnings for the purpose of basic earnings per share, being profit for the period attributable to owners of the Company	<u>84,140</u>	<u>249,763</u>
	Six months ended 30 June	
	2023	2022
	(Unaudited)	(Unaudited)
Number of shares		
Weighted average number of ordinary shares for the purpose of basic earnings per share	<u>4,905,257,860</u>	<u>4,905,257,860</u>

No diluted earnings per share is presented for the period ended 30 June 2023 and 2022 as there were no potential ordinary shares outstanding.

11. TRADE AND OTHER RECEIVABLES

	30.6.2023	31.12.2022
	RMB'000	RMB'000
	(Unaudited)	(Audited)
Trade receivables	<u>29,288</u>	<u>26,925</u>

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

	30.6.2023 <i>RMB'000</i> (Unaudited)	31.12.2022 <i>RMB'000</i> (Audited)
0 – 180 days	22,528	19,813
181 – 365 days	2,076	2,036
Over 1 year	<u>4,684</u>	<u>5,076</u>
	<u>29,288</u>	<u>26,925</u>

12. TRADE AND OTHER PAYABLES

	30.6.2023 <i>RMB'000</i> (Unaudited)	31.12.2022 <i>RMB'000</i> (Audited)
Trade payables	<u>7,779,441</u>	<u>7,427,932</u>

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

	30.6.2023 <i>RMB'000</i> (Unaudited)	31.12.2022 <i>RMB'000</i> (Audited)
0 to 60 days	4,979,510	4,907,557
61 to 180 days	657,554	696,807
181 to 365 days	1,438,054	1,052,998
Over 1 year	<u>704,323</u>	<u>770,570</u>
	<u>7,779,441</u>	<u>7,427,932</u>

13. LOANS FROM NON-CONTROLLING INTERESTS

Details of the terms of the loans are set out as below:

	Effective interest rate per annum	30.6.2023 RMB'000 (Unaudited)	31.12.2022 RMB'000 (Audited)
Fixed-rate loans denominated in:			
RMB	3.85% to 6% (31 December 2022: 4.75% to 6%)	34,700	90,922
Non-interest bearing loan denominated in:			
RMB		1,547,302	114,170
		1,582,002	205,092
Analysed as:			
Current portion		34,700	68,522
Non-current portion		1,547,302	136,570
		1,582,002	205,092

14. BANK AND OTHER BORROWINGS

The Group's bank borrowings were subject to variable-rate interest at RMB Benchmark Loan Rates offered by the People's Bank of China and Hong Kong Inter-Bank Offered Rate ("HIBOR") at the respective date of borrowings' agreements or fixed-rate interest stated in borrowings' agreements. The effective interest rates on the Group's bank borrowings ranged from 2.80% to 6.00% (31 December 2022: 2.12% to 5.30%) per annum.

As at 30 June 2023, land with carrying values of approximately RMB6,418,815,000 (31 December 2022: RMB3,777,371,000), investment properties with carrying values of approximately RMB1,678,088,000 (31 December 2022: RMB1,724,601,000) and trade receivables with carrying values of approximately RMB829,000 (31 December 2022: RMB345,000) have been pledged to secure bank and other borrowings amounting to RMB2,664,553,000 (31 December 2022: RMB2,594,112,000) granted to the Group.

15. COMMITMENTS

At the end of the reporting period, the Group had the following commitments contracted for but not provided in the condensed consolidated financial statements in respect of:

	30.6.2023 RMB'000 (Unaudited)	31.12.2022 RMB'000 (Audited)
Construction of properties under development for sale	8,604,866	9,739,350
Capital injection to joint ventures	5,100	15,100
Leasehold improvements	3,642	4,450
	<u>8,613,608</u>	<u>9,758,900</u>

16. FINANCIAL GUARANTEE CONTRACTS

At the end of the reporting period, financial guarantee contracts of the Group were as follows:

	30.6.2023 RMB'000 (Unaudited)	31.12.2022 RMB'000 (Audited)
Guarantee given to banks in connection with facilities granted to customers (<i>Note i</i>)	4,212,154	3,978,801
Guarantee given to banks in connection with facilities granted to joint ventures and associates (<i>Note ii</i>)	<u>2,713,683</u>	<u>3,929,439</u>

Notes:

- (i) The Group acted as guarantor to the mortgage loans granted to certain purchasers of the Group's properties and agreed to repay the outstanding loan and interest accrual thereon, if the purchasers default the repayment of loan before the issue of the property certificate. The directors of the Company consider that the fair value of the financial guarantee contracts at initial recognition is not significant as the default rate is low.
- (ii) The directors of the Company consider that the fair value of the financial guarantee at the initial date of providing this guarantee is insignificant.

