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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)

CONNECTED TRANSACTIONS DISPOSALS OF TWO PROPERTIES IN THE PRC

The Board announces that on 9 August 2009, Shanghai Huazhe, an indirect non-wholly owned subsidiary of the Company, and the Purchasers entered into the First Agreement pursuant to which Shanghai Huazhe agreed to sell and the Purchasers agreed to purchase the First Property at a consideration of RMB21,460,074 (equivalent to approximately HK\$24,464,484), subject to adjustment. On 11 August 2009, Shanghai Huazhe and the Purchasers entered into the Second Agreement pursuant to which Shanghai Huazhe agreed to sell and the Purchasers agreed to purchase the Second Property at a consideration of RMB14,479,909 (equivalent to approximately HK\$16,507,096), subject to adjustment.

The Purchasers are Mr. Shou Bainian, an executive Director and a substantial Shareholder and his spouse, Ms. Yao Wanjing. The Purchasers are therefore connected persons of the Company within the meaning of the Listing Rules. The Agreements constitute connected transactions on the part of the Company under the Listing Rules. As the applicable percentage ratios (as set out in the Listing Rules) in respect of the Disposals exceed 0.1% but are less than 2.5%, the Agreements are subject to the reporting and announcement requirements under Rules 14A.45 to 14A.47 of the Listing Rules but is exempted from the independent Shareholders' approval requirement under Rule 14A.48 of the Listing Rules.

THE FIRST AGREEMENT

Date: 9 August 2009

Parties: (1) Shanghai Huazhe (as vendor); and
(2) The Purchasers (as purchasers)

Pursuant to the First Agreement, Shanghai Huazhe agreed to sell and the Purchasers agreed to purchase the First Property.

Asset to be disposed

The First Property, situated at 中國上海黃埔區中山南路566弄華浙外灘黃浦灣公寓2號樓22層2601室 (Unit 2601, 22nd Floor, Block 2, Shanghai Bund House, 566 Lane, Zhongshan Nan Road, Huangpu District, Shanghai, the PRC*) is one of the residential properties of the Project. The estimated total floor area of the First Property is 343.18 square meters. The actual total floor area of the First Property shall be determined by the Bureau upon delivery of vacant possession to the Purchasers.

Consideration

The consideration of the First Property is approximately RMB62,533 per square meter (equivalent to approximately HK\$71,287 per square meter). Based on the estimated total floor area of the First Property of 343.18 square meters, the total consideration of the First Property is estimated to be RMB21,460,074 (equivalent to approximately HK\$24,464,484), which shall be paid by cash by the Purchasers to Shanghai Huazhe on or before 30 August 2009.

If the Purchasers fail to pay the consideration of the First Property to Shanghai Huazhe on or before 30 August 2009, the Purchasers shall pay a daily fine equivalent to 0.015% of the consideration of the First Property to Shanghai Huazhe from 31 August 2009 until the actual payment date.

The consideration of the First Property is calculated based on the actual floor area of the First Property upon delivery of vacant possession to the Purchasers which shall be adjusted:

1. upward if the actual total floor area of the First Property as determined by the Bureau is greater than its estimated total floor area subject to a maximum amount equivalent to 5% of the consideration of the First Property; and
2. downward if the actual total floor area of the First Property as determined by the Bureau is less than its estimated total floor area.

The consideration of the First Property was determined after arm's length negotiation between Shanghai Huazhe and the Purchasers with reference to the average selling price of comparable residential properties of the Project sold by Shanghai Huazhe to third parties.

THE SECOND AGREEMENT

Date: 11 August 2009

Parties: (1) Shanghai Huazhe (as vendor); and
(2) The Purchasers (as purchasers)

Pursuant to the Second Agreement, Shanghai Huazhe agreed to sell and the Purchasers agreed to purchase the Second Property.

Asset to be disposed

The Second Property, situated at 中國上海黃埔區中山南路566弄華浙外灘黃浦灣公寓2號樓6層705室 (Unit 705, 6th Floor, Block 2, Shanghai Bund House, 566 Lane, Zhongshan Nan Road, Huangpu District, Shanghai, the PRC*) is one of the residential properties of the Project. The estimated total floor area of the Second Property is 327.80 square meters. The actual total floor area of the Second Property shall be determined by the Bureau upon delivery of vacant possession to the Purchasers.

Consideration

The consideration of the Second Property is approximately RMB44,173 per square meter (equivalent to approximately HK\$50,357 per square meter). Based on the estimated total floor area of the Second Property of 327.80 square meters, the total consideration of the Second Property is estimated to be RMB14,479,909 (equivalent to approximately HK\$16,507,096), which has been fully satisfied by cash upon signing of the Second Agreement.

