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**MAJOR AND CONNECTED TRANSACTION
RELATING TO
THE ACQUISITION OF 49% EQUITY INTEREST IN
MERCHANTS PROPERTY DEVELOPMENT (GUANGZHOU)**

Financial Adviser to the Company

CMS  招商证券

China Merchants Securities (HK) Co., Limited

THE ACQUISITION

On 3 August 2014, Sino Action (a wholly-owned subsidiary of the Company, as the purchaser), Shenzhen China Merchants (as the seller) and Merchants Property Development (Guangzhou) entered into the Agreement, pursuant to which Sino Action has conditionally agreed to acquire, and Shenzhen China Merchants has conditionally agreed to sell, the Sale Equity Interest. The Consideration for the sale and purchase of the Sale Equity Interest is approximately RMB1,212.77 million, which will be satisfied by way of cash.

After the Sale Equity Interest is transferred to Sino Action, Merchants Property Development (Guangzhou) will become an indirect wholly-owned subsidiary of the Company.

LISTING RULES IMPLICATIONS

The Acquisition constitutes:

- (a) a major transaction of the Company under Rule 14.06(3) of the Listing Rules as one or more of the relevant percentage ratios under Rule 14.07 of the Listing Rules are over 25% but less than 100% for the Company in relation to the Acquisition; and
- (b) a non-exempt connected transaction of the Company as Shenzhen China Merchants is a connected person of the Company by virtue of being an associate of CMPD, which is the controlling shareholder of the Company.

Accordingly, the Acquisition is subject to the reporting, announcement and the approval of the Independent Shareholders at the EGM. CMPD and its associates are required to abstain from voting on the relevant resolution(s) to be proposed at the EGM to approve the Acquisition.

THE INDEPENDENT BOARD COMMITTEE AND THE CIRCULAR

The Independent Board Committee comprising all of the four independent non-executive Directors, namely Dr. Wong Wing Kuen, Albert, Ms. Chen Yanping, Dr. Shi Xinping and Mr. He Qi, has been formed to advise the Independent Shareholders on the Acquisition. Altus Capital Limited has been appointed as the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders in respect of the Acquisition.

The Circular containing, among other things, (i) further details of the Acquisition; (ii) the recommendation of the Independent Board Committee in relation to the Acquisition; (iii) a letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in relation to the Acquisition; (iv) financial information of the Target Group; (v) a property valuation of the Target Group; and (vi) the notice of the EGM, is expected to be despatched to the Shareholders on or before 25 August 2014.

WARNING

The Acquisition is subject to a number of conditions including Independent Shareholders' approval, which may or may not be fulfilled. SHAREHOLDERS OF THE COMPANY AND POTENTIAL INVESTORS SHOULD EXERCISE CAUTION WHEN THEY DEAL OR CONTEMPLATE DEALING IN THE SHARES OR OTHER SECURITIES OF THE COMPANY.

On 3 August 2014, Sino Action (a wholly-owned subsidiary of the Company, as the purchaser), Shenzhen China Merchants (as the seller) and Merchants Property Development (Guangzhou) entered into the Agreement pursuant to which, among other things, Sino Action has conditionally agreed to acquire, and Shenzhen China Merchants has conditionally agreed to sell, the Sale Equity Interest for an amount of approximately RMB1,212.77 million.

After the Sale Equity Interest is transferred to Sino Action, Merchants Property Development (Guangzhou) will become an indirect wholly-owned subsidiary of the Company.

Set out below are details of the Agreement:

THE AGREEMENT

Date: 3 August 2014

Parties

- (1) Sino Action (as the purchaser);
- (2) Shenzhen China Merchants (as the seller); and
- (3) Merchants Property Development (Guangzhou).

Sino Action is principally engaged in investment holding and is an indirect wholly-owned subsidiary of the Company.

Shenzhen China Merchants is a company principally engaged in property development and sale in the PRC and a wholly-owned subsidiary of CMPD. As at the date of this announcement, CMPD is the controlling shareholder of the Company and indirectly holds 3,646,889,329 Shares of the Company, representing approximately 74.35% of the total issued share capital of the Company. CMPD is therefore a connected person of the Company by virtue of being a substantial shareholder of the Company, and Shenzhen China Merchants is therefore a connected person of the Company by virtue of being an associate of CMPD.

The Acquisition

Sino Action has conditionally agreed to acquire from Shenzhen China Merchants the Sale Equity Interest. Further information on Merchants Property Development (Guangzhou) is set out in the section headed “Information on the Target Group” below.

