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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

CONNECTED TRANSACTIONS

Appointment of connected persons as Contractors

for construction works in respect of the Group's property development projects

The Board is pleased to announce that:

1. Greenland Haikou, a wholly-owned subsidiary of the Company, proposes to enter into the Haikou West Main Contractor Agreement with the Contractor A, to appoint the Contractor A as the main contractor of the Haikou West A-01 Project;
2. Wuxi Guangcheng, a 90%-owned subsidiary of the Company, proposes to enter into the Wuxi Main Contractor Agreement with the Contractor B, to appoint the Contractor B as the main contractor of the Wuxi Project;
3. Greenland Yingcheng, a wholly-owned subsidiary of the Company, proposes to enter into the Guangxi Main Contractor Agreement with the Contractor B, to appoint the Contractor B as the main contractor of the Guangxi Project;
4. Greenland Haikou, a wholly-owned subsidiary of the Company, proposes to enter into the Haikou East C-01 Contractor Agreement with the Contractor A, to appoint the Contractor A as the contractor of the Haikou East C-01 Project;

5. Greenland Haikou, a wholly-owned subsidiary of the Company, proposes to enter into the Haikou East A-13 Contractor Agreement No.1 with the Contractor A, to appoint the Contractor A as the contractor of Haikou East A-13 (Bid-section 1) Project;
6. Greenland Haikou, a wholly-owned subsidiary of the Company, proposes to enter into the Haikou East A-13 Contractor Agreement No.2 with the Contractor A, to appoint the Contractor A as the contractor of the Haikou East A-13 (Bid-section 2) Project;
7. Greenland Haikou, a wholly-owned subsidiary of the Company, proposes to enter into the Haikou East A-13 Contractor Agreement No.3 with the Contractor A, to appoint the Contractor A as the contractor of the Haikou East A-13 Painting Project;
8. Greenland Haikou, a wholly-owned subsidiary of the Company, proposes to enter into the Haikou West A-01 Contractor Agreement No.1 with the Contractor A, to appoint the Contractor A as the contractor of the Haikou West A-01 Earth and Stone Works Project;
9. Greenland Haikou, a wholly-owned subsidiary of the Company, proposes to enter into the Haikou West A-01 Contractor Agreement No.2 with the Contractor A, to appoint the Contractor A as the contractor of the Haikou West A-01 Foundation Excavation Protection Project;
10. Greenland Haikou, a wholly-owned subsidiary of the Company, proposes to enter into the Haikou West A-01 Contractor Agreement No.3 with the Contractor A, to appoint the Contractor A as the contractor of the Haikou West A-01 Pile Foundation Project;
11. Greenland Haikou, a wholly-owned subsidiary of the Company, proposes to enter into the Haikou West A-01 Contractor Agreement No.4 with the Contractor A, to appoint the Contractor A as the contractor of the Haikou West A-01 Pile Foundation Testing Project;
12. Greenland Haikou, a wholly-owned subsidiary of the Company, proposes to enter into the Haikou West A-01 Contractor Agreement No.5 with the Contractor A, to appoint the Contractor A as the contractor of the Haikou West A-01 Painting Project;

13. Hainan Tianhong, a 50.1%-owned subsidiary of the Company, proposes to enter into the Haikou 802 Contractor Agreement No.1 with the Contractor A, to appoint the Contractor A as the contractor of the Haikou 802 Decoration Project; and
14. Hainan Tianhong, a 50.1%-owned subsidiary of the Company, proposes to enter into the Haikou 802 Contractor Agreement No.2 with the Contractor A, to appoint the Contractor A as the contractor of the Haikou 802 Painting Project.

As at the date of this announcement, Greenland Holdings and its associates indirectly hold an aggregate interest in 1,650,244,409 Shares, representing approximately 59.07% of the entire issued share capital and the voting rights of the Company. Contractor A and Contractor B are owned as to 100% and 55% by Greenland Holdings respectively. Accordingly, each of the Contractors is an associate of Greenland Holdings and a connected person of the Company.

As the highest applicable percentage ratio for the Contractor Agreements on an aggregate basis exceeds 5%, the Contractor Agreements constitute connected transactions for the Company subject to the reporting, announcement and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

The Independent Board Committee, comprising all independent non-executive Directors, will be formed to advise the Independent Shareholders on, the fairness and reasonableness of the terms of the Contractor Agreements. Octal Capital Limited has been appointed as the independent financial adviser to make recommendations to the Independent Board Committee and the Independent Shareholders in respect of the same.

A circular containing, among others, details of the Contractor Agreements, a letter from the Independent Board Committee and a letter from the independent financial adviser (both advising on the terms of the Contractor Agreements), and a notice of EGM will be despatched to the Shareholders on or before 10 November 2017.

