

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should obtain independent professional advice.

If you have sold or transferred all your shares in Greentown China Holdings Limited, you should at once hand this circular together with the enclosed form of proxy to the purchaser or transferee or to the bank, or stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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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)

**CONNECTED TRANSACTION
IN RELATION TO THE DEVELOPMENT OF
RESIDENTIAL PROPERTIES
WITH THE WHARF GROUP IN HANGZHOU
AND
NOTICE OF EXTRAORDINARY GENERAL MEETING**

*Independent Financial Adviser to
the Independent Board Committee and the Independent Shareholders*



A letter from the Board is set out on pages 4 to 9 of this circular and a letter from the Independent Board Committee is set out on pages 10 to 11 of this circular. A letter from the independent financial adviser to the Independent Board Committee and the Independent Shareholders, containing its advice to the Independent Board Committee and the Independent Shareholders, is set out on pages 12 to 22 of this circular.

A notice convening an extraordinary general meeting ("EGM") of Greentown China Holdings Limited (the "Company") to be held at 2:30 p.m. on 8 January 2016 (Friday) at Conference Room 1, 10th Floor, Block A, Century Plaza, No. 1 Hangda Road, West Lake District, Hangzhou, Zhejiang Province, the People's Republic of China is set out on pages 36 to 37 of this circular. A form of proxy for appointing proxy to attend the EGM is also enclosed. Such form of proxy is also published on the websites of The Stock Exchange of Hong Kong Limited (www.hkex.com.hk) and the Company (www.greentownchina.com).

Whether or not you are able to attend, you should complete and return the form of proxy in accordance with the instructions stated thereon and return it to the Company's share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, as soon as possible and in any event by not later than 48 hours before the time appointed for holding such meeting or any adjournment thereof.

Completion and return of the form of proxy will not preclude you from attending and voting in person at the EGM or any adjourned meeting thereof should you so wish, in which case the form of proxy shall be deemed to be revoked.

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DEFINITIONS

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

“associate(s)”	has the same meaning ascribed to it under the Listing Rules
“Board”	the board of Directors
“CCCG”	China Communication Construction Group (Limited), a wholly state-owned company established in the PRC and a substantial shareholder of the Company
“Company”	Greentown China Holdings Limited (stock code: 03900), a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the Stock Exchange
“connected person(s)”	has the same meaning ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“EGM”	an extraordinary general meeting to be held on 8 January 2016 by the Company to consider and, if thought fit, approve the Framework Agreement and the transactions contemplated thereunder
“Framework Agreement”	the framework agreement entered into between the Company and Wharf dated 27 October 2015 in relation to the proposed formation of the Project Company for the development of the Land
“Group”	the Company together with its subsidiaries
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong
“Hong Kong”	Hong Kong Special Administrative Region of the PRC
“Independent Board Committee”	an independent committee of the Board composed of all independent non-executive Directors, namely Mr JIA Shenghua, Mr KE Huanzhang, Mr SZE Tsai Ping, Michael and Mr HUI Wan Fai

DEFINITIONS

“Independent Financial Adviser” or “Investec”	Investec Capital Asia Limited, a corporation licensed to carry out type 1 (dealing in securities), type 4 (advising on securities), type 6 (advising on corporate finance) and type 9 (asset management) regulated activities under the SFO, being the independent financial adviser appointed to advise the Independent Board Committee and the Independent Shareholders in relation to the Framework Agreement and the transactions contemplated thereunder
“Independent Shareholder(s)”	any Shareholder who is not required to abstain from voting at the EGM
“Land”	a piece of land in the Bin Jiang District of Hangzhou, Zhejiang province of the PRC of approximately 38,605 sqm
“Land Consideration”	the total consideration of RMB1,625,000,000 for acquiring the land use rights of the Land from Hangzhou Municipal Bureau of Land Resources* (杭州市國土資源局) pursuant to the bid successfully made by Zhejiang Lujiu for the Land from Hangzhou Municipal Bureau of Land Resources* (杭州市國土資源局) on 27 October 2015
“Latest Practicable Date”	15 December 2015, being the latest practicable date prior to the printing of this circular for ascertaining certain information in this circular
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Option Holder(s)”	the holder(s) of the share options granted by the Company pursuant to the Share Option Scheme
“PRC”	the People’s Republic of China (excluding, for the purpose of this circular, Hong Kong, the Macao Special Administrative Region of the PRC and Taiwan)
“Project Company”	Hangzhou Lujiu Binwen Real Estate Co., Ltd.* (杭州綠九濱聞置業有限公司), a company established in the PRC with limited liability and an indirect non-wholly owned subsidiary of the Company which is interested by the Group and the Wharf Group on a 50:50 basis through Zhejiang Lujiu for the purpose of developing the Land

DEFINITIONS

“RMB”	Renminbi, the lawful currency of the PRC
“SFO”	the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong, as amended from time to time
“Share Option Scheme”	the share option scheme of the Company adopted by a resolution of the Shareholders on 22 June 2006
“Share(s)”	ordinary share(s) of HK\$0.10 each in the share capital of the Company
“Shareholder(s)”	holder(s) of Share(s)
“sqm”	square metres
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“substantial shareholder(s)”	has the same meaning ascribed to it under the Listing Rules
“Wharf”	The Wharf (Holdings) Limited (stock code: 00004), a company incorporated in Hong Kong with limited liability, the shares of which are listed on the Stock Exchange
“Wharf Group”	Wharf together with its subsidiaries
“Zhejiang Lujiu”	Zhejiang Lujiu Real Estate Co., Ltd.* (浙江綠九置業有限公司), a company established in the PRC with limited liability and an indirect non-wholly owned subsidiary of the Company which is held by the Group and the Wharf Group as to 50% and 50%, respectively
“%”	per cent.

