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## **GREENLAND HONG KONG HOLDINGS LIMITED**

### **綠地香港控股有限公司**

*(incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 337)**

**US\$700 million 4.75 per cent. Bonds Due 2016**

**(Stock Code: 5982)**

**US\$500 million 4.375 per cent. Notes Due 2017**

**(Stock Code: 5786)**

**CNY1,500 million 5.50 per cent. Bonds due 2018**

**(Stock Code: 85945)**

### **DISCLOSEABLE TRANSACTION FORMATION OF JOINT VENTURE AND**

### **JOINT INVESTMENT OF LAND IN WUJIANG DISTRICT, SUZHOU WITH CHINA RESOURCES**

The Board is pleased to announce that on 29 October 2014, the Company entered into the Cooperation Agreement with, among others, China Resources and Greenland SPV, pursuant to which (i) Greenland SPV shall subscribe for 100 new shares of the JV Company at the subscription price of RMB615.45 (equivalent to approximately HK\$776.69), representing 50% of the enlarged issued share capital of the JV Company after the Subscription; and (ii) the Company and Greenland SPV shall be responsible for the repayment to China Resources and CR Land Investment of 50% of all their capital commitments and the related cost having been incurred by them in respect of the JV Company (and its subsidiary) and for the payment of 50% the balance of the Land Consideration payable by the Project Company, which equals to approximately RMB467,938,332.12 (equivalent to approximately HK\$590,532,978.44) in aggregate. The said capital commitments of China Resources and CR Land Investment were used by the JV Company (and its subsidiary) to finance the acquisition of the Land and initial development of the Project.

Following the completion of the Subscription, the JV Company will be owned by the Company and China Resources as to 50% and 50%. Each of the JV Company, Forever Rich and the Project Company will not be treated as a subsidiary of the Group and their financial results will not be consolidated in the financial statements of the Group.

## **LISTING RULES IMPLICATIONS**

As the highest applicable percentage ratio in respect of the Cooperation Agreement and the transactions contemplated thereunder is more than 5% but less than 25%, the Cooperation Agreement and the transactions contemplated thereunder constitute a discloseable transaction for the Company, and is subject to notification and announcement requirements under Chapter 14 of the Listing Rules.

## **THE COOPERATION AGREEMENT**

### **Date**

29 October 2014

### **Parties**

- (1) the Company
- (2) China Resources
- (3) Greenland SPV (a wholly-owned subsidiary of the Company)
- (4) China Resources SPV (a wholly-owned subsidiary of China Resources)
- (5) the JV Company (a wholly-owned subsidiary of China Resources SPV)
- (6) Forever Rich (a wholly-owned subsidiary of the JV Company)
- (7) CR Land Investment (a wholly-owned subsidiary of China Resources)