CONNECTED TRANSACTIONS – THE CONTRACTOR AGREEMENTS

The principal terms of the Contractor Agreements are summarised as follows:

1. The Haikou West Main Contractor Agreement

Parties:	(i) Greenland Haikou as the principal (ii) Contractor A as the main contractor
Subject matter:	To undertake civil construction, electrical, plumbing and drainage installation works and ancillary construction and engineering works in respect of the Haikou West A-01 Project as shown in the relevant construction drawings, and to provide quality control of the construction and the management services of the construction materials sub-contracting in respect of the Haikou West A-01 Project
Project location:	The land parcel no.A-01 (Bid-section no.1-1) situated at Cier Road on the east, Cijiu Road on the south, Ciyi Road on the west, Haiyu Avenue on the north, Meilan District, Haikou City, Hainan Province of the PRC (中國海南省海口市美蘭區東至次二路、南至次九路、西至次一路、北至海榆大道)
Estimated construction area:	Approximately 93,208 sq.m.
Estimated total contract sum:	RMB143,124,690.18 (Approximately HK\$169,030,259), subject to adjustment in accordance with relevant provisions in the Haikou West Main Contractor Agreement
Contract period:	549 calendar days
Expected completion date:	27 June 2019

2. The Wuxi Main Contractor Agreement

Parties:	(i) Wuxi Guangcheng as the principal (ii) Contractor B as the main contractor
Subject matter:	To undertake all structural construction, and electrical, plumbing and drainage installation works as well as the ancillary engineering works of all residences, power distribution rooms, basements, security guard rooms and related auxiliary facilities in respect of the Wuxi Project as shown in the relevant tender documents and drawings, and construction specifications
Project location:	The Xuelangping Railway Station (雪浪坪地鐵站) situated at the northern side of the intersection of Pinghu Road and Shangde Road, Binhu District, Wuxi City, Jiangsu Province, the PRC (中國江蘇省無錫市濱湖區平湖路與尚德路交叉口北側)
Estimated construction area:	Approximately 74,702 sq.m.
Estimated total contract sum:	RMB125,450,969 (Approximately HK\$148,157,594), subject to adjustment in accordance with relevant provisions in the Wuxi Main Contractor Agreement
Contract period:	912 calendar days
Expected completion date:	18 May 2020

3. The Guangxi Main Contractor Agreement

Parties:	(i) Greenland Yingcheng as the principal (ii) Contractor B as the main contractor
Subject matter:	To undertake civil construction, electrical and mechanical engineering works, installation works and ancillary construction and engineering works (including but not limited to piping, building of facades, plugging of pipe wells, etc.) in respect of the Guangxi Project as shown in the relevant construction drawings, and to provide quality control and management services of the construction of the Guangxi Project.
Project location:	The Greenland Xinli Puyue Mansion (綠地新里•璞悅公館) situated at the interchange between Sanjin Avenue and Zhixing Road, Jiangnan District, Nanning City, Guangxi Zhuang Autonomous Region, the PRC (中國廣西壯族自治區南寧市江南區三津大道與智興路交匯處)
Estimated construction area:	Approximately 394,820 sq.m.
Estimated total contract sum:	RMB273,752,175 (Approximately HK\$323,301,319), subject to adjustment in accordance with relevant provisions in the Guangxi Main Contractor Agreement
Contract period:	970 calendar days
Expected completion date:	25 July 2020

4. The Haikou East C-01 Contractor Agreement

Parties:	(i) Greenland Haikou as the principal (ii) Contractor A as the contractor
Subject matter:	To enhance the design and to undertake the fine decoration works of the relevant units (including the lobbies, shops, elevator halls, public corridors, corridor ceilings, walls, floor and elevator door covers) in respect of the Haikou East C-01 Project in accordance with the tender drawings provided by the bidder
Project location:	The commercial building no.11 of the Haikou Lingshan Greenland City (海口靈山綠地城) situated on the land parcel no.C-01 (27), East Area, Lingshan Town, Meilan District, Haikou City, Hainan Province of the PRC (中國海南省海口市美蘭區靈山鎮東片區C-01(27)號地塊)
Estimated construction area:	9,092 sq.m.
Estimated total contract sum:	RMB5,176,523.09 (Approximately HK\$6,113,474), subject to adjustment in accordance with relevant provisions in the Haikou East C-01 Contractor Agreement
Contract period:	40 calendar days
Expected completion date:	30 December 2017

5. The Haikou East A-13 Contractor Agreement No.1

Parties:	(i) Greenland Haikou as the principal (ii) Contractor A as the contractor
Subject matter:	To enhance the design and to undertake the fine decoration works of the relevant units of the residential and public areas (which include the interior decoration of building nos.1, 2, 5 and 6; interior decoration of the type-C, type-C-1 and type-D units of building nos.9 and 10; decoration of the lobbies and public areas of building nos.1, 2, 5, 6, 9 and 10; decoration of the public areas of shops located at building nos.1, 2, 9, 10, 13 and 14; and the decoration works involving rooftops, walls, floors, elevator doors and other relevant parts) in respect of the Haikou East A-13 (Bid-section 1) Project in accordance with the tender drawings provided by the bidder
Project location:	The Haikou Lingshan Greenland City (海口靈山綠地城) situated on the land parcel no.A-13 (21), East Area, Lingshan Town, Meilan District, Haikou City, Hainan Province of the PRC (中國海南省海口市美蘭區靈山鎮東片區A-13(21)號地塊)
Estimated construction area:	Approximately 75,623.32 sq.m.
Estimated total contract sum:	RMB19,936,452 (Approximately HK\$23,544,950), subject to adjustment in accordance with relevant provisions in the Haikou East A-13 Contractor Agreement No.1
Contract period:	120 calendar days
Expected completion date:	28 March 2018

