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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)

DISCLOSEABLE TRANSACTIONS, MAJOR TRANSACTIONS, CONNECTED TRANSACTIONS AND CONTINUING CONNECTED TRANSACTION

A. SUBSCRIPTION OF TRUST UNITS

On 14 April 2009, Greentown Real Estate, a wholly-owned subsidiary of the Company, and the Trustee entered into the Trust Agreement pursuant to which Greentown Real Estate agreed to subscribe not less than 60% of the Junior Units with a total consideration of not more than RMB300.0 million (equivalent to approximately HK\$342.0 million) assuming that Greentown Real Estate subscribes all the Junior Units at a subscription price of RMB1.00 each and the initial Trust Capital is equal to the Maximum Trust Capital; and not less than RMB90.0 million (equivalent to approximately HK\$102.6 million) assuming that Greentown Real Estate subscribes 60% of the Junior Units at a subscription price of RMB1.00 each and the initial Trust Capital is equal to the Minimum Trust Capital, in cash by its internal resources. Pursuant to the terms of the Trust Agreement, Greentown Real Estate and Hangzhou Kangju, a wholly-owned subsidiary of the Company, will dispose of the Haiqi Greentown Interests and the Wuxi Greentown Interests to the Trust pursuant to the Disposal Agreements and the Trust will provide Loans to Haiqi Greentown and Wuxi Greentown upon completion of the Disposal pursuant to the Loan Agreements.

B. ANCILLARY TRANSACTIONS

On or about the Trust Establishment Date, the following transactions will be entered into:

1. Disposal of Haiqi Greentown Interests and Wuxi Greentown Interests

Hangzhou Kangju, a wholly-owned subsidiary of the Company, and the Trustee will enter into the Haiqi Greentown Disposal Agreement pursuant to which Hangzhou Kangju will dispose the Haiqi Greentown Interests to the Trust at a consideration of not more than RMB250.0 million (equivalent to approximately HK\$285.0 million).

Greentown Real Estate and the Trustee will enter into the Wuxi Greentown Disposal Agreement pursuant to which Greentown Real Estate will dispose the Wuxi Greentown Interests to the Trust at a consideration of not more than RMB45.9 million (equivalent to approximately HK\$52.3 million).

2. Provision of Haiqi Greentown Loan and Wuxi Greentown Loan

Haiqi Greentown and the Trustee will also enter into the Haiqi Greentown Loan Agreement pursuant to which the Trust will provide the Haiqi Greentown Loan of RMB1,250.0 million (equivalent to approximately HK\$1,425.0 million) to Haiqi Greentown for the purpose of financing the development and construction of phase one of the Qianjiang Project and any other purposes which comply with the relevant law, regulations and requirements.

Wuxi Greentown and the Trustee will enter into the Wuxi Greentown Loan Agreement pursuant to which the Trust will provide the Wuxi Greentown Loan of RMB437.1 million (equivalent to approximately HK\$498.3 million) to Wuxi Greentown for the purpose of financing the development and construction of phase one of the Taihu Project and any other purposes which comply with the relevant law, regulations and requirements.

3. Equity Interests Put Option

Greentown Real Estate and the Trustee will enter into the Equity Interests Put Option Agreement pursuant to which Greentown Real Estate will grant a put option to the Trustee which may exercise such put option and require Greentown Real Estate or its nominees to acquire all or part (as the case may be) of the Haiqi Greentown Interests and the Wuxi Greentown Interests held by the Trust upon (i) the expiry of the 33rd month after the Trust Establishment Date; (ii) the occurrence of any Material Adverse Event; or (iii) Early Repayment.

4. Trust Units Put Option

Greentown Real Estate and the Other Beneficiaries will enter into various Trust Units Put Option Agreements pursuant to which the Other Beneficiaries shall be entitled to exercise a put option requiring Greentown Real Estate to acquire all the Trust Units owned by the Other Beneficiaries upon, among other things, the occurrence of the Material Adverse Event.

5. Provision of Guarantee and Surety

Greentown Real Estate and the Trustee will enter into the Guarantee Agreement pursuant to which Greentown Real Estate will provide a Guarantee and pay a Surety to the Trustee to secure the performance and obligations of Greentown Real Estate, each Project Company and/or the Greentown Parties under, among others, the Loan Agreements and the Equity Interests Put Option Agreement.

6. Pledge of equity interests in Haiqi Greentown and Wuxi Greentown

To secure, among others, the repayment of the principal sum of the Loans and the accrued interest and the obligations of Greentown Real Estate or its nominees under the Equity Interests Put Option Agreement, Hangzhou Kangju and Greentown Real Estate (as pledgors) and the Trustee (as pledgee) will enter into the Haiqi Greentown Equity Pledge Agreement pursuant to which Hangzhou Kangju and Greentown Real Estate will pledge their respective remaining equity interests in Haiqi Greentown to the Trustee; and Greentown Real Estate (as pledgor) and the Trustee (as pledgee) will enter into the Wuxi Greentown Equity Pledge Agreement pursuant to which Greentown Real Estate will pledge its remaining equity interests in Wuxi Greentown to the Trustee.

7. Provision of the Real Estate Services by Greentown Real Estate

Greentown Real Estate and the Trustee will enter into the Consultancy Agreement pursuant to which Greentown Real Estate will be appointed the Real Estate Services Provider for a period of 33 months during the term of the Trust to, among other things, manage the Real Estate Projects.

Greentown Real Estate will receive a fixed consultancy fee after each Settlement Date, Distribution Date and Trust Termination Date at a rate of 0.25% per annum with reference to the nominal amount of the total number of outstanding Trust Units and the number of investment days of the Trust and a performance-based bonus. Upon the expiry of the term of the Trust, if the Trust Assets have not been fully realized or if any Loan and its accrued interest has not been fully repaid or if the annual gain in value of the equity interest of any Project Company upon realisation is less than the Equity Interests Put Option Put Price, Greentown Real Estate will not be entitled to receive the performance-based bonus.

8. RMB1 Options

To protect the interests of the Beneficiaries, Greentown Parties will also enter into the RMB1 Equity Interests Purchase Agreements with the Trustee pursuant to which the Greentown Parties will be required to sell all their remaining equity interests in Haiqi Greentown or Wuxi Greentown (as the case may be) to the Trust at a consideration of RMB1 upon the occurrence of any Material Adverse Event.

C. IMPLICATIONS UNDER THE LISTING RULES

As the applicable percentage ratios (as defined in the Listing Rules) in respect of each of the Subscription, the Disposal and the exercise of the Equity Interests Put Option are more than 5% but less than 25%, each of the Subscription, the Disposal and the exercise of the Equity Interests Put Option on a stand-alone basis constitutes a discloseable transaction on the part of the Company. As the applicable percentage ratios (as defined in the Listing Rules) in respect of each of the Trust Units Put Option and the provision of the Guarantee and the Surety by Greentown Real Estate are more than 25% but less than 100%, each of the Trust Units Put Option and the provision of the Guarantee and the Surety by Greentown Real Estate on a stand-alone basis constitutes a major transaction on the part of the Company. Pursuant to Rule 14.76 of the Listing Rules, the RMB1 Options will constitute a major transaction on the part of the Company.

Pursuant to Rule 14.24 of the Listing Rules, the Trust Agreement, the Disposal Agreements, the Equity Interests Put Option Agreement, the RMB1 Equity Interests Purchase Agreements, the Trust Units Put Option Agreements, the Guarantee Agreement and the transactions contemplated thereunder shall be subject to the reporting, announcement and Shareholders' approval requirements under Chapter 14 of the Listing Rules.

Pursuant to the Company's announcement dated 14 April 2009, Nanjing Julong will dispose its 40% equity interests in Haiqi Greentown to Greentown Real Estate and it is expected that such disposal will be completed on or around the Trust Establishment Date. Accordingly, upon completion of such disposal and the Haiqi Greentown Disposal, Haiqi Greentown will remain as a subsidiary of the Company and the Trust will become a substantial shareholder of Haiqi Greentown, thus a connected person of the Company. As a result thereof, the provision of the Haiqi Greentown Loan, the Equity Interests Put Option, the Trust Units Put Option, the provision of the Guarantee and the Surety, the creation of the Equity Pledge and the RMB1 Options will constitute connected transactions on the part of the Company. As the applicable percentage ratios of each of the provision of the Haiqi Greentown Loan, the Equity Interests Put Option, the Trust Units Put Option, the provision of the Guarantee and the Surety and the creation of the Equity Pledge is more than 2.5%, each of such transactions will constitute a non-exempt connected transaction on the part of the Company and is subject to the reporting, announcement and independent Shareholders' approval requirements under Chapter 14A of the Listing Rules. Pursuant to Rule 14A.71 of the Listing Rules, the RMB1 Options will be subject to all connected transaction requirements under Chapter 14A of the Listing Rules. The provision of the Real Estate Services by Greentown Real Estate will constitute a continuing connected transaction. As one of the applicable percentage ratios of the provision of the Real Estate Services by Greentown Real Estate is more than 0.1% but less than 2.5%, such transaction will be exempt from the independent Shareholders' approval requirement but subject to the reporting and announcement requirements under Chapter 14A of the Listing Rules.

The Directors (excluding the independent non-executive Directors who will express their view after receiving advice from an independent financial adviser) are of the view that the terms of the Equity Interests Put Option Agreement, the Trust Unit Put Option Agreements, the Haiqi Greentown Loan Agreement, the Guarantee Agreement, the RMB1 Equity Interests Purchase Agreements and the Equity Pledge Agreements have been negotiated on an arm's length basis and the transactions contemplated thereunder are on normal commercial terms and in the ordinary and usual course of business of the Company, are fair and reasonable and in the interest of the Company and the Shareholders as a whole.

