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If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your licensed securities dealer, bank manager, solicitor, professional accountant or other professional adviser.

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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**MAJOR TRANSACTION:
COOPERATION AND DEVELOPMENT AGREEMENT
IN RESPECT OF FORMATION OF JV COMPANY**

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DEFINITIONS

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

“Acquisition”	the acquisition of interests in the Project Land
“Board”	the board of Directors
“China Minmetals Beijing”	Minmetals Shengshi Guangye (Beijing) Co., Ltd.* (五礦盛世廣業(北京)有限公司), a company established in the PRC with limited liability, an indirect wholly-owned subsidiary of Minmetals Land Limited, a company incorporated in Bermuda with limited liability, the shares of which are listed on the Main Board of the Stock Exchange (stock code: 230), and a party to the Cooperation and Development Agreement
“CMG”	China Merchants Group Limited (招商局集團有限公司), a PRC enterprise regulated and directly managed by the State-owned Assets Supervision and Administration Commission of the State Council, being the controlling shareholder of CMSK holding more than 63% of the total issued share capital of CMSK as at the Latest Practicable Date
“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, a 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: 978)
“Cooperation and Development Agreement”	the Cooperation and Development Agreement dated 28 October 2020 entered into between China Minmetals Beijing and Merchants Shenzhen in relation to the formation of the JV Company and the Acquisition

DEFINITIONS

“Directors”	the directors of the Company
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“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
“JV Company”	Guangzhou Kuangyu Investment Co., Ltd.* (廣州市礦譽投資有限公司), a company established under the laws of the PRC with limited liability by Merchants Shenzhen and China Minmetals Beijing pursuant to the Cooperation and Development Agreement
“Latest Practicable Date”	14 December 2020, 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 of Hong Kong Limited, as amended from time to time
“Merchants Shenzhen”	China Merchants Land (Shenzhen) Co., Ltd.* (招商局置地(深圳)有限公司), a company established in the PRC with limited liability, an indirect wholly-owned subsidiary of the Company, and a party to the Cooperation and Development Agreement
“PRC”	the People’s Republic of China (excluding, for the purposes of this circular, Hong Kong, the Macau Special Administrative Region and Taiwan)
“Project Land”	a land parcel located in Guangzhou, the PRC
“RMB”	Renminbi, the lawful currency of the PRC
“Share(s)”	the ordinary share(s) of HK\$0.01 each in the issued share capital of the Company
“Shareholder(s)”	shareholders of the Company

DEFINITIONS

“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Success Well”	Success Well Investments Limited, a limited liability company incorporated in the British Virgin Islands and the 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
“%”	per cent.

- * *Translated English names of Chinese entities for which no official English translation exists are unofficial translations for identification purpose only and should not be regarded as the official English translation of the Chinese names.*

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

LIU Ning

Executive Directors:

SO Shu Fai

YU Zhiliang

WONG King Yuen

Independent Non-executive Directors:

WONG Wing Kuen, Albert

CHEN Yanping

SHI Xinping

HE Qi

Registered office:

P.O. Box 309, Uglan House

Grand Cayman

KY1-1104

Cayman Islands

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

18 December 2020

To the Shareholders

Dear Sir or Madam,

**MAJOR TRANSACTION:
COOPERATION AND DEVELOPMENT AGREEMENT
IN RESPECT OF FORMATION OF JV COMPANY**

INTRODUCTION

Reference is made to the announcement of the Company dated 28 October 2020 in relation to the Cooperation and Development Agreement, pursuant to which Merchants Shenzhen (an indirect wholly-owned subsidiary of the Company) and China Minmetals Beijing have agreed, among other things, the formation of the JV Company for the purpose of acquiring interest in and the joint development of the Project Land.

LETTER FROM THE BOARD

The purpose of this circular is to provide you with, among other things, (i) the details of the Cooperation and Development Agreement and the transactions contemplated thereunder; (ii) the financial information of the Group; and (iii) general information of the Group.

COOPERATION AND DEVELOPMENT AGREEMENT

On 28 October 2020, Merchants Shenzhen (an indirect wholly-owned subsidiary of the Company) entered into the Cooperation and Development Agreement with China Minmetals Beijing in relation to among other things, the formation of the JV Company for the purpose of acquiring interest in and the joint development of the Project Land.

The principal terms of the Cooperation and Development Agreement are set out as follows:

- Date** : 28 October 2020
- Parties** : (a) China Minmetals Beijing, a company established in the PRC with limited liability; and
- (b) Merchants Shenzhen, an indirect wholly-owned subsidiary of the Company.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, as at the Latest Practicable Date, China Minmetals Beijing is an indirect wholly-owned subsidiary of Minmetals Land Limited, a company incorporated in Bermuda with limited liability, the shares of which are listed on the Main Board of the Stock Exchange (stock code: 230).

