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**DISCLOSEABLE AND CONNECTED TRANSACTIONS
FORMATION OF JOINT VENTURE COMPANY
AND GRANT OF PUT OPTION**

FORMATION OF JOINT VENTURE COMPANY

On 30 January 2015, Merchants Nanjing (an indirect non wholly-owned subsidiary of the Company), Nanjing Aohe, Shenzhen Lianxin and Nanjing Bozhixin have entered into the Cooperation Agreement for the JV Formation to develop the Lands.

Pursuant to the terms of the Cooperation Agreement, Merchants Nanjing and the JV Partners have agreed to form the JV Company following which it will be owned as to 51%, 30%, 12.97% and 6.03% by Nanjing Aohe, Shenzhen Lianxin, Nanjing Bozhixin and Merchants Nanjing respectively. The registered capital of the JV Company is initially set at RMB100 million. The capital contributed by Nanjing Aohe, Shenzhen Lianxin, Nanjing Bozhixin and Merchants Nanjing into the JV Company is RMB51 million, RMB30 million, RMB12.97 million and RMB6.03 million respectively in cash, which will be contributed with reference to their respective percentage of equity interest to be held in the JV Company.

Nanjing Aohe had on 22 October 2014 successfully obtained by auction the land use right in the Lands for a total consideration of RMB3.1 billion, of which RMB1.55 billion have already been paid by Merchants Nanjing and the JV Partners with reference to their respective proposed percentage of equity interest held in the JV Company to be established. The land use right in the Lands will be transferred to the JV Company after it is established.

The Lands, comprising Land Parcel A, Land Parcel B and Land Parcel C, has total site area of approximately 90,971.84 square meters and maximum developable gross floor area of approximately 81,561.10 square meters and is designated for a mix of residential and child care use.

Under the Cooperation Agreement, in addition to the registered capital of RMB100 million contributed by Merchants Nanjing and the JV Partners, it is estimated that according to the working capital of the JV Company approximately RMB3.2 billion will be required to be contributed, including the land use rights transfer consideration for acquisition of the Lands and operational expenses, but excluding finance costs, it is estimated that each of Nanjing Aohe, Shenzhen Lianxin, Nanjing Bozhixin and Merchants Nanjing will have contributed approximately RMB1,634 million, approximately RMB961 million, approximately RMB416 million and approximately RMB193 million in cash and will hold 51%, 30%, 12.97% and 6.03% respectively of the equity interest in the JV Company and the corresponding proportionate shareholder's loans due from the JV Company.

In addition, pursuant to the Cooperation Agreement, Merchants Nanjing has granted an option to Shenzhen Lianxin, whereupon (a) Development and Sales Completion for Land Parcel A; or (b) 48 months after the date of signing of the land use rights acquisition agreement for the Lands by the JV Company; Shenzhen Lianxin may exercise such option and Merchants Nanjing shall be required to purchase from Shenzhen Lianxin 9.52% of the equity interest held by it in the JV Company based on the then appraised market value of such interest in the JV Company to be agreed between Merchants Nanjing and Shenzhen Lianxin and the corresponding percentage of shareholder's loan (principal and interest) due from the JV Company.

LISTING RULES IMPLICATIONS

As Shenzhen Lianxin is the joint venture partner of the Group under the JV Platform Agreement as announced by the Company on 28 January 2015 and it is one of the JV Partners under the Cooperation Agreement, the transactions contemplated under the JV Platform Agreement and the Cooperation Agreement will be considered on an aggregate basis as required under Rule 14.22 and Rule 14.23 of the Listing Rules.

As the relevant percentage ratios of the transactions contemplated under the JV Platform Agreement and the Cooperation Agreement in aggregate are estimated to be more than 5% but less than 25%, those transactions together will constitute discloseable transactions of the Company under Chapter 14 of the Listing Rules.

Shenzhen Lianxin is a substantial shareholder of an indirect non wholly-owned subsidiary of the Company and Shenzhen Lianxin is a company indirectly controlled by Ping An Real Estate, Ping An Real Estate indirectly controls certain substantial shareholders (including Shenzhen Lianxin) of subsidiaries of the Company. Accordingly, Shenzhen Lianxin is a connected person of the Company at subsidiary level. The transactions under the Cooperation Agreement (including the contribution to the registered capital of the JV Company, the shareholders loans arrangements between Merchants Nanjing, the JV Partners and the JV Company and the Option) constitute connected transactions of the Company at the subsidiary level under the Listing Rules.

