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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 31 December 2024, Greentown Real Estate Construction Management (a non-wholly owned subsidiary of the Company) entered into the Agreement with Sanya Huangzhuo Investment. Pursuant to the Agreement, Greentown Real Estate Construction Management agreed to provide ProjectCo with project management services in relation to the Project.

As contemplated by the Agreement, ProjectCo, which will be an indirect wholly owned subsidiary of CCCC, will be established. Sanya Huangzhuo Investment and Greentown Real Estate Construction Management have agreed that a supplemental agreement will be entered among Sanya Huangzhuo Investment, Greentown Real Estate Construction Management and ProjectCo, whereby Sanya Huangzhuo Investment will assign all of its rights and obligations under the Agreement to ProjectCo.

#### **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. CCCC is a non-wholly owned subsidiary of CCCG and therefore an associate of CCCG. Sanya Huangzhuo Investment is indirectly owned as to 45% by CCCC. Upon establishment of ProjectCo, ProjectCo will be directly held as to 100% by CCCC Ocean. Each of Sanya Huangzhuo Investment and ProjectCo is indirectly owned by CCCC for over 30% and are therefore associates of CCCG.

Accordingly, CCCG and its associates (including CCCC, a non-wholly owned subsidiary of CCCG, Sanya Huangzhuo Investment, a company held as to over 30% by CCCC and ProjectCo, a company to be held as to over 30% by CCCC) are connected persons of the Company. The transaction contemplated under the Agreements constitute 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 31 December 2024, Greentown Real Estate Construction Management (a non-wholly owned subsidiary of the Company) entered into the Agreement with Sanya Huangzhuo Investment. Pursuant to the Agreement, Greentown Real Estate Construction Management agreed to provide ProjectCo with project management services in relation to the Project.

## **PRINCIPAL TERMS OF THE AGREEMENT**

The principal terms of the Agreement are as follows:

Date	:	31 December 2024
Parties	:	(1) Greentown Real Estate Construction Management (2) Sanya Huangzhuo Investment
Subject Matter	:	ProjectCo is the developer and constructor in the Project.

Subject to the terms and provisions of the Agreement, Greentown Real Estate Construction Management shall provide ProjectCo 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 management.

The Project is located in Haitang District, Sanya City, Hainan Province with a gross construction area of approximately 158,946.27 sqm, which is intended to be 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, provided that 95% of the above-ground saleable area of the Project has been sold.
- Consideration : Pursuant to the terms of the Agreement, the Consideration for providing project management services by Greentown Real Estate Construction Management to Sanya Huangzhuo Investment in the Project shall be approximately RMB95,930,000 based on the specifications of the Project as at the date of this announcement, subject to an increase contingent upon the realization of performance-based incentives. Barring any unforeseen circumstances, the Company currently expects that the final Consideration will not exceed RMB125,000,000 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 RMB95,800,000 in respect of saleable properties of the Project, payable in the following manner:
  - (i) a management service fee of RMB300,000 is payable on a monthly basis, from the appointment of the first batch of project management personnel until the commencement of the sales of the Project, which is deductible from the entrusted management service fees payable on a quarterly basis after the commencement of sales of the Project;
  - (ii) following the commencement of the sale of the Project, a management service fee equivalent to 1% of the quarterly contracted sales amount of the Project is payable within 10 days after the end of each quarter; and

- (iii) a management service fee equivalent to 1% of the cumulative contracted sales amount of the Project is payable within 10 days after the end of each quarter in accordance with the sell-through ratio of the saleable area of the Project, the basis for determining the payment ratio being:
- up to 40% of 1% of the cumulative contracted sales amount of the Project is payable when the above-ground saleable area of any single plot within the Project reaches or exceeds 30%;
  - up to 60% of 1% of the cumulative contracted sales amount of the Project is payable when the above-ground saleable area of any single plot within the Project reaches or exceeds 50%;
  - up to 80% of 1% of the cumulative contracted sales amount of the Project is payable when the above-ground saleable area of any single plot within the Project reaches or exceeds 70%;
  - up to 100% of 1% of the cumulative contracted sales amount of the Project is payable when the above-ground saleable area of any single plot within the Project reaches or exceeds 90%;
- (b) an entrusted management service fee of approximately RMB130,000 in respect of non-saleable properties of the Project, payable in installments, within 90 days after the completion of the delivery of each phase of the Project; and
- (c) an additional performance bonus service fee is conditional on attainment of certain sales targets in accordance with the terms of the Agreement.

The entrusted management service fee for the Project shall be reconciled within 15 days after the expiry of the term of the Agreement and shall be settled within 10 days after the reconciliation is completed.

Sanya Huangzhuo Investment 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 from payment of the final installment of the entrusted management service fees due by Sanya Huangzhuo Investment.

