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GREENTOWN CHINA HOLDINGS LIMITED

綠城中國控股有限公司*

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 3900)

ISSUE OF US\$400 MILLION 9% SENIOR NOTES DUE 2013

Summary

Further to the announcement dated 26 October 2006, the Company, JPMorgan and UBS have entered into the Purchase Agreement in connection with the issue of the Notes by the Company with an aggregate principal amount of US\$400 million.

The Notes will be designated for trading in the National Association of Securities Dealers Inc.'s PORTAL Market. Approval in-principle has been received from the SGX-ST for permission to deal in and quotation of the Notes on the SGX-ST.

The Company estimates that the net proceeds from the issue of the Notes, after deducting the underwriting discount and other estimated expenses payable in connection with the issue of the Notes, will be approximately US\$392 million. The Company intends to use the net proceeds to finance the acquisition and development of some of its existing property development projects and will use the remaining portion of the net proceeds to acquire and develop new land or for general corporate purposes.

INTRODUCTION

Further to the announcement dated 26 October 2006, the Directors are pleased to announce that the Company, JPMorgan and UBS have entered into the Purchase Agreement in connection with the issue of the Notes by the Company with an aggregate principal amount of US\$400 million.

PURCHASE AGREEMENT

Date: 3 November 2006
Parties: The Company
Initial Subsidiary Guarantors
JPMorgan and UBS as the Initial Purchasers

JPMorgan and UBS, the joint lead managers and joint bookrunners in respect of the issue and sale of the Notes, are the Initial Purchasers of the Notes. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, each of JPMorgan and UBS is an independent third party and not a connected person of the Company.

The Notes will only be offered by JPMorgan and UBS (i) in the United States, (a) to qualified institutional buyers in reliance on the exemption from the registration requirements of the Securities Act provided by the Rule 144A, and (b) to a limited number of institutional accredited investors in transactions exempt from the registration requirements of the Securities Act and (ii) outside the United States, in accordance with Regulations S under the Securities Act. None of the Notes will be offered to the public in Hong Kong and none of the Notes will be placed to any connected persons of the Company.

CONDITIONS OF THE PURCHASE AGREEMENT

The Purchase Agreement is conditional on the fulfilment of various conditions, including, but not limited to:

- (a) Subsequent to the execution and delivery of the Purchase Agreement and on or prior to the Closing Date:
 - (i) there shall not have occurred any downgrading, nor shall any notice have been given of any intended or potential downgrading or of any review for a possible change that does not indicate the direction of the possible change, in the rating accorded the Company or any of the Company's securities by an "nationally recognized statistical rating organization," as such term is defined for purposes of Rule 436(g)(2) under the Securities Act; and
 - (ii) there shall not have occurred any change, or any development involving a prospective change, in the condition, financial or otherwise, or in the earnings, business or operations of the Company and the subsidiaries of the Company, taken as a whole, from that set forth in the Pricing Disclosure Package and the Final Offering Memorandum that, in the judgment of the Initial Purchasers, is material and adverse and that makes it, in the judgment of the Initial Purchasers, impracticable to market the Securities on the terms and in the manner contemplated in the Pricing Disclosure Package and the Final Offering Memorandum;
- (b) The Indenture and the Securities shall have been duly executed and delivered and shall be in full force and effect, and true and complete copies thereof shall have been delivered to the Initial Purchasers.

If any of the conditions specified in the Purchase Agreement shall not have been fulfilled when and as required in the Purchase Agreement, or if any of the certificates, opinions, written statements or letters furnished to the Initial Purchasers pursuant to the Purchase Agreement shall not be in all respects reasonably satisfactory in form and substance to the Initial Purchasers and their legal counsel, all obligations of the Initial Purchasers hereunder may be cancelled by the Initial Purchasers at, or at any time prior to, the Closing Date.

Subject to the foregoing, the Purchase Agreement is expected to be completed and the Notes to be issued on or before the Closing Date.

PRINCIPAL TERMS OF THE NOTES

Issuer:	The Company
The Notes:	US\$400 million aggregate principal amount of 9% Senior Notes due 2013
Guarantors:	The Subsidiary Guarantors which initially are the Initial Subsidiary Guarantors, being certain offshore subsidiaries of the Company which guarantee the Notes
Issue Price:	9% of the principal amount of the Notes

Issue Date: 10 November 2006

Maturity Date: 8 November 2013

Interest: The Notes will bear interest from and including 10 November 2006 at the rate of 9% per annum, payable semi-annually in arrears.

The Subsidiary Guarantees: Each of the Subsidiary Guarantors will, jointly and severally, guarantee the due and punctual payment of the principal of, premium, if any, and interest on, and all other amounts payable under, the Notes.