The Directors (including the independent non-executive Directors) have approved the Cooperation Agreement and the transactions contemplated thereunder (including the contribution to the registered capital of the JV Company, shareholder loan arrangements between Merchants Nanjing, the JV Partners and the JV Company and the Option) and the Directors (including the independent non-executive Directors) have confirmed that the terms of such arrangements are fair and reasonable, on normal commercial terms and in the interests of the Company and its shareholders as a whole. By reason of the aforesaid, pursuant to rule 14A.101 of the Listing Rules, the Cooperation Agreement and the related arrangements between Merchants Nanjing and the JV Partners will constitute connected transactions only subject to the reporting and announcement requirements, but exempt from the circular, independent financial advice and shareholders' approval requirements under Chapter 14A of the Listing Rules.

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

FORMATION OF THE JOINT VENTURE COMPANY

On 30 January 2015, Merchants Nanjing (an indirect non wholly-owned subsidiary of the Company), Nanjing Aohe, Shenzhen Lianxin and Nanjing Bozhixin have entered into the Cooperation Agreement for the JV Formation, the key terms of which are set out below.

Cooperation Agreement

Date: 30 January 2015

Parties:

- (1) Nanjing Aohe, an Independent Third Party;
- (2) Shenzhen Lianxin, a company indirectly controlled by Ping An Real Estate, and hence a connected person of the Company at subsidiary level;
- (3) Nanjing Bozhixin, an Independent Third Party; and
- (4) Merchants Nanjing, an indirect non wholly-owned subsidiary of the Company.

Ownership of the JV Company

Pursuant to the terms of the Cooperation Agreement, Merchants Nanjing and the JV Partners have agreed to form the JV Company for the purpose of developing the Lands. The JV Company will be owned as to 51%, 30%, 12.97% and 6.03% by Nanjing Aohe, Shenzhen Lianxin, Nanjing Bozhixin and Merchants Nanjing respectively.

Registered capital and capital commitment

The registered capital of the JV Company is initially set at RMB100 million pursuant to the Cooperation Agreement. The capital contributed by Nanjing Aohe, Shenzhen Lianxin, Nanjing Bozhixin and Merchants Nanjing into the JV Company is RMB51 million, RMB30 million, RMB12.97 million and RMB6.03 million respectively in cash, which will be contributed with reference to their respective percentage of equity interest held in the JV Company.

Nanjing Aohe had on 22 October 2014 successfully obtained by auction the land use right in the Lands for a total consideration of RMB3.1 billion, of which RMB1.55 billion have already been paid by Merchants Nanjing and the JV Partners with reference to their respective proposed percentage of equity interest held in the JV Company to be established. The land use right in the Lands will be transferred to the JV Company after it is established.

Under the Cooperation Agreement, in addition to the registered capital of RMB100 million contributed by Merchants Nanjing and the JV Partners, it is estimated that according to the working capital of the JV Company approximately RMB3.2 billion will be required to be contributed, including the land use rights transfer consideration for acquisition of the Lands and operational expenses, but excluding finance costs, it is estimated that each of Nanjing Aohe, Shenzhen Lianxin, Nanjing Bozhixin and Merchants Nanjing will have contributed approximately RMB1,634 million, approximately RMB961 million, approximately RMB416 million and approximately RMB193 million in cash and will hold 51%, 30%, 12.97% and 6.03% respectively of the equity interest in the JV Company and the corresponding proportionate shareholder's loans due from the JV Company.

In connection with the formation of the JV Company, following the completion of business registration in the PRC, Merchants Nanjing and the JV Partners shall enter into a shareholder loan agreement with the JV Company. Such shareholder loans will each bear interest at 8% per annum and interest will be paid quarterly.

The amount of the said total capital commitment for the JV Company was arrived at after arm's length negotiation among Merchants Nanjing and the JV Partners to the Cooperation Agreement with reference to the capital requirement for the acquisition of the Lands and operational expenses, but excluding finance costs for the JV Company. It is expected that the capital contribution and shareholder's loan will be used to pay the land use rights transfer consideration of the Lands and operational expenses for the Lands, and it is intended that the development of the Lands will be financed by loans from banks and financial institutions.

