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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)

**ISSUE OF SHARES BY THE COMPANY TO
THE XINHU ZHONGBAO GROUP UNDER GENERAL MANDATE**

The Board announces that on 26 April 2020, the Company entered into the Subscription Agreement with the Subscriber pursuant to which the Company has conditionally agreed to allot and issue, and the Subscriber has conditionally agreed to subscribe for, a total of 323,000,000 Subscription Shares. The Subscription Shares will be allotted and issued at the Subscription Price of HK\$9.50 per Subscription Share.

The Subscriber is a wholly-owned subsidiary of Xinhua Zhongbao, a company established in the PRC with limited liability. Xinhua Zhongbao is a company listed on Shanghai Stock Exchange (Stock Code: 600208) principally engaged in the businesses of, among other things, real estate, financial service and financial technology and high technology investment, and is a constituent of each of CSI 300 and MSCI China A Index.

On the assumption that the issued share capital of the Company remains unchanged save as otherwise described in this announcement, the total number of 323,000,000 Subscription Shares to be allotted and issued under the Subscription represent (i) approximately 14.88% of the issued share capital of the Company as at the date of this announcement; and (ii) approximately 12.95% of the issued share capital of the Company as enlarged by the issue of the Subscription Shares. The Subscription Shares will be allotted and issued under the General Mandate.

* For identification purposes only

On the basis of the current shareholding structure, upon Completion, CCCG and Wharf will remain as the single largest and second largest shareholders of the Company, respectively, while Xinhua Zhongbao (through the Subscriber, being its wholly-owned subsidiary) will become the third largest shareholder and a substantial shareholder of the Company upon Completion.

The aggregate gross proceeds of the Subscription will be HK\$3,068,500,000. It is proposed that the net proceeds from the Subscription will be used for general corporate purposes, repayment of loan and/or as general working capital.

An application will be made by the Company to the Listing Committee for the approval of the listing of, and permission to deal in, the Subscription Shares to be allotted and issued pursuant to the Subscription.

The Completion is subject to the fulfilment (or, where applicable, waiver) of the conditions precedent as set out in the Subscription Agreement and the Subscription may or may not proceed. Shareholders and potential investors of the Company are reminded to exercise caution when dealing in the Shares.

The Board announces that on 26 April 2020, the Company entered into the Subscription Agreement with the Subscriber pursuant to which the Company has conditionally agreed to allot and issue, and the Subscriber has conditionally agreed to subscribe for, a total of 323,000,000 Subscription Shares. The Subscription Shares will be allotted and issued at the Subscription Price of HK\$9.50 per Subscription Share.

THE SUBSCRIPTION AGREEMENT

The principal terms of the Subscription Agreement are as follows:

Date: 26 April 2020

Parties: (1) the Company; and
(2) the Subscriber.

The Subscriber is a wholly-owned subsidiary of Xinhua Zhongbao, a company established in the PRC with limited liability. As confirmed by the Subscriber: (i) Xinhua Zhongbao is a company listed on Shanghai Stock Exchange (Stock Code: 600208) principally engaged in the businesses of, among other things, real estate, financial service and financial technology and high technology investment; (ii) Xinhua Zhongbao is a constituent of each of CSI 300 and MSCI China A Index; and (iii) Mr HUANG Wei is the ultimate controlling shareholder thereof. To the best of the knowledge, information and belief of the Directors, having made all reasonable enquiries, none of the Subscriber and its ultimate beneficial owners is a connected person of the Company as at the date of the Subscription Agreement.

Subscription Shares

Pursuant to the Subscription Agreement, the Company has conditionally agreed to allot and issue, and the Subscriber has conditionally agreed to subscribe for 323,000,000 Subscription Shares at HK\$9.50 per share, payable in cash at Completion.

The total number of 323,000,000 Subscription Shares to be allotted and issued under the Subscription represent (i) approximately 14.88% of the issued share capital of the Company as at the date of this announcement; and (ii) approximately 12.95% of the issued share capital of the Company as enlarged by the issue of the Subscription Shares (assuming that, save for the Subscription, the issued share capital of the Company shall remain unchanged from the date of this announcement and up to the Completion).