* For identification purposes only



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)

Executive Directors:

Mr SONG Weiping
Mr ZHU Bixin
Mr SHOU Bainian
Mr SUN Guoqiang
Mr CAO Zhounan
Mr LI Qingan

Non-executive Director:

Mr LIU Wensheng

Independent non-executive Directors:

Mr JIA Shenghua
Mr KE Huanzhang
Mr SZE Tsai Ping, Michael
Mr HUI Wan Fai

Registered office:

PO Box 309, Ugland House
South Church Street
George Town
Grand Cayman, KY1-1104
Cayman Islands

*Principal place of business
in Hong Kong:*

Room 1406-1408, 14th Floor
New World Tower 1
16-18 Queen's Road Central
Hong Kong

18 December 2015

To the Shareholders and, for information only, the Option Holders

Dear Sir or Madam,

**CONNECTED TRANSACTION
IN RELATION TO THE DEVELOPMENT OF
RESIDENTIAL PROPERTIES
WITH THE WHARF GROUP IN HANGZHOU**

1. INTRODUCTION

Reference is made to the announcement of the Company dated 28 October 2015.

The Board announced that, on 27 October 2015, the Company and Wharf entered into the Framework Agreement in relation to the proposed joint development of the Land into residential properties by the Group and the Wharf Group on a 50:50 basis.

* For identification purposes only

LETTER FROM THE BOARD

The Land is situated in Bin Jiang District of Hangzhou, Zhejiang province of the PRC and of approximately 38,605 sqm. The residential properties to be developed on the Land have an above-ground gross floor area of approximately 77,210 sqm with a floor area ratio of 2.0.

2. CONSIDERATION AND PAYMENT TERMS FOR THE LAND

According to the terms of the bid for the Land, the total Land Consideration of RMB1,625,000,000 shall be paid by cash instalments in the manner as follows:

Stage payment	Amount paid/payable
Already paid by Zhejiang Lujiu upon submission of bid	RMB120,000,000 (being the deposit for the bidding) (the “Deposit”)
By 3 December 2015	50% of the Land Consideration (taking into account the Deposit already paid)
By 3 July 2016	Remaining 50% of the Land Consideration

The amount of the Land Consideration was the outcome of a public bidding announced by Hangzhou Municipal Bureau of Land Resources* (杭州市國土資源局) on 27 October 2015, which is supported by a property valuation report prepared and issued by DTZ Debenham Tie Leung Limited in connection with the valuation of the Land as at 17 November 2015. Please refer to the section headed “Property Valuation Report” as set out in Appendix I of this circular for details.

As of the Latest Practicable Date, 50% of the Land Consideration has been paid in accordance with the terms of the bid for the Land. The Directors expect to obtain the land use rights certificate in relation to the Land by July 2016 upon the full payment of the Land Consideration.

3. PROPERTY DEVELOPMENT THROUGH THE PROJECT COMPANY

The Framework Agreement was entered into between Wharf and the Company in order to facilitate the development of the Land on a 50:50 basis. According to the Framework Agreement, each of the Company and Wharf will be interested in 50% of the Project Company through Zhejiang Lujiu.

The Project Company has been established solely for the purpose of developing the Land and has become an indirect non-wholly owned subsidiary of the Company.

The Land will be developed into residential properties. It is currently expected that the construction work on the Land will commence in the first half of 2016, and the sale of first batch of the completed properties will commence in the first quarter of 2017, with all the properties being completed and delivered by September 2019.

* For identification purposes only

LETTER FROM THE BOARD

The total investment for the development of the Land is currently expected to be approximately RMB2,525,000,000, comprising the Land Consideration of RMB1,625,000,000, the preliminary stage development costs and the construction and development costs of approximately RMB800,000,000 and other costs of approximately RMB100,000,000. Apart from the registered capital of RMB100,000,000 of the Project Company contributed by the Group and the Wharf Group, as disclosed in the section headed "Principal Terms of the Framework Agreement" below in this Letter from the Board, the parties currently expect that the Land Consideration (plus an amount equivalent to the aggregate of the relevant land tax amount and the preliminary stage development costs) shall be financed on a 50:50 basis by the Group and the Wharf Group through one or more companies held by each of the Group and the Wharf Group as to 50%. All other funding needs will be arranged by the Project Company itself by way of external financing and the sale proceeds of the completed properties.

4. PRINCIPAL TERMS OF THE FRAMEWORK AGREEMENT

A summary of the major terms and conditions of the Framework Agreement is set out below:

Purpose : To own and develop the Land on a 50:50 basis through the Project Company.

The sole purpose and business of the Project Company is to develop the Land.

Capital requirement : The parties currently expect that the Land Consideration (plus an amount equivalent to the aggregate of the relevant land tax amount and the preliminary stage development funds) shall be financed on a 50:50 basis by the Group and the Wharf Group through one or more companies held by each of the Group and the Wharf Group as to 50%, and (in the case of any funding shortfall for such purpose) on a 50:50 basis by the Group and the Wharf Group.

Save as aforesaid, all other funding needs shall be arranged by the Project Company itself.

In the event that any security is required for future external financing of the Project Company, the Company and Wharf shall provide such security (including acting as a guarantor) on a several (and not a joint or a joint and several) basis.

