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

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**招商局置地有限公司**

*(incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 978)**

**MAJOR TRANSACTION: DISPOSAL OF EQUITY  
INTEREST IN, AND SHAREHOLDER'S LOAN TO,  
A SUBSIDIARY AND**

**DISCLOSEABLE TRANSACTION: CONDITIONAL ACQUISITION**

#### **COOPERATION AGREEMENT**

Reference is made to the announcements of the Company dated 31 July 2014 and 22 August 2014 regarding, among other things, the deemed disposals contemplated under (i) the Nanjing G14 Land Cooperation Agreement and the Guangzhou Panyu Land Cooperation Agreement and (ii) the Nanjing G09 Land Cooperation Agreement and the Capital Increase Agreement.

#### **A. Disposal of equity interest in and shareholder's loan to Cyber Light**

The Board is pleased to announce that on 30 September 2014, Runray Holdings, a wholly-owned subsidiary of the Company, entered into the Nanjing G16 Land Cooperation Agreement with Fujin Investment, a company indirectly wholly-owned by Ping An Real Estate, pursuant to which, among other things, (i) Runray Holdings had conditionally agreed to sell and Fujin Investment had conditionally agreed to purchase 49% equity interest of Cyber Light; and (ii) upon completion of Nanjing G16 Disposal, Fujin Investment shall provide a shareholder loan to Cyber Light in proportion to its 49% shareholding in Cyber Light which shall be fully applied to repay part of the shareholder's loan already provided by Runray Holdings. Cyber Light is interested in 100% equity interest in Nanjing Qisheng, a project company established specifically for the construction and development of the real estate project on the Nanjing G16 Land.

As at the date of this announcement, Cyber Light is wholly-owned by Runray Holdings. Upon completion of the Nanjing G16 Disposal, the equity interest of Runray Holdings in Cyber Light will decrease to 51% but will remain a subsidiary of the Company and there will be a net cash inflow amounted to approximately RMB116 million to the Group. After completion of the Nanjing G16 Disposal, both parties shall provide further funding to Cyber Light by way of shareholders' loans in proportion to their respective shareholding in Cyber Light for the purpose of settling the remaining balance of the G16 Land Acquisition Consideration and as working capital for the construction and development of the Nanjing G16 Land Project.

#### **B. Conditional acquisition**

Conditional on and upon the sold gross floor area of the properties developed for sale in the Nanjing G16 Land Project has in aggregate reached 95% of the total saleable gross floor area in the Nanjing G16 Land Project (excluding the gross floor area of the investment commercial properties to be held for investment (as stipulated in the land acquisition agreement of the Nanjing G16 Land) and after completion of the project, the preparation of the final accounts and distribution of profits, and subject to compliance with the requirements under the Listing Rules by the Company (if applicable), Fujin Investment shall sell and Runray Holdings shall purchase all the shares of Cyber Light held by Fujin Investment at a consideration to be determined based on the results of valuation on the equity interest of Cyber Light to be conducted by an independent professional valuer except that the value of the investment commercial properties will be determined according to the calculation agreed by the parties in the Nanjing G16 Land Cooperation Agreement.

#### **LISTING RULES IMPLICATIONS**

The Nanjing G16 Disposal itself does not constitute a notifiable transaction under Chapter 14 of the Listing Rules. However, since Fujin Investment is indirectly wholly-owned by Ping An Real Estate, and the investors under the Nanjing G14 Land Cooperation Agreement, Guangzhou Panyu Land Cooperation Agreement, Nanjing G09 Land Cooperation Agreement and the Capital Increase Agreement are also indirectly controlled by Ping An Real Estate, accordingly, the transactions contemplated under Nanjing G16 Land Cooperation Agreement, Nanjing G14 Land Cooperation Agreement, Guangzhou Panyu Land Cooperation Agreement and Nanjing G09 Land Cooperation Agreement and the Capital Increase Agreement are considered on an aggregate basis as required under Rule 14.22 and Rule 14.23 of the Listing Rules. Since the relevant applicable percentage ratios (as defined under the Listing Rules) exceed 25% but are less than 75%, the deemed disposals under the Previous Announcements and the Nanjing G16 Disposal constitute a major transaction of the Company and accordingly, the Nanjing G16 Disposal is subject to the reporting, announcement and shareholders' approval requirements under the Listing Rules.