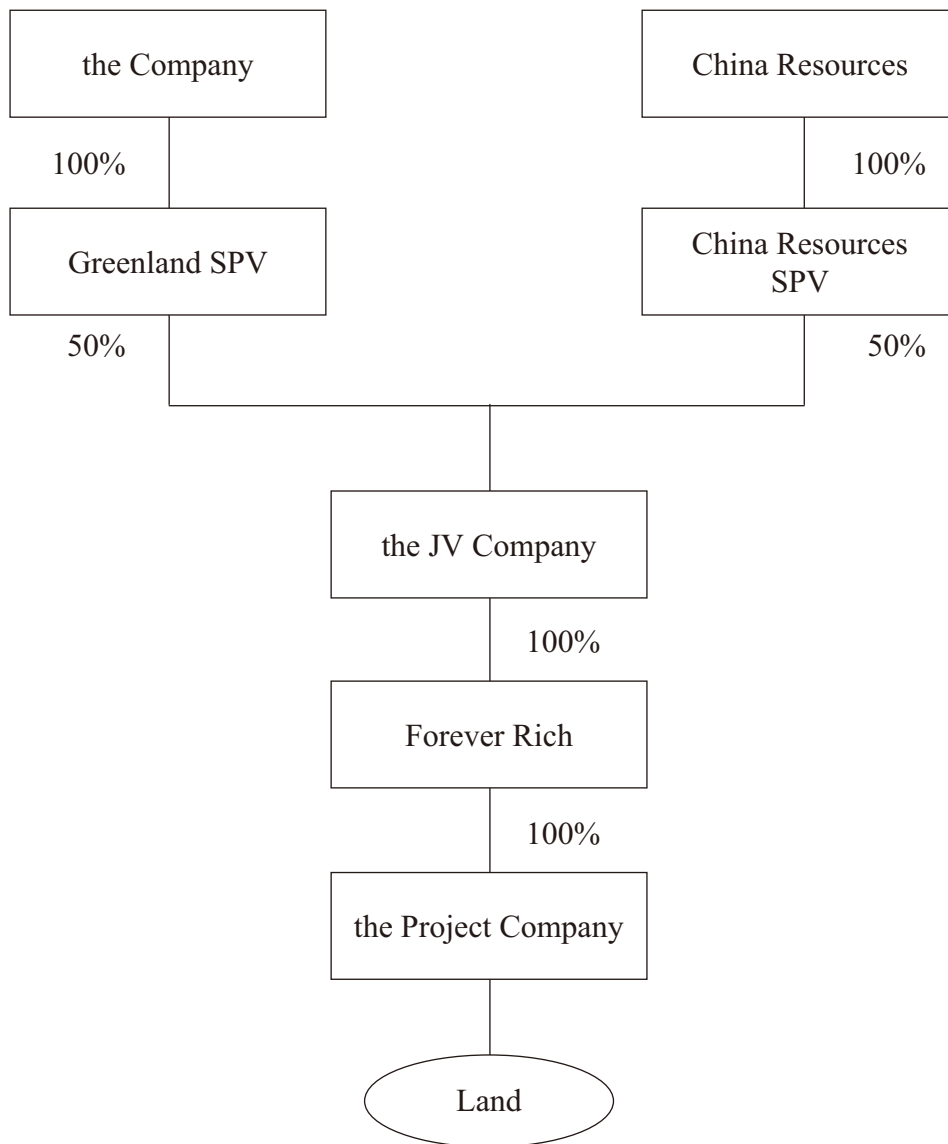
### **Subject matter of the Cooperation Agreement**

Pursuant to the Cooperation Agreement, (i) Greenland SPV shall subscribe for the New Shares at the subscription price of RMB615.45 (equivalent to approximately HK\$776.69), representing 50% of the enlarged issued share capital of the JV Company after the Subscription; and (ii) the Company and Greenland SPV shall be responsible for the repayment to China Resources and CR Land Investment of 50% of all their capital commitments and the related cost having been incurred by them in respect of the JV Company (and its subsidiary) and for the payment of 50% the balance of the Land Consideration payable by the Project Company, which equals to approximately RMB467,938,332.12 (equivalent to approximately HK\$590,532,978.44) in aggregate. The said capital commitments of China Resources and CR Land Investment were used by the JV Company (and its subsidiary) to finance the acquisition of the Land and initial development of the Project.

The subscription price for the 100 New Shares is RMB615.45 (equivalent to approximately HK\$776.69), which was determined after arm's length negotiations with reference to the nominal value of the share capital of the JV Company. The subscription price is payable on the 10th business day after the Cooperation Agreement becoming effective.

**Corporate Structure**

Assuming there is no change to the issued share capital of the JV Company other than changes as a result of the Subscription, the corporate structure of the JV Company immediately after the completion of the Subscription will be as follows:



Following the completion of the Subscription, the JV Company will be owned by the Company and China Resources as to 50% and 50%. Each of the JV Company, Forever Rich and the Project Company will not be treated as a subsidiary of the Group and their financial results will not be consolidated in the financial statements of the Group.

## **Payment of the Land Consideration**

The Land Consideration and any related tax shall be funded by the registered capital of the Project Company, shareholder's loan or external financing.

According to the Land Use Rights Grant Contracts entered into by the Project Company, the Land Consideration payable for the Land is in the aggregate sum of RMB796,666,755.70 (equivalent to approximately HK\$1,005,384,598.31). Forever Rich has paid RMB510,692,192 (equivalent to approximately HK\$644,487,874.81), being part of the Land Consideration and certain initial payments. The balance of the Land Consideration in the amount of RMB285,974,563 (equivalent to approximately HK\$360,896,722.61) shall be borne by China Resources and the Company on a 50:50 basis, i.e., RMB142,987,251.5 (equivalent to approximately HK\$180,448,323.45) by each party, and payable in accordance with the terms of the Land Use Rights Grant Contracts.

## **Effective date of the Cooperation Agreement**

The Cooperation Agreement shall become effective after each of the Company and China Resources obtaining the approval of its respective board of directors and shareholders (if necessary).

## **OPERATION AND MANAGEMENT OF THE PROJECT**

### **Management of the JV Company, Forever Rich and the Project Company**

Each of the JV Company, Forever Rich and the Project Company shall have a board of directors comprising five directors, of whom three directors (including the chairman of the board and the managing director (if any)) shall be appointed by China Resources and two directors shall be appointed by the Company.