The Directors (including the independent non-executive Directors) consider that the terms of the Trust Agreement, the Disposal Agreements and the Consultancy Agreement have been negotiated on an arm's length basis and the transactions contemplated thereunder are on normal commercial terms and in the ordinary and usual course of business of the Company, are fair and reasonable and in the interest of the Group and the Shareholders as a whole.

No Shareholders have any material interest and are required to abstain from voting at the EGM in respect of the Trust Agreement, the Disposal Agreements, the Equity Interests Put Option Agreement, the Trust Units Put Option Agreements, the Haiqi Greentown Loan Agreement, the Guarantee Agreement, the RMB1 Equity Interests Purchase Agreements, the Equity Pledge Agreements and the transactions contemplated thereunder and the Company has obtained the written approval from the major Shareholders, namely Delta House Limited, Wisearn Limited and Profitwise Limited, being closely allied group of Shareholders which currently hold 492,124,000 Shares, 68,859,000 Shares and 384,490,500 Shares, respectively representing an aggregate of approximately 61.5% of the issued share capital of the Company as at the date of this announcement, for the Trust Agreement, the Disposal Agreements, the Equity Interests Put Option Agreement, the Trust Units Put Option Agreements, the Haiqi Greentown Loan Agreement, the Guarantee Agreement, the RMB1 Equity Interests Purchase Agreements, the Equity Pledge Agreements and the transactions contemplated thereunder pursuant to Rule 14.44 and Rule 14A.43 of the Listing Rules. The Company has applied to the Stock Exchange for a waiver pursuant to Rule 14A.43 of the Listing Rules from holding an EGM and that a written shareholders' approval be accepted in lieu of holding an EGM.

A circular containing, among other things, further details of the transactions contemplated herein, the recommendations of the Independent Board Committee, a letter of advice from an independent financial adviser to the Independent Board Committee and the Shareholders will be despatched to the Shareholders as soon as possible and in accordance with the requirements of the Listing Rules.

D. SUSPENSION AND RESUMPTION OF TRADING

At the request of the Company, trading in the Shares on the Stock Exchange has been suspended from 9:30 a.m. on 14 April 2009 pending the release of this announcement and the announcement concerning the acquisition of 40% equity interests in Haiqi Greentown and the disposal of 100% equity interests in Shanghai Luyuan Real Estate Development Co., Ltd. by the Company. Application has been made by the Company to the Stock Exchange for the resumption of trading in the Shares on the Stock Exchange with effect from 9:30 a.m. on 15 April 2009.

A. SUBSCRIPTION OF TRUST UNITS

On 14 April 2009, Greentown Real Estate and the Trustee entered into the Trust Agreement pursuant to which Greentown Real Estate agreed to subscribe not less than 60% of the Junior Units subject to a maximum dollar amount of RMB300.0 million (equivalent to approximately HK\$342.0 million) assuming that the Greentown Real Estate subscribes all the Junior Units at a subscription price of RMB1.00 each and the initial Trust Capital is equal to the Maximum Trust Capital and a minimum dollar amount of RMB90.0 million (equivalent to HK\$102.6 million) assuming that Greentown Real Estate subscribes 60% of the Junior Units at a subscription price of RMB1.00 each and the initial Trust Capital is equal to the Minimum Trust Capital, in cash by its internal resources. Below are the principal terms of the Trust Agreement.

Principal terms of the Trust Agreement

Purpose

The Trustee will act as the trustee of the Trust to invest in the Project Companies.

Initial Trust Capital

The initial Trust Capital will be not more than RMB1,983.0 million (equivalent to approximately HK\$2,260.6 million) (the “**Maximum Trust Capital**”) and not less than RMB991.5 million (equivalent to approximately HK\$1,130.3 million) (the “**Minimum Trust Capital**”) which comprises Senior Units and Junior Units with the minimum number of the Senior Units to be not less than 850,000,000 units and the ratio of Senior Units to Junior Units to be 85:15. ICBC (as the manager of its RMB investment scheme) will subscribe all the Senior Units whereas Greentown Real Estate and the Qualified Investors will subscribe the Junior Units in cash. The exact number of the Trust Units subscribed by the Beneficiaries and the amount of the initial Trust Capital will be determined upon the Trust Establishment Date.

	Assuming a maximum number of 1,700,000,000 Senior Units are being subscribed	Assuming a minimum number of 850,000,000 Senior Units are being subscribed
Number of Senior Units to be subscribed by the Beneficiaries	1,700,000,000 Senior Units	850,000,000 Senior Units
Number of Junior Units to be subscribed by the Beneficiaries	300,000,000 Junior Units	150,000,000 Junior Units
Total amount of initial Trust Capital	<u><u>RMB1,983,000,000</u></u>	<u><u>RMB991,500,000</u></u>

Conditions precedent

The establishment of the Trust is conditional upon:

- (i) the number of the Senior Units subscribed by ICBC (as the manager of its RMB investment scheme) being not less than 850,000,000 units;
- (ii) the ratio of the subscribed Senior Units to the subscribed Junior Units being equivalent to 85:15;
- (iii) the Trust Agreement, the Disposal Agreements, the Equity Interests Put Option Agreement, the Trust Units Put Option Agreements, the Haiqi Greentown Loan Agreement, the Guarantee Agreement, the RMB1 Equity Interests Purchase Agreements, the Equity Pledge Agreements and the transactions contemplated thereunder being approved by the Shareholders in compliance with the Listing Rules;

- (iv) the waiver of the pre-emptive rights over the equity interests granted to the Project Companies Shareholders under the articles of association of Haiqi Greentown and Wuxi Greentown, respectively and the shareholders' approval relating to the pledge of the remaining interests in Haiqi Greentown and Wuxi Greentown by Greentown Real Estate and Hangzhou Kangju (as the case may be) pursuant to the Equity Pledge Agreements being obtained from the relevant Project Company Shareholders; and
- (v) the provision of the Loans to Haiqi Greentown and Wuxi Greentown being approved by the boards of directors of Haiqi Greentown or Wuxi Greentown (as the case may be).

Unit price and subscription price

The unit price for each Senior Unit is RMB0.99 and the unit price for each Junior Unit is RMB1.00. Greentown Real Estate agreed to subscribe not less than 60% of the Junior Units subject to a maximum dollar amount of approximately RMB300.0 million (equivalent to approximately HK\$342.0 million) and a minimum dollar amount of approximately RMB90.0 million (equivalent to HK\$102.6 million) in cash by its internal resources. The maximum and the minimum subscription prices of the Junior Units payable by Greentown Real Estate are calculated as follows:

- (i) Assuming Greentown Real Estate subscribes all the Junior Units:

	Assuming the initial Trust Capital is equal to the Maximum Trust Capital	Assuming the initial Trust Capital is equal to the Minimum Trust Capital
Number of Junior Units to be subscribed by Greentown Real Estate	300,000,000 Junior Units	150,000,000 Junior Units
Total amount of subscription price to be paid by Greentown Real Estate	RMB300,000,000	RMB150,000,000

- (ii) Assuming Greentown Real Estate subscribes 60% of the Junior Units:

	Assuming the initial Trust Capital is equal to the Maximum Trust Capital	Assuming the initial Trust Capital is equal to the Minimum Trust Capital
Number of Junior Units to be subscribed by Greentown Real Estate	180,000,000 Junior Units	90,000,000 Junior Units
Total amount of subscription price to be paid by Greentown Real Estate	RMB180,000,000	RMB90,000,000

Duration and early redemption

The term of the Trust is three years starting from the Trust Establishment Date, subject to early termination and further extension pursuant to the conditions set out in paragraphs headed “Termination” and “Extension” below. Early redemption of the Trust Units is not allowed.

Investment by the Trust

The Trust is to be established to invest in the Real Estate Projects by (i) acquiring not less than 10% and not more than 60% of the equity interests in each of the Project Companies; and (ii) using not less than 85% of the Trust Capital to provide loans to the Project Companies.

Initially, the Trustee shall only invest in Haiqi Greentown and Wuxi Greentown in the following manner:

- (i) acquisition of the Haiqi Greentown Interests and the Wuxi Greentown Interests, details of which are more particularly set out in the paragraph headed “Disposal of Haiqi Greentown Interests and Wuxi Greentown Interests”; and
- (ii) provision of the Haiqi Greentown Loan to Haiqi Greentown and the Wuxi Greentown Loan to Wuxi Greentown, details of which are more particularly set out in the paragraph headed “Provision of the Loans to Haiqi Greentown and Wuxi Greentown”.

If the initial Trust Capital is less than the Maximum Trust Capital, the Trust Capital will be utilised to acquire the Haiqi Greentown Interests and provide the Haiqi Greentown Loan in priority over the acquisition of the Wuxi Greentown Interests and the provision of the Wuxi Greentown Loan. Upon the recoupment of part of the initial Trust Capital, the Trustee may re-invest the Trust Capital in the Project Companies other than Haiqi Greentown and Wuxi Greentown which satisfy certain investment criteria as determined by the Beneficiaries by way of special resolution. The Haiqi Greentown Disposal and the Wuxi Greentown Disposal are not inter-conditional.

Dividend distribution

Each Project Company shall distribute its distributable dividends in accordance with the resolutions of the board of directors of the relevant Project Company within 90 days after its financial year end.

Establishment of the Investment Management Committee

The Investment Management Committee will be established which shall comprise five members, of whom, two members will be nominated by ICBC, one member will be nominated by the Investment Consultant, one member will be nominated by the Real Estate Services Provider, and one member will be nominated by the Trustee. The responsibilities of the committee include but not limited to, determining (i) whether any event will cause material adverse effects on the Trust; and (ii) whether the Trust shall be subject to early termination under certain conditions.

The decision of the Investment Management Committee is binding on both the Beneficiaries and the Trustee.

