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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**

The Board is pleased to announce that on 31 October 2023 (after trading hours), Shanghai Lvyu entered into the Cooperation Agreement with Jiangxi Greenland, pursuant to which Shanghai Lvyu shall provide the Management Services to Jiangxi Greenland for the Commercial Project.

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 thus a connected person of the Company. Jiangxi Greenland is a wholly-owned subsidiary of Greenland Holdings. Accordingly, Jiangxi Greenland is an associate of Greenland Holdings and a connected person of the Company.

As the highest Applicable Percentage Ratio for the Cooperation Agreement is more than 0.1% but less than 5%, the Cooperation Agreement constitutes a continuing connected transaction for the Company under Chapter 14A of the Listing Rules 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 COOPERATION AGREEMENT**

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

#### **Date**

31 October 2023

#### **Parties**

- (i) Shanghai Lvyu as the provider of the Management Services
- (ii) Jiangxi Greenland as the operator of the Commercial Project

## Subject Matter

Pursuant to the Cooperation Agreement, Shanghai Lvyu shall provide to Jiangxi Greenland the Management Services for the Commercial Project including tenancy promotion, operation management and property management services. The term of the Cooperation Agreement shall commence on 1 November 2023 and end on 31 October 2026.

## Management Fee and Payment terms

For the provision of the Management Services, the management fee payable to Shanghai Lvyu by Jiangxi Greenland shall be 20% of the annual net profit of the Commercial Project, which was determined after arm's length negotiation between the parties with reference to (i) the location, quality and size of the Commercial Project; (ii) the scope of the Management Services; (iii) the anticipated cost for the provision of the Management Services; and (iv) the prevailing market rate in respect of similar management services. The management fee shall be payable on an annual basis before 15 February every year for the year ended on the preceding 31 December. The management fee and payment terms were arrived at after arm's length negotiation between Shanghai Lvyu and Jiangxi Greenland 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 Cooperation Agreement, the total annual management fee for the provision of the Management Services payable to Shanghai Lvyu for the 36-month period ending 31 October 2026 shall not exceed the amounts set out below:

	<b>Annual Cap Amounts</b> <i>Approximately RMB</i>
For the period from 1 November 2023 ending 31 October 2024	10,000,000
For the period from 1 November 2024 ending 31 October 2025	10,000,000
For the period from 1 November 2025 ending 31 October 2026	10,000,000

The Annual Cap Amounts in respect of the Cooperation Agreement were determined with reference to the Shanghai Lvyu's expected management fee for the three years ended 31 October 2026 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 Lvyu is principally engaged in commercial property management.

Jiangxi Greenland is principally engaged in real estate consultation, marketing planning, property management and property leasing.

## **REASONS FOR AND BENEFITS OF ENTERING INTO THE COOPERATION 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 Cooperation 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 Cooperation Agreement was entered into in the ordinary and usual course of business of the Group, and that the terms of the Cooperation 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 Cooperation Agreement and, therefore, was required to abstain from voting on the Board resolutions approving the Cooperation 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 thus a connected person of the Company. Jiangxi Greenland is a wholly-owned subsidiary of Greenland Holdings. Accordingly, Jiangxi Greenland is an associate of Greenland Holdings and a connected person of the Company.

As the highest Applicable Percentage Ratio for the Cooperation Agreement is more than 0.1% but less than 5%, the Cooperation Agreement constitutes a continuing connected transaction for the Company under Chapter 14A of the Listing Rules 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:

<b>“Annual Cap Amounts”</b>	the annual management fee payable to Shanghai Lvyu by Jiangxi Greenland for the Management Services under the Cooperation Agreement for the three years ending 31 October 2026;
<b>“Applicable Percentage Ratio”, “associate(s)” and “connected person(s)”</b>	have the meanings ascribed to them under the Listing Rules;
<b>“Board”</b>	the board of Directors;

<b>“Commercial Project”</b>	the commercial project known as Nanchang Binfen City* (南昌繽紛城) situated at Honggutan New District, Nanchang City, Jiangxi Province, the PRC (中國江西省南昌市紅谷灘新區);
<b>“Company”</b>	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;
<b>“Cooperation Agreement”</b>	the cooperation agreement dated 31 October 2023 between Shanghai Lvyu and Jiangxi Greenland for the provision of the Management Services by Shanghai Lvyu to Jiangxi Greenland for the Commercial Project;
<b>“Director(s)”</b>	the director(s) of the Company;
<b>“Greenland Holdings”</b>	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 (stock code: 600606), and the controlling shareholder of the Company;
<b>“Group”</b>	the Company and its subsidiaries, and a “member of the Group” means any one of them;
<b>“Hong Kong”</b>	the Hong Kong Special Administrative Region of the PRC;
<b>“Jiangxi Greenland”</b>	Jiangxi Greenland Commercial Operation Co., Ltd.* (江西綠地商業運營有限公司), a wholly-owned subsidiary of Greenland Holdings established in the PRC with limited liability;
<b>“Listing Rules”</b>	Rules Governing the Listing of Securities on the Stock Exchange;
<b>“Management Services”</b>	certain commercial project management services to be provided by Shanghai Lvyu under the Cooperation Agreement, including tenancy promotion, operation management and property management services;
<b>“PRC”</b>	People’s Republic of China, which, for the purposes of this announcement, excludes Hong Kong, the Macau Special Administrative Region and Taiwan;
<b>“RMB”</b>	Renminbi, the lawful currency of the PRC;

“Shanghai Lvyu”	Shanghai Lvyu Commercial Management Co., Ltd.* (上海綠譽商業管理有限公司), a wholly-owned subsidiary of the Company 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; and
“%”	per cent.

By order of the Board  
**Greenland Hong Kong Holdings Limited**  
**Chen Jun**  
*Chairman*

Hong Kong, 31 October 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., JP.*

\* *For identification purposes only*