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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)

ANNOUNCEMENT

(1) SUBSCRIPTION AGREEMENT

IN RELATION TO THE ISSUE OF 327,849,579 NEW SHARES BY THE COMPANY

(2) INVESTMENT AGREEMENT

**IN RELATION TO THE ISSUE OF 162,113,714 NEW SHARES BY THE COMPANY
AND HK\$2,550 MILLION PERPETUAL SUBORDINATED CONVERTIBLE
CALLABLE SECURITIES BY THE ISSUER – CONNECTED TRANSACTION**

(3) APPOINTMENT OF NON-EXECUTIVE DIRECTOR

AND

(4) RESUMPTION OF TRADING



Sole financial adviser to the Company

THE SUBSCRIPTION AGREEMENT

On 8 June 2012, the Company entered into the Subscription Agreement with the Share Investor (a wholly-owned subsidiary of Wharf) and Wharf pursuant to which the Company has conditionally agreed to allot and issue, and the Share Investor has conditionally agreed to subscribe for, the First Tranche Shares each at the Subscription Price in cash. The Subscription Price of HK\$5.20 represents: (i) a discount of approximately 2.8% to the closing price of the Shares as quoted on the Stock Exchange on the Last Trading Day of HK\$5.35; (ii) a premium of approximately 4.1% to the average of the closing price of the Shares as quoted on the Stock Exchange for the last five consecutive trading days up to and including the Last Trading Day of approximately HK\$4.99 per Share; and (iii) a premium of approximately 5.2% to the average of the closing price of the Shares as quoted on the Stock Exchange for the last 10 consecutive trading days up to and including the Last Trading Day of approximately HK\$4.95 per Share. The First Tranche Shares will be allotted and issued under the general mandate granted by the Shareholders to the Directors at the annual general meeting of the Company held on 13 June 2011.

* For identification purposes only

THE INVESTMENT AGREEMENT

On 8 June 2012, the Company and the Issuer, a wholly-owned subsidiary of the Company, entered into the Investment Agreement with the Share Investor, the PSCS Investor (a wholly-owned subsidiary of Wharf) and Wharf pursuant to which (i) the Company has conditionally agreed to allot and issue, and the Share Investor has conditionally agreed to subscribe for, the Second Tranche Shares each at the Subscription Price; and (ii) the Issuer has conditionally agreed to issue the Convertible Securities, and the PSCS Investor has conditionally agreed to subscribe for the Convertible Securities in the principal amount of HK\$2,550 million in cash. Subject to the terms and conditions of the Convertible Securities, they may be converted into Shares. The Company proposes to convene the EGM to seek approval from independent Shareholders for a specific mandate to allot and issue the Second Tranche Shares and the Conversion Shares issuable upon conversion of the Convertible Securities. The Company has agreed to guarantee on a subordinated basis the due payment of all sums expressed to be payable by the Issuer under the Convertible Securities.

USE OF PROCEEDS

The aggregate amount to be raised pursuant to the Subscription Agreement and the Investment Agreement is expected to be approximately HK\$5,098 million (approximately HK\$1,705 million under the Subscription Agreement and approximately HK\$3,393 million under the Investment Agreement). The net proceeds after deducting the related expenses is expected to be approximately HK\$5,087 million. The Company currently intends to apply the net proceeds for general corporate purposes, repayment of loan and/or as general working capital.

GENERAL

Completion of the transactions under the Subscription Agreement and those under the Investment Agreement is not inter-conditional.

As at the date hereof, Wharf has an interest in 34,888,500 Shares. Upon completion of the First Tranche Subscription, the Share Investor and its associates will be interested in an aggregate of 362,738,079 Shares, representing approximately 18.4% of the entire issued share capital of the Company as enlarged by the First Tranche Subscription. Accordingly, the Share Investor will become a substantial Shareholder and hence the allotment and issue of the Second Tranche Shares and the issue of the Convertible Securities under the Investment Agreement (which are expected to occur after completion of the First Tranche Subscription) and the allotment and issue of the Conversion Shares (if any) will constitute a connected transaction of the Company subject to the reporting, announcement and independent shareholders' approval requirements under Chapter 14A of the Listing Rules. An Independent Board Committee comprising all of the independent non-executive Directors has been formed to advise the independent Shareholders in respect of the transactions contemplated under the Investment Agreement. An independent financial adviser to advise the Independent Board Committee and the independent Shareholders in respect of the transactions contemplated under the Investment Agreement will be appointed as soon as possible.

A circular containing, among other things, (i) further details of the Investment Agreement; (ii) a letter from the Independent Board Committee; (iii) a letter from the independent financial adviser; (iv) a notice of the EGM; and (v) other information concerning the Company as required under the Listing Rules is expected to be despatched to the Shareholders within 15 business days from the date of this announcement.

Macquarie Capital (Hong Kong) Limited is acting as the sole financial adviser to the Company with respect to the Subscription Agreement and the Investment Agreement.

Shareholders and potential investors should note that completion of the transactions under each of the Subscription Agreement and the Investment Agreement is subject to a number of conditions and may or may not proceed. Shareholders and potential investors are reminded to exercise caution when dealing in the securities of the Company.

RESUMPTION OF TRADING

At the request of the Company, trading in the Shares on the Stock Exchange has been suspended with effect from 9:00 a.m. on 8 June 2012 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 Shares with effect from 9:00 a.m. on 11 June 2012.

THE SUBSCRIPTION AGREEMENT

Date and parties

Date: 8 June 2012

Parties: (1) The Company
(2) The Share Investor, a wholly-owned subsidiary of Wharf
(3) Wharf

To the best of the knowledge, information and belief of the Directors, having made all reasonable enquiries, as at the date of this announcement, save for Wharf's interest in 34,888,500 Shares, each of the Share Investor, Wharf and their respective ultimate beneficial owners is a third party independent of and not connected with the Company and is not a connected person of the Company.

Wharf has, among other things, guaranteed the punctual and due performance and observation of the Share Investor's obligations, commitments, undertakings and covenants under and pursuant to the Subscription Agreement.

Total number of Shares to be allotted and issued under the Subscription Agreement

327,849,579 Shares of HK\$0.10 each, representing approximately 20.0% of the entire issued share capital of the Company as at the date of this announcement and approximately 16.7% of the entire issued share capital of the Company as enlarged by the First Tranche Subscription.

