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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)

**CONTINUING CONNECTED TRANSACTION
TENANCY AGREEMENT**

TENANCY AGREEMENT

On 31 July 2024, Shanghai Bangxin Beijing Branch, a branch of Shanghai Bangxin which is an indirect wholly-owned subsidiary of the Company, as the Lessee, entered into the Tenancy Agreement with Nanjing Xuansheng, as the Lessor, for the lease of the Premises for a rental term of one year commencing on 1 August 2024 and ending on 31 July 2025.

LISTING RULES IMPLICATIONS

As at the date of this announcement, (i) CMSK is the controlling shareholder of the Company indirectly holding approximately 74.35% of the total issued share capital of the Company; and (ii) the Lessor is a 30%-controlled company held indirectly by CMSK. Accordingly, the Lessor is an associate of CMSK pursuant to Rule 14A.13(3) of the Listing Rules, and therefore a connected person of the Company under the Listing Rules. Therefore, the Tenancy Agreement and the transactions contemplated thereunder constitutes a continuing connected transaction of the Company under Chapter 14A of the Listing Rules.

As the highest of all applicable percentage ratios in respect of the proposed annual cap under the Tenancy Agreement is higher than 0.1% but less than 5% on an annual basis, the Tenancy Agreement and the transactions contemplated thereunder is subject to reporting, annual review and announcement requirements but exempt from the circular (including independent financial advice) and shareholders' approval requirements pursuant to Rule 14A.76(2) of the Listing Rules.

On 31 July 2024, the Lessee, a branch of Shanghai Bangxin which is an indirect wholly-owned subsidiary of the Company, entered into the Tenancy Agreement with the Lessor for the lease of the Premises for a rental term of one year commencing on 1 August 2024 and ending on 31 July 2025.

TENANCY AGREEMENT

The principal terms of the Tenancy Agreement are set out as follows:

- Date : 31 July 2024
- Parties : (a) Nanjing Xuansheng, a connected person of the Company, as the Lessor; and
- (b) Shanghai Bangxin Beijing Branch, a branch of Shanghai Bangxin which is an indirect wholly-owned subsidiary of the Company, as the Lessee.
- Premises : Commercial complex with six overground floors and three underground floors located at Lot No. 2021G24, Hongshan Street, Xuanwu District, Nanjing City, Jiangsu Province, China* (中國江蘇省南京市玄武區紅山街道2021G24地塊), including certain public areas and car park spaces, which will operate as a shopping mall.
- Area of the Premises : (a) Total leasable area of 64,988.12 sq.m.;
- (b) Public area of 68,241.88 sq.m.; and
- (c) Car park area of 61,335 sq.m.

- Purpose of lease : The Lessor shall lease the Premises to the Lessee which shall handle leasing matters with individual tenants to receive management fees from individual tenants for moving into the shopping mall and directing the individual tenants to make uniform arrangements for renovation work, and to receive rents and management fees from individual tenants for public areas, and parking fees for car park area.
- Term : One year commencing on 1 August 2024 and ending on 31 July 2025
- Rent : The monthly rent for the leased area (tax inclusive) shall be calculated by multiplying the leased area in the relevant month with the corresponding monthly rate. The monthly rate shall be RMB23.62 per sq.m. for the period from 1 August 2024 to 31 May 2025, and at RMB47.25 per sq.m. for the period from 1 June 2025 to 31 July 2025. The leased area for calculating the rent for the period from 1 August 2024 to the last day of the calendar month in which the shopping mall opens shall be 64,988.12 sq.m. The leased area for calculating the rent for the period from the first day of the calendar month immediately after the shopping mall opens to 31 July 2025 shall be determined by the parties on the last day of the relevant month, which shall not include the area leased to individual shop tenants in the Premises.

The monthly rent for the public areas and car park areas (tax inclusive) shall be RMB200,000 for the period from 1 August 2024 to 31 May 2025 and RMB416,666.67 for the period from 1 June 2025 to 31 July 2025.

After the expiry of the term of the Tenancy Agreement, the Lessor shall calculate the rent based on the actual leased area of the Lessee and issue the value-added tax invoice to Lessee, and the Lessee shall pay the rent within 60 working days upon receipt of such invoice.

The amount of rent was determined after arm's length negotiations between the Lessor and the Lessee, after taking into consideration (i) the prevailing market rental rate for comparable premises in the vicinity of the Premises; and (ii) a larger rental discount secured by the Lessee after negotiation with the Lessor for the ramp-up period before the opening of the shopping mall in the Premises, which is the early part of the rental term under the Tenancy Agreement.

Right to renew : Upon expiry of the Tenancy Agreement, the Lessee shall have the priority right to renew the tenancy under the same conditions with other third parties.

PROPOSED ANNUAL CAP

The proposed annual cap under the Tenancy Agreement for the period from 1 August 2024 to 31 July 2025 shall be RMB24,324,904.62, representing the maximum amount of total rent payable to the Lessor for the period from 1 August 2024 to 31 July 2025, which consists of (i) the maximum amount of rent for the leased area in the amount of RMB21,491,571.28 calculated by multiplying the total leasable area of 64,988.12 sq. m. with the corresponding monthly rate as stipulated in the Tenancy Agreement; and (ii) the total amount of rent for the public areas and car park areas in the amount of RMB2,833,333.34.

