

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)

**CONTINUING CONNECTED TRANSACTIONS
CONSTRUCTION MANAGEMENT SERVICE FRAMEWORK AGREEMENT**

The Board hereby announces that on 20 September 2024 (after trading hours), Shenzhen Runzhi, a wholly-owned subsidiary of the Company, entered into the Construction Management Service Framework Agreement with CR Beverage, pursuant to which Shenzhen Runzhi Group has agreed to provide CR Beverage Group with construction management services including but not limited to management design and construction services, and handling of relevant administrative procedures for CR Beverage Group's production facilities and factories, for a term effective from the date on which the shares of CR Beverage commence trading on the Stock Exchange to 31 December 2026.

As at the date of this announcement, CRH is interested in approximately 59.55% of the issued share capital of the Company, and is therefore a connected person of the Company as defined under the Listing Rules. As CRH is also a controlling shareholder of CR Beverage and is interested in 60% of the issued share capital of CR Beverage as at the date of this announcement, CR Beverage is an associate of CRH and therefore CR Beverage is a connected person of the Company under the Listing Rules.

As the highest of the applicable percentage ratios as set out in Rule 14.07 of the Listing Rules exceeds 0.1% but is less than 5%, the Construction Management Service Framework Agreement and the transactions contemplated thereunder constitute continuing connected transactions of the Company under the Listing Rules and are subject to the reporting, announcement and annual review requirements but are exempted from independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

INTRODUCTION

The Board hereby announces that on 20 September 2024 (after trading hours), Shenzhen Runzhi, a wholly-owned subsidiary of the Company, entered into the Construction Management Service Framework Agreement with CR Beverage, pursuant to which Shenzhen Runzhi Group has agreed to provide CR Beverage Group with construction management services including but not limited to management design and construction

services, and handling of relevant administrative procedures for CR Beverage Group's production facilities and factories, for a term effective from the date on which the shares of CR Beverage commence trading on the Stock Exchange to 31 December 2026.

THE CONSTRUCTION MANAGEMENT SERVICE FRAMEWORK AGREEMENT

The following are the principal terms of the Construction Management Service Framework Agreement:

- Date:** 20 September 2024 (after trading hours)
- Parties:**
- Shenzhen Runzhi, a wholly-owned subsidiary of the Company
 - CR Beverage, a connected person of the Company
- Subject:** Pursuant to the Construction Management Service Framework Agreement, Shenzhen Runzhi Group may, from time to time, provide construction management services including but not limited to management design and construction services to CR Beverage Group for the production facilities and other factories owned by CR Beverage Group, and handling of relevant administrative procedures in accordance with the terms of the Construction Management Service Framework Agreement.
- Subject to the terms of the Construction Management Service Framework Agreement, Shenzhen Runzhi Group and CR Beverage Group shall enter into separate agreements in relation to the provision of construction management services for relevant projects, setting out specific terms and conditions including the details of the construction projects, construction fees and payment terms.
- Term:** For a term commencing from the date on which the shares of CR Beverage commence trading on the Stock Exchange to 31 December 2026, subject to renewal by mutual consent and compliance with all applicable laws and regulations.

Pricing policy and pricing terms:

The fees payable by the CR Beverage Group under the Construction Management Service Framework Agreement will consist of (1) project construction funds charged by subcontractors; and (2) service fees. The project construction funds, being the total amount of construction cost, will be transferred into a specific account set up by Shenzhen Runzhi Group solely for construction management purposes, and Shenzhen Runzhi Group will make further payment to the sub-contractors from the project construction funds on behalf of CR Beverage Group. Shenzhen Runzhi Group will only charge the service fees, which are determined based on arm's length negotiations between the parties and with reference to the prevailing market rates, and the terms are no less favorable than those of similar services provided to any of the Group's independent third party clients.

