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華潤置地有限公司 China Resources Land Limited

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1109)

**DISCLOSEABLE AND CONNECTED TRANSACTION
IN RELATION TO
PROPOSED ACQUISITION OF CERTAIN PROPERTY INTERESTS
OF
CHINA RESOURCES CO., LIMITED AND
CHINA RESOURCES (HOLDINGS) COMPANY LIMITED
INVOLVING ISSUE OF NEW SHARES
AND
CLAWBACK OFFER BY CRH (LAND) LIMITED,
A WHOLLY-OWNED SUBSIDIARY OF CHINA RESOURCES
(HOLDINGS) COMPANY LIMITED
AND
CLOSURE OF REGISTER OF MEMBERS
AND
PROPOSED INCREASE IN AUTHORISED SHARE CAPITAL**

Financial adviser to China Resources Land Limited



Financial adviser to China Resources (Holdings) Company Limited



**Independent financial adviser to
the Independent Board Committee and the Independent Shareholders**



PROPOSED ACQUISITION OF CERTAIN PROPERTY INTERESTS OF CRC AND CRH

Reference is made to the Company's announcement dated August 19, 2014, whereby the Board announced that the Company and Central New entered into a non-legally binding memorandum of understanding in relation to the Top Virtue Acquisition.

On December 8, 2014 (after trading hours), the Company and Central New entered into the Acquisition Agreement pursuant to which (a) the Company has conditionally agreed to acquire and Central New has conditionally agreed to sell the Sale Shares representing the entire issued share capital of Top Virtue; and (b) Central New has conditionally agreed to procure CRC to enter into the Equity Transfer Agreement upon Sale Share Completion pursuant to which the Company (or its subsidiary) will acquire the Sale Equity Interest representing 100% equity interests in SZRY from CRC. The Acquisition Consideration for the Sale Shares and the Sale Equity Interest is RMB14,795 million (equivalent to approximately HK\$18,642 million).

Top Virtue is an investment holding company and its principal assets are its indirect 100% equity interests in the project companies of the Shenzhen Dachongcun Site (深圳大沖村項目), Shenzhen Sanjiu Yinhu Site (深圳三九銀湖項目), Jinan Xinglong Site (濟南興隆項目) and Jinan Dangangguan East Site (濟南檔案館東項目). Top Virtue is also indirectly interested in 55% of the registered share capital in the project company of the Shenzhen Diwangju Site (深圳帝王居項目). SZRY is an investment holding company and is directly interested in 45% of the registered share capital in the project company for the Shenzhen Diwangju Site (深圳帝王居項目). All of the Project Sites are located in the PRC. Under a contractual arrangement, an Independent Third Party holds 18% interests in the project company of the Shenzhen Diwangju Site (深圳帝王居項目) (other than the podium building of the Shenzhen Diwangju Site), whilst Top Virtue and SZRY together hold the remaining interests in the project company of the Shenzhen Diwangju Site (深圳帝王居項目) as at the date of this announcement.

Acquisition Consideration

The Acquisition Consideration, being RMB14,795 million (equivalent to approximately HK\$18,642 million), comprises the Share Consideration in the amount of RMB10,000 million (equivalent to HK\$12,600 million) and the Cash Consideration in the amount of RMB4,795 million (equivalent to approximately HK\$6,042 million). It has been arrived at after arm's length negotiations between the Company and the Vendors and was determined with reference to the adjusted NAV of the Target Group of approximately RMB23,021 million (equivalently to approximately HK\$29,006 million) as at October 31, 2014 set out below.

The Acquisition Consideration is split and payable in the following manner:

- (1) The Share Consideration covers acquisition costs for Shenzhen Dachongcun site, Shenzhen Sanjiu Yinhu Site and part of Jinan Xinglong Site. It shall consist of 699,595,789 Consideration Shares at HK\$18.0104 per Share (being determined as a discount of 7% to the average closing price of the Shares for the 10 Trading Days immediately preceding the date of this announcement) as quoted on the Stock Exchange. It shall be satisfied by the allotment and issue of the Consideration Shares, credited as fully paid up and ranking pari passu in all respects with the Shares in issue at the time of such allotment and issue at Sale Share Completion to CRH (Land) (as directed by Central New). An application will be made to the Listing Committee of the Stock Exchange for granting the listing of and permission to deal in the Consideration Shares.
- (2) The Cash Consideration covers the acquisition costs of RMB2,978 million (equivalent to approximately HK\$3,752 million) for Jinan Danganguan East Site, part of Jinan Xinglong Site, Shenzhen Diwangju Site, China Resources Land (Shandong) Progress Co., Ltd and the interests of the Target Group of RMB1,817 million (equivalent to approximately HK\$2,290 million).
 - Part of the Cash Consideration in the amount of RMB795 million (equivalent to approximately HK\$1,002 million) shall be satisfied by cash or cash equivalents currently intended to be from the internal resources of the Group and payable on or before December 31, 2015. No interest is payable thereon.
 - The remaining part of the Cash Consideration in the amount of RMB4,000 million (equivalent to approximately HK\$5,040 million) shall be satisfied by cash or cash equivalents and payable on or before December 31, 2016. No interest is payable thereon. It is currently intended that such consideration will be satisfied from the internal resources of the Group.

The basis for determining the Share Consideration and the Cash Consideration was determined after arm's length negotiations between the Company and the Vendors and taking into account the internal resources of the Group, the synergy of adding the Project Sites to the Group and estimated development schedules of the Project Sites and the Remaining Land Parcels.

The Cash Consideration is subject to upward adjustment in the event that any Additional Investments shall have been made by the CRC Group by means of injection of new money into the Target Group after October 31, 2014 (being the date of the latest Management Accounts of the Target Group) up to (and inclusive of) the Sale Share Completion Date by increasing the Cash Consideration by an amount equivalent to such Additional Investments made by CRC Group. Such adjustment shall, in any event, not exceed the Consideration Adjustment Cap of RMB1,500 million (equivalent to approximately HK\$1,890 million). The Additional Investment, if any, shall be settled by cash and payable within 30 days after the Sale Share Completion Date.

The Remaining Land Parcels in the Shenzhen Dachongcun Site (深圳大冲村項目)

As at the date of this announcement, there are a total of twelve parcels of land at the Shenzhen Dachongcun Site (深圳大冲村項目), for seven parcels of which the Shenzhen Dachongcun Project Company and the Shenzhen Land Bureau have entered into Grant Contracts of Land Use Rights, while for the Remaining Land Parcels of which Grant Contracts of Land Use Rights have yet been entered into. Based on the independent property valuation conducted by DTZ, the prevailing market value, net of prescribed land premium, of the Remaining Land Parcels (on the basis, among other things, that Grant Contract of Land Use Rights have been signed and state-owned land use rights certificates have been issued) is approximately RMB14,604 million (equivalent to approximately HK\$18,401 million) as at October 31, 2014.

On October 27, 2014, the Shenzhen Land Bureau issued a letter to the Shenzhen Dachongcun Project Company indicating, amongst other matters, (a) that the Shenzhen Dachongcun Project Company, may enter into the Grant Contracts of Land Use Rights for the Remaining Land Parcels in compliance with the relevant rules and regulations; and (b) the benchmark price applicable to the Remaining Land Parcels, according to which the land premium to be settled for each of the Remaining Land Parcels could be calculated in accordance with the announced standard of 2011 Shenzhen benchmark land premium (深圳市2011年公告基準地價標準). On such basis, it is estimated that the land premium payable by the Shenzhen Dachongcun Project Company for the Remaining Land Parcels (excluding related taxes and costs) will be approximately RMB1,323 million (equivalent to approximately HK\$1,667 million). Notwithstanding this, the Grant Contract(s) of Land Use Rights for the Remaining Land Parcels may or may not be ultimately entered into, and therefore the Shenzhen Dachongcun Project Company may or may not obtain the state-owned land use rights certificate(s) of the Remaining Land Parcels.

The Directors are advised by the Company's PRC legal advisors that there is no legal impediment for the Shenzhen Dachongcun Project Company to enter into the Grant Contract of Land Use Rights for the Remaining Land Parcels, and on the basis of compliance with certain procedures, namely signing the Grant Contract of Land Use Rights, settling the land premium and related taxes and costs of the property, there is no legal impediment for the Shenzhen Dachongcun Project Company to obtain the state-owned land use rights certificate(s) of the Remaining Land Parcels.

DISCLOSEABLE AND CONNECTED TRANSACTIONS

As at the date of this announcement, the Vendors, namely (a) Central New is a wholly-owned subsidiary of CRH and (b) CRC is the indirect holding company of CRH which is the controlling Shareholder of the Company. As such, the Vendors are all connected persons of the Company within the meaning of the Listing Rules and therefore, the entering into of the Acquisition Agreement on December 8, 2014, pursuant to which the Equity Transfer Agreement is to be entered into on Sale Share Completion constitutes connected transactions of the Company. As certain of the applicable percentage ratios stipulated under Rule 14.07 of the Listing Rules in respect of the Acquisitions upon aggregation exceed 5% but are below 25%, the Acquisitions as connected transactions are subject to the reporting, announcement and Independent Shareholders' approval requirements set out in Chapter 14A of the Listing Rules. Further, based on the relevant percentage ratios calculations under the Listing Rules, the Acquisitions also constitute discloseable transactions for the Company under Chapter 14 of the Listing Rules.

