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## **GREENTOWN CHINA HOLDINGS LIMITED**

**綠城中國控股有限公司\***

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 03900)**

### **RENEWAL OF EXISTING CONTINUING CONNECTED TRANSACTIONS**

Reference is made to the announcements of the Company dated 1 December 2008, 23 December 2010 and 15 December 2011 in relation to the continuing connected transactions under the Existing Continuing Connected Transaction Agreements.

As the Existing Continuing Connected Transaction Agreements expired on 31 December 2011, the Company entered into the Renewed Continuing Connected Transaction Agreements for a term up to 31 December 2014.

Given that the applicable percentage ratios (other than the profit ratio) under the Listing Rules for the transactions under each of the Renewed Continuing Connected Transaction Agreements on an annual basis is more than 0.1% but less than 5%, the transactions contemplated thereunder will be exempt from the independent shareholders' approval requirement but subject to the reporting and announcement requirements under Rules 14A.45 to 14A.47 of the Listing Rules.

### **RENEWAL OF EXISTING CONTINUING CONNECTED TRANSACTIONS**

#### **Background**

The Group is one of the leading property developers in the PRC and is primarily engaged in developing quality residential properties targeting middle and high income residents in the PRC.

\* *for identification purpose only*

The Company entered into the Existing Continuing Connected Transaction Agreements with Greentown Holdings Group, Greentown Football Club, Greentown Education, Greentown Health, Greentown Hospital and the Original Shareholders, as the case may be. The Existing Continuing Connected Transactions were continuing connected transactions of the Company under the Listing Rules, details of which were disclosed in the announcements of the Company dated 1 December 2008, 23 December 2010 and 15 December 2011, respectively.

As the Existing Continuing Connected Transaction Agreements expired on 31 December 2011, the Company entered into the Renewed Continuing Connected Transactions Agreements for a term up to 31 December 2014.

#### **(A) Renewed Properties Leasing Agreements**

On 1 December 2008, the Company entered into the Properties Leasing Agreements with Greentown Holdings Group pursuant to which Greentown Holdings Group leased to the Company the Commercial Properties for general commercial uses and the Staff Quarters as staff quarters of the Group.

The Company intends to continue to occupy the Commercial Properties for general commercial uses and the Staff Quarters as staff quarters of the Group upon the expiry of the Properties Leasing Agreements. On 20 January 2012, the Company entered into the Renewed Properties Leasing Agreements with Greentown Holdings Group in respect of the Properties (namely, the Commercial Properties and the Staff Quarters) for a term up to 31 December 2014.

#### ***General Principles and Terms***

Pursuant to the Renewed Properties Leasing Agreements, the leases in respect of the Properties are for a period up to 31 December 2014. The aggregate annual rental payable by the Company is RMB8.63 million (as to RMB8.13 million for the Commercial Properties and as to RMB0.50 million for the Staff Quarters). Unless otherwise agreed by the parties, the annual rental will be settled twice a year, in every January and July.

#### ***Cap Amount***

##### *Historical transaction values*

Pursuant to the terms of the Properties Leasing Agreements, the annual caps for the aggregate annual rental payable by the Company in respect of the Properties under the Properties Leasing Agreement were RMB8.06 million for each of the three years ended 31 December 2011, while the actual annual rental therefor for the two years ended 31 December 2010 and 11 months ended 30 November 2011 were approximately RMB7.89 million, RMB7.99 million and RMB7.93 million, respectively.

### *Proposed annual cap*

The annual rental payable to Greentown Holdings Group will moderately increase for the three years ending 31 December 2014 as compared to the rental under the Properties Leasing Agreement, having considered comparable market rates and the expected increase in property rentals in Hangzhou as compared to the level in 2008 at the time of entering into the Properties Leasing Agreements. Pursuant to the terms of the Renewed Properties Leasing Agreements, the annual rental payable by the Company in respect of the Properties will not exceed RMB8.63 million for each of the three years ending 31 December 2014.

