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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)

### INSIDE INFORMATION ANNOUNCEMENT TERMINATION OF THE CONDITIONAL SALE OF SHARES IN THE COMPANY

This announcement is made by Greentown China Holdings Limited (the “**Company**”) pursuant to the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the SFO.

Reference is made to the announcements of the Company dated 22 May 2014 and 27 November 2014 (collectively, the “**Announcements**”).

#### BACKGROUND

As stated in the Announcements, the Vendors and Sunac Subsidiary, among others, entered into the Agreement on 22 May 2014 in relation to the conditional sale and purchase of 524,851,793 Shares (the “**Target Shares**”). The Target Shares in aggregate represent 24.288% of the issued share capital of the Company as of the date of this announcement. As of the date of this announcement, completion of the sale and purchase of the Share Sale pursuant to the Agreement has not yet been taken place.

The Board was informed by Mr Song and Mr Shou that, on 18 December 2014, the parties to the Agreement entered into the Termination Agreement in relation to the termination of the Agreement and the Share Sale contemplated thereunder and the repayment of the Net Consideration (and interest accrued thereon).

#### Termination Agreement

Pursuant to the Termination Agreement, it was agreed, among other things, that:

- (a) Upon the execution of the Termination Agreement by the parties thereto, the Agreement and the Share Sale contemplated thereunder shall be terminated in accordance with the terms and conditions of the Termination Agreement;

\* For identification purposes only

- (b) The Vendors shall refund the Net Consideration and interest accrued thereon (together, the “**Outstanding Payment**”) (at an annual rate of (i) for any refund before 12:00 noon on 31 December 2014, 8%; (ii) for any refund between 12:00 noon on 31 December 2014 and before 12:00 noon on 12 February 2015: (x) 8% up to 31 December 2014 and (y) 10% since 1 January 2015; and (iii) for any overdue portion, 20%) in accordance with the terms and conditions of the Termination Agreement and as more particularly summarised below;
- (c) Within five calendar days after the date of the Termination Agreement, the Vendors shall refund RMB500,000,000 to Sunac Subsidiary;
- (d) By no later than 12:00 noon on 31 December 2014, the Vendors shall in principle refund an aggregate of 60% of the Outstanding Payment (and in any event not less than 50% of the Outstanding Payment) to Sunac Subsidiary; and
- (e) By no later than 12:00 noon on 12 February 2015, the Vendors shall refund the remaining Outstanding Payment to Sunac Subsidiary.

### **Share Charge and others**

In order to provide security over the performance of the obligations of the Vendors under the Termination Agreement, on the date of the Termination Agreement, the Vendors, as chargors, and Sunac Subsidiary, as chargee, entered into the Share Charge whereby the Vendors charged their respective rights, title and interests in and to the Target Shares, together with any additional rights and dividends thereof, in favour of Sunac Subsidiary.

Sunac Subsidiary shall, upon the Vendors having (i) refunded at least 50% of the Outstanding Payment to Sunac Subsidiary by no later than 12:00 noon on 31 December 2014; (ii) provided Sunac Subsidiary with the financing or other agreement showing that sufficient funding or proceeds available thereunder shall apply to refund the Outstanding Payment; and (iii) provided Sunac Subsidiary with the evidence showing the fulfilment of the conditions precedent to the release of funding or proceeds under such agreement (other than the condition precedent in relation to the release of the share charge over the Target Shares), provide its written consent to release the Share Charge within three business days thereafter. In such case, the funding or proceeds available under such agreement shall be released to the designated account of Sunac Subsidiary. The Share Charge shall become enforceable in the event that the Vendors fail to refund the Outstanding Payment by 12:00 noon on 12 February 2015, provided that the Share Charge has not been released in accordance with the Termination Agreement.

In the event that notwithstanding the release of the Share Charge by Sunac Subsidiary as aforesaid, if the financier fails to transfer the funding or proceeds to the designated account of Sunac Subsidiary within three business days after such release, the Vendors shall within three business days charge their respective rights, title and interests in and to the Target Shares, together with any additional rights and dividends thereof, in favour of Sunac Subsidiary.

Upon (i) completion of the registration of the Share Charge and refund of at least 60% of the Outstanding Payment, or (ii) refund of the entire Outstanding Payment (in the event that registration of the Share Charge is not required or the Share Charge has been released in accordance with the Termination Agreement), Sunac Subsidiary shall procure that the management team nominated by it or Sunac China to the subsidiaries of the Company as a result of the Share Sale to resign from such roles within 30 days thereafter.

In addition, the Vendors agreed that their affiliated companies, namely Greentown Holdings Group Limited (綠城控股集團有限公司) and Shun Yik Group Limited (being companies controlled by Mr Song, Ms Xia and Mr Shou), shall guarantee the performance of the Vendors under the Termination Agreement.

## **DEFINITIONS**

Terms defined in the Announcements shall have the same meanings when used in this announcement. In addition, in this announcement, the following expressions have the meanings set out below unless the context requires otherwise:

“Consideration”	the aggregate consideration of HK\$6,298,221,516 in respect of the Share Sale pursuant to the Agreement
“Net Consideration”	the net consideration of HK\$6,008,157,123.61, representing the entire Consideration in respect of the Share Sale already paid by or on behalf of Sunac Subsidiary, and deducting therefrom (i) the amount of final dividend of HK\$283,766,170.39 for the year ended 31 December 2013 in relation to the Target Shares which has been received by Sunac Subsidiary; and (ii) the ad valorem stamp duty in the amount of HK\$6,298,222 payable by the Vendors for the Share Sale
“Share Charge”	the share charge dated 18 December 2014 whereby the Vendors charged their respective interests in the Target Shares, in aggregate representing 24.288% of the issued share capital of the Company as at the date of this announcement, in favour of Sunac Subsidiary to secure the obligations of the Vendors under the Termination Agreement

“Termination Agreement”

the termination agreement dated 18 December 2014 whereby the parties to the Agreement agreed to terminate the Agreement and the Share Sale contemplated thereunder and set out the terms and conditions in relation to such termination and the repayment of the Net Consideration (and interest accrued thereon)

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

Hangzhou, the PRC  
18 December 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.*