Pursuant to the terms of the Cooperation Agreement, it is estimated that the total amount contributed by Merchants Nanjing will be approximately RMB199 million, which will be financed by internal resources of the Group.

Management structure of the JV Company

Pursuant to the Cooperation Agreement, the board of directors of the JV Company shall consist of seven members, of which Nanjing Aohe is entitled to nominate four directors and each of Shenzhen Lianxin, Nanjing Bozhixin and Merchants Nanjing is entitled to nominate one director. The chairman of the JV Company, who shall also be the legal representative of the Company, shall be a director nominated by Nanjing Aohe. The JV Company shall have one vice chairman who will be the director nominated by Shenzhen Lianxin.

The JV Company will set up a separate individual account and financial books and records to record contributions revenue, costs, expenses, taxes and income for each of Land Parcel A, Land Parcel B and Land Parcel C separately, and each of them will be managed by different finance and management teams.

Option

In addition, pursuant to the Cooperation Agreement, Merchants Nanjing has granted an option to Shenzhen Lianxin ("**Option**"), whereupon the earlier of (a) Development and Sales Completion for Land Parcel A; and (b) 48 months after the date of signing of the land use rights acquisition agreement for the Lands by the JV Company; Shenzhen Lianxin may exercise such Option and Merchants Nanjing shall be required to purchase from Shenzhen Lianxin the 9.52% equity interest held by it in the JV Company based on the then appraised market value of such interest in the JV Company to be agreed between Merchants Nanjing and Shenzhen Lianxin and the corresponding percentage of shareholder's loan (principal and interest) due from the JV Company.

The consideration for transfer of the interest in the JV Company from Shenzhen Lianxin to Merchants Nanjing upon exercise of the Option amount was arrived at after arm's length negotiation among Merchants Nanjing and Shenzhen Lianxin with reference to the then fair market value of such interest as appraised by an independent appraiser and such value to be agreed between Merchants Nanjing and Shenzhen Lianxin, having regard to the estimated remaining net profits to flow from Land Parcel A (having taking into account costs and expenses incurred for development of Land Parcel A and the apportioned costs and expenses for development of Land Parcel C and the corresponding percentage of shareholder's loan (principal and interest) due from the JV Company). It is expected that such consideration will be paid by the Group from its internal resources. No premium will need to be paid in connection with the grant of the Option.

Similarly, Nanjing Baozhixin has granted a similar option to Shenzhen Lianxin for its remaining 20.48% equity interest in the JV Company and the corresponding percentage of shareholder's loan (principal and interest) due from the JV Company exercisable by Shenzhen Lianxin upon the earlier of Development and Sales Completion for Land Parcel B and 48 months after the date of signing of the land use rights acquisition agreement for the Lands by the JV Company.

INFORMATION OF THE LANDS

Nanjing Aohe had on 22 October 2014 successfully obtained the land use right in the Lands by auction for a total consideration of RMB3.1 billion. The Lands, comprising Land Parcel A, Land Parcel B and Land Parcel C, has total site area of approximately 90,971.84 square meters and maximum developable gross floor area of approximately 81,561.10 square meters (not including Land Parcel C) and is designated for usages in the respective proportions as set out below:

- Land Parcel A : approximately 25,894.49 square meters for residential use
- Land Parcel B : approximately 55,666.61 square meters for residential use
- Land Parcel C : approximately 5,000 square meters for child care facilities and will be handed over to the governmental authorities without compensation after the development is completed

INFORMATION ON THE COMPANY AND THE COUNTERPARTIES

The Company is incorporated in the Cayman Islands with limited liability and its Shares are listed on the Main Board of the Stock Exchange. Merchants Nanjing is a company incorporated in the PRC with limited liability and is a non wholly-owned subsidiary of the Company. The Group is principally engaged in the development, sale, lease, investment and management of properties in the PRC and the sales of electronic related products and sales of building related materials and equipment.