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, China Minmetals Beijing and its ultimate beneficial owners are Independent Third Parties.

Capital Structure

Pursuant to the Cooperation and Development Agreement, the shareholding proportion of China Minmetals Beijing and Merchants Shenzhen in the JV Company shall be 51% and 49%, respectively. The registered capital of the JV Company shall be RMB2,500 million, to be contributed by the parties according to their shareholding proportion. The total amount of capital to be injected into the JV Company shall be approximately RMB4,547 million, of which Merchants Shenzhen shall contribute approximately RMB2,228.03 million, which will be funded by internal and/or external resources of the Group, comprising of the land price of the Project Land eventually afforded by the Group in the approximate amount of RMB1,903,850,000, the Real Estate Tax (契稅) of the Project Land borne by the Group in the approximate amount of RMB 57,120,000 and the estimated investments or expenses in relation to the development of the Project Land in the approximate amount of RMB267,070,000. Given that the Project Land was acquired through the "bid invitation, auction or listing for sale" (招拍掛) process and the corresponding investments or expenses are considered with the arm's length basis with reference to the current feasible market price quotation and information in the city of Guangzhou, PRC, the Directors are of the view that the capital injection amount is fair and reasonable.

LETTER FROM THE BOARD

The parties agreed that if the JV Company shall require financing for the operation of the JV Company, the shareholders shall provide shareholders' loans to the Company subject to an interests rate to be negotiated. If guarantee is required for any borrowings by the JV Company, the shareholders shall provide guarantee according to their shareholding proportion.

The JV Company will not be a subsidiary of the Company and its financial results will not be consolidated into the financial statements of the Company.

Management of the JV Company

Matters of the JV Company (including but not limited to approving report from the board of directors or supervisors, increase or reduction in capital, amendments to the memorandum and articles of association, mergers, demergers and liquidation) shall require the approval of the shareholders of the JV Company at shareholders' meeting.

The board of directors of the JV Company shall consist of five directors. China Minmetals Beijing shall appoint three directors. Merchants Shenzhen shall appoint two directors. The chairman of the board of directors of the JV Company shall be appointed by China Minmetals Beijing and shall also act as the legal representative of the JV Company. Except for certain matters that require unanimous approval by the board of directors, matters to be approved by the board of directors requires more than approval from more than half of the number of directors.

China Minmetals Beijing shall nominate the general manager of the JV Company and Merchants Shenzhen shall nominate the deputy general manager of the JV Company.

Profit Distribution Arrangement

The parties shall share the profits of the JV Company in proportion to their respective shareholdings in the JV Company.

Termination Event and Exit Mechanisms

If the Acquisition is unsuccessful, the Cooperation and Development Agreement shall cease to have any effect automatically.

In the event that the actual gross floor area of the residential and commercial (excluding parking spaces) being sold on the Project Land reaches 95% of the saleable area, provided that relevant completion acceptance has been obtained, the exit mechanisms of shareholders can be initiated. The parties may choose to exit or remain their interest in the JV Company, subject to the exit mechanism to be determined and agreed unanimously by the shareholders.

LETTER FROM THE BOARD

FINANCIAL IMPACT

Upon completion of the Cooperation and Development Agreement, Merchants Shenzhen does not have right to appoint a majority of the board of directors of the JV Company and has no control over the voting rights in the shareholders' meetings of the JV Company, and therefore the JV Company shall not become a subsidiary of Merchants Shenzhen. As a result, the financial results, assets and liabilities of the JV Company will not be consolidated into the accounts of the Group.

REASONS FOR AND BENEFITS OF THE COOPERATION AND DEVELOPMENT ARRANGEMENT

The Group is principally engaged in the development, sale, lease, investment and management of properties and assets management.

The participation in the Acquisition will enable Merchants Shenzhen to participate in the project on the Project Land which is located in Guangzhou, PRC. The details of the Project Land are set out below:

Location:	Subway Line 13, Phase II Chatou Station, Baiyun District, Guangzhou City, PRC
Site area:	approximately 76,821 square meters, with a plot ratio of not more than 3.6
Usage of land use right:	The Project Land is permitted for residential development for a term of grant of 70 years, commercial use for a term of grant of 40 years and commercial services for a term of grant of 50 years
Land price:	approximately RMB4,317.11 million
Expected completion date of the project:	The Project Land will be developed in three phases comprising high-rise apartments, office and commercial complex. It is expected that pre-sale will be launched in the fourth quarter of 2021. The construction and development of the Project Land will commence in the fourth quarter of 2020 and is expected to be completed and delivered to buyers in the fourth quarter of 2024 subject to necessary adjustments based on actual development progress of the Project Land

