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SUNAC CHINA HOLDINGS LIMITED

融創中國控股有限公司*

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

(Stock Code: 01918)



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)

JOINT ANNOUNCEMENT

MAJOR TRANSACTION

DISCLOSEABLE TRANSACTION

ACQUISITION OF THE ENTIRE INDIRECT INTEREST IN PRC PROJECT COMPANIES

THE FRAMEWORK AGREEMENT

On 16 March 2013, Sunac China, Greentown China, China Gold Associates Limited (the “Vendor”) and the Guarantor entered into the Framework Agreement, pursuant to which the Purchasers conditionally agreed to acquire through their equally-shared Offshore JV, and the Vendor conditionally agreed to dispose of, the entire issued share capital of Golden Regal Limited (the “Target Company”). Upon completion of the Acquisition, Sunac China and Greentown China will each hold, through the Offshore JV, 50% interest in the Target Company, while the Offshore JV, the Target Company and its subsidiaries: (i) will become non wholly-owned subsidiaries of Sunac China and their financial results will be consolidated into the consolidated financial statements of the Sunac Group; and (ii) will not become subsidiaries of Greentown China and their financial results will not be consolidated into the consolidated financial statements of the Greentown Group.

The aggregate consideration for the Acquisition (subject to adjustment) payable by the Purchasers is RMB9,019 million.

LISTING RULES IMPLICATIONS

In relation to Sunac China, as the applicable percentage ratios under Rule 14.07 of the Listing Rules in respect of the Acquisition exceed 25% but are less than 100%, the Acquisition constitutes a major transaction for Sunac China under Chapter 14 of the Listing Rules and is subject to reporting, announcement and independent shareholders' approval requirements.

To the best of the knowledge, information and belief of the directors of Sunac China, after having made all reasonable enquiries, no shareholders of Sunac China or any of their respective associates have any material interest in the Acquisition. As such, no shareholders of Sunac China would be required to abstain from voting in favour of the resolution approving the Acquisition. As at the date of this announcement, the Relevant Shareholders of Sunac China control an aggregate of 1,742,515,088 Shares, representing approximately 52.54% of the issued share capital of Sunac China. Accordingly, pursuant to Rule 14.44 of the Listing Rules, Sunac China may apply to the Stock Exchange for a waiver from the requirement to hold a general meeting to approve the entering of the Framework Agreement and the transactions contemplated thereunder on the basis that a written approval will be given by the Relevant Shareholders. As such, Sunac China will apply to the Stock Exchange for a waiver from such requirement.

In relation to Greentown China, as the applicable percentage ratios under Rule 14.07 of the Listing Rules in respect of the Acquisition exceed 5% but are less than 25%, the Acquisition constitutes a discloseable transaction for Greentown China under Chapter 14 of the Listing Rules and is subject to reporting and announcement requirements.

GENERAL

A circular of Sunac China containing, among other things, (i) further details of the Framework Agreement, the Final Equity Transfer Agreement (if finally entered into) and the Acquisition; and (ii) any other information required to be disclosed under the Listing Rules, will be despatched to the shareholders of Sunac China. As it is expected that additional time will be required to prepare the relevant financial information to be included in the circular, Sunac China will apply to the Stock Exchange for an extension of time for despatch of the circular by no later than 17 June 2013.

THE FRAMEWORK AGREEMENT

Date: 16 March 2013

The Purchasers: (i) Sunac China
(ii) Greentown China

The Vendor: the Vendor

The Guarantor: the sole registered shareholder of the Vendor

To the best of the knowledge, information and belief of the directors of Sunac China, after having made all reasonable enquiries, the Vendor and its ultimate beneficial owners are third parties independent of and not connected with Sunac China or any connected person of Sunac China. To the best of the knowledge, information and belief of the directors of Greentown China, after having made all reasonable enquiries, the Vendor and its ultimate beneficial owners are third parties independent of and not connected with Greentown China or any connected person of Greentown China.