As no Shareholder has a material interest in the Nanjing G16 Disposal, none of the Shareholders is required to abstain from voting if the Company were to convene a general meeting for the approval of the Nanjing G16 Disposal.

As at the date of this announcement, Success Well directly owns an aggregate of 3,646,889,329 Shares, representing approximately 74.35% of the issued share capital of the Company. Pursuant to Rule 14.44 of the Listing Rules, Success Well had given a written shareholder's approval for the Nanjing G16 Land Cooperation Agreement and the Nanjing G16 Disposal. Accordingly, such written approval will be accepted in writing in lieu of a general meeting to approve the Nanjing G16 Land Cooperation Agreement and the Nanjing G16 Disposal. Therefore, no general meeting will be held to approve the same. It is expected that the Company will despatch a circular containing further details of the Nanjing G16 Disposal and further information as required under the Listing Rules for the Shareholders' information on or before 24 October 2014.

Based on the available information as at the date of this announcement, the Conditional Repurchase constitutes a discloseable transaction under Chapter 14 of the Listing Rules.

## **INTRODUCTION**

Reference is made to the announcements of the Company dated 31 July 2014 and 22 August 2014 (“**Previous Announcements**”) regarding, among other things, the deemed disposals contemplated under (i) the Nanjing G14 Land Cooperation Agreement, (ii) the Guangzhou Panyu Land Cooperation Agreement and (iii) the Nanjing G09 Land Cooperation Agreement and the Capital Increase Agreement.

Capitalised terms used in this announcement shall have the same meanings as they were defined in the Previous Announcements unless otherwise specified herein.

The Board is pleased to announce that on 30 September 2014, Runray Holdings, a wholly-owned subsidiary of the Company, entered into the Nanjing G16 Land Cooperation Agreement with Fujin Investment pursuant to which, among other things, (i) Runray Holdings had conditionally agreed to sell and Fujin Investment had conditionally agreed to purchase the Sale Shares, representing 49% equity interest in Cyber Light; and (ii) upon completion of Nanjing G16 Disposal, Fujin Investment shall provide a shareholder loan to Cyber Light in proportion to the 49% shareholding of Fujin Investment in Cyber Light which shall be fully applied to repay part of the shareholder's loan already provided by Runray Holdings. Details of the Nanjing G16 Land Cooperation Agreement are summarized below.

### **Date**

30 September 2014

### **Parties**

- (a) Runray Holdings, a company established in the BVI with limited liability and an indirect wholly-owned subsidiary of the Company. The principal business of Runray Holdings is investment holding; and
- (b) Fujin Investment, a company established in the BVI with limited liability. To the best of the Directors' knowledge after due enquiry, (i) Fujin Investment is indirectly wholly-owned by Ping An Real Estate; (ii) its principal business is investment holding; and (iii) as at the date of this announcement, Guangzhou Panyu Deemed Disposal has been

completed. As a result, Shenzhen Lianxin has become a substantial shareholder of Guangzhou Yi Yun in which Shenzhen Lianxin holds 49% equity interest. Shenzhen Lianxin is wholly-owned by Shenzhen Luhong and indirectly controlled by Ping An Real Estate. Save for the aforesaid, Fujin Investment, Ping An Real Estate and their ultimate beneficial owners do not have any other relationship with the Company and its connected persons.