Ranking of the Subscription Shares

The Subscription Shares, when allotted and issued, will rank pari passu in all respects with the Shares in issue on the date of allotment and issue of the Subscription Shares.

Subscription Price

The Subscription Price is HK\$9.50 per Subscription Share, which represents:

- (i) a premium of approximately 36% over the closing price of HK\$7.01 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (ii) a premium of approximately 31% over the average closing price of approximately HK\$7.272 per Share as quoted on the Stock Exchange for the last five consecutive trading days immediately prior to the date of the Subscription Agreement (i.e. the last five trading days including the Last Trading Day); and
- (iii) a premium of approximately 27% over the average closing price of approximately HK\$7.487 per Share as quoted on the Stock Exchange for the last 10 consecutive trading days immediately prior to the Last Trading Day.

The aggregate gross proceeds of the Subscription will be HK\$3,068,500,000.

The Subscription Price was arrived at after arm's length negotiations between the Company and the Subscriber with reference to the average closing price as quoted on the Stock Exchange for the last 10 consecutive trading days immediately prior to the Last Trading Day and the net asset value per Share.

Conditions precedent

Completion is conditional upon the fulfilment (or, where applicable, waiver) of the following conditions:

- (a) the Board having approved the entering into of the Subscription Agreement by the Company and the consummation of the transactions thereunder (and such approval not subsequently revoked prior to the issue of the Subscription Shares);
- (b) the Company having obtained all necessary approval, permission and consent under the applicable laws and regulations from the relevant governmental or regulatory body(ies) having jurisdiction over the Company for the issue of Subscription Shares, including having obtained the approval from the Listing Committee of the Stock Exchange for the listing of and permission to deal in the Subscription Shares (and such approval, permission and consent, as the case may be, not subsequently revoked prior to the issue of the Subscription Shares);
- (c) the representations and warranties given by the Company under the Subscription Agreement be and remain, in all material respects, accurate and true and not misleading up to Completion;
- (d) the Board having considered and, if thought fit, approved a candidate proposed by the Subscriber as, conditional upon the Completion, a non-executive Director which appointment will take effect upon the Completion (and such approval not subsequently revoked prior to the issue of the Subscription Shares);
- (e) (i) the Company having maintained its status as a listed company of the Stock Exchange and such listing status not having been revoked due to the Subscription; and (ii) during the period up to the date of Completion, the Shares not having been suspended from trading on the Stock Exchange for more than 5 consecutive days; and (iii) neither the Stock Exchange and the Securities and Futures Commission of Hong Kong have objected in writing before the date of Completion to the listing status of the Company by reason of or in connection with the transactions underlying the Subscription Agreement;
- (f) (i) the respective boards of directors of the Subscriber and Xinhua Zhongbao having approved the entering into of the Subscription Agreement by the Subscriber and the consummation of the transactions by the Subscriber contemplated thereunder, and (ii) Xinhua Zhongbao having obtained approval from its shareholder(s) as required under the applicable laws and regulations for the entering into of the Subscription Agreement by the Subscriber and the consummation of the transactions by it contemplated thereunder, and in each of (i) and (ii), such approval not subsequently revoked prior to the issue of the Subscription Shares; and
- (g) the representations and warranties given by the Subscriber under the Subscription Agreement be and remain, in all material respects, accurate and true and not misleading up to Completion.

The Subscriber may waive conditions precedent set out in items (c), (d) and (e), while the Company may waive condition precedent set out in item (g).

Termination

In the event that the conditions precedent are not fulfilled (or waived in accordance with the terms set out in the Subscription Agreement) on or before 24 May 2020 or such later date as the Company may notify the Subscriber, the Subscription Agreement (other than certain provisions specified therein) shall terminate and neither the Company nor the Subscriber shall have any claim against the other for costs, damages, compensation or otherwise save for any claim arising from an antecedent breach of any provision of the Subscription Agreement.