MANAGEMENT DISCUSSION AND ANALYSIS

MARKET OVERVIEW ANALYSIS

China's economic performance in the first half of 2023 rebounded and improved as a whole, with market demand gradually recovering and production and supply continuing to increase. According to data released by the National Bureau of Statistics of China, the gross domestic product (GDP) in the first half year reached RMB59,303.4 billion, up by 5.5 percent year on year at constant price, or 1.0 percentage point faster than that in the first quarter of 2023, which laid an important foundation for achieving the goal of 5% growth rate set for the full year. China's economy has strong resilience and potential, and the fundamentals sustaining China's steady and long-term economic growth remain unchanged.

The real estate industry is still facing a profound adjustment. In the first half of 2023, the real estate investment amounted to RMB5,800 billion, representing a year-on-year decrease of 7.9%. However, the investment strategies of various real estate enterprises were similar and there was a high degree of enthusiasm for quality land parcels in core cities. The overall land market was in the doldrums, while some were hot. In terms of the sales, in the first half of 2023, the floor space of commercial buildings sold was 595.15 million square meters, a year-on-year decrease of 5.3 percent, of which the floor space of residential buildings sold decreased by 2.8 percent. The total sales amount of commercial buildings was RMB6,309.2 billion, up 1.1 percent, of which the total sales amount of residential buildings increased by 3.7 percent.

In the first quarter, driven by the release of the backlog of demand and the overall loose policy, there comes to a rebound. In the second quarter, due to the slowdown of growth momentum and the increasing wait-and-see sentiment of potential customers to purchase homes, the sales performance of new homes varied significantly from city to city.

In terms of the sale in size, the mainstream market demand was still focused on 90-120 square metres of products, generally accounting for more than 40% of the number of residential units sold. It shows that compared to rigid demand products, improvement-led products have better de-stocking power and have shown strong resilience.

In the face of the industry's reorganization, the Group is financially sound and has a good foundation to support its development and grow steadily. We will seize this strategic opportunity by reducing operating costs, improving product quality and strive to stand out from the competition with differentiated products and services in the cities it has already developed over the years.

FINANCIAL REVIEW

During the six months period ended 30 June 2023, profit amounted to approximately RMB813,760,000 (the corresponding period of 2022: RMB824,670,000), representing a decrease of approximately 1% as compared with the last corresponding period.

Profit attributable to the owners of the Company was RMB84,140,000 (the corresponding period of 2022: RMB249,763,000), representing a decrease of approximately 66% as compared with the last corresponding period. The decrease in profit attributable to owners of the Company was attributable to the fact that the Group's profit in the first half of 2023 was mainly contributed by the Company's non-wholly owned subsidiaries with lower average shareholding compared to the average shareholding percentage of the Company's non-wholly owned subsidiaries contributing profit for the same period of the previous year.

During the six months period ended 30 June 2023, basic earnings per share was RMB1.72 cents (the corresponding period of 2022: RMB5.09 cents), representing a decrease of approximately 66% compared to the corresponding period of last year.

As at 30 June 2023, equity attributable to owners of the Company was RMB9,867,455,000, which remained basically the same as compared to the last financial year ended 31 December 2022 of RMB9,862,815,000.

For the six months period ended 30 June 2023, the Group had no material exposure to fluctuations in exchange rates and no related hedges.

Turnover

For the first half of 2023, the Group recorded turnover of RMB9,814,296,000 (the corresponding period of 2022: RMB13,794,534,000), representing a decrease of approximately 29% 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 2023. For the first half of 2023, projects in Foshan, Guangzhou, Chongqing, Nanjing, Xi’an and Hong Kong accounted for 1.6%, 3.4%, 19.5%, 20.1%, 55% and 0.4% of the total turnover of the Group respectively.

Gross Profit

Gross profit amounted to RMB1,893,107,000 (the corresponding period of 2022: RMB2,158,488,000), representing a decrease of approximately 12% as compared to the corresponding period of last year. The gross profit margin was 19%, representing an increase of approximately 3 percentage points as compared to the corresponding period of last year (the corresponding period of 2022: 16%).

