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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 PROVISION OF FINANCIAL ASSISTANCE

The Company announces that, on the date of this announcement, Greentown Town (a wholly-owned subsidiary of the Company), Bluetown Blueprint (an associate of Mr Song and hence a connected person of the Company), Bafulo Agriscience (an independent third party) and the Project Company entered into the Supplemental Agreement. Subject to the terms and provisions of the Supplemental Agreement, Greentown Town will provide the Project Company with Financial Assistance for funding the Project Company's development of the Land.

The Project Company is 33% owned by Bluetown Blueprint, a subsidiary of Bluetown. Bluetown is a company established in the PRC and is owned by Mr Song as to over 30% shareholding. Therefore, each of Bluetown, Bluetown Blueprint and the Project Company is an associate of Mr Song under rule 14A.12(1)(c) of the Listing Rules and a connected person of the Company.

As one or more of the applicable percentage ratios (as defined in the Listing Rules) exceed 0.1% and all of them are less than 5%, the entering into of the Supplemental Agreement and the transactions contemplated thereunder will constitute a connected transaction of the Company subject to the reporting and announcement requirements but exempt from independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

INTRODUCTION

Reference is made to the announcements of the Company dated 3 June 2019 and 12 December 2019 in relation to, among others, the Investment and Cooperation Agreement, the Project Company and the Project.

The Company announces that, on the date of this announcement, Greentown Town (a wholly-owned subsidiary of the Company), Bluetown Blueprint (an associate of Mr Song and hence a connected person of the Company), Bafulo Agriscience (an independent third party) and the Project Company entered into the Supplemental Agreement. Subject to the terms and provisions of the Supplemental Agreement, Greentown Town will provide the Project Company with Financial Assistance for funding the Project Company's development of the Land.

The Land is situated in Dachengzhen District, Gao'an, Jiangxi with a gross site area of approximately 460mu, which is intended to be developed into residential properties.

CONSIDERATION AND PAYMENT TERMS FOR THE LAND

According to the terms of the bid for the Land, the total consideration of RMB127.3 million for acquiring the land use rights of the Land shall be paid by cash instalments in the manner as follows:

Stage payment	Amount paid/payable
Already paid by the Project Company as of the date of this announcement	RMB74 million (being the deposit for the bidding) (the “ Deposit ”). The Deposit will be applied to the partial settlement of the total consideration.
By 26 January 2020	Balance of the Land consideration

Such consideration amount was the outcome of a public bidding announced by Jiangxi's Online Transaction System of Land Use and Mining Rights* (江西省土地使用權和礦業權網上交易系統).

PRINCIPAL TERMS OF THE SUPPLEMENTAL AGREEMENT

A summary of the major terms and conditions of the Supplemental Agreement is set out below:

- Date** : 27 December 2019
- Parties** : (1) Greentown Town;
(2) Bluetown Blueprint;
(3) Bafulo Agriscience; and
(4) Project Company.
- Loan amount and interest rates** : Subject to the terms and provisions of the Supplemental Agreement, Greentown Town will provide the Project Company with a loan up to RMB157,760,000, of which:
- (a) the principal of RMB53,638,400 shall be repayable by the Project Company with interest at a rate of 9% per annum (“**RMB53,638,400 Loan**”);
 - (b) the principal of RMB26,418,900 shall be repayable by the Project Company with interest at a rate of 10% per annum (“**RMB26,418,900 Loan**”); and
 - (c) the principal of RMB77,702,700 shall be repayable by the Project Company with interest at a rate of 10% per annum (“**RMB77,702,700 Loan**”). In addition, Bluetown Blueprint shall pay interest to Greentown Town on the RMB77,702,700 Loan at a rate of 3% per annum as to the interest (“**Bluetown Blueprint Interest**”).
- All interests shall accrue from the relevant date(s) of drawdown.
- Maturity** : Save for the Bluetown Blueprint Interest which shall be payable within 30 days from the relevant date(s) of drawdown, all the principal and interests of the Financial Assistance shall be payable within the third anniversary of the relevant date(s) of drawdown.

