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**華潤置地有限公司**  
**China Resources Land Limited**

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

**(Stock Code: 1109)**

**CONNECTED TRANSACTION  
COLLABORATION AGREEMENT**

On 8 June 2021 (after trading hours), Zhuhai Rundi, an indirect wholly-owned subsidiary of the Company, entered into the Agreement with CR Bank in relation to the proposed collaboration arrangement for the bidding of the Land by Zhuhai Rundi and the sale and purchase of the Target Properties.

As CR Bank is a 30%-controlled company (as defined under Chapter 14A of the Listing Rules) of CRC, a controlling shareholder of the Company, CR Bank is an associate of CRC and thus a connected person of the Company. Accordingly, the entering into of the Agreement by Zhuhai Rundi constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules.

As more than one of the applicable percentage ratios in respect of the Consideration exceed 0.1% but is less than 5%, the Transactions are only subject to the reporting and announcement requirements under the Listing Rules, and are exempted from the circular, independent financial advice and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

The Board is pleased to announce that on 8 June 2021, Zhuhai Rundi, an indirect wholly-owned subsidiary of the Company, entered into the Agreement with CR Bank in relation to the proposed collaboration arrangement for the bidding of the Land by Zhuhai Rundi and the sale and purchase of the Target Properties, for a total consideration of RMB1,261,520,000 (subject to adjustment), in accordance with the terms and conditions of the Agreement.

## THE AGREEMENT

Set out below are the principal terms of the Agreement:

### Date

8 June 2021

### Parties

- (1) Zhuhai Rundi
- (2) CR Bank

### Subject matter

The Parties agree that Zhuhai Rundi shall acquire the land use right of the Land by way of participation in a public tender pursuant to the Agreement. It is anticipated that in the event where Zhuhai Rundi succeeds in the bidding for the Land, Zhuhai Rundi shall proceed with the property development of the Land and CR Bank will purchase the Target Properties (constituting part of the properties and facilities to be constructed and developed by Zhuhai Rundi on part of the Land) pursuant to the terms and conditions of the Agreement.

It was agreed that upon the successful bidding of the Land by Zhuhai Rundi, Zhuhai Rundi, as the successful bidder, will enter into the relevant land grant and supervision agreements with the relevant authorities. Before the development plan of the Land is submitted to the relevant governmental departments for approval, the actual location of the Target Properties and the right of CR Bank on the relevant part of the Land shall be agreed between the Parties. Subject to the actual progress of the development project, it is expected that Parties will enter into the transfer agreement (the “SPA”) of the Target Properties in accordance with the Agreement in or around the first-half of 2023.

If Zhuhai Rundi does not succeed in the bidding of the Land, the Agreement can be terminated by either party pursuant to the terms of the Agreement.

### Consideration

The consideration for the pre-sale of the Target Properties is RMB1,261,520,000 (subject to adjustment) (the “**Consideration**”) and shall be settled as follows:

- (i) 20% of the Consideration (i.e. RMB252,304,000) shall be payable by CR Bank to Zhuhai Rundi within 30 days from the date when Zhuhai Rundi enters into the land grant agreement of the Land with the Zhuhai Natural Resources Bureau (珠海市自然资源局). Such part of the Consideration is to be regarded as the performance bond of the Agreement to secure the performance of CR Bank and shall be regarded as the first payment of the Consideration on the date when the Parties enter into the SPA; and
- (ii) 80% of the Consideration (i.e. RMB1,009,216,000) shall be payable by CR Bank to Zhuhai Rundi within 30 days from the date when the Parties enter into the SPA.

The Consideration was arrived at based on (i) the estimated land premium payable for the grant of the relevant portion of the Land to Zhuhai Rundi and the related deed tax and stamp duty; (ii) the estimated construction and development costs for developing the Target Properties (with reference to, among others, the preliminary advisory fees, inspection fees and construction fees, and expected expenses such as material fees, insurance expenses and all other related management fees and fees payable to the governmental authorities); (iii) premium payable by CR Bank to Zhuhai Rundi for the Target Properties based on an agreed percentage of the estimated construction and development costs; and (iv) taxes payable by Zhuhai Rundi for the sale of the Target Properties.

