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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)

**CONTINUING CONNECTED TRANSACTIONS
FRAMEWORK LOAN AGREEMENTS 2016
STRATEGIC COOPERATION AGREEMENTS 2016
LEASING AND CONCESSIONAIRE FRAMEWORK AGREEMENT 2016
AND
THE PROVISION OF CONSTRUCTION SERVICES,
DECORATION SERVICES AND FURNITURE SERVICES
AND SALES OF CONSTRUCTION MATERIAL
FRAMEWORK AGREEMENT 2016**

Reference is made to the announcement of the Company dated 13 December 2013 in relation to the entering into of the 2013 Continuing Connected Transaction Agreements. Reference is also made to the announcement of the Company dated 23 March 2015 in relation to, among other things, the revision of annual caps of leasing and concessionaire arrangements between the Group and the CRH Group and associates of CRH. As the aforesaid agreements will expire on 31 December 2016, the Company has entered into new arrangements whereby the annual caps are also renewed under the New Continuing Connected Transaction Agreements.

As applicable size test percentage ratios exceed 0.1% but are less than 5% in respect of the continuing connected transactions under the New Continuing Connected Transaction Agreements, the transactions contemplated thereunder are only subject to the reporting, annual review and announcement requirements but are exempted from the independent shareholders' approval requirements of the Listing Rules.

BACKGROUND

Reference is made to the announcement of the Company dated 13 December 2013 in relation to the entering into of the 2013 Continuing Connected Transaction Agreements. Reference is also made to the announcement of the Company dated 23 March 2015 in relation to, among other things, the revision of annual caps of leasing and concessionaire arrangements between the Group and the CRH Group and associates of CRH. As the aforesaid agreements will expire on 31 December 2016, the Company has entered into new arrangements whereby the annual caps are also renewed under the New Continuing Connected Transaction Agreements.

1. THE FRAMEWORK LOAN AGREEMENTS 2016

Offshore Framework Loan Agreement 2016

Parties:	The Company and CRH
Date:	23 December 2016
Date of commencement:	1 January 2017
Term of the agreement:	Three years ending 31 December 2019 unless extended for a further period
Lenders:	The Company and any of its subsidiaries which has become a party to the Offshore Framework Loan Agreement 2016 by acceding to its terms, but excluding any entity which is established in the PRC.
Borrowers:	CRH, any China Resources Group listed company and any of their subsidiaries, which has become a party to the Offshore Framework Loan Agreement 2016 by acceding to its terms, but excluding any entity which is established in the PRC and any member of the Group. Each borrower may borrow in HK\$, RMB or United States dollars.
Guarantor(s) for loans made by the Group:	CRH and, in the case of an advance to a subsidiary of a China Resources Group listed company, that China Resources Group listed company.
Aggregate amounts to be advanced:	The maximum aggregate amount outstanding lent by the Group under both of the Framework Loan Agreements 2016 is not permitted to exceed the amounts set out under the section below headed "Annual lending caps under the Framework Loan Agreements 2016"
Repayment date:	The repayment date for an advance made under this agreement shall be no later than six months after the date of advance.

Interest rate in respect of
HK\$ advances:

The rate per annum as determined by the relevant lender and the borrower as being the aggregate of (i) the relevant HIBOR for such a HK\$ advance; and (ii) a margin (which must not be a negative number). The interest rate shall not be less than the higher of (i) the rate at which CRH or a corporate borrower of similar standing is able to borrow HK\$ in an amount equal to the relevant advance from a bank or a financial institution for the relevant period and (ii) the deposit rate which the lender could have obtained from a bank or a financial institution for such relevant amount and period.

Interest rate in respect of
United States dollar
advances:

The rate per annum as determined by the relevant lender and the borrower as being the aggregate of (i) the relevant LIBOR for such a United States dollar advance; and (ii) a margin (which must not be a negative number). The interest rate shall not be less than the higher of (i) the rate at which CRH or a corporate borrower of similar standing is able to borrow United States dollars in an amount equal to the relevant advance from a bank or a financial institution for the relevant period and (ii) the deposit rate which the lender could have obtained from a bank or a financial institution for such relevant amount and period.

Interest rate in respect of
RMB advances:

The rate per annum as determined by the relevant lender and the borrower with respect to an advance (which must not be a negative number). The interest rate shall not be less than the higher of (i) the rate at which CRH or a corporate borrower of similar standing is able to borrow RMB in Hong Kong in an amount equal to the relevant advance from a bank or a financial institution for the relevant period and (ii) the deposit rate in Hong Kong which the lender could have obtained from a bank or a financial institution for such relevant amount and period.

