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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 4 December 2024, Greentown Construction Management (a non-wholly owned subsidiary of the Company) entered into the Agreement with SJZ Xingshi. Pursuant to the Agreement, Greentown Construction Management agreed to provide SJZ Xingshi 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 28.94% 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 Second Highway, an indirect non-wholly owned subsidiary of CCCG and SJZ Xingshi, a company held as to over 30% by CCCC Second Highway) 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 4 December 2024, Greentown Construction Management (a non-wholly owned subsidiary of the Company) entered into the Agreement with SJZ Xingshi. Pursuant to the Agreement, Greentown Construction Management agreed to provide SJZ Xingshi with project management services in relation to the Project.

PRINCIPAL TERMS OF THE AGREEMENT

The principal terms of the Agreement are as follows:

Date	:	4 December 2024
Parties	:	(1) Greentown Construction Management (2) SJZ Xingshi
Subject Matter	:	SJZ Xingshi is the developer and constructor in the Project.

Subject to the terms and provisions of the Agreement, Greentown Construction Management shall provide SJZ Xingshi with project management services in the Project, which should comprise preparatory management, planning and design management, cost management, engineering management, marketing management, project completion acceptance check and delivery management, customer service and property maintenance management, preparatory property service consultancy management and community services, human resources management, administrative management and financial advisory services.

The Project is located in Qiaoxi District, Shijiazhuang City, Hebei Province with a gross construction area of approximately 131,426 sqm, which is intended to be primarily developed into residential 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 Construction Management to SJZ Xingshi in the Project shall be RMB42,440,000 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 RMB58,140,000 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 project management services in the area.

The Consideration comprises:

- (a) an entrusted management service fee of approximately RMB41,620,000 in respect of saleable properties of the Project, payable in the following manner:
 - (i) an entrusted management service fee of RMB500,000, payable on a monthly basis, from the date of the Agreement until the commencement of the sales of the Project, which is deductible from the entrusted management service fees payable after the commencement of the sale of the Project;
 - (ii) following the commencement of the sale of the Project, a management service fee of approximately RMB21,220,000, payable in accordance with construction progress and in the following manner:
 - 10% after obtaining construction planning permit for the Project and within 30 days after the commencement of the sale of the Project;
 - 10% after obtaining the construction permit for construction works for the Project and within 30 days after the commencement of the sale of the Project;

- 10% of the fees for certain batch of buildings after completion of the underground part of the corresponding buildings and within 30 days after the commencement of the sale of the Project;
- 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;
- 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;
- 10% of the fees for certain batch of buildings within 10 days upon completion of the dismantling of the scaffolding for the corresponding buildings;
- 10% within 10 days upon completion of the landscape engineering works;
- 15% within 10 days after obtaining the form of filing of integrated inspection for completed building construction projects; and
- 10% upon the final settlement of the entrusted management service fee.

(iii) following the commencement of the sale of the Project, an entrusted management service fee equivalent to 1% of the quarterly contracted sales amount of the Project (deducting the amount of the returned properties from the previous quarter), payable on a quarterly basis, within 10 days after the end of each quarter.

(b) an entrusted management service fee of approximately RMB818,800 in respect of non-saleable properties of the Project, payable upon the final settlement of the entrusted management service fee;

- (c) an additional performance bonus service fee equivalent to less than 0.5% of the total sales amount of the Project, to be further negotiated and determined 30 days before the commencement of the sale of the Project.

The entrusted management service fee for the Project shall be reconciled within 15 days after (a) the attainment of the sales target in accordance with the terms of the Agreement, or (b) six months from the date of delivery of the Project (whichever is earlier) and the final settlement of the entrusted management service fee shall be within 10 days after the reconciliation is completed.

SJZ Xingshi shall pay to Greentown Construction Management a deposit of RMB1,000,000 within 5 days after entering into the Agreement. The deposit is interest-free and shall be deducted in the same amount from payment of the final installment of the entrusted management service fees due by SJZ Xingshi.

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.

The Company believes that engaging in this Project will bolster the Company's brand development within Hebei Province and facilitate the expansion of its project management operations. Following the review and comparison of several project management companies in the PRC, Greentown Construction Management was selected by SJZ Xingshi to provide project management services as a result of, among others, its competitive pricing standard, brand impact and the scale of its project management operations. The Consideration and the terms of the Agreement are determined after arm's length negotiations 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 28.94% 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 Second Highway, an indirect non-wholly owned subsidiary of CCCG and SJZ Xingshi, a company held as to over 30% by CCC Second Highway) 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 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 Construction Management is an indirect non-wholly owned subsidiary of the Company. Greentown Construction Management is principally engaged in providing project management services for property development.

SJZ Xingshi

SJZ Xingshi is a company established in the PRC with limited liability and is principally engaged in property development. It is owned as to 49% by CCC Second Highway, an indirect non-wholly owned subsidiary of CCCG, which is principally engaged in construction of large-scale transportation and urban infrastructure.

CCCG is a wholly state-owned company established in the PRC and the controlling shareholder of CCC. 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.

SJZ Xingshi is also owned as to 51% by SJZ Urban Investment. To the best knowledge of the Directors after making reasonable enquiries, SJZ Urban Investment is ultimately controlled by State-owned Assets Supervision and Administration Commission of Shijiazhuang People's Government (石家莊市人民政府國有資產監督管理委員會).

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 Construction Management and SJZ Xingshi 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”	China Communications Construction Company Limited (中國交通建設股份有限公司), 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, and a non-wholly owned subsidiary of CCCG
“CCCC Second Highway”	CCCC Second Highway Engineering Co., Ltd.* (中交第二公路工程局有限公司), 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) (中國交通建設集團有限公司), 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”	the total consideration payable by SJZ Xingshi to Greentown Construction Management in relation to the provision of the project management services under the Agreement

“Director(s)”	the director(s) of the Company
“Greentown Construction Management”	Greentown Construction Management Group Co., Ltd. (綠城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”	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
“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
“PRC”	the People’s Republic of China
“Project”	the construction project located in Qiaoxi District, Shijiazhuang City, Hebei Province, with a gross construction area of approximately 131,426 sqm, which is intended to be primarily developed into residential 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
“SJZ Urban Investment”	Shijiazhuang Urban Investment Xingshi Real Estate Development Co., Ltd.* (石家莊城投興石房地產開發有限公司), a company incorporated under the laws of the PRC with limited liability
“SJZ Xingshi”	Shijiazhuang Xingshi Xietong Real Estate Co., Ltd.* (石家莊興石協同置業有限公司), a company incorporated under the laws of the PRC with limited liability and an associate of CCCG
“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
4 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*