Subject Matter

As at the date of this announcement, the Vendor owns 100% of the issued share capital of the Hong Kong Company through the Target Company, and the Hong Kong Company owns 100% of the equity interest of each of the PRC Project Companies.

Pursuant to the Framework Agreement, the Purchasers conditionally agreed to acquire through their equally-shared Offshore JV, and the Vendor conditionally agreed to dispose of, the entire issued share capital of the Target Company, which in turn holds the entire equity interest in the Hong Kong Company directly and in each of the PRC Project Companies indirectly. Upon completion of the above Acquisition, Sunac China and Greentown China will each hold, through the Offshore JV, 50% interest in the Target Company, while the Offshore JV, the Target Company and its subsidiaries: (i) will become non wholly-owned subsidiaries of Sunac China and their financial results will be consolidated into the consolidated financial statements of the Sunac Group; and (ii) will not become subsidiaries of Greentown China and their financial results will not be consolidated into the consolidated financial statements of the Greentown Group.

It is agreed between Sunac China and Greentown China that the board of directors of the Offshore JV and each member of the Target Group will consist of five directors, three of whom will be nominated by Sunac China and two of whom will be nominated by Greentown China. Each of Sunac China and Greentown China will share the profits and loss of each of the PRC Project Companies in equal share.

Consideration and Payment Arrangement

Consideration

The aggregate consideration for the Acquisition (subject to adjustment) payable by the Purchasers is RMB9,019 million, which will be payable by Sunac China and Greentown China in equal share.

Basis of Consideration:

The aggregate consideration for the Acquisition (subject to adjustment) was determined after arm's length negotiations among the Purchasers and the Vendor on normal commercial terms with reference to (i) the initial capital investment, outstanding shareholders' loan, related parties' loan and bank loans and other commitments made by the Vendor to the Hong Kong Company and the PRC Project Companies; and (ii) the premium to the Acquisition with respect to the assets of the PRC Project Companies as agreed among the Purchasers and the Vendor. The respective directors of Sunac China and Greentown China are of the view that the aggregate consideration for the Acquisition is fair and reasonable. The aggregate amount of consideration for the Acquisition payable by the Purchasers shall be funded by internal resources of the Sunac Group and the Greentown Group, including resources arising from their previous cooperative projects.

The final consideration for the Acquisition shall be subject to adjustment to be agreed among the Purchasers and the Vendor with reference to the actual investment amount in the Target Group made by the Vendor.

Payment Arrangement

Within three business days upon signing of the Framework Agreement, Sunac China and Greentown China shall each pay to the Vendor US\$10,000,000 as earnest money. The earnest money payable by the Purchasers shall be:

- (i) refundable to the Purchasers in full within three working days upon receipt of the First Payment (as defined below) as the consideration for the Acquisition by the Vendor; or
- (ii) refundable to the Purchasers in full in the event that the Final Equity Transfer Agreement is entered among the parties to the Framework Agreement within three working days after the expiry of the 45-day period upon signing of the Framework Agreement.

The aggregate consideration for the Acquisition (subject to adjustment) payable by the Purchasers is RMB9,019 million, which will be payable by Sunac China and Greentown China in equal share. The consideration will be payable by Sunac China and Greentown China in the following manner:

- (i) payment in the amount of RMB400,000,000 shall be payable within three working days upon signing of the Final Equity Transfer Agreement (the “First Payment”);
- (ii) payment in the amount of RMB501,900,000, representing, together with the First Payment, 10% of the aggregate consideration, shall be payable within 45 days after the signing of the Final Equity Transfer Agreement (the “Second Payment”);
- (iii) payment in the amount of RMB901,900,000, representing, together with the First Payment and the Second Payment, 20% of the aggregate consideration, shall be payable within 105 days after the signing of the Final Equity Transfer Agreement; and
- (iv) payment in all remaining amount as adjusted, representing, together with the previous payments, 100% of the aggregate consideration, shall be payable within 210 days (with a grace period of 30 days) after the signing of the Final Equity Transfer Agreement.

