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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)

CONNECTED TRANSACTION FINANCE LEASE ARRANGEMENT

The Board is pleased to announce that, on 29 March 2018, Greentown Financial Leasing entered into the Finance Lease Arrangement with CCCC Financial Leasing.

LISTING RULES IMPLICATIONS

As at the date of this announcement, CCCG and its subsidiaries are holding 624,851,793 shares in the Company, representing approximately 28.826% of the issued share capital of the Company, and therefore CCCG is a substantial shareholder of the Company. CCCC Financial Leasing is a non-wholly owned subsidiary of CCCG and thus an associate of CCCG and a connected person of the Company. As such, the transactions contemplated under the Finance Lease Arrangement constitute a connected transaction of the Company under Chapter 14A of the Listing Rules. As one or more of the applicable percentage ratios (as defined in the Listing Rules), are more than 0.1% but all of them are less than 5%, the transactions contemplated under the Finance Lease Arrangement are subject to the reporting and announcement requirements but exempt from the circular and independent shareholders' approval requirements pursuant to Chapter 14A of the Listing Rules.

FINANCE LEASE ARRANGEMENT

On 29 March 2018, Greentown Financial Leasing entered into the Finance Lease Agreement with CCCC Financial Leasing, the principal terms and particulars of which are as follows:

Parties

Lessor: CCCC Financial Leasing

Lessee: Greentown Financial Leasing, a wholly owned subsidiary of the Company

* For identification purposes only

Sale and purchase arrangement

Pursuant to the Finance Lease Agreement, CCCC Financial Leasing shall purchase the Leased Assets from Greentown Financial Leasing for a consideration of RMB293,000,000.

The consideration in respect of the sale and purchase of the Leased Assets was determined after arm's length negotiations between the parties by reference to the carrying values and prevailing market price of the Leased Assets.

As at the date of this announcement, the unaudited book value of the Leased Assets is approximately RMB293,189,886.96.

Lease back arrangement

Pursuant to the Finance Lease Agreement, CCCC Financial Leasing shall lease the Leased Assets back to Greentown Financial Leasing for a lease period of 24 months, commencing from the date of payment of the consideration for the purchase of the Leased Assets by CCCC Financial Leasing.

Lease payment

The total lease payment payable by Greentown Financial Leasing to CCCC Financial Leasing shall be RMB314,169,510.64 (including value added tax), which shall be made in four instalments in equal amount. The lease payment was determined after arm's length negotiations between the parties by reference to the principal amounts of the lease and the prevailing market interest rate for finance leases of comparable leased assets.

Ownership of the Leased Assets

The ownership of the Leased Assets shall be vested in CCCC Financial Leasing throughout the lease period.

Upon expiry of the lease period, CCCC Financial Leasing shall transfer the ownership of the Leased Assets back to Greentown Financial Leasing, which is conditional upon (i) the consideration in the amount of RMB100 (including value added tax) having been paid by Greentown Financial Leasing to CCCC Financial Leasing; and (ii) all the obligations of Greentown Financial Leasing under the Finance Lease Agreement having been fulfilled.

Guarantee

Greentown Asset Management shall act as guarantor in favour of CCCC Financial Leasing to guarantee the performance of Greentown Financial Leasing under the Finance Lease Agreement pursuant to the Guarantee Agreement.

Consultancy fee

In relation to the Finance Lease Agreement, Greentown Financial Leasing also entered into the Consultancy Agreement with CCCC Financial Leasing on 29 March 2018, pursuant to which Greentown Financial Leasing agreed to engage CCCC Financial Leasing for the provision of financial planning and other consultancy services at a service fee of RMB293,000. The service fee shall be payable to CCCC Financial Leasing within five days after the execution of the Consultancy Agreement and was determined after arm's length negotiations between the parties by reference to the principal amount of the lease under the Finance Lease Agreement.

REASONS FOR AND BENEFITS OF ENTERING INTO THE FINANCE LEASE ARRANGEMENT

The entering into the Finance Lease Arrangement enables the Group to broaden its financing channel and raise low-cost capital, which will facilitate the business development and smooth operation of the Group.

The Directors (including the independent non-executive Directors) are of the view that each of the transactions contemplated under the Finance Lease Arrangement is entered into in the ordinary course of business of the Company on normal commercial terms, the terms of which are fair and reasonable and in the interests of the Company and its shareholders as a whole.