Any four directors shall form the quorum of a board meeting of each of the JV Company, Forever Rich and the Project Company. A resolution of the board of directors of each of the JV Company, Forever Rich and the Project Company may be passed by at least three directors of the relevant board of directors.

### **Funding for the Project**

The funding for the Project (including the payment of the Land Consideration by the Project Company and future payments to satisfy further funding needs of the Project) shall be borne by the Company and China Resources on a 50:50 basis. Such funding shall be satisfied by the following means:

- (a) by way of external financing (where necessary, to be guaranteed by the Company and China Resources or their respective affiliates), in each case in proportion to their shareholding interest in the Project Company; or

- (b) if external financing cannot be obtained or the amount obtained is insufficient, the required funding shall be satisfied by shareholders' loans to be advanced by the Company and China Resources (or their respective affiliates) by way of shareholders' loans in proportion to their shareholding interest in the Project Company.

### **Distribution of profits**

After repayment of bank and external financing (if any) and shareholder's loans, on the basis that the Project Company shall have sufficient working capital for its operations for a period of six months, the net profits after taxation of the Project Company shall be distributed to the Company and China Resources in proportion to their shareholding interest in the JV Company.

### **Matters requiring unanimous approval by Greenland SPV and China Resources SPV**

Significant matters concerning the JV Company, Forever Rich and the Project Company, (such as changes of capital, amendment to the memorandum and articles of association, mergers, demergers and liquidation) require the unanimous consent of Greenland SPV and China Resources SPV. In particular, the JV Company, Forever Rich and the Project Company may not, without the unanimous written consent by Greenland SPV and China Resources SPV, (i) change the nature or scope of its business, or (ii) enter into any transactions which are not on an arm's length basis.

If the articles of association of the JV Company, Forever Rich or the Project Company contain any terms which are inconsistent with the terms of the Cooperation Agreement, the Cooperation Agreement shall prevail.

### **Transfer of shareholding interest in the JV Company**

Prior to the acceptance of completion of construction works in respect of the Land, none of Greenland SPV or China Resources SPV could pledge (otherwise than for the purposes of obtaining external financing for the operation of the Land) or transfer their shareholding interest in the JV Company (other than to their respective affiliates).

In the event that either shareholder of the JV Company wishes to transfer its shares in the JV Company to a third party, the other shareholder shall have a pre-emption right to acquire such shares.

### **INFORMATION ON THE JV COMPANY, FOREVER RICH, THE PROJECT COMPANY AND THE LAND**

The JV Company was incorporated in the British Virgin Islands in January 2014. Forever Rich was incorporated in Hong Kong in January 2014. Each of the JV Company and Forever Rich is an investment holding company and have not carried out any business operation other than holding the Project Company. Each of the JV Company, Forever Rich and the Project Company has not published its accounts for its first financial year.

The Project Company was established in Suzhou, the PRC under the laws of the PRC in April 2014. The Project Company has a registered capital of US\$99,800,000 (equivalent to approximately HK\$778,440,000) and a total approved investment amount of US\$99,800,000 (equivalent to approximately HK\$778,440,000). Its period of operation is from 28 April 2014 to 27 April 2064. The Project Company is principally engaged in the holding and development of the Land.

Following the completion of the Subscription, the JV Company will be owned by the Company and China Resources as to 50% and 50%. Each of the JV Company, Forever Rich and the Project Company will not be accounted for and consolidated in the consolidated financial statements of the Group as its subsidiary.

The Land was a piece of land in the Mainland acquired from the Bureau of Land and Resources of Wujiang, Suzhou through listing-for-sale governed by the PRC law. The Land comprises three parcels of land situated in Wujiang District, Suzhou, the PRC with a total site area of 158,825.1 sq.m. According to the relevant Land Use Right Grant Contracts, two parcels of land with the aggregate site area of 78,233.3 sq.m. are designated for residential use for a term of 70 years; and the remaining land with the site area of 80,591.8 sq.m. is designated for commercial service (including wholesale and retail) for 40 years and residential use for a term of 70 years.

## **GENERAL INFORMATION**

The Group is principally engaged in real estate development in various cities in the PRC including Shanghai, Kunming, Huangshan, Suzhou, Changshu, Wuxi, Haikou and Taiyuan.

Greenland SPV is an investment holding company.

