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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)**

**RENEWAL OF CONTINUING CONNECTED TRANSACTIONS  
ENTERING INTO OF  
THE FRAMEWORK LOAN AGREEMENTS 2022**

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Reference is made to the announcement of the Company dated 9 December 2019 in relation to the entering into, among others, of the Framework Loan Agreements 2019. As the Framework Loan Agreements 2019 will expire on 31 December 2022, the Company has entered into new arrangements whereby the annual caps are renewed under the Framework Loan Agreements 2022.

**LISTING RULES IMPLICATIONS**

By virtue of CRI being the controlling shareholder of CRH, which in turn holds approximately 59.55% in the Company, CRI and CRH are connected persons to the Company as defined under the Listing Rules. As applicable size test percentage ratios exceed 0.1% but are less than 5% in respect of the continuing connected transactions under the Framework Loan Agreements 2022, the transactions contemplated thereunder are only subject to the reporting, annual review and announcement requirements but are exempted from the independent shareholders' approval requirements of the Listing Rules.

**INTRODUCTION**

Reference is made to the announcement of the Company dated 9 December 2019 in relation to the entering into, among others, of the Framework Loan Agreements 2019. As the Framework Loan Agreements 2019 will expire on 31 December 2022, the Company has entered into new arrangements whereby the annual caps are renewed under the Framework Loan Agreements 2022.

## **THE FRAMEWORK LOAN AGREEMENTS 2022**

### **Offshore Framework Loan Agreement 2022**

Parties:	The Company and CRH
Date:	30 December 2022
Date of commencement:	1 January 2023
Term of the agreement:	Three years ending 31 December 2025 unless extended for a further period
Lenders:	The Company and any of its subsidiaries which has become a party to the Offshore Framework Loan Agreement 2022 by acceding to its terms, but excluding any entity which is established in the PRC.
Borrowers:	CRH, any China Resources Group listed company and any of their subsidiaries, which has become a party to the Offshore Framework Loan Agreement 2022 by acceding to its terms, but excluding any entity which is established in the PRC and any member of the Group. Each borrower may borrow in HK\$, RMB or United States dollars.
Guarantor(s) for loans made by the Group:	CRH (except for when the borrower is CRH) and, in the case of an advance to a subsidiary of a China Resources Group listed company, that China Resources Group listed company. On the repayment date (or if applicable, the early repayment date), the borrowers which are not wholly owned by CRH shall pay to CRH a guarantee fee at a rate of 0.05% per annum on the amount of the advance(s) granted by the Group to the relevant borrower in relation to the guarantees granted by CRH for the relevant period. The rate of guarantee fee is determined with reference to the prevailing rate of guarantee fee charged by third party financial institutions.
Aggregate amounts to be advanced:	The maximum aggregate amount outstanding lent by the Group under both of the Framework Loan Agreements 2022 is not permitted to exceed the amounts set out under the section below headed “Annual lending caps under the Framework Loan Agreements 2022”.
Repayment date:	The repayment date for an advance made under the Offshore Framework Loan Agreement 2022 shall be no later than six months after the date of advance.

Interest rate in respect of  
HK\$ advances:

The rate per annum as determined by the relevant lender and the borrower as being the aggregate of (i) the relevant HIBOR for such a HK\$ advance; and (ii) a margin, which must not be a negative number and shall not be less than:

- (a) the higher of (i) the rate at which CRH or a corporate borrower of similar standing is able to borrow HK\$ in an amount equal to the relevant advance from a bank or a financial institution for the relevant period and (ii) the deposit rate which the lender could have obtained from a bank or a financial institution for such relevant amount and period; less
- (b) HIBOR for a period equal to or similar to the relevant period and which is the most recently quoted HIBOR as at the time the drawdown undertaking is signed by the relevant lender.

Interest rate in respect of  
United States dollar  
advances:

The rate per annum as determined by the relevant lender and the borrower as being the aggregate of (i) the relevant SOFR for such a United States dollar advance; and (ii) a margin, which must not be a negative number and shall not be less than:

- (a) the higher of (i) the rate at which CRH or a corporate borrower of similar standing is able to borrow United States dollars in an amount equal to the relevant advance from a bank or a financial institution for the relevant period and (ii) the deposit rate which the lender could have obtained from a bank or a financial institution for such relevant amount and period; less
- (b) SOFR for a period equal to or similar to the relevant period and which is the most recently quoted SOFR as at the time the drawdown undertaking is signed by the relevant lender.

