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**JOINT ANNOUNCEMENT
CONNECTED TRANSACTION
ENTERING INTO AGREEMENT OF INTENT IN RELATION TO
THE SALE AND PURCHASE OF PROPERTY**

THE AGREEMENT OF INTENT

On 22 November 2021, China Resources Shenzhen (as the vendor) (an indirect wholly-owned subsidiary of CR Land) and CR Cement Investments (as the purchaser) (an indirectly wholly-owned subsidiary of CR Cement) entered into the Agreement of Intent pursuant to which China Resources Shenzhen agreed to sell, and CR Cement Investments agreed to purchase, the Property at the Consideration of RMB809,571,680 (equivalent to approximately to HK\$987,677,450). The Property is intended to be used as office premises of CR Cement Investments and some of its subsidiaries.

IMPLICATIONS UNDER THE LISTING RULES

As at the date of this announcement, China Resources Shenzhen is an indirect wholly-owned subsidiary of CR Land, whose controlling shareholder is China Resources (Holdings), which is in turn a controlling shareholder of CR Cement and CR Cement Investments is an indirect wholly-owned subsidiary of CR Cement. Accordingly, CR Land and CR Cement are connected persons of each other, and the Proposed Transaction constitutes a connected transaction of each of CR Land and CR Cement under Chapter 14A of the Listing Rules.

As one or more of the applicable percentage ratios set out in Rule 14.07 of the Listing Rules in respect of Proposed Transaction exceed 0.1% but are less than 5% with for both CR Land and CR Cement, the Proposed Transaction is subject to the reporting, announcement and annual review requirements but are exempt from the circular, independent financial advice and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

THE AGREEMENT OF INTENT AND THE PROPERTY

Date

22 November 2021

Parties

- (a) China Resources Shenzhen, an indirect wholly-owned subsidiary of CR Land (as the vendor); and
- (b) CR Cement Investments, an indirect wholly-owned subsidiary of CR Cement (as the purchaser).

Subject matter

The Project is a property development project currently under construction and developed by China Resources Shenzhen, proposed to be used for innovative industrial functions such as industrial research and development and related supporting services, located at Qingshuihe 5th Road, Luohu District, Shenzhen, Guangdong, the PRC.

The Property to be acquired by CR Cement Investments from China Resources Shenzhen is the 1st to 4th floors, 6th to 10th floors, 14th to 23rd floors and unit 01 of the 13th floor of the Project, which comprises a total of 91 units with a total planned gross floor area of 26,725.81 square metres. Specific details in relation to price and actual floor area are subject to the final transaction documents to be executed by China Resources Shenzhen and CR Cement Investments.

Consideration

The Consideration of RMB809,571,680 (equivalent to approximately to HK\$987,677,450) has been determined after arm's length negotiations between both parties based on a 10% decrease from the record price (備案價格) and the prevailing market prices of comparable properties in the vicinity.

Payment terms

CR Cement Investments will pay the Consideration in three instalments by cash, which will be financed by internally generated funds. The first instalment will be paid within five Business Days after signing the Agreement of Intent, which is RMB161,914,336 (equivalent to approximately to HK\$197,535,490), representing 20% of the total Consideration. The second instalment will be paid within five Business Days after signing the pre-sale contract, which is RMB607,178,760 (equivalent to approximately to HK\$740,758,087), representing 75% of the total Consideration. The third instalment will be paid within five Business Days after CR Cement Investments receives the occupation permit (入伙通知書) from China Resources Shenzhen, which is RMB40,478,584 (equivalent to approximately to HK\$49,383,873), representing 5% of the total Consideration.

Completion

Completion of the Proposed Transaction shall take place on 30 April 2023.

INFORMATION OF THE PARTIES TO THE PROPOSED TRANSACTION AND THEIR ULTIMATE BENEFICIAL OWNER

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

CR Cement is a company incorporated in the Cayman Islands with limited liability whose shares are listed and traded on the main board of the Stock Exchange (stock code: 1313). As at the date of this announcement, approximately 68.72% of the shares issued by CR Cement are indirectly held by China Resources (Holdings), which in turn is ultimately owned by China Resources Company Limited. CR Cement Group is principally engaged in the manufacture and sale of cement, concrete and other related products and services in the PRC and Hong Kong.

