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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)

CONTINUING CONNECTED TRANSACTION ENTERING INTO THE FACTORING SERVICES FRAMEWORK AGREEMENT AND THE LEASE FINANCING FRAMEWORK AGREEMENT

FACTORING SERVICES FRAMEWORK AGREEMENT AND LEASE FINANCING FRAMEWORK AGREEMENT

The Board hereby announces that on 27 August 2021, the Company entered into (i) the Factoring Services Framework Agreement with the Factoring Company, pursuant to which the Factoring Company has agreed to provide the Group with general commercial factoring and related consultation services, for a term effective from 27 August 2021 to 31 December 2022 and (ii) the Lease Financing Framework Agreement with the Lease Financing Company, pursuant to which the Lease Financing Company has agreed to provide the Group with general financial leasing and related consultation services, for a term effective from 27 August 2021 to 31 December 2022.

LISTING RULE IMPLICATIONS

Each of the Factoring Company and the Lease Financing Company are members of the CRH Group. As CRH is a controlling Shareholder of the Company, members of the CRH Group and associates of CRH are connected persons of the Company and the New Connected Transaction Agreements with members of the CRH Group and associates of CRH constitute continuing connected transactions of the Company. As the applicable size test percentage ratios exceed 0.1% but are less than 5% in respect of the continuing connected transactions under the New Continuing Connected Transaction Agreements, the transactions contemplated thereunder are only subject to reporting, annual review and announcement requirements but are exempted from the independent shareholders' approval requirements of the Listing Rules.

INTRODUCTION

On 27 August 2021, the company entered into the Factoring Services Framework Agreement with the Factoring Company, pursuant to which the Factoring Company has agreed to provide the Group with general commercial factoring and related consultation services, for a term effective from 27 August 2021 to 31 December 2022.

FACTORING SERVICES FRAMEWORK AGREEMENT

Parties:	(i) the Company; and (ii) the Factoring Company
Date:	27 August 2021
Term of the agreement:	27 August 2021 to 31 December 2022
Scope of services:	The Factoring Company will provide general commercial factoring and related consultation services to the Group in accordance with the terms and conditions of the Factoring Services Framework Agreement, including factoring financing, sales (sub-account) management, collection of accounts receivables, non-commercial bad debt guarantees, customer credit investigations and evaluations, and consultation services related to commercial factoring. For the specific terms (including types of services, interest rates, service fees, payment terms, rights and obligations of the parties) with respect to each specific commercial factoring service under the Factoring Services Framework Agreement, the Factoring Company and the Group will enter into separate agreements in accordance with the terms and conditions of the Factoring Services Framework Agreement.
Principle of the provision of services:	Under the Factoring Services Framework Agreement, the Factoring Company has undertaken to: (i) provide quality and effective financial services and products to the Group and promptly take into consideration the opinions of the Group in relation to such services and products; and (iii) actively support the operations of the Group, prioritize the approval of the financing applications of the Group, and based on the business circumstances, enable the Green Channel for important customers (if applicable).

Pricing policy:

The transaction amount between the Group and the Factoring Company shall comply with the relevant standards promulgated by the PBOC or the CBIRC for the same type of financial services from time to time in relation to leverage ratio, and loan concentration ratio and correlation ratio (if applicable) and the projections of the potential scale of commercial factoring business cooperation between the Factoring Company and the Group for the period of the Factoring Services Framework Agreement.

Any interest and service fees to be charged by the Factoring Company to the Group shall comply with the relevant charging standards promulgated by the PBOC or the CBIRC (if applicable) for the same type of financial services from time to time (if applicable) and shall not be higher than the interest or service rates charged by the Factoring Company to independent third parties for the provision of similar services.

PROPOSED ANNUAL CAPS

The Directors expect the annual caps for the continuing connected transactions under the Factoring Services Framework Agreement for the four months ending on 31 December 2021 and the year ending 31 December 2022 to be as follows:

Transactions	4 months ending 31 December 2021 (RMB million)	Year ending 31 December 2022 (RMB million)
Transaction amount between the Group and the Factoring Company during the period/year	3,000	3,000
Interest and service fees paid by the Group to the Factoring Company during the period/year	200	200

Basis of determination of annual caps

The proposed annual caps for the transaction amount between the Group and the Factoring Company on any single day under the Factoring Company for the continuing connected transactions contemplated under the Factoring Services Framework Agreement are determined with reference to the relevant standards in relation to leverage financing, and finance concentration promulgated by PBOC or the CBIRC for the same type of financial services from time to time (if applicable) and the projections of the potential scale of commercial factoring business cooperation between the Factoring Company and the Group for the period of the Factoring Services Framework Agreement.