LETTER FROM THE BOARD

Through the JV Company, Merchants Shenzhen and China Minmetals Beijing are able to complement the strength of each other and share resources, which is beneficial to the development of the business of the JV Company. According to the Cooperation and Development Agreement, China Minmetals Beijing will be responsible for the aspects of: (i) finance, (ii) cost control, (iii) product design; and (iv) marketing. Merchants Shenzhen will be responsible for the aspects of: (i) engineering, (ii) procurement; and (iii) recommendation of sales teams. This cooperation arrangement enables both Merchants Shenzhen and China Minmetals Beijing to leverage the strengths and maximize the advantages of sharing the resources of both parties, which is beneficial to the development of the business of the JV Company. The Board expects that the JV Company may enhance future earning capability and potential of the Group. The terms of the Cooperation and Development 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 and Development Agreement (including the financing and profit distribution arrangements) 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.

PARTICULARS OF THE PARTIES

Merchants Shenzhen is a company established in the PRC and an indirect wholly-owned subsidiary of the Company. It is principally engaged in investment holdings including 49% equity interest in the JV Company as well as direct equity interests in other eight entities in the PRC.

The Group is principally engaged in the development, sale, lease, investment and management of properties and assets management.

China Minmetals Beijing is a company established in the PRC with limited liability and is principally engaged in investment holdings including 51% equity interest in the JV Company. It also holds equity interests in other 23 entities engaging in 26 real estate development projects in 11 cities in the PRC. China Minmetals Beijing is an indirect wholly owned subsidiary of Minmetals Land Limited, a company incorporated in Bermuda with limited liability, the shares of which are listed on the Main Board of the Stock Exchange (stock code: 230).

Minmetals Land Limited, together with its subsidiaries are principally engaged in the business of real estate development, specialised construction, property investment and securities investment.

LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios in respect of the transactions contemplated under the Cooperation and Development Agreement exceed 25%, but are all less than 100%, the entering into of the Cooperation and Development Agreement and the transactions contemplated thereunder constitute a major transaction of the Company and is subject to the reporting, announcement and shareholders' approval requirements under Chapter 14 of the Listing Rules.

LETTER FROM THE BOARD

GENERAL

So far as the Company is aware, none of the Shareholders is materially interested in the Cooperation and Development Agreement and the transactions contemplated thereunder and no Shareholder is required to abstain from voting if a general meeting is to be convened to approve the Cooperation and Development Agreement and the transactions contemplated thereunder. As such, the Cooperation and Development Agreement may be approved in accordance with Rule 14.44 of the Listing Rules. Shareholders' written approval has been obtained on 28 October 2020 from Success Well, which directly holds 3,646,889,329 Shares (representing approximately 74.35% of the total issued Shares) as at the date of this circular. As a result, pursuant to Rule 14.44 of the Listing Rules, no general meeting of the Company will be convened for the purpose of approving the entering into of the Cooperation and Development Agreement and the transactions contemplated thereunder.

RECOMMENDATION

The Directors are of the opinion that the terms of the Cooperation and Development Agreement are fair and reasonable and are in the interests of the Company and the Shareholders as a whole. If an extraordinary general meeting were to be convened for the approval of the Cooperation and Development Agreement and the transactions contemplated thereunder, the Board would recommend the Shareholders to vote in favour of the resolution to approve the Cooperation and Development Agreement and the transactions contemplated thereunder at such general meeting.

ADDITIONAL INFORMATION

Your attention is also drawn to the additional information as set out in the appendices to this circular.

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

1. FINANCIAL RESULTS OF THE GROUP

Details of the audited financial results of the Group for each of the financial years ended 31 December 2017, 31 December 2018 and 31 December 2019 and the unaudited financial results of the Group for the six months ended 30 June 2020 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 2017, on pages 110 to 259 of the annual report of the Company for the year ended 31 December 2017 released on 4 April 2018 at <http://www.hkexnews.hk/listedco/listconews/SEHK/2018/0404/LTN201804041165.pdf>;
- (ii) for the year ended 31 December 2018, on pages 119 to 287 of the annual report of the Company for the year ended 31 December 2018 released on 4 April 2019 at <https://www1.hkexnews.hk/listedco/listconews/sehk/2019/0404/ltn20190404691.pdf>;
- (iii) for the year ended 31 December 2019, on pages 118 to 271 of the annual report of the Company for the year ended 31 December 2019 released on 17 April 2020 at <https://www1.hkexnews.hk/listedco/listconews/sehk/2020/0417/2020041700574.pdf>; and
- (iv) for the six months ended 30 June 2020, on pages 41 to 68 of the interim report of the Company for the six months ended 30 June 2020 released on 25 September 2020 at <https://www1.hkexnews.hk/listedco/listconews/sehk/2020/0925/2020092500464.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 October 2020, 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:

