

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 FORMATION OF JOINT VENTURE FOR PROPERTY DEVELOPMENT IN KUNSHAN, PRC AND DEEMED DISPOSAL

JOINT VENTURE FORMATION AND DEEMED DISPOSAL

CR Land (Changzhou), a wholly-owned subsidiary of the Company, succeeded in the bid of the land use right of the Land in the North of Chuanshi Road and the West of Gujiazhai River, Gaoxin District, Kunshan, Suzhou City, Jiangsu Province, the PRC, at a consideration of RMB1,345 million (equivalent to approximately HK\$1,533 million) through the Auction (Listing-for-Sale).

On 2 September, 2022, CR Land (Changzhou), Shenzhen Hukun and Kunshan Runxi have entered into the Cooperation Agreement for the Joint Venture Formation and for CR Land (Changzhou) to develop the Land. Pursuant to the terms of the Cooperation Agreement, the Parties have agreed to enter into the Capital Increase Agreement(s) to form a joint venture by way of the Equity Subscription following which Kunshan Runxi will be directly held as to, (i) 70% by CR Land (Changzhou) and (ii) 30% by Shenzhen Hukun. Kunshan Runxi will continue to be a subsidiary of the Company pursuant to the Proposed Transaction.

The registered capital of Kunshan Runxi is initially set at RMB500 million (being approximately HK\$570 million), which would be increased to RMB1,500 million (being approximately HK\$1,710 million) pursuant to the Cooperation Agreement. The total capital commitment to be made by CR Land (Changzhou) and Shenzhen Hukun into Kunshan Runxi is expected to be RMB1,500 million (being approximately HK\$1,710 million). Pursuant to the terms of the Cooperation Agreement, the total amount to be contributed by CR Land (Changzhou) is estimated to be RMB1,050 million (being approximately HK\$1,197 million), which will be financed by internal resources of the Group.

LISTING RULES IMPLICATIONS

Following the completion of the Equity Subscription, the equity interests of the Group in Kunshan Runxi will be diluted from 100% to 70%. The Equity Subscription will constitute a deemed disposal of the Group's equity interest in Kunshan Runxi under Rule 14.29 of the Listing Rules.

Shenzhen Hukun is an indirect wholly-owned subsidiary of CRI, which in turn is a controlling shareholder of the Company. Accordingly, Shenzhen Hukun is a connected person of the Company within the meaning of the Listing Rules, 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 only subject to the reporting and announcement requirements but exempt from the independent shareholders' approval requirements of Chapter 14A of the Listing Rules.

INTRODUCTION

CR Land (Changzhou), a wholly-owned subsidiary of the Company, succeeded in the bid of the land use right of the Land in the North of Chuanshi Road and the West of Gujiazhai River, Gaoxin District, Kunshan, Suzhou City, Jiangsu Province, the PRC, at a consideration of RMB1,345 million (equivalent to approximately HK\$1,533 million) through the Auction (Listing-for-Sale).

On 2 September, 2022, CR Land (Changzhou), Shenzhen Hukun and Kunshan Runxi have entered into the Cooperation Agreement for the Joint Venture Formation and for CR Land (Changzhou) to develop the Land.

COOPERATION AGREEMENT

The principal terms of the Cooperation Agreement are set out as follows:

Date:

2 September, 2022

Parties:

- (i) CR Land (Changzhou);
- (ii) Shenzhen Hukun; and
- (iii) Kunshan Runxi.

Ownership of Kunshan Runxi

Pursuant to the terms of the Cooperation Agreement, the Parties have agreed to enter into the Capital Increase Agreement(s) to form a joint venture by way of the Equity Subscription following which Kunshan Runxi will be directly held as to, (i) 70% by CR Land (Changzhou) and (ii) 30% by Shenzhen Hukun. Kunshan Runxi will continue to be a subsidiary of the Company pursuant to the Proposed Transaction.

Registered capital and capital commitment in Kunshan Runxi

The registered capital of Kunshan Runxi is initially set at RMB500 million (being approximately HK\$570 million), which would be increased to RMB1,500 million (being approximately HK\$1,710 million) pursuant to the Cooperation Agreement. The total capital commitment to be made by CR Land (Changzhou) and Shenzhen Hukun into Kunshan Runxi is expected to be RMB1,500 million (being approximately HK\$1,710 million).

The amount of the said total capital commitment was arrived at after arm's length negotiation among the parties to the Cooperation Agreement with reference to the capital requirement for the development of the Land. It is expected that the capital contribution will be used to finance the property development of the Land.

Pursuant to the terms of the Cooperation Agreement, the total amount to be contributed by CR Land (Changzhou) is estimated to be RMB1,050 million (being approximately HK\$1,197 million), which will be financed by internal resources of the Group.

