

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 AND CONNECTED TRANSACTION:
FORMATION OF JV COMPANY**

The Group is pleased to announce that on 15 February 2017 Nanjing Merchants had successfully bid the Nanjing 2016G98 Land, which is a piece of land situated in the west of Zhongshan South Road, Outside Zhonghua Gate, Qinhuai District of Nanjing City, the PRC (中國南京市秦淮區中華門外中山南路以西), at a consideration of RMB9,810,000,000.

In view of the location and the designated use of the Nanjing 2016G98 Land, the Directors consider that the acquisition of the Nanjing 2016G98 Land is in line with the business development strategy and plan of the Group. The Directors further consider that the acquisition is a transaction of revenue nature and is carried out in the ordinary and usual course of business and are on normal commercial terms which are fair and reasonable and in the interests of the shareholders of the Company as a whole.

FORMATION OF JV COMPANY

The Directors are pleased to announce that on 6 March 2017, Nanjing Merchants entered into the Cooperation Framework Agreement with Chongqing Hanzhi and Jurong Jinhui pursuant to which, among other things, a JV Company shall be established in the PRC specifically to engage in the development of the Nanjing 2016G98 Land which has been successfully bid by Nanjing Merchants on 15 February 2017. Upon completion of the incorporation proceeding, the interests of Nanjing Merchants, Chongqing Hanzhi and Jurong Jinhui in the capital of the JV Company shall adjust to the proportion of 34%, 33%, 33% respectively by way of capital contribution of the JV Company. Pursuant to the Cooperation Framework Agreement, before 14 March, 2017, each of the parties in the Cooperation Framework Agreement shall make the initial contribution to the JV Company, pursuant to which Nanjing Merchants will grant an interest-free shareholder's loan to the JV Company in the amount of RMB1,900,000,000 (the "Shareholders' Loan"). The terms and conditions of the Shareholder's Loan have been determined after arm's length negotiation between the parties to the Cooperation Framework Agreement with reference to the capital requirement of the JV Company. The Directors consider that the provision of such Shareholder's Loan (also being financial assistance by the Company to the JV Company which is also the associated company of the Company) is fair and reasonable and in the interest of the shareholders and the Company as a whole.

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 Nanjing Merchants including the Shareholder's Loan under the Cooperation Framework Agreement exceed 25% but are less than 100%, the entering into of the Cooperation Framework Agreement and the transactions contemplated thereunder including the Shareholder's Loan 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.

Century Lord Limited (世霸有限公司) is a substantial shareholder of Pride Oasis Limited, an indirect non wholly-owned subsidiary of the Company established in the British Virgin Islands. Century Lord Limited (世霸有限公司) is a company indirectly controlled by Hongkong Land Holdings which indirectly controls Chongqing Hanzhi. Accordingly, Chongqing Hanzhi is a connected person of the Company at subsidiary level. Therefore, the formation of the JV Company as contemplated under the Cooperation Framework Agreement including the Shareholder's Loan constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules.

The Directors (including the independent non-executive Directors) have approved the Cooperation Framework Agreement and the transactions contemplated thereunder and the Directors (including the independent non-executive Directors) have confirmed that the terms of the Cooperation Framework Agreement and the transactions contemplated thereunder are fair and reasonable, on normal commercial terms and in the interests of the Company and its shareholders as a whole. By reason of the aforesaid, pursuant to rule 14A.101 of the Listing Rules, the Cooperation Framework Agreement and the transactions contemplated thereunder will only be subject to the reporting and announcement requirements, but exempt from the circular, independent financial advice and shareholders' approval requirements under Chapter 14A of the Listing Rules.

None of the Directors has any material interest in the Cooperation Framework Agreement and the transactions contemplated thereunder, and none of the Directors was required to abstain from voting on the board resolution approving the Cooperation Framework Agreement and the transactions contemplated thereunder.

