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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)

INSIDE INFORMATION

DISCLOSEABLE TRANSACTION IN RELATION TO SUBSCRIPTION OF SHARES

The Board is pleased to announce that on 23 November 2016 (after trading hours), the CRL Subsidiary, a wholly-owned subsidiary of the Company (as the subscriber) and China Enterprise (as the issuer) entered into the Subscription Agreement, pursuant to which the CRL Subsidiary has conditionally agreed to subscribe for and China Enterprise has conditionally agreed to allot and issue the Subscription Shares.

The current number of Subscription Shares (subject to adjustments) represents approximately (i) 74.9% of China Enterprise's total issued share capital as at the date of this announcement; (ii) 77.0% of the proposed number of China Enterprise Shares to be issued under the Ancillary Financing; and (iii) 20.9% of China Enterprise's total issued share capital as enlarged by the Ancillary Financing and the share issue relating to the China Enterprise Asset Restructuring (assuming that there will be no change in China Enterprise's total issued share capital between the date of this announcement and the Completion Date).

IMPLICATIONS UNDER THE LISTING RULES

As one or more of the applicable percentage ratios for the Subscription are over 5% but less than 25%, the Subscription constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules and is therefore subject to notification and announcement requirements but exempt from shareholders' approval requirement under the Listing Rules.

This announcement is made by the Company pursuant to Rules 13.09(2) and 14.34 of the Listing Rules and the provisions under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) regarding inside information (as defined under the Listing Rules).

The Board is pleased to announce that on 23 November 2016 (after trading hours), the CRL Subsidiary, a wholly-owned subsidiary of the Company (as the subscriber) and China Enterprise (as the issuer) entered into the Subscription Agreement, pursuant to which the CRL Subsidiary has conditionally agreed to subscribe for and China Enterprise has conditionally agreed to allot and issue the Subscription Shares.

I. THE SUBSCRIPTION AGREEMENT

The principal terms of the Subscription Agreement are summarised below:

Date: 23 November 2016

Parties:

1. the CRL Subsidiary (a wholly-owned subsidiary of the Company and as the subscriber)
2. China Enterprise (as the issuer)

Subscription Shares: Pursuant to the Subscription Agreement, the CRL Subsidiary (as one of the subscribers of the Ancillary Financing) has conditionally agreed to subscribe for and China Enterprise has conditionally agreed to allot and issue 1,398,661,567 Subscription Shares at the Subscription Price (with the final number of shares subject to adjustments for the following reasons), representing approximately (i) 74.9% of China Enterprise's total issued share capital as at the date of this announcement; (ii) 77.0% of the number of China Enterprise Shares to be issued under the Ancillary Financing; and (iii) 20.9% of China Enterprise's total issued share capital as enlarged by the Ancillary Financing and share issue relating to the China Enterprise Asset Restructuring, (assuming that there will be no change in China Enterprise's total issued share capital between the date of this announcement and the Completion Date). The nominal value of each of the Subscription Shares will be RMB1.00 per share and the aggregate nominal value of the Subscription Shares will be RMB1,398,661,567.

The actual number of China Enterprise Shares to be issued under the Ancillary Financing is subject to CSRC's final approval. If there is any decrease in the total number of China Enterprise Shares to be issued under the Ancillary Financing according to the requirements from the CSRC, the actual number of the Subscription Shares to be subscribed by the CRL Subsidiary will be adjusted in accordance with the actual number of shares to be issued under the Ancillary Financing and the subscription proportion in which the Subscription Shares will represent 77% of the total number of China Enterprise Shares to be issued under the Ancillary Financing.

In addition, in the event that any subscriber of the Ancillary Financing withdraws its participation in the Ancillary Financing or is unable to subscribe for China Enterprise Shares under the Ancillary Financing, to the extent permitted under the laws, regulations and regulatory policies, China Enterprise is entitled to allocate the unsubscribed portion among the remaining subscribers of the Ancillary Financing.

The Subscription Shares, once issued and paid up, shall rank *pari passu* among themselves and with the issued China Enterprise Shares and the China Enterprise Shares to be issued under the Ancillary Financing. China Enterprise will apply to the Shanghai Stock Exchange for the listing of and permission to deal in the China Enterprise Shares to be issued under the Ancillary Financing.