LETTER FROM THE BOARD

- Board representation : The board of directors of the Project Company comprises five directors of which three were appointed by the Group and two were appointed by the Wharf Group. The Wharf Group appointed the chairman of the board of directors (who is also the legal representative) of the Project Company.
- Management and operation : The Group will be responsible for the project management and the Wharf Group will be responsible for financial and accounting management.

5. REASONS FOR AND BENEFITS OF THE TRANSACTION

The Directors (including the independent non-executive Directors) believe that the co-development of the Land pursuant to the Framework Agreement will broaden the asset and earnings base of the Company and further strengthen the Company's position as a premier properties developer in the PRC. Further, both the Group and the Wharf Group are experienced property developers and their strategic cooperation will complement each other in the co-development of the Land. The Directors consider that the co-development of the Land also demonstrates the continuous synergies contributed to the Group since the Wharf Group's strategic investment in the Group in mid-2012. The Directors (including the independent non-executive Directors) consider that the Framework Agreement has been made on normal commercial terms and in the ordinary and usual course of business of the Group, and that its terms are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

6. LISTING RULES IMPLICATIONS

As at the Latest Practicable Date, Wharf and its subsidiaries held 540,589,293 Shares representing approximately 25% of the issued share capital of the Company. Therefore Wharf is a substantial shareholder and accordingly a connected person of the Company under the Listing Rules. Based on the applicable size tests, the entering into of the Framework Agreement and the transactions contemplated thereunder constitute a connected transaction of the Company subject to the reporting, announcement and independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

As (i) the sole purpose of the Project Company is to develop the Land which is of a revenue nature in the ordinary and usual course of business of the Company; (ii) the transactions contemplated under the Framework Agreement is on an arm's length basis and on normal commercial terms; and (iii) the Project Company may not, without unanimous consent from the Group and the Wharf Group, change the nature and scope of their businesses, the transactions contemplated under the Framework Agreement do not constitute notifiable transactions of the Company under Chapter 14 of the Listing Rules.

None of the Directors had any material interest in the Framework Agreement and the transactions contemplated therein and the Company therefore considered that none of them was required pursuant to the Listing Rules or the articles of association of the

LETTER FROM THE BOARD

Company to abstain from voting at the Board meeting held on 27 October 2015 at which the Framework Agreement was being considered.

Any connected person with a material interest in the Framework Agreement and the transactions contemplated thereunder, and any Shareholder who has a material interest in the Framework Agreement and the transactions contemplated thereunder and its associates will be required to abstain from voting at the EGM. Wharf and its associates will be required to abstain from voting at the EGM.

7. GENERAL

The Company is a company incorporated in the Cayman Islands with limited liability, whose shares are listed on the main board of the Stock Exchange. It is one of the leading property developers in the PRC with business operations in various major PRC cities and is primarily engaged in developing quality properties targeting middle and high income residents in the PRC.

Wharf is a company incorporated in Hong Kong with limited liability, whose shares are 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.

8. EGM

A notice convening the EGM is set out on pages 36 to 37 of this circular. Ordinary resolution will be proposed at the EGM to approve the Framework Agreement and the transactions contemplated thereunder.

A form of proxy for use at the EGM is enclosed with this circular. Whether or not you intend to be present at the EGM, you are requested to complete the form of proxy in accordance with the instructions printed thereon and return it to the office of the share registrar of the Company in Hong Kong, Computershare Hong Kong Investor Services Limited, 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, as soon as possible but in any event not less than 48 hours before the time appointed for holding the EGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the EGM or any adjourned meeting should you so wish.

9. RECOMMENDATION

Your attention is drawn to the letter from the Independent Board Committee set out on pages 10 to 11 of this circular which contains its recommendation to the Independent Shareholders in relation to the Framework Agreement and the transactions contemplated thereunder. Your attention is also drawn to the letter of advice from the Independent Financial Adviser set out on pages 12 to 22 of this circular which contains its advice to the Independent Board Committee and the Independent Shareholders in relation to the transactions contemplated under the Framework Agreement and the principal factors and reasons considered by it in formulating its advice.

LETTER FROM THE BOARD

The Directors (including the independent non-executive Directors) are of the view that the Framework Agreement are on normal commercial terms and in the ordinary and usual course of business of the Company, are fair and reasonable and in the interests of the Company and the Shareholders as a whole, and that the transactions contemplated thereunder are fair and reasonable. Therefore, the Directors recommend that the Independent Shareholders should vote in favour of the ordinary resolutions to approve the Framework Agreement and the transactions contemplated thereunder at the EGM.

10. ADDITIONAL INFORMATION

Your attention is also drawn to the additional information set out in the Appendices to this circular.

Shareholders and potential investors should note that the Framework Agreement and the transactions contemplated thereunder are subject to the approval by the Independent Shareholders at the EGM.

By Order of the Board
Greentown China Holdings Limited
SONG Weiping ZHU Bixin
Co-chairmen



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)

18 December 2015

*To the Shareholders and, for information only,
the Option Holders*

Dear Sir or Madam

**CONNECTED TRANSACTION
IN RELATION TO THE DEVELOPMENT OF
RESIDENTIAL PROPERTIES
WITH THE WHARF GROUP IN HANGZHOU**

We refer to the circular of the Company to the Shareholders dated 18 December 2015 (the “**Circular**”), to which this letter forms part. Unless the context requires otherwise, capitalised terms used in this letter have the same meanings given to them in the section headed “Definitions” of the Circular.

