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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 2024**

The board (the “**Board**”) of directors (the “**Directors**”) of China Merchants Land Limited (the “**Company**”) hereby announces that the unaudited condensed consolidated interim results of the Company and its subsidiaries (the “**Group**”) for the period from 1 January 2024 to 30 June 2024 together with the comparative figures are as follows:

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

For the six months ended 30 June 2024

	<i>NOTES</i>	Six months ended 30 June	
		2024	2023
		RMB'000	RMB'000
		(Unaudited)	(Unaudited)
Revenue	4	5,244,150	9,814,296
Cost of sales		(5,045,515)	(7,921,189)
Gross profit		198,635	1,893,107
Other income		231,496	207,845
Net foreign exchange (losses) gains		(15,323)	10,664
Selling and marketing expenses		(257,414)	(278,896)
Administrative expenses		(14,486)	(99,662)
Share of results of associates		50,041	164,112
Share of results of joint ventures		(4,822)	11,486
Finance costs	6	(399,489)	(375,812)

		Six months ended 30 June	
		2024	2023
	<i>NOTES</i>	RMB'000	RMB'000
		(Unaudited)	(Unaudited)
(Loss)/profit before tax		(211,362)	1,532,844
Income tax expense	7	(29,650)	(719,084)
		<hr/>	<hr/>
(Loss)/profit for the period	8	(241,012)	813,760
		<hr/>	<hr/>
Other comprehensive income, net of income tax			
Items that may be reclassified subsequently to profit or loss:			
Exchange differences arising on translation of financial statements of foreign operations		(30,073)	28,728
		<hr/>	<hr/>
Total comprehensive income for the period		(271,085)	842,488
		<hr/>	<hr/>
(Loss)/profit for the period attributable to:			
Owners of the Company		(327,653)	84,140
Non-controlling interests		86,641	729,620
		<hr/>	<hr/>
		(241,012)	813,760
		<hr/>	<hr/>
Total comprehensive income for the period attributable to:			
Owners of the Company		(357,726)	112,868
Non-controlling interests		86,641	729,620
		<hr/>	<hr/>
		(271,085)	842,488
		<hr/>	<hr/>
(Loss)/earnings per share			
Basic (RMB cents)	10	(6.68)	1.72
		<hr/>	<hr/>

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2024

	<i>NOTES</i>	At 30 June 2024	At 31 December 2023
		<i>RMB'000</i>	<i>RMB'000</i>
		(Unaudited)	(Audited)
Non-current assets			
Property, plant and equipment		418,545	522,611
Right-of-use assets		31,238	50,387
Investment properties		3,028,938	3,106,657
Goodwill		160,210	160,210
Interests in associates		11,897,870	12,407,071
Interests in joint ventures		4,137,560	4,117,458
Financial asset at FVTPL		130,088	92,022
Other receivables	11	17,276,321	18,426,740
Deferred tax assets		858,066	931,491
		37,938,836	39,814,647
Current assets			
Properties for sale		67,578,701	67,634,899
Deposits paid for acquisitions of land use rights		–	249,750
Trade and other receivables	11	16,201,066	11,526,393
Contract costs		326,362	230,949
Prepaid income tax		3,271,978	2,930,587
Bank balances and cash		12,908,688	10,283,322
		100,286,795	92,855,900
Current liabilities			
Contract liabilities		26,744,334	21,441,790
Trade and other payables	12	31,185,604	35,155,132
Lease liabilities		33,242	54,038
Loans from non-controlling interests	13	1,420,367	479,241
Loan from a fellow subsidiary		535,629	205,937
Bank and other borrowings	14	4,007,452	9,663,814
Income tax payable		2,881,725	3,271,885
		66,808,353	70,271,837
Net current assets		33,478,442	22,584,063
Total assets less current liabilities		71,417,278	62,398,710

		At 30 June 2024	At 31 December 2023
	<i>NOTES</i>	RMB'000 (Unaudited)	RMB'000 (Audited)
Non-current liabilities			
Loans from non-controlling interests	<i>13</i>	542,502	1,409,035
Loans from an intermediate holding company		17,418,846	14,111,183
Loans from a fellow subsidiary		674,326	543,723
Bank and other borrowings	<i>14</i>	17,230,267	10,306,790
Lease liabilities		305,191	315,254
Other payables		436	88,030
Deferred tax liabilities		446,033	499,706
		36,617,601	27,273,721
Net assets		34,799,677	35,124,989
Capital and reserves			
Share capital		39,132	39,132
Reserves		9,516,910	9,873,118
Equity attributable to owners of the Company		9,556,042	9,912,250
Non-controlling interests		25,243,635	25,212,739
Total equity		34,799,677	35,124,989

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2024

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 are 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 (the “**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 condensed consolidated financial statements has been prepared in accordance with the same accounting policies adopted in the 2023 annual financial statements, except for the accounting policy changes that are expected to be reflected in the 2024 annual financial statements. Details of any changes in accounting policies are set out in note 3.

