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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**

### **ENTERING INTO OF THE COOPERATION AND INVESTMENT AGREEMENT WITH ARCH CAPITAL SUCCESS LIMITED REGARDING THE COOPERATION TO DEVELOP SHANGHAI HUANGPU PROJECT**

The Board is pleased to announce that, to leverage on the strength of the parties in better developing Shanghai Huangpu Project and pursuant to the Framework Agreement, the parties entered into the Agreement on 31 May 2013. The Agreement reflects the further negotiations among the parties and contains certain terms, including the Target Company under and the consideration for the Investment, which are different from the terms as set forth under the Framework Agreement. The major terms of the Agreement are set forth in this announcement.

#### **THE AGREEMENT**

On 31 May 2013, Sunac Greentown as Party A, Party A's Guarantors, Party B and Party B's Guarantors entered into the Agreement, pursuant to which Sunac Greentown has conditionally agreed to acquire, and Party B has conditionally agreed to dispose of, the entire issued share capital of the Target Company. Currently, Shanghai Huangpu Project is composed of four contiguous lands held by Party B respectively through Richport Property Development, Everbright Property Development, Fung Seng (Shanghai) Company and Feng Chang Company. Upon the completion of its internal reorganization and the Investment, Sunac Greentown will hold the entire issued share capital of the Target Company, which in turn will hold the entire issued share capital of the Liberia Company, which in turn will hold the entire issued share capital of Wisdom Collection Group, which in turn will hold the entire issued equity interest in each of Richport Property Development, Everbright Property Development and Fung Seng (Shanghai) Company (the "PRC Project Companies"), while one of Party B's Guarantors (a Hong Kong Company) will hold the entire equity interest in Feng Chang Company. Sunac Greentown and Party B will leverage on their respective strength in better developing Shanghai Huangpu Project.

Upon completion of the Investment, Sunac China and Greentown China will each hold, through Sunac Greentown, 50% interest in the Target Company, while Sunac Greentown, 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 consideration for the equity transfer under the Investment payable by Sunac Greentown is RMB5,676,738,773.06. In addition, the domestic related companies of Sunac Greentown shall bear the borrowings of PRC Project Companies amounting to RMB2,319,361,357.19 due to Party B and its connected persons or its related companies.

## **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 Investment exceed 25% but are less than 100%, the Investment 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 Investment. As such, no shareholders of Sunac China would be required to abstain from voting in favour of the resolution approving the Investment. As at the date of this announcement, the Relevant Shareholders of Sunac China control an aggregate of 1,742,515,088 Shares, representing approximately 51.97% of the issued share capital of Sunac China. Accordingly, pursuant to Rule 14.44 of the Listing Rules, Sunac China has applied to the Stock Exchange for, and the Stock Exchange has granted, a waiver from the requirement to hold a general meeting to approve the entering into of the Framework Agreement and the transactions contemplated thereunder (including the entering of the Agreement) on the basis that a written approval has been given by the Relevant Shareholders.

In relation to Greentown China, as the applicable percentage ratios under Rule 14.07 of the Listing Rules in respect of the Investment exceed 5% but are less than 25%, the Investment 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 Agreement and the Investment; 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 31 July 2013.

Reference is made to the joint announcements made by Sunac China Holdings Limited and Greentown China Holdings Limited dated 17 March 2013 and 1 May 2013 in relation to the investment in the entire indirect interest in the PRC Project Companies and the time extension regarding the signing of the Agreement (the "**Joint Announcements**"). Further, the parties entered into an extension letter to further extend the time for the parties to enter into the definitive agreement relating the Investment to 6 June 2013. Capitalized terms used herein have the same meanings as those defined in the Joint Announcements unless otherwise stated.

The Board is pleased to announce that, to leverage on the strength of the parties in better developing Shanghai Huangpu Project and pursuant to the Framework Agreement, the parties entered into the Agreement on 31 May 2013. The Agreement reflects the further negotiations among the parties and contains certain terms, including the Target Company under and the consideration for the Investment, which are different from the terms as set forth under the Framework Agreement. The major terms of the Agreement are set forth below.

