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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)

DISCLOSEABLE TRANSACTION

ACQUISITION OF LAND USE RIGHTS OF THE LAND PARCEL IN SHENZHEN

INTRODUCTION

On 28 November 2024, Shenzhen Runtou (being an indirect wholly-owned subsidiary of the Company) and COD (an Independent Third Party) entered into the Joint Bidding Agreement in respect of their joint bidding of the land use rights of the Land Parcel, which is located in Yue Hai Subdistrict, Nanshan District, Shenzhen, the PRC.

The Board is pleased to announce that on 2 December 2024, the Joint Venture, which is formed by the JV Partners, namely Shenzhen Runtou (an indirect wholly-owned subsidiary of the Company) and COD (an Independent Third Party), successfully won the bidding for the land use rights of the Land Parcel, through listing-for-sale at a consideration of RMB18,512 million (equivalent to approximately HK\$20,047 million) for residential and commercial development.

The Joint Venture has entered into the Confirmation Letter with the Shenzhen Trading Group and will submit application for entering into the Land Use Rights Grant Contract with the Bureau after entering into of the Confirmation Letter.

LISTING RULES IMPLICATIONS

Since one or more of the applicable percentage ratios (as defined under Rule 14.07 of the Listing Rules) in respect of the consideration payable by the Group for the Acquisition are more than 5% but less than 25%, the Acquisition constitutes a discloseable transaction for the Company under the Listing Rules and is subject to the reporting and announcement requirements but exempt from the shareholders' approval requirement under Chapter 14 of the Listing Rules.

INTRODUCTION

The Board is pleased to announce that on 2 December 2024, the Joint Venture, which is formed by the JV Partners, namely Shenzhen Runtou (an indirect wholly-owned subsidiary of the Company) and COD (an Independent Third Party), successfully won the bidding for the land use rights of the Land Parcel, through listing-for-sale at a consideration of RMB18,512 million (equivalent to approximately HK\$20,047 million) for residential and commercial development.

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Major Terms of the Acquisition

Date of bidding : 2 December 2024

Parties : (i) the Bureau, as transferor
(ii) the Joint Venture, as transferee

To the best of the knowledge, information and belief of the Directors after making all reasonable enquiry, the Bureau and its ultimate beneficial owners are Independent Third Parties.

Location : located in the Yue Hai Subdistrict, to the east of the junction of Houhaibin Road and Dengliang Road, Nanshan District, Shenzhen, the PRC

Site area : 38,566.56 square meters

Gross floor area : 263,000 square meters

Term of use : 70 years

Permitted use : Residential, commercial and roads

Consideration : RMB18,512 million (equivalent to approximately HK\$20,047 million)

As at the date of this announcement, Shenzhen Runtou and COD jointly paid the security deposit of RMB2,530.4 million (equivalent to approximately HK\$2,740.2 million) in the respective proportion of 50% and 50% of which, Shenzhen Runtou paid RMB1,265.2 million (equivalent to HK\$1,370.1 million), for the bidding, which will be used to settle part of the Consideration of the Land Parcel. The payment of the remainder of the Consideration shall be made in full within six (6) months from the date of the Land Use Rights Grant Contract.

Consideration

The Consideration under the Land Use Rights Grant Contract in aggregate is RMB18,512 million (equivalent to approximately HK\$20,047 million), the portion of which Shenzhen Runtou is responsible for will be financed by the Group's internal resources. The Consideration was arrived at after the listing-for-sale process. The bidding price was determined by the JV Partners jointly when they submitted the bidding at the listing-for-sale. The Group considered the Consideration was fair and reasonable after taking into account the location, permitted use, potential development prospect of the Land Parcel and the current market conditions.

Material terms of the Joint Bidding Agreement

Under the terms of Joint Bidding Agreement, if the bidding is not successful, the JV Partners agree to terminate the Joint Bidding Agreement. However, in the event that the bidding is successful, the JV Partners agree to establish a Project Company, which shall be held by Shenzhen Runtou and COD as to 50% and 50%, respectively for the development of the Land Parcel. Pursuant to the Joint Bidding Agreement, the JV Partners shall contribute the Consideration in proportion to their respective shareholdings in the Project Company.

Shenzhen Runtou has paid its share of the deposit with the Group's internal resources. It is intended that the funding commitment of Shenzhen Runtou in the Project Company and the remaining balance of the Consideration that Shenzhen Runtou is responsible for will be financed by the Group's internal resources.

INFORMATION ON THE PARTIES TO THE ACQUISITION

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 59.51% 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 Runtou is a limited liability company established in the PRC and is principally engaged in real estate development and operation. Shenzhen Runtou is an indirect wholly owned subsidiary of the Company.

COD is a company established in the PRC and a wholly-owned subsidiary of COL. COL and its subsidiaries are principally engaged in property development, commercial property operations and other businesses. COL is a company incorporated in Hong Kong with limited liability and whose shares are listed on the Main Board of the Stock Exchange (stock code: 688). Based on publicly available information, as at the date of this announcement, approximately 56.10% of the issued share capital of COL is held by COHL, and its ultimate holding company is CSCEC, an entity established in the PRC and substantial shareholder of which is the PRC government. Each of COD, COL, COHL and CSCEC is an Independent Third Party.