The Independent Board Committee has been established to advise the Independent Shareholders in respect of the terms of the Acquisition Agreement and the transactions contemplated thereunder. Gram Capital has been appointed as the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders in the same regard.

The Company proposes to convene the EGM to consider, and if thought fit, to approve the Acquisitions and the allotment and issue of the Consideration Shares. Each of CRH, the Vendors and their respective associates, being connected persons of the Company and having material interests in the Acquisitions (which are different from those of the Independent Shareholders), will abstain from voting at the EGM. The votes of the Independent Shareholders regarding the resolution for approval of the Acquisition Agreement and the transactions contemplated thereunder will be taken by way of poll at the EGM.

THE CLAWBACK OFFER BY CRH (LAND)

Conditional upon and subject to Sale Share Completion, in order to provide the Qualifying Shareholders the opportunity to further participate in and share the growth of the Company and at least to maintain their shareholding in the Company from the dilution by the Acquisitions, CRH (Land) will offer initially not more than 415,308,393 Offer Shares, which constitute approximately 59.36% of the Consideration Shares, to the Qualifying Shareholders on a pro rata basis of two Offer Share for every nine Shares held as at the close of business on the Record Date at HK\$18.0104 per Offer Share (being determined as a discount of 7% to the average closing price of the Shares for the 10 Trading Days immediately preceding the date of this announcement) as quoted on the Stock Exchange, which is equal to the issue price of the Consideration Shares pursuant to the Acquisition Agreement. On the aforesaid assumption, 415,308,393 Offer Shares represent approximately 6.36% of the total issued Shares of the Company as enlarged by the issue of the Consideration Shares on the Record Date.

A Qualifying Shareholder will be entitled to apply for a number of Offer Shares which is equal to or less than or in excess of his or her Assured Entitlement (subject to a minimum of 100 Offer Shares). The Assured Entitlement of each Qualifying Shareholder will be rounded down to the nearest whole number of Offer Shares, such that no fractional Share will be issued. No odd lot matching services will be provided by CRH (Land) in respect of the Offering.

The Assured Entitlements of the Qualifying Shareholders to the Offer Shares are not transferable or capable of renunciation and there will be no trading in nil-paid entitlements on the Stock Exchange. Any Offer Share not purchased or taken up by the Qualifying Shareholders will be available for excess application by other Qualifying Shareholders.

The directors of CRH (Land) will allocate the Offer Shares under excess application at their discretion on a fair and reasonable basis and as far as practicable on a pro rata basis by reference to the number of excess Offer Shares applied for under each application. No preference will be given to topping up odd lots to whole board lots.

As the Offering is conditional upon the Sale Share Completion, the Offering may or may not proceed. Shareholders should exercise caution when dealing in the Shares of the Company.

PROPOSED INCREASE IN AUTHORISED SHARE CAPITAL

As at the date of this announcement, the authorised share capital of the Company was HK\$700,000,000 divided into 7,000,000,000 Shares, of which 5,831,218,790 Shares had been in issue. Immediately upon Sale Share Completion, if there is no new Shares to be issued and no Shares have been repurchased by the Company, the Company will have 6,530,814,579 Shares outstanding. In order to accommodate the future expansion of and growth of the Group, the Directors propose to increase the authorised share capital of the Company from HK\$700,000,000 divided into 7,000,000,000 Shares to HK\$800,000,000 divided into 8,000,000,000 Shares by the creation of additional 1,000,000,000 new Shares. The Capital Increase is conditional upon the passing of an ordinary resolution by the Shareholders at the EGM. Other than the issue of the Consideration Shares, the Directors have no present intention of issuing any outstanding unissued Shares, including the portion proposed to be increased pursuant to the Capital Increase.

GENERAL

A circular containing, among other things, (i) further information on the Acquisitions, the Target Group and the Offering; (ii) the advice of Gram Capital regarding the Acquisitions; (iii) the recommendation of the Independent Board Committee regarding the Acquisitions; (iv) the property valuation report on the Project Sites (including the Remaining Land Parcels); (v) information on the Capital Increase; and (vi) the notice convening the EGM and a proxy form will be despatched to the Shareholders on or before Monday, December 22, 2014.

Conditional upon and subject to Sale Share Completion, a Prospectus will be issued, currently expected to be on or around Wednesday, January 21, 2015, by the Company and CRH (Land) jointly as soon as practicable after the EGM to give the Qualifying Shareholders more detailed information on the Offering. An application form with the Assured Entitlement of each Qualifying Shareholder printed thereon and an excess application form together with the Prospectus will also be despatched to each Qualifying Shareholder.

(I) PROPOSED ACQUISITION OF CERTAIN PROPERTY INTERESTS OF CRC AND CRH

Reference is made to the Company's announcement dated August 19, 2014, whereby the Board announced that the Company and Central New entered into a non-legally binding memorandum of understanding in relation to the Top Virtue Acquisition.

On December 8, 2014 (after trading hours), the Company and Central New entered into the Acquisition Agreement pursuant to which (a) the Company has conditionally agreed to acquire and Central New has conditionally agreed to sell the Sale Shares representing the entire issued share capital of Top Virtue; and (b) Central New has conditionally agreed to procure CRC to enter into the Equity Transfer Agreement upon Sale Share Completion pursuant to which the Company (or its subsidiary) will acquire the Sale Equity Interest representing 100% equity interests in SZRY from CRC. Further details of the Acquisition Agreement are set out below.

(A) The Acquisition Agreement

Date December 8, 2014 (after trading hours)

Parties (1) Vendor: Central New Investments Limited, a wholly-owned subsidiary of CRH and is principally engaged in investment holding

(2) Purchaser: the Company

Sale Shares

Being the entire issued share capital of Top Virtue as at the date of this announcement of 2 ordinary share of US\$1.00 each, registered in the name of and beneficially owned by Central New, and such additional shares as may have been issued by Top Virtue to Central New on or prior to Sale Share Completion (if any).

Acquisition Consideration

The Acquisition Consideration, being RMB14,795 million (equivalent to approximately HK\$18,642 million), comprises the Share Consideration in the amount of RMB10,000 million (equivalent to approximately HK\$12,600 million) and the Cash Consideration in the amount of RMB4,795 million (equivalent to approximately HK\$6,042 million). It has been arrived at after arm's length

negotiations between the Company and the Vendors and was determined with reference to the adjusted NAV of the Target Group of approximately RMB23,021 million (equivalently to approximately HK\$29,006 million) as at October 31, 2014 set out below.

The Acquisition Consideration is split and payable in the following manner:

- (1) The Share Consideration covers acquisition costs for Shenzhen Dachongcun site, Shenzhen Sanjiu Yinhu Site and part of Jinan Xinglong Site. It shall consist of 699,595,789 Consideration Shares at HK\$18.0104 per Share (being determined as a discount of 7% to the average closing price of the Shares for the 10 Trading Days immediately preceding the date of this announcement) as quoted on the Stock Exchange. It shall be satisfied by the allotment and issue of the Consideration Shares, credited as fully paid up and ranking pari passu in all respects with the Shares in issue at the time of such allotment and issue at Sale Share Completion to CRH (Land) (as directed by Central New). An application will be made to the Listing Committee of the Stock Exchange for granting the listing of and permission to deal in the Consideration Shares.
- (2) The Cash Consideration covers the acquisition costs of RMB2,978 million (equivalent to approximately HK\$3,752 million) for Jinan Dangangan East Site, part of Jinan Xinglong Site, Shenzhen Diwangju Site, China Resources Land (Shandong) Progress Co., Ltd and the interests of the Target Group of RMB1,817 million (equivalent to approximately HK\$2,290 million).
 - Part of the Cash Consideration in the amount of RMB795 million (equivalent to approximately HK\$1,002 million) shall be satisfied by cash or cash equivalents currently intended to be from the internal resources of the Group and payable on or before December 31, 2015. No interest is payable thereon.
 - The remaining part of the Cash Consideration in the amount of RMB4,000 million (equivalent to approximately HK\$5,040 million) shall be satisfied by cash or cash equivalents and payable on or before December 31, 2016. No interest is payable thereon. It is currently intended that such consideration will be satisfied from the internal resources of the Group.

The basis for determining the Share Consideration and the Cash Consideration was determined after arm's length negotiations between the Company and the Vendors and taking into account the internal resources of the Group, the synergy of adding the Project Sites to the Group and estimated development schedules of the Project Sites and the Remaining Land Parcels.

The Cash Consideration is subject to upward adjustment in the event that any Additional Investments shall have been made by the CRC Group by means of injection of new money into the Target Group after October 31, 2014 (being the date of the latest Management Accounts of the Target Group) up to (and inclusive of) the Sale Share Completion Date by increasing the Cash Consideration by an amount equivalent to such Additional Investments made by CRC Group. Such adjustment shall, in any event, not exceed the Consideration Adjustment Cap of

RMB1,500 million (equivalent to approximately HK\$1,890 million). The Additional Investments, if any, shall be settled by cash and payable within 30 days after the Sale Share Completion Date.

Conditions precedent

Sale Share Completion is subject to the Conditions that:

- (1) the Independent Shareholders having approved by way of poll at the EGM of the Acquisition Agreement and the transactions contemplated thereunder including but not limited to the Acquisitions by the Company, the allotment and issue of the Consideration Shares to CRH (Land) (as directed by Central New) and, to the extent applicable, the transactions arising out of and in pursuance to the Acquisition Agreement; and
- (2) the Listing Committee of the Stock Exchange granting the listing of and permission to deal in the Consideration Shares, either unconditionally or subject only to conditions which Central New and the Company have no reasonable objection.

