

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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).

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this circular, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this circular.



**(1) DISCLOSEABLE AND CONNECTED TRANSACTION –
ACQUISITION OF LIMITED PARTNERSHIP INTEREST IN A FUND
AND
(2) NOTICE OF EXTRAORDINARY GENERAL MEETING**

**Independent Financial Adviser to the Independent Board Committee and
the Independent Shareholders**
ALTUS CAPITAL LIMITED

A letter from the Independent Board Committee to the Independent Shareholders is set out on pages 16 to 17 of this circular. A letter from Altus, the Independent Financial Adviser, containing its advice to the Independent Board Committee and the Independent Shareholders, is set out on pages 18 to 29 of this circular.

A notice convening an extraordinary general meeting of China Merchants Land Limited to be held at CM+ Hotels and Serviced Apartments, 3/F, South Tower, 16 Connaught Road West, Hong Kong on Thursday, 6 June 2019 at 11:00 a.m. is set out on pages 45 to 46 of this circular. A form of proxy for use at the extraordinary general meeting is enclosed. Such form of proxy is also published on the websites of Hong Kong Exchanges and Clearing Limited (<http://www.hkexnews.hk>) and the Company (<http://ir.cmland.hk>).

Whether or not you are able to attend the extraordinary general meeting, you are requested to complete the enclosed form of proxy in accordance with the instructions printed thereon and return it to the Company's branch share registrar in Hong Kong, Tricor Tengis Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for the holding of the forthcoming extraordinary general meeting or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the meeting or any adjourned meeting should you so wish.

17 May 2019

CONTENTS

	<i>Page</i>
DEFINITIONS	1
LETTER FROM THE BOARD	5
LETTER FROM THE INDEPENDENT BOARD COMMITTEE	16
LETTER FROM THE INDEPENDENT FINANCIAL ADVISER	18
APPENDIX I - VALUATION REPORT	30
APPENDIX II - GENERAL INFORMATION	41
NOTICE OF EXTRAORDINARY GENERAL MEETING	45

DEFINITIONS

“Asset Management Business”	a service model, under which the Company will have full discretion to deal with the operational matters of the underlying properties subject to the asset management services, including but not limited to, strategic positioning, project design management, materials and services procurement, recruitment, building up management team, promotion and marketing, leasing and business solicitation
“Beijing Merchants Tower”	an office development erected on a parcel of land with a total site area of approximately 42,566 sq.m., which is situated at No. 108, Jia 108, Yi 108, 110, 112, 116, 118, Jia 118, Yi 118, Jianguo Road, Chaoyang District, Beijing, the PRC
“Board”	the board of Directors
“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), being the controlling shareholder of the Company and held 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)
“Converge”	Converge Holdings Limited, a company established in the British Virgin Islands with limited liability and an indirect wholly-owned subsidiary of the Company
“Directors”	the directors of the Company
“EGM”	the extraordinary general meeting of the Company to be held to approve, among others, the Interest Transfer Agreement
“General Partner”	China Merchants and SPF Investment Fund Management Co., Ltd, an exempted company established in the Cayman Islands, the general partner of the Partnership and a connected person of the Company

DEFINITIONS

“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Board Committee”	the independent board committee of the Company established by all the independent non-executive Directors to advise the Independent Shareholders in respect of the Interest Transfer Agreement and the transactions contemplated therein
“Independent Financial Adviser” or “Altus”	Altus Capital Limited, a licensed corporation to carry out type 4 (advising on securities), type 6 (advising on corporate finance) and type 9 (asset management) regulated activities under the SFO, being the independent financial adviser appointed to advise the Independent Board Committee and the Independent Shareholders in relation to the entering into of the Interest Transfer Agreement and the transactions contemplated therein
“Independent Shareholder(s)”	Shareholders who are not required to abstain from voting at the EGM to approve the Interest Transfer Agreement and the transactions contemplated therein
“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
“Interest Transfer”	the acquisition by Converge of the Partnership Interest pursuant to the Interest Transfer Agreement
“Interest Transfer Agreement”	the interest transfer agreement dated 15 March 2019 entered into between Converge, the General Partner (acting for itself and on behalf of the Partnership) and Poly Field in relation to, among other things, the sale and purchase of the Partnership Interest
“Interest Transfer Agreement Closing”	which shall take place in Hong Kong as soon as practicable, but in no event later than five business days following the satisfaction or waiver of all of the conditions precedent in Interest Transfer Agreement, or at such other time as Poly Field and Converge shall mutually agree

DEFINITIONS

“Interest Transfer Agreement Closing Date”	date on which the Interest Transfer Agreement Closing takes place
“Interest Transfer Agreement Valuation Date”	31 December 2018
“Latest Practicable Date”	14 May 2019, 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
“Partnership”	Super Alliance Real Estate Partners L.P., a Cayman Islands exempted limited partnership
“Partnership Agreement”	the exempted limited partnership agreement dated 7 September 2017 entered into between the General Partner as general partner, and PREP Venice and Poly Field as limited partners, to govern their relationship and provided for, among others, the manner of operation and management of the Partnership and the side agreement dated 30 September 2017
“Partnership Interest”	an interest as a limited partner in the Partnership represented by a capital commitment of RMB320,000,000 to the Partnership and represents 20% interest in the Partnership
“Poly Field”	Poly Field Holdings Limited, a company established in the British Virgin Islands with limited liability and a connected person of the Company
“PRC”	the People’s Republic of China which, for the purpose of this circular, shall exclude Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“PREP Venice”	PREP Venice Limited, an exempted company established in the Cayman Islands and a limited partner of the Partnership
“Properties”	Beijing Merchants Tower, Shanghai Merchants Tower and Shanghai Merchants Plaza
“RMB”	Renminbi, the lawful currency of the PRC

DEFINITIONS

“Shanghai Merchants Plaza”	an office development erected on a parcel of land with a total site area of approximately 9,642 sq.m., which is situated at No. 333, Chengdubei Road, Jingan District, Shanghai, the PRC
“Shanghai Merchants Tower”	an office development erected on a parcel of land with a total site area of approximately 7,301 sq.m., which is situated at No. 161, LujiazuiDong Road, Pudong District, Shanghai, the PRC
“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	shareholders of the Company
“sq.m.”	square meter
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary”	has the meaning ascribed to it under the Listing Rules
“Success Well”	Success Well Investments Limited, a limited liability company incorporated in the British Virgin Islands and the controlling shareholder of the Company
“%”	per cent

* *Unofficial English translation denotes for identification purposes only*

In this circular, the terms “associate”, “connected person”, “connected subsidiary”, “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.



招商局置地有限公司
CHINA MERCHANTS LAND LIMITED

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

HUANG Junlong

LIU Ning

Registered office:

P.O. Box 309, Ugland House

Grand Cayman

KY1-1104

Cayman Islands

Executive Directors:

SO Shu Fai

YU Zhiliang

WONG King Yuen

Head office and 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

Independent non-executive Directors:

WONG Wing Kuen, Albert

CHEN Yanping

SHI Xinping

HE Qi

17 May 2019

To the Shareholders

Dear Sir or Madam,

**DISCLOSEABLE AND CONNECTED TRANSACTION –
ACQUISITION OF LIMITED PARTNERSHIP INTEREST IN A FUND**

INTRODUCTION

Reference is made to the announcement of the Company dated 15 March 2019 in relation to the Interest Transfer Agreement, pursuant to which, Poly Field has conditionally agreed to transfer and assign to Converge, and Converge has conditionally agreed to accept the transfer and assignment from Poly Field, the Partnership Interest in the Partnership.

LETTER FROM THE BOARD

The main purpose of this circular is to provide you with, among other things, (i) details of the Interest Transfer Agreement and the transaction contemplated therein; (ii) recommendations from the Independent Board Committee regarding the Interest Transfer Agreement and the transaction contemplated therein; (iii) the letter of advice from the Independent Financial Adviser regarding the Interest Transfer Agreement and the transaction contemplated therein; (iv) financial information of the Partnership; (v) property valuation report of the Properties prepared by an independent property valuer; and (vi) a notice for convening the EGM and other information as set out in the Appendices to this circular.

THE INTEREST TRANSFER AGREEMENT

Date: 15 March 2019

Parties:

- (a) Converge, an indirect wholly-owned subsidiary of the Company, as the transferee;
- (b) Poly Field, as the transferor. Poly Field is a wholly-owned subsidiary of CMSK, the controlling shareholder of the Company indirectly holding approximately 74.35% of the issued share capital of the Company and hence a connected person of the Company. Poly Field, as an associate of CMSK, is a connected person of the Company; and
- (c) the General Partner, acting for itself and in its capacity as the general partner of the Partnership. The General Partner is held directly by Poly Field as to 33%, and hence, an associate of CMSK and a connected person of the Company.

Assets to be acquired

Pursuant to the Interest Transfer Agreement, Poly Field has conditionally agreed to transfer and assign, and Converge has conditionally agreed to accept the transfer and assignment of, the Partnership Interest, represented by a capital commitment of RMB320,000,000 to the Partnership and 20% interest in the Partnership. As at the date of the Interest Transfer Agreement, the Properties are the only major assets of the Partnership.

Consideration

The consideration for the Partnership Interest is approximately RMB369,000,000 (equivalent to approximately HK\$432,256,000), which shall be paid by Converge to Poly Field on or before the Interest Transfer Agreement Closing Date. The consideration shall be funded by the Group's internal resources.

LETTER FROM THE BOARD

Basis of the consideration

The consideration of approximately RMB369,000,000 (equivalent to approximately HK\$432,256,000) was determined after arm's length negotiation between Poly Field and Converge, with reference to (i) the percentage interest in the Properties represented by the Partnership Interest; and (ii) the value of Properties as of the Interest Transfer Agreement Valuation Date as set forth in the valuation report issued by the valuer engaged by China Merchants Land (Shenzhen) Limited* (招商局置地(深圳)有限公司).

