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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)

CONNECTED TRANSACTION DEVELOPMENT OF RESIDENTIAL PROPERTIES WITH THE CCCG SUBSIDIARY IN CHONGQING

On 29 April 2016, Greentown Real Estate (a wholly-owned subsidiary of the Company) and CREC (a non wholly-owned subsidiary of CCCG) entered into the Framework Agreement pursuant to which Greentown Real Estate and CREC will jointly develop the Land on a 35:65 ownership basis. The Land is situated in New North Zone of Chongqing in the PRC with a gross site area of approximately 518,452 sqm, which is intended to be developed into a mixed use complex comprising residential and commercial properties, namely Chongqing Central Park Project* (重慶中央公園項目).

As at the date of this announcement, CCCG and its subsidiaries are holding 624,851,793 Shares, representing approximately 28.895% of the issued share capital of the Company, and CCCG is therefore a substantial shareholder of the Company under the Listing Rules. Accordingly, CCCG and its associates (including CERC, being a non wholly-owned subsidiary of CCCG) are connected persons of the Company. Based on the applicable size tests, the entering into of the Framework Agreement and the transactions contemplated thereunder constitute a connected transaction of the Company subject to the reporting, announcement and independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

As (i) the sole purpose of the Project Company is to develop the Land which is of a revenue nature in the ordinary and usual course of business of the Company; (ii) the transactions contemplated under the Framework Agreement are on an arm's length basis and on normal commercial terms; and (iii) the Project Company may not, without unanimous consent from the parties to the Framework Agreement, change the nature or scope of its business or enter into any transactions which are not on an arm's length basis, the transactions contemplated under the Framework Agreement do not constitute notifiable transactions of the Company under Chapter 14 of the Listing Rules.

* For identification purposes only

An independent board committee of the Company comprising all of the independent non-executive Directors has been formed to advise the independent Shareholders, and an independent financial adviser to advise the independent board committee and the independent Shareholders will be appointed as soon as possible. CCCG and its associates holding 624,851,793 Shares, representing approximately 28.895% of the issued share capital of the Company, are required to abstain from voting at the EGM.

A circular containing, among other things, (i) further details of the Framework Agreement; (ii) a letter from the independent board committee; (iii) a letter from the independent financial adviser; (iv) a notice of the EGM; and (v) other information concerning the Company as required under the Listing Rules is expected to be despatched to the Shareholders on or before 31 July 2016 (i.e. more than 15 business days after the date of this announcement) as the Company will require further time to prepare the contents of the circular. Shareholders and potential investors should note that the Framework Agreement and the transactions contemplated thereunder are subject to the approval by the independent Shareholders at the EGM.

INTRODUCTION

On 29 April 2016, Greentown Real Estate (a wholly-owned subsidiary of the Company) and CREC (a non wholly-owned subsidiary of CCCG) entered into the Framework Agreement pursuant to which Greentown Real Estate and CREC will jointly develop the Land on a 35:65 ownership basis through the Project Company. As of the date of the Framework Agreement, the Project Company is wholly-owned by CREC.

CREC succeeded in bidding for the Land from Chongqing Land, Resources and Housing Authority* (重慶市國土資源和房屋管理局) at a total consideration of RMB4,529,560,000. The Land is situated in New North Zone of Chongqing in the PRC with a gross site area of approximately 518,452 sqm, which is intended to be developed into a mixed use complex comprising residential and commercial properties, namely Chongqing Central Park Project (重慶中央公園項目).

CONSIDERATION AND PAYMENT TERMS FOR THE LAND

According to the terms of the bid for the Land, the total Land Consideration of RMB4,529,560,000 shall be paid by cash instalments in the manner as follows:

Stage payment	Amount paid/payable
Already paid by CREC as of the date of this announcement	RMB2,264,788,000
By 30 December 2016	Remaining RMB2,264,772,000 of the Land Consideration

Such consideration amount was the outcome of a public bidding announced by Chongqing Land and Mining Rights Transaction Centre* (重慶市土地和礦業權交易中心).

PROPERTY DEVELOPMENT THROUGH THE PROJECT COMPANY

The Framework Agreement was entered into between Greentown Real Estate and CREC in order to facilitate the development of the Land on a 35:65 basis. According to the Framework Agreement, the Greentown Real Estate and CREC will be interested in 35% and 65%, respectively, of the Project Company. Accordingly, the Project Company will not become a subsidiary of the Company. As at the date of the Framework Agreement, CREC has already paid RMB2,264,788,000 as part of the Land Consideration, which were regarded as shareholder's loan from CREC to the Project Company. It is currently expected that the Project Company will arrange for external financing for the repayment of the shareholder's loan and the payment of the remaining portion of the Land Consideration. In the event that the Project Company is unable to raise sufficient funds through external financing for such purposes, Greentown Real Estate and CREC shall be responsible to provide such funding on a 35:65 basis.

