

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



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 ZHEJIANG
QIZHI AND NANTONG XINHU**

THE AGREEMENTS

Zhejiang Qizhi Share Transfer and Project Cooperation Agreement

On 24 April 2020, Greentown Real Estate (a wholly-owned subsidiary of the Company), Xihu Zhongbao, Zhejiang Qizhi, Nantong Qixin, Nantong Qiyang and Xihu Real Estate entered into the Zhejiang Qizhi Share Transfer and Project Cooperation Agreement, pursuant to which Greentown Real Estate agreed to acquire the Zhejiang Qizhi Shares, representing 100% of the total shares of Zhejiang Qizhi as at the date of the Zhejiang Qizhi Share Transfer and Project Cooperation Agreement, for an aggregate amount of RMB1,151,318,860 payable by Greentown Real Estate in accordance therewith, including a share transfer consideration of RMB397,718,860 and a financial assistance of RMB753,600,000. The purpose of the Zhejiang Qizhi Share Transfer and Project Cooperation Agreement is mainly to set out the terms of cooperation with Xihu Zhongbao (indirectly via Xihu Real Estate) for the development of the Project Companies, namely Nantong Qixin and Nantong Qiyang.

Nantong Xinqu Share Transfer and Cooperation Agreement

On 24 April 2020, Greentown Real Estate (a wholly-owned subsidiary of the Company), Xinqu Real Estate, Nantong Xinqu and Xinqu Zhongbao entered into the Nantong Xinqu Share Transfer and Cooperation Agreement, pursuant to which Greentown Real Estate agreed to acquire the Nantong Xinqu Shares, representing 50% of the total shares of Nantong Xinqu as at the date of the Nantong Xinqu Share Transfer and Cooperation Agreement, for an aggregate amount of RMB672,397,370 payable by Greentown Real Estate in accordance therewith, including a share transfer consideration of RMB71,547,370 and a financial assistance of RMB600,850,000. The purpose of the Nantong Xinqu Share Transfer and Cooperation Agreement is mainly to set out the terms of cooperation with Xinqu Zhongbao (indirectly via Xinqu Real Estate) for the development of Nantong Xinqu.

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 Acquisitions (based on the Share Transfer Consideration and Financial Assistance contemplated thereunder) 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.

INTRODUCTION

The Company announces that, on 24 April 2020, Greentown Real Estate (a wholly-owned subsidiary of the Company) entered into the Agreements with the relevant parties in relation to the acquisition of interests in certain target companies and shareholder arrangements with the shareholders thereof. The details of each of the Agreements are set out below.

ACQUISITION OF SHARES IN ZHEJIANG QIZHI

On 24 April 2020, Greentown Real Estate (a wholly-owned subsidiary of the Company), Xinqu Zhongbao, Zhejiang Qizhi, Nantong Qixin, Nantong Qiyang and Xinqu Real Estate entered into the Zhejiang Qizhi Share Transfer and Project Cooperation Agreement, pursuant to which Greentown Real Estate agreed to acquire the Zhejiang Qizhi Shares, representing 100% of the total shares of Zhejiang Qizhi as at the date of the Zhejiang Qizhi Share Transfer and Project Cooperation Agreement, for an aggregate amount of RMB1,151,318,860 payable by Greentown Real Estate in accordance therewith, including a share transfer consideration of RMB397,718,860 and a financial assistance of RMB753,600,000.

ZHEJIANG QIZHI SHARE TRANSFER AND PROJECT COOPERATION AGREEMENT

Principal terms of the Zhejiang Qizhi Share Transfer and Project Cooperation Agreement are set out below:

Date: 24 April 2020

Parties:

- (1) Greentown Real Estate, as the purchaser of the Zhejiang Qizhi Shares;
- (2) Xihu Zhongbao, as the vendor of the Zhejiang Qizhi Shares and shareholder of Zhejiang Qizhi;
- (3) Zhejiang Qizhi, as the target company under the Zhejiang Qizhi Share Transfer and Project Cooperation Agreement;
- (4) Nantong Qixin, as one of the Project Companies under the Zhejiang Qizhi Share Transfer and Project Cooperation Agreement;
- (5) Nantong Qiyang, as one of the Project Companies under the Zhejiang Qizhi Share Transfer and Project Cooperation Agreement; and
- (6) Xihu Real Estate, as a shareholder of each of the Project Companies.

To the best of the knowledge, information and belief of the Directors, having made all reasonable enquiries, each of Xihu Zhongbao, Zhejiang Qizhi, Nantong Qixin, Nantong Qiyang and Xihu Real Estate and their respective ultimate beneficial owners are not connected persons of the Company as at the date of the Zhejiang Qizhi Share Transfer and Project Cooperation Agreement.