Subscription Price

The total subscription price for the First Tranche Shares amounts to approximately HK\$1,705 million. The Subscription Price of HK\$5.20 per Share represents:

- (i) a discount of approximately 2.8% to the closing price of HK\$5.35 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (ii) a premium of approximately 4.1% to the average of the closing price of the Shares as quoted on the Stock Exchange for the last five consecutive trading days up to and including the Last Trading Day of approximately HK\$4.99 per Share; and
- (iii) a premium of approximately 5.2% to the average of the closing price of the Shares as quoted on the Stock Exchange for the last 10 consecutive trading days up to and including the Last Trading Day of approximately HK\$4.95 per Share.

The Subscription Price was determined by the Company, the Share Investor and Wharf after arm's length negotiations. When determining the Subscription Price, the Company has taken into account, among other things, the recent trading prices of the Shares, the prevailing market price of the Shares and the strategic value of the investment.

General mandate

The First Tranche Shares will be allotted and issued under the general mandate granted by the Shareholders to the Directors at the annual general meeting of the Company held on 13 June 2011 to authorise the Directors to allot and issue and deal with up to a maximum of 327,849,579 new Shares. The general mandate has not been utilised by the Company prior to entering into of the Subscription Agreement.

Conditions precedent

Completion of the First Tranche Subscription is conditional upon:

- (a) the Listing Committee of the Stock Exchange granting the approval for the listing of and permission to deal in the First Tranche Shares;
- (b) each of Wharf and Wheelock having obtained all necessary approvals, consents and waivers from the Stock Exchange and its shareholders for the transactions contemplated under the Subscription Agreement and the Investment Agreement;
- (c) the warranties given by the Company to the Share Investor under the Subscription Agreement being true, accurate and not misleading in all material respects as at the date of the Subscription Agreement and as at the date of completion of the First Tranche Subscription; and
- (d) the warranties given by the Share Investor and Wharf to the Company under the Subscription Agreement being true, accurate and not misleading in all material respects as at the date of the Subscription Agreement and as at the date of completion of the First Tranche Subscription.

The Share Investor may waive condition precedent set out in item (c) at any time by notice in writing to the Company, while the Company may waive condition precedent set out in item (d) at any time by notice in writing to the Share Investor.

The date on which all the conditions precedent set out above have been (and continue to be) satisfied (or waived pursuant to the terms set out in the Subscription Agreement) shall be the unconditional date (the “**First Unconditional Date**”). If the First Unconditional Date has not occurred within 45 days after the date of the Subscription Agreement or such other date as may be agreed between the Company and the Share Investor in writing, the Subscription Agreement shall terminate save as otherwise provided therein and (without prejudice to the rights and/or obligations of any party in respect of any antecedent breach) the parties to the Subscription Agreement shall be released and discharged from their respective obligations under the Subscription Agreement.

Completion of the First Tranche Subscription is not conditional upon completion of the transactions under the Investment Agreement.

Completion

Completion of the First Tranche Subscription shall take place on the second Business Day after the First Unconditional Date, or on such other date as the parties to the Subscription Agreement may agree.

Ranking

The First Tranche Shares, when issued and fully paid, will rank *pari passu* in all respects with the Shares in issue on the date of allotment and issue of the First Tranche Shares.

Application for listing

Application will be made to the Listing Committee of the Stock Exchange for listing of, and permission to deal in, the First Tranche Shares on the Stock Exchange.

Undertaking given by the Share Investor and Wharf

Non-disposal undertaking

Each of the Share Investor and Wharf undertakes to the Company that, during the period from the date of the Subscription Agreement and until the expiry of two years from the date of completion of the First Tranche Subscription (the “**First Non-disposal Period**”), it will not, without the Company’s prior written consent offer, pledge, charge, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant or agree to grant any option, right, interest, encumbrance or warrant to purchase or subscribe for, lend or otherwise transfer or dispose of, either directly or indirectly, or repurchase or enter into any swap or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of the First Tranche Shares (or any other shares, securities or interest of the Company deriving from the First Tranche Shares) or the shares of the Share

Investor or any of its holding companies or enter into any arrangement or agreement in respect of the voting rights attached to any of the First Tranche Shares (or any such other shares, securities or interest) or the shares of the Share Investor or any of its holding companies, whether any of the foregoing transactions is to be settled by delivery of share capital or such other securities, in cash or otherwise. The aforesaid non-disposal undertaking shall cease to be effective upon the occurrence of one or more of the following events during the First Non-disposal Period:

- (a) either Mr Song or Mr Shou terminates his service with the Group as a member of its senior management or an employee of the Group;
- (b) Mr Song, Mr Shou and Mr Luo Zhaoming (an executive Director) together cease to control 30% or more of the voting power of the Company, other than as a result of (i) a transfer or sale of any Shares to the Share Investor, Wharf or any of their respective associates; or (ii) the conversion of the Convertible Securities pursuant to its terms;
- (c) occurrence of a Breach Event; and
- (d) any resolution is passed or order made for the winding up, dissolution, administration or reorganisation of any member of the Group (other than a dormant company) or a moratorium is declared in relation to any indebtedness of any member of the Group, the appointment of any liquidator, receiver, administrator, administrative receiver, compulsory manager or other similar officer in respect of any member of the Group or any of its assets, or any analogous procedure or step in respect of any member of the Group is taken in any jurisdiction.

Non-acquisition undertaking

Each of the Share Investor and Wharf undertakes to the Company that during the period from the date of the Subscription Agreement and until the expiry of five years from the date of completion of the First Tranche Subscription (the “**First Non-acquisition Period**”), each of the Share Investor and Wharf will not, and will procure that parties acting in concert with it will not, directly or indirectly, acquire or agree to acquire any additional Shares, the economic consequences of ownership of any additional Shares, or any additional voting power or control to exercise any additional voting power in the Company (or enter into any arrangement or agreement to give such effect including with respect to the voting rights attached the Shares), whether any of the foregoing transactions is to be settled by delivery of share capital or such other securities, in cash or otherwise, such that it and parties acting in concert with it (whether alone or together) will come to hold or control more Shares or voting power of the Company than any other single Shareholder from time to time, save that the Share Investor and Wharf

shall be deemed not to be in breach of the aforesaid undertaking if the Share Investor, Wharf and their respective concert parties (whether alone or together) have come to hold or control more Shares or voting power of the Company than any other single Shareholder from time to time solely as a result of the occurrence any of the following events:

- (a) the conversion of the Convertible Securities pursuant to its terms;
- (b) any disposal of Shares by any Shareholder who, immediately following the completion of the First Tranche Subscription, holds more Shares or voting power than the Share Investor, to a person other than the Share Investor, Wharf or any of their respective concert parties; or
- (c) any dilution of the shareholding interest in the Company held by any of the Shareholders described in (b) above (other than the Share Investor, Wharf and their respective concert parties),

provided that once the Share Investor, Wharf and their respective concert parties (whether alone or together) come to hold or control more Shares or voting power of the Company than any other single Shareholder pursuant to any of the above permitted exceptions, each of the Share Investor and Wharf undertakes that it will not, and will procure that its concert party will not, during the First Non-acquisition Period, directly or indirectly, acquire or agree to acquire any additional Shares, the economic consequences of ownership of any additional Shares, or any voting power or the control to exercise any additional voting power in the Company (or enter into any arrangement or agreement to give such effect including with respect to the voting rights attached the Shares), whether any of the foregoing transactions is to be settled by delivery of share capital or such other securities, in cash or otherwise.

