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If you have sold or transferred all your Shares, you should at once hand this circular to the purchaser(s) or the transferee(s) or to the bank, licensed securities dealer, registered institution in securities or other agent through whom the sale or transfer was effected for transmission to the purchaser(s) or transferee(s).

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**CHINA MERCHANTS LAND LIMITED**

**招商局置地有限公司**

*(Incorporated with limited liability in the Cayman Islands)*

**(Stock Code: 978)**

**MAJOR AND CONNECTED TRANSACTION:  
FORMATION OF A JV COMPANY**

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14 July 2017

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## DEFINITIONS

*In this circular, the following terms and expressions shall have the following respective meanings unless the context otherwise requires:*

“Announcement”	the announcement of the Company dated 6 March 2017 in relation to the Cooperation Framework Agreement
“Board”	the board of Directors
“Chongqing Hanzhi”	重慶瀚置實業發展有限公司 (Chongqing Hanzhi Industrial Development Company Limited*), a company established in the PRC with limited liability
“CMSK”	China Merchants Shekou Industrial Zone Holdings Company Limited (招商局蛇口工業區控股股份有限公司), a company established in the PRC with limited liability, whose shares are listed on the Shenzhen Stock Exchange (stock code: 001979 (A share)), being the intermediate controlling shareholder of the Company and indirectly holds approximately 74.35% of the total issued share capital of the Company as at the Latest Practicable Date
“Company”	China Merchants Land Limited, an exempted company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the main board of the Stock Exchange (stock code: 0978)
“Cooperation Framework Agreement”	A cooperation framework agreement dated 6 March 2017 entered into between Nanjing Merchants, Chongqing Hanzhi and Jurong Jinhui
“Director(s)”	director(s) of the Company
“Final Shareholdings”	the final shareholding structure of the JV Company where each of Nanjing Merchants, Chongqing Hanzhi and Jurong Jinhui shall hold 34%, 33% and 33% of the equity interests of the JV Company, respectively
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC

## DEFINITIONS

“Hongkong Land Holdings”	Hongkong Land Holdings Limited, a company incorporated in Bermuda with limited liability, being a connected person of the Company at the subsidiary level
“Independent Third Party(ies)”	an independent third party not connected with the Company and its subsidiaries, their respective directors, chief executives and substantial shareholders and any of their associates within the meaning of the Listing Rules
“Jurong Jinhui”	句容市金滙房產建設有限公司 (Jurong Jinhui Real Estate Construction Company Limited*), a company established in the PRC with limited liability
“JV Company”	南京盛香園房地產開發有限公司 (Nanjing Shengxiang Yuan Property Development Limited*), a joint venture company established by Chongqing Hanzhi, Jurong Jinhui and Nanjing Merchant, in the PRC on 3 March 2017 pursuant to the Cooperation Framework Agreement
“Land Transfer Confirmation”	the confirmation notice (土地成交確認書) dated 15 February 2017 issued by Nanjing Bureau to Nanjing Merchants confirming the successful bidding of the Nanjing 2016G98 Land
“Latest Practicable Date”	12 July 2017, being the latest practicable date for the purpose of ascertaining certain information contained in this circular prior to its publication
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange as amended, supplemented or otherwise modified from time to time
“Nanjing 2016G98 Land”	a piece of land situated from South Zhongshan Road in the east to Fengtai Road in the west, from Yingtian Avenue in the south to Qinhuai River in the north (東至中山南路，南至應天大街，西至鳳台路，北至秦淮河) with a total site area of 199,329.26 sq.m. The nature of the land use rights is mixed land use for commercial, residential and office, and category II residential land. The terms of use for urban residential usage and commercial usage are 70 years and 40 years, respectively

## DEFINITIONS

“Nanjing 2016G98 Land Consideration”	RMB9,810,000,000, being the aggregate consideration payable for the transfer of land use rights for the Nanjing 2016G98 Land pursuant to the Cooperation Framework Agreement
“Nanjing Bureau”	南京市國土資源局 (Nanjing Bureau of Land and Resource*)
“Nanjing Merchants”	南京招商招盛房地產有限公司 (Nanjing Merchants Zhaosheng Property Development Limited*), a company established in the PRC with limited liability and an indirect non-wholly owned subsidiary of the Company
“Percentage Ratios”	the “percentage ratios” as defined in rule 14A.10(10) of the Listing Rules
“PRC”	the People’s Republic of China which, for the purpose of this circular, shall exclude Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“PRC Government Body”	has the meaning ascribed to it under the Listing Rules
“RMB”	Renminbi, the lawful currency of the PRC
“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“sq.m.”	square meter
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary”	has the meaning ascribed to it under the Listing Rules
“Success Well”	Success Well Investments Limited, a limited liability company incorporated in the British Virgin Islands and a controlling Shareholder of the Company which directly owns an aggregate of 3,646,889,329 Shares, representing approximately 74.35% of the issued share capital of the Company as at the Latest Practicable Date

## DEFINITIONS

“Written Approval” the written approval of the Cooperation Framework Agreement and the transactions contemplated thereunder by Success Well dated 6 March 2017

“%” per cent

\* *Unofficial English translation denotes for identification purposes only*

*In this circular, the terms “associate”, “connected person”, “connected transaction”, “controlling shareholder”, “subsidiary” and “substantial shareholder” shall have the meanings given to such terms in the Listing Rules, unless the context otherwise requires.*

*Certain amounts and percentage figures included in this circular have been subject to rounding adjustments. Accordingly, figures shown as totals in certain tables may not be an arithmetic aggregation of the figures preceding them.*



**CHINA MERCHANTS LAND LIMITED**

**招商局置地有限公司**

*(Incorporated with limited liability in the Cayman Islands)*

**(Stock Code: 978)**

**Board of Directors:**

*Non-executive Directors:*

XU Yongjun (*Chairman*)

HUANG Junlong

YAN Chengda

LIU Ning

**Registered office:**

P.O. Box 309, Ugland House

Grand Cayman

KY1-1104

Cayman Islands

**Executive Directors:**

SO Shu Fai

YU Zhiliang

WONG King Yuen

**Principal place of business**

**in Hong Kong:**

Room 2603-2606, 26/F

China Merchants Tower

Shun Tak Centre

Nos. 168–200 Connaught Road Central

Hong Kong

**Independent Non-executive Directors:**

WONG Wing Kuen, Albert

CHEN Yanping

SHI Xinping

HE Qi

14 July 2017

*To the Shareholders*

Dear Sir or Madam,

**MAJOR AND CONNECTED TRANSACTION:  
FORMATION OF A JV COMPANY**

On 6 March 2017, Nanjing Merchants, an indirect non-wholly owned subsidiary of the Company, entered into the Cooperation Framework Agreement with Chongqing Hanzhi and Jurong Jinhui pursuant to which, among other things, a JV Company shall be established in the PRC specifically to engage in the development of the Nanjing 2016G98 Land.