Interest rate in respect of  
RMB advances:

The rate per annum as determined by the relevant lender and the borrower with respect to an advance (which must not be a negative number) shall not be less than the higher of (i) the rate at which CRH or a corporate borrower of similar standing is able to borrow RMB in Hong Kong for an amount equal to the relevant advance from a bank or a financial institution for the relevant period and (ii) the deposit rate in Hong Kong which the lender could have obtained from a bank or a financial institution for such relevant amount and period.

**Guarantee:** The guarantors will irrevocably guarantee to the relevant lender the due and punctual performance by the borrower (when the guarantor is CRH) or by the borrower which is the guarantor's subsidiary (when the guarantor is a China Resources Group listed company) of the borrower's obligations to that lender in connection with that lender's advance(s) to the borrower made under the Offshore Framework Loan Agreement 2022. For this purpose, each guarantor which is a China Resources Group listed company will enter into a deed of guarantee before its subsidiary is permitted to borrow under the Offshore Framework Loan Agreement 2022.

**Early repayment:** Both a lender and a borrower may by giving ten business days' written notice require the repayment or prepayment of the advance, as the case may be, together with accrued interest.

**Basis of lending:** All advances will be made at the sole discretion of the lender. No security over the assets of the borrower will be provided. All advances will become immediately repayable on demand upon the occurrence of an acceleration event which includes non-payment by the borrower; breaches of the agreement by the borrower which have not been rectified in the specified period; cross-default in a material amount; the enforcement of security; insolvency; dissolution; repudiation; CRH ceasing directly or indirectly to be the single largest shareholder of the relevant borrower; or on the occurrence of a material adverse change as stated in the Offshore Framework Loan Agreement 2022 in respect of the relevant borrower.

### **Onshore Framework Loan Agreement 2022**

**Parties:** The Company and CRI

**Date:** 30 December 2022

**Date of commencement:** 1 January 2023

**Term of the agreement:** Three years ending 31 December 2025 unless extended for a further period

**Lenders:** Any PRC established subsidiary of the Company, which has become a party to the Onshore Framework Loan Agreement 2022 by acceding to its terms.

Borrowers:	CRI, and any PRC established subsidiary of CRI or a China Resources Group listed company, which has become a party to the Onshore Framework Loan Agreement 2022 by acceding to its terms, but excluding CR Bank, CR Trust and any subsidiary of the Company. Each borrower may borrow in RMB.
Guarantor:	CRI (except where the borrower is CRI)
Aggregate amounts to be advanced:	The maximum aggregate amount outstanding lent by the Group under both of the Framework Loan Agreements 2022 is not permitted to exceed the amounts set out under the section below headed “Annual lending caps under the Framework Loan Agreements 2022”.
Repayment date:	The repayment date for an advance made under Onshore Framework Loan Agreement 2022 shall be no later than six months after the date of advance.
Interest rate:	The rate per annum as determined by the relevant lender and the borrower. The interest rate shall be no less than the higher of (i) the rate at which CRI or a corporate borrower of similar standing is able to borrow in RMB in an amount equal to the relevant advance from a bank or a financial institution for the relevant period, and (ii) the deposit rate which the lender could have obtained from a bank or a financial institution for such relevant amount and period.
Guarantee:	CRI irrevocably guarantees to the relevant lenders the due and punctual performance of all borrowers’ obligations under the Onshore Framework Loan Agreement 2022. On the repayment date (or if applicable, the early repayment date), the borrowers which are not wholly owned by CRI shall pay to CRI the guarantee fee at a rate of 0.05% per annum on the amount of the advance(s) granted by the Group to the relevant borrower in relation to the guarantees granted by CRI for the relevant period. The rate of guarantee fee is determined with reference to the prevailing rate of guarantee fee charged by third party financial institutions.