Default : (a) In respect of the amount repayable by the Project Company, default of payment shall entitle Greentown Town to an interest rate of 12% per annum, payable by the Project Company and accruing from the date of the default; and

(b) in respect of the RMB77,702,700 Loan and the Bluetown Blueprint Interest, from the 31st day from the relevant date(s) of drawdown, any default of payment shall entitle Greentown Town to an interest rate of 5% per annum, payable by Bluetown Blueprint and accruing from the date of the default.

Guarantee and Security : Bluetown Blueprint and Bafulo Agriscience shall jointly guarantee the liabilities of the Project Company arising out of the Financial Assistance and shall, upon the release of the relevant share charges, provide Greentown Town with their respective equity interests in the Project Company as securities. Greentown Town reserves the right not to make the Financial Assistance prior to the completion of the abovementioned guarantee and security procedures.

Others : Any surplus amassed by the Project Company shall as priority be applied on the repayment of the Financial Assistance. The repayment of the respective principals of and interests accrued from the RMB77,702,700 Loan and the RMB26,418,900 Loan shall take priority to the repayment of the principal of and interest accrued from the RMB53,638,400 Loan.

Any business under the Supplemental Agreement shall be conditional on the clearance of the Stock Exchange and the Company having obtained all such consent, approval or authorisation as required under the Listing Rules and such other applicable laws, regulations and rules (including the approval of independent Shareholders, if required).

The terms of the Supplemental Agreement and the Financial Assistance contemplated thereunder, including without limitation the interest rates payable for the Financial Assistance, were determined by arm's length negotiation among the parties to the agreement, having taken into account the prevailing loan facilities of similar nature with that of the Financial Assistance, the operation needs and business plan of the Project Company, the current circumstances of Bluetown Blueprint and Bafulo Agriscience and the prospect of, and expected benefit from the Project.

REASONS FOR AND BENEFITS OF THE TRANSACTION

Reference is made to the announcements of the Company dated 3 June 2019 and 12 December 2019 in relation to, among others, the Investment and Cooperation Agreement, the Project Company and the Project. The Project Company will be engaged in the Project in Gao'an, Jiangxi, which involves the development of ecotourism, modern agriculture, green food processing and characteristic towns and bidding for and acquiring land in Gao'an for these purposes. The Project is one of the eight National Rural Complex Pilot Projects and the Board considers that it is of manifest development potential. The Land, situated in the scenic zone of National 4A-class Tourist Attraction and is valuable in terms of comprehensive land resources efficacy, is incidental to and integral of the Project. While pursuant to the Supplemental Agreement, the Financial Assistance will not be provided by the shareholders of the Project Company on a pro-rata basis but will only be provided by Greentown Town, the Board considers that the acquisition of the Land by the Project Company will contribute to broadening the asset and earnings base of the Group, and the Financial Assistance will provide the Project Company with the funding required for developing the Land and furthering the Project, and are thus in the interest of the Group as a stakeholder of the Project Company.

The Board considers that the Supplemental Agreement was made on normal commercial terms, and that the terms thereof are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Based on the confirmation of each Director, the Company is not aware that any Director has a material interest in the Supplemental Agreement and the transactions contemplated thereunder.

LISTING RULES IMPLICATIONS

Mr Song, a former executive Director who has resigned within 12 months from the date of the Supplemental Agreement, is a connected person of the Company under the Listing Rules.

The Project Company is 33% owned by Bluetown Blueprint, a subsidiary of Bluetown. Bluetown is a company established in the PRC and is owned by Mr Song as to over 30% shareholding. Therefore, each of Bluetown, Bluetown Blueprint and the Project Company is an associate of Mr Song under rule 14A.12(1)(c) of the Listing Rules and a connected person of the Company.

As one or more of the applicable percentage ratios (as defined in the Listing Rules) exceed 0.1% and all of them are less than 5%, the entering into of the Supplemental Agreement and the transactions contemplated thereunder will constitute a connected transaction of the Company subject to the reporting and announcement requirements but exempt from independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

GENERAL

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 mainly middle- and high-income residents in the PRC.

Greentown Town is a company established in the PRC with limited liability principally engaged in property development and construction decoration.