Subject matter: Greentown Real Estate agreed to purchase, and Xihu Zhongbao as legal and beneficial owner of the Zhejiang Qizhi Shares agreed to sell the Zhejiang Qizhi Shares. The Zhejiang Qizhi Shares represent 100% of the total shares of Zhejiang Qizhi.

The purpose of the Zhejiang Qizhi Share Transfer and Project Cooperation Agreement is mainly to set out the terms of cooperation with Xinhua Zhongbao (indirectly via Xinhua Real Estate) for the development of the Project Companies, pursuant to which such parties shall share the benefits and bear the risks of the Project Companies as to 50% by Greentown Real Estate (indirectly via the Zhejiang Qizhi) and 50% by Xinhua Zhongbao (indirectly via Xinhua Real Estate). The Project Companies currently run two real estate development projects in Nantong, Jiangsu, the PRC, namely the Nantong Qixin Project and the Nantong Qiyang Project.

Amount payable:

The Zhejiang Qizhi Share Transfer and Project Cooperation Agreement states that Greentown Real Estate shall contribute a total of RMB1,151,318,860, of which:

- (a) RMB397,718,860 as consideration for the transfer of the Zhejiang Qizhi Shares (the “**Zhejiang Qizhi Share Transfer Consideration**”); and
- (b) RMB753,600,000 as loan to be provided by Greentown Real Estate (or its designated entity) to the Project Companies (the “**Zhejiang Qizhi Financial Assistance**”).

The amount of the Zhejiang Qizhi Share Transfer Consideration and Zhejiang Qizhi Financial Assistance was agreed after arm’s length negotiations among the parties to the Zhejiang Qizhi Share Transfer and Project Cooperation Agreement having considered, among other things, (i) the net asset value of Zhejiang Qizhi; and (ii) the development potential of the Project Companies whilst taking into account the Nantong Qixin Project and the Nantong Qiyang Project with reference to the prevailing market conditions.

The Group intends to finance the aforesaid amount by the Group’s internal financial resources.

**Zhejiang Qizhi
Financial
Assistance:**

The Zhejiang Qizhi Financial Assistance in the amount of RMB753,600,000 will be provided by Greentown Real Estate to the Project Companies at an interest rate of 7.5% per annum or unless otherwise agreed by the board of directors of the Project Companies.

In the event that any of the Project Companies requires additional funding, each of the Xihu Group and the Group shall provide shareholders' loans on a 50:50 basis to the respective Project Company, for the daily operation and management of that Project Company. Any shareholders' loans to be provided under the Zhejiang Qizhi Share Transfer and Project Cooperation Agreement shall be conditional on the Company having obtained the Required Approvals and subject to the terms and provisions of the Zhejiang Qizhi Share Transfer and Project Cooperation Agreement.

Payment:	Stage payment	Amount payable
	Within 7 business days upon the satisfaction of all conditions precedent under the Zhejiang Qizhi Share Transfer and Project Cooperation Agreement (the “Zhejiang Qizhi Stage 1 Payment”)	RMB575,659,430, which consists of the follows: <ul style="list-style-type: none"> (i) RMB198,859,430 shall be payable by Greentown Real Estate to Xihu Zhongbao as part of the Share Transfer Consideration; and (ii) RMB376,800,000 shall be payable by Greentown Real Estate to the Project Companies (including RMB300,275,000 to Nantong Qixin and RMB76,525,000 to Nantong Qiyang) as part of the Zhejiang Qizhi Financial Assistance for the repayment of the principal and interests of shareholders' loan owed by the Project Companies to the Xihu Group within 3 business days (the “Zhejiang Qizhi Stage 1 Repayment”).

Stage payment**Amount payable**

Within 7 business days after (i) the completion of the share transfer of the Zhejiang Qizhi Shares; and (ii) the completion of the Zhejiang Qizhi Stage 1 Repayment	RMB575,659,430, which consists of the follows: (i) RMB198,859,430 shall be payable by Greentown Real Estate to Xihu Zhongbao as part of the Share Transfer Consideration; and (ii) RMB376,800,000 shall be payable by Greentown Real Estate to the Project Companies (including RMB300,275,000 to Nantong Qixin and RMB76,525,000 to Nantong Qiyang) as part of the Zhejiang Qizhi Financial Assistance for the repayment of the principal and interests of shareholders' loan owed by the Project Companies to the Xihu Group within 3 business days.
---	--

Guarantee:

As at 29 February 2020, Shanghai International Trust Company Limited has advanced a loan to Nantong Qixin for a principal amount of RMB400,000,000. Upon completion of the Zhejiang Qizhi Acquisition, each of the Xihu Group and the Group shall each guarantee the liabilities up to 50% of the loan which remains unpaid.

In the event where guarantee is required to be provided in support of the Project Companies' external financing (if any), the Xihu Group (via Xihu Real Estate) and the Group (via Zhejiang Qizhi) shall each guarantee the liabilities of the Project Company based on their then respective shareholding in that Project Company. Any guarantees to be provided under the Zhejiang Qizhi Share Transfer and Project Cooperation Agreement shall be conditional on the Company having obtained the Required Approvals.

