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CHINA MERCHANTS LAND LIMITED

招商局置地有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 978)

**MAJOR TRANSACTION:
JOINT VENTURE ARRANGEMENT IN RESPECT OF
DEVELOPMENT OF XI'AN LAND**

COOPERATION AGREEMENT

On 30 June 2023, Xi'an Mao On, an indirect wholly-owned subsidiary of the Company, entered into the Cooperation Agreement with Chengdu Huajian and the Project Company for the development of the Xi'an Land through the Project Company.

Pursuant to the Cooperation Agreement, Xi'an Mao On and Chengdu Huajian shall bear the Land Price of RMB1,230,500,000, tax, expenses and total investment amount in connection to the development of the Xi'an Land in proportion to their respective shareholdings in the Project Company of 99% and 1%. The Group's share of the estimated total investment amount is approximately RMB1,780,000,000.

LISTING RULES IMPLICATIONS

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 25%, but are all less than 100%, the entering into of the Cooperation Agreement and the transactions contemplated thereunder constitute a major transaction of the Company and is subject to the reporting, announcement and shareholders' approval requirements under Chapter 14 of the Listing Rules.

WRITTEN APPROVAL

Pursuant to Rule 14.44 of the Listing Rules, shareholders' approval may be obtained by written Shareholders' approval without the need of convening a general meeting. So far as the Company is aware, none of the Shareholders is materially interested in the Cooperation Agreement and the transactions contemplated thereunder. As such, no Shareholder is required to abstain from voting if a general meeting is to be convened to approve the Cooperation Agreement and the transactions contemplated thereunder. As at the date of this announcement, Success Well directly holds 3,646,889,329 Shares (representing approximately 74.35% of the total issued Shares). As the Company has obtained the Written Approval from Success Well, no extraordinary general meeting of the Company will be convened for the purpose of approving the Cooperation Agreement and the transactions contemplated thereunder pursuant to Rule 14.44 of the Listing Rules.

A circular containing, among other things, further details of the Cooperation Agreement and the transactions contemplated thereunder will be despatched to the Shareholders in accordance with the Listing Rules for information purposes only on or before 21 July 2023.

COOPERATION AGREEMENT

On 30 June 2023, Xi'an Mao On, an indirect wholly-owned subsidiary of the Company, entered into the Cooperation Agreement with Chengdu Huajian and the Project Company for the development of the Xi'an Land through the Project Company.

The principal terms of the Cooperation Agreement are set out below:

Date: 30 June 2023

Parties:

- (a) Xi'an Mao On, an indirect wholly-owned subsidiary of the Company;
- (b) Chengdu Huajian, a company established in the PRC with limited liability; and
- (c) the Project Company, a company established in the PRC with limited liability and a direct wholly-owned subsidiary of Chengdu Huajian as at the date of the Cooperation Agreement.

To the best of the Directors' knowledge, information and belief and having made all reasonable enquiries, Chengdu Huajian, the Project Company and their ultimate beneficial owners are Independent Third Parties.

Basic information of the Xi'an Land

Land location: South of Hangfei Road, east of Wangyue Road, west of Jingdong Avenue, Aerospace Base, Xi'an City, Shaanxi Province, the PRC* (中國陝西省西安市航天基地航飛路以南、望月路以東、京東大道以西)

Total site area: Approximately 118,772 sq.m.

Usage and term of land use rights: Residential usage with a term of 70 years and commercial usage with a term of 40 years

Permitted plot ratio: Not more than 2.0

Land Price: RMB1,230,500,000 comprising:

- (i) the bidding deposit of RMB220,000,000 which has been paid by Chengdu Huajian (the "**Bidding Deposit**");
- (ii) the first instalment of RMB395,250,000 which has been paid by the Project Company (the "**First Instalment**"); and
- (iii) the second instalment of RMB615,250,000 payable before 6 June 2024 (the "**Second Instalment**").

Capital contribution

Pursuant to the Cooperation Agreement,

- (a) Xi'an Mao On shall develop the Xi'an Land through the Project Company, which shall be the sole beneficiary and developer of the Xi'an Land;

- (b) the initial registered capital of the Project Company of RMB10,000,000 shall be increased and upon completion of the capital increase, the registered capital of the Project Company shall be held by Xi'an Mao On as to 99% and by Chengdu Huajian as to 1% (the “**Respective Shareholdings**”);
- (c) Xi'an Mao On and Chengdu Huajian shall bear the Land Price, tax, expenses and total investment amount in connection to the development of the Xi'an Land in proportion to their Respective Shareholdings in the Project Company;
- (d) Xi'an Mao On has contributed RMB645,947,898.75, consisting of (i) RMB217,800,000 for the repayment of the Bidding Deposit paid by Chengdu Huajian; (ii) RMB391,297,500 for the repayment of the First Instalment paid by the Project Company; and (iii) RMB36,850,398.75 for the repayment of the tax relating to the First Instalment paid by the Project Company, in respect of the proportion borne by Xi'an Mao On according to the Respective Shareholdings in the Project Company; and
- (e) Xi'an Mao On and Chengdu Huajian shall pay the Second Instalment of RMB615,250,000 and tax and expenses according to their Respective Shareholdings in the Project Company.