Calculation and distribution of the Trust Income

The Trust Income shall be distributed in cash based on the net value of the Trust Assets after deducting all relevant costs and fees and all liabilities, and in such amount that shall not exceed the Total Cash Assets of the Trust at the time of distribution. Beneficiaries of the Senior Units shall have priority to receive the Trust Income over the Beneficiaries of the Junior Units. The Trust Income will be distributed (i) during the term of the Trust, (a) upon the Settlement Date by way of fixed income; (b) upon Early Repayment and exercise of the Equity Interests Put Option by way of floating income; (c) prior to exercise of the Trust Units Put Option by way of special income; and (ii) upon termination of the Trust.

(i) During the term of the Trust

(a) Distribution of fixed income upon Settlement Date

Only the Beneficiaries of the Senior Units are entitled to receive a fixed income of the Trust which is payable in cash within a certain period after each Settlement Date. Such fixed income for each Senior Unit is calculated based on a fixed rate of 8.5% per annum with reference to the number of investment days of the Trust.

If the Total Cash Assets of the Trust at each Settlement Date is less than the fixed income to be distributed to all the Beneficiaries of the Senior Units, any shortfall will be distributed to the Beneficiaries of the Senior Units on the next Settlement Date in priority over any other Trust Income distributions.

(b) Distribution of floating income and partial refund of the principal of the Trust Units upon Early Repayment and exercise of the Equity Interests Put Option

If the Beneficiaries resolve by way of Beneficiaries' meeting not to re-invest the amount received by the Trust from the Project Companies and Greentown Real Estate or its nominees (as the case may be) upon Early Repayment and exercise of the Equity Interests Put Option and provided that the Total Cash Assets of the Trust at the time of distribution equal to or exceed RMB450 million, the Beneficiaries are entitled to receive a floating income and a partial refund of the principal of the Trust Units. The floating income for each Senior Unit is calculated based on a floating rate which is calculated on the basis of 8.5% per annum plus a fraction of the difference between the annualised yield of each Trust Unit and 8.5% with reference to the number of investment days of the Trust and less any cumulative Trust Income distributed to the Beneficiaries of each Senior Unit; whereas the floating income for each Junior Unit is calculated based on a maximum floating rate of 45% per annum with reference to the number of investment days of the Trust and less any cumulative Trust Income distributed to the Beneficiaries of each Junior Unit.

Upon completion of such distribution, the principal of certain Trust Units shall be distributed to the Beneficiaries and such Trust Units will be cancelled and deducted from the total number of the Trust Units. The number of Senior Units and Junior Units to be distributed and cancelled are calculated based on the difference between the Total Cash Assets of the Trust and the total amount of floating income distributed to the Beneficiaries of the Senior Units and the Junior Units and the accrued performance-based bonus payable to the Real Estate Services Provider in the proportion of 85:15 for the Senior Units and the Junior Units.

(c) Distribution of special income prior to exercise of the Trust Units Put Option

The Beneficiaries are entitled to receive a special income of the Trust prior to the exercise of the Trust Units Put Option which is calculated based on a fixed rate of 11.5% per annum in the case of the Senior Units and 45% per annum in the case of the Junior Units with reference to the number of investment days of the Trust and less any cumulative Trust Income distributed to the Beneficiaries of each Senior Unit and each Junior Unit (as the case may be).

In case the Total Cash Asset of the Trust is less than the sum of the special income payable to the Beneficiaries of the Trust Units prior to the exercise of the Trust Units Put Option, the difference will be contributed by Greentown Real Estate.

(ii) *Upon termination of the Trust*

Upon termination of the Trust, the Trust Income will be distributed in the following order:

- (1) a fixed income and the principal of the Trust contributed by the Beneficiaries of the Senior Units to be distributed to the Beneficiaries of the Senior Units;
- (2) the principal of the Trust contributed by the Beneficiaries of the Junior Units to be distributed to the Beneficiaries of the Junior Units;
- (3) a floating income to be distributed to the Beneficiaries of the Senior Units (if any);
and
- (4) a floating income to be distributed to the Beneficiaries of the Junior Units (if any).

Upon termination of the Trust, the fixed income to be distributed to the Beneficiaries of each Senior Unit shall be calculated based on a fixed rate of 8.5% per annum with reference to the number of investment days of the Trust less any cumulative Trust Income distributed to the Beneficiaries of each Senior Unit; and the floating income to be distributed to the Beneficiary of each Senior Unit shall be calculated based on a fraction of the remaining Total Cash Asset of the Trust after deducting the total fixed income distributed to the Beneficiaries of all the outstanding Senior Units and the total principal of the Trust distributed to the Beneficiaries of all the outstanding Senior Units and Junior Units with reference to the total number of outstanding Senior Units and Junior Units; whereas the floating income to be distributed to the Beneficiary of each Junior Unit shall be calculated based on the lower of the annualised yield of the Junior Units or a rate of 45% per annum with reference to the number of investment days of the Trust.

Termination

The Trust will be terminated upon the occurrence of any of the following events:

- (i) the expiry of the term of the Trust;
- (ii) termination of the Trust having been approved by the Beneficiaries by way of meeting of the Beneficiaries;
- (iii) the Trust Capital being recouped in full and not subject to re-investment;
- (iv) the Trust Capital being recouped in full upon the expiry of 33 months after the Trust Establishment Date; and
- (v) subject to the decision of the Investment Management Committee, any adverse event in relation to Greentown Real Estate which is considered by the Trustee to have a material adverse effect on the Trust pursuant to the terms of the Trust Agreement.

Extension

The term of the Trust will be extended in any of the following events:

- (i) the Trust Assets are involved in any litigation or arbitration proceedings and the enforcement of which has not been completed;
- (ii) unanimous agreement has been reached among the Trustee, the Beneficiaries and the Subscribers;
- (iii) the Trust Assets have not been fully realized upon the expiry of the term of the Trust; and
- (iv) if required under the terms of the Trust Agreement and the relevant laws and regulations.

Material Adverse Events

If any of the Material Adverse Events occurs, the Trustee shall have the right to:

- (i) demand the relevant Project Company for the immediate repayment of the Loan and the interest accrued thereon;
- (ii) request the Greentown Parties to sell all their remaining Haiqi Greentown Interests and Wuxi Greentown Interests to the Trust pursuant to the Haiqi Greentown RMB1 Equity Interests Purchase Agreement and the Wuxi Greentown RMB1 Equity Interests Purchase Agreement; and/or
- (iii) exercise the Equity Interests Put Option.

Upon the occurrence of a Material Adverse Event, if the Trust fails to recover the Loans and the accrued interest and the Equity Interests Put Option Put Price or the Adjusted Equity Interests Put Option Put Price (as the case may be), the Trustee shall have the right to exercise the Trust Units Put Option.

The term “Material Adverse Events” shall mean any of the following events:

- (i) delay in any Real Estate Project for more than 90 days which is deemed by the Investment Consultant and the Investment Management Committee to have material adverse effects on the Trust;
- (ii) notification of material adverse event to the Trustee by the Investment Consultant and/or the Investment Management Committee pursuant to the terms of the Trust Agreement;
- (iii) failure of any Project Company to repay the Loan and the accrued interest on time;
- (iv) the average selling price of the Real Estate Projects is less than 80% of the targeted selling price, which is considered by the Investment Consultant to have material adverse effects on the Trust; and
- (v) failure of Greentown Real Estate or its nominees to pay the Equity Interests Put Option Put Price or the Adjusted Equity Interests Put Option Put Price (as the case may be) upon the exercise of the Equity Interests Put Option on time.

B. ANCILLARY TRANSACTIONS

On or about the Trust Establishment Date, the following transactions will be entered into:

1. DISPOSAL OF HAIQI GREENTOWN INTERESTS AND WUXI GREENTOWN INTERESTS

Haiqi Greentown

Hangzhou Kangju and the Trustee will enter into the Haiqi Greentown Disposal Agreement on or around the Trust Establishment Date pursuant to which Hangzhou Kangju will dispose of not more than 25% of the Haiqi Greentown Interests to the Trust at a consideration of not more than RMB250.0 million (equivalent to approximately HK\$285.0 million) which is determined with reference to the paid up registered capital of Haiqi Greentown. It is expected that the Haiqi Greentown Disposal will be completed on or around the Trust Establishment Date.

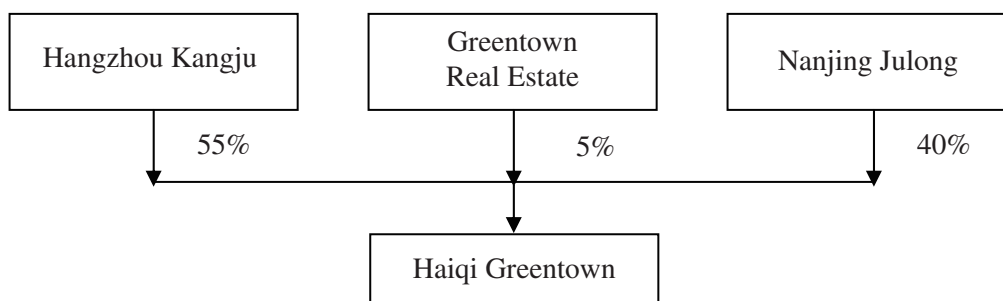
Haiqi Greentown was established on 23 November 2007 in the PRC and currently has a registered capital of RMB1,000 million and is owned as to 55% by Hangzhou Kangju, 40% by Nanjing Julong and 5% by Greentown Real Estate. It is engaged in the development of the Qianjiang Project (藍色錢江項目) for high-rise apartment and commercial use with a site area of about 84,255 sq.m. and a planned GFA of about 380,000 sq.m. The Qianjiang Project will be developed in three phases. As at the date of this announcement, Haiqi Greentown has already obtained (i) state-owned land use rights certificate (國有土地使用證); (ii) construction land use planning permit (建設用地規劃許可證); (iii)

construction works planning permit (phase one) (建設工程規劃許可證 (第一期)) and; (iv) construction works commencement permit (phase one) (建築工程施工許可證 (第一期)) for the Qianjiang Project. According to the audited accounts of Haiqi Greentown for the period from 1 January 2009 to 20 March 2009, Haiqi Greentown had a net asset value of RMB745 million (equivalent to approximately HK\$849 million). Based on the audited accounts of Haiqi Greentown for the year ended 31 December 2007, its net loss (whether before or after taxation and extraordinary items) for the year ended 31 December 2007 was RMB1.3 million (equivalent to approximately HK\$1.5 million). Based on the unaudited management accounts of Haiqi Greentown for the year ended 31 December 2008, its net loss (whether before or after taxation and extraordinary items) for the year ended 31 December 2008 was RMB7.4 million (equivalent to approximately HK\$8.4 million). The audited accounts and the unaudited management accounts of Haiqi Greentown were both prepared based on PRC GAAP.