Subscription Price:

The Subscription Price of the Subscription is RMB5.23 per Subscription Share, which is determined based on the average trading price of China Enterprise Shares for the 20 trading days immediately preceding the Pricing Benchmark Date. According to the current number of Subscription Shares, the aggregate subscription money will be RMB7,315 million. The Subscription Price of the Subscription is equal to the issue price of shares to be issued by China Enterprise to Shanghai Land under the China Enterprise Asset Restructuring.

In the event that China Enterprise carries out any ex-dividends or ex-rights activities such as distribution of dividends, granting of bonus shares, conversion of capital reserve into share capital or placing during the period commencing from the Pricing Benchmark Date to the date of issue, the Subscription Price and the number of Subscription Shares of the Subscription shall be adjusted accordingly pursuant to the laws and regulations and the relevant rules of the CSRC and the Shanghai Stock Exchange.

Conditions Precedent:

The effectiveness of the Subscription Agreement and the implementation of the Subscription is conditional upon:

1. the approval of the China Enterprise Asset Restructuring and the Ancillary Financing by the board of directors of China Enterprise;
2. approval of the China Enterprise Asset Restructuring and the Ancillary Financing at a general meeting of China Enterprise;
3. the approval of the China Enterprise Asset Restructuring and the Ancillary Financing by the relevant departments of the State-owned Assets Supervision and Administration Commission;
4. the approval of the China Enterprise Asset Restructuring and the Ancillary Financing by the CSRC; and
5. the approval of the China Enterprise Asset Restructuring and the Ancillary Financing by other relevant authorities (if applicable) as required by laws and regulations.

As at the date of this announcement, the above-mentioned conditions precedent have yet been satisfied.

Lock-up Undertaking:

According to applicable laws and regulations and the requirements of the PRC regulatory authorities, the Subscription Shares shall not be transferable within 36 months from the date of the listing of the Subscription Shares on the Shanghai Stock Exchange (or such other period as required pursuant to the requirements of the CSRC and the Shanghai Stock Exchange). Any other additional China Enterprise Shares held by the CRL Subsidiary by reason of holding Subscription Shares (such as shares from a grant of bonus shares or conversion of capital reserve into share capital by China Enterprise) are also subject to the said lock-up period.

Termination:

The Subscription Agreement shall be terminated upon the occurrence of any of the following events:

1. the parties reaching an unanimous agreement that the Ancillary Financing would not serve its purposes according to the actual situation and relevant laws and regulations and voluntarily withdrawing the application documents from the CSRC;
2. the early termination of the Agreement on Asset Acquisition by Share Issue and Cash* (《發行股份及支付現金購買資產協議》) entered into between China Enterprise and Shanghai Land on 23 November 2016 in respect of the China Enterprise Asset Restructuring or the China Enterprise Asset Restructuring failing to be implemented;
3. the fulfilment of all the obligations of the parties under the Subscription Agreement;
4. the occurrence of an event of force majeure in the course of performance of the Subscription Agreement and the parties agreeing unanimously to terminate the Subscription Agreement; or
5. other circumstances that would cause the termination of the Subscription Agreement according to relevant laws and regulations.

In addition, before the Subscription Agreement coming into force, China Enterprise is entitled to cancel the proposed Ancillary Financing according to the CSRC's revision to the approval policy regarding restructuring and ancillary financing, and China Enterprise will not be liable to the Company for such cancellation of the Ancillary Financing.

Default Liabilities:

In the event that the China Enterprise Asset Restructuring or the Ancillary Financing are not approved by the board of directors of China Enterprise, at the general meeting of China Enterprise, by the relevant departments of the State-owned Assets Supervision and Administration Commission or the CSRC, the Subscription Agreement will be automatically discharged and no party shall be liable for default to the other party.

Payment:

Within 10 working days after the issue of payment notice by China Enterprise and the independent financial advisor of China Enterprise, the CRL Subsidiary shall pay the full subscription money in one lump sum through bank transfer to the bank account of the independent financial advisor of China Enterprise according to the requirement of the payment notice.

The above full subscription money shall be settled by the internal resources of the Group.