	31 October 2020
	<i>RMB'000</i>
Bank and other borrowings	13,795,780
Bonds payable	1,900,000
Loans from an intermediate holding company	2,790,197
Loans from non-controlling equity holders of subsidiaries of the Group	<u>3,259,338</u>
Total	<u><u>21,745,315</u></u>
Secured	1,744,120
Unsecured	<u>20,001,195</u>
Total	<u><u>21,745,315</u></u>
Carrying amounts repayable:	
Within one year or on demand, disclosed as current liabilities	284,917
More than one year, but not exceeding two years, disclosed as non-current liabilities	13,955,126
More than two years, but not exceeding five years, disclosed as non-current liabilities	<u>7,505,272</u>
Total	<u><u>21,745,315</u></u>

Contingent Liabilities

As at 31 October 2020, the Group had outstanding guarantees for mortgage loans of its customers in the amount of approximately RMB2,657,838,000.

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 October 2020, 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 October 2020, the Group had cash and bank balances of approximately RMB8,624,880,000. 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 minimized via balancing the monetary assets versus monetary liabilities. The bond was denominated in RMB, which is same as the functional currency of the Group's conduct of its sales, receivables, payables and expenditures for its PRC property development business, however, the management will closely monitor the volatility of the exchange rates and might consider hedging should the need arises.

As at 31 October 2020, 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 2019, 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, Foshan, Nanjing and Jurong with carrying value of approximately RMB2,345,799,000 having been pledged to secure bank borrowings amounting to approximately RMB1,787,433,000 granted to the Group as at 31 October 2020, 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 and Development 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

The Directors confirm that, as at the Latest Practicable Date, there had been no material adverse change in the financial or trading position of the Group since 31 December 2019, 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

On the macroeconomic side, in the second half of the year, under the premise that the domestic epidemic is under effective control, China's economy may gradually recover, the expedition of infrastructure investment and the real estate investment turned up year-on-year will drive fixed asset investment improvement, while consumption may be hindered by a combination of factors, the growth space is predicted to be constrained. In general, China's economy is expected to improve but we need to be vigilant of the risks brought about by a variety of uncertainties, and the overall economic growth pressure is still relatively large. The domestic financial environment will remain relatively loose, and a reasonable abundance of liquidity will provide a more favorable capital demand for economic recovery and development.

For the real estate market, it will also benefit from a stable and relatively loose financial environment, with a decrease in financing costs for real estate enterprises and a reduction in the cost of capital. The decline in the cost of homeownership, among other things, has helped the market recover. In terms of policy, on top of the overarching themes of "houses are for living not for speculation" and "carrying out city-specific policies" in the past years, it is expected that, in 2020, the Ministry of Housing and Urban-Rural Development of the PRC will continue the above policies, but may relax the household settlement policy as a means of adjustment.

In terms of the properties segment, the Group, together with its associated companies and joint venture companies, achieved unaudited aggregate contracted sales of approximately RMB33,021 million (representing a year-on-year increase of approximately 26%) with an unaudited aggregate contracted sales area of approximately 1,859,063 square meters (representing a year-on-year increase of approximately 29%) for the nine months ended 30 September 2020. The Group will continue to adhere to the principle of "sustaining intensive engagement and innovative development" by leveraging on the abundant resources of CMG and CMSK and proactively grasp market investment opportunities.

As to the asset management segment, the assets managed by the Group through the REIT manager are located in the Greater Bay Area of Guangdong, Hong Kong and Macau, which have not only benefited from the PRC's economic recovery, but have also undergone renewal and renovation works as planned intending to enjoy further economic benefits. For the six months ended 30 June 2020, revenue by the asset management service was recorded approximately RMB9,103,000. The Group will continue to carry out asset management business to create a new income sources for the shareholders of the Group, which has already been contributing revenue to the Group.

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	Interest of controlled corporations (<i>Note</i>)	32,054,066 (L)	0.65%

Note: These shares are directly held by Skill China Limited (“Skill China”) which is controlled by Dr. SO Shu Fai, an executive Director of the Company. Hence, by virtue of Part XV of the SFO, Dr. SO Shu Fai is deemed to be interested in the shares directly held by Skill China. Skill China is a company incorporated in the British Virgin Islands with limited liability.

