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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 AND CONNECTED TRANSACTION AND RESUMPTION OF TRADING

At around 2:30 p.m. on 7 May 2009, the Company, Richwise, a wholly-owned subsidiary of the Company, Tandellen and Mr. Luo entered into the Agreement (as amended by the Supplemental Agreement), pursuant to which Tandellen has conditionally agreed to sell the Sale Shares, representing the entire issued share capital of Skymoon International, to Richwise at a consideration of HK\$610,000,000, which will be satisfied in full by the allotment and issue of the Consideration Shares to Tandellen (or its nominees) at the Issue Price.

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

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

A circular containing, among other things, further particulars of the Acquisition, 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 practicable.

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

At the request of the Company, trading in the Shares on the Stock Exchange was suspended with effect from 2:30 p.m. on Thursday, 7 May 2009 pending release of this announcement. Application has been made by the Company to the Stock Exchange for the resumption of trading in the Shares with effect from 9:30 a.m. on Monday, 11 May 2009.

THE AGREEMENT AND THE SUPPLEMENTAL AGREEMENT

Date

7 May 2009 and 8 May 2009

Parties

Purchaser: Richwise

Vendor: Tandellen

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

Purchaser Guarantor: The Company

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

Vendor Guarantor: Mr. Luo

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

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

Assets to be acquired

The Sale Shares, representing the entire issued share capital of Skymoon International as at the date of this announcement. Skymoon International is an investment holding company and the Target Group is principally engaged in property development business.

Consideration

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

The consideration for the Acquisition being HK\$610,000,000 was determined after arm's length negotiation between Richwise and Tandellen with reference to, among other things, the revaluated net asset value of Laifu Century per its unaudited consolidated balance sheet as at 31 December 2008 of approximately RMB539,244,105 after taking into account of the preliminary indicative valuation of the existing status of the Project for RMB957,000,000 (equivalent to HK\$1,090,980,000) as at 31 December 2008 as appraised by DTZ, an independent professional valuer not connected with any of the directors, chief executive and substantial shareholders of the Company and its subsidiaries and associates on an open market basis.

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

The Directors (excluding the independent non-executive Directors who will express their view after receiving advice from an independent financial advisor) are of the view that the consideration for the Acquisition is fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Consideration Shares

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

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

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

The Issue Price represents:

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

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

Conditions precedent

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

- (a) Richwise having notified Tandellen that it is reasonably satisfied with its due diligence review on the financial, legal, commercial and taxation aspects of the Target Group and its title to the Land;
- (b) the receipt to the satisfaction of Richwise of (i) the legal opinions issued by a PRC law firm on issues, including but not limited to, the titles of the Land, the validity and legality of the relevant PRC licences or approvals including but not limited to the land use right certificate and the construction commencement work permit in respect of the Land, the legality of ownership of assets and business operations of each of the member of the Target Group which are established in the PRC and the validity of the transactions contemplated under the Agreement; and (ii) the legal opinions issued by a British Virgin Islands law firm on issues relating to, including but not limited to, the due establishment and valid existence of the Skymoon International under the laws of its incorporation, and the validity of the transactions contemplated under the Agreement;
- (c) no government authority, regulatory authority, court or judiciary or similar authority has made any order or decision which resulted the transactions contemplated under the Agreement become invalid, unenforceable, illegal or prohibited, or additional conditions to be appended to the Agreement or the parties to the Agreement are obliged to take up additional obligations;

