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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 FINANCIAL ASSISTANCE

WZ Group is a supply chain solution provider in China's pan-building material industry and a pioneer in providing digitalized supply chain solutions to participants along the value chain of the industry. As at the date of this announcement, the Company indirectly owns an aggregate of 31.37% of the total issued shares of WZ.

With a view to providing the support to the WZ Group for its growth and development, the Group provided certain financial assistance in relation to the WZ Group. Such financial assistance were provided by way of acting as guarantor under the relevant bank loans, or acting as payment obligor in case of certain shortfall payment under the relevant ABS-programmes.

Each item of such financial assistance on a standalone basis, by virtue of the applicable percentage ratios, did not constitute a notifiable transaction of the Company under Chapter 14 of the Listing Rules. However, as the highest applicable percentage ratio in respect of the aggregate amount of such financial assistance exceeds 5% but is less than 25%, such financial assistance in aggregate constitute a discloseable transaction of the Company subject to the reporting and announcement requirements but exempt from the circular and shareholders' approval requirements under Chapter 14 of the Listing Rules.

BACKGROUND

WZ Group, established in 2011, is a supply chain solution provider in China's pan-building material industry and a pioneer in providing digitalized supply chain solutions to participants along the value chain of the industry. As a strategic investor, the Company indirectly owns an aggregate of 31.37% of the total issued shares of WZ as at the date of this announcement.

FINANCIAL ASSISTANCE

With a view to providing the support to the WZ Group for its growth and development, the Group provided certain financial assistance in relation to the WZ Group. Such financial assistance were provided by way of acting as guarantor under the relevant bank loans, or acting as payment obligor in case of certain shortfall payment under the relevant ABS-programmes.

A summary of such financial assistance provided by the Group in relation to the WZ Group as at 31 August 2021 is set out below:

(a) Bank loan obtained by the WZ Group

	Lending institution	Borrower	Guarantor from the Group	Loan term	Maximum amount guaranteed by the Group (RMB)	Actual amount of loan drawn by the borrower	Date of creation of the guarantee by the Group
1	Agricultural Bank of China Hangzhou Zhongshan Sub-Branch (農業銀行杭州中山支行)	WZ Subsidiary A	Greentown Real Estate	27 August 2018 to 30 June 2022	50,000,000	36,999,036	27 August 2018
2	Industrial Bank Co., Ltd. Hangzhou Branch (興業銀行杭州分行)	WZ Subsidiary A	Greentown Real Estate	1 November 2020 to 1 November 2023	50,000,000	44,916,216	1 November 2020
3	Hua Xia Bank Co., Ltd. Hangzhou Branch (華夏銀行杭州分行)	WZ Subsidiary B	Greentown Real Estate	1 December 2020 to 1 December 2023	50,000,000	50,000,000	1 December 2020
4	China CITIC Bank Shaoxing Shenzhou Sub-Branch (中信銀行紹興嵊州支行)	WZ Subsidiary B	Greentown Real Estate	1 December 2020 to 1 December 2023	30,000,000	29,000,000	1 December 2020
5	Bank of Beijing Co., Ltd. Hangzhou Branch (北京銀行杭州分行)	WZ Subsidiary A	Greentown Real Estate	26 January 2021 to 25 January 2022	70,000,000	69,865,521	26 January 2021
6	Bank of Shanghai Co., Ltd. Hangzhou Branch (上海銀行杭州分行)	WZ Subsidiary A	Greentown Real Estate	3 March 2021 to 28 July 2022	30,000,000	30,000,000	3 March 2021
7	Bank of Jiangsu Co., Ltd. Hangzhou Branch (江蘇銀行杭州分行)	WZ Subsidiary A	Greentown Real Estate	1 June 2021 to 30 May 2022	20,000,000	19,778,438	1 June 2021
	Total:				<u>300,000,000</u>	<u>280,559,211</u>	