The Consideration is subject to adjustment, based on the actual construction and development costs incurred by Zhuhai Rundi, after the delivery of title of the Target Properties, provided that the actual construction and development costs incurred by Zhuhai Rundi does not exceed the pre-determined costs as reviewed and agreed by CR Bank. If the actual construction and development costs incurred by Zhuhai Rundi is higher than the pre-determined costs due to additional requirements from CR Bank, such additional construction and development costs are to be borne by CR Bank. In the circumstance when the actual construction and development costs incurred by Zhuhai Rundi is less than the pre-determined costs, such difference retained and the corresponding premium originally borne by CR Bank shall either be returned to CR Bank with no interest payable or invested for use relating to the Target Properties as to be agreed between the Parties. It was also agreed between the Parties that the actual land premium of the Target Properties borne by CR Bank shall not be higher than the base bidding price as stated in the tendering announcement issued by the relevant governmental authority. If Zhuhai Rundi succeeds in bidding for the Land with no additional land premium, the land premium of the Target Properties shall be based on the price detailed in the relevant governmental approval of the Target Properties.

The Company had referred to the range of bidding price of the Land of RMB3,156,000,000 to RMB4,734,000,000 as specified in the tendering announcement published by the Zhuhai Public Resources Trading Center (珠海市公共資源交易中心), and having regard to, among others, the valuation of proximity area, the development potential of the Land and proximity area, the estimated construction and development costs for developing the Target Properties, and the premium payable by CR Bank to Zhuhai Rundi for the Target Properties based on an agreed percentage of the estimated construction and development costs, the Board (including the independent non-executive Directors) is of the view that Consideration is fair and reasonable, and in the interests of the Company and the Shareholders as a whole.

### **Completion**

Zhuhai Rundi shall ensure that construction and development of the Target Properties are completed and delivered to CR Bank within 48 months from the date which Zhuhai Rundi has acquired the Land.

### **INFORMATION ABOUT THE TARGET PROPERTIES**

The Land is located at the Hi-Tech Industrial Development District in Zhuhai, the PRC, with an aggregated site area of 146,009.86 m<sup>2</sup>, among which, the relevant land lot which the Target Properties will be developed on has a land area of 18,615.75 m<sup>2</sup>, and is planned for residential use, commercial use and business use. As specified in the tendering

announcement published by the Zhuhai Public Resources Trading Center (珠海市公共資源交易中心), the range of bidding price of the Land is RMB3,156,000,000 to RMB4,734,000,000.

Based on preliminary estimations, the Target Properties are expected to have a total GFA of approximately 64,400 m<sup>2</sup> with around 605 underground parking spaces. The Target Properties to be developed will comprise of:

- (1) office buildings, with a preliminary proposed GFA of approximately 45,000 m<sup>2</sup>;
- (2) ancillary commercial buildings, with a preliminary proposed GFA of approximately 6,440 m<sup>2</sup>;
- (3) serviced office buildings, with a preliminary proposed GFA of approximately 13,000 m<sup>2</sup>; and
- (4) around 605 ancillary parking spaces to the aforesaid buildings,

as well as the parts exclusive to CR Bank, including but not limited to underground spaces of the Target Properties, municipal infrastructures, ancillary buildings (structures), facilities and equipment.

Pursuant to the Agreement, it is anticipated that CR Bank shall have the right of ownership or exclusive use of the Target Properties and the right to manage and derive income from the Target Properties and the corresponding ancillary facilities and equipment in accordance with the relevant law, whereas the state-owned construction land use right of the relevant lot of the Land where the Target Properties is located should be jointly managed by CR Bank and other owners in accordance with law.

