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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)

REVISION OF ANNUAL CAPS FOR CONTINUING CONNECTED TRANSACTION

Reference is made to the announcement of the Company dated 9 December 2019 in relation to, among other things, the leasing and concessionaire arrangements provided by the Group to members of the CRH Group and associates of CRH under the Leasing and Concessionaire Framework Agreement 2019.

As the usage of the leasing and concessionaire arrangements by members of the CRH Group and associates of CRH is anticipated to exceed the original projection, the original annual caps for the leasing and concessionaire arrangements for the financial years ending 31 December 2021 and 31 December 2022 are expected to be insufficient. Accordingly, on 25 August 2021, the Board resolved to revise the annual caps for the leasing and concessionaire arrangements for the financial years ending 31 December 2021 and 31 December 2022 and to re-comply with the requirements of Chapter 14A of the Listing Rules. Save for the revision of the annual caps for the leasing and concessionaire arrangements with members of the CRH Group and associates of CRH, all terms and conditions of the Leasing and Concessionaire Framework Agreement 2019 remain unchanged.

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 members of 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 exempted from the independent shareholders' approval requirements as set out in Chapter 14A of the Listing Rules.

BACKGROUND

Reference is made to the announcement of the Company dated 9 December 2019 in relation to, among other things, the leasing and concessionaire arrangements provided by the Group to members of the CRH Group and associates of CRH under the Leasing and Concessionaire Framework Agreement 2019.

As the usage of the leasing and concessionaire arrangements by members of the CRH Group and associates of CRH is anticipated to exceed the original projection, the original annual caps for the leasing and concessionaire arrangements for the financial years ending 31 December 2021 and 31 December 2022 are expected to be insufficient. Accordingly, on 25 August 2021, the Board resolved to revise the annual caps for the leasing and concessionaire arrangements for the financial years ending 31 December 2021 and 31 December 2022 and to re-comply with the requirements of Chapter 14A of the Listing Rules. Save for the revision of the annual caps for the leasing and concessionaire arrangements with members of the CRH Group and associates of CRH, all terms and conditions of the Leasing and Concessionaire Framework Agreement 2019 remain unchanged.

REVISED ANNUAL CAPS

The Company proposes to revise the annual caps for the leasing and concessionaire arrangements for the financial years ending 31 December 2019 and 31 December 2022 as follows:

	For the Year ending December 31,			
	2021		2022	
	RMB (million)		RMB (million)	
	Original cap	Revised cap	Original cap	Revised cap
Leasing and concessionaire arrangements				
— charges to members of the CRH Group and associates of CRH	650	850	650	850

The revised annual caps are determined by reference to (i) the rental rates under the existing leasing and concessionaire arrangements; (ii) the projected rental rates upon the expiry of the existing leasing and concessionaire arrangements; (iii) the projected monthly turnover of the lessees (for those lessees whose monthly rental is based on monthly turnover); and (iv) the Company's projection of the possible additions of offices and retail outlets to be rented by members of the CRH Group and associates of CRH after taking into account of the expected continuous increase in demand for the leasing and concessionaire arrangements with members of the CRH Group and associates of CRH.

The payments under the leasing and concessionaire arrangements will continue to be settled by way of cash. It is in the commercial interests of the Group to lease some of the properties in the Group's portfolio to members of the CRH Group and associates of CRH, given that they are usually tenants of high quality with low risk in failure or deferral in making rental payments. The revised annual caps would allow the Group to continue to enjoy receiving rental income from leasing properties to such high quality tenants.

The Directors (including the independent non-executive Directors) consider that the leasing and concessionaire arrangements (with the revised annual caps) are in the ordinary and usual course of business of the Group and on normal commercial terms, and they further believe that the above revised annual caps are fair and reasonable and in the interests of the 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 exempted 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 COMPANY AND CRH

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

The CRH Group engages in various businesses including manufacture and distribution of daily consumer goods as well as retail, investments and operation in infrastructure and public utilities projects.

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;
“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”	CRH and its subsidiaries, excluding the Group;
“Director(s)”	a director serving on the Board for the time being of the Company;
“Group”	the Company and its subsidiaries;
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC;
“Leasing and Concessionaire Framework Agreement 2019”	the framework agreement entered into between the Company and CRH on 9 December 2019 in relation to the leasing and concessionaire arrangement between the Group and members of CRH Group and associates of CRH for the three years ending 31 December 2022;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“PRC”	the People’s Republic of China which, for the purpose of this announcement, excludes Hong Kong, the Macau Special Administrative Region and Taiwan;
“RMB”	Renminbi, the lawful currency of the PRC;
“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, 30 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.