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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)

PROPOSED SPIN-OFF AND SEPARATE LISTING OF CHINA RESOURCES MIXC LIFESTYLE SERVICES LIMITED ON THE MAIN BOARD OF THE STOCK EXCHANGE OF HONG KONG LIMITED

Introduction

Reference is made to the announcement of the Company dated August 26, 2020 (the “**Possible Spin-off Announcement**”). Unless otherwise specified, capitalised terms used herein shall have the same meanings as those defined in the Possible Spin-off Announcement.

The Company proposes to spin-off and separately list the shares of China Resources Mixc Lifestyle Services Limited (“**SpinCo**”), a subsidiary of the Company, on the Main Board of the Stock Exchange. The separate listing of the SpinCo Shares constitutes a spin-off of SpinCo by the Company under PN15. On August 31, 2020, SpinCo submitted a listing application to the Stock Exchange to apply for the listing of, and permission to deal in, the SpinCo Shares on the Main Board of the Stock Exchange.

The Proposed Spin-off

The Proposed Spin-off involves the spin-off and separate listing of the SpinCo Shares on the Main Board of the Stock Exchange by way of a Global Offering, the details of which have yet to be finalised. As at the date of this announcement, SpinCo is a wholly-owned subsidiary of the Company. It is intended that upon completion of the Proposed Spin-off and the Listing, SpinCo will remain as a subsidiary of the Company.

The SpinCo Group

The SpinCo Group is principally engaged in the provision of residential property management services and commercial operational and property management services in the PRC.

Rationale and Benefits of the Proposed Spin-off

The Board considers that the Proposed Spin-off is in the interests of the Company and the Shareholders as a whole based on the following reasons:

- (a) The Proposed Spin-off will provide the Company and its shareholders an opportunity to realize the value of the investment in the SpinCo Group under a separate standalone platform for the SpinCo Group’s business. The investors will be provided with more details of the operational performance of the SpinCo Group’s business and will be given the opportunity to invest specifically in the SpinCo Group’s business.
- (b) The Proposed Spin-off will create a more defined business focus for the Retained Group and the SpinCo Group. Given the different growth paths and business strategies between the two groups, the Proposed Spin-off will enable the development of separate platforms for the development of the businesses of the Retained Group and the SpinCo Group.
- (c) The expertise and specialty skills which are required for the businesses of the Retained Group and the SpinCo Group may be different given the different natures of the respective businesses and the Proposed Spin-off will allow for a clear separation of operations and management. This will enable a more focused strategy and efficient resource allocation in the businesses of the Retained Group and the SpinCo Group.

- (d) The independent listing of the SpinCo Shares will lead to a more direct alignment of the SpinCo's management's responsibilities and accountabilities with its operational and financial performance and allow the SpinCo's senior management to directly communicate with its Shareholders and investors. This is expected to result in enhanced management focus, which should in turn lead to improved decision-making processes, quicker response to market changes and increased operational efficiency. The SpinCo's senior management team will be under heightened scrutiny from the investor community more directly and it is possible to measure their performance against the stock market performance of the SpinCo relative to its industry peers listed on the Stock Exchange. It will also be possible to link management incentives to such performance, thereby increasing management motivation and commitment.
- (e) The Proposed Spin-off will enable the SpinCo Group to enhance its corporate profile, thereby increasing its ability to attract strategic investors who are seeking investments in the property management and commercial operational services business, which could produce synergy for SpinCo Group, for investment in and forming strategic partnerships directly with SpinCo Group.
- (f) The Proposed Spin-off will enable the SpinCo Group to further build on its reputation and be in a better position to negotiate and solicit more businesses, in particular it allows the SpinCo to expand its independent third parties.
- (g) The Proposed Spin-off will allow the SpinCo to position itself as an independent listed company with direct access to the debt and equity capital markets to finance its future growths. The Proposed Spin-off will provide clarity to the credit profile of the SpinCo Group to the financial institutions who wish to analyze or lend against the credit rating of a company operating in its business.

Assured Entitlement and Further Announcement

The Board will give due regard to the interests of the Shareholders by providing the Qualifying Shareholders with an assured entitlement to the SpinCo Shares by way of a preferential application for the SpinCo Shares under the Global Offering, if the Board and the board of directors of SpinCo decide to proceed with the Proposed Spin-off and the Global Offering which are subject to certain conditions (including the Listing Committee approving the Listing). Details of such assured entitlement have not yet been finalised. The Company will make further announcement(s) in this regard as and when appropriate.

