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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)

ANNOUNCEMENT OF FINAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2024

The board (the “**Board**”) of directors (the “**Directors**”) of China Merchants Land Limited (the “**Company**”) announces the consolidated results of the Company and its subsidiaries (together referred to as the “**Group**”) for the year ended 31 December 2024 together with the comparative figures for the year ended 31 December 2023 as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2024

	NOTES	2024 RMB'000	2023 RMB'000
Revenue	3	20,661,233	28,800,845
Cost of sales		(19,675,813)	(24,930,302)
Gross profit		985,420	3,870,543
Other income	5	357,603	453,737
Finance costs	6	(577,247)	(740,390)
Net foreign exchange (loss)/gain		(75,285)	6,451
Selling and marketing expenses		(761,655)	(849,323)
Administrative expenses		(169,003)	(379,112)
Impairment loss on goodwill		(160,210)	–
Impairment loss on interests in joint ventures		(211,453)	–
Allowance of expected credit losses		(335,148)	(2,497)
Fair value gain/(loss) on financial asset at fair value through profit or loss (“ FVTPL ”)		29,649	(36,420)
Loss on disposal of a joint venture		(1,820)	–
Share of results of associates		(128,635)	303,351
Share of results of joint ventures		(117,677)	64,730

	<i>NOTES</i>	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
(Loss)/profit before tax	8	(1,165,461)	2,691,070
Income tax expense	7	<u>(524,169)</u>	<u>(1,439,255)</u>
(Loss)/profit for the year		<u>(1,689,630)</u>	<u>1,251,815</u>
Other comprehensive income, net of income tax			
<i>Item that may be reclassified subsequently to profit or loss:</i>			
Exchange differences arising on translation of financial statements of foreign operations		<u>12,432</u>	<u>18,932</u>
Total comprehensive income for the year		<u>(1,677,198)</u>	<u>1,270,747</u>
(Loss)/profit for the year attributable to:			
Owners of the Company		(1,850,755)	133,414
Non-controlling interests		<u>161,125</u>	<u>1,118,401</u>
		<u>(1,689,630)</u>	<u>1,251,815</u>
Total comprehensive income for the year attributable to:			
Owners of the Company		(1,838,323)	152,346
Non-controlling interests		<u>161,125</u>	<u>1,118,401</u>
		<u>(1,677,198)</u>	<u>1,270,747</u>
(Losses)/earnings per share			
Basic and diluted (RMB cents)	10	<u>(37.73)</u>	<u>2.72</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as at 31 December 2024

(Expressed in Renminbi (“RMB”))

		At 31 December	
		2024	2023
	NOTES	RMB'000	RMB'000
Non-current assets			
Property, plant and equipment		401,997	522,611
Right-of-use assets		16,294	50,387
Investment properties		2,942,343	3,106,657
Goodwill		–	160,210
Interests in associates		11,217,742	12,407,071
Interests in joint ventures		3,139,765	4,117,458
Financial asset at FVTPL		121,671	92,022
Other receivables		18,997,696	18,426,740
Deferred tax assets		760,899	931,491
		<u>37,598,407</u>	<u>39,814,647</u>
Current assets			
Properties for sale		59,254,675	67,634,899
Deposits paid for acquisitions of land use rights		152,847	249,750
Trade and other receivables	11	11,520,006	11,526,393
Contract costs		326,532	230,949
Prepaid income tax		3,138,317	2,930,587
Bank balances and cash		12,734,449	10,283,322
Assets held for sale		18,797	–
		<u>87,145,623</u>	<u>92,855,900</u>
Current liabilities			
Contract liabilities		23,958,048	21,441,790
Trade and other payables	12	28,179,946	35,155,132
Lease liabilities		29,425	54,038
Loans from non-controlling interests		129,420	479,241
Loan from a fellow subsidiary		528,409	205,937
Bank and other borrowings		4,021,610	9,663,814
Income tax payable		2,760,147	3,271,885
		<u>59,607,005</u>	<u>70,271,837</u>
Net current assets		<u>27,538,618</u>	<u>22,584,063</u>
Total assets less current liabilities		<u>65,137,025</u>	<u>62,398,710</u>

	At 31 December	
	2024	2023
	<i>RMB'000</i>	<i>RMB'000</i>
Non-current liabilities		
Loans from non-controlling interests	1,498,268	1,409,035
Loans from an intermediate holding company	12,699,218	14,111,183
Loans from a fellow subsidiary	573,699	543,723
Bank and other borrowings	16,621,727	10,306,790
Lease liabilities	258,117	315,254
Other payables	–	88,030
Deferred tax liabilities	391,988	499,706
	<u>32,043,017</u>	<u>27,273,721</u>
NET ASSETS	<u>33,094,008</u>	<u>35,124,989</u>
CAPITAL AND RESERVES		
Share capital	39,132	39,132
Reserves	7,982,731	9,873,118
	<u>8,021,863</u>	<u>9,912,250</u>
Equity attributable to owners of the Company	8,021,863	9,912,250
Non-controlling interests	25,072,145	25,212,739
	<u>33,094,008</u>	<u>35,124,989</u>
TOTAL EQUITY	<u>33,094,008</u>	<u>35,124,989</u>

NOTES

(Expressed in Renminbi (“RMB”) unless otherwise indicated)

1 GENERAL AND BASIS OF PREPARATION

The Company 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 annual report.

The principal activity of the Company is investment holding and the principal activities of its subsidiaries are mainly investment holding, properties development and assets management.

The Company’s immediate holding company is Success Well Investment Limited, a limited liability company incorporated in the British Virgin Islands. One of its intermediate holding company is China Merchants Shekou Industrial Zone Holdings Co., Ltd., which is established in the People’s Republic of China (the “**PRC**”) and listed on the Shenzhen Stock Exchange Limited (the “**Shenzhen Stock Exchange**”). The ultimate holding company of the Company is China Merchants Group Limited (“**CMG**”). CMG is a PRC enterprise regulated and directly managed by the State-owned Assets Supervision and Administration Commission of the State Council and is owned and controlled by the PRC government.

The consolidated annual results set out in this announcement do not constitute the Group’s consolidated financial statements for the year ended 31 December 2024 but are extracted from those financial statements.

The consolidated annual results have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards (“**HKFRSs**”), which collective term includes all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards (“**HKASs**”) and Interpretations issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”), accounting principles generally accepted in Hong Kong and the disclosure requirements of the Hong Kong Companies Ordinance. These financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”).

The consolidated financial statements for the year ended 31 December 2024 comprise the Company and its subsidiaries (together referred to as the “**Group**”) and the Group’s interests in associates and joint ventures.

The measurement basis used in the preparation of the financial statements is the historical cost basis except that other investments in equity securities are stated at their fair value.

The preparation of financial statements in conformity with HKFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group’s accounting policies.

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

2 CHANGES IN ACCOUNTING POLICIES

The Company has applied the following amendments to HKFRSs issued by the HKICPA to these financial statements for the current accounting period:

- Amendments to HKAS 1, *Presentation of financial statements – Classification of liabilities as current or non-current* (“**2020 amendments**”) and amendments to HKAS 1, *Presentation of financial statements – Non-current liabilities with covenants* (“**2022 amendments**”)
- Amendments to HKFRS 16, *Leases – Lease liability in a sale and leaseback*
- Amendments to HKAS 7, *Statement of cash flows* and HKFRS 7, *Financial instruments: Disclosures – Supplier finance arrangements*

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

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

The HKAS 1 amendments impact the classification of a liability as current or non-current, and have been 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.

The application of the amendment during the year will have no material impact on the consolidated financial statements.

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 Company 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.

