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## **GREENTOWN CHINA HOLDINGS LIMITED**

**綠城中國控股有限公司\***

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 03900)**

### **DISCLOSEABLE TRANSACTION**

#### **THE AGREEMENT**

The Board wishes to announce that the Purchaser (a wholly-owned subsidiary of Soho China) and the Vendors entered into the Agreement on 29 December 2011 pursuant to which the Purchaser had conditionally agreed to acquire and each of Greentown Jiahe and Shanghai Zendai Land had conditionally agreed to sell (i) the Greentown Sale Interest and the Zendai Sale Interest, representing 100% of the issued share capital of Greentown Hesheng and 100% of the issued share capital of Shanghai Zendai Wudaokou, respectively; and (ii) the Greentown Shareholder's Loan and the Zendai Shareholder's Loan, at an aggregate Consideration of RMB4 billion.

As at the date of this announcement, Shanghai Haizhimen is owned as to 10%, 35%, 5% and 50% by Greentown Hesheng, Shanghai Zendai Wudaokou, Shanghai Panshi and Zhejiang Fosun, respectively. It is contemplated that completion of the Panshi Share Transfer Agreement and the Transfer of Trust Units Agreement will take place before Completion, and as a result, Shanghai Zendai Wudaokou will be, directly and indirectly, interested in 40% equity interest in Shanghai Haizhimen. The Purchaser will be indirectly interested in 50% equity interest in Shanghai Haizhimen upon Completion.

The net proceeds from the Greentown Disposal will be utilized as general working capital for the Group.

## **IMPLICATIONS UNDER THE LISTING RULES**

Given one or more of the applicable percentage ratios (as defined in the Listing Rules) under Rule 14.07 of the Listing Rules in respect of the Greentown Disposal exceeds 5% and all of the applicable percentage ratios are below 25%, the Greentown Disposal constitutes a discloseable transaction of the Company and is therefore subject to the requirements of reporting and announcement pursuant to Chapter 14 of the Listing Rules.

## **THE AGREEMENT**

### **Date**

29 December 2011

### **Parties**

Vendors: (1) Greentown Jiahe, a wholly-owned subsidiary of the Company  
(2) Shanghai Zendai Land, a wholly-owned subsidiary of Shanghai Zendai

Purchaser: Shanghai Changye Investment Management Co., Ltd (上海長燁投資管理諮詢有限公司), a company established under the laws of the PRC and is a wholly-owned subsidiary of Soho China.

To the best of the Directors' knowledge, information and belief, and having made reasonable enquiries, Shanghai Zendai Land and the Purchaser and their respective ultimate beneficial owners are Independent Third Parties.

### **Details of the Disposals**

Pursuant to the Agreement, the Purchaser had conditionally agreed to acquire and each of Greentown Jiahe and Shanghai Zendai Land had conditionally agreed to sell (i) the Greentown Sale Interest and the Zendai Sale Interest, representing 100% of the issued share capital of Greentown Hesheng and 100% of the issued share capital of Shanghai Zendai Wudaokou, respectively; and (ii) the Greentown Shareholder's Loan and the Zendai Shareholder's Loan, at an aggregate Consideration of RMB4 billion.

### **Consideration**

The Greentown Consideration for the Greentown Sale Interest and the Greentown Shareholder's Loan payable by the Purchaser to Greentown Jiahe shall be an aggregate of RMB1.04 billion, of which the consideration for the Greentown Sale Interest is RMB130,330,000 and the consideration for the Greentown Shareholder's Loan is RMB909,670,000, being the principal amount of the Greentown Shareholder's Loan as at the date of the Agreement.

The Greentown Consideration and Zendai Consideration together shall be satisfied by the Purchaser by cash in six installments, of which the Greentown Consideration shall be satisfied in the first, second and third installments in the manner set out below.

*First installment:* RMB1 billion as first installment, of which RMB900 million shall be paid for the entire consideration of the Greentown Sale Interest and the partial consideration of the Greentown Shareholder's Loan, while RMB100 million shall be paid for the partial consideration of Zendai Sale Interest. The first installment shall be payable on the date of fulfillment of (i) the due execution of the Agreement; (ii) pledging of the Greentown Sale Interest and the Zendai Sale Interest in favour of the Purchaser; and (iii) transfer of the certificate of incorporation and company seals of Greentown Hesheng and Shanghai Zendai Wudaokou to the Purchaser.

*Second installment:* RMB800 million as second installment, of which RMB100 million shall be paid for the partial consideration of the Greentown Shareholder's Loan while RMB700 million shall be paid for the partial consideration of the Zendai Sale Interest and Zendai Shareholder's Loan. The second installment shall be payable on or before 10 January 2012.

