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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)

DISCLOSEABLE TRANSACTION IN RELATION TO THE PROPOSED DISPOSAL OF A PRC SUBSIDIARY

PROPOSED DISPOSAL

The Board wishes to announce that on 17 April 2012, a wholly-owned subsidiary of SOHO China (as Purchaser) and SOHO China entered into the Framework Agreement with Greentown Real Estate and MaAnShan Development (as Vendors) and the Company for the disposal of the entire equity interests in Greentown Plaza Development by the Vendors and assignment of all the rights and title to the Loans by Greentown Real Estate. Greentown Plaza Development is owned as to 70% by Greentown Real Estate and 30% by MaAnShan Development. The total consideration payable to Greentown Real Estate under the Framework Agreement for the Greentown Disposal and Assignment of Loans is RMB1,615,848,200 (subject to adjustment, if any).

LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios exceeds 5% but all the applicable percentage ratios are less than 25%, the transactions contemplated under the Framework Agreement constitute a discloseable transaction for the Company under Chapter 14 of the Listing Rules.

THE FRAMEWORK AGREEMENT

The Board wishes to announce that on 17 April 2012, a wholly-owned subsidiary of SOHO China (as Purchaser) and SOHO China entered into the Framework Agreement with Greentown Real Estate and MaAnShan Development (as Vendors) and the Company for the disposal of the entire equity interests in Greentown Plaza Development by the Vendors and assignment of all the rights and title to the Loans by Greentown Real Estate at an aggregate consideration of RMB2,137,720,000 (subject to adjustment, if any).

* *For identification purposes only*

The principal terms of the Framework Agreement are as follows:

Date: 17 April 2012

Parties:

- (1) the Company
- (2) Greentown Real Estate, as one of the Vendors (with MaAnShan Development as another Vendor)
- (3) SOHO China
- (4) SOHO Shanghai, as the Purchaser

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Purchaser (namely SOHO Shanghai) and its sole shareholder (namely SOHO China) and their ultimate beneficial owners are third parties independent of the Company and its connected persons.

Consideration and payment:

The aggregate consideration payable to Greentown Real Estate for the Greentown Disposal and Assignment of Loans under the Framework Agreement is RMB1,615,848,200 (subject to adjustment, if any), comprising (a) RMB1,300,638,200 being the consideration for the Greentown Disposal; and (b) RMB315,210,000 being the consideration for the Assignment of Loans. The consideration payable to MaAnShan Development for the MaAnShan Disposal under the Framework Agreement is RMB521,871,800 (subject to adjustment, if any).

The Consideration is payable in the following manner:

(a) ***First Installment*** – RMB800,000,000, of which RMB560,000,000 being the partial consideration for the Greentown Disposal and RMB240,000,000 being the partial consideration for the MaAnShan Disposal.

SOHO Shanghai shall pay RMB560,000,000 and RMB240,000,000 to the Greentown Designated Account and the MaAnShan Designated Account, respectively, on the date of fulfilment of (i) the due execution of the Framework Agreement; (ii) all Conditions Precedent having been fulfilled or (where applicable) waived by SOHO Shanghai in writing; (iii) the joint control of, among other things, the company seals, corporate chops and licences of Greentown Plaza Development by Greentown Real Estate and SOHO Shanghai; (iv) the passing of a shareholders' resolutions by all the shareholders of Greentown Plaza Development in relation to the Capital Injection and the opening of the Capital Verification Account; and (v) the representations and warranties given by the Vendors under the Framework Agreement remaining valid;

- (b) **Second Installment** – RMB126,300,000, being the partial consideration for the Assignment of Loans by Greentown Real Estate to SOHO Shanghai.

SOHO Shanghai shall pay the Second Installment to the bank accounts as designated by the Vendors before 15 May 2012 and within two Business Days after the fulfilment of (i) Greentown Plaza Development having paid all the deed tax in relation to the grant of the Land and the obtaining of the relevant real estate ownership certificate; (ii) all procedures for the Capital Injection having been completed and the obtaining of the renewed business license of Greentown Plaza Development showing its paid up registered capital of RMB1,550,000,000 from the relevant Administration for Industry and Commerce; (iii) the completion of the registration of the Equity Pledges; and (iv) the representations and warranties given by the Vendors under the Framework Agreement remaining valid; and

- (c) **Third Installment** – RMB1,211,420,000, of which RMB740,638,200 being the balance of the consideration for the Greentown Disposal; RMB281,871,800 being the balance of the consideration for the MaAnShan Disposal; and RMB188,910,000 being the balance of the consideration for the Assignment of Loans by Greentown Real Estate to SOHO Shanghai.