Conditions precedent:

Completion of the transactions contemplated under the Zhejiang Qizhi Share Transfer and Project Cooperation Agreement is conditional upon the satisfaction of certain conditions precedent. A summary of the conditions precedent is as follows:

- (a) the representations and warranties given by Xihu Zhongbao under the Zhejiang Qizhi Share Transfer and Project Cooperation Agreement remaining true, accurate, complete and not misleading in all material respects;
- (b) absence of laws or government orders passed by any government departments that would make the transactions contemplated under the Zhejiang Qizhi Share Transfer and Project Cooperation Agreement illegal or otherwise restrict or prohibit such transactions;
- (c) absence of claims or potential claims initiated against any party to the Zhejiang Qizhi Share Transfer and Project Cooperation Agreement which may restrict the transactions contemplated under the Zhejiang Qizhi Share Transfer and Project Cooperation Agreement, materially and adversely affect the terms of such transactions or which may, in the reasonable opinion of Greentown Real Estate, render completion of the Zhejiang Qizhi Share Transfer and Project Cooperation Agreement impossible or illegal;
- (d) all necessary approval, permits, consents and authorisations having been obtained and maintained by the parties to the Zhejiang Qizhi Share Transfer and Project Cooperation Agreement pursuant to applicable rules and regulations;
- (e) (i) all necessary internal approvals from the parties to the Zhejiang Qizhi Share Transfer and Project Cooperation Agreement; and (ii) all necessary consents have been obtained to execute the Zhejiang Qizhi Share Transfer and Project Cooperation Agreement and complete the transactions contemplated under the Zhejiang Qizhi Share Transfer and Project Cooperation Agreement, which include (among other things), in respect of Greentown Real Estate, the Company having obtained the approval from its board and its independent shareholders (if required);
- (f) the entry into and performance of all transaction documents in relation to the transaction contemplated under the Zhejiang Qizhi Share Transfer and Project Cooperation Agreement; and

- (g) absence of event that, singly or jointly, causes any material adverse effect, and based on the reasonable expectation, there would not incur an event that would, singly or jointly, cause any material adverse effect.

Completion:

Subject to satisfaction of the conditions precedent and completion of the Zhejiang Qizhi Stage 1 Payment, completion of the Zhejiang Qizhi Acquisition shall take place upon completion of the registration with the relevant governmental authorities of change of shareholder in Zhejiang Qizhi.

**Management of
each of the Project
Companies:**

For related party transactions that shall be approved by shareholders' resolution, shareholders that are considered related parties shall abstain from voting and such resolution shall require the unanimous approval of all other shareholders. All other matters to be approved by shareholders' resolution shall require the unanimous approval from all shareholders.

The board of directors of Nantong Qixin will consist of three directors, of which two will be nominated by Greentown Real Estate (via Zhejiang Qizhi) and one will be nominated by Xihu Real Estate. The chairman of the board of directors shall be the director nominated by Xihu Real Estate.

The board of directors of Nantong Qiyang will consist of three directors, of which two will be nominated by Xihu Real Estate and one will be nominated by Greentown Real Estate (via Zhejiang Qizhi). The chairman of the board of directors shall be one of the directors nominated by Xihu Real Estate.

Two joint general managers shall be responsible for the management of each of the Project Companies. One joint general manager shall be nominated by each of Greentown Real Estate (via Zhejiang Qizhi) and Xihu Real Estate. The general manager to be registered with the Administration of Industry and Commerce shall be the joint general manager appointed by Greentown Real Estate (via Zhejiang Qizhi).

- Use of funds by a Project Company:** In the event that a Project Company, after deducting the Project Company Required Fund (as defined below), has surplus cash in its accounts, such cash shall be:
- (i) applied for the repayment of any principal and interests that have been contributed by any shareholder who has contributed as shareholders' loan in excess of its shareholding ratio;
 - (ii) applied for the repayment to shareholders of any principal and interests that have been contributed as shareholders' loan on a pro-rata basis;
 - (iii) distributed as dividends to the shareholders of the Project Company in accordance with the Zhejiang Qizhi Share Transfer and Project Cooperation Agreement; and
 - (iv) provided to the shareholders of the Project Company as interest bearing loan until the cash flow returned to the shareholders of the Project Company reaches their shareholding ratio or otherwise agreed among the shareholders.

The "Project Company Required Fund" refers to the funding needs of that Project Company for the development and construction, daily operation and management, payment of taxes and levies, bank loan repayment and any principal and interest of any shareholders' loans that shall be repaid to shareholders of that Project Company accordingly, each in the forthcoming 90 days.

