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**DISCLOSEABLE TRANSACTION
INVESTMENT IN NANJING HUIHE ZHIYE CO., LTD.***

THE COOPERATION AGREEMENT

On 8 December 2017, Merchants Nanjing (an indirect non wholly-owned subsidiary of the Company) and Nanjing Vanke entered into the Cooperation Agreement, pursuant to which Nanjing Vanke has agreed to transfer 14.28% of the registered capital of Nanjing Huihe to Merchants Nanjing and Merchants Nanjing has agreed to bear the Previous Contribution made by Nanjing Vanke for acquiring and developing the Nanjing Land in proportion to its proposed shareholding in Nanjing Huihe together with the related fund possession fee in the total amount of approximately RMB806,324,017. As at the date of the Cooperation Agreement, Nanjing Vanke holds 71.44% of the registered capital of Nanjing Huihe, which holds the land use right in respect of the Nanjing Land. Upon completion of the Cooperation Agreement, Merchants Nanjing will hold 14.28% of the registered capital of Nanjing Huihe.

Based on the Group's current estimation, the total investment in Nanjing Huihe will be approximately RMB9,500,000,000 and Merchants Nanjing's total financial commitment in Nanjing Huihe (including the contribution of RMB142,800,000 to the registered capital of Nanjing Huihe, subject to the Valuation Approval) will be approximately RMB1,356,600,000.

IMPLICATIONS UNDER THE LISTING RULES

As one or more of the applicable percentage ratios (as defined under the Listing Rules) in respect of the transactions contemplated under the Cooperation Agreement exceed 5% but are less than 25%, the entering into of the Cooperation Agreement and the transactions contemplated thereunder constitute a discloseable transaction of the Company and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

THE COOPERATION AGREEMENT

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The principal terms of the Cooperation Agreement are summarised as follows:

Date

8 December 2017

Parties

- (a) Merchants Nanjing, an indirect non wholly-owned subsidiary of the Company; and
- (b) Nanjing Vanke

To the best of the Directors' knowledge, information and belief and having made all reasonable enquiries, Nanjing Vanke and its ultimate beneficial owners are third parties independent of the Company and its connected persons.

Subject Matter

Pursuant to the Cooperation Agreement, Nanjing Vanke has agreed to transfer 14.28% of the registered capital of Nanjing Huihe to Merchants Nanjing and Merchants Nanjing has agreed to bear the Previous Contribution in proportion to its proposed shareholding in Nanjing Huihe together with the related fund possession fee in the total amount of approximately RMB806,324,017. As at the date of the Cooperation Agreement, Nanjing Vanke holds 71.44% of the registered capital of Nanjing Huihe, which holds the land use right in respect of the Nanjing Land. Upon completion of the Cooperation Agreement, Merchants Nanjing will hold 14.28% of the registered capital of Nanjing Huihe, which enables the Group to jointly develop the Nanjing Land with Nanjing Vanke.

Consideration

The total consideration payable by Merchants Nanjing to Nanjing Vanke under the Cooperation Agreement shall be approximately RMB806,324,017 (the “**Consideration**”), which comprises:

- (1) the principal amount of Previous Contribution to be borne by Merchants Nanjing in the amount of RMB787,210,994, of which RMB142,800,000 would be recorded as contribution to the registered capital of Nanjing Huihe by Merchants Nanjing (subject to the Valuation Approval) and the remaining RMB644,410,994 would be recorded as investment in Nanjing Huihe by Merchants Nanjing; and
- (2) the fund possession fee related to the Previous Contribution of approximately RMB19,113,023, calculated at 10% fee rate from the date of payment by Nanjing Vanke to the date of reimbursement by Merchants Nanjing.

The Consideration has been arrived at after arm’s length negotiations between Merchants Nanjing and Nanjing Vanke, and with reference to (a) the amount of registered capital of Nanjing Huihe to be acquired by Merchants Nanjing; and (b) the unaudited net asset value of Nanjing Huihe of approximately RMB1,019,989,747 as at 30 November 2017. Payment of the Consideration will be funded by internal resources of the Group.

Subject to the terms and conditions of the Cooperation Agreement, Merchants Nanjing shall pay Nanjing Vanke the Consideration in cash.

Termination

In the event of Merchants Nanjing fails to pay the Consideration in accordance with the terms of the Cooperation Agreement, Nanjing Vanke shall be entitled to terminate the cooperation with Merchants Nanjing in respect of development of the Nanjing Land.

Other terms

Nanjing Vanke will be entitled to introduce third parties to invest in Nanjing Huihe to jointly operate Nanjing Huihe with Nanjing Vanke and Merchants Nanjing, provided that the shareholding of Merchants Nanjing in Nanjing Huihe remains unchanged.

To the extent that the capital required by Nanjing Huihe is not covered by its own bank loan or other financial resources, the shareholders of Nanjing Huihe shall provide shareholders’ loan to Nanjing Huihe in proportion to their respective shareholdings in Nanjing Huihe. Based on the Group’s current estimation, the total investment in Nanjing Huihe will be approximately RMB9,500,000,000 and Merchants Nanjing’s total financial commitment in Nanjing Huihe (including the contribution of RMB142,800,000 to the registered capital of Nanjing Huihe, subject to the Valuation Approval) will be approximately RMB1,356,600,000.

