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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: 03900)**

### **DISCLOSEABLE TRANSACTIONS**

Reference is made to the announcement of the Company dated 1 April 2010. The Board announces that Hangzhou Greentown Investment, Greentown Real Estate and Qingdao Haier entered into the Cooperation Agreement on 9 October 2010.

Pursuant to the Cooperation Agreement, it was agreed that, among other things:

- (a) Hangzhou Greentown Investment and Qingdao Haier shall pay RMB98,000,000 (approximately HK\$111,720,000) and RMB1,162,330,000 (approximately HK\$1,325,056,200), respectively, for the Acquisition;
- (b) Qingdao Haier shall provide the sum of RMB1,162,330,000 (approximately HK\$1,325,056,200), initially as the Acquisition Loan, to Hangzhou Greentown Investment in two installments;
- (c) the repayment obligations of Hangzhou Greentown Investment for the Acquisition Loan shall be guaranteed by Greentown Real Estate;
- (d) Hangzhou Greentown Investment shall acquire 100% equity interest in Shandong Dongcheng within 30 days after the provision by Qingdao Haier of the Acquisition Loan to Hangzhou Greentown Investment and complete the registration for the Acquisition;
- (e) within 30 days after the completion of the Acquisition, Hangzhou Greentown Investment shall transfer 51% equity interest in Shandong Dongcheng to Qingdao Haier for a consideration of RMB301,068,300 (approximately HK\$343,217,862);
- (f) upon completion of the Disposal, the registered capital in Shandong Dongcheng shall be increased by RMB190,000,000 (approximately HK\$216,600,000) from RMB10,000,000 (approximately HK\$11,400,000) to RMB200,000,000 (approximately HK\$228,000,000), of which RMB98,000,000 (approximately HK\$111,720,000) shall be contributed by Hangzhou Greentown Investment and RMB102,000,000 (approximately HK\$116,280,000) shall be contributed by Qingdao Haier;

- (g) upon completion of the Disposal and increase in registered capital of Shandong Dongcheng (including completion of necessary registration with the relevant PRC authorities), the Acquisition Loan shall be repaid by Hangzhou Greentown Investment in the manner specified in the Cooperation Agreement;
- (h) the Qingdao Haier Loan in the amount of RMB764,361,700 (approximately HK\$871,372,338) shall be provided by Qingdao Haier to Shandong Dongcheng, and the repayment obligations of Shandong Dongcheng for part of the Qingdao Haier Loan in the amount of RMB480,000,000 (approximately HK\$547,200,000) shall be guaranteed by Hangzhou Greentown Investment and Qingdao Haier in proportion to their respective equity interests in Shandong Dongcheng (i.e. 49% and 51% respectively);
- (i) the Shandong Dongcheng Loan in the amount of RMB284,361,700 (approximately HK\$324,172,338) shall be provided by Shandong Dongcheng to Hangzhou Greentown Investment, and be secured with a pledge over the 49% equity interests in Shandong Dongcheng held by Hangzhou Greentown Investment. The repayment obligations of Hangzhou Greentown Investment under the Shandong Dongcheng Loan shall be further guaranteed by Greentown Real Estate;
- (j) the management and profit distribution of Shandong Dongcheng shall be conducted in the manner as specified in the Cooperation Agreement;
- (k) the projects under the Cooperation Agreement shall be developed and managed by Greentown Real Estate, and a project management fee shall be payable by Shandong Dongcheng to Greentown Real Estate in accordance with the Cooperation Agreement; and
- (l) Greentown Real Estate shall provide guarantee for the compensation obligations of Hangzhou Greentown Investment if Hangzhou Greentown Investment fails to acquire 100% equity interest in Shandong Dongcheng from Jinan Haixin, or transfer 51% equity interest in Shandong Dongcheng to Qingdao Haier in accordance with the Cooperation Agreement.