### ***Listing Rule Implications***

As Greentown Holdings Group is wholly-owned by the Original Shareholders (namely Mr Song, Mr Shou and Ms Xia (being the spouse of Mr Song)), Greentown Holdings Group is a connected person of the Company under Chapter 14A of the Listing Rules. Therefore, the transactions contemplated under the Renewed Property Leasing Agreements will constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

Greentown Holdings Group is engaged in, among other things, the business of property management, hotel management, sale of construction materials, interior decoration and sports.

### **(B) Renewed Advertising Services Agreement**

Greentown Football Club is one of the professional football clubs in China which has been participating in football matches within Chinese Football Association Super League since advancement from China Football League A in 2007. On 1 December 2008, the Company entered into the Advertising Services Agreement with Greentown Football Club (as amended and supplemented by the Supplemental Advertising Services Agreement between the same parties on 15 December 2011), pursuant to which Greentown Football Club provided advertising services to the Company including advertising the Company's Greentown Real Estate brand name at the football games and events participated by Greentown Football Club.

Since the Company believes that this marketing campaign has been successful and has allowed the Company's Greentown Real Estate brand name to be publicised to spectators and the wider public through various public media reporting on the football events, the Company intends to retain the advertising services provided by Greentown Football Club after the expiry of the Advertising Services Agreement (as amended and supplemented by the Supplemental Advertising Services Agreement). On 20 January 2012, the Company and Greentown Football Club entered into the Renewed Advertising Services Agreement similar to the Advertising Services Agreement (as amended and supplemented by the Supplemental Advertising Services Agreement) for a term up to 31 December 2014.

## ***General Principles and Terms***

Pursuant to the Renewed Advertising Services Agreement, annual advertising fees will be paid to Greentown Football Club in return for advertising the brand name of Greentown Real Estate. The Company considered various factors when determining the fees, including comparable advertising campaigns, the Company's advertising focus and the level, quality and effectiveness of publicity the Company expects to obtain from such advertising services. The annual advertising fees payable to Greentown Football Club will not exceed RMB70 million. Unless otherwise agreed by the parties, the annual advertising fees will be paid in three installments: as to fifty percent (50%) of the total annual advertising fees will be paid by January, as to thirty percent (30%) by June and as to the remaining twenty percent (20%) by September.

Under the Renewed Advertising Services Agreement, Greentown Football Club shall use the name of Greentown Real Estate in all of its publicity materials and prominently show the same in its players' sportswear and shall also publish press article including the name on designated newspapers, television programs and websites. Greentown Football Club shall advertise the Greentown Real Estate brand name in participating Chinese Football Association Super League (中國足球協會超級聯賽), Asian Football Confederation Champions League (亞洲俱樂部冠軍聯賽) and Chinese Football Association Cup (中國足球協會杯賽). Moreover, Greentown Football Club shall prepare publicity materials (e.g. handbooks, albums, posters and billboards (including LED billboards)) in relation to its participation in Chinese Football Association Super League (中國足球協會超級聯賽), Asian Football Confederation Champions League (亞洲俱樂部冠軍聯賽) and Chinese Football Association Cup (中國足球協會杯賽). Moreover, Greentown Football Club shall maintain its publicity through public media channels (e.g. by various internet microblogging in China (weibo 微博) maintained by Greentown Football Club and their football players).

## ***Cap Amount***

### *Historical transaction value*

For the three years ended 31 December 2011, the annual fees for the advertising services provided by Greentown Football Club to the Company were RMB40 million, RMB40 million and RMB70 million, respectively.

### *Proposed annual cap*

For each of the three years ending 31 December 2014, the annual fees for the advertising services provided by Greentown Football Club to the Company will not exceed RMB70 million.