## **INFORMATION ABOUT THE PARTIES**

### **The Group**

The Company is incorporated in the Cayman Islands with limited liability and its shares are listed on the Stock Exchange. As at the date of this announcement, approximately 59.55% of the shares issued by the Company are indirectly held by CRH which in turn is ultimately owned by CRCL, a state-owned enterprise in the PRC under the supervision of the SASAC. CRCL is a conglomerate which holds a variety of businesses in Hong Kong and the PRC including but not limited to consumer products, healthcare, energy services, urban construction and operation, technology and finance.

The Group is principally engaged in development of properties for sale, property investments and management, hotel operations and the provision of construction, decoration services and other property development related services in the PRC.

Zhuhai Rundi, an indirect wholly-owned subsidiary of the Company, is a company incorporated in the PRC with limited liability and is principally engaged in the business of property development.

## **CR Bank**

CR Bank is a licensed bank regulated by the China Banking Regulatory Commission and headquartered in Zhuhai, the PRC. It principally provides financing and savings services to individuals and corporations and operates various branches and sub-branches in different cities in the PRC.

As at the date of the announcement, CR Bank is indirectly owned by (i) CRCL as to approximately 70.28%; (ii) Zhuhai Municipal People's Government State-owned Assets Supervision and Administration Commission (珠海市人民政府國有資產監督管理委員會) as to approximately 21.02%; (iii) Shenzhen Nanshan District Government State-owned Assets Supervision and Administration Commission (深圳市南山區國有資產監督管理局) as to approximately 6.70%; and (iv) other investors including Livzon Pharmaceutical Group Inc. (a company listed on the Stock Exchange and the Shenzhen Stock Exchange), Yuan yuan, Zhuhai Hallon Group Corporation Limited (which is ultimately controlled by Su zhihuan), Cheng guocai, the Bank of Beijing Co., Ltd. (a company listed on the Shanghai Stock Exchange), and Wang suchao, directly or indirectly, as to approximately 2.00%. To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, save for CRCL, the aforesaid shareholders are third parties independent of the Company and its connected persons.

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

The principal business activities of the Group are property investment, development and management in the PRC.

The Land is strategically located in the core area of Zhuhai North Station, a transportation hub on the west coast of the Guangdong-Hong Kong-Macao Greater Bay Area and is adjacent to the high-tech industrial park, which is subject to extensive transit oriented development (“**TOD**”). The Company considered the Transactions represent an invaluable opportunity for the Group to potentially acquire and develop a premium land with extensive TOD (covering a land area of approximately 150,000 m<sup>2</sup> and a construction area of approximately 360,000 m<sup>2</sup>) based on the expected bid price on the west coast of the Guangdong-Hong Kong-Macao Greater Bay Area. It is believed that Transactions can help also realise the CRC Group's strategy for the relocation of the headquarters of CR Bank into the Hi-Tech Industrial Development District (高新技術產業開發區) in Zhuhai.

The Company views that upon the successful bidding of the Land in accordance with the Agreement, the Group can lay a strong root and foundation at the core development area in the Hi-Tech Industrial Development District in Zhuhai which is beneficial for any possible subsequent acquisition and development around the area by the Group and to strengthen the understanding of the Zhuhai High-tech Zone. The Company believes that with the expertise of the Group in real estate development and the extensive experience and network in the banking industry by CR Bank, the entry and presence of CR Bank on the Land can further synergistically develop brand influence to promote high-quality development of industrial clusters in the area. The Transactions can also alleviate the upfront financial pressure of the Group for the development on the Land and enhance certainty in the future planning of the Land by the Group.

The Board (including the independent non-executive Directors) is of the view that terms of the Agreement are fair and reasonable, and the entering into of the Agreement is conducted on normal commercial terms, in the ordinary and usual course of business of the Group and in the interests of the Company and the Shareholders as a whole.