The main purpose of this circular is to provide you with, among other things, further details of the Cooperation Framework Agreement and the transactions contemplated thereunder.

## LETTER FROM THE BOARD

### **Acquisition of the Nanjing 2016G98 Land through the JV Company**

On 15 February 2017, Nanjing Merchants had successfully bid the Nanjing 2016G98 Land at the price of RMB9,810,000,000. On the same date, Nanjing Bureau, which is a PRC Governmental Body and an Independent Third Party, issued the Land Transfer Confirmation to Nanjing Merchants. On 6 March 2017, Nanjing Merchants entered into the Cooperation Framework Agreement with Chongqing Hanzhi and Jurong Jinhui pursuant to which, among other things, the JV Company shall be established in the PRC specifically to engage in the development of the Nanjing 2016G98 Land.

Details of the Cooperation Framework Agreement is summarised below.

### **Date of Cooperation Framework Agreement**

6 March 2017

### **Parties**

- i. Nanjing Merchants, an indirect non-wholly owned subsidiary of the Company;
- ii. Chongqing Hanzhi, a company indirectly controlled by Hongkong Land Holdings, and is a connected person of the Company at the subsidiary level; and
- iii. Jurong Jinhui, a company established in the PRC with limited liability.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, Jurong Jinhui and their ultimate beneficial owners are all Independent Third Parties.

### **Basic information of the Nanjing 2016G98 Land**

Nanjing Merchants had on 15 February 2017 successfully bid the Nanjing 2016G98 Land, a piece of land situated from South Zhongshan Road in the east to Fengtai Road in the west, from Yingtian Avenue in the south to Qinhuai River in the north (東至中山南路，南至應天大街，西至鳳台路，北至秦淮河), at a price of RMB9,810,000,000. The land has a total site area of 199,329.26 sq. m., its permitted plot ratio is less than or equal to 1.09 and is designated for residential and commercial usage with a term of 70 years and 40 years for urban residential usage and commercial service usage, respectively. The text of the valuation report of an independent property valuer, DTZ Cushman & Wakefield Limited, in respect of its valuation of the Nanjing 2016G98 Land as at 31 May 2017 is set out in Appendix I to this circular.



## LETTER FROM THE BOARD

### Shareholding structure and capital contribution to the JV Company

Under the Cooperation Framework Agreement, the parties agreed, among other things, that:

- a. upon the establishment of the JV Company, Nanjing Merchants shall apply to the Nanjing Bureau for the JV Company to take up all the rights, benefits and obligations of the land use rights of the Nanjing 2016G98 Land in place of Nanjing Merchants;
- b. the initial registered capital of the JV Company is RMB20,000,000 which shall be contributed by Nanjing Merchants, Chongqing Hanzhi and Jurong Jinhui in the proportion of 51%, 33% and 16% respectively before 20 March 2017;
- c. upon completion of the incorporation proceeding, the interests of Nanjing Merchants, Chongqing Hanzhi and Jurong Jinhui in the capital of the JV Company shall adjust to the proportion of 34%, 33%, 33% respectively by way of capital contribution, which is targeted to complete by 30 September 2017;
- d. the bidding deposit for the Nanjing 2016G98 Land amounting to RMB2,350,000,000 had been paid by Nanjing Merchants before the incorporation of the JV Company. The initial payment of land costs together with other relevant expenses contributed by Nanjing Merchants shall be payable by Chongqing Hangzhi and Jurong Jinhui to Nanjing Merchants in the proportion of the Final Shareholdings and a 10% interest is chargeable;
- e. the aggregate amount required to be paid for the acquisition and development of the Nanjing 2016G98 Land is approximately RMB10,310,000,000, being the sum of Nanjing 2016G98 Land Consideration of RMB9,810,000,000 and the performance deposit of RMB500,000,000 which shall be funded by each of the parties in the Cooperation Framework Agreement according to their shareholding proportion in the JV Company;
- f. 50% of Nanjing 2016G98 Land Consideration in the amount of RMB4,905,000,000 should be paid to the Nanjing Bureau by 15 March 2017. The JV Company shall finance the remaining payment of the Nanjing 2016G98 Land Consideration, together with tax and other expenses from the working capital of the Company;
- g. the Nanjing 2016G98 Land Consideration shall be funded by Nanjing Merchants, Chongqing Hanzhi and Jurong Jinhui with their internal resources; and
- h. the difference between the investment amount and the registered capital of the JV Company and other sums required for the working capital of the JV Company may be financed through bank borrowings and/or shareholders' loan and/or further capital contribution (in the proportion of the Final Shareholdings) and/or other financing options.

## LETTER FROM THE BOARD

Pursuant to the Cooperation Framework Agreement, before 14 March 2017, each of the parties in the Cooperation Framework Agreement shall make the initial contribution to the JV Company, pursuant to which Nanjing Merchants shall grant an interest-free shareholder's loan to the JV Company in the amount of RMB1,900,000,000 (the "Shareholder's Loan"). The terms and conditions of the Shareholder's Loan have been determined after arm's length negotiation between the parties to the Cooperation Framework Agreement with reference to the capital requirement of the JV Company.

### **Payment of the Nanjing 2016G98 Land Consideration**

The Nanjing 2016G98 Land Consideration is equal to the price of the land use right of the Nanjing 2016G98 Land, as derived from a public auction held by the Nanjing Bureau which was conducted in accordance with the terms of the auction promulgated by Nanjing Bureau on 15 February 2017. 50% of the Nanjing 2016G98 Land Consideration in the amount of RMB4,905,000,000 had been paid before 15 March 2017. The security for performance in the amount of RMB1,962,000,000 which had been paid before the formation of the JV Company had formed part of the price of the Nanjing 2016G98 Land. The remaining 50% of the Nanjing 2016G98 Land Consideration in the amount of RMB4,905,000,000 is payable in cash on or before 15 August 2017.

### **Establishment of the JV Company and the Current Capital Contribution**

The JV Company has been established by Chongqing Hanzhi, Jurong Jinhui and Nanjing Merchants in the PRC on 3 March 2017. As at the Latest Practicable Date, Nanjing Merchants, Chongqing Hanzhi and Jurong Jinhui have contributed RMB10,200,000, RMB6,600,000, and RMB3,200,000 into the share capital of the JV Company respectively, and their respective shareholdings in the JV Company are 51%, 33% and 16%. Details of such capital contribution have been submitted to the State-owned Assets Supervision and Administration Commission of the State Council, the PRC, for approval. It is expected that the interests of Nanjing Merchants, Chongqing Hanzhi and Jurong Jinhui in the capital of the JV Company shall be adjusted to 34%, 33% and 33% respectively around August 2017.