SOHO Shanghai shall pay the Third Installment to the bank accounts as designated by the Vendors within two Business Days after the fulfilment of, among other things: (i) the completion of the business registration for the equity transfers in relation to the Greentown Disposal and the MaAnShan Disposal with the relevant Administration for Industry and Commerce; (ii) the valid proof of an amount which can be treated as deductible costs before tax for the development project of the Land being not less than RMB1,871,485,000 (the “**Deductible Amount**”); (iii) the parties having procured Greentown Plaza Development to fulfil its existing contractual obligations in accordance with the terms of the Framework Agreement; (iv) procedures for Completion having taken place and a confirmation in relation to Completion having been executed by SOHO Shanghai and Greentown Real Estate; (v) SOHO Shanghai and Greentown Real Estate having executed a confirmation in relation to the adjustment to Consideration; (vi) written evidence confirming that the Guarantee Money would be refunded to SOHO China on the date of payment of the Third Installment; and (vii) the representations and warranties given by the Vendors under the Framework Agreement remaining valid.

For the avoidance of doubt, if SOHO Shanghai agrees and waives the payment condition as set out in (ii) above, SOHO Shanghai has the right to deduct from the Third Installment an amount equivalent to the taxation effect arising from the shortfall between the Deductible Amount and the actual deductible amount.

The parties agree that, prior to the payment of the Third Installment, SOHO Shanghai and Greentown Real Estate shall, after taking into account the factors as stated in the Framework Agreement (including but not limited to the amount of outstanding deed tax in relation to the grant of the Land, the amount of working capital of Greentown Plaza Development as at Completion and the fulfilment by Greentown Plaza Development of certain of its contractual obligations as set out in the Framework Agreement), adjust the Consideration and execute a confirmation in relation to the adjustment to Consideration.

The Consideration was arrived at after arm's length negotiation among the parties to the Framework Agreement and was determined by reference to, among other things, the recent market value of comparable land nearby the Land.

Guarantee Money: Within two Business Days after the payment of the First Installment (a) SOHO China shall pay the Guarantee Money into a bank account opened by Richwise as designated by Greentown Real Estate as guarantee money for the Third Installment; and (b) the Company shall execute a guarantee in favour of SOHO China for the refund of the Guarantee Money.

The Company and Greentown Real Estate shall procure Richwise to refund the Guarantee Money to SOHO China upon the day when SOHO Shanghai pays the Third Installment or the 5th Business Day after the termination of the Framework Agreement.

Conditions Precedent: Completion is subject to the fulfilment of the following conditions:

- (a) the obtaining by SOHO Shanghai and Greentown Real Estate of the approval of the transactions contemplated under the Framework Agreement from their respective board of directors and the obtaining by MaAnShan Development of the approval of the transactions contemplated under the Framework Agreement from its shareholders;
- (b) the passing of a shareholders' resolutions by all the shareholders of Greentown Plaza Development in relation to, among other things, the approval of the Greentown Disposal and the MaAnShan Disposal and their waiver to the pre-emptive right in relation to such disposals;

- (c) the completion of the registration of the First Equity Pledge;
and
- (d) the representations and warranties given by the Vendors under the Framework Agreement remaining valid.

Capital Injection:

The parties agree that the registered capital of Greentown Plaza Development shall be increased from RMB100,000,000 to RMB1,550,000,000 in two stages comprising:

- (a) **First Stage Capital Injection** – RMB800,000,000, of which 70% is to be contributed by Greentown Real Estate and 30% by MaAnShan Development. Within five Business Days after the receipt of the First Installment, Greentown Real Estate and MaAnShan Development shall apply the money received from the First Installment to the First Stage Capital Injection. Upon completion of the First Stage Capital Injection, Greentown Plaza Development shall repay RMB753,930,000 to Greentown Real Estate as partial repayment of the Shareholder’s Loans. Upon receipt of such partial repayment of the Shareholder’s Loans, Greentown Real Estate shall utilise not less than RMB650,000,000 for the Second Stage Capital Injection; and
- (b) **Second Stage Capital Injection** – RMB650,000,000. The funds for the Second Stage Capital Injection shall be injected before 15 May 2012. Upon completion of the Second Stage Capital Injection, Greentown Plaza Development shall repay RMB650,000,000 to Greentown Real Estate as partial repayment of the Shareholder’s Loans.

