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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**

**CONSTRUCTION AGREEMENTS IN RELATION TO PHASE THREE OF  
PLOTS 3, 4, 7 AND 8 OF XI'AN NATIONAL GAMES VILLAGE**

The Board announces that Xi'an International Land Port, a non-wholly owned subsidiary of the Company, has conducted the selection process for the main contractor for construction works under Phase Three of Plots 3, 4, 7 and 8 of Xi'an National Games Village by way of an open bidding process facilitated by the relevant government authorities in the PRC, and CCCC-SHEC Fifth Engineering was selected in accordance with the relevant requirements under the tender documents after public review. On 14 January 2019, Xi'an International Land Port entered into the Construction Agreements with CCCC-SHEC Fifth Engineering pursuant to which Xi'an International Land Port agreed to engage CCCC-SHEC Fifth Engineering as the main contractor to carry out the construction works of Phase Three of Plots 3, 4, 7 and 8 of Xi'an National Games Village at the Consideration of RMB416,487,047.06.

As at the date of this announcement, CCCG and its subsidiaries are holding 624,851,793 Shares, representing approximately 28.813% 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 CCCC-SHEC Fifth Engineering, an indirect non-wholly owned subsidiary of CCCG) are connected persons of the Company. The transactions contemplated under the Construction 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 transactions contemplated under the Construction Agreements, in aggregate, are more than 0.1% but all of them are less than 5%, such transactions are 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.

\* For identification purpose only

## **INTRODUCTION**

The Board announces that on 14 January 2019, Xi'an International Land Port, a non-wholly owned subsidiary of the Company, entered into the Construction Agreements with CCCC-SHEC Fifth Engineering pursuant to which Xi'an International Land Port agreed to engage CCCC-SHEC Fifth Engineering as the main contractor to carry out the construction works of Phase Three of Plots 3, 4, 7 and 8 of Xi'an National Games Village at the Consideration of RMB416,487,047.06.

## **PRINCIPAL TERMS OF THE CONSTRUCTION AGREEMENTS**

The principal terms of the Construction Agreements are as follows:

Date	:	14 January 2019
Parties	:	(1) Xi'an International Land Port, a non-wholly owned subsidiary of the Company; and  (2) CCCC-SHEC Fifth Engineering
Subject Matter	:	CCCC-SHEC Fifth Engineering will be responsible for the construction works under Phase Three of Plots 3, 4, 7 and 8 of Xi'an National Games Village in accordance with the technical specifications prescribed by Xi'an International Land Port under the Construction Agreements. Each of the Construction Agreements relates to one of the three batches of the construction works under Phase Three of Plots 3, 4, 7 and 8 of Xi'an National Games Village.  Phase Three of Plots 3, 4, 7 and 8 of Xi'an National Games Village is situated in the International Port Area of Xi'an in the PRC, with a gross construction area of approximately 222,076 sqm, which is intended to be primarily developed into residential properties, offices and commercial properties.
Construction Period	:	The construction period of Phase Three of Plots 3, 4, 7 and 8 of Xi'an National Games Village will be 988 days from the commencement date of the construction work under the relevant Construction Agreements.

Consideration : The aggregate Consideration payable by Xi'an International Land Port under the Construction Agreements amounts to RMB416,487,047.06 and was arrived from a tender process whereby invitation to bid for the construction of Phase Three of Plots 3, 4, 7 and 8 of Xi'an National Games Village was solicited by Xi'an International Land Port. Taking into account, among other factors, the construction experience of CCCG and the bid price tendered, the Company considers that the tender submitted by CCCC-SHEC Fifth Engineering was the most appropriate in respect of the construction of Phase Three of Plots 3, 4, 7 and 8 of Xi'an National Games Village received.

The Company intends to finance the payment of the total Consideration payable under the Construction Agreements using its internal resources and external financing.

Payment Terms : The Consideration will be payable in cash in the following manner:

- (i) the safe and civilized construction measures fees, amounting to approximately RMB15,905,244 in total, is payable in full to CCCC-SHEC Fifth Engineering by Xi'an International Land Port prior to the commencement date of the construction works under the respective Construction Agreement;
- (ii) the construction fees will be settled in monthly payments. CCCC-SHEC Fifth Engineering will submit the actual amount of construction work completed in the preceding month to the supervising engineer in the project by the 25th calendar day of such month. The supervising engineer will assess the construction work and submit a certified amount to Xi'an International Land Port. Xi'an International Land Port will internally assess the amount, and issue the relevant payment certificate, after which Xi'an International Land Port will pay on the 10th day in the subsequent month to CCCC-SHEC Fifth Engineering an amount equal to the construction fees for 70% of the actual amount of construction work completed in the preceding month;
- (iii) the monthly payments as set out in paragraph (ii) above will be suspended when the aggregate amount of such construction payments and the safe and civilized construction measure fees have reached 80% of the total Consideration under the relevant Construction Agreement; and

- (iv) upon completion of the construction work stipulated, Xi'an International Land Port will settle 97% of the final certified amount of the total Consideration under the relevant Construction Agreement. The remaining 3% of the Consideration will serve as retention money and will be settled after a quality warranty period of 2 years from the date of completion (the “**Quality Warranty Period**”). Xi'an International Land Port will pay retention money to CCCC-SHEC Fifth Engineering in full within 30 calendar days following the expiry of the Quality Warranty Period.