3. CHANGES IN ACCOUNTING POLICIES

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 2024 for the preparation of the Group’s condensed consolidated financial statements:

Amendments to HKAS 1	<i>Presentation of financial statements: Classification of liabilities as current or non-current</i>
Amendments to HKAS 1	<i>Presentation of financial statements: Non-current liabilities with covenants</i>
Amendments to HKAS 16	<i>Lease: Lease liability in a sale and leaseback</i>
Amendments to HKAS 7	<i>Statement of cash flows and HKFRS 7, Financial instruments: Disclosures – Supplier finance arrangements</i>

The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period. Impacts of the adoption of the amended HKFRSs are discussed below:

Amendments to HKAS 1, *Presentation of financial statements* (“2020 and 2022 amendments”, or collectively the “HKAS 1 amendments”)

The HKAS 1 amendments impact the classification of a liability as current or non-current, and are applied retrospectively as a package.

The 2020 amendments primarily clarify the classification of a liability that can be settled in its own equity instruments. If the terms of a liability could, at the option of the counterparty, result in its settlement by the transfer of the entity’s own equity instruments and that conversion option is accounted for as an equity instrument, these terms do not affect the classification of the liability as current or non-current. Otherwise, the transfer of equity instruments would constitute settlement of the liability and impact classification.

The 2022 amendments specify that conditions with which an entity must comply after the reporting date do not affect the classification of a liability as current or non-current. However, the entity is required to disclose information about non-current liabilities subject to such conditions in a full set of financial statements.

Upon the adoption of the amendments, the Group has reassessed the classification of its liabilities as current or non-current and did not identify any reclassification to be made.

Amendments to HKFRS 16, *Leases: Lease liability in a sale and leaseback*

The amendments clarify how an entity accounts for a sale and leaseback after the date of the transaction. The amendments require the seller-lessee to apply the general requirements for subsequent accounting of the lease liability in such a way that it does not recognise any gain or loss relating to the right of use it retains. A seller-lessee is required to apply the amendments retrospectively to sale and leaseback transactions entered into after the date of initial application. The amendments do not have a material impact on these financial statements as the Group has not entered into any sale and leaseback transactions.

Amendments to HKAS 7, *Statement of cash flows* and HKFRS 7, *Financial instruments: Disclosures – Supplier finance arrangements*

The amendments introduce new disclosure requirements to enhance transparency of supplier finance arrangements and their effects on an entity’s liabilities, cash flows and exposure to liquidity risk. Since those disclosures are not required for any interim period presented within the annual reporting period in which the amendments are initially applied, the Group has not made additional disclosures in this interim financial report.

4. REVENUE

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

	Six months ended 30 June	
	2024	2023
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
By types of goods or services		
Sales of properties for sale	5,068,380	9,667,573
Rental income from investment properties	123,794	117,206
Properties operation income	28,266	21,929
Asset management service	9,314	7,588
Income from hotel operation	14,396	–
	<u>5,244,150</u>	<u>9,814,296</u>
By timing of revenue recognition		
At a point in time	5,082,776	9,667,573
Over time	37,580	29,517
	<u>5,120,356</u>	<u>9,697,090</u>
Rental income from investment properties	123,794	117,206
	<u>5,244,150</u>	<u>9,814,296</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 reportable and operating 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 2024 (unaudited)			
Segment revenue – external customers	<u>9,314</u>	<u>5,234,836</u>	<u>5,244,150</u>
Segment results	<u>5,351</u>	<u>8,687</u>	14,038
Unallocated net foreign exchange loss			(14,888)
Unallocated finance costs			(277,272)
Unallocated income			57,349
Unallocated expenses			<u>9,411</u>
Loss before tax			<u>(211,362)</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 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>

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	
	2024	2023
	<i>RMB'000</i>	<i>RMB'000</i>
	(Unaudited)	(Unaudited)
Interest on:		
– bank and other borrowings	530,415	438,191
– lease liabilities	8,386	9,603
– loans from an intermediate holding company	237,534	337,003
– loans from non-controlling interests	<u>7,466</u>	<u>1,298</u>
Total borrowing costs	783,801	786,095
Less: Amount capitalised in the cost of qualifying assets	<u>(384,312)</u>	<u>(410,283)</u>
	<u>399,489</u>	<u>375,812</u>

7. INCOME TAX EXPENSE

Taxation in the consolidated statement of profit or loss represents:

	Six months ended 30 June	
	2024	2023
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
The income tax expenses/(credit) comprise of:		
PRC Enterprise Income Tax (“EIT”)	10,645	302,770
Land Appreciation Tax (“LAT”)	(86,424)	396,007
	(75,779)	698,777
Deferred tax	105,429	20,307
	<u>29,650</u>	<u>719,084</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. (LOSS)/PROFIT FOR THE PERIOD

	Six months ended 30 June	
	2024	2023
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Depreciation of property, plant and equipment	18,946	22,364
Depreciation of right-of-use assets	12,535	16,582
Depreciation of investment properties	<u>75,331</u>	<u>75,484</u>

9. DIVIDENDS

During the current period, a final dividend in respect of the year ended 31 December 2023 of HK\$0.012 (2022: HK\$0.03 per ordinary share in respect of the year ended 31 December 2022) per ordinary share was proposed.

