

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



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 2022**

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 2022 to 30 June 2022 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 2022

	<i>NOTES</i>	Six months ended 30 June	
		2022	2021
		<i>RMB'000</i>	<i>RMB'000</i>
		(Unaudited)	(Unaudited)
Revenue	4	13,794,534	7,304,633
Cost of sales		(11,636,046)	(5,848,117)
Gross profit		2,158,488	1,456,516
Other income		204,784	157,810
Net foreign exchange (losses) gains		(17,126)	8,047
Selling and marketing expenses		(438,892)	(279,914)
Administrative expenses		(153,369)	(105,859)
Share of results of associates		118,555	55,715
Share of results of joint ventures		118,730	23,883
Finance costs	6	(302,839)	(306,504)

		Six months ended 30 June	
		2022	2021
	<i>NOTES</i>	RMB'000	RMB'000
		(Unaudited)	(Unaudited)
Profit before tax		1,688,331	1,009,694
Income tax expense	7	<u>(863,661)</u>	<u>(449,526)</u>
Profit for the period	8	824,670	560,168
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		<u>19,879</u>	<u>8,007</u>
Total comprehensive income for the period		<u>844,549</u>	<u>568,175</u>
Profit for the period attributable to:			
Owners of the Company		249,763	296,714
Non-controlling interests		<u>574,907</u>	<u>263,454</u>
		<u>824,670</u>	<u>560,168</u>
Total comprehensive income for the period attributable to:			
Owners of the Company		269,642	304,721
Non-controlling interests		<u>574,907</u>	<u>263,454</u>
		<u>844,549</u>	<u>568,175</u>
Earnings per share			
Basic (RMB cents)	10	<u>5.09</u>	<u>6.05</u>

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2022

	<i>NOTES</i>	30.6.2022 RMB'000 (Unaudited)	31.12.2021 <i>RMB'000</i> (Audited)
Non-current assets			
Property, plant and equipment		244,702	250,472
Right-of-use assets		89,696	61,466
Investment properties		3,415,822	3,325,468
Goodwill		160,210	160,210
Interests in associates		10,651,749	10,473,161
Interests in joint ventures		4,686,707	4,611,016
Financial asset at fair value through profit or loss		117,836	117,836
Other receivables		5,469,975	5,465,334
Deferred tax assets		965,498	890,870
		25,802,195	25,355,833
Current assets			
Properties for sale		68,772,641	74,620,484
Deposits paid for acquisitions of land use rights		482,169	415,863
Trade and other receivables	<i>11</i>	23,738,000	21,402,156
Contract costs		255,744	406,749
Prepaid income tax		2,487,254	2,103,294
Bank balances and cash		13,723,717	14,423,276
		109,459,525	113,371,822
Current liabilities			
Trade and other payables	<i>12</i>	32,253,176	36,316,375
Contract liabilities		26,588,576	27,367,755
Lease liabilities		52,449	52,519
Loans from non-controlling interests	<i>13</i>	542,032	515,035
Loans from an intermediate holding company		–	2,006,213
Bank borrowings	<i>14</i>	2,393,291	5,548,802
Income tax payable		3,889,851	3,789,978
		65,719,375	75,596,677
Net current assets		43,740,150	37,775,145
Total assets less current liabilities		69,542,345	63,130,978

		30.6.2022	31.12.2021
	<i>NOTES</i>	RMB'000	RMB'000
		(Unaudited)	(Audited)
Non-current liabilities			
Loans from non-controlling interests	<i>13</i>	1,088,934	120,472
Loan from an intermediate holding company		17,746,660	16,159,990
Bank borrowings	<i>14</i>	17,286,323	12,186,332
Lease liabilities		400,236	375,967
Deferred tax liabilities		376,076	437,620
		<u>36,898,229</u>	<u>29,280,381</u>
Net assets		<u>32,644,116</u>	<u>33,850,597</u>
Capital and reserves			
Share capital		39,132	39,132
Reserves		9,716,482	9,699,330
		<u>9,755,614</u>	<u>9,738,462</u>
Equity attributable to owners of the Company		22,888,502	24,112,135
Non-controlling interests		<u>32,644,116</u>	<u>33,850,597</u>
Total equity		<u>32,644,116</u>	<u>33,850,597</u>

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2022

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 information 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 (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 2022 are the same as those presented in the Group’s annual financial statements for the year ended 31 December 2021.

