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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  
IN RELATION TO  
THE ACQUISITION OF SHARES IN AEON LIFE INSURANCE**

**Financial adviser to Greentown China Holdings Limited**



**Credit Suisse (Hong Kong) Limited**

On 17 December 2018, Greentown Real Estate (a wholly-owned subsidiary of the Company) entered into the Share Transfer Agreement with the Vendor, pursuant to which Greentown Real Estate agreed to acquire the Target Shares, representing 11.55% of the total shares of the Target Company as at the date of the Share Transfer Agreement, from the Vendor at a cash consideration of RMB2,718,000,000.

As one or more of the applicable percentage ratio(s) calculated pursuant to Rule 14.07 of the Listing Rules in respect of the Acquisition is more than 5% but less than 25%, the transaction constitutes a discloseable transaction for the Company and is subject to the reporting and announcement requirements but is exempt from the shareholders' approval requirement under Chapter 14 of the Listing Rules.

**INTRODUCTION**

The Board announces that on 17 December 2018, Greentown Real Estate (a wholly-owned subsidiary of the Company) entered into the Share Transfer Agreement with the Vendor, pursuant to which Greentown Real Estate agreed to acquire the Target Shares from the Vendor at a cash consideration of RMB2,718,000,000.

\* *For identification purposes only*

## SHARE TRANSFER AGREEMENT

Principal terms of the Share Transfer Agreement are set out below:

- Date:** 17 December 2018
- Parties:**
- (1) Greentown Real Estate (a wholly-owned subsidiary of the Company); and
  - (2) the Vendor

To the best of the knowledge, information and belief of the Directors, having made all reasonable enquiries, the Vendor and its ultimate beneficial owner(s) are third parties independent of and not connected with the Company.

**Subject matter:** Greentown Real Estate agreed to purchase, and the Vendor agreed to sell, 900,000,000 shares of the Target Company, representing 11.55% of its total shares as at the date of the Share Transfer Agreement.

**Consideration:** The Purchase Price for the Target Shares is RMB2,718,000,000. The Purchase Price was agreed after arm's length negotiations among the parties to the Share Transfer Agreement taking into account the audited net asset value of the Target Company, high entry barrier and outlook of the PRC insurance industry, business prospects of the Target Company and potential cooperation opportunities between the Target Company and the Group in the future as detailed in the section headed "Reasons for and Benefits of the Acquisition" below.

The Group intends to finance the payment of the Purchase Price by the Group's internal financial resources.

**Payment:** The entire Purchase Price is payable within 15 business days after the Share Transfer Agreement becomes effective, but in any event no later than 31 December 2018.

**Conditions precedent:** Completion of the Acquisition is conditional upon the satisfaction of certain conditions precedent including, among other things, (i) the approval of the CBIRC having been obtained in respect of the change of shareholders of the Target Company pursuant to the Acquisition; and (ii) all necessary consent, permit, licence or approval under the applicable laws and regulations (including but not limited to the Shareholders' approval of the Company under the Listing Rules, if required) having been obtained in respect of the Share Transfer Agreement and the transactions contemplated thereunder.

**Termination:** The Share Transfer Agreement may be terminated by mutual written consent of the parties to the agreement. Further, in the event that, without any fault on the part of Greentown Real Estate, CBIRC has not issued its approval regarding the Acquisition or the CBIRC issues an administrative non-approval within 180 days (including that day) after the payment of the Purchase Price by Greentown Real Estate, Greentown Real Estate is entitled to terminate the Share Transfer Agreement by written notice to the Vendor within five days after the expiry of such 180 day period or the date on which the Target Company receives the administrative non-approval from the CBIRC, whichever is earlier, and the Vendor shall refund the entire Purchase Price to Greentown Real Estate within five days after the receipt of such termination notice from Greentown Real Estate.

## **INFORMATION ABOUT THE PARTIES AND THE TARGET COMPANY**

### **The Company and Greentown Real Estate**

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 cities in the PRC and is primarily engaged in developing quality properties targeting mainly middle and high income residents in the PRC.

Greentown Real Estate is a company established in the PRC with limited liability and a wholly-owned subsidiary of the Company and is principally engaged in property development.

### **The Vendor**

The Vendor is a joint stock company incorporated in the PRC with limited liability. It is primarily engaged in commerce, property, cultural industry, tourism and finance in the PRC.

