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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 TRANSACTION  
DISPOSAL OF EQUITY INTEREST IN A SUBSIDIARY**

**EQUITY TRANSFER AGREEMENT**

On 13 September 2022, the Vendor, an indirect non-wholly owned subsidiary of the Company, entered into the Equity Transfer Agreement with the Purchaser, pursuant to which the Vendor agreed to sell, and the Purchaser, as the scheme manager of the ABS Scheme acting on behalf of the ABS Holders, agreed to acquire 100% equity interests in the Project Company at a consideration of RMB288,256,300. Upon completion of the Disposal, since the Group will still have the right to appoint a majority of the board of directors of the Project Company, the Project Company will continue to be a subsidiary of the Company.

**LISTING RULES IMPLICATIONS**

As the applicable percentage ratios calculated by reference to Rule 14.07 of the Listing Rules in respect of the Disposal are more than 5% but less than 25%, the Disposal constitutes a discloseable transaction of the Company and is therefore subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

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## **EQUITY TRANSFER AGREEMENT**

The principal terms of the Equity Transfer Agreement are set out below:

### **Date**

13 September 2022

### **Parties**

- (i) the Vendor, an indirect non-wholly owned subsidiary of the Company; and
- (ii) the Purchaser, a joint stock company incorporated in the PRC with limited liability, as the scheme manager of the ABS Scheme acting on behalf of the ABS Holders.

To the best of the Directors' knowledge, information and belief and having made all reasonable enquiries, the Purchaser, the ABS Holders other than Nanjing Zhaoping Zhisheng Commercial Management Co., Ltd.\* (南京招平置盛商業管理有限公司) (an indirect non-wholly owned subsidiary of the Company) and their respective ultimate beneficial owners are Independent Third Parties.

### **Subject matter**

The Disposal was conducted by way of a public tender through CBEX. In connection with the Purchaser's successful bid, the Vendor and the Purchaser entered into the Equity Transfer Agreement, pursuant to which the Vendor agreed to sell and the Purchaser, as the scheme manager of the ABS Scheme acting on behalf of the ABS Holders, agreed to acquire 100% equity interests in the Project Company at a consideration of RMB288,256,300. Upon completion of the Disposal, since the Group will still have the right to appoint a majority of the board of directors of the Project Company, the Project Company will continue to be a subsidiary of the Company.

### **Consideration**

The consideration of RMB288,256,300 for the Disposal shall be paid by the Purchaser in cash in full within one working day from the date of the Equity Transfer Agreement.

The consideration was based on the final bidding price through the public tender quoted on CBEX.

## **Completion**

The Purchaser and the Vendor shall determine the specific date and place for the completion of the Disposal. The Vendor shall transfer the assets, power of control and management of the Project Company to the Purchaser within 5 working days after CBEX issues the equity transaction certificate. The Vendor shall also procure the Project Company to complete the equity transfer registration procedures with the relevant authority within 20 working days after CBEX issues the equity transaction certificate and the Purchaser shall provide necessary assistance and cooperation.

## **INFORMATION OF THE PARTIES**

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

The Purchaser, a joint stock company incorporated in the PRC with limited liability, is principally engaged in asset management and fund management, investment advisory and consultancy services, proprietary securities activities, securities brokerage and securities investment fund distribution. The A shares of the Purchaser are listed on the Shanghai Stock Exchange (stock code: 600030) and the H shares of the Purchaser are listed on the Stock Exchange (stock code: 6030).

## **INFORMATION OF THE PROJECT COMPANY**

The Project Company is a company established on 4 August 2014 in the PRC with limited liability which is principally engaged in construction and development of real estate project on the Land. The Land is located at lot 1 and 2, the west of phase 2 of Jing Wu Road, Maigaoqiao Street, Qixia District, Nanjing City, Jiangsu Province, the PRC (中國江蘇省南京市棲霞區邁皋橋街道經五路二期西側1號和2號地塊). The Land is designated for residential usage with a term of 70 years and commercial usage with a term of 40 years. As at the date of this announcement, the Project Company is owned as to 100% by the Vendor.

The table below sets forth a summary of certain unaudited financial information of the Project Company for the two years ended 31 December 2021:

	<b>For the year ended 31 December 2020</b>	<b>For the year ended 31 December 2021</b>
	<i>RMB'000</i>	<i>RMB'000</i>
Net loss before taxation	21,099	14,905
Net loss after taxation	21,099	14,905

The unaudited net asset value of the Project Company as at 30 June 2022 was approximately RMB261,000,000.