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

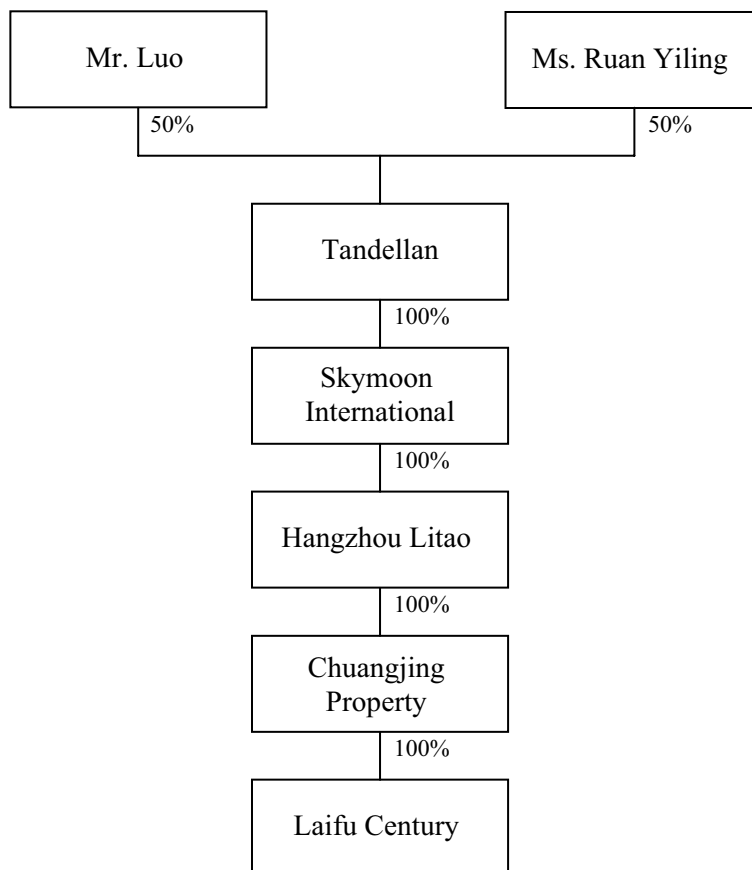
Save for conditions (a), (b), (c), (d), (h), (i), (j), (k) and (l) which are not waivable, conditions (e), (f) and (g) can be waived by Richwise. The conditions precedent are required to be fulfilled or waived (as the case may be) on or before 6 August 2009 or such later date as the parties to the Agreement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

Completion

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

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

Before completion of the Acquisition



After completion of the Acquisition



LOCK-UP ARRANGEMENT

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

CHANGE OF DIRECTOR

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

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

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

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

REASONS FOR ENTERING INTO THE AGREEMENT

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

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

The Directors (excluding the independent non-executive Directors who will express their view after receiving advice from an independent financial advisor) believe that the terms of the Agreement (including the consideration for the Acquisition) are on normal commercial terms and are fair and reasonable, and in the interests of the Company and the Shareholders as a whole. The Directors (excluding the independent non-executive Directors who will express their view after receiving advice from an independent financial advisor) consider the issue of Consideration Shares as consideration for the Acquisition is fair and reasonable and in the best interest of the Shareholders as a whole as it is the best financing method for the Company given that the Company would not need to use substantial amount of its existing cash resources to fund the Acquisition.

INFORMATION ON THE TARGET GROUP

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

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

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

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

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

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

As at the date of this announcement, no other properties or assets are held by Laifu Century save for its investment in the Project.

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

Based on the unaudited consolidated accounts of the Target Group prepared in accordance with the generally accepted accounting principles in the PRC, the Target Group did not record any net profit or net loss for the period from 2 December 2008 (being the date of incorporation of Skymoon International) to 31 December 2008. For the four months ended 30 April 2009, the unaudited loss before and after taxation of the Target Group was RMB70,658 (equivalent to approximately HK\$80,550). As the development of the Project has not yet been completed, no revenue was generated by the Target Group for the period from 2 December 2008 (being the date of incorporation of Skymoon International) to 31 December 2008. The unaudited net asset of the Target Group as at 31 December 2008 was RMB685,319,744 (equivalent to approximately HK\$781,264,508).

Based on the audited financial statements of Laifu Century prepared in accordance with the general accepted accounting principles in the PRC, the audited loss before and after taxation of Laifu Century for the period from 24 April 2007 (being the date of incorporation of Laifu Century) to 31 December 2007 was RMB1,279,448 (equivalent to approximately HK\$1,458,571), and the audited loss before and after taxation of Laifu Century for the year ended 31 December 2008 was RMB2,511,914 (equivalent to approximately HK\$2,863,582). As the development of the Project has not yet been completed, no revenue was generated by Laifu Century for the period from 24 April 2007 (being the date of incorporation of Laifu Century) to 31 December 2007, and for the year ended 31 December 2008. The audited net asset of the Laifu Century as at 31 December 2008 was RMB684,978,454 (equivalent to approximately HK\$780,875,438).

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

LISTING RULES IMPLICATIONS

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

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

An Independent Board Committee will be formed to advise the Shareholders on the Acquisition and an independent financial adviser will be appointed to advise the Independent Board Committee and the Shareholders in relation to the Acquisition.

A circular containing, among other things, further particulars of the Acquisition, 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 practicable.