INFORMATION OF THE PARTIES

The Lessee, a branch of Shanghai Bangxin which is a company established in the PRC with limited liability, is principally engaged in property management.

The Lessor is a company established in the PRC with limited liability which is principally engaged in property development. The ultimate beneficial owner of the Lessor is CMG, which is a state-owned conglomerate regulated by the national State-Owned Assets Supervision and Administration Commission of the State Council.

REASONS FOR AND BENEFITS OF THE TRANSACTION

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

The Lessee is a company within the Group dedicated to the provision of light asset services, and the unified commercial management of the Group's asset management by the Lessee can leverage the economies of scale, maximize the operational efficiency and effectiveness of the Group's assets and reduce the average cost of management.

The terms of the Tenancy 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 Tenancy Agreement and the transactions contemplated thereunder are fair and reasonable, on normal commercial terms or better and in the ordinary and usual course of business of the Group, and in the interests of the Company and its Shareholders as a whole.

Since (i) Mr. JIANG Tiefeng and Mr. HUANG Junlong, each a non-executive Director, hold positions in CMSK and (ii) Mr. LI Yao, a non-executive Director, and Mr. WONG King Yuen and Ms. CHEN Yan, each an executive Director, hold positions in CMSK's associates, in order to avoid any actual or potential conflict of interest, each of them had abstained from voting at the relevant board meeting on the board resolutions approving the Tenancy Agreement and the transactions contemplated thereunder.

LISTING RULES IMPLICATIONS

As at the date of this announcement, (i) CMSK is the controlling shareholder of the Company indirectly holding approximately 74.35% of the total issued share capital of the Company; and (ii) the Lessor is a 30%-controlled company held indirectly by CMSK. Accordingly, the Lessor is an associate of CMSK pursuant to Rule 14A.13(3) of the Listing Rules, and therefore a connected person of the Company under the Listing Rules. Therefore, the Tenancy Agreement and the transactions contemplated thereunder constitutes a continuing connected transaction of the Company under Chapter 14A of the Listing Rules.

As the highest of all applicable percentage ratios in respect of the proposed annual cap under the Tenancy Agreement is higher than 0.1% but less than 5% on an annual basis, the Tenancy Agreement and the transactions contemplated thereunder is subject to reporting, annual review and announcement requirements but exempt from the circular (including independent financial advice) and shareholders' approval requirements pursuant to Rule 14A.76(2) of the Listing Rules.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions have the following meanings:

“associate(s)”	has the meaning ascribed hereto in the Listing Rules
“Board”	the board of Directors
“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 immediate controlling shareholder of CMSK holding more than 58% of the total issued share capital of CMSK
“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 date of this announcement

“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)
“connected person”	has the meaning ascribed to it in the Listing Rules
“Directors”	the directors of the Company
“Group”	the Company and its subsidiaries
“Lessee” or “Shanghai Bangxin Beijing Branch”	Shanghai Bangxin Enterprise Management Co. Ltd. Beijing Branch* (上海邦欣企業管理諮詢有限公司北京分公司), a branch of Shanghai Bangxin
“Lessor” or “Nanjing Xuansheng”	Nanjing Xuansheng Real Estate Development Co., Ltd.* (南京玄盛房地產開發有限公司), a company established in the PRC with limited liability
“Listing Rules”	The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended from time to time
“PRC”	the People’s Republic of China (excluding, for the purposes of this announcement, Hong Kong, the Macau Special Administrative Region and Taiwan)
“Premises”	Commercial complex with six overground floors and three underground floors located at Lot No. 2021G24, Hongshan Street, Xuanwu District, Nanjing City, Jiangsu Province, China* (中國江蘇省南京市玄武區紅山街道2021G24地塊)
“RMB”	Renminbi, the lawful currency of the PRC
“Shanghai Bangxin”	Shanghai Bangxin Enterprise Management Co. Ltd.* (上海邦欣企業管理諮詢有限公司), a company established in the PRC with limited liability
“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
“sq.m.”	square metre
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary”	has the meaning ascribed to it in the Listing Rules
“Tenancy Agreement”	the tenancy agreement dated 31 July 2024 entered into between the Lessor and the Lessee in respect of the lease of the Premises
“%”	per cent
“30%-controlled company”	has the meaning ascribed to it in the Listing Rules

By order of the Board
China Merchants Land Limited
JIANG Tiefeng
Chairman

Hong Kong, 31 July 2024

As at the date of this announcement, the Board comprises Mr. JIANG Tiefeng, Mr. HUANG Junlong and Mr. LI Yao as non-executive Directors; Dr. SO Shu Fai, Mr. WONG King Yuen and Ms. CHEN Yan as executive Directors and Dr. WONG Wing Kuen, Albert, Ms. CHEN Yanping, Dr. SHI Xinping and Mr. IP Man Ki Ryan as independent non-executive Directors.

* *Unofficial English translation denotes for identification purposes only*