We have been authorised by the Board to form the Independent Board Committee to advise the Independent Shareholders on whether the Framework Agreement and the transactions contemplated thereunder are fair and reasonable so far as the Company and the Shareholders as a whole are concerned.

We wish to draw your attention to the letter of advice from Investec, the Independent Financial Adviser appointed to advise the Independent Board Committee and the Independent Shareholders in relation to the Framework Agreement and the transactions contemplated thereunder, as set out on pages 12 to 22 of the Circular and the letter from the Board set out on pages 4 to 9 of the Circular.

* *For identification purposes only*

LETTER FROM THE INDEPENDENT BOARD COMMITTEE

Having considered the information contained in the letter from the Board, and the factors and reasons considered by, and the opinion of, Investec as stated in its letter of advice, we consider that the Framework Agreement and the transactions contemplated thereunder are on normal commercial terms, fair and reasonable and in the interests of the Company and the Shareholders as a whole. We recommend the Independent Shareholders to vote in favour of the resolution in respect of the Framework Agreement and the transactions contemplated thereunder.

Yours faithfully

**The Independent Board Committee of
Greentown China Holdings Limited**

Mr JIA Shenghua

Mr KE Huanzhang

Mr SZE Tsai Ping, Michael

Mr HUI Wan Fai

Independent non-executive Directors

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

The following is the text of the letter of advice from Investec to the Independent Board Committee and the Independent Shareholders in relation to the Framework Agreement prepared for the purpose of incorporation in this circular.



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www.investec.com

18 December 2015

*To: The Independent Board Committee and
the Independent Shareholders of Greentown China Holdings Limited*

Dear Sirs/Madams,

CONNECTED TRANSACTION IN RELATION TO THE DEVELOPMENT OF RESIDENTIAL PROPERTIES WITH THE WHARF GROUP IN HANGZHOU

I. INTRODUCTION

We refer to our appointment as the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders with regard to the transactions contemplated under the Framework Agreement. Details of the Framework Agreement are contained in the letter from the Board (the "**Letter from the Board**") of the circular to the Shareholders dated 18 December 2015 (the "**Circular**"), of which this letter forms part. Unless otherwise stated, terms defined in the Circular have the same meanings in this letter.

As set out in the Letter from the Board, on 27 October 2015, the Company and Wharf entered into the Framework Agreement in relation to the proposed joint development of the Land into residential properties by the Group and the Wharf Group on a 50:50 basis. The Project Company has been established solely for the purpose of developing the Land and has become an indirect non-wholly owned subsidiary of the Company. According to the Framework Agreement, each of the Company and Wharf will be interested in 50% of the Project Company through Zhejiang Lujiu.

The Land is situated in the Bin Jiang District of Hangzhou, Zhejiang province of the PRC and of approximately 38,605 sqm. The residential properties to be developed on the Land have an above-ground gross floor area of approximately 77,210 sqm with a floor area ratio of 2.0.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

As at the Latest Practicable Date, Wharf and its subsidiaries are holding 540,589,293 Shares, representing 25.0% of the issued share capital of the Company. Therefore Wharf is a substantial shareholder and accordingly a connected person of the Company under the Listing Rules. Based on the applicable size tests, the entering into of the Framework Agreement and the transactions contemplated thereunder constitute a connected transaction of the Company subject to the reporting, announcement and independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

Any connected person with a material interest in the Framework Agreement and the transactions contemplated thereunder, and any Shareholder who has a material interest in the Framework Agreement and the transactions contemplated thereunder and its associates will be required to abstain from voting at the EGM. Wharf and its associates will be required to abstain from voting at the EGM.

II. THE INDEPENDENT BOARD COMMITTEE

The Board currently consists of eleven Directors, namely Mr. Song Weiping, Mr. Zhu Bixin, Mr. Shou Bainian, Mr. Sun Guoqiang, Mr. Cao Zhounan and Mr. Li Qingan as executive Directors; Mr. Liu Wensheng as a non-executive Director, Mr. Jia Shenghua, Mr. Ke Huanzhang, Mr. Sze Tsai Ping, Michael and Mr. Hui Wan Fai as independent non-executive Directors.

The Independent Board Committee comprising all of the independent non-executive Directors, namely, Mr. Jia Shenghua, Mr. Ke Huanzhang, Mr. Sze Tsai Ping, Michael and Mr. Hui Wan Fai, has been established to consider the Framework Agreement and the transactions contemplated thereunder. As the independent financial adviser to the Independent Board Committee and the Independent Shareholders, our role is to give an independent opinion to the Independent Board Committee and the Independent Shareholders as to (i) whether the terms of the Framework Agreement are on normal commercial terms and ordinary and usual course of business; (ii) whether terms of the Framework Agreement are fair and reasonable and are in the interests of the Company and Shareholders as a whole; and (iii) whether the Independent Shareholders should vote in favour of the resolution to approve the Framework Agreement and the transactions contemplated thereunder at the EGM.

As at the Latest Practicable Date, we were independent from and not connected with Wharf and the Company pursuant to Rule 13.84 of the Listing Rules, and accordingly, qualified to give independent advice to the Independent Board Committee and the Independent Shareholders regarding the Framework Agreement. In addition to our appointment as the Independent Financial Adviser, Investec in the last two years also acted as the independent financial adviser to the then independent board committee and then independent Shareholders of the Company in respect of the formation of joint venture with Wharf through entering into of a framework agreement, pursuant to which the Company and Wharf agreed to jointly develop a piece of land in the Xiaoshan District of Hangzhou, Zhejiang province of the PRC of approximately 70,227 sqm, on a 50:50 ownership basis, into residential properties.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Apart from the normal advisory fee payable to us in connection with our appointment as the independent financial adviser to the Independent Board Committee and the Independent Shareholders, no arrangement exists whereby we shall receive any other fees or benefits from the Company.

