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招商局置地有限公司
CHINA MERCHANTS LAND LIMITED

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(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 978)

**CONNECTED TRANSACTION:
FORMATION OF A JOINT VENTURE COMPANY**

FORMATION OF A JOINT VENTURE COMPANY

The Board is pleased to announce that on 24 November 2016, Merchants Nanjing entered into the Nanjing 2016G60 Land Cooperation Agreement with Poly Jiangsu and Nanjing Future Land pursuant to which, among other things, the parties will jointly invest in the JV Company set up in the PRC specifically to engage in the development of the Nanjing 2016G60 Land which has been successfully bid by Nanjing Future Land. As at the date of this announcement, each of Merchants Nanjing, Poly Jiangsu and Nanjing Future Land holds 33%, 33% and 34% of the equity interests of the JV Company respectively. Pursuant to the Nanjing 2016G60 Land Cooperation Agreement:

- (a) the registered capital of the JV Company is RMB20 million and initially it shall be contributed by Merchants Nanjing, Poly Jiangsu and Nanjing Future Land in the proportion of 33%, 16% and 51% respectively;
- (b) the land use rights of the Nanjing 2016G60 Land shall be transferred from Nanjing Future Land to the JV Company so that the JV Company takes up the rights, benefits and obligations of the land use rights of the Nanjing 2016G60 Land in place of Nanjing Future Land;
- (c) thereafter the shareholding structure of the JV Company shall be adjusted between Poly Jiangsu and Nanjing Future Land such that each of Merchants Nanjing, Poly Jiangsu and Nanjing Future Land will eventually hold 33%, 33% and 34% of the equity interests of the JV Company respectively;

- (d) the first instalment of the Land Consideration, namely, RMB370 million, and certain transaction service fees and other related fees which, in aggregate, amounted to approximately RMB372 million, have been paid by Nanjing Future Land on behalf of the JV Company. In proportion to their respective Final Shareholdings, each of Merchants Nanjing and Poly Jiangsu agrees to pay Nanjing Future Land an interest, calculated according to the prevailing benchmark bank lending interest rate quoted by the People's Bank of China and up to the actual payment date, on the amount paid by Nanjing Future Land on behalf of the JV Company in relation to the acquisition of the land use rights of the Nanjing 2016G60 Land attributable to each of them. Such interests have been paid by Merchants Nanjing and Poly Jiangsu to Nanjing Future Land in full; and
- (e) the remaining balance of the Land Consideration together with the transaction service fees and other related fees incurred in relation to the acquisition of the land use rights of the Nanjing 2016G60 Land shall be paid by each of Merchants Nanjing, Poly Jiangsu and Nanjing Future Land in accordance with the Final Shareholdings by way of shareholders' loans to the JV Company. Each of Merchants Nanjing, Poly Jiangsu and Nanjing Future Land has already settled its respective shareholder's loan contribution to the JV Company.

Poly Jiangsu is a substantial shareholder of Nanjing Shanjiyei, an indirect non-wholly owned subsidiary of the Company, Poly Jiangsu is a connected person of the Company at subsidiary level. Accordingly, the entering into of the Nanjing 2016G60 Land Cooperation Agreement constitutes a connected transaction of the Company and will be subject to the disclosure requirements under Chapter 14A of the Listing Rules.

The Directors (including the independent non-executive Directors) have approved the Nanjing 2016G60 Land Cooperation Agreement and the transactions contemplated thereunder and the Directors (including the independent non-executive Directors) have confirmed that the terms of the Nanjing 2016G60 Land Cooperation Agreement and the transactions contemplated thereunder 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 Nanjing 2016G60 Land Cooperation Agreement and the transactions contemplated thereunder will only be 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.

The Board is pleased to announce that on 24 November 2016, Merchants Nanjing entered into the Nanjing 2016G60 Land Cooperation Agreement with Poly Jiangsu and Nanjing Future Land pursuant to which, among other things, the parties will jointly invest in the JV Company set up in the PRC specifically to engage in the development of the Nanjing 2016G60 Land which has been successfully bid by Nanjing Future Land. As at the date of this announcement, each of Merchants Nanjing, Poly Jiangsu and Nanjing Future Land holds 33%, 33% and 34% of the equity interests of the JV Company respectively.

The details of the Nanjing 2016G60 Land Cooperation Agreement are set out below.