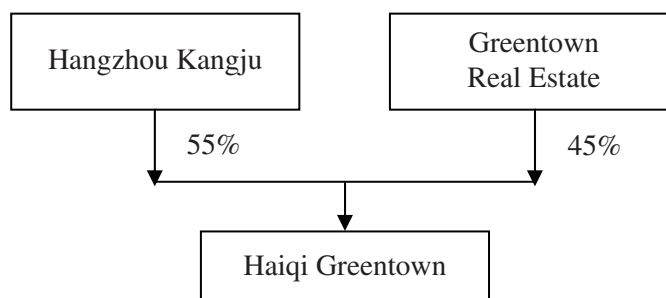
Pursuant to the Company's announcement dated 14 April 2009, Nanjing Julong will dispose its entire equity interests in Haiqi Greentown to Greentown Real Estate and it is expected that such disposal will be completed on or around the Trust Establishment Date. Accordingly, upon completion of such disposal and the Haiqi Greentown Disposal, Haiqi Greentown will be owned as to 30% by Hangzhou Kangju and 45% by Greentown Real Estate and it will remain as a subsidiary of the Company.

The shareholding structure of Haiqi Greentown as at the date of this announcement and immediately upon completion of the Haiqi Greentown Disposal (assuming the maximum amount of the Haiqi Greentown Interests are acquired by the Trustee) are as follows:

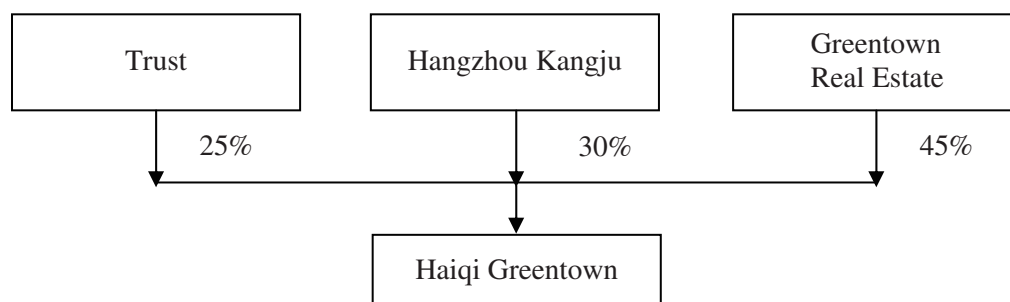
(a) As at the date of this announcement



(b) Immediately upon completion of the disposal of the equity interests in Haiqi Greentown by Nanjing Julong



(c) Immediately upon completion of Haiqi Greentown Disposal



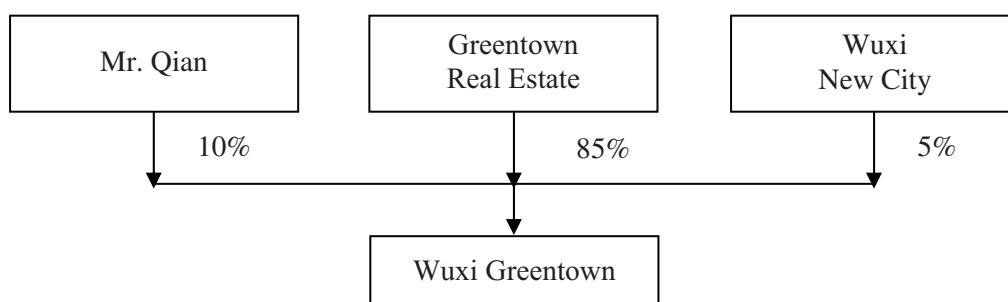
Wuxi Greentown

Greentown Real Estate and the Trustee will enter into the Wuxi Greentown Disposal Agreement on or around the Trust Establishment Date pursuant to which Greentown Real Estate will dispose not more than 45% of the Wuxi Greentown Interests to the Trust at a consideration of not more than RMB45.9 million (equivalent to approximately HK\$52.3 million) which is determined with reference to the paid up registered capital of Wuxi Greentown. It is expected that the Wuxi Greentown Disposal will be completed on or around the Trust Establishment Date.

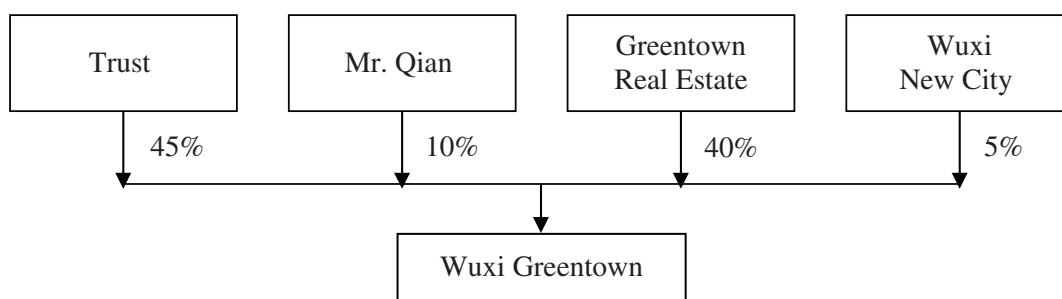
Wuxi Greentown was established on 7 December 2007 in the PRC and currently has a registered capital of RMB102 million and is owned as to 85% by Greentown Real Estate, 10% by Mr. Qin and 5% by Wuxi New City. It is engaged in the development of the Taihu Project (無錫太湖新城項目) for high-rise apartment and commercial use with a site area of about 180,826 sq.m. and a planned gross GFA of about 528,360 sq.m. Wuxi Greentown has already obtained (i) state-owned land use rights certificate (國有土地使用證); (ii) construction land use planning permit (建設用地規劃許可證); (iii) construction works planning permit (phase one) (建設工程規劃許可證 (第一期)) and; (iv) construction works commencement permit (phase one) (建築工程施工許可證 (第一期)) for the Taihu Project. According to the audited accounts of Wuxi Greentown for the period from 1 January 2009 to 20 March 2009, Wuxi Greentown had a net asset value of RMB355.1 million (equivalent to approximately HK\$404.8 million). Based on the unaudited management accounts of Wuxi Greentown for the year ended 31 December 2008, its net loss (whether before or after taxation and extraordinary items) for the financial year ended 31 December 2008 was RMB4.8 million (equivalent to approximately HK\$5.5 million). The audited accounts and the unaudited management accounts of Wuxi Greentown were both prepared based on PRC GAAP. Upon completion of the Wuxi Greentown Disposal, Wuxi Greentown will be owned as to 40% by Greentown Real Estate and it will cease to be a subsidiary of the Company.

The shareholding structure of Wuxi Greentown as at the date of this announcement and immediately upon completion of Wuxi Greentown Disposal (assuming the maximum amount of the Wuxi Greentown Interests are acquired by the Trustee) are as follows:

(a) As at the date of this announcement



(b) Immediately upon completion of Wuxi Greentown Disposal



The Directors intend to apply the proceeds of the Disposal to reduce the liabilities of the Group. The Disposal will lead to an expected loss of approximately RMB50 million (equivalent to HK\$58 million) by comparing the net proceeds of the Disposal and the net asset values of the Haiqi Greentown Interests and the Wuxi Greentown Interests.

2. PROVISION OF HAIQI GREENTOWN LOAN AND WUXI GREENTOWN LOAN

Upon completion of the Haiqi Greentown Disposal, Haiqi Greentown and the Trustee will enter into the Haiqi Greentown Loan Agreement pursuant to which the Trust will provide the Haiqi Greentown Loan of RMB1,250 million (equivalent to approximately HK\$1,425 million) to Haiqi Greentown for the purpose of financing the development and construction of phase one of the Qianjiang Project (藍色錢江項目) and any other purposes which comply with the relevant law, regulations and requirements.

Upon completion of the Wuxi Greentown Disposal, Wuxi Greentown and the Trustee will enter into the Wuxi Greentown Loan Agreement pursuant to which the Trust will provide the Wuxi Greentown Loan of RMB437.1 million (equivalent to approximately HK\$498.3 million) to Wuxi Greentown for the purpose of financing the development and construction of phase one of the Taihu Project (無錫太湖新城項目) and any other purposes which comply with the relevant law, regulations and requirements.

Pursuant to the terms of the Trust Agreement, the Loans shall only be used in the real estate projects of Haiqi Greentown and Wuxi Greentown which have already obtained (i) state-owned land use rights certificate (國有土地使用證); (ii) construction land use planning permit (建設用地規劃許可證); (iii) construction works planning permit (建設工程規劃許可證) and; (iv) construction works commencement permit (建築工程施工許可證) and any other purposes which comply with the relevant law, regulations and requirements.

