
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your licensed securities dealer, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in Greentown China Holdings Limited, you should at once hand this circular to the purchaser or transferee or to the bank, licensed securities dealer or other agent through whom the sale or transfer was effected for onward transmission to the purchaser or the transferee.

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this circular, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this circular.



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 AND CONNECTED TRANSACTION

**Independent Financial Adviser to the Independent Board Committee
and the Shareholders**

MIZUHO

MIZUHO SECURITIES ASIA LIMITED

A letter from the Board is set out on pages 5 to 15 of this circular and a letter from the Independent Board Committee is set out on page 16 of this circular. A letter from Mizuho Securities Asia Limited, the independent financial adviser to the Independent Board Committee and the Shareholders, containing its advice to the Independent Board Committee and the Shareholders in relation to the Acquisition is set out on pages 17 to 24 of this circular.

* *For identification purposes only*

29 May 2009

CONTENTS

	<i>Page</i>
Definitions	1
Letter from the Board	5
Letter from the Independent Board Committee	16
Letter from Mizuho Securities Asia Limited	17
Appendix I – Valuation Report on the Project	25
Appendix II – General Information	31

DEFINITIONS

In this circular, the following expressions shall have the meanings set out below unless the context requires otherwise:

“Acquisition”	the acquisition by Richwise of the Sale Shares pursuant to the terms of the Agreement;
“Agreement”	the agreement dated 7 May 2009 (as amended by the Supplemental Agreement) entered into between Richwise, the Company, Tandellen and Mr. Luo in relation to the Acquisition;
“Announcement”	the announcement of the Company dated 8 May 2009 in relation to the Acquisition;
“associate”	has the meaning ascribed to it in the Listing Rules;
“Board”	the board of Directors;
“Business Day”	any day (other than a Saturday, Sunday, a public holiday or a day on which typhoon signal no. 8 or above or a “black” rainstorm warning is hoisted in Hong Kong) on which banks in Hong Kong are open for business;
“Chuangjing Property”	杭州創景置業有限公司 (Hangzhou Chuangjing Property Co., Ltd.*), a company established in the PRC with limited liability and a wholly-owned subsidiary of Hangzhou Litao;
“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 sale and purchase of the Sale Shares in accordance with the terms and conditions of the Agreement;
“Completion Account”	the audited accounts of Laifu Century up to 30 April 2009;
“Completion Date”	the fifth Business Day after the day on which the last condition precedent is fulfilled or waived or such other date as Richwise and Tandellen may agree;
“Connected Person”	has the meaning ascribed thereto in the Listing Rules;

DEFINITIONS

“Consideration Shares”	100,000,000 new Shares to be allotted and issued by the Company under the Agreement;
“Directors”	the directors of the Company;
“Group”	the Company and its subsidiaries;
“Hangzhou Litao”	力濤(杭州)建築設計諮詢有限公司 (Litao (Hangzhou) Construction and Design Consultancy Co., Ltd.*), a company established in the PRC with limited liability and a wholly owned subsidiary of Skymoon International;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;
“Independent Board Committee”	an independent committee of the Board, comprising all the independent non-executive Directors appointed by the Board to advise the Shareholders in relation to the Acquisition;
“Independent Financial Adviser” or “Mizuho Securities”	Mizuho Securities Asia Limited, licensed under the SFO to conduct Type 1 (dealing in securities), Type 2 (dealing in futures contracts), Type 4 (advising on securities), Type 6 (advising on corporate finance) and Type 9 (asset management) regulated activities under the SFO and the independent financial adviser appointed to advise the Independent Board Committee and the Shareholders in relation to the Acquisition;
“Issue Price”	an issue price of HK\$6.10 per Consideration Share;
“Laifu Century”	北京萊福世紀置業有限公司 (Beijing Laifu Century Property Co., Ltd.*), a company established in the PRC with limited liability and a wholly-owned subsidiary of Chuangjing Property as at the Latest Practicable Date;
“Land”	a parcel of land located at 中國北京朝陽區東直門外斜街8號院 (Yuan No. 8, Waixie Street, Dongzhimen, Chaoyang District, Beijing, the PRC) with an aggregate site area of approximately of 28,004 sq.m.;
“Last Trading Day”	6 May 2009, being the last full trading day prior to the suspension of trading in the Shares pending the release of the Announcement;

DEFINITIONS

“Latest Practicable Date”	25 May 2009, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information for inclusion in this circular;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“Mr. Luo”	Mr. Luo Zhaoming, a shareholder of Tandellen as at the Latest Practicable Date;
“PRC”	the People’s Republic of China;
“Project”	the development of the Land as described in the section headed “Information on the Target Group” of this circular;
“Richwise”	Richwise Holdings Limited, a company incorporated in the British Virgin Islands with limited liability and a wholly-owned subsidiary of the Company;
“RMB”	Renminbi, the lawful currency of the PRC;
“Sale Shares”	50,000 shares of US\$1.00 each in the capital of Skymoon International, representing the entire issued share capital of Skymoon International;
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong);
“Shareholders”	holders of the Shares;
“Shares”	shares of HK\$0.10 each in the share capital of the Company;
“Skymoon International”	Skymoon International Limited, a company incorporated in British Virgin Islands with limited liability and a wholly-owned subsidiary of Tandellen prior to Completion;
“sq.m.”	square metre;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;

DEFINITIONS

“substantial shareholder”	has the same meaning ascribed to it under the Listing Rules;
“Supplemental Agreement”	the supplemental agreement dated 8 May 2009 entered into between Richwise, the Company, Tandellen and Mr. Luo in relation to the Acquisition;
“Tandellen”	Tandellen Group Limited, a company incorporated in the British Virgin Islands with limited liability and beneficially owned as to 50% by Mr. Luo and as to 50% by Ms. Ruan Yiling, the spouse of Mr. Luo;
“Target Group”	Skymoon International and its subsidiaries; and
“%”	per cent.

Note: For the purpose of this circular, the exchange rate of RMB1 = HK\$1.14 has been used for currency translation, where applicable. Such exchange rates are for illustration purposes and do not constitute representation that any amount in RMB or HK\$ have been or may be converted in such rates.

** For identification purposes only*

LETTER FROM THE BOARD



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)

Executive Directors:

Mr. Song Weiping (*Chairman*)
Mr. Shou Bainian (*Executive Vice-Chairman*)
Mr. Chen Shunhua
Mr. Guo Jiafeng

Independent non-executive Directors:

Mr. Tsui Yiu Wa, Alec
Mr. Jia Shenghua
Mr. Jiang Wei
Mr. Sze Tsai Ping, Michael
Mr. Tang Shiding

Registered office:

M&C Corporate Services Limited
PO Box 309GT, Uglan House
South Church Street
George Town, Grand Cayman
Cayman Islands

*Principle place of business
in Hong Kong:*

Room 1406-8, 14th Floor
New World Tower 1
16-18 Queen's Road Central
Hong Kong

29 May 2009

To the Shareholders

Dear Sir/Madam,

DISCLOSEABLE AND CONNECTED TRANSACTION

INTRODUCTION

The Board announced on 8 May 2009 that the Company, Richwise, a wholly-owned subsidiary of the Company, Tandellen and Mr. Luo entered into the Agreement (as amended by the Supplemental Agreement), pursuant to which Tandellen has conditionally agreed to sell the Sale Shares, representing the entire issued share capital of Skymoon International, to Richwise at a consideration of HK\$610,000,000, which will be satisfied in full by the allotment and issue of the Consideration Shares to Tandellen (or its nominees) at the Issue Price.

The Independent Board Committee comprising all the independent non-executive Directors has been formed to advise the Shareholders in relation to the Acquisition. Mizuho Securities has been appointed as an independent financial adviser to advise the Independent Board Committee and the Shareholders in relation to the Acquisition.

* *For identification purposes only*

LETTER FROM THE BOARD

The purpose of this circular is to give you, among other things, (i) further details about the Acquisition; and (ii) a letter from the Independent Financial Adviser containing its advice to the Independent Board Committee and the Shareholders in relation to the Acquisition; and (iii) the recommendation of the Independent Board Committee in relation to the Acquisition.

THE AGREEMENT AND THE SUPPLEMENTAL AGREEMENT

Date

7 May 2009 and 8 May 2009

Parties

Purchaser: Richwise

Vendor: Tandellen

Tandellen is an investment holding company and is owned as to 50% by Mr. Luo and as to 50% by Ms. Ruan Yiling, the spouse of Mr. Luo as at the Latest Practicable Date.

Purchaser Guarantor: The Company

The Company has unconditionally and irrevocably agreed to guarantee the due performance of Richwise's obligations under the Agreement.

Vendor Guarantor: Mr. Luo

Mr. Luo has unconditionally and irrevocably agreed to guarantee the due performance of Tandellen's obligations under the Agreement.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, as at the Latest Practicable Date, Tandellen and Mr. Luo and their respective associates are not connected persons of the Company within the meanings of the Listing Rules and are thus considered to be independent of the Company and the connected persons of the Company.

Assets to be acquired

The Sale Shares represented the entire issued share capital of Skymoon International as at the Latest Practicable Date. Skymoon International is an investment holding company and the Target Group is principally engaged in the business of property development.

LETTER FROM THE BOARD

Consideration

The consideration for the Acquisition shall be HK\$610,000,000, which will be satisfied in full by the allotment and issue of the Consideration Shares to Tandellen (or its nominees) at the Issue Price.

