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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)**

### **POSSIBLE DISCLOSEABLE TRANSACTION IN RELATION TO THE PROPOSED SPIN-OFF AND SEPARATE LISTING OF GREENTOWN MANAGEMENT ON THE MAIN BOARD OF THE STOCK EXCHANGE**

#### **THE PROPOSED SPIN-OFF**

The Company proposes to spin-off and separately list the project management business of the Group on the Main Board of The Stock Exchange.

The proposed separate listing of Greentown Management on the Main Board of the Stock Exchange constitutes a spin-off of Greentown Management by the Company under PN15.

#### **GREENTOWN MANAGEMENT'S APPLICATION FOR LISTING**

On 28 February 2020, Greentown Management submitted a listing application form (Form A1) to the Stock Exchange to apply for the listing of, and permission to deal in, the Greentown Management Shares on the Main Board of the Stock Exchange. A redacted version of the application proof of the listing document of Greentown Management is expected to be available for viewing and downloading on the Stock Exchange's website on or around 28 February 2020.

#### **LISTING RULES IMPLICATIONS**

The Proposed Spin-off constitutes a deemed disposal of the interest in a subsidiary of the Company under Rule 14.29 of the Listing Rules. The Company currently expects that the applicable percentage ratios under Rule 14.07 of the Listing Rules for the Proposed Spin-off will exceed 5% but will be lower than 25%, and on this basis the Company currently expects that the Proposed Spin-off will constitute a discloseable transaction for the Company under Chapter 14 of the Listing Rules.

Upon completion of the Proposed Spin-off, it is currently expected that Greentown Management will remain as a subsidiary of the Company and the Company will continue to consolidate all the assets, liabilities and income statement items of Greentown Management.

## **General**

Shareholders and other investors are reminded that there is no assurance that the Listing Committee will approve the Proposed Spin-off and the Listing. The Company will make further announcement(s) in relation to the Proposed Spin-off as and when appropriate.

**As the Listing is conditional upon, among other things, the approval of the Listing Committee, the final decision of the Board and the board of directors of Greentown Management, market and other considerations, the Proposed Spin-off may or may not occur as contemplated or at all. Shareholders and other investors are reminded to exercise caution when dealing in the securities of the Company.**

## **INTRODUCTION**

This announcement is made pursuant to PN15 to the Listing Rules. The Company proposes to spin-off and separately list the project management business of the Group on the Main Board of the Stock Exchange. The proposed separate listing of the Greentown Management Shares on the Main Board of the Stock Exchange constitutes a spin-off of Greentown Management by the Company under PN15.

On 28 February 2020, Greentown Management submitted a listing application form (Form A1) to the Stock Exchange to apply for the listing of, and permission to deal in, the Greentown Management Shares on the Main Board of the Stock Exchange.

## **THE PROPOSED SPIN-OFF**

The Proposed Spin-off will be effected by way of the Global Offering of Greentown Management Shares. The details of the Global Offering have yet to be finalised. Upon completion of the Proposed Spin-off, it is currently expected that Greentown Management will remain as a subsidiary of the Company and the Company will continue to consolidate all the assets, liabilities and income statement items of Greentown Management.

## **THE SPIN-OFF GROUP**

The Spin-off Group is principally engaged in the provision of project management business and related services.

## **REASONS FOR AND BENEFITS OF THE PROPOSED SPIN-OFF**

The Board considers that the business of the Spin-off Group has grown to a size sufficient to command a separate listing and it is considered commercially desirable and in the interest of the Shareholders to obtain a separate listing of the Greentown Management Shares for the following reasons:

- (a) the proceeds from the Global Offering will enable the Spin-off Group to have additional funding to develop its project management business;

- (b) the separate listing of Greentown Management will enable investors to appraise and assess the potential and performance of the project management business of the Spin-off Group separately and distinctly from the property development business of the Parent Group;
- (c) as the businesses of the Spin-off Group and the Parent Group have distinctive cost structures and business models, the Proposed Spin-off is expected to allow a clearer separation of operations and management and facilitate dedicated management focus on the project management business;
- (d) after the Proposed Spin-off, Greentown Management will be a company listed on the Main Board of the Stock Exchange, which would enhance the corporate profile and brand awareness of Greentown Management;
- (e) Greentown Management will be able to be valued on a standalone basis and investors will be provided with more details of the operating performance of the Spin-off Group, which would help broaden investor base by attracting new investors who are seeking investments in a project management company with asset-light business model; and
- (f) upon completion of the Proposed Spin-off, Greentown Management is expected to remain as a subsidiary of the Company and the Company will thus be able to continue enjoying the benefits from the growth of the project management business notwithstanding the separate listing of Greentown Management.