Completion:

Upon the completion of the subscription procedures pursuant to the requirements of the Subscription Agreement, China Enterprise will apply for share registration with Shanghai Branch of China Securities Depository and Clearing Corporation Limited in a timely manner in accordance with relevant rules.

II. REASONS FOR AND BENEFITS OF ENTERING INTO THE SUBSCRIPTION AGREEMENT

The principal business activities of the Group are property investment, development and management in the PRC. It has always been the strategy of the Group to develop, operate and manage premium properties, especially those located in regions of the PRC with strategic importance, such as Shanghai and other first-tier cities.

China Enterprise is principally engaged in property development, including the development of residential and commercial buildings. Based in Shanghai and expanding in Yangtze River Delta, China Enterprise has been listed on the Shanghai Stock Exchange since 1993. China Enterprise proposes to acquire from Shanghai Land, its controlling shareholder, the entire equity interest in Shanghai Zhongxing after Shanghai

Land's internal business restructuring through the China Enterprise Asset Restructuring. Shanghai Zhongxing is a property enterprise based in Shanghai and is holding, among its assets, integrated property projects in the core area of Shanghai with premium location and good market prospect.

Shanghai Zhongxing was awarded as one of the top ten notable property development enterprises of Shanghai* (上海市房地產開發十大著名企業) and ranked top five among the 50 best property enterprises of Shanghai* (上海市房地產企業50強). The Directors believe that participating in the China Enterprise Asset Restructuring and the Ancillary Financing and becoming a strategic shareholder of China Enterprise is in line with the business positioning of the Company and the holding of China Enterprise Shares will diversify the property development and investment platforms of the Company in the PRC, thereby further strengthening the Group's leading position in the property investment, development and management market of the PRC. It will also facilitate synergistic development of the Group and China Enterprise and create a win-win situation.

In view of the foregoing, the Board (including the independent non-executive Directors) is of the view that the Subscription Agreement is on normal commercial terms which are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

III. FINANCIAL INFORMATION OF CHINA ENTERPRISE

The table below sets out the major financial data of China Enterprise for the two years ended 31 December 2014 and 2015 and the nine months ended 30 September 2016, which were prepared according to Accounting Standards for Business Enterprises in the PRC:

	<i>Unit: RMB'000</i>		
	For the nine months ended 30 September 2016 (Unaudited)	For the year ended 31 December 2015 (Audited)	For the year ended 31 December 2014 (Audited)
Profit/(loss) before tax	1,208,401	(2,503,969)	(105,792)
Profit/(loss) after tax	520,074	(2,800,814)	(440,944)

As at 30 September 2016, China Enterprise has unaudited net assets of approximately RMB4,324.5 million and the aggregated equity attributable to the owner of the parent company was approximately RMB2,907.1 million.

China Enterprise and its controlling shareholder, Shanghai Land, are contemplating the China Enterprise Asset Restructuring and the Subscription forms a part of the Ancillary Financing in connection with the China Enterprise Asset Restructuring. Please refer to the relevant announcement dated 24 November 2016 published by China Enterprise on the Shanghai Stock Exchange for details of the China Enterprise Asset Restructuring and the Ancillary Financing.

IV. IMPLICATIONS UNDER THE LISTING RULES

As one or more of the applicable percentage ratios for the Subscription are over 5% but less than 25%, the Subscription constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules and is therefore subject to notification and announcement requirements but exempt from shareholders' approval requirement under the Listing Rules.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, China Enterprise and its ultimate beneficial owners are third parties independent of the Company and connected persons of the Company.

This announcement is also made by the Company pursuant to Rule 13.09(2) of the Listing Rules and the provisions under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) regarding inside information (as defined under the Listing Rules).

Shareholders and potential investors of the Company are reminded that the completion of the Subscription is subject to fulfilment of the conditions under the Subscription Agreement and the Subscription, therefore, may or may not proceed. Shareholders and potential investors of the Company are reminded to exercise caution when dealing in the securities of the Company.