The Conditions (1) and (2) above shall not be waived in any event.

If the Conditions (1) and (2) above have not been fulfilled by December 31, 2015 (or such other date as the parties to the Acquisition Agreement may agree in writing), the Acquisition Agreement shall thereupon become null and void.

Deed of Indemnity

On Sale Share Completion, the Company, CRC and Central New will enter into the Deed of Indemnity. Subject to certain limitations as stated in the Deed of Indemnity, CRC (in respect of SZRY, the Shenzhen Diwangju Site and the related project company) and Central New (in respect of the Target Group other than SZRY, the Shenzhen Diwangju Site and the related project company) shall indemnify and keep indemnified the Company from and against any tax liabilities in relation to the business activities of the Target Group prior to Sale Share Completion or the date of completion of the sale and purchase of the Sale Equity Interest (as the case may be) and other liabilities as specified in the Deed of Indemnity.

Equity Transfer Agreement

On Sale Share Completion, the Company (or its subsidiary) and CRC will enter into the Equity Transfer Agreement. Subject to the terms and conditions as stated in the Equity Transfer Agreement, the Company (or its subsidiary) will agree to acquire and CRC will agree to sell the Sale Equity Interest for such amount allocated and confirmed by the Company, Central New and CRC as part of the Acquisition Consideration. CRC is the indirect holding company of CRH, which is the controlling Shareholder of the Company, and is principally engaged in investment holding.

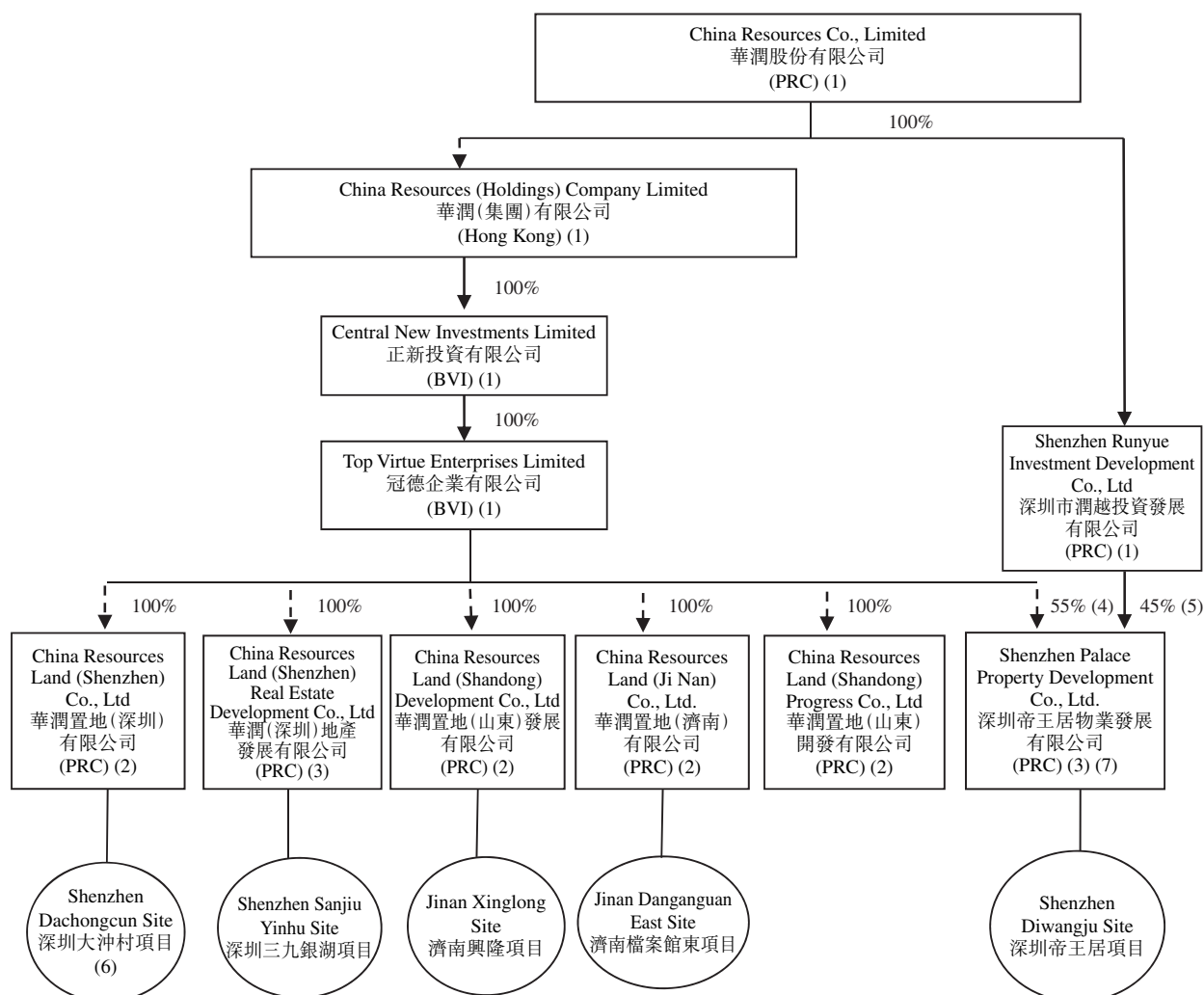
Sale Share Completion

Sale Share Completion will take place on or before the fifteen (15th) Business Day after the Conditions (1) and (2) have been fulfilled in accordance with the Acquisition Agreement or such other date as the parties to the Acquisition Agreement may agree.

(B) Information on the Target Group

Top Virtue is an investment holding company and its principal assets are its indirect 100% equity interests in the project companies of the Shenzhen Dachongcun Site (深圳大冲村項目), Shenzhen Sanjiu Yinhu Site (深圳三九銀湖項目), Jinan Xinglong Site (濟南興隆項目) and Jinan Dangangguan East Site (濟南檔案館東項目). Top Virtue is also indirectly interested in 55% of the registered share capital in the project company of the Shenzhen Diwangju Site (深圳帝王居項目). SZRY is an investment holding company and is directly interested in 45% of the registered share capital in the project company of the Shenzhen Diwangju Site (深圳帝王居項目). All of the Project Sites are located in the PRC. Under a contractual arrangement, an Independent Third Party holds 18% interests in the project company of the Shenzhen Diwangju Site (深圳帝王居項目) (other than the podium building of the Shenzhen Diwangju Site), whilst Top Virtue and SZRY together hold the remaining interests in the project company of the Shenzhen Diwangju Site (深圳帝王居項目) as at the date of this announcement.

The following diagram illustrates the simplified shareholding structure of the Target Group as at the date of this announcement:



Notes:

1. Each of them is principally engaged in investment holding.
2. Each of them is principally engaged in property development and operation.
3. Each of them is principally engaged in property development, operation and management.
4. Top Virtue is indirectly interested in 55% of the registered share capital in Shenzhen Palace Property Development Co., Ltd.
5. Shenzhen Runyue Investment Development Co., Ltd is interested in 45% of the registered share capital in Shenzhen Palace Property Development Co., Ltd.
6. As at the date of this announcement, there are a total of twelve parcels of land for the development of the Shenzhen Dachongcun Site (深圳大沖村項目), for seven parcels of which the Shenzhen Dachongcun Project Company and the Shenzhen Land Bureau have entered into Grant Contracts of Land Use Rights, while for the Remaining Land Parcels of which Grant Contracts of Land Use Rights have yet been entered into.

7. Shenzhen Palace Property Development Co., Ltd. is a sino-foreign cooperative joint venture, in which 18% of the interests (other than the podium building of the Shenzhen Diwangju Site) are held by an Independent Third Party.
8. Broken lines used in the diagram above depict indirect interests in the relevant companies.

For the purposes of this announcement, assuming the Target Group had been formed since January 1, 2012, set out below are certain unaudited combined financial information of the Target Group for each of the two financial years ended December 31, 2013, prepared in accordance with the Hong Kong Financial Reporting Standards:

	For the year ended December 31, 2012 <i>(Approximately HK\$ million)</i>	For the year ended December 31, 2013 <i>(Approximately HK\$ million)</i>
Combined loss before taxation	80	56
Combined loss after taxation	61	37

The CRC Group commenced in the Project Sites in 2006. As at October 31, 2014, the unaudited combined net book value of the Target Group was RMB8,398 million (equivalent to approximately HK\$10,582 million). The total outstanding amount (including the principal and accrued interest) of the Related Parties' Loans owed by the Target Group to the CRC Group as at the date of this announcement is approximately RMB2,457 million (equivalent to approximately HK\$3,096 million). CRC indirectly owns 100% issued share capital of CRH, the controlling Shareholder of the Company. The Related Parties' Loans are unsecured, interest bearing and provided on normal commercial terms.

The Project Sites

It has always been the Group's strategy to develop high quality properties and replenish land banks in strategically important regions in the PRC. Three of the Project Sites are located in Shenzhen of Guangdong Province and two of the Project Sites are located in Jinan of Shandong Province.

The table below presents a breakdown of each Project Site's land use by GFA.