- Other provisions:** The Zhejiang Qizhi Share Transfer and Project Cooperation Agreement also set forth other provisions regulating the parties' relationship in relation to the Project Company, including, amongst others, deadlock arrangements, profit distribution and termination arrangements.

ACQUISITION OF SHARES IN NANTONG XINHU

On 24 April 2020, Greentown Real Estate (a wholly-owned subsidiary of the Company), Xihu Real Estate, Nantong Xihu and Xihu Zhongbao entered into the Nantong Xihu Share Transfer and Cooperation Agreement, pursuant to which Greentown Real Estate agreed to acquire the Nantong Xihu Shares, representing 50% of the total shares of Nantong Xihu as at the date of the Nantong Xihu Share Transfer and Cooperation Agreement, for an aggregate amount of RMB672,397,370 payable by Greentown Real Estate in accordance thereof, including a share transfer consideration of RMB71,547,370 and a financial assistance of RMB600,850,000.

NANTONG XINHU SHARE TRANSFER AND COOPERATION AGREEMENT

Principal terms of the Nantong Xihu Share Transfer and Cooperation Agreement are set out below:

Date: 24 April 2020

Parties:

- (1) Greentown Real Estate, as the purchaser of the Nantong Xihu Shares;
- (2) Xihu Real Estate, as the vendor of the Nantong Xihu Shares and a shareholder of Nantong Xihu;
- (3) Nantong Xihu, as the target company under the Nantong Xihu Share Transfer and Cooperation Agreement; and
- (4) Xihu Zhongbao, as the parent of Xihu Real Estate.

To the best of the knowledge, information and belief of the Directors, having made all reasonable enquiries, each of Xihu Real Estate, Nantong Xihu and Xihu Zhongbao and their respective ultimate beneficial owners are not connected persons of the Company as at the date of the Nantong Xihu Share Transfer and Cooperation Agreement.

Subject matter: Greentown Real Estate agreed to purchase, and Xihu Real Estate as legal and beneficial owner of the Nantong Xihu Shares agreed to sell the Nantong Xihu Shares. The Nantong Xihu Shares represent 50% of the total shares of Nantong Xihu.

The purpose of the Nantong Share Transfer and Cooperation Agreement is mainly to set out the terms of cooperation with Xihu Real Estate for the development of Nantong Xihu, pursuant to which such parties shall share the benefits and bear the risks of Nantong Xihu as to 50% by Greentown Real Estate and 50% by Xihu Real Estate. Nantong Xihu currently run a real estate development project in Nantong, Jiangsu, the PRC, namely the Nantong Xihu Project.

Amount payable:

The Nantong Xihu Share Transfer and Cooperation Agreement states that Greentown Real Estate shall contribute a total of RMB672,397,370, of which:

- (a) RMB71,547,370 as consideration for the transfer of the Nantong Xihu Shares (the “**Nantong Xihu Share Transfer Consideration**”); and
- (b) RMB600,850,000 as loan to be provided by Greentown Real Estate (or its designated entity) to Nantong Xihu (the “**Nantong Xihu Financial Assistance**”).

The amount of the Nantong Xihu Share Transfer Consideration and Nantong Xihu Financial Assistance was agreed after arm’s length negotiations among the parties to the Nantong Xihu Share Transfer and Cooperation Agreement having considered, among other things, (i) the net asset value of Nantong Xihu; and (ii) the development potential of Nantong Xihu whilst taking into account the Nantong Xihu Project with reference to the prevailing market conditions.

The Group intends to finance the aforesaid amount by the Group’s internal financial resources.

**Nantong
Xihu Financial
Assistance:**

The Nantong Xihu Financial Assistance in the amount of RMB600,850,000 will be provided by Greentown Real Estate to Nantong Xihu at an interest rate of 7.5% per annum or unless otherwise agreed by the board of directors of Nantong Xihu.

In the event that Nantong Xihu requires additional funding, each of Xihu Real Estate and Greentown Real Estate shall provide shareholders’ loans on a 50:50 basis to Nantong Xihu, for the daily operation and management of Nantong Xihu. Any shareholders’ loans to be provided under the Nantong Xihu Share Transfer and Cooperation Agreement shall be conditional on the Company having obtained the Required Approvals and subject to the terms and provisions of the Nantong Xihu Share Transfer and Cooperation Agreement.