The Bureau is a PRC governmental authority in charge of (including but not limited to) the management and operation of natural resources and assets such as land in the Nanshan District in Shenzhen, the PRC.

To the best of the knowledge, information and belief of the Directors after making all reasonable enquiry, the Bureau and its ultimate beneficial owners(s) are Independent Third Parties.

REASONS FOR AND BENEFITS OF THE ACQUISITION

Shenzhen has been strategically positioned by the Group as the key city for deep cultivation.

The Company believes that the Acquisition will enable the Group to replenish its land bank with high-quality land parcel, which will contribute to its profitability.

Having taken into account the above factors, the Directors believe that the terms of the Acquisition are fair and reasonable, on normal commercial terms and in the interests of the Company and the Shareholders as a whole.

LISTING RULES IMPLICATIONS

Since one or more of the applicable percentage ratios (as defined under Rule 14.07 of the Listing Rules) in respect of the consideration payable by the Group for the Acquisition are more than 5% but less than 25%, the Acquisition constitutes a discloseable transaction for the Company under the Listing Rules and is subject to the reporting and announcement requirements but exempt from the shareholders' approval requirement under Chapter 14 of the Listing Rules.

DEFINITIONS

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

“Acquisition”	the acquisition of the land use rights of the Land Parcel through the listing-for-sale by the Joint Venture
“Board”	the board of Directors of the Company
“Bureau”	Nanshan Administration of Shenzhen Municipal Bureau of Planning and Natural Resources* (深圳市規劃和自然資源局南山管理局)
“COD”	China Overseas Development Group Co., Ltd* (中海企業發展集團有限公司), a company established in the PRC and a wholly-owned subsidiary of COL
“COHL”	China Overseas Holdings Limited, a company incorporated in Hong Kong and the parent company of COL, and its ultimate holding company is CSCEC

“COL”	China Overseas Land & Investment Limited, a company incorporated in Hong Kong with limited liability and whose shares are listed on the Main Board of the Stock Exchange (stock code: 688)
“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
“Confirmation Letter”	the confirmation letter (成交確認書) entered into between the Joint Venture and the Shenzhen Trading Group to confirm the Acquisition through the listing-for-sale on the date of this announcement
“connected person”	has the meaning ascribed to it under the Listing Rules
“Consideration”	the consideration of RMB18,512 million (equivalent to approximately HK\$20,047 million) payable by the Joint Venture for the Acquisition, which is the transacted land price for acquisition of the land use rights of the Land Parcel
“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
“CSCEC”	China State Construction Engineering Corporation* (中國建築集團有限公司), an entity established in the PRC and the substantial shareholder of which is the PRC government
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Third Party”	a party who or which is, to the best of the knowledge, information and belief of the Directors having made all reasonable enquiries, a third party independent of the Company and its connected persons

“Joint Bidding Agreement”	the joint bidding agreement dated 28 November 2024 entered into by the JV Partners setting out the key terms of their bidding for and the development of the Land Parcel
“Joint Venture”	the joint venture arrangement, not being a body corporate, under the Joint Bidding Agreement
“JV Partners”	the two joint venture partners, namely Shenzhen Runtou and COD
“Land Parcel”	the land parcel which is located in the Yue Hai Subdistrict, to the east of the junction of Houhaibin Road and Dengliang Road, Nanshan District, Shenzhen, the PRC, with land parcel no. T107-0107
“Land Use Rights Grant Contract”	the State-owned Construction Land Use Rights Grant Contract* (國有建設用地使用權出讓合同) to be entered into between the Joint Venture and the Bureau for the Acquisition
“listing-for-sale”	the listing-for-sale conducted by Shenzhen Trading Group as appointed by the Shenzhen Municipal Bureau of Planning and Natural Resources at which the Land Parcel was offered for sale
“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)
“Project Company”	the project company to be established by the JV Partners for the bidding for and the development of the Land Parcel in accordance with the terms of the Joint Bidding Agreement
“RMB”	Renminbi, the lawful currency of the PRC
“SASAC”	the State-owned Assets Supervision and Administration Commission of the State Council of the PRC
“Shareholders”	Shareholders of the Company
“Shenzhen Runtou”	Shenzhen Runtou Consulting Co., Ltd.* (深圳市潤投諮詢有限公司), a company established in the PRC with limited liability and an indirect wholly-owned subsidiary of the Company

“Shenzhen Trading Group”	the Mining Rights Business Branch Company of Shenzhen Trading Group Co., Ltd* (深圳交易集團有限公司礦業權業務分公司)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary(ies)”	has the meaning ascribed to it under the Listing Rules
“%”	per cent

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

PRC, 2 December 2024

As at the date of this announcement, the executive directors of the Company are Mr. Li Xin, Mr. Zhang Dawei, Mr. Guo Shiqing, Mr. Chen Wei and Mr. Xu Rong; the non-executive directors of the Company are Mr. Dou Jian, 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.

In this announcement, conversion of RMB into HK\$ is based on the exchange rate of HK\$1.00 to RMB0.92343. The exchange rates have been used, where applicable, for the purposes of illustration only and do not constitute a representation that any amounts in RMB or HK\$ were or may have been exchanged at this or any other rates or at all.

** The English transliteration of the Chinese name(s) in this announcement, where indicated, is included for information purpose only, and should not be regarded as the official English name(s) of such Chinese name(s).*