### **FINANCIAL EFFECTS OF THE DISPOSAL AND PROPOSED USE OF PROCEEDS**

The net asset value of the Project Company as at 30 June 2022 amounted to approximately RMB261,000,000. Based on the consideration of RMB288,256,300 and the associated estimated direct cost and other relevant expenses and stamp duty in relation to the Disposal in the amount of approximately RMB150,000, the Group is expected to record a gain on the Disposal of approximately RMB27,106,300. The net proceeds of approximately RMB288,106,300 are intended to be used as the general working capital of the Group.

The exact amount of the gain on the Disposal to be recorded in the consolidated financial statements of the Group for the year ending 31 December 2022 is subject to audit. It will be calculated based on the net asset value of the Project Company as at the date of the completion of the Disposal, net of any incidental expenses, and therefore may differ from the estimated amount of the gain set out above.

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

The Group is principally engaged in the development, sale, lease, investment and management of properties and asset management.

Reference is made to the announcement of the Company dated 8 September 2022 in relation to, among other things, the ABS Scheme. The launch of the ABS Scheme involves the process of securitizing the property development project for the composite development erected on the Land and hence the Equity Transfer Agreement is entered into for the purpose of the ABS Scheme to transfer the equity interests in the Project Company, which holds the land use rights of the Land, to the scheme manager of the ABS Scheme (i.e. the Purchaser) on behalf of the ABS Holders. The Board also considers that the Disposal will realize the forthcoming revenue of the Group in advance and the proceeds received from the Disposal will provide financial support to the Group's general working capital for other investments for the benefit of the Group and the Shareholders as a whole.

The Directors (including all the independent non-executive Directors) are of the view that the terms of the Equity Transfer Agreement, including the consideration for the Disposal, which have been agreed after arm's length negotiations, are on normal commercial terms or better and such terms are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

## **LISTING RULES IMPLICATIONS**

As the applicable percentage ratios calculated by reference to Rule 14.07 of the Listing Rules in respect of the Disposal are more than 5% but less than 25%, the Disposal constitutes a discloseable transaction of the Company and is therefore 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:

“ABS Holder(s)”	holder(s) of the asset-backed securities to be issued pursuant to the ABS Scheme
“ABS Scheme”	the CITIC Golden Stone – China Merchants Shekou Phase II Asset-backed Special Scheme (中信金石－招商蛇口二期資產支持專項計劃) to be managed by the Purchaser to securitize the property development project for the composite development erected on the Land by issuing the asset-backed securities to the ABS Holders
“Board”	the board of Directors
“CBEX”	China Beijing Equity Exchange (北京產權交易所)
“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)
“Directors”	the directors of the Company
“Disposal”	the disposal of 100% equity interests in the Project Company by the Vendor to the Purchaser pursuant to the Equity Transfer Agreement
“Equity Transfer Agreement”	the equity transfer agreement entered into on 13 September 2022 between the Vendor and the Purchaser pursuant to which the Vendor agreed to sell, and the Purchaser, as the scheme manager of the ABS Scheme acting on behalf of the ABS Holders, agreed to acquire 100% equity interests in the Project Company at a consideration of RMB288,256,300
“Group”	the Company and its subsidiaries

“Independent Third Party(ies)”	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 within the meaning of the Listing Rules
“Land”	a piece of land situated at lot 1 and 2, the west of phase 2 of Jing Wu Road, Maigaoqiao Street, Qixia District, Nanjing City, Jiangsu Province, the PRC (中國江蘇省南京市棲霞區邁皋橋街道經五路二期西側1號和2號地塊)
“Listing Rules”	The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended from time to time
“PRC”	the People’s Republic of China (excluding, for the purposes of this announcement, Hong Kong, the Macau Special Administrative Region and Taiwan)
“Project Company”	Nanjing Merchants Qisheng Property Development Limited* (南京招商啟盛房地產有限公司), a company established on 4 August 2014 in the PRC with limited liability and an indirect non-wholly owned subsidiary of the Company as at the date of this announcement
“Purchaser”	CITIC Securities Company Limited (中信証券股份有限公司), a joint stock company incorporated in the PRC with limited liability
“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
“sq. m.”	square metre
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

“subsidiary”	has the meaning ascribed to it in the Listing Rules
“Vendor”	Cyber Light Investments Limited (光鴻投資有限公司), a company incorporated in Hong Kong with limited liability and an indirect non-wholly owned subsidiary of the Company
“%”	per cent

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

Hong Kong, 13 September 2022

*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.*