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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  
INVESTMENT IN A JOINT VENTURE FOR  
PROPERTY DEVELOPMENT IN INDONESIA**

On 28 March 2017, Greentown Overseas (a wholly-owned subsidiary of the Company) entered into the Shareholders' Agreement with CHEC and CCCG Overseas. Pursuant to the Shareholders' Agreement, Greentown Overseas will invest USD12,600,000 in the Target Company, upon completion of which CHEC, CCCG Overseas and Greentown Overseas will hold approximately 69.7%, 20.2% and 10.1% equity interest in the Target Company, respectively. The Target Company, through its subsidiary, holds the Project for the development of residential and commercial properties in Jakarta, Indonesia.

As at the date of this announcement, CCCG and its subsidiaries are holding 624,851,793 Shares, representing approximately 28.886% 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 CHEC and CCCG Overseas, each 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 Shareholders' Agreement and the transactions contemplated thereunder constitute a connected transaction of the Company subject to the reporting and announcement requirements but exempt from the circular (including independent financial advice) and shareholders' approval requirements under Chapter 14A of the Listing Rules.

## **INTRODUCTION**

On 28 March 2017, Greentown Overseas (a wholly-owned subsidiary of the Company) entered into the Shareholders' Agreement with CHEC and CCCG Overseas in relation to, among other things, the investment of USD12,600,000 by Greentown Overseas in the Target Company. Pursuant to the Shareholders' Agreement, CHEC, CCCG Overseas and Greentown Overseas will hold approximately 69.7%, 20.2% and 10.1% equity interest in the Target Company, respectively.

The Target Company, through its subsidiary, holds the Project for the development of residential and commercial properties on the Land. The Land is situated in Jakarta, Indonesia with a site area of approximately 147,142 sqm. Residential properties, commercial properties and public infrastructure with a planned area of 474,000 sqm, 4,063 sqm and 5,737 sqm, respectively, are expected to be developed on the Land.

## **THE SHAREHOLDERS' AGREEMENT**

**Date:** 28 March 2017

**Parties:** CHEC, a non-wholly owned subsidiary of CCCG

CCCG Overseas, a non-wholly owned subsidiary of CCCG

Greentown Overseas, a wholly owned subsidiary of the Company

### **Shareholding structure and capital contribution**

Pursuant to the Shareholders' Agreement, Greentown Overseas will invest USD12,600,000 in cash in the Target Company, upon completion of which the Target Company will have a total registered capital of USD124,740,000 held as to approximately 69.7%, 20.2% and 10.1% by CHEC, CCCG Overseas and Greentown Overseas, respectively. The amount of investment in the Target Company by Greentown Overseas was arrived at after arm's length negotiations between parties to the Shareholders' Agreement with reference to the proportional interest of Greentown Overseas in the Target Company upon completion of the investment. Such investment is expected to be funded by the internal resources of the Group.

### **Distribution of profits**

Profits of the Target Company and the Project Company will be distributed to CHEC, CCCG Overseas and Greentown Overseas according to their respective percentage of equity holding in the Target Company.

### **Composition of the board of directors of the Target Company**

Pursuant to the Shareholders' Agreement, the board of directors of the Target Company will consist of seven directors, of which two directors will be nominated by CHEC, four directors will be nominated by CCCG Overseas and one director will be nominated by Greentown Overseas.

## **Transfer of equity interest**

Each party to the Shareholders' Agreement may not transfer any of its equity interest in the Target Company to any third party without the prior written consent from the other parties to the Shareholders' Agreement.

## **Condition precedent**

Consummation of the investment by Greentown Overseas under the Shareholders' Agreement will be conditional upon the parties to the Shareholders' Agreement having obtained all necessary consent, approval, licence, permit or authorisation (including but not limited to, for Greentown Overseas, the independent Shareholders' approval of the Company under the Listing Rules, if required) in respect of the execution, implementation and completion of the Shareholders' Agreement under the applicable laws and regulations.

## **INFORMATION OF THE TARGET GROUP**

The Target Group comprises the Target Company and the Project Company. The Target Company is an investment holding company incorporated in Singapore with limited liability, which holds 99% equity interest in the Project Company. The Project Company is a project company incorporated in Indonesia principally engaged in the investment and development of the Project.

