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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)**

### **CONNECTED TRANSACTION PROVISION OF PROJECT MANAGEMENT SERVICES**

The Company announces that, on the date of this announcement, Greentown Real Estate Construction Management and Greentown Leju, each a non-wholly owned subsidiary of the Company, entered into the Agreement with Hangzhou Sanhang Yinhu. Pursuant to the Agreement, Greentown Real Estate Construction Management and Greentown Leju agreed to provide Hangzhou Sanhang Yinhu with project management services in relation to the Project.

As at the date of this announcement, CCCG and its subsidiaries are holding 624,851,793 Shares, representing approximately 25.055% of the issued share capital of the Company. CCCG is therefore a substantial shareholder of the Company under the Listing Rules. Accordingly, CCCG and its associates (including Hangzhou Sanhang Yinhu, a non-wholly owned subsidiary of CCCG) are connected persons of the Company. The transaction contemplated under the Agreement constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules. As one or more of the applicable percentage ratios (as defined in the Listing Rules) in respect of the transaction contemplated under the Agreement exceed 0.1% but all of them are less than 5%, such transaction is subject to the reporting and announcement requirements but exempt from the circular and independent shareholders' approval requirements pursuant to Chapter 14A of the Listing Rules.

### **INTRODUCTION**

The Board announces that, on the date of this announcement, Greentown Real Estate Construction Management and Greentown Leju, each a non-wholly owned subsidiary of the Company, entered into the Agreement with Hangzhou Sanhang Yinhu (a connected person of the Company for the reason of being a non-wholly owned subsidiary of CCCG, a substantial shareholder of the Company). Pursuant to the Agreement, Greentown Real Estate Construction Management and Greentown Leju agreed to provide Hangzhou Sanhang Yinhu with project management services in relation to the Project at the Consideration of 2.5% (RMB73,610,000 as of the date of this announcement) of the settled total investment in the Project.

## PRINCIPAL TERMS OF THE AGREEMENT

The principal terms of the Agreement are as follows:

- Date : 11 December 2020
- Parties : (1) Greentown Real Estate Construction Management and Greentown Leju, each a non-wholly owned subsidiary of the Company
- (2) Hangzhou Sanhang Yinhu, a non-wholly owned subsidiary of CCCG
- Subject Matter : Hangzhou Sanhang Yinhu is the developer and constructor in the Project. Hangzhou Sanhang Yinhu and its holding company, CCCG Third Harbor Engineering Co., Ltd.\* (中交第三航務工程局有限公司), will be responsible for funding the investment in the Project.
- Subject to the terms and provisions of the Agreement, Greentown Real Estate Construction Management and Greentown Leju shall provide Hangzhou Sanhang Yinhu with project management services in the Project, which should comprise preparatory management works, planning and design management, cost management, project work management, management of the completion and inspection of construction works and other related supporting services.
- Consideration : The Consideration for providing project management services to Hangzhou Sanhang Yinhu in the Project is 2.5% (RMB73,610,000 as of the date of this announcement) of the settled total investment amount of the Project, as determined after arm's length negotiations having taken into account factors including the anticipated resources and manpower required of the Group, market condition and business opportunities available, business repute of the parties in the Project and the comparable market rates.
- Payment Terms : (a) 10% of the Consideration payable within 15 working days following the execution of the Agreement;
- (b) 20% of the Consideration payable within 15 working days after obtaining the commencement permit for construction works of the land lots and submission of payment materials by Greentown Real Estate Construction Management and Greentown Leju;

- (c) after commencement of works, quarterly payments of 2% of the verified construction work values will be made to Greentown Real Estate Construction Management and Greentown Leju, until 80% of the Consideration is paid up;
- (d) payment shall cover 90% of the Consideration after obtaining the filings of the completion of the construction works;
- (e) payment up to 97.5% of the audited Consideration shall be covered after settlement audit; and
- (f) payment up to 100% of the audited Consideration shall be covered within 2 years upon completion and inspection.

Others : Should incentive be granted to Hangzhou Sanhang Yinhu for achieving project goals ahead of the work schedule, 20% will go to Greentown Real Estate Construction Management and Greentown Leju. Up to RMB300,000 will go to Greentown Real Estate Construction Management and Greentown Leju for work quality incentives.

## **REASONS FOR AND BENEFITS OF ENTERING INTO THE AGREEMENT**

The Board considers that the Agreement will enable the Group to generate income without substantial capital input into the Project, by leveraging on its technique, expertise and experience in property development and project management in the PRC in facilitating the Project and enhancing the quality thereof.

The Board considers 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.

## **LISTING RULES IMPLICATIONS**

As at the date of this announcement, CCCG and its subsidiaries are holding 624,851,793 Shares, representing approximately 25.055% of the issued share capital of the Company, and CCCG is therefore a substantial shareholder of the Company under the Listing Rules. Accordingly, CCCG and its associates (including Hangzhou Sanhang Yinhu, an indirect non-wholly owned subsidiary of CCCG) are connected persons of the Company. The transaction contemplated under the Agreement constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules. As one or more of the applicable percentage ratios (as defined in the Listing Rules) in respect of the transaction contemplated under the Agreement exceed 0.1% but all of them are less than 5%, such transaction is subject to the reporting and announcement requirements but exempt from the circular and independent shareholders' approval requirements pursuant to Chapter 14A of the Listing Rules.