None of the Directors have any material interest in the Agreement or in connection with the Transactions and none of them abstained from voting on the relevant board resolutions.

## **IMPLICATIONS UNDER THE LISTING RULES**

As CR Bank is a 30%-controlled company (as defined under Chapter 14A of the Listing Rules) of CRC, a controlling shareholder of the Company, CR Bank is an associate of CRC and thus a connected person of the Company. Accordingly, the entering into of the Agreement by Zhuhai Rundi constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules.

As more than one of the applicable percentage ratios in respect of the Consideration exceed 0.1% but is less than 5%, the Transactions are only subject to the reporting and announcement requirements under the Listing Rules, and are exempted from the circular, independent financial advice and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

## **DEFINITIONS**

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

“Agreement”	the agreement dated 8 June 2021 entered into between Zhuhai Rundi and CR Bank in relation to, among others, the bidding of the Land and the sale and purchase of the Target Properties
“Board”	the board of Directors of the Company
“Company”	China Resources Land Limited, a company incorporated in the Cayman Islands with limited liability whose issued shares are listed on the main board of the Stock Exchange (stock code: 1109)
“connected person”	has the meaning ascribed to it under the Listing Rules
“CR Bank”	Zhuhai China Resources Bank Co., Ltd.* (珠海華潤銀行股份有限公司), a municipal bank headquartered in Zhuhai, in which 70.28% of its equity interest are indirectly held by CRC as at the date of this announcement
“CRC”	China Resources Inc.* (華潤股份有限公司), a company incorporated in the PRC with limited liability



“CRCL”	China Resources Company Limited* (中國華潤有限公司), a company incorporated in the PRC with limited liability
“CRH”	China Resources (Holdings) Company Limited, a company incorporated in Hong Kong with limited liability, which is ultimately owned by CRCL
“Directors”	the directors of the Company
“GFA”	gross floor area
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Land”	the land plot of approximately 146,009.86 m <sup>2</sup> located at the Hi-Tech Industrial Development District of Zhuhai, the PRC
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Parties”	the parties to the Agreement (i.e. (i) Zhuhai Rundi; and (ii) CR Bank)
“PRC”	the People’s Republic of China, and for the purpose of this announcement, excluding Hong Kong, the Macau Special Administrative Region and Taiwan
“RMB”	Renminbi, the lawful currency of the PRC
“SASAC”	the State-owned Assets Supervision and Administration Commission of the State Council of the PRC
“Shareholders”	persons whose names appear on the register of members as registered holders of the Shares
“SPA”	the transfer agreement of the Target Properties to be entered into between the Parties in accordance with the Agreement
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Target Properties”	the pre-sale properties to be constructed and developed by Zhuhai Rundi on part of the Land. For details of the Target Properties, please refer to the section headed “INFORMATION ABOUT THE TARGET PROPERTIES” in this announcement
“Transactions”	the transactions contemplated under the Agreement

“Zhuhai Rundi” Zhuhai Rundi Real Estate Co., Ltd.\* (珠海市潤地房地產有限公司), an indirect wholly-owned subsidiary of the Company, is a company incorporated in the PRC with limited liability

“m<sup>2</sup>” metre square

“%” per cent

\* *for identification purpose only*

By Order of the Board  
**China Resources Land Limited**  
**LI Xin**  
*President*

PRC, 8 June 2021

*As at the date of this announcement, the non-executive directors of the Company are Mr. Wang Xiangming, Mr. Yan Biao, Mr. Chen Ying, Mr. Wang Yan and Mr. Chen Rong; the executive directors of the Company are Mr. Li Xin, Mr. Zhang Dawei, Mr. Xie Ji, Mr. Wu Bingqi and Mr. Guo Shiqing; and the independent non-executive directors of the Company are Mr. Andrew Y. Yan, Mr. Ho Hing Ngai, Bosco, Mr. Wan Kam To, Peter, Mr. Zhong Wei and Mr. Sun Zhe.*