III. BASIS AND ASSUMPTIONS OF THE ADVICE

In formulating our advice, we have relied solely on the statements, information, opinions and representations for matters relating to the Group contained in the Circular and the information and representations provided to us by the Group and/or its senior management staff and/or the Directors. We have assumed that all such statements, information, opinions and representations for matters relating to the Group contained or referred to in the Circular or otherwise provided or made or given by the Group and/or its senior management staff and/or the Directors and for which it is/they are solely responsible were true and accurate in all material respects at the time they were made and given and continued to be true and valid as at the date of the Circular. We have assumed that all the opinions and representations for matters relating to the Group made or provided by the Directors and/or the senior management staff of the Group contained in the Circular have been made on a reasonable basis after due and careful enquiries. We have also sought and obtained confirmation from the Group and/or its senior management staff and/or the Directors that no material facts have been omitted from the information provided and referred to in the Circular, the omission of which would render any statement in the Circular misleading.

We consider that we have reviewed all currently available information and documents to enable us to reach an informed view and to justify our reliance on the information provided so as to form a reasonable basis for our opinions. We have no reason to doubt the truth, accuracy and completeness of the statements, information, opinions and representations provided to us by the Group and/or its senior management staff and/or the Directors and their respective advisers or to believe that material information has been withheld or omitted from the information provided to us or referred to in the aforesaid documents. We consider that we have reviewed sufficient and relevant information and documents and have taken reasonable steps as required under Rule 13.80 of the Listing Rules including the notes thereto to reach an informed view, to justify reliance on the accuracy of the information contained in the Circular and to provide a reasonable basis for our recommendation. We have not, however, carried out any independent verification of the information provided, nor have we conducted any independent investigation into the business and affairs of the Group and the Wharf Group and their respective subsidiaries or the prospects of the markets in which they respectively operate.

VI. PRINCIPAL FACTORS CONSIDERED

In formulating our recommendation, we have taken into consideration the following principal factors and reasons:

1. Background information of the Group

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. As set out in the interim report of the Company for six months ended 30 June 2015 (the “**2015 Interim Report**”), the Company has been established for 20 years and is based in the Zhejiang Province, with property projects located in cities including but not limited to Hangzhou, Ningbo, Wenzhou, Taizhou, Shaoxing in the Zhejiang Province, as well as the Group’s presence in other PRC provinces. The Company is principally focused in developing villas, multi-storey apartments and high-rise apartments. The Company also develops large community and urban complex projects such as integrated residences, hotels, shopping malls, office buildings, schools, public buildings and other commercial properties.

As set out in the 2015 Interim Report, the Company plans to strategically focus on first-tier and second tier cities, as well as third tier cities with considerable development potentials, and emphasise on the expansion of high-quality projects by stages in a short period of time with low costs so as to increase market share in the key PRC cities.

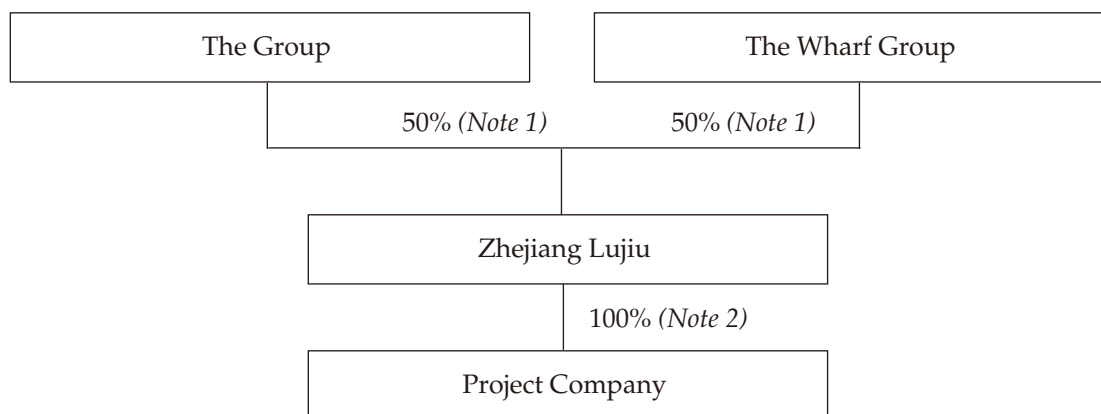
As set out in the 2015 Interim Report, the revenue derived from property sales was approximately RMB9,724 million or approximately 90.4% of the total revenue for the six months ended 30 June 2015, representing a decrease of approximately 17.6% as compared to the total revenue of approximately RMB11,805 million for the corresponding period in 2014. Such decrease was mainly attributable to the lower average selling price of properties. The average selling price of properties delivered decreased to approximately RMB15,274 per sqm for the six months ended 30 June 2015, as compared to RMB17,942 per sqm for the corresponding period in 2014, representing a decrease of approximately 14.9%. This was mainly attributable to certain proportion of projects delivered for the period were located at third-tier and fourth tier cities, affecting the average selling prices to a certain extent.