The Project Company has been established solely for the purpose of developing the Land. As advised by CREC (being the sole shareholder of the Project Company as of the date of the Framework Agreement), the Project Company was incorporated in the PRC on 18 January 2016 and has yet to commence substantial business activities (other than mainly for the purpose of bidding for the Land and the lease of office premises). Based on the management account of the Project Company, the net assets of the Project Company as of 18 January 2016 is approximately RMB10,000,000. As the Project company was established very recently, there is no profit/loss since its incorporation.

PRINCIPAL TERMS OF THE FRAMEWORK AGREEMENT

A summary of the major terms and conditions of the Framework Agreement is set out below:

Purpose : To own and develop the Land on a 35:65 basis through the Project Company.

The parties currently expect that the sole purpose and business of the Project Company is to develop the Land.

Capital requirement : The parties currently expect that the registered capital of the Project Company will be increased to RMB100,000,000, which shall be contributed by Greentown Real Estate and CREC as to 35% and 65%, respectively. Further, the parties expect that the Land Consideration shall be settled primarily through external financing of the Project Company and in the event that the Project Company is unable to raise sufficient funds through external financing, such Land Consideration shall be contributed by Greentown Real Estate and CREC on a 35:65 basis. Save as aforesaid, all other funding needs shall be primarily arranged by the Project Company itself.

In the event that any security is required for future external financing of the Project Company, Greentown Real Estate and CREC shall provide such security (including acting as a guarantor) according to their respective shareholding percentages in the Project Company. In the event that either party (the “**Contributing Party**”) agrees to provide guarantee and/or security in respect of such financing which is more than its pro-rated portion, the other party (the “**Non-contributing Party**”) agrees to provide a counter-guarantee to the Contributing Party for the Non-contributing Party’s pro-rated portion of the obligations under such financing.

In the case that the Project Company is unable to raise any required fund through external financing, Greentown Real Estate and CREC shall provide funding by way of increase in registered capital or provision of shareholder loans, or procure their respective associated companies to provide such funding, to the Project Company on a 35:65 basis.

- Distribution of profits : The Project Company shall distribute its profits to Greentown Real Estate and CREC according to their respective shareholding percentages in the Project Company.
- Board representation : It is currently expected that the board of directors of the Project Company will comprise five directors of which three will be appointed by CREC and two will be appointed by Greentown Real Estate. One of the directors appointed by CREC will be the chairman of the board of directors (who will also be the legal representative) of the Project Company.
- Management and operation : The general manager will be responsible for the daily management and operation of the Project Company. The general manager will be nominated by Greentown Real Estate and appointed by the board of directors of the Project Company.

Major corporate actions concerning the Project Company shall be subject to unanimous approval of both parties.

REASONS FOR AND BENEFITS OF THE TRANSACTION

The Directors (excluding the independent non-executive Directors, whose views will be set out in the letter from the independent board committee to be included in the circular to be despatched to the Shareholders) believe that the co-development of the Land pursuant to the Framework Agreement will broaden the asset and earnings base of the Company and further strengthen the Company's position as a premier property developer in the PRC. Further, as the property development business is one of the key development strategies of CCCG, the strategic cooperation between the Company and CCCG will complement each other in the co-development of the Land to promote mutual benefit. The Directors (excluding the independent non-executive Directors, whose views will be set out in the letter from the independent board committee to be included in the circular to be despatched to the Shareholders) consider that the Framework Agreement has been made on normal commercial terms and in the ordinary and usual course of business of the Group, and that its terms are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

LISTING RULES IMPLICATIONS

As at the date of this announcement, CCCG and its subsidiaries are holding 624,851,793 Shares, representing approximately 28.895% of the issued share capital of the Company, and CCCG is therefore a substantial shareholder of the Company under the Listing Rules. Accordingly, CCCG and its associates (including CERC, being a non wholly-owned subsidiary of CCCG) are connected persons of the Company. Based on the applicable size tests, the entering into of the Framework Agreement and the transactions contemplated thereunder constitute a connected transaction of the Company subject to the reporting, announcement and independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

As (i) the sole purpose of the Project Company is to develop the Land which is of a revenue nature in the ordinary and usual course of business of the Company; (ii) the transactions contemplated under the Framework Agreement are on an arm's length basis and on normal commercial terms; and (iii) the Project Company may not, without unanimous consent from the parties to the Framework Agreement, change the nature or scope of its business or enter into any transactions which are not on an arm's length basis, the transactions contemplated under the Framework Agreement do not constitute notifiable transactions of the Company under Chapter 14 of the Listing Rules.