Payment:	Stage payment	Amount payable
	<p>Within 7 business days upon the satisfaction of all conditions precedent under the Nantong Xinqu Share Transfer and Cooperation Agreement (the “Nantong Xinqu Stage 1 Payment”)</p>	<p>RMB336,198,685, which consists of the follows:</p> <ul style="list-style-type: none"> (i) RMB35,773,685 shall be payable by Greentown Real Estate to Xinqu Real Estate as part of the Nantong Xinqu Share Transfer Consideration; and (ii) RMB300,425,000 shall be payable by Greentown Real Estate to Nantong Xinqu as part of the Nantong Xinqu Financial Assistance for the repayment of the principal and interests of shareholders’ loan owed by Nantong Xinqu to the Xinqu Group within 3 business days (the “Nantong Xinqu Stage 1 Repayment”).
	<p>Within 7 business days after (i) the completion of the share transfer of the Nantong Xinqu Shares; and (ii) the completion of the Nantong Xinqu Stage 1 Repayment</p>	<p>RMB336,198,685, which consists of the follows:</p> <ul style="list-style-type: none"> (i) RMB35,773,685 shall be payable by Greentown Real Estate to Xinqu Real Estate as part of the Nantong Xinqu Share Transfer Consideration; and (ii) RMB300,425,000 shall be payable by Greentown Real Estate to Nantong Xinqu as part of the Nantong Xinqu Financial Assistance for the repayment of the principal and interests of shareholders’ loan owed by Nantong Xinqu to the Xinqu Group within 3 business days.

**Equity pledge and
Guarantee:**

As at 29 February 2020, Hangzhou Industrial & Commercial Trust has advanced a loan to Nantong Xinqu for a principal amount of RMB300,000,000. Upon completion of the Nantong Xinqu Acquisition, Greentown Real Estate shall pledge its 50% equity interest in Nantong Xinqu to Hangzhou Industrial & Commercial Trust.

In the event where guarantee is required to be provided in support of Nantong Xinqu' external financing (if any), the Xinqu Group and the Group shall each guarantee the liabilities of Nantong Xinqu based on their direct or indirect respective shareholding in Nantong Xinqu. Any guarantees to be provided under the Nantong Xinqu Share Transfer and Cooperation Agreement shall be conditional on the Company having obtained the Required Approvals.

Conditions precedent: Completion of the transactions contemplated under the Nantong Xinqu Share Transfer and Cooperation Agreement is conditional upon the satisfaction of certain conditions precedent. A summary of the conditions precedent is as follows:

- (a) the representations and warranties given by Xinqu Real Estate under the Nantong Xinqu Share Transfer and Cooperation Agreement remaining true, accurate, complete and not misleading in all material respects;
- (b) absence of laws or government orders passed by any government departments that would make the transactions contemplated under the Nantong Xinqu Share Transfer and Cooperation Agreement illegal or otherwise restrict or prohibit such transactions;
- (c) absence of claims or potential claims initiated against any party to the Nantong Xinqu Share Transfer and Cooperation Agreement which may restrict the transactions contemplated under the Nantong Xinqu Share Transfer and Cooperation Agreement, materially and adversely affect the terms of such transactions or which may, in the reasonable opinion of Greentown Real Estate, render completion of the Nantong Xinqu Share Transfer and Cooperation Agreement impossible or illegal;
- (d) all necessary approval, permits, consents and authorisations having been obtained and maintained by the parties to the Nantong Xinqu Share Transfer and Cooperation Agreement pursuant to applicable rules and regulations;

- (e) (i) all necessary internal approvals from the parties to the Nantong Xinqu Share Transfer and Cooperation Agreement; and (ii) all necessary consents have been obtained to execute the Nantong Xinqu Share Transfer and Cooperation Agreement and complete the transactions contemplated under the Nantong Xinqu Share Transfer and Cooperation Agreement, which include (among other things), in respect of Greentown Real Estate, the Company having obtained the approval from its board and its independent shareholders (if required);
- (f) the entry into and performance of all transaction documents in relation to the transaction contemplated under the Nantong Xinqu Share Transfer and Cooperation Agreement;
- (g) the completion of Xinqu Real Estate's acquisition of 40% equity interests in Nantong Xinqu from Hangzhou Industrial & Commercial Trust, thereby holding 100% of equity interests in Nantong Xinqu; and
- (h) absence of event that, singly or jointly, causes any material adverse effect, and based on the reasonable expectation, there would not incur an event that would, singly or jointly, cause any material adverse effect.

Completion:

Subject to satisfaction of the conditions precedent and completion of the Nantong Xinqu Stage 1 Payment, completion of the Nantong Xinqu Acquisition shall take place upon completion of the registration with the relevant governmental authorities of change of shareholder in Nantong Xinqu.

**Management of
Nantong Xinqu:**

For related party transactions that shall be approved by shareholders' resolution, shareholders that are considered related parties shall abstain from voting and such resolution shall require the unanimous approval of all other shareholders. All other matters to be approved by shareholders' resolution shall require the unanimous approval from all shareholders.

The board of directors of Nantong Xinqu will consist of three directors, of which one will be nominated by Greentown Real Estate and two will be nominated by Xinqu Real Estate. The chairman of the board of directors shall be the director nominated by Xinqu Real Estate.

Two joint general managers shall be responsible for the management of Nantong Xinqu. One joint general manager shall be nominated by each of Greentown Real Estate and Xinqu Real Estate. The general manager to be registered with the Administration of Industry and Commerce shall be the joint general manager appointed by Greentown Real Estate.