Subsequent to the end of the reporting period, a final dividend in respect of the year ended 31 December 2023 of HK\$0.012 per share was declared. The aggregate amount of final dividend declared from the share premium of the Company subsequent to the current period amounted to approximately RMB53,703,000 (2022: RMB135,459,000).

No interim dividend was paid, declared or proposed during the six months ended 30 June 2024, nor has any dividend been proposed since the end of the interim reporting period (2023: Nil).

10. (LOSS)/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	
	2024	2023
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
(Loss)/earnings		
(Loss)/earnings for the purpose of basic earnings per share, being profit for the period attributable to owners of the Company	<u>(327,653)</u>	<u>84,140</u>
	Six months ended 30 June	
	2024	2023
	(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 2024 and 2023 as there were no potential ordinary shares outstanding.

11. TRADE AND OTHER RECEIVABLES

	At 30 June 2024 <i>RMB'000</i> (Unaudited)	At 31 December 2023 <i>RMB'000</i> (Audited)
Trade receivable	<u>29,583</u>	<u>20,043</u>

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

	At 30 June 2024 <i>RMB'000</i> (Unaudited)	At 31 December 2023 <i>RMB'000</i> (Audited)
0 – 180 days	26,058	16,667
181 – 365 days	991	596
Over 1 year	<u>2,534</u>	<u>2,780</u>
	<u>29,583</u>	<u>20,043</u>

12. TRADE AND OTHER PAYABLES

	At 30 June 2024 <i>RMB'000</i> (Unaudited)	At 31 December 2023 <i>RMB'000</i> (Audited)
Trade payables	<u>8,018,404</u>	<u>11,228,026</u>

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

	At 30 June 2024 <i>RMB'000</i> (Unaudited)	At 31 December 2023 <i>RMB'000</i> (Audited)
0 to 60 days	1,485,884	6,476,523
61 to 180 days	839,604	896,699
181 to 365 days	4,235,530	2,243,008
Over 365 days	<u>1,457,386</u>	<u>1,611,796</u>
	<u>8,018,404</u>	<u>11,228,026</u>

13. LOANS FROM NON-CONTROLLING INTERESTS

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

		At 30 June 2024 <i>RMB'000</i> (Unaudited)	At 31 December 2023 <i>RMB'000</i> (Audited)
	Effective interest rate per annum		
Fixed-rate loans denominated in:			
RMB	3.65% to 6% (31 December 2023: 3.65% to 6%)	617,040	406,640
Non-interest bearing loans denominated in:			
RMB	–	1,345,829	1,481,636
		1,962,869	1,888,276
Analysed as:			
Current portion		1,420,367	479,241
Non-current portion		542,502	1,409,035

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 2.2% to 5% (31 December 2023: 2.20% to 6.00%) per annum.

As at 30 June 2024, land with carrying values of approximately RMB9,646,849,000 (31 December 2023: RMB10,673,297,000), investment properties with carrying values of approximately RMB1,585,061,000 (31 December 2023: RMB1,631,575,000), equity held in an associate with carrying values of RMB207,583,000 (31 December 2023: RMB213,584,000) and trade receivables with carrying values of approximately RMB812,000 (31 December 2023: RMB1,071,000) have been pledged to secure bank and other borrowings amounting to RMB3,282,224,000 (31 December 2023: RMB3,848,969,000) 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:

	At 30 June 2024 <i>RMB'000</i> (Unaudited)	At 31 December 2023 <i>RMB'000</i> (Audited)
Construction of properties under development for sale	<u>6,281,938</u>	<u>8,991,972</u>

16. FINANCIAL GUARANTEE CONTRACTS

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

	At 30 June 2024 <i>RMB'000</i> (Unaudited)	At 31 December 2023 <i>RMB'000</i> (Audited)
Guarantee given to banks in connection with facilities granted to customers (<i>Note i</i>)	3,476,395	3,940,674
Guarantee given to banks in connection with facilities granted to joint ventures and associates (<i>Note ii</i>)	<u>2,327,078</u>	<u>2,491,500</u>

Notes:

- (i) The Group acted as guarantor to the mortgage loans granted to certain buyers of the Group's properties and agreed to repay the outstanding loan and interest accrual thereon, if the buyers default the repayment of the respective loans and interests before the issuance of the property certificates. The directors of the Company consider that the fair value of the financial guarantee contracts at initial recognition is not significant.
- (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

According to the data released by National Bureau of Statistics of China, the gross domestic product in the first half of 2024 amounted to RMB61,683.6 billion, representing a year-on-year growth of 5%, as China accelerated the cultivation of new quality productive forces, and the economy operated steadily and progressively.