The consideration for the Acquisition, being HK\$610,000,000, was determined after arm's length negotiations between Richwise and Tandellen with reference to, among other things, the revaluated net asset value of Laifu Century per its unaudited consolidated balance sheet as at 31 December 2008 of approximately RMB539,244,105, after taking into account of the preliminary indicative valuation of the Project for RMB957,000,000 (equivalent to HK\$1,090,980,000) as at 31 December 2008 as appraised by DTZ Debenham Tie Leung Limited ("DTZ"), an independent professional valuer not connected with any of the directors, chief executive and substantial shareholders of the Company and its subsidiaries and associates on an open market basis. DTZ has also been engaged to prepare a valuation report of the Project as at 30 April 2009 and such valuation report is set out in Appendix I to this circular. According to such valuation report, the valuation of the Project remained unchanged as compared with the draft valuation report of the Project as at 31 December 2008, i.e. RMB957,000,000 (equivalent to HK\$1,090,980,000).

The consideration for the Acquisition shall be subject to an adjustment on a dollar-for-dollar basis to be determined following the delivery of the Completion Account by Tandellen to Richwise five (5) Business Days prior to the Completion Date. If the revaluated net asset value of Laifu Century as shown in the Completion Account (which has taken into account the valuation of the Project as at 30 April 2009) is lower than HK\$610,000,000, Tandellen shall pay the amount of shortfall to Richwise or the Company in cash on a dollar-to-dollar basis after the Completion Date and within ten (10) Business Days upon receipt of written notification from Richwise or the Company requesting the payment of such amount of shortfall.

The Directors (including the independent non-executive Directors) are of the view that the consideration for the Acquisition is fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Consideration Shares

The Consideration Shares will be issued at the Issue Price of HK\$6.10 per Share which was determined after arm's length negotiations between Richwise and Tandellen with reference to the average closing price of HK\$4.45 per Share for the last twenty (20) consecutive trading days up to and including the Last Trading Day.

The Consideration Shares represented (i) approximately 6.50% of the issued share capital of the Company as at the Latest Practicable Date; and (ii) approximately 6.11% of the issued share capital of the Company as enlarged by the issue of the Consideration Shares immediately upon Completion (assuming that there is no change in its issued share capital from the Latest Practicable Date to the Completion Date save for the issue of the Consideration Shares).

The Consideration Shares shall be issued as fully paid and shall rank pari passu in all respects with the ordinary Shares then in issue. An application has been made by the Company to the Stock Exchange for the listing of, and permission to deal in, the Consideration Shares.

LETTER FROM THE BOARD

The Issue Price represents:

- (i) a premium of approximately 9.91% over the closing price of HK\$5.55 per Share as quoted on the Stock Exchange on the trading day prior to the suspension of trading in the Shares on 7 May 2009 pending the release of the Announcement;
- (ii) a premium of approximately 5.90% over the closing price of HK\$5.76 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (iii) a premium of approximately 25.00% over the average closing price per Share of approximately HK\$4.88 as quoted on the Stock Exchange for the last five (5) consecutive trading days up to and including the Last Trading Day;
- (iv) a premium of approximately 32.61% over the average closing price per Share of approximately HK\$4.60 as quoted on the Stock Exchange for the last ten (10) consecutive trading days up to and including the Last Trading Day;
- (v) a discount of approximately 24.51% to the closing price per Share of HK\$8.08 as quoted on the Stock Exchange on the Latest Practicable Date; and
- (vi) a discount of approximately 0.16% to the audited consolidated net asset value of the Company per Share of approximately HK\$6.11 as at 31 December 2008.

The Consideration Shares are to be issued by the Company under the general mandate granted to the Directors on 23 May 2008 (the “**General Mandate**”) to allot, issue and deal with up to 307,472,321 Shares, being 20% of the aggregate nominal amount of the issued share capital of the Company as at the date of the annual general meeting of the Company held on 23 May 2008. As of the Latest Practicable Date, the General Mandate has not been utilised.

Conditions precedent

Completion shall be conditional upon the fulfilment (or waiver, as the case may be) of the following conditions:

- (a) Richwise having notified Tandellen that it is reasonably satisfied with its due diligence review on the financial, legal, commercial and taxation aspects of the Target Group and its title to the Land;
- (b) the receipt to the satisfaction of Richwise of (i) the legal opinions issued by a PRC law firm on issues, including but not limited to, the titles of the Land, the validity and legality of the relevant PRC licences or approvals including but not limited to the land use right certificate and the construction commencement work permit in respect of the Land, the legality of ownership of assets and business operations of each of the member of the Target Group which are established in the PRC and the validity of the transactions contemplated under the Agreement; and (ii) the legal

LETTER FROM THE BOARD

opinions issued by a British Virgin Islands law firm on issues relating to, including but not limited to, the due establishment and valid existence of the Skymoon International under the laws of its incorporation, and the validity of the transactions contemplated under the Agreement;

- (c) no government authority, regulatory authority, court or judiciary or similar authority has made any order or decision which resulted the transactions contemplated under the Agreement become invalid, unenforceable, illegal or prohibited, or additional conditions to be appended to the Agreement or the parties to the Agreement are obliged to take up additional obligations;
- (d) the Company having obtained all relevant consents and authorities pursuant to the Listing Rules and the requirements in its articles of association in relation to the allotment and issue of the Consideration Shares;
- (e) the receipt of the audited accounts of Laifu Century for the period from 1 January 2009 to 28 February 2009 prepared by an accounting firm jointly appointed by Richwise and the Company in such form and substance to the satisfaction of the Company and Richwise;
- (f) the share capital of Skymoon International and the registered capital of Hangzhou Litao, Chuangjing Property, Laifu Century having been fully paid up;
- (g) Skymoon International, Hangzhou Litao and Chuangjing Property having no liability as at the date of the Agreement;
- (h) Laifu Century having not more than RMB455,000,000 of its total liability as at 28 February 2009;
- (i) the warranties given and the information provided by each of Tandellen, the Target Group and Mr. Luo in the Agreement remain true and accurate, the rights to the Sale Shares are complete and no restriction has been imposed on such rights (including without limitation any pledge, charge or any other guarantee, dispute, seizure, freeze or other third party rights);
- (j) if applicable, the Company having obtained the required shareholders' approval pursuant to the Listing Rules, in relation to the Agreement and the transactions contemplated thereunder;
- (k) the listing of, and permission to deal in, the Consideration Shares having been granted by the Stock Exchange and not having been revoked prior to Completion; and
- (l) the Company having obtained a letter of advice from an independent financial adviser that the terms of the Acquisition are on normal commercial terms, in the ordinary and usual course of business, fair and reasonable and in the interests of the Company and the Shareholders as a whole.

LETTER FROM THE BOARD

Save for conditions (a), (b), (c), (d), (h), (i), (j), (k) and (l) which are not waivable, conditions (e), (f) and (g) can be waived by Richwise. The conditions precedent are required to be fulfilled or waived (as the case may be) on or before 6 August 2009 or such later date as the parties to the Agreement may agree. If the conditions precedent have not been satisfied or waived (as the case may be) on or before the date aforesaid, the Agreement shall cease and terminate, provided that the rights and liabilities of the parties to the Agreement which have been accrued prior to termination shall subsist.

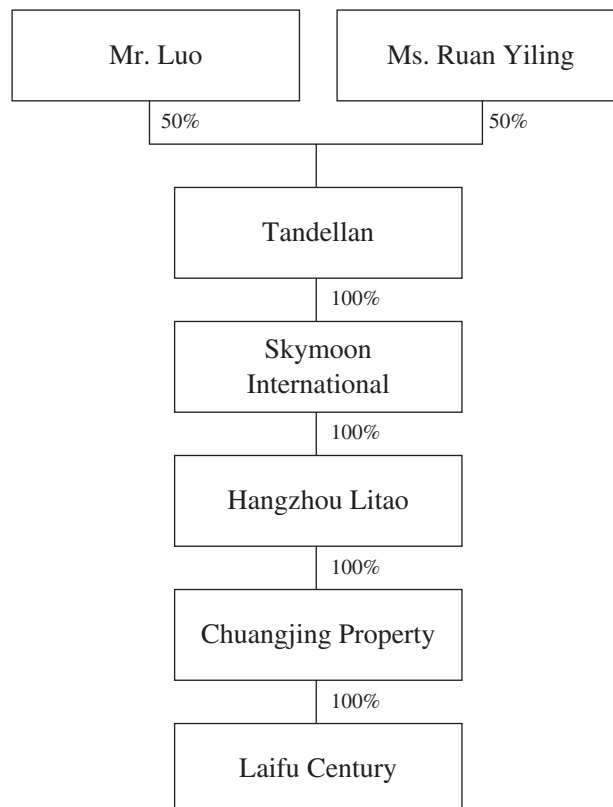
As at the Latest Practicable Date, conditions (e), (h) and (j) have been fulfilled.

Completion

Completion of the Agreement shall take place on the Completion Date, being the fifth Business Day after the day on which the last condition precedent is fulfilled or waived or such other date as Richwise and Tandellan may agree, subject to the condition precedent being fulfilled or waived in accordance with the Agreement.

