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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)

DISCLOSEABLE AND CONNECTED TRANSACTIONS

On 31 December 2009, Greentown Real Estate, a wholly-owned subsidiary of the Company, entered into the Framework Cooperation Agreement with Ping An Trust pursuant to which Greentown Real Estate has agreed to, among other things, (i) acquire 75% direct equity interest in Zhejiang Baoye Project Company by way of a capital injection of RMB300,000,000 (equivalent to approximately HK\$342,000,000) into Zhejiang Baoye Project Company; (ii) after the Capital Injection, dispose of its 50% equity interest in Zhejiang Baoye Project Company to Ping An Trust at RMB200,000,000 (equivalent to approximately HK\$228,000,000) upon satisfaction of certain conditions; (iii) provide the Entrusted Loan in an aggregate amount of RMB1,300,000,000 (equivalent to approximately HK\$1,482,000,000) to Zhejiang Baoye Project Company through certain banks and assign the Entrusted Loan to Ping An Trust upon satisfaction of certain conditions; (iv) provide and procure provision of the Security Package in favour of Ping An Trust to secure the obligations of Zhejiang Baoye Project Company under the Entrusted Loan upon it being assigned to Ping An Trust and the obligations of Greentown Real Estate under the Repurchase Agreement; and (v) repurchase the 50% equity interest in Zhejiang Baoye Project Company from Ping An Trust at RMB200,000,000 (equivalent to approximately HK\$228,000,000) after twelve (12) months from the date of completion of the Disposal.

Greentown Real Estate currently controls 100% equity interest in Zhejiang Baoye Project Company through its 75% direct equity interest after completion of the Capital Injection and the Zhejiang Entrustment Arrangement. After completion of the Disposal, Greentown Real Estate will effectively control 50% equity interest in Zhejiang Baoye Project Company while the remaining 50% equity interest will be held by Ping An Trust. Since Greentown Real Estate will be entitled to control the majority of the composition of the board of directors of Zhejiang Baoye Project Company, Zhejiang Baoye Project Company will remain a subsidiary of the Company after the Disposal. Ping An Trust will become a substantial shareholder of Zhejiang Baoye Project Company and therefore a connected person of the Company after the Disposal.

As the highest of all applicable percentage ratios in respect of the Capital Injection, the Disposal, the Assignment of the Entrusted Loan, the provision of the Security Package and the Repurchase is above 5% but below 25% on an aggregate basis, the Transactions together constitute a discloseable transaction for the Company under the Listing Rules and are therefore subject to the announcement requirement under Chapter 14 of the Listing Rules. In addition, as Ping An Trust will become a connected person of the Company after its purchase of the Sale Interest, the provision of the Entrusted Loan by Ping An Trust to Zhejiang Baoye Project Company, the granting of the Security Package by Greentown Real Estate and Zhejiang Baoye Project Company to Ping An Trust and the Repurchase constitute connected transactions for the Company under the Listing Rules. As the highest of all percentage ratios (other than the profit ratio) in respect of the Connected Transactions is above 2.5% on an aggregate basis, the Connected Transactions are therefore subject to the requirements of reporting, announcement and independent shareholders' approval of the Company under Chapter 14A of the Listing Rules.

The Project is a residential property development project located at Xihu District, Hangzhou City, Zhejiang Province (浙江省杭州市西湖區) with a total site area of approximately 89,534 square metres and a total gross floor area of approximately 287,483 square metres.

On the basis that (i) no Shareholder is required to abstain from voting if the Company were to convene an extraordinary general meeting for the approval of the Connected Transactions; and (ii) Delta House Limited, Wisearn Limited and Profitwise Limited, being a closely allied group of Shareholders, which hold 442,124,000 Shares, 68,859,000 Shares and 384,490,500 Shares respectively, representing an aggregate of approximately 54.60% of the issued share capital of the Company as at the date of this announcement, have approved the Connected Transactions in writing, the Company has applied to the Stock Exchange pursuant to Rule 14A.43 of the Listing Rules for a waiver from the requirement to hold a general meeting of the Shareholders and permission for the independent shareholders' approval of the Connected Transactions to be given in writing on the basis that the conditions prescribed by the Listing Rules have been met.

The Independent Board Committee will be established to advise the Shareholders in relation to the Connected Transactions. An independent financial adviser will be appointed to advise the Independent Board Committee and the Shareholders in relation to the Connected Transactions.

A circular containing, among other things, (i) particulars of the Connected Transactions; (ii) the recommendation of the Independent Board Committee to the Shareholders in relation to the Connected Transactions; and (iii) the letter of advice from an independent financial adviser to the Independent Board Committee and the Shareholders in relation to the Connected Transactions will be despatched to the Shareholders as soon as practicable.

As the completion of the Transactions is subject to the fulfillment of a number of conditions precedent, the Transactions may or may not proceed. Shareholders and potential investors should exercise caution when dealing in the Shares.

THE FRAMEWORK COOPERATION AGREEMENT

The Board announces that Greentown Real Estate and Ping An Trust entered into the Framework Cooperation Agreement on 31 December 2009.

Date

31 December 2009

Parties

- (1) Greentown Real Estate (a wholly-owned subsidiary of the Company)
- (2) Ping An Trust

To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, Ping An Trust and the ultimate beneficial owner of Ping An Trust are third parties independent of the Company and not connected persons of the Company.

The Capital Injection

Greentown Real Estate has completed its capital injection of RMB300,000,000 (equivalent to approximately HK\$342,000,000) into Zhejiang Baoye Project Company in anticipation of the execution of the Framework Cooperation Agreement. After the Capital Injection, Greentown Real Estate directly holds 75% equity interest in Zhejiang Baoye Project Company, and the remaining 25% equity interest is held by Zhejiang Baoye Greentown Investment. Greentown Real Estate effectively controls 100% equity interest in Zhejiang Baoye Project Company through its direct interest and the Zhejiang Entrustment Arrangement as described below.