Equity pledges:

- (a) Within five Business Days after the signing of the Framework Agreement, the Vendors shall pledge the then entire paid up registered capital of Greentown Plaza Development (the “**First Equity Pledge**”) to SOHO Shanghai and register the pledge with the relevant Administration for Industry and Commerce.
- (b) Upon completion of the First Stage Capital Injection, the Vendors shall pledge the amount of capital injection in Greentown Plaza Development under the First Stage Capital Injection to SOHO Shanghai and register the pledge with the relevant Administration for Industry and Commerce.
- (c) Upon completion of the Second Stage Capital Injection, the Vendors shall pledge the amount of capital injection in Greentown Plaza Development under the Second Stage Capital Injection to SOHO Shanghai and register the pledge with the relevant Administration for Industry and Commerce.

Completion: Subject to the fulfillment of the Conditions Precedent, Completion shall take place on the day when the business registration for the equity transfers in relation to the Greentown Disposal and the MaAnShan Disposal with the relevant Administration for Industry and Commerce is completed.

Termination: The Framework Agreement may be terminated by any party in accordance with any applicable laws or the terms of the Framework Agreement.

If Completion does not take place before 30 June 2012 for any reason not related to any party, all parties shall negotiate for other possible alternative proposals. Upon failure to reach a consensus, any party has the right to terminate the Framework Agreement by written notice.

Upon termination, the Vendors shall refund without interest all the money paid by SOHO Shanghai as Consideration (after any deduction provided in the Framework Agreement, if the reason for termination is related to SOHO Shanghai and SOHO Shanghai is responsible for such breach under the Framework Agreement) within three Business Days.

INFORMATION ON SOHO CHINA, SOHO SHANGHAI, MAANSHAN DEVELOPMENT AND GREENTOWN PLAZA DEVELOPMENT

SOHO China, SOHO Shanghai and MaAnShan Development

The Directors are informed that: (a) SOHO China is a company incorporated in the Cayman Islands with limited liability whose shares are listed on the Stock Exchange and whose principal business activity is investment holding. The principal business activities of its major subsidiaries are development, operation and sale of commercial properties in central Beijing and Shanghai; (b) SOHO Shanghai is a company established in Shanghai with limited liability and is a wholly-owned subsidiary of SOHO China. The principal business activity of SOHO Shanghai is real property development and investment management; and (c) MaAnShan Development is a company established in the PRC with limited liability and is principally engaged in real estate development in the PRC.

Greentown Plaza Development

Greentown Plaza Development is a company established in the PRC. As at the date of this announcement, the registered capital of Greentown Plaza Development is RMB100,000,000 and is owned as to 70% by Greentown Real Estate and 30% by MaAnShan Development.

The audited net loss both before and after taxation and extraordinary items of Greentown Plaza Development for the financial years ended 31 December 2010 and 31 December 2011 were RMB890,889 and RMB3,632,210, respectively. The net asset value of Greentown Plaza Development as at 31 December 2011 was RMB95,476,901.

Greentown Plaza Development owns the Land, namely a parcel of land located at Tianshan Road, Changning District, Shanghai, the PRC, for commercial and office uses with a total site area of approximately 26,000 square metres. Upon Completion, Greentown Plaza Development will cease to be a subsidiary of the Company.

INFORMATION ON THE COMPANY AND GREENTOWN REAL ESTATE AND REASONS FOR ENTERING INTO THE FRAMEWORK AGREEMENT

The Group is one of the leading property developers in the PRC and is primarily engaged in developing quality properties targeting middle to higher income residents in the PRC. Greentown Real Estate is a company incorporated in the PRC and a wholly-owned subsidiary of the Company. The Board is of the view that the net proceeds from the Greentown Disposal would strengthen the Group's cash flow and increase its working capital to maintain the liquidity and conserve more financial resources for the funding of future investments when opportunities arise. It is expected that the Greentown Disposal would improve the gearing level and the financial position of the Group. As such, the Directors consider that the terms of the Framework Agreement are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

It is estimated that there will be a gain on the Greentown Disposal of approximately RMB200,000,000.

The Board expects that the net proceeds from the Greentown Disposal will be utilised as general working capital for the Group.

LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios exceeds 5% but all the applicable percentage ratios are less than 25%, the transactions contemplated under the Framework Agreement constitute a discloseable transaction for the Company under Chapter 14 of the Listing Rules.