Guarantee:	The guarantors will unconditionally and irrevocably guarantee to the relevant lender the due and punctual performance by the borrower (when the guarantor is CRH) or by the borrower which is the guarantor's subsidiary (when the guarantor is a China Resources Group listed company) of the borrower's obligations to that lender in connection with that lender's advance(s) to the borrower made under the Offshore Framework Loan Agreement 2016. For this purpose, each guarantor which is a China Resources Group listed company will enter into a deed of guarantee before its subsidiary is permitted to borrow under the Offshore Framework Loan Agreement 2016.
Early repayment:	Both a lender and a borrower may by giving ten business days' written notice require the repayment or prepayment of the advance, as the case may be, together with accrued interest.
Basis of lending:	All advances will be made at the sole discretion of the lender. No security over the assets of the borrower will be provided. All advances will become immediately repayable on demand upon the occurrence of an acceleration event which includes non-payment by the borrower; breaches of the agreement by the borrower which have not been rectified in the specified period; cross-default in a material amount; the enforcement of security; insolvency; dissolution; repudiation; CRH ceasing directly or indirectly to be the single largest shareholder of the relevant borrower; or on the occurrence of a material adverse change as stated in the Offshore Framework Loan Agreement 2016 in respect of the relevant borrower.

Onshore Framework Loan Agreement 2016

Parties:	The Company and CRC
Date:	23 December 2016
Date of commencement:	1 January 2017
Term of the agreement:	Three years ending 31 December 2019 unless extended for a further period
Lenders:	Any PRC established subsidiary of the Company, which has become a party to the Onshore Framework Loan Agreement 2016 by acceding to its terms.
Borrowers:	CRC, and any PRC established subsidiary of CRC or a China Resources Group listed company, which has become a party to the Onshore Framework Loan Agreement 2016 by acceding to its terms, but excluding CR Bank, CR Trust and any subsidiary of the Company. Each borrower may borrow in RMB.
Guarantor:	CRC
Aggregate amounts to be advanced:	The maximum aggregate amount outstanding lent by the Group under both of the Framework Loan Agreements 2016 is not permitted to exceed the amounts set out under the section below headed “Annual lending caps under the Framework Loan Agreements 2016”.
Repayment date:	The repayment date for an advance made under this agreement shall be no later than six months after the date of advance.
Interest rate:	The rate per annum as determined by the relevant lender and the borrower. The interest rate shall be no less than the higher of (i) 95% of the rate at which CRC or a corporate borrower of similar standing is able to borrow in RMB in an amount equal to the relevant advance from a bank or a financial institution for the relevant period, and (ii) the deposit rate which the lender could have obtained from a bank or a financial institution for such relevant amount and period.
Guarantee:	CRC unconditionally and irrevocably guarantees to the relevant lenders the due and punctual performance of all borrowers’ obligations under the Onshore Framework Loan Agreement 2016.

Best endeavours:

If an advance is to be made pursuant to the Onshore Framework Loan Agreement 2016 to a borrower which is a subsidiary of a China Resources Group listed company, prior to making that advance, such China Resources Group listed company shall sign a deed of undertaking and undertake that if CRC makes a payment to a lender in connection with the Onshore Framework Loan Agreement 2016 due to a breach by the China Resources Group listed company's subsidiary borrower, then the China Resources Group listed company will use its best endeavours to procure that that borrower shall have sufficient funds to, and does, promptly reimburse CRC. This may include such China Resources Group listed company making payments by way of gift or capital contribution or shareholder loan to the borrower (to the extent permitted by PRC law).

Basis of lending:

All advances will be made at the sole discretion of the lender. No security over the assets of the borrower will be provided. All advances will become immediately repayable on demand upon the occurrence of an acceleration event which includes non-payment by the borrower; breaches of the agreement by the borrower which have not been rectified in the specified period; cross-default in a material amount; the enforcement of security; insolvency; dissolution; repudiation; CRC ceasing directly or indirectly to be the single largest shareholder of the relevant borrower; or on the occurrence of a material adverse change as stated in the Onshore Framework Loan Agreement 2016 in respect of the relevant borrower.

Annual lending caps under the Framework Loan Agreements 2016

The annual lending caps for the maximum aggregate amount which can be lent by the Group on any single day (inclusive of interest received and anticipated to be received rounded to the nearest million) under both of the Framework Loan Agreements 2016 have been determined after assessing the maximum amount of exposure at any time which the Group is prepared to assume under the Framework Loan Agreements 2016 in the context of its estimated temporarily surplus cash resources.

