

*Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.*



# 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 COOPERATION AGREEMENT IN RELATION TO THE ESTABLISHMENT OF THE NEW FUND**

Reference is made to the announcement of the Company dated 4 February, 2016 (the “**Announcement**”) in relation to the establishment of the Fund and the development of the Target Project through the Fund. Unless defined otherwise herein, capitalized terms used in this announcement shall have the same meanings as those defined in the Announcement.

The Board is pleased to announce that on 25 February 2022 (after trading hours), CR Land (Zhuhai), a wholly-owned subsidiary of the Company, CR Trust, Shenzhen Juzhen Investment, CR SZITIC and Zhuhai Hengqin Runhong, entered into the New Cooperation Agreement, in respect of, among other things, the establishment of the New Fund. The New Fund shall utilize its funding to subscribe for Class A LP Shares of the Fund for the purpose of financing the ongoing development of the Target Project.

### **IMPLICATIONS UNDER THE LISTING RULES**

As at the date of this announcement, as (i) CRH is the controlling Shareholder of the Company and a wholly-owned subsidiary of CRC; and (ii) CRC controls over 30% of the interests in each of CR Trust, CR SZITIC, Shenzhen Juzhen Investment and Zhuhai Hengqin Runhong, each of CR Trust, CR SZITIC, Shenzhen Juzhen Investment and Zhuhai Hengqin Runhong is an associate of CRH and therefore a connected person of the Company. Accordingly, the transaction in respect of establishment of the New Fund constitutes a connected transaction of the Company and is subject to the requirements under Chapter 14A of the Listing Rules.

As the highest applicable percentage ratio (as defined under the Listing Rules) in respect of the contribution from CR Land (Zhuhai) exceeds 0.1% but is less than 5%, the transaction is only subject to the reporting and announcement requirements under Chapter 14A of the Listing Rules but is exempt from the independent shareholders’ approval requirements.

Reference is made to the Announcement dated 4 February, 2016 in relation to the establishment of the Fund and the development of the Target Project through the Fund. Unless defined otherwise herein, capitalized terms used in this announcement shall have the same meanings as those defined in the Announcement.

The Board is pleased to announce that on 25 February 2022 (after trading hours), CR Land (Zhuhai), a wholly-owned subsidiary of the Company, CR Trust, Shenzhen Juzhen Investment, CR SZITIC and Zhuhai Hengqin Runhong, entered into the New Cooperation Agreement, in respect of, among other things, the establishment of the New Fund. The New Fund shall utilize its funding to subscribe for Class A LP Shares of the Fund for the purpose of financing the ongoing development of the Target Project.

## **THE NEW COOPERATION AGREEMENT**

The principal terms of the New Cooperation Agreement are as follows:

**Date** : 25 February 2022

**Parties** : i. Zhuhai Hengqin Runhong, as its general partner  
ii. CR Land (Zhuhai), a wholly-owned subsidiary of the Company  
iii. CR Trust  
iv. Shenzhen Juzhen Investment  
v. CR SZITIC

## **Fundraising for the New Fund**

The New Fund will be initially funded with a capital contribution of RMB100,000 from Zhuhai Hengqin Runhong as its general partner. The total initial funding of the LP Interests is expected be RMB1,200 million, of which (i) Shenzhen Juzhen Investment will contribute RMB500 million for subscription of Class A LP Interests; (ii) CR SZITIC will contribute RMB100 million for subscription of Class A LP Interests; (iii) CR Land (Zhuhai) will contribute RMB360 million for subscription of Class B LP Interests; and (iv) CR Trust will contribute RMB240 million for subscription of Class B LP Interests. The limited partners shall pay the capital contribution in full in one lump sum within the period as specified on the payment notice to be issued by the general partner of the New Fund regarding the capital contribution payment. Pursuant to the New Cooperation Agreement, the New Fund will utilize its funding to subscribe for Class A LP Shares in the Fund at the amount of RMB1,200 million.

The Company intends to finance its contribution to the New Fund through internal resources of the Group.

The initial size of the New Fund was calculated based on the estimated funding needs of the Target Project together with the related expenses to be incurred. The amount of the capital contribution by each of the limited partners of the New Fund was determined after an arm's length negotiation between the general partner and the limited partners of the New Fund with reference to the anticipated capital requirements of the New Fund as well as the possible investment return and financial resources of each limited partner.

The New Fund will not be consolidated into the consolidated financial statement of the Company as its subsidiary.

### **Management of the New Fund**

Zhuhai Hengqin Runhong will appoint an officer to act as the representative as the managing partner of the New Fund. The Fund will also establish an investment committee comprising five members, of which two members shall be appointed by Shenzhen Juzhen Investment and one member shall be appointed by each of CR SZITIC, CR Land (Zhuhai) and CR Trust, respectively. Decisions of the investment committee shall be passed by a vote of three out of five members.

### **Duration of the New Fund**

The term of partnership of the New Fund will be five years.

### **Withdrawal and transfer restrictions**

The limited partners of the New Fund are generally not allowed to withdraw from the New Fund unless the unanimous consent of all the partners of the New Fund is obtained. No partner of the New Fund is allowed to transfer all or any part of its interests in the New Fund without the unanimous consent of all the partners of the New Fund, provided that any transfer of interest by Zhuhai Hengqin Runhong or Shenzhen Juzhen Investment shall not be subject to such a restriction.

## **REASONS FOR AND BENEFITS OF THE TRANSACTION UNDER THE COOPERATION AGREEMENT**

The Group is principally engaged in the development and sale of developed properties, property investment and management, hotel operation as well as providing construction, renovation and other property development related services in the PRC.

