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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 INTRODUCTION OF INVESTORS IN CHENGDU PROJECT

On 15 July 2019, Greentown Town, a wholly-owned subsidiary of the Company, entered into the Agreement with CCCC Southwest Investment and SPACE in relation to the Project Company.

The Project Company is a company newly established in the PRC in December 2018 for implementing and carrying forward the International Sichuan Cuisine Town Project in Chengdu, which will comprise building characteristic towns, agricultural complexes and other works with the joint development partners. It is a wholly-owned subsidiary of Greentown Town as of the date of this announcement with a registered capital of RMB500,000,000, of which RMB20,000,000 has been paid up.

Pursuant to the Agreement, Greentown Town agrees to transfer to each of CCCC Southwest Investment and SPACE 20% interests in the Project Company. After the share transfers, the Target Company will be owned by Greentown Town, CCCC Southwest Investment and SPACE as to 60%, 20% and 20%, respectively, and will remain a subsidiary of the Company. Pursuant to the Agreement, Greentown Town, CCCC Southwest Investment and SPACE have agreed to subscribe for a total of RMB300,000,000, RMB100,000,000 and RMB100,000,000 in the registered capital of the Project Company, respectively, representing their respective proportionate interests in the Project Company's registered capital after the share transfers, and it is agreed that CCCC Southwest Investment and SPACE shall each pay Greentown Town RMB4,000,000 in relation to the paid-up capital of RMB20,000,000.

As at the date of this announcement, CCCG and its subsidiaries are holding 624,851,793 Shares, representing approximately 28.78% of the issued share capital of the Company, and CCCG is therefore a substantial shareholder and connected person of the Company under the Listing Rules. CCC Southwest Investment is an indirect non-wholly owned subsidiary of CCCG and therefore an associate of a connected person of the Company. As one or more of the applicable percentage ratios (as defined in the Listing Rules) exceed 0.1% and all of them are less than 5%, the entering into of the Agreement and the transactions contemplated thereunder will constitute a connected transaction of the Company subject to the reporting and announcement requirements but exempt from independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

INTRODUCTION

On 15 July 2019, Greentown Town, a wholly-owned subsidiary of the Company, entered into the Agreement with CCC Southwest Investment and SPACE in relation to the Project Company. The Project Company is a company newly established in the PRC in December 2018 for implementing and carrying forward the International Sichuan Cuisine Town Project* (國際川菜小鎮項目) in Chengdu, which will comprise building characteristic towns, agricultural complexes and other works with the joint development partners.

THE AGREEMENT

The principal terms of the Agreement are as follows:

- Date** : 15 July 2019
- Parties** : (1) Greentown Town
(2) CCC Southwest Investment
(3) SPACE
- Shareholding structure and capital requirement** : As at the date of the Agreement, the Project Company is wholly owned by Greentown Town with a registered capital of RMB500,000,000, of which RMB20,000,000 has been paid up. Pursuant to the Agreement, Greentown Town shall transfer to each of CCC Southwest Investment and SPACE 20% interests in the Project Company, and CCC Southwest Investment and SPACE shall each pay Greentown Town RMB4,000,000 in relation to the paid-up capital of RMB20,000,000. The consideration was determined with reference to the paid-up capital of the Project Company and is payable by CCC Southwest Investment and SPACE respectively within seven days from entering into the Agreement. After the share transfers, the Project Company will be owned by Greentown Town, CCC Southwest Investment and SPACE as to 60%, 20% and 20%, respectively, and will remain a subsidiary of the Company.

Subject to the terms and provisions of the Agreement, Greentown Town shall subscribe for a total of RMB300,000,000 representing 60% of the registered capital of the Project Company, and each of CCCC Southwest Investment and SPACE shall subscribe for RMB100,000,000 representing 20% of the Project Company's registered capital. The capital contribution for the outstanding registered capital of RMB480,000,000 shall be as follows: (a) within seven working days from completing the changes of registration with the relevant industrial and commercial authorities as to the share transfer, Greentown Town, CCCC Southwest Investment and SPACE shall make a capital contribution of RMB48,000,000, RMB16,000,000 and RMB16,000,000 to the Project Company, respectively; and (b) the capital contribution for the rest of the outstanding registered capital will be made by the parties in accordance with the practical operation needs of the Project Company, and is subject to the review and report of its board of directors and the unanimous decision of its shareholders.

The amount of the capital contributions under the 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 Project 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.

As a general principle, in the event that any security is needed for future external financing of the Project Company, the parties should accommodate such needs and facilitate the provision of such security or guarantee. In the event that such future external financing cannot satisfy the funding needs of the Project Company, the parties should provide further funding to the Project Company by shareholders' loan according to their respective shareholding percentages in the Project Company.