### **Basic information of Nanjing G16 Land Project and the project company**

As announced by the Company on 6 May 2014, Cyber Light had successfully obtained the land transfer confirmation for the land situated at the west of Jing 5th Road in phrase 2, Maigaoqiao Street, Qixia District, Nanjing City (南京市棲霞區邁皋橋街道經五路二期西側) for a total consideration of RMB1,189 million (“**G16 Land Acquisition Consideration**”) on 18 April 2014. The land has a total site area of 57,945 sq.m. and its permitted plot ratio is between 4.22. The land is designated for a mix of residential and commercial usage. The term for residential usage is 70 years and for commercial usage is 40 years.

According to the tender documents of the Nanjing G16 Land, the G16 Land Acquisition Consideration shall be paid in the following manner:

- (a) 50% of the total G16 Land Acquisition Consideration, i.e., approximately RMB594.5 million, shall be paid not later than 22 October 2014;
- (b) 30% of the G16 Land Acquisition Consideration, i.e., approximately RMB356.7 million, shall be paid not later than 21 January 2015; and
- (c) the remaining 20% of the G16 Land Acquisition Consideration, i.e., approximately RMB237.8 million, shall be paid not later than 17 April 2015.

An aggregate of US\$38.68 million (equivalent to approximately RMB237.8 million) had been paid by Cyber Light to the land resources authority of Nanjing City as deposit which would be applied to settle 20% of the G16 Land Acquisition Consideration. The same amount had been provided by Runray Holdings to Cyber Light as a shareholder’s loan.

Cyber Light is a company incorporated in Hong Kong on 22 January 2014 and principally engaged in investment holding. As at the date of this announcement, Cyber Light has a share capital of HK\$100 and 100 ordinary shares in issue. Nanjing Qisheng is a project company established in the PRC specifically for the construction and development of the real estate project on the Nanjing G16 Land (“**Nanjing G16 Land Project**”). Nanjing Qisheng is indirect wholly-owned by Runray Holdings.

According to the unaudited consolidated management accounts of Cyber Light for the period since its incorporation date up to 31 August 2014, its unaudited profit before and after taxation and extraordinary items was approximately RMB18,000 and its unaudited consolidated total assets value and the net asset value of Cyber Light as at 31 August 2014 were RMB238 million and -RMB18,000 respectively.

## **Transfer of 49% equity interest in Cyber Light**

Fujin Investment has conditionally agreed to purchase and Runray Holdings has conditionally agreed to sell the Sale Shares, being 49 ordinary shares in the share capital of Cyber Light, representing 49% of the share capital of Cyber Light, at the aggregate consideration of HK\$49 which shall be paid by Fujin Investment to Runray Holdings upon completion by cash. The consideration for the disposal of the Sale Shares was determined based on the proportionate value of the Sale Shares out of the total share capital of Cyber Light.

## **Shareholder's loan to Cyber Light**

Upon completion of the transfer of the Sale Shares, Fujin Investment shall provide a shareholder's loan of US\$18.95 million (equivalent to approximately RMB116.52 million) ("**Fujin Investment G16 Shareholder's Loan**") to Cyber Light which shall be fully applied to repay part of the shareholder's loan provided by Runray Holdings to Cyber Light. As a result, the shareholder's loan provided by Runray Holdings to Cyber Light will be reduced from approximately RMB237.8 million to approximately RMB121.28 million.

After completion of the Nanjing G16 Disposal, both parties shall provide further funding to Cyber Light by way of shareholders' loans in proportion to their respective shareholding in Cyber Light for the purpose of settling the remaining balance of the G16 Land Acquisition Consideration and as working capital for the construction and development of the Nanjing G16 Land Project.