Conditions Precedent

Payment of the Consideration is conditional upon the satisfaction or the waiver in writing of certain conditions precedent on or before the First Payment Date, including but not limited to the following:

- (a) the approval of Independent Shareholders for, among other things, the Agreement and the Acquisition, having been obtained and remaining in full force and effect;
- (b) Sino Action having completed its legal, financial and business due diligence on each Target Group Company, and the results of such due diligence are satisfactory to Sino Action;
- (c) all necessary approvals, consent and filings of any third parties (including but not limited to the relevant governmental authorities) in relation to the entry into and performance of the obligations under the Agreement by Merchants Property Development (Guangzhou) and Shenzhen China Merchants having been obtained or made, which will not require substantial amendments to the terms and conditions of the Agreement;
- (d) each of the board of directors of CMPD and Shenzhen China Merchants having duly authorised and approved (i) the execution and performance of the Agreement by Shenzhen China Merchants, and (ii) the completion of the Acquisition;
- (e) the approval of CMG in relation to the Acquisition having been obtained;
- (f) the Acquisition and the relevant transaction documents having been approved by the competent local commission of MOFCOM, and the necessary filing with MOFCOM in relation to the Acquisition having been completed;
- (g) all other necessary filings with the relevant regulatory authorities in the PRC (including filings with SAIC and SAFE) having been completed;

- (h) the Warranties remaining true and accurate and not misleading in any material respect if they were repeated at any time on or before the First Payment Date by reference to the facts and circumstances then existing (on the basis that the references in the Warranties to the date of this Agreement were references to the relevant date);
- (i) in Sino Action's reasonable judgement, no event has occurred which has materially adversely affected or may materially adversely affect any of the Target Group Company since execution of the Agreement till the First Payment Date;
- (j) Jones Lang LaSalle having completed the valuation of the properties of each Target Group Company in accordance with the requirements of the Listing Rules in relation to the Acquisition and the content and results of such valuation being satisfactory to Sino Action; and
- (k) Sino Action having received an opinion issued by Jun He Law Firm, the PRC legal advisers to Sino Action, in respect of the Acquisition and each Target Group Company and in form and substance satisfactory to the Company.

If any of the conditions precedent set out in the Agreement has not been fulfilled or waived by Sino Action before the Long Stop Date, Sino Action, at its sole discretion and by making written notice to Shenzhen China Merchants, will be entitled to either:

- (a) make payment of 50% of the Consideration on a date (the ***Alternative First Payment Date***) not later than the tenth Business Day after the Long Stop Date. For avoidance of doubt, under such circumstances, the remaining 50% of the Consideration shall be paid in accordance with the manner described under the section headed "The Consideration and Payment Arrangement" below, or;
- (b) terminate the Agreement with immediate effect.

The Consideration and Payment Arrangement

The Consideration for the Sale Equity Interest is approximately RMB1,212.77 million, which will be satisfied by cash. 50% of the Consideration shall be paid by Sino Action on the third Business Day after all the conditions precedent set out in the Agreement are fulfilled or waived by Sino Action, or on the Alternative First Payment Date (whichever is later) (the ***First Payment Date***). The remaining 50% of the Consideration shall be paid by Sino Action no later than 30 April 2015 upon prior written payment notice from Shenzhen China Merchants at least three Business Days in advance.

The Consideration was determined after arm's length negotiations between the Company, Sino Action, Shenzhen China Merchants and CMPD and is equal to the agreed value of the Sale Equity Interest, which was derived as follows:

- (a) equity of Merchants Property Development (Guangzhou) attributable to Shenzhen China Merchants as at 30 June 2014;

(b) plus:

appreciation of the properties of the Target Group attributable to Shenzhen China Merchants, which is equal to the difference between the book value of the properties as at 30 June 2014 and the preliminary appraised value of the properties as at 30 June 2014 given by Jones Lang LaSalle (in each case, attributable to Shenzhen China Merchants);

(c) less:

estimated amount of business tax, land appreciation tax and income tax (attributable to Shenzhen China Merchants) that will be payable upon the sale of the properties of the Target Group at their appraised value in the preliminary appraisal by Jones Lang LaSalle as at 30 June 2014.

As at 30 June 2014, the book value of the Sale Equity Interest was approximately RMB249.33 million, which mainly included the registered capital of Merchants Property Development (Guangzhou) attributable to Shenzhen China Merchants and the various reserves of Merchants Property Development (Guangzhou) attributable to Shenzhen China Merchants as at 30 June 2014.

Further details of the basis upon which the Consideration was calculated will be disclosed in the Circular.

