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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 AND CONNECTED TRANSACTION ACQUISITION OF INTERESTS IN THE TARGET COMPANY

On 5 September 2024, Nantong Bokai (a wholly-owned subsidiary of the Company) entered into the Agreement with MFHK, pursuant to which Nantong Bokai agreed to acquire 40% equity interest in the Target Company from MFHK at a consideration of approximately RMB1,111 million. Upon completion of the Acquisition, the Target Company will become a wholly-owned subsidiary of the Company.

LISTING RULES IMPLICATIONS

As one of the applicable percentage ratios under Rule 14.07 of the Listing Rules in respect of the Acquisition, in aggregate, exceeds 5% but none of such percentage ratios is 25% or above, the transactions contemplated under the Agreement constitute a discloseable transaction of the Company and are therefore subject to the reporting and announcement requirements but exempt from the circular and shareholders' approval requirements pursuant to Chapter 14 of the Listing Rules.

As MFHK (as the Seller) is a connected person of the Company at the subsidiary level by virtue of being a substantial shareholder of the Target Company (which is a subsidiary of the Company), the Acquisition constitutes a connected transaction for the Company under Chapter 14A of the Listing Rules. By virtue of Rule 14A.101 of the Listing Rules, as (i) MFHK is a connected person of the Company at the subsidiary level; (ii) the transactions contemplated under the Agreement are on normal commercial terms; and (iii) the Board (including all the independent non-executive Directors) have approved the transactions and confirmed that the transactions are on normal commercial terms, fair and reasonable and in the interests of the Company and the Shareholders as a whole, the transactions contemplated under the Agreement are subject to reporting and announcement but are exempted from independent shareholders' approval requirements under Chapter 14A of the Listing Rules. None of the Directors has any interest in the Acquisition and is required to abstain from voting on the same at the relevant meeting of the Board.

INTRODUCTION

The Target Company was formed by Shanghai Greentown Hongsheng (a wholly-owned subsidiary of the Company) with MFHK for the development of the Nantong Sincere Garden project, a construction project for the development of residential and commercial properties in Nantong, Jiangsu Province, PRC. Prior to the Acquisition, the Target Company was held as to 40% by MFHK and 60% by Shanghai Greentown Hongsheng. The financial results of the Target Company are consolidated into the consolidated financial statements of the Group and is a non wholly-owned subsidiary of the Company.

As at the date of this announcement, the project has been completed and delivered. For MFHK's exit from the Target Company and proper handling of relevant liquidation and withdrawal of shareholders, among other things, on 5 September 2024, Nantong Bokai (a wholly-owned subsidiary of the Company) entered into the Agreement with MFHK, pursuant to which Nantong Bokai agreed to acquire 40% equity interest in the Target Company from MFHK at a consideration of approximately RMB1,111 million. Upon completion of the Acquisition, the Target Company will become a wholly-owned subsidiary of the Company.

MFHK (as the Seller) holds 40% equity interest in the Target Company and is a substantial shareholder of the Target Company. The Seller is regarded as a connected person of the Company at the subsidiary level. As such, the Acquisition constitutes a connected transaction for the Company under Chapter 14A of the Listing Rules.

PRINCIPAL TERMS OF THE AGREEMENT

The principal terms of the Agreement are as follows:

Date	:	5 September 2024
Parties	:	(1) Nantong Bokai (as Buyer) (2) MFHK (as Seller)
Subject Matter	:	Subject to the terms of the Agreement, MFHK shall sell, and Nantong Bokai shall purchase the Target Interest, representing 40% equity interest in the Target Company.
Consideration	:	The total Consideration for the Target Interest pursuant to the Agreement amounted to approximately RMB1,111 million. The Consideration was arrived at after arm's length negotiations between the parties based on normal commercial terms mainly with reference to the net asset value of the Target Company as at 30 April 2024.

Nantong Bokai shall pay to MFHK the Consideration by 20 November 2024 in full. The Consideration is expected to be funded by the internal resources of the Group.

Completion : Completion shall take place on the day when the Target Company completes the industrial and commercial registration procedures in relation to the transfer of the Target Interest and after the Consideration has been settled.

After Completion, the Target Company will become an indirect wholly-owned subsidiary of the Company and the financial results of the Target Company will continue to be consolidated into the consolidated financial statements of the Group.

REASONS FOR AND BENEFITS OF ENTERING INTO THE AGREEMENT

The Target Company was formed by Shanghai Greentown Hongsheng with MFHK for the development of the Nantong Sincere Garden project. As of the date of the announcement, the Nantong Sincere Garden project has been completed and delivered.

The Acquisition under the Agreement facilitates MFHK's exit from the Target Company and proper handling of relevant liquidation and withdrawal of shareholders. The terms of the Agreement were determined after arm's length negotiations between MFHK and Nantong Bokai. As such, the Directors (including the independent non-executive Directors) consider that the Agreement has been made on normal commercial terms and in the ordinary and usual course of business of the Group, and that its terms are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

All of the Directors do not have material interest in the Acquisition and they are not required to abstain from voting on the board resolution approving the Acquisition.