Proposed annual caps and basis of determination of annual caps:

The proposed annual caps for the Construction Management Service Framework Agreement for the three years ending 31 December 2026 are as follows (exclusive of tax):

	For the year ending 31 December		
	2024	2025	2026
	<i>(RMB million)</i>		
Project construction funds (excluding interest)	410	1,650	1,060
Service fees for the provision of construction management services	10	50	30
Total	420	1,700	1,090

The proposed annual caps in respect of the transactions contemplated under the Construction Management Service Framework Agreement are arrived at between the parties based on arm's length negotiations after taking into consideration of, among others:

- (i) the current construction plan of the new production facilities and factories based on the business plan of CR Beverage Group and the upgrades plan of the existing production facilities of CR Beverage Group, which include various components such as the proposed construction schedule, estimated completion time, payment schedule and costs incurred in the relevant construction projects. Specifically, taking into account (a) the increase in number of construction projects that are expected to commence in 2025; and (b) the relevant construction schedule of several ongoing construction projects with estimated completion time in 2025, the estimated transaction amount under the Construction Management Service Framework Agreement in 2025 is expected to increase substantially along with the current construction plan of CR Beverage Group, and therefore the proposed annual cap for the year ending 31 December 2025 is expected to be higher than the proposed annual cap for the year ending 31 December 2026;
- (ii) the historical transaction amount for the provision of the construction management services and the service fee rates charged by the Shenzhen Runzhi Group for the ongoing construction projects; and
- (iii) the expected increase in project construction funds and service fees rates taking into account the expected increase in construction materials and labor costs for the expected construction projects for the three years ending 31 December 2026.

HISTORICAL TRANSACTION AMOUNTS

Set out below are the historical transaction amounts in connection with the project construction funds, and the service fees for the provision of construction management services to the CR Beverage Group for the two years ended 31 December 2023 and for the six months ended 30 June 2024 (exclusive of tax):

	For the year ended 31 December		For the six
	2022	2023	months ended
	<i>(RMB million)</i>		30 June 2024
Project construction funds (excluding interest)	122	987	40
Service fees for the provision of construction management services	4	30	1
Total	126	1,017	41

REASONS FOR AND BENEFITS OF ENTERING INTO THE CONSTRUCTION MANAGEMENT SERVICE FRAMEWORK AGREEMENT

The Construction Management Service Framework Agreement provides a framework for the long-term supply of the construction management service by the Shenzhen Runzhi Group to the CR Beverage Group and seeks to reduce negotiation time and costs among the parties for the continuing transactions contemplated thereunder. The provision of the construction management services under the Construction Management Service Framework Agreement is consistent with the Group's business strategy to capitalise on the Group's construction management expertise and experience for capturing additional revenue to the Group in the ordinary course of business and maximizing returns to the Company and the Shareholders as a whole.

All Directors (including the independent non-executive Directors) consider that the Construction Management Service Framework Agreement was negotiated on an arm's length basis, is on normal commercial terms and was 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.

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 system on continuing connected transactions. The relevant personnel of the business department of the Group will conduct random checks to review and assess whether the relevant continuing connected transactions are conducted in accordance with the terms of the Construction Management Service Framework 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 department must report the proposed transactions to the department which is in charge of connected transactions 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.

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. As at the date of this announcement, approximately 59.55% of the issued share capital of the Company is indirectly held by CRH which its holding company and ultimate beneficial owner is CRC, a state-owned enterprise under the supervision of SASAC.

Shenzhen Runzhi Group

Shenzhen Runzhi is a company established in the PRC and a wholly-owned subsidiary of the Company. Shenzhen Runzhi Group is principally engaged in construction, property development and construction management in the PRC.

CR Beverage Group

CR Beverage is a BVI business company incorporated in the BVI with limited liability in July 1995 and redomiciled to the Cayman Islands in April 2024. As at the date of this announcement, CR Beverage is indirectly held by CRH (whose holding company and ultimate beneficial owner is CRC, a state-owned enterprise under the supervision of SASAC) and Plateau Consumer Limited (“**Plateau**”) as to 60% and 40%, respectively. Plateau is an institution principally engaged in investment holding, which is ultimately controlled by Ms. Dong Yi.

