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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)**

### **DISCLOSEABLE TRANSACTION**

### **FORMATION OF JOINT VENTURE**

The Board is pleased to announce that after trading hours on 2 December 2021, Foshan Lvjia (a wholly-owned subsidiary of the Company) and the JV Partner entered into the JV Agreement, pursuant to which:

- (i) Foshan Lvjia and the JV Partner agreed to form a joint venture for the property development project in respect of the Land acquired by the JV Company, pursuant to which the JV Company shall have a total registered capital of RMB25 million (approximately HK\$30.49 million) owned as to 23% by Foshan Lvjia and 77% by the JV Partner immediately after the Completion;
- (ii) the total capital commitment of Foshan Lvjia in respect of the JV Company is expected to be not more than approximately RMB235.90 million (approximately HK\$287.68 million), comprising shareholder's loan and the total capital contribution of Foshan Lvjia; and
- (iii) certain management and corporate affairs of the JV Company shall be bounded by the terms of the JV Agreement.

As the highest Applicable Percentage Ratio for the JV Agreement is more than 5% but less than 25%, the entering into the JV Agreement constitutes a disclosable transaction for the Company under Chapter 14 of the Listing Rules and is therefore subject to the notification and publication requirements under Chapter 14 of the Listing Rules.

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## THE JV AGREEMENT

Date:	2 December 2021
Parties:	Foshan Lvjia as a joint venture partner JV Partner as the other joint venture partner
Background of the JV Company:	The JV Company was established on 29 July 2021. The JV Company has not commenced any business operation apart from having entered into an agreement to purchase the Land from Foshan City Bureau of National Resources and Planning, which is a governmental authority of the PRC and an independent third party, at a purchase price of approximately RMB888.99 million (approximately HK\$1,084.13 million). As at 31 October 2021, the unaudited total asset of the JV Company was approximately RMB923.90 million (approximately HK\$1,126.71 million), and the unaudited net asset value of the JV Company was nil. As at the date of the JV Agreement, portion of the said purchase price of approximately RMB666.74 million (approximately HK\$813.10 million) has been paid, which was financed by loans of approximately RMB222.25 million (approximately HK\$271.03 million) and RMB444.50 million (approximately HK\$542.07 million) lent to the JV Company by Foshan Lvjia and the JV Partner respectively.
Shareholding structure and capital requirement:	As at the date of the JV Agreement, the JV Company is owned as to 50% by Foshan Lvjia and as to 50% by the JV Partner with a total registered capital of RMB10 million (approximately HK\$12.20 million), which has not yet been contributed. Under the JV Agreement, the registered capital of the JV Company held by Foshan Lvjia of the RMB5.75 million (approximately HK\$7.01 million) (inclusive of the said RMB5 million registered capital not yet contributed by Foshan Lvjia) shall be treated as having been fully contributed by way of setting off a portion of the shareholder's loan owed by the JV Company to Foshan Lvjia of RMB5.75 million, and the JV Partner shall contribute in cash RMB19.25 million (approximately HK\$23.48 million) (inclusive of the said RMB5 million registered capital not yet contributed by the JV Partner) to the JV Company as registered capital within 2 business days after the Completion. After the aforesaid capital contributions, the contributed registered capital of the JV Company will be RMB25 million (approximately HK\$30.49 million), which will be owned as to 23% by Foshan Lvjia and as to 77% by the JV Partner respectively. After the Completion, the JV Company will be accounted for as a 23%-owned associate of the Company.

To finance the payment of the outstanding portion of the Purchase Price of approximately RMB222.25 million (approximately HK\$271.03 million) and the development of the Land, the JV Partner shall provide further shareholder's loans of approximately RMB273.62 million (approximately HK\$333.69 million) in aggregate in cash to the JV Company. After the advance of the said further shareholder's loans from the JV Partner, the total shareholders' loans of the JV Company will be owed as to approximately RMB230.15 million (approximately HK\$280.67 million) to Foshan Lvjia (the "**Foshan Lvjia Shareholder's Loan**") and as to approximately RMB731.77 million (approximately HK\$892.40 million) to the JV Partner respectively. All other funding needs of the JV Company shall be financed by itself.