**Use of funds by
Nantong Xinqu:**

In the event that Nantong Xinqu, after deducting the Nantong Xinqu Required Fund (as defined below), has surplus cash in its accounts, such cash shall be:

- (i) applied for the repayment of any principal and interests that have been contributed by any shareholder who has contributed as shareholders' loan in excess of its shareholding ratio;
- (ii) applied for the repayment to shareholders of any principal and interests that have been contributed as shareholders' loan on a pro-rata basis;
- (iii) distributed as dividends to the shareholders of Nantong Xinqu in accordance with the Nantong Xinqu Share Transfer and Cooperation Agreement; and
- (iv) provided to the shareholders of Nantong Xinqu as interest bearing loan until the cash flow returned to the shareholders of Nantong Xinqu reaches their shareholding ratio or otherwise agreed among the shareholders.

The "Nantong Xinqu Required Fund" refers to the funding needs of Nantong Xinqu for the development and construction, daily operation and management, payment of taxes and levies, bank loan repayment and any principal and interest of any shareholders' loans that shall be repaid to shareholders of Nantong Xinqu accordingly, each in the forthcoming 90 days.

Other provisions:

The Nantong Xinqu Share Transfer and Cooperation Agreement also set forth other provisions regulating the parties' relationship in relation to Nantong Xinqu, including, amongst others, deadlock arrangements, profit distribution and termination arrangements.

INFORMATION ABOUT THE PARTIES TO THE AGREEMENTS

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 Xinhua Group

Xinhua Zhongbao is a company established in the PRC with limited liability, whose shares are listed on the Shanghai Stock Exchange (Stock Code: 600208). It is 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.

Xinhua Real Estate is a company established in the PRC with limited liability, and a wholly-owned subsidiary of Xinhua Zhongbao. It is primarily engaged in real estate development and sales.

Zhejiang Qizhi Share Transfer and Project Cooperation Agreement

The Project Companies

Nantong Qixin is a company established in the PRC with limited liability. It is primarily engaged in real estate development and sales. As at the date of the Zhejiang Qizhi Share Transfer and Project Cooperation Agreement, Nantong Qixin is owned as to 50% by each of Zhejiang Qizhi and Xinhua Real Estate. Upon completion of the Zhejiang Qizhi Acquisition, Nantong Qixin will be owned as to 50% by each of Zhejiang Qizhi (which will become a wholly-owned subsidiary of the Company via Greentown Real Estate) and Xinhua Real Estate.

Nantong Qiyang is a company established in the PRC with limited liability. It is primarily engaged in real estate development and sales. As at the date of the Zhejiang Qizhi Share Transfer and Project Cooperation Agreement, Nantong Qiyang is owned as to 50% by each of Zhejiang Qizhi and Xinhua Real Estate. Upon completion of the Zhejiang Qizhi Acquisition, Nantong Qiyang will be owned as to 50% by each of Zhejiang Qizhi (which will become a wholly-owned subsidiary of the Company via Greentown Real Estate) and Xinhua Real Estate.

Zhejiang Qizhi

Zhejiang Qizhi is a company established in the PRC with limited liability. It was established in 2019 and for holding the Project Companies.

As at the date of the Zhejiang Qizhi Share Transfer and Project Cooperation Agreement, Zhejiang Qizhi is wholly-owned by Xihu Zhongbao. Upon completion of the Zhejiang Qizhi Acquisition: (i) Zhejiang Qizhi will be wholly-owned by Greentown Real Estate; (ii) the Project Companies will be indirectly owned as to 50% by each of the Company (via Zhejiang Qizhi) and Xihu Zhongbao (via Xihu Real Estate); and (iii) Nantong Qixin and Nantong Qiyang will not become subsidiaries of the Company.

As at the date of this announcement, Zhejiang Qizhi has not yet recorded any profit or loss for the first financial year which it is in.

The table below sets out certain unaudited financial information of Nantong Qixin for the years ended 31 December 2018 and 31 December 2019:

	For the year ended	
	31 December	
	2018	2019
	<i>(RMB)</i>	<i>(RMB)</i>
	<i>'000</i>	<i>'000</i>
Revenue	–	–
Net loss before taxation	(2,638)	(3,407)
Net loss after taxation	(2,638)	(3,407)

The unaudited net asset value of Nantong Qixin as at 29 February 2020 was approximately RMB35,731,000.

The table below sets out certain unaudited financial information of Nantong Qiyang for the years ended 31 December 2018 and 31 December 2019:

	For the year ended	
	31 December	
	2018	2019
	<i>(RMB)</i>	<i>(RMB)</i>
	<i>'000</i>	<i>'000</i>
Revenue	–	–
Net loss before taxation	(729)	(2,944)
Net loss after taxation	(729)	(2,944)

The unaudited net asset value of Nantong Qiyang as at 29 February 2020 was approximately RMB44,706,000.

