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MAJOR TRANSACTION
ACQUISITION OF LAND USE RIGHT IN FOSHAN CITY,
GUANGDONG PROVINCE, THE PRC

ACQUISITION OF LAND USE RIGHT

The Board is pleased to announce that Foshan Merchants Property, an indirect wholly-owned subsidiary of the Company, has successfully bid the land use right of the Land situated at the city of Foshan, Guangdong Province of the PRC at the price of RMB2,015,060,000. Foshan Merchants Property has received the Land Transfer Confirmation from Foshan Public Resource Trading Centre on 5 June 2017. Foshan Merchants Property shall enter into the Land Use Rights Grant Contract with Foshan Public Resource Trading Centre in relation to the Acquisition within 10 business days from the date of the Land Transfer Confirmation.

The Acquisition is regarded as a qualified property acquisition under Rule 14.04(10C) of the Listing Rules as the Acquisition involves an acquisition of governmental land(s) from the PRC Governmental Body (as defined under the Listing Rules) through an auction governed by the PRC laws (as defined under the Listing Rules) in the PRC, which is undertaken by the Group on a sole basis in its ordinary and usual course of business.

Foshan Merchants Property may apply to Foshan Public Resource Trading Centre for its wholly-owned subsidiary to take up the rights, benefits and obligations of the land use right of the Land on or before 15 July 2017. Foshan Merchants Property is in the course of discussion with certain parties for the joint development of the Land via a possible joint venture arrangement. The capital commitment to be made by Foshan Merchants Property and the joint venture partners shall be in proportion to their respective interests under the possible joint venture arrangement. As at the date of this announcement, no legally binding agreement in respect of the joint venture arrangement for the development of the Land has been entered into by Foshan Merchants Property. Further announcement shall be made by the Company when details of the joint venture arrangement for the development of the Land have been finalised.

On the basis that one or more of the applicable percentage ratios in respect of the consideration of the Acquisition exceeds 25% but is less than 100%, the Acquisition constitutes a major transaction of the Company under Chapter 14 of the Listing Rules and is subject to reporting, announcement and circular requirements but is exempt from shareholders' approval requirements pursuant to Rule 14.33A of the Listing Rules.

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

INTRODUCTION

The Board is pleased to announce that Foshan Merchants Property, an indirect wholly-owned subsidiary of the Company, has successfully bidden the land use right of Land situated at the city of Foshan, Guangdong Province of the PRC at the price of RMB2,015,060,000. Foshan Merchants Property has received the Land Transfer Confirmation from Foshan Public Resource Trading Centre on 5 June 2017. Foshan Merchants Property shall enter into the Land Use Rights Grant Contract with Foshan Public Resource Trading Centre in relation to the Acquisition within 10 business days from the date of the Land Transfer Confirmation.

To the best of the Directors' knowledge, information and belief and having made all reasonable enquiry, Foshan Public Resource Trading Centre and its ultimate beneficial owner are third parties independent of the Company and connected persons of the Company.

DETAILS OF THE LAND

The Land is situated at Nan Jin Village Committee Lot, Sha Long Road, Jiujiang Town, Nanhai District, Foshan City, Guangdong Province, the PRC (中國廣東省佛山市南海區九江鎮沙龍路南金村委會地段). The Land has a total site area of approximately 81,356.9 sq.m. and its permitted plot ratio is 2.85. The Land is designated for commercial and residential usage with a term of 40 and 70 years, respectively.

CONSIDERATION

The price of the land use rights of the Land amounting to RMB2,015,060,000 shall be paid in the below manner:

- (1) the land deposit of RMB161,420,000 which has been paid Foshan Merchants Property shall form part of the price of the Land;
- (2) RMB846,110,000 is payable in cash on or before 16 July 2017; and
- (3) RMB1,007,530,000 is payable in cash on or before 13 October 2017.

The aggregate consideration payable for the Acquisition, inclusive of the related tax amount at approximately RMB61,459,330, is approximately RMB2,076,519,330, which shall be financed by the Group's internal resources.

The price of the land use rights of the Land was derived from a public auction held by Foshan Public Resource Trading Centre on 26 May 2017, which was conducted in accordance with the terms of the auction promulgated by Foshan Public Resource Trading Centre.