The consideration of the Second Property is calculated based on the actual floor area of the Second Property upon delivery of vacant possession to the Purchasers which shall be adjusted:

1. upward if the actual total floor area of the Second Property as determined by the Bureau is greater than its estimated total floor area subject to a maximum amount equivalent to 5% of the consideration of the Second Property; and
2. downward if the actual total floor area of the Second Property as determined by the Bureau is less than its estimated total floor area.

The consideration of the Second Property was determined after arm's length negotiation between Shanghai Huazhe and the Purchasers with reference to the average selling price of comparable residential properties of the Project sold by Shanghai Huazhe to third parties.

Conditions precedent of the Agreements

Completion of the First Agreement (or the Second Agreement, as the case may be) is subject to, among other things, the following conditions:

1. the First Property (or the Second Property, as the case may be) has obtained the delivery of new residence permit (住宅交付使用許可證);
2. Shanghai Huazhe has discharged the mortgage of the First Property (or the Second Property, as the case may be); and
3. Shanghai Huazhe has contributed in the property maintenance fund (物業維修基金) for the First Property (or the Second Property, as the case may be).

Completion of the Agreements

Completion of the Agreements is expected to take place on or before 31 December 2011, save for the occurrence of force majeure event. Save as prior consent being obtained from the Purchasers to delay the delivery of vacant possession of the First Property (or the Second Property, as the case may be), if Shanghai Huazhe fails to deliver vacant possession of the First Property (or the Second Property, as the case may be) to the Purchasers on or before 31 December 2011, Shanghai Huazhe shall pay a daily fine equivalent to 0.015% of the consideration of the First Property (or the Second Property, as the case may be) to the Purchasers from 1 January 2012 until the actual completion date. The Purchasers are entitled to receive certain compensation if the First Property (or the Second Property, as the case may be) fails to meet the delivery standards as stipulated in the First Agreement (or the Second Agreement, as the case may be).

Termination of the Agreements

Shanghai Huazhe is entitled to terminate the First Agreement if the Purchasers delay the payment of the consideration of the First Property of RMB21,460,074 (equivalent to approximately HK\$24,464,484) for more than 60 days. In case of such termination, the Purchasers shall be liable to pay a compensation equivalent to 10% of the consideration of the First Property to Shanghai Huazhe.

The Purchasers are entitled to terminate any of the Agreements upon occurrence of, among others, any of the following events:

1. the actual total floor area of any of the First Property (or the Second Property, as the case may be) as determined by the Bureau is less than its estimated total floor area and such difference is greater than 5%;
2. Shanghai Huazhe fails to obtain the newly-built commercial property ownership certificate (新建商品房地產權證) for the First Property (or the Second Property, as the case may be) on or before 31 December 2011;
3. Shanghai Huazhe delays in the delivery of vacant possession of the First Property (or the Second Property, as the case may be) for more than 60 days;
4. Shanghai Huazhe changes the construction design of the First Property (or the Second Property, as the case may be) without obtaining prior consent from the Purchasers.

FINANCIAL EFFECT OF THE DISPOSALS

Upon completion of the Disposals, it is estimated that the Group will record a net profit (based on the Group's interest of 51% in Shanghai Huazhe) of approximately RMB4.8 million (equivalent to approximately HK\$5,472,000) which is estimated based on the Group's internal financial projection with an assumption that the average selling price of RMB53,000 per square meter (equivalent to approximately HK\$60,420 per square meter) of the residential properties of the Project and the proceeds from the Disposals will be applied as a general working capital and in the future development for the Group's business.

INFORMATION ON THE GROUP AND SHANGHAI HUAZHE

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.

Shanghai Huazhe is an indirect non-wholly owned subsidiary of the Company and is owned as to 51% by Greentown Real Estate, a wholly-owned subsidiary of the Company, 3% by Mr. Li Linhua, 34.2% by 浙江東海房地產股份有限公司 (Zhejiang Donghai Real Estate Company Co., Ltd.*) and 11.8% by 上海華浙投資管理有限公司 (Shanghai Huazhe Investment Management Co., Ltd.*), respectively as at the date of this announcement. Shanghai Huazhe is principally engaged in the business of property development in Shanghai, the PRC.

INFORMATION ON THE PROJECT

The Project is a residential property project developed by Shanghai Huazhe and is situated at 中國上海黃浦區董家渡街道620街坊1/1丘地塊 (Mound 1/1, 620 Jiefang, Dong Jia Du Road, Huangpu District, Shanghai, the PRC*) with a total site area of 47,050 square meters and total floor area of 255,250 square meters. The Project comprises six high-rise apartment towers and one serviced apartment tower. The Project will be completed by stages from 2011 to 2014 and the first high-rise apartment tower is currently made available for sale to the public at its pre-sale phase.