The Loans shall bear an annual interest rate of 14%. The principal sum of the Loans shall be repaid by Haiqi Greentown or Wuxi Greentown (as the case may be) by a single instalment on the respective due dates which shall be within 33 months from the Trust Establishment Date save and except that if 40% of the total above-ground GFA of phase one of the Qianjiang Project and the Taihu Project (as the case may be) is sold, the relevant Project Company shall repay half of the principal sum of the Loan; and if 80% of the total above-ground GFA of phase one of the Qianjiang Project and the Taihu Project (as the case may be) is sold, Haiqi Greentown or Wuxi Greentown (as the case may be) shall repay all of the principal sum of the Loan. Under other circumstances, Haiqi Greentown or Wuxi Greentown (as the case may be) may request Early Repayment by multiple instalments if all of the following conditions are satisfied:

- (i) the Trust has been established for more than six months;
- (ii) the relevant Loan has been drawn for more than six months;
- (iii) an one-month prior written notice for Early Repayment has been given to the Trustee;
- (iv) each repayment of the principal sum of the relevant Loan(s) shall not be less than one-third of the principal sum of the relevant Loan(s) as stipulated in the Loan Agreement or RMB250.0 million (equivalent to approximately HK\$285.0 million), whichever is lower; and
- (v) Greentown Real Estate or its nominees have acquired the equity interest of Haiqi Greentown or Wuxi Greentown (as the case may be) held by the Trust in such proportion equivalent to the percentage of the principal sum of the relevant Loan repaid by Haiqi Greentown or Wuxi Greentown (as the case may be).

Haiqi Greentown, Wuxi Greentown and the Greentown Parties undertake to the Trustee that the Loans shall have priority upon repayment over the other loans provided by the Greentown Parties to Haiqi Greentown and/or Wuxi Greentown (as the case may be).

3. EQUITY INTERESTS PUT OPTION

Greentown Real Estate and the Trustee will enter into the Equity Interests Put Option Agreement on or around the Trust Establishment Date pursuant to which Greentown Real Estate would grant a put option to the Trustee which may exercise the Equity Interests Put Option and require Greentown Real Estate or its nominees to acquire the Haiqi Greentown Interests and Wuxi Greentown Interests held by the Trust upon the occurrence of any of the following events:

- (i) upon the occurrence of the Material Adverse Event;
- (ii) upon the expiry of the 33rd month after the Trust Establishment Date; or
- (iii) upon Early Repayment (provided that the Haiqi Greentown Interests and/or Wuxi Greentown Interests to be acquired by Greentown Real Estate or its nominees pursuant to the Equity Interests Put Option shall be in such proportion equivalent to the principal sum of the Loan repaid by Haiqi Greentown and/or Wuxi Greentown).

Upon the occurrence of the Material Adverse Event or the expiry of the 33rd month after the Trust Establishment Date, the Equity Interests Put Option can be exercised at a put price based on the following formula:

$$\text{Equity Interests Put Option Put Price} = A \times B \times \left(1 + \frac{40\% \times C}{360}\right) - \sum (D \times E)$$

where:

A: the investment costs of the Trust in the equity interests of the relevant Project Company

$$B = \frac{B1}{B2}$$

where:

B1: the equity interests in the relevant Project Company held by the Trust when the Equity Interests Put Option is exercised

B2: equity interests in the relevant Project Company disposed to the Trust pursuant to the relevant Disposal Agreement

C: number of investment days in the relevant Project Company by the Trust

D: the actual dividend paid by the relevant Project Company to the Trust per annum

$$E = \frac{E1}{E2}$$

where:

E1: the equity interests in the relevant Project Company held by the Trust when the Equity Interests Put Option is exercised

E2: the equity interests in the relevant Project Company held by the Trust at the time when the annual dividend is paid by the relevant Project Company

Upon Early Repayment, the Equity Interests Put Option can be exercised at a put price based on the following adjusted formula:

$$\text{Adjusted Equity Interests Put Option Put Price} = A \times F \times \left(1 + \frac{40\% \times C}{360}\right) - \sum (D \times G)$$

where:

A: the investment costs of the Trust in the equity interests of the relevant Project Company

C: number of investment days in the relevant Project Company by the Trust

D: the actual dividend paid by the relevant Project Company to the Trust per annum

$$F = \frac{F1}{F2}$$

where:

F1: the equity interests in the relevant Project Company to be acquired by Greentown Real Estate or its nominees which is proportional to the amount of the Loan repaid

F2: the equity interests in the relevant Project Company disposed to the Trust pursuant to the relevant Disposal Agreement

$$G = \frac{G1}{G2}$$

where:

G1: the equity interests in the relevant Project Company to be acquired by Greentown Real Estate or its nominees which is proportional to the amount of the Loan repaid

G2: the equity interests in the relevant Project Company held by the Trust at the time when the annual dividend is paid by the relevant Project Company

If Greentown Real Estate or its nominees fail to fulfil its or their obligations under the Equity Interests Put Option Agreements, the Trustee may transfer the equity interests to other third parties at a consideration of not less than 90% of the value of the equity interests of the Project Companies, the value of which will be determined by an independent valuer if the Investment Management Committee deems it necessary to do so.

4. TRUST UNITS PUT OPTION

Greentown Real Estate and the Other Beneficiaries will enter into the Trust Units Put Option Agreements pursuant to which the Other Beneficiaries shall be entitled to exercise the Trust Units Put Option requiring Greentown Real Estate to acquire all the Trust Units owned by the Other Beneficiaries upon, among other things, the occurrence of the Material Adverse Event provided that a special income, in such amount that shall not exceed the Total Cash Assets of the Trust at the time of distribution (after deducting all relevant costs and fees), shall be distributed to the Beneficiaries prior to the exercise of the Trust Units Put Option by the Trustee. Details of the distribution of the special income are more particularly set out in the paragraph headed “Distribution of special income prior to the exercise of the Trust Units Put Option” under the section headed “Calculation and Distribution of the Trust Income”.

The Trust Units Put Option can be exercised at a put price based on a fixed rate of 11.5% per annum in the case of Senior Unit and 45% per annum in the case of Junior Unit with reference to the number of investment days of the Trust less any cumulative Trust Income distributed to the Beneficiaries of the Senior Units or the Junior Units (as the case may be).

5. PROVISION OF GUARANTEE AND SURETY

Greentown Real Estate and the Trustee will enter into the Guarantee Agreement pursuant to which Greentown Real Estate would provide the Guarantee and pay the Surety to the Trust to secure the performance and obligations of Greentown Real Estate, Haiqi Greentown, Wuxi Greentown and/or the Greentown Parties under the Transaction Documents.

The Guarantee

Greentown Real Estate shall provide the Guarantee to the Trust to secure, among other things, the following obligations (the “**Guarantee Obligations**”):

- (i) the representations, warranties and other obligations of Haiqi Greentown and/or Wuxi Greentown (as the case may be) under the Haiqi Greentown Loan Agreement and/or the Wuxi Greentown Loan Agreement;
- (ii) the payment obligations of Haiqi Greentown and/or Wuxi Greentown (as the case may be) including the payment of costs incurred in the Qianjiang Project and the Taihu Project under the Accounts Management Agreements;
- (iii) the representations, warranties and other obligations of Haiqi Greentown under the Haiqi Greentown Disposal Agreement;

- (iv) the representations, warranties and other obligations of the Greentown Parties (other than Greentown Real Estate) under the RMB1 Equity Interests Purchase Agreements; and
- (v) the payment of all costs (including legal costs and other relevant costs), losses and compensations of the Trust arising from the enforcement of the Guarantee.

The Surety

Greentown Real Estate shall pay the Surety to the Trust to secure, among other things, the following obligations (the “**Surety Obligations**”):

- (i) the representations, warranties and other obligations of Greentown Real Estate under the Wuxi Greentown Disposal Agreement and the Consultancy Agreement;
- (ii) the representations, warranties and other obligations of Greentown Real Estate and Hangzhou Kangju under the Equity Interests Put Option Agreement;
- (iii) the representations, warranties and other obligations of Haiqi Greentown and/or Wuxi Greentown (as the case may be) under the Haiqi Greentown Loan Agreement and/or the Wuxi Greentown Loan Agreement;
- (iv) the payment obligations of Haiqi Greentown and/or Wuxi Greentown (as the case may be) including the payment of costs incurred in the Qianjiang Project and the Taihu Project under the Accounts Management Agreements;
- (v) the representations, warranties and other obligations of the Greentown Parties (being Greentown Real Estate and Hangzhou Kangju as at the date of this announcement) under the RMB1 Equity Interests Purchase Agreements;
- (vi) the undertaking by Greentown Real Estate to contribute further funding to the Project Companies in the event that there is any shortfall of funding for the Real Estate Projects; and
- (vii) the payment of all costs (including legal costs and other relevant costs), losses and compensations of the Trust arising from the enforcement of the Surety.

Under the Guarantee Agreement, Greentown Real Estate shall be obliged, including but not limited to, the following:

- (i) to pay the outstanding amount of the Haiqi Greentown Loan and/or the Wuxi Greentown Loan and their accrued interest in full to the Trust if Haiqi Greentown and/or Wuxi Greentown (as the case may be) fail to make repayment on time;

- (ii) to indemnify the Trust for the actual loss incurred due to the breach of the representations, warranties and other obligations under:
 - (a) the Haiqi Greentown Loan Agreement and/or the Wuxi Greentown Loan Agreement by Haiqi Greentown and/or Wuxi Greentown (as the case may be);
 - (b) the Equity Interests Put Option Agreement by Greentown Real Estate or its nominees;
 - (c) the Consultancy Agreement by Greentown Real Estate;
 - (d) the RMB1 Equity Interests Agreements by the Greentown Parties (being Greentown Real Estate and Hangzhou Kangju as at the date of this announcement);
 - (e) the undertaking by Greentown Real Estate to contribute further funding to the Project Companies in the event that there is any shortfall of funding for the Real Estate Projects; and
- (iii) to indemnify the Trust for the actual loss incurred due to the breach of the payment obligations under the Accounts Management Agreements by Haiqi Greentown and/or Wuxi Greentown (as the case may be).

