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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)

**CONNECTED TRANSACTION
JOINT VENTURE ARRANGEMENT IN RESPECT OF
DEVELOPMENT OF 2020G16 NANJING LAND**

COOPERATION AGREEMENT

On 25 November 2020, Merchants Nanjing (an indirect non-wholly owned subsidiary of the Company) entered into the Cooperation Agreement with Jiangsu Poly, Wuhan Fanyue, Nanjing Yiju and Nanjing New Hope for the development of the 2020G16 Land through the Project Company.

Pursuant to the Cooperation Agreement, Merchants Nanjing, Jiangsu Poly, Wuhan Fanyue, Nanjing Yiju and Nanjing New Hope shall bear the Land Price in proportion to their proposed respective shareholdings in the Project Company, being 20% each, respectively.

According to the Cooperation Agreement, the initial registered capital of the Project Company is RMB20,000,000. Upon completion of the Cooperation Agreement, the registered capital of the Project Company shall be increased to RMB60,000,000, which shall be contributed and held by each of Merchants Nanjing, Jiangsu Poly, Wuhan Fanyue, Nanjing Yiju and Nanjing New Hope according to their respective shareholdings in the Project Company.

LISTING RULES IMPLICATIONS

As (a) the sole purpose of the Project Company is to develop the 2020G16 Land which is a project of a revenue nature in the ordinary and usual course of business of the Company; (b) the transactions contemplated under the Cooperation Agreement are on an arm's length basis and on normal commercial terms; and (c) the Project Company, may not, without the unanimous consent of the JV Partners, change the nature and scope of its business or enter into any transactions which are not on an arm's length basis, the transactions contemplated under the Cooperation Agreement do not constitute notifiable transactions of the Company pursuant to Rule 14.04(1)(f) of the Listing Rules.

Poly Jiangsu Real Estate, a substantial shareholder of the Company's non-wholly owned subsidiary, Nanjing Shanjiyei, is a connected person of the Company at the subsidiary level. Jiangsu Poly is a subsidiary of Poly Jiangsu Real Estate, and therefore, is an associate of 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 Cooperation Agreement constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules.

As the Board has approved the Cooperation Agreement and the transactions contemplated thereunder and the Directors (including the independent non-executive Directors) have confirmed that the terms thereof are fair and reasonable, on normal commercial terms and in the interests of the Company and its Shareholders as a whole, the transactions contemplated under the Cooperation Agreement shall only be subject to the reporting and announcement requirements, but exempt from the circular, independent financial advice and Shareholders' approval requirements by virtue of Rule 14A.101 of the Listing Rules.

THE COOPERATION AGREEMENT

The principal terms of the Cooperation Agreement are summarized as follows:

Date	25 November 2020
Parties	(a) Merchants Nanjing, an indirect non-wholly owned subsidiary of the Company;
	(b) Jiangsu Poly, a company established in the PRC with limited liability;
	(c) Wuhan Fanyue, a company established in the PRC with limited liability;
	(d) Nanjing Yiju, a company established in the PRC with limited liability; and
	(e) Nanjing New Hope, a company established in the PRC with limited liability.

To the best of the Directors' knowledge, information and belief and having made all reasonable enquiries, each of Wuhan Fanyue, Nanjing Yiju, Nanjing New Hope and their respective ultimate beneficial owners are Independent Third Parties. Poly Jiangsu Real Estate, a substantial shareholder of the Company's non-wholly owned subsidiary, Nanjing Shanjiayi, is a connected person of the Company at the subsidiary level. Jiangsu Poly is a subsidiary of Poly Jiangsu Real Estate, and therefore, is an associate of connected person of the Company at the subsidiary level pursuant to Rule 14A.13(1) of the Listing Rules.

Basic Information of the 2020G16 Land

Land location:	Jiangbei New District, east of current border, west of current border, south of Jiangyuan Road and north of Xinglong Road
Total site area:	28,744.3 sq.m
Usage of land use rights:	Residential usage with a term of 70 years
Land Price:	RMB1,360 million

Capital Contribution and Shareholder's Loan

Pursuant to the Cooperation Agreement:

The initial registered capital of the Project Company in the amount of RMB20 million shall be contributed as to 60% by Jiangsu Poly, 20% by Merchants Nanjing and 20% by Wuhan Fanyue.

The contracting parties have agreed to make the following two separate shareholder loans to the Project Company, as per the payment orders issued by the Project Company.