LISTING RULES IMPLICATIONS

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As MFHK (as the Seller) is a connected person of the Company at the subsidiary level by virtue of being a substantial shareholder of the Target Company (which is a subsidiary of the Company), the Acquisition constitutes a connected transaction for the Company under Chapter 14A of the Listing Rules. By virtue of Rule 14A.101 of the Listing Rules, as (i) MFHK is a connected person of the Company at the subsidiary level; (ii) the transactions contemplated under the Agreement are on normal commercial terms; and (iii) the Board (including all the independent non-executive Directors) have approved the transactions and confirmed that the transactions are on normal commercial terms, fair and reasonable and in the interests of the Company and the Shareholders as a whole, the transactions contemplated under the Agreement are subject to reporting and announcement but are exempted from independent shareholders' approval requirements under Chapter 14A of the Listing Rules. None of the Directors has any interest in the Acquisition and is required to abstain from voting on the same at the relevant meeting of the Board.

INFORMATION ON THE PARTIES TO THE AGREEMENT

The Target Company

The Target Company is a company established in the PRC with limited liability and is principally engaged in the development of Nantong Sincere Garden project. As at the date of this announcement, the Target Company is a company owned as to 60% by Shanghai Greentown Hongsheng (a wholly-owned subsidiary of the Company) and 40% by MFHK.

As at 30 April 2024, the unaudited consolidated net assets of the Target Company amounted to approximately RMB2,755 million. The unaudited net profit (or loss) before taxation and after taxation for the two years ended 31 December 2023 of the Target Company were as follows:

	For the year ended 31 December 2022 (RMB'000)	For the year ended 31 December 2023 (RMB'000)
Net profit (or loss) before tax	507,875	125,344
Net profit (or loss) after tax	369,280	97,809

The Group

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. Shanghai Greentown Hongsheng is a company established in the PRC with limited liability and is principally engaged in real estate investment. It is a wholly-owned subsidiary of the Company.

Nantong Bokai is a company established in the PRC with limited liability and is principally engaged in real estate development. It is a wholly-owned subsidiary of the Company.

MFHK

MFHK is a company established in Hong Kong with limited liability and is principally engaged in investment in residential projects in China. As at the date of this announcement, the ultimate beneficial owners of MFHK are Mitsui Fudosan Co., Ltd. (a company listed on the Tokyo Stock Exchange (stock code: 8801)) and Mitsui Fudosan Residential Co., Ltd. (a wholly-owned subsidiary of Mitsui Fudosan Co., Ltd.) who holds 60% and 40% of equity interest in MFHK respectively.

To the best of the knowledge, information and belief of the Directors, having made all reasonable enquiries, save as and except for holding 40% equity interest in the Target Company, MFHK and its ultimate beneficial owners are third parties independent of the Company and its connected persons (within the meaning of the Listing Rules).

DEFINITIONS

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

“Acquisition”	the agreement dated 5 September 2024 entered into between MFHK and Nantong Bokai in respect of the Acquisition
“Agreement”	the acquisition of 40% equity interest in the Target Company by Nantong Bokai from MFHK pursuant to the terms and conditions of the 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 Stock Exchange
“Completion”	completion of the Acquisition as contemplated under the Agreement
“connected person(s)”	has the same meaning ascribed to it under the Listing Rules
“Consideration”	the total consideration for the Target Interest payable by Nantong Bokai to MFHK under the Agreement
“Director(s)”	the director(s) of the Company
“Group”	the Company together with its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“MFHK”	MFHK Investment Limited, a company incorporated under the laws of Hong Kong with limited liability
“Nantong Bokai”	Nantong Bokai Real Estate Co., Ltd.* (南通博凱置業有限公司), a company incorporated under the laws of the PRC with limited liability and a wholly-owned subsidiary of the Company
“PRC”	the People’s Republic of China
“RMB”	Renminbi, the lawful currency of the PRC

“Shanghai Greentown Hongsheng”	Shanghai Greentown Hongsheng Construction Development Co., Ltd.* (上海綠城泓盛建設發展有限公司), a company incorporated under the laws of the PRC with limited liability and a wholly-owned subsidiary of the Company
“Share(s)”	ordinary share(s) of HK\$0.1 each in the issued share capital of the Company
“Shareholder(s)”	holder(s) of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“substantial shareholder(s)”	has the same meaning ascribed to it under the Listing Rules
“Target Company”	Nantong Chuangyu Real Estate Co., Ltd.* (南通創宇置業有限公司), a company incorporated under the laws of the PRC with limited liability
“Target Interest”	40% equity interest in the Target Company

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

Hangzhou, the PRC
5 September 2024

As at the date of this announcement, the Board comprises Mr ZHANG Yadong, Mr GUO Jiafeng, Mr ZHOU Changjiang, Mr GENG Zhongqiang, Mr LI Jun and Ms HONG Lei as executive directors, Mr Stephen Tin Hoi NG 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 purposes only