The Foshan Lvjia Shareholder's Loan and the said capital contributions of Foshan Lvjia (the "**Foshan Lvjia's Capital Commitment**") of approximately RMB235.90 million (approximately HK\$287.68 million) in aggregate are expected to be funded by the internal resources of the Group. The amount of the Foshan Lvjia's Capital Commitment was determined after arm's length negotiations between the parties, taking into account, among other factors, the funding need for the property development project in respect of the Land.

Scope of business of  
the JV Company:

The JV Company is principally engaged in the property development project in respect of the Land. The Land has a total site area of approximately 39,510 sq.m. with a permissible plot ratio between 1.0 to 3.0, and a land use right of 70 years for residential land use and 40 years for commercial land use. The JV Company intends to develop the Land into a mixed development of residential and commercial complex in 2 to 3 years.

Corporate Governance: Upon Completion, the board of directors of the JV Company will comprise five directors. The JV Partner has the right to nominate three directors. Foshan Lvjia shall have the right to nominate one director. The JV Partner also has the right to nominate one director subject to the approval at the meeting of representatives of the employees of the JV Company. Apart from changes in registered capital, the dissolution and merger of the JV Company, and changes in corporate entity requiring the unanimous approval of all the directors of the JV Company, approvals at board meeting of the JV Company require the approval of more than half of the directors of the JV Company. The voting power of each shareholder of the JV Company at the shareholders' meetings of the JV Company shall be in proportion to its contributed capital in the JV Company. Apart from certain important corporate matters (such as changes in registered capital and articles of association, and the dissolution and merger of the JV Company, provision of guarantees, and etc.) requiring the unanimous approval of all the shareholders of the JV Company, approvals at shareholders' meeting of the JV Company shall be obtained based on more than two-third of the votes cast by the shareholders. If any shareholder of the JV Company proposes to transfer its equity interest to any person other than its affiliates, the other shareholder of the JV Company shall have the pre-emptive right to acquire such equity interest under equal terms.

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

The Company understands that the JV Partner is an experienced property developer and is actually controlled by Foshan City State-owned Assets Supervision and Administration Commission (佛山市國有資產監督管理委員會). Hence, the Board considers that it would be beneficial to the Group to jointly develop the Land with the JV Partner so as to achieve synergistic benefit and to develop a solid business relationship with the JV Partner to capture further business opportunities that may be identified by the Group and/or the JV Partner. Under the JV Agreement, the registered capital of the JV Company shall be increased from RMB10 million to RMB25 million, for which the JV Partner shall contribute an additional registered capital of RMB14.25 million and Foshan Lvjia shall contribute an additional registered capital of RMB0.75 million, leading to Foshan Lvjia's equity interest in the JV Company being diluted from 50% to 23%. The Company considers that it would be in the interest of the Group to not contribute more registered capital to maintain its equity interest in the JV Company because the Group can preserve its cash position to finance more profitability development opportunities. The Board considers that the terms of the JV Agreement are normal commercial terms, fair and reasonable and in the interests of the Company and the Shareholders as a whole.

## GENERAL INFORMATION

The Company is an investment holding company. The Group is principally engaged in property development, property and hotel investment and property management.

The JV Partner is principally engaged in property development. The JV Partner is actually controlled by Foshan City State-owned Assets Supervision and Administration Commission. To the best knowledge, information and belief of the Directors and having made all reasonable enquiries, as at the date of this announcement, each of the JV Partner and its ultimate beneficial owner is third party independent of, and not connected with, the Company and its connected persons.

