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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 28 February 2024, Greentown Real Estate Construction Management and CCCC Southeast Engineering entered into the Agreement with Putian Chaoxiu in relation to the construction of the Project, pursuant to which CCCC Southeast Engineering shall undertake construction works for the Project, while Greentown Real Estate Construction Management shall provide Putian Chaoxiu with project management services in 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. CCCC Construction is an indirect non-wholly owned subsidiary of CCCG and therefore an associate of CCCG. Putian Chaoxiu is owned by CCCC Construction for over 30% and therefore an associate of CCCC Construction and CCCG.

Accordingly, CCCG and its associates (including Putian Chaoxiu) 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.

* For identification purposes only

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PRINCIPAL TERMS OF THE AGREEMENT

The principal terms of the Agreement are as follows:

- Date : 28 February 2024
- Parties : (1) Greentown Real Estate Construction Management, and CCCC Southeast Engineering
(2) Putian Chaoxiu
- Subject matter : Subject to the terms and provisions of the Agreement, Greentown Real Estate Construction Management shall provide Putian Chaoxiu with comprehensive construction and development management services in the Project, which should comprise preparatory works for the Project, design, surveying and construction management, project completion, acceptance, and delivery, project data transfer and filing, and sales agency services. CCCC Southeast Engineering shall provide Putian Chaoxiu with construction implementation and management services, engineering equipment and material procurement and management services for the Project.

The Project is located in Xiuyu District, Putian City, Fujian Province, the PRC, with a gross construction area of approximately 208,197.69 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 one year from the date on which the project completion acceptance record form was obtained.

Consideration : Pursuant to the terms of the Agreement, the Consideration receivable by Greentown Real Estate Construction Management for providing project management services to Putian Chaoxiu in the Project shall be RMB123,112,000 based on the specifications of the Project as at the date of this announcement, and barring any unforeseen circumstances, the Company currently expects that the final Consideration will not exceed RMB134,946,656 in any event. The Consideration was determined after arm's length negotiations having taken into account factors including the anticipated resources 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.

The Consideration comprises:

- (a) a project management fee of RMB77,318,800 payable in the following manner:
 - (i) 10% within 14 days from the date of the Agreement;
 - (ii) 30% within 14 days after obtaining the construction permit for construction works;
 - (iii) 10% within 14 days after obtaining the pre-sale certificate;
 - (iv) 10% within 14 days after completing the capping of the main structure of the construction works;
 - (v) 10% within 14 days after completion and eligible acceptance of the construction works;
 - (vi) 15% within 14 days after completing the centralized delivery of the Project;
 - (vii) 10% within 14 days after completion of ownership registration and delivery; and
 - (viii) 5% within 14 days after the expiration of the service period and completion of all relevant filings;

- (b) a marketing management fee of RMB45,793,200 payable in the following manner:
 - (i) a fixed fee of RMB3,000,000 payable before the 30th day of the first month of each quarter following the date of the Agreement up to the commencement of the sale of properties for the Project; and
 - (ii) after the commencement of the sale of properties of the Project, a fee equivalent to 70% of 3.5% of the contracted sales of the Project from the previous quarter, payable before the 30th day of the first month of each quarter; and
- (c) premium sharing and assessment deductions of a maximum of RMB6,750,000 depending on the total sales volume of the aboveground properties of the Project. If the total sales volume exceeded the relevant sales target, premium sharing will be paid at a specified rate; if the relevant sales targets are not met, deductions will be made at a specified rate (both subject to the maximum cap of RMB6,750,000) and any overpayment or underpayment of such commission will be reconciled and approved at the final settlement of the Project.

Before entering into the Agreement, Greentown Real Estate Construction Management shall submit to Putian Chaoxi a performance guarantee equivalent to 10% of the Consideration (the “**Performance Guarantee**”). The Performance Guarantee shall be returned to Greentown Real Estate Construction Management interest-free within 15 business days after the completion filings for the Project.

Putian Chaoxi shall separately pay to CCCC Southeast Engineering construction fees of approximately RMB911,361,050, to be settled in accordance with construction progress of the Project under the Agreement.

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 are a number of participants in the Tender and, following the review and comprehensive comparison of the tenderers, Greentown Real Estate Construction Management and CCCC Southeast Engineering as consortium was selected in accordance with the relevant requirements under the tendering documents. As such, Greentown Real Estate Construction Management and CCCC Southeast Engineering were 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

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Accordingly, CCCG and its associates (including Putian Chaoxiu) 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 WU Wende, 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.

Putian Chaoxiu

Putian Chaoxiu is a company established in the PRC with limited liability and owned as to 35% by CCCC Construction and 65% by Putian Xinxiu. Putian Chaoxiu is principally engaged in property development.

CCCC Construction is principally engaged in property development.

CCCC Construction is owned as to 71.20% by 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), 9.71% by China Construction Bank Corporation (a joint stock company established in the PRC whose H shares are listed on the Stock Exchange, with stock code: 939; and whose A shares are listed on the Shanghai Stock Exchange, with stock code: 601939), 8.95% by Bank of Communications Co., Ltd. (a joint stock company established in the PRC whose H shares are listed on the Stock Exchange, with stock code: 3328; and whose A shares are listed on the Shanghai Stock Exchange, with stock code: 601328), and each of the other shareholders holds less than 5% equity interests in CCCC Construction.

CCCG is a wholly state-owned company established in the PRC and the controlling shareholder of China Communications Construction Company Limited. 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.

Putian Xinxiu is a company established in the PRC with limited liability and a company principally engaged in property development. To the best knowledge of the Directors after making reasonable enquiries, Putian Xinxiu is ultimately controlled by the Financial Bureau of Xiuyu District of Putian City.

CCCC Southeast Engineering

CCCC Southeast Engineering is a company established in the PRC with limited liability and a wholly-owned subsidiary of CCCC Construction. CCCC Southeast Engineering is principally engaged in construction works.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions shall have the following meanings:

“Agreement”	the agreement dated 28 February 2024 entered into among Greentown Real Estate Construction Management, CCCC Southeast Engineering and Putian Chaoxiu in relation to in the provision of project management and construction services for the Project
“associate(s)”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of Directors
“CCCC Construction”	CCCC Construction Group Co., Ltd. (中交建築集團有限公司). A company established in the PRC with limited liability
“CCCC Southeast Engineering	CCCC Fourth Highway Southeast Engineering Co., Ltd.* (中交建築集團東南建設有限公司), a company established in the PRC with limited liability
“CCCCG”	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 Putian Chaoxiu to Greentown Real Estate Construction Management in relation to the provision of 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 Xiuyu District, Putian City, Fujian Province, the PRC, with a gross construction area of approximately 208,197.69 sqm, which is intended to be primarily developed into residential properties
“Putian Chaoxiu”	Putian Chaoxiu Real Estate Development Co., Ltd.* (莆田市朝秀房地產開發有限公司), a company established in the PRC with limited liability
“Putian Xinxiu”	Putian Xinxiu Real Estate Development Co., Ltd.* (莆田市新秀房地產開發有限公司), a company established in the PRC with limited liability
“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
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

“substantial shareholder(s)” has the same meaning ascribed to it under the Listing Rules

“Tender” the open tender for the undertaking of the construction works and management for the Project

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

Hangzhou, the PRC
28 February 2024

As at the date of this announcement, the Board comprises Mr ZHANG Yadong, Mr GUO Jiafeng, Mr WU Wende, 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.