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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 TRANSACTION INVESTMENT IN A PRC JOINT VENTURE COMPANY

The Board wishes to announce that on 7 July 2009, Greentown Real Estate, a wholly-owned subsidiary of the Company, and Yuedu Investment entered into the Agreement pursuant to which Greentown Real Estate has agreed to make a capital contribution of RMB270,000,000 to the registered capital of the JV Co. Immediately after the Completion, the registered capital of the JV Co will be increased from RMB30,000,000 to RMB300,000,000 and Greentown Real Estate and Yuedu Investment will respectively own 90% and 10% equity interest in the JV Co.

The principal activities of the JV Co are property development and operation.

As the applicable percentage ratios (as set out in the Listing Rules) are more than 5% but less than 25%, the joint venture with Yuedu Investment pursuant to the Agreement constitutes a discloseable transaction for the Company under Rule 14.06(2) of the Listing Rules.

THE AGREEMENT

Date: 7 July 2009

Parties: (1) Greentown Real Estate; and
(2) Yuedu Investment

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiry, as at the date of this announcement, Yuedu Investment and its respective ultimate beneficial owners are independent of the Group and its connected persons (as defined in the Listing Rules).

Capital Commitments

Pursuant to the Agreement, Greentown Real Estate has agreed to make a capital contribution of RMB270,000,000 to the registered capital of the JV Co. The Capital Contribution was determined after arm's length negotiation between Greentown Real Estate and Yuedu Investment with reference to the initial capital requirement of the Projects. Immediately after the Completion, the registered capital of the JV Co will be increased from RMB30,000,000 to RMB300,000,000 and Greentown Real Estate and Yuedu Investment will respectively own 90% and 10% equity interest in the JV Co.

Greentown Real Estate has paid a total sum of RMB130,000,000 in late 2008 to Yuedu Investment which was held in escrow by Yuedu Investment as a deposit to secure the execution of the Agreement and will be transferred to the JV Co as an interest-bearing shareholder's loan (at a rate to be determined by Greentown Real Estate and the JV Co) from Greentown Real Estate upon the signing of the Agreement. Greentown Real Estate has also paid a sum of RMB270,000,000 to the JV Co on 30 June 2009 which was held in escrow by the JV Co as a deposit to secure the execution and performance of the Agreement by Greentown Real Estate and will be applied towards payment of the Capital Contribution upon the signing of the Agreement. In addition, Greentown Real Estate will pay an additional sum of RMB150,000,000 as an interest-bearing shareholder's loan (at a rate to be determined by Greentown Real Estate and the JV Co) to the JV Co in or around September 2009. The total capital commitment of Greentown Real Estate under the joint venture arrangement as contemplated in the Agreement is RMB550,000,000 which shall be used to satisfy part of the consideration for the acquisition of the Land.

Greentown Real Estate and Yuedu Investment shall share the profits and bear the losses of the JV Co in accordance with their respective capital contribution to the JV Co at the time of distribution.

The Completion is subject to the approval from relevant PRC government authorities. It is expected that such approval will be granted in or around mid-July 2009.

The investment of Greentown Real Estate in the JV Co (including the shareholder's loan to be made to the JV Co) will be funded by internal resources of the Group.

Save for the Capital Contribution disclosed above, Greentown Real Estate has no other capital commitment (whether equity, loan or otherwise) to the JV Co.

Business scope of the JV Co

The scope of business of the JV Co following the payment of the Capital Contribution shall include real estate development and operation.

Board composition of the JV Co

The board of directors of the JV Co shall comprise three (3) members. Yuedu Investment is entitled to appoint at least one (1) director of the JV Co. Yuedu Investment is also entitled to appoint one (1) supervisor of the JV Co.

Restrictions on transfer of interest in the JV Co

Transfer or mortgage of any interest in the JV Co by a party shall require the approval of the other party.

