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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 A PUBLICLY TRADED INFRASTRUCTURE SECURITIES  
INVESTMENT FUND ON  
THE SHANGHAI STOCK EXCHANGE  
AND  
CONNECTED TRANSACTIONS**

**PROPOSED SPIN-OFF**

The Board is pleased to announce that on 22 September 2022, CAMC and CITIC submitted the application materials on the registration and listing of the Public Fund to the CSRC and the Shanghai Stock Exchange. Prior to the application for the Proposed Listing, the Company has submitted the PN15 Application and a waiver application from strict compliance with paragraph 3(f) of PN15 regarding the assured entitlement requirement to the Stock Exchange, and the Stock Exchange has granted such waiver and confirmed that the Company may proceed with the Proposed Spin-off.

The Proposed Spin-off constitutes (i) a disposal of 100% equity interests in the Project Companies to the Infrastructure REIT, and (ii) a subscription of 34% of the Units in the Public Fund by the Group. As all applicable percentage ratios in respect of the Proposed Spin-off as calculated pursuant to Rule 14.07 of the Listing Rules will be less than 5%, the Proposed Spin-off will not be subject to the reporting, announcement or Shareholders' approval requirements under Chapter 14 of the Listing Rules.

The Company will make further announcement(s) in relation to the Proposed Spin-off as and when appropriate in accordance with the requirements of the Listing Rules.

## THE UNDERTAKING AND THE COUNTER UNDERTAKING

Pursuant to the relevant requirements of the CSRC and the Shanghai Stock Exchange, CRCL provided the Undertaking to the CSRC that if there is serious breach of the laws and regulations, including the information provided by Youchao Shenzhen conceals material facts or fabricates material false information, and the Company, CRLHL and Youchao Shenzhen fail to repurchase all the Units in the Public Fund or all the equity interests in the Projects in accordance with their respective undertakings to CSRC, CRCL undertook to repurchase or procure a designated entity to repurchase all the Units in the Public Funds or all the equity interests in the Projects which have not been repurchased by the Company, CRLHL or Youchao Shenzhen. On 22 September 2022, upon request from CRCL, the Company provided the Counter Undertaking to CRCL, pursuant to which the Company guaranteed to repurchase or procure a designated entity to repurchase all the Units in the Public Fund or all the equity interests in the Projects if CRCL was requested by any governing authorities to do so pursuant to the Undertaking. As at the date of this announcement, CRCL holds approximately 59.55% equity interests in the Company and is therefore a controlling Shareholder and a connected person of the Company. Accordingly, the transactions contemplated under the Undertaking and the Counter Undertaking constitute connected transactions of the Company. As the Undertaking will be provided on normal commercial terms and will not be secured by the Group's assets, pursuant to Rule 14A.90 of the Listing Rules, the Undertaking is fully exempt from the reporting, annual review, announcement and independent Shareholder's approval requirements under Chapter 14A of the Listing Rules. As one or more of the applicable percentage ratio(s) in respect of the Counter Undertaking exceed 0.1% but are less than 5%, the Counter Undertaking is subject to the reporting and announcement requirements but exempt from the independent Shareholders' approval requirement under Chapter 14A of the Listing Rules.

**Shareholders and potential investors should note that, the listing of the Public Fund is subject to, among other things, the review and/or registration of the CSRC and the Shanghai Stock Exchange. Accordingly, Shareholders and potential investors should be aware that there is no assurance that the public offering of the Public Fund will take place or as to when it may take place and are advised to exercise caution when dealing in the securities of the Company.**

## THE PROPOSED SPIN-OFF

The Board is pleased to announce that on 22 September 2022, CAMC and CITIC submitted the application materials on the registration and listing of the Public Fund to the CSRC and the Shanghai Stock Exchange.