THE INVESTMENT AGREEMENT

Date and parties

Date: 8 June 2012

- Parties:
- (1) The Company
 - (2) The Issuer, a wholly-owned subsidiary of the Company
 - (3) The Share Investor, a wholly-owned subsidiary of Wharf
 - (4) The PSCS Investor, a wholly-owned subsidiary of Wharf
 - (5) Wharf

To the best of the knowledge, information and belief of the Directors, having made all reasonable enquiries, as at the date of this announcement, save for Wharf's interest in 34,888,500 Shares, each of the Share Investor, the PSCS Investor, Wharf and their ultimate beneficial owners is a third party independent of and not connected with the Company and is not a connected person of the Company.

Pursuant to the Investment Agreement: (i) the Company has agreed to allot and issue, and the Share Investor has agreed to subscribe for, the Second Tranche Shares; and (ii) the Issuer has agreed to issue, and the PSCS Investor has agreed to subscribe for, the Convertible Securities.

The Company has agreed to guarantee on a subordinated basis the due payment of all sums expressed to be payable by the Issuer under the Convertible Securities.

Wharf has, among other things, guaranteed the punctual and due performance and observation of the obligations, commitments, undertakings and covenants of the Share Investor and the PSCS Investor under and pursuant to the Investment Agreement.

The Second Tranche Shares

Total number of Second Tranche Shares to be allotted and issued under the Investment Agreement

162,113,714 Shares of HK\$0.10 each, representing (i) approximately 9.9% of the entire issued share capital of the Company as at the date of this announcement; (ii) approximately 8.2% of the entire issued share capital of the Company as enlarged by the First Tranche Subscription; and (iii) approximately 7.6% of the entire issued share capital of the Company as further enlarged by the Second Tranche Subscription (assuming that there will be no other issue of Shares).

Subscription Price

The Subscription Price for the Second Tranche Shares is the same as that for the First Tranche Shares. The total subscription price of the Second Tranche Shares amounts to approximately HK\$843 million.

Ranking

The Second Tranche Shares, when issued and fully paid, will rank *pari passu* in all respects with the Shares in issue on the date of allotment and issue of the Second Tranche Shares.

Application for listing

Application will be made to the Listing Committee of the Stock Exchange for listing of, and permission to deal in, the Second Tranche Shares on the Stock Exchange.

The Convertible Securities

Principal terms of the Convertible Securities

Issuer : the Issuer, a company incorporated in the British Virgin Islands with limited liability and a wholly-owned subsidiary of the Company.

Guarantor : the Company.

Principal amount of the Convertible Securities	:	HK\$2,550 million.
Form and denomination	:	The Convertible Securities will be issued in registered form in the denomination of HK\$10,000,000 each.
Guarantee	:	The Company has agreed to guarantee on a subordinated basis the due payment of all sums expressed to be payable by the Issuer under the Convertible Securities.
Status and subordination of the Convertible Securities	:	The Convertible Securities constitute direct, unsecured and subordinated obligations of the Issuer and rank <i>pari passu</i> without any preference among themselves. In the event of the Winding-up of the Issuer, the rights and claims of a holder of the Convertible Securities shall rank ahead of those persons whose claims are in respect of any class of share capital (including preference shares) of the Issuer, but shall be subordinated in right of payment to the claims of all other present and future senior and subordinated creditors of the Issuer other than the claims of holders of the Parity Securities.
Status and subordination of the Guarantee	:	In the event of the Winding-up of the Company, the rights and claims of a holder of the Convertible Securities in respect of the Guarantee shall rank ahead of those persons whose claims are in respect of any class of share capital (including preference shares) of the Company, but shall be subordinated in right of payment to the claims of all other present and future senior and subordinated creditors of the Company, other than the claims of holders of the Parity Securities.
Issue price	:	100% of the principal amount of the Convertible Securities.
Maturity date	:	There is no maturity date.
Distribution	:	The Convertible Securities confer the holders a right to receive distribution (each a “ Distribution ”) at the applicable distribution rate from and including the Issue Date payable on the first anniversary from the Issue Date, thereafter semi-annually in arrear.

Rate of distribution : The distribution rate shall be (i) in respect of the period from, and including the Issue Date to, but excluding the 5th anniversary from the Issue Date, 9% per annum and (ii) in respect of the period from and including the 5th anniversary from the Issue Date to, but excluding the 10th anniversary from the Issue Date, 9% per annum plus 2% and from, and including, each Reset Date falling after the 5th anniversary from the Issue Date to, but excluding, the immediately following Reset Date, the Initial Spread plus the applicable 5-year U.S. Treasury Rate plus 2%.

Optional deferral of Distribution : The Issuer may at its sole discretion elect to defer any scheduled Distribution (the “**Arrears of Distribution**”) to the next scheduled Distribution payment date by giving prior written notice. The Issuer may further defer any Arrears of Distribution following the foregoing notice requirement and is not subject to any limits as to the number of times Distributions and Arrears of Distribution can be deferred.

Any Arrears of Distribution and any Additional Distribution Amount shall be extinguished upon any voluntary conversion by the holders of the Convertible Securities.

Each amount of Arrears of Distribution (as defined below) shall bear interest as if it constituted the principal of the Convertible Securities at the prevailing Distribution Rate and the amount of such interest (the “**Additional Distribution Amount**”) with respect to Arrears of Distribution shall be due and payable and shall be calculated by applying the Distribution Rate to the amount of the Arrears of Distribution.

