

To: Business/Property Editors

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**CHINA MERCHANTS LAND'S 2018 FIRST HALF PROFIT ATTRIBUTABLE TO OWNERS OF THE COMPANY SURGED BY 48% YOY TO APPROX RMB427 MILLION
CONTRACTED SALES UP BY 8% YOY TO RMB14,494 MILLION**

China Merchants Land Limited ("China Merchants Land" or the "Company", stock code: 00978) and its subsidiaries (the "Group") announced a profit of RMB809,702,000 for the six months ended 30 June 2018 (the "Period") (2017 corresponding period: RMB671,391,000), representing an increase of approximately 21 per cent year-on-year. The profit attributable to the owners of the Company was RMB427,087,000 (2017 corresponding period: RMB287,821,000), representing an increase of approximately 48 per cent year-on-year. The increase in profit was primarily attributable to substantial increase in gross profit due to the sale of products with relatively higher gross profits during the Period when compared to the corresponding period of last year, as well as gain on investment recorded for the Period as compared to a loss on investment in the corresponding period of last year. The increase in the profit attributable to owners of the Company was mainly due to increased amount of completed and delivered properties held by the project companies in which the Group had higher proportion of equity interests during the Period. The Group's gross profit amounted to RMB1,420,771,000, with a gross profit margin of 44 per cent (2017 corresponding period: 23 per cent), up by 21 percentage points as compared with that of the corresponding period of last year.

During the Period, basic earnings per share were RMB8.71 cents (2017 corresponding period: RMB5.87 cents). The board does not recommend the payment of an interim dividend for the six months ended 30 June 2018.

The Group recorded a turnover of RMB3,248,598,000 (2017 corresponding period: RMB4,872,150,000), representing a drop of approximately 33 per cent as compared to the corresponding period of last year. Such decrease was attributable to the decrease in the total gross floor area ("GFA") completed and delivered in the first half of 2018. During the Period, the Group, together with its associated companies and joint ventures, achieved an aggregate contracted sales amount of RMB14,492,000,000, representing an increase of 8 per cent year-on-year. Aggregate contracted sales area was 811,331 sq m, up by 5 per cent year-on-year. The average selling price was approximately RMB17,862 per sq m.

As at 30 June 2018, the Group's portfolio of property development projects consisted of 31 projects in Foshan, Guangzhou, Chongqing, Nanjing, Jurong and Xi'an, with a primary focus on the development of residential properties, as well as residential and commercial complex properties; types of products included apartments, villas, offices and retail shops etc. During the Period, projects in Foshan, Guangzhou, Chongqing, Nanjing and Xi'an accounted for approximately 19 per cent, 26 per cent, 33 per cent, 18 per cent and 4 per cent respectively of the total revenue of the Group.

During the Period, the Group newly acquired two land parcels, Foshan China Merchants Anzhitinglan and Chongqing Yongjingcheng. The saleable GFA of the properties comprising the projects which had not been sold or pre-sold as at 30 June 2018 was 6,195,181 sq m.

Looking at the second half of the year, the government is expected to put more effort into stabilizing housing prices. Regulations will focus on curbing surge of housing prices. Regulation policies on the housing market will continue to be tightened in various areas, and growth in housing prices will slow down. The Group will continue to keep an eye on the market condition and develop its business by adhering to the principle of "sustained intensive engagement and innovative development". By leveraging the abundant inventory resources of China Merchants Group and China Merchants Shekou and fully capitalizing on the advantages of an overseas listing platform to facilitate corporate transformation, the Group will actively explore and grasp market opportunities. The Group will expedite its transformation through the development of more light-asset businesses and establish a professional operating platform, with an aim to bring better returns to shareholders.

About China Merchants Land Limited

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

(Attached with China Merchants Land's condensed consolidated statement of profit or loss and other comprehensive income for the six months ended 30 June 2018)

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China Merchants Land Limited (Stock Code: 00978)
Condensed Consolidated Statement of Profit or Loss and
Other Comprehensive Income For the Six Months Ended 30 June 2018

	Six months ended 30 June	
	2018 (unaudited) RMB'000	2017 (unaudited) RMB'000
Revenue	3,248,598	4,872,150
Cost of sales	<u>(1,827,827)</u>	<u>(3,755,387)</u>
Gross profit	1,420,771	1,116,763
Other income	102,924	100,148
Net foreign exchange (losses) gains	(43,556)	76,878
Selling and marketing expenses	(117,352)	(118,759)
Administrative expenses	(70,032)	(53,887)
Fair value changes on derivative financial instruments	(21,013)	27,057
Share of (losses) profits of associates	(7,947)	147,158
Share of profits (losses) of joint ventures	376,039	(4,998)
Finance costs	<u>(237,848)</u>	<u>(161,738)</u>
Profit before tax	1,401,986	1,128,622
Income tax expense	<u>(592,284)</u>	<u>(457,231)</u>
Profit for the period	<u>809,702</u>	<u>671,391</u>
Other comprehensive income (expenses), net of income tax		
<i>Items that may be reclassified subsequently to profit or loss:</i>		
Exchange differences on translation of financial statements of foreign operations	<u>866</u>	<u>(4,675)</u>
Profit and total comprehensive income for the period	<u>810,568</u>	<u>666,716</u>
Profit for the period attributable to :		
Owners of the Company	427,087	287,821
Non-controlling interests	<u>382,615</u>	<u>383,570</u>
	<u>809,702</u>	<u>671,391</u>
Profit and total comprehensive income for the period attributable to:		
Owners of the Company	427,953	283,146
Non-controlling interests	<u>382,615</u>	<u>383,570</u>
	<u>810,568</u>	<u>666,716</u>
Earnings per share		
Basic (RMB cents)	<u>8.71</u>	<u>5.87</u>
Diluted (RMB cents)	<u>8.71</u>	<u>5.37</u>