

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, 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 announcement.



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 in the Cayman Islands with limited liability)

(Stock Code: 978)

**MAJOR TRANSACTION:
FORMATION OF A JOINT VENTURE COMPANY**

FORMATION OF A JOINT VENTURE COMPANY

Reference is made to the announcement of the Company dated 8 April 2016 regarding, among other things, the acquisition of the Nanjing 2016G01 Land by Merchants Nanjing for a total consideration of RMB4,820 million.

The Board is pleased to announce that on 30 June 2016, Merchants Nanjing entered into the Nanjing 2016G01 Land Cooperation Agreement with Nanjing Renyuan and Poly Jiangsu pursuant to which, among other things, a JV Company will be set up in the PRC specifically to engage in the development of the Nanjing 2016G01 Land. Under the Nanjing 2016G01 Land Cooperation Agreement, the parties agreed, among other things, that:

- (a) upon the establishment of the JV Company, Merchants Nanjing will apply to the relevant governmental authorities of Nanjing for the JV Company to take up the land use rights of the Nanjing 2016G01 Land, upon which the JV Company will be responsible to pay the Nanjing 2016G01 Land Consideration, which will be financed by the JV Shareholders according to their percentage of shareholding in the JV Company;
- (b) after the land use rights of the Nanjing 2016G01 Land changes to the JV Company and the Valuation is agreed by the JV Shareholders, the JV Company shall then have a registered capital of RMB1,500 million and held as to 36% by Merchants Nanjing, 33% by Nanjing Renyuan and 31% by Poly Jiangsu;

(c) as at 25 March 2016, 50% of the Nanjing 2016G01 Land Consideration, equal to RMB2,410 million, has been paid by Merchants Nanjing to the relevant government department of Nanjing City. Part of this payment will gradually become its loan and/or capital contributions to the JV Company and the remaining part will be refunded by the JV Shareholders to Merchants Nanjing. The remainder of the Nanjing 2016G01 Land Consideration, equal to RMB2,410 million will be payable by the JV Company before 27 September 2016.

LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios calculated by reference to Rule 14.07 of the Listing Rules in respect of the contributions by Merchants Nanjing under the Nanjing 2016G01 Land Cooperation Agreement exceed 25% but are less than 100%, the entering into of the Nanjing 2016G01 Land Cooperation Agreement and the transactions contemplated thereunder constitute a major transaction of the Company under Chapter 14 of the Listing Rules and is subject to the reporting, announcement and shareholders' approval requirements.

WRITTEN APPROVAL

Pursuant to Rule 14.44 of the Listing Rules, shareholders' approval may be obtained by written Shareholders' approval without the need of convening a general meeting. So far as the Company is aware, none of the Shareholders is materially interested in the Nanjing 2016G01 Land Cooperation Agreement and the transactions contemplated thereunder. As such, no Shareholder is required to abstain from voting if a general meeting is to be convened to approve the Nanjing 2016G01 Land Cooperation Agreement. As at the date of this announcement, Success Well is interested in 3,646,889,329 Shares (representing approximately 74.35% of the total issued Shares). As the Company has obtained the Written Approval from Success Well, no extraordinary general meeting of the Company will be convened for the purpose of approving the Nanjing 2016G01 Land Cooperation Agreement pursuant to Rule 14.44 of the Listing Rules.

A circular containing, among other things, further details of the Nanjing 2016G01 Land Cooperation Agreement and the transactions contemplated thereunder will be despatched to the Shareholders in accordance with the Listing Rules for information purposes only on or before 22 July 2016.

Reference is made to the announcement of the Company dated 8 April 2016 regarding, among other things, the acquisition of the Nanjing 2016G01 Land by Merchants Nanjing for a total consideration of RMB4,820 million.

On 30 June 2016, Merchants Nanjing entered into the Nanjing 2016G01 Land Cooperation Agreement with Nanjing Renyuan and Poly Jiangsu pursuant to which, among other things, a JV Company will be set up in the PRC specifically to engage in the development of the Nanjing 2016G01 Land.

FORMATION OF A JOINT VENTURE COMPANY

The JV Company is a limited liability company to be established in the PRC, which will ultimately be owned as to 36% by Merchants Nanjing, 33% by Nanjing Renyuan and 31% by Poly Jiangsu. The principal activities of the JV Company shall be development of the Nanjing 2016G01 Land for residential and commercial usage.

Date

30 June 2016

Parties

- (a) Merchants Nanjing, an indirect non-wholly owned subsidiary of the Company;
- (b) Nanjing Renyuan, a company established in the PRC with limited liability. The principal business of Nanjing Renyuan is management of investment. To the best of the Directors' knowledge after due enquiry, Nanjing Renyuan is wholly-owned by Yanlord Investment (Nanjing) Co., Ltd. and their ultimate beneficial owners are all Independent Third Parties; and
- (c) Poly Jiangsu, a company established in the PRC with limited liability. The principal business of Poly Jiangsu is property development. To the best of the Directors' knowledge after due enquiry, Poly Jiangsu is wholly-owned by Poly Real Estate Group Co., Ltd. which shares are listed on the Shanghai Stock Exchange (stock code: 600048) and their ultimate beneficial owners are all Independent Third Parties.