Application 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 2022 for the preparation of the Group’s condensed consolidated financial statements:

Amendments to HKFRS 3	Reference to the Conceptual Framework
Amendment to HKFRS 16	Covid-19-Related Rent Concessions beyond 30 June 2021
Amendments to HKAS 16	Property, Plant and Equipment – Proceeds before Intended Use
Amendments to HKAS 37	Onerous Contracts – Cost of Fulfilling a Contract
Amendments to HKFRSs	Annual Improvements to HKFRSs 2018-2020

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 2022 RMB'000 (Unaudited)	Six months ended 30 June 2021 RMB'000 (Unaudited)
By types of goods or services		
Sales of properties for sale	13,648,598	7,144,654
Rental income from investment properties	116,983	129,960
Properties operation income	19,188	20,907
Asset management service	9,765	9,112
	<u>13,794,534</u>	<u>7,304,633</u>
By timing of revenue recognition		
At a point in time	13,648,598	7,144,654
Over time	28,953	30,019
	<u>13,677,551</u>	<u>7,174,673</u>
Rental income from investment properties	116,983	129,960
	<u>13,794,534</u>	<u>7,304,633</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 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>

	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 2021 (unaudited)			
Segment revenue – external customers	<u>9,112</u>	<u>7,295,521</u>	<u>7,304,633</u>
Segment results	<u>5,142</u>	<u>1,237,718</u>	1,242,860
Unallocated net foreign exchange losses			(8,102)
Unallocated finance costs			(205,588)
Unallocated income			8,236
Unallocated expenses			<u>(27,712)</u>
Profit before tax			<u>1,009,694</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 interest 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	
	2022	2021
	<i>RMB'000</i>	<i>RMB'000</i>
	(Unaudited)	(Unaudited)
Interest on:		
– bank borrowings	345,460	342,861
– lease liabilities	10,636	7,245
– loans from an intermediate holding company	423,962	41,634
– loans from non-controlling interests	63,016	62,041
– bonds	<u>–</u>	<u>44,186</u>
Total borrowing costs	843,074	497,967
Less: Amount capitalised in the cost of qualifying assets	<u>(540,235)</u>	<u>(191,463)</u>
	<u>302,839</u>	<u>306,504</u>

7. INCOME TAX EXPENSE

	Six months ended 30 June	
	2022	2021
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
The income tax expenses (credit) comprise of:		
PRC Enterprise Income Tax (“EIT”)	491,834	619,771
Land Appreciation Tax (“LAT”)	507,999	117,929
	999,833	737,700
Deferred tax	(136,172)	(288,174)
	<u>863,661</u>	<u>449,526</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 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	
	2022	2021
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Depreciation of property, plant and equipment	20,789	10,596
Depreciation of right-of-use assets	16,816	8,490
Depreciation of investment properties	74,931	72,067

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

	30.6.2022 <i>RMB'000</i> (Unaudited)	31.12.2021 <i>RMB'000</i> (Audited)
0 – 180 days	36,239	18,097
181 – 365 days	1,173	3,672
Over 1 year	3,447	3,650
	<u>40,859</u>	<u>25,419</u>

12. TRADE AND OTHER PAYABLES

	30.6.2022 <i>RMB'000</i> (Unaudited)	31.12.2021 <i>RMB'000</i> (Audited)
Trade payables	<u>6,722,331</u>	<u>12,106,363</u>

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

	30.6.2022 <i>RMB'000</i> (Unaudited)	31.12.2021 <i>RMB'000</i> (Audited)
0 to 60 days	3,567,673	5,145,845
61 to 180 days	900,236	5,141,906
181 to 365 days	1,740,827	950,704
Over 1 year	513,595	867,908
	<u>6,722,331</u>	<u>12,106,363</u>

13. LOANS FROM NON-CONTROLLING INTERESTS

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

	Effective interest rate per annum	30.6.2022 RMB'000 (Unaudited)	31.12.2021 RMB'000 (Audited)
Fixed-rate loans denominated in:			
RMB	4.75% to 6% (31 December 2021: 4.75% to 6%)	1,289,892	535,035
United States dollars	4% (31 December 2021: 4%)	341,074	100,472
		<u>1,630,966</u>	<u>635,507</u>
Analysed as:			
Current portion		542,032	515,035
Non-current portion		1,088,934	120,472
		<u>1,630,966</u>	<u>635,507</u>

14. BANK 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 1.60% to 4.99% (31 December 2021: 1.48% to 4.99%) per annum.