## **Nanjing G16 Financing Reimbursement Cost**

When Fujin Investment pays the Fujin Investment G16 Shareholder's Loan, it shall also make a reimbursement of financing costs ("**Nanjing G16 Financing Reimbursement Cost**") to Runray Holdings which shall be calculated as follows:

### **"Nanjing G16 Financing Reimbursement Cost"**

= Fujin Investment G16 Shareholder's Loan x 5% x D/360

### **"D"**

= number of days commencing from and inclusive of the day of payment of the 20% deposit for acquisition of the Nanjing G16 Land by Runray Holdings up to but exclusive of the day of repayment of the amount equivalent to Fujin Investment G16 Shareholder's Loan to Runray Holdings

## **Conditions precedent to Nanjing G16 Land Cooperation Agreement**

Within 15 business days after the entering into of the Nanjing G16 Land Cooperation Agreement, Runray Holdings shall engage an independent professional valuer to carry out a valuation of the assets of Cyber Light. It shall be a condition precedent to the obligations of the parties under the Nanjing G16 Land Cooperation Agreement that (i) Runray Holdings has completed its internal approval and filing procedures with China Merchants Group Limited and (ii) both parties agree to accept the valuation results in writing.

## **Conditional Repurchase of equity interest held by Fujin Investment in Cyber Light**

Conditional on and upon the sold gross floor area of the properties developed for sale in the Nanjing G16 Land Project has in aggregate reached 95% of the total saleable gross floor area in the Nanjing G16 Land Project (excluding the gross floor area of the investment commercial properties to be held for investment (as stipulated in the land acquisition agreement of the Nanjing G16 Land)), based on the then aggregate contracted for sale gross floor area of the project as recorded on the 南京市網上房地產網 (Nanjing City Real Property Registration Website\*), either party shall have the right to require the preparation of the final accounts regarding the Nanjing G16 Land Project and distribution of profits by Nanjing Qisheng to its shareholders. After completion of the project, the preparation of the final accounts and distribution of profits, both parties shall engage an independent professional valuer to conduct valuation on the equity interest held by the shareholders of Cyber Light except that the value of the investment commercial properties will be determined according to the calculation agreed by the parties in the Nanjing G16 Land Cooperation Agreement. Within 60 days after both parties agree to accept the valuation results, subject to compliance with the requirements under the Listing Rules by the Company (if applicable), Fujin Investment shall sell and Runray Holdings shall purchase all the shares of Cyber Light held by Fujin Investment at a consideration to be determined based on the results of the valuation (“**Conditional Repurchase**”).

## **REASONS FOR AND BENEFITS OF THE NANJING G16 DEEMED DISPOSAL**

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

As a result of the Nanjing G16 Disposal, the total investment of the Group already contributed to the Nanjing G16 Land Project as at the date of this announcement will be reduced by an aggregate amount of approximately RMB116.52 million. In addition, the total remaining capital commitment of the Group in the acquisition of the Nanjing G16 Land will also be reduced by 49% of the remaining balance of the Nanjing G16 Land Acquisition Consideration, i.e., approximately RMB466.09 million. The decrease in investment and capital commitment as a result of the Nanjing G16 Disposal and the cash inflow to be generated by the Nanjing G16 Land Project to the Group are expected to increase the financial flexibility of the Group, which would enhance the Group’s capability in seizing future development and investment opportunities. In addition, the joint investment in Cyber Light with Fujin Investment as contemplated under the Nanjing G16 Land Cooperation Agreement is in line with and forms part of the strategic cooperation with Ping An Real Estate as mentioned in the Previous Announcements.

The terms of the Nanjing G16 Land Cooperation Agreement have been arrived at after arm’s length negotiations between the parties. The amount of contribution to be made by Fujin Investment under the Nanjing G16 Land Cooperation Agreement were agreed between both parties with reference to the parties’ respective proportion of equity interest to be held by them in Cyber Light after completion of the equity transfer under the Nanjing G16 Disposal.

The Directors are of the view that the terms of the Nanjing G16 Land Cooperation Agreement and the Nanjing G16 Disposal contemplated thereunder are fair and reasonable and in the interest of the Company and Shareholders as a whole.