Distributions are cumulative subject to limited exceptions set forth under the terms and conditions of the Convertible Securities. The Additional Distribution Amount accrued up to any payment date for any Distribution shall be added to the amount of Arrears of Distribution remaining unpaid on such payment date for any Distribution so that it will itself become Arrears of Distribution.

- Dividend and capital distribution stopper : Unless and until the Issuer or the Company satisfies in full all outstanding Arrears of Distribution and any Additional Distribution Amount, the Issuer and the Company shall not declare or pay any dividends, distributions or make payment on, and will procure that no dividend or other payment is made on or redeem, reduce, cancel, buy-back or acquire for any consideration any share capital thereof (including preference shares) or Parity Securities.
- Conversion period : The Convertible Securities are convertible at any time after the expiry of three years from the Issue Date, except if an offer is made to Shareholders for all the outstanding Shares of the Company or if a Breach Event occurs, in which case, the Convertible Securities may be converted at any time on or after the offer is formally announced in compliance with applicable rules and regulations or for so long as the Breach Event is continuing, as the case may be.
- Initial Conversion Price : HK\$7.40 per Share, represents (i) a premium of approximately 38.3% to the closing price of HK\$5.35 per Share as quoted on the Stock Exchange on the Last Trading Day; (ii) a premium of approximately 48.2% to the average of the closing price of the Shares as quoted on the Stock Exchange for the last five consecutive trading days up to and including the Last Trading Day of approximately HK\$4.99 per Share; and (iii) a premium of approximately 49.7% to the average of the closing price of the Shares as quoted on the Stock Exchange for the last 10 consecutive trading days up to and including the Last Trading Day of approximately HK\$4.95 per Share.

The initial Conversion Price was determined by the Company, the PSCS Investor and Wharf after arm's length negotiations. When determining the initial Conversion Price, the Company has taken into account, among other things, the recent trading prices of the Shares, the prevailing market price of the Shares, the valuation metrics of the Company's listed comparable companies and the strategic value of the investment.

- Conversion Price adjustment : The Conversion Price will be subject to adjustment for, among other things, the following dilutive events:
- consolidation, subdivision or reclassification
 - capitalisation of profits or reserves
 - capital distributions
 - rights issues of Shares or options over Shares
 - rights issues of other securities
 - issues at less than 92% of the then prevailing market price
 - modification of rights of conversion
 - other offers to Shareholders
 - other events
- Issuer call : At any time after the Issue Date, the Issuer may redeem all or some of the Convertible Securities together with all outstanding Arrears of Distribution and any Additional Distribution Amount (if any) and the Distribution accrued to the date fixed for redemption at the following prices as a percentage of the principal amount:
- (a) from, and including, the Issue Date to, but excluding, the 1st anniversary of the Issue Date, at 103.5% of the principal amount;
 - (b) from, and including the 1st anniversary of the Issue Date to, but excluding, the 2nd anniversary of the Issue Date, at 107.0% of the principal amount;
 - (c) from, and including the 2nd anniversary of the Issue Date to, but excluding, the 3rd anniversary of the Issue Date, at 110.5% of the principal amount;
 - (d) from, and including the 3rd anniversary of the Issue Date to, but excluding, the 4th anniversary of the Issue Date, at 114.0% of the principal amount; and
 - (e) from, and including the 4th anniversary of the Issue Date, at 117.5% of the principal amount.
- Issuer's option to force conversion : On or at any time after three years from the Issue Date, the Issuer may, at its sole discretion and subject to certain conditions under the terms of the Convertible Securities, elect to convert the Convertible Securities in whole but not in part into Shares.

- Clean-up call : If at any time the aggregate principal amount of the Convertible Securities outstanding is less than 10% of the aggregate principal amount originally issued, the Issuer shall have the option to redeem such outstanding Convertible Securities in whole but not in part at their principal amount together with all outstanding Arrears of Distribution, any Additional Distribution Amount (if any) and the Distribution accrued to the date fixed for redemption.
- Tax call : If there is any change to British Virgin Islands or Cayman Islands tax law which would result in the Issuer or the Company becoming liable to pay additional tax amounts, the Issuer shall have the option to redeem such outstanding Convertible Securities in whole but not in part at their principal amount together with all outstanding Arrears of Distribution, any Additional Distribution Amount (if any) and any Distribution accrued to the date fixed for redemption. Holders have the right to elect for their Convertible Securities not to be redeemed but with no entitlement to any gross up for the additional tax amounts.
- Accounting call : If there is any change or amendment to International Financial Reporting Standards which would result in the Convertible Securities ceasing to qualify as equity securities in the financial statements of the Guarantor, the Issuer shall have the option to redeem such outstanding Convertible Securities in whole but not in part at their principal amount together with all outstanding Arrears of Distribution, any Additional Distribution Amount (if any) and any Distribution accrued to the date fixed for redemption.
- Conversion Shares : Based on the initial Conversion Price, a maximum of 344,594,594 Conversion Shares will be issued by the Company upon the full conversion of the Convertible Securities, representing (i) approximately 21.0% of the entire issued share capital of the Company as at the date of this announcement; (ii) approximately 17.5% of the entire issued share capital of the Company as enlarged by the First Tranche Subscription; (iii) approximately 16.2% of the entire issued share capital of the Company as enlarged by the Second Tranche Subscription; and (iv) approximately 13.9% of the entire issued share capital of the Company as further enlarged by a full conversion of the Convertible Securities (based on the initial Conversion Price) under the Investment Agreement (in each case assuming no other issue of Shares is made).

The Conversion Shares will rank, upon issue, *pari passu* in all respects with the Shares in issue on the date of allotment and issue of such Conversion Shares.

- Transferability : The Convertible Securities may only be transferred with the approval of the Company, except for transfers by a holder to any other company which is such holder's subsidiary or holding company or is a fellow subsidiary of any such holding company.
- Voting : Holder of the Convertible Securities will not be entitled to attend or vote at any meetings of the Company or the Issuer by reason only of its being a holder.
- Listing : No application will be made for the listing of the Convertible Securities on the Stock Exchange or any other stock exchange. An application will be made by the Company to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Conversion Shares.

Specific mandate

The Company will seek a specific mandate from the independent Shareholders for the allotment and issue of the Second Tranche Shares to be issued under the Investment Agreement and the Conversion Shares issuable upon the conversion of the Convertible Securities at the EGM.