### ***Listing Rule Implications***

As Greentown Holdings Group is wholly-owned by the Original Shareholders (namely Mr Song, Mr Shou and Ms Xia (being the spouse of Mr Song)), Greentown Holdings Group is a connected person of the Company under Chapter 14A of the Listing Rules. As Greentown Holdings Group owns 100% of Greentown Football Club, Greentown Football Club is a connected person of the Company under Chapter 14A of the Listing Rules. Therefore, the transactions contemplated under the Renewed Advertising Services Agreement will constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

### **(C) Renewed Comprehensive Services Agreement**

On 1 December 2008, the Company, the Original Shareholders and Greentown Holdings Group entered into the Comprehensive Services Agreement (as amended and supplemented by the Supplemental Comprehensive Services Agreement between the same parties on 23 December 2010) in respect of the provision of interior decoration services, property management services, certain landscaping raw materials and hotel management services to the Company for a term of three years from 1 January 2009 to 31 December 2011. As the Comprehensive Services Agreement expired on 31 December 2011 and the Company intends to continue engaging similar services, on 20 January 2012, the Company, the Original Shareholders and Greentown Holdings Group entered into the Renewed Comprehensive Services Agreement similar to the Comprehensive Services Agreement (as amended and supplemented by the Supplemental Comprehensive Services Agreement) for a term up to 31 December 2014.

#### **(i) Interior Decoration Services**

Pursuant to the Renewed Comprehensive Services Agreement, the Original Shareholders, through their associates, will provide, among others, interior decoration services to the Company for the Company's property developments.

#### ***General Principles and Terms***

Pursuant to the Renewed Comprehensive Services Agreement, the Original Shareholders have agreed to provide interior decoration services through their associate(s) engaged in the decoration and design business to the Company upon terms not less favorable than those they offer to any third parties from time to time, but the Company is not obliged to use such services exclusively or at all. By serving three months' prior written notice, the Company may terminate such services in respect of any project.

### ***Cap Amount***

#### *Historical transaction value*

For each of the three years ended 31 December 2011, the annual caps for the interior decoration services provided by associates of the Original Shareholders to the Company were RMB10 million, while the actual annual fees therefor for the two years ended 31 December 2010 and the 11 months ended 30 November 2011 were approximately RMB0.79 million, RMB0.20 million and RMB5.89 million, respectively.

#### *Proposed annual cap*

Based on the historical transaction values and taking into account various factors including the continuous development of the Group and the increment in labour costs, the Directors expect that, for each of the three years ending 31 December 2014, the aggregate annual fees in respect of interior decoration services will not exceed RMB10 million.

### ***Listing Rule Implications***

The provision of interior decoration services by the Original Shareholders (namely Mr Song, Mr Shou and Ms Xia (being the spouse of Mr Song)) through their associates under the Renewed Comprehensive Services Agreement will constitute continuing connected transactions for the Company under Chapter 14A of the Listing Rules.

### **(ii) Property Management Services**

Greentown Holdings Group, through its associate engaged in property management business, also provided property management services to the Company for the Company's property developments pursuant to the Comprehensive Services Agreement (as amended and supplemented by the Supplemental Comprehensive Services Agreement). Pursuant to the Renewed Comprehensive Services Agreement, Greentown Holdings Group, through its associate(s), will provide similar property management services to the Company for the Company's property developments.

### ***General Principles and Terms***

Pursuant to the Renewed Comprehensive Services Agreement, Greentown Holdings Group has agreed to provide, among other services, pre-delivery property management services (including certain property management advisory services, security services and other related services) through its associate(s) to the Company upon terms not less favorable than those it offers to any third parties from time to time. The Company is not obliged to engage such services on an exclusive basis or at all. By serving three months' prior written notice, the Company may terminate such property management services in respect of any of the Company's project.

## ***Cap Amount***

### *Historical transaction value*

For the three years ended 31 December 2011, the annual caps for the aforesaid property management services were RMB14 million, RMB45 million and RMB80 million, respectively, while the actual annual fees therefor for the two years ended 31 December 2010 and the 11 months ended 30 November 2011 were approximately RMB13.90 million, RMB43.48 million and RMB47.35 million, respectively.

