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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)

REVISED ANNUAL CAPS FOR EXISTING CONTINUING CONNECTED TRANSACTIONS AND NEW CONTINUING CONNECTED TRANSACTIONS

REVISED ANNUAL CAPS UNDER THE COMPREHENSIVE SERVICES AGREEMENT

Reference is made to the 2008 Announcement whereby the Company announced that, among other things, the Company, the Original Shareholders and Greentown Holdings Group entered into the Comprehensive Services Agreement in respect of the provision of interior decoration services, property management services and hotel management services, and the supply of landscaping raw materials, to the Company for a term of three years commencing from 1 January 2009 and ending on 31 December 2011. On 23 December 2010, the Company entered into the Supplemental Agreement with the Original Shareholders and Greentown Holdings Group to increase the respective annual caps in respect of the services to be provided under the Comprehensive Services Agreement.

EDUCATIONAL SERVICES FRAMEWORK AGREEMENT

On 23 December 2010, the Company entered into the Educational Services Framework Agreement with Greentown Education for the provision of early educational participation services to the Group for a term of two years commencing from 1 January 2010 and ending on 31 December 2011.

HEALTH MANAGEMENT SERVICES FRAMEWORK AGREEMENT

On 23 December 2010, the Company entered into the Health Management Services Framework Agreement with Greentown Health for the provision of health management services to the Group for a term of two years commencing from 1 January 2010 and ending on 31 December 2011.

HEALTHCARE SERVICES FRAMEWORK AGREEMENT

On 23 December 2010, the Company entered into the Healthcare Services Framework Agreement with Greentown Hospital for the provision of healthcare services to the Group for a term of two years commencing from 1 January 2010 and ending on 31 December 2011.

GENERAL

The Directors (including the independent non-executive Directors) are of the opinion that the Agreements are on normal commercial terms after arm's length negotiation between the parties, fair and reasonable and in the interest of the Company and its Shareholders as a whole. As Mr Song and Mr Shou are interested in the transactions under the Agreements, Mr Song and Mr Shou have abstained from the voting of the resolutions of the Board for the approval of the transactions under the Agreements.

As at the date of this announcement, all the Original Shareholders are substantial shareholders of the Company and are therefore connected persons of the Company under Chapter 14A of the Listing Rules. As the Original Shareholders together are entitled to, directly or indirectly, exercise or control the exercise of 30% or more of the voting power at general meetings of Greentown Holdings Group, Greentown Education, Greentown Health and Greentown Hospital, Greentown Holdings Group, Greentown Education, Greentown Health and Greentown Hospital are associates of the Original Shareholders and are connected persons of the Company under Chapter 14A of the Listing Rules. The provision of services under the Agreements constitutes continuing connected transactions for the Company under Chapter 14A of the Listing Rules.

As the applicable percentage ratios (other than the profits ratio) under Chapter 14A of the Listing Rules for (1) the revised annual caps for the continuing connected transactions between the Company and the Original Shareholders (including their associates) pursuant to the Comprehensive Services Agreement as amended by the Supplemental Agreement; (2) the annual caps for the continuing connected transactions between the Company and the Original Shareholders (including their associates) pursuant to the Educational Services Framework Agreement, the Health Management Services Framework Agreement and the Healthcare Services Framework Agreement; and (3) the annual caps for the Other Continuing Connected Transactions between the Company and the Original Shareholders (including their associates), together, are more than 0.1% but less than 5% on an aggregate basis, the transactions under the Agreements and the Other Continuing Connected Transactions are subject to the reporting and announcement requirements under Rule 14A.45 to 14A.47, but are exempt from the independent Shareholders' approval requirements under Rule 14A.48.

REVISED ANNUAL CAPS UNDER THE COMPREHENSIVE SERVICES AGREEMENT

The Comprehensive Services Agreement

Reference is made to the 2008 Announcement whereby the Company announced that, among others, the Company, the Original Shareholders and Greentown Holdings Group entered into the Comprehensive Services Agreement in respect of the provision of interior decoration services, property management services and hotel management services, and the supply of landscaping raw materials, to the Company for a term of three years commencing from 1 January 2009 and ending on 31 December 2011.