Connected transaction

As at the date hereof, Wharf has an interest of 34,888,500 Shares. Upon completion of the First Tranche Subscription, the Share Investor and its associates will be interested in an aggregate of 362,738,079 Shares, representing approximately 18.4% of the entire issued share capital of the Company as enlarged by the First Tranche Subscription. As such, the Share Investor will be a substantial Shareholder and therefore a connected person of the Company. Accordingly, the allotment and issue of the Second Tranche Shares and the issue of the Convertible Securities under the Investment Agreement (which is expected to occur after completion of the First Tranche Subscription) and the allotment and issue of the Conversion Shares (if any) will constitute a connected transaction of the Company under Chapter 14A of the Listing Rules and subject to the reporting, announcement and independent shareholders' approval requirements.

An Independent Board Committee has been formed to advise the independent Shareholders in respect of the transactions contemplated under the Investment Agreement. An independent financial adviser to advise the Independent Board Committee and the independent Shareholders in respect of the transactions contemplated under the Investment Agreement will be appointed as soon as possible. The Share Investor and its associates are required to abstain from voting at the EGM approving various matters in relation to the Investment Agreement.

Conditions precedent

Completion of the Second Tranche Subscription and the issue of the Convertible Securities under the Investment Agreement is conditional upon the fulfilment of the following conditions:

- (a) the passing by the independent Shareholders at the EGM of the necessary resolutions to approve the Investment Agreement and the transactions contemplated thereunder;
- (b) the Listing Committee of the Stock Exchange granting the approval for the listing of and permission to deal in the Second Tranche Shares and the Conversion Shares issuable upon the conversion of the Convertible Securities;
- (c) Wharf and Wheelock having obtained all necessary approvals, consents and waivers from the Stock Exchange and its shareholders for the transactions contemplated under the Subscription Agreement and the Investment Agreement;
- (d) there shall not have occurred any change, event, circumstance or other matter that has, either individually or in the aggregate, a material adverse effect on the business, operations, financial condition, assets or liabilities of the Group taken as a whole which results in a net decrease in the Group's consolidated net asset value by more than 30% of its consolidated net asset value as shown in the audited financial statements of the Group for the year ended 31 December 2011;
- (e) the warranties given by the Company and the Issuer to the Share Investor and the PSCS Investor under the Investment Agreement being true, accurate and not misleading in all material respects as at the date of the Investment Agreement and as at the date of completion of the Second Tranche Subscription and the issue of the Convertible Securities; and
- (f) the warranties given by the Share Investor, the PSCS Investor and Wharf to the Company and the Issuer under the Investment Agreement being true, accurate and not misleading in all material respects as at the date of the Investment Agreement and as at the date of completion of the Second Tranche Subscription and the issue of the Convertible Securities.

The Share Investor and the PSCS Investor, on the one hand, may waive any of the conditions precedent set out in items (d) and (e) at any time by notice in writing to the Company, while the Company, on the other hand, may waive condition precedent set out in item (f) at any time by notice in writing to the Share Investor and the PSCS Investor. The date on which all the conditions precedent set out above have been (and continue to be) satisfied (or waived pursuant to the terms set out in the Investment Agreement) shall be the unconditional date (the "**Second Unconditional Date**"). If the Second Unconditional Date has not occurred within 180 days after the date of the Investment Agreement or such other date as may be agreed between the Company and the Issuer, on the one hand, and the Share Investor and the PSCS Investor, on the other hand in writing, the Investment Agreement shall terminate save as otherwise provided therein and (without prejudice to the rights and/or obligations of any party in respect of any antecedent breach) the parties to the Investment Agreement shall be released and discharged from their respective obligations under the Investment Agreement.

Completion of the transactions under the Investment Agreement is not conditional upon completion of the First Tranche Subscription.

Completion

Completion of the Second Tranche Subscription and the issue of the Convertible Securities under the Investment Agreement shall take place simultaneously and shall occur on the second Business Day after the Second Unconditional Date.

Undertaking given by the Share Investor

Non-disposal undertaking

Each of the Share Investor and Wharf undertakes to the Company that during the period from the date of the Investment Agreement and until the expiry of two years from the date of completion of the Second Tranche Subscription (the “**Second Non-disposal Period**”), it will not, without the Company’s prior written consent offer, pledge, charge, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant or agree to grant any option, right, interest, encumbrance or warrant to purchase or subscribe for, lend or otherwise transfer or dispose of, either directly or indirectly, or repurchase or enter into any swap or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of the Second Tranche Shares (or any other shares, securities or interest of the Company deriving from the Second Tranche Shares) or the shares of the Share Investor or any of its holding companies or enter into any arrangement or agreement in respect of the voting rights attached to any of the Second Tranche Shares (or any such other shares, securities or interest) or the shares of the Share Investor or any of its holding companies, whether any of the foregoing transactions is to be settled by delivery of share capital or such other securities, in cash or otherwise. The aforesaid non-disposal undertaking shall cease to be effective upon the occurrence of one or more of the following events during the Second Non-disposal Period:

- (a) either Mr Song or Mr Shou terminates his service with the Group as a member of its senior management or an employee of the Group;
- (b) Mr Song, Mr Shou and Mr Luo Zhaoming (an executive Director) together cease to control 30% or more of the voting power of the Company, other than as a result of (i) a transfer or sale of any Shares to the Share Investor, Wharf or any of their respective associates; or (ii) the conversion of the Convertible Securities pursuant to its terms;
- (c) occurrence of a Breach Event; and
- (d) any resolution is passed or order made for the winding up, dissolution, administration or reorganisation of any member of the Group or a moratorium is declared in relation to any indebtedness of any member of the Group, the appointment of any liquidator, receiver, administrator, administrative receiver, compulsory manager or other similar officer in respect of any member of the Group or any of its assets, or any analogous procedure or step in respect of any member of the Group is taken in any jurisdiction, in each case which would have a material adverse effect on the financial condition, operations, business or properties of the Group taken as a whole.