Management structure of the Kunshan Runxi

Pursuant to the Cooperation Agreement, the board of directors of the Kunshan Runxi shall consist of three members, of which CR Land (Changzhou) is entitled to nominate two directors and Shenzhen Hukun is entitled to nominate one director. The chairman of the board of directors of the Kunshan Runxi shall be nominated by CR Land (Changzhou).

Decision Making of the Kunshan Runxi

Kunshan Runxi shall have one general manager who is to be appointed by the board of directors according to the recommendation of CR Land (Changzhou). Kunshan Runxi shall have two supervisors, each of CR Land (Changzhou) and Shenzhen Hukun is entitled to nominate one supervisor.

INFORMATION ON THE LAND

The Land is located at the North of Chuanshi Road and the West of Gujiazhai River, Gaoxin District, Kunshan, Suzhou City, Jiangsu Province, the PRC (中國江蘇省蘇州市昆山高新區傳是路北側、顧家宅河西側), with a total site area of approximately 36,332.4 square metres.

REASONS FOR AND BENEFITS OF THE PROPOSED TRANSACTION

The Group is principally engaged in the development and sales of developed properties, property investments and management, hotel operations and the provision of construction, decoration and other property development related services in the PRC. The Company

considers that the development of the Land in cooperation with Shenzhen Hukun through the Joint Venture Formation to be in its ordinary and usual course of business. In addition, the Group had cooperated with CR Trust in previous projects with satisfactory results.

The Joint Venture Formation will result in Shenzhen Hukun sharing the development cost of the Land, thereby sharing both the risks and financing thereof. The Group's cash flow position will benefit from a lower capital requirement to develop the Land.

The Directors (including the independent non-executive Directors) are of the view that the Cooperation Agreement and the transactions contemplated thereunder are fair and reasonable and in the interests of the Company and the Shareholders as a whole. As none of the Directors has any material interest in the Cooperation Agreement, no Directors were required to abstain from voting on the relevant board resolutions passed.

GENERAL

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.

CR Trust is a company established in the PRC with limited liability, which is owned by China Resources Financial Holding Investment Co., Ltd* (華潤金控投資有限公司) and Shenzhen Investment Holdings Co., Ltd. (深圳市投資控股有限公司) (a company owned by the Shenzhen State-owned Assets Supervision and Administration Commission of the State Council of the PRC (深圳市人民政府國有資產監督管理委員會)) at the equity interest ratio of 51% and 49%, respectively. Its ultimate beneficial owner is CRCL which is beneficially owned by the SASAC. CR Trust is a provider of comprehensive financial services.

Shenzhen Hukun is a limited partnership enterprise established in the PRC with limited liability, which is owned by CR Trust and Runwei Management at the equity interest ratio of 99.78% and 0.22%, respectively. Shenzhen Hukun's ultimate beneficial owners is CRCL which is beneficially owned by the SASAC. Shenzhen Hukun is principally engaged in investment activities with own funds.

CR Land (Changzhou) is a company incorporated in the PRC with limited liability and indirectly wholly owned subsidiary of the Company. CR Land (Changzhou) is principally engaged in development and operation of properties, property management and real estate information consultation services.

Kunshan Runxi is a company incorporated in the PRC with limited liability and indirectly wholly owned subsidiary of the Company as of the date of this announcement and prior to the Equity Subscription. Kunshan Runxi is principally engaged in be property development and operations.

LISTING RULES IMPLICATIONS

Following the completion of the Equity Subscription, the equity interests of the Group in Kunshan Runxi will be diluted from 100% to 70%. The Equity Subscription will constitute a deemed disposal of the Group's equity interest in Kunshan Runxi under Rule 14.29 of the Listing Rules.

Shenzhen Hukun is an indirect wholly-owned subsidiary of CRI, which in turn is a controlling Shareholder of the Company. Accordingly, Shenzhen Hukun is a connected person of the Company within the meaning of the Listing Rules, 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 only subject to the reporting and announcement requirements but exempt from the independent shareholders' approval requirements of Chapter 14A of the Listing Rules.