### **Management of the JV Company**

The board of directors of the JV Company shall consist of 6 directors. Each of Nanjing Merchants, Chongqing Hanzhi and Jurong Jinhui shall nominate 2 directors. The chairman of the board of directors of the JV Company (i.e. the legal representative) shall be a director nominated by Nanjing Merchants.

The management committee shall be responsible for the daily operation of the JV Company and report to the board of directors. The management committee shall comprise of 6 members. Each of Nanjing Merchants, Chongqing Hanzhi and Jurong Jinhui shall nominate 2 members.

The supervisory board shall comprise of 3 supervisors. Each of Chongqing Hanzhi and Jurong Jinhui shall nominate 1 supervisor and Nanjing Merchants shall nominate 1 employee representative as supervisor. The chairman of the supervisory board of the JV Company shall be the supervisor nominated by Jurong Jinhui.

## LETTER FROM THE BOARD

### REASONS FOR AND BENEFITS OF THE ACQUISITION AND THE FORMATION OF THE JV COMPANY

The Group is principally engaged in the development, sale, lease, investment and management of properties in the PRC and the sales of electronic and electrical related products and sales of building related materials and equipment.

Each of the parties would benefit from the cooperation in order to exert their strengths, grasp market opportunities and enhance their investment portfolio in the property market in the PRC, which would improve the capital efficiency and effectiveness and reduce the investment risks and thus a greater return could be created for the Shareholders.

The terms of the Cooperation Framework Agreement have been arrived at after arm's length negotiations between the parties. The Directors (including the independent non-executive Directors) have confirmed that the terms of the Cooperation Framework Agreement and the transactions contemplated thereunder are fair and reasonable, on normal commercial terms or better and in the interests of the Company and its Shareholders as a whole.

### FINANCIAL IMPACT

Nanjing Merchants has no control over the majority of the board of directors or the voting rights in the shareholders' meetings of the JV Company and therefore the JV Company shall not become a subsidiary of Nanjing Merchants. As a result, the investment in and the financial results, assets and liabilities of the JV Company shall not be consolidated into the accounts of the Group since the incorporation of the JV Company. The JV Company shall be accounted for a joint venture entity in accordance with Hong Kong Accounting Standard 28.

The Nanjing 2016G98 Land shall be funded by the Group's internal resources. As at 31 May 2017, the Group has cash and cash equivalents of approximately RMB6,665,000,000. The Directors consider that the Group's contribution for the transactions contemplated under the Cooperation Framework Agreement shall not have any immediate material effect on the total assets, earnings and liabilities of the Group.

Assuming the transactions contemplated under the Cooperation Framework Agreement had been effected on 31 December 2016, the financial effects of such transactions on the total assets, earnings and liabilities of the Group are as follows:

	<b>Before the transactions</b>	<b>After the transactions</b>
Total assets	RMB48,446,368,000	RMB48,446,368,000
Earnings per Share ( <i>Note</i> )	RMB16.54 cents	RMB16.54 cents
Total liabilities	RMB34,338,398,000	RMB34,338,398,000

*Note:* Reference is made to the earnings per Share in the Company's announcement of the audited financial results for the financial year ended 31 December 2016 released on 7 March 2017 where the computation does not assume the conversion of the Group's outstanding convertible bonds since their exercise would result in an increase in earnings per Share.

## LETTER FROM THE BOARD

### PARTICULARS OF THE PARTIES

The Group is principally engaged in the development, sale, lease, investment and management of properties in the PRC and the sales of electronic and electrical related products and sales of building related materials and equipment.

Chongqing Hanzhi is principally engaged in the wholesale and retail of construction materials, corporate management services, corporate planning services and property design services. To the best of the Director's knowledge after due enquiries, Chongqing Hanzhi is an indirect subsidiary of Hongkong Land Holdings Limited, which has a standard listing on the London Stock Exchange with secondary listings on the Bermuda Stock Exchange and Singapore Exchange Securities Trading Limited.

Jurong Jinhui is principally engaged in property development and sales of property. It is an indirect wholly-owned subsidiary of Country Garden Holdings Company Limited, the shares of which are listed on the main board of the Stock Exchange (stock code: 2007).

### IMPLICATIONS UNDER THE LISTING RULES

As one or more of the applicable Percentage Ratios calculated by reference to Rule 14.07 of the Listing Rules in respect of the contributions by Nanjing Merchants under the Cooperation Framework Agreement exceed 25% but are less than 100%, the entering into of the Cooperation Framework Agreement and the transactions contemplated thereunder constitute a major transaction of the Company under Chapter 14 of the Listing Rules and is subject to the reporting, announcement and shareholders' approval requirements.

Century Lord Limited (世霸有限公司) is a substantial shareholder of Pride Oasis Limited, an indirect non wholly-owned subsidiary of the Company established in the British Virgin Islands. Century Lord Limited (世霸有限公司) is a company indirectly controlled by Hongkong Land Holdings which indirectly controls Chongqing Hanzhi. Accordingly, Chongqing Hanzhi is a connected person of the Company at subsidiary level. Therefore, the formation of the JV Company as contemplated under the Cooperation Framework Agreement including the Shareholder's Loan constitute a connected transaction of the Company under Chapter 14A of the Listing Rules.

The Directors (including the independent non-executive Directors) have approved the Cooperation Framework Agreement and the transactions contemplated thereunder including the Shareholder's Loan and the Directors (including the independent non-executive Directors) have confirmed that the terms of the Cooperation Framework Agreement and the transactions contemplated thereunder are fair and reasonable, on normal commercial terms and in the interests of the Company and its Shareholders as a whole. By reason of the aforesaid, pursuant to Rule 14A.101 of the Listing Rules, the Cooperation Framework Agreement and the transactions contemplated thereunder shall only be subject to the reporting and announcement requirements, but exempt from the circular, independent financial advice and shareholders' approval requirements under Chapter 14A of the Listing Rules.

## LETTER FROM THE BOARD

None of the Directors has any material interest in the Cooperation Framework Agreement and the transactions contemplated thereunder, and none of the Directors was required to abstain from voting on the board resolution approving the Cooperation Framework Agreement and the transactions contemplated thereunder.

### WRITTEN APPROVAL

Pursuant to Rule 14.44 of the Listing Rules, shareholders' approval may be obtained by written Shareholders' approval without the need of convening a general meeting. As at the Latest Practicable Date, to the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, no Shareholder has any material interest in the Cooperation Framework Agreement and the transactions contemplated thereunder and therefore no Shareholder is required to abstain from voting on the resolutions approving the Cooperation Framework Agreement and the transactions contemplated thereunder at the general meeting if a general meeting is to be convened. As at the date of this Circular, Success Well holds 3,646,889,329 Shares (representing approximately 74.35% of the total issued Shares). As the Company has obtained the Written Approval from Success Well, no extraordinary general meeting of the Company shall be convened for the purpose of approving the Cooperation Framework Agreement pursuant to Rule 14.44 of the Listing Rules.