### *Proposed annual cap*

Based on the historical transaction values and taking into account various factors including the continuous development of the Company and the increment in labour costs, the Directors expect that the annual expenditures payable by the Company in respect of property management services to be provided by Greentown Holdings Group will increase. For the three years ending 31 December 2014, the aggregate annual fees in respect of such property management services will not exceed RMB130 million, RMB180 million, and RMB200 million, respectively.

### ***Listing Rule Implications***

As Greentown Holdings Group is wholly-owned by the Original Shareholders (namely Mr Song, Mr Shou and Ms Xia (being the spouse of Mr Song)), Greentown Holdings Group is a connected person of the Company under Chapter 14A of the Listing Rules. Accordingly, the provision of the property management services by Greentown Holdings Group through its associate(s) under the Renewed Comprehensive Services Agreement will constitute continuing connected transactions for the Company under Chapter 14A of the Listing Rules.

### **(iii) Supply of Raw Materials**

Greentown Holdings Group, through its associate, also supplied certain landscaping raw materials to the Company for its property developments pursuant to the Comprehensive Services Agreement (as amended and supplemented by the Supplemental Comprehensive Services Agreement). Pursuant to the Renewed Comprehensive Services Agreement, the Company will continue to purchase these landscaping raw materials under similar arrangements.

### ***General Principles and Terms***

Pursuant to the Renewed Comprehensive Services Agreement, Greentown Holdings Group has agreed, through its associate(s), to provide, among other things such materials to the Company upon terms not less favorable than those it offers to any third parties from time to time. The Company is not obliged to purchase such landscaping raw materials exclusively or at all. By serving three months' prior written notice, the Company may terminate the purchase of such landscaping raw materials in relation to any specific supply contract.

### ***Cap Amount***

#### *Historical transaction value*

The Company's annual caps for purchase of landscaping raw materials from the associate(s) of Greentown Holdings Group for the three years ended 31 December 2010 were RMB2 million, RMB5 million and RMB18 million, respectively, while the actual annual fees therefor for the two years ended 31 December 2010 and the 11 months ended 30 November 2011 were approximately RMB1.71 million, RMB3.22 million and RMB5.74 million, respectively.

#### *Proposed annual cap*

Based on the historical transaction values and various factors including the continuous development of the Company, the Directors expect that, for each of the three years ending 31 December 2014, the aggregate annual fees in respect of purchase of such landscaping raw materials will not exceed RMB18 million.

### ***Listing Rule Implications***

As Greentown Holdings Group is wholly-owned by the Original Shareholders (namely Mr Song, Mr Shou and Ms Xia (being the spouse of Mr Song)), Greentown Holdings Group is a connected person of the Company under Chapter 14A of the Listing Rules. Accordingly, the supply of raw materials by Greentown Holdings Group through its associate(s) under the Renewed Comprehensive Services Agreement will constitute continuing connected transactions for the Company under Chapter 14A of the Listing Rules.

#### **(iv) Hotel Management Services**

Greentown Holdings Group, through its associates, also provided hotel management services for the Company's hotel property development projects pursuant to the Comprehensive Services Agreement (as amended and supplemented by the Supplemental Comprehensive Services Agreement). Pursuant to the Renewed Comprehensive Services Agreement, the Company will continue to engage these hotel management services under similar arrangements.

### ***General Principles and Terms***

Pursuant to the Renewed Comprehensive Services Agreement, Greentown Holdings Group has agreed, through its associate(s), to provide, among other services, pre-delivery hotel management services (including certain advisory services and other related services) and post-delivery hotel management and operation services (including leasing business) to the Company upon terms not less favorable than those it offers to any third parties from time to time. The Company is not obliged to engage such services on an exclusive basis or at all. By serving three months' prior written notice, the Company may terminate such hotel management services in respect of any of the Company's projects.



### ***Cap Amount***

#### *Historical transaction value*

The Company's annual caps for hotel management services provided by Greentown Holdings Group and its associates for the three years ended 31 December 2011 were RMB2 million, RMB3 million and RMB5 million, respectively, while the actual annual fees therefor for the two years ended 31 December 2010 and the 11 months ended 30 November 2011 were approximately RMB1.74 million, RMB2.82 million and RMB4.55 million, respectively.