Undertakings from the Subscriber

For the purpose of the condition precedent as set out in item (d) above, the Subscriber undertakes that it shall propose a candidate of appropriate character, experience and integrity who shall (if such candidate is appointed as a Director) perform his obligations as a Director in accordance with the applicable laws and regulations (including but not limited to the Listing Rules and the directors' fiduciary duties) and the Memorandum and Articles, and at a standard of competence commensurate with his role as a director of the Company. The Subscriber further acknowledges that any decision in relation to such appointment shall be subject to the Board's decision(s) (taking into account the interest of the Company and its shareholders as a whole) and the decision(s) of the shareholders of the Company, from time to time in accordance with the applicable laws and regulations (including but not limited to the Listing Rules and the directors' fiduciary duties) and the Memorandum and Articles.

For the purpose of the condition precedent as set out in item (f) above, the Subscriber undertakes that it shall, as soon as is reasonably practicable after the signing of the Subscription Agreement, take all necessary actions (and to procure Xinhua Zhongbao to take all necessary actions) for the obtaining of requisite approval from its shareholders for the transactions contemplated under the Subscription Agreement, and use all reasonable endeavours to obtain the granting of such approval.

Completion

Completion shall take place on the latter of (i) 26 May 2020; or (ii) the second Business Day after the date upon which the conditions precedent under the Subscription Agreement shall have been so satisfied (or such other date as agreed by the parties in writing).

Application for listing

An application will be made by the Company to the Listing Committee for the approval of the listing of, and permission to deal in, the Subscription Shares.

REASONS FOR THE SUBSCRIPTION AND USE OF PROCEEDS

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.

Xinhu Zhongbao is a company listed on Shanghai Stock Exchange (Stock Code: 600208) principally engaged in the businesses of, among other things, real estate, financial service and financial technology and high technology investment in the PRC and is a constituent of each of CSI 300 and MSCI China A Index. The Group and the Xinhu Zhongbao Group endeavour to explore opportunities for business cooperation in different projects from time to time, notably in the PRC real estate sector in the ordinary and usual course of business of the Group including different real estate development projects in the PRC. The Board considers that the introduction of Xinhu Zhongbao (through the Subscriber, being its wholly-owned subsidiary) as a strategic shareholder of the Company will create opportunities for enhanced strategic dialogue and cooperation with the Xinhu Zhongbao Group. The Board also considers that the Subscription offers a good opportunity to raise additional funds for the Group's business operations and to strengthen the capital base and financial position of the Group and broaden the Shareholder base of the Company. On the basis of the current shareholding structure, upon Completion, CCCG and Wharf will remain as the single largest and second largest shareholders of the Company, respectively, while Xinhu Zhongbao (through the Subscriber, being its wholly-owned subsidiary) will become the third largest shareholder and a substantial shareholder of the Company upon Completion.

The aggregate gross proceeds of the Subscription will be HK\$3,068,500,000 and the aggregate net proceeds of the Subscription, after deduction of all relevant costs and expenses, are estimated to be approximately HK\$3,067,500,000, representing a net issue price of approximately HK\$9.497 per Subscription Share. It is proposed that the net proceeds from the Subscription will be used for general corporate purposes, repayment of loan and/or as general working capital.

Based on the above, the Board consider that the Subscription Agreement was entered into upon normal commercial terms following arm's length negotiations between the Company and the Subscriber and that the terms of the Subscription Agreement (including the Subscription Price) are fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

EFFECT OF THE SHAREHOLDING STRUCTURE OF THE COMPANY

Based on the information available to the Company as at the date of this announcement and on the assumption that the shareholding structure of the Company remains unchanged save as otherwise described in this announcement, the table below illustrates the shareholding structure of the Company (i) as at the date of this announcement; and (ii) immediately after the Completion:

Shareholders	As at the date of this announcement		Immediately after the Completion	
	Number of Shares	Approximate %	Number of Shares	Approximate %
CCCG (Note 1)	624,851,793	28.78	624,851,793	25.06
Wharf (Note 2)	540,589,293	24.90	540,589,293	21.68
The Subscriber (being a wholly-owned subsidiary of Xinhua Zhongbao)	–	–	323,000,000	12.95
Mr SONG Weiping (Note 3)	216,530,924	9.97	216,530,924	8.68
Other Shareholders	788,948,180	36.35	788,948,180	31.63
Total	<u>2,170,920,190</u>	<u>100</u>	<u>2,493,920,190</u>	<u>100</u>

Notes:

- Through its controlled corporations, namely CCCG Real Estate Group Co., Ltd.* (中交房地產集團有限公司) (which is wholly-owned by CCCG) and CCCG Holding (HK) Limited and CCCG Real Estate Holding Limited (each of which is wholly-owned by CCCG Real Estate Group Co., Ltd.* (中交房地產集團有限公司)).
- Through its controlled corporations, namely Wharf China Holdings Limited and Target Smart Investments Limited.
- Mr SONG Weiping is a founding shareholder and former executive director of the Company. Among these Shares, 116,530,924 of which are held by Delta House Limited which is a company wholly-owned by Mr SONG, and 100,000,000 of which are held by Hong Kong Orange Osmanthus Foundation Limited (“**HKOO Foundation**”). HKOO Foundation is a company limited by guarantee and established by Mr SONG as a charitable institution of a public character exempt from tax under Section 88 of the Inland Revenue Ordinance, Chapter 112 of the Laws of Hong Kong. As Mr SONG is the sole member of HKOO Foundation, for disclosure of interest purpose under Part XV of the Securities and Futures Ordinance, Mr SONG is deemed to be interested in 100,000,000 Shares held by HKOO Foundation notwithstanding that Mr SONG Weiping is not beneficially interested in such Shares.

FUND RAISING ACTIVITIES IN THE PAST TWELVE MONTHS

The Company had not conducted any equity fund raising activities involving the issue of Shares in the 12 months immediately preceding the date of this announcement.

GENERAL MANDATE

The total number of 323,000,000 Subscription Shares shall be allotted and issued under the General Mandate granted to the Directors pursuant to an ordinary resolution passed by the Shareholders at the annual general meeting of the Company held on 14 June 2019.

Under the General Mandate, the Directors are authorised by the Shareholders to allot, issue and deal with new Shares up to a maximum of 20% of the aggregate nominal amount of the issued share capital of the Company as at the date of the aforesaid annual general meeting of the Company, which amounts to 434,184,038 new Shares. Accordingly, the allotment and issue of the Subscription Shares is not subject to any further approval by the Shareholders. As at the date of this announcement, no new Shares have been allotted and issued under the General Mandate.

CONDITIONAL APPOINTMENT OF NON-EXECUTIVE DIRECTOR

Pursuant to the terms of the Subscription Agreement, the Subscriber has proposed the appointment of Mr WU Yiwen (武亦文) as a non-executive Director. The Board has considered and approved the conditional appointment of Mr WU Yiwen as a non-executive Director, and such appointment shall take effect conditional upon Completion. In the event that Completion does not take place, such appointment will not become effective. The biography of Mr WU Yiwen is set out below.

Mr WU Yiwen

Mr WU Yiwen (“**Mr WU**”), aged 53, Singaporean, would serve the Company as non-executive Director upon the Completion. Mr WU graduated from Shanghai Jiao Tong University with a bachelor’s degree in ship and marine engineering and from the National University of Singapore in with a master’s degree in business administration. From 1993 to 2006, he served as project manager, department manager, and general manager of subsidiary of Singapore Keppel Offshore and Maritime Group (新加坡吉寶岸外與海事集團). He also previously served as executive director and general manager of Hantong Ship Heavy Industry Co., Ltd. (韓通船舶重工有限公司) from 2006 to 2012. From 2012 to 2017, Mr WU served as deputy general manager of Yangzijiang Shipbuilding Group Ltd. (揚子江船業集團公司). In 2017, Mr WU founded Singapore Maiwei Marine Co., Ltd. (新加坡邁威海事有限公司), where he currently holds the position of executive director.

