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GREENLAND HONG KONG HOLDINGS LIMITED

綠地香港控股有限公司

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 337)

ANNOUNCEMENT

CONTINUING CONNECTED TRANSACTION COMMERCIAL PROJECT MANAGEMENT FRAMEWORK AGREEMENT

The Board is pleased to announce that on 12 January 2023 (after trading hours), the Company entered into the Framework Agreement with Shanghai Jince, pursuant to which the Group may provide the Management Services for the Commercial Projects to the Jince Affiliated Group.

As at the date of this announcement, Greenland Holdings indirectly holds approximately 59.1% of the entire issued ordinary share capital of the Company and is a connected person of the Company. Shanghai Jince is a wholly-owned subsidiary of Greenland Holdings. Accordingly, Shanghai Jince is an associate of Greenland Holdings and a connected person of the Company.

As the highest Applicable Percentage Ratio for the Framework Agreement is more than 0.1% but less than 5%, the Framework Agreement constitutes a continuing connected transaction for the Company subject to the reporting, annual review and announcement requirements, but is exempt from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

PRINCIPAL TERMS OF THE FRAMEWORK AGREEMENT

The principal terms of the Framework Agreement are summarised as follows:

Date

12 January 2023

Parties

- (i) the Company, for and on behalf of the Group, as management service providers
- (ii) Shanghai Jince, for and on behalf of the Jince Affiliated Group, as management service clients

Subject Matter

Pursuant to the Framework Agreement, the Group may provide the Management Services for the Commercial Projects to the Jince Affiliated Group. The term of the Framework Agreement shall commence on 12 January 2023 and ending on 31 December 2025.

For each Commercial Project for which any member of the Group agrees to provide the Management Services, such member of the Group will enter into a definitive agreement with the relevant member of the Jince Affiliated Group (the “**Definitive Agreement**”), which will set out the specific scope of services and terms and conditions for the provisions of the Management Services in accordance with the terms of the Framework Agreement, and will be for a term expiring on or before 31 December 2025. However, the total management fee payable under all the Definitive Agreements shall not exceed the Annual Cap Amounts (as further described below).

Management Fee and Payment terms

For the provision of the Management Services to each Commercial Project, the management fee payable to the relevant member of the Group by the relevant member of the Jince Affiliated Group shall be not lower than 10% and not higher than 30% of the annual net profit of such Commercial Project, the exact amount of which shall be determined after arm’s length negotiation between the parties with reference to (i) the location, quality and size of the Commercial Project; (ii) the exact scope of the Management Services to be provided; (iii) the anticipated cost for the provision of the Management Services; (iv) the local government’s pricing guidance/regulations on applicable management fees (if any); and (v) the prevailing market rate in respect of similar Management Services. The management fee shall be payable on an annual basis. The management fee and payment terms were arrived at after arm’s length negotiation between the Company and Shanghai Jince with reference to the prevailing market rates, and on terms no less favourable to the Group than terms available to or from independent third parties.

Annual Cap Amounts

Under the Framework Agreement, the total annual management fee for the provision of the Management Services payable to the Group for the three years ending 31 December 2023, 2024 and 2025 shall not exceed the amounts set out below:

	Annual Cap Amounts	
	<i>Approximately RMB (million)</i>	<i>Approximately HK\$ (million)</i>
For the year ending 31 December 2023	20	22.99
For the year ending 31 December 2024	20	22.99
For the year ending 31 December 2025	20	22.99

The Annual Cap Amounts in respect of the Framework Agreement were determined with reference to the Company’s expected management fee for the three years ended 31 December 2025 for the provision of the Management Services.

GENERAL INFORMATION

The Company is an investment holding company. The Group is principally engaged in property development, property and hotel investment and property management.

Shanghai Jince is principally engaged in real estate consultation, marketing planning, property management and property leasing.

REASONS FOR AND BENEFITS OF ENTERING INTO THE FRAMEWORK AGREEMENT

The provision of the Management Services is one of the ordinary course of business of the Group. The provision of the Management Services under the Framework Agreement can further improve the strategic market position and development plan of the Group, and enable the Group to leverage the strength of its commercial management team, export the Group's management experience, increase the Group's income from asset-light operation and management, and increase the commercial brand and reputation of the Group.

