



## GREENTOWN CHINA HOLDINGS LIMITED

綠城中國控股有限公司\*

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

**(Stock code: 3900)**

### ANNOUNCEMENT JOINT VENTURE COOPERATION

- On 9 August 2007, Zestrich, an indirect wholly-owned subsidiary of the Company entered into the Agreement with ZJ Real Estate, SY Real Estate and Greentown Real Estate, a fellow subsidiary of Zestrich. Pursuant to the Agreement, Zestrich agreed to transfer 35% and 30% of its equity interest in NC Real Estate to ZJ Real Estate and SY Real Estate in consideration of RMB133,000,000 and RMB114,000,000 respectively. The consideration for the transfer of the equity interest in NC Real Estate was arrived at on normal commercial terms and at arm's length after negotiations between the relevant parties. Upon completion of the Agreement, NC Real Estate will be jointly controlled by Zestrich, ZJ Real Estate and SY Real Estate as to 35%, 35% and 30% respectively.
- The business of NC Real Estate shall be primarily on developing the Project, which involves the state-owned lands with a total land area of approximately 124,113 square meters in Zhejiang Province, PRC that was successfully bid by NC Real Estate on 22 June 2007 with the fund borrowed from Greentown Real Estate.
- According to the Agreement, Zestrich, ZJ Real Estate and SY Real Estate will invest RMB373,800,000, RMB373,800,000 and RMB320,400,000 respectively on the Project by way of shareholders' loan. Further capital may be required to be contributed in proportion to the parties' respective interest in NC Real Estate to finance the Project. Further announcement will be made by the Company in relation to the investment in NC Real Estate and/or the Project as and when appropriate in compliance with the Listing Rules.
- This announcement is made pursuant to Rule 13.09(1) of the Listing Rules. The joint venture cooperation does not constitute any transaction under Chapter 14 and Chapter 14A of the Listing Rules.

## **THE AGREEMENT**

On 9 August 2007, the parties entered into a legally binding agreement with principal terms summarized as below:

Date : 9 August 2007

Parties : 1. Zestrich  
2. ZJ Real Estate;  
3. SY Real Estate; and  
4. Greentown Real Estate

To the best of the knowledge, information and belief of the Directors and having made all reasonable enquiry, ZJ Real Estate and SY Real Estate and their ultimate beneficial owners are third parties independent of the Company and its connected persons as defined in the Listing Rules.

### **Share Capital of NC Real Estate**

The registered share capital of NC Real Estate is RMB380,000,000. Pursuant to the terms of the Agreement, ZJ Real Estate and SY Real Estate will initially acquire 15% and 10% equity interest respectively in NC Real Estate from Zestrich upon relocation of NC Real Estate from Ningbo to Shaoxing, and will each further acquire 20% equity interest in NC Real Estate from Zestrich upon the obtaining of the land use rights certificates of the state-owned lands successfully bidded by NC Real Estate on 22 June 2007. Upon completion of the Agreement, NC Real Estate will be jointly controlled by Zestrich, ZJ Real Estate and SY Real Estate as to 35%, 35% and 30% respectively. According to the Agreement, the total consideration payable by ZJ Real Estate and SY Real Estate in relation to the acquisition of 35% and 30% of the shares in NC Real Estate from Zestrich is RMB133,000,000 and RMB114,000,000 respectively. Zestrich, ZJ Real Estate and SY Real Estate have further agreed to invest RMB373,800,000, RMB373,800,000 and RMB320,400,000 respectively in the Project by way of shareholders' loan, of which RMB405,000,000 will be refunded to Greentown Real Estate as the amount borrowed for financing the bid of the state-owned lands on 22 June 2007. Subject to the unanimous consent of the parties, further capital may be required to be contributed in proportion to the parties' respective interest in NC Real Estate. Further announcement will be made by the Company in relation to the investment in NC Real Estate and/or the Project (as defined below) as and when appropriate in compliance with the Listing Rules.

### **The Project**

The project site is located at Keqiao District, Shaoxing County, Zhejiang Province, China with a total land area of approximately 124,113 square meters and an estimated total ground floor area of approximately 451,640 square meters, of which approximately 394,160 square meters will be developed as residential real estates and approximately 57,480 square meters will be developed as commercial/office real estates (the "Project").