## **THE AGREEMENT**

**Date:** 31 May 2013

**Parties:** (i) Sunac Greentown as Party A;  
(ii) Sunac China as a Party A's Guarantor;  
(iii) Greentown China as a Party A's Guarantor;  
(iv) Arch Capital Success Limited as Party B; and  
(v) Party B's Guarantors.

To the best of the knowledge, information and belief of the directors of Sunac China, after having made all reasonable enquiries, Party B, Party B's Guarantors and their respective 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, Party B, Party B's Guarantors and their respective 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 joint announcement, Party B indirectly owns 100% of the issued share capital of the Liberia Company which in turn owns 100% of the issued share capital of Wisdom Collection Group which in turn owns 100% of the equity interest in each of the PRC Project Companies and Feng Chang Company (relevant equity transfer formalities are undergoing).

Pursuant to the Agreement, Party B has agreed to procure that the entire equity interest in Feng Chang Company to be divested prior to completion of the Investment. Upon completion of such divestment and prior to completion of the Investment, Wisdom Collection Group will no longer hold any equity interest in Feng Chang Company.

Pursuant to the Agreement, Sunac Greentown as Party A has conditionally agreed to acquire, and Party B has conditionally agreed to dispose of, the entire issued share capital of the Target Company, which holds the entire issued share capital of the Liberia Company, which in turn owns the entire issued share capital of Wisdom Collection Group, which in turn owns the entire equity interest in each of the PRC Project Companies upon the completion of the internal reorganization. Upon completion of the Investment, Sunac China and Greentown China will each hold, through Sunac Greentown, 50% interest in the Target Company, while Sunac Greentown, the Target Company together with 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.

Sunac China and Greentown China has agreed that the board of directors of Sunac Greentown shall comprise three directors, of which two directors shall be appointed by Sunac China and one director shall be appointed by Greentown China; the board of directors of each offshore company within the Target Group shall comprise three directors, of which two directors shall be appointed by Sunac China and one director shall be appointed by Greentown China; and the board of directors of each PRC Project company within the Target Group shall comprise five directors, of which three directors shall be appointed by Sunac China and two directors shall be appointed by Greentown China.

Further, the liability of each of Sunac China and Greentown China as Party A's Guarantors under the Agreement are on a several basis.

## **CONSIDERATION AND PAYMENT ARRANGEMENT**

### ***Consideration***

The consideration for the equity transfer under the Investment payable by Sunac Greentown is RMB5,676,738,773.06. In addition, the domestic related companies of Sunac Greentown shall bear the borrowings of PRC Project Companies amounting to RMB2,319,361,357.19 due to Party B and its connected persons or its related companies.

### ***Basis of Consideration***

The aggregate consideration for the Investment (subject to adjustment) was determined after arm's length negotiations between Party A and Party B on normal commercial terms with reference to (i) the actual investment made by Party B to the Target Group; (ii) the market value of the assets involved. The respective directors of Sunac China and Greentown China are of the view that the aggregate consideration for the Investment is fair and reasonable. The aggregate amount of the consideration for the Investment payable by Sunac Greentown shall be funded by the respective internal resources of the Sunac Group and the Greentown Group, including resources arising from their cooperative projects.

### ***Payment Arrangement***

The consideration will be payable by the Sunac Group and the Greentown Group in the following manner:

- (i) the amount of RMB1,690,862,236.23 (or an equivalent amount in US\$ or Hong Kong dollars) shall be payable within five working days from the following day upon the signing of the Agreement (the "**First Payment**");
- (ii) the amount of RMB1,576,309,473.51 (or an equivalent amount in US\$ or Hong Kong dollars) shall be payable on or before 15 July 2013 (the "**Second Payment**"); and
- (iii) the remaining amount of the consideration for the Investment shall be payable within 120 days from the following day upon the signing of the Agreement (the "**Third Payment**").

## **Completion**

### ***1. Completion Date***

The date of completion of the Investment shall be the date on which the Third Payment is made by Sunac Greentown, or such other date as agreed between Sunac Greentown and Party B.

