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**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

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**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.

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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)**

**CONNECTED TRANSACTION  
WAIVER IN RESPECT OF DEED OF NON-COMPETITION  
AND  
NOTICE OF EXTRAORDINARY GENERAL MEETING**

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

***Hercules***  
**Hercules Capital Limited**

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A letter from the Board is set out on pages 6 to 20 of this circular and a letter from the Independent Board Committee is set out on page 21 of this circular. A letter from Hercules Capital, the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders, containing its advice to the Independent Board Committee and the Independent Shareholders in relation to the proposed grant of the Waiver is set out on pages 22 to 28 of this circular.

A notice convening an extraordinary general meeting (“EGM”) of Greentown China Holdings Limited to be held at 3:00 p.m. on Tuesday, 7 September 2010 at Rose Hall, 1st Floor, Hangzhou Rose Garden Resort & Spa, 128, Zhijiang Road, West Lake District, Hangzhou, Zhejiang Province, the PRC is set out on pages 37 to 38 of this circular. A form of proxy for appointing proxy to attend the EGM is also enclosed. Such form of proxy is also published on the websites of The Stock Exchange of Hong Kong Limited ([www.hkex.com.hk](http://www.hkex.com.hk)) and the Company ([www.greentownchina.com](http://www.greentownchina.com)).

Whether or not you are able to attend, you should complete and return the form of proxy in accordance with the instructions stated thereon and return it to the Company’s share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong, as soon as possible and in any event by not later than 48 hours before the time appointed for holding such meeting or any adjournment thereof.

Completion and return of the form of proxy will not preclude you from attending and voting in person at the EGM or any adjourned meeting thereof should you so wish, in which case the form of proxy shall be deemed to be revoked.

\* *For identification purposes only*

23 August 2010

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## DEFINITIONS

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

“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 on 31 August 2005 with limited liability, the Shares of which are listed on the Stock Exchange
“Concert Party Agreement”	the concert party agreement dated 26 November 2005 entered into among the Original Shareholders pursuant to which the Original Shareholders confirmed and agreed that they will continue to act in concert in relation to the business operations and management affairs of the Group, details of which are set out in the Prospectus
“connected person”	has the meaning ascribed to it under the Listing Rules
“Consulting Company”	上海欣萍財務諮詢事務所 (Shanghai Xinping Financial Consulting Firm*), a sole proprietor enterprise established in the PRC on 7 December 2009 by an employee of the Group, an Independent Third Party
“Customers”	all or any customers (as the case may be) of the JV Co to which the JV Co provides property construction management and advisory services
“Deed of Non-competition”	the deed of non-competition dated 22 June 2006 given by the Original Shareholders and Greentown Holdings Group in favour of the Company, further details of which are disclosed in the Prospectus under the section “Business – Non-competition undertaking”
“Directors”	the directors of the Company
“EGM”	the extraordinary general meeting of the Company to be held at 3:00 p.m. on Tuesday, 7 September 2010 at Rose Hall, 1st Floor, Hangzhou Rose Garden Resort & Spa, 128, Zhijiang Road, West Lake District, Hangzhou, Zhejiang Province, the PRC and notice of which is set out on pages 37 to 38 of this circular, or any adjournment thereof

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## DEFINITIONS

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“Greentown Holdings Group”	綠城控股集團有限公司 (Greentown Holdings Group Limited*), a wholly foreign-owned enterprise established in the PRC on 6 December 2001 and is controlled and owned by the Original Shareholders
“Greentown Real Estate”	綠城房地產集團有限公司 (Greentown Real Estate Group Co., Ltd.*), a wholly foreign-owned enterprise which was established in the PRC on 6 January 1995 and is an indirect wholly-owned subsidiary of the Company
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Board Committee”	the independent board committee of the Company comprising the independent non-executive Directors to advise the Shareholders in respect of the proposed grant of the Waiver
“Independent Financial Adviser” or “Hercules Capital”	Hercules Capital Limited, licensed under the SFO to conduct Type 6 (advising on corporate finance) regulated activity under the SFO, not connected with any of the directors, chief executive and substantial shareholders of the Company, its subsidiaries and their respective associates, and the independent financial adviser appointed to advise the Independent Board Committee and the Independent Shareholders in respect of the proposed grant of the Waiver
“Independent Shareholders”	Shareholders other than Mr Song, Mdm Xia and their associates
“Independent Third Party”	a third party that is independent of the Company and its connected persons as defined under the Listing Rules
“JV Co”	綠城房產建設管理有限公司 (Greentown Property Construction Management Company Ltd), a limited liability company to be established in the PRC pursuant to the JV Contract

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## DEFINITIONS

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“JV Contract”	the joint venture contract dated 3 August 2010 entered into among Greentown Real Estate, Mr Song, and the Consulting Company
“Latest Practicable Date”	17 August 2010, being the latest practicable date prior to the printing of this circular for ascertaining certain information in this circular
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Mdm Xia”	夏一波 (Xia Yibo*), a substantial shareholder of the Company, and therefore a connected person of the Company
“Mr Cao”	曹舟南 (Cao Zhounan*), an employee of the Group, the legal representative of the JV Co and the beneficial owner of 10% equity interests in the JV Co held through the Consulting Company
“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
“Mr Ying”	應國永 (Ying Guoyong*), a representative of the Participants who will hold 17% equity interests in the JV Co on behalf of himself and Participants through the Proposed Company 1 (through the Consulting Company)
“Note Holders”	the holders of the US\$400,000,000 9.00% Senior Notes due 2013, 90.3% of the notes was repurchased by the Company in May 2009. Please refer to the announcements of the Company dated 21 April 2009 and 20 May 2009 for further information regarding the repurchases
“Option Holders”	the holders of the share options granted by the Company pursuant to the share option scheme adopted by a resolution of the Shareholders on 22 June 2006

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## DEFINITIONS

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“Original Shareholders”	Mr Song, Mr Shou and Mdm Xia, respectively, each of whom is a substantial shareholder and connected person of the Company
“Participants”	certain employees of the Group (including the employees of the JV Co) and/or certain external advisers of the JV Co who hold equity interests in the JV Co through the Proposed Company 1 (through the Consulting Company)
“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
“Proposed Company 1”	the limited liability partnership (有限合夥企業) proposed to be established by the Participants (including Mr Ying) to hold 17% equity interests in the JV Co
“Proposed Company 2”	the limited liability company proposed to be established by Mr Cao to hold 10% equity interests in the JV Co
“Prospectus”	the prospectus dated 30 June 2006 issued by the Company in respect of its listing on the Main Board of the Stock Exchange
“RMB”	Renminbi, the lawful currency of the PRC
“Senior Notes”	the US\$400,000,000 9.00% senior notes due 2013 issued by the Company on 10 November 2006
“SFO”	the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong
“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
“Total Investment Costs”	RMB400 million (approximately HK\$456 million), being the estimated total investment costs in the JV Co

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## DEFINITIONS

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“Trademark Licence Agreement”	the trademark licence agreement dated 22 June 2006 entered into between Greentown Holdings Group and the Group pursuant to which Greentown Holdings Group has granted the Group an irrevocable and exclusive right to use the Trademarks in the Group’s property development business
“Trademarks”	the trademarks and service marks of “綠城” (Greentown) and “綠城房產” (Greentown Real Estate) in the form of Romanised spelling, Chinese characters (including the simplified and traditional forms) as well as in the form of logos in the PRC
“Trust Agreement 1”	the equity interests trust agreement dated 3 August 2010 entered into between Mr Ying and the Consulting Company pursuant to which the Consulting Company holds its 17% equity interests in the JV Co on behalf of the Proposed Company 1
“Trust Agreement 2”	the equity interests trust agreement dated 3 August 2010 entered into between Mr Cao and the Consulting Company pursuant to which the Consulting Company holds its 10% equity interests in the JV Co on behalf of the Proposed Company 2
“Trust Agreements”	the Trust Agreement 1 and Trust Agreement 2
“Waiver”	the waiver sought by Mr Song in respect of the non-competition restrictions set out in the Deed of Non-competition so that Mr Song may undertake the property construction management and advisory services in the PRC to be carried out through the JV Co. For the avoidance of doubt, the Waiver does not lift the other non-competition restrictions obligations of the parties to the Deed of Non-competition

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

\* *For identification purposes only*

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LETTER FROM THE BOARD

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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)**

*Executive Directors:*

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

*Registered office:*

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

*Independent non-executive Directors:*

Mr Jia Shenghua  
Mr Jiang Wei  
Mr Sze Tsai Ping, Michael  
Mr Tang Shiding  
Mr Ke Huanzhang  
Mr Xiao Zhiyue

*Principal place of business  
in Hong Kong:*

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

23 August 2010

*To the Shareholders and, for information only, the Note Holders and the Option Holders*

Dear Sir or Madam,

**CONNECTED TRANSACTION  
WAIVER IN RESPECT OF DEED OF NON-COMPETITION**

**INTRODUCTION**

On 3 August 2010, the Board announced that Greentown Real Estate, a wholly-owned subsidiary of the Company, Mr Song and the Consulting Company entered into the JV Contract for the establishment of the JV Co pursuant to which Greentown Real Estate has agreed to make a capital contribution of RMB74 million (approximately HK\$84.36 million) to the registered capital of the JV Co. Upon the establishment of the JV Co, Greentown Real Estate, Mr Song and the Consulting Company will respectively own 37%, 36% and 27% of the equity interest in the JV Co.

