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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)

PROFIT WARNING

This announcement is made by China Merchants Land Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The board of directors (the “**Board**”) of the Company wishes to inform the shareholders of the Company and potential investors that, after the preliminary assessment by the Board of the unaudited consolidated management accounts of the Group for the year ended 31 December 2020 which have not been reviewed by the Company’s auditors, it is expected that the net profit attributable to the shareholders of the Company will decrease by approximately 60%, as compared to the corresponding period in 2019. Such decrease in profit is primarily due to the reasons as stated below:

- (a) compared with the corresponding period in 2019, the projects with low gross profit margin accounted for a higher proportion in the Group’s projects carried forward for the year ended 31 December 2020 and therefore a year-on-year decrease in the overall gross profit margin;
- (b) compared with the corresponding period in 2019, the decrease in profit from the associates and joint ventures of the Group carried forward for the year ended 31 December 2020, and therefore a year-on-year decrease of the share of profits of associates and joint ventures under the equity method;

- (c) projects through non-wholly owned subsidiaries accounted for a higher proportion in the Group's projects carried forward for the year ended 31 December 2020 and therefore a significant decrease in the net profit attributable to the shareholders of the Company.

The Board considers the current fundamentals of the Company is healthy, as the unaudited aggregate contracted sales amount of the Group, together with its associates and joint ventures, recorded a year-on-year increase of approximately 33% for the year ended 31 December 2020. The Company will continue to optimize its financial capital structure and improve its business operation level.

As the Company is still in the course of preparing its results for the year ended 31 December 2020, the information contained in this announcement is only based on the preliminary assessment by the Board with reference to the unaudited consolidated management accounts of the Group for the year ended 31 December 2020, which have not been reviewed by the auditors of the Company, and information currently available to the Board. The actual results of the Group for the year ended 31 December 2020 may be different from disclosures in this announcement. Further details on the financial results will be disclosed in due course pursuant to the requirements of the Listing Rules when the Group publishes its annual results for the year ended 31 December 2020.

Shareholders of the Company and potential investors are advised to exercise caution when dealing in the shares of the Company.

By order of the Board
China Merchants Land Limited
XU Yongjun
Chairman

Hong Kong, 22 January 2021

As at the date of this announcement, the Board comprises Mr. XU Yongjun, Mr. HUANG Junlong and Ms. LIU Ning as non-executive Directors; Dr. SO Shu Fai, Mr. YU Zhiliang and Mr. WONG King Yuen as executive Directors and Dr. WONG Wing Kuen, Albert, Ms. CHEN Yanping, Dr. SHI Xinping and Mr. HE Qi as independent non-executive Directors.