It is expected that Mr WU will enter into a service contract with the Company in his capacity as a non-executive director for a term of three years and is subject to retirement by rotation and re-election at annual general meetings of the Company under the Memorandum and Articles. Mr WU will be entitled to an annual director's remuneration of RMB320,000, determined by the Remuneration Committee and the Board by reference to, among other things, his responsibilities and the prevailing market rates. Mr WU does not, and has not had other directorships held in the last three years in public companies the securities of which are listed on any securities market in Hong Kong or overseas, and (save as disclosed above) does not have any relationship with any directors, senior management of the Company, or substantial or controlling shareholders of the Company. As at the date of this announcement, Mr WU does not hold any interest in the shares of the Company within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

Save as disclosed above, there are no other matters concerning the appointment of Mr Wu that need to be brought to the attention of the shareholders of the Company and there is no information relating to the appointment of Mr WU that is required to be disclosed pursuant to Rule 13.51(2)(h) to (v) of the Listing Rules.

The Completion is subject to the fulfilment (or, where applicable, waiver) of the conditions precedent as set out in the Subscription Agreement and the Subscription may or may not proceed. Shareholders and potential investors of the Company are reminded to exercise caution when dealing in the Shares.

DEFINITIONS

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

“Board”	the board of Directors
“Business Day(s)”	any day (excluding Saturday, Sunday or public holiday in Hong Kong) on which banks generally are open for business in Hong Kong for normal banking business and on which the Stock Exchange is open for the business of dealing in securities
“CCCCG”	China Communication Constructions Group (Limited) (中國交通建設集團有限公司), a wholly state-owned company established 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 Stock Exchange
“Completion”	the completion of the Subscription pursuant to the Subscription Agreement

“connected persons”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	director(s) of the Company
“General Mandate”	the general mandate granted to the Directors by the Shareholders at the annual general meeting of the Company held on 14 June 2019 to allot, issue and deal with new Shares up to a maximum of 20% of the aggregate nominal amount of the issued share capital of the Company as at the date of the annual general meeting
“Group”	the Company and its subsidiaries
“Hong Kong”	Hong Kong Special Administrative Region of the People’s Republic of China
“Last Trading Day”	24 April 2020, being the last trading day of the Shares prior to the date of the Subscription Agreement
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Memorandum and Articles”	the memorandum of association of the Company and the articles of association of the Company;
“PRC”	the People’s Republic of China
“Share(s)”	ordinary share(s) of nominal value of HK\$0.10 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
“Subscriber”	Hong Kong Xihu Investment Co., Limited (香港新湖投資有限公司), a company incorporated under the laws of Hong Kong with limited liability and a wholly-owned subsidiary of Xihu Zhongbao
“Subscription”	subscription for the Subscription Shares by the Subscriber pursuant to the Subscription Agreement
“Subscription Agreement”	the subscription agreement dated 26 April 2020 entered into between the Company and the Subscriber in respect of the subscription of the Subscription Shares

“Subscription Price”	HK\$9.50 per Subscription Share
“Subscription Shares”	323,000,000 new Shares to be allotted and issued by the Company to the Subscriber pursuant to the Subscription Agreement
“Wharf”	The Wharf (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: 00004)
“Xinhu Zhongbao”	Xinhu Zhongbao Co., Ltd. (新湖中寶股份有限公司), a company established in the PRC with limited liability, being a company listed on Shanghai Stock Exchange (Stock Code: 600208)
“Xinhu Zhongbao Group”	Xinhu Zhongbao and its subsidiaries
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong

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

Hangzhou, the PRC
26 April 2020

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 alternate) as a non-executive Director and Mr JIA Shenghua, Mr HUI Wan Fai, Mr QIU Dong and Mr ZHU Yuchen as independent non-executive Directors.