In accordance with the Land Transfer Confirmation, the Land Use Rights Grant Contract in relation to the Acquisition shall be entered into between Foshan Merchants Property and Foshan Public Resource Trading Centre within 10 business days from the date of the Land Transfer Confirmation of 5 June 2017.

Foshan Merchants Property may apply to Foshan Public Resource Trading Centre for its wholly-owned subsidiary to take up the rights, benefits and obligations of the land use right of the Land on or before 15 July 2017. Foshan Merchants Property is in the course of discussion with certain parties for the joint development of the Land via a possible joint venture arrangement. The capital commitment to be made by Foshan Merchants Property and the joint venture partners shall be in proportion to their respective interests under the possible joint venture arrangement. As at the date of this announcement, no legally binding agreement in respect of the joint venture arrangement for the development of the Land has been entered into by Foshan Merchants Property. Further announcement shall be made by the Company when details of the joint venture arrangement for the development of the Land have been finalised.

REASONS FOR AND BENEFITS OF THE ACQUISITION

The Acquisition is conducted in the ordinary and usual course of business of the Group. In view of the location and the designated use of the Land, the Directors consider that the acquisition of the Land is in line with the business development strategy and planning of the Group. The Directors (including independent non-executive Directors of the Company) 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.

PARTICULARS OF THE PARTIES

The Group is principally engaged in the development, sale, lease, investment and management of properties in the PRC. Foshan Merchants Property is engaged in property development in the PRC.

IMPLICATIONS ON THE LISTING RULES

The Acquisition is regarded as a qualified property acquisition under Rule 14.04(10C) of the Listing Rules as the Acquisition involves an acquisition of governmental land(s) from the PRC Governmental Body (as defined under the Listing Rules) through an auction governed by the PRC laws (as defined under the Listing Rules) in the PRC, which is undertaken by the Group on a sole basis in its ordinary and usual course of business.

On the basis that one or more of the applicable percentage ratios in respect of the consideration of the Acquisition exceeds 25% but is less than 100%, the Acquisition constitutes a major transaction of the Company under Chapter 14 of the Listing Rules and is subject to reporting, announcement and circular requirements but is exempt from shareholders' approval requirements pursuant to Rule 14.33A of the Listing Rules.

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

DEFINITIONS

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

“Acquisition”	the acquisition of land use rights of the Land through public bidding process
“Board”	the board of Directors
“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
“Foshan Merchants Property”	Foshan Merchants Property Development Co., Ltd.* (佛山招商房地產有限公司), a company established in the PRC with limited liability and an indirectly wholly-owned subsidiary of the Company
“Foshan Public Resource Trading Centre”	Foshan Public Resource Trading Centre, Nanhai Branch (佛山市公共資源交易中心南海分中心), an Independent Third Party
“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 within the meaning of the Listing Rules
“Land”	a piece of land situated at Nan Jin Village Committee Lot, Sha Long Road, Jiujiang Town, Nanhai District, Foshan City, Guangdong Province, the PRC (中國廣東省佛山市南海區九江鎮沙龍路南金村委會地段), with a total site area of approximately 81,356.9 sq.m. and its permitted plot ratio is 2.85, designated for commercial and residential usage with a term of 40 and 70 years, respectively

“Land Transfer Confirmation”	the confirmation notice (土地成交確認書) dated 5 June 2017 issued by Foshan Public Resource Trading Centre to Foshan Merchants Property confirming the successful bidding of the Land
“Land Use Rights Grant Contract”	the land use rights grant contract (國有建設用地使用權出讓合同) to be entered into between Foshan Merchants Property and Foshan Public Resource Trading Centre pursuant to the Land Transfer Confirmation
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange as amended, supplemented or otherwise modified from time to time
“PRC”	the People’s Republic of China which, shall exclude Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“PRC Governmental Body”	has the meaning ascribed to it under the Listing Rules
“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

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

Hong Kong, 16 June 2017

As at the date of this announcement, the Board comprises Mr. XU Yongjun, Mr. HUANG Junlong, Dr. 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.

* *For identification purpose only*