Yours faithfully,  
On behalf of the Board  
**China Merchants Land Limited**  
**XU Yongjun**  
*Chairman*

*The following is the text of a letter and valuation certificate prepared for the purpose of incorporation in this Circular received from DTZ Cushman & Wakefield Limited, an independent property valuer, in connection with its opinion of the value of the property as at 31 May 2017.*



16th Floor  
Jardine House  
1 Connaught Place  
Central Hong Kong

14 July 2017

The Directors  
**China Merchants Land Limited**  
Room 2603 to 2606, 26/F  
China Merchants Tower  
Shun Tak Centre  
Nos. 168–200 Connaught Road Central  
Hong Kong

Dear Sirs,

**RE: LAND PLOT NO. 2016G98 SITUATED AT SOUTH ZHONGSHAN ROAD ON THE EAST, FENGTAI ROAD ON THE WEST, YINGTIAN AVENUE ON THE SOUTH AND QINHUI RIVER ON THE NORTH, QINHUI DISTRICT, NANJING, JIANGSU PROVINCE, THE PRC**

#### **Instructions, Purpose & Date of Valuation**

In accordance with your instructions for us to value a property situated in the People's Republic of China (the "PRC") to be acquired by China Merchants Land Limited (the "Company") and its subsidiaries (hereinafter referred to as the "Group"), we confirm that we have carried out inspection, made relevant enquiries and obtained such further information as we consider necessary for the purpose of providing the Group with our opinion of the market value of the property as at 31 May 2017 (the "date of valuation").

#### **Definition of Market Value**

Our valuation of the property represents its market value which in accordance with The HKIS Valuation Standards 2012 Edition published by the Hong Kong Institute of Surveyors is defined as "the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's-length transaction after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion".

**Valuation Basis & Assumption**

Our valuation of the property excludes an estimated price inflated or deflated by special terms or circumstances such as atypical financing, sale and leaseback arrangement, special considerations or concessions granted by anyone associated with the sale, or any element of special value.

No allowance has been made in our valuation for any charges, mortgages or amounts owing on the property nor for any expenses or taxation which may be incurred in effecting a sale. Unless otherwise stated, it is assumed that the property is free from encumbrances, restrictions and outgoing of an onerous nature which could affect its value.

In the course of our valuation of the property in the PRC, we have assumed that transferable land use rights in respect of the property for a specific term at nominal annual land use fees have been granted and that any premium has already been fully settled. We have relied on the advice given by the Group regarding the title to the property. For the purpose of our valuation, we have assumed that the grantee has an enforceable title to the property.

In valuing the property in the PRC, we have assumed that the grantees or the users of the property have free and uninterrupted rights to use or to assign the property for the whole of the unexpired term as granted. Unless otherwise stated, our valuation of the property is on a 100% interest basis.

In valuing the property, we have complied with the requirements set out in Chapter 5 and Practice Note 12 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and The HKIS Valuation Standards 2012 Edition published by The Hong Kong Institute of Surveyors.

**Method of Valuation**

In valuing the property, we have used Direct Comparison Method by making reference to comparable sales transactions as available in the relevant market.

**Source of Information**

We have relied to a very considerable extent on the information given by the Group and have accepted advice given to us on such matters as planning approvals or statutory notices, easements, tenure, identification of land and buildings, development proposal, development time schedule, site and floor areas and all other relevant matters. Dimensions, measurements and areas included in the valuation certificate are based on the information provided to us and are therefore only approximations. We have had no reason to doubt the truth and accuracy of the information provided to us by the Group which is material to the valuation. We were also advised that no material facts have been omitted from the information supplied.



**Title Investigation**

We have been provided with copies of documents in relation to the title to the property. However, we have not been able to conduct searches to verify the ownership of the property or to ascertain any amendment which may not appear on the copies handed to us.

All documents and leases have been used for reference only and all dimensions, measurements and areas are approximate.

In the course of our valuation, we have relied to a considerable extent on the information given by the Group and its legal adviser, Junhe Law Offices, in respect of the title to the property in the PRC.

**Site Inspection**

We have inspected the exterior and, where possible, the interior of the property. The site inspection was carried out on 23 March 2017 by Ms. Kelly Song (MSc (Real Estate Investment & Finance)), Senior Manager with over 6 years' of relevant experience of our Nanjing office. We have not carried out investigation on site to determine the suitability of the soil conditions and the services etc. for any future development. Our valuation is prepared on the assumption that these aspects are satisfactory and that no extraordinary expenses or delays will be incurred during the construction period. Unless otherwise stated, we have not been able to carry out on-site measurements to verify the site and floor areas of the property and we have assumed that the areas shown on the copies of the documents handed to us are correct.

**Currency**

Unless otherwise stated, all monetary amounts stated in this valuation report are in Renminbi ("RMB"), the official currency of the PRC.

We enclose herewith our valuation certificate.

Yours faithfully,  
For and on behalf of  
**DTZ Cushman & Wakefield Limited**  
**Andrew K.F. Chan**  
MSc, MRICS, MHKIS, MCIREA, RPS(GP)  
*Regional Director*  
Valuation & Advisory Services, Greater China

*Note:* Mr. Andrew K.F. Chan is a Registered Professional Surveyor (General Practice) who has over 30 years' experience in the valuation of properties in the PRC.



## VALUATION CERTIFICATE

## Property contracted to be acquired by the Group for future development in the PRC

Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 31 May 2017
Land Plot No. 2016G98 situated at South Zhongshan Road on the east, Fengtai Road on the west, Yingtian Avenue on the south and Qinhuai River on the north, Qinhuai District, Nanjing, Jiangsu Province, the PRC	<p>The property comprises a parcel of land with a total site area of 199,329.26 sq m.</p> <p>The property has a total permissible gross floor area of 217,573.391 sq m.</p> <p>The property is located in the downtown area of Nanjing. Developments nearby are mainly residential and commercial in nature.</p> <p>The land use rights of the property have been granted for terms of 70 years for residential use and 40 years for commercial use commencing from the date of land delivery.</p>	As at the date of valuation, the property was a vacant site.	No commercial value (see Note (1) below)