The Directors (including the independent non-executive Directors) are of the opinion that the Cooperation Agreement and the Transactions therein are on normal commercial terms after arm's length negotiation between the parties, fair and reasonable and in the interests of the Company and its Shareholders as a whole.

As the highest of all applicable percentage ratios in respect of the Transactions is above 5% but below 25% on an aggregate basis, the Transactions constitute discloseable transactions for the Company under the Listing Rules and are therefore subject to the announcement requirement under Chapter 14 of the Listing Rules.

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

## **THE COOPERATION AGREEMENT**

Reference is made to the announcement of the Company dated 1 April 2010. Hangzhou Greentown Investment and Greentown Real Estate entered into the Transfer Agreement with Jinan Haixin and Qingdao Haixin pursuant to which Hangzhou Greentown Investment agreed to acquire a 100% equity interest in Shandong Dongcheng from Jinan Haixin for an aggregate consideration of RMB1,240,330,000 (approximately HK\$1,413,976,200).

The Board announces that Hangzhou Greentown Investment, Greentown Real Estate and Qingdao Haier entered into the Cooperation Agreement on 9 October 2010 in respect of, among other things, the Transactions.

### **Date**

9 October 2010

### **Parties**

- (1) Qingdao Haier
- (2) Hangzhou Greentown Investment
- (3) Greentown Real Estate

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, Qingdao Haier and its ultimate beneficial owners are third parties independent of and not connected persons of the Company.

### **The Acquisition and the Acquisition Loan**

Pursuant to the Transfer Agreement, the Acquisition was for an aggregate consideration of RMB1,240,330,000 (approximately HK\$1,413,976,200) which comprised RMB590,330,000 (approximately HK\$672,976,200), being the Transfer Price, and RMB650,000,000 (approximately HK\$741,000,000), being the Payables, and will be completed on the next day following the payment of the last installment of the consideration by Hangzhou Greentown Investment.

Pursuant to the Cooperation Agreement, Hangzhou Greentown Investment and Qingdao Haier shall pay RMB98,000,000 (approximately HK\$111,720,000) and RMB1,162,330,000 (approximately HK\$1,325,056,200), respectively, for the Acquisition.

Before the completion of the Acquisition, Qingdao Haier shall provide the sum of RMB1,162,330,000 (approximately HK\$1,325,056,200), initially as the Acquisition Loan to Hangzhou Greentown Investment, which shall be made in two installments as below:

- (a) RMB520,000,000 (approximately HK\$592,800,000) payable within 10 days after the signing of the Cooperation Agreement; and
- (b) RMB642,330,000 (approximately HK\$732,256,200) payable within 20 days after the signing of the Cooperation Agreement.

The Acquisition Loan shall be subject to an interest at a rate of 10% per annum. Greentown Real Estate will provide a guarantee for the repayment obligations of Hangzhou Greentown Investment for the Acquisition Loan.

As Hangzhou Greentown Investment has, as at the date of this announcement, already made an investment of RMB120,000,000 (approximately HK\$136,800,000) for the Acquisition, together with the sum of RMB1,162,330,000 (approximately HK\$1,325,056,200) to be provided by Qingdao Haier, the total investment fund shall be RMB1,282,330,000 (approximately HK\$1,461,856,200) which shall be used for the following purposes:

- (a) RMB590,330,000 (approximately HK\$672,976,200) to be used for paying the Transfer Price;
- (b) RMB650,000,000 (approximately HK\$741,000,000) to be used for settlement of the Payables;
- (c) RMB20,000,000 (approximately HK\$22,800,000) to be used for the daily operation of Shandong Dongcheng; and
- (d) a balance of RMB22,000,000 (approximately HK\$25,080,000) shall be returned to Hangzhou Greentown Investment.

Hangzhou Greentown Investment shall acquire 100% equity interest in Shandong Dongcheng within 30 days after the provision by Qingdao Haier of the Acquisition Loan to Hangzhou Greentown Investment and complete the registration for the Acquisition. Shandong Dongcheng will then become an indirect wholly-owned subsidiary of the Company.