6. The Haikou East A-13 Contractor Agreement No.2

Parties:	(i) Greenland Haikou as the principal (ii) Contractor A as the contractor
Subject matter:	To enhance the design and to undertake the fine decoration works of the relevant units of the residential and public areas (which include the interior decoration of building nos.3, 4, 7 and 8; interior decoration of type-C, type-C-1 and type-D units of building nos.11 and 12; decoration of the lobbies and public areas of building nos.3, 4, 7, 8, 11 and 12; decoration of the public areas of shops located at building nos.3, 4, 11 and 12; and the decoration works involving rooftops, walls, floors, elevator doors and other relevant parts) in respect of the Haikou East A-13 (Bid-section 2) Project in accordance with the tender drawings provided by the bidder
Project location:	The Haikou Lingshan Greenland City (海口靈山綠地城) situated on the land parcel no.A-13 (21), East Area, Lingshan Town, Meilan District, Haikou City, Hainan Province of the PRC (中國海南省海口市美蘭區靈山鎮東片區A-13(21)號地塊)
Estimated construction area:	Approximately 81,420.77 sq.m.
Estimated total contract sum:	RMB23,121,219 (Approximately HK\$27,306,160), subject to adjustment in accordance with relevant provisions in the Haikou East A-13 Contractor Agreement No.2
Contract period:	120 calendar days
Expected completion date:	4 April 2018

7. The Haikou East A-13 Contractor Agreement No.3

Parties:	(i) Greenland Haikou as the principal (ii) Contractor A as the contractor
Subject matter:	To undertake the external wall painting works and the ancillary works (including but not limited to purchase of raw materials, transportation, testing of the materials, etc.) of building nos.1 to 14 in respect of Haikou East A-13 Painting Project
Project location:	The land parcel no.A-13, East Area, Lingshan Town, Meilan District, Haikou City, Hainan Province of the PRC (中國海南省海口市美蘭區靈山鎮東片區A-13號地塊)
Estimated construction area:	N/A
Estimated total contract sum:	RMB6,816,677.04 (Approximately HK\$8,050,496), subject to adjustment in accordance with relevant provisions in the Haikou East A-13 Contractor Agreement No.3
Contract period:	130 days
Expected completion date:	7 April 2018

8. The Haikou West A-01 Contractor Agreement No.1

Parties:	(i) Greenland Haikou as the principal (ii) Contractor A as the contractor
Subject matter:	To undertake the site formation and foundation pits excavation works, including but not limited to design enhancement in accordance with the tender plan in respect of the Haikou West A-01 Earth and Stone Works Project
Project location:	The land parcel no.A-01 (Bid-section no.1-1) situated at West Area, Lingshan Town, Meilan District, Haikou City, Hainan Province of the PRC (中國海南省海口市美蘭區靈山鎮西片區A-01號地塊(1-1標段))
Estimated construction area:	N/A
Estimated total contract sum:	RMB4,258,033.39 (Approximately HK\$5,028,737), subject to adjustment in accordance with relevant provisions in the Haikou West A-01 Contractor Agreement No.1
Contract period:	90 days
Expected completion date:	14 February 2018

9. Haikou West A-01 Contractor Agreement No.2

Parties:	(i) Greenland Haikou as the principal (ii) Contractor A as the contractor
Subject matter:	Foundation excavation retaining and protecting works (including but not limited to mixing piles, slope protection, light well points, drainage, protection works and clearance of pile core soil (if any) and other relevant works after pile construction works for the water wells have been completed) in respect of the Haikou West A-01 Foundation Excavation Protection Project
Project location:	The land parcel no.A-01 (Bid-section no.1-1) situated at West Area, Lingshan Town, Meilan District, Haikou City, Hainan Province of the PRC (中國海南省海口市美蘭區靈山鎮西片區A-01號地塊(1-1標段))
Estimated construction area:	N/A
Estimated total contract sum:	RMB8,433,824.30 (Approximately HK\$9,960,346), subject to adjustment in accordance with relevant provisions in Haikou West A-01 Contractor Agreement No.2
Contract period:	30 days
Expected completion date:	23 January 2018

10. The Haikou West A-01 Contractor Agreement No.3

Parties:	(i) Greenland Haikou as the principal (ii) Contractor A as the contractor
Subject matter:	To undertake the pile foundation construction works (including but not limited to supplying piles, piling-up, building roads for temporary sites) of building nos.1, 2, 3, 7, 8, 12, 13, 13-1 and basements as well as the protection of the products and cleaning-up of the pile cores after completion of the pile foundation in respect of the Haikou West A-01 Pile Foundation Project
Project location:	The land parcel no.A-01 (Bid-section no.1-1) situated at West Area, Lingshan Town, Meilan District, Haikou City, Hainan Province of the PRC (中國海南省海口市美蘭區靈山鎮西片區A-01號地塊(1-1)標段)
Estimated construction area:	N/A
Estimated total contract sum:	RMB10,704,796.83 (Approximately HK\$12,642,365), subject to adjustment in accordance with relevant provisions in the Haikou West A-01 Contractor Agreement No.3
Contract period:	45 days
Expected completion date:	10 January 2018

11. The Haikou West A-01 Contractor Agreement No.4

Parties:	(i) Greenland Haikou as the principal (ii) Contractor A as the contractor
Subject matter:	To undertake the pile foundation testing works (including but not limited to supplying piles, piling-up, building roads for temporary sites) of building nos.1, 2, 3, 7, 8, 12, 13, 13-1 and basements as well as the protection of the products and cleaning-up of the pile cores after completion of the pile foundation in respect of the Haikou West A-01 Pile Foundation Testing Project
Project location:	The land parcel no.A-01 (Bid-section no.1-1) situated at West Area, Lingshan Town, Meilan District, Haikou City, Hainan Province of the PRC (中國海南省海口市美蘭區靈山鎮西片區 A-01號地塊(1-1標段))
Estimated construction area:	N/A
Estimated total contract sum:	RMB214,502.49 (Approximately HK\$253,327), subject to adjustment in accordance with relevant provisions in the Haikou West A-01 Contractor Agreement No.4
Contract period:	3 days
Expected completion date:	19 November 2017