The Guarantee and the Surety shall be valid for a period of two years after the expiry of the Guarantee Obligations and the Surety Obligations under their respective underlying agreements, which will be in turn terminated after the repayment of all the outstanding Loans and accrued interest by Haiqi Greentown and/or Wuxi Greentown (as the case may be).

The Surety shall be returned to Greentown Real Estate in full if no event that triggers Greentown Real Estate's obligations under the Guarantee Agreement has occurred during the term of the Trust.

6. PLEDGE OF EQUITY INTERESTS IN HAIQI GREENTOWN AND WUXI GREENTOWN

To secure, among others, the repayment of the principal sum of the Haiqi Greentown Loan and the Wuxi Greentown Loan and their accrued interest by Haiqi Greentown and Wuxi Greentown (as the case may be), the following Equity Pledge Agreements will be entered into by the parties thereto:

- (i) the Haiqi Greentown Equity Pledge Agreement pursuant to which Hangzhou Kangju and Greentown Real Estate (as pledgors) will pledge their respective interests in Haiqi Greentown to the Trustee (as pledgee) to secure the obligations of Haiqi Greentown under the Haiqi Greentown Loan Agreement and the obligations of Greentown Real Estate under the Equity Interests Put Option Agreement; and
- (ii) the Wuxi Greentown Equity Pledge Agreement pursuant to which Greentown Real Estate (as pledgor) will pledge its equity interests in Wuxi Greentown to the Trustee (as pledgee) to secure the obligations of Wuxi Greentown under the Wuxi Greentown Loan Agreement and the obligations of Greentown Real Estate under the Equity Interests Put Option Agreement.

7. PROVISION OF THE REAL ESTATE SERVICES BY GREENTOWN REAL ESTATE

On or around the Trust Establishment Date, Greentown Real Estate and the Trustee will enter into the Consultancy Agreement for a term of 33 months pursuant to which Greentown Real Estate will be appointed as the Real Estate Services Provider during the term of the Trust to, among other things, manage the Real Estate Projects.

Greentown Real Estate will receive a fixed consultancy fee after each Settlement Date, Distribution Date and Trust Termination Date at a rate of 0.25% per annum with reference to the nominal amount of the total number of outstanding Trust Units and the number of investment days of the Trust and a performance-based bonus. Upon the expiry of the term of the Trust, if the Trust Assets have not been fully realized or if any Loan and its accrued interest has not been fully repaid or if the value of the equity interest of any Project Company upon realisation is less than the Equity Interests Put Option Put Price, Greentown Real Estate will not be entitled to receive the performance-based bonus.

During the term of the Consultancy Agreement for each of the three years ending 31 December 2011, it is expected that the annual maximum amount for the fixed consultancy fee and the performance-based bonus (if any) to be received by Greentown Real Estate will not exceed the following caps:

- (i) RMB5.1 million for the year ending 31 December 2009;
- (ii) RMB5.1 million for the year ending 31 December 2010; and
- (iii) RMB5.1 million for the year ending 31 December 2011.

The above annual caps are determined on the assumption that (i) a maximum fixed consultancy fee which is calculated with reference to the maximum number of outstanding Trust Units (i.e. 2,000,000,000 Trust Units) on the expiry of the 33rd month after the Trust Establishment Date will be paid to the Real Estate Services Provider; and (ii) no performance-based bonus will be paid to the Real Estate Services Provider on the basis that the annualised return of the Junior Units will not exceed 45% based on the formulae set out in the Trust Agreement in relation to the calculation of the interest on the Loans, the Equity Interests Put Option and the payouts for the Senior Units, with 15% of the Trust Capital being invested in equity of interests in the Project Companies and 85% of the Trust Capital being invested by way of provision of loans to the Project Companies.

8. RMB1 OPTIONS

To protect the interests of the Beneficiaries upon the occurrence of the Material Adverse Event as stipulated in the paragraph headed “Material Adverse Events”, the Trustee and the Greentown Parties (being Greentown Real Estate and Hangzhou Kangju as at the date of this announcement) will enter into the RMB1 Equity Interests Purchase Agreements, pursuant to which the Trust will be granted an option by the Greentown Parties to require the Greentown Parties to dispose of their remaining interests in Haiqi Greentown and/or Wuxi Greentown to the Trust at RMB1 as follows:

Haiqi Greentown RMB1 Option

The Trustee and the Greentown Parties will enter into the Haiqi Greentown RMB1 Equity Interests Purchase Agreement pursuant to which the Greentown Parties will sell all their remaining Haiqi Greentown Interests to the Trust at a consideration of RMB1 upon the occurrence of any Material Adverse Event. However, the Trust shall be obliged to sell all such Haiqi Greentown Interests back to the Greentown Parties at the same consideration if (i) all the Haiqi Greentown Loan and the interest accrued thereon have been repaid; and (ii) the value of the Haiqi Greentown Interests upon realisation is not less than the Equity Interests Put Option Put Price.

Wuxi Greentown RMB1 Option

The Trustee and the Greentown Parties will enter into the Wuxi Greentown RMB1 Equity Interests Purchase Agreement pursuant to which the Greentown Parties will sell all their remaining Wuxi Greentown Interests to the Trust at a consideration of RMB1 upon the occurrence of any Material Adverse Event. However, the Trust shall be obliged to sell all such Wuxi Greentown Interests back to the Greentown Parties at the same consideration if (i) all the Wuxi Greentown Loan and the interest accrued thereon have been repaid; and (ii) the value of the Wuxi Greentown Interests upon realisation is not less than the Equity Interests Put Option Put Price.

C. REASONS AND BENEFITS

The Directors consider that by entering the Trust Agreement and the ancillary transactions referred to in the section headed “Ancillary Transactions” will help the Company to raise capital to finance the development and construction of the relevant Project Companies and to reduce the liabilities of the Company.

The Directors consider that the Trust Agreement and the ancillary transactions referred to in the section headed “Ancillary Transactions” were entered into upon normal commercial terms following arm’s length negotiations between Greentown Real Estate, ICBC and the Trustee and that the terms of the Trust Agreement and the ancillary transactions referred to in the section headed “Ancillary Transactions” are fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

D. INFORMATION ON THE GROUP, THE TRUSTEE AND ICBC

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

The Trustee is a non-bank financial institute owned as to 95% by China National Offshore Oil Corp. and 5% by China Citic Group. It obtained a licence issued by China Banking Regulatory Commission and is principally engaged in providing financial and investment services to corporate and private clients. To the best of the Directors' knowledge, information and belief and having made all reasonable enquiries, the Trustee and its ultimate beneficial owners are Independent Third Parties.

ICBC is the largest commercial bank in the PRC and provides a wide variety of financial products and services to more than 2.51 million corporate banking customers and 180 million personal banking customers through its 16,807 domestic institutions, 98 overseas institutions and 1,326 correspondent banks around the world. To the best of the Directors' knowledge, information and belief and having made all reasonable enquiries, ICBC is an Independent Third Party, whose shares are listed on the Stock Exchange and the Shanghai Stock Exchange.

E. GENERAL

As the applicable percentage ratios (as defined in the Listing Rules) in respect of each of the Subscription, the Disposal and the exercise of the Equity Interests Put Options are more than 5% but less than 25%, each of the Subscription, the Disposal and the exercise of the Equity Interests Put Option on a stand-alone basis constitutes a discloseable transaction on the part of the Company. As the applicable percentage ratios (as defined in the Listing Rules) in respect of each of the Trust Units Put Option and the provision of the Guarantee and the Surety by Greentown Real Estate are more than 25% but less than 100%, each of the Trust Units Put Option and the provision of the Guarantee and the Surety by Greentown Real Estate on a stand-alone basis constitutes a major transaction on the part of the Company. Pursuant to Rule 14.76 of the Listing Rules, the RMB1 Options will constitute a major transaction on the part of the Company. Pursuant to Rule 14.24 of the Listing Rules, the Trust Agreement, the Disposal Agreements, the Equity Interests Put Option Agreement, the RMB1 Equity Interests Purchase Agreements, the Trust Units Put Option Agreements, the Guarantee Agreement and the transactions contemplated thereunder shall be subject to the reporting, announcement and Shareholders' approval requirements under Chapter 14 of the Listing Rules.

Pursuant to the Company's announcement dated 14 April 2009, Nanjing Julong will dispose of its 40% equity interests in Haiqi Greentown to Greentown Real Estate and it is expected that such disposal will be completed on or around the Trust Establishment Date. Accordingly, upon completion of such disposal and the Haiqi Greentown Disposal, Haiqi Greentown will remain as a subsidiary of the Company and the Trust will become a substantial shareholder of Haiqi Greentown, thus a connected person of the Company. As a result thereof, the provision of the Haiqi Greentown Loan, the Equity Interests Put Option, the Trust Units Put Option, the provision of the Guarantee and the Surety, the creation of the Equity Pledge and the RMB1 Options will constitute connected transactions on the part of the Company. As the applicable

percentage ratios of each of the provision of the Haiqi Greentown Loan, the Equity Interests Put Option, the Trust Units Put Option, the provision of the Guarantee and the Surety and the creation of the Equity Pledge is more than 2.5%, each of such transactions will constitute a non-exempt connected transaction on the part of the Company and is subject to the reporting, announcement and independent Shareholders' approval requirements under Chapter 14A of the Listing Rules. Pursuant to Rule 14A.71 of the Listing Rules, the RMB1 Options will be subject to all connected transaction requirements under Chapter 14A of the Listing Rules. The provision of the Real Estate Services by Greentown Real Estate will constitute a continuing connected transaction. As one of the applicable percentage ratios of the provision of the Real Estate Services by Greentown Real Estate is more than 0.1% but less than 2.5%, such transaction will be exempt from the independent Shareholders' approval requirement but subject to the reporting and announcement requirements under Chapter 14A of the Listing Rules.