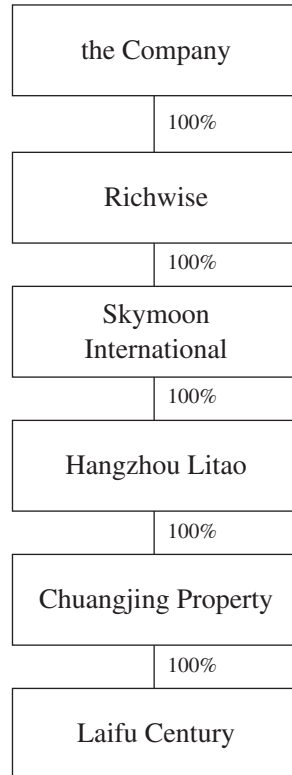
The following diagrams illustrate the shareholding structure of the Target Group before and after the completion of the Acquisition:

Before completion of the Acquisition



LETTER FROM THE BOARD

After completion of the Acquisition



LOCK-UP ARRANGEMENT

From the Completion Date up to and including the date falling two (2) years from the Completion Date, each of Tandellen and Mr. Luo shall not, directly or indirectly, and shall procure that none of its or his associates or companies controlled by it/him shall, offer for sale, sell, transfer, contract to sell, or otherwise dispose of (including without limitation by the creation of any option, right, warrant to purchase or otherwise transfer or dispose of, or any encumbrances over) any of the Consideration Shares to be allotted to it/him under the Agreement.

CHANGE OF DIRECTOR

In connection with the transactions contemplated under the Agreement, and subject to compliance with the articles of association of the Company, the Company will appoint Mr. Luo to the Board as executive Director after the Completion Date. Mr. Luo has undertaken to the Company that he will not accept any new appointment with any other company, whether as a director or a consultant, which are in competition with the Company and resign from his existing appointment as a director or a consultant of companies which are in competition with the Company within twenty four (24) months from the date of his appointment as an executive Director. Mr. Luo has undertaken to the Company that at anytime prior to his resignation from his existing appointment as a director or a consultant of companies which are in competition with the Company, Mr. Luo will abstain from voting, will not be present in the relevant Board meetings and will be excluded from deliberation by the Board, if any conflict of interest occurs.

LETTER FROM THE BOARD

CHANGES TO THE SHAREHOLDING IN THE COMPANY AS A RESULT OF THE ACQUISITION

The following table sets out the shareholding structure of the Company (based on the best knowledge of the Directors) immediately before and after Completion (assuming that there is no change in the issued share capital of the Company from the Latest Practicable Date to the Completion Date save for the issue of the Consideration Shares):

	Immediately Before Completion		Immediately After Completion	
	<i>No. of Shares</i>	<i>Approximate %</i>	<i>No. of Shares</i>	<i>Approximate %</i>
Mr. Song Weiping and his associates	560,983,000	36.49	560,983,000	34.26
Mr. Shou Bainian and his associates	384,490,500	25.01	384,490,500	23.48
Tandellen	–	–	100,000,000	6.11
Public Shareholders	591,888,107	38.50	591,888,107	36.15
Total	<u>1,537,361,607</u>	<u>100.00</u>	<u>1,637,361,607</u>	<u>100.00</u>

REASONS FOR ENTERING INTO THE AGREEMENT

Skymoon International is a company incorporated in the British Virgin Islands and is an investment holding company. The Target Group is principally engaged in the business of property development.

The Group is one of the leading residential property developers in the PRC and is principally engaged in developing quality residential properties targeted at middle to high income residents in the PRC. In order to strengthen the Group's position in residential property development in the PRC, the Directors believe that the Acquisition is in the interest of the Shareholders as it would provide a good opportunity for the Company to further participate in property development in Beijing which the Directors consider to have continued growth potential in the future in light of the healthy development of the real estate market in Beijing. It is proposed that the consideration for the Acquisition be paid by the allotment and issue of the Consideration Shares and not by payment of cash because this is the best financing method available to the Company.

The Directors (including the independent non-executive Directors) believe that the terms of the Agreement (including the consideration for the Acquisition) are on normal commercial terms, in the ordinary and usual course of business of the Company, and are fair and reasonable and in the interests of the Company and the Shareholders as a whole. The Directors (including the independent non-executive Directors) consider the issue of Consideration Shares as consideration for the Acquisition is fair and reasonable and in the best interest of the Shareholders as a whole as it is the best financing method for the Company given that the Company would not need to use a substantial amount of its existing cash resources to fund the Acquisition.

LETTER FROM THE BOARD

INFORMATION ON THE TARGET GROUP

Skymoon International is an investment holding company which indirectly holds 100% interest in the Project. Immediately after Completion, Richwise will own all of the shares in Skymoon International, and indirectly acquire 100% of the registered capital of Hangzhou Litao, which in turn holds 100% interest in Chuangjing Property. Chuangjing Property holds 100% interest in Laifu Century, which in turn owns 100% interest in the Project.

Hangzhou Litao is a limited liability company established in the PRC and a wholly-owned subsidiary of Skymoon International as at the Latest Practicable Date. The registered capital of Hangzhou Litao is equivalent to RMB30,000,000 and the scope of business of Hangzhou Litao includes landscape planning, designing and consulting, interior design consulting, engineering project management consulting, consultative evaluation of engineering design (excluding projects relating to licensing).

Chuangjing Property is a limited liability company established in the PRC and a wholly-owned subsidiary of Hangzhou Litao as at the Latest Practicable Date. The registered capital of Chuangjing Property is RMB30,000,000 and the scope of business of Chuangjing Property includes real estate investment, services, investment management (excluding securities and futures) and property management.

Laifu Century is a limited liability company established in the PRC and a wholly-owned subsidiary of Chuangjing Property as at the Latest Practicable Date. The registered capital of Laifu Century is RMB30,000,000 and the scope of business of Laifu Century includes property development and management.

Laifu Century owns a parcel of land located at Yuan No. 8, Waixie Street, Dongzhimen, Chaoyang District, Beijing, the PRC with a site area of approximately 28,004 sq.m.. The Land has been earmarked for the development of service apartments, with a proposed aggregate gross floor area of approximately 61,369 sq.m.. Laifu Century has been granted the land use rights certificate and the required construction works commencement permits of the Project. The Project is expected to be completed in or around August 2009. As at 31 December 2008, the total development costs incurred for the Project were approximately RMB374,296,427. It is estimated that additional costs of approximately RMB333,898,372 will be required to complete the Project. Such costs will be financed by bank loans and internal resources of Laifu Century.

As at the Latest Practicable Date, the Company had no capital commitments to the Project. Having considered the cash flow status and the bank loans obtained or to be obtained by Laifu Century, it is estimated that Laifu Century will have sufficient funds to operate the Project. As such, the Company has no plans at present to fund Laifu Century by way of capital injection or have any capital commitment to the Project.

As at the Latest Practicable Date, no other properties or assets were held by Laifu Century save for its investment in the Project.

LETTER FROM THE BOARD

None of Skymoon International, Hangzhou Litao and Chuangjing Property has prepared audited consolidated financial statements since their incorporation. Skymoon International did not record any net profit or net loss for the period from 2 December 2008 (being the date of incorporation of Skymoon International) to 31 December 2008. As there was no investment income received from Hangzhou Litao, no revenue was generated by Skymoon International for the period from 2 December 2008 (being the date of incorporation of Skymoon International) to 31 December 2008. The unaudited net asset of Skymoon International as at 31 December 2008 was RMB341,290 (equivalent to approximately HK\$389,071).

Based on the unaudited consolidated accounts of the Target Group prepared in accordance with the generally accepted accounting principles in the PRC, the Target Group did not record any net profit or net loss for the period from 2 December 2008 (being the date of incorporation of Skymoon International) to 31 December 2008. For the four months ended 30 April 2009, the unaudited loss before and after taxation of the Target Group was RMB70,658 (equivalent to approximately HK\$80,550). As the development of the Project has not yet been completed, no revenue was generated by the Target Group for the period from 2 December 2008 (being the date of incorporation of Skymoon International) to 31 December 2008. The unaudited net asset of the Target Group as at 31 December 2008 was RMB198,716,800 (equivalent to approximately HK\$226,537,152).

Based on the audited financial statements of Laifu Century prepared in accordance with the general accepted accounting principles in the PRC, the audited loss before and after taxation of Laifu Century for the period from 24 April 2007 (being the date of incorporation of Laifu Century) to 31 December 2007 was RMB1,279,448 (equivalent to approximately HK\$1,458,571), and the audited loss before and after taxation of Laifu Century for the year ended 31 December 2008 was RMB2,511,914 (equivalent to approximately HK\$2,863,582). As the development of the Project has not yet been completed, no revenue was generated by Laifu Century for the period from 24 April 2007 (being the date of incorporation of Laifu Century) to 31 December 2007, and for the year ended 31 December 2008. The audited net asset of the Laifu Century as at 31 December 2008 was RMB198,375,510 (equivalent to approximately HK\$226,148,081).

Upon Completion, Skymoon International, Hangzhou Litao, Chuangjing Property and Laifu Century will all be accounted for as wholly-owned subsidiaries of the Company.