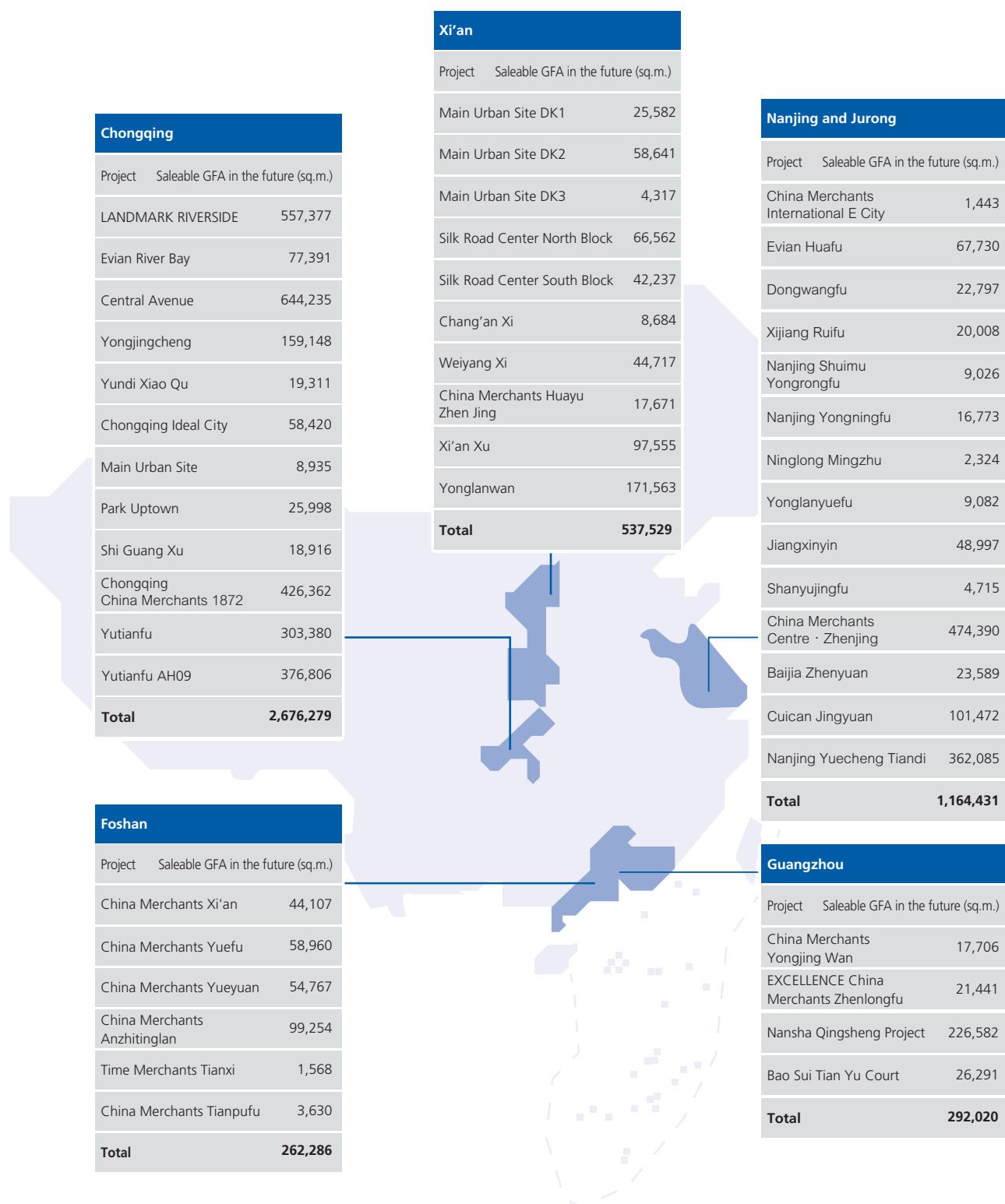
BUSINESS REVIEW

Property Development Business

As at 30 June 2023, the Group’s portfolio of property development projects consisted of 46 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.

The saleable GFA of the properties comprising the projects which had not been sold or pre-sold as at 30 June 2023 (“**Land Bank**”) was 4,932,545 sq.m.. Below is the 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.

