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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

On 26 August 2024, Greentown Real Estate Construction Management (a non-wholly owned subsidiary of the Company) entered into the Agreement with Chengdu Wenjiang Real Estate. Pursuant to the Agreement, Greentown Real Estate Construction Management agreed to provide Chengdu Wenjiang Real Estate with project management services in relation to the Project.

LISTING RULES IMPLICATIONS

As at the date of this announcement, CCCG and its subsidiaries are holding 733,456,293 Shares, representing approximately 28.97% 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 CCCC Western Investment, an indirect non-wholly owned subsidiary of CCCG and Chengdu Wenjiang Real Estate, a company held as to over 30% by CCCC Western Investment) 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

On 26 August 2024, Greentown Real Estate Construction Management (a non-wholly owned subsidiary of the Company) entered into the Agreement with Chengdu Wenjiang Real Estate. Pursuant to the Agreement, Greentown Real Estate Construction Management agreed to provide Chengdu Wenjiang Real Estate with project management services in relation to the Project.

PRINCIPAL TERMS OF THE AGREEMENT

The principal terms of the Agreement are as follows:

Date	:	26 August 2024
Parties	:	(1) Greentown Real Estate Construction Management (2) Chengdu Wenjiang Real Estate
Subject Matter	:	Chengdu Wenjiang Real Estate is the developer and constructor in the Project.

Subject to the terms and provisions of the Agreement, Greentown Real Estate Construction Management shall provide Chengdu Wenjiang Real Estate with project management services in the Project, which should comprise preparatory management, planning and design management, cost management, engineering management, market positioning, project completion acceptance check and delivery management, property maintenance management, and preparatory property service consultancy management and community services.

The Project is located in Wenjiang District, Chengdu City, Sichuan Province with a gross construction area of approximately 152,046 sqm, which is intended to be developed into residential and commercial properties.

Term	:	The term of the Agreement shall commence on the date of the Agreement and end on the expiry of six months from the date of the centralized delivery of the last phase of the Project.
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Consideration : Pursuant to the terms of the Agreement, the Consideration for providing project management services by Greentown Real Estate Construction Management to Chengdu Wenjiang Real Estate in the Project shall be RMB27,214,851 based on the specifications of the Project as at the date of this announcement. Barring any unforeseen circumstances, the Company currently expects that the final Consideration will not exceed RMB27,840,000 in any event. The Consideration was determined after arm's length negotiations having taken into account factors including the anticipated resources, equipment and manpower required of the Group, market conditions and business opportunities available, business repute of the parties in the Project and the comparable market rates for similar construction projects and construction management services in the area.

The Consideration comprises:

- (a) a basic personnel fee of approximately RMB11,250,000, payable in the following manner:
 - (i) the initial amount of RMB1,125,000 within 5 days after the delivery of the appointment letter for the initial group of personnel from Greentown Real Estate Construction Management and upon its acknowledgment by Chengdu Wenjiang Real Estate;
 - (ii) RMB1,125,000 within 5 days of the first month in each quarter subsequent to the initial payment, until the centralized delivery of the last phase of the Project;
- (b) an entrusted management service fee of approximately RMB15,964,851, payable in the following manner:
 - (i) 15% within 10 days after obtaining approval for the Project proposal;
 - (ii) 10% within 10 days after obtaining the construction permit for construction works;
 - (iii) 10% of the fees for certain batch of buildings within 10 days upon completion of the underground part of the corresponding buildings;
 - (iv) 10% of the fees for certain batch of buildings within 10 days after the main structure of the corresponding buildings reaches half of their planned height;

- (v) 15% of the fees for certain batch of buildings within 10 days after completing the top level of the main structure of the corresponding buildings;
- (vi) 10% of the fees for certain batch of buildings within 10 days upon completion of the exterior decorations works for the corresponding buildings (including the dismantling of the scaffolding);
- (vii) 10% within 10 days upon completion of the landscape engineering works;
- (viii) 10% within 10 days upon completion and eligible acceptance of the construction works;
- (ix) 10% within 90 days upon completion of the centralized delivery of the relevant phase of the Project.

The management service fee is subject to proportional deductions in accordance with the terms of the Agreement for cost overruns due to errors or negligence attributable to Greentown Real Estate Construction Management.

Chengdu Wenjiang Real Estate shall pay to Greentown Real Estate Construction Management a deposit of RMB3,000,000 within 5 days after entering into the Agreement. The deposit is interest-free and shall be deducted in increments of 50% at each agreed-upon milestone from the management service fees due from Chengdu Wenjiang Real Estate until the fees are fully offset.