As at 30 June 2022, land with carrying values of approximately RMB4,357,178,000 (31 December 2021: RMB2,043,820,000), investment properties with carrying values of approximately RMB1,173,767,000 (31 December 2021: RMB1,207,206,000) and shareholding of a subsidiary with carrying values of approximately RMB185,702,000 (2021: RMB185,702,000) have been pledged to secure bank borrowings amounting to RMB2,231,770,000 (31 December 2021: RMB1,802,451,000) 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:

	30.6.2022 RMB'000 (Unaudited)	31.12.2021 <i>RMB'000</i> (Audited)
Construction of properties under development for sale	10,324,730	8,006,036
Capital injection to joint ventures	4,900	3,300
Capital injection to a subsidiary	5,100	–
Leasehold improvements	14,865	13,003
Property, plant and equipment acquisition	<u>–</u>	<u>275</u>
	<u>10,349,595</u>	<u>8,022,614</u>

16. FINANCIAL GUARANTEE CONTRACTS

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

	30.6.2022 RMB'000 (Unaudited)	31.12.2021 <i>RMB'000</i> (Audited)
Guarantee given to banks in connection with facilities granted to customers (<i>Note i</i>)	4,014,981	4,109,483
Guarantee given to banks in connection with facilities granted to joint ventures and associates (<i>Note ii</i>)	<u>3,696,252</u>	<u>2,452,174</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.

17. EVENTS AFTER THE REPORTING PERIOD

On 17 August 2022, the Group acquired additional 17% equity interests in Guangzhou Zhaoying Real Estate Co., Ltd. (“**Guangzhou Zhaoying**”) and 50% of shareholder's loan owned by Guangzhou Zhaoying to an associate partner at a consideration of RMB171,000,000 and approximately RMB257,406,000 respectively. Upon the completion of the acquisition, the Group held 50% equity interests in Guangzhou Zhaoying and became a joint venture of the Group.

MANAGEMENT DISCUSSION AND ANALYSIS

MARKET OVERVIEW ANALYSIS

In the first half of 2022, China's gross domestic product (GDP) was RMB56,264.2 billion, up 2.5% year-over-year, as the nation's economy held up to the impact of factors that exceeded expectations. In particular, the national sales of commercial properties fell 22.2% year-on-year to 689.23 million square meters, while sales of commercial properties fell 28.9% year-on-year to RMB 6,607.2 billion.

With the slowdown in sales and nationwide loan repayment suspensions by homeowners, the real estate industry's situation in 2022 was not without complications. However, as the central government introduced more specific measures to promote the stable and healthy development of real estate in accordance with the city conditions, the government continued to "give benefits" by lowering land prices, reducing ancillary construction, lowering property holding restrictions, lowering bidding thresholds and launching auctions of high-quality land. State-owned enterprises, relying on their strong comprehensive strength, have taken center stage and dominated the land acquisition market. High-quality real estate enterprises have entered the rebound cycle of profit margin. With the spread of loan repayment suspension, real estate has since entered the era of deliverability. Both state-owned enterprises and high-quality private enterprises have seen their conversion rates of new openings rebound from low levels, highlighting the advantages of guaranteed deliverability.

In the face of the industry's critical times, 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 2022, profit amounted to RMB824,670,000 (the corresponding period of 2021: RMB560,168,000), representing an increase of approximately 47% as compared with the last corresponding period.