### **Target Company**

The Target Company is a joint stock company incorporated in the PRC with limited liability. It was established in 2009 and is an entity regulated by CBIRC which operates life insurance business in the PRC. It is primarily engaged in providing life insurance, health insurance, personal accident insurance, re-insurance, permitted usage of proceeds generated from insurance premium and other businesses approved by CBIRC.

The table below sets out certain audited financial information of the Target Company for the years ended 31 December 2016 and 31 December 2017 prepared under generally accepted accounting principles in the PRC:

	<b>For the year ended</b>	
	<b>31 December</b>	
	<b>2016</b>	<b>2017</b>
	<i>(RMB)</i>	<i>(RMB)</i>
	<i>'000</i>	<i>'000</i>
Revenue	21,187,798	32,007,428
Net profit before taxation	203,716	353,246
Net profit after taxation	203,640	350,519

The audited net asset value of the Target Company as at 30 June 2018 was approximately RMB5,114,506,478.

## **REASONS FOR AND BENEFITS OF THE ACQUISITION**

The life insurance business in the PRC is developing rapidly with promising prospects. Given the high entry barrier of the insurance industry in the PRC, life insurance licenses offer unique capital investment value and the Acquisition represents an opportunity for the Group to invest into the life insurance industry in the PRC. The Acquisition is also in line with the Company's business principle of "being a comprehensive service provider of an ideal life in the PRC", and diversify its business in the PRC. It is expected that the Target Company will bring synergy to the Group with the potential of cross-selling as the main clientele of the Company, namely property purchasers, may overlap with the Target Company's clientele for conservative insurance. Accordingly, the Directors believe that the Acquisition is in line with the Group's long term vision and can broaden the Group's income base and strengthen its financial position.

In view of the above, the Directors consider that the terms of the Acquisition are fair and reasonable and in the interests of the Company and its Shareholders as a whole.

## **LISTING RULES IMPLICATIONS**

As one or more of the applicable percentage ratio(s) calculated pursuant to Rule 14.07 of the Listing Rules in respect of the Acquisition is more than 5% but less than 25%, the transaction constitutes a discloseable transaction for the Company and is subject to the reporting and announcement requirements but is exempt from the shareholders' approval requirement under Chapter 14 of the Listing Rules.

## DEFINITIONS

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

“Acquisition”	the acquisition of the Target Shares by the Purchaser in accordance with the terms and conditions of the Share Transfer Agreement
“Board”	the board of Directors
“CBIRC”	China Banking and Insurance Regulatory Commission
“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
“Director(s)”	the director(s) of the Company
“Greentown Real Estate”	Greentown Real Estate Group Company Ltd., a company established in the PRC and a wholly-owned subsidiary of the Company
“Group”	the Company together with its subsidiaries
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“percentage ratio”	has the meaning ascribed to it under the Listing Rules
“PRC”	the People’s Republic of China (excluding, for the purpose of this announcement, the Hong Kong Special Administrative Region of the PRC, the Macao Special Administrative Region of the PRC and Taiwan)
“Purchase Price”	the purchase price payable by the Purchaser for the Target Shares pursuant to the Share Transfer Agreement
“RMB”	Renminbi, the lawful currency of the PRC
“Share Transfer Agreement”	the share transfer agreement dated 17 December 2018 entered into between Greentown Real Estate and the Vendor, pursuant to which Greentown Real Estate agreed to acquire the Target Shares from the Vendor
“Shareholder(s)”	holder(s) of the share(s) of the Company

“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Target Company” or “Aeon Life Insurance”	Aeon Life Insurance Company, Ltd. (百年人壽保險股份有限公司)
“Target Shares”	900,000,000 shares of the Target Company, representing 11.55% of the total shares of the Target Company as at the date of the Share Transfer Agreement
“Vendor”	the vendor under the Share Transfer Agreement and a joint stock company established in the PRC with limited liability
“%”	per cent

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

Hangzhou, the PRC

17 December 2018

*As at the date of this announcement, the board of directors of the Company comprises six executive Directors, namely Mr Song Weiping, Mr Liu Wensheng, Mr Zhang Yadong, Mr Li Qingan, Mr Li Yongqian and Mr Li Jun, and four independent non-executive Directors, namely Mr Jia Shenghua, Mr Ke Huanzhang, Mr Sze Tsai Ping, Michael and Mr Hui Wan Fai.*