## **INFORMATION ON THE GROUP**

The Group 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.

## **ASSURED ENTITLEMENT AND FURTHER ANNOUNCEMENT**

The Board will give due regard to the interests of the Shareholders by providing the Qualifying Shareholders with an assured entitlement to the Greentown Management Shares by way of a preferential application for the Greentown Management Shares in the Global Offering, if the Board and the board of directors of Greentown Management decide to proceed with the Proposed Spin-off and the Global Offering and the Listing Committee has given its approval to the Listing. Details of such assured entitlement have not yet been finalised. The Company will make further announcement(s) in this regard as and when appropriate.

## **LISTING RULES IMPLICATIONS**

The Proposed Spin-off constitutes a deemed disposal of the interest in a subsidiary of the Company under Rule 14.29 of the Listing Rules. The Company currently expects that of the applicable percentage ratios under Rule 14.07 of the Listing Rules for the Proposed Spin-off will exceed 5% but will be lower than 25%, and on this basis the Company currently expects that the Proposed Spin-off will constitute a discloseable transaction for the Company under Chapter 14 of the Listing Rules.

## GENERAL

A redacted form of the application proof of the listing document of Greentown Management (the “**Application Proof**”) is expected to be available for reviewing and downloading on the Stock Exchange’s website at <http://www.hkexnews.hk/app/sehkappmainIndex.htm>. The Application Proof would contain, among other things, certain business and financial information relating to the Spin-off Group. Shareholders should note that the Application Proof is in draft form, and the information contained in the Application Proof is subject to change which may be material.

Shareholders and other investors are reminded that there is no assurance that the Listing Committee will approve the Proposed Spin-off and the Listing. The Company will make further announcement(s) in relation to the Proposed Spin-off as and when appropriate.

**As the Listing is conditional upon, among other things, the approval of the Listing Committee, the final decision of the Board and the board of Greentown Management, market and other considerations, the Proposed Spin-off may or may not occur. Shareholders and other investors are reminded to exercise caution when dealing in the securities of the Company.**

## DEFINITIONS

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

“Board”	the board of directors of the Company
“Company”	Greentown China Holdings Limited (綠城中國控股有限公司) (stock code: 3900), a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the Stock Exchange
“Director(s)”	the director(s) of the Company
“Global Offering”	the offering to the public in Hong Kong for subscription, and the international offering to institutional and professional investors, of Greentown Management Shares
“Greentown Management”	Greentown Management Holdings Company Limited (綠城管理控股有限公司), a company incorporated in the Cayman Islands with limited liability and a wholly-owned subsidiary of the Company as at the date of this announcement
“Greentown Management Shares”	ordinary shares of Greentown Management
“Group”	the Company and its subsidiaries

“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Listing”	the proposed listing of the Greentown Management Shares on the Main Board of the Stock Exchange
“Listing Committee”	the Listing Committee of the Stock Exchange
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Main Board”	the stock exchange (excluding the options market) operated by the Stock Exchange which is independent from and operated in parallel with GEM of the Stock Exchange
“Non-qualifying Shareholders”	Shareholders on the Record Date with registered addresses in, or who are otherwise known by the Company to be residents of, any of the jurisdictions, which the Company and Greentown Management consider it necessary or expedient to exclude from the preferential offering of the Greentown Management Shares in the Global Offering on account of the legal restrictions under the laws of the relevant jurisdiction or the requirements of the relevant regulatory body or stock exchange in that jurisdiction
“Parent Group”	the Company and its subsidiaries, excluding the Spin-off Group
“PN15”	Practice Note 15 to the Listing Rules
“PRC”	the People’s Republic of China
“Proposed Spin-off”	the proposed spin-off and separate listing of the Greentown Management Shares on the Main Board of the Stock Exchange
“Qualifying Shareholders”	Shareholders whose names appear in the register of members of the Company on the Record Date, other than the Non-qualifying Shareholders
“Record Date”	the record date for determining the assured entitlement of the Qualifying Shareholders to the Greentown Management Shares in the preferential offering under the Global Offering
“Shareholder(s)”	shareholder(s) of the Company

“Spin-off Group”

Greentown Management and its subsidiaries

“Stock Exchange”

the Stock Exchange of Hong Kong Limited

By order of the Board  
**Greentown China Holdings Limited**  
**Zhang Yadong**  
*Chairman*

Hangzhou, the PRC  
28 February 2020

*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 purpose only*