- (1) The first loan: The amount of the loan is 20% of the initial investment of Jiangsu Poly. Merchants Nanjing, Wuhan Fanyue, Nanjing Yiju and Nanjing New Hope will provide shareholders' loan to the Project Company to return the initial investment of Jiangsu Poly, in which, Merchants Nanjing shall provide RMB127,013,623.30, Wuhan Fanyue shall provide RMB127,013,623.30, Nanjing Yiju shall provide RMB127,013,623.30 and Nanjing New Hope shall provide RMB127,013,623.30.
- (2) The second loan: the loan amount is 20% of the outstanding land price of the 2020G16 Land, and each of the contracting parties will provide loans of RMB145,000,000.00 to the Project Company, respectively.

Each of Jiangsu Poly, Merchants Nanjing, Wuhan Fanyue, Nanjing Yiju and Nanjing New Hope shall, by way of capital injection, endeavor to increase the registered capital of the Project Company from RMB20 million to RMB60 million and adjust the shareholding of the Project Company to 20% held by each of Jiangsu Poly, Merchants Nanjing, Wuhan Fanyue, Nanjing Yiju and Nanjing New Hope.

The amount of capital and loan contribution of each of Merchants Nanjing, Jiangsu Poly, Wuhan Fanyue, Nanjing Yiju and Nanjing New Hope was determined after arm's length negotiations with reference to the capital requirements of the Project Company and the development cost of the 2020G16 Land. The Group's share of the total estimated investment is approximately RMB381.66 million which shall be funded by the Group's internal resources.

Management of the Project Company

Matters of the Project Company (including but not limited to increase or reduction in capital, amendments to the memorandum and articles of association, mergers, demergers and liquidation) shall require the approval of all shareholders of the Project Company at the general meeting.

The board of directors of the Project Company shall consist of five directors. Each of Merchants Nanjing, Jiangsu Poly, Wuhan Fanyue, Nanjing Yiju and Nanjing New Hope shall nominate one director, respectively.

One general manager and four associate general managers shall be responsible for the management of the Project Company. The general manager shall be nominated by Jiangsu Poly and each of Merchants Nanjing, Wuhan Fanyue, Nanjing Yiju and Nanjing New Hope shall nominate one associate general manager, respectively.

Profit Distribution Arrangement of the Project Company

Pursuant to the Cooperation Agreement, Merchants Nanjing, Jiangsu Poly, Wuhan Fanyue, Nanjing Yiju and Nanjing New Hope shall share the profits of the Project Company in proportion to their respective shareholdings in the Project Company.

FINANCIAL IMPACT

Upon completion of the Cooperation Agreement, Merchants Nanjing does not have right to appoint a majority of the board of directors of the Project Company and has no control over the voting rights in the shareholders' meetings of the Project Company, and therefore the Project Company shall not become a subsidiary of Merchants Nanjing. As a result, the financial results, assets and liabilities of the Project 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.

Each of Merchants Nanjing, Jiangsu Poly, Wuhan Fanyue, Nanjing Yiju and Nanjing New Hope would benefit from the cooperation in order to exert their strengths, generate synergistic effect and enhance their investment portfolio in the property market in the PRC, which would improve the capital efficiency and effectiveness, reduce the investment risks and thus a greater return could be created for the Shareholders.

The terms of the Cooperation 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 Acquisition and the terms of the Cooperation 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 Nanjing is a company established in the PRC and an indirect non-wholly owned subsidiary of the Company. It is principally engaged in property development in the PRC.

Jiangsu Poly is a company established in the PRC and is principally engaged in property development in the PRC, and is an indirect wholly-owned subsidiary of Poly Development Holding Group Limited* (保利發展控股集團股份有限公司), a listed company in Shanghai Stock Exchange with stock code 600048;

Wuhan Fanyue is a company established in the PRC and is principally engaged in management consultation and property investment in the PRC, and is an indirect wholly-owned subsidiary of Langold Real Estate Co., Ltd.* (南國置業股份有限公司), a listed company in Shenzhen Stock Exchange with stock code 002305;

Nanjing Yiju is a company established in the PRC and is principally engaged in property development in the PRC, and is an indirect wholly-owned subsidiary of Nanjing State-owned Assets Investment Management Holding (Group) Co. Ltd.* (南京市國有資產投資管理控股(集團)有限責任公司), its ultimate beneficial owner is State-owned Assets Supervision and Administration Commission of Nanjing Municipal Government (南京市人民政府國有資產監督管理委員會); and

Nanjing New Hope is a company established in the PRC and is principally engaged in property development in the PRC, and is an indirect wholly-owned subsidiary of Sichuan New Hope Property Development Ltd.* (四川新希望房地產開發有限公司), its ultimate beneficial owner is Mr. LIU Yonghao (劉永好先生).