Set out below are the maximum aggregate amounts outstanding on any single day lent by the Group under the Framework Loan Agreements 2013 (inclusive of interest received and receivable) during each of the years ended 31 December 2014 and 2015 and the ten months ended 31 October 2016

	For the year ended 31 December		For the ten months ended 31 October
	2014	2015	2016
	<i>RMB million</i>	<i>RMB million</i>	<i>RMB million</i>
Maximum daily aggregate amount outstanding during the year/period	1,143.9	1,500.0	—

The proposed annual lending caps for the Group on any single day for the term of the Framework Loan Agreements 2016 and a comparison of these caps with the Group's gross cash and bank balances and with the size of the Group using the highest of the applicable percentage ratios as defined under Rule 14.07 of the Listing Rules are as follows:

Annual lending cap on any single day for the year ending 31 December			Unaudited consolidated cash and bank balances as at 30 June	Highest applicable percentage ratio
2017	2018	2019	2016	
<i>RMB million</i>	<i>RMB million</i>	<i>RMB million</i>	<i>RMB million</i>	<i>%</i>
3,000	3,000	3,000	39,725.2	3.25

Such maximum daily amount is applicable for each day during the relevant year, and such maximum daily amount is calculated on an individual basis as outstanding at the end of each day during the relevant year without aggregating with the daily amount incurred on the days before.

Financial condition of the guarantors

All advances to any member of the CRC Group will be guaranteed by (i) CRC; (ii) CRH; or (iii) CRH and a China Resources Group listed company, depending on the relevant Framework Loan Agreements 2016 and the identity of the borrower. Both CRC and CRH are regarded as borrowers of undoubted standing in their own markets. CRC is a bond issuer in the PRC and its principal long term credit rating is AAA according to an independent rating agency, China Lianhe Credit Rating Co., Ltd. The summary of the consolidated financial positions of CRC and CRH are as follows:

	CRH		CRC	
	2015	2014	2015	2014
	Audited	Audited	Audited	Audited
	<i>HK\$ billion</i>	<i>HK\$ billion</i>	<i>RMB billion</i>	<i>RMB billion</i>
Total assets	1,071	1,068	1,003	937
Cash and bank balances	107	111	112	111
Equity attributable to the shareholders of the company	225	213	166	142
Profit attributable to the shareholders of the company	19	24	16	16
Cash flow from operation	95	64	60	30

2. THE STRATEGIC COOPERATION AGREEMENTS 2016

CR Bank Strategic Cooperation Agreement 2016

Parties:	CR Bank and the Company
Date of agreement:	23 December 2016
Date of commencement of agreement:	1 January 2017
Term of the agreement:	Three years ending 31 December 2019, unless extended for a further period.
Deposit services:	Any deposit made with CR Bank under these arrangements will bear the same interest and be on the same terms and conditions as would apply to a similar deposit made by any other customer of the bank, which rates are determined with reference to such other more preferential rates.

Other financial services: Other than deposit services, from time to time, the Group may use the commercial banking services of CR Bank including, but not limited to, letter of credit, letter of guarantee, granting of loans with collaterals, bill acceptance and discount services, account receivable factoring services, RMB and foreign currency settlements, provision of loans and security, wealth and cash management services, financial consulting service and other financial services as agreed by the parties. These services will be provided on normal commercial terms which apply to other customers of CR Bank.

CR Trust Strategic Cooperation Agreement 2016

Parties: CR Trust and the Company

Date of agreement: 23 December 2016

Date of commencement of agreement: 1 January 2017

Term of the agreement: Three years ending 31 December 2019, unless extended for a further period.

Trust services: From time to time, the Group may use services provided by CR Trust including, but not limited to, cash management, asset management, custodian trust loan services, equity cooperation, shares nominee services, account receivable factoring services, buying and resale services consulting services and other trust services. These services will be provided on normal commercial terms and will be charged at a rate no less favourable as would apply to similar services provided to any of CR Trust's other clients.

Annual caps under the Strategic Cooperation Agreements 2016

Set out below are the approximate historical figures (rounded to the nearest million) of the maximum daily deposit amount, inclusive of interest payable, placed by the Group with CR Bank, and the maximum daily amount of financial services and products provided by CR Bank and CR Trust to the Group (excluding deposit service and financial services provided by CR Bank and CR Trust where only the fees and commissions paid by the Group are used to calculate the relevant percentage ratios) on any single day under the terms of the Strategic Cooperation Agreements during each of the years ended 31 December 2014 and 2015 and the ten months ended 31 October 2016:

	For the year ended 31 December		For the ten months ended
	2014	2015	31 October
	<i>RMB million</i>	<i>RMB million</i>	<i>RMB million</i>
Maximum daily deposit amount placed with CR Bank during the year/period	2,035.3	2,060.5	2,117.5
Maximum daily amount of other financial services and products provided by CR Bank during the year/period	300.0	—	—
Maximum daily amount of financial services and products provided by CR Trust during the year/period	1,810.0	—	—

The proposed annual caps for financial services on any single day under both of the Strategic Cooperation Agreements 2016 have been determined after taking into account of the Group's liquidity, business needs and the expected level of services to be received from CR Bank and CR Trust under the Strategic Cooperation Agreements 2016.