REASONS FOR THE DISPOSALS

Shanghai Huazhe is principally engaged in the business of property development and property investment in Shanghai, the PRC. The First Property and the Second Property are two of the properties of the Project developed for sale by Shanghai Huazhe. The Disposals are conducted in the ordinary and usual course of business of the Group.

Having considered that the consideration of the Properties is determined with reference to the average selling price of comparable residential properties of the project sold by Shanghai Huazhe to third parties, the Directors (including the independent non-executive Directors but excluding Mr. Shou Bainian who has an interest in the Disposals) considered that the terms including the consideration of the Agreements are fair and reasonable and on normal commercial terms, and the entering into of the Agreements is in the interest of the Company and the Shareholders as a whole.

GENERAL

The Purchasers are Mr. Shou Bainian, an executive Director and a substantial Shareholder and his spouse, Ms. Yao Wanqing. The Purchasers are therefore connected persons of the Company within the meaning of the Listing Rules. The Agreements constitute connected transactions on the part of the Company under the Listing Rules. As the applicable percentage ratios (as set out in the Listing Rules) in respect of the Disposals exceed 0.1% but are less than 2.5%, the Agreements are subject to the reporting and announcement requirements under Rules 14A.45 to 14A.47 of the Listing Rules but is exempted from the independent Shareholders' approval requirement under Rule 14A.48 of the Listing Rules.

DEFINITIONS

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

“Agreements”	the First Agreement and the Second Agreement;
“Board”	the board of Directors;
“Bureau”	上海市房屋土地資源管理局 (Shanghai Municipal Housing and Land Resources Administration Bureau*);
“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;
“connected person”	has the meaning ascribed to it under the Listing Rules;
“Director(s)”	the director(s) of the Company;
“Disposals”	the disposal of the First Property from Shanghai Huazhe to the Purchasers pursuant to the First Agreement and the disposal of the Second Property from Shanghai Huazhe to the Purchasers pursuant to the Second Agreement;
“First Agreement”	the agreement entered into between Shanghai Huazhe and the Purchasers on 9 August 2009 pursuant to which Shanghai Huazhe agreed to sell and the Purchasers agreed to purchase the First Property;
“First Property”	a residential property situated at 中國上海黃埔區中山南路566弄華浙外灘黃浦灣公寓2號樓22層2601室 (Unit 2601, 22nd Floor, Block 2, Shanghai Bund House, 566 Lane, Zhongshan Nan Road, Huangpu District, Shanghai, the PRC*) and the details of which are provided in the sub-paragraph headed “Assets to be disposed” under the paragraph headed “The First Agreement” of this announcement;
“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;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC;
“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;

“Project”	華浙外灘黃埔灣公寓 (Shanghai Bund House*), a residential property project developed by Shanghai Huazhe and the details of which are provided in the paragraph headed “Information on the Project” of this announcement;
“Properties”	the First Property and the Second Property;
“Purchasers”	Mr. Shou Bainian 壽栢年, an executive Director and a substantial Shareholder and his spouse, Ms. Yao Wanjing 姚浣菁;
“RMB”	Renminbi, the lawful currency of the PRC;
“Second Agreement”	the agreement entered into between Shanghai Huazhe and the Purchasers on 11 August 2009 pursuant to which Shanghai Huazhe agreed to sell and the Purchasers agreed to purchase the Second Property;
“Second Property”	a residential property situated at 中國上海黃埔區中山南路566弄華浙外灘黃浦灣公寓2號樓6層705室 (Unit 705, 6th Floor, Block 2, Shanghai Bund House, 566 Lane, Zhongshan Nan Road, Huangpu District, Shanghai, the PRC*) and the details of which are provided in the sub-paragraph headed “Assets to be disposed” under the paragraph headed “The Second Agreement” of this announcement;
“Shareholder(s)”	shareholder(s) of the Company;
“Shanghai Huazhe”	上海華浙外灘置業有限公司 (Shanghai Huazhe Bund Real Estate Co., Ltd.*), a company established in the PRC with limited liability and is owned as to 51% by Greentown Real Estate, 3% by Mr. Li Linhua, 34.2% by 浙江東海房地產股份有限公司 (Zhejiang Donghai Real Estate Company Co., Ltd.*) and 11.8% by 上海華浙投資管理有限公司 (Shanghai Huazhe Investment Management Co., Ltd.*), respectively as at the date of this announcement;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“%”	per cent.

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, 13 August 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 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*