The Share Charge: The Company has agreed to charge, or cause the initial subsidiary guarantor chargor to charge, the capital stock of each of the Initial Subsidiary Guarantors in order to secure the obligations of the Company under the Notes and the Indenture and of the subsidiary guarantor chargor under its Subsidiary Guarantee. The initial subsidiary guarantor chargor will be Richwise Holdings Limited.

Status of the Notes: The Notes are general obligations of the Company, which are guaranteed by the Subsidiary Guarantors on a senior basis (subject to certain limitations described in the Indenture), senior in right of payment to any existing and future obligations of the Company expressly subordinated in right of payment to the Notes, at least pari passu in right of payment with all other unsecured, unsubordinated indebtedness of the Company (subject to any priority rights of such unsubordinated indebtedness pursuant to applicable law) and effectively subordinated to all existing and future obligations of the Non-Guarantor Subsidiaries.

Status of the Subsidiary Guarantees: The Subsidiary Guarantee of each Subsidiary Guarantor is a general obligation of such Subsidiary Guarantor, effectively subordinated to secured obligations of such Subsidiary Guarantor, to the extent of the value of the assets serving as security therefore, senior in right of payment to all future obligations of such Subsidiary Guarantor expressly subordinated in right of payment to such Subsidiary Guarantee and ranks at least pari passu with all other unsecured, unsubordinated indebtedness of such Subsidiary Guarantor (subject to any priority rights of such unsubordinated indebtedness pursuant to applicable law).

Events of Default: Upon the occurrence of an event of default (as described in the Indenture), which includes, but not limited to, default in payment of principal or interest under the Notes or failure to perform or observe any other obligations under the Notes, the Trustee or the holders of at least 25% in aggregate principal amount of the Notes then outstanding may give written notice to the Company (and to the Trustee if such notice is given by the holders) to declare the principal of, premium, if any, and accrued and unpaid interest on the Notes to be immediately due and payable.

Optional Redemption: At any time and from time to time on or after 8 November 2010, the Company may redeem the Notes, in whole or in part, at a redemption price equal to percentage of principal amount set forth below plus accrued and unpaid interest to the redemption date if redeemed during the twelve-month period beginning on 8 November of each of the years indicated below.

Period	Redemption Price
2010	104.50%
2011	102.25%

2012 and thereafter 100.00%

At any time prior to 8 November 2010, the Company may at its option redeem the Notes, in whole but not in part, at a redemption price equal to 100% of the principal amount of the Notes plus the applicable premium as of, and accrued and unpaid interest, if any, to the redemption date.

At any time and from time to time prior to 8 November 2009, the Company may redeem up to 35% of the aggregate principal amount of the Notes at a redemption price of 109% of the principal amount of the Notes, plus accrued and unpaid interest, if any, with the proceeds from sales of certain kinds of its capital stock, subject to certain conditions.

Redemption for
Taxation Reasons: Subject to certain exceptions and as more fully described in the Indenture, the Company may redeem the Notes, as a whole but not in part, at a redemption price equal to 100% of the principal amount thereof, together with accrued and unpaid interest, if any, to the date fixed by the Company for redemption, if the Company or a Subsidiary Guarantor would become obligated to pay certain additional amounts as a result of certain changes in specified tax laws or certain other circumstances.

Redemption upon
Change of Control: Upon the occurrence of a change of control triggering event as described in the Indenture, the Company will make an offer to repurchase all outstanding Notes at a purchase price equal to 101% of their principal amount plus accrued and unpaid interest, if any, to the repurchase date.

Covenants: The Notes, the Indenture and the Subsidiary Guarantees will limit the Company's ability and the ability of its Restricted Subsidiaries to, among other things:

- incur or guarantee additional indebtedness and issue disqualified or preferred stock;
- declare dividends on its capital stock or purchase or redeem capital stock;
- make investments or other specified restricted payments;
- issue or sell capital stock of Restricted Subsidiaries;
- guarantee indebtedness of Restricted Subsidiaries;
- sell assets;
- create liens;
- enter into sale and leaseback transactions;
- enter into agreements that restrict the Restricted Subsidiaries' ability to pay dividends, transfer assets or make intercompany loans;
- enter into transactions with shareholders or affiliates; and
- effect a consolidation or merger.

These covenants are subject to a number of important qualifications and exceptions described in the Indenture.

Form and denomination of the Notes:	The Notes will be issued only in fully registered form, without coupons, in minimum denominations of US\$100,000 of principal amount and integral multiples of US\$1,000 in excess thereof and will be initially represented by one or more global notes registered in the name of a nominee of The Depository Trust Company. Notes sold to institutional accredited investors will be in the form of certificated Notes in minimum denominations of US\$250,000 and integral multiples of US\$1,000 in excess thereof.
Delivery of the Notes:	The Company expects to make delivery of the Notes, against payment in same-day funds on or about 10 November 2006, which the Company expects will be the fifth business day following the date of the Final Offering Memorandum.
Governing law:	The Notes and the Indenture will be governed by and will be construed in accordance with the laws of the State of New York.
Ratings:	The Notes have been rated BB by Standard & Poor's Rating Services and Ba2 by Moody's Investors Service.
Listing:	The Note will be designated for trading in the National Association of Securities Dealers Inc.'s PORTAL Market. Approval in-principle has been received for the listing of the Notes on the SGX-ST.