DEFINITIONS

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

“Auction (Listing-for-Sale)”	the auction (listing-for-sale) process organized by the Authority during the period from 24 June to 29 July 2022 at which the Land was offered for sale
“Authority”	Kunshan Bureau of Natural Resources and Planning* (昆山市自然資源和規劃局)
“Board”	the board of Directors
“Capital Increase Agreement(s)”	the capital increase agreement(s) to be entered by the Parties to form a joint venture of Kunshan Runxi by way of the equity subscription in accordance with the Cooperation Agreement
“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)”	has the meaning ascribed thereto in the Listing Rules
“controlling Shareholder”	has the meaning ascribed thereto in the Listing Rules
“Cooperation Agreement”	the cooperation agreement dated 2 September, 2022 entered into by and among the Parties
“CR Land (Changzhou)”	China Resources Land (Changzhou) Co. Ltd.* (華潤置地(常州)有限公司), a company incorporated in the PRC with limited liability and a wholly-owned subsidiary of the Company

“CRCL”	China Resources Company Limited* (中國華潤有限公司), a company incorporated in the PRC with limited liability and is a state-owned enterprise under the supervision of the SASAC
“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 51.10% in Shenzhen Hukun as at the date of this announcement
“CR Trust”	China Resources Shengtuotou Trust Company Limited* (華潤深國投信託有限公司), a company established in the PRC with limited liability, which is owned by China Resources Financial Holding Investment Co., Ltd* (華潤金控投資有限公司) and Shenzhen Investment Holdings Co., Ltd. (深圳市投資控股有限公司) (a company owned by the Shenzhen State-owned Assets Supervision and Administration Commission of the State Council of the PRC (深圳市人民政府國有資產監督管理委員會)) at the equity interest ratio of 51% and 49%, respectively; its ultimate beneficial owner is CRCL
“Deemed Disposal” or “Equity Subscription”	the proposed subscription of equity interests in Kunshan Runxi by Shenzhen Hukun subject to and in accordance with the terms and conditions of the Cooperation Agreement
“Directors”	the directors of the Company
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Third Party(ies)”	an individual(s) or a company(ies) who or which is(are) independent of and not connected with (within the meaning of the Listing Rules) any Directors, chief executive or substantial shareholders, of the Company, its subsidiaries or any of their respective associate(s)
“Joint Venture Formation”	the formation of a joint venture by way of Equity Subscription as contemplated under the Cooperation Agreement

“Kunshan Runxi”	Kunshan Runxi Real Estate Company Limited* (昆山潤璽房地產有限公司), a limited liability company incorporated in the PRC which is an indirectly wholly owned subsidiary of the Company and following the Equity Subscription, shall be indirectly owned as to (i) 70% by CR Land (Changzhou) and (ii) 30% by Shenzhen Hukun
“Land”	a piece of residential land (parcel no. (宗地編號): 昆地網[2022]掛字11號) located at North of Chuanshi Road and the West of Gujiazhai River, Gaoxin District, Kunshan, Suzhou City, Jiangsu Province, the PRC (中國江蘇省蘇州市昆山高新區傅是路北側、顧家宅河西側), with a total site area of approximately 36,332.4 square meters
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Party(ies)”	the party(ies) to the Cooperation Agreement, namely CR Land (Changzhou), Shenzhen Hukun and Kunshan Runxi
“PRC”	the People’s Republic of China, which for the purpose of this announcement, excludes Hong Kong, the Macau Special Administrative Region and Taiwan
“Proposed Transaction”	the Joint Venture Formation and the Deemed Disposal
“RMB”	Renminbi, the lawful currency of the PRC
“Runwei Management”	Runwei Management Consulting (Shanghai) Partnership (Limited Partnership)* (潤巍管理諮詢(上海)合夥企業(有限合夥)), an indirect wholly-owned subsidiary of CRCL
“SASAC”	State-owned Assets Supervision and Administration Commission of the State Council
“Share(s)”	ordinary share(s) of HK\$0.10 each in the share capital of the Company
“Shareholders”	holders of the Shares
“Shenzhen Hukun”	Shenzhen Hukun Investment Enterprise (Limited Partnership)* (深圳市滬昆投資企業(有限合夥)), a limited partnership enterprise established in the PRC and a property project investment fund managed by CR Trust; Shenzhen Hukun is owned by CR Trust and Runwei Management at the equity ratio of 99.78% and 0.22%, respectively

“Stock Exchange”

The Stock Exchange of Hong Kong Limited

“%”

per cent

By order of the Board
China Resources Land Limited
Li Xin
Chairman

PRC, 2 September, 2022

As at the date of this announcement, the executive Directors are Mr. Li Xin, Mr. Wu Bingqi, Mr. Zhang Dawei, Mr. Xie Ji and Mr. Guo Shiqing; the non-executive directors of the Company are Mr. Liu Xiaoyong, Mr. Zhang Liang, Mr. Dou Jian and Ms. Cheng Hong; 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 purposes of this announcement and illustration only, conversions of RMB into HK\$ are based on the approximate exchange rate of RMB1.00 to HK\$1.14. No representation is made that any amount in HK\$ or RMB could have been or could be converted at the above rate or at any other rates.

** English translations of the names are provided for ease of reference only and they are not official English names of the companies and authorities concerned*