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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  
SUBSCRIPTION OF ASSET-BACKED SECURITIES**

**ABS SUBSCRIPTION AGREEMENT**

On 8 September 2022, Nanjing Zhaoping (an indirect non-wholly owned subsidiary of the Company) entered into the ABS Subscription Agreement with CITIC Securities, pursuant to which Nanjing Zhaoping shall subscribe for the subordinated class of the ABS in the amount of RMB220 million, representing 100% of the subordinated class of the ABS and approximately 29.97% of the total ABS issued under the ABS Scheme.

**LISTING RULES IMPLICATIONS**

As one or more of the applicable percentage ratios (as defined under the Listing Rules) in respect of the Subscription exceed 5% but are less than 25%, the entering into of the ABS Subscription Agreement and the transactions contemplated thereunder constitute a discloseable transaction of the Company under the Listing Rules and is therefore subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

Reference is made to the announcement of the Company dated 8 April 2022 in relation to the formation of Nanjing Zhaoping for the purposes of providing asset management services for the Underlying Project and providing credit enhancement to the ABS Scheme.

On 8 September 2022, Nanjing Zhaoping (an indirect non-wholly owned subsidiary of the Company) entered into the ABS Subscription Agreement with CITIC Securities to subscribe for the subordinated class of the ABS under the ABS Scheme. The ABS Standard Terms shall also be applicable to the parties for matters relating to the ABS or the ABS Scheme not specifically provided for in the ABS Subscription Agreement.

## **ABS SUBSCRIPTION AGREEMENT AND ABS STANDARD TERMS**

The principal terms of the ABS Subscription Agreement and the ABS Standard Terms are set out below:

**Date:** 8 September 2022

**Parties:**

- (a) Nanjing Zhaoping, an indirect non-wholly owned subsidiary of the Company, as the subscriber; and
- (b) CITIC Securities, a joint stock company incorporated in the PRC with limited liability, as the scheme manager.

To the best of the Directors' knowledge, information and belief and having made all reasonable enquiries, CITIC Securities, the ABS Holder(s) other than Nanjing Zhaoping and their respective ultimate beneficial owners are Independent Third Parties.

### **Subject Matter**

Pursuant to the ABS Subscription Agreement, Nanjing Zhaoping shall subscribe for the subordinated class of the ABS in the amount of RMB220 million, representing 100% of the subordinated class of the ABS and approximately 29.97% of the total ABS issued under the ABS Scheme.

The subscription amount of RMB220 million shall be settled by Nanjing Zhaoping in cash in full to the account designated by CITIC Securities on the closing date of the ABS Scheme. The subscription amount shall be funded by the Group's internal resources.

The consideration was determined on the basis of normal commercial terms and after arm's length negotiations with reference to, among others, the consolidated estimated value of the Underlying Project using the income approach and cost approach.

### **Issuance and the offering size**

The ABS will be issued at face value of RMB100 per unit. The ABS issued under the ABS Scheme are divided into (i) the senior class A ABS in the amount of RMB400 million which accounts for approximately 54.5% of the total ABS issued under the ABS Scheme; (ii) the senior class B ABS in the amount of RMB114 million which accounts for 15.53% of the total ABS issued under the ABS Scheme; and (iii) the subordinated class ABS in the amount of RMB220 million which accounts for approximately 29.97% of the total ABS issued under the ABS Scheme.

### **Term of the ABS Scheme**

Provided that the aggregate subscription amounts of every class of the ABS are no less than 100% of the offering size of the ABS, the term of the ABS Scheme shall commence from the date on which all subscription amounts are transferred to the account of the ABS Scheme after capital verification and shall end upon the maturity date of the ABS scheme, unless it is earlier terminated upon the occurrence of early termination events as specified in the ABS Standard Terms, including but not limited to (i) failure to complete the registration of the change of shareholder of the Project Company with the relevant authority within 120 working days after the commencement date of the ABS Scheme; (ii) CITIC Securities (on behalf of the ABS Holders) unable to become the transferee of the equity interests in the Project Company; (iii) force majeure events; and (iv) amendments or change in the laws or regulations which would cause the continuation of the ABS Scheme illegal.

### **Investment objectives and scope**

The ABS Scheme is established to utilize the subscription amounts from the investors to acquire interests in the Underlying Project and make distributions to the ABS Holders based on the earnings generated from the management, operation and disposal of the Underlying Project.

## **Expected rate of return**

The expected rate of return shall be approximately 3.8% per annum of the subscription amount in respect of senior class A ABS Holders and approximately 4.0% per annum of the subscription amount in respect of senior class B ABS Holders. Nanjing Zhaoping, being the holder of the subordinated class ABS, shall be entitled to the remaining distributions of the ABS after deductions of relevant costs and expenses, and the required distributions to the senior class A ABS Holders and the senior class B ABS Holders.

## **Transfer of the ABS**

The senior class A ABS Holders and the senior class B ABS Holders may transfer the ABS by application through the integrated agreement trading platform of the Shenzhen Stock Exchange and other platforms approved by the regulatory authorities. During the term of the ABS Scheme, the subordinated class ABS may not be transferred to another party unless it is ruled to be necessary according to an effective judgment or ruling or for the purpose of public offering and issuance of the ABS Scheme.