Since CCCG has a material interest in the Agreement and the transaction thereunder and in light of CCCG's relationship with Mr LIU Wensheng, Mr ZHOU Lianying, Mr GENG Zhongqiang and Mr LI Jun, these Directors have abstained from voting on the Board resolutions on the Agreement and the transaction contemplated thereunder.

## **GENERAL**

### **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.

Each of Greentown Real Estate Construction Management and Greentown Leju (being companies established in the PRC) is a wholly-owned subsidiary of Greentown Management Holdings (Stock Code: 9979), a non-wholly owned subsidiary of the Company owned as to 73.17% by the Company. As such, each of Greentown Real Estate Construction Management and Greentown Leju is a non-wholly owned subsidiary of the Company. Each of Greentown Real Estate Construction Management and Greentown Leju is principally engaged in providing project management services for property development.

### **CCCG**

CCCG is a wholly state-owned company established in the PRC and the controlling shareholder of China Communications Construction Co. Ltd. (a joint stock limited company incorporated in the PRC, of which the H Shares are listed on the Stock Exchange and the A Shares are listed on the Shanghai Stock Exchange, Stock Code: 601800). Based on publicly available information, CCCG is principally engaged in the design and construction of transportation infrastructure, dredging and heavy machinery manufacturing business and covers the following business aspects: port, terminal, road, bridge, railway, tunnel, civil work design and construction, capital dredging and reclamation dredging, container crane, heavy marine machinery, large steel structure and road machinery manufacturing, and international project contracting, import and export trading services. According to CCCG, it is the largest port construction and design company in the PRC, a leading company in road and bridge construction and design, a leading railway construction company, the largest dredging company in the PRC and in the world (in terms of dredging capacity). To the best knowledge of the Directors after making reasonable enquiries, the ultimate beneficial shareholder of CCCG is the State-owned Assets Supervision and Administration Commission of the State Council of the PRC.

Hangzhou Sanhang Yinhu is a company established in the PRC with limited liability and an indirect non-wholly owned subsidiary of CCCG. Hangzhou Sanhang Yinhu was established for the development works of the Project. To the best knowledge of the Directors after making reasonable enquiries, the ultimate controlling shareholder of Hangzhou Sanhang Yinhu is the State-owned Assets Supervision and Administration Commission of the State Council of the PRC.

## DEFINITIONS

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

|   |   |
|---|---|
| “Agreement”                                     | the real property development entrusted management agreement entered into between Greentown Real Estate Construction Management, Greentown Leju and Hangzhou Sanhang Yinhu in relation to the contracting of project management services in the Project   |
| “associate”                                     | has the same meaning ascribed to it under the Listing Rules   |
| “Board”   | the board of Directors  |
| “CCCCG”   | China Communication Constructions Group (Limited), a wholly state-owned company established in the PRC and a substantial shareholder 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   |
| “connected person(s)”                           | has the same meaning ascribed to it under the Listing Rules   |
| “Consideration”                                 | 2.5% (RMB73,610,000 as of the date of this announcement) of the settled total investment in the Project payable by Hangzhou Sanhang Yinhu to Greentown Real Estate Construction Management and Greentown Leju in relation to their provision of the project management services under the Agreement |
| “Director(s)”                                   | the director(s) of the Company  |
| “Greentown Leju”                                | Greentown Leju Construction Management Group Co., Ltd. (綠城樂居建設管理集團有限公司), a company established in the PRC and an indirect non-wholly-owned subsidiary of the Company  |
| “Greentown Real Estate Construction Management” | Greentown Real Estate Construction Management Group Co., Ltd (綠城房地產建設管理集團有限公司), a company established in the PRC with limited liability and an indirect non-wholly-owned subsidiary of the Company  |
| “Greentown Management Holdings”                 | Greentown Management Holdings Company Limited (綠城管理控股有限公司) (Stock Code: 9979), an exempted company incorporated under the laws of the Cayman Islands with limited liability, the shares of which are listed on the Stock Exchange, and a non-wholly owned subsidiary of the Company                 |

|                              |   |
|------------------------------|---|
| “Group”                      | the Company together with its subsidiaries  |
| “Hangzhou Sanhang Yinhu”     | Hangzhou Sanhang Yinhu Construction Development Co., Ltd. * (杭州三航銀湖建設發展公司), a company established in the PRC and an indirect non-wholly owned subsidiary of CCCG  |
| “Listing Rules”              | the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited  |
| “PRC”                        | the People’s Republic of China  |
| “Project”                    | the construction project of plots 2#, 8#, 9# and 10# of Fuyang District Yinhu Housing Placement Construction Project (富陽區銀湖安置房建設項目), located in Yinhu Road, Fuyang District, Hangzhou, Zhejiang province, with an aggregate gross construction area of approximately 794,629 sqm, for development into housing placement properties (安置房) |
| “RMB”                        | Renminbi, the lawful currency of the PRC  |
| “Shareholder(s)”             | Holder(s) of the Shares   |
| “Share(s)”                   | ordinary share(s) of HK\$0.1 each in the issued share capital of the Company  |
| “sqm”                        | square metres   |
| “Stock Exchange”             | The Stock Exchange of Hong Kong Limited   |
| “substantial shareholder(s)” | has the same meaning ascribed to it under the Listing Rules   |

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

Hangzhou, the PRC  
11 December 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 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 purposes only