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 Cooperation Framework 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 Cooperation Framework Agreement. As at the date of this announcement, Success Well holds 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 Cooperation Framework Agreement pursuant to Rule 14.44 of the Listing Rules.

A circular containing, among other things, further details of the Cooperation Framework Agreement and the transactions contemplated thereunder will be despatched to the Shareholders in accordance with the Listing Rules for information purposes in due course.

On 6 March 2017, Nanjing Merchants entered into the Cooperation Framework Agreement with Chongqing Hanzhi and Jurong Jinhui 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 2016G98 Land.

FORMATION OF A JOINT VENTURE COMPANY

The JV Company is a limited liability company to be established in the PRC, which shall ultimately be owned as to 34% by Nanjing Merchants, 33% by Chongqing Hanzhi and 33% by Jurong Jinhui. The purpose of the JV Company is to develop the Nanjing 2016G98 Land.

Date 6 March 2017

Parties

- (i) Nanjing Merchants, an indirect non-wholly owned subsidiary of the Company and is principally engaged in property development;
- (ii) Chongqing Hanzhi, a company indirectly controlled by Hongkong Land Holdings, and is a connected person of the Company at the subsidiary level; and
- (iii) Jurong Jinhui, a company established in the PRC with limited liability.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, Jurong Jinhui and their ultimate beneficial owners are all Independent Third Parties.

Shareholding structure and capital contribution

Under the Cooperation Framework Agreement, the parties agreed, among other things, that:

- (a) upon the establishment of the JV Company, Nanjing Merchants shall apply to the relevant governmental authorities of the Nanjing City, the PRC for the JV Company to take up all the rights, benefits and obligations of the land use rights of the Nanjing 2016G98 Land in place of Nanjing Merchants;
- (b) the initial registered capital of the JV Company is RMB20 million which shall be contributed by Nanjing Merchants, Chongqing Hanzhi and Jurong Jinhui in the proportion of 51%, 33% and 16% respectively before 20 March 2017;
- (c) upon completion of the incorporation proceeding, the interests of Nanjing Merchants, Chongqing Hanzhi and Jurong Jinhui in the capital of the JV Company shall adjust to the proportion of 34%, 33%, 33% respectively by way of capital contribution, which is targeted to complete by 30 September 2017;
- (d) the bidding deposit for the Nanjing 2016G98 Land amounting RMB2.35 billion have been paid by Nanjing Merchants before the incorporation of the JV Company. The initial payment of land costs together with other relevant expenses contributed by Nanjing Merchants shall be payable by Chongqing Hanzhi and Jurong Jinhui to Nanjing Merchants in the proportion of the Final Shareholdings and a 10% interest is chargeable;

- (e) the aggregate amount required to be paid for the Nanjing 2016G98 Land is approximately RMB10.31 billion, being the sum of Nanjing 2016G98 Land Consideration of RMB9,810,000,000 and the performance deposit of RMB500 million which shall be funded by each of the parties in the Cooperation Framework Agreement according to their shareholding proportion in the JV Company;
- (f) 50% of Nanjing 2016G98 Land Consideration should be paid to the relevant PRC authority by 15 March 2017. The JV Company shall finance the remaining payment of Nanjing 2016G98 Land Consideration, together with tax and other expenses from the working capital of the Company;
- (g) the Nanjing 2016G98 Land Consideration shall be funded by Nanjing Merchants, Chongqing Hanzhi and Jurong Jinhui with their internal resources; and
- (h) the difference between the investment amount and the registered capital of the JV Company and other sums required for the working capital of the JV Company may be financed through bank borrowings and/or shareholders' loan and/or further capital contribution (in the proportion of the Final Shareholdings) and/or other financing options.