Profit attributable to the owners of the Company was RMB249,763,000 (the corresponding period of 2021: RMB296,714,000), representing an decrease of approximately 16% as compared with the last corresponding period. The decrease in profit attributable to the owners of the Company during the six months period ended 30 June 2022 were primarily due to the following reasons:

- (a) compared with the same period in 2021, the projects with low gross profit margin accounted for a higher proportion in the Group's projects carried forward for the six months ended 30 June 2022 and therefore the overall gross profit margin decreased; and
- (b) for the six months ended 30 June 2022, the proportion of the Group's projects through non-wholly owned subsidiaries to the Group's projects carried forward increased and therefore the net profit attributable to the shareholders of the Company decreased.

During the six months period ended 30 June 2022, basic earnings per share was RMB5.09 cents (the corresponding period of 2021: RMB6.05 cents), representing an decrease of approximately 16% compared to the corresponding period of last year.

As at 30 June 2022, equity attributable to owners of the Company was RMB9,755,614,000 representing an increase of approximately 0.18% as compared to the last financial year ended 31 December 2021 of RMB9,738,462,000.

For the six months period ended 30 June 2022, the Group had no material exposure to fluctuations in exchange rates and no related hedges.

Turnover

For the first half of 2022, the Group recorded turnover of RMB13,794,534,000 (the corresponding period of 2021: RMB7,304,633,000), representing an increase of approximately 89% as compared to the corresponding period of last year. Such increase was attributable to the increase in the total gross floor area (“GFA”) completed and delivered in the first half of 2022. For the first half of 2022, projects in Foshan, Guangzhou, Chongqing, Nanjing, Xi'an and Hong Kong accounted for 3.5%, 4.1%, 28.1%, 42.4%, 21.6% and 0.30% of the total turnover of the Group respectively.

Gross Profit

Gross profit amounted to RMB2,158,488,000 (the corresponding period of 2021: RMB1,456,516,000), representing an increase of approximately 48% as compared to the corresponding period of last year. The gross profit margin was 16%, representing a decrease of approximately 4 percentage points as compared to the corresponding period of last year (the corresponding period of 2021: 20%). For the first half of 2022, approximately 90% of the recognised revenue were derived from projects with relatively lower profit margin (approximately 20%).