Zhejiang Baoye Greentown Investment is jointly controlled by Greentown Real Estate and Zhejiang Baoye Group, an independent third party. Zhejiang Baoye Group, Greentown Real Estate and Zhejiang Baoye Greentown Investment entered into the Zhejiang Entrustment Arrangement on 18 May 2009 pursuant to which Zhejiang Baoye Group and Zhejiang Baoye Greentown Investment have agreed, among other things, to entrust all the shareholder's rights and obligations (including but not limited to the distribution and voting rights) attached to the equity interest held by Zhejiang Baoye Greentown Investment in Zhejiang Baoye Project Company to Greentown Real Estate.

Establishment of the Trust

Ping An Trust has agreed to establish the Trust with a fund size of RMB1,500,000,000 (equivalent to approximately HK\$1,710,000,000) after the Capital Injection for the purpose of acquisition of the Sale Interest and the Entrusted Loan from Greentown Real Estate. The duration of the Trust shall be twelve (12) months from the Trust Establishment Date, or fifteen (15) months if the Entrusted Loan is extended pursuant to the Extension as described below.

The Disposal

Assets to be disposed of

Greentown Real Estate has agreed to sell 50% of its direct equity interest in Zhejiang Baoye Project Company to Ping An Trust upon satisfaction of certain conditions as described below.

Consideration

The consideration for the Disposal shall be RMB200,000,000 (equivalent to approximately HK\$228,000,000). Subject to the satisfaction of the conditions as described below, Ping An Trust shall pay the consideration on the Trust Establishment Date.

The consideration for the Disposal was determined after arm's length negotiations between Greentown Real Estate and Ping An Trust with reference to the registered capital of Zhejiang Baoye Project Company after the Capital Injection.

The Directors (including the independent non-executive Directors) are of the view that the consideration for the Disposal is fair and reasonable.

Conditions precedent

Completion of the Disposal is conditional upon the fulfillment (or waiver by Ping An Trust, as the case may be) of the following conditions:

- (a) the Repurchase Agreement having been executed and becomes effective;
- (b) Ping An Trust having received an undertaking from Zhejiang Baoye Greentown Investment that it has given up its first right of refusal to purchase the Sale Interest from Greentown Real Estate and has agreed that any debt payable by Zhejiang Baoye Project Company to Zhejiang Baoye Greentown Investment and the rights attached to its equity interest in Zhejiang Baoye Project Company shall be subordinate to the Entrusted Loan and the rights attached to the equity interest of Ping An Trust in Zhejiang Baoye Project Company respectively;
- (c) completion of registration of the Share Charge and Ping An Trust having obtained evidence of the creation of the Share Charge (provided that this condition is not considered unsatisfied if the rights of Ping An Trust under the Repurchase Agreement cannot be registered under the PRC laws and regulations or due to the absence of practical means of registration by the relevant PRC authority);
- (d) the Guarantees having been executed and becomes effective;
- (e) the Single Capital Trust Agreement having been executed and becomes effective;
- (f) the Trust having been established by Ping An Trust;
- (g) there being no breach of any term of the Repurchase Agreement by Greentown Real Estate and no occurrence of any event jeopardizing the rights of Ping An Trust; and
- (h) there being no prohibition under the PRC laws and regulations or by the PRC regulatory authorities against the acquisition of the Sale Interest by Ping An Trust.

Use of proceeds

Greentown Real Estate undertakes to Ping An Trust that the sale proceeds received from the Disposal shall be used in property development projects which have obtained the certificate of state-owned land use rights, planning permit for construction use of land, planning permit for construction works, permit for commencement of construction work and are in compliance with the current PRC laws, regulations, ministry rules and other regulations relating to property development loans.

The Entrusted Loan

Greentown Real Estate has agreed to enter into the Entrusted Loan Agreement with certain banks to provide the Entrusted Loan in an aggregate amount of RMB1,300,000,000 (equivalent to approximately HK\$1,482,000,000) through the banks to Zhejiang Baoye Project Company within thirty (30) days from the date of the Framework Cooperation Agreement on the terms set out below. As at the date of this announcement, in anticipation of entering into the Framework Cooperation Agreement, Greentown Real Estate has already entered into the Entrusted Loan Agreement with a local bank in Shanghai for the provision of the Entrusted Loan to Zhejiang Baoye Project Company.

Term of the Entrusted Loan

The term of the Entrusted Loan shall be twelve (12) months from the Trust Establishment Date, unless extended for three (3) months in accordance with the Extension as described below. Zhejiang Baoye Project Company shall repay the principal amount and all outstanding interest accrued on the Initial Expiry Date or the Extended Expiry Date, as the case may be.

Interest

If the term of the Entrusted Loan is not extended, interest shall be accrued on a daily basis from the Trust Establishment Date until the principal amount and all outstanding interest accrued is repaid in full at the following annual rate:

Initial Interest Rate = $(10\% \times 15/13)$

Daily interest rate is calculated by dividing the Initial Interest Rate by 360. The first interest payment shall be made six (6) months from the Trust Establishment Date and the remaining interest accrued during the term of the Entrusted Loan shall be paid on the Initial Expiry Date.

Extension

The term of the Entrusted Loan or any part of it may be extended for three (3) months with prior written consent of Ping An Trust. The Extended Interest Rate shall apply to the Outstanding Principal which is not repaid to Ping An Trust on the Initial Expiry Date.

The Extended Interest Rate per annum shall be:

$(\text{RMB}1,500,000,000 - \text{Repaid Principal}) / (\text{RMB}1,300,000,000 - \text{Repaid Principal}) \times 10.5\%$

Zhejiang Baoye Project Company shall also pay Ping An Trust the interest difference by applying the Extended Interest Rate and the Initial Interest Rate to the Outstanding Principal on the Initial Expiry Date for the period from the Trust Establishment Date to the Initial Expiry Date.

The Outstanding Principal together with all outstanding interest accrued at the Extended Interest Rate during the Extended Period shall be repaid to Ping An Trust on the Extended Expiry Date.

Early repayment

Upon occurrence of an Event of Default, Ping An Trust has the right to demand immediate repayment of the principal and all outstanding interest accrued of the Entrusted Loan within fifteen (15) working days of the written notice issued by Ping An Trust.

