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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)**

## **CONNECTED TRANSACTIONS INVOLVING ISSUE OF NEW SHARES UNDER GENERAL MANDATE AND EMPLOYEE SHARE OWNERSHIP AND INCENTIVE PLAN**

### **CONNECTED SUBSCRIPTIONS**

On 23 January 2018, the Company and each of the Connected Subscribers entered into the respective Connected Subscription Agreements, pursuant to which each of the Connected Subscribers conditionally agreed to subscribe for, and the Company conditionally agreed to allot and issue, an aggregate of 13,590,000 Connected Subscription Shares for the aggregate subscription consideration of approximately HK\$51,370,200 in cash, representing a Subscription Price of HK\$3.78 per Connected Subscription Share.

### **EMPLOYEE SUBSCRIPTIONS**

On 23 January 2018, the Company and each of the Employee Subscribers entered into the respective Employee Subscription Agreements, pursuant to which each of the Employee Subscribers conditionally agreed to subscribe for, and the Company conditionally agreed to allot and issue, an aggregate of 46,680,000 Employee Subscription Shares for the aggregate subscription consideration of HK\$176,450,400 in cash, representing a Subscription Price of HK\$3.78 per Employee Subscription Share.

### **LISTING RULES IMPLICATIONS**

All the Connected Subscription Shares and the Employee Subscription Shares will be allotted and issued pursuant to the General Mandate, and is subject to the announcement requirement under Rule 13.28 of the Listing Rules.

The Connected Subscribers are directors of the Company and/or its subsidiaries (as the case may be), and therefore are connected persons of the Company under Chapter 14A of the Listing Rules. Accordingly, the Connected Subscriptions constitute connected transactions for the Company under Chapter 14A of the Listing Rules and are subject to the reporting, announcement, circular and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

**Shareholders and potential investors should note that the Connected Subscription Completion and the Employee Subscription Completion are subject to the fulfilment of certain conditions precedent under the Connected Subscription Agreements and the Employee Subscription Agreements, respectively, and the Connected Subscriptions and/or the Employee Subscriptions may or may not proceed. Shareholders and potential investors of the Company are advised to exercise caution when dealing in the securities of the Company.**

## INTRODUCTION

The Board is pleased to announce that the Company adopted the ESOP on 22 January 2018, pursuant to which the Board may from time to time issue new Shares to any eligible employee, namely any director or employee of the Company or any of its subsidiaries, during the duration of five years from the date of the adoption of the ESOP, namely 22 January 2018 (the “**Effective Date**”), provided that any issue of new Shares under the ESOP shall be in compliance with the applicable law, rules and regulations and requirements of the relevant regulatory authorities. The subscription price for the Shares to be subscribed for by an eligible employee shall be 90% of the higher of (i) the closing price of the Shares as at the date of the relevant subscription agreement and (ii) the average closing price of the Shares for the five trading days immediately prior to the date of the relevant subscription agreement (the “**Pricing Basis**”). The aggregate number of Shares which may be subscribed for under the ESOP throughout its duration shall not exceed 5% of the total number of issued Shares as at the Effective Date. The purpose of the ESOP is to align the interests of eligible employees and the Group through shareholding in the Company and encourage them to contribute to the long term growth and success of the Group.

Pursuant to the ESOP, the Connected Subscribers and the Employee Subscribers applied for the subscription of the Connected Subscription Shares and the Employee Subscription Shares under the Connected Subscription Agreements and the Employee Subscription Agreements respectively.

## CONNECTED SUBSCRIPTIONS

### Connected Subscription Agreements

On 23 January 2018, the Company and each of the Connected Subscribers entered into the respective Connected Subscription Agreements, pursuant to which each of the Connected Subscribers conditionally agreed to subscribe for, and the Company conditionally agreed to allot and issue, an aggregate of 13,590,000 Connected Subscription Shares for the aggregate subscription consideration of approximately HK\$51,370,200 in cash, representing a Subscription Price of HK\$3.78 per Connected Subscription Share.

The principal terms of each of the Connected Subscription Agreements are set out as follows:

*Date*

23 January 2018 (after trading hours)

*Parties*

- (i) the Company (as the issuer); and
- (ii) each of the Connected Subscribers (as the subscriber).