### **The Disposal**

Within 30 days after the completion of the Acquisition, Hangzhou Greentown Investment shall transfer 51% equity interest in Shandong Dongcheng to Qingdao Haier for a consideration of RMB301,068,300 (approximately HK\$343,217,862). Upon completion of the Disposal, Shandong Dongcheng will be owned by Hangzhou Greentown Investment as to 49% and Qingdao Haier as to 51%, and cease to be a subsidiary of the Company.

The Disposal Consideration was determined after arm's length negotiation between the parties and based on 51% of the Transfer Price with reference to the estimated market value of the Jinan Land and the Payables as at 28 February 2010.

The Directors (including the independent non-executive Directors) are of the opinion that the Disposal Consideration is fair and reasonable and was determined after arm's length negotiation between the parties.

### **Increase in registered capital in Shandong Dongcheng**

Upon completion of the Disposal, the registered capital in Shandong Dongcheng shall be increased by RMB190,000,000 (approximately HK\$216,600,000), of which RMB93,100,000 (approximately HK\$106,134,000) shall be contributed by Hangzhou Greentown Investment and RMB96,900,000 (approximately HK\$110,466,000) shall be contributed by Qingdao Haier. After such increment, the total registered capital of Shandong Dongcheng will be RMB200,000,000 (approximately HK\$228,000,000), of which RMB98,000,000 (approximately HK\$111,720,000) shall be contributed by Hangzhou Greentown Investment and RMB102,000,000 (approximately HK\$116,280,000) shall be contributed by Qingdao Haier. Shandong Dongcheng will remain to be owned by Hangzhou Greentown Investment as to 49% and Qingdao Haier as to 51%.

## **Repayment of Acquisition Loan and other loan provisions**

Upon completion of the Disposal and increase in registered capital of Shandong Dongcheng (including completion of necessary registration with the relevant PRC authorities), the Acquisition Loan shall be repaid by Hangzhou Greentown Investment in the following manner:

- (a) RMB301,068,300 (approximately HK\$343,217,862) to be set off with the Disposal Consideration payable by Qingdao Haier to Hangzhou Greentown Investment for the Disposal;
- (b) RMB96,900,000 (approximately HK\$110,466,000) to be repaid by Hangzhou Greentown Investment to Qingdao Haier, which shall then be used by Qingdao Haier for payment of registered capital in Shandong Dongcheng as mentioned in the paragraph headed “Increase in registered capital in Shandong Dongcheng” above; and
- (c) the remaining balance of RMB764,361,700 (approximately HK\$871,372,338) to be repaid by Hangzhou Greentown Investment to Qingdao Haier, which shall, on the same day, be advanced by Qingdao Haier to Shandong Dongcheng as the Qingdao Haier Loan at an interest of 10% per annum.

On the same day of the receipt of the Qingdao Haier Loan by Shandong Dongcheng, Shandong Dongcheng shall advance a sum of RMB284,361,700 (approximately HK\$324,172,338) to Hangzhou Greentown Investment as the Shandong Dongcheng Loan at an interest of 10% per annum.

### **Guarantee for Qingdao Haier Loan**

The Qingdao Haier Loan shall be payable by Shandong Dongcheng and secured with a pledge over Jinan Land provided by Shandong Dongcheng in favour of Qingdao Haier.

In addition, the repayment obligations of Shandong Dongcheng for the sum of RMB480,000,000 (approximately HK\$547,200,000), being part of the Qingdao Haier Loan, and the interest accrued thereon, shall be further guaranteed by Hangzhou Greentown Investment and Qingdao Haier in proportion to their respective equity interests in Shandong Dongcheng (i.e. 49% and 51% respectively).

### **Guarantee for Shandong Dongcheng Loan**

The Shandong Dongcheng Loan shall be payable by Hangzhou Greentown Investment and secured with a pledge over its 49% equity interests in Shandong Dongcheng in favour of Shandong Dongcheng. The repayment obligations of Hangzhou Greentown Investment under the Shandong Dongcheng Loan shall be further guaranteed by Greentown Real Estate.