The percentage interest in the Properties attributable to the Partnership Interest is set out below:

Properties	Percentage interest attributable to the Partnership Interest
Beijing Merchants Tower	18.2%
Shanghai Merchants Tower	20%
Shanghai Merchants Plaza	20%

The total market value of the Properties as at 31 December 2018, being the Interest Transfer Agreement Valuation Date, as set forth in the valuation report issued by Cushman & Wakefield Limited, an independent property valuer engaged by China Merchants Land (Shenzhen) Limited* (招商局置地(深圳)有限公司), was approximately RMB5,580,000,000. The total market value of the Properties as at 28 February 2019 has remained as RMB5,580,000,000.

In valuing the Properties, Cushman & Wakefield Limited has:

- a. reviewed copies of documents in regards to planning approvals, statutory notices, orders, easements, tenure, lettings, licences, particulars of occupancy, identification of properties, site and floor plans, site areas, gross floor areas, number of parking spaces and title to the property provided to them by the Company;
- b. adopted the investment method by capitalizing the rental income derived from the existing tenancies with due provision for the reversionary income potential of the properties, and cross-checked the valuation by market comparison method by making reference to comparable sales evidence as available in the relevant market; and
- c. made key assumptions such as (1) the Properties are free from encumbrances, restrictions and outgoing of an onerous nature which could affect their value; (2) the transferable land use rights in respect of the Properties have been granted and any premium has already been fully settled; and (3) the Partnership has the enforceable title to the Properties and the free and uninterrupted rights to use or to assign the Properties for the whole of the unexpired term as granted.

LETTER FROM THE BOARD

The principal signing off the valuation report is a Member of the Royal Institution of Chartered Surveyors, a Member of the Hong Kong Institute of Surveyors and Registered Professional Surveyor (General Practice), who has over 25 years of experience in the property valuation and advisory services in the Greater China region and various overseas countries.

Considering that (1) the net asset value of the Partnership as at 31 December 2018 was approximately RMB1,846,825,511 and net asset value is a common reference when determining the value of a company holding property interests; (2) the Group is acquiring 20% interests in the Partnership and the consideration of approximately RMB369,000,000 (equivalent to approximately HK\$432,256,000) represents approximately 20% of the net asset value of the Partnership as at 31 December 2018; (3) the value of the Properties recorded as at 31 December 2018 remained steady at 28 February 2019; (4) there were no material changes to other major components of the financial position of the Partnership such as loans and partners' capital since 31 December 2018, the Company is of the view that the net asset value of the Partnership as at 31 December 2018 is a fair and reasonable basis to determine the consideration of the Interest Transfer, and the consideration is fair and reasonable.

Conditions Precedent

Completion of the transaction contemplated under the Interest Transfer Agreement is conditional upon the following conditions precedent being fulfilled, or waived (with or without conditions) by Converge:

- (a) each of Poly Field's representations and warranties being true and accurate as of the date of the agreement and remaining true and accurate in any material respect as of the Interest Transfer Agreement Closing Date;
- (b) each party to the agreement other than Converge having performed and complied with all obligations and conditions contained in the agreement that are required to be performed or complied with by them on or before the Interest Transfer Agreement Closing Date;
- (c) no provision of any applicable laws prohibiting or otherwise restrict the consummation of any transactions contemplated by the agreement;
- (d) all internal approvals, including but not limited to necessary board and/or shareholder approvals of Poly Field, with respect to the Interest Transfer having been duly obtained and effective as of the Interest Transfer Agreement Closing Date;
- (e) the written consents from the banks with respect to the Interest Transfer having been duly obtained and effective as of the Interest Transfer Agreement Closing Date;
- (f) the Partnership Interest being free and clear of any lien, security interest, mortgage, charge, or encumbrance;

LETTER FROM THE BOARD

- (g) each party to the agreement having executed and delivered to Converge the Interest Transfer Agreement;
- (h) the valuer having issued the valuation report regarding the value of Properties;
- (i) Poly Field, Converge, the General Partner and PREP Venice having executed a deed of transfer, consent and adherence (the “**Deed of Transfer**”);
- (j) Poly Field having executed and delivered to Converge on the Interest Transfer Agreement Closing Date a certificate dated as of that date certifying that the conditions specified in relation to its obligations have been satisfied as of the Interest Transfer Agreement Closing Date; and
- (k) there being no (i) event, occurrence, fact, condition, change or development that has had, has, or could reasonably be expected to have, individually or together with other events, occurrences, facts, conditions, changes or developments, a material adverse effect on the business, properties, assets, employees, operations, results of operations, condition (financial or otherwise), prospects, assets or liabilities of the Partnership and its subsidiaries taken as a whole; (ii) material impairment of the ability of any party other than Converge to perform the material obligations under the Interest Transfer Agreement; or (iii) material impairment of the validity or enforceability of the Interest Transfer Agreement against any party hereto other than Converge.

Except condition (g), none of the above conditions precedent had been fulfilled as at the Latest Practicable Date.

Completion of the transaction contemplated under the Interest Transfer Agreement is conditional upon the following conditions precedent being fulfilled, or waived (with or without conditions) by Poly Field:

- (a) each of Converge’s representations and warranties being true and accurate as of the date of the agreement and remaining true and accurate in any material respect as of the Interest Transfer Agreement Closing Date;
- (b) each party to the agreement other than Poly Field having performed and complied with all obligations and conditions contained in the agreement that are required to be performed or complied with by them on or before the Interest Transfer Agreement Closing Date;
- (c) no provision of any applicable laws prohibiting or otherwise restrict the consummation of any transactions contemplated by the agreement;
- (d) all internal approvals, including but not limited to necessary board and/or shareholder approvals of Converge, with respect to the Interest Transfer Agreement having been duly obtained and effective as of the Interest Transfer Agreement Closing Date;

LETTER FROM THE BOARD

- (e) each party to the agreement having executed and delivered to each other the Interest Transfer Agreement; and
- (f) Converge having executed the Deed of Transfer.

Except conditions (d), (e) and (f), none of the above conditions precedent had been fulfilled as at the Latest Practicable Date.

Assignment

Converge may, upon written notice to Poly Field and the General Partner before the Interest Transfer Agreement Closing Date, assign part or all of its rights and obligations under the Interest Transfer Agreement to the Company or any controlled subsidiary of the Company. The assignee, Poly Field, Converge, and the General Partner shall fully cooperate and enter into a supplemental agreement regarding such assignment.

Completion

The completion of the Interest Transfer shall take place in Hong Kong as soon as practicable, but in no event later than five business days following the satisfaction or waiver of all of the conditions precedent, or at such other time as Poly Field and Converge shall mutually agree. Upon completion of the Interest Transfer, Converge shall hold 20% interest in the Partnership and agrees to be bound by all the terms of the Partnership Agreement in respect of the Partnership Interest as if it had been an original party to the Partnership Agreement.

INFORMATION ABOUT THE PARTNERSHIP

The Partnership is a Cayman Islands exempted limited partnership established by the General Partner as general partner, and PREP Venice and Poly Field as limited partners on 7 September 2017. As at the Latest Practicable Date, Poly Field and PREP Venice held 20% and 80% interest in the Partnership, respectively. The Partnership is a single project fund and as at the date of the Interest Transfer Agreement, it indirectly holds interest in the Properties. The purpose of the Partnership is to achieve long-term capital appreciation, principally through acquiring, holding and disposing of the interests of the Properties. As at the date of the Interest Transfer Agreement, the amount of total capital commitments of all of the partners to the Partnership is RMB1,600,000,000.

Pursuant to the Partnership Agreement, the business of the Partnership is carried on and managed by the General Partner and the General Partner has appointed Shanghai BangXin Enterprise Management Consulting Co. Limited* (上海邦欣企業管理諮詢有限公司) as the asset manager, to advise and assist the General Partner in, among other functions, the management of the Properties.

LETTER FROM THE BOARD

Set out below are the audited profit/(loss) before and after taxation of the Partnership for the financial years ended 31 December 2017 and 2018:

For the year ended 31 December

	2017 (RMB)	2018 (RMB)
Profit/(loss) before and after taxation	(30,644,668)	329,805,562

The net asset value of the Partnership as at 31 December 2018 based on audited financial statements of the Partnership was approximately RMB1,846,825,511.

The total market value of the Properties attributable to the Partnership as at 31 December 2018 was approximately RMB5,360,940,000 based on the valuation by an independent valuer. The original acquisition cost of the Properties attributable to the Partnership was RMB4,894,660,000.

The Partnership has obtained bank loans in the aggregate amount of RMB3,500,000,000, the remaining interest payable of which is approximately RMB806,000,000. In the event that the Partnership does not have sufficient funds to repay the interests and the loans, the limited partners shall increase their respective capital commitments to the Partnership or procure such amount to be paid to the Partnership, and the failure to make such payment on time would constitute default of such limited partner.

INFORMATION OF THE PROPERTIES

The Partnership holds interests in the Properties consisting of an office development situated at Chaoyang District, Beijing, the PRC (Beijing Merchants Tower), an office development situated at Pudong District, Shanghai, the PRC (Shanghai Merchants Tower) and an office development situated at Jingan District, Shanghai, the PRC (Shanghai Merchants Plaza).

Beijing Merchants Tower

Completed in 1997, Beijing Merchants Tower is an office development erected on a parcel of land with a total site area of approximately 42,566 sq.m. It is situated at No. 108, Jia 108, Yi 108, 110, 112, 116, 118, Jia 118, Yi 118, Jianguo Road, Chaoyang District, Beijing, the PRC. The land use rights of the property have been granted for a term of 50 years for office use, 70 years for apartment use and 40 years for commercial use. The Partnership indirectly holds 91% interest in Beijing Merchants Tower.

LETTER FROM THE BOARD

Shanghai Merchants Tower

Completed in 1995, Shanghai Merchants Tower is an office development erected on a parcel of land with a total site area of approximately 7,301 sq.m. It is situated at No. 161, Lujiazui Dong Road, Pudong District, Shanghai, the PRC. The land use rights of the property have been granted for a term of 50 years for multi-functional use. The Partnership indirectly holds 100% interest in Shanghai Merchants Tower.

Shanghai Merchants Plaza

Completed in 1998, Shanghai Merchants Plaza is an office development erected on a parcel of land with a total site area of approximately 9,642 sq.m. It is situated at No. 333, Chengdubei Road, Jingan District, Shanghai, the PRC. The land use rights of the property have been granted for a term of 50 years for multi-functional use. The Partnership indirectly holds 100% interest in Shanghai Merchants Plaza.