In the first half of 2024, China's real estate regulation and control policies continued to be loose, with policies focusing more on de-inventorying. Despite the loose policy environment, the new housing market generally continued its downward trend, and the real estate market as a whole remained floating at the bottom in recent years. Second-hand housing in the context of lower price for more volumes, the scale of its transactions fell less than that of new housing, further squeezing the space of the new housing market. From January to June 2024, real estate investment amounted to RMB5,252.9 billion, representing a year-on-year decrease of 10.1%, which also reflected that the industry as a whole still continued to shrink in terms of the scale of its urban deployment. In terms of sales, in the first half of 2024, the sales area of commercial properties amounted to 479.16 million square meters, representing a year-on-year decrease of 19.0%, of which the sales area of residential properties declined by 21.9%. Sales of commercial properties amounted to RMB4,713.3 billion, representing a year-on-year decrease of 25.0%, of which sales of residential properties decreased by 26.9%. At the end of June 2024, the unsold area of commercial properties was 738.94 million square meters, representing a year-on-year increase of 15.2%, of which the unsold area of residential properties increased by 23.5%, signaling that de-inventorying remains an important task for the industry in the short term. However, it is worth noting that those projects with perfect regional supporting facilities, superior cost performance and high quality products were still able to attract and maintain the market's attention and favor.

In the first half of 2024, the Company adhered to the development strategy of regional focus and the strategy of deepening urban development, innovated and developed the residential living system, and created a high-quality community from “good house” to “good life”, so as to extend the care for customers to all corners of the owners' lives. In order to create a safe and convenient community life and to empower property operation and management, the communities developed by the Group have realized the four features of smart access, smart security, smart facilities and smart services.

With the launch of a number of quality projects in major core cities, the Group's new product attitude and performance standards have won market affirmation and customer recognition, gradually forming a stable new spectrum of products and building a unique product power intellectual property.

FINANCIAL REVIEW

Financial Performance

During the six months period ended 30 June 2024 (“**the Period**”), the loss after income tax expense amounted to approximately RMB241,012,000 (the profit after income tax expense for the corresponding period in 2023 was RMB813,760,000).

The loss attributable to the owners of the Company for the Period was approximately RMB327,653,000 (the profits attributable to the owners of the Company for the corresponding period in 2023 was RMB84,140,000). The negative profit attributable to owners of the Company was attributable to the significant year on year decrease in total gross profit as a result of the significant decrease in the scale of real estate development projects carried forward and gross profit margins as compared to the corresponding period to the previous year against the backdrop that the real estate market was in a downward cycle.

During the Period, the basic loss per share was RMB6.68 cents, as compared to a basic earnings per share of RMB1.72 cents recorded in the corresponding period in 2023, representing a decrease of approximately 489% as compared to the corresponding period last year.

As at 30 June 2024, equity attributable to owners of the Company was RMB9,556,042,000, representing a decrease of RMB356,208,000 or 3.6% as compared with RMB9,912,250,000 for the previous financial year ended 31 December 2023.

During the Period, the Group had no material exposure to fluctuations in exchange rates and no related hedges.

Revenue

For the Period, the Group recorded revenue of RMB5,244,150,000 (the corresponding period of 2023: RMB9,814,296,000), representing a decrease of approximately 47% as compared to the corresponding period last year. Such decrease was attributable to the decrease in the total gross floor area (“GFA”) completed and delivered in the first half of 2024. For the first half of 2024, projects in Foshan, Guangzhou, Chongqing, Nanjing, Xi’an and Hong Kong accounted for 8.1%, 0.7%, 25.3%, 24.1%, 41.1% and 0.7% of the total revenue of the Group respectively.

Gross Profit

Gross profit amounted to RMB198,635,000 (the corresponding period of 2023: RMB1,893,107,000), representing a decrease of approximately 90% as compared to the corresponding period last year. The gross profit margin was 4%, representing decrease of approximately 15 percentage points as compared to the corresponding period last year (the corresponding period of 2023: 19%).

CAPITAL STRUCTURE, FINANCIAL AND TREASURY MANAGEMENT PRINCIPLES

As at 30 June 2024, bank balances and cash was RMB12,908,688,000 (31 December 2023: RMB10,283,322,000). In terms of currency denomination, bank balances and cash can be divided into RMB12,702,638,000 in Renminbi, RMB55,276,000 in US\$ and RMB150,774,000 in Hong Kong dollars.

As at 30 June 2024, total interest-bearing debt of the Group was RMB40,483,561,000 (31 December 2023: RMB35,238,088,000). In terms of maturity, the outstanding total interest-bearing debt can be divided into RMB4,731,789,000 repayable within one year, RMB10,396,648,000 repayable after one year but within two years, RMB23,236,160,000 repayable after two years but within five years and RMB2,118,964,000 repayable after five years.