Project Sites	Shenzhen Dachongcun Site	Shenzhen Sanjiu Yinhu Site	Shenzhen Diwangju Site	Jinan Xinglong Site	Jinan Dangangguan East Site	Total
Location	Shenzhen	Shenzhen	Shenzhen	Jinan	Jinan	
Total GFA	2,321,888 ¹	460,620	63,601	404,965	788,400	4,039,474
Residential	1,381,599	242,730	2,445	300,378	209,850	2,137,002
Commercial	464,989	8,800	31,173	4,127	274,700	783,789
Office	425,300	—	656	—	303,850	729,806
Hotel	50,000	—	—	—	—	50,000
Others	—	209,090 ²	29,327	100,460	—	338,877

¹ Excluding relocation housing and including the Remaining Land Plots

² Includes social housing, community recreational centre, public ancillaries, resettlement area, car park and others

Shenzhen Dachongcun Site (深圳大冲村项目)

Located in the east-central part of Nanshan High-tech Industrial Park (南山區高新技術產業園區) in Shenzhen, Shenzhen Dachongcun Site is the largest ever urban redevelopment project in Guangdong Province in the PRC. Shenzhen Dachongcun Site covers a land area of 685,000 sq.m. with a total GFA of 2.3 million sq.m., which will be developed into a large-scale urban complex, including 1,381,599 sq.m. of residential properties, 425,300 sq.m. of office space, 464,989 sq.m. of commercial area and 50,000 sq.m. of hotel space. Phase I of the residential properties was launched for pre-sale in October 2014 and was well received by the market. The actual pre-sold unit price for phase I of Shenzhen Dachongcun Site amounted to RMB43,500 per sq.m. (equivalent to approximately HK\$54,810 per sq.m.). The commercial area is expected to be launched for pre-sale beginning in 2016. This Project Site is expected to generate revenue for the Company up until 2020.

As at the date of this announcement, there are a total of twelve parcels of land at the Shenzhen Dachongcun Site (深圳大冲村项目), for seven parcels of which the Company and the Shenzhen Land Bureau have entered into Grant Contracts of Land Use Rights (among which the aggregate site area for two parcels of land for sale and investment purposes is approximately 88,297 sq.m. and their planned total GFA is 642,907 sq.m. (including underground area) and 374,331 sq.m. (excluding underground area) and the aggregate site area for the remaining five parcels of land for relocation housing (遷房) purposes is 135,698 sq.m. and their planned total GFA is 1,123,986 sq.m.), while for the Remaining Land Parcels with an aggregate site area of approximately 157,960 sq.m. and a planned total GFA of approximately 1,678,981 sq.m. (including underground area) and 1,236,184 sq.m. (excluding underground area) of which Grant Contracts of Land Use Rights have yet been entered into. Based on the independent property valuation conducted by DTZ, the prevailing market value, net of prescribed land premium, of the Remaining Land Parcels (on the basis that, among other things, Grant Contract of Land Use Rights

have been signed and state-owned land use rights certificates have been issued) is approximately RMB14,604 million (equivalent to approximately HK\$18,401 million) as at October 31, 2014.

On October 27, 2014, the Shenzhen Land Bureau issued a letter to the Shenzhen Dachongcun Project Company indicating, amongst other matters, (a) that the Shenzhen Dachongcun Project Company, may enter into the Grant Contracts of Land Use Rights for the Remaining Land Parcels in compliance with the relevant rules and regulations; and (b) the benchmark price applicable to the Remaining Land Parcels, according to which the land premium to be settled for each of the Remaining Land Parcels could be calculated in accordance with the announced standard of 2011 Shenzhen benchmark land premium (深圳市2011年公告基準地價標準). On such basis, it is estimated that the land premium payable by Shenzhen Dachongcun Project Company for the Remaining Land Parcels (excluding related taxes and costs) will be approximately RMB1,323 million (equivalent to approximately HK\$1,667 million). Notwithstanding this, the Grant Contract(s) of Land Use Rights for the Remaining Land Parcels may or may not be ultimately entered into, and therefore the Shenzhen Dachongcun Project Company may or may not obtain the state-owned land use rights certificate(s) of the Remaining Land Parcels.

The Directors are advised by the Company's PRC legal advisors that there is no legal impediment for the Shenzhen Dachongcun Project Company to enter into the Grant Contract of Land Use Rights for the Remaining Land Parcels, and on the basis of compliance with certain procedures, namely signing the Grant Contract of Land Use Rights, settling the land premium and related taxes and costs of the property, there is no legal impediment for the Shenzhen Dachongcun Project Company to obtain the state-owned land use rights certificate(s) of the Remaining Land Parcels.

Shenzhen Sanjiu Yinhu Site (深圳三九銀湖項目)

Located at the north of Beihuan Avenue (北環大道) in Yinhu area of Shenzhen Luohu District, Shenzhen Sanjiu Yinhu Site is close to two CBDs in Shenzhen, namely Luohu CBD and Futian CBD, and has a unique landscape which overlooks the Yinhu scenic area (銀湖風景區). Based on an analysis of the target home buyers and the attributes of the land, Shenzhen Sanjiu Yinhu Site was positioned as a high-end residential project with supporting facilities such as retail, primary school, kindergarten, sports facilities and community services. It is set to become another top residence after Shenzhen Parkland Manor (深圳幸福里).

Including the development land area of 58,747 sq.m., Shenzhen Sanjiu Yinhu Site covers a total land area of 89,076 sq.m, with GFA of 460,620 sq.m., which includes 242,730 sq.m. of residential space, 57,200 sq.m. of social housing (政府保障性住房), 8,800 sq.m. of retail space and 151,890 sq.m. of supporting facilities. Pre-sales has been launched for Phase 1 of the residential properties since November 2014. This Project Site is expected to generate revenue for the Company up until 2017.

Shenzhen Diwangju Site (深圳帝王居項目)

Located in Baoan South Road, Luohu District of Shenzhen, Shenzhen Diwangju Site has a land area of 33,000 sq.m. with total GFA of 63,601 sq.m. Pre-sales of the residential properties has been ongoing since 2000 with 2,445 sq.m. of high-rise apartments remaining for sale. There is 31,173 sq.m. of commercial space held for rental, 656 sq.m. of office space 27,097 sq.m. of underground car park, and a multi-purpose building of 2,230 sq.m.

Shenzhen Diwangju Site is situated in the centre of Luohu financial business district in proximity to Shenzhen MIXc (深圳萬象城) on the east and the five star hotel Grand Hyatt Shenzhen and Shenzhen Parkland Manor (深圳幸福里) on the south. To the north, there are landmark buildings including the Shenzhen Grand Theatre, the Shenzhen Diwang Building (深圳地王大廈), POBC Building, Ping An Bank Tower (平安銀行大廈) and the branches of various domestic and foreign financial institutions including China Construction Bank, Agricultural Bank of China, The Hongkong and Shanghai Banking Corporation Limited, Standard Chartered Bank and The Development Bank of Singapore Limited.

Jinan Xinglong Site (濟南興隆項目)

Located in the Thousand Buddha Mountain (千佛山) scenic reserve, Jinan Xinglong Site has a total land area for development of 3.59 million sq.m.. It has a GFA of 404,965 sq.m., including 300,378 sq.m. of residential space, 4,127 sq.m. of commercial space, 54,231 sq.m. of underground car park, a basement warehouse of 22,952 sq.m. and 23,277 sq.m. of other public facilities.

Jinan Xinglong Site has started its pre-sale since the end of 2012. The actual pre-sold unit price for phase I (being villas) of Jinan Xinglong Site amounted to RMB24,571 per sq.m. (equivalent to approximately HK\$30,959 per sq.m.) and that for phase II (being high-rise towers) was RMB10,094 per sq.m. (equivalent to approximately HK\$12,718 per sq.m.). As at the date of this announcement, a total contracted sales of RMB3,350 million (equivalent to approximately HK\$4,221 million) has been achieved. Phase I residential development of 100,000 sq.m. was delivered at the end of June 2014 and pre-sales for commercial space is expected to commence in 2015. This Project Site is expected to generate revenue for the Company up until 2017.

Jinan Danganguan East Site (濟南檔案館東項目)

Located in the new CBD area in the east of Jinan, Jinan Danganguan East Site covers a land area of 78,000 sq.m. and has a GFA of 788,400 sq.m., including 209,850sq.m. of residential properties, 303,850 sq.m. of office space, and 274,700 of commercial space.

Jinan Danganguan Site will be developed in two phases, of which Phase I includes the MIXc shopping mall (萬象城購物中心) and two office buildings with a GFA of 460,550 sq.m. (including underground area) and 329,700 sq.m. (excluding underground area) and of which Phase II includes two blocks of serviced apartment and two office buildings with a GFA of 327,850 sq.m. (including

underground area) and 238,600 sq.m. (excluding underground area). Pre-sales for the residential properties is expected to commence in 2016 with revenue recognised up until 2020. 49,600 sq.m. of commercial space is expected to start its pre-sales in 2017.