The proposed maximum daily deposit amount, inclusive of interest payable rounded to the nearest million, placed by the Group with CR Bank for the term of the CR Bank Strategic Cooperation Agreement 2016 and a comparison of these caps with the Group's gross cash and bank balances and with the size of the Group using the highest of the applicable percentage ratios as defined under Rule 14.07 of the Listing Rules are as follows:

Maximum daily deposit amount for the year ending 31 December			Unaudited consolidated cash and bank balances as at 30 June 2016	Highest applicable percentage ratio
2017	2018	2019		
<i>RMB million</i>	<i>RMB million</i>	<i>RMB million</i>	<i>RMB million</i>	<i>%</i>
2,600	2,600	2,600	39,725.2	2.82

The proposed maximum daily amount of financial services and products provided by CR Bank and CR Trust to the Group (excluding deposit services and financial services provided by CR Bank and CR Trust where only the fees and commissions paid by the Group are used to calculate the relevant percentage ratios) for the term of the Strategic Cooperation Agreements 2016 and a comparison of these caps with the size of the Group using the highest of the applicable percentage ratios as defined under Rule 14.07 of the Listing Rules are as follows:

	Maximum daily amount for the year ending 31 December			Highest applicable percentage ratio
	2017	2018	2019	
	<i>RMB million</i>	<i>RMB million</i>	<i>RMB million</i>	<i>%</i>
CR Bank and CR Trust	4,000	4,000	4,000	4.33

Such maximum daily amount is applicable for each day during the relevant year, and such maximum daily amount is calculated on an individual basis as outstanding at the end of each day during the relevant year without aggregating with the daily amount incurred on the days before. Moreover, given the difference in the nature between (i) deposit services and (ii) other financial services or products provided by CR Bank, separate maximum daily amounts are set for each of these services.

It is expected that the aggregate annual amount of fees and commissions paid by the Group for the financial services provided by CR Bank and CR Trust respectively during the term of the Strategic Cooperation Agreements 2016 will not exceed 0.1% of the percentage ratios, other than the profits ratio, of the Listing Rules, and these arrangements will constitute de minimis transactions under the Listing Rules.

To the extent the aggregate annual amount of fees and commissions paid by the Group for the financial services provided by CR Bank and CR Trust respectively during the term of the Strategic Cooperation Agreements 2016 exceeds 0.1% and is below 5% of such percentage ratios, these arrangements will constitute continuing connected transactions exempted from independent shareholders' approval but will be subject to the annual review by the independent non-executive directors of the Company and the Company's auditors and a further announcement will be made by the Company stating the relevant caps as and when necessary. Under no circumstances will the amounts of fees and commissions paid in any one financial year exceed 5% of the percentage ratios, other than the profits ratio, of the Listing Rules unless the Company has obtained the prior approval of its independent shareholders.

3. THE LEASING AND CONCESSIONAIRE FRAMEWORK AGREEMENT 2016

The Leasing and Concessionaire Framework Agreement 2016

The Group has been, during the normal course of its businesses, entering into leasing and concessionaire arrangements regarding its property portfolio where members of the Group lease premises to members of the CRH Group and associates of CRH. On 23 December 2016, the Company and CRH entered into the Leasing and Concessionaire Framework Agreement 2016 whereby the annual caps under the existing leasing and concessionaire arrangements are renewed taking into account of the business needs of members of the CRH Group and associates of CRH and the expected level of services to be provided by the Group from 1 January 2017 to 31 December 2019.

Subject to further definitive written agreements, from 1 January 2017 to 31 December 2019 (both days inclusive), the Group will enter into new leasing agreements or new concessionaire agreements with members of the CRH Group and associates of CRH in the ordinary and usual course of business on the following terms:

- (a) each of the leasing or concessionaire arrangements to be entered into by a member of the Group with a member of the CRH Group or an associate of CRH will be documented in a separate written agreement with a lease term of not exceeding three years; and
- (b) each leasing or concessionaire arrangement will be entered into on normal commercial terms with the rents, management fees and other charges received by the Group from any members of the CRH Group or associates of CRH being either at market prices or at prices no less favourable to the Group than those available from independent third parties.

