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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 FORMATION OF A JOINT VENTURE

The Board announces that on 1 February 2018, Greentown Town, a wholly-owned subsidiary of the Company, entered into the Shareholders' Agreement with CCCC Investment and CCCC Southwest Investment in relation to the formation of the JV Company. Pursuant to the Shareholders' Agreement, the JV Company will have a registered capital of RMB400 million, of which RMB184 million, RMB180 million and RMB36 million will be contributed by CCCC Investment, Greentown Town and CCCC Southwest Investment, accounting for 46%, 45% and 9% of the total registered capital of the JV Company, respectively. The JV Company is proposed to be established primarily for carrying out the preliminary works of the China Agricultural Expo Town Project (中國農博小鎮項目) in Chengdu, jointly building characteristic towns, pastoral complexes and other projects.

As at the date of this announcement, CCCG and its subsidiaries are holding 624,851,793 Shares, representing approximately 28.85% 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 CCCC Investment and CCCC Southwest Investment, each being a 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 independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

INTRODUCTION

On 1 February 2018, Greentown Town, a wholly-owned subsidiary of the Company, entered into the Shareholders' Agreement with CCCC Investment and CCCC Southwest Investment in relation to the formation of the JV Company. Pursuant to the Shareholders' Agreement, CCCC Investment, Greentown Town and CCCC Southwest Investment will hold 46%, 45% and 9% of the total registered capital of the JV Company, respectively. The JV Company is proposed to be established primarily for carrying out the preliminary works of the China Agricultural Expo Town Project (中國農博小鎮項目) in Chengdu, jointly building characteristic towns, pastoral complexes and other projects.

THE SHAREHOLDERS' AGREEMENT

The principal terms of the Shareholders' Agreement are as follows:

- Date** : 1 February 2018
- Parties** : (1) CCCC Investment
(2) Greentown Town, a wholly-owned subsidiary of the Company
(3) CCCC Southwest Investment
- Business Scope** : The business scope of the JV Company is expected to include primary land development, infrastructure, ancillary facilities, real estate development, characteristic towns, pastoral complex, agricultural industry services, cultural tourism, health and elderly care services and other ancillary industries; planning, consultation, survey, design, engineering contracting, investment and finance, operation, management of the abovementioned businesses, investment and capital promotion within the industry, procurement and supply of related full set equipment and materials as well as equipment installation.
- Shareholding Structure** : The JV Company will have a registered capital of RMB400 million, of which RMB184 million, RMB180 million and RMB36 million will be contributed by CCCC Investment, Greentown Town and CCCC Southwest Investment, accounting for 46%, 45% and 9% of the total registered capital of the JV Company, respectively.

The amount of the capital contributions under the Shareholders' Agreement was determined after arm's length negotiations between the parties, taking into account, among other factors, the business prospects and development plans of the JV Company and its working capital requirements.

The capital contribution by Greentown Town is expected to be funded by the internal resources and/or external financing of the Group.

- Payment of capital contribution** : The capital contributions to the JV Company will be payable in cash in the following manner:
- (1) The first instalment of the capital contribution is RMB200 million, which will be made by CCCC Investment, Greentown Town and CCCC Southwest Investment in proportion to their respective capital contributions within five business days from the date upon issuance of the business license of the JV Company.
 - (2) Further capital contributions will be made based on the actual operation needs of the JV Company, which will be subject to the unanimous approval of the shareholders of the JV Company. Such capital contributions will be paid by CCCC Investment, Greentown Town and CCCC Southwest Investment in proportion to their respective capital contributions.
- Board representation** : The board of directors of the JV Company will comprise five directors, of which two, two and one director will be nominated by CCCC Investment, Greentown Town and CCCC Southwest Investment, respectively. CCCC Investment will be entitled to appoint the chairman of the board of directors of the JV Company.
- Management and operation** : The management team of the JV Company will comprise five members, of which one general manager will be nominated by Greentown Town, three vice general managers will be nominated by each of CCCC Investment, Greentown Town Group and CCCC Southwest Investment, and one chief financial officer will be nominated by CCCC Investment.

REASONS FOR AND BENEFITS OF THE TRANSACTION

The Directors believe that the strategic cooperation between Greentown Town and subsidiaries of CCCG through the establishment of the JV Company will complement each other to promote mutual benefit and broaden the earnings base of the Group. CCCG is a leading provider of large-scale infrastructure-related services, ranging from the investment, construction and operation of transportation infrastructure, real estate development and urban development to the provision of financial, design, construction, management or operational consultancy services. In view of CCCG's experience and breadth of services in urban development, as well as its financial resources, the Directors consider that the Group's cooperation with CCCG will support the operation of the JV Company through their respective strengths and synergies in development capabilities, marketing, management, branding and other areas.

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.

LISTING RULES IMPLICATIONS

As at the date of this announcement, CCCG and its subsidiaries are holding 624,851,793 Shares, representing approximately 28.85% 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 CCC Investment and CCC Southwest Investment, each being a 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 independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

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.

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 Town is a company established in the PRC with limited liability and a wholly owned subsidiary of the Company principally engaged in area planning, design and management, real estate development and operation, building design and construction, landscape engineering, engineering management and engineering and municipal facilities management.

CCCCG

CCCCG 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, CCCC 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 CCCC, 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.

CCCC Investment

CCCC Investment is a company established in the PRC with limited liability and a wholly owned subsidiary of CCCC principally engaged in investing in infrastructure including foreign and domestic traffic, environmental protection and reclamation projects, and areas such as logistics, real estate and finance, as well as leasing office and commercial buildings.

CCCC Southwest Investment

CCCC Southwest Investment is a company established in the PRC with limited liability and a wholly owned subsidiary of CCCC principally engaged in investing in projects of transport infrastructure, urban complexes, real estate, projects in areas of resources, raw materials and high and new technology as well as investing in and managing projects in logistics industry, hotel industry and tourism industry.

DEFINITIONS

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

“Board”	the board of Directors
“CCCC Investment”	CCCC Investment Co., Ltd.* (中交投資有限公司), a company established in the PRC with limited liability and a wholly-owned subsidiary of CCCC
“CCCC Southwest Investment”	CCCC Southwest Investment and Development Co., Ltd.* (中交西南投資發展有限公司), a company established in the PRC with limited liability and a wholly-owned subsidiary of CCCC

“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
“Director(s)”	the director(s) of the Company
“Greentown Town”	Greentown Ideal Town Construction Group Co., Ltd.* (綠城理想小鎮建設集團有限公司), a company established in the PRC 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
“JV Company”	CCCC Greentown Investment and Development Co., Ltd.* (中交綠城投資發展有限公司), a company to be established in the PRC with limited liability pursuant to the Shareholders’ Agreement, the name of which is subject to the approval by the relevant administration for industry and commerce in the PRC
“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)
“RMB”	Renminbi, the lawful currency of the PRC
“Shareholder”	holder of the Shares
“Shareholders’ Agreement”	the shareholders’ agreement dated 1 February 2018 entered into among CCCC Investment, Greentown Town and CCCC Southwest Investment in relation to the formation of the JV Company

“Share(s)” ordinary share(s) of HK\$0.1 each in the issued share capital of the Company

“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 People’s Republic of China
1 February 2018

As at the date of this announcement, the Board comprises seven executive directors, namely Mr Song Weiping 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*