Amendments to HKFRSs in issue but not yet effective

Up to the date of issue of these financial statements, the HKICPA has issued a number of new or amended standards, which are not yet effective for the year ended 31 December 2024 and which have not been adopted in these financial statements. These developments include the following which may be relevant to the Company.

	Effective for accounting periods beginning on or after
<i>Amendments to HKAS 21, The effects of changes in foreign exchange rates – Lack of exchangeability</i>	1 January 2025
<i>Amendments to HKFRS 9, Financial instruments and HKFRS 7, Financial instruments: disclosures – Amendments to the classification and measurement of financial instruments</i>	1 January 2026
<i>Annual improvements to HKFRS Accounting Standards – Volume 11</i>	1 January 2026
<i>HKFRS 18, Presentation and disclosure in financial statements</i>	1 January 2027
<i>HKFRS 19, Subsidiaries without public accountability: disclosures</i>	1 January 2027

The Company is in the process of making an assessment of what the impact of these developments is expected to be in the period of initial application. So far it has concluded that the adoption of them is unlikely to have a significant impact on the financial statements.

3 REVENUE

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

	2024	2023
	<i>RMB'000</i>	<i>RMB'000</i>
<i>By types of goods or services</i>		
Asset management segment		
Asset management services income	<u>17,422</u>	<u>14,971</u>
Properties segment		
Sales of properties for sale	20,261,274	28,414,855
Properties operation income	98,192	109,891
Income from hotel operation	33,106	–
Rental income from investment properties (<i>Note 8</i>)	<u>251,239</u>	<u>261,128</u>
	<u>20,643,811</u>	<u>28,785,874</u>
	<u>20,661,233</u>	<u>28,800,845</u>
<i>By timing of revenue recognition</i>		
At a point in time	20,261,274	28,414,855
Over time	<u>148,720</u>	<u>124,862</u>
Revenue from contracts with customers (<i>Note</i>)	20,409,994	28,539,717
Rental income from investment properties	<u>251,239</u>	<u>261,128</u>
	<u>20,661,233</u>	<u>28,800,845</u>

Note: Revenue from contracts with customers are mainly derived from the Chinese Mainland except for RMB17,422,000 (2023: RMB14,971,000) related to the operation in Hong Kong.

4 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 makers (“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 different property projects engaged in development and sales of properties, property leasing and assets management in various cities within the PRC, each of which is considered as an operating segment by the CODM. For segment reporting purpose, these operating segments have been aggregated into two 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**”), according to the nature and similarity of their products and services, the customer type or class, the method of products distribution or providing services, and the regulatory environment, which give rise to a more meaningful presentation.

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 year ended 31 December 2024			
Segment revenue			
– external customers	<u>17,422</u>	<u>20,643,811</u>	<u>20,661,233</u>
Segment results	<u>10,501</u>	<u>(818,020)</u>	(807,519)
Unallocated net foreign exchange loss			(57,541)
Unallocated income			129,251
Unallocated expenses			(64,550)
Unallocated finance costs			<u>(365,102)</u>
Loss before tax			<u>(1,165,461)</u>

	Asset management segment <i>RMB'000</i>	Properties segment <i>RMB'000</i>	Consolidated <i>RMB'000</i>
For the year ended 31 December 2023			
Segment revenue			
– external customers	<u>14,971</u>	<u>28,785,874</u>	<u>28,800,845</u>
Segment results	<u>5,674</u>	<u>3,231,011</u>	3,236,685
Unallocated net foreign exchange gain			21,892
Unallocated income			24,390
Unallocated expenses			(14,521)
Unallocated finance costs			<u>(577,376)</u>
Profit before tax			<u>2,691,070</u>

There was no inter-segment sales during both years.

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

Segment assets and liabilities

The following is an analysis of the Group's assets and liabilities by reportable and operating segments:

	Asset management segment <i>RMB'000</i>	Properties segment <i>RMB'000</i>	Consolidated <i>RMB'000</i>
At 31 December 2024			
Segment assets	<u>66,147</u>	<u>113,162,089</u>	113,228,236
Goodwill			–
Other unallocated assets			<u>11,515,794</u>
Total assets			<u>124,744,030</u>
Segment liabilities	<u>6,398</u>	<u>56,744,461</u>	56,750,859
Other unallocated liabilities			<u>34,899,163</u>
Total liabilities			<u>91,650,022</u>

	Asset management segment <i>RMB'000</i>	Properties segment <i>RMB'000</i>	Consolidated <i>RMB'000</i>
At 31 December 2023			
Segment assets	<u>60,381</u>	<u>119,171,168</u>	119,231,549
Goodwill			160,210
Other unallocated assets			<u>13,278,788</u>
Total assets			<u>132,670,547</u>
Segment liabilities	<u>2,414</u>	<u>73,285,416</u>	73,287,830
Other unallocated liabilities			<u>24,257,728</u>
Total liabilities			<u>97,545,558</u>

For the purposes of monitoring segment performance and allocating resources between segments:

- all assets, other than goodwill and assets of the investment holding companies, are allocated to reportable and operating segments; and
- all liabilities, other than loans from an intermediate holding company, bank and other borrowings and other payables of the investment holding companies, are allocated to reportable and operating segment.

Other segment information

Amounts included in the measure of segment profit or loss or segment assets.

	Asset management segment <i>RMB'000</i>	Properties segment <i>RMB'000</i>	Consolidated <i>RMB'000</i>
At 31 December 2024			
Addition to non-current assets (<i>Note</i>)	–	627,653	627,653
Interest income	–	205,559	205,559
Depreciation of property, plant and equipment	5	37,461	37,466
Depreciation of investment properties	–	152,408	152,408
Depreciation of right-of-use assets	–	21,496	21,496
Impairment losses on properties for sale	–	542,057	542,057
Allowance of expected credit losses	–	334,610	334,610
Impairment losses on interests in joint ventures	<u>–</u>	<u>211,453</u>	<u>211,453</u>

	Asset management segment <i>RMB'000</i>	Properties segment <i>RMB'000</i>	Consolidated <i>RMB'000</i>
At 31 December 2023			
Addition to non-current assets (<i>Note</i>)	–	3,062,993	3,062,993
Interest income	–	430,754	430,754
Depreciation of property, plant and equipment	4	50,022	50,026
Depreciation of investment properties	–	150,778	150,778
Depreciation of right-of-use assets	–	30,893	30,893
Allowance of expected credit losses	–	1,161	1,161
	<u>–</u>	<u>1,161</u>	<u>1,161</u>

Note: Non-current assets exclude deferred tax assets and non-current other receivables.

The Group's revenue from external customers is derived from the PRC, including Hong Kong. No single customer of the Group contributed 10% or more to the Group's revenue for both years.

Geographical information

The Group's Properties Segment is located in Foshan, Guangzhou, Nanjing and Jurong, Chongqing, Xi'an, and Hong Kong.

Information about the revenue from external customers is presented based on the location of the operations. Assets of Properties Segment and Asset Management Segment are presented based on the location of the operation and place of management decision.