Long positions in underlying Shares of associated corporation

Name of Director	Nature of interest	Number of underlying Shares involved (Notes)	Approximately percentage (%) in the associated corporation
XU Yongjun	Beneficial owner	359,466 ²	0.00%
HUANG Junlong	Beneficial owner	124,000 ²	0.00%
LIU Ning	Beneficial owner	148,601 ²	0.00%
YU Zhiliang	Beneficial owner	133,334 ¹	0.00%
		23,305 ²	0.00%

Notes:

1. These are the underlying Shares involved in the share options granted by CMSK (an intermediate controlling shareholder of the Company indirectly holding 3,646,889,329 Shares, representing approximately 74.35% of the issued share capital of the Company) to Mr. YU Zhiliang.
2. These are the shares of CMSK, an intermediate controlling shareholder.

Save as disclosed above, 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, each of 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 Chairman of CMSK;

- b. Mr. HUANG Junlong, a non-executive Director, is the chief financial officer of CMSK;
- c. Ms. LIU Ning, a non-executive Director, is the board secretary of CMSK; and
- d. 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 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 since 31 December 2019 (being the date to which the latest published audited accounts of the Company were made up).

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. SERVICES CONTRACTS

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

7. LITIGATION

As at the Latest Practicable Date, no member of the Group was engaged in any litigation or claims of material importance, and there was no litigation or claims of material importance known to the Directors to be pending or threatened by or against any member of the Group.

8. GENERAL

- a. The English text of this circular shall prevail over the Chinese text.
- b. The company secretary of the Company is Mr. Ng Ho. Mr. Ng holds a Master of Business degree from Monash University in Australia and is an associate of both The Hong Kong Institute of Chartered Secretaries and The Chartered Governance Institute. He has over 6 years of experience in compliance and listed company secretarial practice.
- c. The registered office of the Company is situated at P.O. Box 309, Ugland 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 54, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong.

9. 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. a capital increase agreement entered into between Guangzhou Merchants Property Development Limited* (廣州招商房地產有限公司) (“**Guangzhou Merchants**”), a subsidiary of the Company, Foshan Qinghao Real Estate Co., Ltd.* (佛山市清皓置業有限公司) (“**Foshan Qinghao**”) and Poly Southern China Industry Co., Ltd.* (保利華南實業有限公司) (“**Poly Southern China**”) on 24 November 2020 for the development of land through Foshan Qinghao and the increase in the registered capital of Foshan Qinghao from RMB50,000,000 to RMB3,250,000,000, which shall be contributed as to 50% by Guangzhou Merchants and 50% by Poly Southern China, respectively;
- b. the Cooperation and Development Agreement;
- c. a cooperation agreement entered into between China Merchants Property (Nanjing) Limited* (招商局地產(南京)有限公司) and Nanjing Huade Real Estate Co., Limited* (南京鐮得房地產開發有限公司) and Nanjing Huayao Real Estate Co., Ltd.* (南京鐮耀房地產開發有限公司) (“**Nanjing Huayao**”) on 16 June 2020 for the development of the project land through Nanjing Huayao;

- d. a guarantee agreement entered into between the Company and Bank of China (Hong Kong) Limited (the “**Bank**”) on 16 December 2019, pursuant to which the Company agreed to provide guarantee for the due performance of the repayment obligations of Sky Castle Limited (the “**Borrower**”), a company owned as to 40% by Sino Land Company Limited, 30% by K. Wah International Holdings Limited and 30% by the Company, in respect of the term loan facilities for the principal amount of up to HK\$5,273,000,000 provided by the Bank to the Borrower under a facility agreement dated 6 December 2019;
- e. a re-amended and restated non-competition deed entered into between the Company and CMSK on 21 October 2019, pursuant to which 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 and the Company in return are entitled to receive cash and/or units in the REITs; and
- f. an amended and restated non-competition deed entered into between the Company and CMSK on 17 December 2018, pursuant to which the businesses of CMSK and its subsidiaries (excluding the Group) and the Group are delineated by geographical delineation.

10. 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, for a period of 14 days from the date of this circular:

- a. the memorandum and articles of association of the Company;
- b. the letter from the Board dated 18 December 2020, the text of which is set out on pages 4 to 9 of this circular;
- c. the annual reports of the Company for the three years ended 31 December 2019;
- d. the interim report of the Company for the six months ended 30 June 2020;
- e. the material contracts referred to in the section headed “Material Contracts” in this appendix; and
- f. each of the circular issued by the Company pursuant to the requirements set out in Chapters 14 and 14A of the Listing Rules which has been issued since 31 December 2019, being the date of the latest audited accounts of the Company, including this circular.