Pursuant to the Cooperation Framework Agreement, before 14 March, 2017, each of the parties in the Cooperation Framework Agreement shall make the initial contribution to the JV Company, pursuant to which Nanjing Merchants will grant an interest-free shareholder's loan to the JV Company in the amount of RMB1,900,000,000 (the "Shareholders' Loan"). The terms and conditions of the Shareholder's Loan have been determined after arm's length negotiation between the parties to the Cooperation Framework Agreement with reference to the capital requirement of the JV Company. The Directors consider that the provision of such Shareholder's Loan (also being financial assistance by the Company to the JV Company which is also the associated company of the Company) is fair and reasonable and in the interest of the shareholders and the Company as a whole.

Basic information of the Nanjing 2016G98 Land

Name of the Land:	West of Zhongshan South Road, Outside Zhonghua Gate, Qinhuai District of Nanjing City, the PRC
Location of the Land:	from South Zhongshan Road in the east to Fengtai Road in the west, from Yingtian Avenue in the south to Qinhuai River in the north (東至中山南路, 南至應天大街, 西至鳳台路, 北至秦淮河)
Total site area:	199,329.26 sq.m.
Nature of the land use rights:	Mixed land use for commercial, residential and office, and category II residential land
Permitted plot ratio:	Less than or equal to 1.09

Terms of use: 70 years for urban residential usage, and 40 years for commercial service usage

Consideration: RMB9,810,000,000

In view of the location and the designated use of the Nanjing 2016G98 Land, the Directors consider that the acquisition of the Nanjing 2016G98 Land is in line with the business development strategy and plan of the Group. The Directors further consider that the acquisition is a transaction of revenue nature and is carried out in the ordinary and usual course of business and are on normal commercial terms which are fair and reasonable and in the interests of the shareholders of the Company as a whole.

Management of the JV Company

The board of directors of the JV Company shall consist of 6 directors. Each of Nanjing Merchants, Chongqing Hanzhi and Jurong Jinhui shall nominate 2 directors. The chairman of the board of directors of the JV Company (i.e. the legal representative) shall be a director nominated by Nanjing Merchants.

The management committee shall be responsible for the daily operation of the JV Company and report to the board of directors. The management committee shall comprise of 6 members. Each of Nanjing Merchants, Chongqing Hanzhi and Jurong Jinhui shall nominate 2 members.

The supervisory board shall comprise of 3 supervisors. Each of Chongqing Hanzhi and Jurong Jinhui shall nominate 1 supervisor and Nanjing Merchants shall nominate 1 employee representative as supervisor. The chairman of the supervisory board of the JV Company shall be the supervisor nominated by Jurong Jinhui.

REASONS FOR AND BENEFITS OF THE ACQUISITION AND THE FORMATION OF 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 Cooperation Framework 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 Cooperation Framework 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

Nanjing Merchants has no control over the majority of the board of directors or the voting rights in the shareholders' meetings of the JV Company and therefore the JV Company shall not become a subsidiary of Nanjing Merchants. As a result, the financial results, assets and liabilities of the JV Company shall not be consolidated into the accounts of the Group since the incorporation of the JV Company.

PARTICULARS OF THE PARTIES

Chongqing Hanzhi, a company established in the PRC with limited liability, is principally engaged in the wholesales and retail of construction materials, corporate management services, corporate planning services and property design services.

Jurong Jinhui, a company established in the PRC with limited liability, is principally engaged in property development and sales of property.

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 Nanjing Merchants under the Cooperation Framework Agreement exceed 25% but are less than 100%, the entering into of the Cooperation Framework 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.

Century Lord Limited (世霸有限公司) is a substantial shareholder of Pride Oasis Limited, an indirect non wholly-owned subsidiary of the Company established in the British Virgin Islands. Century Lord Limited (世霸有限公司) is a company indirectly controlled by Hongkong Land Holdings which indirectly controls Chongqing Hanzhi. Accordingly, Chongqing Hanzhi is a connected person of the Company at subsidiary level. Therefore, the formation of the JV Company as contemplated under the Cooperation Framework Agreement including the Shareholder's Loan constitute a connected transaction of the Company under Chapter 14A of the Listing Rules.

