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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 IN TIANJIN

The Board announces that on 31 October 2018, Greentown Northern Real Estate, a wholly-owned subsidiary of the Company, entered into the Framework Agreement with CCCG First Harbor Real Estate and CCCG Beijing-Tianjin-Hebei Investment in relation to the development of the Land into residential properties through the Project Company on a 41:39:20 ownership basis. The Land is situated in Hexi District of Tianjin in the PRC with a gross site area of approximately 17,703 sqm, which is intended to be developed into residential properties with a total gross floor area of approximately 35,406 sqm, with a floor area ratio of 2.0.

As at the date of this announcement, CCCG and its subsidiaries are holding 624,851,793 Shares, representing approximately 28.825% 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 CCCG First Harbor Real Estate and CCCG Beijing-Tianjin-Hebei Investment, each being a non-wholly owned subsidiary of CCCG) are connected persons of the Company. The transactions contemplated under the Framework Agreement constitute a connected transaction of the Company under Chapter 14A of the Listing Rules. As one or more of the applicable percentage ratios (as defined in the Listing Rules), are more than 0.1% but all of them are less than 5%, the transactions contemplated under the Framework Arrangement are subject to the reporting and announcement requirements but exempt from the circular and independent shareholders' approval requirements pursuant to 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 a notifiable transaction of the Company under Chapter 14 of the Listing Rules.

INTRODUCTION

The Board announces that on 31 October 2018, Greentown Northern Real Estate, a wholly-owned subsidiary of the Company, entered into the Framework Agreement with CCCC First Harbor Real Estate and CCCC Beijing-Tianjin-Hebei Investment in relation to the development of the Land into residential properties through the Project Company on a 41:39:20 ownership basis.

The Land is situated in Hexi District of Tianjin in the PRC with a gross site area of approximately 17,703 sqm, which is intended to be developed into residential properties with a total gross floor area of approximately 35,406 sqm, with a floor area ratio of 2.0.

CONSIDERATION AND PAYMENT TERMS FOR THE LAND

According to the terms of the bid for the Land, the total Land Consideration of RMB760 million shall be paid by cash instalments in the manner as follows:

Stage payment	Amount paid/payable
Already paid as of 29 October 2018	RMB350 million (being the deposit for the bidding) (the “ Deposit ”)
By 14 December 2018	50% of the Land Consideration. The Deposit was applied to the partial settlement of such amount.
By 12 February 2019	Remaining 50% of the Land Consideration

Such consideration amount was the outcome of a public bidding announced by Tianjin Land Exchange Centre* (天津土地交易中心).

PROPERTY DEVELOPMENT THROUGH THE PROJECT COMPANY

The Framework Agreement was entered into between Greentown Northern Real Estate, CCCC First Harbor Real Estate and CCCC Beijing-Tianjin-Hebei Investment in order to facilitate the development of the Land on a 41:39:20 basis.

PRINCIPAL TERMS OF THE FRAMEWORK AGREEMENT

The principal terms of the Framework Agreement are as follows:

Date	:	31 October 2018
Purpose	:	To own and develop the Land through the Project Company.
		It is currently expected that the sole purpose of the Project Company is to develop the Land.

Parties	:	<ul style="list-style-type: none"> (a) Greentown Northern Real Estate, a wholly-owned subsidiary of the Company (b) CCCC First Harbor Real Estate (c) CCCC Beijing-Tianjin-Hebei Investment
Condition precedent	:	The Framework Agreement is conditional upon the parties to the agreement having obtained all necessary consent, permit, licence or approval (including but not limited to the independent Shareholders' approval of the Company under the Listing Rules, if required) in respect of the Framework Agreement and the transactions contemplated thereunder under the applicable laws and regulations.
Capital requirement	:	<p>The registered capital of the Project Company (being RMB1 billion) shall be contributed by Greentown Northern Real Estate, CCCC First Harbor Real Estate and CCCC Beijing-Tianjin-Hebei Investment as to RMB410 million, RMB390 million and RMB 200 million, representing 41%, 39% and 20% of its total registered capital, respectively. Furthermore, the parties expect that the Land Consideration (plus an amount equivalent to the aggregate of the relevant land tax amount) shall be contributed by Greentown Northern Real Estate, CCCC First Harbor Real Estate and CCCC Beijing-Tianjin-Hebei Investment on a 41:39:20 basis. Save as aforesaid, all other funding needs shall be preferentially arranged by the Project Company itself.</p> <p>In the case that the Project Company is unable to raise any required fund through external financing, Greentown Northern Real Estate, CCCC First Harbor Real Estate and CCCC Beijing-Tianjin-Hebei Investment shall provide funding by way of provision of shareholder loans to the Project Company on a 41:39:20 basis.</p>
Board representation	:	The board of directors of the Project Company shall comprise seven directors of which four shall be appointed by Greentown Northern Real Estate, two shall be appointed by CCCC First Harbor Real Estate and one shall be appointed by CCCC Beijing-Tianjin-Hebei Investment. CCCC First Harbor Real Estate has the right to appoint the chairman of the board of directors 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 Northern Real Estate and appointed by the board of directors of the Project Company.