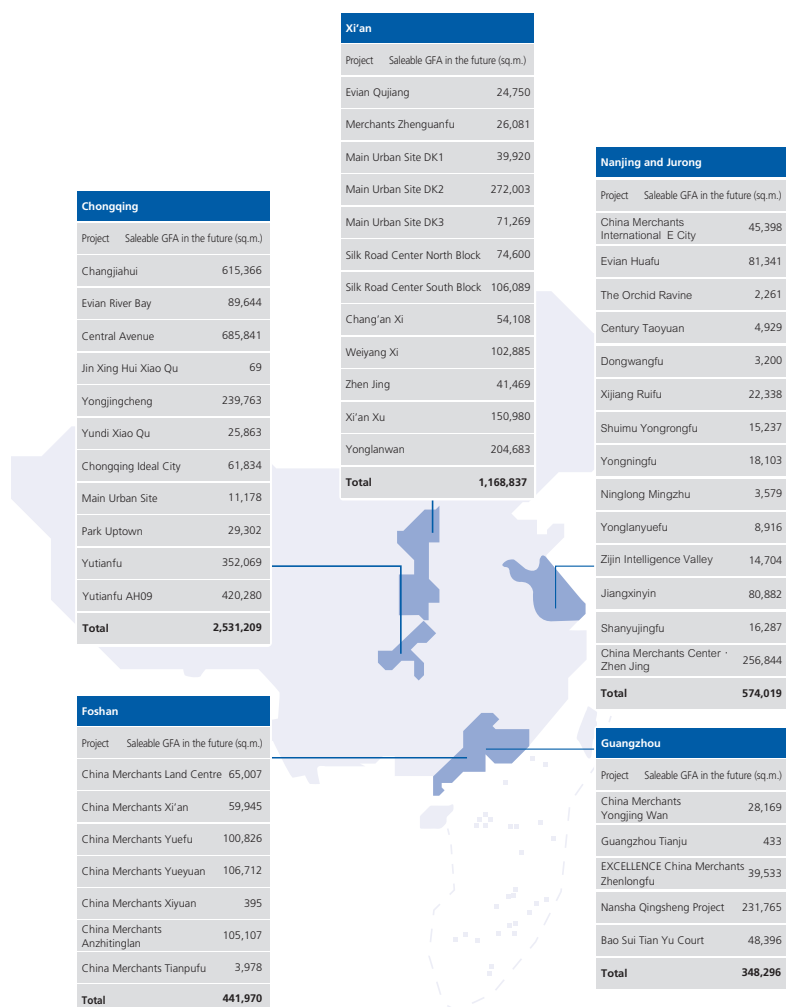
BUSINESS REVIEW

Property Development Business

As at 30 June 2022, the Group's portfolio of property development projects consisted of 49 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 2022 ("Land Bank") was 5,064,331 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 2022



The table below details the Group's property development projects as at 30 June 2022 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:

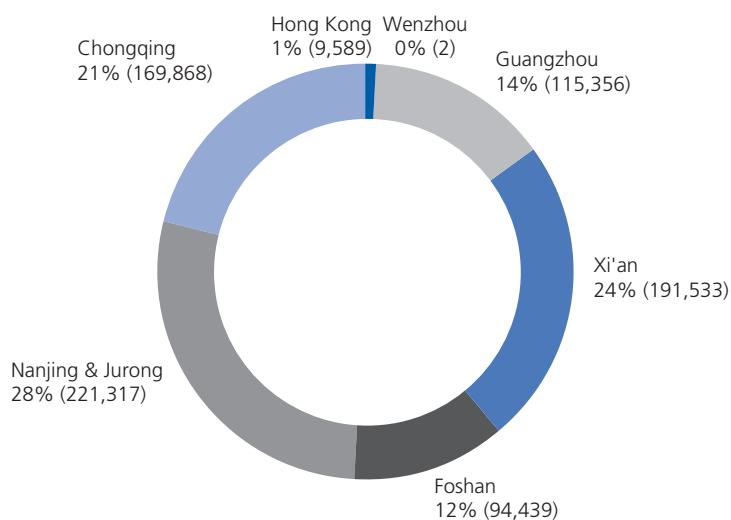
Projects	The Company's attributable interest in the projects	Completed							Under development			Future development	
		Total GFA	Future Total GFA Saleable	Total GFA completed	Total GFA saleable/rentable	Of which sold and delivered	Of which but not yet delivered	Of which not pre-sold/ held for investment	GFA under development	Total GFA saleable/rentable	Of which sold	Total GFA saleable/rentable	
													GFA
China Merchants Land Center	51%	221,607	65,007	221,607	194,353	94,791	34,555	65,007	-	-	-	-	-
China Merchants Xi'an	60%	231,607	59,945	231,607	204,284	137,357	6,982	59,945	-	-	-	-	-
China Merchants Yuefu	50%	326,113	100,826	230,986	176,381	114,304	34,536	27,541	95,127	73,285	-	-	-
China Merchants Yueyuan	50%	309,372	106,712	292,353	239,365	115,927	30,525	92,913	17,019	13,799	-	-	-
China Merchants Xiyuan	100%	128,836	395	128,836	121,393	115,988	5,010	395	-	-	-	-	-
China Merchants Anzhitinglan	90%	181,895	105,107	181,895	159,156	32,653	21,396	105,107	-	-	-	-	-
Times Merchants Tianxi	50%	175,097	-	175,097	121,761	120,310	1,451	-	-	-	-	-	-
China Merchants Tianpufu	34%	35,881	3,978	35,881	35,881	26,031	5,872	3,978	-	-	-	-	-
Foshan subtotal		1,610,408	441,970	1,498,262	1,252,574	757,361	140,327	354,886	112,146	87,084	-	-	-
Jinshan Valley	100%	1,277,295	-	1,277,295	1,079,889	1,049,074	30,815	-	-	-	-	-	-
Huambo	51%	125,945	-	125,945	103,925	103,925	-	-	-	-	-	-	-
China Merchants Yongjing Wan	60%	392,674	28,169	392,674	291,547	263,378	-	28,169	-	-	-	-	-
Guangzhou Tianju	50%	65,533	433	65,533	41,825	41,392	-	433	-	-	-	-	-
EXCELLENCE China Merchants Zhonglongfu	50%	118,833	39,533	-	-	-	-	-	118,833	69,557	30,024	-	-
Nansha Qingsheng Project	100%	327,509	231,765	-	-	-	-	-	190,598	139,586	-	136,911	92,179
Bao Sui Tian Yu Court	50%	142,482	48,396	-	-	-	-	-	142,482	91,942	43,546	-	-
Guangzhou subtotal		2,450,271	348,296	1,861,447	1,517,186	1,457,769	30,815	28,602	451,913	301,085	73,570	136,911	92,179
Changjiahui	50%	1,655,097	615,366	1,226,300	1,175,445	912,241	3,294	259,910	95,288	95,288	67,191	333,509	327,359
Evian River Bay	100%	526,263	89,644	526,263	526,263	418,738	17,881	89,644	-	-	-	-	-
Central Avenue	50%	1,601,455	685,841	1,159,199	1,159,199	861,649	5,794	291,756	442,256	442,256	48,171	-	-
Jin Xing Hui Xiao Qu	100%	97,594	69	97,594	95,440	87,512	7,859	69	-	-	-	-	-
Yongjingcheng	100%	503,125	239,763	373,108	350,988	214,573	6,419	129,996	130,017	116,647	6,880	-	-
Yundi Xiao Qu	100%	123,971	25,863	123,971	123,971	95,753	2,355	25,863	-	-	-	-	-
Chongqing Ideal City	51%	181,660	61,834	119,445	119,445	119,445	-	-	62,215	62,215	381	-	-
City Centre	100%	46,780	11,178	46,780	45,568	34,325	65	11,178	-	-	-	-	-
Park Uptown	100%	103,262	29,302	103,262	103,262	73,119	841	29,302	-	-	-	-	-
Shiguangdao	100%	-	-	-	-	-	-	-	-	-	-	-	-
Yutianfu	100%	390,054	352,069	-	-	-	-	-	105,575	105,575	37,985	284,479	284,479
Yutianfu AH09	100%	429,707	420,280	-	-	-	-	-	170,034	170,034	9,427	259,673	259,673
Chongqing subtotal		5,658,968	2,531,209	3,775,922	3,699,581	2,817,355	44,508	837,718	1,005,385	992,015	170,035	877,661	871,511