Nantong Xinqu Share Transfer and Cooperation Agreement

Nantong Xinqu

Nantong Xinqu is a company established in the PRC with limited liability. It is primarily engaged in real estate development and sales, housing rental service, housing engineering design, road constructions, interior decoration and design, general construction, property management and hotel business management.

As at the date of the Nantong Xinqu Share Transfer and Cooperation Agreement, Nantong Xinqu is owned by Xinqu Real Estate and Hangzhou Industrial & Commercial Trust as to 60% and 40%, respectively. Completion of the transactions contemplated under the Nantong Xinqu Share Transfer and Cooperation Agreement is conditional upon, among other things, completion of Xinqu Real Estate's acquisition of 40% equity interests in Nantong Xinqu from Hangzhou Industrial & Commercial Trust, thereby holding 100% of equity interests in Nantong Xinqu. Upon completion of the Nantong Xinqu Acquisition, (i) Nantong Xinqu will be owned as to 50% by each of Greentown Real Estate and Xinqu Real Estate; and (ii) Nantong Xinqu will not become a subsidiary of the Company.

The table below sets out certain unaudited financial information of Nantong Xinqu for the years ended 31 December 2018 and 31 December 2019:

	For the year ended	
	31 December	
	2018	2019
	<i>(RMB)</i>	<i>(RMB)</i>
	<i>'000</i>	<i>'000</i>
Revenue	–	–
Net loss before taxation	(17,272)	(46,160)
Net loss after taxation	(13,555)	(36,067)

The unaudited net asset value of Nantong Xinqu as at 29 February 2020 was approximately RMB-28,905,000.

REASONS FOR AND BENEFITS OF THE ACQUISITIONS

The parties to each of the Agreements intend that the Acquisitions will facilitate Greentown Real Estate in indirectly participating in the Nantong Qidong Projects that are currently run by the Project Companies and Nantong Xihu. The Nantong Qidong Projects are situated one hour away from Shanghai in the PRC, with promising development potential. The Board considers that the Acquisitions by Greentown Real Estate and the development of the Nantong Qidong Projects will offer the Group with the opportunity to further diversify its investment property development business in the PRC and make full use of the advantage of the Xihu Group's rich development and operation experience in Jiangsu, the PRC. In particular, it would provide the Group opportunities to use its full advantage in creating characteristic towns and is expected to become one of the key strategic benchmark projects of the Group. The Board believes that the Acquisitions is in line with the Group's long term vision and can broaden the Group's income base and strengthen its financial position in the long run. Xihu 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 Xihu 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. The Group also endeavours to explore further and broader business cooperation with the Xihu Group on various aspects as and when appropriate.

The terms of each of the Agreements (including the Share Transfer Consideration and the Financial Assistance contemplated thereunder) were determined by arm's length negotiation among the parties to each of the Agreements with reference, among other things: (i) fair market value of comparable properties similar to the Nantong Qidong Projects in the comparable phase of development; and (ii) the capital requirement for the development, the actual and anticipated project costs and the projected returns of the Nantong Qidong Projects.

The Board considers that, pursuant to the Agreements, the Financial Assistance may also enable the Project Companies and Nantong Xihu to settle certain of their liabilities and fund the necessary daily operation and management expenses of the Nantong Qidong Projects, thus in the interest of the Group as a shareholder of the Project Companies and Nantong Xihu.

In view of the above, the Board considers that the Agreements (including the Share Transfer Consideration and Financial Assistance contemplated thereunder) is on normal commercial terms, 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 Acquisitions (based on the Share Transfer Consideration and Financial Assistance contemplated thereunder) 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.

DEFINITIONS

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

“Acquisitions”	the Zhejiang Qizhi Acquisition and the Nantong Xihu Acquisition
“Agreements”	the Zhejiang Qizhi Share Transfer and Project Cooperation Agreement and the Nantong Xihu Share Transfer and Cooperation Agreement
“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 Main Board of the Stock Exchange
“Director(s)”	the director(s) of the Company
“Financial Assistance”	the Zhejiang Qizhi Financial Assistance and the Nantong Xihu Financial Assistance
“Greentown Real Estate”	Greentown Real Estate Group Company Limited (綠城房地產集團有限公司), a company established in the PRC with limited liability and a wholly-owned subsidiary of the Company
“Group”	the Company together with its subsidiaries
“Hangzhou Industrial & Commercial Trust”	Hangzhou Industrial & Commercial Trust Co., Ltd.* (杭州工商信託股份有限公司), a company established in the PRC with limited liability and an independent third party of the Company and its connected persons
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Nantong Qidong Projects”	the Nantong Xihu Project, the Nantong Qixin Project and the Nantong Qiyang Project
“Nantong Qixin”	Nantong Qixin Real Estate Co., Ltd.* (南通啟新置業有限公司), a company established in the PRC with limited liability, and owned by each of Xihu Real Estate and Zhejiang Qizhi as to 50% as at the date of the Zhejiang Qizhi Share Transfer and Project Cooperation Agreement