LISTING RULES IMPLICATIONS

As the applicable percentage ratios (as set out in the Listing Rules) are more than 5% but less than 25%, the Acquisition constitutes a discloseable transaction for the Company under Rule 14.06(2) of the Listing Rules. The Acquisition also constitutes a connected transaction for the Company pursuant to Rule 14A.13(1)(b)(i) of the Listing Rules by reason of the proposed appointment of Mr. Luo as a Director to the Board after Completion. The Agreement and the transactions contemplated thereunder are therefore subject to the independent shareholders' approval under Chapter 14A of the Listing Rules.

LETTER FROM THE BOARD

On the basis that (i) none of Mr. Luo, Ms. Ruan Yiling and Tandellen is interested in any Shares and no Shareholder has a material interest is required to abstain from voting if the Company were to convene an extraordinary general meeting for the approval of the Acquisition; and (ii) Delta House Limited, Wisearn Limited and Profitwise Limited, being the closely allied group of Shareholders, which hold 492,124,000 Shares, 68,859,000 Shares and 384,490,500 Shares, respectively, representing an aggregate of approximately 61.5% of the issued share capital of the Company as at the Latest Practicable Date, have approved the Acquisition in writing in accordance with Rule 14A.43 of the Listing Rules, the Company has applied to the Stock Exchange pursuant to Rule 14A.43 of the Listing Rules for a waiver from strict compliance with the independent shareholders' approval requirement under Chapter 14A of the Listing Rules. The Stock Exchange has granted a waiver to the Company from strict compliance with the requirement to hold a shareholders' meeting to approve the Acquisition pursuant to Rule 14A.43 of the Listing Rules. Accordingly, no general meeting of the Company will be held. The information contained in this circular is for information of the Shareholders only.

The Independent Board Committee comprising all the independent non-executive Directors has been formed to advise the Shareholders in relation to the Acquisition. Your attention is drawn to the letter of recommendation from the Independent Board Committee set out on page 16 of this circular.

The Company has appointed Mizuho Securities as the Independent Financial Adviser to advise the Independent Board Committee and the Shareholders in relation to the Acquisition. Your attention is drawn to the letter of advice from Mizuho Securities set out on pages 17 to 24 of this circular.

GENERAL

As Completion is subject to the fulfillment of a number of conditions precedent, the Acquisition may or may not proceed. Shareholders of the Company and potential investors should exercise caution when dealing in the Shares.

ADDITIONAL INFORMATION

Your attention is drawn to the letter from the Independent Board Committee set out on page 16 of this circular which contains its recommendation to the Shareholders in relation to the Acquisition. Your attention is also drawn to the letter of advice from Mizuho Securities set out on pages 17 to 24 of this circular which contains its advice to the Independent Board Committee and the Shareholders in relation to the Acquisition and the principal factors and reasons considered by it in formulating its advice.

Your attention is also drawn to the additional information set out in the appendix of this circular.

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



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)

29 May 2009

To the Shareholders

Dear Sir or Madam,

DISCLOSEABLE AND CONNECTED TRANSACTION

We refer to the circular of the Company to the Shareholders dated 29 May 2009 (the “Circular”), in which this letter forms a part. Unless the context requires otherwise, capitalized terms used in this letter will have the same meanings given to them in the section headed “Definitions” of the Circular.

We have been authorised by the Board to form the Independent Board Committee to advise the Shareholders on whether the terms of the Acquisition are fair and reasonable so far as the Company and the Shareholders are concerned.

We wish to draw your attention to the letter of advice from Mizuho Securities Asia Limited (“Mizuho Securities”), the Independent Financial Adviser appointed to advise the Independent Board Committee and the Shareholders in relation to the Acquisition as set out on pages 17 to 24 of the Circular and the letter from the Board set out on pages 5 to 15 of the Circular.

Having considered, among other matters, the factors and reasons considered by, and the opinion of, Mizuho Securities as stated in its letter of advice, we consider that the terms of the Acquisition are on normal commercial terms, in the ordinary and usual course of business of the Company, fair and reasonable so far as the Shareholders are concerned and in the interests of the Shareholders as a whole.

Yours faithfully,
**The Independent Board Committee of
Greentown China Holdings Limited**
Mr. Tsui Yiu Wa, Alec
Mr. Jia Shenghua
Mr. Jiang Wei
Mr. Sze Tsai Ping, Michael
Mr. Tang Shiding
Independent non-executive Directors

* *For identification purposes only*

LETTER FROM MIZUHO SECURITIES ASIA LIMITED

The following is the text of the letter of advice from Mizuho Securities Asia Limited, the independent financial adviser to the Independent Board Committee and Shareholders, in respect of the Acquisition, which has been prepared for the purpose of incorporation in this circular.

The logo for Mizuho Securities Asia Limited, featuring the word "MIZUHO" in a bold, white, sans-serif font, centered within a dark grey rectangular background.

Mizuho Securities Asia Limited

11th Floor, CITIC Tower,
1 Tim Mei Avenue, Central, Hong Kong
Tel: 2685-2000 Fax: 2685-2400

29 May 2009

*To the Independent Board Committee
and Shareholders
Greentown China Holdings Limited*

Dear Sirs,

DISCLOSEABLE AND CONNECTED TRANSACTION

INTRODUCTION

We refer to our engagement as the independent financial adviser to the Independent Board Committee and Shareholders in respect of the Acquisition. Further details of the Acquisition are set out in the letter from the Board (the “**Letter from the Board**”) in the circular of the Company to its Shareholders dated 29 May 2009 (the “**Circular**”), of which this letter forms part. Capitalised terms used in this letter shall have the same meanings as those defined in the Circular unless the context otherwise requires.

As the applicable percentage ratios (as set out in the Listing Rules) are more than 5% but less than 25%, the Acquisition constitutes a discloseable transaction for the Company under Rule 14.06(2) of the Listing Rules. The Acquisition also constitutes a connected transaction for the Company pursuant to Rule 14A.13(1)(b)(i) of the Listing Rules by reason of the proposed appointment of Mr. Luo as a Director to the Board after Completion. The Agreement and the transactions contemplated thereunder are therefore subject to the independent shareholders’ approval under Chapter 14A of the Listing Rules. On the basis that (i) none of Mr. Luo, Ms. Ruan Yiling and Tandellen is interested in any Shares and no Shareholder has a material interest is required to abstain from voting if the Company were to convene an extraordinary general meeting for the approval of the Acquisition; and (ii) Delta House Limited, Wisearn Limited and Profitwise Limited, being the closely allied group of Shareholders, which hold 492,124,000 Shares, 68,859,000 Shares and 384,490,500 Shares, respectively, representing an

LETTER FROM MIZUHO SECURITIES ASIA LIMITED

aggregate of approximately 61.5% of the issued share capital of the Company as at the Latest Practicable Date, have approved the Acquisition in writing in accordance with Rule 14A.43 of the Listing Rules, the Company has applied to the Stock Exchange pursuant to Rule 14A.43 of the Listing Rules for a waiver from strict compliance with the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

Our scope of work under this engagement is to assess whether the terms of the Acquisition are fair and reasonable so far as the Shareholders are concerned and the Acquisition is in the interests of the Company and the Shareholders as a whole.

BASIS OF OUR OPINION

In arriving at our opinion, we have relied on the information, opinions and facts supplied, and representations made to us, by the Directors, advisers and representatives of the Company (including those contained or referred to in the Circular). We have also assumed that the information and representations contained or referred to in the Circular were true and accurate in all respects at the time they were made and continue to be so at the date of dispatch of the Circular. We have no reason to doubt the truth, accuracy and completeness of the information and representations provided to us by the Directors and senior management of the Company. We have also relied on certain information available to the public and have assumed such information to be accurate and reliable, and we have not independently verified the accuracy of such information. We have been advised by the Directors and believe that no material facts have been omitted from the Circular.

We consider that we have reviewed sufficient information to reach an informed view, to justify reliance on the accuracy of the information contained in the Circular and to provide a reasonable basis for our opinion. We have not, however, conducted an independent verification of the information nor have we conducted any form of in-depth investigation into the businesses and affairs or other prospects of the Company or any of its subsidiaries or associates, or the Target Group.

PRINCIPAL FACTORS AND REASONS CONSIDERED

In forming our opinion with regard to the Acquisition, we have considered the following principal factors and reasons:

Background and reasons for the Acquisition

The Board announced on 8 May 2009 that the Company, Richwise, a wholly-owned subsidiary of the Company, Tandellen and Mr. Luo entered into the Agreement (as amended by the Supplemental Agreement), pursuant to which Tandellen has conditionally agreed to sell the Sale Shares, representing the entire issued share capital of Skymoon International, to Richwise at a consideration of HK\$610,000,000, which will be satisfied in full by the allotment and issue of the Consideration Shares to Tandellen (or its nominees) at the Issue Price. Tandellen is an investment holding company and is owned as to 50% by Mr. Luo and as to 50% by Ms. Ruan Yiling, the spouse of Mr. Luo as at the Latest Practicable Date.

LETTER FROM MIZUHO SECURITIES ASIA LIMITED

In connection with the transactions contemplated under the Agreement, and subject to compliance with the articles of association of the Company, the Company will appoint Mr. Luo to the Board as executive Director after the Completion Date. Mr. Luo has undertaken to the Company that he will not accept any new appointment with any other company, whether as a director or a consultant, which are in competition with the Company and resign from his existing appointment as a director or a consultant of companies which are in competition with the Company within twenty four (24) months from the date of his appointment as an executive Director. Mr. Luo has undertaken to the Company that at anytime prior to his resignation from his existing appointment as a director or a consultant of companies which are in competition with the Company, Mr. Luo will abstain from voting, will not be present in the relevant Board meetings and will be excluded from deliberation by the Board, if any conflict of interest occurs. We understand from the Company that the Company intends to tap on Mr. Luo's experience in the property sector in the PRC, particularly Beijing.