## **SUPPLEMENTAL AGREEMENT**

As contemplated by the Agreement, ProjectCo, which will be an indirect wholly owned subsidiary of CCCC, will be established. Sanya Huangzhuo Investment and Greentown Real Estate Construction Management have agreed that a supplemental agreement will be entered among Sanya Huangzhuo Investment, Greentown Real Estate Construction Management and ProjectCo, whereby Sanya Huangzhuo Investment will assign all of its rights and obligations under the Agreement to ProjectCo. There is no consideration for the arrangement of the assignment.

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

The Board considers that the Agreements 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 the Project shall furnish the Group with a stable stream of revenue through project management fees. Engaging in this Project will bolster the Company's brand development within Hainan Province and facilitate the expansion of its project management operations. Following the review and comparison of several project management companies in the PRC, Greentown Real Estate Construction Management was selected by Sanya Huangzhuo Investment 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 Agreements 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. CCCC is a non-wholly owned subsidiary of CCCG and therefore an associate of CCCG. Sanya Huangzhuo Investment is indirectly owned as to 45% by CCCC. Upon establishment of ProjectCo, ProjectCo will be directly held as to 100% by CCCC Ocean. As such, each of Sanya Huangzhuo Investment and ProjectCo is indirectly owned by CCCC for over 30% and are therefore associates of CCCG.

Accordingly, CCCG and its associates (including CCCC, a non-wholly owned subsidiary of CCCG, Sanya Huangzhuo Investment, a company held as to over 30% by CCCC and ProjectCo, a company to be held as to over 30% by CCCC) are connected persons of the Company. The transaction contemplated under the Agreements constitute 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 AGREEMENTS**

### **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 an indirect 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.

### **Sanya Huangzhuo Investment**

Sanya Huangzhuo Investment is a company established in the PRC with limited liability and is principally engaged in property development in Fenghuang Island, Sanya City, Hainan Province. It is indirectly owned as to 45% by CCCC, a non-wholly owned subsidiary of CCCG which is a leading transportation infrastructure enterprise in the PRC.

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

Sanya Huangzhuo Investment is also owned as to 45% by Sanya Fenghuang Island Investment and 10% by Sanya Yusheng Investment. Sanya Fenghuang Island Investment is in turn owned as to 68.5%, 20%, 10% and 1.5% by Haikou Shengfeng Tropical Agriculture Botanical Garden Development Co., Ltd.\* (海口勝豐熱帶農業植物園開發有限公司), Zeng Xianyun (曾憲雲),



Hainan Zhaofeng Intelligent Technology Co., Ltd.\* (海南兆峰智能化技術有限公司) and Cai Fang (蔡芳), respectively. Sanya Yusheng Investment is in turn owned as to 90% and 10% by Beijing Yidi Tianyuan Real Estate Investment Consulting Center\* (北京憶地添源房地產投資諮詢中心) and Hainan Huailong System Integration Co., Ltd.\* (海南淮隆系統集成有限公司), respectively. To the best knowledge of the Directors after making reasonable enquiries, each of Zeng Xianyun and Cai Fang and each of Haikou Shengfeng Tropical Agriculture Botanical Garden Development Co., Ltd., Hainan Zhaofeng Intelligent Technology Co., Ltd., Beijing Yidi Tianyuan Real Estate Investment Consulting Center and Hainan Huailong System Integration Co., Ltd. and their respective ultimate beneficial owners are third parties independent of the Company and its connected persons.

## **ProjectCo**

ProjectCo will be a company established in the PRC with limited liability and shall be principally engaged in property development in Sanya City, Hainan Province. Upon establishment of ProjectCo, ProjectCo will be directly held as to 100% by CCCC Ocean.

CCCC Ocean is principally engaged in infrastructure and property development and is a direct wholly owned subsidiary of CCCC.

## **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 Sanya Huangzhuo Investment in relation to the contracting of project management services in the Project
“Agreements”	the Agreement and the Supplemental Agreement
“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 Ocean”	CCCC Ocean Investment Holdings Co., Ltd.* (中交海洋投資控股有限公司), a company established in the PRC with limited liability and a direct wholly owned subsidiary of CCCC

“CCCG”	China Communications Construction 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”	the total consideration payable by Sanya Huangzhuo Investment 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
“PRC”	the People’s Republic of China
“Project”	the construction project located in Haitang District, Sanya City, Hainan Province, with a gross construction area of approximately 158,946.27 sqm, which is intended to be developed into residential properties
“RMB”	Renminbi, the lawful currency of the PRC
“Sanya Fenghuang Island Investment”	Sanya Fenghuang Island Investment Group Co., Ltd.* (三亞鳳凰島投資集團有限公司), a company incorporated under the laws of the PRC with limited liability



“Sanya Huangzhuo Investment”	Sanya Huangzhuo Investment Co., Ltd.* (三亞鳳卓投資有限公司), a company incorporated under the laws of the PRC with limited liability and an associate of CCCG
“Sanya Yusheng Investment”	Sanya Yusheng Investment Co., Ltd.* (三亞鈺晟投資有限公司), a company incorporated under the laws of the PRC with limited liability
“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  
31 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 Andrew On Kiu CHOW 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*