Distribution of profit : Unless otherwise agreed by the parties, the distributable profit of the Project Company shall be distributed in accordance with their respective shareholding percentages in the Project Company.

Board representation : The board of directors of the Project Company will comprise five directors, of which three, one and one director will be nominated by Greentown Town, CCCC Southwest Investment and SPACE, respectively. The chairman of the board of directors of the Project Company shall be nominated by Greentown Town and appointed by the board of directors of the Project Company.

- Management and operation** : Greentown Town shall be entitled to nominate the general manager and the financial controller of the Project Company. The term of the general manager of the Project Company is three years and is renewable upon expiry. Each of CCCC Southwest Investment and SPACE shall have the right to nominate a deputy general manager and a financial staffer.
- Others** : Any business under the Agreement shall be conditional on the clearance of the Stock Exchange and the Company having obtained approval of independent Shareholders or such consent, approval or authorisation under the Listing Rules and such other applicable laws, regulations and rules (if required).

REASONS FOR AND BENEFITS OF THE TRANSACTION

Pursuant to the Agreement, two new shareholders will be introduced to the Project Company. CCCG is a leading provider of large-scale infrastructure-related services covering a wide range of areas and SPACE has a strong presence in Sichuan and is experienced in works in relation to the development of agricultural complexes. The Directors (including the independent non-executive Directors) believe that the introduction of CCCC Southwest Investment (a subsidiary of CCCG) and SPACE as shareholders of the Project Company pursuant to the Agreement will benefit the Project Company through their respective strengths and synergies and will complement each other to promote mutual benefit.

The Directors (including the independent non-executive Directors) consider that the 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 28.78% of the issued share capital of the Company, and CCCG is therefore a substantial shareholder and connected person of the Company under the Listing Rules. CCCC Southwest Investment is an indirect non-wholly owned subsidiary of CCCG and therefore an associate of a connected person of the Company. As one or more of the applicable percentage ratios (as defined in the Listing Rules) exceed 0.1% and all of them are less than 5%, the entering into of the Agreement and the transactions contemplated thereunder will constitute a connected transaction of the Company subject to the reporting and announcement requirements but exempt from independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

Since CCCG has a material interest in the Agreement and the transactions contemplated thereunder and in light of CCCG's relationship with Mr LIU Wensheng, Mr ZHOU Lianying, Mr GENG Zhongqiang and Mr Li Jun, these Directors have abstained from voting on the Board resolutions on the 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.

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.

CCCC Southwest Investment

CCCC Southwest Investment is a company established in the PRC with limited liability and an indirect non-wholly owned subsidiary of CCCG 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.

Project Company

The Project Company is a company newly established in the PRC in December 2018 for implementing and carrying forward the International Sichuan Cuisine Town Project. As of the date of this announcement, the Project Company has not yet commenced any operating business and has a paid-up registered capital of RMB20,000,000. It is expected that the Group will record no gain or loss from the share transfers under the Agreement as there is no difference between (i) the consideration payable by CCCC Southwest Investment and SPACE and (ii) the 40% of the share capital in the Project Company actually paid up by the Group.

DEFINITIONS

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

“Agreement”	the share transfer and shareholders’ cooperation agreement dated 15 July 2019 entered into among Greentown Town, CCCC Southwest Investment and SPACE in relation to the Project Company
“associate”	has the same meaning ascribed to it under the Listing Rules
“Board”	the board of Directors
“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 an indirect non-wholly owned subsidiary of CCCG
“CCCG”	China Communications Construction 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 an indirect wholly-owned subsidiary of the Company
“Group”	the Company together with its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Project Company”	Chengdu Greentown Sichuan Cuisine Town Business Co., Ltd.* (成都綠城川菜小鎮實業有限公司), a company established in the PRC with limited liability and an indirect wholly-owned subsidiary of the Company as at the date of this announcement
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited

“PRC”	the People’s Republic of China
“RMB”	Renminbi, the lawful currency of the PRC
“Shareholder”	holder of the Shares
“Share(s)”	ordinary share(s) of HK\$0.1 each in the issued share capital of the Company
“SPACE”	Sichuan Province Agriculture Convention and Exhibition Group Co., Ltd.* (四川省農業會展集團有限公司), a company established in the PRC with limited liability and an independent third party 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 PRC
15 July 2019

As at the date of this announcement, the Board comprises Mr ZHANG Yadong, Mr LIU Wensheng, Mr ZHOU Lianying, Mr GUO Jiafeng, Mr GENG Zhongqiang and Mr LI Jun as executive Directors, Mr Stephen Tin Hoi NG (Mr Andrew On Kiu CHOW as his alternate) as a non-executive Director and Mr JIA Shenghua, Mr KE Huanzhang, Mr SZE Tsai Ping, Michael and Mr HUI Wan Fai as independent non-executive Directors.

* *For identification purposes only*