Projects	The Company's attributable interest in the projects	Completed							Under development			Future development	
		Total GFA	Future Total GFA Saleable	GFA completed	Total GFA saleable/rentable	Of which sold and delivered	Of which not sold but not yet delivered	Of which pre-sold/ held for investment	GFA under development	Total GFA saleable/rentable	Of which sold	Total GFA saleable/rentable	
													GFA
China Merchants International													
E City	100%	372,916	45,398	372,916	324,531	274,644	4,489	45,398	-	-	-	-	-
Evian Huafu	51%	358,646	81,341	358,646	276,163	194,733	89	81,341	-	-	-	-	-
The Orchid Ravine	51%	343,699	2,261	343,699	273,174	270,913	-	2,261	-	-	-	-	-
Century Taoyuan	18%	221,743	4,929	221,743	171,733	158,087	8,717	4,929	-	-	-	-	-
Dongwangfu	51%	220,311	3,200	218,498	212,187	209,841	959	1,387	1,813	1,813	-	-	-
Xijiang Ruifu	40%	278,840	22,338	145,330	119,445	118,936	-	509	133,510	107,193	85,364	-	-
Shuimu Yongrongfu	55%	243,759	15,237	113,945	78,500	70,543	1,183	6,774	129,814	106,428	97,965	-	-
Yongningfu	51%	351,438	18,103	351,438	284,978	266,754	121	18,103	-	-	-	-	-
Ninglong Mingzhu	31%	57,446	3,579	57,446	57,446	53,867	-	3,579	-	-	-	-	-
Yonglanyuefu	51%	104,427	8,916	-	-	-	-	-	104,427	84,368	75,452	-	-
Zijin Intelligence Valley	60%	69,445	14,704	69,445	25,437	-	10,733	14,704	-	-	-	-	-
Jiangxinyin	51%	168,138	80,882	-	-	-	-	-	168,138	136,119	55,237	-	-
Shanyujingfu	20%	69,032	16,287	69,032	54,756	33,425	5,044	16,287	-	-	-	-	-
China Merchants Center - Zhen Jing	80%	397,767	256,844	-	-	-	-	-	397,767	296,034	39,190	-	-
Nanjing subtotal		3,257,607	574,019	2,322,138	1,878,350	1,651,743	31,335	195,272	935,469	731,955	353,208	-	-
Evian Quijiang	100%	538,269	24,750	538,269	495,725	470,975	-	24,750	-	-	-	-	-
Merchants Zhenguanfu	51%	231,174	26,081	231,174	197,662	127,086	44,495	26,081	-	-	-	-	-
Main Urban Site DK1	51%	277,313	39,920	277,313	242,880	202,935	25	39,920	-	-	-	-	-
Main Urban Site DK2	51%	562,692	272,003	-	-	-	-	-	562,692	518,061	246,058	-	-
Main Urban Site DK3	51%	325,294	71,269	-	-	-	-	-	325,294	295,038	223,769	-	-
Silk Road Center North Block	51%	160,808	74,600	-	-	-	-	-	160,808	113,697	39,097	-	-
Silk Road Center South Block	51%	138,106	106,089	-	-	-	-	-	138,106	116,316	10,227	-	-
Chang'an Xi	26%	63,626	54,108	-	-	-	-	-	63,626	54,108	-	-	-
Weiyang Xi	51%	112,359	102,885	-	-	-	-	-	112,359	105,326	2,441	-	-
Zhen Jing	51%	170,906	41,469	-	-	-	-	-	170,906	146,196	104,727	-	-
Xi'an Xu	51%	158,971	150,980	-	-	-	-	-	158,971	154,421	3,441	-	-
Yonglanwan	51%	226,883	204,683	-	-	-	-	-	226,883	212,188	7,505	-	-
Xi'an subtotal		2,966,401	1,168,837	1,046,756	936,267	800,996	44,520	90,751	1,919,645	1,715,351	637,265	-	-
Total		15,943,655	5,064,331	10,504,525	9,283,958	7,485,224	291,505	1,507,229	4,424,558	3,827,490	1,234,078	1,014,572	963,690