(C) Basis of the Acquisition Consideration

The Acquisition Consideration, being RMB14,795 million (equivalent to approximately HK\$18,642 million), comprises the Share Consideration and the Cash Consideration. It has been arrived at after arm's length negotiations between the Company and the Vendors and was determined with reference to the adjusted NAV of the Target Group calculated as follows:

Information as at October 31, 2014	<i>RMB Million</i>	<i>HK\$' million (approximate)</i>
NAV of the Target Group	8,398	10,582
Increase in value of the Project Sites (excluding the Remaining Land Parcels and net of potential deferred taxation)	6,716	8,461
Increase in value of the Remaining Land Parcels (net of potential deferred taxation and prescribed land premium)	7,907	9,963
The adjusted NAV of the Target Group	23,021	29,006
Acquisition Consideration	14,795	18,642
Discount of Acquisition Consideration to the adjusted NAV of the Target Group	35.7%*	35.7%*

* *Discount not taken into account of interest free deferred payment arrangement.*

The Acquisition Consideration is approximately 67.5% above the total historical investment costs of the Target Group of RMB8,830 million (equivalent to approximately HK\$11,126 million) made by the CRC Group as at October 31, 2014.

The Directors (excluding the independent non-executive Directors whose opinion will be subject to the advice of Gram Capital) consider that the basis of the Acquisition Consideration is fair and reasonable, and the settlement of the Acquisition Consideration by cash and the allotment and issue of the Consideration Shares is beneficial to the Company and the Shareholders as a whole.

The appraised value of the Project Sites as at October 31, 2014 is prepared by DTZ, an independent property valuer (not being connected with the Company or any of its connected persons) based on a direct comparison approach by making reference to comparable sales evidence as available in the relevant market and have also taken into account the expended construction costs and the costs that will be

expended to complete the development to reflect the quality of the completed development. A valuation report containing such information will be included in the circular to be despatched to the Shareholders according to the Listing Rules.

(D) Consideration Shares

At Sale Share Completion, the Consideration Shares will be allotted and issued to CRH (Land) (as directed by Central New). The Consideration Shares will be issued at HK\$18.0104 representing a discount of approximately 7% to the average closing price of the Shares for the 10 Trading Days immediately preceding the date of this announcement as quoted on the Stock Exchange.

The Consideration Shares represent approximately:

- (a) 12.00% of the existing total issued Shares of the Company; and
- (b) 10.71% of the total issued Shares of the Company as enlarged by the issue of the Consideration Shares.

The Consideration Shares, when issued, will be credited as fully paid up, free from all encumbrances and rank *pari passu* in all respects with the Shares in issue at the time of allotment and issue of the Consideration Shares. Given that the Acquisitions constitute connected transactions for the Company of which Independent Shareholders' approval is required, specific mandate for the allotment and issue of the Consideration Shares will be sought from the Independent Shareholders. An application will be made to the Listing Committee of the Stock Exchange for granting the listing of and permission to deal in the Consideration Shares.

The Directors (excluding the independent non-executive Directors whose opinion will be subject to the advice of Gram Capital) consider that the terms of the Consideration Shares are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

(E) Reasons for and Benefits of the Acquisitions

The principal business activity of the Group is property investment, development and management in the PRC.

The reasons for and benefits of the Acquisitions are the following:

(1) Increase Exposure of Land Bank in Tier 1 and Top Tier 2 Cities

The Directors believe the Acquisitions represent a good opportunity for the Group to increase its land bank in Shenzhen and Jinan. The increase in land bank in such cities is strategically important to the Group's long-term development as the Directors believe that the demand for high quality properties in these cities will continue to increase in the future as a result of their continuous economic development. Following the Sale Share Completion and the completion of the sale and purchase of the Sale Equity Interest, the land bank of the Group, excluding the Remaining Land Parcels and in terms of

the planned total GFA for sale and for investment purposes, will be increased by approximately 2,360,193 sq.m. This will increase the total land bank GFA of the Company from currently 42.6 million sq.m. to 45.0 million sq.m.. Following the acquisition of the Remaining Land Parcels, the land bank of the Group (in terms of the planned total GFA for sale and for investment purposes) will be further increased by approximately 1,678,981 sq.m. (including underground areas) and approximately 1,236,184 sq.m. (excluding underground areas).

(2) *Immediate and Stable Contribution to Contracted Sales and Cash Flows*

The Acquisitions will also provide an immediate contribution to the Company's contracted sales and cash flows. For the 12 months ended October 31, 2014, Shenzhen Dachongcun Site and Jinan Xinglong Site had a total contracted sales of RMB2,704 million (equivalent to approximately HK\$3,407 million) and cash flow of RMB2,097 million (equivalently to approximately HK\$2,642 million).

The table below sets out the impact of contracted sales from these 2 Project Sites.

<i>(RMB million)</i>	Change in Contracted Sales
Contracted sales of the Group for the 12 months ended 31 Oct 2014	62,774
Contribution from Shenzhen Dachongcun Site for the 12 months ended 31 Oct 2014 ¹	1,124
Contribution from Jinan Xinglong Site for the 12 months ended 31 Oct 2014	<u>1,580</u>
Contracted sales post transaction	<u><u>65,478</u></u>

¹ *Phase I of the residential properties was launched for pre-sale in October 2014*

The table below sets out the impact of cash flow from these 2 Project Sites.

<i>(RMB million)</i>	Change in Cash Flow from Contracted Sales
Cash flow from contracted sales for the 12 months ended 30 June 2014	57,620
Contribution from Shenzhen Dachongcun Site for the 12 months ended 31 Oct 2014 ¹	538
Contribution from Jinan Xinglong Site for the 12 months ended 31 Oct 2014	<u>1,559</u>
Cash flow post transaction	<u><u>59,717</u></u>

¹ *Phase I of the residential properties was launched for pre-sale in October 2014*

(3) *Accretive Effect on Reassessed NAV*

The Acquisitions provide an accretive effect on the Company's reassessed NAV with accretion of 1.6%.

The table below sets out the calculation for the accretion of reassessed NAV:

	Before Acquisitions	Add: The adjusted NAV of the Target Group	Less: Cash Consideration	After Acquisitions
Reassessed NAV (<i>HK\$ million</i>)	165,950 ¹	29,006	6,042	188,914
Number of shares (<i>million</i>)	5,831			6,531
Reassessed NAV per share (<i>HK\$</i>)	28.46			28.93
Accretion				1.6%

¹ *Based on median brokers estimates from CIMB, Credit Suisse, DBS Vickers, Deutsche Bank, Goldman Sachs, HSBC, J.P. Morgan, Macquarie, Nomura, UBS*

Upon Sale Share Completion and the completion of the sale and purchase of the Sale Equity Interest, Top Virtue and SZRY will become wholly-owned subsidiaries of the Company and, accordingly, the financial results of Top Virtue and SZRY will be consolidated into the financial statements of the Company. The Directors consider that immediately upon Sale Share Completion and the completion of the sale and purchase of the Sale Equity Interest, the Acquisitions will create positive impact on the Group's NAV.

The Directors (excluding the independent non-executive Directors whose opinion will be subject to the advice of Gram Capital) are of the view that (a) the Acquisition Agreement and the Equity Transfer Agreement are on normal commercial terms which are fair and reasonable and in the interests of the Company and the Shareholders as a whole; and (b) the Related Parties' Loans were unsecured and the terms thereof are in line with the terms of the Company's existing bank loans and on normal commercial terms.

(F) Basis of Valuation

The Company appointed the property valuer DTZ for the valuation of the 5 Project Sites subject to the Acquisitions. The valuation of each of the Project Sites represents its market value in accordance with the HKIS Valuation Standards published by the Hong Kong Institute of Surveyors. The following table lists out the value:

Project Sites	Market value as at 31 Oct 2014 based on existing state and legal status of the Project Sites as of the date of this announcement (RMB million)
Shenzhen Dachongcun Site	7,614
Shenzhen Sanjiu Yinhu Site	5,593
Shenzhen Diwangju Site	822
Jinan Xinglong Site	2,947
Jinan Dangangguan East Site	1,267
Others ¹	147
Total Valuation	<u>18,390</u>

¹ *Levels 18 and 19 of Block 8 of Xinge Buildings, and the whole Block 3 of Singles Quarters, Xinge Residential Community, Huanggang Road, Futian District, Shenzhen, China*

In valuing the properties which are intended to be acquired by the Group for sale or investment in the PRC, DTZ has used the direct comparison approach assuming sale of each of these properties in its existing state with the benefit of vacant possession by making reference to comparable sales transactions as available in the relevant market, or wherever appropriate, the investment method by considering the capitalised rental incomes derived from the existing tenancies with due provision for any reversionary income potential of the properties.

Regarding the properties which are intended to be acquired by the Group for development in the PRC, each of these properties has been valued on the basis that the property will be developed and completed in accordance with the latest development proposals (if any). Assumptions have been made such that all consents, approvals and licences from the relevant government authorities for the development proposals have been obtained without onerous conditions or delays. The design and construction of the development are assumed to be in compliance with the local planning regulations and have been approved by the relevant authorities. Direct comparison approach has been used by making reference to comparable sales evidence as available in the relevant market, or wherever

appropriate, the investment method is adopted by considering the reversionary rental income potential of the properties so as to assess the development value of the properties upon completion. The “development value upon completion” represents the opinion of the aggregate selling prices of the development assuming that it would have been completed as at the date of valuation. In arriving at the final value of the properties in existing state, the expended construction costs and the costs that will be expended to complete the development to reflect the quality of the completed development have been taken into account.

