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**招商局置地有限公司**  
CHINA MERCHANTS LAND LIMITED

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**招商局置地有限公司**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 978)**

**CONNECTED TRANSACTION  
JOINT BIDDING COOPERATION FRAMEWORK AGREEMENT**

On 23 November 2020, Chongqing Merchants Yi Cheng entered into the Joint Bidding Cooperation Framework Agreement with Hongkong Land (Chongqing) in respect of their joint bidding of the Land, pursuant to which Chongqing Merchants Yi Cheng and Hongkong Land (Chongqing) shall (i) establish the Bidding Entity in the shareholding proportion of 51% and 49%, respectively and (ii) pay the Security Deposit in the amount of RMB187,618,800 and RMB180,261,200, respectively.

**LISTING RULES IMPLICATIONS**

Century Lord Limited (世霸有限公司), a substantial shareholder of Pride Oasis Limited, an indirect non wholly-owned subsidiary of the Company, is a connected person of the Company at the subsidiary level. Century Lord Limited (世霸有限公司) and Hongkong Land (Chongqing) are fellow subsidiaries under the control of Hongkong Land Holdings. Hongkong Land (Chongqing), therefore, is an associate of a connected person of the Company at the subsidiary level pursuant to Rule 14A.13(1) of the Listing Rules. Accordingly, the entering into of the Joint Bidding Cooperation Framework Agreement constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules.

As all of the applicable percentage ratios (as defined under Rule 14.07 of the Listing Rules) in respect of the contributions to be paid by the Group under the Joint Bidding Cooperation Framework Agreement is more than 0.1% but less than 5%, the Joint Bidding Cooperation Framework Agreement and the transactions contemplated thereunder are subject to the reporting and announcement requirements but are exempt from the circular and independent shareholders' approval requirements pursuant to Rule 14A.76(2) of the Listing Rules.

## **JOINT BIDDING COOPERATION FRAMEWORK AGREEMENT**

On 23 November 2020, Chongqing Merchants Yi Cheng entered into the Joint Bidding Cooperation Framework Agreement with Hongkong Land (Chongqing) in respect of their joint bidding of the Land.

The principal terms of the Joint Bidding Cooperation Framework Agreement are set out below:

**Date:** 23 November 2020

**Parties:**

- (a) Hongkong Land (Chongqing), a fellow subsidiary of Hongkong Land Holdings with Century Lord Limited (世霸有限公司), which is a connected person of the Company at the subsidiary level; and
- (b) Chongqing Merchants Yi Cheng, an indirect wholly-owned subsidiary of the Company.

**Subject Matter**

Pursuant to the Joint Bidding Cooperation Framework Agreement, Chongqing Merchants Yi Cheng and Hongkong Land (Chongqing) shall (i) establish the Bidding Entity in the shareholding proportion of 51% and 49%, respectively and (ii) pay the Security Deposit in the amount of RMB187,618,800 and RMB180,261,200, respectively.

In the event that the Bidding Entity successfully wins the bidding in respect of the land use right of the Land, the Parties agree to establish a joint venture company in the PRC to acquire, hold and develop the Land. The shareholdings of the Parties in such joint venture company will be in the same proportion as in the Bidding Entity, namely, 51% by Chongqing Merchants Yi Cheng and 49% by Hongkong Land (Chongqing), respectively. The Parties will enter into a further agreement with respect to the establishment of the joint venture company and the Company will make a further announcement and comply with the relevant requirements under the Listing Rules as and when necessary.

## **Payment of the Security Deposit**

Pursuant to the Joint Bidding Cooperation Framework Agreement, the Parties shall pay the Security Deposit of RMB367,880,000 in cash in full in the proportion of 51% and 49% by Chongqing Merchants Yi Cheng and Hongkong Land (Chongqing), respectively. If the bidding in respect of the land use right of the Land is not successful, the Security Deposit will be refunded to the Parties in accordance with the regulations of the relevant governmental authority.