## **Distribution of profit of Shandong Dongcheng**

The profit of Shandong Dongcheng shall, subject to the satisfaction of conditions for profit distribution applicable to Shandong Dongcheng, be distributed as follows:

- (a) the profit shall, in a legal and reasonable manner, be distributed towards the acquisition costs (in the form of equity premium) incurred by Hangzhou Greentown Investment and Qingdao Haier for the Acquisition, details of which shall be separately negotiated between Hangzhou Greentown Investment and Qingdao Haier. The equity premium for the Acquisition is in the aggregate amount of RMB580,330,000 (approximately HK\$661,576,200);
- (b) where the after-tax profit (after deduction of the equity premium) is less than RMB153,000,000 (approximately HK\$174,420,000), the entire profit shall be distributed to Qingdao Haier;
- (c) where the after-tax profit (after deduction of the equity premium) is more than RMB153,000,000 (approximately HK\$174,420,000) but less than or equal to RMB300,000,000 (approximately HK\$342,000,000), the first sum of RMB153,000,000 (approximately HK\$174,420,000) shall be distributed to Qingdao Haier as described in the sub-paragraph (b) above and the remaining profit shall be distributed to Hangzhou Greentown Investment;
- (d) where the after-tax profit (after deduction of the equity premium) is more than RMB300,000,000 (approximately HK\$342,000,000) but less than or equal to RMB600,000,000 (approximately HK\$684,000,000), the first sum of RMB300,000,000 (approximately HK\$342,000,000) shall be distributed in the manner as described in sub-paragraph (c) above and the remaining profit shall be distributed to Qingdao Haier and Hangzhou Greentown Investment in the proportion of 20% and 80% respectively; and
- (e) where the after-tax profit (after deduction of the equity premium) is more than RMB600,000,000 (approximately HK\$684,000,000), the first sum of RMB600,000,000 (approximately HK\$684,000,000) shall be distributed in the manner as described in sub-paragraph (d) above and the remaining profit shall be distributed to Qingdao Haier and Hangzhou Greentown Investment in the proportion of 10% and 90% respectively.

## **Management of Shandong Dongcheng**

The shareholders of Shandong Dongcheng shall be the highest authority of Shandong Dongcheng. Material matters in respect of Shandong Dongcheng (such as amendments to the articles of association, increase or reduction in registered capital, merger, sub-division, dissolution or amendment to the form of the company and various external financing) shall be approved by the resolutions of shareholders representing more than two-thirds of the equity interests in Shandong Dongcheng. Other matters in respect of Shandong Dongcheng shall be approved by the resolutions of shareholders representing more than 60% of the equity interests in Shandong Dongcheng.

The board of directors of Shandong Dongcheng shall comprise five (5) directors, three (3) of whom shall be nominated by Qingdao Haier and two (2) directors of whom shall be nominated by Hangzhou Greentown Investment, and all directors shall be appointed by shareholders in meeting. The chairman and vice chairman of the board of directors of Shandong Dongcheng shall be nominated by Qingdao Haier and Hangzhou Greentown Investment respectively, and be elected by the board of directors of Shandong Dongcheng in meeting. Unless otherwise specified in the Cooperation Agreement, resolutions of the board of directors of Shandong Dongcheng shall be passed by at least four (4) directors.

There shall be two supervisors in Shandong Dongcheng, who shall not be employees of Shandong Dongcheng and shall be appointed by Hangzhou Greentown Investment and Qingdao Haier respectively.

The general manager of Shandong Dongcheng shall be nominated by Hangzhou Greentown Investment and appointed or dismissed by the board of directors of Shandong Dongcheng. The general manager shall be responsible for the daily operation and management of Shandong Dongcheng. Qingdao Haier shall have the right to request for the replacement of the general manager upon occurrence of certain events as specified in the Cooperation Agreement.