When the Consideration was calculated, the land use rights certificates in relation to Evian Bay (依雲江灣), Huambo City (萬博) and Evian King Bay (依雲雍景灣) had not been obtained because the relevant land parcels were newly acquired and the relevant project companies were in the process of applying for the relevant land use right certificates. The lack of land use rights certificates for such projects did not affect the basis of calculating the Consideration because in calculating the equity attributable to Shenzhen China Merchants, the land premium that had been paid by the Target Group had been taken into account.

The original purchase cost of 49% equity interest in Merchants Property Development (Guangzhou) paid in aggregate by Shenzhen China Merchants was RMB98 million, which represents the total capital injected by Shenzhen China Merchants into Merchants Property Development (Guangzhou).

INFORMATION ON THE TARGET GROUP

Merchants Property Development (Guangzhou), a company incorporated in the PRC, is 30% held by Converge and 21% held by Sino Action. Converge and Sino Action are both members of the Group indirectly wholly-owned by the Company. After the Sale Equity Interest is transferred to Sino Action, Merchants Property Development (Guangzhou) will become an indirect wholly-owned subsidiary of the Company, the financial results of which will continue to be consolidated into the financial statements of the Group.

Merchants Property Development (Guangzhou) is principally engaged in property development in the PRC. It is holding and developing Jinshan Valley, a high-end residential and commercial complex located in Panyu District of Guangzhou. As at 30 June 2014, Jinshan Valley had a total GFA of 1,341,801 sq.m., and the total saleable GFA of the properties comprising Jinshan Valley that had not been sold or pre-sold amounted to 676,252 sq.m.

Merchants Property Development (Guangzhou) holds equity interest in eight project companies, which own and operate eight property development projects as set out in the table below:

Project company in the PRC	Project ^{Note}	Location	Planned use	Total saleable GFA of the properties comprising the relevant project that had not been sold or pre-sold as at 30 June 2014 (sq.m.)	Total GFA as at 30 June 2014 (sq.m.)	Equity interest in the project company held by Merchants Property Development (Guangzhou)
Foshan Zhen Yuan	Evian Mansion (依雲公館)	Foshan	Residential, commercial	306,379	313,589	55%
Foshan Xin Cheng	Evian Water Bank (依雲水岸)	Foshan	Residential, commercial	16,507	655,716	50%
Foshan Yi Yun	Evian Tianhui (依雲天匯)	Foshan	Residential, commercial	99,850	301,818	50%
Foshan Shang Yuan	Evian King Bay (依雲雍景灣)	Foshan	Residential, commercial	217,786	233,852	50%
Foshan De Sheng	Park 1872 (公園1872)	Foshan	Residential, commercial	267,320	303,132	100%
Foshan Kai Da Cheng	China Merchants Central Landmark (招商置地中心)	Foshan	Commercial	217,480	223,556	51%
Chongqing Yi Yun	Evian Bay (依雲江灣)	Chongqing	Residential, commercial	502,198	532,246	100%
Guangzhou Yi Yun	Huambo City (萬博)	Guangzhou	Commercial	112,859	124,906	100% ¹
				1,740,379	2,688,815	

Note:

The Company adopts in this announcement the project names which the relevant Target Group Company has used, or intends to use, to market its properties. Some of the names for the property developments are pending approvals by the relevant government authorities and may be subject to change.

¹ As at the date of this announcement, Guangzhou Yi Yun is 100% owned by Merchants Property Development (Guangzhou). According to the Company's announcement dated 31 July 2014, Merchants Property Development (Guangzhou) has entered into a cooperation agreement with Shenzhen Lianxin Investment and Management Company Limited (深圳聯新投資管理有限公司) (*Shenzhen Lianxin*) and Guangzhou Yi Yun. Upon completion of the transaction under the cooperation agreement (the *Deemed Disposal to Shenzhen Lianxin*), Guangzhou Yi Yun will be owned as to 51% by Merchants Property Development (Guangzhou) and 49% by Shenzhen Lianxin. Completion of the transaction is expected to take place on or before 31 August 2014.

