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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)

**MAJOR TRANSACTION:
COOPERATION AND DEVELOPMENT AGREEMENT
IN RESPECT OF FORMATION OF JV COMPANY**

COOPERATION AND DEVELOPMENT AGREEMENT

On 28 October 2020, Merchants Shenzhen (an indirect wholly-owned subsidiary of the Company) entered into the Cooperation and Development Agreement with China Minmetals Beijing in relation to among other things, the formation of the JV Company for the purpose of acquiring interest in and the joint development of the Project Land.

Pursuant to the Cooperation and Development Agreement, the shareholding proportion of China Minmetals Beijing and Merchants Shenzhen in the JV Company shall be 51% and 49%, respectively and the registered capital of the JV Company shall be RMB2,500 million. The total amount of capital to be injected into the JV Company shall be approximately RMB4,547 million, of which Merchants Shenzhen shall contribute approximately RMB2,228.03 million.

LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios in respect of the transactions contemplated under the Cooperation and Development Agreement exceed 25%, but are all less than 100%, the entering into of the Cooperation and Development Agreement and the transactions contemplated thereunder constitute a major transaction of the Company and is subject to the reporting, announcement and shareholders' approval requirements under Chapter 14 of the Listing Rules.

GENERAL

So far as the Company is aware, none of the Shareholders is materially interested in the Cooperation and Development Agreement and the transactions contemplated thereunder and no Shareholder is required to abstain from voting if a general meeting is to be convened to approve the Cooperation and Development Agreement and the transactions contemplated thereunder. As such, the Cooperation and Development Agreement may be approved in accordance with Rule 14.44 of the Listing Rules. The Company intends to obtain written Shareholders' approval from Success Well, which directly holds 3,646,889,329 Shares (representing approximately 74.35% of the total issued Shares) as at the date of this announcement.

A circular containing, among other things, further details of the Cooperation and Development Agreement and the transactions contemplated thereunder will be despatched to the Shareholders in accordance with the Listing Rules on or before 18 November 2020. Shareholders' written approval has been obtained on 28 October 2020 from Success Well, which directly holds 3,646,889,329 Shares (representing approximately 74.35% of the total issued Shares) as at the date of this announcement. As a result, pursuant to Rule 14.44 of the Listing Rules, no general meeting of the Company will be convened for the purpose of approving the entering into of the Cooperation and Development Agreement and the transactions contemplated thereunder.

COOPERATION AND DEVELOPMENT AGREEMENT

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The principal terms of the joint venture arrangement are summarized as follows:

Date

28 October 2020

Parties

- a) China Minmetals Beijing, a company established in the PRC with limited liability; and
- b) Merchants Shenzhen, an indirect wholly-owned subsidiary of the Company.

To the best of the Directors' knowledge, information and belief and having made all reasonable enquiries, China Minmetals Beijing and its ultimate beneficial owners are Independent Third Parties.

Capital Structure

Pursuant to the Cooperation and Development Agreement, the shareholding proportion of China Minmetals Beijing and Merchants Shenzhen in the JV Company shall be 51% and 49%, respectively. The registered capital of the JV Company shall be RMB2,500 million, to be contributed by the parties according to their shareholding proportion. The total amount of capital to be injected into the JV Company shall be approximately RMB4,547 million, of which Merchants Shenzhen shall contribute approximately RMB2,228.03 million, which will be funded by internal and/or external resources of the Group.

The parties agree that if the JV Company shall require financing for the operation of the JV Company, the shareholders shall provide shareholders' loans to the Company subject to an interests rate to be negotiated. If guarantee is required for any borrowings by the JV Company, the shareholders shall provide guarantee according to their shareholding proportion.

The JV Company will not be a subsidiary of the Company and its financial results will not be consolidated into the financial statements of the Company.

Management of the JV Company

Matters of the JV Company (including but not limited to approving report from the board of directors or supervisors, increase or reduction in capital, amendments to the memorandum and articles of association, mergers, demergers and liquidation) shall require the approval of the shareholders of the JV Company at shareholders' meeting.

The board of directors of the JV Company shall consist of five directors. China Minmetals Beijing shall appoint three directors. Merchants Shenzhen shall appoint two directors. The chairman of the board of directors of the JV Company shall be appointed by Minmetals and shall also act as the legal representative of the JV Company and chairman of the JV Company. Except for certain matters that require unanimous approval by the board of directors, matters to be approved by the board of directors requires more than approval from more than half of the number of directors.