The amount of capital contribution of each of Xi'an Mao On and Chengdu Huajian was determined after arm's length negotiations with reference to the capital requirements of the Project Company and the development cost of the Xi'an Land. The Group's share of the estimated total investment amount is approximately RMB1,780,000,000, which shall be funded by the Group's internal resources and/or external resources.

Management of the Project Company

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

The board of directors of the Project Company shall consist of three directors. Xi'an Mao On shall nominate two directors and Chengdu Huajian shall nominate one director. The chairman of the board of directors of the Project Company shall be a director appointed by Xi'an Mao On.

The general manager shall be responsible for the management of the Project Company and such person shall be nominated by Xi'an Mao On and appointed by the board of directors of the Project Company.

Profit distribution arrangement

Pursuant to the Cooperation Agreement, each of Xi'an Mao On and Chengdu Huajian shall share the profits of the Project Company in proportion to their Respective Shareholdings in the Project Company.

FINANCIAL EFFECTS OF THE TRANSACTION

Since Xi'an Mao On controls the majority of the board of directors of the Project Company, and the voting rights in the shareholders' meeting of the Project Company, the Project Company shall become a subsidiary of Xi'an Mao On. As a result, the financial results, assets and liabilities of the Project Company shall be consolidated into the accounts of the Group.

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 and assets management.

The Group has been deeply involved in the Xi'an market and through this transaction, each of Xi'an Mao On and Chengdu Huajian would benefit from the cooperation in order to exert their strengths, generate synergistic effect 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.

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

Xi'an Mao On, a company established in the PRC with limited liability, is principally engaged in property development in the PRC.

Chengdu Huajian, a company established in the PRC with limited liability, is principally engaged in property development and operation in the PRC. To the best of the Directors' knowledge, information and belief and having made all reasonable enquiries, according to the company search information obtained online, Chengdu Huajian is indirectly held as to 65% by Jiangsu Huajian Real Estate Group Company Limited* (“**Jiangsu Huajian**”), and the single largest indirect shareholder of Jiangsu Huajian is Yangzhou City Construction State-owned Assets Holding (Group) Company Limited*, which is wholly owned by the State-owned Assets Supervision and Administration Commission of Yangzhou City, Jiangsu Province.

The Project Company, a company established in the PRC with limited liability, is principally engaged in property development of the Xi'an Land. The Project Company is a direct wholly-owned subsidiary of Chengdu Huajian as at the date of the Cooperation Agreement.

LISTING RULES IMPLICATIONS

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A circular containing, among other things, further details of the Cooperation Agreement and the transactions contemplated thereunder will be despatched to the Shareholders in accordance with the Listing Rules for information purposes only on or before 21 July 2023.

DEFINITIONS

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

“associate(s)”	has the meaning ascribed hereto in the Listing Rules
“Board”	the board of Directors
“Chengdu Huajian”	Chengdu Huajian Yijin Real Estate Co., Ltd.* (成都華建益錦置業有限公司), a company established in the PRC with limited liability and a party to the Cooperation Agreement
“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
“Cooperation Agreement”	the cooperation agreement dated 30 June 2023 entered into between Xi’an Mao On, Chengdu Huajian and the Project Company for the purpose of development of the Xi’an Land through the Project Company
“Directors”	the directors of the Company
“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 Price”	RMB1,230,500,000, being the aggregate consideration payable for acquisition of the Xi’an Land
“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”	Xi’an Shanglin Huayuan Real Estate Co., Ltd.* (西安尚林華苑房地產有限公司), a company established in the PRC with limited liability for the purpose of property development of the Xi’an Land and a party to the Cooperation Agreement
“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
“Success Well”	Success Well Investments Limited, a limited liability company incorporated in the British Virgin Islands and the controlling shareholder of the Company which directly owns an aggregate of 3,646,889,329 Shares, representing approximately 74.35% of the issued share capital of the Company as at the date of this announcement
“Written Approval”	the written approval of the Cooperation Agreement and the transactions contemplated thereunder by Success Well dated 30 June 2023

“Xi’an Mao On”	Xi’an Mao On Property Development Company Limited* (西安茂安房地產有限公司), a company established in the PRC with limited liability and an indirect wholly-owned subsidiary of the Company
“Xi’an Land”	a piece of land situated at south of Hangfei Road, east of Wangyue Road, west of Jingdong Avenue, Aerospace Base, Xi’an City, Shaanxi Province, the PRC* (中國陝西省西安市航天基地航飛路以南、望月路以東、京東大道以西) with a total site area of 118,772 sq.m.
“%”	per cent

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

Hong Kong, 30 June 2023

As at the date of this announcement, the Board comprises Mr. XU Yongjun, Mr. HUANG Junlong and Mr. LI Yao as non-executive Directors; Dr. SO Shu Fai, Mr. WONG King Yuen and Ms. CHEN Yan as executive Directors and Dr. WONG Wing Kuen, Albert, Ms. CHEN Yanping, Dr. SHI Xinping and Mr. IP Man Ki, Ryan as independent nonexecutive Directors.

* *Unofficial English translation denotes for identification purposes only*