(II) DISCLOSEABLE AND CONNECTED TRANSACTIONS

As at the date of this announcement, the Vendors, namely (a) Central New is a wholly-owned subsidiary of CRH and (b) CRC is the indirect holding company of CRH which is the controlling Shareholder of the Company. As such, the Vendors are all connected persons of the Company within the meaning of the Listing Rules and therefore, the entering into of the Acquisition Agreement on December 8, 2014, pursuant to which the Equity Transfer Agreement is to be entered into on Sale Share Completion constitutes connected transactions of the Company. As certain of the applicable percentage ratios stipulated under Rule 14.07 of the Listing Rules in respect of the Acquisitions upon aggregation exceed 5% but are below 25%, the Acquisitions as connected transactions are subject to the reporting, announcement and Independent Shareholders’ approval requirements set out in Chapter 14A of the Listing Rules. Further, based on the relevant percentage ratio calculations under the Listing Rules, the Acquisitions also constitute discloseable transactions for the Company under Chapter 14 of the Listing Rules. In relation to the Related Parties’ Loans, given they were provided on normal commercial terms for the benefit of the Target Group where no security over the assets of the Target Group or the Group is granted in respect of the Related Parties’ Loans, pursuant to Rule 14A.90 of the Listing Rules, such financial assistance is exempted from the reporting, announcement and independent shareholders’ approval requirements under Chapter 14A of the Listing Rules.

The Independent Board Committee has been established to advise the Independent Shareholders in respect of the terms of the Acquisition Agreement and the transactions contemplated thereunder. Gram Capital has been appointed as the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders in the same regard.

The Company proposes to convene the EGM to consider, and if thought fit, to approve the Acquisitions and the allotment and issue of the Consideration Shares. Each of CRH, the Vendors and their respective associates, being the connected persons of the Company and having material interests in the Acquisitions (which are different from those of the Independent Shareholders), will abstain from voting at the EGM. The votes of the Independent Shareholders regarding the resolution for approval of the Acquisition Agreement and the transactions contemplated thereunder will be taken by way of a poll at the EGM.

(III) THE CLAWBACK OFFER BY CRH (LAND)

Conditional upon and subject to Sale Share Completion, in order to provide the Qualifying Shareholders the opportunity to further participate in and share the growth of the Company and at least to maintain their shareholdings without being diluted by the Acquisitions, CRH (Land) will offer initially not more than 415,308,393 Offer Shares, which constitute approximately 59.36% of the Consideration Shares, to the Qualifying Shareholders on a pro rata basis of two Offer Share for every nine Shares held as at the close of business on the Record Date at HK\$18.0104 per Offer Share (being determined as a discount of 7% to the average closing price of the Shares for the 10 Trading Days immediately preceding the date of this announcement) as quoted on the Stock Exchange, which is equal to the issue price of the Consideration Shares pursuant to the Acquisition Agreement, the details of which are as set out below. On the aforesaid assumption, 415,308,393 Offer Shares represent approximately 6.36% of the total issued Shares of the Company as enlarged by the issue of the Consideration Shares on the Record Date.

As the Offering is conditional upon Sale Share Completion, the Offering may or may not proceed. Shareholders should exercise caution when dealing in the Shares of the Company.

Principal Terms of the Offering:

Number of Offer Shares: Initially not more than 415,308,393 Shares and will be adjusted upwards for any increase in the number of Shares held by the Qualifying Shareholders up to, and including the Record Date based on the Offering ratio as set out in the paragraph headed “Assured Entitlement” below.

Offer Price: HK\$18.0104 per Offer Share (being determined as a discount of approximately 7% to the average closing price of the Shares for the 10 Trading Days immediately preceding the date of this announcement) as quoted on the Stock Exchange, which is equal to the issue price per Consideration Share, excluding applicable fees, levies and buyer’s ad valorem stamp duty at a rate of 0.1% payable by the Qualifying Shareholders.

Assured Entitlement: Shareholders will be entitled to apply on the basis of two Offer Share for every nine existing Shares held as at the close of business on the Record Date.

A Qualifying Shareholder will be entitled to apply for a number of Offer Shares which is equal to or less than or in excess of his or her Assured Entitlement (subject to a minimum of 100 Offer Shares). The Assured Entitlement of each Qualifying Shareholder will be rounded down to the nearest whole number of Offer Shares, such that no fractional Share will be offered. No odd lot matching services will be provided by CRH (Land) in respect of the Offering.

Transferability:

The Assured Entitlements of the Qualifying Shareholders to the Offer Shares are not transferable or capable of renunciation and there will be no trading in nil-paid entitlements on the Stock Exchange. Any Offer Share not purchased or taken up by the Qualifying Shareholders will be available for excess application by other Qualifying Shareholders.

Status of the Offer Shares:

The Offer Shares to be sold under the Offering shall be fully-paid and rank pari passu in all respects with the existing Shares, free from all liens, charges, encumbrances, pre-emptive rights and any other third party rights of any nature and together with all rights attaching to them, including the right to receive in full all dividends and other distributions, if any, declared, made or paid on or after the date of the issuance of the Consideration Shares.

Excess Application:

Qualifying Shareholders are entitled to apply for Offer Shares offered but not taken up. Application is made by completing the excess application form which will accompany the Prospectus. The directors of CRH (Land) will allocate the excess Offer Shares at their discretion on a fair and reasonable basis and as far as practicable on a pro rata basis by reference to the number of excess Offer Shares applied for under each application. No preference will be given to topping up odd lots to whole board lots.

Qualifying Shareholders:

All Independent Shareholders whose names appear on the register of members of the Company as at the close of business on the Record Date, other than the Overseas Shareholders.

Condition: The Offering is conditional upon Sale Share Completion. If Sale Share Completion does not take place on or before December 31, 2015 or such later date as may be announced by the Company, the Offering will lapse and any applications made by the Qualifying Shareholders for the Offer Shares pursuant to the Offering will be rejected.

Despatch share certificates of the Offer Shares: Wednesday, February 11, 2015

Dealings in the Offer Shares commence: Thursday, February 12, 2015

Offering Arrangement

Given the Offering involves the offer of the Shares to the Qualifying Shareholders on a pro rata basis to enable the Qualifying Shareholders to further participate in and share the growth of the Company, the Prospectus will be issued by the Company and CRH (Land) jointly. The Company will provide administrative assistance that would be necessary and expedient for implementing the Offering, e.g. the closure of the register of members in order to determine the Assured Entitlements of the Qualifying Shareholders, and the despatch of the Prospectus and the application forms through the Company's branch share registrars and transfer office. The costs and expenses arising from the implementation of the Offering will be borne by CRH (Land). CRH (Land) will be primarily responsible for the preparation of the Prospectus and other documentations in relation to the Offering and the Company will provide reasonable assistance to CRH (Land) to ensure the accuracy and sufficiency of information contained in the Prospectus and other documentations in relation to the Offering.

Share Options

As at the date of this announcement, 5,290,000 Share Options are outstanding.

If all of these outstanding Share Options were exercised prior to the Record Date, 5,290,000 new Shares would be issued by the Company. In such event, a maximum of 1,175,555 additional Offer Shares would be offered to the Qualifying Shareholders (excluding the Overseas Shareholders) on the pro rata basis of two Offer Share for every nine existing Shares held as at the close of business on the Record Date, provided that the Assured Entitlement of each Qualifying Shareholder will be rounded down to the nearest whole number of Offer Shares.

Effect of the Acquisitions and Offering on the Shareholding Structure of the Company

For illustration purpose only, assuming that (i) there will be no change in the issued share capital of the Company, the Shares held by CRH and its associates and the Shares held by the Directors between the date of this announcement and completion of the Offering save for the allotment and issue of the Consideration Shares and the transfer of the Offer Shares by CRH (Land); and (ii) the initial 415,308,393 Offer Shares are fully accepted by the Qualifying Shareholders, the table below sets out the shareholding structure of the Company as at the date of this announcement, immediately upon Sale Share Completion, and immediately upon completion of the Offering:

	As at the date of this announcement		Immediately upon Sale Share Completion		Immediately upon completion of the Offering	
	No. of Shares	Approximate % of the total issued Shares	No. of Shares (Note 4)	Approximate % of the total issued Shares (Note 5)	No. of Shares	Approximate % of the total issued Shares
CRH (Note 1)						
Existing Shares	3,962,331,021	67.950	3,962,331,021	60.671	3,547,022,628	54.312
Consideration Shares (Note 2)	—	—	699,595,789	10.712	699,595,789	10.712
Subtotal	<u>3,962,331,021</u>	<u>67.950</u>	<u>4,661,926,810</u>	<u>71.383</u>	<u>4,246,618,417</u>	<u>65.024</u> ^(Note 7)
The Directors (Note 3)						
Existing Shares	4,761,000	0.082	4,761,000	0.073	4,761,000	0.073
Offer Shares (Note 6)	—	—	—	—	1,058,000	0.016
Subtotal	<u>4,761,000</u>	<u>0.082</u>	<u>4,761,000</u>	<u>0.073</u>	<u>5,819,000</u>	<u>0.089</u>
Other existing Shareholders						
Existing Shares	1,864,126,769	31.968	1,864,126,769	28.544	1,864,126,769	28.544
Offer Shares (Note 6)	—	—	—	—	414,250,393	6.343
Subtotal	<u>1,864,126,769</u>	<u>31.968</u>	<u>1,864,126,769</u>	<u>28.544</u>	<u>2,278,377,162</u>	<u>34.887</u>
Total	<u>5,831,218,790</u>	<u>100.000</u>	<u>6,530,814,579</u>	<u>100.000</u>	<u>6,530,814,579</u>	<u>100.000</u>

Notes:

- (1) CRH (Land) and Commotra Company Limited directly hold 3,959,501,021 and 2,830,000 Shares respectively and each of them is a wholly-owned subsidiary of CRH. CRH is a wholly-owned subsidiary of CRC Bluesky Limited. CRC Bluesky Limited is a wholly-owned subsidiary of CRC which in turn is wholly owned by China Resources National Corporation.
- (2) The interest of CRH in the Company upon the issue of the Consideration Shares represents its indirect interest held through CRH (Land) and Commotra Company Limited in the Company.