12. The Haikou West A-01 Contractor Agreement No.5

Parties:	(i) Greenland Haikou as the principal (ii) Contractor A as the contractor
Subject matter:	To undertake the external wall painting works and the ancillary works (including but not limited to enhancing the design and drawings, protection of the sites prior delivery as well as the management of the relevant subcontracting, etc.) of building nos.4, 5, 6 and 18 in respect of the Haikou West A-01 Painting Project
Project location:	The land parcel no.A-01 (Bid-section no.1-1) situated at West Area, Lingshan Town, Meilan District, Haikou City, Hainan Province of the PRC (中國海南省海口市美蘭區靈山鎮西片區A-01號地塊(1-1標段))
Estimated construction area:	N/A
Estimated total contract sum:	RMB3,844,677 (Approximately HK\$4,540,564), subject to adjustment in accordance with relevant provisions in the Haikou West A-01 Contractor Agreement No.5
Contract period:	80 days
Expected completion date:	8 February 2018

13. The Haikou 802 Contractor Agreement No.1

Parties:	(i) Hainan Tianhong as the principal (ii) Contractor A as the contractor
Subject matter:	To undertake the decoration works of the mock-up exhibition region (including two mock-up rooms and the related public areas) in respect of the Haikou 802 Decoration Project
Project location:	Phase 4, Haichangliu, Changbin 4th Road, Binhai Avenue, Haikou City, Hainan Province of the PRC (中國海南省海口市濱海大道長濱四路海長流四期)
Estimated construction area:	N/A
Estimated total contract sum:	RMB1,398,863.04 (Approximately HK\$1,652,057), subject to adjustment in accordance with relevant provisions in the Haikou 802 Contractor Agreement No.1
Contract period:	40 days
Expected completion date:	9 January 2018

14. The Haikou 802 Contractor Agreement No.2

Parties:	(i) Hainan Tianhong as the principal (ii) Contractor A as the contractor
Subject matter:	To undertake the external wall painting works and the ancillary works (including but not limited to purchase of raw materials, transportation, testing of the materials, etc.) of building nos.1, 2, 8, 9, 10 and S-1 (Bid-section 2) in respect of the Haikou 802 Painting Project
Project location:	Changbin 4th Road, Haikou City, Hainan Province of the PRC (中國海南省海口市長濱四路(二標段))
Estimated construction area:	N/A
Estimated total contract sum:	RMB3,148,872.55 (Approximately HK\$3,718,818), subject to adjustment in accordance with the relevant provisions in the Haikou 802 Contractor Agreement No.2
Contract period:	25 days
Expected completion date:	11 January 2018

The Contractor Agreements are yet to be entered into. The actual date (or the expected date) of these Contractor Agreements will be disclosed in the circular to be despatched to the Shareholders in relation to this announcement.

Payment terms

The total contract sum (subject to adjustments) payable under each Contractor Agreement shall be payable in stages based on the progress of the construction works.

The final total contract sum payable under each Contractor Agreement is subject to adjustment, which is based on the settlement amount stated in the final settlement report to be prepared by an independent surveyor (the “**Final Settlement Report**”). The Final Settlement Report is to be confirmed and signed by the parties to the relevant Contractor Agreement. In general, 70% of the estimated total contract sum shall have been fully paid up following completion and acceptance of the construction works.

For the Main Contractor Agreements, 95% of the adjusted total contract sum shall have been fully paid up within one year from the date on which the Final Settlement Report on the total construction costs payable under the relevant Main Contractor Agreement is issued or from the date of the final settlement. The remaining 5% of the adjusted total contract sum payable under each Main Contractor Agreement shall be withheld as warranty payment and shall, subject to deductions due to necessary repair works, be released in two instalments to the relevant Contractors, the last instalment of which shall be released after the expiry of a five-year warranty period for their respective construction works.

For the Contractor Agreements (other than the Main Contractor Agreements), 95% of the adjusted total contract sum shall have been fully paid up within one year from the date on which the Final Settlement Report on the total construction costs payable under the relevant Contractor Agreement is issued or from the date of the final settlement. The remaining 5% of the adjusted total contract sum payable under each of such Contractor Agreement shall be withheld as warranty payment and shall, subject to deductions due to necessary repair works, be released after the expiry of a two-year warranty period for their respective construction works.

Furthermore, the total contract sum of each of the Main Contractor Agreements and the Haikou West A-01 Contractor Agreement No.3 will be adjusted in response to fluctuation in the market price of certain major construction materials when such fluctuation is larger than the threshold agreed upon under each of such Contractor Agreement, which threshold ranges from $\pm 5\%$ to $\pm 10\%$.