Revision of Annual Caps

Due to the growth of the property market in the PRC and the business of the Group, the demand of the Company for the services provided under the Comprehensive Services Agreement has become higher than expected in the financial years ending 31 December 2010 and 31 December 2011. The demand for property management services, hotel management services and landscaping raw materials are expected to increase with the number and scale of residential and hotel developments to be undertaken by the Group. The Directors expect that the total amount of the transactions for the years ending 31 December 2010 and 31 December 2011 under the Comprehensive Services Agreement will exceed the annual caps under the Comprehensive Services Agreement. Therefore, on 23 December 2010, the Company entered into the Supplemental Agreement with the Original Shareholders and Greentown Holdings Group to increase the annual caps for the transactions as detailed below:

Relevant Services and year	Existing Annual Cap	Historical Transaction Figure ^(Note)	Revised Annual Cap
Property management services			
Year ending 31 December 2010	RMB16 million (approximately HK\$18.24 million)	RMB14.8 million (approximately HK\$16.87 million)	RMB45 million (approximately HK\$51.30 million)
Year ending 31 December 2011	RMB18 million (approximately HK\$20.52 million)	–	RMB80 million (approximately HK\$91.20 million)
Hotel management services			
Year ending 31 December 2010	RMB2 million (approximately HK\$2.28 million)	RMB1.9 million (approximately HK\$2.17 million)	RMB3 million (approximately HK\$3.42 million)
Year ending 31 December 2011	RMB2 million (approximately HK\$2.28 million)	–	RMB5 million (approximately HK\$5.70 million)
Supply of landscaping raw materials			
Year ending 31 December 2010	RMB2.5 million (approximately HK\$2.85 million)	RMB2.2 million (approximately HK\$2.51 million)	RMB5 million (approximately HK\$5.70 million)
Year ending 31 December 2011	RMB3 million (approximately HK\$3.42 million)	–	RMB18 million (approximately HK\$20.52 million)

Note: historical transaction figures for the eleven months ended 30 November 2010.

The revised annual caps were determined at an arm's length between the parties by reference to the historical transaction figures and the anticipated demand of the Group for the services under the Comprehensive Services Agreement in line with the growth of the business of the Group.

The other terms of the Comprehensive Services Agreement, including the annual caps for interior decoration services for the years ending 31 December 2010 and 31 December 2011, remain unchanged.

EDUCATIONAL SERVICES FRAMEWORK AGREEMENT

On 23 December 2010, the Company entered into the Educational Services Framework Agreement with Greentown Education for the provision of early educational participation services to the Group for a term of two years commencing from 1 January 2010 and ending on 31 December 2011.

The major terms of the Educational Services Framework Agreement are set out below:

- Date: 23 December 2010
- Effective Period: Two years commencing from 1 January 2010 and ending on 31 December 2011, renewable automatically subject to the compliance with the requirements of the Listing Rules.
- Parties
1. the Company as customer; and
 2. Greentown Education as service provider.
- Services to be provided: The services to be provided by Greentown Education will mainly include:
1. participating in and advising on the initial decoration proposals and decoration work for the nursery and primary schools in the development projects of the Group; and
 2. assisting the Group in developing interest classes and summer camps, and related promotional activities.
- Terms: The services to be provided by Greentown Education will be charged according to government determined or directed price or, in absence of such government determination or direction, at market price (including tender price) which may be charged by an Independent Third Party under normal commercial terms in respect of the provision of similar services in the same area, the vicinity or the PRC. The Company and Greentown Education, or their respective subsidiaries, may enter into individual agreements in respect of the services to be provided basing on the terms of the Educational Services Framework Agreement.
- The services to be provided by Greentown Education to the Group under the Educational Services Framework Agreement are not exclusive and the Group may engage other service providers for the same services. The Company may also terminate the services provided by Greentown Education by prior written notice of 3 months.