## Notes:

- (1) We have not assigned any commercial value to the property as the State-owned Land Use Rights Certificate has not been granted to the property and the land premium has not been fully settled. However, on the assumption that the State-owned Land Use Rights Certificate had been obtained, all land premium, costs of public utilities and ancillary infrastructure fees, and other costs necessary for immediate development had been fully settled, the market value of the property as a vacant cleared site as at 31 May 2017 would be RMB9,820,000,000.
- (2) According to Grant Contract for State-owned Land Use Rights (國有建設用地使用權出讓合同) No. 3201012017CR0027 entered into between the Nanjing Land Resources Bureau and 南京盛香園房地產開發有限公司 (Nanjing Shengxiang Yuan Property Development Limited\*), a joint venture company established by 南京招商招盛房地產有限公司 (Nanjing Merchants Zhaosheng Property Development Limited\*), an indirect non-wholly owned subsidiary of the Company; 重慶瀚置實業發展有限公司 (Chongqing Hanzhi Industrial Development Company Limited\*), a connected person of the Company at the subsidiary level; and 句容市金匯房產建設有限公司 (Jurong Jinhui Real Estate Construction Company Limited\*), an independent third party, on 2 March 2017, the land use rights of the property have been contracted to be granted to 南京盛香園房地產開發有限公司 with details as follows:
- (a) Site area : 199,329.26 sq m
- (b) Use : Mixed use of commercial, office and residential (except villa)
- (c) Permissible plot ratio gross floor area : 217,573.391 sq m (in which a minimum gross floor area of 65,000 sq m must be retained by the owner for commercial/office use for not less than 10 years; a minimum above ground gross floor area of 9,000 sq m for hotel use must not be sold on strata unit basis)

Details of the development potential of each lot are set out below:

Lot	Land use	Site area (sq m)	Plot ratio	Permissible plot ratio gross floor area (sq m)
A	Commercial	15,052.22	0.7	10,536.5540
B	Residential	33,696.78	1.05	35,381.6190
C	Commercial/Office	7,105.41	1.6	11,368.6560
D	Commercial	10,386.33	0.7	7,270.4310
E	Residential	17,084.56	1.05	17,938.7880
F	Residential	13,900.37	1.05	14,595.3885
G	Commercial/Office	10,850.64	1.6	17,361.0240
H	Commercial/Office	11,962	0.8	9,569.5760
I	Commercial/ Residential	19,758.93	1.05	20,746.8765
J	Commercial/Office	22,783.20	1.2	27,339.8400
K	Commercial/Office	10,470.74	0.9	9,423.6660
L	Commercial/Office	15,010	1.2	18,012.0120
M	Commercial/Office	11,268.10	1.6	18,028.9600
		<u>199,329.26</u>	<u>1.09</u>	<u>217,573.3910</u>

- (d) Land use term : Residential : 70 years  
Commercial : 40 years  
Others : For a maximum period as legally permitted
- (e) Land premium : RMB9,810,000,000 (half payable before 15 March 2017; and the balance payable before 15 August 2017)
- (f) Building covenant : To commence construction before 24 February 2018; and to complete construction before 24 February 2021.

\* Unofficial English translation denotes for identification purposes only

- (3) We have been provided with a legal opinion on the title to the property, which contains, inter-alia, the following information:
- (a) The Grant Contract for State-owned Land Use Rights No. 3201012017CR0027 is legally binding and valid;
  - (b) Half of the land premium being RMB4,905,000,000 has been paid;
  - (c) In accordance with laws, regulations and provision of the PRC, 南京盛香園房地產開發有限公司 shall be entitled to transfer, lease, mortgage and dispose of the land use rights of the property after obtaining the Real Estate Title Certificate (不動產權證);
  - (d) According to Business Licence (營業執照) No. 91320104MA1NGPTBXU, the registered capital of 南京盛香園房地產開發有限公司 is RMB20,000,000 and the same is contributed in cash by 南京招商招盛房地產有限公司, 重慶瀚置實業發展有限公司 and 句容市金匯房地產建設有限公司 at the ratio of 51%, 33% and 16% respectively;
  - (e) The joint venture company, 南京盛香園房地產開發有限公司, has obtained the Business Licence (營業執照) (No. 91320104MA1NGPTBXU) issued by the Nanjing Qinhuai Market Supervision and Management Bureau (南京市秦淮區市場監督管理局), pursuant to which the joint venture company can operate the business activities stipulated in the Business Licence. However, other licences necessary for the joint venture company to operate the property, including but not limited to the approval of development of the property, Planning Permit for Construction Use of Land (建設用地規劃許可證), Planning Permit for Construction Works (建設工程規劃許可證) and Permit for Commencement of Construction Works (建築工程施工許可證), have not been obtained; and
  - (f) Pursuant to the Cooperation Framework Agreement entered into among 南京招商招盛房地產有限公司 (Party A), 重慶瀚置實業發展有限公司 (Party B) and 句容市金匯房地產建設有限公司 (Party C) on 6 March 2017, the parties have agreed to establish a joint venture company for the purpose of developing Land Plot No. 2016G98. The salient conditions stipulated in the aforesaid agreement are, inter alia, as follows:
    - (i) Registered capital : RMB20,000,000 subject to the following sharing ratio:
 

Party A	:	51%
Party B	:	33%
Party C	:	16%
<hr/>		
Total	:	100%
    - (ii) Target capital sharing ratio :
 

Party A	:	34%
Party B	:	33%
Party C	:	33%
<hr/>		
Total	:	100%

by way of capital injection and subject to necessary applications and approvals before 30 September 2017
    - (iii) Profit sharing/risk bearing ratio : In accordance with the respective shares of capital to the joint venture company of each party
    - (iv) Alienation restriction : No party shall be allowed to dispose of or mortgage its equity interest to third parties without written consent from the other two parties.
- (4) The status of the title and grant of major approvals and licences in accordance with the information provided by the Company are as follows:
- |   |     |
|---|-----|
| State-owned Land Use Rights Certificate/Real Estate Title Certificate | No  |
| Grant Contract for State-owned Land Use Rights                        | Yes |

**1. AUDITED FINANCIAL RESULTS OF THE GROUP**

Details of the audited financial results of the Group for each of the financial years ended 31 December 2014, 31 December 2015 and 31 December 2016 are available on the website of the Stock Exchange (<http://www.hkex.com.hk>) and the website of the Company (<http://ir.cmland.hk>) in the following documents:

- (i) for the year ended 31 December 2014, on pages 98 to 213 of the annual report of the Company for the year ended 31 December 2014 released on 19 March 2015 at <http://www.hkexnews.hk/listedco/listconews/SEHK/2015/0319/LTN20150319421.pdf>;
- (ii) for the year ended 31 December 2015, on pages 111 to 251 of the annual report of the Company for the year ended 31 December 2015 released on 22 March 2016 at <http://www.hkexnews.hk/listedco/listconews/SEHK/2016/0322/LTN20160322400.pdf>;
- (iii) for the year ended 31 December 2016, on pages 120 to 259 of the annual report of the Company for the year ended 31 December 2016 released on 5 April 2017 at <http://www.hkexnews.hk/listedco/listconews/SEHK/2017/0405/LTN20170405383.pdf>.

There was no qualified opinion issued for the audited financial results of the Group for the last three financial years.