In the event the market price of the relevant construction materials is higher than the pre-agreed threshold, the adjustment mechanism and formula is as follows:

$$\text{Adjusted Price} = \text{Contract Price} + \left[\frac{\text{Average Price} - \text{Pre-agreed Reference Price}}{\text{Pre-agreed Threshold}} \times \left(1 + \frac{\text{Pre-agreed}}{\text{Threshold}} \right) \right]$$

In the event the market price of the relevant construction materials is lower than the pre-agreed threshold, the adjustment mechanism and formula is as follows:

$$\text{Adjusted Price} = \text{Contract Price} + \left[\frac{\text{Pre-agreed}}{\text{Reference Price}} \times \left(1 - \frac{\text{Pre-agreed}}{\text{Threshold}} \right) - \text{Average Price} \right]$$

Notes:

“Adjusted Price”	<i>means the adjusted price of the relevant construction materials</i>
“Contract Price”	<i>means the original price of the major construction materials contracted under the relevant Contractor Agreement</i>
“Average Price”	<i>means the average price of the relevant construction materials during the period of price estimation</i>
“Pre-agreed Reference Price”	<i>means the pre-agreed reference price contracted under the relevant contractor Agreement</i>
“Pre-agreed Threshold”	<i>means the pre-agreed threshold (ranging from ± 5 to ± 10) in respect of the fluctuation of the relevant market price of the major construction materials contracted under the relevant Contractor Agreement</i>

The above adjustment is based on dollar-to-dollar basis and is in line with the market practice of the construction industry in the PRC. The actual adjustment shall be determined based on the Final Settlement Report, and there is no agreed maximum amount of the total contract sum under each Contractor Agreement. According to the Company’s previous experience and practice, the adjustments to the total contract sum of similar contractor agreements did not exceed 5% of the total contract sum of the relevant contractor agreement. As such, in the event that the adjustment to any of the Contractor Agreements exceeds 5% of its total contract sum, the Company will seek the Independent Shareholders’ approval for the relevant adjustment and the revised total contract sum of such Contractor Agreement at extraordinary general meeting of the Company, and will enter into a supplemental agreement with the relevant contractor to govern the relevant adjustment.

Basis of determining the total contract sum

The total contract sum (subject to adjustments) payable under the each of the Contractor Agreements was negotiated on an arm’s length basis and determined with reference to the fees payable by the Group to independent third parties for construction works of a similar nature and current local rules and regulations in force where the relevant Construction Project is located that govern the fees (in that the rules or regulations provided for the estimated expected quantities of materials to be used in a construction project) that may be charged in respect of the construction works to be conducted under the relevant Contractor Agreement. However, no prior governmental approval for the estimated budgets of the relevant Construction Projects were required.

The contract sums of the Contractor Agreements were determined also with reference to current local rules and regulations governing construction fees. The estimated total contract sum of each Construction Projects was arrived at by totalling up the estimated amount of required construction work (in terms of man-days and quantity of construction materials) set out in the relevant local rules and regulations stated below multiplied by the current reference

market prices for the relevant province for such man-days and construction materials as published in writing and/or on-line at the website of the relevant PRC government authority from time to time. Moreover, the Contractors require to comply with the《建設工程工程量清單計價規範》(“Code of Bills of Quantities and Valuation for Construction Works”) in the determination of the man-days and the quantity of construction materials being adopted in the Construction Projects. Under the aforesaid code, (i) an independent surveyor is required to rely on several factors to estimate the amount of construction work and number of man-days for each construction project, mainly including proposed size of construction area and nature of the construction; and (ii) a contractor is required to submit relevant construction plan containing number of man-days and quantity of construction materials to its independent surveyor for approval before procurement of certain materials for construction project. Each Contractor Agreement adopted the similar calculation method. The Group engaged independent surveyors to assist it to estimate the man-days and the quantity of construction materials of each Construction Project.

Such rules and regulations are set out as follows:

(1) in the case of the Wuxi Project:

- 《江蘇省建築與裝飾工程計價表(2004)》(“2004 Jiangsu Province Construction and Decoration Project Pricing Schedule”);
- 《江蘇省安裝工程計價表(2004)》(“2004 Jiangsu Province Installation Project Pricing Schedule”);
- 《江蘇省建施工程費用定額(2009)》(“2009 Jiangsu Province Construction Project Fee Estimate Norm”); and
- 《建設工程工程量清單計價規範》(“Code of Bills of Quantities and Valuation for Construction Works”) (GB50500-2013).

(2) in the case of the Guangxi Project:

- 《廣西壯族自治區建設工程費用定額》(2016年) (“2016 Guangxi Zhuang Autonomous Region Construction Project Fee Estimate Norm”);
- 《建設工程工程量清單計價規範》(“Code of Bills of Quantities and Valuation for Construction Works”) (GB50500-2013); and
- 《廣西壯族自治區建築裝飾裝修工程消耗量定額》(2013年) (“2013 Guangxi Zhuang Autonomous Region Construction and Decoration Project Consumption Rate Estimate Norm”).

(3) in the case of the Construction Projects which are located in Hainan Province of the PRC:

- 《海南省房屋建設與裝飾工程計價定額(2011)》(“2011 Hainan Province Building Construction and Decoration Projects Price Determination Estimate Norm”*);
- 《海南省安裝工程綜合定額(常用冊2008)》(“2008 Hainan Province Installation Projects Consolidated Estimate Norm”*);
- 《海南省市政工程計價定額(2011)》(“2011 Hainan Province Municipal Project Estimate Norm”*);
- 《海南省園林工程綜合定額(2005)》(“2005 Hainan Province Landscape Projects Consolidated Estimate Norm”*);
- 《海南省裝飾工程綜合定額(2008)》(“2008 Hainan Province Decoration Projects Consolidated Estimate Norm”*);
- 《海南省房屋修繕工程綜合定額(2007)》(“2007 Hainan Province Housing Renovation Projects Consolidated Estimate Norm”*); and
- 《建設工程工程量清單計價規範(2008)》(“2008 Code of Bills of Quantities and Valuation for Construction Works”*).

All the above rules and regulations are applicable to all the construction projects of the Group located in the relevant locations and outsourced to main contractors for construction works. The cost control department of the Group would oversee the fee composition of main contracting projects and subcontracting projects to ensure that all the rules and regulations have been complied before any commencement of each construction projects of the Group.