INFORMATION OF THE PARTIES

Converge, a company established in the British Virgin Islands with limited liability, is principally engaged in investment holding.

Poly Field, a company established in the British Virgin Islands with limited liability, is principally engaged in investment holding. Poly Field is a wholly-owned subsidiary of CMSK. CMSK is the controlling shareholder of the Company indirectly holding approximately 74.35% of the issued share capital of the Company.

The General Partner, an exempted company established in the Cayman Islands, is principally engaged in the management of the Partnership. The General Partner is directly held by Poly Field as to 33%.

REASONS FOR AND BENEFITS OF THE INTEREST TRANSFER

The Group is principally engaged in the development, sale, lease, investment and management of properties in the PRC and the sales of electronic and electrical related products and sales of building related materials and equipment.

References are made to the announcements of the Company dated 17 December 2018 and 29 January 2019 and the circular of the Company dated 10 January 2019 (“**Circular**”) in relation to Amended and Restated Non-Competition Deed (as defined in the Circular). According to the Circular, the Company shall gain rights to certain asset-light property businesses without geographic restriction after the Amended and Restated Non-Competition Deed becoming effective. The domestic real estate market has developed rapidly in the past 20 years. Due to a focus on the construction of the real estate market in the past, the primary market is expected to enter the maturity stage in the next 10-20 years. Therefore, there will be an increasing demand for the secondary property related businesses such as the property operation and management services, especially for the office space and serviced apartments in the first-tier cities. The purpose of entering into the Interest Transfer is to strengthen the investment portfolio of the Company, while

LETTER FROM THE BOARD

in conjunction with the Amended and Restated Non-Competition Deed to facilitate the exclusive Asset Management Business for office premises in Beijing and Shanghai by the Company. Through the acquisition of the Partnership Interest, the Company will be able to invest in the Properties which are located in Beijing and Shanghai as a minority co-investor through holding minority stakes in the Partnership.

The valuation report of the Properties disclosed that there are certain gross floor area used for ancillary commercial and car park use. Considering that the Properties are office developments located in Beijing and Shanghai, both of which are first-tier cities in China, it is the industry norm for office development buildings located in these cities to use certain gross floor area for ancillary commercial and car park use, so as to enhance facilities of office premises. The Directors (including the independent non-executive Directors) are of the view that the Interest Transfer is in compliance with the Amended and Restated Non-Competition Deed.

The terms of the Interest Transfer Agreement have been arrived at after arm's length negotiations between the parties. The Directors (other than the independent non-executive Directors who will give their opinion after considering the advice from the Independent Financial Adviser) have confirmed that the terms of the Interest Transfer Agreement and the transactions contemplated therein are fair and reasonable, on normal commercial terms or better and in the interests of the Company and its Shareholders as a whole.

LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios in respect of the transactions contemplated under the Interest Transfer Agreement exceed 5%, but are all less than 25%, the entering into the Interest Transfer Agreement and the transactions contemplated therein constitute a discloseable transaction of the Company under the Listing Rules and is therefore subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

Poly Field is a wholly-owned subsidiary of CMSK. CMSK is the controlling shareholder of the Company indirectly holding approximately 74.35% of the issued share capital of the Company and hence a connected person of the Company. Poly Field, as an associate of CMSK, is a connected person of the Company. The General Partner is held directly by Poly Field as to 33%, and hence, an associate of CMSK and a connected person of the Company. Therefore, the entering into the Interest Transfer Agreement and the transactions contemplated therein also constitute a connected transaction under Chapter 14A of the Listing Rules.

The Interest Transfer Agreement and the transactions contemplated therein are therefore subject to the reporting, announcement and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

LETTER FROM THE BOARD

INDEPENDENT BOARD COMMITTEE AND INDEPENDENT FINANCIAL ADVISER

An Independent Board Committee has been formed to consider and advise the Independent Shareholders as to whether the terms of the Interest Transfer Agreement and the transactions contemplated therein are fair and reasonable and are in the interests of the Company and its Shareholders as a whole, and to advise the Independent Shareholders as to how to vote at the EGM.

Altus has been appointed as the independent financial adviser of the Company to advise the Independent Board Committee and the Independent Shareholders in this respect.

GENERAL

As Mr. Xu Yongjun, Mr. Huang Junlong and Ms. Liu Ning, each a non-executive Director, all hold positions in CMSK and Mr. Wong King Yuen, an executive Director, holds positions in CMSK and/or its 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 relevant Board resolutions approving the Interest Transfer Agreement and the transactions contemplated therein.

The EGM will be convened for the purpose of considering and, if thought fit, approving, among other things, the Interest Transfer Agreement and the transactions contemplated therein where Success Well and its associates shall abstain from voting on the resolutions approving the Interest Transfer Agreement and the transactions contemplated therein. As at the Latest Practicable Date, based on the knowledge and information of the Directors having made all reasonable enquiries, Success Well and its associates together hold approximately 74.35% of the issued share capital of the Company.

EGM

The voting at the EGM will be taken by a poll. The Company will make an announcement of the poll results in accordance with the relevant requirements under the Listing Rules as soon as possible.

To the best knowledge, information and belief of the Directors, having made all reasonable enquiries, there is (i) no voting trust or other agreement or arrangement or understanding entered into by or binding upon any Shareholders; and (ii) no obligation or entitlement of any Shareholder as at the Latest Practicable Date, whereby it/he has or may have temporarily or permanently passed control over the exercise of the voting right in respect of its/his Shares to a third party, either generally or on a case-by-case basis.

LETTER FROM THE BOARD

A notice for convening the EGM to be held at CM+ Hotels and Serviced Apartments, 3/F, South Tower, 16 Connaught Road West, Hong Kong on Thursday, 6 June 2019 at 11:00 a.m. is set out in pages 45 to 46 of this circular. A form of proxy for the EGM is also enclosed with this circular. Whether or not you intend to be present at the EGM, you are requested to complete the form of proxy and return it to the branch share registrar of the Company, Tricor Tengis Limited, Level 22, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong in accordance with the instructions printed thereon not less than 48 hours before the time fixed for the EGM. The completion of a form of proxy will not preclude you from attending and voting at the EGM in person.

RECOMMENDATION

The Board (including the independent non-executive Directors whose views have been set out in this circular after taking into consideration the advice of the Independent Financial Adviser) considers that it is in the best interests of the Company and the Shareholders as a whole to enter into the Interest Transfer Agreement and the transactions contemplated therein; the terms of the Interest Transfer Agreement are fair and reasonable; and entering into of the Interest Transfer Agreement and the transactions contemplated therein are in the ordinary and usual course of business of the Group, on normal commercial terms, and in the interests of the Company and the Shareholders as a whole. Accordingly, the Directors (including the independent non-executive Directors) recommend the Independent Shareholders to vote in favour of the resolutions for approving the Interest Transfer Agreement and the transactions contemplated therein to be proposed at the EGM.

FURTHER INFORMATION

Your attention is also drawn to the letter from the Independent Board Committee, the letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders, the additional information set out in the appendices to this circular and the notice of the EGM.

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



CHINA MERCHANTS LAND LIMITED

招商局置地有限公司

(Incorporated with limited liability in the Cayman Islands)

(Stock Code: 978)

17 May 2019

To the Independent Shareholders

Dear Sir or Madam,

**(1) DISCLOSEABLE AND CONNECTED TRANSACTION –
ACQUISITION OF LIMITED PARTNERSHIP INTEREST IN A FUND
AND
(2) NOTICE OF EXTRAORDINARY GENERAL MEETING**

We refer to the circular date 17 May 2019 (the “**Circular**”) issued by the Company to its Shareholders of which this letter forms part. Terms defined in the Circular shall have the same meanings herein unless the context otherwise requires.

We have been appointed as the Independent Board Committee to consider and to advise the Independent Shareholders on the terms of the Interest Transfer Agreement and the transactions contemplated therein as set out in the Circular as to the fairness and reasonableness and to recommend whether or not the Independent Shareholders should approve the Interest Transfer Agreement and the transaction contemplated therein as set out in the Circular. Altus has been appointed as the Independent Financial Adviser to provide advice and recommendation to the Independent Board Committee and the Independent Shareholders in this regard. Details of the independent advice of the Independent Financial Adviser, together with the principal factors and reasons the Independent Financial Adviser has taken into consideration, are set out in pages 18 to 29 of the circular.

We wish to draw your attention to the Letter from the Board and the Letter from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders which contains its advice to us in respect of the Interest Transfer Agreement and the transactions contemplated therein. Your attention is also drawn to the additional information set out in the appendices to the Circular.

LETTER FROM THE INDEPENDENT BOARD COMMITTEE

Having considered the terms of the Interest Transfer Agreement and the transactions contemplated therein, the advice of the Independent Financial Adviser and the relevant information contained in the Letter from the Board, we consider that (i) the Interest Transfer Agreement is in the ordinary and usual course of business of the Company, on normal commercial terms and in the interests of the Company and the Shareholders as a whole; and (ii) the terms of the Interest Transfer Agreement are also fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Accordingly, we recommend the Independent Shareholders to vote in favour of the resolutions for approving the Interest Transfer Agreement and the transactions contemplated therein to be proposed at the EGM.

Yours faithfully,

The Independent Board Committee of
China Merchants Land Limited

Dr. WONG Wing Kuen, Albert

Independent non-executive Director

Dr. SHI Xinping

Independent non-executive Director

Ms. CHEN Yanping

Independent non-executive Director

Mr. HE Qi

Independent non-executive Director

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

The following is the text of a letter of advice from Altus Capital Limited to the Independent Board Committee and the Independent Shareholders in relation to the Interest Transfer Agreement and the transaction contemplated therein, which has been prepared for the purpose of incorporation in the circular.