GENERAL

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

SUSPENSION AND RESUMPTION OF TRADING

At the request of the Company, trading in the Company's shares on the Stock Exchange was suspended with effect from 2:30 p.m. on Thursday, 7 May 2009 pending the release of this announcement. An application has been made by the Company to the Stock Exchange for the resumption of trading in the Company's shares with effect from 9:30 a.m. on Monday, 11 May 2009.

DEFINITIONS

Unless otherwise stated, the terms in this announcement have the following meanings:

| | |
|------------------------|--|
| “Acquisition” | the acquisition by Richwise of the Sale Shares pursuant to the terms of the Agreement; |
| “Agreement” | the agreement dated 7 May 2009 (as amended by the Supplemental Agreement) entered into between Richwise, the Company, Tandellen and Mr. Luo in relation to the Acquisition; |
| “associate” | has the meaning ascribed to it in the Listing Rules; |
| “Board” | the board of Directors; |
| “Business Day” | any day (other than a Saturday, Sunday, a public holiday or a day on which typhoon signal no.8 or above or a “black” rainstorm warning is hoisted in Hong Kong) on which banks in Hong Kong are open for business; |
| “Chuangjing Property” | 杭州創景置業有限公司 (Hangzhou Chuangjing Property Co., Ltd.), a company established in the PRC with limited liability and is a wholly-owned subsidiary of Hangzhou Litao; |
| “Company” | Greentown China Holdings Limited, a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the Stock Exchange; |
| “Completion” | completion of the sale and purchase of the Sale Shares in accordance with the terms and conditions of the Agreement; |
| “Completion Account” | the audited accounts of Laifu Century up to 30 April 2009; |
| “Completion Date” | the fifth Business Day after the day on which the last condition precedent are fulfilled or waived or such other date as Richwise and Tandellen may agree; |
| “Connected person” | has the meaning ascribed thereto in the Listing Rules; |
| “Consideration Shares” | 100,000,000 new Shares to be allotted and issued by the Company under the Agreement; |
| “Directors” | the directors of the Company; |
| “Group” | the Company and its subsidiaries; |
| “HK\$” | Hong Kong dollar, the lawful currency of Hong Kong; |
| “Hangzhou Litao” | 力濤（杭州）建築設計諮詢有限公司 (Litao (Hangzhou) Construction and Design Consultancy Co., Ltd.), a company established in the PRC with limited liability and is a wholly owned subsidiary of Skymoon International; |

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| “Independent Board Committee” | an independent committee of the Board, comprising all the independent non-executive Directors appointed by the Board to advise the Shareholders in relation to the Acquisition; |
| “Issue Price” | an issue price of HK\$6.10 per Consideration Share; |
| “Laifu Century” | 北京萊福世紀置業有限公司 (Beijing Laifu Century Property Co., Ltd.), a company established in the PRC with limited liability and is a wholly-owned subsidiary of Chuangjing Property as at the date of this announcement; |
| “Land” | a parcel of land located at 中國北京朝陽區東直門外斜街8號院 (Yuan No. 8, Waixie Street, Dongzhimen, Chaoyang District, Beijing, the PRC) with an aggregate site area of approximately of 28,004 sq.m.; |
| “Last Trading Day” | 6 May 2009, being the last full trading day prior to the suspension of trading in the Shares pending the release of this announcement; |
| “Listing Rules” | the Rules Governing the Listing of Securities on the Stock Exchange; |
| “Mr. Luo” | Mr. Luo Zhaoming, a shareholder of Tandellen as at the date of this announcement; |
| “PRC” | the People’s Republic of China; |
| “Project” | the development of the Land as described in section headed “Information on the Target Group” of this announcement; |
| “Richwise” | Richwise Holdings Limited, a company incorporated in the British Virgin Islands with limited liability and a wholly-owned subsidiary of the Company; |
| “RMB” | Renminbi, the lawful currency of the PRC; |
| “Sale Shares” | 50,000 shares of US\$1.00 each in the capital of Skymoon International, representing the entire issued share capital of Skymoon International; |
| “Shareholders” | holders of the Shares; |
| “Shares” | shares of HK\$0.10 each in the capital of the Company; |
| “Skymoon International” | Skymoon International Limited, a company incorporated in British Virgin Islands with limited liability, and is a wholly-owned subsidiary of Tandellen prior to Completion; |
| “sq. m.” | square metre; |
| “Stock Exchange” | The Stock Exchange of Hong Kong Limited; |

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

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

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

Hangzhou, the PRC, 8 May 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*