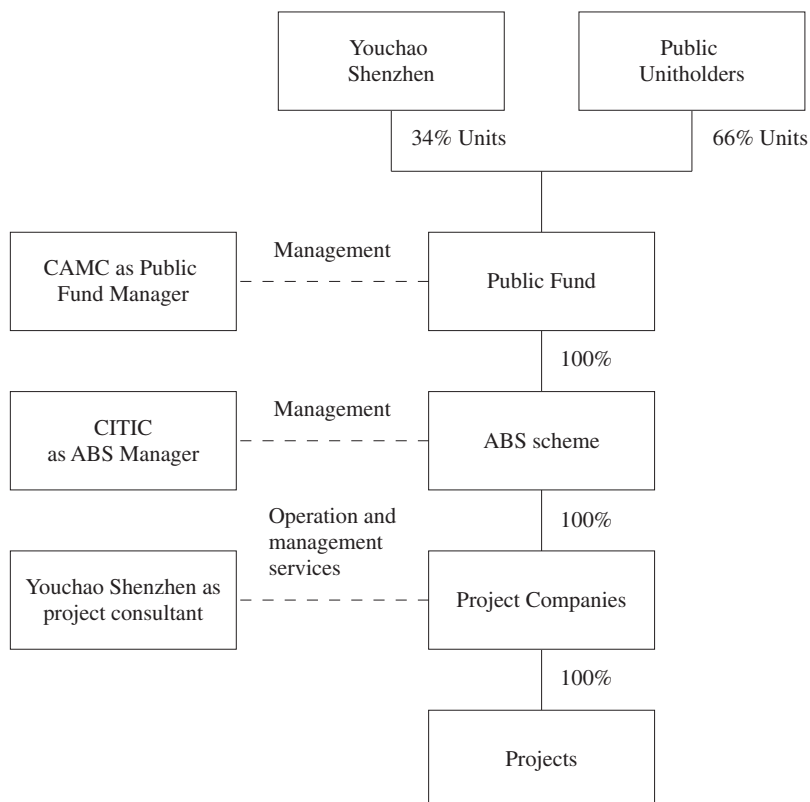
The underlying assets of the Infrastructure REIT are (i) a Government-supported Rental Property located in Sijing County, Songjiang District, Shanghai\* (上海市松江區泗涇鎮), namely, Sijing Project, which is owned by Sijing Project Company; and (ii) a Government-supported Rental Property located in East Zone of the Songjiang Industrial Park, Songjiang District, Shanghai\* (上海市松江區松江工業區東部園區), namely, East Economic Zone

Project, which is owned by East Economic Zone Project Company. As at the date of this announcement, the Company indirectly holds 100% of the equity interests in both Sijing Project Company and East Economic Zone Project Company.

For the purpose of the Proposed Spin-off, CAMC, as the Public Fund Manager, will set up the Public Fund as a publicly-listed infrastructure securities investment fund. It is currently expected that the Public Fund will raise RMB1,120 million. At the time of the Proposed Listing, the Company will subscribe for approximately 34% of the total number of the Units in issue as a strategic investor. For the purpose of the Proposed Spin-off and as required by the applicable PRC laws and regulations, the ABS will be set up by the ABS Manager. Upon completion of the Proposed Listing, the Public Fund will apply the proceeds to subscribe for the entire interest in the ABS, subsequent to which, ABS will use the subscription monies to acquire the entire interest in Project Companies from the Group. Upon completion of such acquisition, the Project Companies will be 100% held by the Infrastructure REIT and will cease to be subsidiaries of the Company. Therefore, the Infrastructure REIT will not be a subsidiary of the Company and will not be consolidated into the financial accounts of the Company.

The Public Fund Manager, the Project Companies and Youchao Shenzhen would enter into an operation management services agreement, pursuant to which Youchao Shenzhen will act as the project consultant to provide operation and management services to the Projects, including administrative support. The Infrastructure REIT would pay a management fee for the services.

The structure of the Infrastructure REIT upon completion of the Proposed Spin-off and the Proposed Listing is set out as below:



The Company has submitted the PN15 Application to the Stock Exchange, and the Stock Exchange has confirmed that the Company may proceed with the Proposed Spin-off. The Proposed Spin-off is conditional upon, among other things, the approval by the CSRC and the Shanghai Stock Exchange of the Proposed Listing. The Company will make further announcement(s) in relation to the Proposed Spin-off as and when appropriate in accordance with the requirements of the Listing Rules.