The Group is one of the leading residential property developers in the PRC and is principally engaged in developing quality residential properties targeted at middle to high income residents in the PRC. We note from the annual report of the Company for the year ended 31 December 2008 that the Group's land bank in Beijing as at 31 December 2008 was 680,434 sq.m., which represents approximately 3% of the Group's land bank by total GFA. As mentioned in the Letter from the Board, in order to strengthen the Group's position in residential property development in the PRC, the Directors believe that the Acquisition would provide a good opportunity for the Company to further participate in property development in Beijing.

Information on the Target Group

Skymoon International is an investment holding company which indirectly holds 100% interest in the Project. Immediately after Completion, Richwise will own all of the shares in Skymoon International, and indirectly acquire 100% of the registered capital of Hangzhou Litao, which in turn holds 100% interest in Chuangjing Property. Chuangjing Property holds 100% interest in Laifu Century, which in turn owns 100% interest in the Project.

Hangzhou Litao is a limited liability company established in the PRC and a wholly-owned subsidiary of Skymoon International as at the Latest Practicable Date. The registered capital of Hangzhou Litao is equivalent to RMB30,000,000 and the scope of business of Hangzhou Litao includes landscape planning, designing and consulting, interior design consulting, engineering project management consulting, and consultative evaluation of engineering design (excluding projects relating to licensing).

Chuangjing Property is a limited liability company established in the PRC and a wholly-owned subsidiary of Hangzhou Litao as at the Latest Practicable Date. The registered capital of Chuangjing Property is RMB30,000,000 and the scope of business of Chuangjing Property includes real estate investment, services, investment management (excluding securities and futures) and property management.

LETTER FROM MIZUHO SECURITIES ASIA LIMITED

Laifu Century is a limited liability company established in the PRC and a wholly-owned subsidiary of Chuangjing Property as at the Latest Practicable Date. The registered capital of Laifu Century is RMB30,000,000 and the scope of business of Laifu Century includes property development and management.

Laifu Century owns a parcel of land located at Yuan No. 8, Waixie Street, Dongzhimen, Chaoyang District, Beijing, the PRC with a site area of approximately 28,004 sq.m.. The Land has been earmarked for the development of service apartments, with a proposed aggregate gross floor area of approximately 61,369 sq.m.. Laifu Century has been granted the land use rights certificate and the required construction works commencement permits of the Project. The Project is expected to be completed in or around August 2009. As at 31 December 2008, the total development costs incurred for the Project were approximately RMB374,296,427. It is estimated that additional costs of approximately RMB333,898,372 will be required to complete the Project. Such costs will be financed by bank loans and internal resources of Laifu Century.

As mentioned in the Letter from the Board, the Company has no capital commitment to the Project as at the Latest Practicable Date. Having considered the cash flow status and the bank loans obtained or to be obtained by Laifu Century, the Company estimated that Laifu Century will have sufficient funds to operate the Project. As such, the Company has no plans at present to fund Laifu Century by way of capital injection or have any capital commitment to the Project.

None of Skymoon International, Hangzhou Litao and Chuangjing Property has prepared audited consolidated financial statements since their incorporation. Skymoon International did not record any net profit or net loss for the period from 2 December 2008 (being the date of incorporation of Skymoon International) to 31 December 2008. As there was no investment income received from Hangzhou Litao, no revenue was generated by Skymoon International for the period from 2 December 2008 (being the date of incorporation of Skymoon International) to 31 December 2008. The unaudited net asset of Skymoon International as at 31 December 2008 was RMB341,290 (equivalent to approximately HK\$389,071).

Based on the unaudited consolidated accounts of the Target Group prepared in accordance with the generally accepted accounting principles in the PRC, the Target Group did not record any net profit or net loss for the period from 2 December 2008 (being the date of incorporation of Skymoon International) to 31 December 2008. For the four months ended 30 April 2009, the unaudited loss before and after taxation of the Target Group was RMB70,658 (equivalent to approximately HK\$80,550). As the development of the Project has not yet been completed, no revenue was generated by the Target Group for the period from 2 December 2008 (being the date of incorporation of Skymoon International) to 31 December 2008. The unaudited net asset of the Target Group as at 31 December 2008 was RMB198,716,800 (equivalent to approximately HK\$226,537,152).

LETTER FROM MIZUHO SECURITIES ASIA LIMITED

Based on the audited financial statements of Laifu Century prepared in accordance with the general accepted accounting principles in the PRC, the audited loss before and after taxation of Laifu Century for the period from 24 April 2007 (being the date of incorporation of Laifu Century) to 31 December 2007 was RMB1,279,448 (equivalent to approximately HK\$1,458,571), and the audited loss before and after taxation of Laifu Century for the year ended 31 December 2008 was RMB2,511,914 (equivalent to approximately HK\$2,863,582). As the development of the Project has not yet been completed, no revenue was generated by Laifu Century for the period from 24 April 2007 (being the date of incorporation of Laifu Century) to 31 December 2007, and for the year ended 31 December 2008. The audited net asset of the Laifu Century as at 31 December 2008 was RMB198,375,510 (equivalent to approximately HK\$226,148,081).

Consideration

The consideration for the Acquisition shall be HK\$610,000,000, which will be satisfied in full by the allotment and issue of the Consideration Shares to Tandellen (or its nominees) at the Issue Price. The consideration for the Acquisition, being HK\$610,000,000, was determined after arm's length negotiations between Richwise and Tandellen with reference to, among other things, the revaluated net asset value of Laifu Century per its unaudited consolidated balance sheet as at 31 December 2008 of approximately RMB539,244,105, after taking into account of the preliminary indicative valuation of the Project for RMB957,000,000 (equivalent to HK\$1,090,980,000) as at 31 December 2008 as appraised by DTZ, an independent professional valuer on an open market basis. DTZ has also been engaged to prepare a valuation report of the Project as at 30 April 2009. According to such valuation report, the valuation of the Project remained unchanged as compared with the draft valuation report of the Project as at 31 December 2008, i.e. RMB957,000,000 (equivalent to HK\$1,090,980,000). The consideration for the Acquisition shall be subject to an adjustment on a dollar-for-dollar basis to be determined following the delivery of the Completion Account by Tandellen to Richwise five (5) Business Days prior to the Completion Date. If the revaluated net asset value of Laifu Century as shown in the Completion Account (which has taken into account the valuation of the Project as at 30 April 2009) is lower than HK\$610,000,000, Tandellen shall pay the amount of shortfall to Richwise or the Company in cash on a dollar-to-dollar basis after the Completion Date and within ten (10) Business Days upon receipt of written notification from Richwise or the Company requesting the payment of such amount of shortfall.

As the major asset of the Target Group is the Land held by Laifu Century which is under development and the Project has yet to generate any profits, we consider that it is an appropriate approach to base on the revaluated net asset value of Laifu Century and valuation of the existing status of the Project as appraised by DTZ, an independent professional valuer, on an open market basis when determining the consideration for the Acquisition. As such, we consider that the consideration for the Acquisition is fair and reasonable.

LETTER FROM MIZUHO SECURITIES ASIA LIMITED

Consideration Shares

As mentioned in the Letter from the Board, the Consideration Shares will be issued at the Issue Price of HK\$6.10 per Share which was determined after arm's length negotiations between Richwise and Tandellen with reference to the average closing price of HK\$4.45 per Share for the last twenty (20) consecutive trading days up to and including the Last Trading Day.

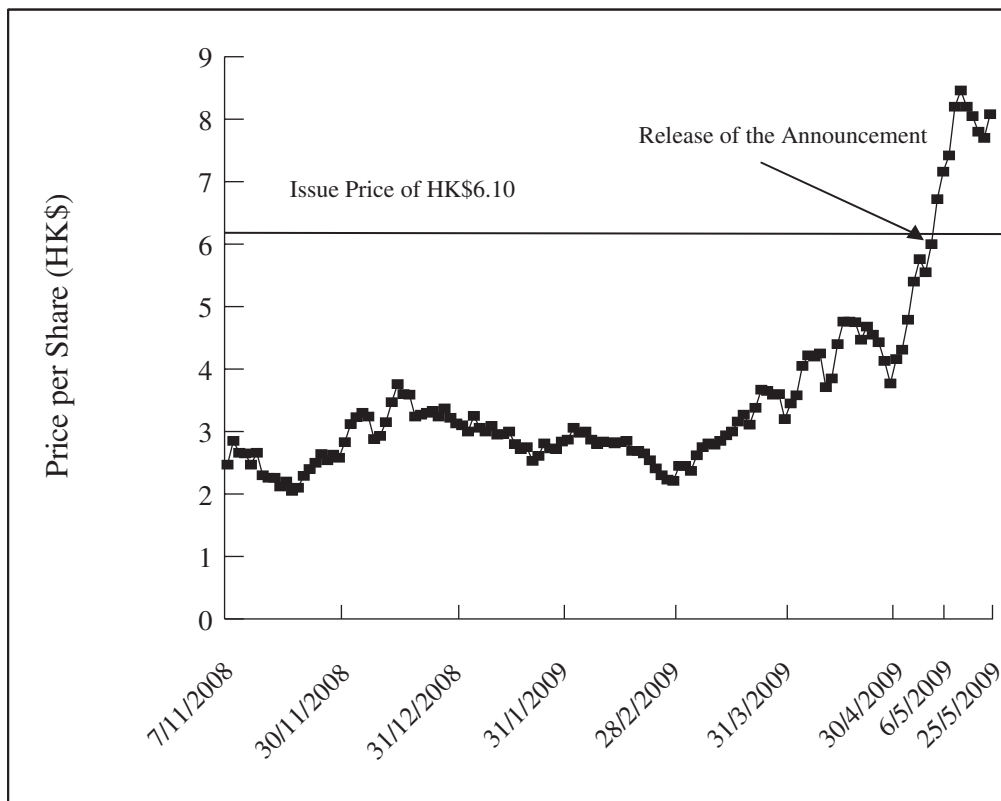
The Consideration Shares represent (i) approximately 6.50% of the issued share capital of the Company as at the Latest Practicable Date; and (ii) approximately 6.11% of the issued share capital of the Company as enlarged by the issue of the Consideration Shares immediately upon Completion (assuming that there is no change in its issued share capital from the Latest Practicable Date to the Completion Date save for the issue of the Consideration Shares).