In addition, the Group’s net gearing ratio (calculated by net borrowings over net assets) was approximately 78.0% as at 30 June 2015, representing (i) a slight decrease from approximately 78.1% as at 30 June 2014; and (ii) a slight increase compared to that of approximately 76.7% as at 31 December 2014.

2. Background of the Framework Agreement

2.1 Background in respect of property development through the Project Company

Chart A: Corporate structure of the Project Company



Notes:

- (1) 50:50 joint venture by the Group and the Wharf Group
- (2) Wholly owned subsidiary of Zhejiang Lujiu

The Framework Agreement was entered into between Wharf and the Company with a view to facilitate the development of the Land on a 50:50 ownership basis. For illustrative purposes, Chart A above sets out a simplified corporate structure of the Project Company.

The Project Company has been established solely for the purpose of developing the Land and has become an indirect non-wholly owned subsidiary of the Company. According to the Framework Agreement, each of the Company and Wharf will be interested in 50% of the Project Company through Zhejiang Lujiu.

2.2 Information on the Land and industry overview of property market in Hangzhou

As stated in the Letter from the Board, the Land is situated in Bin Jiang District of Hangzhou, Zhejiang province of the PRC and is approximately 38,605 sqm. The residential properties to be developed on the Land have an above-ground gross floor area of approximately 77,210 sqm with a floor area ratio of 2.0.

Based on the information published on the website (www.hzstats.gov.cn) of Hangzhou Survey Information Network (杭州統計調查信息網), Hangzhou has a population of approximately 8.9 million as at 31 December 2014. Hangzhou's gross domestic product for the nine months

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

ended 30 September 2015 was approximately RMB710.2 billion, representing an increase of approximately 10.2% as compared to the same period of 2014.

In addition, the total area of commodity properties sold in Hangzhou for the nine months ended 30 September 2015 was approximately 10.3 million sqm (of which approximately 9.1 million sqm was residential properties), representing an increase of approximately 44.5% compared to the corresponding nine month period in 2014. In 2014, approximately 11.2 million sqm of commodity properties was sold in Hangzhou, of which approximately 9.6 million sqm was residential properties, as compared to approximately 9.7 million sqm sold in 2013.

In 2015, the PRC government implemented various policy measures (the “**Measures**”) to promote long term sustainability of the PRC property market, which included but not limited to (i) reduction of the benchmark interest rate on five occasions by the People’s Bank of China; (ii) lowering commercial banks’ reserve requirement ratio; (iii) reduction in the minimum down payment for buyers of second homes; and (iv) reduction in down payment requirements for first time home-buyers using public housing funds. The Directors are of that view that the relevant Measures implemented by the PRC government in the long run, will facilitate the sustainable development of the property market. Accordingly, the Directors believe that the Group, through its investment in Zhejiang Lujiu, will benefit from the long-term potential of the property market in Hangzhou.

2.3 Reasons for and benefits of the Framework Agreement

As set out in the Letter from the Board, the Directors believe that the co-development of the Land pursuant to the Framework Agreement will broaden the asset and earnings base of the Company and further strengthen the Company’s position as a premier properties developer in the PRC. Furthermore, both the Group and the Wharf Group are experienced property developers and their cooperation will complement each other in the co-development of the Land. The Directors consider that the co-development of the Land also demonstrates the continuous synergies contributed to the Group since the Wharf Group strategic investment in the Group in mid-2012. The Directors consider that the terms of the Framework Agreement have been made on normal commercial terms and in the ordinary and usual course of business of the Group and that its terms are fair and reasonable and in the interest of the Company and the Shareholders as a whole.

Having considered that the development of the Land under the Framework Agreement will expand the Group’s property development portfolio and the strategic cooperation between the Group and the Wharf Group will be beneficial to the development of the Land, we are of the view that the entering into the Framework Agreement is in line with the Group’s existing business strategies and in the interests of the Company and the Shareholders as a whole.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

3. The principal terms of the Framework Agreement

A summary of the major terms and conditions of the Framework Agreement is set out below:

Purpose: To own and develop the Land on a 50:50 basis through the Project Company.

The sole purpose and business of the Project Company is to develop the Land.

Capital requirement: The parties currently expect that the Land Consideration (plus an amount equivalent to the aggregate of the relevant land tax amount and the preliminary stage development funds) shall be financed on a 50:50 basis by the Group and the Wharf Group through one or more companies held by each of the Group and Wharf as to 50%, and (in the case of any funding shortfall for such purpose) on a 50:50 basis by the Group and the Wharf Group.

Save as aforesaid, all other funding needs shall be arranged by the Project Company itself.

In the event that any security is required for future external financing of the Project Company, the Company and Wharf shall provide such security (including acting as a guarantor) on a several (and not a joint or a joint and several) basis.

Distribution of profit: The Project Company shall distribute any net profit after taxation (except those retained for operational needs) to Zhejiang Lujiu, which would in turn distribute such to its shareholders in proportion to their respective shareholding. The distribution of profits by the Project Company will be determined by the board of directors of the Project Company.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Board representation:	The board of directors of the Project Company comprises five directors of which three were appointed by the Group and two were appointed by the Wharf Group. The Wharf Group appointed the chairman of the board of directors (who is also the legal representative) of the Project Company.
Management and operation:	The Group will be responsible for the project management and the Wharf Group will be responsible for financial and accounting management.