The proposed annual caps for the interest and service fees paid by the Group for the continuing connected transactions contemplated under the Factoring Services Framework Agreement are determined with reference to the relevant charging standards promulgated by

the PBOC or the CBIRC for the same type of financial services from time to time (if applicable) and shall not be higher than the interest or service rates charged by the Factoring Company to independent third parties for the provision of similar services.

LEASE FINANCING FRAMEWORK AGREEMENT

Parties:	(i) the Company; and (ii) the Lease Financing Company
Date:	27 August 2021
Term of the agreement:	27 August 2021 to 31 December 2022
Scope of services:	The Lease Financing Company will provide general financial leasing and related consultation services to the Group in accordance with the terms and conditions of the Lease Financing Framework Agreement, including operating lease financing and financial leasing. For the specific terms (including lease principal, interest rates, service fees, payment terms, rights and obligations of the parties) with respect to each specific financial leasing service under the Lease Financing Framework Agreement, the Lease Financing Company and the Group will enter into separate agreements in accordance with the terms and conditions of the Lease Financing Framework Agreement.
Principle of the provision of services:	Under the Lease Financing Framework Agreement, the Lease Financing Company has undertaken to: (i) provide quality and effective financial services and products to the Group and promptly take into consideration the opinions of the Group in relation to such services and products; and (iii) actively support the operations of the Group, prioritize the approval of the financing applications of the Group, and based on the business circumstances, enable the Green Channel for important customers (if applicable).
Pricing policy:	The amount of lease principal payments to be paid by the Group to the Lease Financing Company shall comply with the relevant standards promulgated by the PBOC or the CBIRC for the same type of financial services from time to time in relation to leverage ratio, and loan concentration ratio and correlation ratio (if applicable) and the projections of the potential scale of financial leasing business cooperation between the Lease Financing Company and the Group for the period of the Lease Financing Framework Agreement.

The service fees and commissions charged by the Lease Financing Company shall comply with the relevant standards promulgated by the PBOC or the CBIRC for the same type of financial services from time to time (if applicable) and shall not be higher than the interest or service rates charged by the Lease Financing Company to independent third parties for the provision of similar services.

PROPOSED ANNUAL CAPS

The Directors expect the annual caps for the continuing connected transactions under the Lease Financing Framework Agreement for the four months ending on 31 December 2021 and the year ending 31 December 2022 to be as follows:

Transactions	4 months ending 31 December 2021 (RMB million)	Year ending 31 December 2022 (RMB million)
Amount of lease principal payments to be made by the Group to the Lease Financing Company during the year/period	1,000	1,000
Interest, fees and commissions paid by the Group to the Lease Financing Company during the year/period	70	70

Basis of determination of annual caps

The proposed annual caps for the amount of lease principal payments under the Lease Financing Company for the continuing connected transactions contemplated under the Lease Financing Framework Agreement are determined with reference to the relevant standards in relation to leverage financing, and finance concentration promulgated by PBOC or the CBIRC for the same type of financial services from time to time (if applicable) and the projections of the potential scale of financial leasing business cooperation between the Lease Financing Company and the Group for the period of the Lease Financing Framework Agreement.

The proposed annual caps for the interest, fees and commissions paid by the Group for the continuing connected transactions contemplated under the Lease Financing Framework Agreement are determined with reference to the relevant standards promulgated by the PBOC or the CBIRC for the same type of financial services from time to time (if applicable) and shall not be higher than the interest or service rates charged by the Lease Financing Company to independent third parties for the provision of similar services.

REASONS FOR AND BENEFITS OF THE CONTINUING CONNECTED TRANSACTIONS

The execution of the Factoring Services Framework Agreement and the transactions contemplated thereunder would help the Group to optimise its asset structure, accelerate the efficiency of asset turnover, save costs, improve the efficiency of capital utilisation, broaden its financing channels and reduce its financing costs. The transactions are in line with the Company's overall development strategy and in the interests of the Company and its Shareholders as a whole.

The execution of the Lease Financing Framework Agreement and the transactions contemplated thereunder would enable the Group to expand its financing channels and optimize its financial structure. The transactions are in line with the Company's overall development strategy and in the interests of the Company and its Shareholders as a whole.