Financial information of the Target Group

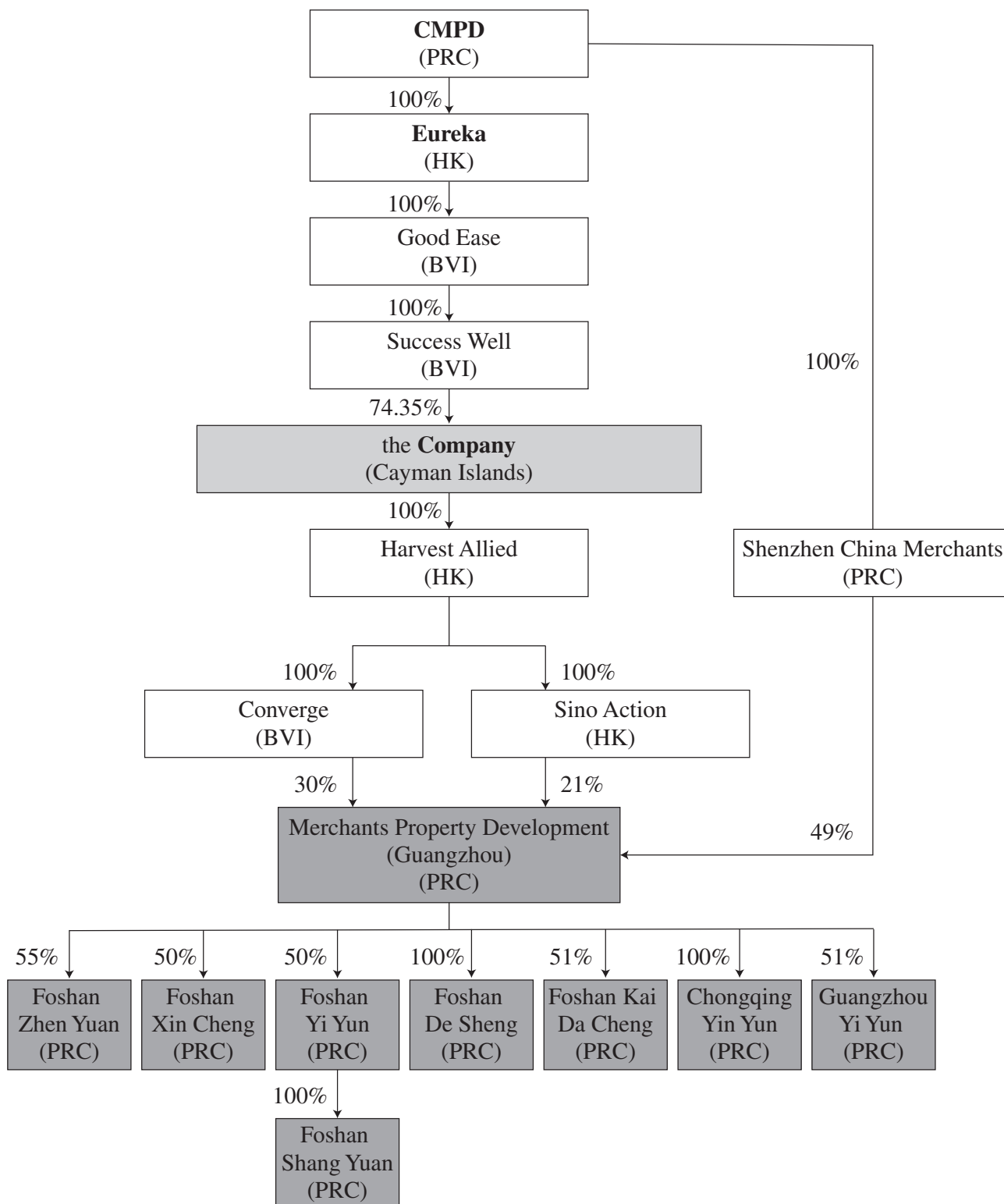
Set out below is a summary of the financial information of Merchants Property Development (Guangzhou), as consolidated in the audited consolidated financial statements of the Group, which are prepared based on the accounting policies of the Group and in accordance with Hong Kong Financial Reporting Standards:

	For the year ended 31 December	
	2012 (RMB'000)	2013 (RMB'000)
Revenue	3,626,036	3,626,001
Gross profit	2,302,197	2,209,849
Net profit before taxation	2,225,376	2,232,828
Net profit after taxation	1,080,234	1,174,698