Conditions precedent

The payment of the Entrusted Loan Transfer Price by Ping An Trust is conditional upon the fulfillment (or waiver by Ping An Trust, as the case may be) of the following conditions:

- (a) the Entrusted Loan Transfer Agreement having been executed and becomes effective;
- (b) the Supplemental Entrusted Loan Agreement having been executed between Ping An Trust and Zhejiang Baoye Project Company;
- (c) Ping An Trust having received an undertaking from Zhejiang Baoye Greentown Investment that it has given up its first right of refusal to purchase the Sale Interest from Greentown Real Estate and has agreed that any debt payable by Zhejiang Baoye Project Company to Zhejiang Baoye Greentown Investment and the rights attached to its equity interest in Zhejiang Baoye Project Company shall be subordinate to the Entrusted Loan and the rights attached to the equity interest of Ping An Trust in Zhejiang Baoye Project Company respectively;
- (d) completion of registration of the Share Charge and Ping An Trust having obtained evidence of the creation of the Share Charge (provided that this condition is not considered unsatisfied if the rights of Ping An Trust under the Repurchase Agreement cannot be registered under the PRC laws and regulations or due to the absence of practical means of registration by the relevant PRC authority);
- (e) the Guarantees having been executed and becomes effective;
- (f) the Single Capital Trust Agreement having been executed and becomes effective;
- (g) the Trust having been established by Ping An Trust; and
- (h) there being no prohibition under the PRC laws and regulations or by the PRC regulatory authorities against the Assignment of the Entrusted Loan to Ping An Trust.

If the terms of the Entrusted Loan under the Entrusted Loan Agreement entered into between the banks and Greentown Real Estate are inconsistent with the above terms as agreed under the Framework Cooperation Agreement, the Supplemental Entrusted Loan Agreement shall be executed between Ping An Trust and Zhejiang Baoye Project Company to bring the terms in line with the above agreed terms.

Assignment of the Entrusted Loan

Greentown Real Estate has agreed and shall procure the banks to execute the Entrusted Loan Transfer Agreement with Ping An Trust before the Trust Establishment Date for the purpose of transferring the rights and obligations of Greentown Real Estate under the Entrusted Loan Agreement to Ping An Trust at the Entrusted Loan Transfer Price. Upon satisfaction of the conditions precedent as described above, Ping An Trust shall pay the Entrusted Loan Transfer Price to Greentown Real Estate on the Trust Establishment Date.

The Security Package

The Guarantees

The Company shall provide a guarantee in favour of Ping An Trust in respect of all obligations of Greentown Real Estate and Zhejiang Baoye Project Company under the Repurchase Agreement and the Entrusted Loan Agreement, the Supplemental Entrusted Loan Agreement and the Entrusted Loan Transfer Agreement respectively.

Greentown Real Estate shall provide a guarantee in favour of Ping An Trust in respect of all obligations of Zhejiang Baoye Project Company under the Entrusted Loan Agreement, the Supplemental Entrusted Loan Agreement and the Entrusted Loan Transfer Agreement.

The Share Charge

Greentown Real Estate shall enter into the Share Charge in respect of its direct equity interest in Zhejiang Baoye Project Company after the Disposal (being 25% equity interest in Zhejiang Baoye Project Company) in favour of Ping An Trust to secure the performance of all obligations of Zhejiang Baoye Project Company under the Entrusted Loan Agreement, the Supplemental Entrusted Loan Agreement and the Entrusted Loan Transfer Agreement and all obligations of Greentown Real Estate under the Repurchase Agreement.

The Land Mortgage

Zhejiang Baoye Project Company shall enter into the Land Mortgage to mortgage the land use right of the Zhejiang Land as security in favour of Ping An Trust in respect of all of its obligations under the Entrusted Loan Agreement, the Supplemental Entrusted Loan Agreement and the Entrusted Loan Transfer Agreement together with all obligations of Greentown Real Estate under the Repurchase Agreement.

The Surety Money

Zhejiang Baoye Project Company shall entrust Ping An Trust to set up the Single Capital Trust upon the establishment of the Trust and to deposit the Surety Money into the Single Capital Trust as security in respect of all of its obligations under the Entrusted Loan Agreement, the Supplemental Entrusted Loan Agreement and the Entrusted Loan Transfer Agreement and all obligations of Greentown Real Estate under the Repurchase Agreement in the following manner:

- (a) not less than RMB50,000,000 (equivalent to approximately HK\$57,000,000) within three (3) months from the Trust Establishment Date;
- (b) not less than RMB100,000,000 (equivalent to approximately HK\$114,000,000) within six (6)

months from the Trust Establishment Date;

- (c) not less than RMB200,000,000 (equivalent to approximately HK\$228,000,000) within nine (9) months from the Trust Establishment Date;
- (d) not less than RMB400,000,000 (equivalent to approximately HK\$456,000,000) within twelve (12) months from the Trust Establishment Date; and
- (e) if the term of the Entrusted Loan is extended, (i) not less than an amount equal to $((\text{RMB}1,500,000,000 - \text{Repaid Principal})/3)$ within thirteen (13) months from the Trust Establishment Date; (ii) not less than an amount equal to $((\text{RMB}1,500,000,000 - \text{Repaid Principal}) \times 2/3)$ within fourteen (14) months from the Trust Establishment Date; and (iii) not less than an amount equal to $(\text{RMB}1,500,000,000 - \text{Repaid Principal})$ within fifteen (15) months from the Trust Establishment Date.

If Zhejiang Baoye Project Company does not repay the principal or any interest of the Entrusted Loan in accordance with the Entrusted Loan Agreement and the Supplemental Entrusted Loan Agreement, Ping An Trust shall be entitled to exercise its rights under any or all of the security under the Security Package.

The Undertakings

Greentown Real Estate has given the Undertakings in favour of Ping An Trust as follows:

- (a) during the effective period of the Framework Cooperation Agreement not to provide any further guarantee in favour of any third parties if the granting of such guarantee will adversely affect the interest of Ping An Trust;
- (b) any debt payable by Zhejiang Baoye Project Company to Greentown Real Estate and the rights attached to its equity interest in Zhejiang Baoye Project Company shall be subordinate to the Entrusted Loan and the rights attached to the equity interest of Ping An Trust in Zhejiang Baoye Project Company respectively; and
- (c) assume the obligations of Zhejiang Baoye Project Company to repay the shareholder's loan in an aggregate amount of RMB200,180,000 (equivalent to approximately HK\$228,205,200) to Zhejiang Baoye Group under the Zhejiang Entrustment Arrangement so long as the principal and the interest accrued under the Entrusted Loan has not been repaid in full and the Repurchase has not been completed.