Other rights and obligations of the parties

Pursuant to the Agreement, Greentown Real Estate and Yuedu Investment have agreed that Yuedu Investment shall have the right (i) to dispose of the assets to be injected to the JV Co without refunding to Greentown Real Estate the Capital Contribution; and (ii) to claim the JV Co for the actual loss incurred as a result of the termination of the Agreement, in the event that the Asset Transfer Agreement or the Cooperation Agreement is terminated due to the breach of the Asset Transfer Agreement or the Cooperation Agreement (as the case may be) on the part of the JV Co.

INFORMATION ON THE JV CO

Property development projects carried out by the JV Co

The JV Co is principally engaged in property development business. Pursuant to the Asset Transfer Agreement, the JV Co has agreed to acquire the land use rights of the Land from Yuedu Investment by stages. The Land is located in 中國浙江省諸暨市 (Zhuji City, Zhejiang Province, the PRC) comprises various plots of land with a total area for development of approximately 369,544 square meters and total GFA of approximately 735,200 square meters of which 81,250 square meters of land with a total GFA of 212,690 square meters have been approved for commercial use with the land use rights of 40 years ending in the year of 2047 to 2048, 288,294 square meters of land with GFA of 522,510 square meters have been approved for residential use with the land use rights of 70 years ending in the year of 2077 to 2078. As at the date of this announcement, Yuedu Investment has already obtained the land use rights certificates for all plots of land and a construction works commencement permit for one plot of land.

The total consideration for the acquisition of the Land is RMB2,718 million which shall be paid by installments according to the progress of the development of the Land. The proceeds generated from properties sales by the JV Co upon completion of the development of a portion of the Land shall be used to fund the payment of the outstanding land premium of the Land and if required, Greentown Real Estate will consider making further capital commitment (whether by way of equity, loan or otherwise) to the JV Co.

The Land is intended to be developed into a property complex comprising residential buildings, commercial space, hotel and office blocks. Pursuant to the Cooperation Agreement, the JV Co has agreed to develop and manage the Projects and the construction of the Land. It is expected that the development of the Projects will be completed at different stages in or around 2015.

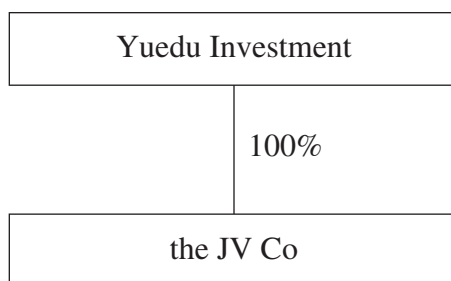
Financial information on the JV Co

The JV Co was established in October 2008. The JV Co did not record any net profit or net loss for the two financial years ended 31 December 2008. No revenue was generated by the JV Co for the two financial years ended 31 December 2008. According to the audited accounts of the JV Co as at 30 April 2009, the JV Co had a net asset value of RMB30,000,000, being the registered capital contribution by Yuedu Investment.

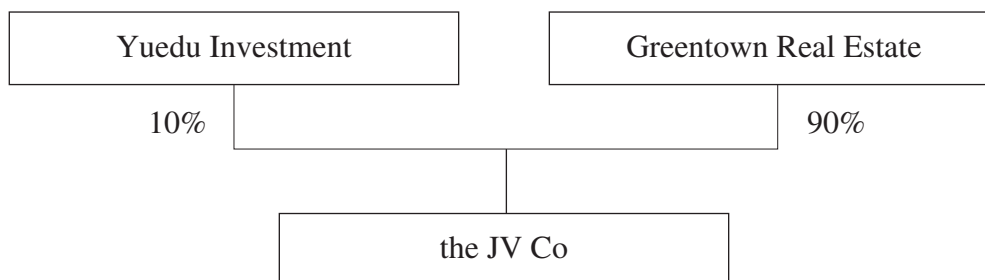
Following the Completion, Greentown Real Estate and Yuedu Investment will be interested in 90% and 10% of the enlarged registered capital of the JV Co, respectively and the financial results of the JV Co will consolidated into the consolidated financial statements of the Group and will be accounted for as a subsidiary of the Company.