*Third installment:* RMB40 million as third installment shall be paid for the remaining consideration of the Greentown Shareholders' Loan. The third installment shall be payable on the earlier of 1 March 2012 or the fifth business day after the fulfillment of (i) the shareholders of Shanghai Zendai having approved the Agreement and the transaction contemplated thereunder; (ii) business registration for the pledging of the Greentown Sale Interest and the Zendai Sale Interest in favour of the Purchaser or the transfer of such equity interests to the Purchaser having been completed within five business days upon payment of the second installment; (iii) completion of the due diligence work conducted by the Purchaser; (iv) business registration for the transfer of the Greentown Sale Interest; (v) completion of the transfer of the Greentown Sale Interest taking place; and (vi) the representations and warranties given by Greentown Jiahe and Shanghai Zendai Land remain valid.

The Consideration, comprising the Greentown Consideration of RMB1.04 billion and the Zendai Consideration of RMB2.96 billion, is RMB4 billion in aggregate. The Greentown Consideration was determined after arm's length negotiations between the Purchaser and Greentown Jiahe with reference to, among other things, the recent market value of comparable land nearby the Land Parcel.

The Directors considered that the Greentown Consideration is fair and reasonable and in the interests of the Company and the Shareholders as a whole.

### **Conditions precedent to the Agreement**

Completion is subject to the fulfilment or waiver (where applicable as provided below) of the following conditions:

- (i) the Purchaser having completed its due diligence review on Shanghai Zendai Wudaokou, Greentown Hesheng, Shanghai Panshi, Shanghai Haizhimen and the Project Company and having confirmed that there is no material discrepancy as disclosed by the Vendors;

- (ii) Greentown Hesheng having completed the disposal of all the assets held by Greentown Hesheng other than its equity interest in Shanghai Haizhimen and the shareholder's loan payable to Greentown Hesheng by Shanghai Haizhimen and having confirmed that Greentown Hesheng shall not bear any obligation and liability of any assets in relation to such disposal save as otherwise agreed;
- (iii) Shanghai Zendai Wudaokou having completed the disposal of all the assets held by Shanghai Zendai Wudaokou other than its equity interest in Shanghai Haizhimen and the shareholder's loan payable to Shanghai Zendai Wudaokou by Shanghai Haizhimen and having confirmed that Shanghai Zendai Wudaokou shall not bear any obligation and liability of any assets in relation to such disposal save as otherwise agreed;
- (iv) the Completion of the Panshi Share Transfer Agreement having taken place;
- (v) Shanghai Zendai Wudaokou and New China Trust having completed the Transfer of Trust Units Agreement and the transactions contemplated thereunder;
- (vi) the obtaining by the Vendors and the Purchaser of the approval of the Agreement and the transactions contemplated thereunder from their respective shareholders and/or board of directors;
- (vii) the obtaining by Shanghai Zendai of the approval of the Agreement and the transactions contemplated thereunder at the general meeting of Shanghai Zendai; and
- (viii) there is no reasonably foreseeable obstacle on the fulfilment of the conditions precedent under the Project Company Transfer Agreement in accordance with the timeframe as set out therein.

Condition (vii) cannot be waived by the Purchaser. The Purchaser may, at its absolute discretion in writing, waive all the other conditions precedent.

### **Completion**

Completion shall take place within 15 days after the fulfilment or waiver (as the case may be) of the conditions precedent to the Agreement or such other date as the parties thereto may agree.

### **POTENTIAL FINANCIAL EFFECTS OF THE GREENTOWN DISPOSAL**

Based on the Greentown Consideration, it is estimated that there will be a gain on the Greentown Disposal of RMB115,330,000 which is based on the difference of between the consideration for the Greentown Sale Interest of RMB130,330,000 and the registered capital of RMB15,000,000 of Greentown Hesheng.

The net proceeds from the Greentown Disposal will be utilized as general working capital for the Group.

## **REASONS FOR THE GREENTOWN DISPOSAL**

The Group is one of the leading residential property developers in the PRC and is primarily engaged in developing quality residential properties targeting middle to higher income residents in the PRC. The Board is of the view that the net proceeds from the Greentown Disposal would strengthen the Group's cash flow and increase its working capital to maintain the liquidity and conserve more financial resources for the funding of future investments when opportunities arise. It is expected that the Greentown Disposal would improve the gearing level and strengthen the financial position of the Group. As such, the Directors consider that the terms of the Agreement are on normal commercial terms, fair and reasonable and in the interests of the Company and the Shareholders as a whole.

## **INFORMATION ON THE OTHER PARTIES TO THE AGREEMENT**

The Purchaser is a company established under the laws of the PRC and a wholly-owned subsidiary of Soho China with principal business activity of investment management. The principal business activity of Soho China is investment holding. The principal business activities of its major subsidiaries are development, operation and sale of commercial properties in central Beijing and Shanghai. The shares of Soho China are listed on the main board of the Stock Exchange.