Management of Nanjing Huihe

Significant matters of Nanjing Huihe (including but not limited to increase or reduction in capital, amendments to the memorandum and articles of association, mergers, demergers and liquidation) shall be unanimously approved by all the shareholders of Nanjing Huihe at the general meeting.

The board of directors of Nanjing Huihe shall consist of 7 directors. The chairman of the board of directors of Nanjing Huihe shall be a director nominated by Nanjing Vanke.

The general manager (i.e. the legal representative) shall be nominated by Nanjing Vanke and shall be responsible for the daily operation of Nanjing Huihe.

Profit Distribution Arrangement of Nanjing Huihe

Pursuant to the Cooperation Agreement, Nanjing Merchants and Nanjing Vanke shall share the profits of Nanjing Huihe in proportion to their respective shareholdings in Nanjing Huihe.

PARTICULARS OF NANJING HUIHE

Nanjing Huihe is a company established in the PRC with limited liability on 19 July 2017 and is principally engaged in property development business, which involves the development and construction of the Nanjing Land located at Lot No. 8-9-17-18-23-24-28, West Area of South Square, South Station, Jiangning District, Nanjing City, Jiangsu Province, the PRC (中國江蘇省南京市江寧區南站南廣場站西片區 8-9-17-18-23-24-28號地塊). The Nanjing Land has a total site area of 130,656.0 sq. m., designated for residential and commercial usage with a term of 70 years and 40 years, respectively.

Set out below is a summary of the unaudited financial information of Nanjing Huihe (prepared in accordance with the applicable financial reporting standards in the PRC) for the period from 19 July 2017 to 30 November 2017:

	<i>RMB</i>
Revenue	–
Net loss before taxation	(440)
Net loss after taxation	(440)

The unaudited net asset value of Nanjing Huihe as at 30 November 2017 was approximately RMB1,019,989,747.

REASONS FOR AND BENEFITS OF ENTERING INTO THE COOPERATION AGREEMENT

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.

In view of the location and the designated use of the Nanjing Land, the Directors consider that the investment in Nanjing Huihe and the development of the Nanjing Land are in line with the business development strategy and planning of the Group. Nanjing city is one of the cities that the Group focuses on and hence the development of the Nanjing Land via Nanjing Huihe is in line with the strategic development of the Group.

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.

PARTICULARS OF THE PARTIES

Merchants Nanjing is a company established in the PRC with limited liability and an indirect non wholly-owned subsidiary of the Company. It is principally engaged in property development in the PRC.

Nanjing Vanke is a company established in the PRC with limited liability and is principally engaged in property development in the PRC.

IMPLICATIONS UNDER THE LISTING RULES

As one or more of the applicable percentage ratios (as defined under the Listing Rules) in respect of the transactions contemplated under the Cooperation Agreement exceed 5% but are less than 25%, the entering into of the Cooperation Agreement and the transactions contemplated thereunder constitute a discloseable transaction of the Company and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

DEFINITIONS

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

“Board”	the board of Directors
“CMG”	China Merchants Group Limited (招商局集團有限公司), a company established in the PRC with limited liability, being the ultimate 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, 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 ascribed to it under the Listing Rules
“Cooperation Agreement”	a cooperation agreement dated 8 December 2017 entered into between Merchants Nanjing and Nanjing Vanke
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“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 Huihe”	Nanjing Huihe Zhiye Co., Ltd.* (南京薈合置業有限公司), a limited liability company established by Nanjing Vanke in the PRC on 19 July 2017 for the purpose of conducting property development business
“Nanjing Land”	a piece of land situated at Lot No. 8-9-17-18-23-24-28, West Area of South Square, South Station, Jiangning District, Nanjing City, Jiangsu Province, the PRC (中國江蘇省南京市江寧區南站南廣場站西片區 8-9-17-18-23-24-28號地塊) with a total site area of 130,656.0 sq. m., designated for residential and commercial usage with a term of 70 years and 40 years, respectively
“Nanjing Vanke”	Nanjing Vanke Zhiye Co., Ltd.* (南京萬科置業有限公司), a company established in the PRC with limited liability
“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

“Previous Contribution”	RMB5,512,682,030, being the previous contribution made by Nanjing Vanke for acquiring and developing the Nanjing Land as of the date of the Cooperation Agreement
“RMB”	Renminbi, the lawful currency of the PRC
“Share(s)”	ordinary share(s) of HK\$0.01 each in the issued share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“sq. m.”	square metre
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary”	has the meaning ascribed to it under the Listing Rules
“Valuation Approval”	the filing approval of the valuation report regarding the valuation of Nanjing Huihe issued by CMG pursuant to the applicable regulations in the PRC
“%”	per cent

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

Hong Kong, 8 December 2017

As at the date of this announcement, the Board comprises Mr. XU Yongjun, Mr. HUANG Junlong, Dr. 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*