## 2. *Conditions Precedent*

Completion of the Investment is subject to the fulfillment of the following conditions (or, where applicable, waiver by Sunac Greentown, in writing):

- (i) the signing of an agreement between Fung Seng (Shanghai) Company and a third party as designated by Party B with terms and conditions to the mutual satisfaction of both Party A and Party B relating to the disposal of certain properties of Fung Seng (Shanghai) Company;
- (ii) the completion of the internal reorganization together with a new business licence of Feng Chang Company indicating that one of the Party B's Guarantors (a Hong Kong company) being the sole shareholder of Feng Chang Company being obtained;
- (iii) all the guarantees given by each of Party A's Guarantors and Party B's Guarantors pursuant to the Agreement remain true and accurate in all material respects and not misleading, and each of Party A's Guarantors and Party B's Guarantors has fully complied with its respective responsibilities under the Agreement on or prior to the date of completion of the Investment;
- (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 Agreement;
- (v) Sunac Greentown having made the payments of the First Payment and the Second Payment and procured the provision of operating cash flow to the PRC Project Companies in accordance to the terms of the Agreement; and
- (vi) Sunac China having obtained the shareholders' approval for the transactions as contemplated under the Agreement in accordance to the requirements of the Listing Rules (if necessary).

## INFORMATION OF THE TARGET GROUP

The Target Company is a company incorporated in BVI, which owns the entire issued share capital of the Liberia Company, which in turn holds the entire issued share capital of Wisdom Collection Group, which in turn holds the entire equity interest in each of the PRC Project Companies. The PRC Project Companies invested in Shanghai Huangpu Project, which is located along the Huangpu River of Huangpu District, Shanghai, north to Zhongshan South Road, east to Zhizaoju Road, south to Longhua East Road, west to Mengzi Road with core river view. The PRC Project Companies has a gross floor area of approximately 674,600 sq.m.

PRC Project Companies	Registered Capital RMB'000	Target Company's Interests in the PRC Project Companies	Interests to be held by Sunac China upon Completion of the Investment	Interests to be held by Greentown China upon Completion of the Investment	Year ended 31 December 2011 (unaudited) RMB'000			Year ended 31 December 2012 (unaudited) RMB'000		
					Profit/(Loss) Before Taxation	Profit/(Loss) After Taxation	Net Assets/Liabilities	Profit/(Loss) Before Taxation	Profit/(Loss) After Taxation	Net Assets/Liabilities
New Richport Property Development Shanghai Co., Ltd.	765,000	100%	50%	50%	-67,132	-67,132	1,396,408	-13,106	-13,106	783,102
Everbright Property Development Shanghai Co., Ltd.	135,000	100%	50%	50%				-40	-40	134,960
Fung Seng Estate Development (Shanghai) Co., Ltd.	85,351	100%	50%	50%	16,472	12,331	148,490	1,860	1,379	149,868

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

## PROJECT PLANNING

PRC Project Companies	Project Progress	Type of Project	Total Gross		
			Site Area (sq.m)	Floor Area (sq.m)	Land Bank (sq.m)
<b>New Richport Property Development Shanghai Co., Ltd.</b>	Completed	High-rise apartment	24,533	118,616	105,926
		Commercial and ancillary car park and underground property	10,651	13,899	13,899
			–	75,422	75,422
	Under construction	High-rise apartment	28,794	105,984	105,984
		Multi-floor Commercial, office and ancillary car park and underground property	12,920	21,831	21,831
			20,705	120,236	120,236
			–	172,202	172,202
<b>Everbright Property Development Shanghai Co., Ltd.</b>	Under construction	Commercial and office car park and underground property	3,733	19,493	19,493
			–	1,101	1,101
<b>Fung Seng Estate Development (Shanghai) Co., Ltd.</b>	Under construction	Multi-floor car park and underground property	9,390	18,780	18,780
			–	7000	7000
		Subtotal of the above-ground area	110,726	418,839	406,149
		Subtotal of the under-ground area	–	255,725	255,725
		Subtotal of the completed projects	35,184	207,937	195,247
		Subtotal of the under-construction projects	75,542	466,627	466,627
		<b>Total</b>	<b>110,726</b>	<b>674,564</b>	<b>661,874</b>

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

## **REASONS FOR AND BENEFIT OF THE INVESTMENT**

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 Investment, 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 Investment of the land will assist 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 Investment 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 AGREEMENT**

Sunac Greentown is an investment holding company jointly incorporated by Sunac China and Greentown China in the BVI.

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.

