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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)

DISCLOSEABLE TRANSACTION DISPOSAL OF 24.5% OF THE ISSUED SHARE CAPITAL OF POLY LINK MANAGEMENT LIMITED

THE DISPOSAL

The Board wishes to announce on 13 October 2014, Richwise (a wholly-owned subsidiary of the Company) as vendor, the Company as vendor's guarantor and Sino-Ocean Subsidiary as purchaser, entered into the Agreement pursuant to which, among other things, Richwise agreed to sell and Sino-Ocean Subsidiary agreed to purchase 24.5% of the issued share capital of Poly Link and Richwise agreed to assign the Shareholder's Loan to Sino-Ocean Subsidiary.

As at the date of this announcement, Poly Link is held as to 51%, 24.5% and 24.5% by Sino-Ocean Subsidiary, Richwise and Sanca, respectively, and is not a subsidiary of the Company. Upon Completion, Richwise will cease to have any interest in Poly Link.

LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios exceeds 5% but all the applicable percentage ratios are less than 25%, the transactions contemplated under the Agreement constitute a discloseable transaction for the Company under Chapter 14 of the Listing Rules.

* For identification purposes only

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THE AGREEMENT

The principal terms of the Agreement are as follows:

Date : 13 October 2014

Parties : (i) Richwise, as vendor
(ii) The Company, as vendor's guarantor
(iii) Sino-Ocean Subsidiary, as purchaser

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, Sino-Ocean Subsidiary and its ultimate beneficial owner(s) are third parties independent of the Company and its connected persons.

Assets to be disposed : (i) 24.5% of the issued share capital of Poly Link
(ii) the Shareholder's Loan

Consideration and payment : The total consideration payable by Sino-Ocean Subsidiary to Richwise under the Agreement is RMB1,090,000,000, which is inclusive of the consideration for the assignment of the Shareholder's Loan and upon payment of which Richwise no longer holds any rights or claims to the Shareholder's Loan.

The consideration shall be paid in the following manner:

- (a) Sino-Ocean Subsidiary shall deposit an amount in US\$ equivalent to RMB1,060,000,000 (approximately US\$172,248,000) into a bank account designated by Richwise within two days after the date of Completion; and
- (b) Sino-Ocean Subsidiary shall deposit an amount in US\$ equivalent to RMB30,000,000 (approximately US\$4,874,000), less any bills of quantities not attributable to Richwise, into a bank account designated by Richwise upon the followings:
 - (i) the payment as stated in paragraph (a) above is made;
 - (ii) Greentown Real Estate, a wholly-owned subsidiary of the Company, having returned an amount of RMB15,315,568.87 (representing a dividend Greentown Real Estate received from Hangzhou Tian Qi) to Hangzhou Tian Qi on the same date as the payment as stated in paragraph (a) above is made; and
 - (iii) Richwise having delivered materials relating to the bill of quantities of the construction of certain sites of the Target Project and Sino-Ocean Subsidiary (or an independent party appointed by Sino-Ocean Subsidiary) having verified the actual bill of quantities of the Target Project.

The consideration was arrived at after arm's length negotiations among the parties to the Agreement and was determined by reference to the Group's internal valuation of the Target Project and the net asset value of Poly Link based on its management accounts as at 31 December 2013.

Guarantee

- : The Company undertook to guarantee Richwise's obligations and liabilities under the Agreement.

Conditions precedent

Completion is conditional upon each of the following conditions precedent having been fulfilled to the satisfaction of Sino-Ocean Subsidiary or waived by Sino-Ocean Subsidiary in writing:

- (a) all representations, warranties and undertakings made under the Agreement shall remain true and accurate in all material respects from the date of the Agreement and up to (and including) the date of Completion;
- (b) Richwise having delivered the relevant closing documents pursuant to the Agreement to Sino-Ocean Subsidiary on the date of Completion; and
- (c) Completion is not restricted, prohibited or otherwise prevented by any applicable law (including any order, injunction or judgment from any court or other governmental authorities).