China Resources is a public limited company incorporated in the Cayman Islands and its shares are listed on the Stock Exchange. The principal activities of China Resources and its subsidiaries are development and sales of developed properties, property investments and management, hotel operations and the provision of construction, decoration and other property development related services in the PRC.

China Resources SPV is an investment holding company.

CR Land Investment is an investment holding company.

As disclosed in the circular dated 24 February 2014 of the Company, on 25 December 2013, Well Embrace Limited (“**Well Embrace**”) (a wholly-owned subsidiary of Lion Venture Holdings Limited (“**Lion Venture**”) which was then a wholly-owned subsidiary of the Company) successfully acquired the land use right of the Xuzhou Project Land through listing-for-sale at the consideration of RMB1,112,000,000 (equivalent to approximately HK\$1,425,641,000). The Xuzhou Project Land will be held by a project company to be established by Well Embrace in the PRC (the “**Xuzhou Project Company**”). On 23 January 2014, the Company entered into the Xuzhou Cooperation Agreement with Lion Venture, Well Embrace, China Resources and Super Talent Resources Limited (“**Super Talent**”) (a wholly-owned subsidiary of China Resources) in respect of the joint development of the Xuzhou

Project Land, pursuant to which Super Talent subscribed for, and Lion Venture allotted and issued one new share to, Super Talent at the consideration of US\$1.00 (equivalent to approximately HK\$7.75). Following the completion of the subscription, Lion Venture was held as to 50% and 50% by the Company and Super Talent, respectively. As it was agreed between the Company and China Resources that the Xuzhou Project Company will be accounted for and consolidated in the consolidated financial statements of the Company as a subsidiary of the Company, each of Lion Venture and Well Embrace will also be accounted for and consolidated in the consolidated financial statements of the Company as a subsidiary of the Company. China Resources, by virtue of being a substantial shareholder of Lion Venture, a non wholly-owned subsidiary of the Company, has become a connected person of the Company with effect from 29 January 2014. As at the date of this announcement, as Lion Venture is an “insignificant subsidiary” of the Company within the meaning of Rule 14A.09(1) of the Listing Rules, China Resources is not a connected person of the Company pursuant Rule 14A.09 of the Listing Rules. Accordingly, none of China Resources, China Resources SPV, the JV Company, Forever Rich nor CR Land Investment is a connected person of the Company as at the date of this announcement.

To the best of the Directors’ knowledge, information and belief having made all reasonable enquiry, save as disclosed in this announcement and as at the date of this announcement, each of China Resources, China Resources SPV, the JV Company, Forever Rich, CR Land Investment and their respective ultimate beneficial owners are third parties independent of the Company and connected persons of the Company.

## **REASONS FOR AND BENEFITS OF ENTERING INTO THE COOPERATION AGREEMENT**

It is one of the Group’s strategies to acquire quality real estate projects with growing potential to maintain a healthy and sustainable development of the Group in the long run.

The Board believes that the Project is one of the primary focuses of development in Suzhou. The Project Company is undertaking the development of the Project located at Suzhou City, Jiangsu Province, the PRC with a total site area of 158,825.1 sq.m. whereupon a real estate project for both residential and commercial use will be developed. The Board considers that the Project is a quality real estate project with growing potential in a prime location which will have a good sale potential and therefore a positive impact on the profits of the Group in the long run.

China Resources is a leading property developer in the PRC. Having considered the funding needs of the Project and friendly relationship in previous cooperations with China Resources, the Board believes the strategic alliance between the Company and China Resources in the Project will enable the Project to maintain high quality and generate greatest possible profits.

The Directors consider that the terms of the Cooperation Agreement and the transactions contemplated thereunder are on normal commercial terms, fair and reasonable and in the interests of the Company and its shareholders as a whole.

The Directors consider that it is in the ordinary and usual course of business of the Company to undertake the transactions contemplated under the Cooperation Agreement on a joint basis with China Resources, and that the transactions contemplated under the Cooperation Agreement (including the financing and profit distribution arrangements contemplated thereunder) are on normal commercial terms, fair and reasonable and in the interests of the Company and its shareholders as a whole.

## **LISTING RULES IMPLICATIONS**

As the highest applicable percentage ratio in respect of the Cooperation Agreement and the transactions contemplated thereunder is more than 5% but less than 25%, the Cooperation Agreement and the transactions contemplated thereunder constitute a discloseable transaction for the Company, and is subject to notification and announcement requirements under Chapter 14 of the Listing Rules.