Having reviewed the terms of the Framework Agreement and as advised by the Company, we note that:

- i. the amount of equity capital to be contributed by the Wharf Group and the Group was determined in accordance with their respective shareholding in Zhejiang Lujiu (i.e. 50:50);
- ii. the Project Company shall distribute any net profit after taxation to Zhejiang Lujiu which would in turn distribute such to its shareholders in proportion to their respective shareholding. The distribution of profits by the Project Company will be determined by the board of directors of the Project Company;
- iii. the Group is entitled to appoint three of the five directors of the Project Company; and
- iv. major corporate actions concerning the Project Company including among others, (a) the overall design, sales strategic and planning of the Land; (b) overall operational planning and budget of the Land; (c) change of capital structure and shareholder's rights of the Project Company; (d) change of scope of operation or merger and acquisition by the Project Company; (e) financing of the Project Company; and (f) distribution of profit by the Project Company, shall be subject to unanimous approval of the board of the Project Company.

On this basis, we concur with the Directors' view that the terms of the Framework Agreement are entered on normal commercial terms, fair and reasonable and the entering into the Framework Agreement is in the interests of the Company and the Shareholders as a whole.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

4. Land Consideration

As stated in the Letter from the Board, the capital contribution under the Framework Agreement was made with reference to the Land Consideration. We note that the Land Consideration was the outcome of a public bidding announced by Hangzhou Municipal Bureau of Land Resources on 27 October 2015, of which we have reviewed.

As set out in the Letter from the Board, according to the terms of the bid for the Land, the total Land Consideration of RMB1,625,000,000 shall be paid by cash instalments in manner as follows:

Stage payment	Amount paid/payable
Already paid by Zhejiang Lujia upon submission of bid	RMB120,000,000 (being the deposit for the bidding) (the “ Deposit ”)
By 3 December 2015	50% of the Land Consideration (taking into account the Deposit already paid)
By 3 July 2016	Remaining 50% of the Land Consideration

In addition, we note from the Letter from the Board that the above payment terms are in accordance with the invitation document for such public bidding.

We note that DTZ Debenham Tie Leung Limited (the “**Valuer**”) has been appointed to conduct the valuation on the Land as at 17 November 2015, details of which are set out in the section headed “Property Valuation Report” in Appendix I to the Circular (the “**Valuation Report**”). According to the Valuation Report, the Valuer has ascribed no commercial value to the Land. However, we note that the Valuer is also of the opinion that assuming the relevant title certificates have been obtained and the Land could be freely transferred, the market value of the Land as at 17 November 2015 would be RMB1,625,000,000 (please refer to the Valuation Report for further details). We have reviewed the Valuation Report and discussed with the Valuer the methodology adopted as well as the Valuer’s expertise. We understand that the direct comparison method approach has been adopted in their valuation and such approach is commonly used for determining the market value of Land which is vacant. The Valuer has also confirmed its independence from the Group and the Wharf Group, and core connected persons of either the Group or the Wharf Group as at the Latest Practicable Date.

We have also reviewed the terms of engagement of the Valuer, and the Valuer has confirmed its scope of work in connection with the Valuation Report is appropriate to the opinion required to be given under the relevant Listing Rules. In addition, the Valuer confirmed that there were no limitations on its scope of work which may adversely impact on the degree of assurance given by the Valuation Report. Based on our discussion with the Valuer, the representations made by the Group or the Wharf Group to the Valuer are in line with our knowledge.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

We consider that the capital requirements contributed by the Wharf Group and the Group on pro rata basis (i.e. 50:50) to the Project Company through Zhejiang Lujiu under the Framework Agreement which was made with reference to the Land Consideration (which in turn is the outcome of a public bidding and in line with the valuation of the Land by the Valuer) to be fair and reasonable.

5. Property development through the Project Company

As set out in the Letter from the Board, the Land will be developed into residential properties. It is expected that the construction work on the Land will commence in the first half of 2016, and the sale of the first batch of the completed properties will commence in the first quarter of 2017, with all the properties being completed and delivered by September 2019.

The total investment for the development of the Land is currently expected to be approximately RMB2,525,000,000, comprising the Land Consideration of RMB1,625,000,000, the preliminary stage development costs and the construction and development costs of approximately RMB800,000,000 and other costs of approximately RMB100,000,000. Apart from the registered capital of RMB100,000,000 of the Project Company contributed by the Group and the Wharf Group, the parties currently expect that the Land Consideration (plus an amount equivalent to the aggregate of the relevant land tax amount and the preliminary stage development costs) shall be financed on a 50:50 basis by the Group and the Wharf Group through one or more companies held by each of the Group and the Wharf Group as to 50%. All other funding needs will be arranged by the Project Company itself by way of external financing and the sale of proceeds of the completed properties.

V. RECOMMENDATION

Having considered the factors and analysis set out in this letter, in particular,

- (i) the Framework Agreement and the development plan for the Land are consistent with the strategy of the Group to enhance its business portfolio with particular focus on first-tier and second-tier cities;
- (ii) the reasons for and benefits of entering into the Framework Agreement as set out in this letter; and
- (iii) the Project Company shall distribute any net profit after taxation to Zhejiang Lujiu which would in turn distribute such to its shareholders in proportion to their respective shareholding. The distribution of profits by the Project Company will be determined by the board of directors of the Project Company;

we consider the Framework Agreement and the transactions contemplated thereunder are on normal commercial terms which are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Accordingly we would recommend the Independent Board Committee to advise the Independent Shareholders to vote in favour of the resolution to approve the Framework Agreement and the transactions contemplated thereunder at the EGM.