Annual caps under the Leasing and Concessionaire Framework Agreement 2016

Set out below are the approximate historical figures the Group charged to members of the CRH Group and associates of CRH under the terms of the existing leasing and concessionaire arrangements during each of the years ended 31 December 2014 and 2015 and the ten months ended 31 October 2016:

	For the year ended 31 December		For the ten months ended 31 October
	2014	2015	2016
	HK\$	HK\$	HK\$
Leasing and concessionaire arrangements — actual amount charged to members of the CRH Group and associates of CRH	268,068,322	271,377,000	186,936,589

The proposed annual caps for the Leasing and Concessionaire Framework Agreement 2016 for the three years ending 31 December 2016 are as follows:

	For the year ending 31 December		
	2017	2018	2019
	RMB million	RMB million	RMB million
The Leasing and Concessionaire Caps	500	500	500

The Leasing and Concessionaire Caps are determined by reference to (i) the rental rates under the existing leasing and concessionaire arrangements; (ii) the projected rental rates upon the expiry of the existing leasing and concessionaire arrangements; (iii) the projected monthly turnover of the lessees (for those lessees whose monthly rental is based on monthly turnover); and (iv) the Company's projection of possible additions of offices and retail outlets to be rented by members of the CRH Group and associates of CRH after taking into account of the expected continuous increase in demand for the leasing and concessionaire arrangements with members of the CRH Group and associates of CRH.

4. THE PROVISION OF CONSTRUCTION SERVICES, DECORATION SERVICES AND FURNITURE SERVICES AND SALES OF CONSTRUCTION MATERIAL FRAMEWORK AGREEMENT 2016

The Provision of Construction Services, Decoration Services and Furniture Services and Sales of Construction Material Framework Agreement 2016

The Group has been, during the normal course of its businesses, providing construction and decoration services and selling furniture and construction material to members of the CRH Group and associates of CRH. Construction services provided by the Group include building construction, mechanical and electrical engineering and installation as well as urban utilities. Decoration services provided by the Group include interior design, decoration and furnishing of offices, commercial and residential properties. Furniture services provided by the Group include furniture manufacturing and sale.

Since August 2016, the Group has started selling various kinds of construction material to members of the CRH Group and associates of CRH. Up to 31 October 2016, the Group has charged to members of the CRH Group and associates of CRH an aggregate amount of RMB750,000.

On 23 December 2016, the Company and CRH, entered into the Provision of Construction Services, Decoration Services and Furniture Services and Sales of Construction Material Framework Agreement 2016 whereby the annual caps under the existing provision of construction services, decoration services and furniture services arrangements are renewed and the annual caps in respect of the sales of construction material are determined. Each contract of construction, decoration or furniture services or sales of construction material will be entered into on normal commercial terms and the prices will be either at market prices or at prices no less favourable to the Group than those available from independent third parties.

Annual caps under the Provision of Construction Services, Decoration Services and Furniture Services and Sales of Construction Material Framework Agreement 2016

Set out below are the approximate historical figures the Group charged to members of the CRH Group and associates of CRH under the terms of the existing provision of construction services, decoration services and furniture services arrangements during each of the years ended 31 December 2014 and 2015 and the ten months ended 31 October 2016:

	For the year ended 31 December		For the ten months ended 31 October
	2014	2015	2016
	HK\$	HK\$	HK\$
Construction services arrangements			
— actual amount charged to members of the CRH Group and associates of CRH	175,248,986	680,599,902	295,262,001
Decoration services arrangements			
— actual amount charged to members of the CRH Group and associates of CRH	215,982,576	167,914,148	154,655,412
Furniture services arrangements			
— actual amount charged to members of the CRH Group and associates of CRH	21,800,760	11,000,238	4,665,840

The proposed annual caps for the Provision of Construction Services, Decoration Services and Furniture Services and Sales of Construction Material Framework Agreement 2016 for the three years ending 31 December 2019 are as follows:

	For the year ending 31 December		
	2017	2018	2019
	<i>RMB million</i>	<i>RMB million</i>	<i>RMB million</i>
The Construction Caps	1,000	1,300	1,300
The Decoration Caps	500	500	500
The Construction Material Caps	150	500	1,000

It is expected that the aggregate annual amounts of furniture services the Group may charge to members of the CRH Group and associates of CRH during the term of the Provision of Construction Services, Decoration Services and Furniture Services and Sales of Construction Material Framework Agreement 2016 will not exceed 0.1% of the applicable percentage ratios of the Listing Rules, and these arrangements will constitute de minimis transactions under the Listing Rules.

The Construction Caps are determined with reference to (i) the nature of the transactions; (ii) the existing scale and operations of the businesses of the Group; and (iii) the anticipated demand for construction services of the CRH Group and associates of CRH on the basis of its planned real estate development projects to be implemented from 2017 to 2019.