## LISTING RULES IMPLICATIONS

The JV Company is a joint venture company established by Foshan Lvjia and the JV Partner on 29 July 2021 (i) solely for the purpose of the development of the Land within the ordinary course of business of the Group, all the completed units of which development will be fully disposed of after completion of the said development, (ii) based on arm's length negotiation and on normal commercial terms; and (iii) based on terms to the effect that unless with the consent of Foshan Lvjia and the JV Partner, the JV Company shall not change its nature or scope of business or enter into any transactions which are not on an arm's length basis. Pursuant to the JV Agreement, Foshan Lvjia's interest in the JV Company will, after Completion, be diluted from 50% to 23%, which constitutes a deemed disposal under Rule 14.29 of the Listing Rules. As the highest Applicable Percentage Ratio for the JV Agreement is more than 5% but less than 25%, the entering into the JV Agreement constitutes a disclosable transaction for the Company under Chapter 14 of the Listing Rules and is therefore subject to the notification and publication requirements under Chapter 14 of the Listing Rules.

## DEFINITIONS

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

<b>“Applicable Percentage Ratio”, and “connected person(s)”</b>	have the meanings ascribed to them under the Listing Rules;
<b>“Board”</b>	the board of Directors;
<b>“Company”</b>	Greenland Hong Kong Holdings Limited (綠地香港控股有限公司), a company incorporated with limited liability in the Cayman Islands and the ordinary shares of which are listed on the Main Board of the Stock Exchange;
<b>“Completion”</b>	the completion of the registration of the increase in the total registered capital of the JV Company to RMB25 million with the relevant governmental authority;

<b>“Foshan Lvjia”</b>	Foshan City Lvjia Business Consultancy Services Co., Ltd.* (佛山市綠佳商務諮詢服務有限公司), a company established under the laws of the PRC with limited liability, which is wholly-owned by the Company;
<b>“Group”</b>	the Company and its subsidiaries;
<b>“HK\$”</b>	Hong Kong dollars, the lawful currency of Hong Kong;
<b>“Hong Kong”</b>	the Hong Kong Special Administrative Region of the PRC;
<b>“JV Agreement”</b>	the equity injection agreement dated 2 December 2021 between Foshan Lvjia and the JV Partner governing the capital contributions into the JV Company and the management and corporate affairs of the JV Company;
<b>“JV Company”</b>	Foshan Jiantou Lvjia Real Estate Co., Ltd.* (佛山建投綠佳置業有限公司), a company established in the PRC with limited liability;
<b>“JV Partner”</b>	Foshan Jiantou City Development Co., Ltd.* (佛山建投城市發展有限公司), a company established in the PRC with limited liability;
<b>“Land”</b>	the land parcel situated at the north side of Nanzhuang Avenue and east side of Foshan First Ring Expressway, Nanzhuang Town, Chancheng District, Foshan City, Guangdong Province, the PRC (中國廣東省佛山市禪城區南莊鎮南莊大道北側、佛山一環東側);
<b>“Listing Rules”</b>	Rules Governing the Listing of Securities on the Stock Exchange;
<b>“PRC”</b>	People’s Republic of China, which, for the purposes of this announcement, excludes Hong Kong, the Macau Special Administrative Region and Taiwan;
<b>“RMB”</b>	Renminbi, the lawful currency of the PRC;
<b>“Shareholders”</b>	holders of the ordinary share(s) of HK\$0.50 each in the share capital of the Company;
<b>“sq.m.”</b>	square meters;

“**Stock Exchange**”                    The Stock Exchange of Hong Kong Limited; and

“%”                                        per cent.

*For the purposes of this announcement, an exchange rate of HK\$1 = RMB0.82 has been used for currency translation, where applicable. Such exchange rate is for illustration purposes only and does not constitute representations that any amount in RMB or HK\$ has been, could have been or may be converted at such rate.*

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

Hong Kong, 2 December 2021

*As at the date of this announcement, the executive directors of the Company are Mr. Chen Jun, Mr. Wang Weixian, Mr. Hou Guangjun, Mr. Wu Zhengkui and Ms. Wang Xuling; and the independent non-executive directors of the Company are Mr. Fong Wo, Felix, JP, Mr. Kwan Kai Cheong and Dr. Lam, Lee G..*

\* *For identification purposes only*