### **Listing Rules implications of the Proposed Spin-off**

The Proposed Spin-off constitutes (i) a disposal of 100% equity interests in the Project Companies to the Infrastructure REIT, and (ii) a subscription of 34% of the Units in the Public Fund by the Group. As all applicable percentage ratios in respect of the Proposed Spin-off as calculated pursuant to Rule 14.07 of the Listing Rules will be less than 5%, the Proposed Spin-off will not be subject to the reporting, announcement or Shareholders' approval requirements under Chapter 14 of the Listing Rules.

### **Reasons for and benefits of the Proposed Spin-off**

The Directors consider that the Proposed Spin-off will be beneficial for both the Group and the Infrastructure REIT for the following reasons:

- (1) The Proposed Listing provides an alternative equity-based financing method for the Company, which will diversify the fundraising methods and platforms of the Group and reduce the reliance on traditional debt financing method. Through the Proposed Listing, the Company will be able to revitalize its infrastructure assets and avoid the adverse impact of long recovery period and low asset turnover rates in infrastructure investments. It will also enhance the Company's rolling investment capability and sustainable operation, which will be beneficial to the Company's long-term performance.
- (2) In the long term, the Company will continue to benefit from the business prospects and results of the Infrastructure REIT through stable return that it will receive in the form of distribution as a holder of the Units. After being listed, the value of the Projects will be reflected by market price, which will lead to a more reasonable and authoritative evaluation of the interest held by the Company in the Projects.
- (3) The Proposed Spin-off is a beneficial attempt to develop innovative financing channels for the Group, which will also improve the Group's image and reputation, thereby continuing to enhance its ability to attract strategic investors.
- (4) The Proposed Listing will provide separate fundraising platforms for the Group and the Infrastructure REIT with respect to their respective operations and future expansion. In particular, after the completion of the Proposed Spin-off and the Proposed Listing, the Infrastructure REIT will have a separate and independent listing platform in the PRC which will enable it to have a direct access to the PRC capital market and to enhance its possibility to explore new financing and fundraising channels for the development of its business.

Based on the above, the Board believes that there are clear commercial benefits to the Group under the Proposed Spin-off.

### **Waiver from strict compliance with paragraph 3(f) of PN15**

Paragraph 3(f) of PN15 requires a listed company contemplating a spin-off to have due regard to the interests of its existing shareholders by providing them with an assured entitlement to shares in the spun-off entity, either by way of a distribution in specie of existing shares in the spun-off entity or by way of preferred application in any offering of existing or new shares in the spun-off entity.

As advised by Han Kun Law Offices, the PRC legal advisers to the Company, in respect of the Proposed Spin-off, according to relevant laws and regulations of the PRC, investors subscribe for units of public funds must have RMB ordinary securities accounts, close-end fund accounts or open-end fund accounts maintained through China Securities Depository and Clearing Corporation Limited (“**CSDC Open-end Fund Accounts**”). RMB ordinary securities accounts and close-end fund accounts can only be opened by (i) qualified PRC investors, including PRC citizens over 18 years old and PRC citizens over 16 years old whose main source of support is income from his/her own labour, foreigners with PRC permanent resident status, and ordinary PRC institutional investors; (ii) qualified foreign investors, including residents from Hong Kong, Macau and Taiwan who work and reside in the mainland of the PRC; and (iii) qualified special institutions and products, mainly including securities companies and their asset management subsidiaries, fund management companies and their subsidiaries, insurance companies, trust companies, banks and their commercial bank wealth management subsidiaries, foreign strategic investors approved by the relevant authorities in the PRC, securities investment products of asset management scheme of securities companies, asset management scheme of fund management companies, asset management scheme of futures companies, asset management scheme of insurance asset management companies, security investment funds, trust products, insurance products, bank asset management products, enterprise annuity schemes, professional annuity schemes, pension funds, social security funds, private funds, qualified foreign institutional investors and RMB qualified foreign institutional investors. CSDC Open-end Fund Accounts can only be opened by (iv) individual investors with certain valid identification documents; and (v) other institutional and individual investors that fulfil the account opening standards of fund sales agencies institutions ((i) to (v) are collectively referred to as “**Qualified Investors**”).