The Board (including all the independent non-executive Directors) considers that the Framework Agreement was entered into in the ordinary and usual course of business of the Group, and that the terms of the Framework Agreement are normal commercial terms or better, which are fair and reasonable, and in the interests of the Company and the Shareholders as a whole. None of the Directors has a material interest in the Framework Agreement and, therefore, was required to abstain from voting on the Board resolutions approving the Framework Agreement and the transactions contemplated thereunder.

LISTING RULES IMPLICATIONS

As at the date of this announcement, Greenland Holdings indirectly holds approximately 59.1% of the entire issued ordinary share capital of the Company and is a connected person of the Company. Shanghai Jince is a wholly-owned subsidiary of Greenland Holdings. Accordingly, Shanghai Jince is an associate of Greenland Holdings and a connected person of the Company.

As the highest Applicable Percentage Ratio for the Framework Agreement is more than 0.1% but less than 5%, the Framework Agreement constitutes a continuing connected transaction for the Company subject to the reporting, annual review and announcement requirements, but is exempt from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

DEFINITIONS

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

“Annual Cap Amounts”	the annual aggregate management fee payable to the Group for the Management Services that may be provided by the Group under the Framework Agreement for the three years ending 31 December 2025;
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“Applicable Percentage Ratio”, “associate(s)” and “connected person(s)”	have the meanings ascribed to them under the Listing Rules;
“Board”	the board of Directors;
“Commercial Projects”	<p>the commercial projects of the Jince Affiliated Group in the PRC for which any member of the Group may from time to time agree to provide the Management Services, including:</p> <ul style="list-style-type: none"> • Zhouyuan Road Greenland Being Fun* (周園路綠地繽紛城廣場); • Chuanghui Business Plaza* (創匯商務廣場); and • such other commercial projects of the Jince Affiliated Group as may be agreed by the Company and Shanghai Jince;
“Company”	Greenland Hong Kong Holdings Limited (綠地香港控股有限公司), a company incorporated with limited liability in the Cayman Islands and the ordinary shares of which are listed on the Main Board of the Stock Exchange;
“Director(s)”	the director(s) of the Company;
“Framework Agreement”	the commercial project entrusted management strategic cooperation framework agreement dated 12 January 2023 between the Company and Shanghai Jince in relation to the provision of the Management Services by the Group for the Commercial Projects;
“Greenland Holdings”	Greenland Holdings Corporation Limited (綠地控股集團股份有限公司), a company established under the laws of the PRC and listed on the Shanghai Stock Exchange, and the controlling shareholder of the Company;
“Group”	the Company and its subsidiaries, and a “member of the Group” means any one of them;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC;

“Jince Affiliated Group”	Shanghai Jince and companies held, directly or indirectly, as to not less than 30% by Shanghai Jince, and a “member of the Jince Affiliated Group” means any one of them;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“Management Services”	certain commercial project management services which may be provided by the Group under the Framework Agreement, including tenancy promotion, operation management and property management services;
“PRC”	the People’s Republic of China, which, for the purposes of this announcement, excludes Hong Kong, the Macau Special Administrative Region and Taiwan;
“RMB”	Renminbi, the lawful currency of the PRC;
“Shanghai Jince”	Shanghai Jince Real Estate Consulting Co., Ltd.* (上海錦策房產諮詢有限公司), a wholly-owned subsidiary of Greenland Holdings established in the PRC with limited liability;
“Shareholders”	holders of the ordinary share(s) of HK\$0.50 each in the share capital of the Company;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“%”	per cent.

For the purposes of this announcement, an exchange rate of HK\$1 = RMB0.87 has been used for currency translation, where applicable. Such exchange rate is for illustration purposes only and does not constitute representations that any amount in RMB or HK\$ has been, could have been or may be converted at such rate.

By order of the Board
Greenland Hong Kong Holdings Limited
Chen Jun
Chairman and Chief Executive Officer

Hong Kong, 12 January 2023

As at the date of this announcement, the executive directors of the Company are Mr. Chen Jun, Mr. Wang Weixian, Mr. Hou Guangjun, Mr. Wu Zhengkui, Ms. Wang Xuling and Dr. Li Wei; and the independent non-executive directors of the Company are Mr. Fong Wo, Felix, JP, Mr. Kwan Kai Cheong and Dr. Lam, Lee G..

* *For identification purposes only*