Information on the Group

The Company is incorporated in the Cayman Islands with limited liability and whose shares are listed on the Stock Exchange. As at the date of this announcement, approximately 59.55% of the entire issued share capital of the Company is indirectly held by China Resources (Holdings) Company Limited which in turn is ultimately owned by China Resources Company Limited, a state-owned enterprise under the supervision of the State-owned Assets Supervision and Administration Commission of the State Council of the PRC.

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

Listing Rules Implications

The Proposed Spin-off constitutes a deemed disposal of interest in a subsidiary of the Company under Rule 14.29 of the Listing Rules. As each of the applicable ratios under Rule 14.07 of the Listing Rules for the Proposed Spin-off is expected to be less than 5%, the Proposed Spin-off, if materialises, will not constitute a notifiable transaction for the Company under Chapter 14 of the Listing Rules, and the Proposed Spin-off will not be subject to the approval of the Shareholders.

General

A redacted version of the application proof of SpinCo's listing document (the "**Application Proof**") is expected to be available for reviewing and downloading on the Stock Exchange's website at <http://www.hkexnews.hk/APP/SEHKAPPMainIndex.htm>. The Application Proof contains, among others, certain business and financial information relating to the SpinCo Group. Shareholders should note that the Application Proof is in draft form and the information contained in it is subject to change which may be material.

Shareholders and other investors are reminded that there is no assurance that the Listing Committee will approve the Proposed Spin-off and the Listing. The Company will make further announcement(s) in relation to the Proposed Spin-off as and when appropriate.

As the Listing is conditional upon, among others, the approval of the Listing Committee, the final decisions of the Board and the board of directors of SpinCo, market conditions and other considerations, the Proposed Spin-off may or may not occur. Shareholders and other investors are reminded to exercise caution when dealing in the securities of the Company.

DEFINITIONS

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

“Board”	the board of directors of the Company;
“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);
“Director(s)”	the director(s) of the Company;

“Global Offering”	the offering to the public in Hong Kong for subscription, and the international offering to certain professional and institutional investors and other investors (including the preferential offering to the Qualifying Shareholder(s)), of the SpinCo Shares;
“Group”	the Company and its subsidiaries;
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC;
“Listing”	the listing of the SpinCo Shares on the Main Board of the Stock Exchange;
“Listing Committee”	the Listing Committee of the Stock Exchange;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“Non-Qualifying Shareholders”	Shareholders with registered addresses in, or who are otherwise known by the Company to be resident in, any of the Specified Territories;
“PN15”	Practice Note 15 to the Listing Rules;
“PRC”	the People’s Republic of China, but for the purpose of this announcement and for geographical reference only and except where the context requires, references in this announcement to “China” and the “PRC” do not apply to Hong Kong, Macau Special Administrative Region and Taiwan;
“Proposed Spin-off”	the proposed spin-off and separate listing of the SpinCo on the Main Board of the Stock Exchange;
“Qualifying Shareholders”	Shareholders whose names appear in the register of members of the Company on the Record Date, other than Non-Qualifying Shareholders;
“Record Date”	the record date for ascertaining the Qualifying Shareholders who shall be entitled to assured entitlements;
“Retained Group”	the Company and its subsidiaries, excluding the SpinCo Group;
“Shareholder(s)”	shareholders of the Company;
“Specified Territories”	jurisdictions outside Hong Kong where, taking into account the legal restrictions under the applicable laws or requirements of the relevant regulatory body or stock exchange of such jurisdictions, the Company and SpinCo consider the exclusion of the Shareholders with registered addresses in, or who are otherwise known by the Company to be residents of, such jurisdictions from the preferential offering to be necessary or expedient;

“SpinCo”	China Resources Mixc Lifestyle Services Limited (華潤萬象生活有限公司), a company incorporated with limited liability in Cayman Islands on May 18, 2017;
“SpinCo Shares”	ordinary shares in the share capital of SpinCo;
“SpinCo Group”	SpinCo and its subsidiaries;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited; and
“%”	percentage.

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

PRC, August 31, 2020

As at the date of this announcement, the non-executive directors of the Company are Mr. Wang Xiangming, Mr. Yan Biao, Mr. Chen Ying, Mr. Wang Yan and Mr. Chen Rong; the executive directors of the Company are Mr. Li Xin, Mr. Zhang Dawei, Mr. Xie Ji, Mr. Shen Tongdong and Mr. Wu Bingqi; 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.