## **DEFINITIONS**

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

“China Resources”	China Resources Land Limited, a company incorporated in the Cayman Islands with limited liability whose shares are listed on the Stock Exchange (stock code: 1109)
“China Resources Group”	China Resources and its subsidiaries
“China Resources SPV”	Boom Go Group Limited, a company incorporated in the British Virgin Islands and a wholly-owned subsidiary of China Resources
“Company”	Greenland Hong Kong Holdings Limited, a company incorporated with limited liability in the Cayman Islands whose shares are listed on the Stock Exchange (stock code: 337)
“Cooperation Agreement”	the cooperation agreement in respect of the development of the Land dated 29 October 2014 entered into by the Company, China Resources, Greenland SPV, China Resources SPV, the JV Company, Forever Rich and CR Land Investment
“CR Land Investment”	China Resources Land Investment Limited (華潤置地投資有限公司), a company established in the PRC and a wholly-owned subsidiary of China Resources
“Entrusted Loan”	the entrusted loan owing by the Project Company to CR Land Investment in the amount of RMB53,109,000 (equivalent to approximately HK\$67,022,968.20) as at the date of this announcement



“Forever Rich”	Forever Rich Enterprises Limited (盈滿企業有限公司), a company incorporated in the Hong Kong and a wholly-owned subsidiary of China Resources as at the date of this announcement
“Greenland SPV”	State Hero Investments Limited, a company incorporated in the British Virgin Islands and a wholly-owned subsidiary of the Company
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	Hong Kong Special Administrative Region of the PRC
“JV Company”	Dynamic City Enterprises Limited, a company incorporated in the British Virgin Islands and a wholly-owned subsidiary of China Resources as at the date of this announcement
“Land”	three parcels of land situated in Wujiang District, Suzhou of the PRC, particulars of which are set out in the section headed “Information on the JV Company, Forever Rich, the Project Company and the Land” of this announcement
“Land Consideration”	the aggregate amount of RMB796,666,755.70 (equivalent to approximately HK\$1,005,384,598.31), being the price for the transfer of the land use right of the Land
“Land Use Rights Grant Contracts”	three Land Use Rights Grant Contracts (國有建設用地使用權出讓合同) dated 14 March 2014 entered into between Forever Rich and the Bureau of Land and Resources of Wujiang, Suzhou in respect of the transfer of the land use rights of the Land
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“New Shares”	100 new ordinary shares with par value of US\$1 each in the capital of the JV Company
“PRC”	the People’s Republic of China, which for the purpose of this announcement, excludes Hong Kong, the Macau Special Administrative Region of the People’s Republic of China and Taiwan
“Project”	the development and construction of the Land

“Project Company”	華潤置地(蘇州)開發有限公司 (China Resources (Suzhou) Development Co., Ltd.*), a company established in the PRC and a wholly-owned subsidiary of China Resources as at the date of this announcement
“Prosper Spring”	Prosper Spring Investments Limited, a company incorporated in the British Virgin Islands and a non wholly-owned subsidiary of the Company
“RMB”	Renminbi, the lawful currency of the PRC
“sq.m.”	square meters
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription”	the subscription of the New Shares by Greenland SPV on and subject to the terms of the Cooperation Agreement
“US\$”	United States Dollars, the lawful currency of the United States of America
“Xuzhou Cooperation Agreement”	the cooperation agreement dated 23 January 2014 entered into by and amongst the Company, Lion Venture Holdings Limited, Well Embrace Limited, China Resources and Super Talent Resources Limited in respect of the joint development of the Xuzhou Project Land
“Xuzhou Project Land”	a parcel of land located at Bing Gong Road, Gu Lou District, Xuzhou City, Jiangsu Province (江蘇省徐州市鼓樓區兵工路) with a total site area of approximately 87,000 sq.m. acquired by Well Embrace Limited on 25 December 2013

*For the purposes of this announcement, amounts denominated in RMB have been translated into HK\$ at an exchange rate of HK\$1:RMB0.7924 and US\$1:HK\$7.8. No representation is made that any amounts in RMB and US\$ can be or could have been converted at the above rate.*

By Order of the Board  
**Greenland Hong Kong Holdings Limited**  
**Chen Jun**  
*Chairman*

Hong Kong, 29 October 2014

*As at the date of this announcement, the executive Directors are Mr. Chen Jun, Mr. Wang Weixian, Mr. Hou Guangjun, Mr. Wu Zhengkui, Ms. Wang Xuling and Mr. You Defeng; and the independent non-executive Directors are Mr. Cheong Ying Chew, Henry, Mr. Fong Wo, Felix, JP and Mr. Kwan Kai Cheong.*