- (3) Such Directors who are also Shareholders will be entitled to vote at the EGM on the basis that none of them or any of their respective associates is a party to the Acquisition Agreement and the Equity Transfer Agreement, or any other transactions subject to approval of the Independent Shareholders at the EGM.
- (4) Save for the allotment and issue of the Consideration Shares, assuming there is no acquisition and/or disposal of Shares by CRH, its associates or the Directors from the date of this announcement up to the date of Sale Share Completion.
- (5) As of the date of this announcement, a total of 5,290,000 Share Options are outstanding. Assuming full exercise of such options on or before the date of Sale Share Completion, CRH, the Directors and other shareholders will hold approximately 71.33%, 0.07% and 28.60% of the then enlarged issued share capital of the Company after the issue of the Consideration Shares. Other than the said Share Options, there are no outstanding securities issued by the Company as of the date of this announcement which are convertible into Shares.
- (6) Qualifying Shareholders will be entitled to apply for the Offer Shares on a pro rata basis of two Offer Share for every nine existing Shares held as at the close of business on the Record Date.
- (7) Assuming the 5,290,000 outstanding Share Options are exercised in full, CRH will hold approximately 64.97% of the then enlarged issued share capital of the Company after completion of the Offering.

Expected Timetable

An indicative timetable of the Offering is set out as follows:

Date of the EGM and the announcement of the EGM poll results.....	Friday, January 9, 2015
Last day for trading in Shares with the Assured Entitlements	Monday, January 12, 2015
First day for trading in Shares without the Assured Entitlements	Tuesday, January 13, 2015
Latest time to lodge completed transfer forms and the relevant share certificates in order to qualify for the Assured Entitlements.....	4:00 p.m., Wednesday, January 14, 2015
Book closure period in relation to the Offering.....	From Thursday, January 15, 2015 to Monday, January 19, 2015 (both dates inclusive)
Record Date	Monday, January 19, 2015
Sale Share Completion/issue of Consideration Shares	Monday, January 19, 2015
Register of members of the Company reopens.....	Tuesday, January 20, 2015
Despatch of the Prospectus and forms of acceptance	Wednesday, January 21, 2015

Offer period..... from Wednesday, January 21, 2015
to Friday, January 30, 2015
(both dates inclusive)

Latest time for lodging applications and
payments for the Offer Shares 4:00 p.m., Friday, January 30, 2015

Announcement of the results of the Offering Tuesday, February 3, 2015

Despatch share certificates of the Offer Shares Wednesday, February 11, 2015

Dealings in the Offer Shares commence Thursday, February 12, 2015

Note: This assumes the Independent Shareholders have approved the Acquisitions at the EGM and the Stock Exchange has granted the approval for the listing of, and permission to deal in, the Consideration Shares.

All times in this announcement refer to Hong Kong time. Dates stated for events mentioned in the timetable above are indicative only and may be extended or varied. Any changes to the expected timetable for the Offering will be announced as appropriate.

Closure of register of members in relation to the Offering

The register of members of the Company will be closed from Thursday, January 15, 2015 to Monday, January 19, 2015, both dates inclusive, for the purposes of establishing the Assured Entitlements of the Qualifying Shareholders on the Record Date. During this period, no transfer of Shares will be registered. In order to qualify for the Assured Entitlements, all transfers of Shares, accompanied by the relevant share certificates must be lodged with the Company's branch share registrars and transfer office in Hong Kong, Tricor Standard Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong, for registration not later than 4:00 p.m. on Wednesday, January 14, 2015.

(IV) PROPOSED INCREASE IN AUTHORISED SHARE CAPITAL

As at the date of this announcement, the authorised share capital of the Company was HK\$700,000,000 divided into 7,000,000,000 Shares, of which 5,831,218,790 Shares had been in issue. Immediately upon Sale Share Completion, if there is no new Shares to be issued and no Shares have been repurchased by the Company, the issued share capital of the Company will be increased to 6,530,814,579. In order to accommodate the future expansion of and growth of the Group, the Directors propose to increase the authorised share capital of the Company from HK\$700,000,000 divided into 7,000,000,000 Shares to HK\$800,000,000 divided into 8,000,000,000 Shares by the creation of additional 1,000,000,000 new Shares. The Capital Increase is conditional upon the passing of an ordinary resolution by the Shareholders at the EGM. Other than the issue of the Consideration Shares, the Directors have no present intention of issuing any outstanding unissued Shares, including the portion proposed to be increased pursuant to the Capital Increase.

(V) GENERAL

A circular containing, among other things, (i) further information on the Acquisitions, the Target Group and the Offering; (ii) the advice of Gram Capital regarding the Acquisitions; (iii) the recommendation of the Independent Board Committee regarding the Acquisitions; (iv) the property valuation report on the Project Sites (including the Remaining Land Parcels); (v) information on the Capital Increase; and (vi) the notice convening the EGM and a proxy form will be despatched to the Shareholders on or before Monday, December 22, 2014. Conditional upon and subject to Sale Share Completion, a Prospectus, currently expected to be on or around Wednesday, January 21, 2015, will be issued by the Company and CRH (Land) jointly as soon as practicable after the EGM to give the Qualifying Shareholders more detailed information on the Offering. An application form with the Assured Entitlement of each Qualifying Shareholder printed thereon and an excess application form together with the Prospectus will also be despatched to each Qualifying Shareholder.

DEFINITIONS

“Acquisitions”	the Top Virtue Acquisition and the SZRY Acquisition
“Acquisition Agreement”	the conditional sale and purchase agreement dated December 8, 2014 entered into between the Company and Central New in respect of, among other things, the sale and purchase of the Sale Shares
“Acquisition Consideration”	the consideration of RMB14,795 million (equivalent to approximately HK\$18,642 million comprising the Share Consideration and the Cash Consideration payable by the Company for the Sale Shares and the Sale Equity Interest under the Acquisition Agreement and the Equity Transfer Agreement
“Additional Investments”	any additional new money injected into the Target Group by the CRC Group (as evidenced by valid official receipts or such other supporting documents reasonably acceptable to the Company) by way of capital contribution or shareholders loans or otherwise, to cover any costs incurred in connection with the normal course of business of the Target Group, including but not limited to contribution to outstanding registered capital after October 31, 2014 (being the date of the latest Management Accounts of the Target Group) up to (and inclusive of) the Sale Share Completion Date

“associate(s)”	has the meaning ascribed thereto in the Listing Rules
“Assured Entitlement(s)”	the entitlement(s) of the Qualifying Shareholder(s) to apply for the Offer Shares under the Offering on the basis described in this announcement
“Board”	the board of Directors
“Business Day”	a day on which banks in Hong Kong are generally open for business (excluding a Saturday and a Sunday)
“BVI”	the British Virgin Islands
“Capital Increase”	the proposed increase in authorised share capital of the Company from HK\$700,000,000 to HK\$800,000,000
“Cash Consideration”	RMB4,795 million, (equivalent to approximately HK\$6,042 million, the portion of the Acquisition Consideration being the difference between the Acquisition Consideration and the Share Consideration (subject to upward adjustment) payable by the Company to the Vendors in cash
“Central New”	Central New Investments Limited (正新投資有限公司), a company incorporated in the BVI with limited liability and a wholly-owned subsidiary of CRH
“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
“Conditions”	the conditions set out in the paragraph headed “Conditions precedent” in the section headed “(A) The Acquisition Agreement” of this announcement
“connected person(s)”	has the meaning ascribed thereto in the Listing Rules
“Consideration Adjustment Cap”	the maximum consideration adjustment of RMB1,500 million (equivalent to approximately HK\$1,890 million) pursuant to the Acquisition Agreement

“Consideration Shares”	the 699,595,789 new Shares to be allotted and issued to CRH (Land) (as directed by Central New) on Sale Share Completion
“controlling Shareholder”	has the meaning ascribed thereto in the Listing Rules
“CRC”	China Resources Co., Limited (華潤股份有限公司), a company incorporated in the PRC with limited liability, indirectly holding 100% issued share capital of CRH as at the date of this announcement
“CRC Group”	CRC and its subsidiaries excluding the Group
“CRH”	China Resources (Holdings) Company Limited (華潤(集團)有限公司), a company incorporated in Hong Kong with limited liability, an indirect wholly-owned subsidiary of CRC, holding 100% shares in CRH (Land) as at the date of this announcement
“CRH (Land)”	CRH (Land) Limited (華潤集團(置地)有限公司), a wholly-owned subsidiary of CRH, holding approximately 67.95% interests in the share capital of the Company as at the date of this announcement
“Deed of Indemnity”	the deed of indemnity to be entered into among the Company, CRC and Central New on Sale Share Completion in relation to the tax liabilities of the Target Group prior to Sale Share Completion or the completion of the sale and purchase of the Sale Equity Interest (as the case may be) and other liabilities as specified therein
“Directors”	the directors of the Company
“EGM”	the extraordinary general meeting of the Company to be convened and held for the purpose of considering and, if thought fit, approving the terms of the Acquisition Agreement and the transactions contemplated thereunder and the Capital Increase
“Equity Transfer Agreement”	the equity transfer agreement to be entered into between the Company (or its subsidiary) and CRC on Sale Share Completion, in respect of the sale and purchase of the Sale Equity Interest