REASONS FOR AND BENEFITS OF THE TRANSACTIONS

The Directors (including the independent non-executive Directors) 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 (including the independent non-executive Directors) 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 28.825% 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 CCCG First Harbor Real Estate and CCCG Beijing-Tianjin-Hebei Investment, each being a non-wholly owned subsidiary of CCCG) are connected persons of the Company. The transactions contemplated under the Framework Agreement constitute a connected transaction of the Company under Chapter 14A of the Listing Rules. As one or more of the applicable percentage ratios (as defined in the Listing Rules), are more than 0.1% but all of them are less than 5%, the transactions contemplated under the Framework Agreement are subject to the reporting and announcement requirements but exempt from the circular and independent shareholders' approval requirements pursuant to 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 a notifiable transaction of the Company under Chapter 14 of the Listing Rules.

Mr LIU Wensheng, Mr LI Qingan, Mr ZHANG Yadong and Mr LI Yongqian (each being an executive Director) have a material interest in the Framework 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 Framework 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 Northern Real Estate is a company established in the PRC with limited liability and a wholly owned subsidiary of the Company principally engaged in property investment and development.

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 First Harbor Real Estate is a company established in the PRC with limited liability and a non-wholly owned subsidiary of CCCG principally engaged in property development and operations. It possesses about a million square meter of self-owned land available for development in medium and large cities in the Circum-Bohai-Sea area including Tianjin, Qingdao, Qinhuangdao and Dalian.

CCCC Beijing-Tianjin-Hebei Investment is a company established in the PRC with limited liability and a non-wholly owned subsidiary of CCCG principally engaged in planning and coordinating CCCG's investment projects in Beijing, Tianjin and Hebei and to foster the development of related businesses such as finance, scientific research, infrastructure and property.

DEFINITIONS

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

“Board”	the board of Directors
“CCCC Beijing-Tianjin-Hebei Investment”	CCCC Beijing-Tianjin-Hebei Investment Development Company Limited* (中交京津冀投資發展有限公司), a company established in the PRC and a non-wholly owned subsidiary of CCCG
“CCCC First Harbor Real Estate”	Real Estate Development Co., Ltd of CCCC First Harbor Engineering Company Ltd. (中交一航局房地產開發有限公司), a company established in the PRC and a non-wholly owned subsidiary of CCCG
“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
“Framework Agreement”	the framework agreement dated 31 October 2018 entered into between the Greentown Northern Real Estate, CCCC First Harbor Real Estate and CCCC Beijing-Tianjin-Hebei Investment in relation to, among other things, the development of the Land
“Greentown Northern Real Estate”	Tianjin Greentown Northern Real Estate Company Limited* (天津綠城北方置地有限公司), 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 in the Hexi District of Tianjin in the PRC with a gross site area of approximately 17,703 sqm

“Land Consideration”	the total consideration of RMB760 million for acquiring the land use rights of the Land from Tianjin Land Exchange Centre* (天津土地交易中心) pursuant to the bid successfully made for the Land from Tianjin Land Exchange Centre* (天津土地交易中心)
“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”	the project company for the development of the Land pursuant to the Framework Agreement
“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
“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
31 October 2018

As at the date of this announcement, the board of directors of the Company comprises six executive Directors, namely Mr Song Weiping, Mr Liu Wensheng, Mr Zhang Yadong, Mr Li Qingan, Mr Li Yongqian and Mr Li Jun, 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 purpose only