The Directors (including the independent non-executive Directors) have approved the Cooperation Framework Agreement and the transactions contemplated thereunder including the Shareholder's Loan and the Directors (including the independent non-executive Directors) have confirmed that the terms of the Cooperation Framework Agreement and the transactions contemplated thereunder are fair and reasonable, on normal commercial terms and in the interests of the Company and its shareholders as a whole. By reason of the aforesaid, pursuant to rule 14A.101 of the Listing Rules, the Cooperation Framework Agreement and the transactions contemplated thereunder will only be subject to the reporting and announcement requirements, but exempt from the circular, independent financial advice and shareholders' approval requirements under Chapter 14A of the Listing Rules.

None of the Directors has any material interest in the Cooperation Framework Agreement and the transactions contemplated thereunder, and none of the Directors was required to abstain from voting on the board resolution approving the Cooperation Framework Agreement and the transactions contemplated thereunder.

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 Cooperation Framework 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 Cooperation Framework Agreement. As at the date of this announcement, Success Well holds 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 Cooperation Framework Agreement pursuant to Rule 14.44 of the Listing Rules.

A circular containing, among other things, further details of the Cooperation Framework Agreement and the transactions contemplated thereunder will be despatched to the Shareholders in accordance with the Listing Rules for information purposes only in due course.

DEFINITIONS

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

“Chongqing Hanzhi”	重慶瀚置實業發展有限公司 (Chongqing Hanzhi Industrial Development Company Limited*) a company established in the PRC with limited liability. The principal businesses of Chongqing Hanzhi are wholesales and retail of construction materials, corporate management services, corporate planning services and property design services
“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)
“Cooperation Framework Agreement”	A cooperation framework agreement dated 6 March 2017 entered into between Nanjing Merchants, Chongqing Hanzhi and Jurong Jinhui
“Director(s)”	director(s) of the Company
“Final Shareholdings”	the final shareholding structure of the JV Company where each of Nanjing Merchants, Chongqing Hanzhi and Jurong Jinhui shall hold 34%, 33% and 33% of the equity interests of the JV Company, respectively
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC

“Hongkong Land Holdings”	Hongkong Land Holdings Limited, a company incorporated in Bermuda with limited liability, being a connected person of the Company at the subsidiary level
“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 within the meaning of the Listing Rules
“Jurong Jinhui”	句容市金滙房產建設有限公司 (Jurong Jinhui Real Estate Construction Company Limited*) a company established in the PRC with limited liability. The principal business of Jurong Jinhui is property development
“JV Company”	a joint venture company to be formed by Chongqing Hanzhi, Jurong Jinhui and Nanjing Merchant pursuant to the Cooperation Framework Agreement
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange as amended, supplemented or otherwise modified from time to time
“Nanjing Merchants”	南京招商招盛房地產有限公司 (Nanjing Merchants Zhaosheng Property Development Limited*) a company established in the PRC with limited liability and an indirectly non-wholly owned subsidiary of the Company
“Nanjing 2016G98 Land”	a piece of land situated from South Zhongshan Road in the east to Fengtai Road in the west, from Yingtian Avenue in the south to Qinhoai River in the north (東至中山南路, 南至應天大街, 西至鳳台路, 北至秦淮河) with a total site area of 199,329.26 sq.m. The nature of the land use rights is mixed land use for commercial, residential and office, and category II residential land. The terms of use for urban residential usage and commercial usage are 70 years and 40 years, respectively
“Nanjing 2016G98 Land Consideration”	RMB9.81 billion, being the aggregate consideration payable for the transfer of land use rights for the Nanjing 2016G98 Land
“Percentage Ratios”	the “percentage ratios” as defined in rule 14A.10(10) of the Listing Rules

“PRC”	the People’s Republic of China which, shall exclude Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“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
“Shareholders”	holders of the Share(s)
“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 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 Cooperation Framework Agreement and the transactions contemplated thereunder by Success Well dated 6 March 2017
“%”	per cent.

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

Hong Kong, 6 March 2017

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*