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Future Land Development Holdings Limited

新城發展控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1030)

DISCLOSEABLE TRANSACTION ENTERING INTO COOPERATION FRAMEWORK AGREEMENT WITH COUNTRY GARDEN

THE AGREEMENT

The Board is pleased to announce that on November 23, 2016, Suzhou Future Land and its wholly-owned subsidiary, Golden Century, entered into the Agreement with Suzhou Country Garden, a wholly-owned subsidiary of Country Garden, pursuant to which Suzhou Country Garden will acquire the 50% equity interest in Golden Century held by Suzhou Future Land. Upon completion of the Disposal, each of Suzhou Future Land and Suzhou Country Garden will hold the equity interest in Golden Century as to 50%, respectively, so that Suzhou Future Land and Suzhou Country Garden will jointly develop the Properties.

IMPLICATIONS UNDER THE LISTING RULES

As the applicable percentage ratios (as defined in Rule 14.07 of the Listing Rules) in respect of the Disposal exceed 5% but are less than 25%, the Disposal constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules and is therefore subject to the reporting and announcement requirements but exempt from shareholders' approval requirement.

INFORMATION ON THE AGREEMENT

On November 23, 2016, Suzhou Future Land and its wholly-owned subsidiary, Golden Century entered into the Agreement with Suzhou Country Garden, a wholly-owned subsidiary of Country Garden, pursuant to which Suzhou Country Garden will acquire the 50% equity interest in Golden Century held by Suzhou Future Land. Upon completion of the Disposal, each of Suzhou Future Land and Suzhou Country Garden will hold the equity interest in Golden Century as to 50%, respectively, so that Suzhou Future Land and Suzhou Country Garden will jointly develop the Properties.

parties

- (i) Suzhou Future Land;
- (ii) Suzhou Country Garden; and
- (iii) Golden Century.

Shareholding Transfer in Golden Century

On February 2, 2010, Golden Century was established with the registered capital of RMB100 million. As at the date of the announcement, Golden Century has the outstanding debt in the amount of RMB1,130 million.

Pursuant to the Agreement, each of Suzhou Future Land and Suzhou Country Garden shall contribute equally to repay the outstanding debt of Golden Century. Suzhou Country Garden will totally contribute RMB565 million in order to obtain the 50% equity interest in Golden Century from Suzhou Future Land. The basis of the consideration is the outstanding debt of Golden Century of RMB1,130,000,000 and each of Suzhou Country Garden and Suzhou Future Land will be responsible for RMB565,000,000.

Upon completion of the Disposal, Golden Century will cease to be a subsidiary of Suzhou Future Land.

Suzhou Country Garden shall pay RMB425,000,004 by the date of the Agreement. The remaining contribution of RMB139,999,996 by Suzhou Country Garden will be paid according to the debt repayment process of Golden Century.

Management and Operation of Golden Century

After completion of the Disposal, each of Suzhou Future Land and Suzhou Country Garden will hold 50% equity interest in Golden Century and have 30% and 70% of voting rights in the shareholders' meeting of Golden Century, respectively. The shareholders' resolutions of Golden Century shall be approved by more than two-thirds of the voting rights of the shareholders.

The board of directors of Golden Century will consist of 3 directors. Suzhou Future Land will be entitled to appoint 1 director, while Suzhou Country Garden will be entitled to appoint 2 directors, one of whom will act as the chairman of the board of the directors of Golden Century. The board resolutions of Golden Century shall be approved by at least two-thirds of the directors.