DEFINITIONS

In this announcement, the following expressions have the meanings as set out below unless the context requires otherwise:

“Assignment of Loans”	the assignment of all the rights and title to the Loans to SOHO Shanghai pursuant to the terms and conditions of the Framework Agreement
“Board”	the board of Directors
“Business Day”	a day on which banks are generally open for business in the PRC
“Capital Injection”	collectively, the First Stage Capital Injection and the Second Stage Capital Injection
“Capital Verification Account”	a bank account jointly controlled by SOHO Shanghai and Greentown Plaza Development for verification of the Capital Injection
“Company”	Greentown China Holdings Limited, a company incorporated in the Cayman Islands with limited liability and whose shares are listed on the Stock Exchange
“Completion”	completion of the Disposals
“Conditions Precedent”	the conditions precedent as set out in the Framework Agreement, as more particularly set out in the section headed “The Framework Agreement” in this announcement
“Consideration”	the total consideration for the Disposals payable by SOHO Shanghai to the Vendors, as more particularly set out in the section headed “The Framework Agreement” in this announcement
“Director(s)”	the director(s) of the Company
“Disposals”	collectively, the Greentown Disposal, the MaAnShan Disposal and the Assignment of Loans
“Equity Pledges”	collectively, the equity pledges over the First Stage Capital Injection and the Second Stage Capital Injection granted by Greentown Real Estate and MaAnShan Development to SOHO Shanghai

“First Equity Pledge”	the equity pledge granted by Greentown Real Estate and MaAnShan Development to SOHO Shanghai over the registered capital of Greentown Plaza Development as more particularly set out in the section headed “The Framework Agreement” in this announcement
“First Installment”	the first installment of the Consideration
“First Stage Capital Injection”	the increase in the registered capital of Greentown Plaza Development from RMB100,000,000 to RMB900,000,000
“Framework Agreement”	the framework agreement dated 17 April 2012 entered into between the Company, SOHO China, SOHO Shanghai and the Vendors in relation to, among other things, the Disposals
“Greentown Designated Account”	a bank account jointly controlled by SOHO Shanghai and Greentown Real Estate
“Greentown Disposal”	the disposal of 70% equity interests in Greentown Plaza Development by Greentown Real Estate to SOHO Shanghai
“Greentown Plaza Development”	上海綠城廣場置業有限公司 (Shanghai Greentown Plaza Development Co., Ltd.*), a company established in the PRC with limited liability and is owned as to 70% by Greentown Real Estate and 30% by MaAnShan Development as at the date of this announcement
“Greentown Real Estate”	綠城房地產集團有限公司 (Greentown Real Estate Group Co., Ltd.*), a company established in the PRC with limited liability and an indirectly wholly-owned subsidiary of the Company
“Group”	collectively, the Company and its subsidiaries
“Guarantee Money”	HKD1,398,000,000, being the guarantee money to be paid by SOHO China pursuant to the Framework Agreement
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“HKD”	Hong Kong dollars, the lawful currency of Hong Kong

* For identification purposes only

“Land”	a parcel of land located at Tianshan Road, Changning District, Shanghai, the PRC
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Loans”	an amount of RMB315,210,000 owed by Greentown Plaza Development to Greentown Real Estate (including the associated companies of Greentown Real Estate)
“MaAnShan Designated Account”	a bank account jointly controlled by SOHO Shanghai and MaAnShan Development
“MaAnShan Development”	馬鞍山華龍置業發展有限公司 (MaAnShan Hualong Real Estate Development Co., Ltd.*), a company established in the PRC with limited liability
“MaAnShan Disposal”	the disposal of 30% equity interests in Greentown Plaza Development by MaAnShan Development to SOHO Shanghai
“PRC”	the People’s Republic of China which, for the purpose of this announcement, excludes Hong Kong, the Macau Special Administrative Region of the People’s Republic of China and Taiwan
“Richwise”	Richwise Holdings Limited (才智控股有限公司), a company incorporated in the British Virgin Islands with limited liability
“RMB”	Renminbi, the lawful currency of the PRC
“Second Installment”	the second installment of the Consideration
“Second Stage Capital Injection”	the increase in the registered capital of Greentown Plaza Development from RMB900,000,000 to RMB1,550,000,000
“Shareholder(s)”	shareholder(s) of the Company
“Shareholder’s Loans”	the interest-bearing shareholder’s loans and other payable in an aggregate amount of RMB1,719,140,000 (including the Loans) owed by Greentown Plaza Development to Greentown Real Estate (including the associated companies of Greentown Real Estate)

“SOHO China”	SOHO China Limited, a company incorporated in the Cayman Islands with limited liability and whose shares are listed on the Stock Exchange
“SOHO Shanghai”	搜候(上海)投資有限公司 (SOHO (Shanghai) Investment Co., Ltd.*), a company established in Shanghai with limited liability and a wholly-owned subsidiary of SOHO China as at the date of this announcement
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subsidiary(ies)”	has the meaning ascribed to it under the Listing Rules
“Third Installment”	the third installment of the Consideration
“Vendors”	collectively, Greentown Real Estate and MaAnShan Development
“%”	per cent.

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

Hangzhou, the PRC, 17 April 2012

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

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