The additional financing is required to satisfy the capital needs of the Target Project for the repayment of its external loan facilities, which will be due in around February 2022, and its subsequent development. With a view to minimize the changes to the existing structure of the Fund, the parties have agreed to establish the New Fund for the purpose of financing the ongoing development of the Target Project.

The Directors (including the independent non-executive Directors) are of the view that the transactions contemplated under the Cooperation Agreement were entered into in the ordinary and usual course of business of the Company, on normal commercial terms or better, and that the terms of which are fair and reasonable, and in the interests of the Group and the Shareholders as a whole. At the Board meeting held on 23 February 2022 for approving, among others, matters contemplated under the New Cooperation Agreement, no Directors have any material interest in matters as contemplated under the New Cooperation Agreement and are required to be abstained from voting on the resolutions at the Board meeting.

### **INFORMATION ON THE GROUP, ZHUHAI HENGQIN RUNHONG, CR TRUST, SHENZHEN JUZHEN INVESTMENT AND CR SZITIC**

The Group is principally engaged in the development and sales of developed properties, property investment and management, hotel operation and provision of construction, renovation and other services related to the property development. Upon completion of the above transactions, the total investment amount by the Company into the Fund would amount to, in aggregate, approximately RMB833 million.

Zhuhai Hengqin Runhong is a limited partnership established in the PRC with limited liability and 99.9% of its registered capital is owned by Zhuhai Hengqin Runchuang, which is owned by CR Capital through CR Asset. CR Capital is a wholly-owned subsidiary of CRC, which is in turn ultimately owned by CRNC, a state-owned enterprise in the PRC under the supervision of SASAC. Zhuhai Hengqin Runhong is principally engaged in equity investments and investment consulting.

CR Trust is a company established in the PRC with limited liability and 51% of its registered capital is held by CR Capital. CR Trust is a provider of comprehensive financial services.

Shenzhen Juzhen Investment is a limited partnership established in the PRC with limited liability and 90% of its registered capital is owned by Zhuhai Hengqin Runchuang. Shenzhen Juzhen is principally engaged in investments activities with its own funds.

CR SZITIC is a company established in the PRC with limited liability and 51% of its registered capital is held by CR Capital. CR CZITIC is principally engaged in investment management and consulting and in real estate development and property management.

### **IMPLICATIONS UNDER THE LISTING RULES**

As at the date of this announcement, as (i) CRH is the controlling Shareholder of the Company and a wholly-owned subsidiary of CRC; and (ii) CRC controls over 30% of the interests in each of CR Trust, CR SZITIC, Shenzhen Juzhen Investment and Zhuhai Hengqin Runhong, each of CR Trust, CR SZITIC, Shenzhen Juzhen Investment and Zhuhai Hengqin Runhong is an associate of CRH and therefore a connected person of the Company. Accordingly, the transaction in respect of establishment of the New Fund constitutes a connected transaction of the Company and is subject to the requirements under Chapter 14A of the Listing Rules.

As the highest applicable percentage ratio (as defined under the Listing Rules) in respect of the contribution from CR Land (Zhuhai) exceeds 0.1% but is less than 5%, the transaction is only subject to the reporting and announcement requirements under Chapter 14A of the Listing Rules but is exempt from the independent shareholders' approval requirements.

## DEFINITIONS

In this announcement, unless the context otherwise requires, the following words and phrases have the following meanings:

“CR Asset”	China Resources Asset Management Limited, a company incorporated in the PRC with limited liability, and a subsidiary of CRC
“CR Capital”	China Resources Capital Holdings Company Limited
“CR Land (Zhuhai)”	China Resources Land (Zhuhai) Company Limited (華潤置地(珠海)有限公司), a company incorporated in the PRC with limited liability and a wholly-owned subsidiary of the Company
“CR SZITIC”	China Resources SZITIC Investment Co., Ltd. (華潤深國投投資有限公司), a company incorporated in the PRC
“CRC”	China Resources Co., Limited*, a company incorporated in the PRC with limited liability and ultimately wholly-owned by CRNC
“CRNC”	China Resources Company Limited, a company incorporated in the PRC with limited liability
“LP Interests”	the limited partner interests in the New Fund divided into Class A and Class B
“New Cooperation Agreement”	the cooperation agreement dated 25 February 2022 entered into among Zhuhai Hengqin Runhong, CR Land (Zhuhai), CR Trust, Shenzhen Juzhen Investment and CR SZITIC
“New Fund”	the private equity investment fund in form of limited liability partnership with an estimated total size of RMB1,200 million
“SASAC”	State-owned Assets Supervision and Administration Commission of the State Council
“Shenzhen Juzhen Investment”	Shenzhen Juzhen Investment Consulting Enterprise (Limited Partnership) (深圳市聚臻投資諮詢企業(有限合夥)), a limited partnership incorporated in the PRC with limited liability

“Zhuhai Hengqin Runchuang”	Zhuhai Hengqin Runchuang Investment Enterprise (Limited Partnership) (珠海橫琴潤創投資企業(有限合夥)), a limited partnership incorporated in the PRC with limited liability
“Zhuhai Hengqin Runhong”	Zhuhai Hengqin Runhong No. 7 Investment Enterprise (Limited Partnership) (珠海橫琴潤弘柒號投資企業(有限合夥)), a limited partnership incorporated in the PRC with limited liability

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

PRC, 25 February 2022

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