THE NANJING 2016G60 LAND COOPERATION AGREEMENT

Date:

24 November 2016

Parties:

- (a) Merchants Nanjing, an indirect non-wholly owned subsidiary of the Company;
- (b) Nanjing Future Land, a company established in the PRC with limited liability. The principal business of Nanjing Future Land is property development. To the best of the Directors' knowledge, information and belief, Nanjing Future Land and its ultimate beneficial owners are Independent Third Parties;
- (c) Poly Jiangsu, a company established in the PRC with limited liability. The principal business of Poly Jiangsu is property development. As at the date of this announcement, Poly Jiangsu is the holder of 16% equity interests of Nanjing Shanjiyei, an indirect non-wholly owned subsidiary of the Company. Poly Jiangsu is therefore a connected person of the Company at subsidiary level under Chapter 14A of the Listing Rules.

Capital contribution and shareholders' loans to the JV Company

Pursuant to the Nanjing 2016G60 Land Cooperation Agreement:

- (a) the registered capital of the JV Company is RMB20 million and initially shall be contributed by Merchants Nanjing, Poly Jiangsu and Nanjing Future Land in the proportion of 33%, 16% and 51% respectively and the same has already been paid-up in full by the parties;
- (b) the land use rights of the Nanjing 2016G60 Land shall be transferred from Nanjing Future Land to the JV Company so that the JV Company will take up the rights, benefits and obligations of the land use rights of the Nanjing 2016G60 Land in place of Nanjing Future Land. Nanjing Future Land together with the JV Company have already obtained the formal approval from the relevant government authorities for effecting the transfer on the date of this announcement. The shareholding structure of the JV Company shall thereafter be adjusted between Poly Jiangsu and Nanjing Future Land such that each of Merchants Nanjing, Poly Jiangsu and Nanjing Future Land will eventually hold 33%, 33% and 34% of the equity interests of the JV Company respectively ("**Final Shareholdings**"). As at the date of this announcement, such adjustment has completed;

- (c) the first instalment of the Land Consideration, namely, RMB370 million, and certain transaction service fees and other related fees which, in aggregate, amounted to approximately RMB372 million, have been paid by Nanjing Future Land on behalf of the JV Company which has become part of the shareholder's loan to be contributed by Nanjing Future Land to the JV Company. Each of Merchants Nanjing and Poly Jiangsu agrees to pay Nanjing Future Land an interest, calculated according to the prevailing benchmark bank lending interest rate quoted by the People's Bank of China and up to the actual payment date on the amount paid by Nanjing Future Land on behalf of the JV Company in relation to the acquisition of the land use rights of the Nanjing 2016G60 Land attributable to each of them according to their respective Final Shareholdings. As at the date of this announcement, such interests have been paid in full by Merchants Nanjing and Poly Jiangsu to Nanjing Future Land; and
- (d) the remaining balance of the Land Consideration together with the transaction service fees and other related fees incurred in relation to the acquisition of the land use rights of the Nanjing 2016G60 Land shall be paid by Merchants Nanjing, Poly Jiangsu and Nanjing Future Land in accordance with the Final Shareholdings by way of shareholders' loans to the JV Company. Each of Merchants Nanjing, Poly Jiangsu and Nanjing Future Land has provided its respective shareholder's loan to the JV Company of approximately RMB1,119 million, approximately RMB1,119 million and approximately RMB1,153 million, respectively. The remaining balance of the Land Consideration has been paid in full by the JV Company to the relevant authority.

The amount of capital and loan contribution of each of Merchants Nanjing, Poly Jiangsu and Nanjing Future Land were determined after arm's length negotiations between the parties with reference to the initial capital requirements of the JV Company and the Land Consideration of RMB3,390 million. The capital and shareholder's loan contribution of Merchants Nanjing in the aggregate amount of RMB1,126 million is funded by the internal resources of the Group.

INFORMATION OF THE NANJING 2016G60 LAND AND THE JV COMPANY

The Nanjing 2016G60 Land is a piece of land situated from Dongliu Road to the east, Siwang Road to the south, Heqing Road to the west and Sanyang Road to the north, Jiangning District, Nanjing City, Jiangsu Province* (江蘇省南京市江寧區，東至東流路，南至四望路，西到河清路，北至三陽路) which was successfully bid by Nanjing Future Land for a total consideration of RMB3,390 million ("**Land Consideration**"). The land has a total site area of approximately 74,740.88 square metres and permitted plot ratio of 2.28. The land is designated for residential and commercial usage with a term of 70 years and 40 years respectively. The registered capital of the JV Company is RMB20 million and has been fully paid up.

The JV Company is a company established in the PRC with limited liability specifically set up to engage in the development of the Nanjing 2016G60 Land and it shall not engage in any other activities except the development of the Nanjing 2016G60 Land unless with the unanimous written approval of all its shareholders. As at the date of this announcement, each of Merchants Nanjing, Poly Jiangsu and Nanjing Future Land holds 33%, 33% and 34% of the equity interests of the JV Company respectively. The principal business of the JV Company is property development. As at the date of this announcement, the land use right of the Nanjing 2016G60 Land has been transferred to the JV Company.