#### *Proposed annual cap*

Based on the historical transaction values and taking into account various factors including the Company's continuous growth and the increment in labour costs, the Directors expect that the annual expenditures payable by the Company in respect of such hotel management services will increase. For each of the three years ending 31 December 2014, the aggregate annual fees in respect of such hotel management services will not exceed RMB10 million.

#### ***Listing Rule Implications***

As Greentown Holdings Group is wholly-owned by the Original Shareholders (namely Mr Song, Mr Shou and Ms Xia (being the spouse of Mr Song)), Greentown Holdings Group is a connected person of the Company under Chapter 14A of the Listing Rules. Accordingly, the provision of the hotel management services by Greentown Holdings Group through its associate(s) under the Renewed Comprehensive Services Agreement will constitute continuing connected transactions for the Company under Chapter 14A of the Listing Rules.

### **(D) Renewed Educational Services Framework Agreement**

On 23 December 2010, the Company entered into the Educational Services Framework Agreement with Greentown Education for the provision of early educational participation services to the Group in the Group's development projects for a term of two years from 1 January 2010 to 31 December 2011. The services provided by Greentown Education mainly included: (i) participating in and advising on the initial decoration proposals and decoration work for the nursery and primary schools in the development projects of the Group; and (ii) assisting the Group in developing interest classes and summer camps, and related promotional activities. The Group has been providing a range of ancillary services in the property developments to enhance the quality of life of residents, including elementary education in the form of nursery and primary schools. It helps promote the branding and image of the Group in the middle and highend property market. The Company engaged Greentown Education, a company principally engaged in the business of education investment, management and consulting, in view of its market position, capabilities and experience.

As the Company intends to continue engaging early educational participation services, on 20 January 2012, the Company and Greentown Education entered into the Renewed Educational Services Framework Agreement similar to the Educational Services Framework Agreement for a term up to 31 December 2014.

### ***General Principles and Terms***

The services will be charged according to government determined or directed price or, in absence of such government determination or direction, at market price (including tender price) which may be charged by an independent third party under normal commercial terms in respect of the provision of similar services in the same area, the vicinity or the PRC. The Company and Greentown Education, or their respective subsidiaries, may enter into individual agreements in respect of the services to be provided basing on the terms of the Renewed Educational Services Framework Agreement.

The services under the Renewed Educational Services Framework Agreement are not exclusive and the Group may engage other service providers for the same services. The Company may also terminate the services provided by Greentown Education by three months' prior written notice.

### ***Cap Amount***

#### *Historical transaction value*

For the two years ended 31 December 2011, the annual caps for the early educational participation services provided by Greentown Education to the Group were RMB2 million and RMB10 million, respectively, while the actual annual fees therefor for the year ended 31 December 2010 and the 11 months ended 30 November 2011 were approximately RMB16,000 and RMB96,000, respectively.

#### *Proposed annual cap*

Based on the historical transaction values and taking into account the scale of the Group's existing operations in nursery and primary schools and the Group's project growth, the Directors expect that, for each of the three years ending 31 December 2014, the aggregate annual fees payable by the Company to Greentown Education in respect of early educational participation services will not exceed RMB10 million.

### ***Listing Rule Implications***

Greentown Education is a company wholly-owned by the Original Shareholders. Accordingly, the provision of the early educational participation services by Greentown Education will constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

## **(E) Renewed Health Management Services Framework Agreement**

On 23 December 2010, the Company entered into the Health Management Services Framework Agreement with Greentown Health for the provision of health management services to the Group for a term of two years from 1 January 2010 to 31 December 2011. The services provided by Greentown Health mainly included: (i) establishing health management promotion centres for providing health management services; (ii) setting up a working group responsible for advising and coordinating the work relating to the health management promotion centres; (iii) organising various regular health activities; (iv) providing medical-related services according to demand; and (v) providing other paid services in addition to the package of health management services. The Group has been providing a range of ancillary services in the property developments to enhance the quality of life of residents, including health management services. It helps promote the branding and image of the Group in the middle and high-end property market. The Company engaged Greentown Health, a company principally engaged in the business of health promotion, in view of its market position, capabilities and experience.