LISTING RULES IMPLICATIONS

As (a) the sole purpose of the Project Company is to develop the 2020G16 Land which is a project of a revenue nature in the ordinary and usual course of business of the Company; (b) the transactions contemplated under the Cooperation Agreement are on an arm's length basis and on normal commercial terms; and (c) the Project Company, may not, without the unanimous consent of the JV Partners, change the nature and scope of its business or enter into any transactions which are not on an arm's length basis, the transactions contemplated under the Cooperation Agreement do not constitute notifiable transactions of the Company pursuant to Rule 14.04(1)(f) of the Listing Rules.

Poly Jiangsu Real Estate, a substantial shareholder of the Company's non-wholly owned subsidiary, Nanjing Shanjiyei, is a connected person of the Company at the subsidiary level. Jiangsu Poly is a subsidiary of Poly Jiangsu Real Estate, and therefore, is an associate of 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 Cooperation Agreement constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules.

As the Board has approved the Cooperation Agreement and the transactions contemplated thereunder and the Directors (including the independent non-executive Directors) have confirmed that the terms thereof are fair and reasonable, on normal commercial terms and in the interests of the Company and its Shareholders as a whole, the transactions contemplated under the Cooperation Agreement shall only be subject to the reporting and announcement requirements, but exempt from the circular, independent financial advice and Shareholders' approval requirements by virtue of Rule 14A.101 of the Listing Rules.

DEFINITIONS

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

“2020G16 Land”	a piece of land situated at Jiangbei New District, east of current border, west of current border, south of Jiangyuan Road and north of Xinglong Road (江北新區，東至現狀，西至現狀，南至江苑路，北至興隆路), with a total site area of approximately 28,744.3 sq.m.
“Acquisition”	the acquisition of land use rights of the 2020G16 Land through public bidding process
“Board”	the board of Directors
“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(s)”	has the meaning ascribed to it under the Listing Rules

“Cooperation Agreement”	the cooperation agreement dated 25 November 2020 entered into between Merchants Nanjing, Jiangsu Poly, Wuhan Fanyue, Nanjing Yiju and Nanjing New Hope in relation to the joint investment in the Project Company for the sole purpose of obtaining the land use rights of and developing the 2020G16 Land through the Project Company
“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
“Jiangsu Poly”	Jiangsu Poly Ningheng Real Estate Development Co., Limited* (江蘇保利寧恆房地產開發有限公司), a company established in the PRC with limited liability and a party to the Cooperation Agreement
“JV Partners”	contracting parties of the Cooperation Agreement
“Land Price”	RMB1,360 million, being the aggregate consideration payable for the Acquisition pursuant to the Cooperation 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 Nanjing”	China Merchants Property (Nanjing) Limited* (招商局地產(南京)有限公司) a company established in the PRC with limited liability, an indirect non-wholly owned subsidiary of the Company, and a party to the Cooperation Agreement

“Nanjing New Hope”	Nanjing New Hope Real Estate Co., Ltd* (南京新希望置業有限公司), a company established in the PRC with limited liability and a party to the Cooperation Agreement
“Nanjing Shanjiyei”	Nanjing Shanjiyei Property Development Company Limited* (南京善杰義房地產開發有限公司), a company established in the PRC with limited liability and an indirectly non-wholly owned subsidiary of the Company
“Nanjing Yiju”	Nanjing Yiju Construction Co. Ltd.* (南京頤居建設有限公司), a company established in the PRC with limited liability and a party to the Cooperation Agreement
“Poly Jiangsu Real Estate”	Poly Jiangsu Real Estate Development Co., Limited* (保利江蘇房地產發展有限公司), a company established in the PRC with limited liability and a connected person of the Company at the subsidiary level
“PRC”	the People’s Republic of China (excluding, for the purpose of this announcement, Hong Kong, the Macau Special Administrative Region and Taiwan)
“Project Company”	Nanjing Yuelin Property Development Company Limited* (南京悅霖房地產開發有限公司) a company established in the PRC with limited liability by Merchants Nanjing, Jiangsu Poly, Wuhan Fanyue, Nanjing Yiju and Nanjing New Hope for the sole purpose of obtaining the land use rights of and developing the 2020G16 Land pursuant to the Cooperation Agreement
“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)
“sq.m”	square meter

“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary”	has the meaning ascribed to it under the Listing Rules
“Wuhan Fanyue”	Wuhan Fanyue Enterprise Management Consulting Co., Ltd* (武漢泛悅企業管理諮詢有限公司), a company established in the PRC with limited liability and a party to the Cooperation Agreement
“%”	per cent.

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

Hong Kong, 25 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 Xiping 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*