CONDITIONS PRECEDENT

The completion of the Acquisition is conditional upon, among other things:

- (i) the completion of the due diligence to the satisfaction of the Purchasers;
- (ii) all the warranties given by the Vendor under the Final Equity Transfer Agreement remain true and accurate in all material respects and not misleading, and there is no material breach of the Final Equity Transfer Agreement by the Vendor, as at the date of completion of the Acquisition;
- (iii) Sunac China having complied with the shareholders' approval requirement in respect of the Framework Agreement, Final Equity Transfer Agreement and the transactions contemplated thereunder in accordance with the Listing Rules; and
- (iv) no orders or notices having been issued or other actions having been made by relevant courts, arbitrators, governmental or other authorities to prohibit, limit or adversely affect the transactions made by each party under the Final Equity Transfer Agreement or the equity interest in the Target Company as at the date of completion of the Acquisition.

INFORMATION ON THE TARGET GROUP

The Target Company is an investment holding company, which indirectly owns 100% of the equity interest of each of the PRC Project Companies through the Hong Kong Company. The domestic investment projects of the PRC Project Companies are located in Huangpu District, Shanghai, with core river view and a gross floor area of 724,400 sq.m.

	Registered capital RMB'000	Company's interests in the PRC Project Companies	Interests	Interests	Year ended 31 December 2011			Year ended 31 December 2012		
			to be held by Sunac China upon completion of the Acquisition	to be held by Greentown China upon completion of the Acquisition	(unaudited) RMB'000		(unaudited) RMB'000		Profit/ (loss) before taxation	Profit/ (loss) after taxation
PRC Project Companies					Profit/ (loss) before taxation	Profit/ (loss) after taxation	Net assets/ liabilities	Profit/ (loss) before taxation	Profit/ (loss) after taxation	Net assets/ liabilities
First PRC Project Company	765,000	100%	50%	50%	(67,132)	(67,132)	1,396,408	(13,106)	(13,106)	783,302
Second PRC Project Company	135,000	100%	50%	50%				(40)	(40)	134,960
Third PRC Project Company	465,000	100%	50%	50%				(4,412)	(4,412)	460,588

Upon completion of the Acquisition, each of the Offshore JV, the Target Company, the Hong Kong Company and the PRC Project Companies will be a non wholly-owned subsidiary of Sunac China and the financial results of the Offshore JV, the Target Company, the Hong Kong Company and the PRC Project Companies will be consolidated into the consolidated financial statements of the Sunac Group. None of the Offshore JV, the Target Company, the Hong Kong Company and the PRC Project Companies will be a subsidiary of Greentown China upon completion of the Acquisition.

Set out below further information in relation to the PRC Project Companies:

PROJECT PLANNING

PRC Project Companies	Project Progress	Type of Project	Site Area (sq.m)	Total Gross Floor Area (sq.m)	Current Land Bank (sq.m)
First PRC Project Company	Completed	High-rise apartment	25,357	118,616	118,616
	Under construction	Commerical and ancillary	11,009	13,899	13,899
		High-rise apartment	29,761	104,544	104,544
		Multi-floor	13,354	21,831	21,831
		Commercial, office and ancillary	21,400	121,325	121,325
Second PRC Project Company	Under Construction	Commercial and office	3,858	19,843	19,843
Third PRC Project Company	Completed	Commercial and office	9,103	63,419	63,419
	Completed	Parking, underground commercial	–	89,026	89,026
	Under construction	Parking, underground commercial	–	171,936	171,936
		Sub-total of constructed	45,469	284,960	284,960
		Sub-total of under construction	68,373	439,479	439,479
	Total		113,842	724,439	724,439

Note: These figures shown here are for reference which is to be approved by the Chinese government authority.

