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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

Formation of Joint Venture with Beijing Xiuling Runrui Information Consulting Center (Limited Partnership)* for the Wenzhou Project

On 20 October 2021, Shanghai Hongzhe (a wholly-owned subsidiary of the Company) and Beijing Xiuling Runrui entered into the Cooperation Agreement, pursuant to which the parties agreed to the following (a) if Beijing Xiuling Runrui is selected as the ultimate investor of Wenzhou Runmao, it shall increase the share capital of Wenzhou Runmao, pursuant to which Shanghai Hongzhe and Beijing Xiuling Runrui will hold Wenzhou Runmao at the equity interest ratio of 51% and 49% respectively for the purpose of investing into the Wenzhou Project; and (b) the Cooperation Agreement shall regulate their respective rights and obligations in Wenzhou Runmao.

Beijing Xiuling Runrui is a subsidiary of CRI, which is in turn a controlling shareholder of the Company. Accordingly, Beijing Xiuling Runrui is a connected person of the Company and the Proposed Transaction constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules.

As one or more of the applicable percentage ratios calculated with reference to the Proposed Transaction exceed 0.1% but are less than 5%, the Proposed Transaction is subject to the reporting and announcement requirements but exempt from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

INTRODUCTION

On 31 March 2021, Shanghai Hongzhe was awarded the bid for the land use rights for Huanglong Shangmao City Jiefang Phase III, Lucheng District, Wenzhou (溫州市鹿城區黃龍商貿城街坊三期地塊). On 21 April 2021, Shanghai Hongzhe established Wenzhou Runmao as its direct wholly owned subsidiary with a registered capital of RMB50,000,000. On 22 April 2021, Wenzhou Runmao and the Wenzhou Municipal Bureau of Natural

Resources and Planning entered into a land use rights assignment contract for the Wenzhou Project. Shanghai Hongzhe intends to solicit investors through a public forum to increase the registered capital of Wenzhou Runmao.

On 20 October 2021, Shanghai Hongzhe (a wholly-owned subsidiary of the Company) and Beijing Xiuling Runrui entered into the Cooperation Agreement, pursuant to which the parties agreed to the following (a) if Beijing Xiuling Runrui is selected as the ultimate investor of Wenzhou Runmao, it shall increase the registered capital of Wenzhou Runmao, pursuant to which Shanghai Hongzhe and Beijing Xiuling Runrui will hold Wenzhou Runmao at the equity interest ratio of 51% and 49% respectively for the purpose of investing into the Wenzhou Project; and (b) the Cooperation Agreement shall regulate their respective rights and obligations in Wenzhou Runmao.

COOPERATION AGREEMENT

Date

20 October 2021

Parties

- (a) Shanghai Hongzhe, a wholly-owned subsidiary of the Company; and
- (b) Beijing Xiuling Runrui, a non-wholly owned subsidiary of CRI.

Capital increase of Wenzhou Runmao

If the Proposed Transaction is consummated, Shanghai Hongzhe and Beijing Xiuling Runrui shall hold 51% and 49% equity interests in Wenzhou Runmao respectively. Wenzhou Runmao will be deemed as a joint venture of the Company.

Shanghai Hongzhe and Beijing Xiuling Runrui agreed to the following major terms concerning Wenzhou Runmao in the Cooperation Agreement.

Capital commitment : *Increase of registered capital of Wenzhou Runmao*

The registered capital of Wenzhou Runmao shall be increased from RMB50,000,000 (equivalent to approximately to HK\$60,500,000) to RMB98,039,215.69 (equivalent to approximately to HK\$118,627,450.98). The additional capital shall be contributed by Beijing Xiuling Runrui in proportion to its respective equity interest in Wenzhou Runmao as follows:

Beijing Xiuling Runrui RMB48,039,215.69 (equivalent to approximately to HK\$58,127,450.98)

Beijing Xiuling Runrui's contribution to the registered capital and the project capital of Wenzhou Runmao is determined after arm's length negotiations between the parties with reference to the proposed capital requirements of the Wenzhou Project and the parties' interests in Wenzhou Runmao

Second increase of registered capital of Wenzhou Runmao

After completion of the first increase of the registered capital of Wenzhou Runmao, the equity interest holders of Wenzhou Runmao shall participate in a second increase of registered capital of Wenzhou Runmao. The registered capital of Wenzhou Runmao shall be increased from RMB98,039,215.69 (equivalent to approximately to HK\$118,627,450.98) to RMB2,400,000,000 (equivalent to approximately to HK\$2,904,000,000), which shall be contributed by the equity interest holders of Wenzhou Runmao in proportion to their respective equity interests in Wenzhou Runmao as follows:

Shanghai Hongzhe	RMB1,174,000,000	(equivalent to approximately to HK\$1,420,540,000)
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Beijing Xiuling Runrui	RMB1,127,960,784.31	(equivalent to approximately to HK\$1,364,832,549.02)
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The respective contribution to the registered capital and the project capital of Wenzhou Runmao is determined after arm's length negotiations between the parties with reference to the proposed capital requirements of the Wenzhou Project and the parties' interests in Wenzhou Runmao

Board composition : There board of directors of Wenzhou Runmao shall comprise five (5) directors; three (3) of whom shall be appointed by Shanghai Hongzhe and two (2) of whom shall be appointed by Beijing Xiuling Runrui.