\* *For identification purposes only*



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## LETTER FROM THE BOARD

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The Consulting Company is currently owned by an employee of the Group, an Independent Third Party. Pursuant to the Trust Agreements, the Consulting Company will hold 17% and 10%, respectively, of its equity interests in the JV Co on behalf of the Proposed Company 1 and Proposed Company 2, respectively. The Proposed Company 1 will be established and owned by the Participants (including Mr Ying), and the Proposed Company 2 will be established and owned by Mr Cao.

The principal activities of the JV Co shall be property construction management and advisory services in the PRC.

Mr Song is a connected person of the Company as it is a Director and substantial shareholder of the Company. Upon their respective establishment, each of the Proposed Company 1 and the Proposed Company 2 will be a connected person of the Company since they each will be a substantial shareholder of the JV Co, a non-wholly owned subsidiary of the Company, through the Consulting Company. Mr Ying, a proposed shareholder of the Proposed Company 1, will be a connected person of the Company as it is proposed that he be appointed as a director of the JV Co. Mr Cao, the proposed shareholder of the Proposed Company 2, will be a connected person of the Company as he will be a substantial shareholder of the JV Co through the Proposed Company 2 (through the Consulting Company) and it is also proposed that he be appointed as a director of the JV Co.

As disclosed in the Prospectus, each Original Shareholder and Greentown Holdings Group have undertaken to the Group in the Deed of Non-competition that, subject to certain exceptions set out in the Deed of Non-competition and disclosed in the Prospectus, they will not, and shall procure their controlled affiliates (other than members of the Group) not to, engage in any business (directly or indirectly) that competes or may compete with the core business of the Group. The core business of the Group refers to the property development of residential, office and commercial buildings (except for hotel development and property management) in the PRC, and includes (without limitation) the following activities:

- (i) acquiring, holding, developing, transferring, disposing or otherwise dealing in, whether directly or indirectly, land, real estate properties or property-related investments;
- (ii) engaging, having a right or in any way having an economic interest, in the promotion or development of or investment in land or real estate properties;
- (iii) acquiring, holding, transferring, disposing or otherwise dealing in any option, right or interest over any of the matters set out in paragraphs (i) and (ii) above; or
- (iv) acquiring, holding, transferring, disposing or otherwise dealing in, directly or indirectly, shares of any company, joint venture, corporation or entity of any nature, whether or not incorporated, with any interest in the matters set out in paragraphs (i) to (iii) above.

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## LETTER FROM THE BOARD

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The JV Co shall be principally engaged in property construction management and advisory services in the PRC. The Group currently undertakes certain property construction management and advisory activities which are largely for the government of the PRC and are non-profit in nature. The revenue contribution from such activities amounted to approximately RMB3.71 million (approximately HK\$4.23 million) for the financial year ended 31 December 2009, being approximately 0.04% of the Group's total revenue for that year. The Directors (including the independent non-executive Directors) are of the view that the business activities of the JV Co may compete with that of the Group, given that the Group is currently undertaking some property construction management and advisory business for the government of the PRC.

It is the current intention of the Group that all property construction management and advisory activities of the Group shall be undertaken by the JV Co in future. Since the JV Co will be considered to be the Company's subsidiary, it (as a subsidiary of the Company) will have the right to use the Trademarks pursuant to the Trademark Licence Agreement.

Given that the Group is currently undertaking some property construction management and advisory business for the government of the PRC, Mr Song, being one of the Original Shareholders who executed the Deed of Non-Competition in favour of the Company, has requested from the Company for the Waiver in respect of the non-competition restrictions that apply to property construction management and advisory services in the PRC to be carried out through the JV Co.

As Mr Song is a Director and substantial shareholder of the Company and therefore a connected person of the Company, the grant of the Waiver will constitute a connected transaction for the Company under Chapter 14A of the Listing Rules.

The grant of the Waiver is subject to the announcement and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

The Independent Board Committee has been established to advise the Shareholders in relation to the proposed grant of the Waiver. Hercules Capital has been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in relation to the proposed grant of the Waiver.

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

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## LETTER FROM THE BOARD

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### CONNECTED TRANSACTION – ESTABLISHMENT OF THE JV CO

- Date: 3 August 2010
- Parties: (1) Greentown Real Estate;
- (2) Mr Song; and
- (3) the Consulting Company

On 3 August 2010, Greentown Real Estate, Mr Song and the Consulting Company entered into the JV Contract for the establishment of the JV Co. Upon the establishment of the JV Co, Greentown Real Estate, Mr Song and the Consulting Company will respectively own 37%, 36% and 27% of the equity interest in the JV Co.

On 3 August 2010, the Consulting Company and Mr Ying (on behalf of himself and the Participants) entered into the Trust Agreement 1 pursuant to which the Consulting Company agreed to hold its 17% equity interests in the JV Co on behalf of the Proposed Company 1 whose proposed beneficial shareholders are the Participants (including Mr Ying).

On 3 August 2010, the Consulting Company and Mr Cao, an employee of the Group, entered into the Trust Agreement 2 pursuant to which the Consulting Company agreed to hold its 10% equity interests in the JV Co on behalf of the Proposed Company 2 whose proposed beneficial shareholder is Mr Cao.

Mr Song is a connected person of the Company as it is a Director and substantial shareholder of the Company. As Mr Song is interested in the JV Co, he has abstained from voting on the resolutions of the Board for the approval of the Company's investment in the JV Co and the grant of the Waiver. The current shareholder of the Consulting Company is an employee of the Group, an Independent Third Party. Upon their respective establishment, each of the Proposed Company 1 and the Proposed Company 2 will be a connected person of the Company since they each will be a substantial shareholder of the JV Co, a non-wholly owned subsidiary of the Company, through the Consulting Company. Mr Ying, a proposed shareholder of the Proposed Company 1, will be a connected person of the Company as it is proposed that he be appointed as a director of the JV Co. Mr Cao, the proposed shareholder of the Proposed Company 2, will be a connected person of the Company as he will be a substantial shareholder of the JV Co through the Proposed Company 2 (through the Consulting Company) and it is also proposed that he be appointed as a director of the JV Co. To the best of the Directors' knowledge, information and belief, having made all reasonable enquiry, as at the Latest Practicable Date, save as disclosed above, the Consulting Company and its other ultimate beneficial owners, being the Participants (excluding Mr Ying), are Independent Third Parties.