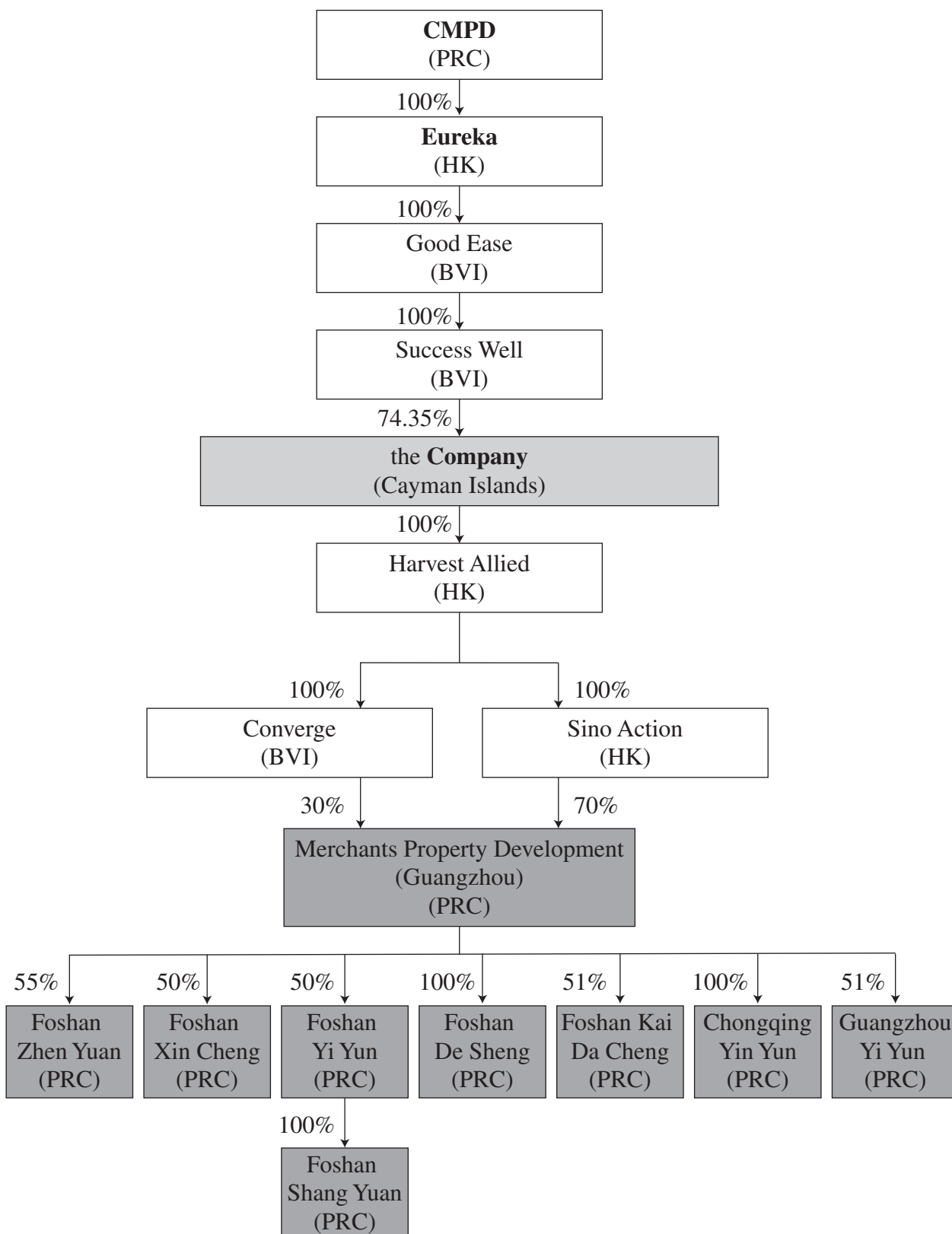
SHAREHOLDING STRUCTURE OF THE TARGET GROUP

Set out below is the shareholding structure of the Target Group immediately before and after the completion of the transfer of the Sale Equity Interest to Sino Action:

- (I) **Shareholding structure of the Target Group immediately before the completion of the transfer of the Sale Equity Interest (assuming the Deemed Disposal to Shenzhen Lianxin is completed immediately before the completion of the transfer of the Sale Equity Interest)**



(II) Shareholding structure of the Target Group immediately after the completion of the transfer of the Sale Equity Interest (assuming the Deemed Disposal to Shenzhen Lianxin is completed immediately before the completion of the transfer of the Sale Equity Interest)



INFORMATION ON THE GROUP

The Company was incorporated in the Cayman Islands whose ordinary shares are listed on the Main Board of the Stock Exchange. The Group's principal business activities include:

- (a) development, sale, lease, investment and management of properties; and
- (b) sales of electronic and electrical related products and sales of building related materials and equipment.

As at the date of this announcement, CMPD indirectly holds approximately 74.35% of the issued shares in the Company.

INFORMATION ON SHENZHEN CHINA MERCHANTS AND CMPD

Shenzhen China Merchants is incorporated in the PRC and is a wholly-owned subsidiary of CMPD. The principal business activity of Shenzhen China Merchants is property development and sale.

CMPD is currently the real estate flagship of CMG, which is the controlling shareholder of CMPD and currently indirectly holds approximately 51.89% of the total issued share capital of CMPD. CMG is a state-owned conglomerate regulated by the national State-Owned Assets Supervision and Administration Commission.