(b) ABS-programmes in relation to certain trade receivables of the WZ Group

(i) Public offering ABS-programmes

	Institution/ ABS-programme	Guarantor from the Group (Note)	ABS- programme term	Maximum amount guaranteed by the Group (RMB)	Date of creation of the payment obligations by the Group
1	Ping An – Qianjinding Accounts Receivable Phase 1 (平安-仟金頂 應收帳款1期)	Greentown Real Estate	6 January 2021 to 6 January 2022	560,812,430	6 January 2021
2	Ping An – Qianjinding Accounts Receivable Phase 2 (平安-仟金頂 應收帳款2期)	Greentown Real Estate	23 June 2021 to 23 June 2022	450,222,578	23 June 2021
	Total:			<u>1,011,035,008</u>	

Note:

Under these ABS-programmes, WZ Subsidiary A as the creditor of its trade receivables issued such programmes. In the event that there is insufficient balance for repayment of principals and interests under such programmes, WZ Subsidiary A shall, as the first obligor, make up any shortfall, failure of which Greentown Real Estate shall, as the second obligor, make up any shortfall.

(c) **ABS-programmes in relation to certain trade payables of the WZ Group**

(i) ***Private placement ABS-programmes***

	Institution/ ABS-programme	Guarantor from the Group (Note)	ABS- programme term	Maximum amount guaranteed by the Group (RMB)	Date of creation of the payment obligations by the Group
1	Everbright Prestige Capital Asset Management – Everbright Financial Management Capital No.2 (首譽光控－光大理 財光控2號)	Greentown Real Estate	23 September 2020 to 23 September 2021	172,795,000	23 September 2020
2	China Capital Management Co. Ltd. – China Guangfa Bank Supply Chain No. 7 (華夏資本－廣發銀行 供應鏈7號)	Greentown Real Estate	10 November 2020 to 10 November 2021	210,959,800	10 November 2020
	Total:			<u>383,754,800</u>	

Note:

Under these private placement ABS-programmes, the suppliers transferred their trade receivables from WZ Subsidiary A to such programmes. WZ Subsidiary A shall pay such trade payables to these programmes. In the event of any insufficiency of payment, Greentown Real Estate shall make up any shortfall.

(ii) *Public offering ABS/ABN-programmes*

	Financial institution/ ABS/ABN-programme	Guarantor from the Group (Note)	ABS- programme term	Maximum amount guaranteed by the Group (RMB)	Date of creation of the guarantee by the Group
1	Ping An – Yunlu Yifang Supply Chain Finance Phase 4 (平安–雲廬 一方供應鏈金融4期)	Greentown Real Estate	23 November 2020 to 23 November 2021	152,106,400	23 November 2020
2	Ping An – Guiyu Yifang Supply Chain Phase 7 (平安–桂語一方供應鏈 金融7期)	Greentown Real Estate	7 December 2020 to 7 December 2021	56,650,600	7 December 2020
3	China Securities Co., Ltd. – Greentown Factoring Supply Chain Finance 5 (中信建投–綠城保理 供應鏈金融5號)	Greentown Real Estate	13 December 2020 to 13 December 2021	30,000,000	13 December 2020
4	Ping An – Guiyu Yifang Supply Chain Finance Phase 8 (平安–桂語 一方供應鏈金融8期)	Greentown Real Estate	21 December 2020 to 21 December 2021	121,072,400	21 December 2020
5	China Securities Co., Ltd. – Greentown Factoring Supply Chain Finance 6 (中信建投–綠城保理 供應鏈金融6號)	Greentown Real Estate	17 January 2021 to 17 January 2022	21,513,400	17 January 2021
6	Greentown – Industrial ABN Phase 5 (綠城–興業ABN5期)	Greentown Real Estate	20 June 2021 to 20 June 2022	59,783,900	20 June 2021
	Total:			<u>441,126,700</u>	

Note:

Under these public offering ABS/ABN-programmes, the suppliers transferred their trade receivables from WZ Subsidiary A to such programmes. WZ Subsidiary A shall pay such trade payables to these programmes. In the event of any insufficiency of payment, Greentown Real Estate shall make up any shortfall.

As at 31 August 2021, the aggregate outstanding financial assistance in relation to the WZ Group provided by the Group amounted to RMB2.136 billion (contractual amount) or RMB2.116 billion (actual amount).