Shareholding structure and capital contribution

Under the Nanjing 2016G01 Land Cooperation Agreement, the parties agreed, among other things, that:

- (a) upon the establishment of the JV Company, Merchants Nanjing will apply to the relevant governmental authorities of Nanjing for the JV Company to take up the land use rights of the Nanjing 2016G01 Land, upon which the JV Company will be responsible to pay the Nanjing 2016G01 Land Consideration, which will be financed by the JV Shareholders according to their percentage of shareholding in the JV Company;
- (b) the capital and loan contributions from the JV Shareholders to the JV Company shall be paid in stages:
 - (1) within five PRC Working Days after the date of establishment of the JV Company, each of Merchants Nanjing, Nanjing Renyuan and Poly Jiangsu will pay up their respective capital contributions to the JV Company in cash equal to the aggregate amount of RMB1,000 million in the proportion of 51%, 33% and 16% respectively;

- (2) within five PRC Working Days after the date when the land use rights of the Nanjing 2016G01 Land changes to the JV Company, each of Merchants Nanjing, Nanjing Renyuan and Poly Jiangsu will bear 50% (“**First Instalment**”) of the Nanjing 2016G01 Land Consideration in the proportion of 51%, 33% and 16% respectively;
 - (3) within fifteen PRC Working Days after the JV Company takes up the land use rights of the Nanjing 2016G01 Land, the JV Company shall engage an independent valuer to appraise the value of the Nanjing 2016G01 Land (“**Valuation**”), and the JV Shareholders shall approve the Valuation. If the Valuation is not approved by all JV Shareholders, the JV Shareholders shall negotiate in good faith to resolve the issue;
 - (4) within five PRC Working Days after the Valuation is approved by all JV Shareholders, Merchants Nanjing, Nanjing Renyuan and Poly Jiangsu shall pay up their respective capital contributions to the JV Company in cash or by set off against the advances on behalf of the JV Company such that the JV Company shall have a registered capital of RMB1,500 million and held as to 36% by Merchants Nanjing, 33% by Nanjing Renyuan and 31% by Poly Jiangsu; and
 - (5) within five PRC Working Days after the relevant governmental authorities approve the registered capital of the JV Company to be RMB1,500 million, each of Merchants Nanjing, Nanjing Renyuan and Poly Jiangsu will bear the First Instalment of the Nanjing 2016G01 Land Consideration in the proportion of 36%, 33% and 31% respectively;
- (c) as at 25 March 2016, 50% of the Nanjing 2016G01 Land Consideration, equal to RMB2,410 million, has been paid by Merchants Nanjing to the relevant government department of Nanjing City. Part of this payment will gradually become its loan and/or capital contributions to the JV Company and the remaining part will be refunded by the JV Shareholders to Merchants Nanjing. The remainder of the Nanjing 2016G01 Land Consideration, equal to RMB2,410 million will be payable before 27 September 2016 by the JV Shareholders according to their proportion of equity interests in the JV Company.

The timing and amount of capital and loan contributions for each of the JV Shareholders to the JV Company were determined after arm’s length negotiation between the parties to the Nanjing 2016G01 Land Cooperation Agreement with reference to the initial capital requirement of the JV Company and the Nanjing 2016G01 Land Consideration. Merchants Nanjing’s capital and loan contributions of RMB2,275.2 million to the JV Company will be funded by the internal resources of the Group.

Basic information of the Nanjing 2016G01 Land

As announced by the Company on 8 April 2016, Merchants Nanjing had on 18 March 2016 successfully bided the Nanjing 2016G01 Land, that is a piece of land situated from Jiangjiayuan in the east to South Rehe Road in the west, from Chaha'er Road in the south to Nanjing No. 52 Middle School in the north, Gulou District, Nanjing City, Jiangsu Province (江蘇省南京市鼓樓區，東至姜家園，南至察哈爾路，西至熱河南路，北至南京市第五十二中學) for a total consideration of RMB4,820 million. The land has a total site area of 62,728.1 sq. m., its permitted plot ratio is 2.57 and is designated for commercial and residential usage with a term of 70 years and 40 years for residential land usage and commercial land usage, respectively.

Management of the JV Company

The board of directors of the JV Company will consist of 5 directors. Merchants Nanjing shall nominate 3 directors, Nanjing Renyuan shall nominate 1 director and Poly Jiangsu shall nominate 1 director. The chairman of the board of directors of the JV Company shall be a director nominated by Merchants Nanjing.

According to the Nanjing 2016G01 Land Cooperation Agreement, in the shareholders' meetings of the JV Company, Merchants Nanjing, Nanjing Renyuan and Poly Jiangsu have voting rights of 51%, 25% and 24%, respectively.

REASONS FOR AND BENEFITS OF THE FORMATION OF THE JV COMPANY

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.

Each of the parties would benefit from the cooperation in order to exert their strengths, grasp market opportunities and enhance their investment portfolio in the property market in the PRC, which would improve the capital efficiency and effectiveness and reduce the investment risks and thus a greater return could be created for the Shareholders.