“Nantong Qixin Project”	the construction project situated in Nantong, Jiangsu, the PRC developed by Nantong Qixin, with a planned above ground gross floor area of approximately 1,078,299.9 sqm
“Nantong Qiyang”	Nantong Qiyang Construction Development Co., Ltd. * (南通啟陽建設開發有限公司), a company established in the PRC with limited liability, and owned by each of Xihu Real Estate and Zhejiang Qizhi as to 50% as at the date of the Zhejiang Qizhi Share Transfer and Project Cooperation Agreement
“Nantong Qiyang Project”	the construction project situated in Nantong, Jiangsu, the PRC developed by Nantong Qiyang, with a planned above ground gross floor area of 347,025 sqm
“Nantong Xihu”	Nantong Xihu Real Estate Co., Ltd.* (南通新湖置業有限公司), a company established in the PRC with limited liability, and owned by Hangzhou Industrial & Commercial Trust and Xihu Real Estate as to 40% and 60%, respectively as at the date of the Nantong Xihu Share Transfer and Cooperation Agreement
“Nantong Xihu Acquisition”	the acquisition of the Nantong Xihu Shares by Greentown Real Estate in accordance with the terms and conditions of the Nantong Xihu Share Transfer and Cooperation Agreement
“Nantong Xihu Project”	the construction project situated in Nantong, Jiangsu, the PRC developed by Nantong Xihu, with a planned above ground gross floor area of approximately 555,111.19 sqm
“Nantong Xihu Shares”	50% of the total shares of Nantong Xihu as at the date of the Nantong Xihu Share Transfer and Cooperation Agreement
“Nantong Xihu Share Transfer and Cooperation Agreement”	the Share Transfer and Cooperation Agreement dated 24 April 2020 entered into among Greentown Real Estate, Xihu Real Estate, Nantong Xihu and Xihu Zhongbao
“PRC”	the People’s Republic of China
“Project Companies”	Nantong Qixin and Nantong Qiyang (each, a “ Project Company ”)
“RMB”	Renminbi, the lawful currency of the PRC

“Required Approvals”	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)
“Share Transfer Consideration”	the Zhejiang Qizhi Share Transfer Consideration and the Nantong Xinqu Share Transfer Consideration
“Shareholder(s)”	holder(s) of the share(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Xinqu Group”	Xinqu Zhongbao and its subsidiaries
“Xinqu Real Estate”	Zhejiang Xinqu Real Estate Group Co., Ltd. (新湖地產集團有限公司), a company established in the PRC with limited liability, and a wholly-owned subsidiary of Xinqu Zhongbao and an independent third party of the Company and its connected persons
“Xinqu Zhongbao”	Xinqu Zhongbao Co., Ltd. (新湖中寶股份有限公司), a company established in the PRC with limited liability. From public information, Xinqu Zhongbao Co., Ltd. is a company listed on the Shanghai Stock Exchange (Stock Code: 600208) and Mr. Huang Wei is the ultimate controlling shareholder thereof. Both Xinqu Zhongbao Co., Ltd. and Mr. Huang Wei are independent third party of the Company and its connected persons
“Zhejiang Qizhi”	Zhejiang Qizhi Industrial Co., Ltd. * (浙江啟智實業有限公司), a company established in the PRC with limited liability, and wholly-owned by Xinqu Zhongbao as at the date of the Zhejiang Qizhi Share Transfer and Project Cooperation Agreement
“Zhejiang Qizhi Acquisition”	the acquisition of the Zhejiang Qizhi Shares by Greentown Real Estate in accordance with the terms and conditions of the Zhejiang Qizhi Share Transfer and Project Cooperation Agreement
“Zhejiang Qizhi Shares”	100% of the total shares of Zhejiang Qizhi as at the date of the Zhejiang Qizhi Share Transfer and Project Cooperation Agreement

“Zhejiang Qizhi Share
Transfer and Project
Cooperation Agreement”

the Share Transfer and Project Cooperation Agreement dated
24 April 2020 entered into among Greentown Real Estate,
Xinhu Zhongbao, Zhejiang Qizhi, Nantong Qixin, Nantong
Qiyang and Xinhu Real Estate

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

Hangzhou, the PRC
24 April 2020

As at the date of this announcement, the Board comprises Mr ZHANG Yadong, Mr LIU Wensheng, Mr GUO Jiafeng, Mr ZHOU Lianying, 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 HUI Wan Fai, Mr QIU Dong and Mr ZHU Yuchen as independent non-executive directors.

* *For identification purpose only*