The Decoration Caps are determined with reference to (i) the nature of the transactions; (ii) the existing scale and operations of the businesses of the Group; (iii) the anticipated growth and development of businesses of the CRH Group and associates of CRH; and (iv) the anticipated demand for decoration services by the CRH Group and associates of CRH on the basis of its planned real estate development projects to be implemented from 2017 to 2019.

The Construction Material Caps are determined with reference to (i) the nature of the transactions; (ii) the existing scale and operations of the businesses of the Group; and (iii) the anticipated demand for construction material of the CRH Group and associates of CRH on the basis of its planned real estate development projects to be implemented from 2017 to 2019.

5. REASONS FOR AND BENEFITS OF THE CONTINUING CONNECTED TRANSACTIONS

The Framework Loan Agreements 2016 provide the Company with greater flexibility in the management of its surplus cash resources by enabling it to lend a portion of its surplus cash resources and those of its subsidiaries to other CRC Group companies, including CRC and CRH. The annual lending caps for the maximum aggregate amount which can be lent by the Group on any single day have been determined after assessing the maximum amount of exposure at any time which the Group is prepared to assume under the Framework Loan Agreements 2016 in the context of its estimated temporary surplus cash resources as well as the historical amount lent by the Group as set out on page 7 of this announcement.

The Strategic Cooperation Agreements 2016 will enable the Group to use the deposit and other financial services of CR Trust and CR Bank and to support their development within the CRC Group on normal commercial terms and on a scale which will not place the Group's resources at risk or affect its relationship with other financial institutions.

The Leasing and Concessionaire Framework Agreement 2016 is expected to provide the Group with a secure and stable revenue source from high quality tenants. The Group owns a portfolio of properties including office buildings and shopping malls and other properties in various cities in the PRC. These properties are offered to the general public for leasing or concessionaire arrangements. Members of the CRH Group and associates of CRH are engaged in various businesses including but not limited to the manufacture and distribution of daily consumer goods as well as retail, investments and operation in infrastructure and public utilities projects. They have needs to lease properties, mainly office and retail outlet premises for their operations. The payments of the leasing or concessionaire arrangements are expected to be settled by way of cash on a monthly basis. It is in the commercial interests of the Group to lease some of its properties to members of the CRH Group and associates of CRH, given that they are usually tenants of high quality with low risk in failure or deferral in making rental payments.

The Provision of Construction Services, Decoration Services and Furniture Services and Sales of Construction Material Framework Agreement 2016 is consistent with the businesses and commercial objectives of the Group and are expected to increase the revenue and therefore profitability of the Group. In addition, as the CRH Group and associates of CRH have no expertise and management resources in property construction, decoration and furniture business and construction material procurement, the transactions contemplated under the Provision of Construction Services, Decoration Services and Furniture Services and Sales of Construction Material Framework Agreement 2016 allow the Group to provide the construction, decoration and furniture services and sell construction material to the CRH Group and associates of CRH in the ordinary course of business.

All Directors (including independent non-executive Directors) consider that the New Continuing Connected Transaction Agreements were negotiated on an arm's length basis, are on normal commercial terms and were 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.

GENERAL INFORMATION

CRC

CRC, a borrower and guarantor under the Onshore Framework Loan Agreement 2016, is the holding company of CRH.

CRH

CRH, a borrower and guarantor under the Offshore Framework Loan Agreement 2016, is a conglomerate in Hong Kong and the PRC that is principally engaged in seven core businesses, namely consumer products, power, real estate, cement, gas, pharmaceutical and financial services, as well as other operations including healthcare, microelectronics, textiles and chemical products.

CR Bank

CR Bank is a licensed bank regulated by the China Banking Regulatory Commission and headquartered in Zhuhai. As at 31 October 2016, CR Bank had around 100 branches and sub-branches, comprising one head office, one branch (in Hengqin) and 48 sub-branches located in Zhuhai City, one branch and 31 sub-branches located in Shenzhen, one branch and six sub-branches located in Zhongshan City, one branch and three sub-branches located in Foshan City, one branch and four sub-branches located in Dongguan City, one branch located in Huizhou City, one branch located in Guangzhou city, and one rural bank in each of Deqing, Guangdong and Baise, Guangxi.