Annual Caps: RMB2,000,000 (approximately HK\$2,280,000) for 2010
RMB10,000,000 (approximately HK\$11,400,000) for 2011

Basis of the annual cap

In determining the annual cap, the Directors have considered the scale of the Group's existing operations in nursery and primary schools and the anticipated growth of the Group.

Reasons for the transaction

The Group has been providing a range of ancillary services in the property developments to enhance the quality of life of residents, including elementary education in the form of nursery and primary schools. It helps promote the branding and image of the Group in the middle and high-end property market. The Company engaged Greentown Education in view of its market position, capabilities and experience.

HEALTH MANAGEMENT SERVICES FRAMEWORK AGREEMENT

On 23 December 2010, the Company entered into the Health Management Services Framework Agreement with Greentown Health for the provision of health management services to the Group for a term of two years commencing from 1 January 2010 and ending on 31 December 2011.

The major terms of the Health Management Services Framework Agreement are set out below:

Date: 23 December 2010

Effective Period: Two years commencing 1 January 2010 and ending 31 December 2011, renewable automatically subject to the compliance with the requirements of the Listing Rules.

Parties

1. the Company as customer; and
2. Greentown Health as service provider.

Services to be provided: The services to be provided by Greentown Health will mainly include:

1. establishing health management promotion centres for providing health management services;
2. setting up a working group responsible for advising and coordinating the work relating to the health management promotion centres;
3. organising various regular health activities;
4. providing medical-related services according to demand; and
5. providing other paid services in addition to the package of health management services.

Terms: The services to be provided by Greentown Health will be charged according to government determined or directed price or, in absence of such government determination or direction, at market price (including tender price) which may be charged by an Independent Third Party under normal commercial terms in respect of the provision of similar services in the same area, the vicinity or the PRC. The Company and Greentown Health, or their respective subsidiaries, may enter into individual agreements in respect of the services to be provided basing on the terms of the Health Management Services Framework Agreement.

The services to be provided by Greentown Health to the Group under the Health Management Services Framework Agreement are not exclusive and the Group may engage other service providers for the same services. The Company may also terminate the services provided by Greentown Health by prior written notice of 3 months.

Annual Cap: RMB5,000,000 (approximately HK\$5,700,000) for 2010
RMB25,000,000 (approximately HK\$28,500,000) for 2011

Basis of the annual cap

In determining the annual cap, the Directors have considered the estimated demand of health management services in the property developments and the anticipated growth of the Group.

Reasons for the transaction

The Group has been providing a range of ancillary services in the property developments to enhance the quality of life of residents, including health management services. It helps promote the branding and image of the Group in the middle and high-end property market. The Company engaged Greentown Health in view of its market position, capabilities and experience.

HEALTHCARE SERVICES FRAMEWORK AGREEMENT

On 23 December 2010, the Company entered into the Healthcare Services Framework Agreement with Greentown Hospital for the provision of healthcare services to the Group for a term of two years commencing from 1 January 2010 and ending on 31 December 2011.

The major terms of the Healthcare Services Framework Agreement are set out below:

Date: 23 December 2010

Effective Period: Two years commencing from 1 January 2010 and ending on 31 December 2011, renewable automatically subject to the compliance with the requirements of the Listing Rules.

Parties

1. the Company as customer; and
2. Greentown Hospital as service provider.

Services to be provided: The services to be provided by Greentown Hospital will mainly include:

1. providing healthcare and rehabilitation services;
2. providing regular medical activities in respect of common or recurring diseases;
3. establishing health database and developing health screening services;
4. providing specific medical services; and
5. providing medical and living care services.

Terms: The services to be provided by Greentown Hospital will be charged according to government determined or directed price or, in absence of such government determination or direction, at market price (including tender price) which may be charged by an Independent Third Party under normal commercial terms in respect of the provision of similar services in the same area, the vicinity or the PRC. The Company and Greentown Hospital, or their respective subsidiaries, may enter into individual agreements in respect of the services to be provided basing on the terms of the Healthcare Services Framework Agreement.