## **THE FINANCIAL IMPACT OF THE NANJING G16 DISPOSAL ON THE COMPANY**

As at the date of this announcement, Cyber Light is wholly-owned by Runray Holdings. Upon completion of the Nanjing G16 Disposal, the equity interest of Runray Holdings in Cyber Light will decrease to 51%. Each of Cyber Light and Nanjing Qisheng will remain a subsidiary of the Company. Accordingly, no expected gain or loss will be accrued to the Company as a result of the Nanjing G16 Disposal.

Upon completion of this transaction, there will be a net cash inflow amounted to approximately RMB116 million to the Group. Besides, both parties shall provide further funding to Cyber Light by way of shareholders' loans in proportion to their respective shareholding in Cyber Light for the purpose of settling the remaining balance of the G16 Land Acquisition Consideration and as working capital for the construction and development of the Nanjing G16 Land Project.

## **LISTING RULES IMPLICATIONS**

The Nanjing G16 Disposal itself does not constitute a notifiable transaction under Chapter 14 of the Listing Rules. However, since Fujin Investment is indirectly wholly-owned by Ping An Real Estate, the investors under the Nanjing G14 Land Cooperation Agreement, Guangzhou Panyu Land Cooperation Agreement, Nanjing G09 Land Cooperation Agreement and the Capital Increase Agreement are also indirectly controlled by Ping An Real Estate, accordingly, the transactions contemplated under Nanjing G16 Land Cooperation Agreement, Nanjing G14 Land Cooperation Agreement, Guangzhou Panyu Land Cooperation Agreement and Nanjing G09 Land Cooperation Agreement and the Capital Increase Agreement are considered on an aggregate basis as required under Rule 14.22 and Rule 14.23 of the Listing Rules. Since the relevant applicable percentage ratios (defined under the Listing Rules) exceed 25% but are less than 75%, the deemed disposals under the Previous Announcements and the Nanjing G16 Disposal constitute a major transaction of the Company and accordingly, the Nanjing G16 Disposal is subject to the reporting, announcement and shareholders' approval requirements under the Listing Rules.

As at the date of this announcement, Guangzhou Panyu Deemed Disposal has been completed while the Nanjing G14 Deemed Disposal and the Nanjing G09 Deemed Disposal have not been completed yet. As a result of the completion of the Guangzhou Panyu Deemed Disposal, Shenzhen Lianxin has become a substantial shareholder of Guangzhou Yi Yun in which Shenzhen Lianxin holds 49% equity interest. Shenzhen Lianxin is wholly-owned by Shenzhen Luhong and indirectly controlled by Ping An Real Estate. Since Nanjing Xingsheng, Guangzhou Yi Yun and Nanjing Ningsheng, no matter considered individually or on an aggregate basis, constitute insignificant subsidiaries of the Company as defined under Chapter 14A of the Listing Rules, Shenzhen Luhong, Shenzhen Lianxin and Ping An Real Estate have not and will not become connected persons of the Company as a result of the Guangzhou Panyu Deemed Disposal, the Nanjing G14 Deemed Disposal and the Nanjing G09 Deemed Disposal. Therefore, the entering into of the Nanjing G16 Land Cooperation Agreement by the Group and the Nanjing G16 Disposal contemplated thereunder do not constitute a connected transaction under Chapter 14A of the Listing Rules.

As no Shareholder has a material interest in the Nanjing G16 Disposal, none of the Shareholders is required to abstain from voting if the Company were to convene a general meeting for the approval of the Nanjing G16 Disposal.

As at the date of this announcement, Success Well directly owns an aggregate of 3,646,889,329 Shares, representing approximately 74.35% of the issued share capital of the Company. Pursuant to Rule 14.44 of the Listing Rules, Success Well had given a written shareholder's approval for the Nanjing G16 Land Cooperation Agreement and the Nanjing G16 Disposal. Accordingly, such written approval will be accepted in writing in lieu of a general meeting to approve the Nanjing G16 Land Cooperation Agreement and the Nanjing G16 Disposal. Therefore, no general meeting will be held to approve the same. It is expected that the Company will despatch a circular containing further details of the Nanjing G16 Disposal and further information as required under the Listing Rules for the Shareholders' information on or before 24 October 2014.