The financial controller of Shandong Dongcheng shall be nominated by Qingdao Haier whereas the accountant of Shandong Dongcheng shall be nominated by Hangzhou Greentown Investment. All material payments by Shandong Dongcheng of more than RMB2,000,000 (approximately HK\$2,280,000) shall be approved in writing by the financial controller.

### **Project management fee**

The projects under the Cooperation Agreement shall be developed and managed by Greentown Real Estate according to the management rules and standards of Greentown Real Estate. Where the after-tax profit of Shandong Dongcheng (after deduction of the equity premium) exceeds RMB300,000,000 (approximately HK\$342,000,000), Shandong Dongcheng shall pay Greentown Real Estate a project management fee based on 2% of the sales revenue. If such payment will render the after-tax profit of Shandong Dongcheng (after deduction of the equity premium) becoming less than RMB300,000,000 (approximately HK\$342,000,000), the project management fee payable shall be reduced to the extent that the after-tax profit of Shandong Dongcheng (after deduction of the equity premium) is not less than RMB300,000,000 (approximately HK\$342,000,000).

The project management fee shall be payable by 31 January following the end of each financial year of Shandong Dongcheng.

### **Breach of obligations by Hangzhou Greentown Investment**

If Hangzhou Greentown Investment fails to acquire 100% equity interest in Shandong Dongcheng in accordance with the Cooperation Agreement, Qingdao Haier shall be entitled to a daily compensation at a rate of 0.04% of the amount of the Acquisition Loan. Where the Acquisition is delayed by more than 30 days, Qingdao Haier shall be entitled to terminate the Cooperation Agreement and a compensation equivalent to 10% of the amount of the Acquisition Loan shall be paid by Hangzhou Greentown Investment.

If Hangzhou Greentown Investment fails to transfer 51% equity interest in Shandong Dongcheng to Qingdao Haier in accordance with the Cooperation Agreement, Qingdao Haier shall be entitled to a daily compensation at a rate of 0.04% of the Disposal Consideration. Where such transfer is delayed by more than 90 days, Qingdao Haier shall be entitled to terminate the Cooperation Agreement and a compensation equivalent to 10% of the Disposal Consideration shall be paid by Hangzhou Greentown Investment.

Greentown Real Estate shall provide guarantee for the above compensation obligations of Hangzhou Greentown Investment pursuant to the Cooperation Agreement.

## **INFORMATION ON GREENTOWN REAL ESTATE AND HANGZHOU GREENTOWN INVESTMENT**

Greentown Real Estate is one of the leading residential property developers in the PRC and principally engaged in developing quality residential properties targeting at middle to higher income residents in the PRC. Greentown Real Estate is an indirect wholly-owned subsidiary of the Company.

Hangzhou Greentown Investment is principally engaged in investment holding. Hangzhou Greentown Investment is a wholly-owned subsidiary of Greentown Real Estate and an indirect wholly-owned subsidiary of the Company.

## **INFORMATION ON QINGDAO HAIER**

Qingdao Haier is a limited liability company established in the PRC on 15 April 2002 and principally engaged in property investment and development in Qingdao.

## **INFORMATION ON SHANDONG DONGCHENG AND THE JINAN LAND**

Shandong Dongcheng is a limited liability company established in the PRC on 29 January 2008 and is wholly-owned by Jinan Haixin. The registered capital of Shandong Dongcheng is RMB10,000,000 (approximately HK\$11,400,000) as at the date of this announcement. Shandong Dongcheng is principally engaged in property development in Jinan City, Shandong Province, the PRC.

Pursuant to the Transfer Agreement, Hangzhou Greentown Investment shall acquire 100% equity interest in Shandong Dongcheng from Jinan Haixin. Upon completion of the Acquisition, Shandong Dongcheng will become an indirect wholly-owned subsidiary of the Company.