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## LETTER FROM THE BOARD

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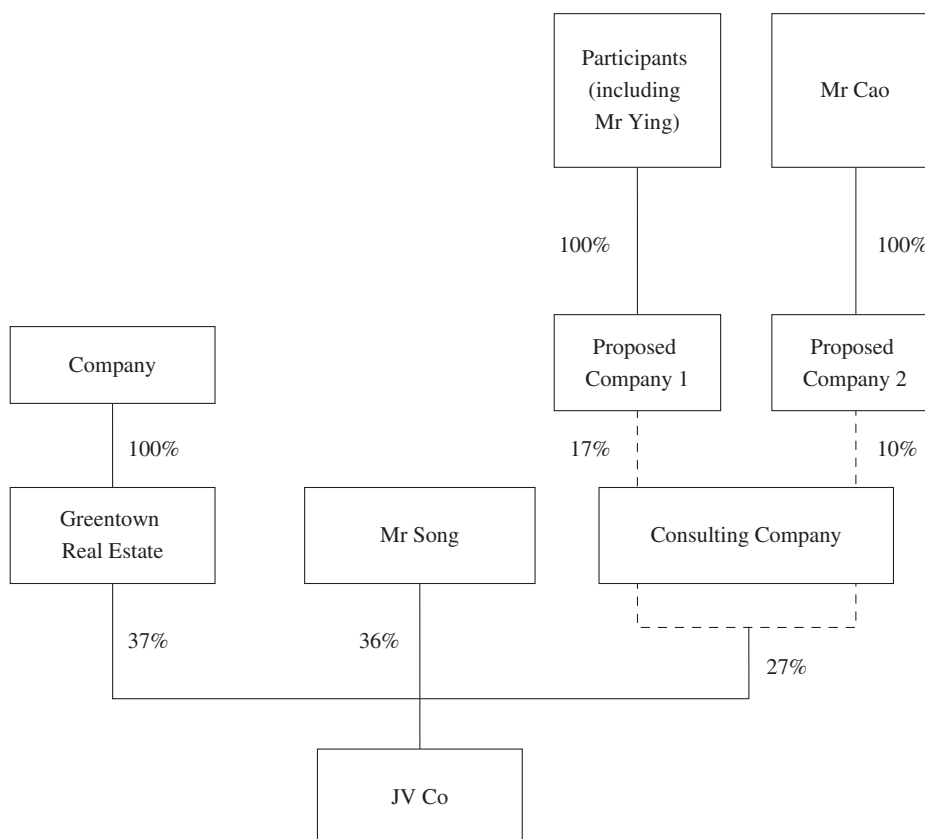
### Capital Commitments

Pursuant to the JV Contract, the Total Investment Costs shall be RMB400 million (approximately HK\$456 million), including the registered capital of the JV Co of RMB200 million (approximately HK\$228 million). Each of Greentown Real Estate, Mr Song and the Consulting Company has agreed to make a capital contribution of RMB74 million (approximately HK\$84.36 million), RMB72 million (approximately HK\$82.08 million), and RMB54 million (approximately HK\$61.56 million), respectively, to the registered capital of the JV Co, representing 37%, 36% and 27%, respectively, of the equity interests in the JV Co.

According to the Trust Agreement 1, the Consulting Company shall hold 17% of its 27% equity interests in the JV Co on behalf of the Proposed Company 1. Mr Ying, as the representative of the Participants, shall contribute RMB34 million (approximately HK\$38.76 million) on behalf of the Proposed Company 1, towards the registered capital of the JV Co. According to the Trust Agreement 2, the Consulting Company shall hold 10% of its 27% equity interests in the JV Co on behalf of the Proposed Company 2. Mr Cao shall contribute RMB20 million (approximately HK\$22.80 million), on behalf of the Proposed Company 2, towards the registered capital of the JV Co.

The capital contributions were determined after arm's length negotiation between Greentown Real Estate, Mr Song, Mr Ying (on behalf of the Proposed Company 1 and through the Consulting Company) and Mr Cao (on behalf of the Proposed Company 2 and through the Consulting Company) with reference to initial capital requirement of the JV Co.

Set out below is the corporate structure of the JV Co after its establishment and pursuant to the arrangements under the Trust Agreements:



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## LETTER FROM THE BOARD

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Greentown Real Estate, Mr Song and the Consulting Company shall share the profits and bear the losses of the JV Co in proportion to their respective equity interests in the JV Co at the time of distribution.

The establishment of the JV Co is subject to the approval from the relevant PRC government authorities.

### **Business scope of the JV Co**

The scope of business of the JV Co shall include property construction management and advisory services in the PRC.

### **Business model of the JV Co**

The business model of the JV Co shall consist of the JV Co undertaking the management of some or all of the following activities, depending on the terms of the construction management contracts it enters into with its Customers:

- (a) project planning at the initial stage;
- (b) planning and design;
- (c) project construction;
- (d) costs management;
- (e) sales and marketing;
- (f) examination after project completion;
- (g) delivery of properties;
- (h) property management; and
- (i) landscape design and management.

### **The management fees**

The fees to be received by the JV Co will comprise the following:

#### ***(a) Team management fee***

The JV Co will assign a management team for each project taking into account factors such as size, quality control requirements and development plans of the project. The management fee for the management team will be stipulated by contract and payable by the relevant project company to which the JV Co provides property construction management and advisory services.

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## LETTER FROM THE BOARD

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*(b) Project management fee*

The project management fee will be in the range of 5% to 7% of the total sales revenue. The actual fee will be determined after taking into consideration factors such as the profit rate, size of project, total sales revenue, types of property, rate of sales and development cycles of the relevant project.

*(c) Bonus for profit surplus*

For some construction management projects, the parties may set a profit target as the basis for performance assessment. The JV Co may be entitled to receive a certain percentage (subject to negotiations) from the surplus profit (that is, the profit in excess of the profit target) as bonus. The actual arrangement shall be subject to negotiation and agreement between the parties.

The JV Co may also be subject to a penalty if the actual profit falls below the profit target. The penalty, calculated as a percentage of the profit shortfall (subject to negotiations) shall be deducted from the project management fee, but the maximum penalty shall not exceed the total project management fee payable under the relevant contract. In the event the maximum penalty is levied, the JV Co shall receive only the team management fee.

The profit to be used for performance assessment under this category shall be the profit before tax. The profit target shall normally be calculated by reference to the following formula:

$$\text{Profit target} = \text{Sales revenue} - \text{costs of land} - \text{costs of construction} - \text{interim expenses} - \text{business tax and levy}$$

The basis for determining the profit target may vary from project to project, subject to negotiations with the relevant Customers.

For projects that are divided into stages, the profit for each stage may be assessed individually.

The three categories of fees set out above do not include fees which shall be paid by the relevant Customer to third parties, including but not limiting to design fees, bidding agency fees, supervising fees, consultation fees for construction costs, construction expenses, audit consultation fees, property management fees, advertising fees, and sales and marketing fees.

If the relevant Customer requires the JV Co to provide consultation or other services in respect of fund raising activities, the JV Co shall be entitled to receive a service fee according to the type of services rendered.

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## LETTER FROM THE BOARD

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### **Board composition, supervisor and legal representative of the JV Co**

The board of directors of the JV Co shall comprise seven members. Greentown Real Estate is entitled to appoint four directors while Mr Song is entitled to appoint one director. The Consulting Company is entitled to appoint two directors, with one director to be appointed at the direction of Mr Ying (on behalf of himself and the Participants) and Mr Cao, respectively. The chairman of the board of directors of the JV Co shall be appointed by Mr Song.

The JV Co shall have one supervisor, to be appointed by Greentown Real Estate. The term of the supervisor shall be for a period of three years, subject to re-appointment. The directors and senior management of the JV Co shall not be appointed as the supervisor concurrently.

The board of directors of the JV Co shall appoint the general manager and assistant general manager of the JV Co. The general manager of the JV Co shall also be its legal representative. Pursuant to the articles of association of the JV Co, Mr Cao shall be the legal representative of the JV Co.

### **Term of the JV Co**

The term of the JV Co shall be for a period of ten years commencing from its date of establishment, that is, the date of issuance of its business licence.

### **Pre-emptive right**

If any party to the JV Contract (the “**Proposed Transferor**”) proposes to transfer all or any part of its share of the JV Co’s registered capital to a third party, the other parties shall have a pre-emptive right to buy the interest pro rata, provided that where the Proposed Transferor is Mr Song and/or the Consulting Company (at the direction and on behalf of the Proposed Company 1 and/or the Proposed Company 2), Greentown Real Estate shall remain the largest single shareholder in the JV Co at all times.

### **Arrangement relating to the equity interests of the JV Co held by the Consulting Company**

Currently the Consulting Company holds 27% equity interests of the JV Co, of which 17% is held on behalf of the Proposed Company 1, and 10% is held on behalf of the Proposed Company 2.