The Repurchase

Greentown Real Estate shall repurchase the 50% equity interest in Zhejiang Baoye Project Company from Ping An Trust at RMB200,000,000 (equivalent to approximately HK\$228,000,000) in twelve (12) months from the date of completion of the Disposal. If the term of the Entrusted Loan is extended for the Extended Period by the parties, the Repurchase shall be postponed to the Extended Expiry Date.

Upon occurrence of an Event of Default, Ping An Trust has the right to demand the Repurchase by Greentown Real Estate within fifteen (15) working days of the written notice issued by Ping An Trust.

Event of Default

Upon occurrence of any of the following events, Ping An Trust has the right to demand the Repurchase and repayment of the principal and any interest accrued under the Entrusted Loan immediately:

- (a) Greentown Real Estate and/or Zhejiang Baoye Project Company commit(s) a breach of any of its/their obligations under the Repurchase Agreement, is/are in breach of any of its/their legal obligations, or expressly state(s) or indicate(s) by conduct that it/they will not perform any of its/their obligations under Repurchase Agreement;
- (b) Zhejiang Baoye Project Company commits a breach of any of its obligations under the Entrusted Loan Agreement, the Supplemental Entrusted Loan Agreement or the Entrusted Loan Transfer Agreement, is in breach of any of its legal obligations, or expressly states or indicates by conduct that it will not perform any of its obligations under such agreements;
- (c) any of the following events happens to Greentown Real Estate and/or Zhejiang Baoye Project Company: undertaking to contract, taken into custody (takeover), leasing, share capital transformation, reduction in registered capital, investment, formation of jointly controlled entity, merger, acquisition, reorganisation, splitting, co-investment, suspension of business, application for dissolution, cancellation of business, petition for winding up, change of controlling shareholder/actual controller or transfer of major asset, cessation of production, out of business, imposition of a significant fine, revocation or cancellation of business licence, involving in significant legal dispute, serious difficulties in operation and deterioration in financial conditions, legal representative or principal officer being unable to perform his responsibility, in each case where Ping An Trust is in the opinion that it is likely to endanger the security of its rights under the Repurchase Agreement or the Entrusted Loan Agreement and the Entrusted Loan Transfer Agreement;
- (d) Greentown Real Estate or Zhejiang Baoye Project Company fails to pay its debts which are due (including debts due to Ping An Trust or any other third party), transfers assets at a low price or at no consideration, waives any debts due from a third party, causes delay in exercising its creditor's right or other rights, or Greentown Real Estate is in breach of the Undertakings or Zhejiang Baoye Project Company provides guaranty to a third party without prior consent of Ping An Trust, in each case where Ping An Trust is in the opinion that it is likely to endanger the security of its rights under the Repurchase Agreement or the Entrusted Loan Agreement and the Entrusted Loan Transfer Agreement;
- (e) the shareholders of Greentown Real Estate and/or Zhejiang Baoye Project Company abuse the independence status of the company's legal representative or the limited liability of shareholders to avoid debts, where Ping An Trust is in the opinion that it is likely to endanger the security of its rights under the Repurchase Agreement or the Entrusted Loan Agreement and the Entrusted Loan Transfer Agreement;
- (f) there occurs to Greentown Real Estate and/or the Company any material breach of any obligations under the Guarantees or any representation or warranty made by them under the Guarantees proves to have been incorrect or misleading in any material respect, or any other circumstance which may cause them to lose their ability to perform their obligations under the Guarantees, in each case where Ping An Trust is in the opinion that it is likely to endanger the security of its rights under the Repurchase Agreement or the Entrusted Loan Agreement and the Entrusted Loan Transfer Agreement;

- (g) there occurs to the Share Charge or the Land Mortgage any of the following circumstances: (i) destruction of or damage or loss or significant decrease in value of the mortgaged property or pledged shares due to any third party's activity, expropriation by the state, confiscation, requisition, repossession without compensation, resettlement or any other reasons; (ii) the mortgaged property or pledged shares being sealed up, seized, freezed, deducted, retained, auctioned, supervised by administrative authority, or involved in a dispute over its ownership; (iii) mortgagor or chargor in breach of any of its obligations or any of its representations or warranties under the mortgage or charge being incorrect or misleading; and (iv) any other circumstance which is likely to endanger the enforcement of Ping An Trust's mortgage and charge, in each case where Ping An Trust is in the opinion that it is likely to endanger the security of its rights under the Repurchase Agreement or the Entrusted Loan Agreement and the Entrusted Loan Transfer Agreement;
- (h) the Guarantees are unenforceable, ineffective, void, cancelled or terminated, the guarantors are in breach of the Guarantees or expressly state or indicate by conduct that they will not perform their obligations, the guarantors partially or completely lose their ability to perform their obligations, the value of the security interest decreases or any other circumstance, in each case where Ping An Trust is in the opinion that it is likely to endanger the security of its rights under the Repurchase Agreement or the Entrusted Loan Agreement and the Entrusted Loan Transfer Agreement, provided that it does not include the circumstance where the rights of Ping An Trust under the Repurchase Agreement cannot be registered under the PRC laws and regulations or due to the absence of practical means of registration by the relevant PRC authority;
- (i) Zhejiang Baoye Project Company fails to duly and fully pay the Surety Money to Ping An Trust which violates its obligation under the Single Capital Trust Agreement; and
- (j) other circumstances where Ping An Trust is in the opinion that it is likely to endanger the security of its rights under the Repurchase Agreement or the Entrusted Loan Agreement and the Entrusted Loan Transfer Agreement.

Shareholders' meetings

The following matters shall be approved by all shareholders of Zhejiang Baoye Project Company:

- (a) amendments to the articles of association;
- (b) increase or decrease in registered capital;
- (c) merger, splitting or dissolution;
- (d) change in the form of the company; and
- (e) transfer or sale of major asset other than sale of properties in the ordinary course of business.