LISTING RULES IMPLICATIONS

Each item of the Financial Assistance on a standalone basis, by virtue of the applicable percentage ratios, did not constitute a notifiable transaction of the Company under Chapter 14 of the Listing Rules. However, as the highest applicable percentage ratio in respect of the aggregate amount of Financial Assistance exceeds 5% but is less than 25%, the Financial Assistance in aggregate constitute a discloseable transaction of the Company subject to the reporting and announcement requirements but exempt from the circular and shareholders' approval requirements under Chapter 14 of the Listing Rules.

REASONS FOR AND BENEFITS OF THE TRANSACTIONS

The WZ Group focuses on supply chain services in the field of pan-building materials. The WZ Group operates an active ecosystem which has upstream brand companies and downstream distributors who are actively trading on the WZ Group's pan-building material supply chain platform. As an important strategic shareholder, the Group provides credit support to promote the continuous and rapid development of the WZ Group's business, helps the WZ Group accumulate industry resources, and contributes to the development of the supply chain technology service platform. From the Group's equity investment perspective, its investment in the WZ Group allows the Group to obtain investment return in the long run.

The Group's 2025 strategic plan is to cultivate emerging businesses, and the investment and development support in the WZ Group aligns with the Group's 2025 development strategy.

The Board determines that the aggregate amount of financial assistance in relation to the WZ Group provided by the Company and its subsidiaries from time to time shall not exceed actual aggregate amount (namely RMB2.116 billion) as at 31 August 2021, and such amount shall be reduced from 2022 eventually down to zero by end of 2024.

Taking into account the above, the Board considers that the Financial Assistance were on normal commercial terms, and that the terms of each of the Financial Assistance are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

As confirmed by each of the Directors (in respect of himself), none of the Directors is required to abstain from voting on the Board resolutions on the Financial Assistance and the matters contemplated thereunder except that Mr WU Wende who is an executive Director of the Company and also a director of WZ abstained from voting on such Board resolutions.

GENERAL INFORMATION

The Company is a company incorporated in the Cayman Islands with limited liability, and the shares of which 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.

WZ Group, established in 2011, is a supply chain solution provider in China's pan-building material industry and a pioneer in providing digitalized supply chain solutions to participants along the value chain of the industry. So far as the Company is aware, as at the date of this announcement, the individual founders of the WZ Group (namely Mr Mi Jiandong, and Ms Lai Weiyang) indirectly controls 35.17% of the total issued shares of WZ, while the other shareholders of WZ that hold 10% or more of the total issued shares in WZ are Eternity Wealth Investments Limited (a wholly-owned subsidiary of the Company) (as to 31.37%) and Sequoia Capital China GF Holdco III-A, Ltd. (as to 13.87%)

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, none of WZ and its ultimate beneficial owners is a connected person of the Company under the Listing Rules.

DEFINITIONS

In this announcement, unless the content otherwise requires, the following expressions have the following meanings:

ABS	asset-backed securities
Board	the board of directors 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
Directors	the directors of the Company
Financial Assistance	the financial assistance provided by the Group in relation the WZ Group, a summary of which is set out in the section headed "Financial Assistance" of this announcement
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 and its subsidiaries

Listing Rules	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
Shareholders	the shareholders of the Company
Stock Exchange	The Stock Exchange of Hong Kong Limited
WZ	WZ Group Limited (網築集團有限公司), a company incorporated in the Cayman Islands with limited liability
WZ Group	WZ and its subsidiaries
WZ Subsidiary A	Qianjinding Internet Technology Co., Ltd., a company established in the PRC and a wholly-owned subsidiary of WZ
WZ Subsidiary B	Greentown E-commerce Co., Ltd., a company established in the PRC and a wholly-owned subsidiary of WZ

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

Hangzhou, the PRC
27 September 2021

As at the date of this announcement, the Board comprises Mr ZHANG Yadong, Mr GUO Jiafeng, Mr WU Wende, Mr GENG Zhongqiang, Mr LI Jun and Ms HONG Lei as executive directors, Mr Stephen Tin Hoi NG (Mr Andrew On Kiu CHOW as his alternate) and Mr WU Yiwen as non-executive directors and Mr JIA Shenghua, Mr HUI Wan Fai, Mr QIU Dong and Mr ZHU Yuchen as independent non-executive directors.

* *For identification purpose only*