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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
ACQUISITION OF EQUITY INTERESTS IN PROJECT COMPANY**

EQUITY TRANSFER AGREEMENT

On 18 January 2023, Guangzhou Merchants (an indirect wholly-owned subsidiary of the Company) entered into the Equity Transfer Agreement with, among others, Jurong Jinhui, pursuant to which, among other things, Jurong Jinhui agreed to sell, and Guangzhou Merchants agreed to purchase, the Sale Shares, for a consideration of RMB261,203,315.21.

Pursuant to the Equity Transfer Agreement, Jurong Jinhui also agreed to sell, and Chongqing Hanzhi agreed to purchase, 15% equity interests in the Project Company. Upon completion of the acquisitions, the Project Company will be held as to 48% by Chongqing Hanzhi, 34% by Nanjing Merchants and 18% by Guangzhou Merchants, respectively.

LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios (as defined under the Listing Rules) in respect of the Acquisition exceed 5% but are less than 25%, the entering into of the Equity Transfer 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.

EQUITY TRANSFER AGREEMENT

On 18 January 2023, Guangzhou Merchants (an indirect wholly-owned subsidiary of the Company) entered into the Equity Transfer Agreement with, among others, Jurong Jinhui, pursuant to which, among other things, Jurong Jinhui agreed to sell, and Guangzhou Merchants agreed to purchase, the Sale Shares, for a consideration of RMB261,203,315.21. The principal terms of the Equity Transfer Agreement are set out below:

Date:

18 January 2023

Parties:

- (a) Chongqing Hanzhi, a company established in the PRC with limited liability;
- (b) Nanjing Puzhi, a company established in the PRC with limited liability;
- (c) Beijing Hanzhi, a company established in the PRC with limited liability;
- (d) Nanjing Merchants, an indirect non-wholly owned subsidiary of the Company;
- (e) Guangzhou Merchants, an indirect wholly-owned subsidiary of the Company;
- (f) Suzhou Merchants, a company established in the PRC with limited liability;
- (g) Jurong Jinhui, a company established in the PRC with limited liability; and
- (h) the Project Company, a company established in the PRC with limited liability which is held as to 33% by Jurong Jinhui, 34% by Nanjing Merchants and 33% by Chongqing Hanzhi as at the date of this announcement.

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

Subject Matter

Pursuant to the Equity Transfer Agreement, Jurong Jinhui agreed to sell, and Guangzhou Merchants agreed to purchase, the Sale Shares, representing 18% equity interests in the Project Company.

Pursuant to the Equity Transfer Agreement, Jurong Jinhui also agreed to sell, and Chongqing Hanzhi agreed to purchase, 15% equity interests in the Project Company. Upon completion of the acquisitions, the Project Company will be held as to 48% by Chongqing Hanzhi, 34% by Nanjing Merchants and 18% by Guangzhou Merchants, respectively.

Consideration

Pursuant to the Equity Transfer Agreement, the consideration payable by Guangzhou Merchants to Jurong Jinhui for the Acquisition shall be RMB261,203,315.21, which shall not exceed the net asset value of the Sale Shares pursuant to the asset valuation report filed by China Merchants Group Limited (招商局集團有限公司) (“**CMG**”) with the State-owned Assets Supervision and Administration Commission of the State Council (the “**CMG Valuation Price**”). If the CMG Valuation Price is lower than the consideration for the Acquisition pursuant to the Equity Transfer Agreement and Jurong Jinhui consents to transfer the Sale Shares to Guangzhou Merchants at the CMG Valuation Price in writing, the CMG Valuation Price will be the consideration for the Acquisition and the next instalment of payment of the consideration will be adjusted accordingly.

The consideration for the Acquisition shall be settled in the following manner:

- (a) upon fulfillment of the conditions precedent, RMB165,748,769.76 shall be paid to the designated bank account of Jurong Jinhui on the completion date of the change of registration with the local market supervision and administration authority; and
- (b) upon fulfillment of the conditions precedent and the post-completion undertakings or 31 October 2023 (whichever is later), RMB95,454,545.45 shall be paid within 5 working days to the designated bank account of Jurong Jinhui.

The consideration for the Acquisition 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 the valuation of the Sale Shares.

Conditions Precedent

Pursuant to the Equity Transfer Agreement, the Acquisition is conditional upon the fulfillment or, where applicable, waiver of the following conditions, among other things:

- (a) the delivery of a certified copy of valid written resolutions in accordance with the internal governing documents approving the execution, delivery and performance of the Equity Transfer Agreement and the transactions contemplated thereunder;

- (b) the written consent to the transfer of equity interests in the Project Company contemplated under the Equity Transfer Agreement from the lending bank of an existing banking facility having been obtained by the Project Company;
- (c) the submission of anti-trust filing and the approval from the State Administration for Market Regulation having been obtained with no restrictive conditions which may have material adverse effect on the Project Company or the Acquisition;
- (d) the filing approval of the asset valuation report of the Sale Shares issued by CMG having been obtained and pursuant to the asset valuation report, (i) the CMG Valuation Price is not less than the consideration for the Acquisition, or (ii) the CMG Valuation Price is lower than the consideration for the Acquisition and Jurong Jinhui consents in writing to transfer the Sale Shares to Guangzhou Merchants at the CMG Valuation Price; and
- (e) the completion of the change of registration with the local market supervision and administration authority.

Completion

The completion of the Acquisition shall take place on which the local market supervision and administration authority issues the notice of registration of approval for the Acquisition.