Directors' meetings

Board of directors of Zhejiang Baoye Project Company shall comprise four (4) directors. Each of Ping An Trust and Zhejiang Baoye Greentown Investment has the right to appoint one (1) director, while Greentown Real Estate has the right to appoint two (2) directors. The following matters require unanimous consent of all directors of Zhejiang Baoye Project Company:

- (a) granting of any guarantee other than the guarantees given in favour of commercial banks in respect of mortgages resulted from the sale of properties;
- (b) any expenses in excess of more than 5% of the quarterly budget or RMB10,000,000 (equivalent to approximately HK\$11,400,000) (whichever is the lower);
- (c) any form of external funding and creation of mortgage of any land use right, building construction or properties held by Zhejiang Baoye Project Company;
- (d) transactions between Zhejiang Baoye Project Company and Greentown Real Estate or any of its related parties; and
- (e) approval of annual business plan and annual budget prepared by Zhejiang Baoye Project Company.

INFORMATION ABOUT THE GROUP

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

INFORMATION ON ZHEJIANG BAOYE PROJECT COMPANY

Zhejiang Baoye Project Company is a limited liability company which was established in the PRC on 7 July 2008 and is 75% owned by Greentown Real Estate and 25% owned by Zhejiang Baoye Greentown Investment as at the date of this announcement. The registered capital of Zhejiang Baoye Project Company is RMB400,000,000 (equivalent to approximately HK\$456,000,000). Zhejiang Baoye Project Company is principally engaged in residential property development and management. As at the date of this announcement, Greentown Real Estate and Zhejiang Baoye Greentown Investment have contributed registered capital of RMB300,000,000 (equivalent to approximately HK\$342,000,000) and RMB100,000,000 (equivalent to approximately HK\$114,000,000) respectively to Zhejiang Baoye Project Company.

Zhejiang Baoye Project Company owns the Zhejiang Land which is located at Xihu District, Hangzhou City, Zhejiang Province (浙江省杭州市西湖區*) with a total site area of approximately 89,534 square metres and a total gross floor area of approximately 287,483 square metres. Zhejiang Baoye Project Company has applied for the land use rights certificate for the Zhejiang Land. Zhejiang Land is expected to be developed into residential buildings. The construction of the Project is expected to be completed in November 2013. Zhejiang Baoye Project Company does not own any material fixed assets other than the Zhejiang Land.

Zhejiang Baoye Project Company has not recorded any revenue up to the date of this announcement. Based on the audited accounts of Zhejiang Baoye Project Company for the period from 7 July 2008 to 31 December 2008, and the unaudited accounts of Zhejiang Baoye Project Company for the 9-month period ended 30 September 2009, Zhejiang Baoye Project Company recorded a net loss (both before and after tax) of approximately RMB176,816 (equivalent to approximately HK\$201,570) and approximately RMB1,865,884 (equivalent to approximately HK\$2,127,108) respectively.

As at 30 September 2009, Zhejiang Baoye Project Company had unaudited total assets of approximately RMB2,234,624,296 (equivalent to approximately HK\$2,547,471,697) and unaudited total liability of approximately RMB2,136,666,996 (equivalent to approximately HK\$2,435,800,376).

The above financial information of Zhejiang Baoye Project Company was prepared in accordance with the PRC Generally Accepted Accounting Principles.

FINANCIAL EFFECTS OF THE DISPOSAL AND THE REPURCHASE

It is estimated that there will not be any gain or loss arising from the Disposal as the Disposal and the Repurchase will be regarded as a financing arrangement, rather than a disposal and acquisition of equity interest in Zhejiang Baoye Project Company.

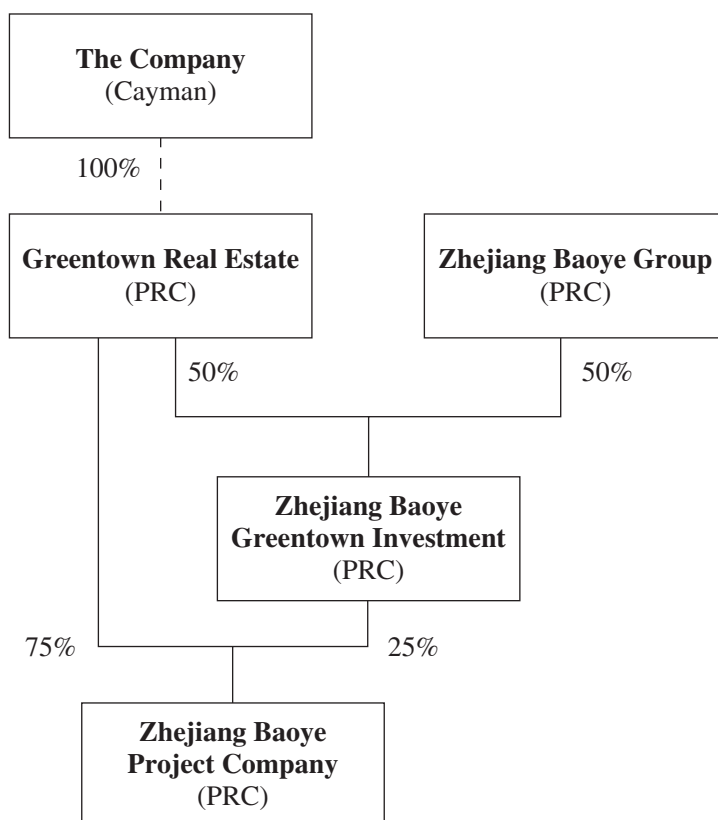
The Board intends to use the proceeds from the Disposal for property development projects.

INFORMATION ON PING AN TRUST

Ping An Trust is a limited liability company incorporated in the PRC in July 1996. It is a subsidiary of Ping An Insurance (Group) Company of China, Ltd., whose securities are listed on the Stock Exchange and the Shanghai Stock Exchange. Ping An Trust was among the first batch of trust investment companies to be given approval by The People's Bank of China in February 2002 for re-registration. It provides trust related products and services to customers including capital trusts, chattel trusts, real estate trusts and other property trusts, intermediary services, agency asset management and financial advisory services.