	Revenue from external customers		Segment assets	
	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Foshan	744,938	1,330,279	3,384,766	5,545,617
Guangzhou	1,506,184	1,425,271	26,341,472	27,288,193
Nanjing	8,409,004	11,075,927	31,866,751	38,429,428
Chongqing	4,355,990	4,980,921	23,359,210	24,966,064
Xi'an	5,574,929	9,922,881	24,696,880	21,953,581
Hong Kong	70,188	65,566	3,579,157	1,048,666
	<u>20,661,233</u>	<u>28,800,845</u>	<u>113,228,236</u>	<u>119,231,549</u>

5 OTHER INCOME

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Bank interest income	139,212	190,054
Interest income on amounts due from associates	127,708	137,265
Interest income on amounts due from joint ventures	52,774	67,479
Interest income on amounts due from non-controlling interests	13,916	10,878
Interest income on amounts due from third parties	743	24,661
Interest income on amount due from an investee	238	430
Government grants	2,754	5,304
Others	20,258	17,666
	<u>357,603</u>	<u>453,737</u>

6 FINANCE COSTS

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Interest on:		
– bank and other borrowings	803,394	855,963
– lease liabilities	15,493	18,446
– loans from an intermediate holding company	478,742	681,055
– loans from non-controlling interests	27,447	5,874
– loans from a fellow subsidiary	31,476	5,518
	<u>1,356,552</u>	<u>1,566,856</u>
Total borrowing costs	1,356,552	1,566,856
Less: Amounts capitalised in the cost of qualifying assets	<u>(779,305)</u>	<u>(826,466)</u>
	<u>577,247</u>	<u>740,390</u>

Borrowing costs capitalised to properties under development for sale were determined by the contracted interest rates of respective borrowings.

7 INCOME TAX EXPENSE

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
The income tax expenses comprise of:		
Hong Kong Profits Tax		
– Current year	60	(1,251)
PRC Enterprise Income Tax (“EIT”)		
– Current year	252,243	716,821
– Under/(over)-provision in prior year	19,527	(3,640)
Withholding tax expenses	1,693	12,386
LAT	187,771	687,908
	461,294	1,412,224
Deferred taxation	62,875	27,031
	524,169	1,439,255

Under the Law of 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 Chinese Mainland entities that are owned by foreign entities within the Group.

LAT is levied at progressive rates ranging from 30% to 60% on the appreciation of land value, being the proceeds from sales of properties less estimated deductible expenditures including cost of land use right, borrowing costs and the relevant property development expenditures.

Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profit for the years ended 31 December 2024 and 2023. The directors of the Company considered the amount involved upon implementation of the two-tiered profits tax rates regime as insignificant to the consolidated financial statements.

8 (LOSS)/PROFIT BEFORE TAX

	2024	2023
	RMB'000	RMB'000
(Loss)/profit before tax has been arrived at after charging (crediting):		
Employee benefits expenses (including directors' remuneration):		
Salaries and other allowances	313,244	341,083
Pension scheme contributions	39,863	38,245
	<hr/>	<hr/>
Total staff costs	353,107	379,328
Less: Amounts capitalised to properties under development and for sale	(214,350)	(230,916)
	<hr/>	<hr/>
	138,757	148,412
Gross rental income from investment properties	(251,239)	(261,128)
Less: Direct operating expenses incurred, excluding depreciation	156,825	186,369
Less: Depreciation of investment properties	152,408	150,778
	<hr/>	<hr/>
	57,994	76,019
Cost of carrying amount of properties sold	18,773,251	24,085,601
Write-down of properties for sale	542,057	–
Depreciation of investment properties	152,408	150,778
Depreciation of right-of-use assets	21,496	30,893
Depreciation of property, plant and equipment	37,466	50,026
Auditor's remuneration:		
Audit service	2,476	3,229
Non-audit service	524	230
Impairment loss on goodwill	160,210	–
Impairment loss on interests in joint ventures	211,453	–
Allowance of expected credit losses	335,148	2,497
Loss/(gain) on disposal of property, plant and equipment	48	(48)
	<hr/>	<hr/>

9 DIVIDENDS

During the year ended 31 December 2024, a final dividend of HK\$0.012 per ordinary share in respect of the year ended 31 December 2023 (2023: HK\$0.03 per ordinary share in respect of the year ended 31 December 2022) was declared and paid to the shareholders of the Company. The aggregate amount of final dividend paid from share premium of the Company during the year amounted to approximately RMB53,703,000 (2023: RMB135,459,000).

10 (LOSSES)/EARNINGS PER SHARE

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

	2024	2023
	<i>RMB'000</i>	<i>RMB'000</i>
(Loss)/profit for the year attributable to owners of the Company	<u>(1,850,755)</u>	<u>133,414</u>
	2024	2023
Weighted average number of ordinary shares	<u>4,905,257,860</u>	<u>4,905,257,860</u>

No diluted (losses)/earning per share for the years ended 31 December 2024 and 2023 were presented as there were no potential ordinary shares in issue for both years.

11 TRADE RECEIVABLES

	2024	2023
	<i>RMB'000</i>	<i>RMB'000</i>
Trade receivable		
– contract with customers	9,352	16,882
– operating lease receivables	6,606	3,161
	<u>15,958</u>	<u>20,043</u>

Trade receivables mainly arise from properties operation income and rental income from the Properties Segment.

The Group's credit terms with its trade customers are generally within 30 days. The Group seeks to maintain strict control over its outstanding receivables in order to minimise credit risk. Overdue balances are reviewed regularly by senior management.

Considerations in respect of properties leasing are paid in accordance with the terms of the rental agreements and invoices, normally within 30 days from the date of invoices.

The ageing analysis of trade receivables at the end of the reporting period, based on the invoice date, is as follows:

	2024	2023
	<i>RMB'000</i>	<i>RMB'000</i>
0 – 180 days	11,770	16,667
181 – 365 days	60	596
Over 1 year	4,128	2,780
	<u>15,958</u>	<u>20,043</u>

12 TRADE PAYABLES

	2024	2023
	<i>RMB'000</i>	<i>RMB'000</i>
Trade payables	<u>7,807,293</u>	<u>11,228,026</u>

Trade payables arise from Properties Segment comprise construction costs and other project-related expenses which are payable based on project progress and the average credit period of these trade payables is 60 days. The Group has financial risk management policies in place to ensure that all payables are within the credit timeframe.

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

	2024	2023
	<i>RMB'000</i>	<i>RMB'000</i>
0 to 60 days	2,374,676	6,476,523
61 to 180 days	1,716,228	896,699
181 to 365 days	2,663,800	2,243,008
Over 365 days	<u>1,052,589</u>	<u>1,611,796</u>
	<u>7,807,293</u>	<u>11,228,026</u>

MANAGEMENT DISCUSSION AND ANALYSIS

MARKET REVIEW

In 2024, China's gross domestic product (GDP) for the entire year reached RMB134,908.4 billion, with a year-on-year growth of 5.0% calculated at constant prices. The economic operation was generally stable and made progress steadily.

In 2024, the overall real estate market in China still presented an adjustment trend. In the first three quarters, new home sales decreased significantly year-on-year. Subsequently, on 26 September 2024, the Political Bureau meeting proposed “to promote the stabilization and recovery of the real estate market”, releasing the strongest signal for maintaining stability. The policy goal was directly aimed at reversing the fundamental situation of the industry and injecting confidence into the market. Since the fourth quarter, both new home and second-hand home transaction volumes have rebounded significantly. In December of the same year, the Political Bureau meeting proposed “stabilizing the property market”, and the Central Economic Work Conference once again emphasized “continuous efforts to promote the stabilization and recovery of the real estate market”, setting the tone for the property market in 2025 and releasing an even more resolute tone for stabilizing the property market. The annual real estate development investment was RMB10,028 billion, a year-on-year decrease of 10.6%; the sales area of new commercial housing was 973.85 million square meters, a decrease of 12.9% compared to the previous year, and the sales amount of new commercial housing was RMB9,675 billion, a year-on-year decrease of 17.1%.

In 2024, high-quality improved real estate projects were still popular, and prices were rising. In terms of demand structure, cities including Guangzhou, Foshan, Nanjing, and Chongqing had the proportion of new home transactions of 90-120 square meters accounting for more than 30%, occupying the mainstream position in the market; while Xi'an took the improved new homes of 120-144 square meters as the main force of transactions.