The Directors (excluding the independent non-executive Directors who will express their view after receiving advice from an independent financial adviser) are of the view that the terms of the Equity Interests Put Option Agreement, the Trust Unit Put Option Agreement, the Haiqi Greentown Loan Agreement, the Guarantee Agreement, the RMB1 Equity Interests Purchase Agreements and the Equity Pledge Agreements have been negotiated on an arm's length basis and the transactions contemplated thereunder are on normal commercial terms and in the ordinary and usual course of business of the Company, are fair and reasonable and in the interest of the Company and the Shareholders as a whole.

The Directors (including the independent non-executive Directors) consider that the terms of the Trust Agreement, the Disposal Agreements and the Consultancy Agreement have been negotiated on an arm's length basis and the transactions contemplated thereunder are on normal commercial terms and in the ordinary and usual course of business of the Company, are fair and reasonable and in the interest of the Group and the Shareholders as a whole.

No Shareholders have any material interest and are required to abstain from voting at the EGM in respect of the Trust Agreement, the Disposal Agreements, the Equity Interests Put Option Agreement, the Trust Units Put Option Agreements, the Haiqi Greentown Loan Agreement, the Guarantee Agreement, the RMB1 Equity Interests Purchase Agreements, the Equity Pledge Agreements and the transactions contemplated thereunder and the Company has obtained the written approval from the major Shareholders, namely Delta House Limited, Wisearn Limited and Profitwise Limited, being closely allied group of Shareholders which currently hold 492,124,000 Shares, 68,859,000 Shares and 384,490,500 Shares, respectively representing an aggregate of approximately 61.5% of the issued share capital of the Company as at the date of this announcement, for the Trust Agreement, the Disposal Agreements, the Equity Interests Put Option Agreement, the Trust Units Put Option Agreements, the Haiqi Greentown Loan Agreement, the Guarantee Agreement, the RMB1 Equity Interests Purchase Agreements, the Equity Pledge Agreements and the transactions contemplated thereunder pursuant to Rule 14.44 and Rule 14A.43 of the Listing Rules. The Company has applied to the Stock Exchange for a waiver pursuant to Rule 14A.43 of the Listing Rules from holding an EGM and that a written shareholders' approval be accepted in lieu of holding an EGM.

A circular containing, among other things, further details of the transactions contemplated herein, the recommendations of the Independent Board Committee, a letter of advice from an independent financial adviser to the Independent Board Committee and the Shareholders will be dispatched to the Shareholders as soon as possible and in accordance with the requirements of the Listing Rules.

F. SUSPENSION AND RESUMPTION OF TRADING

At the request of the Company, trading in the Shares on the Stock Exchange has been suspended from 9:30 a.m. on 14 April 2009 pending the release of this announcement and the announcement concerning the acquisition of 40% equity interests in Haiqi Greentown and the disposal of 100% equity interests in Shanghai Luyuan Real Estate Development Co., Ltd. by the Company. Application has been made by the Company to the Stock Exchange for the resumption of trading in the Shares on the Stock Exchange with effect from 9:30 a.m. on 15 April 2009.

Definitions

Unless otherwise stated, the terms in this announcement have the same meaning assigned to them in the Prospectus.

“Accounts Management Agreements”	two accounts management agreements to be entered into between the Trustee and the bookkeeper of the Trust on one part and Haiqi Greentown or Wuxi Greentown (as the case may be) on the other part concerning the management of its accounts
“Adjusted Equity Interests Put Option Put Price”	the exercise price of the Equity Interests Put Option upon the occurrence of the Early Repayment
“Beneficiaries”	the beneficiaries of the Trust and “ Beneficiary ” means any one of them
“Board”	the board of the Directors
“Company”	Greentown China Holdings Limited, a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the Stock Exchange
“Connected person”	has the meaning ascribed to it under the Listing Rules
“Consultancy Agreement”	the consultancy agreement to be entered into between Greentown Real Estate and the Trustee pursuant to which Greentown Real Estate will be appointed as the Real Estate Services Provider, the particulars of which are set out in the paragraph headed “7. Provision of the Real Estate Services by Greentown Real Estate”
“Directors”	the directors of the Company
“Disposal”	the Haiqi Greentown Disposal and the Wuxi Greentown Disposal, the particulars of which are set out in the section headed “1. Disposal of Haiqi Greentown Interests and Wuxi Greentown Interests”
“Disposal Agreements”	Haiqi Greentown Disposal Agreement and Wuxi Greentown Disposal Agreement

“Distribution Date”	the date of distribution of floating income upon Early Repayment and exercise of the Equity Interests Put Option or the date of distribution of special income prior to the exercise of the Trust Units Put Option, the particulars of which are set out in the paragraph headed “Calculation and distribution of the Trust Income”
“Early Repayment”	early repayment of the Haiqi Greentown Loan and/or Wuxi Greentown Loan
“Early Repayment Date”	the date of Early Repayment
“EGM”	extraordinary general meeting of the Company
“Equity Interests Put Option”	the put option granted to the Trustee pursuant to the Equity Interests Put Option Agreement, the particulars of which are set out in the section headed “3. Equity Interests Put Option”
“Equity Interests Put Option Agreement”	the equity interests put option agreement to be entered into between Greentown Real Estate and the Trustee pursuant to which Greentown Real Estate will grant a put option to the Trustee which may exercise such put option and require Greentown Real Estate or its nominees to acquire the Haiqi Greentown Interests and the Wuxi Greentown Interests, the particulars of which are set out in the section headed “3. Equity Interests Put Option”
“Equity Interests Put Option Put Price”	the exercise price of the Equity Interests Put Option upon the occurrence of the Material Adverse Event or the expiry of the 33rd month after the Trust Establishment Date
“Equity Pledge”	Haiqi Greentown Equity Pledge and Wuxi Greentown Equity Pledge
“Equity Pledge Agreements”	Haiqi Greentown Equity Pledge Agreement and Wuxi Greentown Equity Pledge Agreement
“GFA”	gross floor area
“Greentown Parties”	Greentown Real Estate, Hangzhou Kangju, all other entities directly or indirectly wholly-owned or controlled by Greentown Real Estate and all other entities that are under the common control of the party or parties controlling Greentown Real Estate
“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 established in the PRC and is an indirect wholly owned subsidiary of the Company
“Group”	the Company and its subsidiaries

“Guarantee”	the guarantee to be provided by Greentown Real Estate to the Trustee under the Guarantee Agreement, particulars of which are set out in the section headed “5. Provision of Guarantee and Surety”
“Guarantee Agreement”	the guarantee agreement to be entered into between Greentown Real Estate and the Trustee in relation to the provision of Guarantee and Surety
“Haiqi Greentown”	杭州綠城海企房地產開發有限公司 (Hangzhou Greentown Haiqi Real Estate Development Co., Ltd.)*, a limited liability company established in the PRC and, as at the date of this announcement, owned as to 55% by Hanzhou Kangju, 40% by Nanjing Julong and 5% by Greentown Real Estate and immediately upon completion of the disposal of the equity interests in Haiqi Greentown by Nanjing Julong which is expected to take place on or around the Trust Establishment Date, will be owned as to 30% by Hanzhou Kangju and 45% by Greentown Real Estate
“Haiqi Greentown Disposal”	the disposal of the Haiqi Greentown Interests by Hangzhou Kangju to the Trust pursuant to the Haiqi Greentown Disposal Agreement
“Haiqi Greentown Disposal Agreement”	the disposal agreement to be entered into between Hangzhou Kangju and the Trustee pursuant to which Hangzhou Kangju will dispose of the Haiqi Greentown Interests to the Trust, the particulars of which are set out in the section headed “1. Disposal of Haiqi Greentown Interests and Wuxi Greentown Interests”
“Haiqi Greentown Equity Pledge”	the pledge of the equity interests in Haiqi Greentown by Hangzhou Kangju and Greentown Real Estate (as pledgors) to the Trustee (as pledgee) pursuant to the Haiqi Greentown Equity Pledge Agreement
“Haiqi Greentown Equity Pledge Agreement”	the equity pledge agreement to be entered into between Hangzhou Kangju and Greentown Real Estate (as pledgors) and the Trustee (as pledgee) pursuant to which Hangzhou Kangju and Greentown Real Estate will pledge their respective interests in Haiqi Greentown to the Trust, the particulars of which are set out in the paragraph headed “6. Pledge of equity interests in Haiqi Greentown and Wuxi Greentown”
“Haiqi Greentown Interests”	not more than 25% equity interests in Haiqi Greentown held by Hangzhou Kangju, which are the subject of the Haiqi Greentown Disposal
“Haiqi Greentown Loan”	a loan of RMB1,250,000,000 (equivalent to HK\$1,425,000,000) to be provided by the Trust to Haiqi Greentown pursuant to the Haiqi Greentown Loan Agreement