The following diagrams illustrate the shareholding structures of Zhejiang Baoye Project Company (i) as at the date of this announcement and (ii) immediately after the completion of the Disposal.

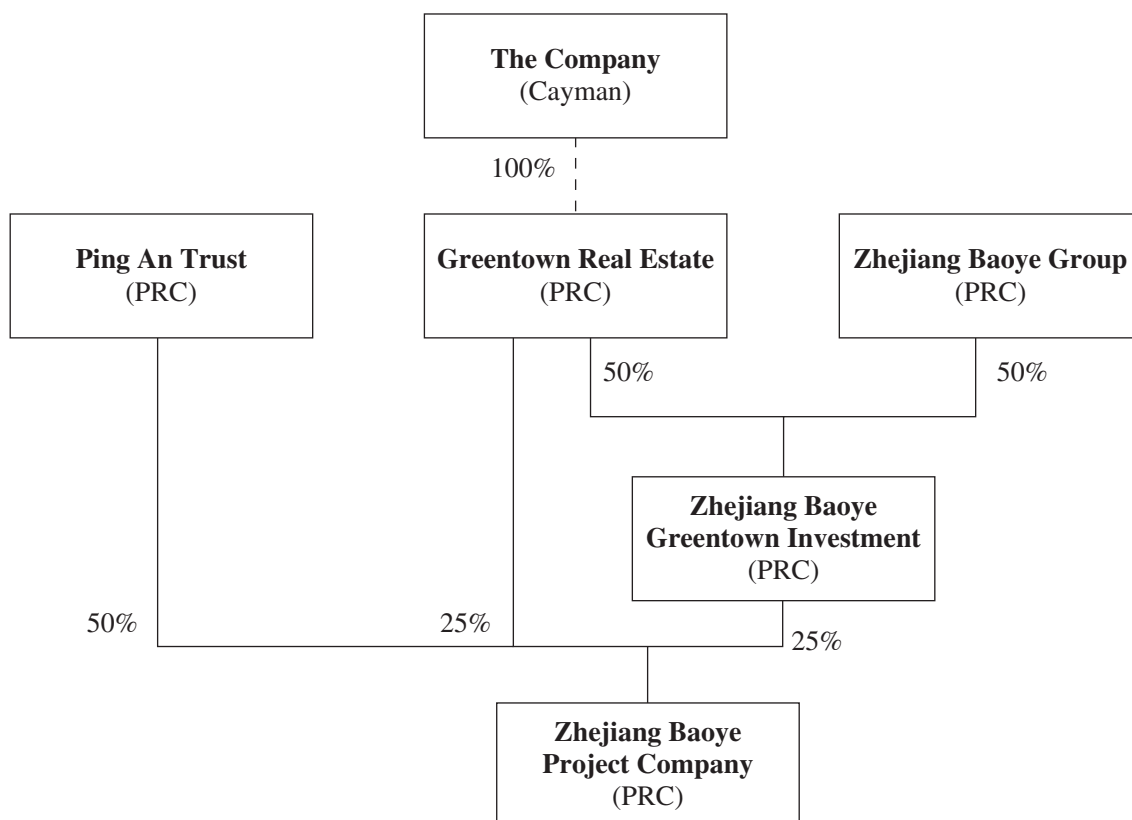
As at the date of this announcement



Notes:

- (1) *Greentown Real Estate is indirectly wholly-owned by the Company.*
- (2) *The 25% equity interest in Zhejiang Baoye Project Company held by Zhejiang Baoye Greentown Investment has been entrusted to Greentown Real Estate pursuant to the Zhejiang Entrustment Arrangement.*

Immediately after the completion of the Disposal



Notes:

- (1) Greentown Real Estate is indirectly wholly-owned by the Company.
- (2) The 25% equity interest in Zhejiang Baoye Project Company held by Zhejiang Baoye Greentown Investment has been entrusted to Greentown Real Estate pursuant to the Zhejiang Entrustment Arrangement.

REASONS FOR THE TRANSACTIONS

The Board considers that the Transactions have an overall effect of enhancing the cashflow position of the Group.

The Directors (including the independent non-executive Directors) are of the view that the terms of the Transactions (excluding the Connected Transactions in the case of the independent non-executive Directors who will express their view after receiving advice from an independent financial adviser) are on normal commercial terms after arm's length negotiations between the parties, fair and reasonable and in the interests of the Company and the Shareholders as a whole.

IMPLICATIONS UNDER THE LISTING RULES

Greentown Real Estate currently controls 100% equity interest in Zhejiang Baoye Project Company through its 75% direct equity interest after completion of the Capital Injection and the Zhejiang Entrustment Arrangement. After completion of the Disposal, Greentown Real Estate will effectively control 50% equity interest in Zhejiang Baoye Project Company while the remaining 50% equity interest will be held by Ping An Trust. Since Greentown Real Estate will be entitled to control the majority of the composition of the board of directors of Zhejiang Baoye Project Company, Zhejiang Baoye Project Company will remain a subsidiary of the Company after the Disposal. Ping

An Trust will become a substantial shareholder of Zhejiang Baoye Project Company and therefore a connected person of the Company after the Disposal.

As the highest of all applicable percentage ratios in respect of the Capital Injection, the Disposal, the Assignment of the Entrusted Loan, the provision of the Security Package and the Repurchase is above 5% but below 25% on an aggregate basis, the Transactions together constitute a discloseable transaction for the Company under the Listing Rules and are therefore subject to the announcement requirement under Chapter 14 of the Listing Rules. In addition, as Ping An Trust will become a connected person of the Company after its purchase of the Sale Interest, the provision of the Entrusted Loan by Ping An Trust to Zhejiang Baoye Project Company, the granting of the Security Package by Greentown Real Estate and Zhejiang Baoye Project Company to Ping An Trust and the Repurchase constitute connected transactions for the Company under the Listing Rules. As the highest of all percentage ratios (other than the profit ratio) in respect of the Connected Transactions is above 2.5% on an aggregate basis, the Connected Transactions are therefore subject to the requirements of reporting, announcement and independent shareholders' approval of the Company under Chapter 14A of the Listing Rules.