Best endeavours:

If an advance is to be made pursuant to the Onshore Framework Loan Agreement 2022 to a borrower which is a subsidiary of a China Resources Group listed company, prior to making that advance, such China Resources Group listed company shall sign a deed of undertaking and undertake that if CRI makes a payment to a lender in connection with the Onshore Framework Loan Agreement 2022 due to a breach by the China Resources Group listed company's subsidiary borrower, then the China Resources Group listed company will use its best endeavours to procure that borrower shall have sufficient funds to, and does, promptly reimburse CRI. This may include such China Resources Group listed company making payments by way of gift or capital contribution or shareholder loan to the borrower (to the extent permitted by PRC law).

Basis of lending:

All advances will be made at the sole discretion of the lender. No security over the assets of the borrower will be provided. All advances will become immediately repayable on demand upon the occurrence of an acceleration event which includes non-payment by the borrower; breaches of the agreement by the borrower which have not been rectified in the specified period; cross-default in a material amount; the enforcement of security; insolvency; dissolution; repudiation; CRI ceasing directly or indirectly to be the single largest shareholder of the relevant borrower; or on the occurrence of a material adverse change as stated in the Onshore Framework Loan Agreement 2022 in respect of the relevant borrower.

### **Annual lending caps under the Framework Loan Agreements 2022**

The annual lending caps for the maximum aggregate amount which can be lent by the Group on any single day (inclusive of interest received and anticipated to be received rounded to the nearest million) under both of the Framework Loan Agreements 2022 have been determined after assessing the maximum amount of exposure at any time which the Group is prepared to assume under the Framework Loan Agreements 2022 in the context of its estimated temporarily surplus cash resources and taking into consideration the overall growth of the Group in recent years.

Set out below are the maximum aggregate amounts outstanding on any single day lent by the Group under the Framework Loan Agreements 2019 (inclusive of interest received and receivable) during each of the years ended 31 December 2020 and 2021 and the six months ended 30 June 2022:

	<b>For the year ended 31 December</b>		<b>For the six months ended 30 June</b>
	<b>2020</b>	<b>2021</b>	<b>2022</b>
	<i>RMB million</i>	<i>RMB million</i>	<i>RMB million</i>
Maximum daily aggregate amount outstanding during the year/period	—	—	—

The proposed annual lending caps for the Group on any single day for the term of the Framework Loan Agreements 2022 are as follows:

	<b>For the year ending 31 December</b>		
	<b>2023</b>	<b>2024</b>	<b>2025</b>
	<i>RMB million</i>	<i>RMB million</i>	<i>RMB million</i>
Maximum daily aggregate amount outstanding during the year	5,500	5,500	5,500

Such maximum daily amount is applicable for each day during the relevant year, and such maximum daily amount is calculated on an individual basis as outstanding at the end of each day during the relevant year without aggregating with the daily amount incurred on the days before.

The aforementioned proposed annual lending caps are determined based on arm's length negotiations between the Company, CRH and CRI, having considered, among others, the following factors and assumptions: (i) the expected increase in positive cashflow generated from operations of the Group in the next few years; and (ii) in order to enhance the yield on the surplus cash of the Group, the normal practice of the Group is to invest in short-term, principal protected investment products from banks in the PRC. However, due to the changing market circumstances, the yield for the said products is demonstrating a downward trend, therefore in order to maintain or further enhance the yield of the Group's surplus cash, it is reasonable to consider other low-risk, principal protected investment products in substitution. On such basis, the loans to be made under the Framework Loan Agreements 2022 are substitutes for principal protected investments with manageable risk level that are fully-guaranteed by the controlling shareholders of the Group, and enable the Group to create and enhance the returns by utilizing its surplus cash. As at 30 June 2022 and 31 December 2021, the Group's cash and bank balances amounted to approximately RMB116,447 million and RMB108,748 million respectively.

