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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)

### FURTHER DISCLOSURE ANNOUNCEMENT EXECUTION OF THE SECOND SUPPLEMENTAL AGREEMENT SUBSEQUENT TO THE PUBLISHING OF THE CIRCULAR DATED 29 MAY 2009 AND DISCLOSEABLE AND CONNECTED TRANSACTION

The Board wishes to make further disclosure to the Shareholders and investors regarding the execution of the Second Supplemental Agreement between Richwise, the Company, Tandellen and Mr. Luo subsequent to the publication of the Circular on 29 May 2009.

Reference is made to the circular of the Company dated 29 May 2009 (the “**Circular**”) in relation to the Acquisition. Unless otherwise provided, terms used herein shall have the same meanings as those used in the Circular.

The board of directors of the Company (the “**Board**”) wishes to make further disclosure to the Shareholders and investors in relation to the Acquisition subsequent to the publication of the Circular on 29 May 2009.

As disclosed in the Circular, one of the conditions precedent for Completion is that Richwise Holdings Limited (“**Richwise**”), a wholly-owned subsidiary of the Company, having notified Tandellen Group Limited (“**Tandellen**”) that it is reasonably satisfied with its due diligence review on the financial, legal, commercial and taxation aspects of the Target Group and its title to the Land. During the process of due diligence conducted by Richwise, the following issues have been identified:

- (a) The consideration for the transfer of the equity interest of 北京萊福世紀置業有限公司 (Beijing Laifu Century Property Co., Ltd.\*) (“**Laifu Century**”) from State-owned Assets Supervision and Administration Commission of Chaoyang District to 北京萊福建設有限公司 (Beijing Life Builder Co., Ltd.\*) (“**Life Builder**”), the former shareholder of Laifu Century, was based on the revalued net asset value of Laifu Century. The difference between such consideration and the development cost of the Project of RMB262,762,806.47 and the registered capital of RMB10,000,000 of Laifu Century was booked as the capital reserve (資本公積) in the financial statement of Laifu Century. Such treatment of the capital reserve may cause Laifu Century to be exposed to enterprise income tax (企業所得稅) in relation to the amount of the capital reserve; and

- (b) Beijing Municipal Bureau of Land and Resources (北京市國土資源局) (the “**Bureau**”) may request Laifu Century to pay land idle fee (土地閑置費) and/or land appreciation (增值地價) arising from the delay in the commencement of construction and the completion of the Project which were stipulated in the land use rights grant contract (土地使用權出讓合同) of the Project.

In order to safeguard the interests of the Shareholders, Tandellen and Mr. Luo Zhaoming (“**Mr. Luo**”) have agreed to provide certain undertakings to indemnify Skymoon International Limited, the Company and/or Richwise on a jointly and severally basis, if any of the event disclosed above has occurred and as a result, on 15 July 2009, the parties to the Agreement entered into a second supplemental agreement (the “**Second Supplemental Agreement**”) to include, among other things, the following events of termination pursuant to which Richwise is entitled to terminate the Agreement if any of the following events occurred:

- (a) any creditor of Life Builder having filed a petition with the court to repudiate the acquisition of the 100% equity interest in Laifu Century by 杭州創景置業有限公司(Hangzhou Chuangjing Property Co., Ltd.\*) from Life Builder due to the non-payment of any outstanding loans owed by Life Builder to its creditors; and
- (b) the land use right of the Project having been partly or fully resumed by the Bureau due to the breach of the land use right contract of the Land resulting from the delay in the commencement of construction and the completion of the Project.

In the event that the Agreement (as amended and supplemented by the Second Supplemental Agreement) is terminated due to the occurrence of any of the above termination events, Tandellen and/or Mr. Luo shall refund the consideration of the Acquisition of HK\$610,000,000 (or its RMB equivalent sum) to Richwise within 60 working days from the date of termination of the Agreement (as amended and supplemented by the Second Supplemental Agreement) in accordance with Richwise’s instruction.

Save for the above, there are no other material changes to the terms of the Agreement. The other terms of the Agreement remain unchanged.

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

## **Reasons for Entering into the Second Supplemental Agreement**

The Board believes that the undertakings and the events of termination as provided in the Second Supplemental Agreement will help to better protect the Company and the interests of the Shareholders from potential risks that are being involved in the Acquisition. Based on the due diligence report and the legal opinion issued by a PRC law firm engaged by the Company in relation to the Acquisition, the Company is of the view that the risks involved in the Acquisition that will trigger any of the events of termination are quite remote and the Board considers that it is satisfied with the due diligence review against the Target Group and the Land.

In view of the foregoing, the Directors (including the independent non-executive Directors) believe that the terms of the Second Supplemental Agreement are on normal commercial terms and are fair and reasonable, and in the interests of the Company and the Shareholders as a whole.

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

Hangzhou, the PRC, 15 July 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; Mr. Tsui Yiu Wa, Alec, Mr. Jia Shenghua, Mr. Jiang Wei, Mr. Sze Tsai Ping, Michael, Mr. Tang Shiding and Mr. Ke Huan-zhang are the independent non-executive Directors.*

\* *For identification purpose only*