As the Company is unable to ascertain the identities of the Shareholders whose shares in the Company were held by them through HKSCC Nominees Limited or further assess whether such Shareholders are Qualified Investors. Accordingly, not all, if any, of the existing Shareholders will be qualified to hold the Units following the Proposed Listing, and thus compliance with paragraph 3(f) of PN15 in relation to the Proposed Listing will not be feasible.

Furthermore, the PRC legal advisers to the Company also advised that according to the requirements of relevant laws and regulations such as the Law of the PRC on Funds for Investment in Securities (《中華人民共和國證券投資基金法》), the Guidance, and the Shanghai Stock Exchange's Guidelines for the Application of the Rules for Public Offering of Infrastructure Securities Investment Funds (REITs) No. 2 — Offering Business (Trial)\* (《上海證券交易所公開募集基礎設施證券投資基金(REITs)規則適用指引第2號 — 發售業務(試行)》), unless otherwise prescribed by law, the investors of the Infrastructure REITs are prohibited from being provided with a preferential allocation of the units on the ground that all investors shall be treated equally. Except for the strategic placement to the original owners of the Infrastructure REIT or their related parties under common control and the units offered to offline investors in accordance with the applicable laws and regulations, the relevant laws and regulations do not grant other specific entities the right to subscribe for a specific percentage of the units of public funds on a preferential basis. Pursuant to the applicable PRC laws and regulations, the Company is unable to ascertain the identifications of the Shareholders or further assess whether such Shareholders are qualified to participate in the preferential allocations. Accordingly, the Company is not able to provide Shareholders with assured entitlement by way of preferential allocation of the Units.

In addition, pursuant to the relevant requirements of the Guidance, the original owners of the infrastructure assets or their related parties under common control shall subscribe for not less than 20% of the total number of the Infrastructure REIT units under the strategic placement. If the original owner of the infrastructure assets holds not less than 20% of the Infrastructure REIT units, it must hold 20% of the Infrastructure REIT units for at least 60 months from the listing date of the Infrastructure REIT, whilst any units held by such original owner in excess of 20% must be held for at least 36 months from the listing date of the Infrastructure REIT. As advised by the PRC legal advisers, since it is proposed that the Company (through its subsidiary) will hold more than 20% of the Units upon completion of the Proposed Listing, the Company (through its subsidiary) will be required to hold the Units for at least 36 months from the date of the Proposed Listing pursuant to the Guidance. Therefore, it is impractical for the Company to transfer or distribute the Units to the Shareholders.

After due and careful consideration of the Proposed Spin-off and having taken into account the advices from the PRC legal advisers to the Company on the legal impediments in fulfilling such requirement, the Board considers that it is not feasible for the Company to comply with paragraph 3(f) of PN15 in connection with the Proposed Spin-off. Accordingly, the Board has resolved not to provide assured entitlement to the Shareholders under the Proposed Listing due to the legal restrictions in offering PRC listed units to foreign investors, including the proposed offering of the Units to the Shareholders, and considers that the Proposed Spin-off and the non-provision of the assured entitlement in relation to the Proposed Spin-off are fair and reasonable, and in the interest of the Company and the Shareholders as a whole. The Company has also applied for, and the Stock Exchange has granted, a waiver from strict compliance with the requirement of paragraph 3(f) of PN15.

## **THE UNDERTAKING AND THE COUNTER UNDERTAKING**

Pursuant to the requirements of the CSRC and the Shanghai Stock Exchange, for the purpose of the Proposed Listing, CRCL provided the Undertaking to the CSRC that if there is serious breach of the laws and regulations, including the information provided by Youchao Shenzhen conceals material facts or fabricates material false information, and the Company, CRLHL and Youchao Shenzhen fail to repurchase all the Units in the Public Fund or all the equity interests in the Projects in accordance with their respective undertakings to CSRC, CRCL undertook to repurchase or procure a designated entity to repurchase all the Units in the Public Funds or all the equity interests in the Projects which have not been repurchased by the Company, CRLHL or Youchao Shenzhen.