Before finalising the total contract sum, the Group also compared the fees payable by the Group to independent third parties as well as the connected persons for construction works of a similar nature. When comparing such fees, the Group primarily considered the average cost per square metre, the project’s construction work costs and the price charged for previous projects. The Company have compared the payment terms and the pricing terms of each of the Contractor Agreements offered to the Contractors with that offered to the independent third parties to ensure that they are no less favourable to the Group than the terms provided by independent third parties. Notwithstanding that the price for construction works is determined with reference to the regulations and the market price published by the relevant PRC governmental authorities, the contract price quoted by the Contractors to the Company are lower than those of the independent third parties on the ground that, in comparison to the independent third parties, the Contractors acquire the construction materials at difference price due to different levels of business relationships with the suppliers, and different time spent on the projects due to different skill levels.

Funding

The total contract sum (subject to adjustments) payable under each of the Contractor Agreements is expected to be funded by the internal resources of the Group.

REASONS FOR AND BENEFITS OF ENTERING INTO THE CONTRACTOR AGREEMENTS

The Contractors have extensive experience in the construction business in the PRC. The Directors believe that engaging the Contractors to carry out the construction works in respect of the Construction Projects will allow the Group to capitalise on the expertise of the Contractor and ensure the construction works are completed up to the standards desired by the Company.

The Board (excluding Mr. Chen Jun and Mr. Wu Zhengkui, who abstained from voting at the meeting of the Board due to conflict of interest, and the independent non-executive Directors who will give their opinion in the circular after considering the recommendations of the independent financial adviser) considers that the Contractor Agreements were entered into in the ordinary and usual course of business of the Group, and the transactions contemplated thereunder are in the ordinary and usual course of business of the Group, and that the terms of and the total contract sum payable (subject to adjustment) under each of the Contractor Agreements have been negotiated on an arm's length basis and are normal commercial terms which are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

GENERAL INFORMATION

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

Greenland Holdings is an enterprise headquartered in Shanghai, PRC and is principally engaged in real estate, energy and finance business. Greenland Holdings indirectly holds approximately 59.07% of the entire issued share capital of the Company.

Both Contractor A and Contractor B are principally engaged in undertaking industrial and civil construction works, interior and exterior construction, installation and decoration works and construction of urban roads.

LISTING RULES IMPLICATIONS

As at the date of this announcement, Greenland Holdings and its associates indirectly hold an aggregate interest in 1,650,244,409 Shares, representing approximately 59.07% of the entire issued share capital and the voting rights of the Company. Contractor A and Contractor B are owned as to 100% and 55% by Greenland Holdings respectively. Accordingly, each of the Contractors is an associate of Greenland Holdings and a connected person of the Company.

As the highest applicable percentage ratio for the Contractor Agreements on an aggregate basis exceeds 5%, the Contractor Agreements constitute connected transactions for the Company subject to the reporting, announcement and Independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

Each of the Contractor Agreements will not come into effect until such time as the transaction contemplated under the respective agreement has been approved by the Board and the Independent Shareholders in the EGM by poll.

The Independent Board Committee, comprising all independent non-executive Directors, will be formed to advise the Independent Shareholders on, the fairness and reasonableness of the terms of the Contractor Agreements. Octal Capital Limited has been appointed as the independent financial adviser to make recommendations to the Independent Board Committee and the Independent Shareholders in respect of the same.

A circular containing, among others, details of the Contractor Agreements, a letter from the Independent Board Committee and a letter from the independent financial adviser (both advising on the terms of the Contractor Agreements), and a notice of EGM will be despatched to the Shareholders on or before 10 November 2017.

DEFINITIONS

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

“associate”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of Directors
“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 Shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 0337)
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Construction Projects”	collectively, the Wuxi Project, the Guangxi Project, the Haikou West A-01 Project, the Haikou East A-13 Project, the Haikou East C-01 Project, the Haikou East A-13 (Bid-section 1) Project, the Haikou East A-13 (Bid-section 2) Project, the Haikou East A-13 Painting Project, the Haikou West A-01 Earth and Stone Works Project, the Haikou West A-01 Foundation Excavation Protection Project, the Haikou West A-01 Pile Foundation Project, the Haikou West A-01 Pile Foundation Testing Project, the Haikou West A-01 Painting Project, the Haikou 802 Decoration Project and the Haikou 802 Painting Project, and a “Construction Project” means any one of them

“Contractor Agreements”	collectively, the Main Contractor Agreements, the Haikou East C-01 Contractor Agreement, the Haikou East A-13 Contractor Agreement No.1, the Haikou East A-13 Contractor Agreement No.2, the Haikou East A-13 Contractor Agreement No.3, the Haikou West A-01 Contractor Agreement No.1, the Haikou West A-01 Contractor Agreement No.2, the Haikou West A-01 Contractor Agreement No.3, the Haikou West A-01 Contractor Agreement No.4, the Haikou West A-01 Contractor Agreement No.5, the Haikou 802 Contractor Agreement No.1 and the Haikou 802 Contractor Agreement No.2, and a “Contractor Agreement” means any one of them
“Contractor A”	上海綠地建築工程有限公司 (Shanghai Greenland Construction Engineering Co., Ltd.*), a company established in the PRC with limited liability owned as to 100% by Greenland Holdings
“Contractor B”	江蘇省建築工程集團有限公司 (Jiangsu Construction Engineering Co., Ltd.*), a company established in the PRC with limited liability owned as to 55% by Greenland Holdings
“Contractors”	collectively Contractor A and Contractor B, and a “Contractor” means any one of them
“Directors”	the directors of the Company
“EGM”	the extraordinary general meeting of the Company to be convened for the purpose of approving the Contractor Agreements
“Greenland Haikou”	海口綠地鴻翔置業有限公司 (Haikou Hongxiang Property Co., Ltd.*), a company established in the PRC with limited liability and a wholly-owned subsidiary of the Company
“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 (stock code: 600606.SH), and the controlling shareholder of the Company
“Greenland Yingcheng”	南寧綠地穎晟置業有限公司 (Nanning Greenland Yingcheng Property Co., Ltd.*), a company established in the PRC with limited liability and a wholly-owned subsidiary of the Company
“Group”	the Company and its subsidiaries