The terms of the Nanjing 2016G01 Land Cooperation Agreement have been arrived at after arm's length negotiations between the parties. The Directors (including the independent non-executive Directors) have confirmed that the terms of the Nanjing 2016G01 Land Cooperation Agreement and the transactions contemplated thereunder are fair and reasonable, on normal commercial terms or better and in the interests of the Company and its Shareholders as a whole.

FINANCIAL IMPACT

Upon establishment of the JV Company, Merchants Nanjing will control the majority of the board of directors and the voting rights in the shareholders' meetings of the JV Company and therefore the JV Company will become a subsidiary of Merchants Nanjing. As a result, the financial results, assets and liabilities of the JV Company will be consolidated into the accounts of the Group.

LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios calculated by reference to Rule 14.07 of the Listing Rules in respect of the contributions by Merchants Nanjing under the Nanjing 2016G01 Land Cooperation Agreement exceed 25% but less than 100%, the entering into of the Nanjing 2016G01 Land Cooperation Agreement and the transactions contemplated thereunder constitute a major transaction of the Company under Chapter 14 of the Listing Rules and is subject to the reporting, announcement and shareholders' approval requirements.

WRITTEN APPROVAL

Pursuant to Rule 14.44 of the Listing Rules, shareholders' approval may be obtained by written Shareholders' approval without the need of convening a general meeting. So far as the Company is aware, none of the Shareholders is materially interested in the Nanjing 2016G01 Land Cooperation Agreement and the transactions contemplated thereunder. As such, no Shareholder is required to abstain from voting if a general meeting is to be convened to approve the Nanjing 2016G01 Land Cooperation Agreement. As at the date of this announcement, Success Well is interested in 3,646,889,329 Shares (representing approximately 74.35% of the total issued Shares). As the Company has obtained the Written Approval from Success Well, no extraordinary general meeting of the Company will be convened for the purpose of approving the Nanjing 2016G01 Land Cooperation Agreement pursuant to Rule 14.44 of the Listing Rules.

A circular containing, among other things, further details of the Nanjing 2016G01 Land Cooperation Agreement and the transactions contemplated thereunder will be despatched to the Shareholders in accordance with the Listing Rules for information purposes only on or before 22 July 2016.

DEFINITIONS

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

“Company”	China Merchants Land Limited, an exempted 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: 0978)
“Director(s)”	director(s) of the Company
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Third Parties”	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

“JV Company”	a joint venture company to be set up by Merchants Nanjing, Nanjing Renyuan and Poly Jiangsu in the PRC pursuant to the Nanjing 2016G01 Land Cooperation Agreement
“JV Shareholder(s)”	Merchants Nanjing, Nanjing Renyuan and Poly Jiangsu
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange as amended, supplemented or otherwise modified from time to time
“Merchants Nanjing”	招商局地產(南京)有限公司 (Merchants Nanjing Real Estate Co., Ltd.*), a company established in the PRC with limited liability and an indirect non-wholly owned subsidiary of the Company
“Nanjing 2016G01 Land”	a piece of land known as Nanjing 2016G01 situated from Jiangjiayuan in the east to South Rehe Road in the west, from Chaha’er Road in the south to Nanjing No. 52 Middle School in the north, Gulou District, Nanjing City, Jiangsu Province (江蘇省南京市鼓樓區，東至姜家園，南至察哈爾路，西至熱河南路，北至南京市第五十二中學) with a total site area of 62,728.1 sq. m.
“Nanjing 2016G01 Land Consideration”	RMB4,820 million, being the aggregate consideration payable for the transfer of land use rights for the Nanjing 2016G01 Land
“Nanjing 2016G01 Land Cooperation Agreement”	A cooperation agreement dated 30 June 2016 entered into between Merchants Nanjing, Nanjing Renyuan and Poly Jiangsu
“Nanjing Renyuan”	南京仁遠投資有限公司 (Nanjing Renyuan Investment Co., Ltd*), a company established in the PRC and a party to the Nanjing 2016G01 Land Cooperation Agreement
“Poly Jiangsu”	保利江蘇房地產發展有限公司 (Poly Jiangsu Real Estate Development Co., Ltd.*), a company established in the PRC and a party to the Nanjing 2016G01 Land Cooperation Agreement
“PRC”	the People’s Republic of China which, shall exclude Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“PRC Working Day(s)”	a day when banks in the PRC are generally open for normal business in the PRC
“RMB”	Renminbi, the lawful currency of the PRC

“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Success Well”	Success Well Investments Limited, a limited liability company incorporated in the British Virgin Islands and 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
“Written Approval”	the written approval of the Nanjing 2016G01 Land Cooperation Agreement and the transactions contemplated thereunder by Success Well dated 30 June 2016
“%”	per cent

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

Hong Kong, 30 June 2016

As at the date of this announcement, the Board comprises Mr. Xu Yongjun, Mr. Huang Junlong, Mr. Yan Chengda 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.

* *Unofficial English translation denotes for identification purposes only*