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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)

INCORPORATIONS OF REAL ESTATE PROJECT COMPANIES

This announcement is made by the Company pursuant to Rule 13.09 of the Listing Rules.

On 25 December 2006, Green Sea, a wholly-owned subsidiary of the Company, incorporated two real estate project companies with Binjiang, an independent third party to the Company, for the development of real estates on a piece of land located at South Hushu Road, Gongshu District, Hangzhou, Zhejiang Province, China.

The Directors are of the view that the Incorporations will facilitate the real estate development on Hangzhou Hushu Project, strengthen the co-operation between the Company and Binjiang, and further consolidate the leading position of the Group in the Zhejiang real estate market.

INCORPORATIONS

Hangzhou Greentown-Binjiang Real Estate Development Co., Ltd. (杭州綠濱房地產開發有限公司) (“GB”) was incorporated on 25 December 2006 in China as a sino-foreign equity joint venture with limited liability with a registered share capital of USD49.8 million. Green Sea holds 60% equity interest in GB, and Binjiang holds the remaining 40% equity interest in GB.

Hangzhou Binjiang-Greentown Real Estate Development Co., Ltd. (杭州濱綠房地產開發有限公司) (“BG”) was incorporated on 25 December 2006 in China as a sino-foreign equity joint venture with limited liability with a registered share capital of USD49.8 million. Binjiang holds 60% equity interest in BG, and Green Sea holds the remaining 40% equity interest in BG.

Both GB and BG are expected to carry out the development of real estates on Hangzhou Hushu Project. For details of Hangzhou Hushu Project, please refer to the appendix to this announcement.

BENEFIT FOR THE COMPANY FROM THE INCORPORATIONS

The Directors are of the view that the Group will benefit from the Incorporations for the following reasons:

- the Incorporations will facilitate the real estate development on Hangzhou Hushu Project. As Hangzhou Hushu Project located in the centre of Hangzhou City, and the construction is expected to commence in the year of 2008, such real estate development is expected to make further contribution to the business of the Group after the year of 2008;
- Binjiang is an experienced real estate developer based in Hangzhou. Through the Incorporations, the Company and Binjiang will strengthen the co-operation between them, and enjoy the benefits from the pooling of experience and management expertise; and
- the leading position of the Group in the Zhejiang real estate market will be further consolidated.

DEFINITIONS

In this announcement, the following capitalised terms shall have the following meanings:

“Binjiang”	Hangzhou Binjiang Real Estate Group Co., Ltd. (杭州濱江房產集團股份有限公司), a joint-stock limited liability company incorporated in China
“Company”	Greentown China Holdings Limited, a company incorporated in the Cayman Islands on 31 August 2005 with limited liability
“China”	the People’s Republic of China
“Directors”	the directors of the Company
“Green Sea”	Green Sea International Limited, a company incorporated in the British Virgin Islands with limited liability, which is wholly-owned by the Company
“Group”	the Company and its subsidiaries
“Hangzhou Hushu Project”	a piece of land located in South Hushu Road, Gongshu District, Hangzhou, Zhejiang Province, China (中國浙江省杭州市拱墅區湖墅南路)
“Incorporations”	the incorporation of GB and the incorporation of BG
“USD”	United States dollars, the legal currency of United States

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

Hangzhou, the PRC, 27 December 2006

* For identification purpose only

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.

Appendix: Details of Hangzhou Hushu Project

Hangzhou Hushu Project is located at South Hushu Road, Gongshu District, Hangzhou, Zhejiang Province, China with a total area of 104,070 square meters. Hangzhou Hushu Project is currently at the initial planning phase and its proposed GFA is approximately 469,000 square meters, subject to further adjustments.

It is expected that residential real estates and ancillary facilities will be developed on Hangzhou Hushu Project. The construction of real estates on Hangzhou Hushu Project is expected to commence in the year of 2008.

“Please also refer to the published version of this announcement in The Standard.”