REASONS FOR AND BENEFITS OF THE ACQUISITION

The Target Group holds and develops nine property development projects, three of which have entered into their respective sale period and are generating profits, and the remaining six projects are expected to enter into their respective sale period within this year and then start to generate profits. For each of the two years ended 31 December 2012 and 2013, the Target Group generated net profit of approximately RMB1,080.23 million and RMB1,174.70 million, respectively. It is expected that the projects held by the Target Group will continue to be profitable in the next few years, and the Acquisition is expected to help boost the profitability of the Group.

When the 51% equity interest in Merchants Property Development (Guangzhou) was first injected into the Company by CMPD in 2013, CMPD has granted the Company an option to acquire its 49% equity interest in Merchants Property Development (Guangzhou). The Directors consider that it is the right time to exercise such option granted by CMPD and to acquire the remaining 49% equity interest in Merchants Property Development (Guangzhou).

After the completion of the transfer of the Sale Equity Interest to Sino Action, Merchants Property Development (Guangzhou) will become a wholly-owned subsidiary of the Company, which will enable the Target Group to be further integrated into the Group's property development operation and thus reduce costs and improve efficiency. Also, the Group will have full and complete control of Merchants Property Development (Guangzhou) which would enhance the management and operation efficiency in carrying out the Group's business decisions and development strategies. Furthermore, after the completion of the transfer of

the Sale Equity Interest, Merchants Property Development (Guangzhou) will cease to be a connected person of the Company, which will reduce the potential connected transactions of the Company.

On the basis of the foregoing, the Directors (excluding all the independent non-executive Directors of the Company, who will give their opinion based on the recommendation from the Independent Financial Adviser) are of the view that the terms of the Acquisition, which have been agreed after arm's length negotiations, are on normal commercial terms and such terms are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

FINANCIAL EFFECTS OF THE ACQUISITION

After the completion of the transfer of the Sale Equity Interest to Sino Action, Merchants Property Development (Guangzhou) will become a wholly-owned subsidiary of the Company and will continue to be accounted for as a subsidiary of the Company. Accordingly, its financial results (including earnings, assets and liabilities) will continue to be consolidated into and reflected in the financial statements of the Group.

After the completion of the transfer of the Sale Equity Interest to Sino Action, as Merchants Property Development (Guangzhou) will become a wholly-owned subsidiary of the Company, the consolidated profit of the Target Group will be 100% attributable to the Company as opposed to 51% attributable to the Company prior to completion of the transfer of the Sale Equity Interest. Other than this, the Board does not expect that the Acquisition would have any immediate profit and loss effect on the Group immediately after completion of the Acquisition. Further details on the financial effects of the Acquisition on the Group will be set out in the Circular.

WARNING

Completion of the Acquisition is subject to the satisfaction and/or waiver of a number of conditions including Independent Shareholders' approval, which may or may not be fulfilled. SHAREHOLDERS OF THE COMPANY AND POTENTIAL INVESTORS SHOULD EXERCISE CAUTION WHEN THEY DEAL OR CONTEMPLATE DEALING IN THE SHARES OR OTHER SECURITIES OF THE COMPANY.

LISTING RULES IMPLICATIONS

As one or more of the relevant percentage ratios under Rule 14.07 of the Listing Rules are over 25% but less than 100% for the Company in relation to the Acquisition, the Acquisition constitutes a major transaction of the Company under Rule 14.06(3) of the Listing Rules. As at the date of this announcement, as Shenzhen China Merchants is a connected person of the Company by virtue of being an associate of CMPD, the controlling shareholder of the Company, the Acquisition also constitutes a connected transaction of the Company and is subject to the reporting, announcement and the approval of the Independent Shareholders at the EGM. CMPD and its associates are required to abstain from voting on the relevant resolution(s) to be proposed at the EGM to approve the Agreement and the Acquisition.

FINANCIAL ADVISER, INDEPENDENT BOARD COMMITTEE AND INDEPENDENT FINANCIAL ADVISER

China Merchants Securities (HK) Co., Limited has been appointed as the financial adviser to the Company in relation to the Acquisition.

The Independent Board Committee comprising all of the four independent non-executive Directors, namely Dr. Wong Wing Kuen, Albert, Ms. Chen Yanping, Dr. Shi Xinping and Mr. He Qi, has been formed to advise the Independent Shareholders in relation to the terms of the Agreement and the Acquisition. The Company has, with the approval of the Independent Board Committee, appointed Altus Capital Limited as an independent financial adviser in accordance with the requirements under the Listing Rules to advise the Independent Board Committee and the Independent Shareholders on matters in relation to the Acquisition.