Non-acquisition undertaking

Each of the Share Investor and Wharf undertakes to the Company that, during the period from the date hereof and until the expiry of five years from the date of completion of the Second Tranche Subscription (the “**Second Non-acquisition Period**”), each of the Share Investor and Wharf will not, and will procure that parties acting in concert with it will not, directly or indirectly, acquire or agree to acquire any additional Shares, the economic consequences of ownership of any additional Shares, or any additional voting power or control to exercise any additional voting power in the Company (or enter into any arrangement or agreement to give such effect including with respect to the voting rights attached the Shares), whether any of the foregoing transactions is to be settled by delivery of share capital or such other securities, in cash or otherwise, such that it and parties acting in concert with it (whether alone or together) will come to hold or control more Shares or voting power of the Company than any other single Shareholder from time to time, save that the Share Investor and Wharf shall be deemed not to be in breach of the aforesaid undertaking if the Share Investor, Wharf and their respective concert parties (whether alone or together) have come to hold or control more Shares or voting power of the Company than any other single Shareholder from time to time solely as a result of the occurrence any of the following events:

- (a) the conversion of the Convertible Securities pursuant to its terms;
- (b) any disposal of Shares by any Shareholder who, immediately following the completion of the Second Tranche Subscription, holds more Shares or voting power than the Share Investor (and its concert parties), to a person other than the Share Investor, Wharf or any of their respective concert parties; or
- (c) any dilution of the shareholding interest in the Company held by any of the Shareholders described in (ii) above (other than the Share Investor, Wharf and their respective concert parties),

provided that once the Share Investor, Wharf and their respective concert parties (whether alone or together) come to hold or control more Shares or voting power of the Company than any other single Shareholder pursuant to any of the above permitted exceptions, each of the Share Investor and Wharf undertakes that it will not during the Second Non-acquisition Period, directly or indirectly, acquire or agree to acquire any additional Shares, the economic consequences of ownership of any additional Shares, or any voting power or the control to exercise any additional voting power in the Company (or enter into any arrangement or agreement to give such effect including with respect to the voting rights attached the Shares), whether any of the foregoing transactions is to be settled by delivery of share capital or such other securities, in cash or otherwise.

Anti-dilution rights given to the Share Investor

For so long as the Share Investor holds at least 23.0% of the issued share capital of the Company from time to time and subject to (i) the proviso below; (ii) compliance with the then applicable Listing Rules, provisions of the constitutional documents of the Company and laws and regulations by the Company; and (iii) compliance with the undertaking by the Share Investor as described under the paragraph headed “Non-acquisition undertaking” above,

if the Company at any time from the date of completion of the Second Tranche Subscription up to five years therefrom, issues or offers any new Shares (including securities convertible into Shares), the Share Investor shall be entitled to subscribe for or purchase, at the same time as and on the same terms (including price) offered to other investors, such Shares (and/or securities, as the case may be) in such number as is necessary for the Share Investor to maintain its pre-offering percentage shareholding in the Company. The Share Investor shall not be entitled to the aforesaid anti-dilution rights in the issue or offering of new Shares (including securities convertible or exchangeable into Shares) pursuant to: (i) any rights issue; (ii) the exercise of any options which may be granted or exercise of rights of subscription or conversion of under the terms of any bonds, notes, warrants, debentures or other securities (including the Convertible Securities) which carry right to subscribe for or are convertible into Shares and are existing as at the date of the completion of the Second Tranche Subscription; (iii) any scrip dividend, bonus issue or similar arrangement; (iv) the exercise of any options granted or which may be granted under the Share Option Scheme; or (v) any transaction by any members of the Group pursuant to which such new Shares (including securities convertible into Shares) are to be issued by the Company as consideration. The aforesaid anti-dilution rights shall terminate and be of no effect immediately upon the Share Investor ceasing to hold at least 23.0% of the then issued share capital of the Company.

UNDERTAKING BY MR SONG AND MR SHOU

In order to show the long term commitment of Mr Song and Mr Shou in the Company, each of Mr Song and Mr Shou has undertaken to the Company that, for a term of five years from the completion of the First Tranche Subscription, subject to compliance with the then applicable Listing Rules and constitutional documents of the Company, he will make his service available to the Group as a director and/or senior management of the Company provided that the Company offers such role(s) to him on terms comparable to prevailing market terms.

PROPOSED APPOINTMENT OF NON-EXECUTIVE DIRECTORS

Pursuant to the Subscription Agreement, the Company will propose a meeting of the Board for the Directors to consider the appointment of Mr Ng, a candidate nominated by the Share Investor, as a non-executive Director whose appointment shall be subject to and take effect upon completion of the First Tranche Subscription. Further, the Company has agreed to propose Mr Ng for re-election by the Shareholders at the EGM as a non-executive Director. The biographical details of Mr Ng are set out below:

Mr Stephen Tin Hoi Ng, aged 59, has been deputy chairman and managing director of The Wharf (Holdings) Limited since 1994. He joined the Wharf Group in 1981 and became director and chief financial officer in 1987. He was appointed managing director in May 1989 and deputy chairman in June 1994. Among the Wharf Group's principal subsidiaries, he is chairman of Harbour Centre Development Limited (publicly listed), i-CABLE Communications Limited (publicly listed), Modern Terminals Limited, Wharf T&T Limited and The "Star" Ferry Company Limited.

Mr Ng is also deputy chairman of Wheelock (owner of over 50% of Wharf) and Chairman of Joyce Boutique Holdings Limited, both publicly listed in Hong Kong.

Mr Ng was born in Hong Kong in 1952 and grew up in Hong Kong. He attended Ripon College in Ripon, Wisconsin, U.S.A. and the University of Bonn, Germany, from 1971 to 1975, and graduated with a major in mathematics. He is vice chairman of The Hong Kong General Chamber of Commerce and a council member of the Employers' Federation of Hong Kong. He is also a member of the Hong Kong Port Development Council and the Port Development Advisory Group.

As at the date of this announcement, no service contract was entered into between Mr Ng and the Company. Subject to his appointment becoming effective, Mr Ng will be entitled to a director fee to be determined by the remuneration committee and the Board by reference to, among other things, his responsibilities and the prevailing market terms.

Save as disclosed above, Mr Ng does not, and did not in the last three years, hold any directorship in listed companies; and he does not have any other relationship with any Directors, senior management, substantial or controlling Shareholders. As at the date of this announcement, Mr Ng does not hold any interest in the Shares within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

Save as disclosed above, there are no other matters concerning the proposed appointment of Mr Ng as the non-executive Director that need to be brought to the attention of the Shareholders and there is no information relating to Mr Ng that is required to be disclosed pursuant to Rule 13.51(2)(h) to (v) of the Listing Rules.

Pursuant to the Investment Agreement, the Company has agreed to propose an additional candidate nominated by the Share Investor for election by the Shareholders at the EGM as a non-executive Director. The biographical details of this candidate will be announced as soon as practicable.

Each of Mr Song and Mr Shou has undertaken to the Share Investor and the PSCS Investor to vote in favour of the resolutions to be put forward at the EGM in relation to the aforesaid appointment.

