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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
PLOTS W1, W2 AND 3 OF TIANJIN CHENTANG SCIENCE
AND TECHNOLOGY COMMERCIAL DISTRICT**

The Board announces that Tianjin CCCC Greentown, a non-wholly owned subsidiary of the Company, has conducted the selection process for the main contractor for construction works under Plots W1, W2 and 3 of Tianjin Chentang Science and Technology Commercial District by way of a bidding process, and CCCC No. 2 Engineering was selected in accordance with the relevant requirements under the tender documents after review. On 20 December 2019, Tianjin CCCC Greentown entered into the Construction Agreements with CCCC No. 2 Engineering pursuant to which Tianjin CCCC Greentown agreed to engage CCCC No. 2 Engineering as the main contractor to carry out the construction works of Plots W1, W2 and 3 of Tianjin Chentang Science and Technology Commercial District at the Consideration of RMB657,944,482.76.

As at the date of this announcement, CCCG and its subsidiaries are holding 624,851,793 Shares, representing approximately 28.78% 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 No. 2 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.

INTRODUCTION

The Board announces that on 20 December 2019, Tianjin CCCC Greentown, a non-wholly owned subsidiary of the Company, entered into the Construction Agreements with CCCC No. 2 Engineering pursuant to which Tianjin CCCC Greentown agreed to engage CCCC No. 2 Engineering as the main contractor to carry out the construction works of Plots W1, W2 and 3 of Tianjin Chentang Science and Technology Commercial District at the Consideration of RMB657,944,482.76.

PRINCIPAL TERMS OF THE CONSTRUCTION AGREEMENTS

The principal terms of the Construction Agreements are as follows:

- Date : 20 December 2019
- Parties : (1) Tianjin CCCC Greentown, a non-wholly owned subsidiary of the Company; and
(2) CCCC No. 2 Engineering
- Subject Matter : CCCC No. 2 Engineering will be responsible for the construction works under Plots W1, W2 and 3 of Tianjin Chentang Science and Technology Commercial District in accordance with the technical specifications prescribed by Tianjin CCCC Greentown under the Construction Agreements. Each of the Construction Agreements relate to the construction works under Plot W1 of Tianjin Chentang Science and Technology Commercial District, Plot W2 of Tianjin Chentang Science and Technology Commercial District and Plot 3 of Tianjin Chentang Science and Technology Commercial District, respectively.
- Plots W1, W2 and 3 of Tianjin Chentang Science and Technology Commercial District are situated in Hexi District, Tianjin in the PRC, with a gross construction area of approximately 273,963.12 sqm, intended to be primarily developed into residential and commercial properties.
- Construction Period : The construction period for each of the plots is as follows:
- (1) 751 days from the commencement date of the construction work for each of Plot W1 of Tianjin Chentang Science and Technology Commercial District and Plot W2 of Tianjin Chentang Science and Technology Commercial District; and
- (2) 1,160 days from the commencement date of the construction work for Plot 3 of Tianjin Chentang Science and Technology Commercial District.

Consideration : The aggregate Consideration payable to CCCC No. 2 Engineering under the Construction Agreements amounts to RMB657,944,482.76 and was arrived from a tender process whereby invitation to bid for the construction of Plots W1, W2 and 3 of Tianjin Chentang Science and Technology Commercial District was solicited by Tianjin CCCC Greentown. 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 No. 2 Engineering was the most appropriate in respect of the construction of Plots W1, W2 and 3 of Tianjin Chentang Science and Technology Commercial District received.

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

Payment Terms : The Consideration will be payable based on construction progress in the following manner:

- (i) upon completion of construction of the underground of the basic structure of all comprehensive units, Tianjin CCCC Greentown will pay CCCC No. 2 Engineering an amount equal to the construction fees for 70% of the construction work completed, after which the construction fees will be settled in monthly payments for 70% of the construction work completed;
- (ii) upon completion of construction of the top level of basic structure of each comprehensive unit, Tianjin CCCC Greentown will pay CCCC No. 2 Engineering an amount equal to the construction fees for 80% of the construction work completed, after which the construction fees will be settled in monthly payments for 80% of the construction work completed;
- (iii) the monthly payments as set out in paragraphs (i) and (ii) above will be suspended when the aggregate amount of such construction payments have reached 95% of the Consideration under the relevant Construction Agreements; and
- (iv) the remaining 5% of the Consideration will serve as retention money and will be settled after a quality warranty period (the “**Quality Warranty Period**”). Tianjin CCCC Greentown will pay retention money to CCCC No. 2 Engineering in full, without interest, within 30 calendar days following the expiry of the Quality Warranty Period.

REASONS FOR AND BENEFITS OF ENTERING INTO THE CONSTRUCTION AGREEMENTS

The Board believes that, taking into account the comprehensive experience of CCCG in the construction industry in the PRC, CCC No. 2 Engineering is capable of meeting the construction requirements of Plots W1, W2 and 3 of Tianjin Chentang Science and Technology Commercial District under the Construction Agreements.

Selection of the main contractor for construction works under Plots W1, W2 and 3 of Tianjin Chentang Science and Technology Commercial District and determination of the Consideration were conducted by way of a bidding process. There are other participants in the tender process. Following a review conducted by Tianjin CCC Greentown and a comprehensive comparison of market participants, CCC No. 2 Engineering was selected in accordance with the relevant requirements under the tendering documents. Accordingly, the Company considers that CCC No. 2 Engineering was selected in a 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 Board considers 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 their 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 28.78% 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 CCC No. 2 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.