As at 30 June 2024, 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 79% (31 December 2023: 71%), while the Group’s liabilities to asset ratio ((total liabilities – contract liabilities)/total assets) was 55.5%, and the cash to short-term debt ratio (bank balances and cash/bank and other borrowings repayable within one year) was 3.22 times. The effective interest rates on the Group’s bank borrowings ranged from 2.2% to 5% (31 December 2023: 2.20% to 6.00%) per annum. 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.

PLEDGE OF ASSETS

As at 30 June 2024, lands (including properties for sale) located in Chongqing, Foshan, Nanjing and Jurong with carrying values of approximately RMB9,646,849,000 (31 December 2023: RMB10,673,297,000), investment properties with carrying values of approximately RMB1,585,061,000 (31 December 2023: RMB1,631,575,000), and trade receivables with carrying values of approximately RMB812,000 (31 December 2023: RMB1,071,000) and equity held in an associate with carrying value of approximately 207,583,000 (31 December 2023: 213,584,000) has been pledged to secure bank borrowings amounting to RMB3,282,224,000 (31 December 2023: RMB3,848,969,000) granted to the Group.

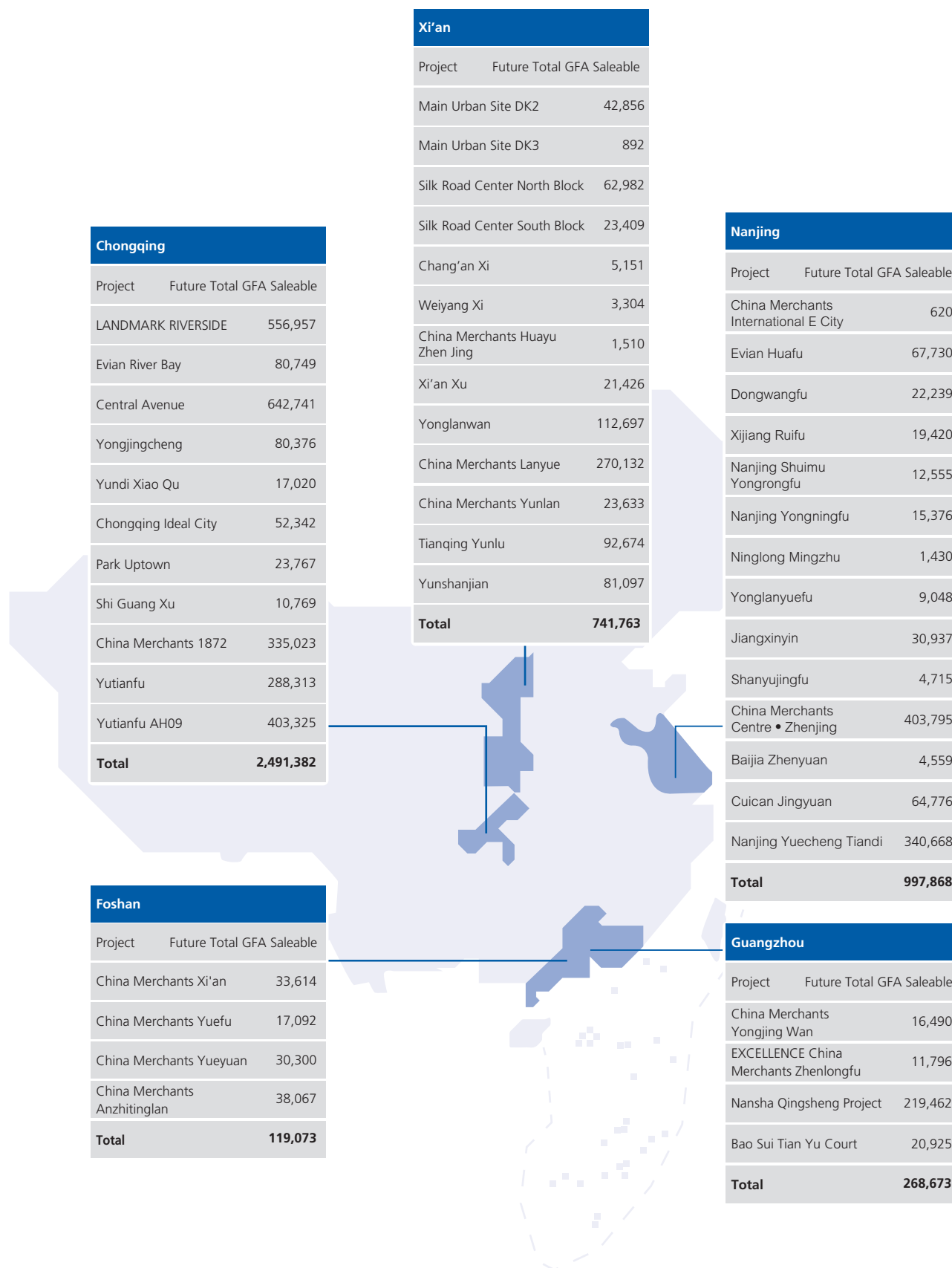
BUSINESS REVIEW

Property Development Business

As at 30 June 2024, the Group's portfolio of property development projects consisted of 48 projects in Foshan, Guangzhou, Chongqing, Nanjing, Jurong and Xi'an, with a primary focus on the development of residential properties, as well as residential and commercial complex properties, products types including apartments, villas, offices and retail shops, etc.

