



PARENT COMPANY INJECTS OFFICE ASSET MANAGEMENT BUSINESS TO CHINA MERCHANTS LAND

6 June 2019 – China Merchants Land Limited (“China Merchants Land” or “the Company”, stock code: 00978) and its subsidiaries (the “Group”) held an extraordinary general meeting (“EGM”) today in South Tower of CM+ Hotels and Serviced Apartments, at which independent shareholders approved the Group’s acquisition of interests in a real estate fund from its controlling shareholder China Merchants Shekou Industrial Zone Holdings Co., Ltd. (“CMSK”). The approval of the transaction by the shareholders signifies an important step of China Merchants Land to realize office asset management business strategy, and enter the office premises markets in Beijing and Shanghai through the combination of industrial and financial capital.

China Merchants Land and CMSK signed an interest transfer agreement on 15 March 2019, which marked the first important step of China Merchants Land to launch its asset-light management business. According to the agreement, CMSK will transfer, through a wholly-owned subsidiary, 20 per cent of the interests in a real estate fund holding three office properties to China Merchants Land. The real estate fund holds a comprehensive development project (Beijing Merchants Tower) in Chaoyang District, Beijing, China, a comprehensive development project (Shanghai Merchants Tower) in Pudong District, Shanghai, China, and a comprehensive development project (Shanghai Merchants Plaza) in Jing’an District, Shanghai, China. In addition, CMSK also transferred a 51 per cent equity interest of the management company that provides asset management services to the above properties to China Merchants Land.

The aforesaid transaction, in conjunction with the amended and restated non-competition deed between China Merchants Land and CMSK, allows China Merchants Land to engage in the asset management business for the office premises in Beijing and Shanghai on an exclusive basis. The business of the real estate fund invested by the Company is running smoothly; the occupancy rate of Beijing Merchants Tower is close to 100 per cent. China Merchants Land is actively looking for opportunities to further expand its asset management scale. In future, the asset management business will extend to Shenzhen and other parts of China, tapping the opportunities from new supply to those existing in the market. The traditional development business of China Merchants Land focuses on the Guangdong, Hong Kong and Macau’s Greater Bay Area, and concentrates on consolidating the existing markets as well as providing sustainable support to and cultivating asset management business.

About China Merchants Land Limited

China Merchants Land Limited is a holding company with comprehensive capabilities of property development, operation and management. Its property portfolio spans across Guangzhou, Foshan, Nanjing, Chongqing and Xi'an. China Merchants Shekou Industrial Zone Holdings Co., Ltd. indirectly owns a 74.35 per cent equity interest in the Company.

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