The chairman of the board of directors of the Wenzhou Runmao shall be a director appointed by Beijing Xiuling Runrui.

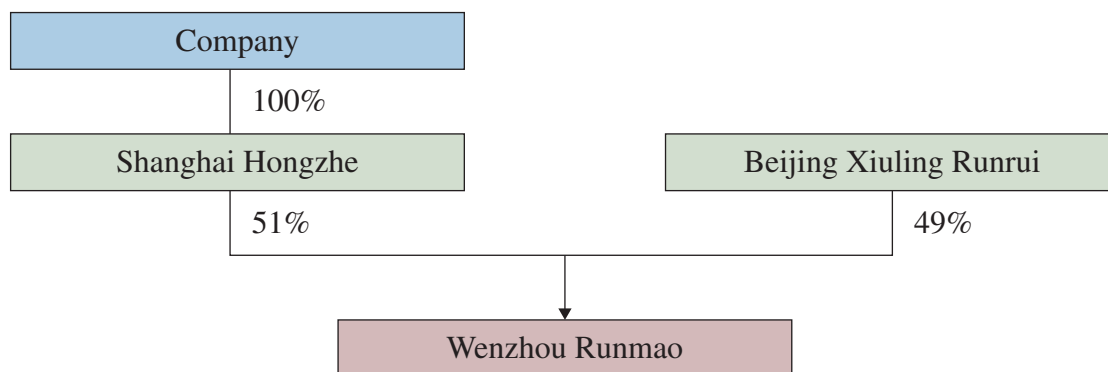
There shall be one (1) supervisor for Wenzhou Runmao, whom shall be appointed by Shanghai Hongzhe. Notwithstanding the foregoing and in addition thereto, the supervisor shall neither be a director nor senior management of Wenzhou Runmao.

Decision making of Wenzhou Runmao : Shanghai Hongzhe shall appoint a general manager whom shall also be the authorized legal representative for Wenzhou Runmao.

Beijing Xiuling Runrui shall appoint the finance director and Shanghai Hongzhe shall appoint the deputy finance director for Wenzhou Runmao, and all finance expenses incurred out of or in connection with Wenzhou Runmao shall be jointly signed and approved by both finance director and deputy finance director.

OWNERSHIP STRUCTURE OF WENZHOU RUNMAO

The chart below shows the ownership structure of Wenzhou Runmao upon the increase of the registered share capital of Wenzhou Runmao by Beijing Xiuling Runrui pursuant to the Proposed Transaction:



INFORMATION ON WENZHOU RUNMAO AND WENZHOU PROJECT

Wenzhou Runmao is a company formed for the purposes of acquiring land use rights, project financing, construction, management, operation, maintenance and seeking business opportunities in connection with the Wenzhou Project.

The Wenzhou Project is a new real estate project located at the Lucheng District of Wenzhou in the PRC (the “**Land**”). The Land involved with the Wenzhou Project is approximately 40,559 square meters. The Wenzhou Project involves the construction of western-style houses, residential apartments and commercial retail shops. Pursuant to the Cooperation Agreement, the estimated timeline for completion of the Wenzhou Project is October 2023 and for delivery is December 2023.

REASONS FOR AND BENEFITS OF THE PROPOSED TRANSACTION

CR Trust, Beikejian Kerui, and Beijing Kehuan have substantial experiences in real estate development projects. The aforementioned parties have successfully cooperated in three (3) real estate development projects in the past three (3) years and are regarded as trusted partners of the Company.

The Company believes that the Proposed Transaction will benefit the Group by minimizing the burden of capital commitment on the Group and the risks associated with real estate projects in the PRC. The Wenzhou Project will also allow the Company and CR Trust to jointly cooperate and expand the asset management reach and reputation of the Company in the PRC.

The Directors (including the independent non-executive Directors) consider that the Proposed Transaction is in the ordinary and usual course of business of the Group, on normal commercial terms after arm’s length negotiations between the parties, and the terms of the Proposed Transaction are fair and reasonable and in the interests of the Company and its shareholders as a whole. None of the Directors has a material interest in the Proposed Transaction and no Director is required to abstain from voting on the Board resolution(s) approving the Proposed Transaction.

GENERAL

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

Shanghai Hongzhe is a wholly-owned subsidiary of the Company, which is a subsidiary of CRI, which in turn is ultimately owned by CRCL, a state-owned enterprise in the PRC under the supervision of the SASAC. The Company is principally engaged in the development of properties for sale, property investments and management, and other property development related services business in Hong Kong and the PRC.

