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

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**招商局置地有限公司**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 978)**

**DISCLOSEABLE AND CONNECTED TRANSACTION  
ACQUISITION OF EQUITY INTERESTS IN NANJING XINSHENG**

**THE ACQUISITIONS**

On 27 April 2020, CMSK and Shenzhen Merchants entered into the Equity Transfer Agreement A, pursuant to which CMSK agreed to sell and Shenzhen Merchants agreed to acquire 49% equity interests in Nanjing Xinsheng at a consideration of RMB389,052,700. On the same day, Happy City and Shenzhen Merchants entered into the Equity Transfer Agreement B, pursuant to which Happy City agreed to sell and Shenzhen Merchants agreed to acquire 9.66% equity interests in Nanjing Xinsheng at a consideration of RMB76,699,000. Upon completion of the Acquisitions, Nanjing Xinsheng will become an indirect wholly-owned subsidiary of the Company.

**LISTING RULES IMPLICATIONS**

As the Equity Transfer Agreement A and the Equity Transfer Agreement B are entered into by the Group to acquire equity interests in the same company within a 12-month period, the transactions contemplated under the Equity Transfer Agreement A and the Equity Transfer Agreement B will be aggregated as a series of transactions pursuant to Rule 14.22 of the Listing Rules. As the highest of all applicable percentage ratios calculated by reference to Rule 14.07 of the Listing Rules in respect of the Acquisitions is more than 5% but less than 25%, the entering into of the Equity Transfer Agreements 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.

As at the date of this announcement, CMSK held approximately 74.35% of the Company's issued share capital and is therefore a controlling shareholder and connected person of the Company under the Listing Rules. Therefore, the entering into of the Equity Transfer Agreement A and the transactions contemplated thereunder constitute a connected transaction of the Company under Chapter 14A of the Listing Rules and is subject to the reporting, announcement and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

## **GENERAL**

An Independent Board Committee has been formed to consider and advise the Independent Shareholders as to whether the terms of the Equity Transfer Agreement A and the transactions contemplated thereunder are fair and reasonable and are in the interests of the Company and its Shareholders as a whole, and to advise the Independent Shareholders as to how to vote at the EGM. An independent financial adviser will be appointed as the independent financial adviser of the Company to advise the Independent Board Committee and the Independent Shareholders in this respect.

The EGM will be convened for the purpose of considering and, if thought fit, approving, among other things, the Equity Transfer Agreement A and the transactions contemplated thereunder where Success Well and its associates shall abstain from voting on the resolutions approving the Equity Transfer Agreement A and the transactions contemplated thereunder.

A circular containing, among other things, details of the Equity Transfer Agreement A, a letter from the Independent Board Committee, a letter from the independent financial adviser, a property valuation report and a notice convening the EGM will be despatched to the Shareholders on or before 19 May 2020.

On 27 April 2020, CMSK and Shenzhen Merchants entered into the Equity Transfer Agreement A, pursuant to which CMSK agreed to sell and Shenzhen Merchants agreed to acquire 49% equity interests in Nanjing Xinsheng at a consideration of RMB389,052,700. On the same day, Happy City and Shenzhen Merchants entered into the Equity Transfer Agreement B, pursuant to which Happy City agreed to sell and Shenzhen Merchants agreed to acquire 9.66% equity interests in Nanjing Xinsheng at a consideration of RMB76,699,000. Upon completion of the Acquisitions, Nanjing Xinsheng will become an indirect wholly-owned subsidiary of the Company.

## **EQUITY TRANSFER AGREEMENTS**

Apart from those relating to the vendor of the Acquisitions and the consideration payable by Shenzhen Merchants, the principal terms of the Equity Transfer Agreements are substantially the same and are set out below:

Date : 27 April 2020

Parties : (a) CMSK, a controlling shareholder of the Company, as vendor under Equity Transfer Agreement A

(b) Happy City, an indirect wholly-owned subsidiary of the Company, as vendor under Equity Transfer Agreement B

(c) Shenzhen Merchants, an indirect wholly-owned subsidiary of the Company, as purchaser

### **Subject matter**

Pursuant to the Equity Transfer Agreement A, CMSK agreed to sell and Shenzhen Merchants agreed to acquire 49% equity interests in Nanjing Xinsheng. Pursuant to the Equity Transfer Agreement B, Happy City agreed to sell and Shenzhen Merchants agreed to acquire 9.66% equity interests in Nanjing Xinsheng. Upon completion of the Acquisitions, Nanjing Xinsheng will become an indirect wholly-owned subsidiary of the Company.