Facing the test of the decline in industry scale, the Group adhered to the strategic mainline of “seeking development in stability and leading the market with quality”. Facing the trend of overall dot-like high heat and continuous differentiation in the land auction market, the Group focused on the “Three Excellences” (excellent cities, excellent locations, and excellent plots) investment strategy. Throughout the year, three new land development investments in which the Group has significant control were added, all located in first-tier and strong second-tier cities such as Guangzhou and Xi'an.

The Group, together with its associates and joint venture companies, completed the aggregate contracted sales amount of RMB42,460 million throughout the year 2024, achieving a V-shaped reversal from a 32% year-on-year decline in the first quarter to a 10% growth throughout the year. Among them, there were projects such as Nanjing Zhongshan Fengjing that exceeded the sales target for the year. Through deepening the “Full-dimensional Scene Creation” system, the first opening of the Nanjing “Jinling Xu” project achieved a 92% sell-through rate; Guangzhou “LIN YU JING”, as the benchmark of the first fourth-generation residence, achieved a real scene display and opening within 99 days of land acquisition, creating a value miracle with an average price exceeding the feasibility study report in the outer suburbs.

FINANCIAL REVIEW

For the year of 2024, loss amounted to RMB1,689,630,000 (2023: profit of RMB1,251,815,000), representing a year-on-year decrease of approximately 235%. The loss attributable to the owners of the Company was RMB1,850,755,000 (2023: profit of RMB133,414,000), representing a year-on-year decrease of approximately 1,487%. Basic and diluted losses per share was RMB37.73 cents (2023: basic and diluted earnings per share of RMB2.72 cents), representing a year-on-year decrease of approximately 1,487%.

Equity attributable to owners of the Company was RMB8,021,863,000 as at 31 December 2024 (2023: RMB9,912,250,000), representing a decrease of approximately 19% as compared with that of the end of last year.

TURNOVER

In 2024, the Group recorded turnover of RMB20,661,233,000 (2023: RMB28,800,845,000), representing a year-on-year decrease of approximately 28%. In 2024, projects in Nanjing and Jurong, Xi'an, Chongqing, Guangzhou, Foshan and Hong Kong accounted for approximately 40.7%, 26.98%, 21.08%, 7.29%, 3.61% and 0.34%, respectively, of the total revenue of the Group.

GROSS PROFIT

Gross profit amounted to RMB985,420,000 (2023: RMB3,870,543,000), representing a year-on-year decrease of approximately 75%. This was mainly due to the relatively high proportion of items with lower gross profit margin in the carried forward income. The gross profit margin was approximately 4.77% (2023: approximately 13.44%), reflecting 8.67 percentage points year-on-year decline.

SHARE OF RESULTS OF ASSOCIATES AND JOINT VENTURES

For the year ended 31 December 2024, the Group's share of results of associates and joint ventures both recorded a loss of RMB128,635,000 (2023: profits of RMB303,351,000) and RMB117,677,000 (2023: profits of RMB64,730,000), respectively.

This turnaround in financial performance was mainly attributable to the fact that the associates and joint ventures in which the Group had invested in earlier years suffered losses at the project level amidst the unfavourable environment of the overall downturn in the property market, which affected the overall performance.

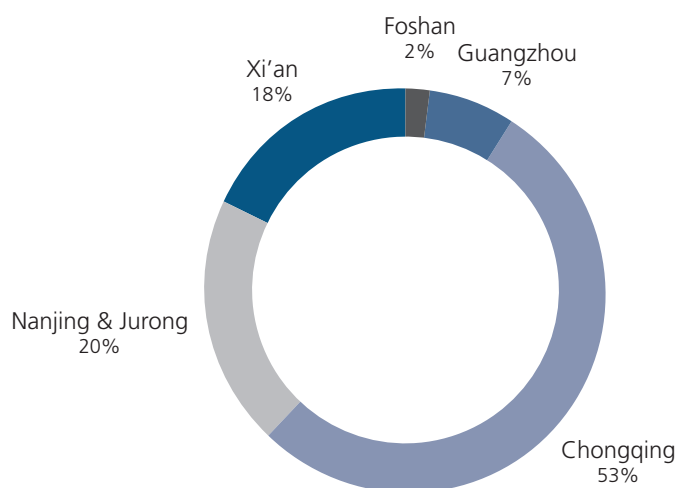
BUSINESS REVIEW

Property Development Business

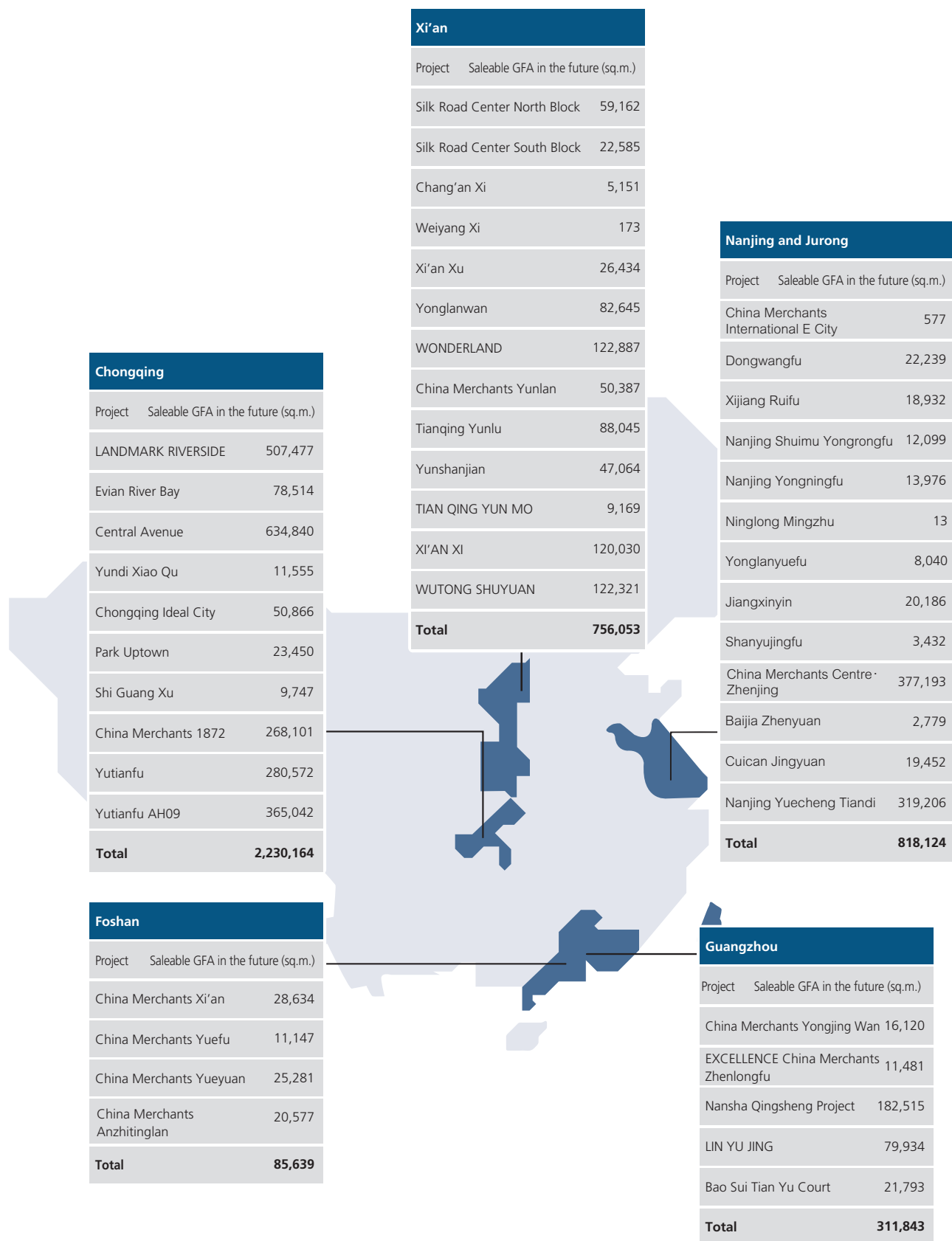
As at 31 December 2024, the Group's portfolio of property development projects consisted of 45 projects in Guangzhou, Foshan, Chongqing, Xi'an, Nanjing and Jurong, with a primary focus on the development of residential properties, as well as residential and commercial complex properties, types of products include apartments, villas, offices and retail shops, etc.