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

The Directors (including the independent non-executive Directors) believe that, taking into account the comprehensive experience of CCCG in the construction industry in the PRC, CCCC-SHEC Fifth Engineering is capable of meeting the constructions requirements of Phase Three of Plots 3, 4, 7 and 8 of Xi'an National Games Village under the Construction Agreements.

Selection of the main contractor for construction works under Phase Three of Plots 3, 4, 7 and 8 of Xi'an National Games Village was conducted by way of an open bidding process facilitated by the relevant government authorities in the PRC. There are a number of participants in the tender process. Following a public review conducted by a selection committee led by the relevant government agencies in the PRC and a comprehensive comparison of market participants, CCCC-SHEC Fifth Engineering was selected in accordance with the relevant requirements under the tendering documents. Accordingly, the Company considers that CCCC-SHEC Fifth Engineering was selected in a public and competitive tendering process and the terms of the Construction Agreements 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 Construction Agreements have 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 28.813% 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 CCCC-SHEC Fifth Engineering, an indirect non-wholly owned subsidiary of CCCG) are connected persons of the Company. The transactions contemplated under the Construction 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 transactions contemplated under the Construction Agreements, in aggregate, are more than 0.1% but all of them are less than 5%, such transactions are 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.

Mr LIU Wensheng, Mr ZHANG Yadong, Mr LI Qingan and Mr LI Yongqian (each being an executive Director) have a material interest in the Construction Agreements and the transactions contemplated thereunder due to their respective roles in CCCG and its subsidiaries (where appropriate). Therefore, they have abstained from voting on the relevant Board resolution approving the Construction Agreements and the transactions 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.

Xi'an International Land Port is a company established in the PRC with limited liability and a non-wholly owned subsidiary of the Company principally engaged in property investment, property development and investments in trading businesses.

### **CCCG**

CCCG is a wholly state-owned company established in the PRC and the controlling shareholder of China Communications Construction Co. Ltd., a company established in the PRC whose H shares are listed on the Stock Exchange. 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 the largest dredging company (in terms of dredging capacity) in the world.

CCCC-SHEC Fifth Engineering is a company established in the PRC with limited liability and an indirect non-wholly owned subsidiary of CCCG. CCCC-SHEC Fifth Engineering is principally engaged in the construction of highways, bridges, transportation, building construction, tunnels, municipal, green projects, earthwork engineering and public facilities engineering. It holds the grade one qualification for general contracting of construction projects, awarded by the Ministry of Housing and Urban-Rural Development of the PRC. It is a state-owned enterprise that integrates engineering materials marketing, engineering machinery, mechanical and electrical equipment management, leasing, installation, maintenance and engineering technology consulting services.

## DEFINITIONS

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

“Board”	the board of Directors
“CCCC-SHEC Fifth Engineering”	CCCC-SHEC Fifth Engineering Co., Ltd.* (中交二公局第五工程有限公司), a company established in the PRC and an indirect non-wholly owned subsidiary of CCCC
“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”	the total consideration of RMB416,487,047.06 payable to CCCC-SHEC Fifth Engineering by Xi’an International Land Port in relation to the contracting of the construction works of Phase Three of Plots 3, 4, 7 and 8 of Xi’an National Games Village under the Constructions Agreements
“Construction Agreements”	the three construction agreements dated 14 January 2019 entered into between Xi’an International Land Port and CCCC-SHEC Fifth Engineering in relation to, among other things, the contracting of three batch of construction works under Phase Three of Plots 3, 4, 7 and 8 of Xi’an National Games Village respectively
“Director(s)”	the director(s) 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
“Phase Three of Plots 3, 4, 7 and 8 of Xi’an National Games Village”	the construction project of Xi’an International Land Port, which is located in the International Port Area, Xi’an (西安市國際港務區), with a gross construction area of approximately 222,076 sqm, is intended to be primarily developed into residential properties, offices and commercial properties

“PRC”	the People’s Republic of China (excluding, for the purpose of this announcement, Hong Kong, the Macao Special Administrative Region of the PRC and Taiwan)
“RMB”	Renminbi, the lawful currency of the PRC
“Shareholder”	holder 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
“Xi’an International Land Port”	Xi’an International Land Port Development Co., Ltd.* (西安國際陸港文廣置業有限公司), a company established in the PRC and a non-wholly owned subsidiary of the Company

By order of the Board  
**Greentown China Holdings Limited**  
**Fung Ching, Simon**  
*Company Secretary*

Hangzhou, the People’s Republic of China  
14 January 2019

*As at the date of this announcement, the board of directors of the Company comprises six executive Directors, namely Mr Song Weiping, Mr Liu Wensheng, Mr Zhang Yadong, Mr Li Qingan, Mr Li Yongqian and Mr Li Jun, and four independent non-executive Directors, namely Mr Jia Shenghua, Mr Ke Huanzhang, Mr Sze Tsai Ping, Michael and Mr Hui Wan Fai.*