Completion

The parties to the Agreement agreed to use reasonable endeavours to procure fulfilment of the conditions precedent to Completion as soon as possible and no later than 20 October 2014.

Completion of the Agreement will take place on the third business day following the date on which all conditions precedent under the Agreement are fulfilled or waived or such other date as the parties to the Agreement may agree.

REASONS FOR AND BENEFITS OF ENTERING INTO THE AGREEMENT

The Board is of the view that the net proceeds from the Disposal would strengthen the Group's cash flow and increase its working capital to maintain the liquidity and conserve more financial resources for the funding of future investments when opportunities arise. It is expected that the Disposal would improve the gearing level and the financial position of the Group. The Directors (including the independent non-executive Directors) are of the view that the Agreement have been entered into on normal commercial terms that are fair and reasonable and is in the interests of the Company and its shareholders as a whole.

It is estimated that there will be a gain on the Disposal of approximately RMB116,911,426.92.

The Board expects that the net proceeds from the Disposal will be utilised as general working capital for the Group.

INFORMATION ON POLY LINK

Poly Link is a company incorporated under the laws of the British Virgin Islands with limited liability. As at the date of this announcement, Poly Link is an indirect non wholly-owned subsidiary of Sino-Ocean and is held as to 51%, 24.5% and 24.5% by Sino-Ocean Subsidiary, Richwise and Sanca, respectively. Poly Link is an investment holding company that indirectly holds 100% equity interests in the Project Companies. The Project Companies are the developers of the Target Project.

The details of the Target Project are set out below:

	Location of the project	Project description	Total GFA
Target Project	Land Lot No. HZCC(2007)73, Daguan Road, Gongshu District, Hangzhou	Commercial and residential property development project	Approximately 937,000 square metres

Financial information of the Poly Link Group

Based on the unaudited consolidated accounts of the Poly Link Group prepared in accordance with the generally accepted accounting principles in Hong Kong, the unaudited consolidated net assets or liabilities as at 30 June 2014 and unaudited profit or loss of the Poly Link Group for the years ended 31 December 2012 and 2013 and the six months ended 30 June 2014 were as follows:

	For the year ended 31 December 2012 (unaudited) (RMB'000)	For the year ended 31 December 2013 (unaudited) (RMB'000)	For the six months ended 30 June 2014 (unaudited) (RMB'000)
Net profit/(loss) before taxation	(11,156)	1,018,724	19,543
Net profit/(loss) after taxation	(8,383)	764,036	14,652

As at 30 June 2014, the unaudited consolidated total asset value and net asset value of the Poly Link Group amounted to approximately RMB6,155 million and RMB631 million, respectively.

INFORMATION OF THE GROUP AND PARTIES INVOLVED IN THE TRANSACTION

The Group 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. Richwise is an investment holding company incorporated in British Virgin Islands with limited liability and a wholly-owned subsidiary of the Company.

Sino-Ocean is one of the leading property developers with developments in key economic regions in the PRC and actively accomplishing its national strategic plan with a coastal and riparian focus. Sino-Ocean and its subsidiaries focus on developing mid-to-high end residential properties, high-end office premises and retail properties. Sino-Ocean Subsidiary is an investment holding company incorporated in Hong Kong with limited liability and an indirect wholly-owned subsidiary of Sino-Ocean.