A map showing the geographical location and land bank of the projects of the Group in the PRC as at 30 June 2023



The table below details the Group's property development projects as at 30 June 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:

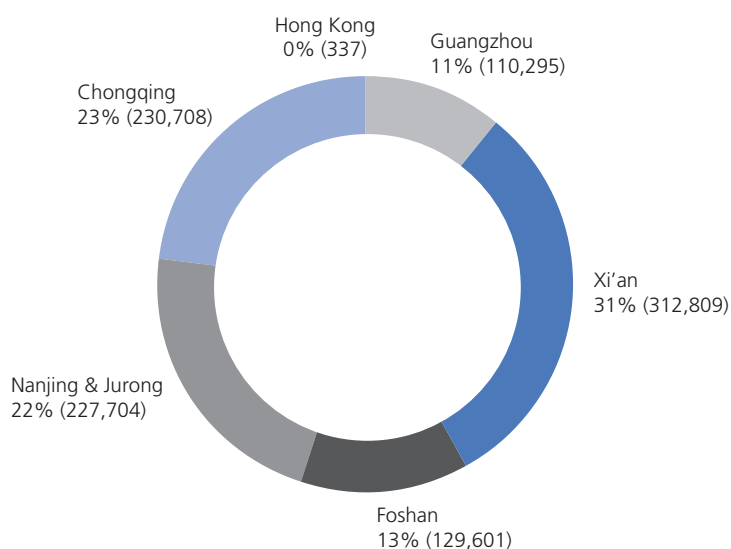
Project	The Company's attributable interest in the projects	Completed							Under development			Future development	
		Total GFA	Future Total GFA Saleable	Total GFA completed	Total GFA saleable/rentable	Of which sold and delivered	Of which		Total GFA under development	Total GFA saleable/rentable	Of which sold	Total GFA saleable/rentable	
							Of which sold but not yet delivered	not pre-sold/ held for investment					
China Merchants Xi'an	60%	231,607	44,107	231,607	204,285	154,728	5,450	44,107	-	-	-	-	-
China Merchants Yuefu	50%	326,112	58,960	326,112	249,861	161,894	29,007	58,960	-	-	-	-	-
China Merchants Yueyuan	50%	309,372	54,767	309,372	253,845	180,095	18,983	54,767	-	-	-	-	-
China Merchants Anzhitinglan	90%	181,895	99,254	181,895	171,103	64,749	7,100	99,254	-	-	-	-	-
Time Merchants Tianxi	50%	175,097	1,568	175,097	124,764	123,040	156	1,568	-	-	-	-	-
China Merchants Tianpufu	34%	35,881	3,630	35,881	35,881	32,179	72	3,630	-	-	-	-	-
Foshan subtotal		1,259,964	262,286	1,259,964	1,039,739	716,685	60,768	262,286	-	-	-	-	-
China Merchants Yongjing Wan	60%	283,587	17,706	283,587	283,587	265,194	687	17,706	-	-	-	-	-
EXCELLENCE China Merchants Zhenlongfu	50%	118,833	21,441	-	-	-	-	-	118,833	73,254	51,813	-	-
Nansha Qingsheng Project	100%	327,509	226,582	-	-	-	-	-	190,598	139,586	5,183	136,911	92,179
Bao Sui Tian Yu Court	50%	96,877	26,291	-	-	-	-	-	96,877	96,877	70,586	-	-
Guangzhou subtotal		826,806	292,020	283,587	283,587	265,194	687	17,706	406,308	309,717	127,582	136,911	92,179
LANDMARK RIVERSIDE	50%	1,706,401	557,377	1,226,291	1,174,363	925,517	14,269	234,577	191,052	191,052	127,628	289,058	259,376
Evian River Bay	100%	535,678	77,391	535,678	525,773	448,152	230	77,391	-	-	-	-	-
Central Avenue	50%	1,664,272	644,235	1,277,515	1,217,912	949,505	9,504	258,903	386,757	385,332	-	-	-
Yongjingcheng	100%	476,430	159,148	476,430	476,430	300,533	16,749	159,148	-	-	-	-	-
Yundi Xiao Qu	100%	136,704	19,311	136,704	122,812	103,501	-	19,311	-	-	-	-	-
Chongqing Ideal City	51%	182,106	58,420	121,894	119,445	119,445	-	-	60,212	59,183	763	-	-
Main Urban Site	100%	47,012	8,935	47,012	45,571	36,636	-	8,935	-	-	-	-	-
Park Uptown	100%	103,749	25,998	103,749	103,262	77,264	-	25,998	-	-	-	-	-
Shi Guang Xu	100%	36,332	18,916	36,332	36,332	-	17,416	18,916	-	-	-	-	-
China Merchants 1872	100%	469,814	426,362	-	-	-	-	-	124,297	124,297	43,452	345,517	345,517
Yutianfu	100%	380,901	303,380	112,691	112,691	-	76,309	36,382	83,574	83,574	1,212	184,636	184,636
Yutianfu AH09	100%	417,819	376,806	-	-	-	-	-	268,051	268,051	41,013	149,768	149,768
Chongqing subtotal		6,157,218	2,676,279	4,074,296	3,934,591	2,960,553	134,477	839,561	1,113,943	1,111,489	214,068	968,979	939,297