“Haiqi Greentown Loan Agreement”	the loan agreement to be entered into between Haiqi Greentown and the Trustee pursuant to which the Trust will provide the Haiqi Greentown Loan to Haiqi Greentown, the particulars of which are set out in the paragraph headed “Provision of the Haiqi Greentown Loan and Wuxi Greentown Loan”
“Haiqi Greentown RMB1 Equity Interests Purchase Agreement”	the equity interest purchase agreement to be entered into between the Greentown Parties and the Trustee pursuant to which the Greentown Parties will sell all their remaining Haiqi Greentown Interests to the Trust at a consideration of RMB1, the particulars of which are set out in the paragraph headed “8. RMB1 Options”
“Haiqi Greentown RMB1 Option”	the option granted by the Greentown Parties to the Trust pursuant to the Haiqi Greentown RMB1 Equity Interests Purchase Agreement, the particulars of which are set out in the paragraph headed “8. RMB1 Options”
“Hangzhou Kangju”	杭州康居投資管理有限公司 (Hangzhou Kangju Investment Management Co., Ltd.)*, a wholly-foreign owned enterprise established in the PRC and an indirect wholly-owned subsidiary of the Company
“ICBC”	中國工商銀行股份有限公司 (Industrial and Commercial Bank of China Limited), a joint stock limited company incorporated in the PRC and the H shares and A shares of which are listed on the Stock Exchange (stock code: 1398) and the Shanghai Stock Exchange, respectively. ICBC is an Independent Third Party
“Independent Board Committee”	an independent committee of the Board, comprising all the independent non-executive Directors appointed by the Board to advise the Shareholders in relation to the transactions contemplated under the Guarantee Agreement, the Equity Interests Put Option Agreement, the Trust Unit Put Option Agreements, the Haiqi Greentown Loan Agreement, the RMB1 Equity Interests Purchase Agreements and the Equity Pledge Agreements
“Independent Third Parties”	third parties independent of the Company and its connected persons and are not connected persons of the Company and “ Independent Third Party ” means any one of them
“Investment Consultant”	Industrial and Commercial Bank of China Limited (Zhejiang Branch), the investment consultant of the Trust
“Investment Management Committee”	investment management committee of the Trust, the particulars of which are set out in the section headed “Establishment of the Investment Management Committee”
“Investment Return”	the return of investment to be realized by the Trust upon the exercise of the Equity Interests Put Option

“Junior Units”	the junior units of the Trust and “ Junior Unit ” means any one of them
“Junior Units Put Option Put Price”	the exercise price of the Trust Units Put Option in relation to Junior Units
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Loan Agreements”	the Haiqi Greentown Loan Agreement and the Wuxi Greentown Loan Agreement
“Loans”	the Haiqi Greentown Loan and the Wuxi Greentown Loan and “Loan” means any one of them
“Material Adverse Events”	shall have the same meaning in the paragraph headed “Material Adverse Events”
“Mr. Qian”	Qian Xiaohua (錢曉華), an executive general manager of the Company and a director of a number of subsidiaries of the Company
“Nanjing Julong”	南京聚龍房地產開發有限公司, a limited liability company established in the PRC, an indirect wholly-owned subsidiary of Harbour Center Development Limited whose shares are listed on the Stock Exchange and an Independent Third Party
“Other Beneficiaries”	the Beneficiaries other than Greentown Real Estate
“PRC”	the People’s Republic of China
“Project Companies”	Haiqi Greentown, Wuxi Greentown and such other project companies engaged in property development in the PRC
“Project Companies Shareholders”	the shareholders of Haiqi Greentown and Wuxi Greentown (other than Greentown Real Estate and Hangzhou Kangju)
“Qualified Investors”	investors which are Independent Third Parties and have satisfied the criteria to become Subscribers of the Junior Units as provided in the Trust Agreement and “ Qualified Investor ” means any one of them
“Real Estate Projects”	the Qianjiang Project and the Taihu Project and other real estate projects held by the Project Companies
“Real Estate Services”	the real estate services provided by Greentown Real Estate pursuant to the Consultancy Agreement
“Real Estate Services Provider”	Greentown Real Estate, the real estate services provider of the Trust

“RMB”	Renminbi, the lawful currency of the PRC
“RMB1 Equity Interests Purchase Agreement”	the Haiqi Greentown RMB1 Equity Interests Purchase Agreement and the Wuxi Greentown RMB1 Equity Interests Purchase Agreement
“RMB1 Options”	the Haiqi Greentown RMB1 Option and the Wuxi Greentown RMB1 Option
“Senior Units”	the senior units of the Trust and “ Senior Unit ” means any one of them
“Senior Units Put Option Put Price”	the exercise price of the Trust Units Put Option in relation to Senior Units
“Shareholders”	shareholders of the Company
“Settlement Date”	the 20th day of December of each calendar year
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscribers”	the subscribers of the Trust including ICBC (as manager of its RMB investment Scheme), Greentown Real Estate and other Qualified Investors
“Subscription”	subscription of not less than 60% of the total number of the Junior Units by Greentown Real Estate pursuant to the Trust Agreement
“Surety”	a surety of RMB10,000,000 to be provided by Greentown Real Estate to the Trust under the Guarantee Agreement, particulars of which are set out in the section headed “5. Provision of Guarantee and Surety”
“Total Cash Assets of the Trust”	any initial Trust Capital not yet invested by the Trust in Haiqi Greentown and Wuxi Greentown, any other amount received by the Trust upon Early Repayment and exercise of the Equity Interests Put Option
“Transaction Documents”	the Trust Agreement, the Disposal Agreements, the Consultancy Agreement, the Equity Interests Put Option Agreement, the RMB1 Equity Interests Purchase Agreements, the Loan Agreements and the Accounts Management Agreements
“Trust”	the trust named as “中海•綠城1號房地產投資基金” (Zhonghai-Greentown No. 1 Real Estates Investment Fund)* of which the Trustee will act as the trustee and set up by the Subscribers for the purpose of investing in the Project Companies
“Trust Agreement”	trust agreement dated 14 April 2009 entered into between Greentown Real Estate and the Trustee

“Trust Assets”	the assets of the Trust
“Trust Capital”	the fund injected by the Subscribers to the Trust
“Trust Establishment Date”	the date of establishment of the Trust
“Trust Income”	the total income generated by the Trust
“Trust Termination Date”	the date of termination of the Trust pursuant to the terms of the Trust Agreement
“Trust Units”	the Senior Units and the Junior Units and “ Trust Unit ” shall mean any one of them
“Trust Units Put Option”	the put option to be granted to the Other Beneficiaries pursuant to the Trust Units Put Option Agreements, the particulars of which are set out in the section headed “4. Trust Units Put Option”
“Trust Units Put Option Agreements”	the trust units put option agreements to be entered into between Greentown Real Estate and the Other Beneficiaries pursuant to which the Trust Units Put Option will be granted to the Other Beneficiaries the particulars of which are set out in the section headed “4. Trust Units Put Option”
“Trustee”	中海信托股份有限公司 (Zhonghai Trust Co., Ltd.)*, a limited liability company established in the PRC and an independent third party to the Company, which is owned as to 95% by China National Offshore Oil Corp. and 5% by China Citic Group as at the date of this announcement
“Wuxi Greentown”	無錫綠城房地產開發有限公司 (Wuxi Greentown Real Estate Development Co., Ltd.)*, a limited liability company established in the PRC, which is owned as to 85% by Greentown Real Estate, 10% by Mr. Qian and 5% by Wuxi New City as at the date of this announcement
“Wuxi Greentown Disposal”	the disposal of the Wuxi Greentown Interests by Greentown Real Estate to the Trust pursuant to the Wuxi Greentown Disposal Agreement
“Wuxi Greentown Disposal Agreement”	the disposal agreement to be entered into between Greentown Real Estate and the Trustee pursuant to which Greentown Real Estate will dispose of the Wuxi Greentown Interests to the Trust, the particulars of which are set out in the section headed “1. Disposal of Haiqi Greentown Interests and Wuxi Greentown Interests”

“Wuxi Greentown Equity Pledge”	the pledge of the equity interests in Wuxi Greentown by Greentown Real Estate (as pledgor) to the Trustee (as pledgee) pursuant to the Wuxi Greentown Equity Pledge Agreement
“Wuxi Greentown Equity Pledge Agreement”	the equity pledge agreement to be entered into between Greentown Real Estate (as pledgor) and the Trustee (as pledgee) pursuant to which Greentown Real Estate will pledge their respective interests in Wuxi Greentown to the Trust, the particulars of which are set out in the paragraph headed “6. Pledge of equity interests in Haiqi Greentown and Wuxi Greentown”
“Wuxi Greentown Interests”	not more than 45% equity interests in Wuxi Greentown held by Greentown Real Estate, which are the subject of the Wuxi Greentown Disposal
“Wuxi Greentown Loan”	a loan of RMB437,100,000 (equivalent to HK\$498,294,000) to be provided by the Trust to Wuxi Greentown pursuant to the Wuxi Greentown Loan Agreement
“Wuxi Greentown Loan Agreement”	the loan agreement to be entered into between Wuxi Greentown and the Trustee pursuant to which the Trust will provide the Wuxi Greentown Loan to Wuxi Greentown, the particulars of which are set out in the paragraph headed “2. Provision of Haiqi Greentown Loan and Wuxi Greentown Loan”
“Wuxi Greentown RMB1 Equity Interests Purchase Agreement”	the equity interest purchase agreement to be entered into between the Greentown Parties and the Trustee pursuant to which the Greentown Parties will sell all their remaining Wuxi Greentown Interests to the Trust at a consideration of RMB1, the particulars of which are set out in the paragraph headed “8. RMB1 Options”
“Wuxi Greentown RMB1 Option”	the option granted by the Greentown Parties to the Trust pursuant to the Wuxi Greentown RMB1 Equity Interests Purchase Agreement, the particulars of which are set out in the paragraph headed “8. RMB1 Options”

“Wuxi New City”

無錫市新城建設投資管理有限公司, a limited liability company established in the PRC and an Independent Third Party to the Company

For the purpose of this announcement, the exchange rate of RMB1.00 = HK\$1.14 has been used for currency translation, where applicable. Such exchange rates are for illustration purposes and do not constitute representations that any amount in RMB or HK\$ have been, could have been or may be converted at such rates.

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

Hangzhou, the PRC, 14 April 2009

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

* *For identification purposes only*