China Resources Shenzhen is an indirect wholly-owned subsidiary of CR Land and one of six regional companies in the CR Land Group and is in charge of specialised and comprehensive commercial properties development, operation and management in the Guangdong, Guangxi, Hainan and Fujian provinces, the PRC.

CR Cement Investments is an indirect wholly-owned subsidiary of CR Cement, holding investments of various subsidiaries in the PRC which are principally engaged in the manufacture and sale of cement, clinker and concrete.

China Resources Company Limited, the ultimate beneficial owner of both CR Land and CR Cement, is a company incorporated in the PRC with limited liability and is a state-owned enterprise under the supervision of the State-owned Assets Supervision and Administration Commission of the State Council of the PRC. It is the holding company of China Resources (Holdings), and is a conglomerate which holds a variety of businesses in the PRC and Hong Kong including but not limited to consumer products, integrated energy, urban construction and operation, healthcare, industrial finance, technology and emerging sectors.

REASONS FOR AND BENEFITS OF THE PROPOSED TRANSACTION

Amongst the continuous oversupply of commercial offices in the current market, the Proposed Transaction is expected to be one of the few successful cases of high profile transactions in the Shenzhen market this year, further enhancing the market image of the CR Land Group. As well, the use of the Property by CR Cement Investments as its headquarters will also strengthen the cooperative relationship between the CR Land Group and the local government of the Luohu District and is expected to boost sales of other projects in the area.

The ownership of the corporate headquarters building can build a good corporate image of CR Cement Group, which is conducive to the introduction and stability of excellent management and technological research and development talents, as well as unified management to enhance management efficiency. CR Cement Group can also enjoy government subsidies for purchasing its own corporate headquarters building, which is

cheaper than renting office space in the long run. Based on the planning of the new positioning of “Bay Area Hub, Wanxiang Luohu” in Luohu District and its advantageous location, the acquisition of its own headquarters building can serve as a high-quality fixed asset for CR Cement Group.

The purchase of the Property by the CR Land Group was completed on 11 May 2020, and the Property was sold to CR Cement Group following the completion of the redevelopment of the Project. The Proposed Transaction is expected to enable China Resources Shenzhen to recognise a gain of approximately RMB120,377,100 (equivalent to approximately to HK\$146,860,062), being the premium of the Consideration over the initial purchase cost as at the date of the Proposed Transaction and after expenses. The proceeds of the Proposed Transaction will be applied as towards the daily operations of China Resources Shenzhen, including, but not limited to, for loan repayments and tax payments.

Both the CR Land Directors and the CR Cement Directors (including the independent non-executive directors of their respective boards of directors) are of the view that the terms of the Agreement of Intent are on normal commercial terms which are fair and reasonable and the entering into of the Agreement of Intent is in the ordinary and usual course of business of each of CR Land Group and CR Cement Group and in the interests of each of the CR Land Group, the CR Cement Group and their respective shareholders as a whole. Given the senior management roles of Mr. LI Fuli at China Resources (Holdings), as good corporate governance measure, Mr. LI Fuli absented himself from the board meeting of CR Cement when the Proposed Transaction was discussed, voted and approved and given the prior senior management roles of Mr. Zhang Liang at CR Cement, as good corporate governance measure, Mr. Zhang Liang absented himself from the board meeting of CR Land when the Proposed Transaction was discussed, voted and approved. Save as disclosed above, none of the CR Land Directors or the CR Cement Directors have a material interest in the Proposed Transaction and no other CR Land Director or no other CR Cement Director is required to abstain from voting on the board resolution(s) approving the Proposed Transaction.

LISTING RULES IMPLICATIONS

As at the date of this announcement, China Resources Shenzhen is an indirect wholly-owned subsidiary of CR Land, whose controlling shareholder is China Resources (Holdings), which is in turn a controlling shareholder of CR Cement and CR Cement Investments is an indirect wholly-owned subsidiary of CR Cement. Accordingly, CR Land and CR Cement are connected persons of each other, and the Proposed Transaction constitutes a connected transaction of each of CR Land and CR Cement under Chapter 14A of the Listing Rules.