Project	The Company's attributable interest in the projects	Completed						Under development			Future development		
		Total GFA	Future Total GFA Saleable	Total 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	Total GFA under development	Total GFA saleable/rentable	Of which sold	Total GFA saleable/rentable	
													GFA
China Merchants International													
E City	100%	372,916	1,443	372,916	331,230	276,104	53,683	1,443	-	-	-	-	-
Evian Huafu	51%	357,867	67,730	357,867	265,192	197,462	-	67,730	-	-	-	-	-
Dongwangfu	51%	315,482	22,797	315,482	235,399	212,105	497	22,797	-	-	-	-	-
Xijiang Ruifu	20%	278,840	20,008	276,758	224,574	204,847	1,440	18,287	2,082	2,064	343	-	-
Nanjing Shuimu Yongrongfu	28%	243,759	9,026	243,759	184,928	175,686	216	9,026	-	-	-	-	-
Nanjing Yongningfu	51%	291,438	16,773	291,438	283,978	266,681	524	16,773	-	-	-	-	-
Ninglong Mingzhu	31%	57,406	2,324	57,406	57,406	53,918	1,164	2,324	-	-	-	-	-
Yonglanyuefu	51%	105,618	9,082	105,618	85,310	76,228	-	9,082	-	-	-	-	-
Jiangxinyin	51%	140,370	48,997	-	-	-	-	-	140,370	139,561	90,564	-	-
Shanyujingfu	20%	54,751	4,715	54,751	54,751	50,036	-	4,715	-	-	-	-	-
China Merchants Centre - Zhenjing	80%	734,393	474,390	-	-	-	-	-	734,393	605,592	131,202	-	-
Baijia Zhenyuan	82%	87,463	23,589	-	-	-	-	-	87,463	71,097	47,508	-	-
Cuican Jingyuan	80%	144,175	101,472	-	-	-	-	-	144,175	112,099	10,627	-	-
Nanjing Yuecheng Tiandi	35%	598,719	362,085	109,916	109,916	82,140	11,089	16,687	488,803	351,867	6,469	-	-
Nanjing subtotal		3,783,197	1,164,431	2,185,911	1,832,684	1,595,207	68,613	168,864	1,597,286	1,282,280	286,713	-	-
Main Urban Site DK1													
Main Urban Site DK1	51%	277,313	25,582	277,313	242,880	216,245	1,053	25,582	-	-	-	-	-
Main Urban Site DK2	51%	562,692	58,641	251,949	251,949	194,187	33,439	24,323	310,743	266,112	231,794	-	-
Main Urban Site DK3	51%	271,036	4,317	271,036	271,036	263,821	2,898	4,317	-	-	-	-	-
Silk Road Center North Block	51%	137,290	66,562	137,290	137,290	46,157	24,571	66,562	-	-	-	-	-
Silk Road Center South Block	51%	185,762	42,237	185,762	185,762	16,601	126,924	42,237	-	-	-	-	-
Chang'an Xi	26%	63,626	8,684	-	-	-	-	-	63,626	54,107	45,423	-	-
Weiyang Xi	51%	112,359	44,717	112,359	99,530	43,666	11,147	44,717	-	-	-	-	-
China Merchants Huayu Zhen Jing	51%	170,906	17,671	170,906	146,196	112,682	15,843	17,671	-	-	-	-	-
Xi'an Xu	51%	158,971	97,555	-	-	-	-	-	158,971	149,759	52,204	-	-
Yonglanwan	51%	226,883	171,563	-	-	-	-	-	226,883	212,188	40,625	-	-
Xi'an subtotal		2,166,838	537,529	1,406,615	1,334,643	893,359	215,875	225,409	760,223	682,166	370,046	-	-
Total		14,194,023	4,932,545	9,210,373	8,425,244	6,430,998	480,420	1,513,826	3,877,760	3,385,652	998,409	1,105,890	1,031,476