DESPATCH OF CIRCULAR

The Company will despatch the Circular in accordance with requirements under the Listing Rules, which will contain, among other things, (i) further details of the Acquisition; (ii) the recommendation of the Independent Board Committee in relation to the Acquisition; (iii) a letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in relation to the Acquisition; (iv) financial information of the Target Group; (v) a property valuation of the Target Group; and (vi) the notice of the EGM. It is expected that the Circular will be despatched on or before 25 August 2014.

DEFINITIONS

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

“Acquisition”	the sale and purchase of the Sale Equity Interest as contemplated under the Agreement;
“Agreement”	the share purchase agreement dated 3 August 2014 entered into between Sino Action, Shenzhen China Merchants and Merchants Property Development (Guangzhou) in respect of the Acquisition;
“associate”	has the meaning given to it under the Listing Rules;
“Board”	the board of Directors;
“Business Day”	a day on which banks are open in the PRC and Hong Kong for general commercial business;
“BVI”	the British Virgin Islands;

“Chongqing Yi Yun”	重慶招商依雲房地產有限公司 (Chongqing China Merchants Yi Yun Property Co., Ltd.), a company incorporated in the PRC with limited liability on 21 August 2013, and is a wholly-owned subsidiary of Merchants Property Development (Guangzhou);
“Circular”	the circular to be sent to the Shareholders in relation to the EGM containing, among others, details of the Acquisition;
“CMG”	China Merchants Group Co., Ltd., being the controlling shareholder of CMPD and currently indirectly holding approximately 51.89% of the total issued share capital of CMPD;
“CMPD”	China Merchants Property Development Co., Ltd. (招商局地產控股股份有限公司), a company established in the PRC with limited liability on 19 September 1990, whose shares are listed on the Shenzhen Stock Exchange (stock code: 000024 (A share); 200024 (B share) and Singapore Exchange (stock code: C03), being the controlling shareholder of the Company and holds approximately 74.35% of the total issued share capital of the Company as at the date of this announcement;
“Company”	China Merchants Land Limited, a company incorporated in the Cayman Islands as an exempted company with limited liability on 24 April 1997 and the issued shares of which are listed on the main board of the Stock Exchange (stock code: 0978);
“connected person”	has the meaning given to it under the Listing Rules;
“Consideration”	the total consideration of approximately RMB1,212.77 million for the Acquisition;
“controlling shareholder”	has the meaning given to it under the Listing Rules;
“Converge”	Converge Holdings Limited, a company incorporated in the BVI on 2 January 2004, which is an indirectly wholly-owned subsidiary of the Company;
“Directors”	the directors of the Company;
“EGM”	the extraordinary general meeting of the Company to be held to approve, among others, matters relating to the Acquisition;

“Eureka”	Eureka Investment Company Limited, a company incorporated in Hong Kong with limited liability on 16 August 1994 and is a wholly-owned subsidiary of CMPD;
“First Payment Date”	has the meaning ascribed to it under the section headed “The Consideration and Payment Arrangement” in this announcement;
“Foshan De Sheng”	佛山順德依雲德勝房地產有限公司 (Foshan Shunde Yi Yun De Sheng Property Development Co., Ltd.), a company incorporated in the PRC with limited liability on 27 May 2013, and is a wholly-owned subsidiary of Merchants Property Development (Guangzhou);
“Foshan Kai Da Cheng”	佛山市凱達城投資發展有限公司 (Foshan Kai Da Cheng Investment and Development Co., Ltd.), a company incorporated in the PRC with limited liability on 18 October 2012, which is 51% owned by Merchants Property Development (Guangzhou), 35% owned by Guangdong New Nanda Cable Industrial Co., Ltd. (廣東新南達電纜實業有限公司) (an independent third party) and 14% owned by Foshan Jin Cheng Frozen Food Co., Ltd. (佛山市金城速凍食品有限公司) (an independent third party);
“Foshan Shang Yuan”	佛山依雲上園房地產有限公司 (Foshan Yi Yun Shang Yuan Property Development Co., Ltd.), a company incorporated in the PRC with limited liability on 10 December 2013 and is a wholly-owned subsidiary of Foshan Yi Yun;
“Foshan Xin Cheng”	佛山鑫城房地產有限公司 (Foshan Xin Cheng Property Development Co., Ltd.), a company incorporated in the PRC with limited liability on 30 April 2007, and is owned as to 50% by Merchants Property Development (Guangzhou) and 50% by Total Up International Limited which is a subsidiary of Wharf Properties (China) Limited and is an independent third party;
“Foshan Yi Yun”	佛山依雲房地產有限公司 (Foshan Yi Yun Property Development Co., Ltd.), a company incorporated in the PRC with limited liability on 24 August 2010, and is owned as to 50% by Merchants Property Development (Guangzhou) and 50% by Wharf Properties (Guangzhou) Co., Ltd. which is a subsidiary of Wharf Properties (China) Limited and is an independent third party;