## 2. INDEBTEDNESS STATEMENT

**Borrowings**

As at the close of business on 31 May 2017, being the most recent practicable date for the purpose of the statement of indebtedness, the borrowings and loans of the Group prior to printing of this circular were shown as below:

	<b>31 May 2017</b> <i>RMB'000</i>
Bank and other borrowings	5,333,050
Bonds payable	3,423,028
Convertible bonds	1,738,641
Loans from an intermediate holding company	3,508,962
Loans from non-controlling equity holders of subsidiaries of the Group	<u>4,783,953</u>
Total	<u><u>18,787,634</u></u>
Secured	140,000
Unsecured	<u>18,647,634</u>
Total	<u><u>18,787,634</u></u>
Carrying amounts repayable:	
Within one year or on demand, disclosed as current liabilities	10,842,054
More than one year, but not exceeding two years, disclosed as non-current liabilities	4,853,191
More than two years, but not exceeding five years, disclosed as non-current liabilities	<u>3,092,389</u>
Total	<u><u>18,787,634</u></u>

**Contingent Liabilities**

As at 31 May 2017, the Group had outstanding guarantees for mortgage loans of its customers in the amount of approximately RMB4,162,000,000.

Save as aforesaid or as otherwise disclosed herein, and apart from intra-group liabilities, dividend payable and normal trade payables in the normal course of business at the close of business on 31 May 2017, the Group did not have any other debt securities issued and outstanding or agreed to be issued, outstanding bank or other borrowings, mortgages, charges, debentures or other loan capital or other similar indebtedness, guarantee, liabilities under acceptances (other than normal trade bills), acceptance credits, debentures mortgages, charges, hire purchase or other finance lease commitments, indemnities or other material contingent liabilities.

As at 31 May 2017, the Group had cash and bank balances of approximately RMB6,665,000,000. 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. As the convertible bonds and the bond were denominated in US\$, while the Group conducts its sales, receivables, payables and expenditures in RMB for its PRC property development business, the management will closely monitor the volatility between RMB and US\$ exchange rates and might consider hedging should the need arises.

As at 31 May 2017, the capital structure of the Group consists of net debts, net of cash and cash equivalents and equity attributable to owners of the Company, comprising issued share capital, share premium and various reserves. As at the Latest Practicable Date, the Directors have confirmed that there has been no material change in the indebtedness or any contingent liabilities of the Group since 31 December 2016, being the date to which the latest published audited financial statements of the Company were made up.

**Pledge of Assets**

Save for properties for sale in Chongqing with carrying value of approximately RMB362,000,000 having been pledged to secure bank borrowings amounting to approximately RMB140,000,000 granted to the Group as at 31 May 2017, the Group did not have any changes in pledge or charge on its assets including property, plant and equipment or properties under development for sale.

### 3. WORKING CAPITAL

Taking into account the effect of the transactions contemplated under the Cooperation Framework Agreement and the present internal financial resources available to the Group, including cash and bank balances as well as the available banking facilities, the Directors are of the opinion that, the Group has sufficient working capital for its requirements for at least 12 months from the date of publication of this circular.

### 4. MATERIAL ADVERSE CHANGE

As at the Latest Practicable Date, the Directors are not aware of any material adverse change in the financial or trading position of the Group since 31 December 2016, the date to which the latest published audited consolidated financial statements of the Group were made up.

### 5. FINANCIAL AND TRADING PROSPECT OF THE GROUP

Nanjing Merchants has no control over the majority of the board of directors or the voting rights in the shareholders' meetings of the JV Company and therefore the JV Company shall not become a subsidiary of Nanjing Merchants. As a result, the financial results, assets and liabilities of the JV Company shall not be consolidated into the accounts of the Group since the incorporation of the JV Company.

As disclosed in the Company's annual report for the year ended 31 December 2016, China's economy is still experiencing a serious structural problem. China's economy will gradually undergo sustainable economic development. The properties market will continue to face regional polarisation. The markets in first and second tier cities will enter adjustment stage, while those in third and fourth tier cities still consider destocking as its major task. It is expected that the adjustment policies will continue to stabilise the demand of homes for self-occupation, and suppress home buying for investment. Against the backdrop of such adjustment and increasing interest rate, the property market will move forward with pressure. The formidable participants in the industry will stay strong, resulting in more frequent opportunities of mergers and acquisitions activities. The Group will closely monitor the market dynamics as usual, and strive to achieve the sales and profit targets that will maximise competitive advantages. The Group will seek to invest in property development projects that magnify the Company's development potential and the Shareholders' return.

## 1. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

## 2. DISCLOSURE OF INTERESTS

### Interests and Short Positions of the Directors and Chief Executive in Shares, Underlying Shares and Debentures of the Company and its Associated Corporations

As at the Latest Practicable Date, the interests and short positions of each Director and chief executive of the Company in the shares or underlying shares or debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions in which he was deemed or taken to have under such provisions of the SFO), or which were required, pursuant to section 352 of the SFO, to be entered in the register maintained by the Company referred to therein, or which were required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers contained in the Listing Rules, to be notified to the Company and the Stock Exchange were as follows:

#### Long positions in Shares

Name of Director	Nature of interest	Number of Shares held	Approximate percentage (%) in the issued share capital of the Company
So Shu Fai	Through controlled corporations ( <i>Note</i> )	32,054,066 (L)	0.65%

*Note:* These shares are held by Skill China Limited ("Skill China"). Fortune Alliance Group Limited is entitled to exercise or control the exercise of more than one-third of the voting power at general meetings of Skill China. Hence Fortune Alliance Group Limited is deemed to be interested in the shares held by Skill China. Fortune Alliance Group Limited is in turn controlled by Joint profit Limited, which is beneficially wholly-owned by Dr. SO Shu Fai, an executive Director of the Company. Hence Dr. SO Shu Fai is deemed to be interested in the shares held by Skill China. Skill China, Fortune Alliance Group Limited and Joint profit Limited are companies incorporated in the British Virgin Islands with limited liability.



**Long positions in underlying Shares of associated corporation**

<b>Name of Director</b>	<b>Nature of interest</b>	<b>Number of underlying Shares involved (Note)</b>	<b>Approximately percentage (%) in the associated corporation</b>
XU Yongjun	Beneficial owner	704,000	0.00%
HUANG Junlong	Beneficial owner	372,000	0.00%
LIU Ning	Beneficial owner	372,000	0.00%
YU Zhiliang	Beneficial owner	200,000	0.00%

*Note:* These are the underlying Shares involved in the share options granted by CMSK (an intermediate controlling shareholder indirectly holding 3,646,889,329 Shares, representing approximately 74.35% of the issued share capital of the Company) to Mr. XU Yongjun, Mr. HUANG Junlong, Ms. LIU Ning and Mr. YU Zhiliang.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors or chief executive of the Company had any interest or short positions in the Shares, underlying Shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including the interests and short positions in which they were deemed or taken to have under such provisions of the SFO), or which are required, pursuant to section 352 of the SFO, to be entered in the register maintained by the Company referred to therein, or which were required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers contained in the Listing Rules, to be notified to the Company and the Stock Exchange.