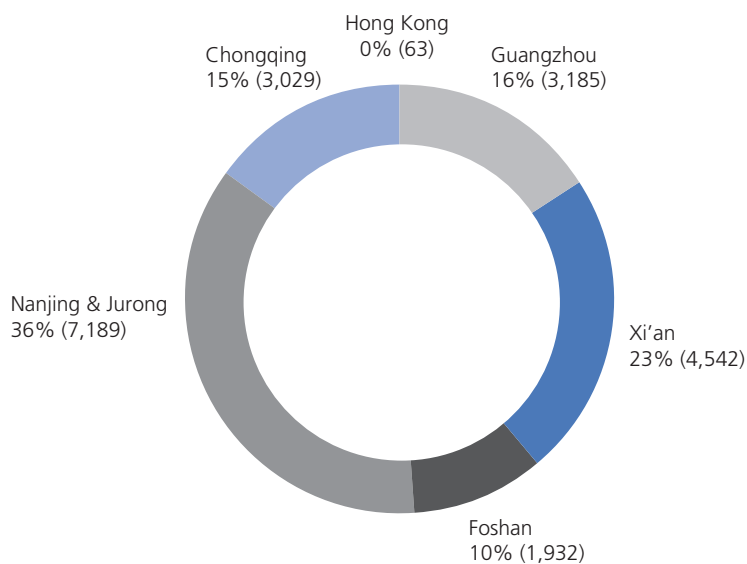
Contracted Sales

For the six months ended 30 June 2023, the Group, together with its associated companies and joint venture companies, achieved aggregate contracted sales of approximately RMB19,940 million (representing a year-on-year decrease of approximately 3.5%) with an aggregate contracted sales area of approximately 1,011,454 square meters (representing a year-on-year increase of approximately 26%). The average selling price for the six months ended 30 June 2023 amounted to approximately RMB19,714 per square meter.

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



Contracted sales amount by region (RMB million)



Asset Management Business

The Company has commenced 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. For the six months period ended 30 June 2023, the Company has recorded asset management service income of approximately RMB7,588,000.

FINANCIAL AND TREASURY MANAGEMENT PRINCIPLES

As at 30 June 2023, the net assets attributable to shareholders of the Group were approximately RMB9,867,455,000 (31 December 2022: RMB9,862,815,000). As at 30 June 2023, bank balances and cash was RMB12,172,373,000 (31 December 2022: RMB12,343,547,000). In terms of currency denomination, bank balances and cash can be divided into RMB11,788,013,000 in Renminbi, RMB160,802,000 in US\$ and RMB223,558,000 in Hong Kong dollars.

As at 30 June 2023, total interest-bearing debt of the Group was RMB33,879,720,000 (31 December 2022: RMB35,245,097,000). In terms of maturity, the outstanding total interest-bearing debt can be divided into RMB13,628,030,000 repayable within one year, RMB10,141,360,000 repayable after one year but within two years, RMB8,691,366,000 repayable after two years but within five years and RMB1,418,964,000 repayable after five years.

As at 30 June 2023, the Group's net interest-bearing debt (total interest-bearing debt minus bank balances and cash) to equity ratio (including non-controlling interests) (the "net gearing ratio") was 62% (31 December 2022: 70%), while the Group's liabilities to asset ratio ((total liabilities – contract liabilities)/total assets) was 53%, and the cash to short-term debt ratio (bank balances and cash/bank and other borrowings repayable within one year) was 2.14 times. The Group will endeavour to maintain its financial health so as to enable the Group to be viable and sustainable.

The monetary assets and liabilities and business transactions of the Group are mainly carried and conducted in RMB, US\$ and HKD, those foreign currencies are mostly used in investments in Hong Kong, thus the foreign exchange risks are relatively low. 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

On 21 October 2019, a re-amended and restated non-competition deed was entered into between the Company and China Merchants Shekou Industrial Zone Holdings Co., Ltd. (“**CMSK**”). Pursuant to which, among other things, (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 except for certain 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 cities; (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; and (vi) the Company shall be entitled to conduct the REIT Management Business exclusively for REITs in Hong Kong with underlying properties permitted to come from all over the PRC.