“GFA”	gross floor area
“Group”	the Company and its subsidiaries
“Gram Capital”	Gram Capital Limited, a licensed corporation to carry out type 6 (Advising on Corporate Finance) of the regulated activities as set out in Schedule 5 to the SFO, and the independent financial adviser to the Independent Board Committee and the Independent Shareholders in relation to the terms of the Acquisition Agreement and the transactions contemplated thereunder
“Grant Contracts of Land Use Rights”	the grant contracts of land use rights (國有土地使用權出讓合同) entered into or to be entered into between the Shenzhen Land Bureau and the Shenzhen Dachongcun Project Company, in respect of land parcels on the Shenzhen Dachongcun Site (深圳大沖村項目)
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“holding company”	has the meaning ascribed thereto in the Listing Rules
“Independent Board Committee”	the independent board committee of the Company formed by all the independent non-executive Directors to advise the Independent Shareholders on the terms of the Acquisition Agreement and the transactions contemplated thereunder
“Independent Shareholders”	Shareholders (other than CRH, the Vendors and their respective associates) who are not required to abstain from voting at the EGM
“Independent Third Party”	a company who, together with its ultimate beneficial owner(s), are not connected person(s) of the Group and the CRC Group and are also independent of the Group and the CRC Group and their connected persons
“Jinan Danganguan East Site”	the development project in Jinan Danganguan East (濟南檔案館東) undertaken by China Resources Land (Ji Nan) Co., Ltd. (華潤置地(濟南)有限公司) and the business and assets in connection with such project

“Jinan Xinglong Site”	the development project in Jinan Xinglong (濟南興隆) undertaken by China Resources Land (Shandong) Development Co., Ltd (華潤置地(山東)發展有限公司) and the business and assets in connection with such project
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Management Accounts”	the unaudited combined balance sheets of the Target Group as at December 31, 2012, December 31, 2013 and October 31, 2014 and the unaudited combined income statements of the Target Group for the two years ended December 31, 2013 and the ten months ended October 31, 2014, prepared in accordance with the Hong Kong Financial Reporting Standards
“NAV”	net asset value
“Offering”	the offer to the Qualifying Shareholders to purchase the Offer Shares on and subject to the terms and conditions set out in the Prospectus and the application form(s) to be despatched
“Offer Shares”	initially not more than 415,308,393 Shares (assuming that there will be no change in the issued share capital of the Company from the date of this announcement to and including the Record Date) offered pursuant to the Offering subject to adjustment as set out in the section headed “(III) The Clawback Offer by CRH (Land)” in this announcement
“Overseas Shareholders”	registered holders of Shares whose addresses on the register of members of the Company are outside Hong Kong as at the close of business on the Record Date. For the avoidance of doubt, Mainland investors that may acquire securities of the Company through the Shanghai-Hong Kong Stock Connect (the securities trading and clearing links programme developed by Hong Kong Exchanges and Clearing Limited, Shanghai Stock Exchange and China Securities Depository and Clearing Corporation Limited) and with their securities maintained with HKSCC Nominees Limited will not be regarded as Overseas Shareholders

“PBOC”	the People’s Bank of China
“PRC” or “China”	the People’s Republic of China which, for the purpose of this announcement, excludes Hong Kong, Taiwan and the Macau Special Administrative Region of the People’s Republic of China
“Project Sites”	the Shenzhen Dachongcun Site (深圳大冲村項目), the Shenzhen Sanjiu Yinhu Site (深圳三九銀湖項目), the Shenzhen Diwangju Site (深圳帝王居項目), the Jinan Xinglong Site (濟南興隆項目) and the Jinan Dangangguan East Site (濟南檔案館東項目)
“Prospectus”	the prospectus in relation to the Offering
“Qualifying Shareholders”	Shareholders whose names appear on the register of members of the Company as at the close of business on the Record Date, other than CRH, its associates and the Overseas Shareholders
“Record Date”	Monday, January 19, 2015, the record date for ascertaining the Assured Entitlements
“Related Parties’ Loans”	the total outstanding amount (including the principal and accrued interest) of related parties’ loans and the interests thereon owed by the Target Group to the CRC Group of approximately RMB2,457 million (equivalent to approximately HK\$3,096) million as at the date of this announcement
“Remaining Land Parcels”	the five out of twelve parcels of land in the Shenzhen Dachongcun Site (深圳大冲村項目) for which Grant Contract(s) of Land Use Rights have yet been signed as of the date of this Announcement
“Sale Shares”	two ordinary shares of US\$1.00 each, representing the entire issued share capital of Top Virtue as at the date of this announcement, which is registered in the name of and beneficially owned by Central New and any additional shares to be issued by Top Virtue to Central New on or prior to Sale Share Completion (if any)

“Sale Share Completion”	completion of the sale and purchase of the Sale Share in accordance with the provisions of the Acquisition Agreement
“Sale Share Completion Date”	the day on which Sale Share Completion takes place in accordance with the terms of the Acquisition Agreement
“Sale Equity Interest”	100% equity interests in SZRY registered in the name of and beneficially owned by CRC
“SFO”	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share Consideration”	the amount of RMB10,000 million (equivalent to approximately HK\$12,600 million), being the portion of the Acquisition Consideration excluding the Cash Consideration, which is to be satisfied by the allotment and issue of the Consideration Shares in accordance with the terms of the Acquisition Agreement
“Share Options”	options granted by the Company which entitle the holders of such options to subscribe for Shares
“Share(s)”	ordinary share(s) of HK\$0.10 each in the share capital of the Company
“Shareholder(s)”	holders of the Shares
“Shenzhen Dachongcun Site”	the development project in Shenzhen Dachongcun (深圳大冲村) undertaken by China Resources Land (Shenzhen) Co., Ltd (華潤置地(深圳)有限公司) and the business and assets in connection with such project
“Shenzhen Dachongcun Project Company”	China Resources Land (Shenzhen) Co., Ltd (華潤置地(深圳)有限公司), being the project company within the Target Group undertaking the development of the Shenzhen Dachongcun Site (深圳大冲村項目)

“Shenzhen Diwangju Site”	the development project in Shenzhen Dushimingyuan (深圳都市名園) located in land parcel “A” Caiwuwei Village Luohu District Shenzhen (深圳市羅湖區蔡屋圍村“A”地塊) and undertaken by Shenzhen Palace Property Development Co., Ltd. (深圳帝王居物業發展有限公司) and the business and assets in connection with such project
“Shenzhen Land Bureau”	Shenzhen Planning and Land Resources Committee Second Immediate Administration Bureau (深圳市規劃和國土資源委員會第二直屬管理局)
“Shenzhen Sanjiu Yinhu Site”	the development project in Shenzhen Sanjiu Yinhu (深圳三九銀湖) undertaken by China Resources Land (Shenzhen) Real Estate Development Co., Ltd (華潤(深圳)地產發展有限公司) and the business and assets in connection with such project
“SZRY Acquisition”	the proposed acquisition of the Sale Equity Interest by the Company pursuant to the Equity Transfer Agreement
“SZRY”	Shenzhen Runyue Investment Development Co., Ltd (深圳市潤越投資發展有限公司), a company incorporated in the PRC with limited liability and a wholly-owned subsidiary of CRC
“sq.m.”	square metres
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Target Group”	Top Virtue, SZRY and their subsidiaries
“Trading Day”	the day on which the Shares are traded on the Stock Exchange
“Top Virtue”	Top Virtue Enterprises Limited (冠德企業有限公司), a company incorporated in the BVI with limited liability and a wholly-owned subsidiary of Central New as at the date of this announcement
“Top Virtue Acquisition”	the proposed acquisition of the Sale Shares by the Company pursuant to the Acquisition Agreement

“US” or “United States”	the United States of America, its territories and possessions, any State of the United States, and the District to Columbia
“US Person(s)”	any person(s) or entity(ies) deemed to be a US person for purposes of Regulation S under the US Securities Act of 1933, as amended
“Vendors”	Central New and CRC
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong from time to time
“RMB”	Renminbi, the lawful currency of the PRC from time to time
“US\$”	United States dollars, the lawful currency of the United States from time to time
“%”	per cent.

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

Hong Kong, December 8, 2014

As at the date of this announcement, the executive Directors are Mr. Wu Xiangdong, Mr. Tang Yong and Mr. Yu Jian; the non-executive Directors 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 are Mr. Wang Shi, Mr. Andrew Y. Yan, Mr. Ho Hin Ngai, Bosco, Mr. Wan Kam To, Peter and Mr. Ma Weihua.

For the purposes of this announcement and illustration only, conversions of RMB into HK\$ are based on the approximate exchange rate of RMB1.0000 to HK\$1.2600. No representation is made that any amount in HK\$ or RMB could have been or could be converted at the above rate or at any other rates.