V. DEFINITIONS

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

“Ancillary Financing”	the proposed private placing of China Enterprise Shares by China Enterprise at the Subscription Price to 6 specific investors (including the Group), in order to raise funds for settlement of cash consideration of the China Enterprise Asset Restructuring transaction and the relevant issuance costs, and for the development costs of the property projects under development of Shanghai Zhongxing, which is proposed to be acquired by China Enterprise through the China Enterprise Asset Restructuring. Please refer to China Enterprise's announcement dated 24 November 2016 published on the Shanghai Stock Exchange for details
“Board”	the board of Directors of the Company
“China Enterprise”	China Enterprise Company Limited* (中華企業股份有限公司), a joint stock limited company incorporated in the PRC, the issued shares of which are listed on the Shanghai Stock Exchange (stock code: 600675)

“China Enterprise Asset Restructuring”	the proposed asset restructuring involving China Enterprise’s acquisition from its controlling shareholder, Shanghai Land, of the 100% equity interest in Shanghai Zhongxing after Shanghai Land’s internal business restructuring, by way of share issue and cash payment
“China Enterprise Share(s)”	the ordinary share(s) of RMB1.00 each in the share capital of China Enterprise, which are listed and traded on the Shanghai Stock Exchange
“Company”	China Resources Land Limited (華潤置地有限公司), a company incorporated in the Cayman Islands with limited liability and the shares of which are listed on the Stock Exchange
“Completion Date”	the date of completion of the Ancillary Financing and the China Enterprise Asset Restructuring
“connected person(s)”	has the meaning ascribed to such term under the Listing Rules
“CSRC”	China Securities Regulatory Commission (中國證券監督管理委員會)
“CRL Subsidiary”	China Resources Land One Two Three Four (Shenzhen) Commercial Operation Management Company Limited* (華潤置地一二三四 (深圳) 商業運營管理有限公司), a company incorporated in the PRC with limited liability, a wholly-owned subsidiary of the Company
“Directors”	the directors of the Company
“Group”	the Company and its subsidiaries
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“percentage ratios”	has the meaning ascribed to such term under the Listing Rules
“PRC”	the People’s Republic of China, and for the purpose of this announcement, excludes the Hong Kong Special Administrative Region, the Macau Special Administrative Region and Taiwan
“Pricing Benchmark Date”	24 November 2016, the date of the first board resolution announcement of China Enterprise in relation to the China Enterprise Asset Restructuring and the Ancillary Financing

“RMB”	Renminbi, the prevailing lawful currency of the PRC
“Shareholders”	the shareholders of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Shanghai Land”	Shanghai Land (Group) Co., Limited* (上海地產 (集團) 有限公司), a company incorporated in the PRC with limited liability, which holds 36.8% of the equity interests in China Enterprise as at the date of this announcement and its de facto controller is the State-owned Assets Supervision and Administration Commission of Shanghai City
“Shanghai Stock Exchange”	Shanghai Stock Exchange of the PRC
“Shanghai Zhongxing”	Shanghai Zhongxing (Group) Company Limited* (上海中星 (集團) 有限公司), a company incorporated in the PRC with limited liability, which is controlled and wholly-owned by Shanghai Land
“Subscription”	the subscription of shares by the CRL Subsidiary pursuant to the Subscription Agreement
“Subscription Agreement”	the share subscription agreement dated 23 November 2016 in relation to the Subscription entered into between the CRL Subsidiary and China Enterprise
“Subscription Price”	the subscription price of RMB5.23 per Subscription Share
“Subscription Share(s)”	the China Enterprise Shares to be subscribed by the CRL Subsidiary and issued by China Enterprise at the Subscription Price pursuant to the Subscription Agreement, with the final number of Subscription Shares subject to the approval of the CSRC

By Order of the Board
China Resources Land Limited
TANG Yong
Vice Chairman

PRC, 24 November 2016

As at the date of this announcement, the executive Directors of the Company are Mr. Wu Xiangdong, Mr. Tang Yong and Mr. Yu Jian; the non-executive Directors of the Company are Mr. Yan Biao, Mr. Wei Bin, Mr. Du Wenmin, Mr. Ding Jiemin, Mr. Chen Ying and Mr. Wang Yan; and the independent non-executive Directors of the Company are Mr. Wang Shi, Mr. Andrew Y. Yan, Mr. Ho Hin Ngai, Bosco, Mr. Wan Kam To, Peter and Mr. Ma Weihua.

** English translations of these names are provided for ease of reference only and they are not official English names of the entities or awards concerned.*