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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)

**DISCLOSEABLE TRANSACTION
DISPOSAL OF EQUITY INTEREST IN A SUBSIDIARY**

EQUITY TRANSFER AGREEMENT

On 28 October 2020, the Vendor, an indirect wholly-owned subsidiary of the Company, entered into the Equity Transfer Agreement with the Purchaser pursuant to which the Vendor agreed to sell, and the Purchaser agreed to acquire 100% equity interests in the Target Company at a consideration of RMB793,985,100. Upon completion of the Disposal, the Target Company will cease to be a subsidiary of the Company.

LISTING RULES IMPLICATIONS

As the applicable percentage ratios calculated by reference to Rule 14.07 of the Listing Rules in respect of the Disposal are more than 5% but less than 25%, the Disposal constitutes a discloseable transaction of the Company and is therefore subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

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EQUITY TRANSFER AGREEMENT

The principal terms of the Equity Transfer Agreement are set out below:

Date

28 October 2020

Parties

- (i) the Vendor, an indirect wholly-owned subsidiary of the Company; and
- (ii) the Purchaser, a company established in the PRC with limited liability.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries of the Purchaser and as advised by the Purchaser, the Purchaser is held as to 100% by a private equity fund managed by CITIC GoldStone Fund Management Company Limited (中信金石基金管理有限公司), which is a wholly-owned subsidiary of CITIC Securities Company Limited (中信証券股份有限公司) (“**CITIC Securities**”), a joint stock company incorporated in the PRC with limited liability and the A shares of which are listed on the Shanghai Stock Exchange (stock code: 600030) and the H shares of which are listed on the Stock Exchange (stock code: 6030); and the entire interest in such private equity fund is held by an asset-backed special program managed by CITIC Securities. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Purchaser and its ultimate beneficial owners are Independent Third Parties.

Subject matter

The Disposal was conducted by way of a public tender through CBEX. In connection with the Purchaser's successful bid, the Vendor and the Purchaser entered into the Equity Transfer Agreement pursuant to which the Vendor agreed to sell and the Purchaser agreed to acquire 100% equity interests in the Target Company at a consideration of RMB793,985,100. Upon completion of the Disposal, the Target Company will cease to be a subsidiary of the Company.

Consideration

The consideration of RMB793,985,100 for the Disposal shall be paid by the Purchaser in cash within one working day from the date of the Equity Transfer Agreement.

The consideration was based on the final bidding price through the public tender quoted on CBEX.

Completion

The Purchaser and the Vendor shall determine the specific date and place for the completion of the Disposal. The Vendor shall transfer the assets, power of control and management of the Target Company to the Purchaser within 5 working days after CBEX issues the equity transaction certificate. The Vendor shall also procure the Target Company to complete the equity transfer registration procedures with the relevant authority within 30 working days after CBEX issues the equity transaction certificate and the Purchaser shall provide necessary assistance and cooperation.

INFORMATION OF THE PARTIES

The Vendor, a company established in the PRC with limited liability, is principally engaged in investment holding.

The Purchaser, a company established in the PRC with limited liability, is principally engaged in investment holding.

INFORMATION OF THE TARGET COMPANY

The Target Company is a company established on 25 December 2019 in the PRC with limited liability which is principally engaged in investment holding and commercial complex management services. As at the date of this announcement, the Target Company is owned as to 100% by the Vendor.

The table below sets forth a summary of certain unaudited financial information of the Target Company for the period from 25 December 2019 (being the date of establishment of the Target Company) to 30 September 2020:

	For the period from 25 December 2019 to 30 September 2020 RMB
Net profit before taxation	6,447,632
Net profit after taxation	4,835,724

The unaudited net asset value of the Target Company as at 30 September 2020 was approximately RMB711,872,705.55.

FINANCIAL EFFECTS OF THE DISPOSAL AND PROPOSED USE OF PROCEEDS

The net asset value of the Target Company as at 30 September 2020 amounted to approximately RMB711,872,705.55. Based on the consideration of RMB793,985,100 and the associated estimated direct cost and other relevant expenses and taxes of the Disposal of approximately RMB400,000, the Group is expected to record a gain on the Disposal of approximately RMB39,000,000. The net proceeds of approximately RMB793,585,100 are intended to be used as the general working capital of the Group.

The exact amount of the gain on the Disposal to be recorded in the consolidated financial statements of the Group for the year ending 31 December 2020 is subject to audit. It will be calculated based on the net asset value of the Target Company as at the date of the completion of the Disposal, net of any incidental expenses, and therefore may differ from the estimated amount of the gain set out above.

REASONS FOR AND BENEFITS OF THE DISPOSAL

The Group is principally engaged in the development, sale, lease, investment and management of properties in the PRC and asset management. The Board reviews the investment portfolio under the Company from time to time, and would like to take this opportunity to optimize the portfolio by the Disposal, the net proceeds of which will in due course be used for the general working capital for other investments for the benefit of the Group and Shareholders as a whole.

The Directors (including all the independent non-executive Directors) are of the view that the terms of the Equity Transfer Agreement, including the consideration for the Disposal, which have been agreed after arm's length negotiations, are on normal commercial terms or better and such terms are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

LISTING RULES IMPLICATIONS

As the applicable percentage ratios calculated by reference to Rule 14.07 of the Listing Rules in respect of the Disposal are more than 5% but less than 25%, the Disposal constitutes a discloseable transaction of the Company and is therefore subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

DEFINITIONS

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

“associate(s)”	has the meaning ascribed hereto in the Listing Rules
“Board”	the board of Directors
“CBEX”	China Beijing Equity Exchange (北京產權交易所)
“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)
“connected person”	has the meaning ascribed to it in the Listing Rules
“Directors”	the directors of the Company
“Disposal”	the disposal of the Target Company by the Vendor to the Purchaser pursuant to the Equity Transfer Agreement
“Equity Transfer Agreement”	the equity transfer agreement entered into on 28 October 2020 between the Vendor and the Purchaser pursuant to which the Vendor agreed to sell, and the Purchaser agreed to acquire 100% equity interest in the Target Company at a consideration of RMB793,985,100
“Group”	the Company and its subsidiaries
“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
“Listing Rules”	The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended from time to time
“PRC”	the People’s Republic of China (excluding, for the purposes of this announcement, Hong Kong, the Macau Special Administrative Region and Taiwan)

“Purchaser”	Nanjing Chengsheng Business Management Co., Ltd* (南京誠盛商業管理有限公司), a company established in the PRC with limited liability
“RMB”	Renminbi, the lawful currency of the PRC
“Share(s)”	the ordinary share(s) of HK\$0.01 each in the issued share capital of the Company
“Shareholder(s)”	shareholders of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary”	has the meaning ascribed to it in the Listing Rules
“Target Company”	Nanjing Xinsheng Commercial Management Co., Ltd.* (南京信盛商業管理有限公司), a company established on 25 December 2019 in the PRC with limited liability and an indirect wholly-owned subsidiary of the Company as at the date of this announcement
“Vendor”	China Merchants Land (Shenzhen) Limited* (招商局置地(深圳)有限公司), a company established in the PRC with limited liability and an indirect wholly-owned subsidiary of the Company
“%”	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.