Set out below is the corporate structure of the JV Co before and after the Completion:

As at the date of this announcement



Immediately after Completion



REASONS FOR THE INVESTMENT IN THE JV CO

The JV Co is principally engaged in the real estate development business in the PRC.

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. In order to strengthen the Group's position in residential property development in the PRC, the Board believes that the investment in the JV Co is in the interest of the Shareholders as it would provide a good opportunity for the Company to further participate in property development in Zhejiang Province which the Board considers to have continued growth potential in the future in light of the healthy development of the real estate market in Zhejiang Province. Moreover, the Board considers the location of the Land to be superior as it is situated at the center of Zhuji City, one of the top-100 counties of the PRC, and forms an important part of Zhuji City's urban redevelopment plan.

Yuedu Investment is wholly-owned by the Zhuji City State Asset Supervision and Administration Committee and is principally engaged in the investment of real estate projects in Zhuji City, Zhejiang Province. Given the land resources in Zhuji City owned by Yuedu Investment, the Board considers Yuedu Investment as a strategic partner that could bring valuable investment opportunities to the Group.

The Directors (including the independent non-executive Directors) consider that the investment in the JV Co by Greentown Real Estate and the transactions contemplated under the Agreement have been made on normal commercial terms and that such terms are fair and reasonable so far as the Company and the Shareholders are concerned and that the Agreement and the investment in the JV Co are in the interest of the Company and the Shareholders as a whole.

GENERAL

As the applicable percentage ratios (as set out in the Listing Rules) are more than 5% but less than 25%, the joint venture with Yuedu Investment pursuant to the Agreement constitutes a discloseable transaction for the Company under Rule 14.06(2) of the Listing Rules.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following terms have the meanings set opposite them below:

“Agreement”	the agreement dated 7 July 2009 entered into between Greentown Real Estate and Yuedu Investment in relation to the investment in the JV Co;
“Asset Transfer Agreement”	the asset transfer agreement dated 9 December 2008 entered into between Yuedu Investment and the JV Co in relation to the acquisition of the Land;
“Board”	the board of Directors;
“Capital Contribution”	the capital contribution of RMB270,000,000 made by Greentown Real Estate to the JV Co pursuant to the Agreement;
“Company”	Greentown China Holdings Limited, a company incorporated in the Cayman Islands with limited liability, the Shares of which are listed on the Stock Exchange;
“Completion”	completion of the increase in registered capital of the JV Co pursuant to the Agreement;
“connected person”	has the meaning ascribed to it under the Listing Rules;
“Cooperation Agreement”	the cooperation agreement dated 9 December 2008 entered into between Yuedu Investment and the JV Co in relation to the development and management of the Projects;
“Director(s)”	the director(s) 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 established in the PRC and is an indirect wholly-owned subsidiary of the Company;
“Group”	the Company and its subsidiaries;
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC;
“JV Co”	諸暨市越都置業有限公司 (Zhuji City Yuedu Property Co., Ltd.), an equity joint venture company incorporated in the PRC;

“Land”	various plots of land located in 中國浙江省諸暨市 (Zhuji City, Zhejiang Province, the PRC) with a total area for development of approximately 369,544 square meters;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“PRC”	the People’s Republic of China, excluding Hong Kong, Macau and Taiwan for the purpose of this announcement;
“Projects”	various projects including settlement housing projects, residential and commercial property projects, basic infrastructure and public utilities projects to be developed on the Land pursuant to the Cooperation Agreement;
“RMB”	Renminbi, the lawful currency of the PRC;
“Shareholder(s)”	shareholder(s) of the Company;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Yuedu Investment”	諸暨市越都投資發展有限公司 (Zhuji City Yuedu Investment Development Co., Ltd.), a company established in the PRC and is wholly-owned by Zhuji City State Assets Supervision and Administrative Committee;
“%”	per cent.

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

Hangzhou, the PRC, 7 July 2009

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, Mr. Tang Shiding and Mr. Ke Huan-zhang are the independent non-executive directors of the Company.

* *For identification purpose only*