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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
NOVATION AGREEMENT IN RELATION TO
PROJECT CONSULTING SERVICE AGREEMENT**

NOVATION AGREEMENT

On 9 December 2024, Chongqing Merchants, a non-wholly owned subsidiary of the Company, entered into the Novation Agreement with Chongqing Yi Gang and Chongqing Garden City in relation to the novation of the rights and obligations of Chongqing Yi Gang under the Project Consulting Service Agreement to Chongqing Garden City.

LISTING RULES IMPLICATIONS

As at the date of this announcement, Chongqing Garden City is a wholly-owned subsidiary of CMSK, the controlling shareholder of the Company indirectly holding approximately 74.35% of the total issued share capital of the Company, and hence is an associate of CMSK and a connected person of the Company pursuant to Rule 14A.13(1) of the Listing Rules. Therefore, the Project Consulting Service Agreement (as supplemented by the Novation 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 Caps is higher than 0.1% but less than 5% on an annual basis, the Project Consulting Service Agreement (as supplemented by the Novation 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 9 December 2024, Chongqing Merchants, a non-wholly owned subsidiary of the Company, entered into the Novation Agreement with Chongqing Yi Gang and Chongqing Garden City in relation to the novation of the rights and obligations of Chongqing Yi Gang under the Project Consulting Service Agreement to Chongqing Garden City.

NOVATION AGREEMENT

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

- Date : 9 December 2024
- Parties : (a) Chongqing Merchants, a non-wholly owned subsidiary of the Company;
- (b) Chongqing Yi Gang, a wholly-owned subsidiary of the Company; and
- (c) Chongqing Garden City, a wholly-owned subsidiary of CMSK and a connected person of the Company.
- Subject matter : The parties to the Novation Agreement agreed that upon signing of the Novation Agreement, Chongqing Garden City will assume Chongqing Yi Gang's rights and obligations in and under the Project Consulting Service Agreement and provide consulting services to Chongqing Merchants in accordance with the Project Consulting Service Agreement.
- Consideration and consulting service fees : No consideration was payable by any parties in respect of the novation under the Novation Agreement.

After the Novation Agreement takes effect, Chongqing Merchants shall pay to Chongqing Garden City the unpaid consulting service fees under the Project Consulting Service Agreement in such amount and in such manner as stipulated under the Project Consulting Service Agreement.

Save as supplemented by the Novation Agreement as mentioned above, all other terms of the Project Consulting Service Agreement remain unchanged.

PROJECT CONSULTING SERVICE AGREEMENT

On 13 December 2022, Chongqing Merchants and Chongqing Yi Gang entered into the Project Consulting Service Agreement, pursuant to which Chongqing Yi Gang has agreed to provide project consulting services with respect to a land lot located in Nan'an District of Chongqing City with an area under construction of approximately 487,800 sq. m. until 31 December 2025, and such services include but are not limited to project progress management, construction drawing analysis, inspection and implementation of site safety and civilized construction, assistance in the bidding process of construction and supervision units, analysis, evaluation and introduction of advanced construction technology and intelligent operation platform in the market matching the project needs and provision of construction operation skills training.

Pursuant to the Project Consulting Service Agreement,

- (i) the consulting service fees would be calculated by multiplying the area under construction at the end of each month during the term of the Project Consulting Service Agreement with the unit price of RMB15 per sq. m. per annum;
- (ii) the areas under construction calculated by year would be approximately 475,500 sq. m. for the year of 2022, approximately 433,100 sq. m. for the year of 2023, approximately 369,600 sq. m. for the year of 2024 and approximately 142,600 sq. m. for the year of 2025, respectively;
- (iii) the annual consulting service fees would be approximately RMB7,132,500 for the year of 2022, approximately RMB6,496,500 for the year of 2023, approximately RMB5,544,000 for the year of 2024 and approximately RMB2,139,000 for the year of 2025, respectively; and
- (iv) the annual consulting service fee would be paid in full every year in accordance with the payment notice issued by Chongqing Yi Gang.