A 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 are set out below. The saleable gross floor area of properties which had not been sold or presold as at 31 December 2024 ("**Land Bank**") was 4,201,823 sq.m..

Land Bank by cities



A map showing the geographical location and land bank of the projects of the Group in the PRC as at 31 December 2024



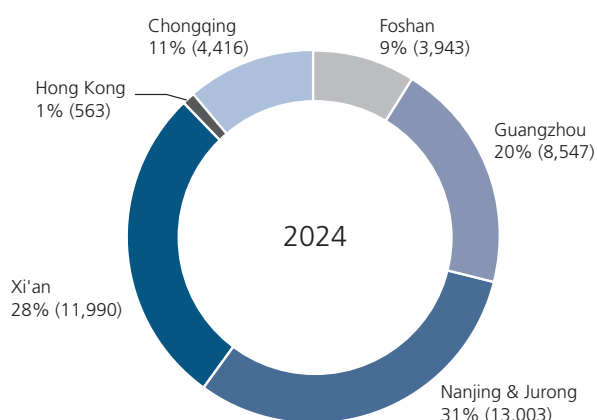
The table below shows the details of the Group's property development projects as at 31 December 2024 which (i) had been completed, (ii) were under development, or (iii) were held for future development. All figures in relation to area are rounded up to the nearest whole number:

Project	The Company's attributable interest in the projects	Total GFA	Completed					Under development			Future development			
			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	GFA	Total GFA saleable/rentable	
China Merchants Xi'an	60%	231,607	28,634	231,607	198,663	169,123	906	28,634	-	-	-	-	-	-
China Merchants Yuefu	50%	326,112	11,147	326,112	249,775	238,628	-	11,147	-	-	-	-	-	-
China Merchants Yueyuan	50%	309,372	25,281	309,372	270,402	245,085	36	25,281	-	-	-	-	-	-
China Merchants Anzhiqinglan	90%	183,599	20,577	183,599	170,256	142,499	7,180	20,577	-	-	-	-	-	-
Foshan subtotal		1,050,690	85,639	1,050,690	889,096	795,335	8,122	85,639	-	-	-	-	-	-
China Merchants Yongjing Wan	60%	283,587	16,120	283,587	283,587	267,467	-	16,120	-	-	-	-	-	-
EXCELLENCE China Merchants Zhenlongfu	50%	111,684	11,481	111,684	73,299	61,713	105	11,481	-	-	-	-	-	-
Nansha Qingsheng Project	100%	327,509	182,515	89,275	47,806	10,848	2,768	34,190	101,323	91,780	35,634	136,911	92,179	
LIN YU JING	100%	125,928	79,934	-	-	-	-	-	36,868	16,222	7,640	89,060	71,352	
Bao Sui Tian Yu Court	50%	142,582	21,793	142,582	96,277	-	74,484	21,793	-	-	-	-	-	-
Guangzhou subtotal		991,290	311,843	627,128	500,969	340,028	77,357	83,584	138,191	108,002	43,274	225,971	163,531	
LANDMARK RIVERSIDE	50%	1,774,587	507,477	1,545,185	1,488,533	1,118,858	12,260	357,415	152,547	148,646	69,099	76,855	70,515	
Evian River Bay	100%	547,720	78,514	547,720	526,135	446,999	622	78,514	-	-	-	-	-	
Central Avenue	50%	1,769,027	634,840	1,665,512	1,502,115	963,323	7,467	531,325	103,515	103,515	-	-	-	
Yongjingcheng	100%	503,020	-	503,020	476,310	474,310	2,000	-	-	-	-	-	-	
Yundi Xiao Qu	100%	136,704	11,555	136,704	122,814	111,196	63	11,555	-	-	-	-	-	
Chongqing Ideal City	51%	190,499	50,866	153,949	143,243	122,287	-	20,956	36,550	30,621	711	-	-	
Park Uptown	100%	103,749	23,450	103,749	101,703	78,105	148	23,450	-	-	-	-	-	
Shi Guang Xu	100%	39,505	9,747	39,505	36,342	25,514	1,081	9,747	-	-	-	-	-	
China Merchants 1872	100%	456,875	268,101	117,584	115,097	85,373	1,132	28,592	158,317	149,783	91,023	180,974	180,749	
Yutianfu	100%	375,775	280,572	154,271	154,271	92,187	3,016	59,068	38,949	38,949	-	182,555	182,555	
Yutianfu AH09	100%	471,806	365,042	142,326	142,326	83,699	4,633	53,994	125,271	125,271	18,432	204,209	204,209	
Chongqing subtotal		6,369,267	2,230,164	5,109,525	4,808,889	3,601,851	32,422	1,174,616	615,149	596,785	179,265	644,593	638,028	
China Merchants International E City	100%	372,916	577	372,916	323,952	319,011	4,364	577	-	-	-	-	-	
Dongwangfu	51%	315,482	22,239	315,482	234,883	212,538	106	22,239	-	-	-	-	-	
Xijiang Ruifu	20%	278,840	18,932	278,840	227,173	207,411	830	18,932	-	-	-	-	-	
Nanjing Shuimu Yongrongfu	28%	239,621	12,099	239,621	189,248	176,833	316	12,099	-	-	-	-	-	
Nanjing Yongningfu	51%	351,438	13,976	351,438	283,978	269,608	394	13,976	-	-	-	-	-	
Ninglong Mingzhu	31%	71,576	13	71,576	57,405	56,781	611	13	-	-	-	-	-	
Yonglanyuefu	51%	105,618	8,040	105,618	85,310	76,683	587	8,040	-	-	-	-	-	
Jiangxinyin	51%	140,370	20,186	140,370	136,464	113,254	3,024	20,186	-	-	-	-	-	
Shanyujingfu	20%	54,751	3,432	54,751	54,751	50,036	1,283	3,432	-	-	-	-	-	
China Merchants Centre - Zhenjing	80%	734,393	377,193	241,404	241,404	190,479	19,938	30,987	492,989	364,324	18,118	-	-	
Baijia Zhenyuan	82%	87,546	2,779	87,546	71,023	63,470	4,774	2,779	-	-	-	-	-	
Cuican Jingyuan	80%	144,175	19,452	-	-	-	-	-	144,175	114,067	94,615	-	-	
Nanjing Yuecheng Tiandi	35%	600,076	319,206	237,877	197,478	118,368	26,842	52,268	362,199	266,938	-	-	-	
Nanjing and Jurong subtotal		3,496,802	818,124	2,497,439	2,103,069	1,854,472	63,069	185,528	999,363	745,329	112,733	-	-	
Main Urban Site DK1	51%	277,313	-	277,313	244,340	221,811	22,529	-	-	-	-	-	-	
Main Urban Site DK2	51%	563,052	-	563,052	507,216	468,393	38,823	-	-	-	-	-	-	
Main Urban Site DK3	51%	325,294	-	325,294	294,135	266,968	27,167	-	-	-	-	-	-	
Silk Road Center North Block	51%	160,808	59,162	160,808	137,287	55,079	23,046	59,162	-	-	-	-	-	
Silk Road Center South Block	51%	136,297	22,585	136,297	115,704	72,454	20,665	22,585	-	-	-	-	-	
Chang'an Xi	26%	63,272	5,151	63,272	51,254	46,103	-	5,151	-	-	-	-	-	
Weiyang Xi	51%	99,530	173	99,530	99,530	98,471	886	173	-	-	-	-	-	
China Merchants Huayu Zhen Jing	51%	168,903	-	168,903	157,554	131,231	26,323	-	-	-	-	-	-	
Xi'an Xu	51%	158,971	26,434	158,971	149,759	98,310	25,015	26,434	-	-	-	-	-	
Yonglanwan	51%	225,380	82,645	75,018	69,969	67,688	1,949	332	150,362	126,836	44,523	-	-	
WONDERLAND	100%	387,293	122,887	-	-	-	-	-	387,293	387,293	264,406	-	-	
China Merchants Yunlan	70%	137,492	50,387	-	-	-	-	-	137,492	137,492	87,105	-	-	
Tianqing Yunlu	100%	171,592	88,045	-	-	-	-	-	171,592	158,236	70,191	-	-	
Zhenganfu	51%	230,634	-	230,634	188,293	179,898	8,395	-	-	-	-	-	-	
Yunshanjian	99%	171,588	47,064	-	-	-	-	-	171,588	148,189	101,125	-	-	
TIAN QING YUN MO	100%	117,841	9,169	-	-	-	-	-	117,841	117,841	108,672	-	-	
XT'AN XI	100%	132,103	120,030	-	-	-	-	-	132,103	120,030	-	-	-	
WUTONG SHUYUAN	100%	138,072	122,321	-	-	-	-	-	138,072	122,321	-	-	-	
Xi'an subtotal		3,665,435	756,053	2,259,092	2,015,041	1,706,406	194,798	113,837	1,406,343	1,318,238	676,022	-	-	
Total		15,573,484	4,201,823	11,543,874	10,317,064	8,298,092	375,768	1,643,204	3,159,046	2,768,354	1,011,294	870,564	801,559	