The Issue Price represents:

- (i) a premium of approximately 9.91% over the closing price of HK\$5.55 per Share as quoted on the Stock Exchange on the trading day prior to the suspension of trading in the Shares on 7 May 2009 pending the release of the Announcement;
- (ii) a premium of approximately 5.90% over the closing price of HK\$5.76 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (iii) a premium of approximately 25.00% over the average closing price per Share of approximately HK\$4.88 as quoted on the Stock Exchange for the last five (5) consecutive trading days up to and including the Last Trading Day;
- (iv) a premium of approximately 32.61% over the average closing price per Share of approximately HK\$4.60 as quoted on the Stock Exchange for the last ten (10) consecutive trading days up to and including the Last Trading Day;
- (v) a premium of approximately 93.04% over the average closing price per Share of approximately HK\$3.16 as quoted on the Stock Exchange for the six (6) month period prior to and including the Last Trading Day;
- (vi) a discount of approximately 24.51% to the closing price per Share of HK\$8.08 as quoted on the Stock Exchange on the Latest Practicable Date; and
- (vii) a discount of approximately 0.16% to the audited consolidated net asset value of the Company per Share of approximately HK\$6.11 as at 31 December 2008.

LETTER FROM MIZUHO SECURITIES ASIA LIMITED

The following chart shows the closing prices of the Shares for the six (6) month period up to and including the Last Trading Date and also for the period up to the Latest Practicable Date:



We note that the Issue Price of HK\$6.10 is generally below the closing prices of the Shares after the release of the Announcement. However, the Issue Price is above the closing prices of the Shares for the six (6) month period prior to the Last Trading Date. In addition, the Issue Price only represents slight discount to the audited consolidated net asset value of the Company per Share of approximately HK\$6.11 as at 31 December 2008.

LETTER FROM MIZUHO SECURITIES ASIA LIMITED

Changes to the Shareholding in the Company as a result of the Acquisition

The following table sets out the shareholding structure of the Company (based on the best knowledge of the Directors) immediately before and after Completion (assuming that there is no change in the issued share capital of the Company from the Latest Practicable Date to the Completion Date save for the issue of the Consideration Shares):

	Immediately before Completion		Immediately after Completion	
	<i>No. of Shares</i>	<i>Approximate %</i>	<i>No. of Shares</i>	<i>Approximate %</i>
Mr. Song Weiping and his associates	560,983,000	36.49	560,983,000	34.26
Mr. Shou Bainian and his associates	384,490,500	25.01	384,490,500	23.48
Tandellen Public Shareholdings	–	–	100,000,000	6.11
	<u>591,888,107</u>	<u>38.50</u>	<u>591,888,107</u>	<u>36.15</u>
Total	<u><u>1,537,361,607</u></u>	<u><u>100.00</u></u>	<u><u>1,637,361,607</u></u>	<u><u>100.00</u></u>

As illustrated in the above table, the shareholding of the public Shareholders would decrease from approximately 38.50% as at the Latest Practicable Date to approximately 36.15% upon the allotment and issue of the Consideration Shares.

As mentioned in the Letter from the Board, it is proposed that the consideration for the Acquisition be paid by the allotment and issue of the Consideration Shares and not by payment of cash because the Company believes that this is the best financing method available to the Company. We note that the net gearing ratio of the Group as at 31 December 2008 was approximately 140%. Taking into account the factors that (i) the Group has a relatively high net gearing ratio; (ii) the issue of the Consideration Shares would have no impact on the cash flow of the Group; and (iii) the dilution effect on the shareholding of the public Shareholders would not be material, the issue of the Consideration Shares is considered to be an appropriate financing method.

OPINION

Having considered the principal factors and reasons described above, we are of the opinion that the terms of the Acquisition are fair and reasonable as far as the interests of the Shareholders are concerned, and the Acquisition is on normal commercial terms and in the ordinary and usual course of business of the Company, and in the interests of the Company and its shareholders as a whole.

Yours faithfully,
For and on behalf of
MIZUHO SECURITIES ASIA LIMITED
Kelvin S. K. Lau
Managing Director
Capital Markets & Corporate Finance

The following is the text of a letter and valuation certificates prepared for the purpose of incorporation in this circular received from DTZ Debenham Tie Leung Limited, an independent property valuer, in connection with its opinion of value of the property interests in the PRC as at 30 April 2009.



10th Floor
Jardine House
1 Connaught Place
Central
Hong Kong

The Directors
Greentown China Holdings Limited
Huanglong Century Plaza,
No.1 Hangda Road,
Hangzhou,
Zhejiang Province,
The PRC

25 May 2009

Dear Sirs,

Re: No. 8 Dongzhimeiwai Xiejie, Chaoyang District, Beijing, the People's Republic of China (中華人民共和國北京市朝陽區東直門外斜街8號院)

INSTRUCTIONS, PURPOSE AND DATE OF VALUATION

In accordance with your instructions for us to value the captioned property (the "Property") to be acquired by Greentown China Holdings Limited (the "Company") in the People's Republic of China (the "PRC"), we confirm that we have carried out inspection, made relevant enquiries and obtained such further information as we consider necessary for the purpose of providing the Company with our opinion of the market value of the Property as at 30 April 2009 (the "date of valuation").

DEFINITION OF MARKET VALUE

Our valuation of the Property represents its Market Value which in accordance with the Valuation Standards on Properties of the Hong Kong Institute of Surveyors is defined as "the estimated amount for which a property should exchange on the date of valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion".

VALUATION BASIS AND ASSUMPTION

Our valuations exclude an estimated price inflated or deflated by special terms or circumstances such as atypical financing, sale and leaseback arrangement, special considerations or concessions granted by anyone associated with the sale, or any element of special value.

In the course of our valuation of the Property in the PRC, we have assumed that the transferable land use rights of the Property for its specific term at nominal annual land use fees have been granted and that any land grant premium payable has already been fully paid. We have relied on the information regarding the title to the Property and the interests of the Company in the Property. In valuing the Property, we have assumed that the Company has an enforceable title to it and has free and uninterrupted right to use, occupy or assign the Property for the whole of the unexpired term as granted.

In respect of the Property situated in the PRC, the status of the titles and grant of major certificates, approvals and licences, in accordance with the information provided by the Company are set out in the notes in the attached valuation certificate.

METHOD OF VALUATION

We have valued the Property on the basis that the Property will be developed and completed in accordance with the Company's latest development proposal provided to us. We have assumed that all consents, approvals and licences from relevant government authorities for the development proposal have been obtained without onerous conditions or delays. We have also assumed that the design and construction of the development are in compliance with the local planning regulations and have been approved by the relevant authorities. In arriving at our opinion of value, we have adopted the direct comparison approach by making reference to comparable sales evidence as available in the relevant market and have also taken into account the expended construction costs and the costs that will be expended to complete the development to reflect the quality of the completed development.

SOURCE OF INFORMATION

We have been provided by the Company with extract of documents in relation to the titles to the Property. However, we have not inspected the original documents to ascertain any amendments which may not appear on the copies handed to us.

In the course of our valuation, we have relied to a considerable extent on the information given by the Company in respect of the Property in the PRC and have accepted advice given by the Company on such matters as planning approvals or statutory notices, easements, tenure, identification of land and buildings, development schemes, construction costs, site and proposed floor areas and all other relevant matters.

Dimension, measurements and areas included in the attached valuation certificate are based on the information provided to us and are therefore only approximations. We have had no reasons to doubt the truth and accuracy of the information provided to us by the Company which is material to the valuation. We were also advised by the Company that no material facts have been omitted from the information provided.

SITE INSPECTION

We have inspected the Property. However, we have not carried out investigations on site to determine the suitability of the soil conditions and the services etc. for any future development. Our valuation is prepared on the assumption that these aspects are satisfactory and that no extraordinary costs or delays will be incurred during the construction period. Moreover, no structural survey has been made, but in the course of our inspection, we did not note any serious defect. We are not, however, able to report whether the Property is free of rot, infestation or any other structural defect. No test was carried out on any of the services. Unless otherwise stated, we have not been able to carry out detailed on-site measurements to verify the site and gross floor areas of the Property and we have assumed that the areas shown on the documents handed to us are correct.