LISTING RULES IMPLICATIONS

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DEFINITIONS

Unless otherwise defined, the following expressions in this announcement have the following meanings:

“Agreement”	the equity and shareholder’s loan transfer agreement dated 13 October 2014 entered into among Richwise, the Company and Sino-Ocean Subsidiary, in relation to the proposed disposal of 24.5% equity interests in Poly Link and the assignment of the Shareholder’s Loan
“Board”	the board of Directors
“Company”	Greentown China Holdings Limited (綠城中國控股有限公司*), a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the Main Board of the Stock Exchange
“Completion”	completion of the Agreement in accordance with the terms and conditions as set out therein
“Director(s)”	director(s) of the Company
“Disposal”	the disposal of 24.5% equity interests in Poly Link and the assignment of the Shareholder’s Loan by Richwise to Sino-Ocean Subsidiary under the Agreement

“Greentown Real Estate”	Greentown Real Estate Group Co., Ltd.* (綠城房地產集團有限公司), a company established under the laws of the PRC with limited liability and a wholly-owned subsidiary of the Company
“Group”	the Company and its subsidiaries
“Hangzhou Tian Qi”	Hangzhou Sino-Ocean Tian Qi Properties Limited* (杭州遠洋天祺置業有限公司), a company established under the laws of the PRC with limited liability and an indirect wholly-owned subsidiary of Poly Link
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Poly Link”	Poly Link Management Limited (盛聯管理有限公司), a company incorporated in the British Virgin Islands with limited liability, and an indirect non wholly-owned subsidiary of Sino-Ocean
“Poly Link Group”	Poly Link and its subsidiaries, including the Project Companies
“PRC”	the People’s Republic of China, which for the purpose of this announcement and unless the context suggests otherwise, shall exclude Hong Kong, the Macau Special Administrative Region and Taiwan
“Project Companies”	Hangzhou Tian Qi, Hangzhou Sino-Ocean New River Hotel Properties Limited* (杭州遠洋新河酒店置業有限公司) and Hangzhou Sino-Ocean Canal Business District Development Limited* (杭州遠洋運河商務區開發有限公司), each a company established under the laws of the PRC with limited liability and an indirect wholly-owned subsidiary of Poly Link
“Richwise”	Richwise Holdings Limited (才智控股有限公司), a company incorporated in British Virgin Islands with limited liability and a wholly-owned subsidiary of the Company
“RMB”	Renminbi, the lawful currency of the PRC
“Sanca”	Sanca (H.K.) Limited (信加(香港)有限公司), a company incorporated in Hong Kong with limited liability and a wholly-owned subsidiary of Zhejiang Railway Group

“Shareholder’s Loan”	the shareholder’s loan due and owing by the Poly Link Group to Richwise and its associates
“Sino-Ocean”	Sino-Ocean Land Holdings Limited, a company incorporated in Hong Kong with limited liability, the shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 03377)
“Sino-Ocean Subsidiary”	Sino-Ocean Land (Hong Kong) Limited, a company incorporated in Hong Kong with limited liability and an indirect wholly-owned subsidiary of Sino-Ocean
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary(ies)”	has the same meaning ascribed to it in the Listing Rules
“Target Project”	the property project located at Land Lot No. HZCC(2007)73, Dagan Road, Gongshu District, Hangzhou, the PRC which is held by the Project Companies
“US\$”	United State dollars, the lawful currency of the United States of America
“Zhejiang Railway Group”	Zhejiang Railway Investment Group Limited* (浙江省鐵路投資集團有限公司), a state-owned company established under the laws of the PRC with limited liability

By order of the Board
Greentown China Holdings Limited
Song Weiping
Chairman

Hangzhou, the PRC

13 October 2014

As at the date of this announcement, the Board comprises five executive directors, namely Mr Song Weiping, Mr Shou Bainian, Mr Luo Zhaoming, Mr Guo Jiafeng and Mr Cao Zhounan, two non-executive directors, namely, Mr Ng Tin Hoi, Stephen and Mr Tsui Yiu Cheung and four independent non-executive directors, namely Mr Jia Shenghua, Mr Ke Huanzhang, Mr Sze Tsai Ping, Michael, and Mr Hui Wan Fai.

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For the purposes of this announcement, the exchange rate of US\$1 = RMB6.1539 has been used, where applicable, for purpose of illustration only and does not constitute a representation that any amounts has been, could have been or may be exchanged at any particular rate on the date or dates in question or any other date.