The saleable GFA of the properties comprising the projects which had not been sold or pre-sold as at 30 June 2024 ("**Land Bank**") was 4,618,759 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 2024



The table below details the Group's property development projects as at 30 June 2024 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:

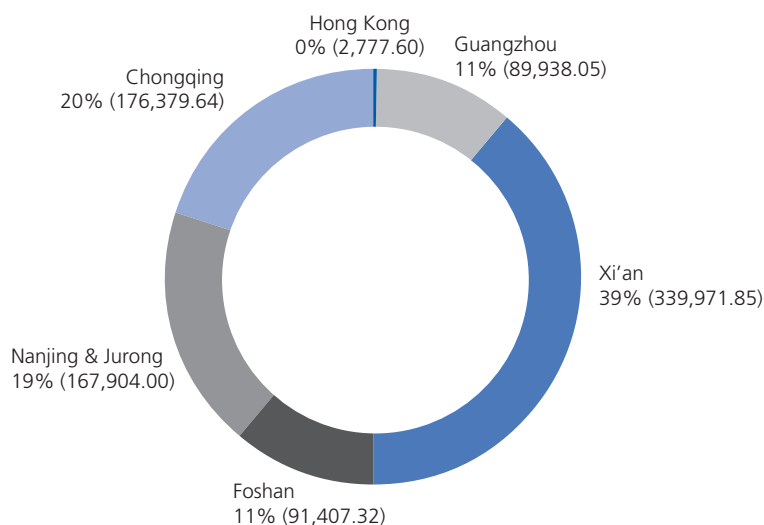
Project	The Company's attributable interest in the projects	Completed							Under development			Future development		
		Total GFA	Future Total GFA	Total GFA	Of which saleable/rentable	Of which sold and delivered	Of which but not yet delivered	Of which not pre-sold/ held for investment	Total GFA	GFA under development	Total GFA	Of which saleable/rentable	Total GFA	Total GFA
China Merchants Xi'an	60%	231,607	33,614	231,607	198,663	164,580	469	33,614	-	-	-	-	-	-
China Merchants Yuefu	50%	326,112	17,092	326,112	249,775	230,823	1,860	17,092	-	-	-	-	-	-
China Merchants Yueyuan	50%	309,372	30,300	309,372	270,402	238,321	1,781	30,300	-	-	-	-	-	-
China Merchants Anzhitinglan	90%	183,599	38,067	183,599	170,256	73,723	58,466	38,067	-	-	-	-	-	-
Foshan subtotal		1,050,690	119,073	1,050,690	889,096	707,447	62,576	119,073	-	-	-	-	-	-
China Merchants Yongjing Wan	60%	283,587	16,490	283,587	283,587	267,097	-	16,490	-	-	-	-	-	-
EXCELLENCE China Merchants Zhenlongfu	50%	111,684	11,796	34,139	33,111	32,815	90	206	77,545	40,387	28,797	-	-	-
Nansha Qingsheng Project	100%	327,509	219,462	-	-	-	-	-	190,598	139,586	12,303	136,911	92,179	-
Bao Sui Tian Yu Court	50%	142,582	20,925	50,444	44,650	-	39,698	4,952	92,138	51,627	35,654	-	-	-
Guangzhou subtotal		865,362	268,673	368,170	361,348	299,912	39,788	21,648	360,281	231,600	76,754	136,911	92,179	
LANDMARK RIVERSIDE	50%	1,798,559	556,957	1,343,834	1,291,906	1,058,860	6,290	226,756	357,015	329,118	95,025	97,710	96,108	-
Evian River Bay	100%	547,720	80,749	547,720	526,135	444,987	399	80,749	-	-	-	-	-	-
Central Avenue	50%	1,769,027	642,741	1,382,271	1,220,299	955,422	7,467	257,410	386,756	385,331	-	-	-	-
Yongjingcheng	100%	503,020	80,376	503,020	476,310	389,071	6,863	80,376	-	-	-	-	-	-
Yundi Xiao Qu	100%	136,704	17,020	136,704	122,814	105,571	223	17,020	-	-	-	-	-	-
Chongqing Ideal City	51%	190,499	52,342	153,949	143,243	120,880	59	22,304	36,550	30,621	583	-	-	-
Park Uptown	100%	103,749	23,767	103,749	101,703	77,936	-	23,767	-	-	-	-	-	-
Shi Guang Xu	100%	39,505	10,769	39,505	36,342	24,869	704	10,769	-	-	-	-	-	-
China Merchants 1872	100%	476,367	335,023	-	-	-	-	-	279,682	267,374	125,423	196,685	193,072	-
Yutianfu	100%	375,757	288,313	110,164	110,164	82,702	1,008	26,454	83,038	83,038	3,734	182,555	182,555	-
Yutianfu AH09	100%	471,805	403,325	83,711	83,711	57,854	170	25,687	183,885	183,885	10,456	204,209	204,209	-
Chongqing subtotal		6,412,712	2,491,382	4,404,627	4,112,627	3,318,152	23,183	771,292	1,326,926	1,279,367	235,221	681,159	675,944	