*Details of the Connected Subscribers and the Connected Subscription Shares*

Pursuant to the respective Connected Subscription Agreements, each of the Connected Subscribers conditionally agreed to subscribe for, and the Company conditionally agreed to allot and issue, such number of Connected Subscription Shares at a Subscription Price of HK\$3.78 per Connected Subscription Share as set out against his/her name as follows:

<b>Connected Subscriber</b>	<b>Position in the Company</b>	<b>Subscription consideration (HK\$)</b>	<b>Number of Subscription Shares</b>	<b>Approximate percentage of total issued Shares as at the date of this announcement (%)</b>
Mr. Chen Jun	Chairman of the Board, Chief Executive Officer and executive Director	13,230,000	3,500,000	0.13
Mr. Hou Guangjun	Chief Operating Officer and executive Director	10,206,000	2,700,000	0.10
Ms. Wang Xuling	Executive Director	12,814,200	3,390,000	0.12
Mr. Gu Minqi	Vice-President of the Company and a director of its subsidiary	15,120,000	4,000,000	0.14
Total		<u>51,370,200</u>	<u>13,590,000</u>	<u>0.49</u>

The aggregate nominal value of the 13,590,000 Connected Subscription Shares (representing approximately 0.49% of the total issued Shares as at the date of this announcement) is HK\$6,795,000.

The Connected Subscription Shares, when fully paid for and allotted and issued, will rank pari passu in all respects among themselves and with the Shares in issue on the date of allotment and issue of the Connected Subscription Shares.

### *Conditions precedent*

Completion of each Connected Subscription is conditional upon the following conditions (the “**Connected Subscription Conditions**”):

- (a) the approval from the Independent Shareholders and, if needed, all necessary approvals from the Stock Exchange in respect of the issue of Connected Subscription Shares having been obtained;
- (b) (if needed) all necessary approvals from the relevant government authorities in the PRC in respect of the issue of Connected Subscription Shares having been obtained; and
- (c) the Listing Committee of the Stock Exchange granting listing of, and permission to deal in, the Connected Subscription Shares.

### *Connected Subscription Completion*

Completion of each of the Connected Subscription Agreements shall take place on the third business day following the day on which the last of the Connected Subscription Conditions shall have been fulfilled.

The subscription consideration for the Connected Subscription Shares will be payable by the respective Connected Subscribers to the Company in cash upon the respective Connected Subscription Completion.

## **EMPLOYEE SUBSCRIPTIONS**

### **The Employee Subscription Agreements**

On 23 January 2018, the Company and each of the Employee Subscribers entered into the respective Employee Subscription Agreements, pursuant to which each of the Employee Subscribers conditionally agreed to subscribe for, and the Company conditionally agreed to allot and issue, an aggregate of 46,680,000 Employee Subscription Shares for the aggregate subscription consideration of HK\$176,450,400 in cash, representing a Subscription Price of HK\$3.78 per Employee Subscription Share.

The principal terms of each of the Employee Subscription Agreements are set out as follows:

#### *Date*

23 January 2018 (after trading hours)

#### *Parties*

- (i) the Company (as the issuer); and
- (ii) each of the Employee Subscribers (as the subscriber).

### *Details of the Employee Subscribers and the Employee Subscription Shares*

The Employee Subscribers comprise a total of 120 employees of the Group, all of whom are not connected persons of the Company.

The aggregate nominal value of the 46,680,000 Employee Subscription Shares (representing approximately 1.67% of the total issued Shares as at the date of this announcement) is HK\$23,340,000.

The Employee Subscription Shares, when fully paid for and allotted and issued, will rank pari passu in all respects among themselves and with the Shares in issue on the date of allotment and issue of the Employee Subscription Shares.

### *Conditions precedent*

Completion of each Employee Subscription is conditional upon the following conditions (the “**Employee Subscription Conditions**”):

- (a) the approvals from the Independent Shareholders and, if needed, all necessary approvals from the Stock Exchange in respect of the issue of Employee Subscription Shares having been obtained;
- (b) (if needed) all necessary approvals from the relevant government authorities in the PRC in respect of the issue of Employee Subscription Shares having been obtained; and
- (c) the Listing Committee of the Stock Exchange granting listing of, and permission to deal in, the Employee Subscription Shares.

### *Employee Subscription Completion*

Completion of each of the Employee Subscription Agreements shall take place on the third business day following the day on which the last of the Employee Subscription Conditions shall have been fulfilled.

The subscription consideration for the Employee Subscription Shares will be payable by the respective Employee Subscribers to the Company in cash upon Employee Subscription Completion.

## **THE SUBSCRIPTION PRICE**

The Subscription Price is HK\$3.78 per Connected Subscription Share or Employee Subscription Share (as the case may be).

The Subscription Price represents:

- (i) a discount of approximately 10% to the closing price of HK\$4.20 per Share as quoted on the Stock Exchange on 23 January 2018, being the date of the Connected Subscription Agreements and the Employee Subscription Agreements; and
- (ii) a discount of approximately 4.93% to the average closing price of approximately HK\$3.976 per Share as quoted on the Stock Exchange for the last five consecutive trading days up to and including 22 January 2018, being the trading day immediately preceding the date of the Connected Subscription Agreements and the Employee Subscription Agreements.