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 construction works under the Project and enhancing the quality thereof.

Selection of the project management service provider in the Project and determination of the Consideration were conducted by way of a public bidding process. There were a number of participants in the tender and, following the review and comprehensive comparison of the tenderers, Greentown Real Estate Construction Management was selected in accordance with the relevant requirements under the tendering documents. As such, Greentown Real Estate Construction Management was selected in a competitive tendering process, and the Consideration and the terms of the Agreement are determined by the tendering documents and are in line with the market practice and the commercial interests of the Group.

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.

LISTING RULES IMPLICATIONS

As at the date of this announcement, CCCG and its subsidiaries are holding 733,456,293 Shares, representing approximately 28.97% 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 CCC Western Investment, an indirect non-wholly owned subsidiary of CCCG and Chengdu Wenjiang Real Estate, a company held as to over 30% by CCC Western Investment) 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 ZHOU Changjiang, Mr GENG Zhongqiang, Mr LI Jun and Ms HONG Lei, these Directors have abstained from voting on the Board resolutions approving the Agreement and the transactions contemplated thereunder.

INFORMATION ON THE PARTIES TO THE AGREEMENT

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.

Greentown Real Estate Construction Management is a company established in the PRC and a wholly-owned subsidiary of Greentown Management, a company listed on the Stock Exchange (stock code: 09979) and a non-wholly owned subsidiary of the Company owned as to 71.28% by the Company. As such, Greentown Real Estate Construction Management is an indirect non-wholly owned subsidiary of the Company. Greentown Real Estate Construction Management is principally engaged in providing project management services for property development.

Chengdu Wenjiang Real Estate

Chengdu Wenjiang Real Estate is a company established in the PRC with limited liability and is principally engaged in property development. It is owned as to 49% by CCCC Western Investment, an indirect non-wholly owned subsidiary of CCCG which is principally engaged in property development.

CCCG is a wholly state-owned company established in the PRC and the controlling shareholder of China Communications Construction Company Limited (a joint stock company established in the PRC whose H shares are listed on the Stock Exchange, with stock code: 01800; and whose A shares are listed on the Shanghai Stock Exchange, with stock code: 601800). Based on publicly available information, CCCG is primarily engaged in real estate development and property management, shipbuilding, ship chartering and maintenance, ocean engineering, technical consultation services for ships and corollary equipment of harbours, import and export business, investment in and management of transportation industry, and other businesses. 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.

Chengdu Wenjiang Real Estate is also owned as to 49% by Chengdu Yufu and 2% by Lushan Hanjia Industrial. To the best knowledge of the Directors after making reasonable enquiries, Chengdu Yufu is ultimately controlled by Chengdu Wenjiang District State-owned Assets Bureau (成都市溫江區國資局) and Lushan Hanjia Industrial is ultimately controlled by Lushan County Finance Bureau.

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 and Chengdu Wenjiang Real Estate 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
“CCCC Western Investment”	CCCC Western Investment Co., Ltd.* (中交西部投資有限公司), a company incorporated under the laws of the PRC with limited liability and an indirect non-wholly owned subsidiary of CCCG
“CCCG”	China Communications Construction Group (Limited), a wholly state-owned company established in the PRC and a substantial shareholder of the Company

“Chengdu Wenjiang Real Estate”	Chengdu Wenjiang Liuchen Real Estate Co., Ltd.* (成都溫江柳晨置業有限公司), a company incorporated under the laws of the PRC with limited liability and an associate of CCCG
“Chengdu Yufu”	Chengdu Yufu City Industrial Co., Ltd.* (成都魚鳧城產實業有限公司), a company incorporated under the laws of the PRC with limited liability
“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”	the total consideration payable by Chengdu Wenjiang Real Estate to Greentown Real Estate Construction Management in relation to the provision of the project management services under the Agreement
“Director(s)”	the director(s) of the Company
“Greentown Management”	Greentown Management Holdings Company Limited (綠城管理控股有限公司) (Stock Code: 09979), a 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
“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
“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
“Lushan Hanjia Industrial”	Lushan County Hanjia Industrial Co., Ltd.* (蘆山縣漢嘉實業有限公司), a company incorporated under the laws of the PRC with limited liability
“PRC”	the People’s Republic of China

“Project”	the construction project located in Wenjiang District, Chengdu City, Sichuan Province, with a gross construction area of approximately 152,046 sqm, which is intended to be developed into residential and commercial properties
“RMB”	Renminbi, the lawful currency of the PRC
“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
“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
26 August 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*