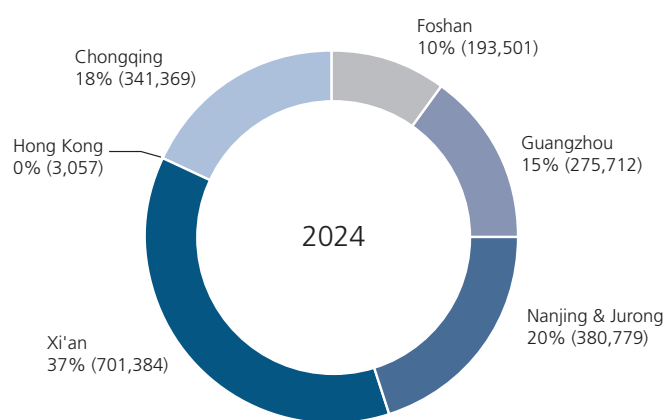
Contracted sales

For the year ended 31 December 2024, the Group, together with its associated companies and joint venture companies, achieved aggregate contracted sales of approximately RMB42,462 million (2023: RMB38,600 million), representing a year-on-year increase of 10.00% with an aggregate contracted sales area of approximately 1,895,802 square meters (2023: 1,898,545 sq.m.), representing a year-on-year decrease of 0.14%. The average selling price for the year ended 31 December 2024 amounted to approximately RMB22,398 per square meter (2023: RMB20,331 per sq.m.).

**Contracted sales amount by region
(RMB million)**



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



New Investment Projects

The following table shows the new investments in which the Group has significant control during the year ended 31 December 2024:

Cities	Projects	Total land consideration (RMB million)	Total site area (sq.m.)	Total permissible area (sq.m.)	Average land premium per permissible area (RMB/sq.m.)
Guangzhou	LIN YU JING	1,018	31,200	78,000	13,049
Xi'an	XI'AN XI	999	45,900	101,000	9,887
Xi'an	WUTONG SHUYUAN	761	42,600	106,500	7,146

Foshan

In 2024, contracted sales amount of the Group (together with its associates and joint ventures) in Foshan was approximately RMB3,943 million and contracted sales area was 193,501 sq.m. Foshan Baohua Project (佛山寶華) was one of the major projects.

As at 31 December 2024, total GFA of the Group's projects in Foshan reached 1,050,690 sq.m. and the saleable GFA in the future will amount to 85,639 sq.m..

Introduction of Foshan Baohua Project

The project is located in the core area of Qiandeng Lake, Guicheng, Nanhai District, Foshan City, covering an area of about 149,600 square meters, with a total construction area of about 860,000 square meters, and will be built into a large-scale complex metropolis in the future.

The project is surrounded by very mature supporting facilities and a strong living atmosphere. It is close to Foshan Guicheng's landmark – Qiandeng Lake Park, and large-scale commercial complexes such as China Merchants Land Center, Wanda Plaza and Xin Kai Plaza.

Currently, the first phase of the project is on sale, with a floor area of about 190 - 545 square meters and a total of 270 suites. The second phase has a floor area of about 160 - 210 square meters, with a total of 178 units, and the second phase of the project is expected to be opened for sale in 2025.

Guangzhou

In 2024, contracted sales amount of the Group (together with its associates and joint ventures) in Guangzhou was approximately RMB8,547 million and contracted sales area was 275,712 sq.m.. Guangzhou Xipai Tianhe Xu Project (廣州西派天河序) was one of the major projects.

As of 31 December 2024, total GFA of the Group's projects in Guangzhou reached 991,290 sq.m. and the saleable GFA in the future will amount to 311,843 sq.m..

Introduction of Guangzhou Xipai Tianhe Xu Project (廣州西派天河序)

The Xipai Tianhe Xu project is jointly developed by two central government-owned enterprises, presenting four to five bedrooms with perfect space, and a pure improvement community with a low plot ratio of 3.0 meticulously designed by world-renowned designers, that elevates urban living to new heights.

As Guangzhou's premier "wisdom + quality" benchmark, Xipai Tianhe Xu is designed with 125-240 square metres of all-round improvement units to meet users' unlimited imagination of home. The Baiyun Mountain is close at hand, and the Meihuayuan Station of Metro Line 3 is only around 200 metres away, which is 5 stops away from the Tianhe Road business circle, which is home to a number of high-end commercial centres such as Zhengjia Plaza, Tianhe City, Tianhuan Plaza, Taikoo Hui and K11.

Chongqing

In 2024, contracted sales amount of the Group (together with its associates and joint ventures) in Chongqing was approximately RMB4,416 million and contracted sales area was 341,369 sq.m.. LANDMARK RIVERSIDE (長嘉匯) was one of the major projects.

As of 31 December 2024, total GFA of the Group's projects in Chongqing reached 6,369,267 sq.m. and the saleable GFA in the future will amount to 2,230,164 sq.m..

Introduction of LANDMARK RIVERSIDE (長嘉匯)

Located on Taichang Road in Nan'an District, Chongqing, China, with a total gross floor area of approximately 1.5 million square metres, LANDMARK RIVERSIDE is an integrated urban living project comprising residential and commercial properties.

The “Two Rivers Peak” series, with a gross floor area of approximately 400-460 square metres and a 174 square metre high-rise, occupies a more central position along the river, with a panoramic view of the landmarks of Chaotianmen, Jiangbeizui and Nanbin Road as well as the landmark where the Jialing and Yangtze rivers meet. The project is well-equipped with a wide range of transport, medical, education, financial and living facilities.

The commercial properties of the project are located in the golden triangle of Chongqing's CBD, with famous facilities such as LANDMARK RIVERSIDE Shopping Park, Danzishi Old Street and Danzishi Square, among which LANDMARK RIVERSIDE Shopping Park gathers global fashion trends and Danzishi Old Street is listed as a national 4A tourist scenic area. The Danzishi Square is a broader view of the confluence of the two rivers and is known as the “best place to take photographs of the confluence of the two rivers”.