## Financial condition of the guarantors

All advances to any member of the CRI Group will be guaranteed by (i) CRI; (ii) CRH; or (iii) CRH and a China Resources Group listed company, depending on the relevant Framework Loan Agreements 2022 and the identity of the borrower. Both CRI and CRH are regarded as borrowers of undoubted standing in their own markets. CRI is a bond issuer in the PRC and its principal long term credit rating is AAA according to an independent rating agency, China Lianhe Credit Rating Co., Ltd. The summary of the consolidated financial positions of CRI and CRH are as follows:

	CRH		CRI	
	2021 <i>Audited</i> <i>HK\$ billion</i>	2020 <i>Audited</i> <i>HK\$ billion</i>	2021 <i>Audited</i> <i>RMB billion</i>	2020 <i>Audited</i> <i>RMB billion</i>
Total assets	2,240	1,974	2,060	1,830
Cash and bank balances	218	189	202	181
Equity attributable to the shareholders of the company	453	395	337	308
Profit attributable to the shareholders of the company	41	34	30	31
Cash flow from operation	59	93	53	92

## REASONS FOR AND BENEFITS OF THE FRAMEWORK LOAN AGREEMENTS 2022

The Framework Loan Agreements 2022 provide the Company with greater flexibility in the management of its surplus cash resources by enabling it to lend a portion of its surplus cash resources and those of its subsidiaries to other CRI Group companies, including CRI and CRH. The annual lending caps for the maximum aggregate amount which can be lent by the Group on any single day have been determined after assessing the maximum amount of exposure at any time which the Group is prepared to assume under the Framework Loan Agreements 2022 in the context of its estimated temporary surplus cash resources as well as taking into consideration the overall growth of the Group in recent years.

All Directors (including the independent non-executive Directors) consider that the Framework Loan Agreements 2022 were negotiated on an arm's length basis, are on normal commercial terms or better and were entered into in the ordinary and usual course of business of the Group, and the relevant terms and annual caps are fair and reasonable and in the interests of the Company and its shareholders as a whole.

## **GENERAL INFORMATION**

### **The Group**

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.

### **CRI**

CRI, a borrower and guarantor (except for when the borrower is CRI) under the Onshore Framework Loan Agreement 2022, is the intermediate holding company of CRH and is ultimately owned by CRC. CRC is a company established in the PRC with limited liability and is a state-owned enterprise under the supervision of SASAC. It is the holding company of CRH, 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.

### **CRH**

CRH, a borrower and guarantor (except for when the borrower is CRH) under the Offshore Framework Loan Agreement 2022, is a company incorporated in Hong Kong with limited liability and its holding company and ultimate beneficial owner is CRC, a state-owned enterprise under the supervision of SASAC.

## **INTERNAL CONTROLS**

The Group has implemented the following internal control measures in relation to the continuing connected transactions:

- the Group will supervise the continuing connected transactions in accordance with the procedures set forth in the Company's internal control manual on continuing connected transactions. The relevant personnel of the business department of the Group will conduct regular checks to review and assess whether the transactions contemplated under the relevant continuing connected transactions are conducted in accordance with the terms of such agreement and will also regularly update the market price for their purpose of considering if the price charged for a specific transaction is fair and reasonable and in accordance with the aforesaid pricing policy;
- the Group has approved internal guidelines which provide that if the value of any proposed connected transaction is expected to exceed certain thresholds, the relevant staff must report the proposed transactions to the head of the relevant business unit in order for the Company to commence the necessary additional assessment and approval procedures and ensure that the Company will comply with the applicable requirements under Chapter 14A of the Listing Rules; and
- the Company will provide information and supporting documents to the independent non-executive Directors and the auditors in order for them to conduct an annual review of the continuing connected transactions entered into by the Company. In accordance with the requirements under the Listing Rules, the independent non-executive Directors

will provide an annual confirmation to the Board as to whether the continuing connected transactions have been entered into in the ordinary and usual course of business of the Group, are on normal commercial terms and are in accordance with the agreement governing them on terms that are fair and reasonable and in the interests of the Company and its shareholders as a whole, and the auditors will provide an annual confirmation to the Board as to whether anything has come to their attention that causes them to believe that the continuing connected transactions have not been approved by the Board, are not in accordance with the pricing policies of the Group in all material respects, are not entered into in accordance with the relevant agreements governing the transactions in all material respects or have exceeded the cap.