ESTABLISHMENT OF INVESTMENT COMMITTEE

Upon completion of the First Tranche Subscription, for so long as the Share Investor holds at least 16.7% of the issued share capital of the Company from time to time, the Company shall establish and maintain an Investment Committee which shall comprise three members who may or may not be a Director for the purpose of providing guidance and supervision to the Company with respect to investment matters. The Share Investor shall be entitled to appoint one representative (the "**Share Investor's Representative**") to the Investment Committee. For so long as the Gearing Ratio is 100% or more, no member of the Group shall carry out any acquisition of land or investment in any property development project except with the prior written consent from the majority of the members of the Investment Committee (which shall comprise the written consent of the Share Investor's Representative). This undertaking shall fall away immediately upon the Share Investor ceasing to hold at least 16.7% of the issued share capital of the Company from time to time.

INFORMATION OF THE GROUP AND WHARF

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.

Wharf is a company listed on the main board of the Stock Exchange. The principal business activities of the Wharf Group are ownership of properties for development and letting, investment holding, container terminals as well as communications, media and entertainment.

REASONS FOR AND BENEFITS OF ENTERING INTO THE SUBSCRIPTION AGREEMENT AND THE INVESTMENT AGREEMENT

The Directors believe that the subscription monies from the issue of the First Tranche Shares, the Second Tranche Shares and the Convertible Securities will improve the cash position of the Group, reduce its gearing and hence strengthen the overall balance sheet position of the Company. The subscription monies will also provide additional cash resources for the Group to fund its investments and capital expenditure. The introduction of the Wharf Group as a strategic investor of the Company will create opportunities for enhanced strategic dialogue and cooperation with the Wharf Group in the PRC property sector.

Having considered the aforesaid, the Directors believe that the respective terms of the Subscription Agreement and the Investment Agreement are fair and reasonable and in the interest of the Shareholders as a whole.

USE OF PROCEEDS

The aggregate amount to be raised pursuant to the Subscription Agreement and the Investment Agreement is approximately HK\$5,098 million (approximately HK\$1,705 million under the Subscription Agreement and approximately HK\$3,393 million under the Investment Agreement). The net proceeds from the aforesaid agreements after deducting the related expenses is approximately HK\$5,087 million. The net price per Share under the Subscription Agreement and the Investment Agreement (based on the initial Conversion Price) after deducting the related expenses is approximately HK\$5.85.

The Company currently intends to apply the net proceeds for general corporate purposes, repayment of loan and/or as general working capital.

EFFECTS ON THE SHAREHOLDING STRUCTURE OF THE COMPANY

Based on the information available to the Directors as at the date of this announcement and on the assumption that the shareholding structure of the Company remains unchanged save as otherwise described in this announcement, set out below are the shareholding structures of the Company (i) as at the date of this announcement; (ii) upon allotment and issue of the First Tranche Shares under the Subscription Agreement; (iii) upon allotment and issue of Second Tranche Shares under the Investment Agreement; and (iv) upon allotment and issue of the Conversion Shares (based on the initial Conversion Price) under the Investment Agreement:

	As at the date of this announcement	% of the issued share capital	Immediately following completion of the First Tranche Shares	% of the issued share capital	Immediately following completion of the Second Tranche Shares	% of the issued share capital	Upon full conversion of the Convertible Securities	% of the issued share capital
Mr Song (<i>Note 1</i>)	540,983,000	33.0	540,983,000	27.5	540,983,000	25.4	540,983,000	21.9
Mr Shou (<i>Note 2</i>)	384,490,500	23.4	384,490,500	19.5	384,490,500	18.1	384,490,500	15.6
Other Directors	113,010,000	6.9	113,010,000	5.7	113,010,000	5.3	113,010,000	4.6
Share Investor and its associates	34,888,500	2.1	362,738,079	18.4	524,851,793	24.6	869,446,387	35.1
Public Shareholders (<i>Note 3</i>)	566,939,897	34.6	566,939,897	28.8	566,939,897	26.6	566,939,897	22.9
Total	1,640,311,897	100.0	1,968,161,476	100.0	2,130,275,190	100.0	2,474,869,784	100.0

Notes:

1. This refers to the Shares held by corporations controlled by Mr Song and also a corporation controlled by his spouse, Ms Xia Yibo.
2. This refers to the Shares held by a corporation controlled by Mr Shou.
3. Based on the information available to the Directors as at the date of this announcement and on the assumption that the shareholding structure of the Company remains unchanged save as otherwise described in this announcement, following the allotment and issue of the First Tranche Shares and the Second Tranche Shares and upon the allotment and issue of the Conversion Shares (based on the initial Conversion Price), the public float of the Company will fall below 25%. In such event, the Company will take appropriate measures with a view to restore its public float.

Based on the information available to the Directors as at the date of this announcement and on the assumption that the shareholding structure of the Company remains unchanged save as otherwise described in this announcement, following the allotment and issue of the First Tranche Shares and the Second Tranche Shares and upon the allotment and issue of the Conversion Shares (based on the initial Conversion Price) to the Share Investor under the Investment Agreement, the Share Investor and its associate(s) will be interested in an aggregate of 869,446,387 Share, representing approximately 35.1% of the then enlarged issued share capital of the Company, thereby triggering a general offer obligation on the Share Investor and parties acting in concert with it to extend an offer to the other Shareholders pursuant to Rule 26 of the Takeovers Code unless a whitewash waiver is obtained by the Share Investor and parties acting in concert with it pursuant to Rule 26 of the Takeovers Code. The Share Investor will comply with all relevant requirements under the Takeovers Code.

FUND RAISING ACTIVITIES IN THE LAST 12 MONTHS

The Company has not conducted any equity capital raising activity for the 12 months immediately before the date of this announcement.

GENERAL

A circular containing, among other things, (i) further details of the Investment Agreement, (ii) a letter from the Independent Board Committee; (iii) a letter from the independent financial adviser; (iv) a notice of the EGM; and (v) other information concerning the Company as required under the Listing Rules is expected to be despatched to the Shareholders within 15 business days after the date of this announcement. Each of Mr Song and Mr Shou has undertaken to the Share Investor and the PSCS Investor to vote in favour of the resolutions with respect to the Investment Agreement and the appointment of the two proposed non-executive Directors nominated by the Share Investor at the EGM.

Macquarie Capital (Hong Kong) Limited is acting as the sole financial adviser to the Company with respect to the Subscription Agreement and the Investment Agreement.

Shareholders and potential investors should note that completion of the transactions under each of the Subscription Agreement and the Investment Agreement is subject to a number of conditions and may or may not proceed. Shareholders and potential investors are reminded to exercise caution when dealing in the securities of the Company.