Pursuant to the Trust Agreements, the Consulting Company shall exercise shareholder’s rights and undertake shareholders’ obligations in respect of the JV Co on behalf of the Proposed Company 1 and the Proposed Company 2, respectively, during the respective term of the Trust Agreement 1 and Trust Agreement 2. The Proposed Company 1 and the Proposed Company 2 shall enjoy their respective shares of profits or bear their respective shares of losses in the JV Co in proportion to their respective percentage of equity interests to be held through the Consulting Company. The Trust Agreement 1 and Trust Agreement 2 shall terminate,

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## LETTER FROM THE BOARD

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respectively, upon the Proposed Company 1 and the Proposed Company 2 acquiring their respective shares of equity interests in the JV Co from the Consulting Company or the Consulting Company disposing of their respective shares of equity interests in the JV Co at their respective directions.

### **Reasons for the establishment of the JV Co**

Having taken into account the principal factors and considerations set out below, the Directors (including the independent non-executive Directors) consider that the terms of the JV Contract are entered into upon normal commercial terms following arm's length negotiations among the parties thereto and that the terms of the JV Contract are fair and reasonable and are in the interests of the Company and the Shareholder as a whole:

- (a) the Directors believe that there is a huge demand for property construction management and advisory services in the PRC market. Developing the property construction management and advisory business would increase the source of income for the Group, thereby allowing the Group to experience growth in its business without significant capital contribution which would also lower the operational risks of the Group;
- (b) furthering the property construction management and advisory business would allow the Group to co-operate with more investment institutions and other parties with land resources, thereby widening the Group's connections in the PRC real estate market and may bring about more business opportunities for the Group;
- (c) the Group may strengthen its property construction management and advisory skills and experience, which will enhance its long-term competitive strengths; and
- (d) the Trademarks will be more widely used, thereby enhancing the recognition of the Trademarks among the Group's target customers and in the real estate market in the PRC generally. The increased recognition of the Trademarks may enhance the value of the Trademarks and bring about more business opportunities and thus higher revenue contribution for the Group.

### **Financial Information**

Even though the Group will hold 37% in the equity interests of the JV Co, the financial results of the JV Co will be consolidated into the consolidated financial statements of the Group and will be accounted for as a subsidiary of the Company since the Group controls the composition of a majority of the board of directors of the JV Co.

### **Listing Rules Implications**

Mr Song is a connected person of the Company as it is a Director and substantial shareholder of the Company. Upon their respective establishment, each of the Proposed Company 1 and the Proposed Company 2 will be a connected person of the Company since they



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## LETTER FROM THE BOARD

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each will be a substantial shareholder of the JV Co, a non-wholly owned subsidiary of the Company, through the Consulting Company. Mr Ying, a proposed shareholder of the Proposed Company 1, will be a connected person of the Company as it is proposed that he be appointed as a director of the JV Co. Mr Cao, the proposed shareholder of the Proposed Company 2, will be a connected person of the Company as he will be a substantial shareholder of the JV Co through the Proposed Company 2 (through the Consulting Company) and it is also proposed that he be appointed as a director of the JV Co.

Accordingly, the establishment of the JV Co will constitute a connected transaction for the Company under Chapter 14A of the Listing Rules. Since the highest of all applicable percentage ratios for the establishment of the JV Co calculated in accordance with Rule 14.07 of the Listing Rules were above 0.1% and less than 5%, the establishment of the JV Co was subject to the reporting and announcement requirements set out in Rules 14A.45 and 14A.47 of the Listing Rules and was exempt from the independent shareholders' approval requirement. An announcement on the establishment of the JV Co was made by the Company on 3 August 2010.

### **CONNECTED TRANSACTION – GRANT OF THE WAIVER**

As disclosed in the Prospectus, each Original Shareholder and Greentown Holdings Group have undertaken to the Company in the Deed of Non-competition that, subject to certain exceptions set out in the Deed of Non-competition and disclosed in the Prospectus, they will not, and shall procure their controlled affiliates (other than members of the Group) not to, engage in any business (directly or indirectly) that competes or may compete with the core business of the Group. The core business of the Group refers to the property development of residential, office and commercial buildings (except for hotel development and property management) in the PRC, and includes (without limitation) the following activities:

- (i) acquiring, holding, developing, transferring, disposing or otherwise dealing in, whether directly or indirectly, land, real estate properties or property-related investments;
- (ii) engaging, having a right or in any way having an economic interest, in the promotion or development of or investment in land or real estate properties;
- (iii) acquiring, holding, transferring, disposing or otherwise dealing in any option, right or interest over any of the matters set out in paragraphs (i) and (ii) above; or
- (iv) acquiring, holding, transferring, disposing or otherwise dealing in, directly or indirectly, shares of any company, joint venture, corporation or entity of any nature, whether or not incorporated, with any interest in the matters set out in paragraphs (i) to (iii) above.

The JV Co shall be principally engaged in property construction management and advisory services in the PRC. The Group currently undertakes certain property construction management and advisory activities which are largely for the government of the PRC and are

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## LETTER FROM THE BOARD

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non-profit in nature. The revenue contribution from such activities amounted to approximately RMB3.71 million (approximately HK\$4.23 million) for the financial year ended 31 December 2009, being approximately 0.04% of the Group's total revenue for that year. The Directors (including the independent non-executive Directors) are of the view that the business activities of the JV Co may compete with that of the Group, given that the Group is currently undertaking some property construction management and advisory business for the government of the PRC.

It is the current intention of the Group that all property construction management and advisory activities of the Group shall be undertaken by the JV Co in future. Since the JV Co will be considered to be the Company's subsidiary, it (as a subsidiary of the Company) will have the right to use the Trademarks pursuant to the Trademark Licence Agreement.

Given that the Group is currently undertaking some property construction management and advisory business for the government of the PRC, Mr Song, being one of the Original Shareholders who executed the Deed of Non-Competition in favour of the Company, has requested from the Company for the Waiver in respect of the non-competition restrictions that apply to property construction management and advisory services in the PRC to be carried out through the JV Co.

### **Reasons for the proposed grant of the Waiver**

Having taken into account the principal factors and considerations set out below, the Directors (including the independent non-executive Directors) consider that it would be in the best interests of the Company and the Shareholders as a whole to grant the Waiver in respect of the Deed of Non-competition so that Mr Song may undertake the property construction management and advisory business through the JV Co to be established by the Group (through Greentown Real Estate), Mr Song, the Participants (including Mr Ying) (through the Proposed Company 1) and Mr Cao (through the Proposed Company 2):

- (a) the Waiver applies mainly to property construction management and advisory services in the PRC to be carried on through the JV Co which are commercial and profit-oriented in nature. The property construction management and advisory services currently operated by the Group are solely for the government of the PRC and are non-profit in nature, and accounted for approximately 0.04% of the Group's total revenue for the financial year ended 31 December 2009;
- (b) the JV Co will rely largely on its senior management and key employees to provide property construction management and advisory services in return for management and advisory fees and its business will not be capital intensive. Given that the business model and management of the JV Co will be different from that of the Group, which is capital intensive and relies mainly on investment returns of its property development projects, the JV Co will be more suitably operated under a relatively independent and separate system and structure;

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## LETTER FROM THE BOARD

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- (c) the Group's employees currently do not have additional capacity to focus on the development of the property construction management and advisory business. The Group may in future undertake all property construction management and advisory activities through the JV Co, thereby allowing the Group to focus more resources on its core business, that is, property development;
- (d) the Group may benefit from the experience and expertise of Mr Song, Mr Cao and the Participants (including Mr Ying), who have the relevant knowledge and skills in property construction management and advisory services, by forming alliance with them. In particular, Mr Song will participate in the JV Co as an individual shareholder. His expertise and reputation in the real estate industry in the PRC will help promoting the JV Co's professional image and trust from clients, which will be beneficial to the development of the business of the JV Co. The strengthened relationship between the Group, the JV Co, the Participants (including Mr Ying), Mr Cao and the Consulting Company may bring in more business opportunities to the Group; and
- (e) the Group will be the largest single shareholder of the JV Co and through its control of the board of directors of the JV Co, the Group will be in a position to ensure that the JV Co will not undertake business that will prejudice the business of the Group.

Mr Song has more than 15 years experience in the real estate industry in the PRC and is well recognised especially in the high quality property development market. In 2004 and 2005, Mr Song was honoured with the Ten Leaders of the Residential Property Sector in Zhejiang Award (浙江省住宅產業十大領軍人物) jointly by the Zhejiang Daily (浙江日報社), the China Housing Industry Association (全國工商聯住宅產業商會) and the Special Committee of the China Construction Industry Association (中國建築業協會專業委員會). In 2004, Mr Song received the China Construction Architecture Award (Individual Contribution Award) (中國建築藝術獎 (個人貢獻獎)). He is also the vice chairman of Zhejiang Provincial Real Estate Association (浙江省房地產協會). Mr Song has extensive experience and expertise in understanding the real estate market and property development. Many of the new and well-received property projects of the Group were mainly developed under Mr Song's promotion and leadership. Mr Song's influence in the PRC real estate market also arises from his reputation of his pursuit of, and strict adherence to, quality in property developments. Mr Song has become an icon for high quality property developments in the PRC.