Pursuant to the Cooperation Agreement, Hangzhou Greentown Investment shall transfer 51% of the equity interest in Shandong Dongcheng to Qingdao Haier within 30 days after completion of the Acquisition. Upon completion of the Disposal, Shandong Dongcheng shall be owned by Hangzhou Greentown Investment as to 49% and Qingdao Haier as to 51%, and cease to be a subsidiary of the Company. Shandong Dongcheng owns the land use rights of the Jinan Land located at Lixia District, Jinan City, Shandong Province, the PRC with a total site area of approximately 256,003 square metres and a total above-ground gross floor area of not exceeding approximately 487,000 square metres. The Jinan Land is intended to be used for development of residential property with certain commercial space. Construction has not yet been commenced on the Jinan Land.

Save as disclosed in this announcement, Shandong Dongcheng does not own any material fixed assets.



## FINANCIAL INFORMATION ON SHANDONG DONGCHENG

The following table sets out certain financial information of Shandong Dongcheng prepared in accordance with the PRC Generally Accepted Accounting Principles:

	As at 31 December 2008 (audited)		As at 31 December 2009 (audited)	
	RMB	HK\$	RMB	HK\$
Total assets/(liabilities)	592,630,074	675,598,284	595,101,280	678,415,459
Net assets/(liabilities)	9,990,978	11,389,715	9,955,184	11,348,910

  

	For the financial year ended 31 December 2008 (audited)		For the financial year ended 31 December 2009 (audited)	
	RMB	HK\$	RMB	HK\$
Attributable net profit/(loss) before tax	(9,022)	(10,285)	(35,794)	(40,805)
Attributable net profit/(loss) after tax	(9,022)	(10,285)	(35,794)	(40,805)

## FINANCIAL EFFECTS OF THE DISPOSAL

It is estimated that there will not be any gain or loss from the Disposal as the Disposal will be regarded as a financing arrangement. The Board intends to use the proceeds from the Disposal for repayment of part of the Acquisition Loan advanced by Qingdao Haier pursuant to the Cooperation Agreement.

## REASONS FOR THE TRANSACTIONS

Qingdao Haier has extensive experience and reputation in property investment and development in Jinan, Qingdao. Thus, the Directors are of the view that the long term property development plan in Qingdao of the Group, including the development for the Jinan Land, can be strengthened through the cooperation with Qingdao Haier in this region.

The Directors (including the independent non-executive Directors) are of the opinion that the Cooperation Agreement and the Transactions therein are on normal commercial terms after arm's length negotiation between the parties, fair and reasonable and in the interests of the Company and its Shareholders as a whole.

The completion of the Disposal will not have any material change to the assets and liabilities of the Group.

## IMPLICATIONS UNDER THE LISTING RULES

As the highest of all applicable percentage ratios in respect of the Transactions is above 5% but below 25% on an aggregate basis, the Transactions constitute discloseable transactions for the Company under the Listing Rules and are therefore subject to the announcement requirement under Chapter 14 of the Listing Rules.

**As the completion of the Transactions is subject to the fulfillment of certain conditions, 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:

“Acquisition”	the acquisition of the 100% equity interest in Shandong Dongcheng by Hangzhou Greentown Investment from Jinan Haixin pursuant to the Transfer Agreement
“Acquisition Loan”	the loan of RMB1,162,330,000 (approximately HK\$1,325,056,200) to be provided by Qingdao Haier to Hangzhou Greentown Investment for the purpose of the Acquisition and the interest accrued thereon pursuant to the Cooperation Agreement
“Board”	the board of Directors
“Company”	Greentown China Holdings Limited (綠城中國控股有限公司*), a company incorporated in the Cayman Islands with limited liability on 31 August 2005, the Shares of which are listed on the Stock Exchange
“connected person”	has the meaning ascribed to it under the Listing Rules
“Cooperation Agreement”	the cooperation agreement dated 9 October 2010 entered into between Hangzhou Greentown Investment, Greentown Real Estate and Qingdao Haier in respect of Shandong Dongcheng
“Directors”	the directors of the Company
“Disposal”	the disposal of 51% of the equity interest in Shandong Dongcheng by the Hangzhou Greentown Investment to Qingdao Haier pursuant to the Cooperation Agreement
“Disposal Consideration”	the consideration for the Disposal in an amount of RMB301,068,300 (approximately HK\$343,217,862)
“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 indirectly wholly-owned by the Company
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hangzhou Greentown Investment”	杭州綠城置業投資有限公司 (Hangzhou Greentown Real Estate Investment Co., Ltd.*), a limited liability company which was established in the PRC on 30 September 2004, and is wholly-owned by Greentown Real Estate and indirectly wholly-owned by the Company