Management of the JV Company

The board of directors of the JV Company consists of 5 directors. Merchants Nanjing shall nominate 1 director, Poly Jiangsu shall nominate 1 director and Nanjing Future Land shall nominate 3 directors. The chairman of the board of directors shall be a director nominated by Nanjing Future Land.

According to Nanjing 2016G60 Land Cooperation Agreement, in the shareholders' meetings of the JV Company, Merchants Nanjing, Poly Jiangsu and Nanjing Future Land have voting rights of 33%, 33% and 34%.

INFORMATION OF THE GROUP AND REASONS AND BENEFITS

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.

Each of the parties would benefit from the cooperation in order to exert their strengths, grasp market opportunities and enhance their 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.

FINANCIAL IMPACT

The JV Company will not be a subsidiary of the Company and accordingly, the financial results, assets and liabilities of the JV Company will not be consolidated into the accounts of the Group.

LISTING RULES IMPLICATIONS

Poly Jiangsu is a substantial shareholder of Nanjing Shanjiyei, an indirect non-wholly owned subsidiary of the Company, and is therefore a connected person of the Company at subsidiary level. Accordingly, the entering into of the Nanjing 2016G60 Land Cooperation Agreement constitutes a connected transaction of the Company and will be subject to the disclosure requirements under Chapter 14A of the Listing Rules.

The Directors (including the independent non-executive Directors) have approved the Nanjing 2016G60 Land Cooperation Agreement and the transactions contemplated thereunder and the Directors (including the independent non-executive Directors) have confirmed that the terms of the Nanjing 2016G60 Land Cooperation Agreement and the transactions contemplated thereunder 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 Nanjing 2016G60 Land Cooperation Agreement and the transactions contemplated thereunder will only be 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 Nanjing 2016G60 Land Cooperation Agreement, and none of the Directors was required to abstain from voting on the board resolution approving the Nanjing 2016G60 Land Cooperation Agreement and the transactions contemplated thereunder.

DEFINITIONS

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

“Board”	board of Directors
“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: 0978)
“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
“JV Company”	Nanjing Huinong Real Estate Company Limited* (南京滙隆房地產有限公司), a company established in the PRC with limited liability
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange as amended, supplemented or otherwise modified from time to time
“Merchants Nanjing”	Merchants Nanjing Real Estate Co., Ltd* (招商局地產(南京)有限公司), a company established in the PRC with limited liability and an indirect non-wholly owned subsidiary of the Company
“Nanjing 2016G60 Land”	a piece of land situated from Dongliu Road to the east, Siwang Road to the south, Heqing Road to the west and Sanyang Road to the north, Jiangning District, Nanjing City, Jiangsu Province* (江蘇省南京市江寧區，東至東流路，南至四望路，西到河清路，北至三陽路) with a site area of approximately 74,740.88 square metres and permitted plot ratio of 2.28

“Nanjing 2016G60 Land Cooperation Agreement”	a cooperation agreement dated 24 November 2016 entered into between Merchants Nanjing, Poly Jiangsu and Nanjing Future Land
“Nanjing Future Land”	Nanjing Future Land Wanjia Real Estate Company Limited* (南京新城萬嘉房地產有限公司), a company established in the PRC with limited liability and a party to the Nanjing 2016G60 Land Cooperation Agreement
“Nanjing Shanjieyi”	Nanjing Shanjieyi Property Development Company Limited* (南京善杰義房地產開發有限公司), a joint venture company established in the PRC with limited liability by Merchants Nanjing, Poly Jiangsu and another joint venture partner and is a non-wholly owned subsidiary of the Company
“Poly Jiangsu”	Poly Jiangsu Real Estate Development Co., Limited* (保利江蘇房地產發展有限公司), a company established in the PRC and a party to the Nanjing 2016G60 Land Cooperation Agreement and a connected person of the Company at subsidiary level
“PRC”	the People’s Republic of China which, for the purpose of this announcement, shall exclude Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“RMB”	Renminbi, the lawful currency of the PRC
“Shareholder(s)”	holder(s) of the share(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	per cent

On behalf of the Board
China Merchants Land Limited
Mr. Xu Yongjun
Chairman

Hong Kong, 24 November 2016

As at the date of this announcement, the Board comprises Mr. Xu Yongjun, Mr. Huang Junlong, Mr. Yan Chengda 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*