### **Consideration**

The consideration for the acquisition of 49% and 9.66% equity interests in Nanjing Xinsheng is RMB389,052,700 and RMB76,699,000, respectively, which shall be settled by Shenzhen Merchants in full within 15 days of the date of the Equity Transfer Agreement A or the date of the Equity Transfer Agreement B (as the case may be). The consideration for the Acquisitions 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 preliminary valuation of the property held by Nanjing Xinsheng prepared by an independent valuer

### **Completion**

Completion of the Acquisitions shall take place upon the completion of change of registration with the competent authority for industry and commerce for the Acquisitions.

## INFORMATION OF THE PARTIES

CMSK is principally engaged in the development and operation of industrial parks, development of residential and commercial properties, and cruise business. It is currently the real estate flagship of CMG, which is the controlling shareholder of CMSK and currently holds more than 63% of the total issued share capital of CMSK. CMG is a state-owned conglomerate regulated by the national State-Owned Assets Supervision and Administration Commission.

Happy City, a company incorporated in Hong Kong with limited liability, is principally engaged in investment holding.

Shenzhen Merchants, a company established in the PRC with limited liability, is principally engaged in investment holding.

## INFORMATION OF NANJING XINSHENG

Nanjing Xinsheng is a company established on 25 December 2019 in the PRC with limited liability which is principally engaged in commercial complex management services. As at the date of the announcement, Nanjing Xinsheng is owned as to 49%, 9.66% and 41.34% by CMSK, Happy City and Shenzhen Merchants, respectively, and the Company holds as to, in aggregate, 51% equity interests in Nanjing Xinsheng through Happy City and Shenzhen Merchants.

The table below sets forth a summary of certain audited financial information of Nanjing Xinsheng for the period from 25 December 2019 (being the date of establishment of Nanjing Xinsheng) to 31 December 2019.

	<b>For the period from 25 December 2019 to 31 December 2019</b>
	<i>RMB</i>
Loss before taxation	19,460.49
Loss after taxation	14,595.37

The audited net asset value of Nanjing Xinsheng as at 31 December 2019 was approximately RMB707 million.

## **FINANCIAL EFFECTS OF THE ACQUISITIONS**

Upon completion of the Acquisitions, Nanjing Xinsheng 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.

## **REASONS FOR AND BENEFITS OF THE ACQUISITIONS**

The Group is engaged in, among others, (i) development, sale, lease, investment and management of properties; and (ii) asset management business. Upon completion of the Acquisitions, Nanjing Xinsheng will become a wholly-owned subsidiary of the Company. The Company considers that the Acquisitions will allow the Group to enjoy full control over the development, marketing and sale of the projects held by Nanjing Xinsheng which would enhance the management and operation efficiency in carrying out the Group's business decisions and development strategies.

The Directors (other than the independent non-executive Directors who will give their opinion after considering the advice from the independent financial adviser) have confirmed that the terms of the Equity Transfer Agreement A 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.

In addition, the Directors (including the independent non-executive Directors) have confirmed that the terms of the Equity Transfer Agreement B 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 Equity Transfer Agreement A and the Equity Transfer Agreement B are entered into by the Group to acquire equity interests in the same company within a 12-month period, the transactions contemplated under the Equity Transfer Agreement A and the Equity Transfer Agreement B will be aggregated as a series of transactions pursuant to Rule 14.22 of the Listing Rules. As the highest of all applicable percentage ratios calculated by reference to Rule 14.07 of the Listing Rules in respect of the Acquisitions is more than 5% but less than 25%, the entering into of the Equity Transfer Agreements 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.

As at the date of this announcement, CMSK held approximately 74.35% of the Company's issued share capital and is therefore a controlling shareholder and connected person of the Company under the Listing Rules. Therefore, the entering into of the Equity Transfer Agreement A and the transactions contemplated thereunder constitute a connected transaction of the Company under Chapter 14A of the Listing Rules and is subject to the reporting, announcement and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

## **INDEPENDENT BOARD COMMITTEE AND INDEPENDENT FINANCIAL ADVISER**

An Independent Board Committee has been formed to consider and advise the Independent Shareholders as to whether the terms of the Equity Transfer Agreement A and the transactions contemplated thereunder are fair and reasonable and are in the interests of the Company and its Shareholders as a whole, and to advise the Independent Shareholders as to how to vote at the EGM.