Nanjing Aohe is a company incorporated in the PRC with limited liability and is a subsidiary of 上海建工集團有限公司 (Shanghai Construction Group Company Limited*) which shares of which are listed on the Shanghai Stock Exchange. Nanjing Aohe is principally engaged in the construction and development of real estate in the PRC. To the best knowledge, information and belief of the Company and its Directors, Nanjing Aohe and its ultimate beneficial owners are Independent Third Parties.

Shenzhen Lianxin is a company incorporated in the PRC with limited liability and a company indirectly controlled by Ping An Real Estate. Shenzhen Lianxin is a substantial shareholder of 廣州依雲房地產有限公司 (Guangzhou Yi Yun Property Development Limited*), an indirect non wholly-owned subsidiary of the Company established in the PRC and engaged in property development project in Guangzhou, the PRC. Ping An Real Estate indirectly controls certain substantial shareholders (including Shenzhen Lianxin) of subsidiaries of the Company. Shenzhen Lianxin is therefore a connected person of the Company at subsidiary level. The principal business of Shenzhen Lianxin is investment management.

Nanjing Baozhixin is a company incorporated in the PRC with limited liability and a subsidiary of Landsea Green Properties Co., Ltd. which shares are listed on the Main Board of the Stock Exchange. Nanjing Baozhixin is principally engaged in investment management, property management, industry investment, investment information consultation and corporate management. To the best knowledge, information and belief of the Company and its Directors, Nanjing Baozhixin and its ultimate beneficial owners are Independent Third Parties.

REASONS FOR AND BENEFITS OF THE TRANSACTIONS UNDER THE COOPERATION AGREEMENT

Each of the parties would be benefited from the cooperation in order to exert their strength, grasp the market opportunities and enhance its 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. This will also provide management and value added services and enhance effectiveness.

The terms of the Cooperation Agreement have been arrived at after arm's length negotiations between Merchants Nanjing and the JV Partners. The Directors (including the independent non-executive Directors) have confirmed that the terms of the Cooperation Agreement and the transactions contemplated thereunder are on normal commercial terms or better in the ordinary course of business of the Group, fair and reasonable, and in the interests of the Company and its Shareholders as a whole.

LISTING RULES IMPLICATIONS

Reference is made to the Company's announcement dated 28 January 2015 regarding the entering into of a cooperation agreement by the Group with Shenzhen Lianxin ("**JV Platform Agreement**") for the formation of a joint venture company ("**JV Platform Company**") with Shenzhen Lianxin pursuant to which the capital contributed by the Group and Shenzhen Lianxin into the JV Platform Company was RMB51 million and RMB49 million respectively. As Shenzhen Lianxin is the joint venture partner of the Group under the JV Platform Agreement and it is one of the JV Partners under the Cooperation Agreement, the transactions contemplated under the JV Platform Agreement and the Cooperation Agreement will be considered on an aggregate basis as required under Rule 14.22 and Rule 14.23 of the Listing Rules.

For the purpose of Rule 14.74 of the Listing Rules, the Option, the exercise of which is at the discretion of Shenzhen Lianxin, is classified as if the Option had been exercised upon its grant. Based on the available information as at the date of this announcement, the grant of the Option itself, which is considered as if it had been exercised upon its grant, does not constitute a discloseable transaction under Chapter 14 of the Listing Rules. However, when considered on an aggregate basis together with the other transactions contemplated under the Cooperation Agreement (including the contribution to the registered capital of the JV Company and the shareholder's loans to be provided by Merchants Nanjing to the JV Company) and the transactions under the JV Platform Agreement, the relevant percentage ratios of which are estimated to be more than 5% in aggregate but less than 25%, those transactions together will constitute discloseable transactions of the Company under Chapter 14 of the Listing Rules.

Shenzhen Lianxin is a substantial shareholder of 廣州依雲房地產有限公司 (Guangzhou Yi Yun Property Development Limited*), an indirect non wholly-owned subsidiary of the Company established in the PRC and engaged in property development project in Guangzhou, the PRC, and Shenzhen Lianxin is a company indirectly controlled by Ping An Real Estate. Ping An Real Estate indirectly controls certain substantial shareholders (including Shenzhen Lianxin) of subsidiaries of the Company. Accordingly, Shenzhen Lianxin is a connected person of the Company at subsidiary level. Therefore, the entering into the Cooperation

Agreement and the transactions contemplated thereunder (including the contribution to the registered capital of the JV Company, the shareholders loans arrangements between Merchants Nanjing, the JV Partners and the JV Company and the Option) constitute connected transactions of the Company at the subsidiary level under the Listing Rules.