Project	The Company's attributable interest in the projects	Total GFA	Completed						Under development			Future development		
			Future Total GFA	GFA completed	Total GFA saleable/rentable	Of which sold and delivered	Of which not sold but not yet delivered	Of which not pre-sold/ held for investment	Total GFA under development	GFA saleable/rentable	Of which sold	Total GFA saleable/rentable	GFA	Total GFA saleable/rentable
China Merchants International														
E City	100%	372,916	620	372,916	323,952	318,428	4,904	620	-	-	-	-	-	-
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	212,538	106	22,239	-	-	-	-	-	-
Xijiang Ruifu	20%	278,840	19,420	278,840	227,173	206,256	1,497	19,420	-	-	-	-	-	-
Nanjing Shuimu Yongrongfu	28%	243,367	12,555	243,367	189,248	176,159	534	12,555	-	-	-	-	-	-
Nanjing Yongningfu	51%	351,438	15,376	351,438	283,978	267,948	654	15,376	-	-	-	-	-	-
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	30,937	140,370	136,464	99,326	6,201	30,937	-	-	-	-	-	-
Shanyujingfu	20%	54,751	4,715	54,751	54,751	50,036	-	4,715	-	-	-	-	-	-
China Merchants Centre - Zhenjing	80%	734,393	403,795	152,476	152,476	111,580	11,154	29,742	581,917	453,116	79,063	-	-	-
Baijia Zhenyuan	82%	87,463	4,559	-	-	-	-	-	87,463	71,199	66,640	-	-	-
Cuican Jingyuan	80%	144,175	64,776	-	-	-	-	-	144,175	114,067	49,291	-	-	-
Nanjing Yuecheng Tiandi	35%	600,076	340,668	202,538	174,824	103,156	21,157	50,511	397,538	291,688	1,531	-	-	-
Nanjing subtotal		3,859,426	997,868	2,648,333	2,185,657	1,874,825	46,509	264,323	1,211,093	930,070	196,525	-	-	-
Main Urban Site DK1														
Main Urban Site DK1	51%	277,313	-	277,313	244,340	220,456	23,884	-	-	-	-	-	-	-
Main Urban Site DK2	51%	563,052	42,856	563,052	509,753	466,897	-	42,856	-	-	-	-	-	-
Main Urban Site DK3	51%	325,294	892	325,294	295,028	294,136	-	892	-	-	-	-	-	-
Silk Road Center North Block	51%	160,808	62,982	160,808	137,287	49,602	24,703	62,982	-	-	-	-	-	-
Silk Road Center South Block	51%	136,297	23,409	136,297	115,704	58,304	33,991	23,409	-	-	-	-	-	-
Chang'an Xi	26%	63,272	5,151	63,272	51,254	45,924	179	5,151	-	-	-	-	-	-
Weiyang Xi	51%	115,205	3,304	115,205	99,530	94,619	1,607	3,304	-	-	-	-	-	-
China Merchants Huayu Zhen Jing	51%	168,903	1,510	168,903	150,476	130,174	18,792	1,510	-	-	-	-	-	-
Xi'an Xu	51%	158,971	21,426	158,971	137,154	16,148	99,580	21,426	-	-	-	-	-	-
Yonglanwan	51%	225,380	112,697	75,018	69,969	63,394	1,442	5,133	150,362	126,836	19,272	-	-	-
China Merchants Lanyue	100%	387,293	270,132	-	-	-	-	-	387,293	387,293	117,161	-	-	-
China Merchants Yunlan	70%	137,492	23,633	-	-	-	-	-	137,492	90,385	66,752	-	-	-
Tianqing Yunlu	100%	171,592	92,674	-	-	-	-	-	171,592	119,038	26,364	-	-	-
Zhenguanfu	51%	230,634	-	230,634	188,293	176,403	11,890	-	-	-	-	-	-	-
Yunshanjian	99%	171,588	81,097	-	-	-	-	-	171,588	148,189	67,092	-	-	-
Xi'an subtotal		3,293,094	741,763	2,274,767	1,998,788	1,616,057	216,068	166,663	1,018,327	871,741	296,641	-	-	-
Total		15,481,284	4,618,759	10,746,587	9,547,516	7,816,393	388,124	1,342,999	3,916,627	3,312,778	805,141	818,070	768,123	-