## **REASONS FOR AND BENEFITS OF THE JOINT BIDDING COOPERATION FRAMEWORK AGREEMENT**

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

In view of the location and the designated use of the Land, the bidding of the Land is in line with the business development strategy and planning of the Group. Each of Hongkong Land (Chongqing) and Chongqing Merchants Yi Cheng 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 Joint Bidding 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 Joint Bidding 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.

None of the Directors has any material interest in the Joint Bidding Cooperation Framework Agreement and the transactions contemplated thereunder, and none of the Directors has abstained from voting on the board resolutions approving the Joint Bidding Cooperation Framework Agreement and the transactions contemplated thereunder.

## **PARTICULARS OF THE PARTIES**

Hongkong Land (Chongqing) is a company established in the PRC with limited liability and an indirect subsidiary of Hongkong Land Holdings, which is a company incorporated in Bermuda with limited liability. It is principally engaged in property development in the PRC.

Chongqing Merchants Yi Cheng is a company established in the PRC with limited liability and an indirectly wholly-owned subsidiary of the Company. It is principally engaged in property development in the PRC.

## **LISTING RULES IMPLICATIONS**

Century Lord Limited (世霸有限公司), a substantial shareholder of Pride Oasis Limited, an indirect non wholly-owned subsidiary of the Company, is a connected person of the Company at the subsidiary level. Century Lord Limited (世霸有限公司) and Hongkong Land (Chongqing) are fellow subsidiaries under the control of Hongkong Land Holdings. Hongkong Land (Chongqing), therefore, is an associate of a connected person of the Company at the subsidiary level pursuant to Rule 14A.13(1) of the Listing Rules. Accordingly, the entering into of the Joint Bidding Cooperation Framework Agreement constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules.

As all of the applicable percentage ratios (as defined under Rule 14.07 of the Listing Rules) in respect of the contributions to be paid by the Group under the Joint Bidding Cooperation Framework Agreement is more than 0.1% but less than 5%, the Joint Bidding Cooperation Framework Agreement and the transactions contemplated thereunder are subject to the reporting and announcement requirements but are exempt from the circular and independent shareholders' approval requirements pursuant to Rule 14A.76(2) 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
“Bidding Entity”	a company to be established by Chongqing Merchants Yi Cheng and Hongkong Land (Chongqing) in the shareholding proportion of 51% and 49%, respectively, for the joint bidding of the Land
“Board”	the board of Directors
“Chongqing Merchants Yi Cheng”	Chongqing Merchants Yi Cheng Property Development Co., Ltd.* (重慶招商依城房地產開發有限公司), a company established in the PRC with limited liability and an indirectly wholly-owned subsidiary of the Company
“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
“Group”	the Company and its subsidiaries
“Hongkong Land (Chongqing)”	Hongkong Land (Chongqing) Development Company Limited* (重慶怡置房地產開發有限公司), a company established in the PRC with limited liability
“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 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

“Joint Bidding Cooperation Framework Agreement”	the joint bidding cooperation framework agreement dated 23 November 2020 entered into by the Parties in respect of their joint bidding of the Land
“Land”	a piece of land located in Chongqing, the PRC
“Listing Rules”	The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended from time to time
“Parties”	collectively, Chongqing Merchants Yi Cheng and Hongkong Land (Chongqing)
“PRC”	the People’s Republic of China (excluding, for the purposes of this announcement, Hong Kong, the Macau Special Administrative Region and Taiwan)
“RMB”	Renminbi, the lawful currency of the PRC
“Security Deposit”	a security deposit in the amount of RMB367,880,000 to be paid by Chongqing Merchants Yi Cheng and Hongkong Land (Chongqing) in the proportion of 51% and 49%, respectively for the bidding of the Land
“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
“%”	per cent

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

Hong Kong, 23 November 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.*

\* *Unofficial English translation denotes for identification purposes only*