An independent financial adviser will be appointed as the independent financial adviser of the Company to advise the Independent Board Committee and the Independent Shareholders in this respect.

## **GENERAL**

As Mr. XU Yongjun, Mr. HUANG Junlong and Ms. LIU Ning, each a non-executive Director, hold positions in CMSK, and Mr. WONG King Yuen and Mr. Yu Zhiliang, each an executive Director, hold positions in CMSK and/or its associates, in order to avoid any actual or potential conflict of interest, each of them had abstained from voting at the relevant board meeting on the relevant board resolutions approving the Equity Transfer Agreement A and the transactions contemplated thereunder.

The EGM will be convened for the purpose of considering and, if thought fit, approving, among other things, the Equity Transfer Agreement A and the transactions contemplated there under where Success Well and its associates shall abstain from voting on the resolutions approving the Equity Transfer Agreement A and the transactions contemplated thereunder.

A circular containing, among other things, details of the Equity Transfer Agreement A, a letter from the Independent Board Committee, a letter from the independent financial adviser, a property valuation report and a notice convening the EGM will be despatched to the Shareholders on or before 19 May 2020.

## DEFINITIONS

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

“Acquisitions”	the acquisition of 49% and 9.66% equity interests in Nanjing Xinsheng by Shenzhen Merchants from CMSK and Happy City, respectively, pursuant to the Equity Transfer Agreements
“associate(s)”	has the meaning ascribed hereto in the Listing Rules
“Board”	the board of Directors
“CMG”	China Merchants Group Limited (招商局集團有限公司), a PRC enterprise regulated and directly managed by the State-owned Assets Supervision and Administration Commission of the State Council, being the immediate controlling shareholder of CMSK holding more than 63% of the total issued share capital of CMSK
“CMSK”	China Merchants Shekou Industrial Zone Holdings Company Limited (招商局蛇口工業區控股股份有限公司), a company established in the PRC with limited liability, whose shares are listed on the Shenzhen Stock Exchange (stock code: 001979 (A share)), being the intermediate controlling shareholder of the Company and indirectly 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 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 ascribed to it in the Listing Rules
“Directors”	the directors of the Company

“EGM”	the extraordinary general meeting of the Company to be held to approve, among others, the Equity Transfer Agreement A
“Equity Transfer Agreement A”	the equity transfer agreement dated 27 April 2020 entered into between CMSK and Shenzhen Merchants in relation to the acquisition of 49% equity interests in Nanjing Xinsheng
“Equity Transfer Agreement B”	the equity transfer agreement dated 27 April 2020 entered into between Happy City and Shenzhen Merchants in relation to the acquisition of 9.66% equity interests in Nanjing Xinsheng
“Equity Transfer Agreements”	Equity Transfer Agreement A and Equity Transfer Agreement B
“Group”	the Company and its subsidiaries
“Happy City”	Happy City Investments Limited (樂富投資有限公司), a company established in Hong Kong with limited liability and an indirect wholly-owned subsidiary of the Company
“Independent Board Committee”	the independent board committee of the Company established by all the independent non-executive Directors to advise the Independent Shareholders in respect of the Equity Transfer Agreement A and the transactions contemplated thereunder
“Independent Shareholders”	Shareholders who are not required to abstain from voting at the EGM to approve the Equity Transfer Agreement A and the transactions contemplated thereunder
“Listing Rules”	The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended from time to time
“Nanjing Xinsheng”	Nanjing Xinsheng Commercial Management Co., Ltd.* (南京信盛商業管理有限公司), a company established on 25 December 2019 in the PRC with limited liability and an indirect non-wholly owned subsidiary of the Company as at the date of this announcement



“PRC”	the People’s Republic of China (excluding, for the purposes of this announcement, Hong Kong, the Macau Special Administrative Region and Taiwan)
“RMB”	Renminbi, the lawful currency of the PRC
“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
“Shenzhen Merchants”	China Merchants Land (Shenzhen) Limited* (招商局置地(深圳)有限公司), a company established in the PRC with limited liability and an indirect wholly-owned subsidiary of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary”	has the meaning ascribed to it in the Listing Rules
“%”	per cent

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

Hong Kong, 27 April 2020

*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.*

*\* Translated English names of Chinese entities for which no official English translation exists are unofficial translations for identification purpose only and should not be regarded as the official English translation of the Chinese names.*