Post-completion Undertakings

Jurong Jinhui further undertakes that, after completion, Jurong Jinhui shall, among other things, (i) provide all necessary assistance to the purchasers under the Equity Transfer Agreement, including Guangzhou Merchants, in the administrative procedures required for the management, development and construction of the projects on the land lots for which Jurong Jinhui is responsible for the successful completion of the relevant projects and in the event of any outstanding matters, claims or disputes in relation to the land lots for which Jurong Jinhui is responsible; and (ii) remove all signs, logos, light boxes, signage, promotional materials or other similar physical structures with trademarks and trade names of Jurong Jinhui or Country Garden placed on or forming part of the relevant property.

INFORMATION OF THE PARTIES

Guangzhou Merchants, a company established in the PRC with limited liability, is principally engaged in property development and sales of property in the PRC.

Jurong Jinhui, a company established in the PRC with limited liability, is principally engaged in property development and sales. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the ultimate beneficial owner of Jurong Jinhui is Country Garden Real Estate Group Co., Ltd.*(碧桂園地產集團有限公司), a wholly-owned subsidiary of Country Garden Holdings Company Limited (碧桂園控股有限公司), the shares of which are listed on the Main Board of the Stock Exchange with stock code 2007.

INFORMATION OF THE PROJECT COMPANY

The Project Company is a company established in the PRC with limited liability on 3 March 2017 which is principally engaged in property development of the Land. The Land is located at the west of Zhongshan South Road, outside Zhonghua Gate, Qinhuai District, Nanjing City, Jiangsu Province, China* (中國江蘇省南京市秦淮區中華門外中山南路以西地塊) with a total site area of 199,329.26 sq.m. The Land is designated for a mixed land usage with a term of 70 years for urban residential usage and 40 years for commercial service usage. As at the date of this announcement, the Project Company is held as to 33% by Chongqing Hanzhi, 34% by Nanjing Merchants and 33% by Jurong Jinhui.

The table below sets forth a summary of certain financial information of the Project Company (prepared in accordance with the applicable financial reporting standards in the PRC) for the two years ended 31 December 2022:

	For the year ended 31 December 2021	For the year ended 31 December 2022
	<i>RMB'000</i>	<i>RMB'000</i>
	(audited)	(unaudited)
Net profit before taxation	312,911	640,954
Net profit after taxation	234,536	479,995

The unaudited net asset value of the Project Company as at 31 December 2022 was RMB4,855,874,594.35.

REASONS FOR AND BENEFITS OF THE ACQUISITION

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

The Company has been seeking opportunities to enhance its property development projects in the cities in which it has taken root, as the Group has been participating in the Project Company, we are familiar with the situation of the Project Company and are optimistic about the development potential of the projects under the Project Company. The Company considers that now is the right time to make such the Acquisition, which will allow the Group to enjoy a greater share of economic return on the projects held by the Project Company and enhance its investment portfolio in the property market in the PRC. Therefore, the Company considers that the entering into of the Equity Transfer Agreement and the transactions contemplated thereunder are in the interest of the Company.

The terms of the Equity Transfer 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 Equity Transfer 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 Acquisition exceed 5% but are less than 25%, the entering into of the Equity Transfer 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:

“Acquisition”	the acquisition of the Sale Shares by Guangzhou Merchants from Jurong Jinhui pursuant to the terms and conditions of the Equity Transfer Agreement
“Beijing Hanzhi”	Hongkong Land (Beijing) Management Company Limited* (北京瀚置新城管理顧問有限公司), a company established in the PRC with limited liability
“Board”	the board of Directors
“Chongqing Hanzhi”	Hongkong Land (Chongqing) Investment and Development Company Limited* (重慶瀚置實業發展有限公司), a company established in the PRC with limited liability
“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)
“Directors”	the directors of the Company
“Equity Transfer Agreement”	the equity transfer agreement dated 18 January 2023 entered into between, among others, Guangzhou Merchants and Jurong Jinhui in respect of the Acquisition
“Group”	the Company and its subsidiaries
“Guangzhou Merchants”	Guangzhou Merchants Property Development Limited* (廣州招商房地產有限公司), a company established in the PRC with limited liability and an indirect wholly-owned subsidiary of the Company

“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
“Jurong Jinhui”	Jurong Jinhui Real Estate Construction Company Limited* (句容市金滙房產建設有限公司), a company established in the PRC with limited liability
“Land”	a piece of land situated at the west of Zhongshan South Road, outside Zhonghua Gate, Qinhuai District, Nanjing City, Jiangsu Province, China* (中國江蘇省南京市秦淮區中華門外中山南路以西地塊) with a total site area of 199,329.26 sq.m.
“Listing Rules”	The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended from time to time
“Nanjing Merchants”	Nanjing Merchants Zhaosheng Property Development Limited* (南京招商招盛房地產有限公司), a company established in the PRC with limited liability and an indirect non-wholly owned subsidiary of the Company
“Nanjing Puzhi”	Hongkong Land (Nanjing) Puzhi Management Co. Ltd.* (南京璞置企業管理諮詢有限公司), 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 Shengxiangyuan Property Development Limited* (南京盛香園房地產開發有限公司), a company established in the PRC with limited liability on 3 March 2017 which is held as to 33% by Chongqing Hanzhi, 34% by Nanjing Merchants and 33% by Jurong Jinhui as at the date of this announcement

“RMB”	Renminbi, the lawful currency of the PRC
“Sale Shares”	18% equity interests in the Project Company held by Jurong Jinhui as at the date of this announcement
“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
“subsidiary”	has the meaning ascribed to it in the Listing Rules
“Suzhou Merchants”	China Merchants Property (Suzhou) Co., Ltd.* (招商局地產(蘇州)有限公司), a company established in the PRC with limited liability
“%”	per cent

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

Hong Kong, 18 January 2023

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*