As the Company intends to continue engaging these health management services, on 20 January 2012, the Company and Greentown Health entered into the Renewed Health Management Services Framework Agreement similar to the Health Management Services Framework Agreement for a term up to 31 December 2014.

### ***General Principles and Terms***

The services will be charged according to government determined or directed price or, in absence of such government determination or direction, at market price (including tender price) which may be charged by an independent third party under normal commercial terms in respect of the provision of similar services in the same area, the vicinity or the PRC. The Company and Greentown Health, or their respective subsidiaries, may enter into individual agreements in respect of the services to be provided basing on the terms of the Renewed Health Management Services Framework Agreement.

The services under the Renewed Health Management Services Framework Agreement are not exclusive and the Group may engage other service providers for the same services. The Company may also terminate the services provided by Greentown Health by three months' prior written notice.

### ***Cap Amount***

#### *Historical transaction value*

For the two years ended 31 December 2011, the annual caps for the health management services provided by Greentown Health to the Group were RMB5 million and RMB25 million, respectively, while the actual annual fees therefor for the year ended 31 December 2010 and the 11 months ended 30 November 2011 were approximately RMB1.37 million and RMB4.10 million, respectively.

### *Proposed annual cap*

Based on the historical transaction values and taking into account the estimated demand of health management services and the Group's project growth, the Directors expect that, for the three years ending 31 December 2014, the aggregate annual fees payable by the Company to Greentown Health in respect of health management services will not exceed RMB25 million, RMB50 million, and RMB50 million, respectively.

### ***Listing Rule Implications***

Greentown Health is a non-wholly owned subsidiary of Greentown Holdings Group which is wholly-owned by the Original Shareholders. Accordingly, the provision of the health management services by Greentown Health under the Renewed Health Management Services Framework Agreement will constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

### **(F) Renewed Healthcare Services Framework Agreement**

On 23 December 2010, the Company entered into the Healthcare Services Framework Agreement with Greentown Hospital for the provision of healthcare services to the Group for a term of two years from 1 January 2010 to 31 December 2011. The services provided by Greentown Hospital mainly included: (i) providing healthcare and rehabilitation services; (ii) providing regular medical activities in respect of common or recurring diseases; (iii) establishing health database and developing health screening services; (iv) providing specific medical services; and (v) providing medical and living care services. The Group has been providing a range of ancillary services in the property developments to enhance the quality of life of residents, including healthcare services. It helps promote the branding and image of the Group in the middle and high-end property market. The Company engaged Greentown Hospital, a company principally engaged in the business of medical services, in view of its market position, capabilities and experience.

As the Company intends to continue engaging these healthcare services, on 20 January 2012, the Company and Greentown Hospital entered into the Renewed Healthcare Services Framework Agreement similar to Healthcare Services Framework Agreement for a term up to 31 December 2014.

### ***General Principles and Terms***

The services will be charged according to government determined or directed price or, in absence of such government determination or direction, at market price (including tender price) which may be charged by an independent third party under normal commercial terms in respect of the provision of similar services in the same area, the vicinity or the PRC. The Company and Greentown Hospital, or their respective subsidiaries, may enter into individual agreements in respect of the services to be provided basing on the terms of the Renewed Healthcare Services Framework Agreement.

The services under the Renewed Healthcare Services Framework Agreement are not exclusive and the Group may engage other service providers for the same services. The Company may also terminate the services provided by Greentown Hospital by three months' prior written notice.

### ***Cap Amount***

#### *Historical transaction value*

For the two years ended 31 December 2011, the annual cap for the healthcare services provided by Greentown Hospital to the Group were RMB2 million and RMB6 million respectively, while the actual annual fees therefor for the year ended 31 December 2011 and the 11 months ended 30 November 2011 were approximately RMB40,000 and RMB420,000, respectively.