The services to be provided by Greentown Hospital to the Group under the Healthcare Services Framework Agreement are not exclusive and the Group may engage other service providers for the same services. The Company may also terminate the services provided by Greentown Hospital by prior written notice of 3 months.

Annual Cap: RMB2,000,000 (approximately HK\$2,280,000) for 2010
RMB6,000,000 (approximately HK\$6,840,000) for 2011

Basis of the annual cap

In determining the annual cap, the Directors have considered the estimated demand of healthcare services in the property developments and the anticipated growth of the Group.

Reasons for the transaction

The Group has been providing a range of ancillary services in the property developments to enhance the quality of life of residents, including healthcare services. It helps promote the branding and image of the Group in the middle and high-end property market. The Company engaged Greentown Hospital in view of its market position, capabilities and experience.

INFORMATION ABOUT THE GROUP, GREENTOWN GROUP, GREENTOWN EDUCATION, GREENTOWN HEALTH AND GREENTOWN HOSPITAL

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.

Greentown Holdings Group is engaged in various lines of businesses, including certain property development and sale. As at the date of this announcement, Greentown Holdings Group is beneficially wholly-owned by the Original Shareholders.

Greentown Education is principally engaged in the business of education investment, management and consulting. As at the date of this announcement, Greentown Education is beneficially wholly-owned by the Original Shareholders.

Greentown Health is principally engaged in the business of health promotion. As at the date of this announcement, Greentown Health is a non-wholly owned subsidiary of Greentown Hospital which is, in turn, controlled by the Original Shareholders.

Greentown Hospital is principally engaged in the business of medical services. As at the date of this announcement, Greentown Hospital is beneficially wholly-owned by Mr Song, Mr Shou, Ms Xia and other Independent Third Parties as to 46.8%, 33.8%, 6.07% and 13.33%, respectively.

CONSIDERATION BY THE BOARD

The Directors (including the independent non-executive Directors) are of the opinion that the Agreements are on normal commercial terms after arm's length negotiation between the parties, fair and reasonable and in the interest of the Company and its Shareholders as a whole. As Mr Song and Mr Shou are interested in the transactions under the Agreements, Mr Song and Mr Shou have abstained from the voting of the resolutions of the Board for the approval of the transactions under the Agreements.

IMPLICATIONS UNDER THE LISTING RULES

As at the date of this announcement, all the Original Shareholders are substantial shareholders of the Company and are therefore connected persons of the Company under Chapter 14A of the Listing Rules. As the Original Shareholders together are entitled to, directly or indirectly, exercise or control the exercise of 30% or more of the voting power at general meetings of Greentown Holdings Group, Greentown Education, Greentown Health and Greentown Hospital, Greentown Holdings Group, Greentown Education, Greentown Health and Greentown Hospital are associates of the Original Shareholders and are connected persons of the Company under Chapter 14A of the Listing Rules. The provision of services under the Agreements constitutes continuing connected transactions for the Company under Chapter 14A of the Listing Rules.

As the applicable percentage ratios (other than the profits ratio) under Chapter 14A of the Listing Rules for (1) the revised annual caps for the continuing connected transactions between the Company and the Original Shareholders (including their associates) pursuant to the Comprehensive Services Agreement as amended by the Supplemental Agreement; (2) the annual caps for the continuing connected transactions between the Company and the Original Shareholders (including their associates) pursuant to the Educational Services Framework Agreement, the Health Management Services Framework Agreement and the Healthcare Services Framework Agreement;

and (3) the annual caps for the Other Continuing Connected Transactions between the Company and the Original Shareholders (including their associates), together, are more than 0.1% but less than 5% on an aggregate basis, the transactions under the Agreements and the Other Continuing Connected Transactions are subject to the reporting and announcement requirements under Rule 14A.45 to 14A.47, but are exempt from the independent Shareholders' approval requirements under Rule 14A.48.