“Foshan Zhen Yuan”	佛山依雲臻園房地產有限公司 (Foshan Yi Yun Zhen Yuan Property Development Co., Ltd.), a company incorporated in the PRC with limited liability on 2 December 2013, and is owned as to 55% by Merchants Property Development (Guangzhou) and 45% by Foshan Heng Lun Property Investment Co., Ltd. (佛山市恒輪置業投資有限公司);
“GFA”	gross floor areas;
“Good Ease”	Good Ease Holdings Limited, a company incorporated in the BVI on 2 February 2012, and is an indirect wholly-owned subsidiary of CMPD;
“Group”	the Company and its subsidiaries;
“Guangzhou Yi Yun”	廣州依雲房地產有限公司 (Guangzhou Yi Yun Property Development Co., Ltd.), a company incorporated in the PRC with limited liability on 28 February 2014 and is a wholly-owned subsidiary of Merchants Property Development (Guangzhou);
“Harvest Allied”	Harvest Allied Investments Limited (滙泰投資有限公司), a company incorporated in Hong Kong on 25 April 2013, which is a wholly-owned subsidiary of the Company;
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong;
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC;
“Independent Board Committee”	the independent board committee comprising all the independent non-executive Directors of the Company;
“Independent Financial Adviser”	Altus Capital Limited;
“Independent Shareholders”	Shareholders except for CMPD, its associates and those who are required to abstain from voting at the EGM to be convened to approve the Acquisition and matters relating to it;
“Jones Lang LaSalle”	Jones Lang LaSalle Corporate Appraisal and Advisory Limited;
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited;
“Long Stop Date”	31 March 2015;

“Merchants Property Development (Guangzhou)”	廣州招商房地產有限公司 (Merchants Property Development (Guangzhou) Ltd.), a company incorporated in the PRC with limited liability on 10 August 2004, and is owned as to 30% by Converge, 21% by Sino Action and 49% by Shenzhen China Merchants;
“MOFCOM”	Ministry of Commerce of the PRC;
“PRC” or “China”	the People’s Republic of China, which for the purpose of this announcement excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan;
“RMB”	Renminbi, being the lawful currency of the PRC;
“SAFE”	the State Administration of Foreign Exchange;
“SAIC”	the State Administration for Industry and Commerce of the PRC;
“Sale Equity Interest”	Shenzhen China Merchants’ 49% equity interest in the issued share capital of Merchants Property Development (Guangzhou);
“Shareholders”	holders of the Shares;
“Shares”	ordinary shares of HK\$0.01 each in the share capital of the Company;
“Shenzhen China Merchants”	深圳招商房地產有限公司 (Shenzhen China Merchants Real Estate Co., Ltd.), a company established in the PRC with limited liability on 5 May 1984, and is a wholly-owned subsidiary of CMPD;
“Sino Action”	Sino Action Investments Limited, a company incorporated in Hong Kong with limited liability on 6 March 2013, which is an indirect wholly-owned subsidiary of the Company;
“sq.m.”	square meter;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“subsidiary”	has the meaning given to it under the Listing Rules;
“Success Well”	Success Well Investments Limited, a company incorporated in the BVI with limited liabilities on 2 February 2012, which is a wholly-owned subsidiary of Good Ease and holds 74.35% of the interests in the Company;

“Target Group” means Merchants Property Development (Guangzhou), Foshan Zhen Yuan, Foshan Xin Cheng, Foshan Yi Yun, Foshan De Sheng, Foshan Kai Da Cheng, Guangzhou Yi Yun, Chongqing Yi Yun and Foshan Shang Yuan, collectively, and each of them a *Target Group Company*; and

“Warranties” the warranties given by Shenzhen China Merchants and Merchants Property Development (Guangzhou) as warrantors to Sino Action under the Agreement.

By Order of the Board
China Merchants Land Limited
Mr. He Jianya
Chairman

Hong Kong, 3 August 2014

As at the date of this announcement, the Board comprises Dr. So Shu Fai, Mr. Xian Yaoqiang, Mr. Liu Zhuogen and Mr. Yu Zhiliang as executive Directors; Mr. He Jianya, Ms. Wu Zhenqin and Ms. Liu Ning as non-executive Directors and Dr. Wong Wing Kuen, Albert, Ms. Chen Yanping, Dr. Shi Xinping and Mr. He Qi as independent non-executive Directors.