#### *Proposed annual cap*

Based on the historical transaction values and taking into account the estimated demand of healthcare services and the Group's project growth, the Directors expect that, for the three years ending 31 December 2014, the aggregate annual fees payable by the Company to Greentown Hospital in respect of healthcare services will not exceed RMB15 million, RMB16 million, and RMB17 million, respectively.

### ***Listing Rule Implications***

The provision of the healthcare services under the Renewed Healthcare Services Framework Agreement by Greentown Hospital, being a company controlled by the Original Shareholders, will constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

## **GENERAL**

The Renewed Continuing Connected Transaction Agreements were entered into on normal commercial terms. As the applicable percentage ratios (other than the profit ratio) under the Listing Rules for the transactions under each of the Renewed Continuing Connected Transaction Agreements (namely, the Renewed Properties Leasing Agreements, the Renewed Advertising Services Agreement, the Renewed Comprehensive Services Agreement, the Renewed Education Services Framework Agreement, the Renewed Health Management Services Framework Agreement and the Renewed Healthcare Services Framework Agreement) on an annual basis is more than 0.1% but less than 5%, the transactions contemplated thereunder will be exempt from the independent shareholders' approval requirement but subject to the reporting and announcement requirements under Rules 14A.45 to 14A.47 of the Listing Rules.

The Directors, including the independent non-executive Directors, consider that the transactions contemplated under the Renewed Continuing Connected Transaction Agreements are conducted upon normal commercial terms and are fair and reasonable and in the interests of the Company's shareholders as a whole. The Directors (including the independent non-executive Directors) are also of the view that the annual caps of the continuing connected

transactions under the Renewed Continuing Connected Transaction Agreements are fair and reasonable. Mr Song and Mr Shou, being the chairman and executive vice-chairman of the Company, respectively, shall abstain from voting on the Board resolution approving the Renewed Continuing Connected Transactions Agreements and the annual caps therefor as they have material interests therein.

## DEFINITIONS

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

“Advertising Services Agreement”	an advertising services agreement dated 1 December 2008 entered into between the Company and Greentown Football Club
“Board”	the board of Directors
“Commercial Properties”	certain premises and properties situated at (i) Level 3 of Zone A, (ii) Level 10 of Zone A, (iii) Room 111 on Level 1 of Zone B, and (iv) Level 9 of Zone B, Huanglong Century Plaza, No. 1 Hangda Road, Xihu District, Hangzhou, Zhejiang Province, the PRC
“Company”	Greentown China Holdings Limited, a company incorporated in Cayman Islands with limited liability, the shares of which are listed on the Stock Exchange
“Comprehensive Services Agreement”	a comprehensive services agreement dated 1 December 2008 entered into among the Company, the Original Shareholders and Greentown Holdings Group
“Directors”	the directors of the Company
“Educational Services Framework Agreement”	an early educational participation services framework agreement dated 23 December 2010 entered into between the Company and Greentown Education
“Existing Continuing Connected Transaction Agreements”	refers to (i) the Properties Leasing Agreement; (ii) the Advertising Services Agreement as amended and supplemented by the Supplemental Advertising Services Agreement; (iii) the Comprehensive Services Agreement as amended and supplemented by the Supplemental Comprehensive Services Agreement; (iv) the Education Services Framework Agreement; (v) the Health Management Services Framework Agreement; and (vi) the Healthcare Services Framework Agreement
“Existing Continuing Connected Transactions”	transactions contemplated under the Existing Continuing Connected Transaction Agreements