**3. DIRECTORS' EMPLOYMENT WITH SUBSTANTIAL SHAREHOLDER**

As at the Latest Practicable Date, the following Directors is a director or employee in the following companies, each of which has an interest or short position in the Shares and underlying Shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO:

- a. Mr. Xu Yongjun, a non-executive Director, is a director and general manager of CMSK;
- b. Mr. Huang Junlong, a non-executive Director, is the chief financial officer of CMSK;
- c. Dr. Yan Chengda, a non-executive Director, is the senior consultant of CMSK;
- d. Ms. Liu Ning, a non-executive Director, is the board secretary of CMSK; and
- e. Mr. Wong King Yuen, an executive Director, is the director and general manager of China Merchants Properties Development Limited and China Merchants Property Agency Limited, wholly-owned subsidiaries of CMSK.

**4. DIRECTORS' INTERESTS IN CONTRACTS AND ASSETS**

As at the Latest Practicable Date, there is no contract or arrangement entered into by a related party subsisting in which a Director is materially interested and significant in relation to the business of the Group.

As at the Latest Practicable Date, none of the Directors has, directly or indirectly, any interest in any assets which have since 31 December 2016 (being the date to which the latest published audited accounts of the Company were made up) been acquired or disposed of by or leased to any member of the Group, or were proposed to be acquired or disposed of by or leased to any member of the Group.

**5. INTERESTS IN COMPETING BUSINESS**

As at the Latest Practicable Date, none of the Directors or controlling shareholders (as defined in the Listing Rules) and their respective close associates was interested in any business apart from the Group's business which competes or is likely to compete, either directly or indirectly, with the Group's businesses.

**6. LITIGATION**

As disclosed in the Company's annual report 2016, a subsidiary of the Group as a defendant of a lawsuit was alleged to fail to settle the outstanding payable to a contractor in the amount of approximately RMB29,508,000 pursuant to the terms of a contract, and the subsidiary had filed a counterclaim against the said contractor. As at the Latest Practicable Date, no damages have been awarded to any parties of the lawsuit. The Directors are of the view that, based on legal advice, the lawsuit can be successfully defended and no losses (including claims for costs) will be incurred.

Save as disclosed above, no member of the Group was engaged in any litigation or claims of material importance, and no such litigation or claim of material importance was known to the Directors to be pending or threatened by or against any members of the Group, as at the Latest Practicable Date.

**7. SERVICES CONTRACTS**

As at the Latest Practicable Date, none of the Directors had a service contract with the Company which was not determinable by the Company within one year without payment of compensation, other than statutory compensation.

## 8. EXPERT AND CONSENT

The following sets out the qualifications of the expert who have been named in this circular:

<b>Name</b>	<b>Qualifications</b>
DTZ Cushman & Wakefield Limited	Independent Property Valuer

DTZ Cushman & Wakefield Limited has given and has not withdrawn its written consent to the issue of this circular with the inclusion herein of its report and references to its name, in the form and context in which they respectively appear.

As at the Latest Practicable Date, DTZ Cushman & Wakefield Limited:

- (i) did not have any shareholding, either directly or indirectly, in any member of the Group;
- (ii) did not have any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group; and
- (iii) did not have any interest, either directly or indirectly, in any asset which had been acquired or disposed of by or leased to any member of the Group or which were proposed to be acquired or disposed of by or leased to any member of the Group since 31 December 2016 (being the date to which the latest published audited financial statements of the Company were made up).

## 9. GENERAL

- a. The English text of this circular shall prevail over the Chinese text.
- b. The company secretary of the Company is Ms. Jeanie Lau. Ms. Lau is an associate member of both the Institute of Chartered Secretaries and Administrators and the Hong Kong Institute of Chartered Secretaries, and has over 10 years' experience in company secretarial practice.
- c. The registered office of the Company is situated at P.O. Box 309, Uglan House, Grand Cayman, KY1-1104, Cayman Islands. The head office and principal place of business of the Company is at Room 2603-2606, 26/F, China Merchants Tower, Shun Tak Centre, Nos. 168-200 Connaught Road Central, Hong Kong.
- d. The branch share registrar and transfer office of the Company is Tricor Tengis Limited, Level 22, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong.

**10. MATERIAL CONTRACTS**

The following contracts (not being contracts in the ordinary course of business of the Group) have been entered into by members of the Group within two years immediately preceding the Latest Practicable Date which are or may be material:

- a. the Cooperation Framework Agreement;
- b. a land cooperation agreement dated 30 June 2016 entered into between Merchants Nanjing Real Estate Co., Ltd.\* (招商局地產(南京)有限公司) (“Merchants Nanjing”), Nanjing Renyuan Investment Co., Ltd.\* (南京仁遠投資有限公司) and Poly Jiangsu Real Estate Development Co., Ltd.\* (保利江蘇房地產發展有限公司) (“Poly Jiangsu”) pursuant to which, among other things, Nanjing Shanjieyi Property Development Company Limited\* (南京善傑義房地產開發有限公司) was established in the PRC on 2 August 2016 specifically to engage in the development of a piece of land known as Nanjing 2016G01 situated from Jiangjiayuan in the east to South Rehe Road in the west, from Chaha’er Road in the south to Nanjing No. 52 Middle School in the north, Gulou District, Nanjing City, Jiangsu Province\* (江蘇省南京市鼓樓區，東至姜家園，南至察哈爾路，西至熱河南路，北至南京市第五十二中學) with a total site area of 62,728.1 sq. m. (the “Nanjing 2016G01 Land”);
- c. a fund settlement agreement dated 23 September 2016 entered into between Merchants Nanjing and Poly Jiangsu to agree on the arrangements in relation to, among other matters, the form of contribution to be made by Poly Jiangsu to the remaining balance of RMB4,820,000,000, being the aggregate consideration payable for the transfer of land use rights for the Nanjing 2016G01 Land;
- d. a subscription agreement dated 8 April 2016 entered into between Cosmos Harvest Development Limited (“Cosmos Harvest”), an indirect wholly-owned subsidiary of the Company, Maxwell Investment and Development Pte. Ltd. (“Maxwell Investment”) and Poly Field International Investments Limited (“Poly Field”) as the target company, pursuant to which, among other things, Cosmos Harvest shall subscribe for new ordinary shares in Poly Field at the aggregate consideration of approximately RMB437,000,000 in cash, upon completion of the transactions thereunder, Poly Field would be held by Cosmos Harvest as to 60% and Maxwell Investment as to 40%. For details please refer to the announcement of the Company dated 8 April 2016;
- e. a cooperation agreement dated 18 September 2015 entered into between Nanjing Zhao Ping Li Sheng Investment Co., Ltd (“Nanjing Zhao Ping Li Sheng”), an indirect non wholly-owned subsidiary of the Company, 深圳聯新投資管理有限公司 (Shenzhen Lianxin Investment and Management Company Limited\*) (“Shenzhen Lianxin”) and 南京弘洋置業有限公司 (Nanjing Hong Yang Real Estate Co., Ltd.\*) (“Nanjing Hong Yang”), among other things, Nanjing Zhao Ping Li Sheng, Shenzhen Lianxin and Nanjing Hong Yang shall