LISTING RULES IMPLICATIONS

As at the date of this announcement, CCCG and its subsidiaries are holding 624,851,793 shares in the Company, representing approximately 28.826% of the issued share capital of the Company, and therefore CCCG is a substantial shareholder of the Company. CCCC Financial Leasing is a non-wholly owned subsidiary of CCCG and thus an associate of CCCG and a connected person of the Company. As such, the transactions contemplated under the Finance Lease Arrangement constitute a connected transaction of the Company under Chapter 14A of the Listing Rules. As one or more of the applicable percentage ratios (as defined in the Listing Rules) are more than 0.1% but all of them are less than 5%, the transactions contemplated under the Finance Lease Arrangement are subject to the reporting and announcement requirements but exempt from the circular and independent shareholders' approval requirements pursuant to Chapter 14A of the Listing Rules.

As each of Mr Liu Wensheng, Mr Sun Guoqiang, Mr Cao Zhounan, Mr Li Qingan and Mr Li Yongqian is considered to have a material interest in the transactions contemplated under the Finance Lease Arrangement, each of Mr Liu Wensheng, Mr Sun Guoqiang, Mr Cao Zhounan, Mr Li Qingan and Mr Li Yongqian has abstained at the relevant Board resolutions. Other than the Directors mentioned above, each of the Directors confirmed that he did not have any material interest in the transactions contemplated under the Finance Lease Arrangement and therefore was not required to abstain at the relevant Board resolutions.

GENERAL INFORMATION

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 middle and high income residents in the PRC.

Greentown Financial Leasing is a company established in the PRC with limited liability and is principally engaged in financial leasing in the PRC.

So far as the Directors are aware, CCCC Financial Leasing is a company established in the PRC with limited liability and is principally engaged in provision of financial services.

DEFINITIONS

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

“Board”	the board of Directors
“CCCC Financial Leasing”	CCCC Financial Leasing Co., Ltd.* (中交建融租賃有限公司), a company established under the laws of the PRC with limited liability and a non-wholly owned subsidiary of CCCG
“CCCG”	China Communications Construction Group (Limited), a wholly state-owned company established on 8 December 2005 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 main board of the Stock Exchange
“Consultancy Agreement”	the consultancy agreement dated March 29 2018 entered into between Greentown Financial Leasing and CCCC Financial Leasing
“Director(s)”	the director(s) of the Company
“Finance Lease Agreement”	the finance lease agreement dated March 29 2018 entered into between Greentown Financial Leasing and CCCC Financial Leasing
“Finance Lease Arrangement”	the Finance Lease Agreement, the Consultancy Agreement and the Guarantee Agreement

“Greentown Asset Management”	Greentown Asset Management Group Co., Ltd.* (綠城資產管理集團有限公司) a company established under the laws of the PRC with limited liability and a wholly-owned subsidiary of the Company
“Greentown Financial Leasing”	Greentown Financial Leasing (Shanghai) Co., Ltd.* (綠城融資租賃(上海)有限公司), a company established under the laws of the PRC with limited liability and a wholly-owned subsidiary of the Company
“Group”	the Company together with its subsidiaries
“Guarantee Agreement”	the guarantee agreement dated 29 March 2018 entered into between CCCC Financial Leasing and Greentown Asset Management
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Leased Assets”	the assets listed in the Finance Lease Agreement, which include, among other things, certain furniture and equipment for the operation of a hotel owned by Greentown Financial Leasing
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	the People’s Republic of China (excluding, for the purpose of this announcement, Hong Kong, the Macao Special Administrative Region of the PRC and Taiwan)
“RMB”	Renminbi, the lawful currency of the PRC
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	per cent

By order of the Board
Greentown China Holdings Limited
Fung Ching, Simon
Company Secretary

Hangzhou, the PRC

29 March 2018

As at the date of this announcement, the Board comprises seven executive Directors, namely Mr Song Weiping, Mr Liu Wensheng, Mr Sun Guoqiang, Mr Shou Bainian, Mr Cao Zhounan, Mr Li Qingan and Mr. Li Yongqian, and four independent non-executive Directors, namely Mr Jia Shenghua, Mr Ke Huanzhang, Mr Sze Tsai Ping, Michael, and Mr Hui Wan Fai.