“Greentown Education”	浙江綠城教育投資有限公司 (Zhejiang Greentown Education Investment Company Limited*), a company incorporated in the PRC with limited liability and owned by the Original Shareholders
“Greentown Football Club”	浙江綠城足球俱樂部有限公司 (Zhejiang Greentown Football Club Company Limited*), a company incorporated in the PRC with limited liability and wholly owned by Greentown Holdings Group
“Greentown Health”	浙江綠城健康促進管理有限公司 (Zhejiang Greentown Health Promotion Management Company Limited*), a company incorporated in the PRC with limited liability and owned directly and indirectly by Greentown Hospital and Greentown Holdings Group
“Greentown Holdings Group”	綠城控股集團有限公司 (Greentown Holdings Group Limited*), a wholly foreign-owned enterprise incorporated in the PRC with limited liability and owned by the Original Shareholders
“Greentown Hospital”	浙江綠城醫院投資有限公司 (Zhejiang Greentown Hospital Investment Company Limited*), a company incorporated in the PRC with limited liability and controlled by the Original Shareholders
“Group”	the Company and its subsidiaries
“Health Management Services Framework Agreement”	a health management services framework agreement dated 23 December 2010 entered into between the Company and Greentown Health
“Healthcare Services Framework Agreement”	a healthcare services framework agreement dated 23 December 2010 entered into between the Company and Greentown Hospital
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Original Shareholders”	Mr Song Weiping (or Mr Song), Mr Shou Bainian (or Mr Shou) and Ms Xia Yibo (or Ms Xia). Mr Song and Mr Shou are chairman and executive vice-chairman of the Company, respectively, while Ms Xia is the spouse of Mr Song
“PRC”	the People’s Republic of China
“Properties”	collectively, the Commercial Properties and the Staff Quarters

“Properties Leasing Agreements”	a properties leasing agreement dated 1 December 2008 entered into between the Company and Greentown Holdings Group for the Commercial Properties; and a framework property leasing agreement dated 1 December 2008 entered into between the Company and Greentown Holdings Group for the Staff Quarters
“Renewed Advertising Services Agreement”	an advertising services agreement dated 20 January 2012 entered into between the Company and Greentown Football Club
“Renewed Comprehensive Services Agreement”	a comprehensive services agreement dated 20 January 2012 entered into among the Company, the Original Shareholders and Greentown Holdings Group
“Renewed Continuing Connected Transaction Agreements”	refers to (i) the Renewed Properties Leasing Agreements; (ii) the Renewed Advertising Services Agreement; (iii) the Renewed Comprehensive Services Agreement; (iv) the Renewed Educational Services Framework Agreement; (v) the Renewed Health Management Services Framework Agreement; and (vi) the Renewed Healthcare Services Framework Agreement
“Renewed Educational Services Framework Agreement”	an early educational participation services framework agreement dated 20 January 2012 entered into between the Company and Greentown Education
“Renewed Health Management Services Framework Agreement”	a health management services framework agreement dated 20 January 2012 entered into between the Company and Greentown Health
“Renewed Healthcare Services Framework Agreement”	a healthcare services framework agreement dated 20 January 2012 entered into between the Company and Greentown Hospital
“Renewed Properties Leasing Agreements”	a properties leasing agreement dated 20 January 2012 entered into between the Company and Greentown Holdings Group for the Commercial Properties; and a framework property leasing agreement dated 20 January 2012 entered into between the Company and Greentown Holdings Group for the Staff Quarters
“RMB”	Renminbi, the lawful currency of the PRC
“Staff Quarters”	30 residential units, of which 26 are situated at Zigui Garden, Wenerxi Road, Xihu District, Hangzhou, Zhejiang Province, the PRC and of which 4 are situated at No.532 Wenyixi Road, Xihu District, Hangzhou, Zhejiang Province, the PRC



“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Supplemental Advertising Services Agreement”	a supplemental agreement to the Advertising Services Agreement dated 15 December 2011
“Supplemental Comprehensive Services Agreement”	a supplemental agreement to the Comprehensive Services Agreement dated 23 December 2010

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

Hangzhou, the PRC, 20 January 2012

*As at the date of this announcement, the Board comprises five executive Directors, namely Mr Song Weiping, Mr Shou Bainian, Mr Luo Zhaoming and Mr Guo Jiafeng and Mr Cao Zhounan and five independent non-executive Directors, namely Mr Jia Shenghua, Mr Jiang Wei, Mr Ke Huanzhang, Mr Sze Tsai Ping, Michael and Mr Tang Shiding.*