ALTUS

Altus Capital Limited
21 Wing Wo Street
Central, Hong Kong

17 May 2019

*To the Independent Board Committee and
the Independent Shareholders*

China Merchants Land Limited

Room 2603-2606
26th Floor
China Merchants Tower
Shun Tak Centre
Nos. 168-200 Connaught Road Central
Hong Kong

Dear Sirs,

DISCLOSEABLE AND CONNECTED TRANSACTION – ACQUISITION OF LIMITED PARTNERSHIP INTEREST IN A FUND

INTRODUCTION

We refer to our appointment as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in respect of the Interest Transfer Agreement and the transaction contemplated therein. Details of the Interest Transfer Agreement and the transaction contemplated therein are set out in the “Letter from the Board” contained in the circular of the Company dated 17 May 2019 (the “Circular”), of which this letter forms part. Terms used in this letter shall have the same meanings as those defined in the Circular unless the context requires otherwise.

Pursuant to the Company’s circular dated 10 January 2019, the Company intends to gradually develop asset-light property businesses without geographic restriction, while retaining the geographic protections for its core asset-heavy property development business. As such, it entered into the Amended and Restated Non-Competition Deed and subsequently approved by the then independent Shareholders on 29 January 2019. Pursuant to the Amended and Restated Non-Competition Deed, the Group has the right to participate in Non-Controlling Investment Arrangement across the PRC (including the CMSK Cities). Terms used above shall have the same meanings as those defined in the Company’s circular dated 10 January 2019 unless the context requires otherwise.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Following the implementation of the Amended and Restated Non-Competition Deed, on 15 March 2019, Converge, the General Partner (acting for itself and on behalf of the Partnership) and Poly Field entered into the Interest Transfer Agreement, pursuant to which Poly Field has conditionally agreed to transfer and assign to Converge, and Converge has conditionally agreed to accept the transfer and assignment from Poly Field, the Partnership Interest in the Partnership at the consideration of RMB369.0 million (equivalent to approximately HK\$432.3 million).

LISTING RULES IMPLICATION

As one or more of the applicable percentage ratios in respect of the transaction contemplated under the Interest Transfer Agreement exceed 5%, but are all less than 25%, the entering into the Interest Transfer Agreement and the transaction contemplated therein constitutes a discloseable transaction of the Company under the Listing Rules and is therefore subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

Poly Field is a wholly-owned subsidiary of CMSK. CMSK is the controlling Shareholder of the Company indirectly holding approximately 74.35% of the issued share capital of the Company and hence a connected person of the Company. Poly Field, as an associate of CMSK, is also a connected person of the Company. The General Partner is held directly by Poly Field as to 33%, and hence, an associate of CMSK and a connected person of the Company. Therefore, the entering into the Interest Transfer Agreement and the transaction contemplated therein also constitutes connected transaction under Chapter 14A of the Listing Rules. The Interest Transfer Agreement and the transaction contemplated therein are therefore subject to the reporting, announcement and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

INDEPENDENT BOARD COMMITTEE

The Independent Board Committee, comprising all of the independent non-executive Directors, namely Dr. Wong Wing Kuen, Albert, Ms. Chen Yanping, Dr. Shi Xinping and Mr. He Qi, has been established to consider the Interest Transfer Agreement and the transaction contemplated therein and to give advice and recommendation to the Independent Shareholders as to (i) whether the terms of the Interest Transfer Agreement and the transaction contemplated thereunder are on normal commercial terms and fair and reasonable as far as the Independent Shareholders are concerned; (ii) whether the entering into the Interest Transfer Agreement and the transaction contemplated therein is in the ordinary and usual course of business of the Company and is in the interests of the Company and its Shareholders as a whole; and (iii) how the Independent Shareholders should vote in respect of the resolutions to be proposed at the EGM for the approval of the Interest Transfer Agreement and the transaction contemplated therein, taking into account the recommendation of the Independent Financial Adviser.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

INDEPENDENT FINANCIAL ADVISER

As the independent financial adviser to the Independent Board Committee and the Independent Shareholders, our role is to give an independent opinion to the Independent Board Committee and the Independent Shareholders as to (i) whether the terms of the Interest Transfer Agreement and the transaction contemplated thereunder are on normal commercial terms and fair and reasonable as far as the Independent Shareholders are concerned; (ii) whether the entering into the Interest Transfer Agreement and the transaction contemplated therein is in the ordinary and usual course of business of the Company and is in the interests of the Company and its Shareholders as a whole; and (iii) how the Independent Shareholders should vote in respect of the resolutions to be proposed at the EGM for the approval of the Interest Transfer Agreement and the transaction contemplated therein.

We have previously acted as the independent financial adviser to the Company with regards to a major and connected transaction in relation to the additional capital contribution to a connected subsidiary and a connected transaction in relation to the Amended and Restated Non-Competition Deed. Detail of the aforesaid transactions of the Company are set out in the circular dated 4 December 2017 and the circular dated 10 January 2019 respectively. Save for the aforesaid transactions, we have not acted as an independent financial adviser or financial adviser for other transactions of the Group in the last two years from the date of the Circular. Pursuant to Rule 13.84 of the Listing Rules, and given that remuneration for our engagement to opine on the Interest Transfer Agreement and the transaction contemplated therein is at market level and not conditional upon successful passing of the resolutions to be proposed at the EGM, and that our engagement is on normal commercial terms, we are independent of and not associated with the Company, its controlling shareholder(s) or connected person(s).

BASIS OF OUR ADVICE

In formulating our opinion, we have reviewed, amongst others (i) the Company's annual report for the year ended 31 December 2017 (the "**2017 Annual Report**") and the Company's annual report for the year ended 31 December 2018 (the "**2018 Annual Report**"); (ii) the property valuation report on the Properties (the "**Valuation Report**"); (iii) the Interest Transfer Agreement; (iv) the audited account of the Partnership for the period from 7 September 2017 (date of establishment) to 31 December 2018 (the "**Partnership Account**"); and (v) other information as set out in the Circular.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

We have relied on the statements, information, opinions and representations contained or referred to in the Circular and/or provided to us by the Company, the Directors and the management of the Company (the “**Management**”). We have assumed that all statements, information, opinions and representations contained or referred to in the Circular and/or provided to us were true, accurate and complete at the time they were made and continued to be so as at the date of the Circular. The Directors collectively and individually accept full responsibility, including particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Group. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief, the information contained in this circular are accurate and complete in all material respects and not misleading or deceptive, and there are no other facts the omission of which would make any statement in this circular misleading.

We have no reason to believe that any statements, information, opinions or representations relied on by us in forming our opinion are untrue, inaccurate or misleading, nor are we aware of any material facts the omission of which would render the statements, information, opinions or representations provided to us to be untrue, inaccurate or misleading. We have assumed that all the statements, information, opinions and representations for matters relating to the Group contained or referred to in this circular and/or provided to us by the Management have been reasonably made after due and careful enquiry. We consider that we have been provided with and have reviewed sufficient information to reach an informed view and to provide a reasonable basis for our opinion. We have not, however, conducted any independent investigation into the business, financial conditions and affairs or the future prospects of the Group.

PRINCIPAL FACTORS AND REASONS CONSIDERED

In arriving at our opinion and recommendation, we have taken into account the following principal factors and reasons:

1. Principal businesses and financial highlights of the Group

The principal activities of the Group are (i) development, sales, lease, investment and management of properties; and (ii) sales of electronic and electrical related products and building related materials and equipment. According to the 2018 Annual Report, the Group’s portfolio of property development projects (including development, sales, lease, investment and management) consisted of 29 projects in Foshan, Guangzhou, Chongqing, Nanjing, Jurong and Xi’an, with a primary focus on the development of residential properties, as well as residential and commercial complex properties, products types including apartments, villas, offices and retail shops, etc.

Set out below is a summary of the consolidated financial information of the Group for each of the three financial years ended 31 December 2016, 2017 and 2018, as extracted from the 2017 Annual Report and the 2018 Annual Report respectively.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Extract of the consolidated statements of profit or loss and other comprehensive income

	Year ended 31 December		
	2016	2017	2018
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Revenue	11,606,442	17,310,562	11,955,899
Gross profit	3,337,146	5,706,458	3,988,020
Profit for the year	1,115,054	2,938,983	2,205,512

Extract of the consolidated statements of financial positions

	As at 31 December		
	2016	2017	2018
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Current assets	45,875,004	53,863,192	57,477,178
– Bank balances and cash	5,810,922	5,100,692	6,866,261
Current liabilities	26,050,518	31,333,792	34,437,912
Non-current assets	2,571,364	3,954,120	13,793,487
– Investment property	801,159	1,183,563	2,571,070
Non-current liabilities	8,287,880	4,712,294	13,035,725
Net assets	14,107,970	21,771,226	23,797,028

Source: 2017 Annual Report and 2018 Annual Report

For the year ended 31 December 2017

For the year ended 31 December 2017, the Group recorded revenue of approximately RMB17.3 billion, representing an increase of approximately 49.1% as compared to approximately RMB11.6 billion recorded for the year ended 31 December 2016. Such significant increase was mainly attributable to the increase of total gross floor area completed and delivered during the year of 2017. The Group recorded a net profit of approximately RMB2.9 billion for the year ended 31 December 2017, representing a significant growth from approximately RMB1.1 billion for the year ended 31 December 2016.

The Group's bank balances and cash decreased from approximately RMB5.8 billion as at 31 December 2016 to approximately RMB5.1 billion as at 31 December 2017, while the Group's investment properties increased from approximately RMB0.8 billion as at 31 December 2016 to approximately RMB1.2 billion as at 31 December 2017. As at 31 December 2017, excluding the restricted bank deposits, the Group's bank balances and cash amounted to approximately RMB5.0 billion. The Group's net asset value grew from approximately RMB14.1 billion as at 31 December 2016 to approximately RMB21.8 billion as at 31 December 2017.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

For the year ended 31 December 2018

For the year ended 31 December 2018, the Group recorded revenue of approximately RMB12.0 billion, which represents a decrease of approximately 30.9% from approximately RMB17.3 billion for the year ended 31 December 2017. According to the 2018 Annual Report, such decrease was mainly due to the decrease in the total gross floor area completed and delivered in the year of 2018. The Group recorded a net profit of approximately RMB2.2 billion for the year ended 31 December 2018, representing a decrease by approximately 25.0% from approximately RMB2.9 billion for the year ended 31 December 2017.