PROPOSED ANNUAL CAPS

The Proposed Annual Caps under the Project Consulting Service Agreement (as supplemented by the Novation Agreement) for the financial years ending 31 December 2024 and 31 December 2025 shall be RMB5,544,000 and RMB2,139,000, respectively, representing the annual consulting service fees to be paid by Chongqing Merchants to Chongqing Garden City under the Project Consulting Service Agreement (as supplemented by the Novation Agreement), which are calculated by multiplying the areas under construction calculated by year for the year of 2024 and 2025 with the unit price of RMB15 per sq. m. per annum, as stipulated in the Project Consulting Service Agreement.

INFORMATION OF THE PARTIES

Chongqing Merchants, a company established in the PRC with limited liability and a non-wholly owned subsidiary of the Company, is principally engaged in property development in the PRC

Chongqing Yi Gang, a company established in the PRC with limited liability and a wholly-owned subsidiary of the Company, is principally engaged in property development in the PRC

Chongqing Garden City is a company established in the PRC with limited liability which is principally engaged in construction consulting. Chongqing Garden City is a wholly-owned subsidiary of CMSK, a company established in the PRC with limited liability, whose shares are listed on the Shenzhen Stock Exchange (stock code: 001979 (A share)). CMG, which holds more than 58% of the total issued share capital of CMSK and is a controlling shareholder of CMSK, 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 reason for entering into the Novation Agreement is mainly to enjoy more professional project consulting services from Chongqing Garden City under the same price conditions in order to accelerate the progress of project execution.

The terms of the Novation 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 Novation 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. YU Zhiliang, 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 Novation Agreement and the transactions contemplated thereunder.

LISTING RULES IMPLICATIONS

As at the date of this announcement, Chongqing Garden City is a wholly-owned subsidiary of CMSK, the controlling shareholder of the Company indirectly holding approximately 74.35% of the total issued share capital of the Company, and hence is an associate of CMSK and a connected person of the Company pursuant to Rule 14A.13(1) of the Listing Rules. Therefore, the Project Consulting Service Agreement (as supplemented by the Novation 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 Caps is higher than 0.1% but less than 5% on an annual basis, the Project Consulting Service Agreement (as supplemented by the Novation 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
“Chongqing Garden City”	China Merchants Real Estate (Chongqing) Garden City Co., Ltd.* (招商局地產(重慶)花園城有限公司), a company established in the PRC with limited liability and a wholly-owned subsidiary of CMSK
“Chongqing Merchants”	Chongqing Merchants Land Development Co., Ltd.* (重慶招商置地開發有限公司), a company established in the PRC with limited liability and a non-wholly owned subsidiary of the Company
“Chongqing Yi Gang”	Chongqing Merchants Yi Gang Property Development Co., Ltd.* (重慶招商依港房地產開發有限公司), a company established in the PRC with limited liability
“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
“Listing Rules”	The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended from time to time
“Novation Agreement”	the novation agreement dated 9 December 2024 entered into between Chongqing Merchants, Chongqing Yi Gang and Chongqing Garden City in relation to the Project Consulting Service Agreement
“PRC”	the People’s Republic of China (excluding, for the purposes of this announcement, Hong Kong, the Macau Special Administrative Region and Taiwan)
“Project Consulting Service Agreement”	the project consulting service agreement dated 13 December 2022 entered into between Chongqing Merchants and Chongqing Yi Gang
“Proposed Annual Caps”	the proposed annual caps for the transactions contemplated under the Project Consulting Service Agreement (as supplemented by the Novation Agreement) for the financial years ending 31 December 2024 and 31 December 2025
“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

“sq. m.”	square metre
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary”	has the meaning ascribed to it in the Listing Rules
“%”	per cent

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

Hong Kong, 9 December 2024

As at the date of this announcement, the Board comprises Mr. JIANG Tiefeng, Mr. YU Zhiliang 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*