Bluetown Blueprint is a company established in the PRC with limited liability principally engaged in property development management, real property development, project works and advisory services in relation thereto. To the best knowledge of the Directors after making reasonable enquiries, it is a subsidiary of Bluetown which is owned by Mr. Song as to over 30% shareholding. To the best knowledge of the Directors after making reasonable enquiries, the other ultimate shareholders of Bluetown Blueprint are Fu Linjiang, Chen Yangguang, Xu Feng, Mi Jiandong, Yuan Yuan and Wu Yuxuan who are not connected persons of the Company.

Bafulo Agriscience is a company established in the PRC with limited liability principally engaged in agricultural development, business investment, property management, investment management and trading. To the best knowledge of the Directors after making reasonable enquiries, the ultimate shareholders of Bafulo Agriscience are Huang Qing, Xiao Wen, Zeng Zhibin and Liu Bing, who are not connected persons of the Company.

The Project Company is a company established in the PRC with limited liability established for carrying out the Project. As of the date of this announcement, the Project Company was owned by the Company, Bluetown Blueprint and Bafulo Agriscience as to 34%, 33% and 33%, respectively.

DEFINITIONS

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

“associate”	has the same meaning ascribed to it under the Listing Rules
“Bafulo Agriscience”	Jiangxi Bafulo Eco-agricultural science and technology Co., Ltd* (江西巴夫洛生態農業科技有限公司), a company established in the PRC with limited liability
“Bluetown”	Bluetown Property Construction Management Group Co., Ltd.* (藍城房產建設管理集團有限公司), a company established in the PRC with limited liability

“Bluetown Blueprint”	Bluetown Blueprint Construction Management Co., Ltd.* (藍城藍本建設管理有限公司), a company established in the PRC with limited liability and a subsidiary of Bluetown
“Board”	the board of Directors
“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 Stock Exchange
“connected person(s)”	has the same meaning ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“Financial Assistance”	a loan up to RMB157,760,000 by Greentown Town to the Project Company subject to the terms and provisions of the Supplemental Agreement
“Greentown Town”	Greentown Ideal Town Construction Group Co., Ltd.* (綠城理想小鎮建設集團有限公司), a company established in the PRC with limited liability and a wholly owned subsidiary of the Company
“Group”	the Company together with its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Investment and Cooperation Agreement”	the Investment and Cooperation Agreement dated 3 June 2019 entered into among Greentown Town, Bluetown, Bafulo Agriscience and the Project Company in relation to the Project Company, as amended and supplemented by the supplemental agreements dated 12 December 2019 and 27 December 2019, respectively
“Land”	the land in the Dachengzhen District, Gao’an, Jiangxi with a gross site area of approximately 460mu
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Mr Song”	Mr Song Weiping
“PRC”	the People’s Republic of China

“Project”	Jiangxi Gao’an Bafulo Modern Agricultural Complex Project* (江西高安巴夫洛現代農業綜合體項目) as approved by the People’s Government of Gao’an
“Project Company”	Jiangxi Bafulo Eco Valley Co., Ltd.* (江西高安巴夫洛生態谷有限公司), a company established in the PRC with limited liability
“RMB”	Renminbi, the lawful currency of the PRC
“Share(s)”	ordinary shares of HK\$0.1 each in the issued share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Supplemental Agreement”	the supplemental agreement dated the date of this announcement entered into among Greentown Town, Bluetown Blueprint, Bafulo Agriscience and the Project Company in relation to the Financial Assistance, for the purpose of supplementing the Investment and Cooperation Agreement

By order of the Board
Greentown China Holdings Limited
Zhang Yadong
Chairman

Hangzhou, the PRC

27 December 2019

As at the date of this announcement, the Board comprises Mr ZHANG Yadong, Mr LIU Wensheng, Mr ZHOU Lianying, Mr GUO Jiafeng, Mr GENG Zhongqiang and Mr. LI Jun as executive directors, Mr. Stephen Tin Hoi NG (Mr Andrew On Kiu CHOW as his alternative) as a non-executive director and Mr JIA Shenghua, Mr KE Huanzhang, Mr SZE Tsai Ping, Michael and Mr HUI Wan Fai as independent non-executive directors.

* For identification purpose only