CR Bank has achieved tremendous growth in its operational scale, geographical coverage and capital base over the past years. The following table illustrates the growth of CR Bank's assets, deposits, loans and total equity over the period of five years from 31 December 2010 to 31 December 2015:

	As at 31 December		Percentage increase
	2015	2010	
	<i>RMB</i>	<i>RMB</i>	
	<i>billion</i>	<i>billion</i>	<i>%</i>
Total Assets	116.39	16.56	602.84
Deposits	75.25	13.91	440.98
Loans	52.87	39.56	33.65
Equity attributable to owners of the company	8.85	1.47	502.04

CR Trust

As at the date of this announcement, CRC holds a 51% equity interest in CR Trust and the remaining 49% equity interest of CR Trust is held by the State-owned Assets Supervision and Administration Commission of Shenzhen. The registered capital of CR Trust is approximately RMB6 billion. With the headquarters located in Shenzhen, China, CR Trust is authorised by the relevant regulatory body to conduct business on a nationwide basis in the PRC.

CR Trust has achieved respectable growth in its operational scale, geographical coverage and capital base over the past years. The following table illustrates the growth of CR Trust's assets and total equity over a period of five years from 31 December 2010 to 31 December 2015:

	As at 31 December 2015 RMB billion	2010 RMB billion	Percentage increase %
Total Assets	19.28	9.72	98.35
Equity attributable to owners of the company	17.14	8.30	106.51
Trust assets under management	736.09	65.30	1,027.24
Revenue for the year	5.71	1.65	246.06

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.

The turnover, total assets and cash balance of the Group from 2014 to 2016 are as illustrated in the tables below:

	As at 30 June 2016 HK\$ billion	As at 31 December 2015 HK\$ billion	As at 31 December 2014 HK\$ billion	31 December 2014 to 31 December 2015 Percentage increase %	31 December 2015 to 30 June 2016 Percentage increase %
Total assets	415.4	389.2	362.3	7.4	6.7
Cash	46.5	45.9	44.9	2.2	1.3
Turnover for the year/period	44.5	103.4	89.7	15.3	n.a

LISTING RULES IMPLICATIONS

By virtue of CRC being the controlling shareholder of CRH, which in turn holds a controlling interest in the Company, CRC and CRH are connected persons to the Company as defined under the Listing Rules. As at the date of this announcement, as CRC, being a controlling shareholder of the Company, holds approximately 75.33% and 51% of the registered capital of CR Bank and CR Trust respectively, CR Bank and CR Trust are connected persons of the Company under the Listing Rules.

As the applicable size test percentage ratios exceed 0.1% but are less than 5% in respect of the continuing connected transactions under the New Continuing Connected Transaction Agreements, the transactions contemplated thereunder are only subject to the reporting, annual review and announcement requirements but are exempted from the independent shareholders' approval requirements of the Listing Rules.

Other than non-executive Director, Mr. Du Wenmin, who is also a director of both CRC and CRH, none of the Directors have a material interest in the transactions under the New Continuing Connected Transaction Agreements, and none of them abstained from voting on the relevant board resolutions approving the New Continuing Connected Transaction Agreements and the transactions contemplated thereunder.

DEFINITIONS

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

“2013 Continuing Connected Transaction Agreements”	Together, (1) the Framework Loan Agreements 2013; (2) Strategic Cooperation Agreements 2013; (3) the framework agreement entered into between the Company and CRH on 13 December 2013 in relation to the leasing and concessionaire arrangements between the Group and the CRH Group and associates of CRH for the three years ending 31 December 2016; and (4) the framework agreement entered into between the Company and CRH on 13 December 2013 in relation to the provision of construction, decoration and furniture services by the Group to the CRH Group and associates of CRH for the three years ending 31 December 2016;
“Board”	the board of Directors of the Company;
“Company”	China Resources Land Limited;
“connected person”	has the meaning ascribed to it under the Listing Rules;
“Construction Caps”	the proposed maximum annual consideration to be paid by members of the CRH Group and associates of CRH to the Group for each of the three years ending 31 December 2019 in relation to the construction services to be rendered by the Group to members of the CRH Group and associates of CRH;
“Construction Material Caps”	the proposed maximum annual consideration to be paid by members of the CRH Group and associates of CRH to the Group for each of the three years ending 31 December 2019 in relation to the sales of construction material by the Group to members of the CRH Group and associates of CRH;
“CR Bank”	China Resources Bank of Zhuhai Co., Ltd. (珠海華潤銀行股份有限公司), a municipal bank headquartered in Zhuhai, in which CRC holds approximately a 75.33% equity interest as at the date of this announcement;