REASONS FOR AND BENEFIT OF THE ACQUISITION

Sunac China and Greentown China have cooperated in Shanghai since June 2012 and jointly established Shanghai Sunac Greentown, which primarily focused on high quality real estate development business in Shanghai. Its business progressed smoothly and achieved marvelous results of operations. The land under the Acquisition, located in Huangpu District, Shanghai, is a rarity land of excellent quality in the central Shanghai, enjoying the river view of the Huangpu Jiang River. The Acquisition of the land will assist Shanghai Sunac Greentown in expanding their market share in Shanghai, and further consolidate the leadership of Shanghai Sunac Greentown in the real estate market in Shanghai and enhance the brand name of Sunac Greentown.

The respective directors of Sunac China and Greentown China consider that the Acquisition is entered into on normal commercial terms, and the terms of which are fair and reasonable and in the interests of Sunac China and Greentown China, respectively and their respective shareholders as a whole.

INFORMATION ON THE PARTIES TO THE FRAMEWORK AGREEMENT

Sunac China is a company incorporated in the Cayman Islands with limited liability, whose shares are listed on the main board of the Stock Exchange. It is one of the leading real estate developers in the PRC. As at the date of this announcement, the Sunac Group has developed or is developing high-end and high-quality property projects in five key economic regions across the PRC, namely Beijing, Tianjin, Shanghai, Chongqing and Hangzhou.

Greentown China is a company incorporated in the Cayman Islands with limited liability, whose shares are listed on the main board of the Stock Exchange. It is one of the leading property developers in the PRC with business operations in various major PRC cities and is primarily engaged in developing quality properties targeting middle and high income residents in the PRC.

The Vendor is an investment holding company incorporated in the BVI.

The Guarantor is the sole registered shareholder of the Vendor and is a company incorporated in Liberia.

LISTING RULES IMPLICATIONS

In relation to Sunac China, as the applicable percentage ratios under Rule 14.07 of the Listing Rules in respect of the Acquisition exceed 25% but are less than 100%, the Acquisition constitutes a major transaction for Sunac China under Chapter 14 of the Listing Rules and is subject to reporting, announcement and independent shareholders' approval requirements.

To the best of the knowledge, information and belief of the directors of Sunac China, after having made all reasonable enquiries, no shareholders of Sunac China or any of their respective associates have any material interest in the Acquisition. As such, no shareholders of Sunac China would be required to abstain from voting in favour of the resolution approving the Acquisition. As at the date of this announcement, the Relevant Shareholders of Sunac China control an aggregate of 1,742,515,088 Shares, representing approximately 52.54% of the issued share capital of Sunac China. Accordingly, pursuant to Rule 14.44 of the Listing Rules, Sunac China may apply to the Stock Exchange for a waiver from the requirement to hold a general meeting to approve the entering of the Framework Agreement and the transactions contemplated thereunder on the basis that a written approval will be given by the Relevant Shareholders. As such, Sunac China will apply to the Stock Exchange for a waiver from such requirement.

In relation to Greentown China, as the applicable percentage ratios under Rule 14.07 of the Listing Rules in respect of the Acquisition exceed 5% but are less than 25%, the Acquisition constitutes a discloseable transaction for Greentown China under Chapter 14 of the Listing Rules and is subject to reporting and announcement requirements.

GENERAL

A circular of Sunac China containing, among other things, (i) further details of the Framework Agreement, Final Equity Transfer Agreement (if finally entered into) and the Acquisition; and (ii) any other information required to be disclosed under the Listing Rules, will be despatched to the shareholders of Sunac China. As it is expected that additional time will be required to prepare the relevant financial information to be included in the circular, Sunac China will apply to the Stock Exchange for an extension of time for despatch of the circular by no later than 17 June 2013.

