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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)**

### **DISCLOSEABLE TRANSACTION AND CONNECTED TRANSACTION FINANCIAL ASSISTANCE**

The Company announces that, on the date of this announcement, Harbin Greentown Real Estate (an indirect wholly-owned subsidiary of the Company), CCCC Northeast Investment, Harbin Metro RED, and the Project Company entered into the Supplemental Agreement. Subject to the terms and provisions of the Supplemental Agreement, Harbin Greentown Real Estate, CCCC Northeast Investment and Harbin Metro RED will provide financial assistance for funding the Project.

As at the date of this announcement, CCCG and its subsidiaries are holding 624,851,793 Shares, representing approximately 25.051% 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 Northeast Investment is an indirect non-wholly owned subsidiary of CCCG and therefore an associate of a connected person of the Company.

Pursuant to the Agreement, the board of directors of the Project Company comprises seven directors, of which four, one and two directors were appointed by Harbin Greentown Real Estate, CCCC Northeast Investment and Harbin Metro RED, respectively. As at the date of this announcement, Harbin Metro RED is a substantial shareholder of the Project Company and is therefore a connected person of the Company.

As one or more of the applicable percentage ratios (as defined in the Listing Rules) are more than 5% but all of them are less than 25%, the transactions contemplated under the Supplemental Agreement constitute a discloseable (under Chapter 14 of the Listing Rules) and connected transaction (under Chapter 14A of the Listing Rules) of the Company, and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules and the reporting, announcement, circular and independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

An independent Board committee of the Company comprising the independent non-executive Directors will be formed to advise the independent Shareholders, and an independent financial adviser to advise the independent Board committee and the independent Shareholders will be appointed.

A circular containing, among other things, (i) further details of the transactions set out herein; (ii) a letter from the independent Board committee; (iii) a letter from the independent financial adviser; (iv) a notice of general meeting; and (v) other information concerning the Company as required under the Listing Rules is expected to be despatched to the Shareholders on or before 31 May 2021, as the Company will need further time to prepare the contents of the circular. Shareholders and potential investors should note that the Supplemental Agreement and the transactions contemplated thereunder are subject to the approval by the independent Shareholders at a general meeting of the Company. CCCG and its associates are required to abstain from voting on the Supplemental Agreement at the general meeting.

## **INTRODUCTION**

Reference is made to the announcement of the Company dated 24 September 2019.

The Company announces that, on the date of this announcement, Harbin Greentown Real Estate (an indirect wholly-owned subsidiary of the Company), CCCC Northeast Investment, Harbin Metro RED, and the Project Company entered into the Supplemental Agreement. Subject to the terms and provisions of the Supplemental Agreement, Harbin Greentown Real Estate, CCCC Northeast Investment and Harbin Metro RED will provide financial assistance for funding the Project.

## **PRINCIPAL TERMS OF THE SUPPLEMENTAL AGREEMENT**

A summary of the major terms and conditions of the Supplemental Agreement is set out below:

<b>Date</b>	:	5 February 2021
<b>Parties</b>	:	(1) Harbin Greentown Real Estate
		(2) CCCC Northeast Investment
		(3) Harbin Metro RED
		(4) Project Company

- Loan amount and interest rates** : Subject to the terms and provisions of the Supplemental Agreement, the following shareholders' loans ("**Shareholders' Loans**") at an interest of 7.5% per annum will be provided to the Project Company for acquisition of lands and development under the Project:
- (a) Harbin Metro RED will commit up to RMB1,127,410,000, of which RMB643,460,000 ("**Secured Loan**") will be advanced by Harbin Greentown Real Estate and secured with a share pledge of all of Harbin Metro RED's equity interest in the Project Company;
  - (b) CCCC Northeast Investment will provide up to RMB256,230,000; and
  - (c) Harbin Greentown Real Estate will provide up to RMB1,316,180,000 (the abovementioned Secured Loan of RMB643,460,000 inclusive).

The Shareholders' Loans are specific to the acquisition and development of lands under the Project. The interest of the Shareholders' Loans shall accrue from the date of the drawdown up to the date of repayment by the Project Company. Where the Secured Loan is not repaid within 60 days from the drawdown, Harbin Metro RED shall, in addition to the interests payable by the Project Company, pay Harbin Greentown Real Estate interest of the outstanding Secured Loan in accordance with the benchmark interest rate for one-year loan of the People's Bank of China.

- Others** : Any transaction under the Supplemental 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 as required under the Listing Rules and such other applicable laws, regulations and rules (if required).

The terms of the Supplemental Agreement and the Shareholders' Loans contemplated thereunder, including without limitation the amount and interest rates were determined by arm's length negotiation among the parties to the Supplemental Agreement, having taken into account the operation needs and business plan of the Project Company, the prospect, expected benefit and practical circumstances of the Project, and shareholders' loans of similar nature and use.

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

Reference is made to the announcement of the Company dated 24 September 2019 in relation to the Agreement, the Project Company and the Project. The Project Company will be engaged in the acquisition and development of the above-depot area of the relevant rail yards of Harbin Metro Line 3, which comprises the proposed development of properties in the vicinities of metro stations for commercial and residential uses with a site area over 300,000 sqm. The Project enables the Group to leverage the local experience and connections of Harbin Metro RED (a wholly state-owned entity established in Harbin principally engaged in property development in relation to the local metro system) and the strength of the CCCG in large-scale infrastructure-related services to establish its presence and development in the Harbin market. While pursuant to the Supplemental Agreement, the Shareholders' Loans will not be provided on a pro-rata basis, the Board considers that the development of the Project will contribute to the broadening of the asset and earnings base of the Group, and the Shareholders' Loans will provide the Project Company with the funding required for developing and furthering the Project, and are thus in the interest of the Group as a shareholder of the Project Company.