Party B is an investment holding company incorporated in the BVI.

Party B's Guarantors are a company incorporated in Hong Kong and a company incorporated under the laws of PRC principally engaged in investment and property development, respectively.

## **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 Investment exceed 25% but are less than 100%, the Investment 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 Investment. As such, no shareholders of Sunac China would be required to abstain from voting in favour of the resolution approving the Investment. As at the date of this announcement, the Relevant Shareholders of Sunac China control an aggregate of 1,742,515,088 Shares, representing approximately 51.97% of the issued share capital of Sunac China. Accordingly, pursuant to Rule 14.44 of the Listing Rules, Sunac China has applied to the Stock Exchange for, and the Stock Exchange has granted, a waiver from the requirement to hold a general meeting to approve the entering into of the Framework Agreement and the transactions contemplated thereunder (including the entering of the Agreement) on the basis that a written approval has been given by the Relevant Shareholders.

In relation to Greentown China, as the applicable percentage ratios under Rule 14.07 of the Listing Rules in respect of the Investment exceed 5% but are less than 25%, the Investment 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 Agreement and the Investment; 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 31 July 2013.

## **DEFINITIONS**

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

“Agreement”	the cooperation and investment agreement dated 31 May 2013 entered into among Sunac Greentown, Party A’s Guarantors, Party B and Party B’s Guarantors pursuant to the Framework Agreement in relation to the Investment
“Everbright Property Development”	Everbright Property Development Shanghai Co., Ltd. (上海豐明房地產發展有限公司), a company established under the laws of PRC on 16 January 2012 and one of the PRC Project Companies
“Feng Chang Company”	Prosperity Property Management Shanghai Co., Ltd. (上海豐昌物業管理有限公司), a company established under the laws of PRC on 16 January 2012
“Fung Seng (Shanghai) Company”	Fung Seng Estate Development (Shanghai) Co., Ltd. (豐盛地產發展(上海)有限公司), a company established under the laws of PRC on 22 June 1994 and one of the PRC Project Companies
“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
“Investment”	the development of Shanghai Huangpu Project through the cooperation with Party B through the acquisition of the indirect interests in the PRC Project Companies as contemplated under the Agreement
“Liberia Company”	Wisdom Collection Holdings (International) Inc., a company incorporated under the laws of Liberia on 11 November 1981, which owns the entire issued share capital of Wisdom Collection Group
“PRC Project Companies”	Richport Property Development, Everbright Property Development and Fung Seng (Shanghai) Company
“Richport Property Development”	New Richport Property Development Shanghai Co., Ltd. (上海新富港房地產發展有限公司), a company established under the laws of PRC on 5 October 1993 and one of the PRC Project Companies
“Party B”	Arch Capital Success Limited (固本企業有限公司), a company incorporated in BVI, which directly owns the entire issued share capital of the Target Company and of which the ultimate beneficial owner is the same as the Vendor under the Framework Agreement
“Target Company”	Elegant Trend Limited (優勢有限公司), a company incorporated in BVI, and directly owns the entire issued share capital of the Liberia Company
“Target Group”	the Target Company, the Liberia Company, Wisdom Collection Group and the PRC Project Companies
“Party A’s Guarantors”	means collectively Sunac China and Greentown China
“Party B’s Guarantors”	a company incorporated in Hong Kong and a company incorporated under the laws of PRC
“Shanghai Huangpu Project”	the project located in Huangpu District, Shanghai, which is owned by Richport Property Development, Everbright Property Development, Fung Seng (Shanghai) Company and Feng Chang Company
“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 Greentown”	Sunac Greentown Investment Holdings Limited, a company incorporated in BVI on 25 April 2013 and owned as to 50% by each of Sunac China and Greentown China, respectively, and Party A to the Investment

“Sunac Group”	Sunac China and its subsidiaries
“US\$”	the lawful currency of the United States
“Wisdom Collection Group”	Wisdom Collection Holdings (Hong Kong) Limited (聚智集團(香港)有限公司), a company incorporated in Hong Kong on 8 July 1981, which directly owns the entire equity interest of the PRC Project Companies

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

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

Hong Kong, 31 May 2013

Hangzhou, the PRC, 31 May 2013

*As at the date of this joint 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 joint 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.*