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DISCLOSEABLE TRANSACTION IN RELATION TO PROVISION OF FINANCIAL ASSISTANCE

The Board is pleased to announce that on 11 September 2015, Nanjing Zhao Ping Li Sheng, an indirect non wholly-owned subsidiary of the Company, entered into a Cooperation Agreement with Nanjing Gezhouba, an Independent Third Party, pursuant to which, among other things, both parties have agreed to provide shareholders' loans to the Project Company to be jointly established by Nanjing Zhao Ping Li Sheng and Nanjing Gezhouba in proportion to their percentage shareholding of 30% and 70% respectively. The total shareholder's loan commitment of Nanjing Zhao Ping Li Sheng is at least RMB969 million for contributing to the acquisition consideration of the Project Land.

LISTING RULES IMPLICATIONS

As the Project Company shall not be engaged in any other business activities except the real estate project to be developed on the Project Land and the terms of the Cooperation Agreement are qualified for the exemption under Rule 14.04(f) of the Listing Rules, the entering into of the Cooperation Agreement for the formation of a joint venture with Nanjing Gezhouba is not a transaction as defined under Chapter 14 of the Listing Rules. However, since the Project Company will only be held as to 30% equity interest by Nanjing Zhao Ping Li Sheng and it will not be a subsidiary of Nanjing Zhao Ping Li Sheng, the shareholder's loan commitment granted by Nanjing Zhao Ping Li Sheng to the Project Company is a transaction under Rule 14.04(e) of the Listing Rules.

Since the relevant applicable percentage ratios (as defined under the Listing Rules) of the total shareholder's loan commitment of Nanjing Zhao Ping Li Sheng exceed 5% but are less than 25%, the provision of financial assistance by Nanjing Zhao Ping Li Sheng to the Project Company constitutes a discloseable transaction of the Company, and is subject to the reporting and announcement requirements under Rule 14.34 of the Listing Rules.

PROVISION OF FINANCIAL ASSISTANCE

On 11 September 2015, Nanjing Zhao Ping Li Sheng entered into the Cooperation Agreement with Nanjing Gezhouba, the principal terms of which are set out below.

COOPERATION AGREEMENT

Date 11 September 2015

Parties

- (a) Nanjing Zhao Ping Li Sheng, a company established in the PRC with limited liability and an indirect non wholly-owned subsidiary of the Company owned as to 51% equity interest by the Company. The principal business of Nanjing Zhao Ping Li Sheng is investment management; and
- (b) Nanjing Gezhouba, a company established in the PRC with limited liability. The principal business of Nanjing Gezhouba is property development. To the best of the Directors' knowledge, information and belief after having made all reasonable enquiry, Nanjing Gezhouba and its ultimate beneficial owners are all Independent Third Parties.

Total commitment of shareholder's loan to be provided by Nanjing Zhao Ping Li Sheng RMB969 million, being 30% of the total Land Consideration, and any such further amount as may be required out of future funding needs of the Project Company.

Pursuant to the land transfer agreement for acquiring the Project Land, 50% of the Land Consideration, namely, RMB1,615 million, had been paid by Nanjing Gezhouba prior to 17 June 2015, a further 30%, i.e., RMB969 million, is payable prior to 17 September 2015 and the remaining 20%, i.e., RMB646 million, is payable prior to 17 March 2016.

The initial contribution to the Land Consideration to be made by Nanjing Zhao Ping Li Sheng, being 30% of the Initial Land Consideration, i.e., RMB484.5 million, shall be made by Nanjing Zhao Ping Li Sheng upon its establishment which shall be completed within one month after the signing of the Cooperation Agreement.

The remaining balance of the Land Consideration shall be funded by Nanjing Zhao Ping Li Sheng and Nanjing Gezhouba by way of providing further shareholders' loans in proportion to their shareholding in the Project Company, namely, RMB484.5 million and RMB1,130.5 million respectively in cash, in case the Project Company is unable to obtain third party financing for paying the remaining balance of the Land Consideration.

Interest rate	7.8% simple interest rate per annum
Term	The Shareholder's Loan has no fixed term.
Shareholding of the parties in the Project Company	Each of Nanjing Zhao Ping and Nanjing Gezhouba will contribute to the registered capital of the Project Company of a total of RMB50 million in the proportion of 30% and 70%, i.e., RMB15 million and RMB35 million respectively, in cash. Accordingly, the equity interest of the Project Company will be held as to 30% and 70% by Nanjing Zhao Ping Li Sheng and Nanjing Gezhouba respectively.

FUNDING OF THE GROUP

The provision of the Shareholder's Loan pursuant to the shareholder's loan commitment of Nanjing Zhao Ping Li Sheng under the Cooperation Agreement will be funded by the Group's internal resources.

REASONS FOR AND BENEFITS OF THE PROVISION OF FINANCIAL ASSISTANCE

Basic Information of the Group

The Group is principally engaged in the development, sale, lease, investment and management of properties in the PRC and the sales of electronic and electrical related products and sales of building related materials and equipment.