RESUMPTION OF TRADING

At the request of the Company, trading in the Shares on the Stock Exchange has been suspended with effect from 9:00 a.m. on 8 June 2012 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 Shares with effect from 9:00 a.m. on 11 June 2012.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions shall have the following respective meanings:

“associate”	has the meaning ascribed to it in the Listing Rules
“Board”	the board of the Company
“Breach Event”	occurs when the Gearing Ratio is 100% or more and the Group carries out any acquisition of land or investment in any property development project in breach of the Company’s obligation to seek the prior approval of the Investment Committee as more particularly described in the section headed “Establishment of Investment Committee” in this announcement

“Business Day”	a day, other than a Saturday or Sunday or public holiday, on which commercial banks are generally open for normal banking business in Hong Kong
“Company”	Greentown China Holdings Limited (綠城中國控股有限公司*), an exempted company incorporated in the Cayman Islands with limited liability and the shares of which are listed on the main board of the Stock Exchange
“connected person”	has the meaning ascribed to it in the Listing Rules
“Conversion Price”	means the price per Share at which Shares will be allotted and issued upon conversion of the Convertible Securities, such price initially being HK\$7.40 per Share, subject to adjustment in accordance with the terms and conditions of the Convertible Securities
“Conversion Shares”	the Shares to be allotted and issued by the Company upon conversion of the Convertible Securities
“Convertible Securities”	the Hong Kong dollar denominated perpetual subordinated convertible callable securities of the Issuer with an aggregate principal amount of HK\$2,550 million to be issued pursuant to the Investment Agreement
“Director(s)”	the director(s) of the Company
“EGM”	an extraordinary general meeting to be held by the Company to consider and, if thought fit, approve the Investment Agreement and the transactions contemplated thereunder
“First Tranche Shares”	the 327,849,579 Shares to be allotted and issued to the Share Investor under the Subscription Agreement
“First Tranche Subscription”	allotment and issue of the First Tranche Shares to the Share Investor under the Subscription Agreement
“Gearing Ratio”	the gearing ratio of the Company from time to time as measured by the net debt divided by net assets as disclosed in the latest published annual or interim financial results of the Company (whichever is more recent) from time to time
“Group”	the Company and its subsidiaries

* For identification purposes only

“Guarantee”	the guarantee given by the Company on a subordinated basis in respect of the due payment of all sums expressed to be payable by the Issuer under the Convertible Securities
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Board Committee”	a board committee comprising all the independent non-executive Directors to advise the independent Shareholders in respect of the transactions contemplated under the Investment Agreement
“Initial Spread”	shall be a rate to be determined on or before the Issue Date
“Investment Agreement”	the investment agreement among the Company, the Issuer, the Share Investor, the PSCS Investor and Wharf dated 8 June 2012 in relation to the subscription and issue of the Second Tranche Shares and the Convertible Securities
“Investment Committee”	the investment committee to be established by the Company in accordance with the Investment Agreement upon completion of the Second Tranche Subscription
“Issue Date”	the date of issue of the Convertible Securities under the Investment Agreement
“Issuer”	Active Way Development Limited, a company incorporated in the British Virgin Islands with limited liability and a wholly-owned subsidiary of the Company
“Last Trading Day”	7 June 2012, being the last full trading day of the Shares on the Stock Exchange immediately prior to the publication of this announcement
“Listing Rules”	Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Mr Ng”	Mr Stephen Tin Hoi Ng, a proposed non-executive Director
“Mr Shou”	Mr Shou Bainian, the vice chairman of the Board, the chief executive officer of the Company and an executive Director

“Mr Song”	Mr Song Weiping, the chairman of the Board and an executive Director
“Parity Securities”	means, in respect of the Issuer and the Company, as the case may be: (i) any security issued or guaranteed by the Issuer which ranks or is expressed to rank <i>pari passu</i> with the Convertible Securities; (ii) any securities issued by the Company which ranks or is expressed to rank <i>pari passu</i> with the Company’s obligation under the Guarantee; and (iii) any security guaranteed by the Company or for which the Company has otherwise assumed liability where the Company’s obligations under the relevant guarantee or other assumption of liability rank or are expressed to rank <i>pari passu</i> with the Company’s obligations under the Guarantee
“parties acting in concert”	shall have the meaning ascribed to in under on the Takeovers Code, and the terms “concert parties” shall be construed accordingly
“PSCS Investor”	Enzio Investments Limited, a company incorporated in the British Virgin Islands with limited liability and a wholly-owned subsidiary of Wharf
“Reset Date”	the fifth anniversary after the Issue Date and each day falling every five calendar years after the fifth anniversary after the Issue Date
“Second Tranche Shares”	the 162,113,714 Shares to be allotted and issued to the Share Investor under the Investment Agreement
“Second Tranche Subscription”	allotment and issue of the Second Tranche Shares to the Share Investor under the Investment Agreement
“Share Investor”	Target Smart Investments Limited, a company incorporated in the British Virgin Islands with limited liability and a wholly-owned subsidiary of Wharf
“Share Option Scheme”	the share option scheme adopted by adopted by the Shareholders on 22 June 2006 and any other similar option scheme(s) to be adopted by the Company from time to time
“Share(s)”	ordinary share(s) of HK\$0.10 each in the capital of the Company
“Shareholder(s)”	the registered holder(s) of the Share(s)

“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription Agreement”	the subscription agreement among the Company, the Share Investor and Wharf dated 8 June 2012 in relation to the subscription and issue of the First Tranche Shares
“Subscription Price”	HK\$5.20 per Share
“Takeovers Code”	The Code on Takeovers and Mergers and Share Repurchase
“Wharf”	The Wharf (Holdings) Limited, a company incorporated in Hong Kong with limited liability and the shares of which are listed on the main board of the Stock Exchange (stock code 00004), and a subsidiary of Wheelock
“Wharf Group”	Wharf and its subsidiaries including the Share Investor and the PSCS Investor
“Wheelock”	Wheelock and Company Limited, a company incorporated in Hong Kong with limited liability and the shares of which are listed on the main board of the Stock Exchange (stock code 00020)
“Winding-up”	with respect to the Issuer or the Company, a final and effective order or resolution for the bankruptcy, winding up, liquidation, receivership or similar proceedings in respect of the Issuer or the Company, as the case may be
“%”	per cent.

* *For identification purposes only*

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

Hangzhou, the PRC, 8 June 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.