“CR Bank Strategic Cooperation Agreement 2013”	the strategic cooperation agreement entered into by CR Bank and the Company on 13 December 2013;
“CR Bank Strategic Cooperation Agreement 2016”	the strategic cooperation agreement entered into by CR Bank and the Company on 23 December 2016;
“CR Trust”	China Resources SZITIC Trust Co., Ltd. (華潤深國投信託有限公司), in which CRC holds a 51% equity interest as at the date of this announcement;
“CR Trust Strategic Cooperation Agreement 2013”	the strategic cooperation agreement entered into by CR Trust and the Company on 13 December 2013;
“CR Trust Strategic Cooperation Agreement 2016”	the strategic cooperation agreement entered into by CR Trust and the Company on 23 December 2016;
“CRC”	China Resources Co., Limited, a joint stock limited liability company incorporated in the PRC, which is the holding company of CRH and the banking and trust activities in which the CRC Group has an interest;
“CRC Group”	CRC, CRH and their respective subsidiaries;
“China Resources Group listed company (or companies)”	any company (or companies) in the CRC Group, which is (or are) listed on the Main Board of the Stock Exchange as at the date of this announcement, other than the Company, China Resources Power Holdings Company Limited and China Resources Pharmaceutical Group Limited;
“CRH”	China Resources (Holdings) Company Limited, a company incorporated in Hong Kong with limited liability and the intermediate holding company of the CRC Group in Hong Kong, holding all the CRC Group’s material interests apart from its banking and trust activities;
“CRH Group”	CRH and its respective subsidiaries;
“Decoration Caps”	the proposed maximum annual consideration to be paid by members of the CRH Group and associates of CRH to the Group for each of the three years ending 31 December 2019 in relation to the decoration services to be rendered by the Group to members of the CRH Group and associates of CRH;
“Directors”	the directors of the Company;

“Framework Loan Agreements 2013”	the Framework Loan Agreement and Guarantee for advances in Hong Kong Dollar, Renminbi and United States Dollar entered into by CRH and the Company on 13 December 2013 and the Framework Loan Agreement and Guarantee for advances in RMB entered into by CRC and the Company on 13 December 2013;
“Framework Loan Agreements 2016”	the Offshore Framework Loan Agreement 2016 and the Onshore Framework Loan Agreement 2016;
“Group”	the Company and its subsidiaries;
“HIBOR”	the Hong Kong Inter-Bank Offered Rate;
“HK\$”	means Hong Kong dollars, the lawful currency of Hong Kong;
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC;
“independent shareholders”	shareholders of the Company other than CRC and its associates, as defined in the Listing Rules;
“Leasing and Concessionaire Caps”	the proposed maximum annual consideration to be paid by members of the CRH Group and associates of CRH to the Group for each of the three years ending 31 December 2019 in relation to the leasing or concessionaire arrangements to be rendered by the Group to members of the CRH Group and associates of CRH;
“Leasing and Concessionaire Framework Agreement 2016”	the framework agreement entered into between the Company and CRH on 23 December 2016 in relation to the leasing and concessionaire arrangements between the Group and the CRH Group and associates of CRH for the three years ending 31 December 2019;
“LIBOR”	the London Inter-Bank Offered Rate;
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited;
“New Continuing Connected Transaction Agreements”	Together, (1) the Framework Loan Agreements 2016; (2) Strategic Cooperation Agreements 2016; (3) the Leasing and Concessionaire Framework Agreement 2016; and (4) Provision of Construction Services, Decoration Services and Furniture Services and Sales of Construction Material Framework Agreement 2016;

“Offshore Framework Loan Agreement 2016”	the Framework Loan Agreement and Guarantee for advances in HK\$, Renminbi and United States Dollar entered into by CRH and the Company on 23 December 2016;
“Onshore Framework Loan Agreement 2016”	the Framework Loan Agreement and Guarantee for advances in RMB entered into by CRC and the Company on 23 December 2016;
“PRC”	the People’s Republic of China (for the purpose of this announcement, excluding Hong Kong and Macau Special Administrative Region);
“Provision of Construction Services, Decoration Services and Furniture Services and Sales of Construction Material Framework Agreement 2016”	the framework agreement entered into between the Company and CRH on 23 December 2016 in relation to the provision of construction, decoration and furniture services and sales of construction material by the Group to the CRH Group and associates of CRH for the three years ending 31 December 2019;
“RMB”	Renminbi, the lawful currency of the PRC;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Strategic Cooperation Agreements 2013”	the CR Bank Strategic Cooperation Agreement 2013 and the CR Trust Strategic Cooperation Agreement 2013;
“Strategic Cooperation Agreements 2016”	the CR Bank Strategic Cooperation Agreement 2016 and the CR Trust Strategic Cooperation Agreement 2016;
“%”	per cent.

For illustration purposes, amounts in RMB have been translated into HK\$ at the rate of RMB1= HK\$1.12.

** For identification only*

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

PRC, 23 December 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.