Save as disclosed above, the Waiver does not lift the other non-competition restrictions obligations of Mr Song, the other Original Shareholders and Greentown Holdings Group. The Group has, since entering into of the Deed of Non-competition on 22 June 2006, enjoyed and will continue to enjoy the benefit of the non-competition restrictions therein.

Accordingly, subject to compliance with the requirements of the Listing Rules (including obtaining the approval of the Independent Board Committee and Independent Shareholders), the Company intends to execute a deed in favour of Mr Song to grant him the Waiver.

### **Listing Rules Implications**

Mr Song is one of the Original Shareholders who signed the Deed of Non-Competition in favour of the Group. He is a Director and substantial shareholder of the Company and

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## **LETTER FROM THE BOARD**

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therefore a connected person of the Company. Accordingly, the grant of the Waiver will constitute a connected transaction for the Company under Chapter 14A of the Listing Rules.

The grant of the Waiver is subject to the announcement and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

The Independent Board Committee comprising all independent non-executive Directors has been appointed to advise the Shareholders on whether the proposed grant of the Waiver is fair and reasonable and in the interests of the Company and its Shareholders as a whole. The Group has appointed Hercules Capital to advise the Independent Board Committee and the Independent Shareholders on the same.

### **ASSIGNMENT AGREEMENT AND FRAMEWORK SERVICE AGREEMENT**

As disclosed above, it is the current intention of the Group that all property construction management and advisory activities of the Group shall be undertaken by the JV Co in future. In the event the Group assigns any existing property construction management and advisory business to the JV Co, the Group will enter into assignment agreement with the JV Co.

The Group may enter into a framework services agreement with the JV Co pursuant to which the Group may from time to time provide certain services relating to property construction management such as landscape management to the JV Co. It is expected that the framework services agreement will be for a term of three years. Such provision of services will constitute continuing connected transactions for the Company.

The JV Co is a connected person of the Company under the Listing Rules as it is a non-wholly owned subsidiary of the Company where Mr Song, a connected person of the Company, is also a substantial shareholder of the JV Co. Accordingly, the execution of the abovementioned assignment agreement and framework services agreement will constitute connected transaction for the Company. The Company will comply with the requirements under the Listing Rules when it enters into such assignment agreement and framework services agreement with the JV Co.

### **INFORMATION ABOUT THE GROUP AND PARTIES TO THE TRANSACTIONS**

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.

Mr Song is a Director and substantial shareholder of the Company and is therefore a connected person of the Company.

The Consulting Company is a sole proprietor enterprise established in the PRC on 7 December 2009 that is principally engaged in financial and management consultancy. Its current shareholder is an employee of the Group, an Independent Third Party.

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## LETTER FROM THE BOARD

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### EGM

The Company now convenes the EGM to be held at 3:00 p.m. on Tuesday, 7 September 2010 at Rose Hall, 1st Floor, Hangzhou Rose Garden Resort & Spa, 128, Zhijiang Road, West Lake District, Hangzhou, Zhejiang Province, the PRC at which an ordinary resolution will be proposed for the purpose of considering and, if thought fit, approving the resolution proposed in this circular. The notice of the EGM is set out on pages 37 to 38 of this circular.

A form of proxy for appointing proxy to attend the EGM is enclosed with this circular and such form of proxy is also published on the websites of the Stock Exchange ([www.hkex.com.hk](http://www.hkex.com.hk)) and the Company ([www.greentownchina.com](http://www.greentownchina.com)). Shareholders are advised to read the notice of the EGM and to complete and sign such form of proxy in accordance with the instructions stated thereon and deposited, together with the power of attorney or other authority (if any) under which it is signed or a notarially certified copy of that power of attorney or authority at the Company's share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, not less than 48 hours before the time appointed for holding the EGM or any adjournment thereof. Completion and delivery of the form of proxy will not preclude you from attending and voting in person at the EGM or at any adjourned meeting thereof if you so wish, in which case the form of proxy shall be deemed to be revoked.

### VOTING BY POLL

Mr Song and any of his associates are required to abstain from voting on the resolution approving the grant of the Waiver. Mdm Xia is the spouse of Mr Song and consequently, she is an associate of Mr Song. As at the Latest Practicable Date to the extent that the Company is aware having made all reasonable enquiries, Mr Song, Mdm Xia and their associates are interested in an aggregate of 562,072,000 Shares, representing approximately 34.36% of the total issued Share capital of the Company. They will be required to abstain from voting on the resolution approving the grant of the Waiver. Pursuant to the Concert Party Agreement under which the Original Shareholders agreed that they shall act in concert in relation to the business operations and management affairs of the Group, Mr Shou will be required to abstain from voting on the resolution approving the grant of the Waiver as well. Pursuant to a supplemental agreement dated 3 August 2010 in respect of the Concert Party Agreement between Mr Song, Mdm Xia and Mr Shou, each of Mr Song and Mdm Xia agreed that Mr Shou shall be entitled to act and vote on the resolution approving the grant of the Waiver independently.

Pursuant to Rule 13.39(4) of the Listing Rules, all votes of the Shareholders at general meetings must be taken by poll. Accordingly, the resolution put to the vote at the EGM shall be taken by poll.

After the conclusion of the EGM, the poll results will be published on the websites of the Stock Exchange ([www.hkex.com.hk](http://www.hkex.com.hk)) and of the Company ([www.greentownchina.com](http://www.greentownchina.com)).

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## LETTER FROM THE BOARD

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### RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement in this circular or this circular misleading.

### RECOMMENDATION

Your attention is drawn to the letter from the Independent Board Committee set out on page 21 of this circular which contains its recommendation to the Independent Shareholders in relation to the proposed grant of the Waiver. Your attention is also drawn to the letter of advice from Hercules Capital set out on pages 22 to 28 of this circular which contains its advice to the Independent Board Committee and the Shareholders in relation to the proposed grant of the Waiver and the principal factors and reasons considered by it in formulating its advice.

The Independent Board Committee, after taking into account the advice of Independent Financial Adviser, is of the opinion that the proposed grant of the Waiver is on normal commercial terms, fair and reasonable and in the interests of the Company and the Shareholders as a whole. The Independent Board Committee recommends the Independent Shareholders to vote in favour of the resolution in this regard.

### ADDITIONAL INFORMATION

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

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

\* For identification purposes only



**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)**

23 August 2010

*To the Shareholders and, for information only, the Note Holders and the Option Holders*

Dear Sir or Madam,

**CONNECTED TRANSACTION  
WAIVER IN RESPECT OF DEED OF NON-COMPETITION**

We refer to the circular of the Company to the Shareholders dated 23 August 2010 (the “**Circular**”), in which this letter forms part. Unless the context requires otherwise, capitalised 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 proposed grant of the Waiver is fair and reasonable so far as the Company and the Shareholders as a whole are concerned.

We wish to draw your attention to the letter of advice from Hercules Capital, the Independent Financial Adviser appointed to advise the Independent Board Committee and the Independent Shareholders in relation to the proposed grant of the Waiver, as set out on pages 22 to 28 of the Circular and the letter from the Board set out on pages 1 to 20 of the Circular.

Having considered, among other matters, the factors and reasons considered by, and the opinion of, Hercules Capital as stated in its letter of advice, we consider that the proposed grant of the Waiver is on normal commercial terms, fair and reasonable and in the interests of the Company and the Shareholders as a whole. We recommend the Independent Shareholders to vote in favour of the resolution in this regard.