Basic information of Project Land

The Project Land is a piece of land situated at the Lines and Equipment Factory, North of Heyan Road, Xiaoshi Street, Gulou District, Nanjing City, the PRC, to the East of Anhui New Village and Xianlu New Village, to the South of Heyan Road, to the West of Anhui Village Road and to the North of Beigu Shan Road* (南京市鼓樓區小市街道和燕路以北綫路器材廠地塊，東至安懷新村和綫路新村，南至和燕路，西至安環村路，北至北固山路), for a total consideration of RMB3,230 million. The Project Land has a total planned land area of 192,978.90 sq. m. and a total construction land area of 136,787.95 sq. m., with integrated permitted plot ratio of 2.7 and is designated for a mixture of residential, wholesale and retail, commercial and financial, accommodation and catering and other commercial services usages, and has a term of 70 years for residential purpose, 40 years for commercial purpose and the maximum terms of usage for other purpose as permitted under the relevant laws and regulations.

The Company is optimistic about the prospects and development of the real estate property market in the PRC. The Company believes that the investment of the Group in the real estate project to be developed on the Project Land by way of provision of the Shareholder's Loan to the Project Company offers a good opportunity for the Group to enhance its investment portfolio in the property market in the PRC with a view to bringing more investment return 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 terms of the Cooperation 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 the Project Company shall not be engaged in any other business activities except the real estate project to be developed on the Project Land and the terms of the Cooperation Agreement are qualified for the exemption under Rule 14.04(f) of the Listing Rules, the entering into of the Cooperation Agreement for the formation of a joint venture with Nanjing Gezhouba is not a transaction as defined under Chapter 14 of the Listing Rules. However, since the Project Company will only be held as to 30% by Nanjing Zhao Ping Li Sheng and it will not be a subsidiary of Nanjing Zhao Ping Li Sheng, the shareholder's loan commitment granted by Nanjing Zhao Ping Li Sheng to the Project Company is a transaction under Rule 14.04(e) of the Listing Rules.

Since the relevant applicable percentage ratios (as defined under the Listing Rules) of the total shareholder's loan commitment of Nanjing Zhao Ping Li Sheng exceed 5% but are less than 25%, the provision of financial assistance by Nanjing Zhao Ping Li Sheng in the form of shareholder's loan commitment to the Project Company constitutes a discloseable transaction of the Company, and is subject to the reporting and announcement requirements under Rule 14.34 of the Listing Rules.

DEFINITIONS

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

“Company”	China Merchants Land Limited, 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)
“Cooperation Agreement”	a cooperation agreement dated 11 September 2015 entered into between Nanjing Zhao Ping Li Sheng and Nanjing Gezhouba in respect of the subscription of equity interest in the Project Company and the provision of shareholders' loans by the parties to the Project Company for funding of the Land Consideration
“Director(s)”	director(s) of the Company
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC

“Independent Third Parties”	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
“Initial Land Consideration”	RMB1,615 million, being 50% of the Land Consideration which had been paid by Nanjing Gezhouba prior to 17 June 2015
“Land Consideration”	RMB3,230 million, being the aggregate consideration payable for acquisition of the Project Land to the relevant land authority of Nanjing City
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange, as amended, supplemented and modified from time to time
“Nanjing Zhao Ping Li Sheng”	南京招平利盛投資有限公司 (Nanjing Zhao Ping Li Sheng Investment Co., Ltd.*), a company established in the PRC and an indirect non wholly-owned subsidiary of the Company which is indirectly held as to 51% equity interest by the Company
“PRC”	the People’s Republic of China which, shall exclude Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“Project Company”	a project company to be established in the PRC to be engaged exclusively in the real estate project to be developed on the Project Land and its equity interest will be held as to 30% by Nanjing Zhao Ping Li Sheng and 70% by Nanjing Gezhouba
“Project Land”	a piece of land situated at the Lines and Equipment Factory, North of Heyan Road, Xiaoshi Street, Gulou District, Nanjing City, the PRC, to the East of Anhuai New Village and Xianlu New Village, to the South of Heyan Road, to the West of Anhuai Village Road and to the North of Beigu Shan Road* (南京市鼓樓區小市街道和燕路以北綫路器材廠地塊，東至安懷新村和綫路新村，南至和燕路，西至安環村路，北至北固山路) a total planned land area of 192,978.90 sq. m. and a total construction land area of 136,787.95 sq. m. with integrated permitted plot ratio of 2.7
“RMB”	Renminbi, the lawful currency of the PRC
“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Shareholder’s Loan”	RMB969 million, being 30% of the total Land Consideration, to be provided by Nanjing Zhao Ping Li Sheng by way of shareholder’s loan to the Project Company pursuant to the Cooperation Agreement

“Nanjing Gezhouba”	葛洲壩南京房地產開發有限公司 (Gezhouba Nanjing Real Estate Development Co., Ltd.*), a company established in the PRC and a party to the Cooperation Agreement
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	per cent.

By order of the Board of Directors of
China Merchants Land Limited
Wu Zhenqin
Chairman

Hong Kong, 11 September 2015

As at the date of this announcement, the Board comprises Dr. So Shu Fai, Mr. Xian Yaoqiang and Mr. Yu Zhiliang as Executive Directors; 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*