The Directors (including the independent non-executive Directors) have approved the Cooperation Agreement and the related arrangements (including the contribution to the registered capital of the JV Company, shareholders loan arrangements between Merchants Nanjing, the JV Partners and the JV Company and the Option) and the Directors (including the independent non-executive Directors) have confirmed that the terms of such arrangements are fair and reasonable, on normal commercial terms and in the interests of the Company and its shareholders as a whole. By reason of the aforesaid, pursuant to rule 14A.101 of the Listing Rules, the Cooperation Agreement and the related arrangements between Merchants Nanjing and the JV Partners together will constitute connected transactions only subject to the reporting and announcement requirements, but exempt from the circular, independent financial advice and shareholders' approval requirements under Chapter 14A of the Listing Rules.

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

DEFINITIONS

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

“associates”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of Directors
“Company”	China Merchants Land Limited (招商局置地有限公司), an exempted 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 as ascribed to it under the Listing Rules
“Cooperation Agreement”	the cooperation agreement dated 30 January 2015 entered into among Merchants Nanjing and the JV Partners for the JV Formation
“Development and Sales Completion”	(in respect of Land Parcel A or Land Parcel B, as the case may be) when construction works of such land has been completed and the accumulated contracted sales area reaches 95% or more of the total saleable area of such land parcels (excluding area below ground)
“Directors”	the directors of the Company

“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Third Party”	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
“JV Company”	the joint venture company to be set up by Merchants Nanjing and the JV Partners
“JV Formation”	the formation of the JV Company between Merchants Nanjing and the JV Partners for the development of the Lands
“JV Partners”	Nanjing Aohe, Shenzhen Lianxin and Nanjing Bozhixin
“the Lands”	the three parcels of Land (identified as “Land Parcel A”, “Land Parcel B” and “Land Parcel C” in this announcement) labelled as 南京 2014G52 河西南部21-11與21-12地塊 (Nanjing Hexi Nanbu 21-22 and 21-22 land parcels) situated at 中國江蘇省南京市河西南部 (Hexi Nanbu, Nanjing City, Jiangsu Province, the PRC) with site area of 25,894.49 square meters (Land Parcel A) for residential development, 55,666.61 square meters (Land Parcel B) for residential development and 5,000 square meters (Land Parcel C) for child care
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange, as amended, supplemented and modified from time to time
“Merchants Nanjing”	招商局地產(南京)有限公司 (Merchants Nanjing Real Estate Co., Ltd.*), a company established in the PRC with limited liability and an indirect non wholly-owned subsidiary of the Company
“Nanjing Aohe”	南京奧和房地產開發有限公司 (Nanjing Aohe Property Development Company Limited*), a company incorporated in the PRC with limited liability and a subsidiary of 上海建工集團有限公司 (Shanghai Construction Group Company Limited*) which shares of which are listed on the Shanghai Stock Exchange, and an Independent Third Party
“Nanjing Bozhixin”	南京博之鑫投資管理有限公司 (Nanjing Bozhixin Investment Management Company Limited*), a company incorporated in the PRC with limited liability and a subsidiary of Landsea Green Properties Co., Ltd. which shares are listed on the Main Board of the Stock Exchange (stock code:106)

“Ping An Real Estate”	平安不動產有限公司 (Ping An Real Estate Company Ltd.*), 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
“RMB”	Renminbi, the lawful currency of the PRC
“Shares”	ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Shareholders”	holders of the Shares
“Shenzhen Lianxin”	深圳聯新投資管理有限公司 (Shenzhen Lianxin Investment and Management Company Limited*), a company established in the PRC and a company indirectly controlled by Ping An Real Estate, and is a connected person of the Company at subsidiary level
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“substantial shareholder”	has the meaning ascribed to it under the Listing Rules
“%”	per cent.

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

Hong Kong, 30 January 2015

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.

* *Unofficial English translation denotes for identification purposes only*