DEFINITIONS

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

“2008 Announcement”	announcement of the Company dated 1 December 2008
“Advertising Services Agreement”	an advertising services agreement dated 1 December 2008 entered into between the Company and the Zhejiang Greentown Football Club Company Limited, a company wholly owned by Greentown Holdings Group, details of which are contained in the 2008 Announcement
“Agreements”	the Comprehensive Services Agreement (as amended by the Supplemental Agreement), the Educational Services Framework Agreement, the Health Management Services Framework Agreement and the Healthcare Services Framework Agreement
“associate”	has the meaning ascribed to it under the Listing Rules
“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, whose Shares are listed on the Stock Exchange
“Comprehensive Services Agreement”	a comprehensive services agreement dated 1 December 2008 entered into between the Company, the Original Shareholders and Greentown Holdings Group
“Directors”	the directors of the Company
“Educational Services Framework Agreement”	an early educational participation services framework agreement dated 23 December 2010 entered into between the Company and Greentown Education
“Greentown Education”	浙江綠城教育投資有限公司 (Zhejiang Greentown Education Investment Company Limited*), a company incorporated in the PRC with limited liability and owned by Mr Song, Mr Shou and Ms Xia as to 54%, 39% and 7%, respectively
“Greentown Health”	浙江綠城健康促進管理有限公司 (Zhejiang Greentown Health Promotion Management Company Limited*), a company incorporated in the PRC with limited liability and owned by Greentown Hospital, Greentown Holdings Group and Zhejiang Greentown Property Management as to 19%, 30% and 51% respectively

“Greentown Holdings Group”	綠城控股集團有限公司 (Greentown Holdings Group Limited*), a company incorporated in the PRC with limited liability and owned by Mr Song, Mr Shou and Ms Xia as to 54%, 39% and 7%, respectively
“Greentown Hospital”	浙江綠城醫院投資有限公司 (Zhejiang Greentown Hospital Investment Company Limited*), a company incorporated in the PRC with limited liability and owned by Mr Song, Mr Shou, Ms Xia and other Independent Third Parties as to 46.8%, 33.8%, 6.07% and 13.33%, respectively
“Group”	the Company and its subsidiaries
“Health Management Services Framework Agreement”	a health management services framework agreement dated 23 December 2010 entered into between the Company and Greentown Health
“Healthcare Services Framework Agreement”	a healthcare services framework agreement dated 23 December 2010 entered into between the Company and Greentown Hospital
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Third Party(ies)”	a party(ies) who is/are not connected person(s) (as defined in the Listing Rules) of the Company and who together with its/their ultimate beneficial owner(s) are independent of the Company and of connected persons (as defined in the Listing Rules) of the Company
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Mr Shou”	壽柏年 (Shou Bainian*), a director and substantial shareholder of the Company, and therefore a connected person of the Company
“Mr Song”	宋卫平 (Song Weiping*), a director and substantial shareholder of the Company, and therefore a connected person of the Company
“Ms Xia”	夏一波 (Xia Yibo*), a substantial shareholder of the Company, and therefore a connected person of the Company
“Original Shareholders”	Mr Song, Mr Shou and Ms Xia
“Other Continuing Connected Transactions”	continuing connected transactions of the Company with the Original Shareholders (including their associates) under the Advertising Services Agreement and the Properties Leasing Agreements
“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
“Properties Leasing Agreements”	two properties leasing agreements entered into between the Company and Greentown Holdings Group for general commercial uses and for staff quarters, details of which are contained in the 2008 Announcement
“RMB”	Renminbi, the lawful currency of the PRC
“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
“substantial shareholder”	has the meaning ascribed to it under the Listing Rules
“Supplemental Agreement”	a supplemental agreement dated 23 December 2010 to the Comprehensive Services Agreement entered into between the Company, the Original Shareholders and Greentown Holdings Group
“Zhejiang Greentown Property Management”	浙江綠城物業管理有限公司 (Zhejiang Greentown Health Promotion Management Company Limited*), a company incorporated in the PRC with limited liability and a wholly-owned subsidiary of Greentown Holdings Group

* *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 representation that any amount in RMB or HK\$ has 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

23 December 2010

As at the date of this announcement, Mr Song Weiping, Mr Shou Bainian, Mr Luo Zhaoming 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.