The net Subscription Price, after deduction of relevant expenses, is estimated to be approximately HK\$3.78 per Connected Subscription Share or Employee Subscription Share.

The Subscription Price was arrived at after arm's length negotiations between the Company and the Connected Subscribers and the Employee Subscribers based on the Pricing Basis.

## **APPLICATION FOR LISTING**

The Company will apply to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Connected Subscription Shares and the Employee Subscription Shares.

## **EQUITY FUND RAISING ACTIVITIES IN THE PAST TWELVE MONTHS**

The Company had not conducted any equity fund raising activities in the past twelve months immediately preceding the date of this announcement.

## **REASONS FOR AND BENEFITS OF THE CONNECTED SUBSCRIPTIONS AND THE EMPLOYEE SUBSCRIPTIONS**

The Company adopted the ESOP on 22 January 2018, pursuant to which the Company may allot and issue new Shares to eligible employees, including the Connected Subscribers and the Employee Subscribers, to align the interests of eligible employees and the Group through shareholding in the Company and encourage them to contribute to the long term growth and success of the Group. Accordingly, the allotment and issue of the Connected Subscription Shares to the Connected Subscribers and the Employee Subscription Shares to the Employee Subscribers will enable the Company to achieve such objective.

Having considered the reasons for and benefits of the Connected Subscriptions and the Employee Subscriptions and the terms of the Connected Subscription Agreements and the Employee Subscription Agreements:

- (a) with regard to the Connected Subscription Agreements, the Directors (other than Mr. Chen Jun, Mr. Hou Guangjun and Ms. Wang Xuling, who abstained from voting at the meeting of the Board due to conflict of interest, and the independent non-executive Directors who will give their views after obtaining the advice of the independent financial adviser) consider that the terms of the Connected Subscription Agreements (including the Subscription Price) are fair and reasonable and in the interests of the Company and the Shareholders as a whole; and
- (b) with regard to the Employee Subscription Agreements, the Directors consider that the terms of the Employee Subscription Agreements (including the Subscription Price) are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

### **USE OF PROCEEDS**

The aggregate gross proceeds of the Connected Subscriptions and the Employee Subscriptions will be approximately HK\$228 million and the aggregate net proceeds of the Connected Subscriptions and the Employee Subscriptions, after the deduction of the related expenses, are estimated to be approximately HK\$228 million.

The Company intends to use the net proceeds of the Connected Subscriptions and the Employee Subscriptions as general working capital for the Group.

### **INFORMATION OF THE GROUP**

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

### **LISTING RULES IMPLICATIONS**

The Connected Subscription Shares and the Employee Subscription Shares will be allotted and issued pursuant to the General Mandate, which was granted to the Directors pursuant to an ordinary resolution of the Shareholders passed at the annual general meeting on 15 June 2017 to allot and issue up to 558,735,336 Shares, representing 20% of the aggregate nominal value of the share capital of the Company in issue on the date of passing such resolution. The General Mandate has not been previously utilized prior to the date of this announcement. As the Connected Subscription Shares and the Employee Subscription Shares are to be issued under the General Mandate, the issue of the Connected Subscription Shares and the Employee Subscription Shares is not subject to any Shareholders' approval under Rule 13.36 of the Listing Rules.

The aggregate number of the Connected Subscription Shares and the Employee Subscription Shares represents approximately 2.16% of the total issued Shares as at the date of this announcement.

The issue of the Connected Subscription Shares and Employee Subscription Shares under the General Mandate to the Connected Subscribers and Employee Subscribers, respectively, is subject to the announcement requirement under Rule 13.28 of the Listing Rules.

The Connected Subscribers are directors of the Company and/or the Company's subsidiaries (as the case may be), and therefore are connected persons of the Company under Chapter 14A of the Listing Rules. Accordingly, the Connected Subscriptions constitute connected transactions for the Company under Chapter 14A of the Listing Rules and are subject to the reporting, announcement, circular and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

## **EGM**

The EGM will be proposed for the Independent Shareholders to consider and, if thought fit, pass the requisite resolutions to approve, among other things, the Connected Subscription Agreements and the Employee Subscription Agreements.

## **GENERAL**

The Independent Board Committee comprising all independent non-executive Directors has been formed to advise the Independent Shareholders in relation to, among other things, whether the terms of the Connected Subscription Agreements and the Connected Subscriptions are fair and reasonable and in the interests of the Company and the Shareholders as a whole and to advise the Independent Shareholders on voting, taking into account the recommendation of the independent financial adviser. The Company will appoint an independent financial adviser to advise the Independent Board Committee in this regard.

