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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)

PROPOSED NOTES ISSUE

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

The Company is proposing to issue approximately US\$375 million fixed rate senior notes due 2013, such Notes to be guaranteed by the Subsidiary Guarantors on a senior basis. The proposed Notes issue will be arranged by JPMorgan and UBS as joint lead managers and joint bookrunners. A roadshow is expected to commence on 30 October 2006 to market the Notes to selected potential institutional investors. The Company has not yet entered into any purchase agreement with JPMorgan and UBS. A further announcement will be made by the Company as soon as practicable regarding the final terms and structure in respect of the Notes when such terms and structure have been finalised and a purchase agreement is entered into.

It is expected that an Offering Memorandum in relation to the Notes will be made available to selected potential institutional investors on or around 30 October 2006. The Offering Memorandum will contain certain updated business and financial information of the Group which has not been previously disclosed. An extract of such updated information will be posted at the Company's website www.chinagreentown.com.

The Notes will be designated for trading in the National Association of Securities Dealers Inc.'s PORTAL market. Approval in-principle has been obtained for the listing of the Notes on the SGX-ST. Admission of the Notes to the Official List of the SGX-ST is not to be taken as an indication of the merits of Greentown China Holdings Limited, the Subsidiary Guarantors or the Notes.

Shareholders of the Company and potential investors are advised to exercise caution when dealing in the securities of the Company.

PROPOSED NOTES ISSUE

Principal terms

Issuer:	Greentown China Holdings Limited
Guarantor:	the Subsidiary Guarantors which initially are the Initial Subsidiary Guarantors, being certain offshore subsidiaries of the Company which guarantee the Notes
The Notes:	Approximately US\$375 million fixed rate senior notes due 2013

It is proposed that the Notes will be guaranteed by the Subsidiary Guarantors as to the payment of principal and interest. The interest rate, the aggregate principal amount, the Offer Price and the final terms and conditions of the Notes will be determined by the Company following discussions with JPMorgan and UBS after marketing.

The Company has not yet entered into any purchase agreement with JPMorgan and UBS for the issue of the Notes. Therefore there is no obligation on the part of the Company to issue the Notes. A further announcement will be made by the Company as soon as practicable regarding the final terms and structure, including the aggregate principal amount, the Offer Price and the rate of interest payable in respect of the Notes when such terms and structure have been finalised and a purchase agreement has been entered into. The issue of the Notes may or may not proceed. **Shareholders of the Company and potential investors are advised to exercise caution when dealing in the securities of the Company.**

Proposed use of proceeds

The Company will apply the net proceeds arising from the Notes issue to acquire land to increase its land reserve and for other general corporate purposes.

Listing

The Notes will be designated for trading in the National Association of Securities Dealers Inc.'s PORTAL market. Approval in-principle has been obtained for the listing of the Notes on the SGX-ST. Admission of the Notes to the Official List of the SGX-ST is not to be taken as an indication of the merits of Greentown China Holdings Limited, the Subsidiary Guarantors or the Notes.

UPDATED INFORMATION OF THE GROUP

It is expected that the Offering Memorandum in relation to the Notes will be made available to selected potential institutional investors on or around 30 October 2006. The Offering Memorandum includes certain previously unpublished business and financial information in relation to the Group. The Company will post an extract of such information at its website www.chinagreentown.com, including updated risk factors, description of projects developed by the Group, management discussions and analysis, related party transactions and indebtedness information.

DEFINITIONS

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

“Company”	means Greentown China Holdings Limited, a company incorporated in the Cayman Islands with limited liability on 31 August 2005, the shares of which are listed on the main board of the Stock Exchange;
“Directors”	means the directors of the Company;
“Group”	means the Company and its direct and indirect subsidiaries;

“Initial Subsidiary Guarantors”	means Richwise Holdings Limited, Green Sea International Limited, Hua Yick Investments Limited and Best Smart Enterprises Limited, all of which are subsidiaries of the Company incorporated in the British Virgin Islands;
“JPMorgan”	means J.P. Morgan Securities Ltd.;
“Listing Rules”	means the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited;
“Notes”	means the fixed rate senior notes due 2013 proposed to be issued by the Company;
“Offering Memorandum”	means a preliminary offering memorandum to be issued by the Company in relation to the Notes;
“Offer Price”	means the final price at which the Notes will be sold;
“SGX-ST”	means Singapore Exchange Securities Trading Limited;
“Stock Exchange”	means The Stock Exchange of Hong Kong Limited;
“Subsidiary Guarantors”	means the Initial Subsidiary Guarantors and any other subsidiary guarantor which guarantees the payment of the Notes pursuant to Notes and the indenture representing the Notes provided that Subsidiary Guarantors will not include any person whose subsidiary guarantee has been released; and
“UBS”	means UBS AG.

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

Hangzhou, the PRC, 25 October 2006

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*

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