INFORMATION OF THE PROPERTIES

Property name:	land parcel no. Sudi 2011-B-71 (蘇地2011-B-71號地塊)
Property location:	Yangchenghu Town, Xiangcheng District, Suzhou City, Jiangsu Province, spanning to Xiangtai Road in the east, Sixian Road in the west, Shunxian Road in the south and Huanhu North Road of Yangchenghu in the north (江蘇省蘇州市相城區陽澄湖鎮，東至湘太路、西至思賢路、南至順賢路、北至陽澄湖環湖北路)
Total land area:	171,543 sq.m.
Plot ratio:	2.0
Land use:	for wholesale and retail and urban residential uses
Property name:	land parcel no. Sudi 2010-G-36 (蘇地2010-G-36號地塊)
Property location:	Yangchenghu Town, Xiangcheng District, Suzhou City, Jiangsu Province, spanning to the west of Sixian Road (江蘇省蘇州市相城區陽澄湖鎮思賢路以西)
Total land area:	20,276 sq.m.
Plot ratio:	4.0
Land use:	for accommodation and catering (hotel) uses

FINANCIAL INFORMATION ABOUT GOLDEN CENTURY

Based on the unaudited financial statements of Golden Century prepared in accordance with the generally accepted accounting principles adopted in the PRC, the unaudited total assets of Golden Century as at October 31, 2016 amounted to RMB939,618,271.74. The revenue and profit extracted from the financial statements of Golden Century (which were prepared in accordance with the generally accepted accounting principles adopted in the PRC and audited by Sichuan Shenzhou Accountant Co., Ltd.* (四川神州會計師事務所有限公司) and Jiangsu Junhe Borui Tax Accountant Firm* (江蘇君和博瑞稅務師事務所) for the years ended December 31, 2015 and 2014, respectively) is set out as below:

	For the year ended December 31,		For the ten months ended
	2015	2014	October 31,
	audited	audited	unaudited
	(RMB)	(RMB)	(RMB)
Revenue	0	0	0
Profit before taxation	(22,260,610.49)	(8,865,422.61)	72,373,243.59
Profit after taxation	(22,260,610.49)	(8,865,422.61)	72,373,243.59

FINANCIAL EFFECT OF THE AGREEMENT

It is expected that there is no material gain or loss before tax from the Disposal for the Group. The net proceeds from the Disposal after expenses are expected to be approximately RMB565 million (being the consideration of RMB1.5 for the Disposal and the repayment of the outstanding debt of RMB565 million of Golden Century), which will be used by the Group for development of the Group's real estate projects and general working capital purpose. Upon completion of the Disposal, Golden Century will cease to be a subsidiary of the Group. The Company does not expect any material financial impact on the Group's assets or liabilities or any material gain or loss recorded directly arising from the entering into of the Agreement.

INFORMATION ON THE GROUP

The Group is principally engaged in the business of property development, property investment and commercial property management in the PRC.

Suzhou Future Land, a wholly-owned subsidiary of the Group, is principally engaged in real estate development and operation and property management.

Golden Century, a wholly-owned subsidiary of Suzhou Future Land as at the date the Agreement, was established on February 2, 2010 and is principally engaged in real estate development and operation and property management.

INFORMATION ON COUNTRY GARDEN AND SUZHOU COUNTRY GARDEN

Country Garden is an investment holding company and its subsidiaries are principally engaged in property development, construction, fitting and decoration, property management and hotel operation primarily in the PRC.

Suzhou Country Garden is a wholly-owned subsidiary of Country Garden and is principally engaged in real estate development and operation and property management in the PRC.

To be best of the Directors' knowledge, information and belief, all reasonable enquiries having been made, each of Country Garden and Suzhou Country Garden and its ultimate beneficial owner(s) are Independent Third Parties.

REASONS FOR AND BENEFIT OF ENTERING INTO THE AGREEMENT

The Group is principally engaged in the property development, property investment and property management businesses in the PRC. It has been the strategy of the Group to cooperate with renowned property developers for the development of particular project so as to achieve synergy benefits and diversify its financial exposure. The Disposal is only a step to facilitate the joint development of the Properties, which is a common practice for the joint development of property project in the PRC. This joint development project will expand the room for external cooperation of the Group, diversify the risk of project investment, enhance the integrated strategy and increase economic benefit of the Group.