DEFINITIONS

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

“Acquisition” the acquisition of the entire equity interest in the Target Company by Sunac China and Greentown China pursuant to the terms of the Framework Agreement

“BVI” British Virgin Islands

“connected persons”	has the meaning ascribed to it under the Listing Rules
“Framework Agreement”	the cooperative framework agreement dated 16 March 2013 entered into among the Purchasers, the Vendor and the Guarantor in relation to the Acquisition
“First PRC Project Company”	a company established under the laws of PRC and one of the PRC Project Companies, being wholly owned by the Hong Kong Company
“Final Equity Transfer Agreement”	the definitive equity transfer agreement which is expected to be entered into among the Purchasers and the Vendor (and other related parties) within 45 days upon signing of the Framework Agreement in relation to the Acquisition
“Greentown China”	Greentown China Holdings Limited*, a company incorporated under the laws of the Cayman Islands with limited liability and whose shares are listed on the Stock Exchange (stock code: 3900)
“Greentown Group”	Greentown China and its subsidiaries
“Guarantor”	a company incorporated under the laws of Liberia
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Hong Kong Company”	a company incorporated under the laws of Hong Kong and as at the date of this announcement, being wholly owned by the Target Company
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Offshore JV”	a company incorporated by Sunac China and Greentown China under the laws of BVI, which is owned by Sunac China and Greentown China in equal share
“PRC”	the People’s Republic of China excluding Hong Kong, the Macau Special Administrative Region and Taiwan
“PRC Project Companies”	the First PRC Project Company, the Second PRC Project Company and the Third PRC Project Company
“Purchasers”	Sunac China and Greentown China
“Relevant Shareholders”	Sunac International Investment Holdings Ltd., Mr. Sun Hongbin and Bain Capital Sunac Limited, each being an existing shareholder of Sunac China
“RMB”	Renminbi, the lawful currency of the PRC

“Second PRC Project Company”	a company established under the laws of PRC and one of the PRC Project Companies, being wholly owned by the Hong Kong Company
“Shanghai Sunac Greentown”	Shanghai Sunac Greentown Real Estate Development Co., Ltd.* (上海融創綠城房地產開發有限公司), a company jointly established by Sunac China and Greentown China under the laws of PRC
“Sunac China”	Sunac China Holdings Limited, a company incorporated under the laws of the Cayman Islands with limited liability and whose shares are listed on the Stock Exchange (stock code: 1918)
“Sunac Group”	Sunac China and its subsidiaries
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Target Group”	the Target Company, the Hong Kong Company and the PRC Project Companies
“Target Company”	Golden Regal Limited, a company incorporated under the laws of BVI and wholly owned by the Vendor
“Third PRC Project Company”	a company established under the laws of PRC and one of the PRC Project Companies, being wholly owned by the Hong Kong Company
“Vendor”	China Gold Associates Limited, a company incorporated under the laws of BVI, being wholly owned by the Guarantor
“%”	per cent.

By order of the board of directors
Sunac China Holdings Limited*
Sun Hongbin
Chairman

By order of the board of directors
Greentown China Holdings Limited*
Song Weiping
Chairman

Hong Kong, 17 March 2013

Hangzhou, the PRC, 17 March 2013

As at the date of this announcement, the executive directors of Sunac China are Mr. Sun Hongbin, Mr. Wang Mengde, Mr. Li Shaozhong, Mr. Chi Xun, Mr. Shang Yu and Mr. Jing Hong; the non-executive directors of Sunac China are Ms. Hu Xiaoling and Mr. Zhu Jia, and the independent non-executive directors of Sunac China are Mr. Poon Chiu Kwok, Mr. Li Qin, Mr. Ma Lishan and Mr. Tse Chi Wai.

As at the date of this announcement, the executive directors of Greentown China are Mr. Song Weiping, Mr. Shou Bainian, Mr. Luo Zhaoming, Mr. Guo Jiafeng and Mr. Cao Zhouman; the non-executive directors of Greentown China are Mr. Ng, Tin Hoi Stephen and Mr. Tsui, Yiu Cheung and the independent non-executive directors of Greentown China are Mr. Jia Shenghua, Mr. Jiang Wei, Mr. Ke Huanzhang, Mr. Sze Tsai Ping, Michael, Mr. Tang Shiding and Mr. Hui Wan Fai.

* For identification purpose only.