“Guangxi Main Contractor Agreement”	the main contractor agreement proposed to be entered into between Greenland Yingcheng and the Contractor B in relation to the construction works to be conducted for the Guangxi Project
“Guangxi Project”	the property development project for the Greenland Xinli Puyue Mansion (綠地新里•璞悅公館) situated at the interchange between Sanjin Avenue and Zhixing Road, Jiangnan District, Nanning City, Guangxi Zhuang Autonomous Region, the PRC (中國廣西壯族自治區南寧市江南區三津大道與智興路交匯處)
“Haikou East A-13 (Bid-section 1) Project”	the fine decoration project (Bid-section 1) to be undertaken in the Haikou Lingshan Greenland City (海口靈山綠地城) situated on the land parcel no.A-13 (21), East Area, Lingshan Town, Meilan District, Haikou City, Hainan Province of the PRC (中國海南省海口市美蘭區靈山鎮東片區A-13(21)號地塊)
“Haikou East A-13 (Bid-section 2) Project”	the fine decoration project (Bid-section 2) to be undertaken in the Haikou Lingshan Greenland City (海口靈山綠地城) situated on the land parcel no.A-13 (21), East Area, Lingshan Town, Meilan District, Haikou City, Hainan Province of the PRC (中國海南省海口市美蘭區靈山鎮東片區A-13(21) 號地塊)
“Haikou East A-13 Contractor Agreement No.1”	the contractor agreement proposed to be entered into between Greenland Haikou and the Contractor A in relation to the fine decoration works to be conducted for Haikou East A-13 (Bid-section 1) Project
“Haikou East A-13 Contractor Agreement No.2”	the contractor agreement proposed to be entered into between Greenland Haikou and the Contractor A in relation to the fine decoration works to be conducted for the Haikou East A-13 (Bid-section 2) Project
“Haikou East A-13 Contractor Agreement No.3”	the contractor agreement proposed to be entered into between Greenland Haikou and the Contractor A in relation to the external wall painting works to be conducted for the Haikou East A-13 Painting Project
“Haikou East A-13 Painting Project”	the external wall painting project in respect of building nos.1 to 14 situated on the land parcel no.A-13, East Area, Lingshan Town, Meilan District, Haikou City, Hainan Province of the PRC (中國海南省海口市美蘭區靈山鎮東片區A-13號地塊)

“Haikou East C-01 Contractor Agreement”	the contractor agreement proposed to be entered into between Greenland Haikou and the Contractor A in relation to the fine decoration works to be conducted for the Haikou East C-01 Project
“Haikou East C-01 Project”	the fine decoration works to be undertaken on three levels of the commercial building no.11 of the Haikou Lingshan Greenland City (海口靈山綠地城) situated on the land parcel no.C-01 (27), East Area, Lingshan Town, Meilan District, Haikou City, Hainan Province of the PRC (中國海南省海口市美蘭區靈山鎮東片區C-01(27)號地塊)
“Haikou West A-01 Contractor Agreement No.1”	the contractor agreement proposed to be entered into between Greenland Haikou and the Contractor A in relation to the earth and stone works to be conducted for the Haikou West A-01 Earth and Stone Works Project
“Haikou West A-01 Contractor Agreement No.2”	the contractor agreement proposed to be entered into between Greenland Haikou and the Contractor A in relation to the foundation excavation retaining and protecting works to be conducted for the Haikou West A-01 Foundation Excavation Protection Project
“Haikou West A-01 Contractor Agreement No.3”	the contractor agreement proposed to be entered into between Greenland Haikou and the Contractor A in relation to the pile foundation works to be conducted for the Haikou West A-01 Pile Foundation Project
“Haikou West A-01 Contractor Agreement No.4”	the contractor agreement proposed to be entered into between Greenland Haikou and the Contractor A in relation to the pile foundation testing works to be conducted for the Haikou West A-01 Pile Foundation Testing Project
“Haikou West A-01 Contractor Agreement No.5”	the independent subcontract proposed to be entered into between Greenland Haikou and the Contractor A in relation to the external wall painting works to be conducted for the Haikou West A-01 Painting Project
“Haikou West A-01 Earth and Stone Works Project”	the earth and stone works construction projects in respect of the urban renewal and property development project of West Area (片西區) to be constructed on the land parcel no.A-01 (Bid-section 1-1) situated at the West Area, Lingshan Town, Meilan District, Haikou City, Hainan Province of the PRC (中國海南省海口市美蘭區靈山鎮西片區A-01號地塊(1-1標段))