As at 31 December 2018, the Group's net asset value was approximately RMB23.8 billion, which was relatively stable as compared to the net asset value of approximately RMB21.8 billion as at 31 December 2017. The Group's bank balances and cash was approximately RMB6.9 billion as at 31 December 2018 and the Group did not hold any restricted bank deposits.

2. Outlook of the Group

The Group expects the Chinese government to increase efforts on stabilising housing prices by imposing more stringent property control policies. In this regard, the Group aims to leverage on the abundant inventory resources of China Merchants Group and CMSK, and fully capitalise on the advantages of overseas listing in order to expedite transformation and develop more asset-light business for the Group, while continue to operate its traditional property development business. It is expected that the Asset Management Business of the Company for other office premises will be commenced in Beijing and Shanghai, and further expanded in Shenzhen and potentially in other cities in China.

3. Principal businesses and financial highlights of the Partnership

The Partnership is a Cayman Islands exempted limited partnership established by the General Partner as general partner, and PREP Venice and Poly Field as limited partners on 7 September 2017. Poly Field holds an interest as a limited partner in the Partnership with a capital commitment of RMB320 million, out of the aggregate capital commitment of RMB1,600 million to the Partnership, representing 20% of the total interests in the Partnership.

As detailed in the "Letter from the Board" in the Circular, the Partnership is a single project fund and as at the date of Interest Transfer Agreement, it indirectly holds interests in the Properties. The purpose of the Partnership is to achieve long-term capital appreciation, principally through acquiring, holding and disposing of the interests of the Properties. The Properties, being office buildings in Beijing and Shanghai, are within the products types of the Group's portfolio of property development projects as described in the paragraph headed "1. Principal businesses and financial highlights of the Group" above, but located in other cities. According to the Amended and Restated Non-Competition Deed, the Company is entitled to participate in property-related investments on a minority basis across the PRC (including the CMSK cities). In view of the above, we are of the view that the entering into the Interest Transfer Agreement and the transaction contemplated therein is in the ordinary and usual course of business of the Company.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

According to the Partnership Account, the Partnership recorded income of RMB20,636 for the period from 7 September 2017 (date of establishment) to 31 December 2017 and approximately RMB559.4 million for the year ended 31 December 2018. The Partnership recorded a decrease in partners' capital from operations of approximately RMB30.6 million for the period from 7 September 2017 to 31 December 2017, while it recorded an increase in partners' capital from operations of approximately RMB329.8 million for the year ended 31 December 2018. The net asset value of the Partnership as at 31 December 2018 was approximately RMB1,846.8 million. The total market value of the Properties held by the Partnership as at 28 February 2019 was approximately RMB5,580.0 million based on the Valuation Report.

Based on the Valuation Report and the information provided by the Management, we noted the following in regards to the Properties as at the 28 February 2019:

Property	Rental information	Occupancy rate as at 28 February 2019
Portions of Beijing Merchants Tower	Portions of the property were leased to various tenants at an annual rent of approximately RMB109,200,000 with the latest expiry on 30 April 2029.	97.3%
Portions of Shanghai Merchants Tower	Portions of the property were leased to various tenants at an annual rent of approximately RMB34,000,000 with the latest expiry on 17 October 2028.	85.4%
Portions of Shanghai Merchants Plaza	Portions of the property were leased to various tenants at an annual rent of approximately RMB74,000,000 with the latest expiry on 14 July 2031.	66.6%*

* The relatively lower occupancy rate was because part of the Shanghai Merchants Plaza was under renovation as at 28 February 2019. The renovation is expected to complete in July 2019.

4. Background and principal terms of the Interest Transfer Agreement

4.1 Consideration of the Interest Transfer

The consideration of the Interest Transfer is RMB369.0 million (equivalent to approximately HK\$432.3 million). Such consideration was determined after arm's length negotiations between Poly Field and Converge with reference to (i) the percentage interest in the Properties represented by the Partnership Interest; and (ii) the value of Properties as of the Interest Transfer Agreement Valuation Date.

We noted that the principal assets of the Partnership are the Properties and the book value of the Properties according to the Partnership Account was approximately RMB5,572.8 million as at 31 December 2018 and the market value of the Properties according to the Valuation Report was approximately RMB5,580.0 million as at 28 February 2019. Having assessed the property valuation as discussed in the paragraph headed "4.2 Property valuation" below, we are of the view that the valuation of the Properties by the Valuer is fair and reasonable.

Further, as discussed in the paragraph headed “3. Principal businesses and financial highlights of the Partnership” above, we noted that the net asset value of the Partnership as at 31 December 2018 was approximately RMB1,846.8 million. Considering that (i) net asset value is a common reference when determining the value of a company holding property interests; (ii) the Group is acquiring 20% of interests in the Partnership and the consideration of RMB369.0 million (equivalent to approximately HK\$432.3 million) represents approximately 20% of the net asset value of the Partnership as at 31 December 2018; (iii) the value of the Properties recorded as at 31 December 2018 remained steady at 28 February 2019; and (iv) according to the Management, there were no material changes to other major components of the financial position of the Partnership such as loans and partners’ capital since 31 December 2018, we are of the view that the net asset value of the Partnership as at 31 December 2018 is a fair and reasonable basis to determine the consideration of the Interest Transfer, and the consideration is fair and reasonable.

4.2 Property valuation

According to the Valuation Report, details of which are set out in Appendix I to the Circular, the market value of the Properties amounted to approximately RMB5,580.0 million as at 28 February 2019. When assessing the fairness and reasonableness of the valuation, we have reviewed the Valuation Report and discussed with the Valuer in relation to (i) their scope of work for conducting the valuation on the Properties; (ii) their relevant professional qualifications as a property valuer; and (iii) the methodology and assumptions used in performing the valuation on the Properties as well as whether such methodology and assumptions are appropriate and acceptable.

4.2.1 Valuation methodology

As stated in the Valuation Report, the Valuer adopted the investment method by considering the capitalised income derived from the existing tenancies with due provision for the reversionary income potential of the Properties in arriving the market value of the Properties. According to the Valuer, the investment method is the most appropriate valuation approach for assessing the market value of the properties as it takes into account (i) the current rental income of the Properties by capitalising the rental income from the existing tenancies; and (ii) the ascertained rental income of vacant premises based on properties of similar natures (such as age, size and usage) within the surrounding area, which would better reflect the specific characteristics of a rental income generating property. The capitalisation rates are estimated by reference to the yields generally expected by the market for comparable properties of similar use type, which implicitly reflect the type and quality of the properties, the expectation of the potential future rental growth, capital appreciation and market sentiment for properties of similar natures. We also noted that the Valuer has cross-checked against comparable sales evidence as available in the relevant market.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

We have obtained from the Valuer the information of the comparable properties they used and discussed with the Valuer. We noted that the comparable properties are located within the surrounding area of the Properties and with similar age, size and usage. In view of the above, we are of the view that the comparable properties chosen by the Valuer are appropriate for the valuation and we concur with the Valuer that the investment method is an appropriate and common approach for determining the market value of rental income generating properties in the PRC.

4.2.2 Valuation basis and assumptions

We noted that the valuation of each property represents its market value which in accordance with the HKIS Valuation Standards 2017 published by the Hong Kong Institute of Surveyors is defined as “the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm’s length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion”.

We also noted that the Valuer has reviewed copies of documents in regards to planning approvals, statutory notices, orders, easements, tenure, lettings, licences, particulars of occupancy, identification of land and buildings, site and floor plans, site areas, number of parking spaces and title to the property provided to them by the Company, and made key assumptions in regards to the Properties such as: (i) the Properties are free from encumbrances, restrictions and outgoing of an onerous nature which could affect their value; (ii) the transferable land use rights in respect of the Properties have been granted and any premium has already been fully settled; and (iii) the Partnership has the enforceable title to the Properties and the free and uninterrupted rights to use or to assign the Properties for the whole of the unexpired term as granted. We are of the view that the basis and assumptions adopted for valuation of the Properties are fair and reasonable.

4.2.3 Valuer’s scope of work and competence

We have reviewed the scope of work of the Valuer detailed in its engagement letter and we are satisfied that the scope of work is sufficient and appropriate for the Interest Transfer.

We have reviewed the Valuer’s qualification and experience in relation to the preparation of the Valuation Report and noted that the Valuer is a leading professional services firm that specialises in real estate with extensive experience in property valuation. In particular, the principal signing off the Valuation Report is a member of the Royal Institution of Chartered Surveyors (“RICS”), a Member of the Hong Kong Institute of Surveyors and Registered Professional Surveyor (General Practice), who has over 25 years of experience in the property valuation and advisory services in Greater China region and various overseas countries.

4.2.4 Summary of the property valuation

In consideration of the above, we are of the view that (i) the valuation methodology adopted by the Valuer is a common approach for valuation of the income-producing properties in the PRC; (ii) the valuation basis and assumptions adopted by the Valuer are fair and reasonable; (iii) the scope of work of the Valuer is sufficient and appropriate for performing the valuation on the Properties; and (iv) the Valuer has sufficient experience and competency to perform the valuation of the Properties. As such, we are of the view that the valuation of the Properties by the Valuer is fair and reasonable.

5. Reasons for and benefits of the Interest Transfer Agreement and the transaction contemplated therein

As disclosed in the Company's circular dated 10 January 2019, the Company shall gain rights to certain asset-light business without geographic restriction after the Amended and Restated Non-Competition Deed becoming effective. Based on the above, despite the Properties are located in Beijing and Shanghai (both are CMSK cities), the investment in the Partnership by the Group is still in compliance with the Amended and Restated Non-Competition Deed.

Following the implementation of the Amended and Restated Non-Competition Deed, the Interest Transfer Agreement and the transaction contemplated therein would allow the Group to expand the scope of operation to the property business in Beijing and Shanghai and attain a more diversified property portfolio as a minority co-investor through holding minority stakes in the Partnership.