Yours faithfully,  
**The Independent Board Committee of  
Greentown China Holdings Limited**  
**Mr Jia Shenghua**  
**Mr Jiang Wei**  
**Mr Sze Tsai Ping, Michael**  
**Mr Tang Shiding**  
**Mr Ke Huanzhang**  
**Mr Xiao Zhiyue**  
*Independent non-executive Directors*

\* *For identification purposes only*

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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*The following is the text of a letter of advice in connection with the grant of the Waiver from Hercules Capital to the Independent Board Committee and the Independent Shareholders, which has been prepared for the purpose of inclusion in this circular.*

### ***Hercules*** **Hercules Capital Limited**

1503 Ruttonjee House  
11 Duddell Street  
Central  
Hong Kong

23 August 2010

*To the Independent Board Committee  
and the Independent Shareholders*

Dear Sirs,

### **CONNECTED TRANSACTION – GRANT OF THE WAIVER**

#### **INTRODUCTION**

We refer to our engagement as the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders with respect to the grant of the Waiver, details of which are set out in the letter from the Board contained in the circular dated 23 August 2010 to the Shareholders (the “Circular”), of which this letter forms part. Terms used in this letter have the same meanings as defined elsewhere in the Circular unless the context requires otherwise.

On 3 August 2010, the Company announced that Greentown Real Estate, a wholly-owned subsidiary of the Company, has entered into the JV Contract with Mr. Song and the Consulting Company for the establishment of the JV Co, which will be beneficially owned as to 37% by the Group, 36% by Mr. Song and 27% by certain employees of the Group and/or certain external advisers of the JV Co. The JV Co will be mainly engaged in the provision of property construction management and advisory services in the PRC.

Mr. Song together with other Original Shareholders and Greentown Holdings Group have undertaken to the Group in the Deed of Non-competition, subject to certain exceptions set out in the Deed of Non-competition, that they shall not, and shall procure their controlled affiliates not to, engage in any business that competes or may compete (directly or indirectly) with the core business of the Group. To avoid any potential conflict between the Group and the JV Co, Mr. Song has requested from the Company for the Waiver in respect of the non-competition restrictions that apply to property construction management and advisory services in the PRC to be carried out by the JV Co.



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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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Mr. Song is a Director and a substantial Shareholder and therefore a connected person of the Company. Accordingly, the grant of the Waiver constitutes a connected transaction for the Company under Chapter 14A of the Listing Rules and is subject to the announcement and independent shareholders' approval requirements under the Listing Rules. Mr. Song and his associates, in aggregate, held 562,072,000 Shares, representing approximately 34.36% of the issued share capital of the Company as at the Latest Practicable Date, shall abstain from voting on the resolution in connection with the grant of the Waiver to be proposed at the EGM.

The Independent Board Committee, comprising all the independent non-executive Directors, namely Mr. Jia Shenghua, Mr. Jiang Wei, Mr. Sze Tsai Ping, Michael, Mr. Tang Shiding, Mr. Ke Huanzhang and Mr. Xiao Zhiyue, has been established to advise the Independent Shareholders in relation to the grant of the Waiver. We, Hercules Capital Limited, have been appointed to advise the Independent Board Committee and the Independent Shareholders in connection with the grant of the Waiver, in particular as to whether the grant of the Waiver is fair and reasonable so far as the Independent Shareholders are concerned and in the interests of the Company and the Shareholders as a whole.

### **BASIS OF OUR OPINION**

In formulating our opinion and recommendations, we have relied on the information and representations supplied, and the opinions expressed, by the Directors and management of the Company and have assumed that such information and statements, and representations made to us or referred to in the Circular are true, accurate and complete in all material respects as of the date hereof and that they may be relied upon in formulating our opinion. The Directors have collectively and individually accepted full responsibility for the Circular, including particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Group and having made all reasonable enquiries have confirmed that, to the best of their knowledge and belief, the information contained in the Circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement in the Circular misleading.

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 recommendation. We also consider that we have taken all reasonable steps as required under Rule 13.80 of the Listing Rules to ascertain the reliability of the information provided to us and to form our opinion. We have no reasons to suspect that any material information has been withheld by the Directors or management of the Company, or is misleading, untrue or inaccurate. We have not, however, for the purpose of this exercise, conducted any independent detailed investigation or audit into the businesses or affairs or future prospects of the Group. Our opinion is necessarily based on the financial, economic, market and other conditions in effect and the information made available to us as at the Latest Practicable Date. Shareholders should note that subsequent developments (including any material change in market and economic conditions) may affect and/or change this opinion and that we do not have any obligation to update, revise or reaffirm this opinion.

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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### PRINCIPAL FACTORS AND REASONS CONSIDERED

In arriving at our opinion regarding the grant of the Waiver, we have considered the following principal factors and reasons:

#### 1. Deed of Non-competition

As disclosed in the Prospectus, each Original Shareholder and Greentown Holdings Group have undertaken to the Company in the Deed of Non-competition that, subject to certain exceptions set out in the Deed of Non-competition, they will not, and shall procure their controlled affiliates (other than members of the Group) not to, engage in any property development business (except for hotel development and property management) in the PRC including (without limitation) the following activities:

- (i) acquiring, holding, developing, transferring, disposing or otherwise dealing in, whether directly or indirectly, land, real estate properties or property-related investments;
- (ii) engaging, having a right or in any way having an economic interest, in the promotion or development of or investment in land or real estate properties;
- (iii) acquiring, holding, transferring, disposing or otherwise dealing in any option, right or interest over any of the matters set out in paragraphs (i) and (ii) above; or
- (iv) acquiring, holding, transferring, disposing or otherwise dealing in, directly or indirectly, shares of any company, joint venture, corporation or entity of any nature, whether or not incorporated, with any interest in the matters set out in paragraphs (i) to (iii) above.

#### 2. Business Scope of the Group

According to the management of the Company, the Group is principally engaged in property development of residential, office and commercial buildings in the PRC.

To support the government of the PRC in providing quality housing for the PRC residents, the Group has also undertaken certain property construction management and advisory activities for the housing projects of the government of the PRC in the past. All those property construction management and advisory activities are non-profit in nature. The revenue contribution from such activities amounted to approximately RMB3.71 million (equivalent to approximately HK\$4.23 million) for the year ended 31 December 2009, representing only approximately 0.04% of the Group's total revenue for that year.

The Directors confirmed that property construction management and advisory services are not part of the core business of the Group and the Group shall continue to focus on its core business of property development in the foreseeable future. It is the

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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current intention of the Group that all property construction management and advisory activities of the Group shall be undertaken by the JV Co in the future.

### 3. The JV Co

Pursuant to the JV Contract entered into among Greentown Real Estate, a wholly-owned subsidiary of the Company, Mr. Song, a Director and a substantial Shareholder, and the Consulting Company, the JV Co will be established to engage in the provision of property construction management and advisory services in the PRC, which may include (i) project planning at the initial stage; (ii) planning and design; (iii) project construction; (iv) costs management; (v) sales and marketing; (vi) examination after project completion; (vii) delivery of properties; (viii) property management; and (ix) landscape design and management.

The JV Co shall be owned as to 37% by the Group, 36% by Mr. Song and 27% by certain employees of the Group and/or certain external advisers of the JV Co through the Consulting Company. The detailed arrangement relating to the equity interests of the JV Co held by the Consulting Company is set out in the letter from the Board. The Group shall be entitled to nominate four out of seven directors to the board of directors of the JV Co. Therefore, the JV Co shall be accounted for as a subsidiary of the Company as the Group has a majority control on the composition of the board of directors of the JV Co.

Pursuant to the JV Contract, the Total Investment Costs shall be RMB400 million, including the registered capital of the JV Co of RMB200 million. Greentown Real Estate, Mr. Song and the Consulting Company shall make a capital contribution of RMB74 million, RMB72 million and RMB54 million respectively to the registered capital of the JV Co in proportion to their respective equity interests of 37%, 36% and 27% in the JV Co.

According to the letter from the Board, the Directors consider that the establishment of the JV Co is in the interests of the Company and the Shareholders as a whole given that the engagement in the property construction management and advisory business in the PRC through the JV Co (i) would increase the source of income for the Group, thereby allowing the Group to experience growth in its business without significant capital contribution; (ii) would allow the Group to co-operate with more investment institutions and other parties with land resources, thereby widening the Company's connections in the PRC real estate market and may bring about more business opportunities for the Group; (iii) might strengthen the property construction management and advisory skills and experiences of the Group and enhance its long-term competitive strengths; and (iv) would further increase the usage and exposure of the Trademarks, thereby enhancing the recognition of the Trademarks among the Group's target customers and in the real estate market in the PRC. The increased recognition of the Trademarks may enhance the value of the Trademarks and bring about more business opportunities as well as revenue contribution to the Group.