On 22 September 2022, upon request of CRCL, the Company provided the Counter Undertaking to CRCL in favour of CRCL for its obligation under the Undertaking. Pursuant to the Counter Undertaking, the Company guaranteed to repurchase or procure a designated entity to repurchase all the Units in the Public Fund or all the equity interests in the Projects if CRCL was requested by any governing authorities to do so pursuant to the Undertaking.

The Undertaking and the Counter Undertaking will take effect from the signing date with unlimited term.

### **Reasons for and benefits of providing the Counter Undertaking**

CRCL agreed to provide the Undertaking pursuant to the relevant requirements of CSRC in relation to the Proposed Listing, which the Directors believe that upon completion, will bring various commercial benefits to the Group. The Counter Undertaking only gives CRCL a back-to-back guarantee in respect of its obligations under the Undertaking for the purpose of facilitating the Proposed Listing. In addition, the provision of counter guarantee to the guarantor for its obligations under a guarantee is a normal business practice and in line with the requirements of relevant laws and regulations in relation to the Infrastructure REIT.

On the basis of the above, the Board (including the independent non-executive Directors) is of the view that the Undertaking and the Counter Undertaking are on normal commercial terms and in the ordinary and usual course of business of the Group, and the terms of the Undertaking and the Counter Undertaking are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

None of the Directors has a material interest in the Counter Undertaking and no Director is required to abstain from voting on the Board resolution(s) approving the Counter Undertaking.

## **Listing Rules implications of the Undertaking and the Counter Undertaking**

As at the date of this announcement, CRCL holds approximately 59.55% equity interests in the Company and is therefore a controlling Shareholder and a connected person of the Company. Accordingly, the transactions contemplated under the Undertaking and the Counter Undertaking constitute connected transactions of the Company.

The provision of the Undertaking by CRCL to the Group constitute financial assistance provided by a connected person of the Company. As the Undertaking will be provided on normal commercial terms and will not be secured by the Group's assets, pursuant to Rule 14A.90 of the Listing Rules, the Undertaking is fully exempt from the reporting, annual review, announcement and independent shareholder's approval requirements under Chapter 14A of the Listing Rules.

The provision of the Counter Undertaking by the Group to the CRCL constitute financial assistance provided by the Group to a connected person. As one or more of the applicable percentage ratio(s) in respect of the Counter Undertaking exceed 0.1% but are less than 5%, the Counter Undertaking is subject to the reporting and announcement requirements but exempt from the independent Shareholders' approval requirement under Chapter 14A of the Listing Rules.

## **General information about the parties**

### *(1) CRCL*

CRCL is a company established in the PRC with limited liability and is a state-owned enterprise under the supervision of the State-owned Assets Supervision and Administration Commission of the State Council. As at the date of this announcement, it is the controlling Shareholder holding approximately 59.55% of the equity interests in the Company. CRCL 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.

### *(2) The Company*

The Company is incorporated in the Cayman Islands with limited liability and its shares are listed on the Stock Exchange. As at the date of this announcement, approximately 59.55% of the shares issued by the Company are ultimately owned by CRCL. The Company 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. The principal business activities of the Group are property investment, development and management in the PRC.



**Shareholders and potential investors should note that the Proposed Spin-off and listing of the Public Fund is subject to, among other things, the prevailing market conditions and the review and/or registration of the CSRC and the Shanghai Stock Exchange. Accordingly, Shareholders and potential investors should be aware that there is no assurance that the Proposed Spin-off and public offering of the Public Fund will take place or as to when it may take place. Shareholders and potential investors are advised to exercise caution when dealing in the securities of the Company.**