As part of our due diligence work, we have also compared the monthly rent of the Properties with several properties located in surrounding areas that are within the radius of two kilometres of the Properties ("**Comparable Properties**"). The Comparable Properties consist of five properties in Beijing for Beijing Merchants Tower, four properties in Shanghai for Shanghai Merchants Tower and three properties in Shanghai for Shanghai Merchants Plaza. Such properties also have similar completion dates, location and occupancy rates as the Properties. To the best of our knowledge, based on the aforementioned criteria, the list of Comparable Properties are exhaustive. We have conducted desktop research on the online databases of Centaline Property, Comwin and Haozu and noted that the average monthly rents of the Properties are within the range of those of the Comparable Properties. We are of the view that the Interest Transfer Agreement and the transaction contemplated therein could provide a reasonable income source to the Group.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Further, according to the announcement of the Company dated 15 March 2019, the Group also entered into a sale and purchase agreement to acquire Grand Synergy Asset Management Limited (“**Grand Synergy**”) which is engaged in the provision of asset management services for the Properties. The Directors are of the view, and we concur that acquiring Grand Synergy could enhance the business scope of the Group to commence its Asset Management Business for office premises in Beijing and Shanghai. In addition, the Group can acquire existing management expertise and competencies and avoid any disruption in the management services provided to the Partnership by Grand Synergy. According to the Amended and Restated Non-Competition Deed, the Group is entitled to engage in the Asset Management Business for office premises in Beijing and Shanghai on an exclusive basis. As disclosed in the Valuation Report, there are certain gross floor area used as ancillary commercial and car park use. We have discussed with the Management and they are of the view that it is the industry norm for office development building in first-tier cities in China to use certain gross floor area for ancillary commercial and car park, so as to enhance facilities of office premises. We have also discussed with the Valuer and they concur with the Management’s view. Having considered the above, we are of the view that the acquisition of Grand Synergy for Asset Management Business is in compliance with the Amended and Restated Non-Competition Deed.

Based on the above, we concur with the Management that the Interest Transfer Agreement and the transaction contemplated therein is fair and reasonable, and is in the interests of the Company and the Shareholders as a whole.

6. Financial effects of the Interest Transfer

Upon Completion, the Company will hold a 20% interest in the Partnership. The Partnership will become an associate of the Company and its financial results will be equity accounted for in the Group’s consolidated financial statements. The carrying value of the investment in the Partnership will be tested for impairment if there is an indication of impairment. Except for the cash outlay for the acquiring the Partnership Interest, there will be no material impact on the financial conditions of the Company.

RECOMMENDATION

In view of the above principal factors and reasons, we are of the view that (i) the terms of the Interest Transfer Agreement and the transaction contemplated therein are on normal commercial terms and fair and reasonable as far as the Independent Shareholders are concerned; and (ii) the entering into the Interest Transfer Agreement and the transaction contemplated therein is in the ordinary and usual course of business of the Company and is in the interests of the Company and its Shareholders as a whole.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Accordingly, we recommend the Independent Shareholders, as well as the Independent Board Committee to advise the Independent Shareholders, to vote in favour of the resolutions to be proposed at the EGM for the approval of the Interest Transfer Agreement and the transaction contemplated therein.

Yours faithfully,
For and on behalf of
Altus Capital Limited
Jeanny Leung
Executive Director

*Ms. Jeanny Leung (“**Ms. Leung**”) is a Responsible Officer of Altus Capital Limited licensed to carry on Type 6 (advising on corporate finance) regulated activity under the SFO and permitted to undertake work as a sponsor. She is also a Responsible Officer of Altus Investments Limited licensed to carry on Type 1 (dealing in securities) regulated activity under the SFO. Ms. Leung has over 30 years of experience in corporate finance advisory and commercial field in Greater China, in particular, she has participated in sponsorship work for initial public offerings and acted as financial adviser or independent financial adviser in various corporate finance transactions.*

The following is the text of a letter, summary of valuations and valuation report prepared for the purpose of incorporation in this Circular received from Cushman & Wakefield Limited, an independent property valuer, in connection with its opinion of value of the property interests of the Group in Beijing and Shanghai as at 28 February 2019.



16th Floor
Jardine House
1 Connaught Place
Central
Hong Kong

17 May 2019

The Board of Directors
China Merchants Land Limited
China Merchants Tower, Shun Tak Centre
Nos. 168-200 Connaught Road
Central
Hong Kong

Dear Sirs,

RE: Properties held by the Target Group for investment in PRC (the "Properties")

INSTRUCTIONS, PURPOSE & VALUATION DATE

In accordance with the instructions from China Merchants Land Limited (the "**Company**") for us to value the properties held by Poly Field Holdings Limited (the "**Target Company**") and/or its subsidiaries (hereinafter together referred to as the "**Target Group**") in the People's Republic of China (the "**PRC**"), we confirm that we have carried out inspections, made relevant enquiries and obtained such further information as we consider necessary for the purpose of providing you with our opinion of the market values of such properties as at 28 February 2019 (the "**Valuation Date**").

BASIS OF VALUATION

Our valuation of each property represents its market value which in accordance with the HKIS Valuation Standards 2017 published by the Hong Kong Institute of Surveyors ("**HKIS**") is defined as "the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion".

VALUATION ASSUMPTIONS

Our valuation of each property excludes an estimated price inflated or deflated by special terms or circumstances such as atypical financing, sale and leaseback arrangements, special considerations or concessions granted by anyone associated with the sale, or any element of value available only to a specific owner or purchaser.

In the course of our valuation of the PRC properties, we have relied on the information and advice given by the Company's PRC legal adviser, JunHe Law Offices (君合律師事務所) regarding the titles to the properties and the interests of the Target Company in the properties in the PRC. Unless otherwise stated in the respective legal opinion, in valuing the properties, we have assumed that the Target Group has an enforceable title to each of the properties and has free and uninterrupted rights to use, occupy or assign the properties for the whole of the respective unexpired land use term as granted and that any premium payable has already been fully paid.

No allowance has been made in our valuations for any charges, mortgages or amounts owing on the properties nor for any expenses or taxation which may be incurred in effecting a sale. Unless otherwise stated, it is assumed that the properties are free from encumbrances, restrictions and outgoing of an onerous nature which could affect their values.

METHOD OF VALUATION

In valuing the Properties which are held for investment, we have adopted Investment Method by capitalising the rental income derived from the existing tenancies with due provision for the reversionary income potential of the Properties, which is a commonly acceptable and adopted method for rental income generating properties when rental comparables are abundant and readily available. We have mainly made reference to lettings within the properties as well as other relevant comparable rental evidences of properties of similar use type subject to appropriate adjustments including but not limited to location, accessibility, age, quality, size, time, configuration and other relevant factors. The capitalisation rates adopted in our valuations are based on our analyses of the yields of properties of similar use type after due adjustments. Such capitalisation rates are estimated by reference to the yields generally expected by the market for comparable properties of similar use type, which implicitly reflect the type and quality of the properties, the expectation of the potential future rental growth, capital appreciation and relevant risk factors. The capitalisation rates adopted are reasonable and in line with the market norm having regard to the analysed yields of transactions of the relevant use type. We have also cross-checked against comparable sales evidence as available in the relevant market.

SOURCE OF INFORMATION

We have relied to a very considerable extent on the information given by the Company and have accepted advice given to us on such matters as planning approvals, statutory notices, orders, easements, tenure, lettings, licences, particulars of occupancy, identification of land and buildings, site and floor plans, site areas, gross floor areas, number of parking spaces and all other relevant matters.

Dimensions, measurements and areas included in the valuation report are based on the copies of documents or other information provided to us by the Company and are therefore only approximations. No on-site measurement has been carried out. We have had no reason to doubt the truth and accuracy of the information provided to us by the Company which is material to the valuations. We were also advised by the Company that no material facts have been omitted from the information provided.

TITLE INVESTIGATION

We have relied to a considerable extent on the information given by the Company and the Company's PRC legal adviser, JunHe Law Offices (君合律師事務所), in respect of the title to the Properties in the PRC. We have been provided with copies of documents in relation to the title to the Properties. However, we have not searched the original documents of the Properties to verify ownership or to ascertain any amendments. All documents have been used for reference only and all dimensions, measurements and areas are approximate.

SITE INSPECTION

Our Ms. Nadia Li, Valuer of the Beijing Office and our Ms. Lisa Sun, Valuer of the Shanghai Office inspected the exterior and, wherever possible, the interior of the Properties respectively in December 2018. However, no structural survey has been made, but in the course of our inspection, we did not note any serious defects. We are not able to report whether the Properties are free of rot, infestation or any other structural defects. No test was carried out on any of the services.

Unless otherwise stated, we have not carried out on-site measurements to verify the site and floor areas of the Properties and we have assumed that the areas shown on the copies of the documents handed to us are correct.

CURRENCY

Unless otherwise stated, all monetary amounts stated in this valuation report are in Renminbi ("RMB"), the official currency of the PRC.

OTHER DISCLOSURE

We hereby confirm that Cushman & Wakefield Limited and the undersigned have no pecuniary or other interests that could conflict with the proper valuation of the Properties or could reasonably be regarded as being capable of affecting our ability to give an unbiased opinion.

We confirm that we are an independent qualified valuer, as referred to Rule 5.08 of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited. We enclose herewith a summary of valuations and our valuation report for your attention.

Yours faithfully,
For and on behalf of
Cushman & Wakefield Limited

Grace S.M. Lam
MRICS, MHKIS, RPS (GP)
Director
Valuation & Advisory Services

Note: Ms. Grace Lam is a Member of the Royal Institution of Chartered Surveyors, a Member of the Hong Kong Institute of Surveyors and Registered Professional Surveyor (General Practice). Ms. Lam has over 25 years of experience in the professional property valuation and advisory services in the Greater China region and various overseas countries. Ms. Lam has sufficient current national knowledge of the market, and the skills and understanding to undertake the valuations competently.