The Directors consider that the Agreement, including the Disposal, has been entered into on normal commercial terms, and the terms and conditions therein are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

IMPLICATIONS UNDER THE LISTING RULES

As the applicable percentage ratios (as defined in Rule 14.07 of the Listing Rules) in respect of the Disposal exceed 5% but are less than 25%, the Disposal constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules and is therefore subject to the reporting and announcement requirements but exempt from shareholders' approval requirement.

DEFINITIONS

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

“Agreement”	a cooperation framework agreement dated November 23, 2016 entered into among Suzhou Future Land, Suzhou Country Garden and Golden Century, pursuant to which Suzhou Country Garden agreed to acquire 50% equity interest in Golden Century from Suzhou Future Land, in order to jointly develop the Properties
“Board”	the board of Directors of the Company
“Company”	Future Land Development Holdings Limited, a company incorporated in the Cayman Islands with limited liability whose shares are listed on the Stock Exchange
“Country Garden”	Country Garden Holdings Company Limited (碧桂園控股有限公司), a company incorporated in the Cayman Islands with limited liability on November 10, 2006, the shares of which are listed on the Main Board of the Stock Exchange (stock code 2007)

“Disposal”	the disposal of the 50% entire equity interest in Golden Century by Suzhou Future Land to Suzhou Country Garden according to the Agreement
“Directors”	the directors of the Company
“Golden Century”	Suzhou Golden Century Real Estate Co., Ltd* (蘇州金世紀房地產開發有限公司), a company with limited liability established in the PRC on February 2, 2010 and wholly owned by Suzhou Future Land as at the date of the Agreement for the development of the Properties
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Third Party(ies)”	an individual(s) or a company(ies) who or which is (are) independent of and not connected with (within the meaning of the Listing Rules) the Directors, chief executives or substantial shareholders, or the Company, its subsidiaries or any of their respective associate(s)
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	the People’s Republic of China, for the purposes of this announcement, excluding Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“Properties”	the properties regarding two land parcels, i.e., the land parcel no. Sudi 2011-B-71 (蘇地2011-B-71號地塊), which is located at Yangchenghu Town, Xiangcheng District, Suzhou City, Jiangsu Province, spanning to Xiangtai Road in the east, Sixian Road in the west, Shunxian Road in the south and Huanhu North Road of Yangchenghu in the north (江蘇省蘇州市相城區陽澄湖鎮，東至湘太路、西至思賢路、南至順賢路、北至陽澄湖環湖北路), with a land area of 171,543 sq.m. for wholesale and retail and urban residential uses, and the land parcel no. Sudi 2010-G-36 (蘇地2010-G-36號地塊), which is located at Yangchenghu Town, Xiangcheng District, Suzhou City, Jiangsu Province, spanning to the west of Sixian Road (江蘇省蘇州市相城區陽澄湖鎮思賢路以西), with a land area of 20,276 sq.m., for accommodation and catering (hotel) uses
“RMB”	Renminbi, the lawful currency of the PRC
“Shareholder(s)”	the shareholder(s) of the Company
“sq.m.”	square metre(s)

“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Suzhou Country Garden”	Suzhou Country Garden Real Estate Co., Ltd.* (蘇州碧桂園房地產有限公司), a wholly-owned subsidiary of Country Garden established in the PRC
“Suzhou Future Land”	Suzhou Future Land Chuangjia Property Co., Ltd.* (蘇州新城創佳置業有限公司), a wholly-owned subsidiary of the Group, established in the PRC
“%”	per cent

By order of the Board
Future Land Development Holdings Limited
Wang Zhenhua
Chairman

PRC, November 28, 2016

As at the date of this announcement, the Directors are Mr. Wang Zhenhua, Mr. Lv Xiaoping, Mr. Lu Zhongming, Mr. Liu Yuanman and Mr. Chan Wai Kin as executive Directors, Mr. Wang Xiaosong as non-executive Director, and Mr. Chen Huakang, Mr. Zhu Zengjin and Mr. Zhong Wei as independent non-executive Directors.

* *Denotes English translation of a Chinese Company or entity or vice versa and is provided for identification purpose only.*