China Minmetals Beijing shall nominate the general manager of the JV Company and Merchants Shenzhen shall nominate the deputy general manager of the JV Company.

Profit Distribution Arrangement of the JV Company

The parties shall share the profits of the JV Company in proportion to their respective shareholdings in the JV Company.

Termination Event and Exit Mechanisms

If the Acquisition is unsuccessful, the Cooperation and Development Agreement shall cease to have any effect automatically.

In the event that the actual gross floor area of the residential and commercial (excluding parking spaces) being sold on the Project Land reaches 95% of the saleable area, provided that relevant completion acceptance has been obtained, the exit mechanisms of shareholders can be initiated. The parties may choose to exit or remain their interest in the JV Company, subject to the exit mechanism to be determined and agreed unanimously by the shareholders.

FINANCIAL IMPACT

Upon completion of the Cooperation and Development Agreement, Merchants Shenzhen does not have right to appoint a majority of the board of directors of the JV Company and has no control over the voting rights in the shareholders' meetings of the JV Company, and therefore the JV Company shall not become a subsidiary of Merchants Shenzhen. As a result, the financial results, assets and liabilities of the JV Company will not be consolidated into the accounts of the Group.

REASONS FOR AND BENEFITS OF THE TRANSACTION

The Group is principally engaged in the development, sale, lease, investment and management of properties and assets management.

The participation in the Acquisition will enable Merchants Shenzhen to participate in the project on the Project Land which is located in Guangzhou, the PRC. Through the JV Company, Merchants Shenzhen and China Minmetals Beijing are able to complement the strength of each other and share resources, which is beneficial to the development of the business of the JV Company. The Board expects that the JV Company may enhance future earning capability and potential of the Group. The terms of the Cooperation and Development 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 and Development Agreement (including the financing and profit distribution arrangements) 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.

PARTICULARS OF THE PARTIES

Merchants Shenzhen is a company established in the PRC and an indirect wholly-owned subsidiary of the Company. It is principally engaged in investment holdings.

China Minmetals Beijing is a company established in the PRC and is principally engaged in investment holdings.

LISTING RULES IMPLICATIONS

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GENERAL

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DEFINITIONS

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

“Acquisition”	the acquisition of interests in the Project Land
“Board”	the board of Directors
“China Minmetals Beijing”	Minmetals Shengshi Guangye (Beijing) Co., Ltd.* (五礦盛世廣業(北京)有限公司), a company established in the PRC with limited liability, an indirectly wholly-owned subsidiary of the Minmetals Land Limited, a company listed on the Main Board of the Stock Exchange (stock code: 230), and a party to the Cooperation and Development Agreement
“Company”	China Merchants Land Limited, a 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: 978)
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Third Party(ies)”	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
“Cooperation and Development Agreement”	the Cooperation and Development Agreement dated 28 October 2020 entered into between China Minmetals Beijing and Merchants Shenzhen in relation to the formation of the JV Company and the Acquisition
“JV Company”	Guangzhou Kuangyu Investment Co., Ltd.* (廣州市礦譽投資有限公司), a company established under the laws of the PRC with limited liability by Merchants Shenzhen and China Minmetals Beijing pursuant to the Cooperation and Development Agreement
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended from time to time

“Merchants Shenzhen”	China Merchants Land (Shenzhen) Co., Ltd.* (招商局置地(深圳)有限公司) a company established in the PRC with limited liability, an indirectly wholly-owned subsidiary of the Company, and a party to the Cooperation and Development Agreement
“PRC”	the People’s Republic of China (excluding, for the purpose of this announcement, Hong Kong, the Macau Special Administrative Region of China and Taiwan)
“Project Land”	a land parcel located in Guangzhou, the PRC
“RMB”	Renminbi, the lawful currency of the PRC
“Share(s)”	ordinary share(s) of HK\$0.01 each in the issued share capital of the Company
“Shareholder(s)”	holder(s) 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 the 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
“%”	per cent.

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

Hong Kong, 28 October 2020

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.

If there is any inconsistency in this announcement between the Chinese and English versions, the English version shall prevail.

* *Unofficial English translation denotes for identification purposes only*