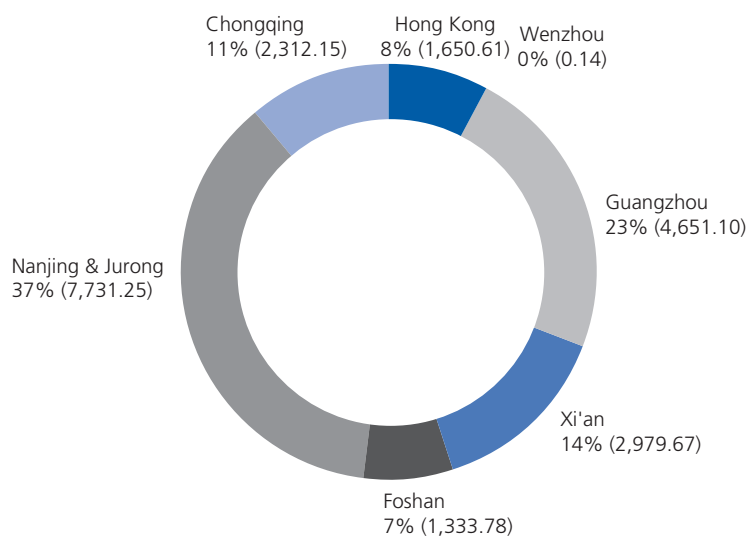
Contracted Sales

For the six months ended 30 June 2022, the Group, together with its associated companies and joint venture companies, achieved aggregate contracted sales of approximately RMB20,658.7 million (representing a year-on-year decrease of approximately 28%) with an aggregate contracted sales area of approximately 802,104 square meters (representing a year-on-year decrease of approximately 36%). The average selling price for the six months ended 30 June 2022 amounted to approximately RMB25,756 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 2022, the Company has recorded asset management service income of approximately RMB9,765,000.

