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## **GREENTOWN MANAGEMENT HOLDINGS COMPANY LIMITED**

### **綠城管理控股有限公司**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 09979)**

## **VOLUNTARY ANNOUNCEMENT – BUSINESS DEVELOPMENT UPDATES**

This announcement is made by Greentown Management Holdings Company Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) on a voluntary basis. The board of directors (the “**Directors**”) of the Company (the “**Board**”) wishes to update the shareholders and potential investors of the Company on the latest development status of the Group on a voluntary basis.

The Board is pleased to announce that on 24 November 2023 (after trading hours), Greentown Real Estate Construction Management Group Co., Ltd. (“**Greentown Construction Management**”), a wholly-owned subsidiary of the Company, and Hangzhou Lvjing Holdings Group Company Limited (“**Lvjing Holdings**”), an independent third party of the Company, entered into a cooperation supplementary agreement (the “**Cooperation Supplementary Agreement**”) regarding Zhejiang Greentown Shidai Construction Management Co., Ltd. (“**Greentown Shidai**”) in relation to personnel management, project management fees distribution of Greentown Shidai as well as the provision of loan to Greentown Shidai.

The major terms of the Cooperation Supplementary Agreement are as follows:

- Personnel Arrangement** : Greentown Shidai has a total of 387 employees. Their employment relationships will be transferred to Greentown Construction Management or its designated entities with job positions being uniformly arranged by Greentown Construction Management. Salaries of such employees will be borne by Greentown Construction Management effective from 1 October 2023. The above personnel will continue to be responsible for the management of contracted project management projects under Greentown Shidai.
- Management in Greentown Shidai** : The shareholding structure of Greentown Shidai remains unchanged;

The rules of procedure for general meetings and the board of directors of Greentown Shidai remain unchanged.

**Distribution of Project Management Fees**

: As at and before 30 September 2023, the project management fees charged by Greentown Shidai will be distributed according to the original agreement: (i) for contracted commercial project management projects where the project management fees include personnel costs, Greentown Shidai can receive 80% of the project management fees while Greentown Construction Management can receive 20%; (ii) for contracted commercial project management projects where the project management fees do not include personnel costs, Greentown Shidai can receive 70% of the project management fees while Greentown Construction Management can receive 30%; (iii) for contracted government resettlement housing project management projects, the distribution will be agreed separately.

As at and after 1 October 2023, unless otherwise separately agreed for individual contracted project management projects, the project management fees receivable for contracted project management projects under Greentown Shidai will be distributed between Greentown Construction Management and Greentown Shidai in accordance with the following principles:

- After deducting the share ratio of Greentown Construction Management as stipulated in the current agreement, and then deducting the project team's lump sum fee (if any), project team incentives, expected new corresponding management fees in the area, and contracted project management project intermediary fees (if any), the remaining balance of the overall project management fee for each contracted project management project will be distributed by Greentown Construction Management and Greentown Shidai in a ratio of 50%:50%;
- The specific distributed amount of project management fee for each contracted project management project will be implemented in accordance with the agreement signed between Greentown Construction Management and Greentown Shidai based on the above agreed project management fee distribution principles.

**The Provision of Loan to Greentown Shidai** : Greentown Construction Management will provide a special loan of RMB130 million to Greentown Shidai to supplement its working capital with an interest rate of 4.75% per annum and a term of 2 years.

## **INFORMATION ON GREENTOWN CONSTRUCTION MANAGEMENT**

Greentown Real Estate Construction Management Group Co., Ltd is a company established on 21 March 2012 under the laws of the PRC with limited liability and an indirect wholly-owned subsidiary of the Company.

## **INFORMATION ON LVJING HOLDINGS**

Hangzhou Lvjing Holdings Group Company Limited is a company established on 29 March 2017 under the laws of the People's Republic of China with limited liability. Lvjing Holdings is held by Jing Zeya, Ying Guoyong, Wang Huimei, Sun Zhi and Sheng Yurun with 34%, 34%, 12%, 10% and 10% equity interests respectively. Lvjing Holdings is principally engaged in investment holding business. Lvjing Holdings is an independent third party of the Company.

## **INFORMATION ABOUT GREENTOWN SHIDAI**

Zhejiang Greentown Shidai Construction Management Co., Ltd. is a company established on 18 April 2017 under the laws of the PRC with limited liability. It was funded by Greentown Construction Management and Lvjing Holdings. It is held as to 51% and 49% by Greentown Construction Management and Lvjing Holdings respectively. It is accounted for as a joint venture of the Group and is not considered as a subsidiary of the Company. Greentown Shidai is principally engaged in contracted real estate project management business.

As of the date of this announcement, Greentown Shidai has 49 on-going contracted real estate project management projects. The total amount of project management fees receivable according to the relevant project management contracts is approximately RMB4.141 billion, of which approximately RMB986 million has been recovered.

## **REASONS AND BENEFITS OF ENTERING INTO THE COOPERATION SUPPLEMENTARY AGREEMENT**

The adjustment of cooperation model between Greentown Shidai and Greentown Construction Management will optimize the management of Greentown Shidai's contracted project management projects, standardize the use of the "Greentown" project management brand, and provide a good cooperation model for the development of the Group and other platform companies.

By adjusting the distribution ratio of project management fees receivable by Greentown Shidai, the Group's distribution ratio of Greentown Shidai's project management fees receivable and the Company's revenue will be significantly improved.

The contracted project management projects under Greentown Shidai and its professionals engaged in project management business will be coordinated by the Group's regional companies, which will enrich the personnel strength of the Group's regional companies and promote the Group's regional strategy and organizational upgrades.

By order of the Board  
**Greentown Management Holdings Company Limited**  
**Li Jun**  
*Executive Director*

Hong Kong, the PRC, 24 November 2023

*As at the date of this announcement, the Board comprises Mr. Guo Jiafeng and Mr. Zhang Yadong as non-executive Directors, Mr. Li Jun, Mr. Lin Sanjiu and Mr. Wang Junfeng as executive Directors, and Mr. Lin Zhihong, Dr. Ding Zuyu and Mr. Chan Yan Kwan Andy as independent non-executive Directors.*