- jointly establish a project company in the PRC specifically to engage in the construction and development of a real estate project on a land situated in Nanjing City, the PRC, and each of Nanjing Zhao Ping Li Sheng, Shenzhen Lianxin and Nanjing Hong Yang shall contribute the respective amounts of RMB9,224,000, RMB5,280,000 and RMB5,496,000 to the registered capital of the project company, and provide shareholders loans in the respective amounts of approximately RMB753,400,000 RMB451,150,000 and RMB469,550,000 respective to the project company. For details please refer to the announcement of the Company dated 18 September 2015;
- f. a cooperation agreement dated 11 September 2015 entered into between Nanjing Zhao Ping Li Sheng and 葛洲壩南京房地產開發有限公司 (Gezhouba Nanjing Real Estate Development Co., Ltd.\*) (“Nanjing Gezhouba”), pursuant to which, among other things, both parties shall provide shareholders’ loans to the project company to be jointly established by Nanjing Zhao Ping Li Sheng and Nanjing Gezhouba in proportion to their percentage shareholding of 30% and 70% respectively. The total shareholder’s loan commitment of Nanjing Zhao Ping Li Sheng was at least RMB969,000,000 for contributing to the acquisition consideration of the Project Land. For details please refer to the announcement of the Company dated 11 September 2015;
- g. the trust deed dated 23 June 2015 entered into between the Company as the guarantor, Cosmos Boom Investment Limited (“Cosmos Boom”), a wholly owned subsidiary of the Company, as the issuer and The Hongkong and Shanghai Banking Corporation as the trustee in connection with the credit enhanced convertible bonds in an aggregate principal amount of US\$290,000,000 bearing a coupon rate of 0.5% per annum due 2020 issued by Cosmos Boom;
- h. the agency agreement dated 23 June 2015 between the Company as the guarantor, Cosmos Boom as the issuer and The Hongkong and Shanghai Banking Corporation as the trustee, the registrar, the transfer agent, the principal paying agent, the pre-funding account bank and the LC proceeds account bank in connection with the credit enhanced convertible bonds in an aggregate principal amount of US\$290,000,000 bearing a coupon rate of 0.5% per annum due 2020 issued by Cosmos Boom;
- i. the subscription agreement dated 2 June 2015 between the Company as the guarantor, Cosmos Boom as the issuer and Merrill Lynch Far East Limited, CCB International Capital Limited, China Merchants Securities (HK) Co., Limited and DBS Bank Ltd., as the joint lead managers in connection with the credit enhanced convertible bonds in an aggregate principal amount of US\$290,000,000 bearing a coupon rate of 0.5% per annum due 2020 issued by Cosmos Boom. For details of this subscription agreement, the agency agreement (in item h above) and the trust deed (in item g above), please refer to the announcement of the Company dated 2 June 2015;

- j. a cooperation framework agreement dated 5 May 2016 entered into between 冠華港貿易(深圳)有限公司 (Guan Hua Gang Trading (Shenzhen) Co., Ltd.\*) (“Guan Hua Gang”), an indirect wholly owned subsidiary of the Company, Shenzhen Lianxin, 華潤置地一二三四(深圳)商業營運管理有限公司 (Huarun Zhidi One Two Three Four (Shenzhen) Commercial Operation Management Company Limited\*) (“CR Land Shenzhen”) and 廣州聯洲房地產有限公司 (Guangzhou Lianzhou Real Estate Company Limited\*) (“Guangzhou Lianzhou”), a project company established specifically for the construction and development of a real estate project on a land situated in Guangzhou, the PRC, pursuant to which, among other things, (i) Guan Hua Gang, Shenzhen Lianxin and CR Land Shenzhen shall subscribe in cash for the capital increase in the registered capital of Guangzhou Lianzhou in the respective amounts of RMB68,000,000, RMB66,000,000 and RMB66,000,000; and (ii) upon completion of the capital increase in Guangzhou Lianzhou, Guan Hua Gang, Shenzhen Lianxin and CR Land Shenzhen shall provide shareholders’ loans to Guangzhou Lianzhou in proportion to their shareholding percentage in Guangzhou Lianzhou and the shareholder’s loan to be provided by Guan Hua Gang was approximately RMB331,000,000 plus a reimbursement of funding cost to Shenzhen Lianxin. For details of please refer to the announcement of the Company dated 5 May 2016;
- k. a cooperation framework agreement dated 5 May 2016 entered into between Guan Hua Gang, Shenzhen Lianxin, CR Land Shenzhen and Guangzhou Liansen, a project company established specifically for the construction and development of a real estate project on another land situated in Guangzhou, the PRC, pursuant to which, among other things, Guan Hua Gang, Shenzhen Lianxin and CR Land Shenzhen subscribed in cash for the capital increase in the registered capital of Guangzhou Liansen in the respective amounts of RMB68,000,000, RMB66,000,000 and RMB66,000,000 and the shareholder’s loan to be provided by Guan Hua Gang was approximately RMB391,000,000 plus a reimbursement of funding cost to Shenzhen Lianxin. For details of please refer to the announcement of the Company dated 5 May 2016.

## 11. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be available for inspection during normal business hours (Saturdays and public holidays excepted) from 10:00 a.m. to 1:00 p.m. and from 2:00 p.m. to 5:00 p.m. at the head office and principal place of business of the Company at Room 2603, 26/F, China Merchants Tower, Shun Tak Centre, Nos. 168–200 Connaught Road Central, Hong Kong, from the date of this circular up to and including 2 August 2017:

- a. the memorandum and articles of association of the Company;
- b. the Cooperation Framework Agreement;

- c. the letter from the Board dated 14 July 2017, the text of which is set out on pages 5 to 11 of this circular;
- d. the annual reports of the Company for the three years ended 31 December 2014, 2015 and 2016;
- e. the material contracts referred to in the section headed “Material contracts” in this appendix;
- f. a copy of this circular;
- g. the valuation report of DTZ Cushman & Wakefield Limited dated 14 July 2017, the text of which is set out on pages 12 to 17 of this circular; and
- h. the letter of consent from DTZ Cushman & Wakefield Limited dated 14 July 2017 referred to in the above paragraph headed “8. Expert and consent” in this appendix.

\* *Unofficial English translation denotes for identification purposes only*