FINANCIAL AND TREASURY MANAGEMENT PRINCIPLES

As at 30 June 2022, the net assets attributable to shareholders of the Group were approximately RMB9,755,614,000 (31 December 2021: RMB9,738,462,000). As at 30 June 2022, bank balances and cash was RMB13,723,717,000 (31 December 2021: RMB14,423,276,000). In terms of currency denomination, bank balances and cash can be divided into RMB12,965,269,000 in Renminbi, RMB47,127,000 in US\$ and RMB711,321,000 in Hong Kong dollars.

As at 30 June 2022, total interest-bearing debt of the Group was RMB39,057,240,000 (31 December 2021: RMB36,536,844,000). In terms of maturity, the outstanding total interest-bearing debt (excluding bonds payable) can be divided into RMB2,935,323,000 repayable within one year, RMB1,697,408,000 repayable after one year but within two years, RMB34,134,008,000 repayable after two years but within five years and RMB290,500,000 repayable after five years.

At 30 June 2022, 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 78% (31 December 2021: 65%). Although the financial position of the Group is stable and the potential financing capacity is strong, the Group will continue to take the relatively stable financial policies and to control the net gearing ratio at the industry average level.

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.

OUTLOOK AND PROSPECTS

Looking ahead to the second half of 2022, the uncertainties affecting the domestic economy in the short term still exist, and the pressure to “stabilize employment” and “protect people’s livelihood” is still in place. With the implementation of a package of policies to stabilize the economy and the gradual weakening of the impact of the epidemic, the recovery of domestic production is expected to further accelerate, thus the suppressed consumer demand is expected to gradually improve. At the same time, the accelerated issuance of local special bonds will accelerate the construction of infrastructure projects, and the support of infrastructure investment is expected to be further enhanced. The monetary policy will continue to stabilize the macro economy from the aggregated level, and asymmetric interest rate cuts will not be ruled out in the second half of the year, so there is still some room for short-term decline in mortgage rates.

Stepping into a new era of real estate, the Company will strengthen its focus on advantageous areas in advantageous cities, increase the use of data tools for scientific decision-making, refrain from blindly acquisition of lands in order to control risks from the investment side. We will also grasp structural opportunities of and deeply develop our existing advantageous areas to achieve steady growth by enhancing our product and service strengths.

In order to stand out from the crowd, the Company will leverage on the vast platform of its parent companies, the China Merchants Group and China Merchants Shekou Industrial Zone Holdings Co., Ltd.. We will combine our strengths to use all resources to grow our economic scale. We will enhance product profit margins by refining and creating residential masterpieces that meet the tastes of our customer base by identifying quality projects. We will also accelerate the pace of exploring the potential quality businesses in Hong Kong and overseas by proactively seizing the investment opportunities and more deeply participating in quality property development. We will also strengthen our investment property businesses in Hong Kong by making a stronger brand effect in order to leverage the advantages of our overseas listed platform and explore larger markets for creating value for our shareholders.

INTERIM DIVIDEND

No interim dividend was declared by the Directors for the six months period ended 30 June 2022 (the corresponding period of 2021: Nil).

PLEDGE OF ASSETS

As at 30 June 2022, lands (including properties for sale) located in Chongqing, Foshan, Nanjing and Jurong with carrying values of approximately RMB4,357,178,000 (31 December 2021: RMB2,043,820,000), investment properties with carrying values of approximately RMB1,173,767,000 (31 December 2021: RMB1,207,206,000), and shareholding with carrying values of approximately RMB185,702,000 (31 December 2021: RMB185,702,000) has been pledged to secure bank borrowings amounting to RMB2,231,770,000 (31 December 2021: RMB1,802,451,000) 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 2022, the Group had 885 (31 December 2021: 962) 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 2022, 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 2022, 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 2022, 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 Ms. Liu Ning, both are the non-executive directors, did not attend the annual general meeting of the Company held on 26 May 2022 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 26 May 2022 (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 2022.

On behalf of the Board
XU Yongjun
Chairman

Hong Kong, 18 August 2022

As at the date of this announcement, the board of directors of the Company 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.