The Target Company and the Project Company were both established in 2015. Based on the unaudited consolidated financial statements of the Target Group, the Target Group recorded (i) net profit (both before and after tax and extraordinary items) of approximately RMB13.1 million for the period from the date of incorporation of the Target Company up to 31 December 2015; (ii) net loss (both before and after tax and extraordinary items) of approximately RMB3.4 million for the year ended 31 December 2016; and (iii) a net asset value of approximately RMB770.6 million as at 31 December 2016.

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

In view of the geographical location of the Land, the trend of urban development in Indonesia, the scale of the Project, the Directors consider that the Project has attractive development potential and the co-development of the Land will broaden the earnings base of the Company. Further, CHEC has a long history of operation in Indonesia and CCCG Overseas is experienced in overseas real estate investment and development. The strategic cooperation among CHEC, CCCG Overseas and Greentown Overseas will support the Project Company through their respective strengths and synergies in real estate development strategies, marketing, management, human resources, branding and other areas, and will complement each other to promote mutual benefit. In line with the "one belt, one road" strategy of the PRC government, the Directors also believe that the Project is an invaluable opportunity for the Group to expand its business to regions beyond the PRC and develop its overseas business team.

The Directors (including the independent non-executive Directors) consider that the Shareholders' 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. Mr LIU Wensheng, Mr SUN Guoqiang, Mr CAO Zhounan, Mr LI Qingan and Mr LI Yongqian (each being an executive Director) have a material interest in the Shareholders' Agreement and the transactions contemplated thereunder due to their respective roles in CCCG and its subsidiaries (where appropriate). Therefore, they have abstained from voting on the relevant Board resolution approving the Shareholders' Agreement and the transactions contemplated thereunder.

## **LISTING RULES IMPLICATIONS**

As at the date of this announcement, CCCG and its subsidiaries are holding 624,851,793 Shares, representing approximately 28.886% 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 CHEC and CCCG Overseas, each 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 Shareholders' Agreement and the transactions contemplated thereunder constitute a connected transaction of the Company subject to the reporting and announcement requirements but exempt from the circular (including independent financial advice) and shareholders' approval requirements under Chapter 14A of the Listing Rules.

## **GENERAL**

### **The Group**

The Company 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 mainly middle and high income residents in the PRC.

Greentown Overseas is a company incorporated in the British Virgin Islands with limited liability and a wholly-owned subsidiary of the Company whose principal business is investment holding.

### **CCCG**

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.

## **CHEC**

CHEC is a company established in the PRC and a non-wholly owned subsidiary of CCCG, whose principal business is basic infrastructure construction, such as marine engineering, roads and bridges, railways, airports, complete and other projects.

## **CCCG Overseas**

CCCG Overseas is a company incorporated in Singapore and a non-wholly owned subsidiary of CCCG, whose principal business is real estate development and management, and real estate related asset management and technical consultation.

## **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
“CCCG Overseas”	CCCG Overseas Real Estate Pte.Ltd.* (中交海外房地產有限公司), a company established in Singapore with limited liability and a non-wholly owned subsidiary of the CCCG
“CHEC”	China Harbour Engineering Company Ltd.* (中國港灣工程有限責任公司), a company established in the PRC with limited liability and a non-wholly owned subsidiary of the CCCG
“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
“Director(s)”	the director(s) of the Company
“Greentown Overseas”	Greentown Overseas Real Estate Limited (綠城海外房地產有限公司), a company established in the British Virgin Islands with limited liability 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 in Jakarta, Indonesia with a site area of approximately 147,142 sqm, to be developed under the Project
“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”	the project for the development of residential and commercial properties on the Land
“Project Company”	PT. China Harbour Jakarta Real Estate Development (中國港灣雅加達地產開發有限公司), a company established in Indonesia with limited liability
“RMB”	Renminbi, the lawful currency of the PRC
“Share(s)”	ordinary shares of HK\$0.1 each in the issued share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Shareholders’ Agreement”	the shareholders’ agreement entered into between CHEC, CCCG Overseas and Greentown Overseas dated 28 March 2017 in relation to, among other matters, the investment of USD12,600,000 by Greentown Overseas in the Target 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
“Target Company”	China Harbour Singapore Investment Pte. Ltd, a company established in Singapore with limited liability
“Target Group”	the Target Company and the Project Company
“USD”	United States dollars, the lawful currency of the United States of America

By order of the Board  
**Greentown China Holdings Limited**  
**Fung Ching, Simon**  
*Company Secretary*

Hangzhou, the PRC

28 March 2017

*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.*

\* *For identification purposes only*