The Board (excluding the independent non-executive Directors, whose views will be set out in the letter from the independent Board committee to be included in the circular to be despatched to the Shareholders) considers that the Supplemental Agreement was made on normal commercial terms, and that the terms thereof 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 25.051% 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. CCCG Northeast Investment is an indirect non-wholly owned subsidiary of CCCG and therefore an associate of a connected person of the Company.

Pursuant to the Agreement, the board of directors of the Project Company comprises seven directors, of which four, one and two directors were appointed by Harbin Greentown Real Estate, CCCG Northeast Investment and Harbin Metro RED, respectively. As at the date of this announcement, Harbin Metro RED is a substantial shareholder of the Project Company and is therefore a connected person of the Company.

As one or more of the applicable percentage ratios (as defined in the Listing Rules) are more than 5% but all of them are less than 25%, the transactions contemplated under the Supplemental Agreement constitute a discloseable (under Chapter 14 of the Listing Rules) and connected transaction (under Chapter 14A of the Listing Rules) of the Company, and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules and the reporting, announcement, circular and independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

A circular containing, among other things, (i) further details of the transactions set out herein; (ii) a letter from the independent Board committee; (iii) a letter from the independent financial adviser; (iv) a notice of general meeting; and (v) other information concerning the Company as required under the Listing Rules is expected to be despatched to the Shareholders on or before 31 May 2021, as the Company will need further time to prepare the contents of the circular. Shareholders and potential investors should note that the Supplemental Agreement and the transactions contemplated thereunder are subject to the approval by the independent Shareholders at a general meeting of the Company. CCCG and its associates are required to abstain from voting on the Supplemental Agreement at the general meeting.

Since CCCG has a material interest in the Supplemental Agreement and the transaction 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 Supplemental Agreement and the transaction contemplated thereunder.

## **GENERAL**

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.

Harbin Greentown Real Estate is a company established in the PRC with limited liability and an indirect wholly-owned subsidiary of the Company established for the project investment and operation in relation to the Project.

CCCC Northeast Investment is a company established in the PRC with limited liability and an indirect non-wholly owned subsidiary of CCCG and is principally engaged in project investment, management and technical consultation services. 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. To the best knowledge of the Directors after making reasonable enquiries, the ultimate controlling shareholder of CCCG and CCCC Northeast Investment is the State-owned Assets Supervision and Administration Commission of the State Council of the PRC.

Harbin Metro RED is a company established in the PRC with limited liability principally engaged in property development in relation to the local metro system. To the best knowledge of the Directors after making reasonable enquiries, its ultimate beneficial owners are the State-owned Assets Supervision and Administration Commission of Heilongjiang Provincial Government (黑龍江省人民政府國有資產監督管理委員會), the China Development Bank and the Harbin State-owned Assets Supervision and Administration Commission (哈爾濱市人民政府國有資產監督管理委員會).

The Project Company is a company established in the PRC with limited liability established for carrying out the Project. As of the date of this announcement, the Project Company was owned by the Company, CCCC Northeast Investment and Harbin Metro RED as to 46%, 10% and 44%, respectively.

## DEFINITIONS

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

“Agreement”	the agreement dated 24 September 2019 entered into among Harbin Greentown Real Estate, CCCC Northeast Investment and Harbin Metro RED in relation to the formation of the Project Company and the joint development of the Project
“associate”	has the same meaning ascribed to it under the Listing Rules
“Board”	the board of Directors
“CCCC Northeast Investment”	CCCC Northeast Investment Co., Ltd.* (中交東北投資有限公司), a company established in the PRC with limited liability and an indirect non-wholly owned subsidiary of CCGG
“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
“Group”	the Company together with its subsidiaries
“Harbin Greentown Real Estate”	Harbin Greentown Real Estate Co., Ltd. * (哈爾濱綠城置業有限公司), a company established in the PRC with limited liability and an indirect wholly-owned subsidiary of the Company
“Harbin Metro RED”	Harbin Metro Real Estate Development Co., Ltd.* (哈爾濱市地鐵置業開發有限公司), a company established in the PRC with limited liability
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“PRC”	the People’s Republic of China
“Project”	The development project in relation to the above-depot area of the relevant rail yards of Harbin Metro Line 3 (哈爾濱地鐵三號線相關車輛段上蓋項目), which comprises the proposed development of properties in the vicinities of metro stations for commercial and residential uses
“Project Company”	Harbin Young City Real Estate Co., Ltd.* (哈爾濱楊柳郡置業有限公司), a company established in the PRC with limited liability pursuant to the 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

“Supplemental Agreement” the supplemental agreement dated the date of this announcement entered into among Harbin Greentown Real Estate, CCCC Northeast Investment, Harbin Metro RED and the Project Company in supplement, amendment and modification of the Agreement

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

Hangzhou, the PRC  
5 February 2021

*As at the date of this announcement, the Board comprises Mr ZHANG Yadong, Mr LIU Wensheng, Mr GUO Jiafeng, Mr ZHOU Lianying, Mr GENG Zhongqiang and Mr LI Jun as executive Directors, Mr Stephen Tin Hoi NG (Mr Andrew On Kiu CHOW as his alternate) and Mr WU Yiwen as non-executive Directors and Mr JIA Shenghua, Mr HUI Wan Fai, Mr QIU Dong and Mr ZHU Yuchen as independent non-executive Directors.*

\* *For identification purpose only*