## **INFORMATION OF THE PARTIES, THE ABS SCHEME AND THE UNDERLYING PROJECT**

Nanjing Zhaoping, a company established in the PRC with limited liability, is principally engaged in provision of asset management services for the Underlying Project and provision of credit enhancement to the ABS Scheme.

CITIC Securities, a joint stock company incorporated in the PRC with limited liability, is principally engaged in asset management and fund management, investment advisory and consultancy services, proprietary securities activities, securities brokerage and securities investment fund distribution. The A shares of CITIC Securities are listed on the Shanghai Stock Exchange (stock code: 600030) and the H shares of CITIC Securities are listed on the Stock Exchange (stock code: 6030).

The ABS Scheme is an asset-backed special scheme to be established and managed by CITIC Securities to securitize the Underlying Project by issuing the ABS to the ABS holders in the amount of RMB734 million, which will be traded on the Shenzhen Stock Exchange.

The Underlying Project is the property development project for the composite development erected on the Land, the land use right of which is held by the Project Company. The particulars of the Land and the Underlying Project are as follows:

Land location:	Lot 1 and 2, the west of phase 2 of Jing Wu Road, Maigaoqiao Street, Qixia District, Nanjing City, Jiangsu Province, the PRC (中國江蘇省南京市棲霞區邁皋橋街道經五路二期西側1號和2號地塊)
Total site area:	25,755.79 sq. m.
Gross floor area:	78,646.80 sq. m., including 67,502.94 sq. m. for shopping mall and 11,143.86 sq. m. for underground car park
Usage:	Commercial use, large and medium-sized shopping malls, cultural, entertainment and catering service facilities
Term of usage:	From 10 March 2015 to 9 March 2055

## **REASONS FOR AND BENEFITS OF THE SUBSCRIPTION**

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

The ABS Scheme aims to revitalize the stock asset by converting fixed assets into cash assets with higher liquidity through the process of securitizing the Company's assets. It is expected that CITIC Securities, as the scheme manager, will acquire interests in the Project Company, which holds the land use right of the Land, on behalf of the ABS Holders. The subscription of the ABS will enable the Company to enjoy the economic benefits generated from the Underlying Project. Therefore, the Company considers that the entering into of the ABS Subscription Agreement and the transactions contemplated thereunder are in the interest of the Company.

The terms of the ABS Subscription 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 ABS Subscription 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.

## **LISTING RULES IMPLICATIONS**

As one or more of the applicable percentage ratios (as defined under the Listing Rules) in respect of the Subscription exceed 5% but are less than 25%, the entering into of the ABS Subscription Agreement and the transactions contemplated thereunder constitute a discloseable transaction of the Company under the Listing Rules 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:

“ABS”	the asset-backed securities to be issued pursuant to the ABS Scheme
“ABS Standard Terms”	the standard terms of the ABS Scheme
“ABS Holder(s)”	holder(s) of the ABS to be issued pursuant to the ABS Scheme
“ABS Scheme”	the CITIC Golden Stone – China Merchants Shekou Phase II Asset-backed Special Scheme (中信金石-招商蛇口二期資產支持專項計劃) to be managed by CITIC Securities to securitize the Underlying Project by issuing the ABS to the ABS Holders in the amount of RMB734 million
“ABS Subscription Agreement”	the subscription agreement (including appendices of securities account and bank account information and the risk disclosure letter) dated 8 September 2022 and entered into between Nanjing Zhaoping (as a subscriber of the ABS) and CITIC Securities (as the manager of the ABS Scheme) in relation to the Subscription
“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)

“CITIC Securities”	CITIC Securities Company Limited (中信証券股份有限公司), a joint stock company incorporated in the PRC with limited liability
“Directors”	the directors of the Company
“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
“Land”	a piece of land situated at lot 1 and 2, the west of phase 2 of Jing Wu Road, Maigaoqiao Street, Qixia District, Nanjing City, Jiangsu Province, the PRC (中國江蘇省南京市棲霞區邁皋橋街道經五路二期西側1號和2號地塊)
“Listing Rules”	The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended from time to time
“Nanjing Zhaoping”	Nanjing Zhaoping Zhisheng Commercial Management Co., Ltd.* (南京招平置盛商業管理有限公司), a company established in the PRC with limited liability
“PRC”	the People’s Republic of China (excluding, for the purposes of this announcement, Hong Kong, the Macau Special Administrative Region and Taiwan)
“Project Company”	Nanjing Merchants Qisheng Property Development Limited* (南京招商啟盛房地產有限公司), 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

“sq. m.”	square metre
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription”	the subscription by Nanjing Zhaoping for the subordinated class of the ABS to be issued under the ABS Scheme in the amount of RMB220 million (representing 100% of the subordinated class of the ABS and approximately 29.97% of the total ABS issued under the ABS Scheme) pursuant to the ABS Subscription Agreement
“subsidiary”	has the meaning ascribed to it in the Listing Rules
“Underlying Project”	the property development project for the composite development erected on the Land, the land use right of which is held by the Project Company
“%”	per cent

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

Hong Kong, 8 September 2022

*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*