On the basis that (i) no Shareholder is required to abstain from voting if the Company were to convene an extraordinary general meeting for the approval of the Connected Transactions; and (ii) Delta House Limited, Wisearn Limited and Profitwise Limited, being a closely allied group of Shareholders, which hold 442,124,000 Shares, 68,859,000 Shares and 384,490,500 Shares respectively, representing an aggregate of approximately 54.60% of the issued share capital of the Company as at the date of this announcement, have approved the Connected Transactions in writing, the Company has applied to the Stock Exchange pursuant to Rule 14A.43 of the Listing Rules for a waiver from the requirement to hold a general meeting of the Shareholders and permission for the independent shareholders' approval of the Connected Transactions to be given in writing on the basis that the conditions prescribed by the Listing Rules have been met. Delta House Limited, Wisearn Limited and Profitwise Limited are wholly owned by Mr. Song Weiping, his spouse, Ms. Xia Yibo and Mr. Shou Bainian respectively, who are parties acting in concert pursuant to a concert party agreement dated 26 November 2005.

The Independent Board Committee will be established to advise the Shareholders in relation to the Connected Transactions. An independent financial adviser will be appointed to advise the Independent Board Committee and the Shareholders in relation to the Connected Transactions.

A circular containing, among other things, (i) particulars of the Connected Transactions; (ii) the recommendation of the Independent Board Committee to the Shareholders in relation to the Connected Transactions; and (iii) the letter of advice from an independent financial adviser to the Independent Board Committee and the Shareholders in relation to the Connected Transactions will be despatched to the Shareholders as soon as practicable.

As the completion of the Transactions is subject to the fulfillment of a number of conditions precedent, the Transactions may or may not proceed. Shareholders and potential investors should exercise caution when dealing in the Shares.

DEFINITIONS

In this announcement, the following expressions have the meanings set opposite them below:

“Assignment of the Entrusted Loan”	the assignment of the Entrusted Loan by Greentown Real Estate to Ping An Trust upon satisfaction of certain conditions
“Board”	the board of Directors
“Capital Injection”	the capital injection of RMB300,000,000 (equivalent to approximately HK\$342,000,000) by Greentown Real Estate into Zhejiang Baoye Project Company
“China” or “PRC”	the People’s Republic of China, excluding Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“Company”	Greentown China Holdings Limited (綠城中國控股有限公司*), a company incorporated in the Cayman Islands on 31 August 2005 with limited liability, the Shares of which are listed on the Stock Exchange
“connected person”	has the meaning ascribed to it under the Listing Rules
“Connected Transactions”	the provision of the Entrusted Loan by Ping An Trust to Zhejiang Baoye Project Company after the Assignment of the Entrusted Loan, the provision of the Security Package to Ping An Trust and the Repurchase
“Directors”	the directors of the Company, the names of whom are set out at the end of this announcement
“Disposal”	the disposal of 50% direct equity interest in Zhejiang Baoye Project Company by Greentown Real Estate to Ping An Trust pursuant to the Framework Cooperation Agreement
“Entrusted Loan”	the provision of loans in an aggregate amount of RMB1,300,000,000 (equivalent to approximately HK\$1,482,000,000) by Greentown Real Estate through certain banks to Zhejiang Baoye Project Company which will subsequently be assigned to Ping An Trust pursuant to the Entrusted Loan Transfer Agreement
“Entrusted Loan Agreement”	the agreement to be entered into between Greentown Real Estate and certain banks for the provision of the Entrusted Loan through the banks to Zhejiang Baoye Project Company pursuant to the Framework Cooperation Agreement
“Entrusted Loan Transfer Agreement”	the agreement to be entered into between Greentown Real Estate, Ping An Trust and the banks for transferring the Entrusted Loan from Greentown Real Estate to Ping An Trust

“Entrusted Loan Transfer Price”	the price to be paid by Ping An Trust to Greentown Real Estate for the transfer of the Entrusted Loan which shall be equivalent to the amount of the Entrusted Loan to be transferred under the Entrusted Loan Transfer Agreement
“Event of Default”	an event or circumstance as specified in the Framework Cooperation Agreement the occurrence of which shall give Ping An Trust the right to demand repayment of the Entrusted Loan together with all interest accrued and the Repurchase immediately
“Extended Expiry Date”	the expiry date of the Entrusted Loan as extended in accordance with the Extension which is fifteen (15) months from the Trust Establishment Date
“Extended Interest Rate”	the interest rate to be applied to the Outstanding Principal if the term of the Entrusted Loan is extended
“Extended Period”	the three (3) months period after the Initial Expiry Date
“Extension”	the extension of the term of the Entrusted Loan by three (3) months by Zhejiang Baoye Project Company with prior written consent of Ping An Trust
“Framework Cooperation Agreement”	the Framework Cooperation Agreement dated 31 December 2009 entered into between Greentown Real Estate and Ping An Trust in respect of the Transactions
“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 which was established in the PRC on 6 January 1995 and is an indirect wholly-owned subsidiary of the Company
“Group”	the Company and its subsidiaries
“Guarantees”	the guarantees to be given by the Company and Greentown Real Estate in favour of Ping An Trust in respect of the obligations of Greentown Real Estate and Zhejiang Baoye Project Company under the Repurchase Agreement, the Entrusted Loan Agreement, the Supplemental Entrusted Loan Agreement and the Entrusted Loan Transfer Agreement respectively
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Board Committee”	an independent committee of the Board comprising the independent non-executive Directors to advise the Shareholders in respect of the Connected Transactions
“Initial Expiry Date”	the initial expiry date of the Entrusted Loan which is twelve (12) months from the Trust Establishment Date

