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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)**

### **SUPPLEMENTAL ANNOUNCEMENT**

Reference is made to the announcement of Company dated 3 December 2024 (the “**Announcement**”) in relation to the Disposal. Unless otherwise specified, capitalised terms herein shall have the same meanings as those defined in the Announcement.

The Company wishes to provide additional information in relation to the Disposal, in particular, the details of the valuation (the “**Valuation**”) of the Target Company as at 30 September 2024 (the “**Valuation Benchmark Date**”), as follows:

#### **THE VALUATION**

As disclosed in the Announcement, the Consideration was arrived at after arm’s length negotiations between the parties on normal commercial terms taking into account various factors, amongst other things, the valuation of the Target Company as at 30 September 2024 by an independent valuer. The Valuation was conducted as at 30 September 2024 by an independent valuer, Tianyuan Asset Appraisal Co., Ltd.\* (天源資產評估有限公司) (the “**Valuer**”) engaged by the Target Company. The Valuer issued the valuation report (the “**Valuation Report**”) on 15 October 2024. According to the Valuation Report, after conducting the evaluation procedures, including on-site investigation, interviews, data collection, evaluation and estimation, and internal review, the Valuer concluded that the Valuation as at the Valuation Benchmark Date to be RMB474,379,600.

#### **Valuation Methodology**

According to the Valuation Report, the Valuer has considered all commonly adopted valuation approaches in the market (namely asset-based approach, market approach and income approach) for the purpose of determining the market value of the entire shareholders’ equity interest in the Target Company as at the Valuation Benchmark Date.

As disclosed in the Announcement, the Target Company is the holding company of the Target Property. The Disposal essentially is a disposal of the Target Property by way of disposing the holding company of such property. Considering that the Target Company is a holding company and its main asset is investment properties and taking into account the other book assets and liabilities of the Target Company, the Valuer adopted the market approach for the valuation of the investment properties and the asset-based approach for the valuation of the entire shareholders' equity interest in the Target Company as a whole.

### **Inputs and Computation Process of the Valuation**

According to the Valuation Report, as at the Valuation Benchmark Date, the appraised value of the entire shareholders' equity of the Target Company is the sum of (1) the appraised value of current assets; and (2) the appraised value of the investment properties, minus (3) the total liabilities.

#### **(1) Current assets**

The current assets of the Target Company include cash, other receivables and other current assets.

The book value of the current assets is approximately RMB83,089,400 and the appraised value is approximately RMB83,102,600, representing an appreciation amount of approximately RMB13,200 which was due to the difference between the book value and book balance of other receivables, namely the bad debt reserve. Upon verification of other receivables, the Valuer also conducts aging analysis and verifies the amount that may be recovered for each transaction to confirm the appraised value of the other receivables.

#### **(2) Investment properties**

The Target Property consists of the investment properties held by the Target Company.

The book value of the investment properties (pursuant to PRC accounting standard adopting a cost model, where the investment properties were stated at historical cost less accumulated depreciation and impairment charges, if any) is approximately RMB1,104,110,750 and the appraised value is approximately RMB1,261,510,700, representing an appreciation amount of approximately RMB157,399,950.

The appraised value of the investment properties is determined under the market approach. The market approach follows the principle of substitution, and determines the value of the appraisal object by comparing and adjusting factors between transaction examples recent to the Valuation Benchmark Date which have similar conditions and similar properties and the appraisal object. The appraised value of the investment properties is then calculated on the basis of the appraised value of the comparable properties.

The Valuer selected three recently traded properties of a similar type, located in comparable areas, and with similar transaction structures to the property being evaluated. The details of the three comparable properties are as follows:

	<b>Comparable property A</b>	<b>Comparable property B</b>	<b>Comparable property C</b>
<b>Location</b>	Zhejiang Global Center* (環球中心)	Triplenic Mansion* (標力大廈)	Zhejiang Global Center* (環球中心)
<b>Transaction price (RMB/m<sup>2</sup>)</b>	25,108.64	23,510.77	24,464.83
<b>Transaction date</b>	September 2024	September 2024	September 2024

By taking into account of the size, location, time, age, quality and any other relevant factors of the comparable properties, the Valuer arrived at the market unit rates for the investment properties, which are approximately RMB28,100-30,300/m<sup>2</sup>.

### (3) *Total liabilities*

The total liabilities of the Target Company include tax payables, other payables and non-current liabilities payable within one year and other non-current liabilities.

The book value of the total liabilities is approximately RMB870,168,200 and the appraised value is approximately RMB870,233,700, representing an appreciation amount of approximately RMB65,500 which was mainly due to an appreciation in the appraised value of non-current liabilities payable within one year that also includes the recalculated value of interests payable in accordance with the underlying loan agreements of these non-current liabilities payable within one year.

According to the Valuation Report, after conducting the evaluation procedures, including on-site investigation, interviews, data collection, evaluation and estimation, and internal review, and based on the valuation methods described above, the Valuer concluded that the Valuation as at the Valuation Benchmark Date to be RMB474,379,600.

### **Valuation Assumptions**

The above valuation was based on following general assumptions:

- (1) Transaction assumption: it is assumed that all subjects to be appraised are in the process of transaction and the valuer makes estimations in a simulated market according to the transaction conditions of the assets to be appraised;

- (2) Open market assumption: an open market is a competitive market with fully developed and sound market conditions and willing buyers and sellers, in which the buyers and the sellers have equal standing and are provided with the opportunity and time to obtain sufficient market information and conduct transaction behaviours in a willing and rational state without compulsion or restrictions. Appraisal assets can be traded openly in the market and unreasonable offers by special buyers for the appraisal assets are not considered;
- (3) Stable macroeconomic situation assumption: it is assumed that the industry policies, tax policies and the PRC's macroeconomic situation remain stable and there are no material changes in the interest rates and exchange rates;
- (4) Enterprise going-concern assumption: it is assumed that the business of the Target Company is in compliance with laws and will continue to operate in the future. According, the Target Company will be able to realize its assets in its normal course of business;
- (5) It is assumed that the technology, structure, and function of the appraised asset are generally consistent with the condition observed and the expected economic useful life; and
- (6) The accuracy of the fundamental and financial information provided to the Valuer by the Company relied to a considerable extent on such information in arriving at the Valuer's opinion of value.

The above valuation was based on following special assumptions:

- (1) It is assumed that the industry to which the Target Company belongs maintains a stable development trend; there are no material changes in the PRC's relevant laws, regulations and policies, and the PRC's macroeconomic situation; there are no material changes in the politics, economy and social environments of the regions where the parties to this transaction are located at;
- (2) There will be no material changes in interest rates, exchange rates, tax bases and tax rates, and policy-related charges;
- (3) There are no hidden or unexpected conditions associated with the assets to be appraised that might adversely affect the reported value;
- (4) Unless otherwise specified, it is assumed that the Target Company is fully complied with all relevant laws and regulations;
- (5) It is assumed that the management of the Target Company is responsible, and capable of assuming their positions;
- (6) It is assumed that on the basis of Target Company's existing management methods and management levels, the business scope and methods are consistent with the current situation;

- (7) It is assumed that the accounting policies adopted by the Target Company after the Valuation Benchmark Date are consistent in all material respects with the accounting policies adopted at the time of preparation of the Valuation Report; and
- (8) It is assumed that all the cash flow related to the investment properties of the Target Company are average cash flow within the same year in which the related income, costs and expenses occur.

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

Hangzhou, the PRC  
24 December 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*