Based on the available information as at the date of this announcement, the Conditional Repurchase constitutes a discloseable transaction under Chapter 14 of the Listing Rules. In the event that the actual consideration for the Conditional Repurchase results in it falling within a higher classification of notifiable transaction under Chapter 14 of the Listing Rules, the Company will comply with the additional requirements under the Listing Rules as and when appropriate.

## DEFINITIONS

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

“BVI”	British Virgin Islands
“Cyber Light”	Cyber Light Investments Limited (光鴻投資有限公司), a company incorporated in Hong Kong with limited liability and wholly-owned by Runray Holdings as at the date of this announcement
“Fujin Investment”	Fujin Investment Management Limited (富錦投資管理有限公司), a company incorporated in the BVI with limited liability
“Nanjing G16 Disposal”	the transactions contemplated under the Nanjing G16 Land Cooperation Agreement, which include the disposal of 49% equity interest in Cyber Light to Fujin Investment, provision of the Fujin Investment G16 Shareholder's Loan for repayment of part of the shareholder's loan previously provided by Runray Holdings to Cyber Light and the payment of Nanjing G16 Financing Reimbursement Cost
“Nanjing G16 Land”	a piece of land situated at the west of Jing 5th Road in phase 2, Maigaoqiao Street, Qixia District, Nanjing City (南京市棲霞區邁皋橋街道經五路二期西側) with a total site area of 57,945 sq.m.
“Nanjing G16 Land Cooperation Agreement”	a cooperation agreement dated 30 September 2014 entered into between Runray Holdings and Fujin Investment in respect of, among other things, the Nanjing G16 Disposal



“Nanjing Qisheng”	南京招商啟盛房地產有限公司 (Nanjing Merchants Qisheng Property Development Limited*), a company established in the PRC for engaging in the construction and development of the Nanjing G16 Land Project
“RMB”	Renminbi, the lawful currency of the PRC
“Runray Holdings”	Runray Holdings Limited (威榮控股有限公司), a company incorporated in the BVI with limited liability and an indirect wholly-owned subsidiary of the Company
“Sale Shares”	an aggregate of 49 ordinary shares, which represents 49% of the share capital of Cyber Light
“Shareholders”	holders of the Shares
“Shares”	ordinary shares of HK\$0.01 each in the share capital of the Company
“Success Well”	Success Well Investments Limited, a company incorporated in the BVI, a controlling Shareholder of the Company which directly owns an aggregate of 3,646,889,329 Shares, representing approximately 74.35% of the issued share capital of the Company as at the date of this announcement
“Total saleable gross floor area”	including the area of basement but excluding the investment commercial properties developed in the Nanjing G16 Land Project
“US\$”	The United States dollars, the lawful currency of the United States of America

For the purpose of this announcement, unless the context otherwise requires, conversion of US dollars into RMB is based on the approximate exchange rate of US\$1 to RMB6.1479. Such exchange rate is for the purpose of illustration only and does not constitute a representation that any amounts in US\$ or RMB have been, could have been or may be converted at such or any other rate or at all.

By order of the Board of Directors of  
**China Merchants Land Limited**  
**Mr. He Jianya**  
*Chairman*

Hong Kong, 30 September 2014

*As at the date of this announcement, the Board comprises Dr. So Shu Fai, Mr. Xian Yaoqiang, Mr. Liu Zhuogen and Mr. Yu Zhiliang as Executive Directors; Mr. He Jianya, Ms. Wu Zhenqin and Ms. Liu Ning as Non-executive Directors and Dr. Wong Wing Kuen, Albert, Ms. Chen Yanping, Dr. Shi Xinping and Mr. He Qi as Independent Non-executive Directors.*

\* *Unofficial English translation denotes for identification purposes only*