“Haikou West A-01 Foundation Excavation Protection Project”	the foundation excavation retaining and protecting project to be undertaken on the land parcel no.A-01 (Bid-section 1-1) situated at West Area, Lingshan Town, Meilan District, Haikou City, Hainan Province of the PRC (中國海南省海口市美蘭區靈山鎮西片區A-01號地塊(1-1標段))
“Haikou West A-01 Painting Project”	the external wall painting project in respect of building nos.4, 5, 6 and 18 situated on the land parcel no.A-01 (Bid-section 1-1), West Area, Lingshan Town, Meilan District, Haikou City, Hainan Province of the PRC (中國海南省海口市美蘭區靈山鎮西片區A-01號地塊(1-1標段))
“Haikou West A-01 Pile Foundation Project”	the pile foundation construction project in respect of building nos.1, 2, 3, 7, 8, 12, 13, 13-1 and basements located at the land parcel no.A-01 (Bid-section 1-1) situated at West Area, Lingshan Town, Meilan District, Haikou City, Hainan Province of the PRC (中國海南省海口市美蘭區靈山鎮西片區A-01號地塊(1-1標段))
“Haikou West A-01 Pile Foundation Testing Project”	the pile foundation testing project in respect of building nos.1, 2, 3, 7, 8, 12, 13, 13-1 and basements located at the land parcel no.A-01 (Bid-section 1-1) situated at West Area, Lingshan Town, Meilan District, Haikou City, Hainan Province of the PRC (中國海南省海口市美蘭區靈山鎮西片區A-01號地塊(1-1標段))
“Haikou West A-01 Project”	the urban renewal and property development project of West Area (片西區) to be constructed on the land parcel no.A-01 (Bid-section 1-1) situated at Cier Road on the east, Cijiu Road on the south, Ciyi Road on the west, Haiyu Avenue on the north, Meilan District, Haikou City, Hainan Province of the PRC (中國海南省海口市美蘭區東至次二路、南至次九路、西至次一路、北至海榆大道A-01號地塊(1-1標段))
“Haikou 802 Contractor Agreement No.1”	the contractor agreement proposed to be entered into between Hainan Tianhong and the Contractor A in relation to the decoration works to be conducted for the Haikou 802 Decoration Project
“Haikou 802 Contractor Agreement No.2”	the contractor agreement proposed to be entered into between Hainan Tianhong and the Contractor A in relation to the external wall painting works to be conducted for the Haikou 802 Painting Project

“Haikou 802 Decoration Project”	the decoration projects to be undertaken at Phase 4, Haichangliu, Changbin 4th Road, Binhai Avenue, Haikou City, Hainan Province of the PRC (中國海南省海口市濱海大道長濱四路海長流四期)
“Haikou 802 Painting Project”	the external wall painting projects of building nos. 1, 2, 8, 9, 10 and S-1 to be undertaken at Changbin 4th Road, Haikou City, Hainan Province of the PRC (Bid-section 2) (中國海南省海口市長濱四路(二標段))
“Haikou West Main Contractor Agreement”	the main contractor agreement proposed to be entered into between Greenland Haikou and the Contractor A in relation to the construction works to be conducted for the Haikou West A-01 Project
“Hainan Tianhong”	海南天泓基業投資有限公司 (Hainan Tianhong Jiye Investment Co., Ltd.*), a company established in the PRC with limited liability owned as to 50.1% by the Company
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Board Committee”	the committee of the Board comprising all the independent non-executive Directors (namely, Mr. Cheong Ying Chew, Henry, Mr. Fong Wo, Felix, JP and Mr. Kwan Kai Cheong)
“Independent Shareholders”	Shareholders other than those who are required by the Listing Rules to abstain from voting on the resolutions approving the Contractor Agreements
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Main Contractor Agreements”	collectively, the Haikou West Main Contractor Agreement, Wuxi Main Contractor Agreement and the Guangxi Main Contractor Agreement, and a “Main Contractor Agreement” means any one of them
“PRC”	People’s Republic of China, which for the purpose of this announcement, excludes Hong Kong, the Macau Special Administrative Region and Taiwan
“RMB”	Renminbi, the lawful currency of the PRC
“Share(s)”	the ordinary share(s) of HK\$0.50 each in the share capital of the Company
“Shareholders”	holders of the Shares

“sq.m.”	square metres
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary(ies)”	has the meaning ascribed to it under the Listing Rules
“Suzhou Lvjie”	蘇州綠杰置業有限公司 (Suzhou Lvjie Property Co., Ltd.*), a company established in the PRC with limited liability and a wholly-owned subsidiary of the Company
“Wuxi Guangcheng”	無錫廣成地鐵上蓋置業有限公司 (Wuxi Guangcheng Metro Above-Station Property Development Co., Ltd.*), a company established in the PRC with limited liability owned as to 90% indirectly by the Company
“Wuxi Main Contractor Agreement”	the main contractor agreement proposed to be entered into between Wuxi Guangcheng and the Contractor B in relation to the construction works to be conducted for the Wuxi Project
“Wuxi Project”	the property development project to be constructed in the Southern District of the Xuelangping Railway Station (雪浪坪地鐵站) situated at the northern side of the intersection of Pinghu Road and Shangde Road, Binhu District, Wuxi City, Jiangsu Province, the PRC (中國江蘇省無錫市濱湖區平湖路與尚德路交叉口北側)
“%”	per cent.

For the purpose of this announcement, the exchange rate RMB1.00 = HK\$1.181 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

Hong Kong, 20 October 2017

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 and Ms. Wang Xuling; and the independent non-executive Directors are Mr. Cheong Ying Chew, Henry, Mr. Fong Wo, Felix, JP, and Mr. Kwan Kai Cheong.

* *For identification purposes only*