Computerised photos

Nanjing and Jurong

In 2024, contracted sales amount of the Group (together with its associates and joint ventures) in Nanjing and Jurong was approximately RMB13,003 million and contracted sales area was 380,779 sq.m.. Nanjing China Merchants Centre•Zhenjing (南京招商局中心·臻境) was one of the major projects.

As of 31 December 2024, total GFA of the Group's projects in Nanjing and Jurong reached 3,496,802 sq.m. and the saleable GFA in the future will amount to 818,124 sq.m..

Introduction of Nanjing China Merchants Centre•Zhenjing (南京招商局中心·臻境)

Located in Nanjing's Xuanwu District, Nanjing China Merchants Centre•Zhenjing occupies the core of the new Xuanwu area in the heart of Nanjing's main city, close to Nanjing Station and Zhongshan Scenic Park. The project covers an area of approximately 174,000 square metres with a total gross floor area of approximately 750,000 square metres, incorporating a variety of commercial and high-end residential developments, and is directly connected to the metro to form a large-scale TOD project, bringing China Merchants' unique "Sea World" world-class lifestyle to Nanjing.

The project is extremely conveniently located on Nanjing's Line 6 and Line 9 metro, with three other metro lines within 2km – Line 1, 3 and 7. There are 9 bus routes within 1km of the site. Hongshan Road, Hengjia Road, Beiyuan East Road, Jingwu Road, Daimagnan Road, Lingzhi Road and Hongshan South Road form a four vertical and three horizontal road networks, which connects directly to Nanjing's city inner ring via Xinzhuang Junction, providing quick access to the whole city.

The project features 118, 134, 143 and 181 square metres, covering 3- and 4-bedroom units.



Computerised photos

Xi'an

In 2024, contracted sales amount of the Group (together with its associates and joint ventures) in Xi'an was approximately RMB11,990 million and contracted sales area was 701,384 sq.m.. WONDERLAND (招商攬閱) was one of the major projects.

As at 31 December 2024, total GFA of the Group's projects in Xi'an reached 3,665,435 sq.m. and the saleable GFA in the future will amount to 756,053 sq.m..

Introduction of WONDERLAND (招商攬閱)

Located in the core area of Olympic Avenue in Xi'an International Port District, WONDERLAND covers an area of 143,500 square meters, with a total construction area of 496,800 square meters and a total of 2,693 flats, and is dedicated to creating a model of urban life with "river and garden symbiosis". The project is close to the dual subway hubs and the city's main roads, with 15-minute access to the administrative center's business district, and a simultaneous view of the Ba River, the Wei River landscape and the Chanba National Wetland Park's scarce ecological resources, and the main types of apartments range from 100-168 square meters of three-bedroom and four-bedroom apartments. All the units are equipped with intelligent security, environmentally friendly building materials and star property system, integrating the genes of education, ecology and science and technology, creating a quality residence with both prosperity and nature for urban elites.



Computerised photos

Asset Management Business

The Company commences 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. During the year ended 31 December 2024, the Group recorded asset management services income of approximately RMB17,422,000 (2023: RMB14,971,000).

FINANCIAL AND TREASURY MANAGEMENT PRINCIPLES

As at 31 December 2024, the net current assets of the Company amounted to RMB27,538,618,000 (2023: RMB22,584,063,000).

As at 31 December 2024, bank balances and cash was RMB12,734,449,000 (2023: RMB10,283,322,000). In terms of currency denomination, bank balances and cash can be divided into RMB12,413,565,000 in Renminbi, RMB56,554,000 in US\$ and RMB264,330,000 in Hong Kong dollars (“**HK\$**”).

As at 31 December 2024, total interest-bearing debt of the Group was RMB34,908,872,000 (2023: RMB35,238,088,000). In terms of maturity, the outstanding total interest-bearing debt can be divided into RMB4,562,819,000 repayable within one year, RMB11,522,228,000 repayable after one year but within two years, RMB16,784,828,000 repayable after two years but within five years and RMB2,008,997,000 repayable after five years.

As at 31 December 2024, the Group’s net interest-bearing debt (total interest-bearing debt minus bank balances and cash) to equity (including non-controlling interests) ratio (the “**Net Gearing Ratio**”) was 67% (2023: 71%). The Group further utilizes the flexibility of its capital structure and resources in a rational manner according to project needs. The capital cost of the Group still remained at industry-low level. As at 31 December 2024, the weighted average finance costs of the interest-bearing debt is 3.23%, of which the average finance costs of bank and financial institution borrowings was 3.34%.

The monetary assets and liabilities and business transactions of the Group are mainly carried and conducted in RMB, US\$ and HK\$. 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

To minimise actual and potential competition, the Group and China Merchants Property Development Co., Ltd.* (招商局地產控股股份有限公司) (“**CMPD**”) (a company later merged with CMSK (as defined below) in December 2015) entered into a non-competition deed on 19 June 2013 as amended and supplemented on 4 October 2013 (the “**Non-Competition Deed**”). On 30 December 2015, the Company, CMPD and China Merchants Shekou Industrial Zone Holdings Co., Ltd. (招商局蛇口工業區控股股份有限公司) (“**CMSK**”) ^{Note 1} had entered into a deed of amendment and novation, pursuant to which all the obligations, undertakings, interests and benefits of CMPD under the Non-Competition Deed were novated to and undertaken by CMSK in replacement of CMPD as if CMSK has been a party to the Non-Competition Deed in substitution of CMPD with effective from 30 December 2015. Other than that, all the other terms of the Non-Competition Deed shall remain unchanged ^{Note 2}. On 17 December 2018, the Company and CMSK entered into an amended and restated non-competition deed which supersede and replace in its entirety the Non-Competition Deed (the “**Amended and Restated Non-Competition Deed**”), and subsequently entered into a re-amended and restated non-competition deed (the “**Re-Amended and Restated Non-Competition Deed**”) on 21 October 2019, which supersede and replace in its entirety the Amended and Restated Non-Competition Deed.

Notes:

1. According to the announcements published by CMSK and CMPD on the Shenzhen Stock Exchange, on 30 December 2015, CMSK and CMPD had completed the major asset restructuring and integration exercise pursuant to which, among other things, all assets, liabilities, businesses, employees, contracts and all others rights and obligations of CMPD have been taken up and assumed by CMSK in replacement of CMPD, CMPD was delisted from the Shenzhen Stock Exchange and the shares of CMSK became listed on the Shenzhen Stock Exchange, all with effect from 30 December 2015.
2. In the above paragraph under the heading of “Non-competition Deed”, for the avoidance of doubt, references to CMSK should be construed as referring to CMPD in the context of any time before 30 December 2015.

* For identification purpose only

Pursuant to the Amended and Restated Non-Competition Deed, (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 (the “**Four CML Cities**”) except for certain operation transitional assets (“**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 city; (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, subject to the duly transfer of all equity interest of CMSK Group in Asset Management Business for office premises in Beijing and Shanghai to the Group (the “**Proposed Transfer I**”); and (vi) the Company will no longer have the perpetual right of first refusal to conduct Property Business (the “**Right of First Refusal**”) for other cities in the PRC in which neither the Group nor the CMSK Group has an Property Business as at the date of the Non-Competition Deed (“**Unoccupied Cities**”).

Pursuant to the Re-Amended and Restated Non-Competition Deed, the Group will have the rights to participate in the REIT Management Business for REITs with underlying properties permitted to be situated in or come from all over the PRC on an exclusive basis. In return, the Company (by itself or through its subsidiaries) are entitled to receive cash and/or units in the REITs. Other than the inclusion of the REIT Management Business and the updates to the terms with respect to the Asset Management Business for Office Premises in Beijing and Shanghai in order to reflect the situation at the time of the completion of the Proposed Transfer I, the other terms with respect to the (a) Non-Controlling Investment Arrangement; (b) Asset Management Business for Office Premises in Four CML Cities, Xi’an and Chongqing plus Beijing and Shanghai; and (c) Property Business of the Re-Amended and Restated Non-Competition Deed remain unchanged compared to the Amended and Restated Non-Competition Deed.