SUMMARY OF VALUATIONS

Property	Market value in existing state as at 28 February 2019 (RMB)	Interest attributable to the Target Company (%)	Market value in existing state as at 28 February 2019 attributable to the Target Company (RMB)
Properties held by the Target Group for investment in the PRC			
1. Portions of Beijing Merchants Tower (北京招商局大廈), Nos. 108, Jia 108, Yi 108, 110, 112, 116, 118, Jia 118 and Yi 118 Jianguo Road, Chaoyang District, Beijing, the PRC	2,434,000,000	18.2%	442,988,000
2. Portions of Shanghai Merchants Tower (上海招商局大廈), No. 161 Lujiazuidong Road, Pudong District, Shanghai, the PRC	1,015,000,000	20.0%	203,000,000
3. Portions of Shanghai Merchants Plaza (上海招商局廣場), No. 333 Chengdubei Road, Jingan District, Shanghai, the PRC	2,131,000,000	20.0%	426,200,000
Grand total:	<u>5,580,000,000</u>		<u>1,072,188,000</u>

VALUATION REPORT

Properties held by the Target Group for investment in the PRC

Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 28 February 2019												
1. Portions of Beijing Merchants Tower (北京招商局大厦), Nos. 108, Jia 108, Yi 108, 110, 112, 116, 118, Jia 118 and Yi 118 Jianguo Road, Chaoyang District, Beijing, the PRC	Completed in 1997, Beijing Merchants Tower is an office development erected on a parcel of land with a total site area of 42,566.00 sq.m. According to the information provided by the Company, the property comprises portions of Beijing Merchants Tower for ancillary commercial, office and carpark uses. The property has gross floor areas as follows:	As at the Valuation Date, portions of the property were leased to various tenants at an annual rent of approximately RMB109,200,000 with the latest expiry on 30 April 2029. Portions of the property with a total gross floor area of 1,224.18 sq.m. were vacant or under negotiation of new leases. The remaining portions were owner occupied.	RMB2,434,000,000 (RENMINBI TWO BILLION FOUR HUNDRED AND THIRTY FOUR MILLION) (18.2% interest attributable to the Target Company: RMB442,988,000)												
	<table border="1"> <thead> <tr> <th>Use</th> <th>Approximate gross floor area (sq.m.)</th> </tr> </thead> <tbody> <tr> <td>Ancillary</td> <td></td> </tr> <tr> <td>Commercial</td> <td>14,465.45</td> </tr> <tr> <td>Office</td> <td>22,411.60</td> </tr> <tr> <td>Car park and Mezzanine Floor</td> <td>11,493.21</td> </tr> <tr> <td>Total</td> <td>48,370.26</td> </tr> </tbody> </table>	Use	Approximate gross floor area (sq.m.)	Ancillary		Commercial	14,465.45	Office	22,411.60	Car park and Mezzanine Floor	11,493.21	Total	48,370.26		
Use	Approximate gross floor area (sq.m.)														
Ancillary															
Commercial	14,465.45														
Office	22,411.60														
Car park and Mezzanine Floor	11,493.21														
Total	48,370.26														
	The property comprises 528 car parking spaces in basement.														
	The property is located at Jianguo Road, Chaoyang District, Beijing, which is a central business district. The immediate locality is developed mainly with office and commercial buildings. Accessibility to the property is reasonably good. Public transport facilities such as buses and taxis are available along Jianguo road and East 3rd Ring Zhong Road and the Beijing Metro – GuoMao Station is within easy reach of the property.														
	The land use rights of the property have been granted for a term of 50 years for office use, 70 years for apartment use and 40 years for commercial use.														

Notes:

- (1) According to a State-owned Land Use Rights Grant Contract issued by the Beijing Real Estate Administration Bureau (北京市房地產管理局), the land use rights of the property have been contracted to be granted to Onward Science & Trade Center Co., Ltd (航華科貿中心有限公司 (currently known as 招商局航華科貿中心有限公司)) with details as follows:

Contract No.	Issue Date	Use	Land Use Term Expiry Date	Site Area (sq.m.)
京房地出讓[合]字(94) 第042號((94)042)	15 August 1994	Office, apartment, commercial	Office: 50 years; Apartment: 70 years; Commercial: 40 years	42,566.00

As advised by the Company, 航華科貿中心有限公司 changed its name to 招商局航華科貿中心有限公司 on 24 January 1998.

- (2) According to the Real Estate Ownership Certificates listed below, the building ownership of the property has been vested in Onward Science & Trade Center Co., Ltd (招商局航華科貿中心有限公司) with details as follows:

Certificate No.	Issue Date	Use	Gross Floor Area (sq.m.)
0110616	26 August 2016	Commercial, office, multi-functional use	24,434.12
0123183	22 September 2016	Carpark	11,493.21
0123244	22 September 2016	Commercial	2,671.94
0123245	22 September 2016	/	554.79
0123246	22 September 2016	Commercial, office	6,143.20
0123247	22 September 2016	Commercial	3,073.00
Total:			48,370.26

- (3) According to Business License No. 103996162 dated 23 November 2017, Onward Science & Trade Center Co., Ltd (招商局航華科貿中心有限公司) was established as a limited company with a registered capital of USD66,000,000 for a valid operating period until 26 June 2044.
- (4) We have been provided with a legal opinion on the title of the property issued by the Company's PRC legal adviser which contains, inter-alia, the following information:
- (a) The State-owned Land Use Rights Certificate of the property has not been provided by Onward Science & Trade Center Co., Ltd and
- (b) Onward Science & Trade Center Co., Ltd has obtained Real Estate Ownership Certificate of the property; and
- (c) The property is subject to two mortgages.
- (5) Based on the legal opinion provided by the Company's PRC legal adviser, we have, in the course of our valuation, assumed a full good title of the subject property.
- (6) The status of title and grant of major approvals and licenses in accordance with the information provided by the Company are as follows:

State-owned Land Use Rights Grant Contract	Yes
State-owned Land Use Rights Certificate	No
Real Estate Ownership Certificate	Yes
Business License	Yes

VALUATION REPORT

Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 28 February 2019										
2. Portions of Shanghai Merchants Tower (上海招商局大厦), No. 161 Lujiazuidong Road, Pudong District, Shanghai, the PRC	<p>Completed in 1995, Shanghai Merchants Tower is an office development erected on a parcel of land with a total site area of 7,301.00 sq.m..</p> <p>According to the information provided by the Company, the property comprises portions of Shanghai Merchants Tower for ancillary commercial, office and carpark uses.</p> <p>The property has gross floor areas as follows:</p> <table border="1"> <thead> <tr> <th>Use</th> <th>Approximate gross floor area (sq.m.)</th> </tr> </thead> <tbody> <tr> <td>Ancillary Commercial</td> <td>935.38</td> </tr> <tr> <td>Office</td> <td>16,307.98</td> </tr> <tr> <td>Car park</td> <td>9,748.97</td> </tr> <tr> <td>Total</td> <td>26,992.33</td> </tr> </tbody> </table> <p>The property comprises 261 car parking spaces in basement.</p> <p>The property is located at Lujiazui Road, Pudong District, Shanghai, which is a central business district. The immediate locality is developed mainly with office and commercial buildings. Accessibility to the property is reasonably good. Public transport facilities such as buses and taxis are available along Lujiazui Dong Road and Pudong Nan Road and the Shanghai Metro – Lujiazui Station is within easy reach of the property.</p> <p>The land use rights of the property have been granted for a term of 50 years for multi-functional use.</p>	Use	Approximate gross floor area (sq.m.)	Ancillary Commercial	935.38	Office	16,307.98	Car park	9,748.97	Total	26,992.33	<p>As at the Valuation Date, portions of the property were leased to various tenants at an annual rent of approximately RMB34,000,000 with the latest expiry on 17 October 2028.</p> <p>Portions of the property with a total gross floor area of 4,389.29 sq.m. were vacant or under negotiation of new leases. The remaining portions were owner occupied.</p>	<p>RMB1,015,000,000</p> <p>(RENMINBI ONE BILLION AND FIFTEEN MILLION)</p> <p>(20.0% interest attributable to the Target Company: RMB203,000,000)</p>
Use	Approximate gross floor area (sq.m.)												
Ancillary Commercial	935.38												
Office	16,307.98												
Car park	9,748.97												
Total	26,992.33												

Notes:

- (1) According to a Shanghai Certificate of Real Estate Ownership issued by the Shanghai Municipal Housing Security and Administration Bureau (上海市住房保障和房屋管理局), the land use rights and the building ownership of the property have been vested in China Merchants Building (Shanghai) Co., Ltd. (上海招商局大厦有限公司) with details as follows:-

Certificate No.	Issue Date	Use	Land Use Term Expiry Date	Site Area (sq.m.)	Use	Gross Floor Area (sq.m.)
滬房地浦字(2015) 第103378號 (103378)	25 December 2015	Multi-functional	12 October 2042	7,301.00	Office, Commercial, Other Uses	27,153.09

As advised by the Company, the property comprises portions of the space as stated in the aforesaid certificate.

- (2) According to Business License No. 41000002201711230008 dated 23 November 2017, China Merchants Building (Shanghai) Co., Ltd. (上海招商局大厦有限公司) was established as a limited company with a registered capital of USD24,000,000 for a valid operating period until 12 October 2042.
- (3) We have been provided with a legal opinion on the title of the property issued by the Company's PRC legal adviser which contains, inter-alia, the following information:
- (a) China Merchants Building (Shanghai) Co., Ltd. has obtained the Real Estate Ownership Certificate of the property; and
- (b) The property is subject to two mortgages.
- (4) The status of title and grant of major approvals and licenses in accordance with the information provided by the Group are as follows:

Real Estate Ownership Certificate	Yes
Business License	Yes

VALUATION REPORT

Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 28 February 2019										
3. Portions of Shanghai Merchants Plaza (上海招商局廣場), No. 333 Chengdubei Road, Jingan District, Shanghai, the PRC	<p>Completed in 1998, Shanghai Merchants Plaza is an office development erected on a parcel of land with a total site area of 9,642.00 sq.m..</p> <p>According to the information provided by the Company, the property comprises portions of Shanghai Merchants Plaza for ancillary commercial, office and carpark use.</p> <p>The property has gross floor areas as follows:</p> <table border="1"> <thead> <tr> <th>Use</th> <th>Approximate gross floor area (sq.m.)</th> </tr> </thead> <tbody> <tr> <td>Ancillary Commercial</td> <td>16,275.35</td> </tr> <tr> <td>Office</td> <td>33,163.55</td> </tr> <tr> <td>Car park</td> <td>10,000.04</td> </tr> <tr> <td>Total</td> <td><u>59,438.94</u></td> </tr> </tbody> </table>	Use	Approximate gross floor area (sq.m.)	Ancillary Commercial	16,275.35	Office	33,163.55	Car park	10,000.04	Total	<u>59,438.94</u>	<p>As at the Valuation Date, portions of the property were leased to various tenants at an annual rent of approximately RMB74,000,000 with the latest expiry on 14 July 2031.</p> <p>Portions of the property with a total gross floor area of 17,046.42 sq.m. were vacant or under negotiation of new leases. The remaining portions were owner occupied.</p>	<p>RMB2,131,000,000</p> <p>(RENMINBI TWO BILLION ONE HUNDRED AND THIRTY ONE MILLION)</p> <p>(20.0% interest attributable to the Target Company: RMB426,200,000)</p>
Use	Approximate gross floor area (sq.m.)												
Ancillary Commercial	16,275.35												
Office	33,163.55												
Car park	10,000.04												
Total	<u>59,438.94</u>												
	<p>The property comprises 179 car parking spaces in basement.</p> <p>The property is located at Chengdubei Road, Jingan District, Shanghai, which is a central business district. The immediate locality is developed mainly with office and commercial buildings. Accessibility to the property is reasonably good. Public transport facilities such as buses and taxis are available along Chengdubei Road and Weihai Road and the Shanghai Metro – Nanjingxilu Station is within easy reach of the property.</p> <p>The land use rights of the property have been granted for a term of 50 years for multi-functional use.</p>												

Notes:

- (1) According to a Real Estate Ownership Certificate issued by the Shanghai Housing & Land Administration Bureau (上海市房屋土地管理局), the land use rights and the building ownership of the property have been vested in China Merchants (Shanghai) Plaza Property Co., Ltd. (上海招商局廣場置業有限公司) with details as follows:

Certificate No.	Issue Date	Use	Land Use Term Expiry Date	Site Area (sq.m.)	Use	Gross Floor Area (sq.m.)
滬房地市字裡行(1998) 第005107號 (005107)	18 November 1998	Multi-functional	23 August 2044	9,642.00	Office, Commercial, Other Uses	70,430.06

As advised by the Company, the property comprises portions of the space as stated in the aforesaid certificate.

- (2) According to Business License No. 00000002201711230002 dated 23 November 2017, China Merchants (Shanghai) Plaza Property Co., Ltd. (上海招商局廣場置業有限公司) was established as a limited company with a registered capital of USD28,000,000 for a valid operating period until 18 October 2044.
- (3) We have been provided with a legal opinion on the title of the property issued by the Company's PRC legal adviser which contains, inter-alia, the following information:
- (a) China Merchants (Shanghai) Plaza Property Co., Ltd. has obtained the Real Estate Ownership Certificate of the property;
- (b) The property is subject to two mortgages.
- (4) The status of title and grant of major approvals and licenses in accordance with the information provided by the Group are as follows:

Real Estate Ownership Certificate	Yes
Business License	Yes

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 were directly held by Skill China Limited (“Skill China”), which is owned as to 90% by Dr. SO Shu Fai, an executive Director of the Company, and 10% by Mr. SO Man Cho, the son of Dr. SO Shu Fai. By virtue of Part XV of the SFO, Dr. SO Shu Fai is deemed to be interested in the shares 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 (Note)	Approximately
			percentage (%) in the associated corporation
XU Yongjun	Beneficial owner	704,000	0.00%
HUANG Junlong	Beneficial owner	372,000	0.00%
LIU Ning	Beneficial owner	372,000	0.00%
YU Zhiliang	Beneficial owner	200,000	0.00%

Note: These are the underlying Shares involved in the share options granted by CMSK (an intermediate controlling shareholder indirectly holding 3,646,889,329 Shares, representing approximately 74.35% of the issued share capital of the Company) to Mr. XU Yongjun, Mr. HUANG Junlong, Ms. LIU Ning and Mr. YU Zhiliang.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors or chief executive of the Company had any interest and 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, 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 general manager 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, both of which are wholly-owned subsidiaries of CMSK.

4. DIRECTORS' INTERESTS IN CONTRACTS AND ASSETS

There is no contract or arrangement subsisting at the date of publication of this circular in which a Director is materially interested and which is 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 2018 (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 the Company which was not determinable by the Company within one year without payment of compensation, other than statutory compensation.

7. EXPERTS AND CONSENTS

The following sets out the qualifications of the experts who have been named in this circular:

Name	Qualifications
Altus	a corporation licensed by the Securities and Futures Commission of Hong Kong to carry out type 4 (advising on securities), type 6 (advising on corporate finance) and type 9 (asset management) regulated activities under the SFO
Cushman & Wakefield	independent property valuer

Each of the above experts has given and has not withdrawn its written consent to the issue of this circular with the inclusion herein of its letter or report (as the case may be) and references to its name, in the form and context in which they respectively appear.

As at the Latest Practicable Date, each of the above experts did not have any shareholding, directly or indirectly, in any member of the Group or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for shares in any member of the Group.

As at the Latest Practicable Date, none of the above experts 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 2018 (being the date to which the latest published audited accounts of the Company were made up).

Both the letter from Altus dated 17 May 2019 set out on pages 18 to 29 in this circular and the valuation report from Cushman & Wakefield dated 17 May 2019 set out in Appendix I to this circular, were given for incorporation in this circular.

8. NO MATERIAL ADVERSE CHANGE

As at the Latest Practicable Date, the Directors confirm that there had been no material adverse change in the financial or trading position of the Company since 31 December 2018, the date to which the latest published audited consolidated financial statements of the Group have been made up.

9. 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, from the date of this circular up to and including 31 May 2019:

- a. the Interest Transfer Agreement;
- b. the letter from the Board dated 17 May 2019, the text of which is set out on pages 5 to 15 of this circular;
- c. the letter from the Independent Board Committee dated 17 May 2019, the text of which is set out on pages 16 to 17 of this circular;
- d. the letter from the Independent Financial Adviser dated 17 May 2019, the text of which is set out on pages 18 to 29 of this circular;
- e. the valuation report of Cushman & Wakefield dated 17 May 2019, the text of which is set out in Appendix I to this circular;
- f. the letter of consent from the Independent Financial Adviser dated 17 May 2019 referred to in the above paragraph headed "7. Experts and consents" in this appendix;
- g. the letter of consent from Cushman & Wakefield dated 17 May 2019 referred to in the above paragraph headed "7. Experts and consents" in this appendix; and
- h. a copy of this circular.

* *Unofficial English translation denotes for identification purposes only*

NOTICE OF EXTRAORDINARY GENERAL MEETING



NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT an extraordinary general meeting (“EGM”) of China Merchants Land Limited (the “Company”) will be held at CM+ Hotels and Serviced Apartments, 3/F, South Tower, 16 Connaught Road West, Hong Kong on Thursday, 6 June 2019 at 11:00 a.m. for the following purposes:

ORDINARY RESOLUTIONS

To consider and, if thought fit, to pass with or without modification the following ordinary resolutions:

1. **“THAT:**
 - (a) the interest transfer agreement entered into between Converge Holdings Limited, China Merchants and SPF Investment Fund Management Co., Ltd (acting for itself and in its capacity as the general partner of Super Alliance Real Estate Partners L.P.), and Poly Field Holdings Limited, and the transactions contemplated thereby be and are hereby approved, confirmed and ratified; and
 - (b) any director(s) of the Company be and is/are hereby authorised, for and on behalf of the Company, to enter into any agreement, deed or instrument and/or to execute and deliver all such documents and/or do all such acts on behalf of the Company as he/she may consider necessary, desirable or expedient for the purpose of, or in connection with (i) the implementations and completion of the interest transfer agreement and the transactions contemplated therein; and/or (ii) any amendment, variation or modification of the interest transfer agreement and the transactions contemplated therein upon such terms and conditions as the board of directors of the Company may think fit.”

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

Hong Kong, 17 May 2019

NOTICE OF EXTRAORDINARY GENERAL MEETING

Principal place of business:

Room 2603-2606, 26/F
China Merchants Tower
Shun Tak Centre
Nos. 168-200 Connaught Road Central
Hong Kong

Registered office:

P.O. Box 309, Uglan House
Grand Cayman
KY1-1104
Cayman Islands

As at the date of this notice, 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.

Notes:

1. Any member of the Company entitled to attend and vote at the above meeting is entitled to appoint a proxy to attend and vote in his/her stead. A member of the Company which is a corporation is entitled to appoint its authorised representative or proxy to vote on its behalf. A proxy need not be a member of the Company. A member who is the holder of two or more shares of the Company may appoint more than one proxy to represent him to attend and vote on his behalf. If more than one proxy is so appointed, the appointment shall specify the number and class of shares in respect of which each such proxy is so appointed.
2. The instrument appointing a proxy or proxies must be under the hand of the appointer or his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed under its common seal or under the hand of its attorney or a duly authorised officer.
3. To be effective, a form of proxy together with the power of attorney or other authority, if any, under which it is signed or a certified copy of that power or authority, must be deposited at the Company's branch share registrar in Hong Kong, Tricor Tengis Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong not less than 48 hours before the time appointed for the holding of the meeting or any adjournment thereof. Delivery of the form of proxy shall not preclude a member of the Company from attending and voting in person at the meeting and, in such event, the instrument appointing a proxy shall be deemed to be revoked.
4. Where there are joint registered holders of any shares, any one of such joint holders may vote, either in person or by proxy in respect of such shares as if he/she was solely entitled thereto, but if more than one of such joint holders are present at the meeting, whether in person or by proxy, the joint registered holder present whose name stands first on the register of members of the Company in respect of the shares shall be accepted to the exclusion of the votes of the other registered holders.
5. In order to determine members who are entitled to attend the EGM to be held on Thursday, 6 June 2019, the register of members of the Company will be closed from 3 June 2019 to 6 June 2019, both days inclusive, during which period no transfer of shares can be registered. All transfers accompanied by the relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong, Tricor Tengis Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong, not later than 4:30 p.m. on 31 May 2019.
6. All the resolutions at the meeting will be taken by poll pursuant to the Listing Rules and the results of the poll will be published on the websites of Hong Kong Exchanges and Clearing Limited and the Company in accordance with the Listing Rules.