CR Beverage Group is principally engaged in manufacturing and distribution of packaged drinking water and soft beverage.

IMPLICATIONS UNDER THE LISTING RULES

As at the date of this announcement, CRH is interested in approximately 59.55% of the issued share capital of the Company, and is therefore a connected person of the Company as defined under the Listing Rules. As CRH is also a controlling shareholder of CR Beverage and is interested in 60% of the issued share capital of CR Beverage as at the date of this announcement, CR Beverage is an associate of CRH and therefore CR Beverage is a connected person of the Company under the Listing Rules.

As the highest of the applicable percentage ratios as set out in Rule 14.07 of the Listing Rules exceeds 0.1% but is less than 5%, the Construction Management Service Framework Agreement and the transactions contemplated thereunder constitute continuing connected transactions of the Company under the Listing Rules and are subject to the reporting, announcement and annual review requirements but are exempted from independent shareholders’ approval requirement under Chapter 14A of the Listing Rules.

None of the Directors has any material interest in the Construction Management Service Framework Agreement. As such, no Director was required to abstain, and none of them has abstained, from voting on the relevant board resolution for approving the Construction Management Service Framework Agreement and the transactions contemplated thereunder.

DEFINITIONS

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

“Board”	the board of directors of the Company
“BVI”	the British Virgin Islands
“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”	has the meaning ascribed to it under the Listing Rules

“Construction Management Service Framework Agreement”	a construction management service framework agreement entered into between Shenzhen Runzhi and CR Beverage on 20 September 2024
“continuing connected transactions”	has the meaning ascribed to it under the Listing Rules
“controlling shareholder”	has the meaning ascribed to it under the Listing Rules
“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
“CR Beverage”	China Resources Beverage (Holdings) Company Limited (華潤飲料(控股)有限公司) (formerly known as China Resources Kirin Beverages (Greater China) Company Limited (華潤麒麟飲料(大中華)有限公司) and China Resources Beverages (Greater China) Company Limited (華潤飲料(大中華)有限公司)), a BVI business company incorporated in the BVI with limited liability on 4 July 1995 and redomiciled to the Cayman Islands on 16 April 2024
“CR Beverage Group”	CR Beverage and its subsidiaries
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“independent third party(ies)”	party(ies) which is/are independent of the Group and the connected persons of the Company
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	the People’s Republic of China (excluding, for the purpose of this announcement, Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan)
“SASAC”	the State-owned Assets Supervision and Administration Commission of the State Council of the PRC

“Share(s)”	ordinary share(s) in the capital of the Company
“Shareholder(s)”	the holder(s) of the Shares
“Shenzhen Runzhi”	Shenzhen Runzhi Urban Construction Management Co., Ltd.* (深圳市潤置城市建設管理有限公司), a company established in the PRC with limited liability and a wholly-owned subsidiary of the Company
“Shenzhen Runzhi Group”	Shenzhen Runzhi and its subsidiaries
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary(ies)”	has the meaning ascribed to it under the Listing Rules
“RMB”	Renminbi, the lawful currency of the PRC
“%”	per cent

* *For identification purposes only*

By Order of the Board
China Resources Land Limited
LI Xin
Chairman

PRC, 20 September 2024

As at the date of this announcement, the executive directors of the Company are Mr. Li Xin, Mr. Zhang Dawei, Mr. Guo Shiqing and Mr. Chen Wei; the non-executive directors of the Company are Mr. Dou Jian, Ms. Cheng Hong, Mr. Huang Ting and Mr. Wei Chenglin; and the independent non-executive directors of the Company are Mr. Zhong Wei, Mr. Sun Zhe, Mr. Frank Chan Fan, Mr. Leong Kwok-kuen, Lincoln and Ms. Qin Hong.

* *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*