As one or more of the applicable percentage ratios set out in Rule 14.07 of the Listing Rules in respect of Proposed Transaction exceed 0.1% but are less than 5% with for both CR Land and CR Cement, the Proposed Transaction is subject to the reporting, announcement and annual review requirements but are exempt 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 of Intent” : the Agreement of Intent entered into between China Resources Shenzhen (as vendor) and CR Cement Investments (as purchaser) dated 22 November 2021 in relation to sale and purchase of the Property;
- “Business Day(s)” : means a day (other than a Saturday, Sunday or public holiday) on which licensed banks are generally open for business in the PRC;
- “China Resources (Holdings)” : China Resources (Holdings) Company Limited (華潤(集團)有限公司), a company incorporated in Hong Kong with limited liability;
- “China Resources Shenzhen” : China Resources (Shenzhen) Co, Ltd. (華潤(深圳)有限公司), a company incorporated in the PRC with limited liability, which is indirectly wholly-owned by CR Land;
- “Consideration” : has the meaning given to it in the paragraph headed “The Agreement of Intent and the Property — Consideration” in this announcement;
- “controlling shareholder” : has the meaning ascribed to it in the Listing Rules;
- “CR Cement” : China Resources Cement Holdings Limited (華潤水泥控股有限公司), 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: 1313);
- “CR Cement Directors” : the directors of CR Cement;
- “CR Cement Group” : CR Cement and its subsidiaries;
- “CR Cement Investments” : China Resources Cement Investments Limited (華潤水泥投資有限公司), a company incorporated in the PRC with limited liability, which is indirectly wholly-owned by CR Cement;
- “CR Land” : 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);
- “CR Land Directors” : the directors of CR Land;

“CR Land Group”	:	CR Land 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 Macao Special Administrative Region and Taiwan;
“Project”	:	the project for the development of the Runqi Technology Mansion (潤啟科技大廈) located at intersection of Qing Shui He Street, Qingshuihe 5th Road and Huancang East Road, Luohu District, Shenzhen, Guangdong Province;
“Property”	:	the subject property is the 1st to 4th floors, 6th to 10th floors, 14th to 23rd floors and unit 01 of the 13th floor of the Project, which comprises a total of 91 units with a total planned gross floor area of 26,725.81 square metres;
“Proposed Transaction”	:	the entering into of the Agreement of Intent and the proposed transactions contemplated thereunder;
“RMB”	:	Renminbi, the lawful currency of the PRC;
“Runqi Technology Mansion”	:	Runqi Technology Mansion (潤啟科技大廈), the building to be developed being the subject of the Project;
“Stock Exchange”	:	The Stock Exchange of Hong Kong Limited;
“subsidiaries”	:	has the meaning ascribed to it in the Listing Rules; and
“%”	:	per cent.

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

By Order of the Board
China Resources Cement Holdings Limited
JI Youhong
Chief Executive Officer

PRC, 22 November 2021

In the English version of this announcement, the English names of PRC entities are translation of their Chinese names for identification purpose only. In the event of any inconsistency, the Chinese names shall prevail.

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\$1.22. 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.

As at the date of this announcement, the non-executive directors of CR Land are Mr. Wang Xiangming, Mr. Liu Xiaoyong, Mr. Zhang Liang, Mr. Dou Jian and Ms. Cheng Hong; the executive directors of CR Land are Mr. Li Xin, Mr. Zhang Dawei, Mr. Xie Ji, Mr. Wu Bingqi and Mr. Guo Shiqing; and the independent non-executive directors of CR Land are Mr. Andrew Y. Yan, Mr. Ho Hing Ngai, Bosco, Mr. Wan Kam To, Peter, Mr. Zhong Wei and Mr. Sun Zhe.

As at the date of this announcement, the non-executive directors of CR Cement are Mr. LI Fuli (Chairman), Mr. ZHU Ping, Mr. CHEN Kangren and Mr. YANG Changyi; the executive director of CR Cement is Mr. JI Youhong (Chief Executive Officer); and the independent non-executive directors of CR Cement are Mr. IP Shu Kwan Stephen, Mr. SHEK Lai Him Abraham, Madam ZENG Xuemin and Mr. LAM Chi Yuen Nelson.