## **DEFINITIONS**

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

“ABS”	an infrastructure asset-back special purpose plan managed by the ABS Manager to securitise the Projects
“Board”	the board of Directors of the Company
“CAMC” or “Public Fund Manager”	China Asset Management Co., Ltd* (華夏基金管理有限公司)
“CITIC” or “ABS Manager”	CITIC Securities Co., Ltd* (中信証券股份有限公司)
“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)”	has the meaning ascribed thereto under the Listing Rules
“controlling shareholder(s)”	has the meaning ascribed thereto under the Listing Rules
“Counter Undertaking”	the counter undertaking provided by the Company to CRCL for its obligations under the Undertaking
“CRCL”	China Resources Company Limited* (中國華潤有限公司), a company established in the PRC with limited liability and is a state-owned enterprise under the supervision of the State-owned Assets Supervision and Administration Commission of the State Council of the PRC
“CRLHL”	China Resources Land Holdings Company Limited* (華潤置地控股有限公司), a company established in the PRC with limited liability and an indirectly wholly-owned subsidiary of the Company
“CSRC”	the China Securities Regulatory Commission
“Director(s)”	the director(s) of the Company

“East Economic Zone Project”	a Government-supported Rental Property located in the East Zone of the Songjiang Industrial Park, Songjiang District, Shanghai* (上海市松江區松江工業區東部園區)
“East Economic Zone Project Company”	Youchao House Leasing (Shanghai) Company Limited* (有巢房屋租賃(上海)有限公司), a company established in the PRC with limited liability and holds the East Economic Zone Project, which is a wholly owned subsidiary of Youchao Shenzhen
“Government-supported Rental Property”	the government-supported rental residential housing property* (保障性租賃住房)
“Group”	the Company and its subsidiaries
“Guidance”	the Guidance on Public Offering of Infrastructure Securities Investment Funds (Trial)* (《公開募集基礎設施證券投資基金指引(試行)》), promulgated by the CSRC
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Infrastructure REIT”	the real estate investment trust for infrastructure assets established under the pilot scheme initiated by the CSRC and the NDRC
“Listing Rules”	The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“NDRC”	the National Development and Reform Commission
“PN15”	Practice Note 15 of the Listing Rules
“PN15 Application”	the application of the Company to the Stock Exchange in respect of the Proposed Spin-off pursuant to PN15
“PRC”	The People’s Republic of China (for the purpose of this announcement, excluding Hong Kong, Macau Special Administrative Region and Taiwan)
“Projects”	Sijing Project and East Economic Zone Project
“Project Companies”	Sijing Project Company and East Economic Zone Project Company
“Proposed Listing”	the proposed listing of the Units on the Shanghai Stock Exchange
“Proposed Spin-off”	the spin-off and separate listing of the Projects through the structure of the Infrastructure REIT on the Shanghai Stock Exchange

“Public Fund”	CAMC-China Resources Youchao Rental Residential Housing Property Closed-end Infrastructure Securities Investment Fund*(華夏基金華潤有巢租賃住房封閉式基礎設施證券投資基金), a publicly offered infrastructure securities investment fund established within the structure of the Infrastructure REIT
“RMB”	Renminbi, the lawful currency of the PRC
“Shareholder(s)”	the shareholder(s) of the Company
“Sijing Project”	a Government-supported Rental Property located in Sijing County, Songjiang District, Shanghai* (上海市松江區泗涇鎮)
“Sijing Project Company”	Youchao Youxia House Leasing Company Limited* (上海有巢優廈房屋租賃有限公司), a company established in the PRC with limited liability and holds the Sijing Project, which is a wholly owned subsidiary of Youchao Shenzhen
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Units”	the units of the Public Fund
“Undertaking”	the undertaking provided by CRCL to CSRC
“Youchao Shenzhen”	Youchao House Leasing (Shenzhen) Company Limited* (有巢住房租賃(深圳)有限公司), a company established in the PRC with limited liability and an indirectly wholly owned subsidiary of the Company
“%”	per cent

\* For identification purpose only

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

PRC, 22 September 2022

*As at the date of this announcement, the executive directors of the Company 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 Hin Ngai, Bosco, Mr. Wan Kam To, Peter, Mr. Zhong Wei and Mr. Sun Zhe.*