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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Having considered that the capital contribution to be made, and profit and loss to be shared, by the shareholders of the JV Co shall be in proportion to their respective equity interests in the JV Co and the establishment of the JV Co shall bring the aforementioned potential benefits to the Group, we concur with the view of the Directors that the establishment of the JV Co is fair and reasonable and in the interests of the Company and the Shareholders as a whole.

#### **4. Reasons for the grant of the Waiver**

In order to avoid any potential conflict between the Group and the JV Co, Mr. Song has requested from the Company for the Waiver in respect of the non-competition restrictions that apply to property construction management and advisory services in the PRC to be carried out by the JV Co.

We were given to understand that the property construction management and advisory activities currently carried out by the Group are solely for the PRC Government and are not profit-oriented. Such activities were carried out solely for the purposes of supporting the government in improving the living standard of the farmers, enhancing the environment of the community and demonstrating the corporate social responsibility. The Group did not, and shall not, have any intention to develop such business by its own. We were also advised by the management of the Company that the manpower of the Group is highly utilized on its core business of property development and does not have any additional capacity for developing the new property construction management and advisory business at the moment.

In addition, the Group's existing property development business is capital intensive and its profit and investment return are mainly generated from the sales of properties while the property construction management and advisory business requires less capital injection and relies on the experiences and expertise of the senior management and key employees to provide property construction management and advisory services in return for management and advisory fees. Given the differences in respect of the business model and the required management skills between the property development business and property construction management and advisory business, the Directors consider that it is more suitable for the JV Co, which has a relatively independent and separate system and structure, to develop the new property construction management and advisory business.

Moreover, by forming alliance with the joint venture partners, who possess extensive experiences and knowledge in the property construction management and advisory business, in particular, Mr. Song, who has a good reputation and extensive experiences in the real estate industry in the PRC, the Group shall be benefited from their experiences and expertise and the business opportunities to be brought in by the joint venture partners.

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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It is the current intention of the Group that all property construction management and advisory business of the Group will be undertaken by the JV Co in the future and any outstanding property construction management and advisory service contracts may be assigned to the JV Co after its establishment. Therefore, there will be a clear segregation between the businesses of the Group and the JV Co and there shall be no overlapping or direct competition in the businesses of the Group and the JV Co.

Pursuant to the JV Contract, the Group would remain as the single largest shareholder of the JV Co and control the majority of the composition of the board of directors of the JV Co. Accordingly, the Group shall be able to safeguard its business by not permitting the JV Co to undertake business that will prejudice the business of the Group. Furthermore, the Waiver does not lift the other non-competition restriction obligations of Mr. Song, the other Original Shareholders and Greentown Holdings Group. The Group has, since entering into of the Deed of Non-competition on 22 June 2006, enjoyed and will continue to enjoy the benefit of the non-competition restrictions as disclosed in the Prospectus.

Given that (i) the establishment of the JV Co is fair and reasonable and in the interests of the Company and the Shareholders as a whole; (ii) the JV Co shall only engage in property construction management and advisory business, which is not a core business of the Group; (iii) forming alliance with Mr. Song, who is well recognized and reputed in the high quality property development market and has extensive experience and influence in the real estate market in the PRC, can help promoting the JV Co's professional image and gaining trust from clients and thus facilitating the business development of the JV Co; (iv) the existing manpower of the Group is insufficient to develop the new property construction management and advisory business by the Group itself; (v) the JV Co is a subsidiary of the Company and thus the Group shall enjoy the benefits to be brought by the property construction management and advisory business to be carried out by the JV Co; (vi) the member companies of the Group (other than the JV Co) can focus their resources on the development of the core business of property development and cease the property construction management and advisory activities currently undertaken by the Group, which only accounted for approximately 0.04% of the Group's total revenue for the year ended 31 December 2009, once the JV Co is established; (vii) all property construction management and advisory business of the Group will be undertaken by the JV Co in the future and there shall be no overlapping or direct competition in the businesses of the Group and the JV Co; (viii) the Group shall be benefited from the experience, expertise, knowledge and reputation of the joint venture partners in the property construction management and advisory business; (ix) it is more appropriate and efficient to engage in the new property construction management and advisory business by the JV Co as its business model and management are different from those of the Group's property development business; and (x) the Group is able to control the board of directors of the JV Co and thus is in a position to prevent the JV Co to engage in business which may prejudice the business of the Group, we concur with the view of the management of the Company that the grant of the Waiver is reasonable and in the interests of the Company and the Shareholders as a whole.

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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### RECOMMENDATION

Having considered the principal factors and reasons described in the previous sections, we are of the view that the grant of the Waiver is fair and reasonable so far as the Independent Shareholders are concerned and is in the interests of the Company and the Shareholders as a whole. Therefore, we recommend the Independent Board Committee to advise the Independent Shareholders, as well as the Independent Shareholders, to vote in favour of the resolution for approving the grant of the Waiver.

Yours faithfully,  
For and on behalf of

**Hercules Capital Limited**

**Louis Koo**  
*Managing Director*

**Amilia Tsang**  
*Director*

## 1. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement in this circular or this circular 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	% of the issued share capital of the Company
Mr Song Weiping	392,124,000 <i>(Note 1)</i>	-	-	Interest of a controlled corporation	23.97%
	68,859,000 <i>(Note 2)</i>	-	-	Interest of spouse	4.21%
	100,000,000 <i>(Note 3)</i>	-	-	Interest of a controlled corporation	6.11%
	-	1,089,000 <i>(Note 4)</i>	-	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	% of the issued share capital of the Company
Mr Shou Bainian	384,490,500 (Note 5)	–	–	Interest of a controlled corporation	23.50%
	–	609,000 (Note 4)	–	Beneficial owner	0.04%
Mr Luo Zhaoming	100,000,000 (Note 6)	–	–	Interest of a controlled corporation and interest of spouse	6.11%
	–	15,000,000 (Note 7)	–	Beneficial owner	0.92%
Mr Guo Jiafeng	13,010,000 (Note 8)	–	–	Interest of a controlled corporation	0.80%
	–	576,000 (Note 4)	–	Beneficial owner	0.04%
Mr Chen Shunhua	–	376,500 (Note 4)	–	Beneficial owner	0.02%

*Notes:*

- (1) Mr Song Weiping is deemed to be interested in such Shares as the sole shareholder of Delta House Limited.
- (2) Mr Song Weiping is deemed to be interested in such Shares held by Wisearn Limited, a company wholly-owned by his spouse Ms Xia Yibo.
- (3) Mr Song Weiping is deemed to be interested in such Shares held by Hong Kong Orange Osmanthus Foundation Limited, a corporation controlled by Mr Song Weiping.
- (4) 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.
- (5) Mr Shou Bainian is deemed to be interested in such Shares as the sole shareholder of Profitwise Limited.
- (6) Mr Luo Zhaoming is deemed to be interested in such Shares held by Tandellen Group Limited, a company which is 50% owned by him and 50% owned by his spouse, Ms Ruan Yiling.



- (7) Pursuant to the share option scheme adopted by a resolution of the Shareholders on 22 June 2006, these share options were granted on 17 July 2009 and are exercisable at HK\$11.59 per Share from 17 July 2009 to 16 July 2019.
- (8) Mr Guo Jiafeng is deemed to be interested in such Shares as the sole shareholder of Jamuta Investments Limited.

**(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 of substantial Shareholder	Interest or short position in the Shares or underlying Shares	Capacity in which interests are held	Approximately shareholding % in the Company
Ms Xia Yibo	562,072,000 (L) (Note 1)	Interest of a controlled corporation and interest of spouse	34.35%
Delta House Limited	392,124,000 (L) (Note 2)	Beneficial owner	23.97%
Hong Kong Orange Osmanthus Foundation Limited	100,000,000 (L) (Note 2)	Beneficial owner	6.11%
Profitwise Limited	384,490,500 (L) (Note 3)	Beneficial owner	23.50%
Ms Ruan Yiling	115,000,000 (L) (Note 4)	Interest of a controlled corporation and interest of spouse	7.03%
Tandellen Group Limited	100,000,000 (L) (Note 5)	Beneficial owner	6.11%
Lehman Brothers Holdings Inc	101,400,450 (L) (Note 6)	Interest of controlled corporations	6.20%
	31,868,575 (S) (Note 6)	Interest of controlled corporations	1.95%

*Notes:*

- (1) Ms Xia Yibo held deemed interest in 68,859,000(L) Shares as sole shareholder of Wisearn Limited, and deemed interest in 392,124,000(L) Shares held by Delta House Limited and 100,000,000(L) Shares held by Hong Kong Orange Osmanthus Foundation Limited, both are corporations controlled by her spouse, Mr Song Weiping, and deemed interest in 1,089,000 share options held by Mr Song.