Shanghai Zendai Land is principally engaged in the investment holding company of property project companies in the PRC and is a wholly-owned subsidiary of Shanghai Zendai. Shanghai Zendai and its subsidiaries are principally engaged in construction of commercial and residential properties for sale, ownership and operation of hotel business, leasing, management and agency of commercial and residential properties, provision of travel and related services. The shares of Shanghai Zendai are listed on the main board of the Stock Exchange.

## **INFORMATION ON THE PROJECT COMPANY AND GREENTOWN HESHENG**

### **The Project Company**

As at the date of this announcement, Shanghai Haizhimen is owned as to 10%, 35%, 5% and 50% by Greentown Hesheng, Shanghai Zendai Wudaokou, Shanghai Panshi and Zhejiang Fosun, respectively. It is contemplated that completion of the Panshi Share Transfer Agreement and the Transfer of Trust Units Agreement will take place before Completion, and as a result, Shanghai Zendai Wudaokou will be, directly and indirectly, interested in 40% equity interest in Shanghai Haizhimen. The Purchaser will be indirectly interested in 50% of equity interest in Shanghai Haizhimen upon Completion. Upon completion of the Project Company Transfer Agreement, the Project Company will become a wholly-owned subsidiary of Shanghai Haizhimen. The Project Company is a limited liability company established under the laws of the PRC. The major asset of the Project Company comprises the Land Parcel.

The Land Parcel is located between Yuyuan Garden and the Shiliupu Expo water gate in Shanghai's Huangpu District. The Land Parcel occupies an area of approximately 45,000 square metres for mixed office, retail, financial and cultural use. The project has an overall construction area of approximately 426,100 square metres, with a gross floor area of approximately 274,800 square metres above ground (of which sellable gross floor area makes up 269,968 square metres including 40,000 square metres of retail space, 19,000 square metres of office space, 30,000 square metres of hotel space and 9,378 square metres of cultural space) and 151,296 square metres of underground gross floor area (including 50,000 square metres of underground retail space). The rights to the 30,000 square metres of hotel space have already been sold to a third party.

### **Greentown Hesheng**

The net loss (both before and after taxation and extraordinary items) of Greentown Hesheng for the two financial years ended 31 December 2009 and 2010 were approximately RMB0.2 million and RMB1.0 million, respectively. The net asset value of Greentown Hesheng as at 31 December 2010 were approximately RMB13.8 million.

### **IMPLICATIONS OF THE LISTING RULES**

Given certain of the applicable percentage ratios (as defined in the Listing Rules) under Rule 14.07 of the Listing Rules in respect of the Greentown Disposal exceeds 5% and all of the applicable percentage ratios are below 25%, the Greentown Disposal constitutes a discloseable transaction of the Company and is therefore subject to the requirements of reporting and announcement pursuant to Chapter 14 of the Listing Rules.

### **DEFINITIONS**

In this announcement, the following expressions shall have the following meanings:

“Agreement”	the agreement dated 29 December 2011 entered into among Shanghai Zendai Land, Greentown Jiahe and the Purchaser in relation to the Disposals
“Board”	the board of Directors
“Company”	Greentown China Holdings Limited (綠城中國控股有限公司)*, a company incorporated in the Cayman Islands with limited liability and the shares of which are listed on the main board of the Stock Exchange
“Completion”	completion of the Disposals
“Consideration”	collectively the Greentown Consideration and the Zendai Consideration
“Director(s)”	the director(s) of the Company

“Disposals”	collectively the Greentown Disposal and the Zendai Disposal
“Fosun”	Fosun International Limited (復星國際有限公司), a company incorporated under the laws of Hong Kong with limited liability and the shares of which are listed on the main board of the Stock Exchange
“Greentown Consideration”	the total consideration payable by the Purchaser to Greentown Jiahe for the purchase of the Greentown Sale Interest and the Greentown Shareholder’s Loan pursuant to the Agreement
“Greentown Disposal”	the disposal of the Greentown Sale Interest and the Greentown Shareholder’s Loan by Greentown Jiahe to the Purchaser pursuant to the Agreement
“Greentown Hesheng”	杭州綠城合升投資有限公司 (Hangzhou Greentown Hesheng Investment Company)*, formerly known as 杭州綠城置業投資有限公司 (Hangzhou Greentown Real Estate Investment Co., Ltd.*), a limited liability company established under the laws of the PRC and a wholly-owned subsidiary of Greentown Jiahe
“Greentown Jiahe”	浙江嘉和實業有限公司 (Zhejiang Jiahe Industrial Co. Ltd.)*, a limited liability company established under the laws of the PRC and an indirect wholly-owned subsidiary of the Company
“Greentown Sale Interest”	the entire share capital of Greentown Hesheng
“Greentown Shareholder’s Loan”	the shareholder’s loan payable to Greentown Jiahe by Greentown Hesheng as at Completion
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Third Party(ies)”	third party(ies) independent of the Company and its connected persons
“Land Parcel”	外灘國際金融中心8-1地塊, a parcel of land located in 黃浦區小東門街道574、578地塊 (Lots 574 and 578 of Xiaodongmen Jiedao, Huangpu District, Shanghai, the PRC) with an area of approximately 45,000 square metres for mixed office, retail, financial and cultural uses
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange



“New China Trust”	新華信託股份有限公司 (New China Trust Co., Ltd.*), a company established in the PRC with limited liability
“Panshi Share Transfer Agreement”	the agreement dated 29 December 2011 entered into between Shanghai Zendai Wudaokou and Shanghai Panshi
“Project Company”	上海証大外灘國際金融服務中心置業有限公司 (Shanghai Zendai Bund International Finance Services Centre Real Estate Company Limited)*, a limited liability company established under the laws of the PRC
“Project Company Transfer Agreement”	the agreement dated 28 October 2011 entered into between Shanghai Zendai Land and Shanghai Haizhimen in relation to the disposal of the entire registered capital of the Project Company and the shareholder’s loan owing to Shanghai Zendai Land by the Project Company by Shanghai Zendai Land to Shanghai Haizhimen
“PRC”	the People’s Republic of China which, for the purpose of this announcement, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“Purchaser”	Shanghai Changye Investment Management Co., Ltd (上海長燁投資管理諮詢有限公司), a limited liability company established under the laws of the PRC and is a wholly-owned subsidiary of Soho China
“RMB”	Renminbi, the lawful currency of the PRC
“Shanghai Haizhimen”	Shanghai Haizhimen Property Management Co., Ltd. (上海海之門房地產管理有限公司), a limited liability company established under the laws of the PRC
“Shanghai Panshi”	上海磐石投資管理有限公司 (Shanghai Panshi Investment Management Co., Ltd.)*, a limited liability company established under the laws of the PRC
“Shanghai Zendai”	Shanghai Zendai Property Limited, an exempt company incorporated in Bermuda with limited liability and the shares of which are listed on the main board of the Stock Exchange
“Shanghai Zendai Land”	上海証大置業有限公司 (Shanghai Zendai Land Company Limited)*, a wholly owned subsidiary of Shanghai Zendai
“Shanghai Zendai Wudaokou”	上海証大五道口房地產開發有限公司 (Shanghai Zendai Wudaokou Property Company Limited)*, a wholly owned subsidiary of Shanghai Zendai
“Share(s)”	the ordinary share(s) of HK\$0.1 each in the share capital of the Company



“Shareholder(s)”	holder(s) of the Shares
“Soho China”	SOHO China Limited, a company incorporated in the Cayman Islands with limited liability and the shares of which are listed on the main board of the Stock Exchange
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Transfer of Trust Units Agreement”	the transfer of trust units agreement dated 28 December 2011 entered into between New China Trust and Shanghai Zendai Wudaokou
“Vendors”	Greentown Jiahe and Shanghai Zendai Land
“Zendai Consideration”	the total consideration payable by the Purchaser to Shanghai Zendai Land for the purchase of the Zendai Sale Interest and the Zendai Shareholder’s Loan pursuant to the Agreement
“Zendai Disposal”	the disposal of the Zendai Sale Interest and the Zendai Shareholder’s Loan by Shanghai Zendai Land to the Purchaser pursuant to the Agreement
“Zendai Sale Interest”	the entire share capital of Shanghai Zendai Wudaokou
“Zendai Shareholder’s Loan”	the shareholder’s loan payable to Shanghai Zendai Land by Shanghai Zendai Wudaokou as at Completion
“Zhejiang Fosun”	Zhejiang Fosun Commerce Development Limited (浙江復星商業發展有限公司), a limited liability company established under the laws of the PRC and a wholly-owned subsidiary of Fosun
“%”	per cent

On behalf of the Board  
**Greentown China Holdings Limited**  
**Song Weiping**  
*Chairman*

*As at the date of this announcement, the Board comprises five executive Directors, namely Mr Song Weiping, Mr Shou Bainian, Mr Luo Zhaoming, Mr Guo Jiafeng and Mr Cao Zhounan, and six independent non-executive Directors, namely Mr Jia Shenghua, Mr Jiang Wei, Mr Ke Huanzhang, Mr Sze Tsai Ping, Michael, Mr Tang Shiding and Mr Xiao Zhiyue.*

Hangzhou, the PRC, 29 December 2011

\* For identification purpose only