In light of the above, the Directors (including the independent non-executive Directors) are of the view that the New Continuing Connected Transaction Agreements were entered into in the ordinary and usual course of business of the Group and on normal commercial terms, the terms and conditions therein as well as the annual caps for the continuing connected transactions contemplated thereunder are fair and reasonable and in the interests of the Company and its Shareholders as a whole.

LISTING RULES IMPLICATIONS

As CRH is a controlling Shareholder of the Company, members of the CRH Group and associates of CRH are connected persons of the Company and the leasing and concessionaire arrangements with the CRH Group and associates of CRH constitute continuing connected transactions of the Company. As none of the applicable percentage ratios of the Company calculated based on the revised annual caps for the leasing and concessionaire arrangements exceeds 5% as referred to in Chapter 14A of the Listing Rules, the revision of such annual caps is subject to the reporting and announcement requirements but exempt from the independent shareholders' approval requirements as set out in Chapter 14A of the Listing Rules.

As none of the Directors has any material interest in the above transaction, no Director has abstained from voting on the board resolution approving the above transaction.

GENERAL INFORMATION RELATING TO THE PARTIES

Group

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

CRH

CRH is a conglomerate in Hong Kong and the PRC that is principally engaged in seven core businesses, namely consumer products, power, real estate, cement, gas, pharmaceutical and financial services, as well as other operations including healthcare, microelectronics, textiles and chemical products.

The Factoring Company

The Factoring Company is a company incorporated under the laws of the PRC with limited liability and is held as to 81.22% by CRH. The Factoring Company is principally engaged in factoring services.

The Lease Financing Company

The Lease Financing Company is a company incorporated under the laws of the PRC with limited liability and is held indirectly as to 81.22% by CRH. The Lease Financing Company is principally engaged in lease financing services.

DEFINITIONS

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

“associates”	has the meaning ascribed thereto in the Listing Rules;
“Board”	the board of Directors of the Company;
“CBIRC”	China Banking and Insurance Regulatory Commission (中國銀行業監督管理委員會) ;
“Company”	China Resources Land Limited (華潤置地有限公司), a company incorporated in the Cayman Islands with limited liability and the shares of which are listed on the Main Board of the Stock Exchange;
“connected person(s)”	as the meaning ascribed thereto in the Listing Rules;
“CRH”	China Resources (Holdings) Company Limited (華潤(集團)有限公司), a company incorporated in Hong Kong with limited liability, indirectly holding 59.55% Shares in the Company as at the date of this announcement;

“CRH Group” “Director(s)”	CRH and its subsidiaries excluding the Group; a director serving on the Board for the time being of the Company;
“Factoring Company” “Factoring Services Framework Agreement”	RUNXIN Commercial Factoring Co., Ltd. (潤鑫商業保理(天津)有限公司), a company incorporated in the PRC, held as to 81.22% by CRH; the framework agreement entered into between the Company and Factoring Company on 27 August 2021 to provide general commercial factoring and related consultation services to the Group from 27 August 2021 to 31 December 2022;
“Group”	the Company and its subsidiaries;
“Green Channel”	means the priority approval procedure for processing the financing applications of the Group provided by the Lease Financing Company/Factoring Company in compliance with the internal systems of the Lease Financing Company/Factoring Company (as applicable);
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC;
“Leasing Financing Company” “Lease Financing Framework Agreement”	China Resources Leasing Co., Ltd. (華潤融資租賃有限公司), a company incorporated in the PRC, held as to 81.22% by CRH; the framework agreement entered into between the Company and Leasing Financing Company on 27 August 2021 to provide general financial leasing and related consultation services to the Group from 27 August 2021 to 31 December 2022;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“New Continuing Connected Transaction Agreements”	collectively, (1) the Factoring Services Framework Agreement; and (2) Lease Financing Framework Agreement;
“PBOC”	the People’s Bank of China (中國人民銀行), the central bank of the PRC;
“PRC”	the People’s Republic of China which, for the purpose of this announcement, excludes Hong Kong, the Macau Special Administrative Region and Taiwan;
“Share(s)”	ordinary share(s) of HK\$0.10 each in the share capital of the Company;
“Shareholder(s)”	holders of the Shares;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited; and

“%”

per cent.

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

PRC, 27 August 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. Ho Hin Ngai, Bosco, Mr. Andrew Y. Yan, Mr. Wan Kam To, Peter, Mr. Zhong Wei and Mr. Sun Zhe.