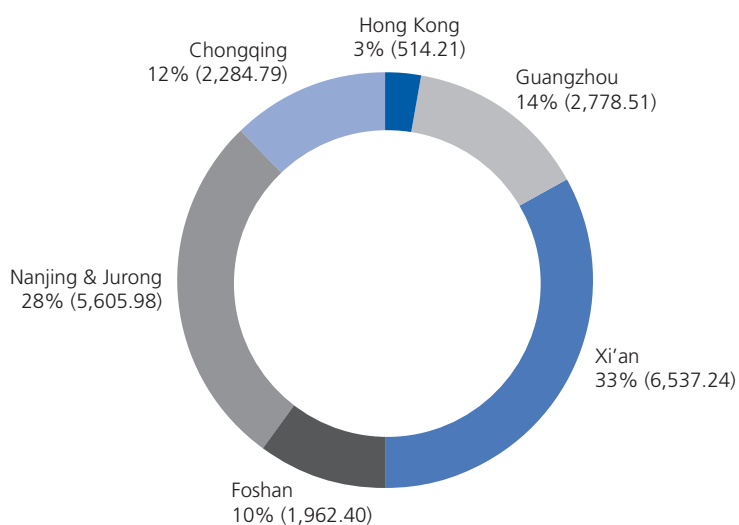
Contracted Sales

For the six months ended 30 June 2024, the Group, together with its associated companies and joint venture companies, achieved aggregate contracted sales of approximately RMB19,683 million (representing a year-on-year decrease of approximately 1.29%) with an aggregate contracted sales area of approximately 868,378 square meters (representing a year-on-year decrease of approximately 14%). The average selling price for the six months ended 30 June 2024 amounted to approximately RMB22,667 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 2024, the Company has recorded asset management service income of approximately RMB9,314,000.

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

Save as disclosed in this announcement, the Group had no plans authorised by the Board for material investments or additions of capital assets as at 30 June 2024.

EVENTS AFTER THE REPORTING PERIOD

There are no material events undertaken by the Group after 30 June 2024 to the date of this announcement.

OUTLOOK AND PROSPECTS

In the face of the unprecedented reshuffle and restructuring of the real estate industry, those enterprises with sound balance sheets and excellent operational capabilities will undoubtedly stand out in this change and win more market share and development opportunities. These companies need to further refine their efforts, not only to continue to refine their product and service capabilities and achieve higher quality financial management, but also to bravely develop asset-light businesses and build a more solid risk management system to meet the various challenges that may arise in the future.

In the second half of 2024, the Company will continue to adhere to the principle of investing on the basis of projected sales results and select investment projects carefully. On the premise of ensuring safe cash flow and controllable risks, appropriate replenishment will be carried out based on the inventory situation, with a focus on high-quality projects with higher certainty in core cities. In terms of real estate development, we will carefully select and focus on high-quality projects in core cities, carefully refine the quality of our products and improve the quality of our services; our team will cooperate with each other to promote sales and increase the cash flow; and we will make careful calculations to reduce costs and increase efficiency in order to tide over the “hard times” and “tight times”. We also emphasized the prevention of operational risks to ensure safe production. In terms of asset operation, the Group has strengthened its operational capabilities, created star benchmark projects with quality multi-industry synergies and fine cost control to enhance the value of its assets.

Over the years, the Group has consistently adhered to the core concept of “deep urban cultivation” and built up a full-chain business model covering residential real estate development, hotel operation and REIT asset management, realizing an organic combination of heavy and light asset businesses. We are not only keen to capture business opportunities in the market, but also committed to growing with the city and practicing the promise of “bearer of a better life” with practical actions. Looking ahead, we will continue to deepen this strategy and move forward to a more brilliant future with a more determined step.

INTERIM DIVIDEND

No interim dividend was declared by the Directors for the six months ended 30 June 2024 (the corresponding period of 2023: Nil).

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 2024, the Group had 799 (31 December 2023: 859) employees in the PRC and Hong Kong.

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

During the six months ended 30 June 2024, 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 ended 30 June 2024, 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 C1 of the Listing Rules during the six months ended 30 June 2024, 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. JIANG Tiefeng, a non-executive Director, and Mr. IP Man Ki Ryan, an independent non-executive Director, did not attend the annual general meeting of the Company held on 28 June 2024 (the "AGM") 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. JIANG Tiefeng, the chairman of the Board, could not attend the AGM held on 28 June 2024 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 C3 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 ended 30 June 2024.

PUBLICATION OF INTERIM REPORT ON THE STOCK EXCHANGE WEBSITE

The interim report of the Company for the six months ended 30 June 2024 containing all information required by the Listing Rules will be despatched to the Company's shareholders upon request 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
JIANG Tiefeng
Chairman

Hong Kong, 29 August 2024

As at the date of this announcement, the Board comprises Mr. JIANG Tiefeng, Mr. YU Zhiliang 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.