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CHINA MERCHANTS LAND LIMITED

招商局置地有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 978)

**SUPPLEMENTAL ANNOUNCEMENT
IN RELATION TO
SUBSCRIPTION OF ASSET-BACKED SECURITIES**

Reference is made to the announcement of the Company dated 8 September 2022 (the “**Announcement**”) in relation to the discloseable transaction relating to the subscription of the subordinated class of the ABS under the ABS Scheme. Terms used herein shall have the same meanings as defined in the Announcement unless otherwise stated.

The Board wishes to provide the Shareholders and potential investors of the Company with additional information in relation to the Subscription.

Pursuant to the ABS Subscription Agreement, Nanjing Zhaoping shall subscribe for the subordinated class of the ABS in the amount of RMB220 million, representing 100% of the subordinated class of the ABS and approximately 29.97% of the total ABS issued under the ABS Scheme.

The consideration was determined on the basis of normal commercial terms and after arm’s length negotiations with reference to (i) the valuation of the properties under the Underlying Project conducted by an independent property valuer as required by the State-owned Assets Supervision and Administration Commission of the State Council (“**SASAC**”); and (ii) the proportion of the subordinated class ABS to be subscribed by the Group out of the total ABS issued under the ABS Scheme.

The consolidated estimated value of the properties under the Underlying Project is RMB734.5 million, which is the average value of the income approach and the cost approach adopted by the independent property valuer. The cost approach value is RMB813 million taking into account the land cost, construction cost and other related costs in the process of construction of the composite development on the Land. The income approach value is RMB656 million derived by the total sum of the present value of the expected future net cash flow generated by the Underlying Project. The income approach is consistent with the purpose of the valuation which is to provide a market value reference for the securitization of the Underlying Project. Meanwhile, the cost approach reflects the actual value of the Underlying Project since the Underlying Project is still in its initial stage after launching and it was also affected by the COVID-19 pandemic in the last few years. Hence, the property valuer adopted the average of the income approach value and the cost approach value to determine the value of the properties under the Underlying Project. Since the smallest unit of the ABS is in million, the total subscription amount under the ABS Scheme was determined to be RMB734 million.

On the basis that (i) the subscription of the subordinated class ABS will enable the Group to enjoy the remaining distributions of the ABS after deductions of costs and expenses and required distributions to the senior class A ABS Holders and the senior class B ABS Holders, instead of a fixed rate of return; (ii) the consideration for the subscription of the subordinated class ABS is determined with reference to the valuation of the properties under the Underlying Project conducted by an independent property valuer; and (iii) the determination of the total subscription amount under the ABS Scheme has complied with the applicable procedures and requirements of launching asset-backed securities schemes in the PRC imposed by the SASAC and the Shenzhen Stock Exchange, the Board is of the view that the consideration is fair and reasonable and on normal commercial terms.

Save for the information stated above, all other information set out in the Announcement remains unchanged.

By order of the Board
China Merchants Land Limited
XU Yongjun
Chairman

Hong Kong, 23 September 2022

As at the date of this announcement, the Board comprises Mr. XU Yongjun, Mr. HUANG Junlong and Ms. LIU Ning as non-executive Directors; Dr. SO Shu Fai, Mr. YU Zhiliang and Mr. WONG King Yuen as executive Directors and Dr. WONG Wing Kuen, Albert, Ms. CHEN Yanping, Dr. SHI Xinping and Mr. HE Qi as independent non-executive Directors.