An independent board committee of the Company comprising all of the independent non-executive Directors has been formed to advise the independent Shareholders, and an independent financial adviser to advise the independent board committee and the independent Shareholders will be appointed as soon as possible. CCCG and its associates holding 624,851,793 Shares, representing approximately 28.895% of the issued share capital of the Company, are required to abstain from voting at the EGM.

A circular containing, among other things, (i) further details of the Framework Agreement; (ii) a letter from the independent board committee; (iii) a letter from the independent financial adviser; (iv) a notice of the EGM; and (v) other information concerning the Company as required under the Listing Rules is expected to be despatched to the Shareholders on or before 31 July 2016 (i.e. more than 15 business days after the date of this announcement) as the Company will require further time to prepare the contents of the circular. Shareholders and potential investors should note that the Framework Agreement and the transactions contemplated thereunder are subject to the approval by the independent Shareholders at the EGM.

GENERAL

The Company is a company incorporated in the Cayman Islands with limited liability, whose shares are listed on 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.

CCCG is a wholly state-owned company established in the PRC and the controlling shareholder of China Communications Construction Co. Ltd., a company established in the PRC whose H shares are listed on the Stock Exchange. Based on publicly available information, CCCG is principally engaged in the design and construction of transportation infrastructure, dredging and heavy machinery manufacturing business and covers the following business aspects: port, terminal, road, bridge, railway, tunnel, civil work design and construction, capital dredging and reclamation dredging, container crane, heavy marine machinery, large steel structure and road machinery manufacturing, and international project contracting, import and export trading services. According to CCCG, it is the largest port construction and design company in the PRC, a leading company in road and bridge construction and design, a leading railway construction company, the largest dredging company in the PRC and the largest dredging company (in terms of dredging capacity) in the world.

CREC is a company incorporated in the PRC and a non wholly-owned subsidiary of CCCG, whose shares are listed on the Shenzhen Stock Exchange in the PRC. CREC is primarily engaged in the business of property development in the PRC.

DEFINITIONS

Unless the context otherwise requires, capitalised terms used in this announcement shall have the following meanings:

“Board”	the board of Directors
“CCCG”	China Communication Constructions Group (Limited), a wholly state-owned company established in the PRC and a substantial shareholder of the Company
“Company”	Greentown China Holdings Limited (stock code: 03900), a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the Stock Exchange
“connected person(s)”	has the same meaning ascribed to it under the Listing Rules
“CREC”	China Real Estate Corporation Limited* (中房地產股份有限公司), a company incorporated in the PRC and a non wholly-owned subsidiary of CCCG, the shares of which are listed on the Shenzhen Stock Exchange
“Director(s)”	the director(s) of the Company
“EGM”	an extraordinary general meeting to be held by the Company to consider and, if thought fit, approve the Framework Agreement and the transactions contemplated thereunder
“Framework Agreement”	the framework agreement entered into between Greentown Real Estate and CREC dated 29 April 2016 in relation to proposed formation of joint venture through the Project Company for the development of the Land
“Greentown Real Estate”	Greentown Real Estate Group Co., Ltd.* (綠城房地產集團有限公司), a company established in the PRC and a wholly-owned subsidiary of the Company
“Group”	the Company together with its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Land”	a piece of land (comprised of several plots adjacent to one another of approximately 518,452 sqm in aggregate) located in New North Zone of Chongqing in the PRC
“Land Consideration”	the total consideration of RMB4,529,560,000 for acquiring the land use rights of the Land from Chongqing Land, Resources and Housing Authority* (重慶市國土資源和房屋管理局)

“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“PRC”	the People’s Republic of China (excluding, for the purpose of this announcement, Hong Kong, the Macao Special Administrative Region of the PRC and Taiwan)
“Project Company”	Chongqing CCCG Greentown Property Development Co., Ltd.* (重慶中交綠城房地產開發有限公司), a company established in the PRC which is currently a wholly-owned subsidiary of CREC and will, pursuant to the Framework Agreement, be held by Greentown Real Estate and CREC on a 35:65 basis for the purpose of developing the Land
“RMB”	Renminbi, the lawful currency of the PRC
“Shareholder(s)”	holder(s) of the ordinary shares of HK\$0.1 each in the issued share capital of the Company
“sqm”	square metres
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“substantial shareholder(s)”	has the same meaning ascribed to it under the Listing Rules

By order of the Board
Greentown China Holdings Limited

Fung Ching, Simon
Company Secretary

Hangzhou, the PRC

29 April 2016

As at the date of this announcement, the Board comprises seven executive directors, namely Mr Song Weiping, Mr Liu Wensheng, Mr Sun Guoqiang, Mr Shou Bainian, Mr Cao Zhounan, Mr Li Qingan and Mr Li Yongqian, and four independent non-executive directors, namely Mr Jia Shenghua, Mr Ke Huanzhang, Mr Sze Tsai Ping, Michael and Mr Hui Wan Fai.