Beijing Xiuling Runrui is a limited partnership based in the PRC which is principally engaged in economics and trade consulting business. Beijing Xiuling Runrui is jointly owned by CR Trust, Beijing Kehuan, and Beikejian Kerui.

LISTING RULES IMPLICATIONS

Beijing Xiuling Runrui is a subsidiary of CRI, which in turn is a controlling shareholder of the Company. Accordingly, Beijing Xiuling Runrui is a connected person of the Company and the Proposed Transaction constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules.

As one or more of the applicable percentage ratios calculated with reference to the Proposed Transaction exceed 0.1% but are less than 5%, the Proposed Transaction is subject to the reporting and announcement requirements but exempt from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

DEFINITIONS

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

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|--------------------------|---|--|
| “Beijing Kehuan” | : | Beijing Kehuan Information Consulting Center (Limited Partnership)* (北京科寰信息諮詢中心(有限合夥)), a limited liability partnership established in the PRC and 49.96% shareholder of Beijing Xiuling Runrui; |
| “Beijing Xiuling Runrui” | : | Beijing Xiuling Runrui Information Consulting Center (Limited Partnership)* (北京秀領潤睿信息諮詢中心(有限合夥)), a limited partnership established in the PRC and 49% shareholder of Wenzhou Runmao; |
| “Beikejian Kerui” | : | Beikejian Kerui Capital Management (Beijing) Co., Ltd* (北科建科睿資本管理(北京)有限公司), a limited liability company established in the PRC and 0.08% shareholder of Beijing Xiuling Runrui; |
| “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 whose issued shares are listed on the main board of the Stock Exchange (stock code: 1109);
“connected person(s)” and “connected transaction(s)”	:	each has the meaning ascribed to it in the Listing Rules;
“Cooperation Agreement”	:	the cooperation agreement entered into between Shanghai Hongzhe and Beijing Xiuling Runrui dated 20 October 2021 in relation to Wenzhou Runmao and for the purpose of investing into the Wenzhou Project;
“CR Trust”	:	China Resources Shengtuotou Trust Company Limited* (華潤深國投信託有限公司), a limited liability company established in the PRC and 49.96% shareholder of the Beijing Xiuling Runrui;
“CRCL”	:	China Resources Company Limited* (中國華潤有限公司), a company incorporated in the PRC with limited liability;
“CRI”	:	China Resources Inc* (華潤股份有限公司), a company incorporated in the PRC with limited liability, which is ultimately owned by CRCL and indirectly holding 59.55% Shares in the Company and 25.48% shares in Beijing Xiuling Runrui as at the date of this announcement;
“Director(s)”	:	the directors of the Company;
“Group”	:	the Company and its subsidiaries;
“HK\$”	:	Hong Kong dollars, the lawful currency of Hong Kong;
“Listing Rules”	:	the Rules Governing the Listing of Securities on the Stock Exchange;
“PRC”	:	the People’s Republic of China, and for the purpose of this announcement, excluding Hong Kong, the Macau Special Administrative Region and Taiwan;
“Proposed Transaction”	:	the entering into of the Cooperation Agreement and the proposed transactions contemplated thereunder;
“RMB”	:	Renminbi, the lawful currency of the PRC;
“SASAC”	:	the State-owned Assets Supervision and Administration Commission of the State Council of the PRC;

“Shanghai Hongzhe”	:	Shanghai Hongzhe Real Estate Development Co., Ltd 上海泓喆房地產開發有限公司, a limited liability company established in the PRC and 51% shareholder of Wenzhou Runmao;
“Shares”	:	ordinary share(s) of HK\$0.10 each in the share capital of the Company;
“Stock Exchange”	:	The Stock Exchange of Hong Kong Limited;
“Wenzhou Project”	:	the development of the residential real estate project at Huanglong Shangmao City Jiefang Phase III, Lucheng District, Wenzhou (溫州市鹿城區黃龍商貿城街坊三期地塊), details of which are set out in the section headed “Information on Wenzhou Runmao and Wenzhou Project” of this announcement;
“Wenzhou Runmao”	:	Wenzhou Runmao Real Estate Development Co., Ltd* 溫州潤茂房地產開發有限公司, a joint venture company established in the PRC as a limited liability company; and
“%”	:	per cent.

* for identification purpose only

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

PRC, 20 October 2021

As at the date of this announcement, the non-executive directors of the Company are Mr. Wang Xiangming, Mr. Liu Xiaoyong, Mr. Zhang Liang, Mr. Dou Jian and Ms. Cheng Hong; 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.

For the purpose of illustration only and unless otherwise stated, conversion of RMB into HK\$ in this announcement is based on the exchange rate of RMB1.00 to HK\$1.21. Such conversion should not be construed as a representation that any amount has been, could have been, or may be, exchanged at this or any other rate.