“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Jinan Haixin”	濟南海信置業有限公司 (Jinan Haixin Real Estate Co., Ltd.*), a limited liability company which was established in the PRC on 28 May 2007 and is wholly-owned by Qingdao Haixin
“Jinan Land”	the parcel of land in Jinan of the PRC with a total site area of approximately 256,003 square metres which is owned by Shandong Dongcheng
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Payables”	the total amount of payables in the sum of RMB650,000,000 (approximately HK\$741,000,000) owed by Shandong Dongcheng to other parties (including Jinan Haixin and Qingdao Haixin) as at 28 February 2010
“percentage ratios”	has the meaning ascribed to it under the Listing Rules
“PRC”	the People’s Republic of China, excluding Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“Qingdao Haier”	青島海爾地產集團有限公司 (Qingdao Haier Property Group Co., Ltd.*), a limited liability company established in the PRC on 15 April 2002
“Qingdao Haier Loan”	the loan of RMB764,361,700 (approximately HK\$871,372,338) to be provided by Qingdao Haier to Shandong Dongcheng and the interest accrued thereon pursuant to the Cooperation Agreement
“Qingdao Haixin”	青島海信房地產股份有限公司 (Qingdao Haixin Real Estate Co., Ltd.*), a limited liability company established in the PRC on 19 July 1995
“RMB”	Renminbi, the lawful currency of the PRC
“Security Package”	the guarantee and security to be provided by Greentown Real Estate and Hangzhou Greentown Investment in respect of the repayment obligations of Hangzhou Greentown Investment under the Acquisition Loan, Qingdao Haier Loan and Shandong Dongcheng Loan and the compensation obligations of Hangzhou Greentown Investment pursuant to the Cooperation Agreement
“Shandong Dongcheng”	山東東城置業有限公司 (Shandong Dongcheng Real Estate Co., Ltd.*), a limited liability company which was established in the PRC on 29 January 2008 and is wholly-owned by Jinan Haixin as at the date of this announcement

“Shandong Dongcheng Loan”	the loan of RMB284,361,700 (approximately HK\$324,172,338) to be provided by Shandong Dongcheng to Hangzhou Greentown Investment and the interest accrued thereon pursuant to the Cooperation Agreement
“Share(s)”	the ordinary share(s) of HK\$0.1 each of the Company
“Shareholders”	holders of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Transactions”	the transactions contemplated in the Cooperation Agreement including the Disposal, the capital contribution by Hangzhou Greentown Investment in Shandong Dongcheng and the Security Package
“Transfer Agreement”	the equity transfer framework agreement dated 31 March 2010 entered into among Hangzhou Greentown Investment, Greentown Real Estate, Jinan Haixin and Qingdao Haixin in respect of the Acquisition
“Transfer Price”	RMB590,330,000 (approximately HK\$672,976,200), being the transfer price for the Acquisition

\* *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 rate is for illustration purposes and does not constitute representations that any amount in RMB or HK\$ have been, could have been or may be converted at such rate.

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

Hangzhou, the PRC

9 October 2010

*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 Tang Shiding, Mr Ke Huanzhang and Mr Xiao Zhiyue are the independent non-executive Directors.*