- (2) A corporation controlled by Mr Song Weiping, duplicates to those disclosed in the section “Directors’ Interests in Shares” above.
- (3) A corporation controlled by Mr Shou Bainian, duplicates to those disclosed in the section “Directors’ Interests in Shares” above.
- (4) Ms Ruan Yiling held deemed interest in 100,000,000(L) Shares held by Tandellen Group Limited, a controlled corporation 50% owned by her and 50% owned by her spouse, Mr Luo Zhaoming, and deemed interest in 15,000,000(L) share options held by her spouse, Mr Luo Zhaoming.
- (5) A corporation controlled by Mr Luo Zhaoming, duplicates to those disclosed in the section “Directors’ Interests in Shares” above.
- (6) Lehman Brothers Holdings Inc. held deemed interest in a total of 101,400,450(L) Shares and 31,868,575(S) Shares 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. 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. Lehman Brothers International (Europe) was wholly-owned by Lehman Brothers Holdings Plc and it was in turn wholly-owned by Lehman Brothers Holdings Inc.
  - Lehman Brothers Inc. held 2,009,575(L) Shares and 2,009,575(S) Shares. 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. Lehman Brothers Finance S.A. was wholly-owned by Lehman Brothers Holdings Inc.

Among the entire interest of Lehman Brothers Holdings Inc. 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 unlisted derivatives (off exchange)
  - 173,000(S) Shares through physically settled unlisted derivatives (off exchange)
  - 3,600,000(S) Shares through cash settled unlisted derivatives (off exchange)
- (7) The letter “L” denotes a long position. The letter “S” denotes a short position.

As at the Latest Practicable Date, save as disclosed below, none of the Directors was a director or employee of a company which had an interest or short position in the Shares or underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO:

<b>Name of Director</b>	<b>Name of company which had such discloseable interest or short position in the Shares</b>	<b>Position within such company</b>
Song Weiping	Delta House Limited	Director
	Hong Kong Orange Osmanthus Foundation Limited	Director
Shou Bainian	Profitwise Limited	Director
Luo Zhaoming	Tandellen Group Limited	Director

### 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 year without payment of compensation, other than statutory compensation.

### 4. COMPETING BUSINESS INTEREST OF DIRECTORS

Save as disclosed below and the JV Co as disclosed in this circular, 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.

<b>Name of Director</b>	<b>Name of Competing Entity</b>	<b>Nature of business of the competing entity</b>	<b>Nature of interest of the director in the competing entity</b>
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 section headed “ Business – Non-competition undertaking – Non-inclusion projects” in the prospectus of the Company dated 30 June 2006.

## 5. MATERIAL ADVERSE CHANGE

As at the Latest Practicable Date, the Directors are not aware of any material adverse change in the financial or trading position of the Group since 31 December 2009, being the date to which the latest published audited consolidated financial statements of the Company were made up.

## 6. EXPERT

Hercules Capital has given and has not withdrawn its written consent to the issue of this circular with the inclusion of its letter and reference to its name in the form and context in which it appears.

The qualifications of Hercules Capital which has given its opinion or advice which is contained in this circular are set out below:

<b>Name</b>	<b>Qualifications</b>
Hercules Capital	A licensed corporation under the SFO to conduct Type 6 (advising on corporate finance) regulated activity under the SFO

As at the Latest Practicable Date, Hercules Capital did not have (i) any shareholding in any member of the Group, or any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group, and (ii) any interest, either direct or indirect, in any assets which, since 31 December 2009 (the date to which the latest audited consolidated financial statements of the Company was made up), had been acquired, or disposed of by, or leased to any member of the Group, or are proposed to be acquired, or disposed of by, or leased to any member of the Group.

## 7. GENERAL

- (a) Save as disclosed in the announcement of the Company dated 6 January 2010, as at the Latest Practicable Date, 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 2009, being the date to which the latest published audited consolidated financial statements of the Company were made up, and up to the Latest Practicable Date.

- (b) Save as disclosed in the announcement of the Company dated 3 August 2010, 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 Fung Ching Simon. Mr Fung is a fellow member of the Hong Kong Institute of Certified Public Accountants and a fellow member of the CPA Australia.
- (d) The registered address of the Company is M&C Corporate Services Limited, PO Box 309GT, Ugland 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 Limited.
- (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.

## 8. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are 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 7 September 2010:

- (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 2009;
- (c) the letter from the Independent Board Committee to the Shareholders, the text of which is set out on page 21 of this circular;
- (d) the letter of advice from Hercules Capital, the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders, the text of which is set out on pages 22 to 28 of this circular;

- (e) the written consent referred to in the paragraph headed “Expert” in this Appendix;
- (f) the draft Waiver;
- (g) the JV Contract; and
- (h) this circular.

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NOTICE OF THE EGM

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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)**

**NOTICE IS HEREBY GIVEN** that an Extraordinary General Meeting (“EGM”) of Greentown China Holdings Limited (the “**Company**”) will be held at 3:00 p.m. on Tuesday, 7 September 2010 at Rose Hall, 1st Floor, Hangzhou Rose Garden Resort & Spa, 128, Zhijiang Road, West Lake District, Hangzhou, Zhejiang Province, the PRC for the purpose of considering and, if thought fit, passing the following resolution which will be proposed as an ordinary resolution:

**“THAT**

- (a) the proposed grant of the Waiver (as defined in the Company’s circular dated 23 August 2010 despatched to shareholders of the Company, a copy of which has been produced to the meeting marked “A” and signed by the chairman of the meeting for the purpose of identification) (the “Waiver”) be and is hereby approved, confirmed and ratified; and
- (b) the directors of the Company be and are hereby authorised to take all steps in connection with the Waiver as they may in their absolute discretion think fit.”

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

Hangzhou, the PRC  
23 August 2010

*Principal place of business in Hong Kong:*  
Room 1406-8, 14th Floor  
New World Tower 1  
16-18 Queen’s Road Central  
Hong Kong

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## NOTICE OF THE EGM

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*Notes:*

- (1) Pursuant to the Listing Rules, all votes of members at general meetings must be taken by poll.
- (2) A member entitled to attend and vote at the EGM is entitled to appoint a proxy or proxies (if holding two or more shares) to attend and vote instead of him. A proxy need not be a member of the Company.
- (3) Completion and delivery of the form of proxy will not preclude a member of the Company from attending and voting in person at the EGM if the member of the Company so desires, in which case the form of proxy shall be deemed to be revoked.
- (4) Where there are joint registered holders of any share in the Company, any one of such persons may vote at the EGM, either personally or by proxy, in respect of such share as if he were solely entitled thereto; but if more than one of such joint holders be present at the EGM personally or by proxy, that one of the said persons so present being the most or, as the case may be, the more senior shall alone be entitled to vote in respect of the relevant joint holding and, for this purpose, seniority shall be determined by reference to the order in which the names of the joint holders stand on the register of members of the Company in respect of the relevant joint holding.
- (5) In order to be valid, a form of proxy and the power of attorney or other authority, if any, under which it is signed or a notorially certified copy of that power of attorney or other authority, must be lodged with the Company's share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not less than 48 hours before the time fixed for holding the meeting or any adjournment thereof.
- (6) The register of members of the Company will be closed from Friday, 3 September 2010 to Tuesday, 7 September 2010, both days inclusive, during which period no transfer of shares will be registered. In order to qualify for attending and voting at the EGM, all transfers of shares, accompanied by the relevant share certificates and appropriate transfer forms, must be lodged with the Company's share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for registration not later than 4:30 p.m. on Thursday, 2 September 2010.

*As at the date of this notice, Mr Song Weiping, Mr Shou Bainian, Mr Luo Zhaoming, Mr Chen Shunhua and Mr Guo Jiafeng are the executive directors; Mr Jia Shenghua, Mr Jiang Wei, Mr Sze Tsai Ping, Michael, Mr Tang Shiding, Mr Ke Huanzhang and Mr Xiao Zhiyue are the independent non-executive directors.*

*\* For identification purposes only*