REASON FOR THE ISSUE OF THE NOTES

The Company is one of the leading residential property developers in China with strong presence in the Zhejiang Province. To maintain its leadership in the residential property development market in China, the Company intends to continue to grow its business and pursue business opportunities. The issue of the Notes will provide financial support for the Company's business growth and future development.

USE OF PROCEEDS

The net proceeds from the issue of the Notes, after deducting the underwriting discount and other estimated expenses payable in connection with the issue of the Notes, will be approximately US\$392. The Company intends to use the net proceeds as follows:

- (i) approximately US\$165 million to finance the acquisition and development of the Hangzhou Hushu project;
- (ii) approximately US\$50 million to finance the acquisition and development of the Qingdao project;
- (iii) approximately US\$26 million to finance the acquisition and development of the Shanghai Dongjiadu Phase III;
- (iv) approximately US\$12 million to finance the development of the Zhoushan Grand Hotel project;
- (v) approximately US\$12 million to finance the development of the Bishi Qingfeng project; and
- (vi) the remaining portion of the net proceeds will be used to acquire and develop new land or for general corporate purposes, including working capital.

DEFINITIONS

In this announcement, the following capitalised terms shall have the following meanings:

- “Closing Date” means the date on which the net proceeds in respect of the Notes will be paid to the Company, which is expected to be on or around 10 November 2006;

“Company”	means Greentown China Holdings Limited, a company incorporated in the Cayman Islands with limited liability on 31 August 2005, the shares of which are listed on the main board of the Stock Exchange;
“Directors”	means the directors of the Company;
“Final Offering Memorandum”	means the final offering memorandum in relation to the issue of the Notes issued by the Company dated 3 November 2006;
“Group”	means the Company and its direct and indirect subsidiaries;
“Indenture”	means the indenture dated 10 November 2006 representing the Notes;
“Initial Purchasers”	means JPMorgan and UBS;
“Initial Subsidiary Guarantors”	means Richwise Holdings Limited, Green Sea International Limited, Hua Yick Investments Limited and Best Smart Enterprises Limited, all of which are subsidiaries of the Company incorporated in the British Virgin Islands;
“JPMorgan”	means J.P. Morgan Securities Ltd.;
“Listing Rules”	means the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited;
“Non-Guarantor Subsidiaries”	means the subsidiaries of the Company which are not Subsidiary Guarantors pursuant to the Notes and the Indenture;
“Notes”	means the fixed rate senior notes due 2013 proposed to be issued by the Company;
“Preliminary Offering Memorandum”	means the preliminary offering memorandum in relation to the issue of the Notes dated 27 October 2006;
“Pricing Disclosure Package”	means the Preliminary Offering Memorandum, as supplemented by any supplement thereto, immediately prior to the Applicable Time (as defined in the Purchase Agreement);
“Purchase Agreement”	means the purchase agreement entered into between the Company, the Subsidiary Guarantors, JPMorgan and UBS in relation to the issue of the Notes on 3 November 2006;
“Restricted Subsidiaries”	means any subsidiary of the Company other than an unrestricted subsidiary which was determined by the Directors of the Company in the manner provided in the Indenture;
“Securities”	means the Notes and the Subsidiary Guarantees;
“Securities Act”	means the US Securities Act of 1933, as amended;
“SGX-ST”	means Singapore Exchange Securities Trading Limited;
“Stock Exchange”	means The Stock Exchange of Hong Kong Limited;

“Subsidiary Guarantors”	means the Initial Subsidiary Guarantors and any other subsidiary guarantor which guarantees the payment of the Notes pursuant to the Notes and the Indenture provided that Subsidiary Guarantors will not include any person whose subsidiary guarantee has been released;
“Trustee”	means Deutsche Bank Trust Company Americas; and
“UBS”	means UBS AG.

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

Hang Zhou, the PRC, 3 November 2006

As at the date of this announcement, the Board comprises Mr. Song Weiping, Mr. Shou Bainian, Mr. Chen Shunhua and Mr. Guo Jiafeng as executive directors, Mr. Tsui Yiu Wa, Alec, Mr. Jia Shenghua, Mr. Jiang Wei, Mr. Sze Tsai Ping, Michael and Mr. Tang Shiding as independent non-executive directors.

* *For identification purpose only*

*Please also refer to the published version of this announcement in **The Standard**.*