A circular containing, among other things, (i) further details of Connected Subscription Agreements and the Connected Subscriptions; (ii) a letter of advice from the Independent Board Committee to the Independent Shareholders; (iii) a letter of advice from the independent financial adviser to the Independent Board Committee and the Independent Shareholders and (iv) a notice of the EGM, is expected to be despatched by the Company to the Shareholders on or before 13 February 2018.

**Shareholders and potential investors should note that the Connected Subscription Completion and the Employee Subscription Completion are subject to the fulfilment of certain conditions precedent under the Connected Subscription Agreements and the Employee Subscription Agreements, respectively, and the Connected Subscriptions and/or the Employee Subscriptions may or may not proceed. Shareholders and potential investors of the Company are advised to exercise caution when dealing in the securities of the Company.**



## DEFINITIONS

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

“Board”	the board of Directors;
“Company”	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 whose ordinary shares are listed on the Stock Exchange (stock code: 337);
“Connected Subscribers”	Mr. Chen Jun, Mr. Hou Guangjun, Ms. Wang Xuling and Mr. Gu Minqi;
“Connected Subscriptions”	the subscriptions of the Connected Subscription Shares by the Connected Subscribers in accordance with the terms and conditions of the respective Connected Subscription Agreements;
“Connected Subscription Agreements”	a total of 4 subscription agreements entered into between the Company and each of the Connected Subscribers, all dated 23 January 2018, the terms of which are the same, save and except for the numbers of Connected Subscription Shares being subscribed for by the respective Connected Subscribers;
“Connected Subscription Completion”	completion of the Connected Subscriptions in accordance with the terms and conditions of the Connection Subscription Agreements;
“Connected Subscription Shares”	new Shares to be subscribed for by the Connected Subscribers and allotted and issued by the Company in accordance with the terms and conditions of the Connected Subscription Agreements;
“Director(s)”	director(s) of the Company;
“EGM”	the extraordinary general meeting of the Company to be convened for the Independent Shareholders to consider and, if thought fit, approve the Connected Subscription Agreements and the Connected Subscriptions;
“Employee Subscribers”	collectively, a total of 120 employees of the Group, all of whom are not connected persons of the Company;

“Employee Subscriptions”	the subscriptions of the Employee Subscription Shares by the Employee Subscribers in accordance with the terms and conditions of the Employee Subscription Agreements;
“Employee Subscription Agreements”	a total of 120 subscription agreements entered into between the Company and each of the Employee Subscribers, all dated 23 January 2018, the terms of which are the same, save and except for the numbers of Employee Subscription Shares being subscribed for by the respective Employee Subscribers;
“Employee Subscription Completion”	completion of the Employee Subscriptions in accordance with the terms and conditions of the Employee Subscription Agreements;
“Employee Subscription Shares”	new Shares to be subscribed for by the Employee Subscribers and allotted and issued by the Company in accordance with the terms and conditions of the Employee Subscription Agreements;
“ESOP”	the employee share ownership and incentive plan adopted by the Company on 22 January 2018 pursuant to which the Company may allot and issue new Shares to certain eligible employees;
“General Mandate”	the general mandate to allot and issue new Shares, which was granted to the Directors pursuant to an ordinary resolution passed at the annual general meeting of the Company on 15 June 2017;
“Group”	collectively, the Company and its subsidiaries;
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong;
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC;
“Independent Board Committee”	an independent board committee of the Board comprising all the independent non-executive Directors, namely Mr. Cheong Ying Chew, Henry, Mr. Fong Wo, Felix, and Mr. Kwan Kai Cheong, established for the purpose of advising the Independent Shareholders in respect of, among other things, the Connected Subscription Agreements and the Connected Subscriptions;
“Independent Shareholders”	Shareholders who do not have any material interest in the relevant transactions contemplated under this announcement;

“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“PRC”	the People’s Republic of China which, for the purpose of this announcement only, shall exclude Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan;
“Shares”	ordinary shares of HK\$0.50 each in the share capital of the Company;
“Shareholder(s)”	holder(s) of the share(s) in the Company;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Subscription Price”	HK\$3.78 per Connected Subscription Share or Employee Subscription Share (as the case may be); and
“%”	per cent.

In this announcement, unless the context otherwise requires, the terms “connected person(s)”, “connected transaction(s)” and “subsidiary(ies)” shall have the meanings given to such terms in the Listing Rules, as modified by the Stock Exchange from time to time.

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

Hong Kong, 24 January 2018

*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 are Mr. Cheong Ying Chew, Henry, Mr. Fong Wo, Felix, JP, and Mr. Kwan Kai Cheong.*