No allowance has been made in our valuations for any charges, mortgages or amounts owing on the Property nor for any expenses or taxation which may be incurred in effecting a sale. Unless otherwise stated, it is assumed that the Property is free from encumbrances, restrictions and outgoings of any onerous nature which could affect its value.

CURRENCY

Unless otherwise stated, all sums stated in our valuation are in Renminbi (RMB), the official currency of the PRC.

We enclose herewith our valuation certificate.

Yours faithfully,
for and on behalf of
DTZ Debenham Tie Leung Limited
Andrew K. F. Chan
Registered Professional Surveyor
(General Practice Division)
China Real Estate Appraiser
MSc., M.H.K.I.S., M.R.I.C.S
Director

Note: Mr. Andrew K. F. Chan is a Registered Professional Surveyor who has over 20 years of experience in the valuation of properties in the PRC and Hong Kong.

VALUATION CERTIFICATE

Property	Description and tenure	Particulars of occupancy	Capital value in existing state as at 30 April 2009												
No. 8 Dongzhimenwai Xiejie, Chaoyang District, Beijing, the PRC 中華人民共和國 北京市 朝陽區 東直門外斜街8號院	<p>The Property comprises a land under construction with a total site area of approximately 28,004 sq.m. (including areas of construction land, roads, greenbelt, river course and parking zone).</p> <p>The Property is proposed to develop into a 31-storey serviced apartment development with a planned total gross floor area of approximately 62,584.6 sq.m. Construction of the Property was started in March 2007 and is scheduled to be completed in 2009.</p>	<p>As at the date of valuation, the Property was undergoing internal decoration.</p>	RMB957,000,000												
	<p>According to the development scheme provided by the owner, the Property upon completion will provide the following gross floor area:</p>														
	<table border="1"> <thead> <tr> <th data-bbox="515 1076 595 1098">Portion</th> <th data-bbox="802 1076 855 1129">GFA (sq.m.)</th> </tr> </thead> <tbody> <tr> <td data-bbox="515 1161 675 1183">Retail (Level 1)</td> <td data-bbox="767 1161 855 1183">2,469.10</td> </tr> <tr> <td data-bbox="515 1193 707 1215">Retail (Mezzanine)</td> <td data-bbox="767 1193 855 1215">2,283.80</td> </tr> <tr> <td data-bbox="515 1225 707 1247">Serviced Apartment</td> <td data-bbox="754 1225 855 1247">48,668.40</td> </tr> <tr> <td data-bbox="515 1257 707 1278">Ancillary Facilities</td> <td data-bbox="786 1257 855 1278">320.40</td> </tr> <tr> <td data-bbox="515 1310 579 1332">Total:</td> <td data-bbox="754 1310 855 1357"><u>53,741.70</u></td> </tr> </tbody> </table>	Portion	GFA (sq.m.)	Retail (Level 1)	2,469.10	Retail (Mezzanine)	2,283.80	Serviced Apartment	48,668.40	Ancillary Facilities	320.40	Total:	<u>53,741.70</u>		
Portion	GFA (sq.m.)														
Retail (Level 1)	2,469.10														
Retail (Mezzanine)	2,283.80														
Serviced Apartment	48,668.40														
Ancillary Facilities	320.40														
Total:	<u>53,741.70</u>														
	<p>In addition, the Property upon completion will provide totally 93 car park spaces in the basements with total floor area of approximately 8,843 sq.m.</p>														
	<p>The land use right of the Property has been granted for a land use term of 70 years expiring on 13 August 2073 for apartment use, 40 years expiring on 13 August 2043 for ancillary use and 50 years expiring on 13 August 2053 for basement car park use.</p>														

Notes:

- (1) According to Certificate for the Use of State-owned Land No. (2007) 0440 issued by Beijing Land Resources Bureau on 25 February 2008, the land use rights of the Property with a total site area of 3,204.37 sq.m., located at No. 8 Dongzhimenwai Xiejie, have been granted to 北京萊福世紀置業有限公司 (Beijing Life Century Property Company Limited) for a land use term of 70 years expiring on 13 August 2073 for apartment use, 40 years expiring on 13 August 2043 for ancillary use and 50 years expiring on 13 August 2053 for basement car parks use.
- (2) According to Planning Permit for Construction Land No. (2008) 0046 issued by Planning Committee of Beijing on 30 April 2008, 北京萊福世紀置業有限公司 (Beijing Life Century Property Company Limited) was permitted to construct a project at No. 8 Dongzhimenwai Xiejie Chaoyang District with a total site area of 28,004 sq.m.
- (3) According to Planning Permit for Construction Works No. (2008) 0118 issued by Planning Committee of Beijing on 6 May 2008, 北京萊福世紀置業有限公司 (Beijing Life Century Property Company Limited) was permitted to construct a project at No. 8 Dongzhimenwai Xiejie Chaoyang District with a total gross floor area of 61,080.00 sq.m., including 51,912.00 sq.m. of aboveground portion and 9,168.00 sq.m. of underground portion.

According to the development scheme provided by 北京萊福世紀置業有限公司 (Beijing Life Century Property Company Limited), the total planned gross floor area of the Property is approximately 62,584.60 sq.m., which exceeds the approved total gross floor area stated in the above Planning Permit for Construction Works. In the course of our valuation, we have assumed that this development scheme had been approved by relevant authority and the extra land premium, if any, had been paid to the government.

- (4) According to Permit for Commencement of Construction Works No. (2008) 0118 issued by Construction Committee of Chaoyang District of Beijing on 23 May 2008, the construction works of a total gross floor area of 61,080 sq.m. is in compliance with the requirements for work commencement.
- (5) According to Business License No. 110105010154971 dated 2 January 2008, 北京萊福世紀置業有限公司 (Beijing Life Century Property Company Limited) was incorporated on 24 April 2007 with a registered capital of RMB30,000,000 and an operation term from 24 April 2007 to 23 April 2027.
- (6) As advised by 北京萊福世紀置業有限公司 (Beijing Life Century Property Company Limited), the total construction costs expended as at 30 April 2009 was approximately RMB221,000,000, whereas the estimated outstanding construction cost to complete the development of the Property as at 30 April 2009 was approximately RMB119,000,000. In the course of our valuation, we have taken such costs into account.
- (7) The capital value when completed of the proposed development is approximately RMB1,300,000,000.
- (8) We have prepared our valuation on the following assumptions:
 - (i) 北京萊福世紀置業有限公司 (Beijing Life Century Property Company Limited) is in possession of a proper legal title to the Property and is entitled to transfer the Property with the residual term of land use rights at no extra land premium or other onerous payment payable to the government;
 - (ii) All land premium, costs of public utilities, ancillary infrastructure fees, compensation to and resettlement of any original residents to make way for the development have been fully settled;
 - (iii) The design and construction of the Property are in compliance with the local planning regulations and have been approved by the relevant government authorities; and
 - (iv) The Property may be freely disposed of to the purchasers.

- (9) The status of title and grant of major approvals and licenses in accordance with the information provided by the Company are as follows:

Grant Contract of Land Use Right	Yes
Certificate for the use of State-owned Land	Yes
Planning Permit for Construction Land	Yes
Planning Permit for Construction Works	Yes
Permit for Commencement of Construction Works	Yes
Pre-sale Permit	No
Building Ownership Certificate	No
Business License	Yes

1. RESPONSIBILITY STATEMENT

This circular includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Group. The Directors collectively and individually accept full responsibility for the accuracy of the information contained in this circular and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief, there are no other facts the omission of which would make any statement herein misleading.

2. DISCLOSURE OF INTERESTS

(a) Directors' interests in Shares

As at the Latest Practicable Date, save as disclosed below, none of the Directors or chief executive of the Company has interests or short positions in the shares and underlying shares of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which are required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they are taken or deemed to have under such provisions of the SFO) or which are required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or which are required, pursuant to the Model Code for Securities Transactions by Directors of Listed Companies to be notified to the Company and the Stock Exchange:

(i) Long positions in shares and underlying shares of the Company

Name of Director	Total number of Shares	Options to subscribe for Shares of the Company	Number of Shares held under equity derivative	Capacity in which interests are held	Interests as to % to the issued share capital of the Company
Mr. Song Weiping	68,859,000 (Note 1)	–	–	Interest of a controlled corporation	4.48%
	492,124,000 (Note 2)	–	–	Interest of a controlled corporation	32.01%
	–	1,089,000 (Note 3)	–	Beneficial owner	0.07%
Mr. Shou Bainian	384,490,500 (Note 4)	–	–	Interest of a controlled corporation	25.01%
	–	1,056,000 (Note 3)	–	Beneficial owner	0.07%

Name of Director	Total number of Shares	Options to subscribe for Shares of the Company	Number of Shares held under equity derivative	Capacity in which interests are held	Interests as to % to the issued share capital of the Company
Mr. Chen Shunhua	–	753,000 (Note 3)	–	Beneficial owner	0.05%
Mr. Guo Jiafeng	–	576,000 (Note 3)	–	Beneficial owner	0.04%

Notes:

- (1) Mr. Song Weiping is interested in such ordinary shares held by Wisearn Limited, a company wholly-owned by his spouse Mrs. Xia Yibo.
- (2) Mr. Song Weiping is interested in such ordinary shares as the sole shareholder of Delta House Limited.
- (3) Pursuant to the share option scheme adopted by a resolution of the Shareholders on 22 June 2006, these share options were granted on 22 January 2009 and are exercisable at HK\$2.89 per Share from 22 January 2009 to 21 January 2019.
- (4) Mr. Shou Bainian is interested in such ordinary shares as the sole shareholder of Profitwise Limited.