“Initial Interest Rate”	the initial interest rate to be applied to the principal amount of the Entrusted Loan if the term is not extended
“Land Mortgage”	the mortgage agreement to be made between Zhejiang Baoye Project Company and Ping An Trust in respect of Zhejiang Land to secure the obligations of Zhejiang Baoye Project Company under the Entrusted Loan Agreement, the Supplemental Entrusted Loan Agreement and the Entrusted Loan Transfer Agreement together with all obligations of Greentown Real Estate under the Repurchase Agreement
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Outstanding Principal”	the outstanding amount of principal not repaid to Ping An Trust on the Initial Expiry Date
“percentage ratios”	has the meaning ascribed to it under the Listing Rules
“Ping An Trust”	平安信託投資有限公司 (China Ping An Trust & Investment Co., Ltd.*), a limited liability company which was established in the PRC in July 1996, and is a subsidiary of Ping An Insurance (Group) Company of China, Ltd., whose securities are listed on the Stock Exchange and the Shanghai Stock Exchange
“Project”	a residential property development project located at Xihu District, Hangzhou City, Zhejiang Province (浙江省杭州市西湖區) with a total site area of approximately 89,534 square metres and a total gross floor area of approximately 287,483 square metres, wholly-owned by Zhejiang Baoye Project Company
“Repaid Principal”	the amount of principal of the Entrusted Loan repaid by Zhejiang Baoye Project Company to Ping An Trust on the Initial Expiry Date
“Repurchase”	the repurchase of the Sale Interest by Greentown Real Estate from Ping An Trust pursuant to the Repurchase Agreement
“Repurchase Agreement”	the agreement to be entered into between Greentown Real Estate and Ping An Trust pursuant to which Greentown Real Estate shall agree to repurchase the Sale Interest from Ping An Trust at RMB200,000,000 (equivalent to approximately HK\$228,000,000)
“RMB”	Renminbi, the lawful currency of the PRC
“Sale Interest”	the 50% direct equity interest in Zhejiang Baoye Project Company held by Greentown Real Estate after the Capital Injection

“Security Package”	the security to be given by Greentown Real Estate and Zhejiang Baoye Project Company in favour of Ping An Trust pursuant to the Framework Cooperation Agreement including the Guarantees, the Share Charge, the Land Mortgage and the Surety Money
“Share Charge”	the share charge to be granted by Greentown Real Estate in favour of Ping An Trust to secure the obligations of Zhejiang Baoye Project Company under the Entrusted Loan Agreement, the Supplemental Entrusted Loan Agreement and the Entrusted Loan Transfer Agreement and the obligations of Greentown Real Estate under the Repurchase Agreement
“Shareholders”	holders of the Shares
“Share(s)”	the ordinary share(s) of HK\$0.1 each of the Company
“Single Capital Trust”	the trust to be set up by Ping An Trust on behalf of Zhejiang Baoye Project Company pursuant to the Single Capital Trust Agreement
“Single Capital Trust Agreement”	the agreement to be entered into between Zhejiang Baoye Project Company and Ping An Trust for the purpose of setting up a trust to deposit the Surety Money
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Supplemental Entrusted Loan Agreement”	the supplemental agreement to be entered into between Zhejiang Baoye Project Company and Ping An Trust for the amendments to the terms of the Entrusted Loan if the terms of the Entrusted Loan Agreement are inconsistent with the terms as agreed in the Framework Cooperation Agreement
“Surety Money”	the surety money to be deposited into the Single Capital Trust pursuant to the Single Capital Trust Agreement
“Transactions”	the transactions contemplated under the Framework Cooperation Agreement including the Capital Injection, the Disposal, the Assignment of the Entrusted Loan, the provision of the Security Package and the Repurchase
“Trust”	the trust to be established by Ping An Trust pursuant to the Framework Cooperation Agreement for the purpose of acquiring the Sale Interest and the Entrusted Loan
“Trust Establishment Date”	the date of establishment of the Trust
“Undertakings”	the undertakings given by Greentown Real Estate in favour of Ping An Trust under the Framework Cooperation Agreement

“Zhejiang Baoye Greentown Investment”	浙江報業綠城投資有限公司 (Zhejiang Baoye Greentown Investment Co., Ltd.*), a limited liability company which was established in the PRC on 29 August 2005, and is owned as to 50% by Greentown Real Estate and as to 50% by Zhejiang Baoye Group
“Zhejiang Baoye Group”	浙江日報報業集團有限公司 (Zhejiang Daily Group Co., Ltd.*) whose name has recently been changed to 浙報傳媒控股集團有限公司 (Zhebao Media Holding Group Co., Ltd.*), a limited liability company which was established in the PRC on 20 August 2002, and an independent third party
“Zhejiang Baoye Project Company”	浙江報業綠城房地產開發有限公司 (Zhejiang Baoye Greentown Real Estate Development Co., Ltd.*), a limited liability company which was established in the PRC on 7 July 2008 and as at the date of this announcement owned as to 75% by Greentown Real Estate and as to 25% by Zhejiang Baoye Greentown Investment
“Zhejiang Entrustment Arrangement”	the agreement dated 18 May 2009 entered into among Zhejiang Baoye Group, Greentown Real Estate and Zhejiang Baoye Greentown Investment pursuant to which Zhejiang Baoye Group and Zhejiang Baoye Greentown Investment have agreed, among other things, to entrust all the rights and obligations attached to the equity interest held by Zhejiang Baoye Greentown Investment in Zhejiang Baoye Project Company to Greentown Real Estate
“Zhejiang Land”	the parcel of land located at Xihu District, Hangzhou City, Zhejiang Province (浙江省杭州市西湖區*) with a total site area of approximately 89,534 square metres and a total gross floor area of approximately 287,483 square metres owned by Zhejiang Baoye Project Company

* *For identification purposes only*

For the purpose of this announcement, the exchange rate of RMB1.00 = HK\$1.14 has been used for currency translation, where applicable. Such exchange rates are for illustration purposes and do not constitute representations that any amount in RMB or HK\$ have been, could have been or may be converted at such rates.

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

Hangzhou, the PRC, 31 December 2009

As at the date of this announcement, Mr Song Weiping, Mr Shou Bainian, Mr Luo Zhaoming, Mr Chen Shunhua and Mr Guo Jiafeng are the executive Directors; Mr Jia Shenghua, Mr Jiang Wei, Mr Sze Tsai Ping, Michael, Mr Tsui Yiu Wa, Alec, Mr Tang Shiding and Mr Ke Huanzhang are the independent non-executive Directors.