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CHINA MERCHANTS LAND LIMITED

招商局置地有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 978)

**SUPPLEMENTAL ANNOUNCEMENT
IN RELATION TO
CAR PARKING SPACES UNDERWRITING FRAMEWORK AGREEMENT**

Reference is made to the announcement of the Company dated 6 May 2022 (the “**Announcement**”) in relation to a continuing connected transaction relating to the Car Parking Spaces Underwriting Framework Agreement. Terms used herein shall have the same meanings as defined in the Announcement unless otherwise stated.

The Board wishes to provide the Shareholders and potential investors of the Company with additional information in relation to the Car Parking Spaces Underwriting Framework Agreement.

PRICING POLICY

Pursuant to the Car Parking Spaces Underwriting Framework Agreement, upon expiry of the Effective Period, the Company shall receive the total Underwriting Price of all the Car Parking Spaces (whether they have been sold by SZ CML Real Estate Consulting or remain unsold) from SZ CML Real Estate Consulting.

The Underwriting Price shall be determined through arm's length negotiations by the Parties and based on normal commercial terms with reference to the relevant cost after comprehensive consideration of the location, use, nature of the Car Parking Spaces and the existing demand of car parking spaces. The relevant cost refers to any avoidable costs relevant to the Company's decision to engage SZ CML Real Estate Consulting to manage the sale of the Car Parking Spaces instead of directly selling the Car Parking Spaces to end customers, and such costs would be the selling and marketing expenses related to the Car Parking Spaces, including but not limited to the salaries and wages of the salespersons and related administrative staff, commissions of the salespersons, advertising expenses and other promotional expenses (the "**Relevant Costs**").

Before determining the Underwriting Price under any individual agreement, the Company will refer to the historical underwriting price of car parking spaces offered to Independent Third Parties (to the extent available). The Company will collect information of the prevailing market price of car parking spaces and the Relevant Costs with reference to the location, use and nature of the relevant Car Parking Spaces; and the prevailing underwriting price of car parking spaces (to the extent available). The Company will also consider the demand and supply of car parking spaces in the relevant cities in the PRC at the relevant time. In addition, the Company is required to consider and comply with applicable local government policies.

With reference to the above information, the management of the Company will review and assess the specific terms of the individual agreements and determine the Underwriting Price and ensure that (a) the individual agreements would be in accordance with the terms of the Car Parking Spaces Underwriting Framework Agreement and the pricing policies of the Company; and (b) the overall terms of the individual agreements are no less favourable to the Company than those offered by the Company to Independent Third Parties in comparable transactions of the same period.

INTERNAL CONTROL MEASURES

The Company has also established the following internal control measures to ensure that the pricing mechanism and the terms of the transactions contemplated under the Car Parking Spaces Underwriting Framework Agreement are fair and reasonable and no less favourable to the Company than those offered to the Independent Third Parties:

- (a) The management of the Company will discuss and consider the terms and conditions and the pricing mechanism of each transaction contemplated under the Car Parking Spaces Underwriting Framework Agreement before entering into such transactions to ensure that they are on normal commercial terms;

- (b) The finance department of the Company is responsible for reviewing the relevant transactions on a quarterly basis to ensure compliance with the pricing policies of the Company and that the relevant transactions are conducted in accordance with the Car Parking Spaces Underwriting Framework Agreement and the annual cap is not exceeded. If the actual transaction amount reaches approximately 85% of the annual cap at any time of the year, the finance department of the Company will report to the senior management of the Company, and the Board will consider taking appropriate measures to revise the annual cap and comply with the relevant announcement and/or shareholders' approval requirements in accordance with the Listing Rules; and
- (c) The auditors of the Company and the independent non-executive Directors will conduct annual review on the transactions entered into under the Car Parking Spaces Underwriting Framework Agreement in accordance with the Listing Rules.

As the Company has adopted sufficient procedures and policies to determine the Underwriting Price and internal control procedures to supervise the continuing connected transactions of the Company, the Directors consider that the pricing policies and internal control procedures adopted by the Company as set out above are able to ensure the transactions contemplated under the Car Parking Spaces Underwriting Framework Agreement will be conducted on normal commercial terms and not prejudicial to the interests of the Company and its minority shareholders.

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

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

Hong Kong, 24 May 2022

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