## **LISTING RULES IMPLICATIONS**

By virtue of CRI being the controlling shareholder of CRH, which in turn holds approximately 59.55% in the Company, CRI and CRH are connected persons to the Company as defined under the Listing Rules. As the applicable size test percentage ratios exceed 0.1% but are less than 5% in respect of the continuing connected transactions under the Framework Loan Agreements 2022, the transactions contemplated thereunder are only subject to the reporting, annual review and announcement requirements but are exempted from the independent shareholders' approval requirements of the Listing Rules.

None of the Directors have a material interest in the transactions under the Framework Loan Agreements 2022, and none of them abstained from voting on the relevant board resolutions approving the Framework Loan Agreements 2022 and the transactions contemplated thereunder.

## **DEFINITIONS**

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

“associate(s)”	has the meaning ascribed thereto under the Listing Rules;
“Board”	the board of Directors of the Company;
“China Resources Group listed company (or companies)”	any company (or companies) in the CRI Group, which is (or are) listed on the Main Board of the Stock Exchange as at the date of this announcement, other than the Company;
“Company”	China Resources Land Limited 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)”	has the meaning ascribed to it under the Listing Rules;
“CR Bank”	China Resources Bank of Zhuhai Co., Ltd. (珠海華潤銀行股份有限公司), a municipal bank headquartered in Zhuhai, in which CRI holds approximately 70.28% equity interest as at the date of this announcement;

“CR Trust”	China Resources SZITIC Trust Co., Ltd. (華潤深國投信託有限公司), in which CRI holds a 51% equity interest as at the date of this announcement;
“CRC”	China Resources Company Limited* (中國華潤有限公司), a company established in the PRC with limited liability and a state-owned enterprise under the supervision of SASAC, is the ultimate holding company of the Company;
“CRH”	China Resources (Holdings) Company Limited (華潤(集團)有限公司), a company incorporated in Hong Kong with limited liability and the intermediate holding company of the Company;
“CRI”	China Resources Inc. (華潤股份有限公司), a joint stock limited liability company established in the PRC, which is an intermediate holding company of CRH;
“CRI Group”	CRI, CRH and their respective subsidiaries;
“Directors”	the directors of the Company;
“Framework Loan Agreements 2019”	the Offshore Framework Loan Agreement 2019 and the Onshore Framework Loan Agreement 2019;
“Framework Loan Agreements 2022”	the Offshore Framework Loan Agreement 2022 and the Onshore Framework Loan Agreement 2022;
“Group”	the Company and its subsidiaries;
“HIBOR”	the Hong Kong Inter-Bank Offered Rate;
“HK\$”	means Hong Kong dollars, the lawful currency of Hong Kong;
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC;
“independent shareholders”	shareholders of the Company other than CRI and its associates, as defined in the Listing Rules;
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended from time to time;
“Offshore Framework Loan Agreement 2019”	the framework loan agreement and guarantee for advances in HK\$, Renminbi and United States Dollar entered into by CRH and the Company on 9 December 2019;
“Offshore Framework Loan Agreement 2022”	the framework loan agreement and guarantee for advances in HK\$, Renminbi and United States Dollar entered into by CRH and the Company on 30 December 2022;

“Onshore Framework Loan Agreement 2019”	the framework loan agreement and guarantee for advances in RMB entered into by CRI and the Company on 9 December 2019;
“Onshore Framework Loan Agreement 2022”	the framework loan agreement and guarantee for advances in RMB entered into by CRI and the Company on 30 December 2022;
“PRC”	the People’s Republic of China (for the purpose of this announcement, excluding Hong Kong and Macau Special Administrative Region);
“RMB”	Renminbi, the lawful currency of the PRC;
“SASAC”	State-owned Assets Supervision and Administration Commission of the State Council;
“SOFR”	the secured overnight financing rate (SOFR) administered and published by the Federal Reserve Bank of New York (or any other person which takes over the administration of that rate);
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“subsidiary(ies)”	has the meaning ascribed to it under the Listing Rules; and
“%”	per cent.

By Order of the Board  
**China Resources Land Limited**  
**Li Xin**  
*Chairman*

PRC, 30 December 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 are Mr. Liu Xiaoyong, Mr. Dou Jian and Ms. Cheng Hong; and the independent non-executive Directors 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\$1.1195. 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*