(ii) Long positions in shares and underlying shares of associated corporation

Name of Director	Name of associated corporation	Interest held by controlled corporation	Personal interest	Number of ordinary shares (long positions)		Approximate % of issued share capital of associated corporation
				Family interest		
Mr. Song Weiping	Delta House Limited	–	Beneficial owner	–		100%
	Wisearn Limited	–	–	Beneficial owner		100%
Mr. Shou Bainian	Profitwise Limited	–	Beneficial owner	–		100%

(b) Substantial Shareholders

As at the Latest Practicable Date, save as disclosed below, so far as is known to the Board, no persons (not being a Director or chief executive of the Company) had an interest or short position in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO:

Name	Number of Ordinary Shares Held	Nature of interest	Approximately shareholding percentage in the Company
Mrs. Xia Yibo	560,983,000(L) <i>(Note 1)</i>	Interest of a controlled corporation and interest jointly held with another person	36.49%
Delta House Limited	492,124,000(L) <i>(Note 2)</i>	Beneficial owner	32.01%
Profitwise Limited	384,490,500(L) <i>(Note 3)</i>	Beneficial owner	25.01%
Lehman Brothers Holdings Inc.	101,400,450(L) <i>(Note 4)</i>	Interest of controlled corporations	6.60%
	31,868,575(S) <i>(Note 4)</i>	Interest of controlled corporations	2.07%
Warburg Pincus & Co	92,289,000(L) <i>(Note 5)</i>	Interest of controlled corporations	6.00%
Warburg Pincus Private Equity IX, L.P.	92,289,000(L) <i>(Note 5)</i>	Beneficial owner	6.00%

Notes:

- (1) Mrs. Xia Yibo held interest in 68,859,000 shares via Wisearn Limited, and deemed interest in 492,124,000 shares held by Delta House Limited, a controlled corporation owned by her spouse, Mr. Song Weiping.
- (2) Interests held by Mr. Song Weiping through a controlled corporation, duplicates to those disclosed in the section "Directors' Interests in Shares" above.
- (3) Interests held by Mr. Shou Bainian through a controlled corporation, duplicates to those disclosed in the section "Directors' Interests in Shares" above.

- (4) Lehman Brothers Holdings Inc. held interest in a total of 101,400,450(L) shares and 31,868,575(S) shares in the company by virtue of its control over the following corporations, which held direct interests in the company:
- Lehman Brothers Commercial Corporation Asia Limited held 10,768,010(L) shares in the company. Lehman Brothers Commercial Corporation Asia Limited was 50% owned by LBCCA Holdings I LLC and 50% owned by LBCCA Holdings II LLC. LBCCA Holdings I LLC and LBCCA Holdings II LLC were respectively wholly owned by Lehman Brothers Holdings Inc..
 - Lehman Brothers International (Europe) held 34,157,882(L) shares and 23,917,500(S) shares in the company. Lehman Brothers International (Europe) was wholly owned by Lehman Brothers Holdings Inc..
 - Lehman Brothers Inc. held 2,009,575(L) shares and 2,009,575(S) shares in the company. Lehman Brothers Inc. was wholly owned by Lehman Brothers Holdings Inc.
 - Lehman Brothers Finance S.A. held 54,464,983(L) shares and 5,941,500(S) shares in the company. Lehman Brothers Finance S.A. was wholly owned by Lehman Brothers Holdings Inc.

Among the entire interest of Lehman Brothers Holdings Ltd. in the company, 35,065,892(L) shares and 3,773,000(S) shares were held through derivatives as follows:

- 35,065,892(L) shares through physically settled derivatives (off exchange)
 - 173,000(S) shares through physically settled derivatives (off exchange)
 - 3,600,000(S) shares through cash settled derivatives (off exchange)
- (5) Warburg Pincus Private Equity IX, L.P. was wholly owned by Warburg Pincus IX LLC which in turn was wholly owned by Warburg Pincus Partners LLC which was then wholly owned by Warburg Pincus & Co..
- (6) The letter “L” denotes a long position. The letter “S” denotes a short position.

3. DIRECTORS’ SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors had entered into a service contract with the Company which does not expire or which is not determinable by the Company within one (1) year without payment of compensation, other than statutory compensation.

4. COMPETING BUSINESS INTEREST OF DIRECTORS

Save as disclosed below, as at the Latest Practicable Date, none of the Directors or their respective associates was interested in any other business which competes or is likely to compete, either directly or indirectly, with the business of the Group as required to be disclosed pursuant to the Listing Rules.

Name of Director	Name of Competing Entity	Nature of business of the competing entity	Nature of interest of the director in the competing entity
Mr. Song Weiping	Greentown Holdings Group Limited	The development and sale of the Remaining Non-Inclusion Projects (<i>Note</i>)	Director and substantial shareholder
Mr. Shou Bainian	Greentown Holdings Group Limited	The development and sale of the Remaining Non-Inclusion Projects (<i>Note</i>)	Director and substantial shareholder

Note: The remaining four (the “Remaining Non-Inclusion Projects”) out of eight property projects (the “Non-Inclusion Projects”) as referred to in the deed of non-competition dated 22 June 2006, details of which are disclosed in the prospectus of the Company dated 30 June 2008.

5. MATERIAL ADVERSE CHANGE

Save as disclosed in the announcements of the Company dated 21 April 2009 and 20 May 2009, as at the Latest Practicable Date, the Company is not aware of any material adverse change in the financial or trading position of the Group since 31 December 2008, being the date to which the latest published audited financial statements of the Company were made up.

6. EXPERTS’ QUALIFICATIONS AND CONSENTS

Mizuho Securities and DTZ have given and have not withdrawn their respective written consents to the issue of this circular with the inclusion of their respective letters and references to their respective names in the form and context in which they respectively appear.

The following are the qualifications of the experts who have given their respective opinion or advice which are contained in this circular:

Name	Qualification
Mizuho Securities	A licensed corporation under the SFO to conduct Type 1 (dealing in securities), Type 2 (dealing in futures contracts), Type 4 (advising on securities), Type 6 (advising on corporate finance) and Type 9 (asset management) regulated activities under the SFO
DTZ	An independent professional property valuer

As at the Latest Practicable Date, Mizuho Securities and DTZ did not have any direct or indirect interest in any asset which had been acquired, disposed of by, or leased to any member of the Group, or was proposed to be acquired, or disposed of by, or leased to any member of the Group, since 31 December 2008, the date to which the latest audited financial statements of the Group was made up; and was not beneficially interested in the share capital of any member of the Group and did not have any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group.

7. LITIGATION

So far as the Company is aware, as at the Latest Practicable Date, no member of the Group was engaged in any litigation or arbitration of material importance and there is no litigation or claim of material importance known to the Directors to be pending or threatened by or against any member of the Group.

8. GENERAL

- (a) None of the Directors had any direct or indirect interest in any assets which had been acquired or disposed of by or leased to any member of the Group or proposed to be so acquired, disposed of by or leased to any member of the Group since 31 December 2008, being the date to which the latest published audited accounts of the Company were made up, and up to the Latest Practicable Date.
- (b) As at the Latest Practicable Date, none of the Directors was materially interested in any contract or arrangement entered into by any member of the Group, which was subsisting and was significant in relation to the business of the Group.
- (c) The company secretary of the Company is Mr. Lam Jim. Mr. Lam is a member of the Hong Kong Institute of Certified Public Accountants.
- (d) The registered address of the Company is M&C Corporate Services Limited, PO Box 309GT, Uglund House, South Church Street, George Town, Grand Cayman, Cayman Islands.
- (e) The principal place of business of the Company in Hong Kong is at Room 1406-08, 14th Floor, New World Tower 1, 16-18 Queen's Road Central, Hong Kong.
- (f) The branch share registrar of the Company in Hong Kong is Computershare Hong Kong Investor Services Ltd.
- (g) The principal share registrar of the Company is Butterfield Fulcrum Group (Cayman) Limited (formerly known as Butterfield Fund Services (Cayman) Limited).
- (h) The English text of this circular shall prevail over their respective Chinese text for the purpose of interpretation.

9. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be available for inspection at the Company's principal place of business in Hong Kong at Room 1406-08, 14th Floor, New World Tower 1, 16-18 Queen's Road Central, Hong Kong during normal business hours on any weekdays, except public holidays, from the date of this circular up to and including 12 June 2009:

- (a) the memorandum and articles of association of the Company;
- (b) the annual reports of the Company for each of the two years ended 31 December 2008;
- (c) the letter from the Independent Board Committee to the Shareholders, the text of which is set out on page 16 of this circular;
- (d) the letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Shareholders, the text of which is set out on pages 17 to 24 of this circular;
- (e) the valuation report issued by DTZ on the Project as set out in Appendix I to this circular;
- (f) the written consents referred to in the paragraph headed "Experts' Qualifications and Consents" in this Appendix;
- (g) the Agreement; and
- (h) this circular.