For details of the Non-Competition Deed and Operation Transitional Assets, please refer to the section headed “Relationship with the Controlling Shareholders” in the circular of the Company dated 10 October 2013.

For details of the Amended and Restated Non-Competition Deed, the Four CML Cities, Property Business, Non-Controlling Investment Arrangement, the CMSK Cities, Asset Management Business, the Proposed Transfer I, the Right of First Refusal and the Unoccupied Cities, please refer to the circular of the Company dated 10 January 2019.

For the details of the Re-Amended and Restated Non-Competition Deed, REIT Management Business and REITs, please refer to the circular of the Company dated 21 October 2019.

The independent board committee comprising all the independent non-executive Directors of the Company, had (i) reviewed the reports prepared by the Company's management containing latest information on the respective property projects portfolios of CMSK Group and the Group; (ii) carried out a review on the implementation of and compliance with Re-Amended and Restated Non-Competition Deed by CMSK Group and the Group during the year ended 31 December 2024; and (iii) confirmed that the terms of the Re-Amended and Restated Non-Competition Deed had been complied with by CMSK Group and the Group during the year ended 31 December 2024.

The Group will continue to operate its traditional property development business in Guangzhou, Foshan, Nanjing and Jurong. In addition, upon the annual review of the portfolio of the Group's Property Business for the year ended 31 December 2024, taking into account the financial resources available to the Group at the relevant time and the relevant market conditions, the Group decides to continue its Property Business in Chongqing and Xi'an for the time being.

PROSPECTS AND OUTLOOK

Premier Li Qiang of the State Council emphasized in the government work report on 5 March 2025, that the Chinese government will continue to exert efforts to promote the stabilization and recovery of the real estate market, reduce restrictive measures, and fully unleash the potential of rigid and improved housing demand. Measures include reasonably controlling the supply of new real estate land and promoting the acquisition of existing commercial housing, and taking high-quality "good houses" that are safe, comfortable, green, and intelligent as the driving direction. Under the new model of real estate development, China Merchants Land will take measures in four aspects of development, price, inventory, and cost based on its own situation, focusing on both stability and development.

At the development end, the Company will aim at “speeding up, improving quality, and enhancing efficiency”, and comprehensively enhance the operational level of projects. For newly acquired projects, the Group will strengthen the cross-departmental collaboration mechanism, and strive to achieve the “ultimately speedy opening” and shorten the development cycle through pre-positioning, deepening the pre-study and resource inclination; the old renovation projects will accelerate incubation through policy docking and resource integration to release the potential of urban renewal in core cities.

In terms of price management, the Company will deepen the refined control system, dynamically optimize sales strategies, shift from “exchanging price for volume” to “determining price based on quality”, and achieve the balance of volume and price and profit improvement through product value remodeling and customer demand guidance. At the same time, the promotion strategy will shift to a benign “cost-performance competition” to stand out with “good houses” that meet the high-quality living needs of the people.

In the field of inventory digestion, the existing projects will take “re-doing old projects” as the starting point to break through the traditional path dependence. For assets in core areas, the Company will reshape the competitiveness through product renewal, scene upgrade and service value-added, and combine with innovative marketing strategies to enhance the premium space; for difficult projects, it will actively make good use of local policies, seize policy windows such as “acquisition and storage of housing, housing ticket resettlement, and old-for-new exchange”, accelerate the clearance of historical burdens, and make room for resource reallocation.

Facing the challenge of pressured industry profit margins, China Merchants Land will implement “cost reduction, quality improvement, and efficiency enhancement” throughout the entire value chain. On the one hand, all employees of the Group will continue to deeply explore the potential of construction cost and operation cost control, strengthen the rigid constraints of the “three expenses” (sales expenses, management expenses, and financial expenses), and promote the slimming and strengthening of the financial structure; loss-making business units will implement ultimate cost control to ensure bleeding stops and recovery.

At the same time, the Group will firmly practice the overseas strategy of “deeply cultivating Hong Kong and intensively cultivating Southeast Asia”, accelerate the construction and operation of key overseas projects, build an international asset allocation and income growth pole. Through localized operation and resource collaboration, enhance the brand influence in overseas markets and inject diversified momentum for medium and long-term development.

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 31 December 2024, the Group had 712 (2023: 859) employees in the PRC and Hong Kong. The Group determines its staff remuneration based on various factors such as qualifications, length of service, market conditions and performance of the individual employees. For the year ended 31 December 2024, the Company had no share option scheme in effect.

FINANCIAL GUARANTEE CONTRACTS

The Group has contingent liabilities amounted to RMB5,400,816,000 as at 31 December 2024 (2023: RMB6,432,174,000).

PLEDGE OF ASSETS

As at 31 December 2024, land included in properties for sale and located in Chongqing, Xi'an and Nanjing with carrying values of approximately RMB12,233,355,000 (2023: RMB10,673,297,000), investment properties with carrying values of approximately RMB1,538,548,000 (2023: RMB1,631,575,000) and trade receivables with carrying value of approximately RMB199,000 (2023: RMB1,071,000) have been pledged to secure bank borrowings amounting to RMB3,099,149,000 (2023: RMB3,848,969,000) granted to the Group.

DIVIDENDS

The Directors have resolved not to recommend a final dividend for the year ended 31 December 2024 (2023: HK\$0.012 per share).

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 31 December 2024.

EVENTS AFTER THE REPORTING PERIOD

Save for the Company's announcements which have been published on the Stock Exchange and the Company's website, there are no material events undertaken by the Group after 31 December 2024 to the date of this announcement.

CLOSURE OF REGISTER OF MEMBERS

Details of the annual general meeting of the Company to be held in 2025 and the determination of the shareholders who will be entitled to attend will be published in the circular and notice of the annual general meeting of the Company.

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

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities during the year ended 31 December 2024.

AUDIT COMMITTEE

The 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 Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**"). This committee is authorised by the Board and is responsible for reviewing the financial reports, internal control principles and for maintaining an appropriate relationship with the Company's auditors. The Audit Committee has reviewed the Group's consolidated financial statements for the year ended 31 December 2024, including the internal controls, financial reporting matters, accounting principles and practices adopted by the Group.

SCOPE OF WORK OF KPMG

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the year ended 31 December 2024 as set out in the preliminary announcement have been agreed by the Group's auditor, KPMG, to the amounts set out in the audited consolidated financial statements of the Group for the year as approved by the Board of Directors on 12 March 2025. The work performed by KPMG in this respect did not constitute an assurance engagement and consequently no opinion or assurance conclusion has been expressed by KPMG on the preliminary announcement.

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 year ended 31 December 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, to gain 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 then 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 its code of conduct for securities transactions by Directors of the Company on terms no less exacting than the required standard set out in the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix C3 of the Listing Rules. Following specific enquiry by the Company, all the Directors have confirmed that they have complied with the required standard set out in the Model Code throughout the year ended 31 December 2024.

PUBLICATION OF ANNUAL REPORT ON THE STOCK EXCHANGE WEBSITE

The annual report of the Company for the year of 2024 containing all information required by the Listing Rules will be despatched to the Company's shareholders and published on the website of the Stock Exchange at www.hkexnews.hk and the website of the Company at ir.cmland.hk.

On behalf of the Board
China Merchants Land Limited
JIANG Tiefeng
Chairman

Hong Kong, 12 March 2025

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.