Since CCCG has a material interest in the Construction Agreements and the transactions thereunder and in light of CCCG's relationship with Mr LIU Wensheng, Mr ZHOU Lianying, Mr GENG Zhongqiang and Mr LI Jun (each as an executive Director), these Directors have abstained from voting on the Board resolutions on 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.

Tianjin CCCC Greentown is a company established in the PRC with limited liability and a non-wholly owned subsidiary of the Company principally engaged in property development and owned as to 41% by the Group. Tianjin CCCC Greentown is also owned as to 39% by Real Estate Development Co., Ltd of CCCC First Harbor Engineering Company Ltd. (中交一航局房地產開發有限公司) and 20% by CCCC Beijing-Tianjin-Hebei Investment Development Company Limited* (中交京津冀投資發展有限公司), each of which is a non-wholly owned subsidiary of CCCG. Tianjin CCCC Greentown is a joint venture of the Group and the aforesaid subsidiaries of CCCG 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 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 business aspects including 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. 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.

CCCC No. 2 Engineering is a company established in the PRC with limited liability and an indirect non-wholly owned subsidiary of CCCG. CCCC No. 2 Engineering is principally engaged in the construction of highways, bridges, municipal, hydraulic engineering and public facilities engineering. Being a large-scale state-owned national enterprise, it has engineering testing and inspection centres with more than 30 branches and project management departments distributed in nearly 20 provinces and cities across the PRC as well as other countries in the world such as Libya, Saudi Arabia and Jamaica. It owns more than 1,000 advanced engineering and technical machines, including large-scale engineering ships and large-scale concrete mixing stations. It holds numerous qualifications and certificates in construction works including grade one qualifications for general contracting of port and waterway construction projects, housing construction, hydropower engineering, foundation

work, steel structuring work, construction metrology and building materials. To the best knowledge of the Directors after making reasonable enquiries, CCCC No. 2 Engineering is a wholly-owned subsidiary 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). The State-owned Assets Supervision and Administration Commission of the State Council of the PRC is the ultimate controlling shareholder of China Communications Construction Co. Ltd..

DEFINITIONS

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

“Board”	the board of Directors
“CCCC No. 2 Engineering”	No. 2 Engineering Company Ltd. of CCCC First Harbor Engineering Company Ltd.* (中交一航局第二工程有限公司), 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 RMB657,944,482.76 payable to CCCC No. 2 Engineering by Tianjin CCCC Greentown in relation to the contracting of the construction works of Plots W1, W2 and 3 of Tianjin Chentang Science and Technology Commercial District under the Constructions Agreements
“Construction Agreements”	the three construction agreements dated 20 December 2019 entered into between Tianjin CCCC Greentown and CCCC No. 2 Engineering in relation to, among other things, the contracting of three batches of construction works under Plots W1, W2 and 3 of Tianjin Chentang Science and Technology Commercial District, 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
“Plot W1 of Tianjin Chentang Science and Technology Commercial District”	the construction project of Tianjin CCCC Greentown, which is located in southeast side of the intersection between Chun Hai Road and Shuang Hai Road*, Hexi District, Tianjin (天津市河西區春海路和雙海道交口東南側), with a gross construction area of approximately 48,106.4 sqm, which is intended to be primarily developed into residential properties
“Plots W1, W2 and 3 of Tianjin Chentang Science and Technology Commercial District”	<p>(1) Plot W1 of Tianjin Chentang Science and Technology Commercial District;</p> <p>(2) Plot W2 of Tianjin Chentang Science and Technology Commercial District; and</p> <p>(3) Plot 3 of Tianjin Chentang Science and Technology Commercial District</p>
“Plot W2 of Tianjin Chentang Science and Technology Commercial District”	the construction project of Tianjin CCCC Greentown, which is located in southeast side of the intersection between Chun Hai Road and Dong Jiang Road*, Hexi District, Tianjin (天津市河西區春海路和東江道交口東南側), with a gross construction area of approximately 57,343.6 sqm, which is intended to be primarily developed into residential properties
“Plot 3 of Tianjin Chentang Science and Technology Commercial District”	the construction project of Tianjin CCCC Greentown, which is located in southeast side of the intersection between Nei Jiang Road and Chong Jiang Road*, Hexi District, Tianjin (天津市河西區內江路和崇江道交口東南側), with a gross construction area of approximately 168,513.12 sqm, which is intended to be primarily developed into 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
“Share(s)”	ordinary share(s) of HK\$0.1 each in the issued share capital of the Company
“Shareholder”	holder 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
“Tianjin CCCC Greentown”	Tianjin CCCC Greentown Urban Construction Development Company Limited* (天津中交綠城城市建設發展有限公司), a company established in the PRC and an indirect non-wholly owned subsidiary of the Company

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

Hangzhou, the People’s Republic of China
20 December 2019

As at the date of this announcement, the Board comprises Mr ZHANG Yadong, Mr LIU Wensheng, Mr ZHOU Lianying, Mr GUO Jiafeng, Mr GENG Zhongqiang and Mr. LI Jun as executive directors, Mr. Stephen Tin Hoi NG (Mr Andrew On Kiu CHOW as his alternative) as a non-executive director and Mr JIA Shenghua, Mr KE Huanzhang, Mr SZE Tsai Ping, Michael and Mr HUI Wan Fai as independent non-executive directors.

* *For identification purpose only*