On 22 June 2007, NC Real Estate successfully bid the land use rights of the state-owned lands in consideration of approximately RMB1,423,000,000, with the collateral of RMB405,000,000 borrowed from Greentown Real Estate.

### **Board of Directors of NC Real Estate**

The board of NC Real Estate shall comprise of five directors, of which two NC Directors will be nominated by each of Zestrich and ZJ Real Estate and one NC Director will be nominated by SY Real Estate.

### **Reasons for the Agreement**

The Group is one of the leading residential property developers in the PRC and is primarily engaged in developing quality residential properties targeting middle to high income residents in the PRC.

By entering into the Agreement with the influential and well-established developers in Shaoxing District, the Directors believe that it provides a good opportunity for the Group to enhance its competitiveness in furtherance of its principal business in Shaoxing District, especially the land acquired has increased the reserve of premium land to the Company in key cities of Zhejiang Province. Also, by forming alliance with ZJ Real Estate and SY Real Estate, the Board considers the Group may share valuable market experiences and management skills with the other parties that creates synergistic effects and further secured the leading role of the Group in real estate development.

Taking into consideration of the above, the Directors consider that the terms of the Agreement are entered into upon normal commercial terms following arm's length negotiations among the parties thereto and that the terms of the Agreement are fair and reasonable and are in the interests of the Company and the Shareholder as a whole.

Upon transfer of the Shares, NC Real Estate will become a jointly-controlled entity of the Group and the Group will recognize its interests in NC Real Estate under equity accounting method. The adoption of the equity accounting method for the NC Real Estate is consistent with the existing Group's accounting policy.

### **Listing Rules Implications**

The announcement is made pursuant to Rule 13.09(1) of the Listing Rules. The joint venture cooperation does not constitute any transaction under Chapter 14 and Chapter 14A of the Listing Rules.

### **Definitions**

- “Agreement” the agreement dated 9 August 2007 and entered into between Zestrich, ZJ Real Estate, SY Real Estate and Greentown Real Estate in relation to the transfer of shares in NC Real Estate which results in NC Real Estate becoming a jointly controlled entity;
- “Company” Greentown China Holdings Limited;

“Director(s)”	director(s) of the Company, including the independent non-executive directors of the Company;
“Greentown Real Estate”	綠城房地產集團有限公司 (Greentown Real Estate Group Co., Ltd.), a wholly foreign-owned enterprise (外商獨資企業) incorporated in the PRC, which is a wholly-owned subsidiary of the Company;
“Group”	the Company and its subsidiaries;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“NC Directors”	director(s) of NC Real Estate;
“NC Real Estate”	Ningbo Chuangfu Real Estate Co., Ltd. (寧波創富置業有限公司), a company incorporated in the PRC with limited liability a wholly-owned subsidiary of Zestrich;
“PRC”	The People’s Republic of China;
“RMB” or “Renminbi”	the lawful currency of China;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“SY Real Estate”	Shaoxing Yiquan Real Estate Co., Ltd. (紹興益泉房地產有限公司), a company incorporated in the PRC with limited liability;
“Zestrich”	Zest Rich Investment Limited, an indirectly wholly owned subsidiary of the Company; and
“ZJ Real Estate”	Zhejiang Jinchang Real Estate Group Co., Ltd. (浙江金昌房地產集團有限公司), a company incorporated in the PRC with limited liability.

By order of the Board  
**Greentown China Holdings Limited**  
**Song Weiping**  
*Chairman*

Hangzhou, the PRC, 9 August 2007

*As at the date of this announcement, Mr. Song Weiping, Mr. Shou Bainian, Mr. Chen Shunhua and Mr. Guo Jiafeng are the executive Directors of the Company; Mr. Tsui Yiu Wa, Alec, Mr. Jia Shenghua, Mr. Jiang Wei, Mr. Sze Tsai Ping, Michael and Mr. Tang Shiding are the Independent Non-executive Directors of the Company.*

\* *For identification purpose only*