For details, please refer to the announcement and the circular of the Company dated 21 October 2019.

FUTURE PLANS FOR MATERIAL INVESTMENTS AND CAPITAL ASSETS

As mentioned in the Company’s announcement dated 30 June 2023, in relation to the joint venture arrangement for the development of the Xi’an land parcel, except for the development investment estimated for the development of the project as mentioned therein, the Group had no plans authorised by the Board for material investments or additions of capital assets as at 30 June 2023.

OUTLOOK AND PROSPECTS

Currently, the world is undergoing major changes unseen in a century, and China is in the best period of development since the modern age with world-class strengths in various areas. China’s economic development will enter a new stage, a new normal.

Looking ahead to the second half of the year, the real estate market is expected to maintain an orderly recovery, and the meeting of the Political Bureau of the Central Committee on 24 July 2023 set the tone of “adapting to the new situation in China’s real estate market, which had significant changes in the relationship between supply and demand, and will adjust and optimise the real estate policy at the right time”, which strengthens the market’s expectations for policy loosening. On the demand side, along with the central bank’s LPR benchmark interest rate cut in June, the commercial bank mortgage benchmark interest rate will be correspondingly lowered, and the outlook for personal housing loan policy rate is expected to remain low, coupled with the gradual relaxation of restrictive home-buying policies, further transforming the potential demand to transactions.

With the Matthew effect of the real estate industry becoming more prominent, the real estate enterprises with robust balance sheet and outstanding operation ability will obtain more market shares and development opportunities. In the new period of the development mode, the development of the real estate industry needs to focus on cities with excellent demographics, and cities with a higher number of young people possess a higher development potential. The second is to continuously improve product quality, service quality and living facilities to meet the needs of the improved housing market. Thirdly, under the precise support of the policy, we should have the judgement to better seize the window period for inventory replenishment and the action power to improve the turnover and destocking in accordance with the trend, gradually optimise the inventory structure and repair the profitability level.

Over the years, by adhering to the strategy of “deep urban cultivation”, the Group has formed a full chain of development and operation, covering residential development, hotel operation and REIT asset management, etc., combining light and heavy portfolios, seizing business opportunities while growing with the city and fulfilling the promise of being a creator of a better life.

INTERIM DIVIDEND

No interim dividend was declared by the Directors for the six months period ended 30 June 2023 (the corresponding period of 2022: Nil).

PLEDGE OF ASSETS

As at 30 June 2023, lands (including properties for sale) located in Chongqing, Foshan, Nanjing and Jurong with carrying values of approximately RMB6,418,815,000 (31 December 2022: RMB3,777,371,000), investment properties with carrying values of approximately RMB1,678,088,000 (31 December 2022: RMB1,724,601,000), and trade receivables with carrying values of approximately RMB829,000 (31 December 2022: RMB345,000) has been pledged to secure bank borrowings amounting to RMB2,664,553,000 (31 December 2022: RMB2,594,112,000) granted to the Group.

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 30 June 2023, the Group had 762 (31 December 2022: 799) employees in the PRC and Hong Kong.

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

During the six months period ended 30 June 2023, neither the Company, nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities.

AUDIT COMMITTEE

The audit committee of the Company (“**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 Listing Rules. The Audit Committee is responsible for reviewing the financial reports, internal control principles and for maintaining an appropriate relationship with the Company's external auditor. The Audit Committee has discussed with the management and external auditors the accounting principles and policies adopted by the Group, and has reviewed the Group's unaudited condensed consolidated financial statements for the six months period ended 30 June 2023, including the accounting principles and practices adopted by the Group.

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 six months period ended 30 June 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 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 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 a code of conduct for securities transactions by Directors on terms no less exacting than the required standard under the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) as set out in Appendix 10 of the Listing Rules. Having made specific enquiry to all Directors, the Company confirmed that all Directors have complied with the required standard set out in the Model Code for the six months period ended 30 June 2023.

PUBLICATION OF INTERIM REPORT ON THE STOCK EXCHANGE WEBSITE

The interim report of the Company for the six months ended 30 June 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

XU Yongjun

Chairman

Hong Kong, 23 August 2023

As at the date of this announcement, the Board comprises Mr. XU Yongjun, 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.