Yours faithfully
For and on behalf of
Investec Capital Asia Limited

Alexander Tai
Managing Director
Head of Corporate Finance

Mr. Alexander Tai of Investec Capital Asia Limited is a responsible officer of Type 1 (dealing in securities), Type 4 (advising on securities), Type 6 (advising on corporate finance) and Type 9 (asset management) regulated activities under the SFO. He has been active in the field of corporate finance advisory for over 20 years, and has been involved in and completed various corporate finance advisory transactions.

The following is the text of a letter and valuation certificate prepared for the purpose of incorporation in this circular, received from DTZ Debenham Tie Leung Limited, an independent property valuer, in connection with the valuation of the Land as at 17 November 2015.



16th Floor
Jardine House
1 Connaught Place
Central
Hong Kong

18 December 2015

The Directors
Greentown China Holdings Limited
Huanglong Century Plaza
No. 1 Hangda Road
Hangzhou
Zhejiang Province
The PRC

Dear Sirs,

Re: A parcel of land (Lot no. R21-6, 7), Binjiang District, Hangzhou, Zhejiang Province, the PRC

Instructions, Purpose & Date of Valuation

In accordance with your instructions for us to value a property situated in the People's Republic of China (the "PRC") to be acquired by Greentown China Holdings Limited (the "Company") and its subsidiaries (collectively the "Group") have interests, we confirm that we have carried out inspection, made relevant enquiries and obtained such further information as we consider necessary for the purpose of providing the Group with our opinion of the market value of the property as at 17 November 2015 (the "date of valuation").

Definition of Market Value

Our valuation of the property represents its market value which in accordance with The HKIS Valuation Standards 2012 Edition published by the Hong Kong Institute of Surveyors is defined as "the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's-length transaction after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion".

Valuation Basis And Assumption

Our valuation of the property excludes an estimated price inflated or deflated by special terms or circumstances such as atypical financing, sale and leaseback arrangement, special considerations or concessions granted by anyone associated with the sale, or any element of special value.

No allowance has been made in our valuation for any charges, mortgages or amounts owing on the property nor for any expenses or taxation which may be incurred in effecting a sale. Unless otherwise stated, it is assumed that the property is free from encumbrances, restrictions and outgoing of an onerous nature which could affect its value.

In valuing the property, we have complied with the requirements set out in Chapter 5 and Practice Note 12 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and The HKIS Valuation Standards 2012 Edition published by The Hong Kong Institute of Surveyors.

Method of Valuation

In valuing the property, we have valued by the Direct Comparison Method by making reference to comparable sales transactions as available in the relevant market.

Source of Information

We have relied to a very considerable extent on the information given by the Group and have accepted advice given to us on such matters as planning approvals or statutory notices, easements, tenure, identification of land, site and floor areas and all other relevant matters. Dimensions, measurements and areas included in the valuation certificate are based on the information provided to us and are therefore only approximations. We have had no reason to doubt the truth and accuracy of the information provided to us by the Group which is material to the valuation. We were also advised that no material facts have been omitted from the information supplied.

Title Investigation

We have been provided with copies of documents in relation to the title to the property. However, we have not been able to conduct searches to verify the ownership of the property or to ascertain any amendment which may not appear on the copies handed to us.

In the course of our valuation, we have relied to a considerable extent on the information given by the Group and its legal adviser, Zhe Jiang T&C Law Firm (浙江天冊律師事務所) in respect of the title to the property in the PRC.

Site Inspection

We have inspected the property. The site inspection was carried out on 17 November 2015 by our Mr. Alvin Chen (Assistant Valuer) of our Hangzhou office. We have not carried out investigation on site to determine the suitability of the soil conditions and the services etc. for any future development. Our valuation is prepared on the assumption that these aspects are satisfactory and that no extraordinary expenses or delays will be incurred during the construction period. Unless otherwise stated, we have not been able to carry out on-site measurements to verify the site and floor areas of the property and we have assumed that the areas shown on the copies of the documents handed to us are correct.

Currency

Unless otherwise stated, all monetary amounts stated in this valuation report are in Renminbi (“**RMB**”), the official currency of the PRC.

We enclose herewith our valuation certificate.

Yours faithfully,
For and on behalf of
DTZ Debenham Tie Leung Limited
Andrew K. F. Chan
Registered Professional Surveyor (General Practice)
Registered China Real Estate Appraiser
MSc, MHKIS
Senior Director, Valuation & Advisory Services

Note: Mr. Andrew K.F. Chan is a Registered Professional Surveyor (General Practice) who has over 28 years' experience in the valuation of properties in the PRC.

VALUATION CERTIFICATE

Property to be acquired for future development in the PRC

Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 17 November 2015
A parcel of land (Lot no. R21-6, 7), Binjiang District, Hangzhou, Zhejiang Province, the PRC	<p>The property comprises a parcel of land with a site area of 38,605 sq m.</p> <p>The property is a planned development of residential use. According to the Land Use Rights Grant Contract, the property will have a total permitted above-ground gross floor area of 77,210 sq m.</p> <p>The property is located in the urban area of Binjiang District of Hangzhou. Developments nearby are mainly residential in nature. According to the information provided by the Group, the property is for residential use.</p> <p>The land use rights of the property have been granted for terms of 70 years for residential use and 40 years for ancillary utility use.</p>	At the date of valuation, the property was a vacant site.	No commercial value (see note no. 1)

Notes:

- (1) In the course of our valuation, we have ascribed no commercial value to the property as the State-owned Land Use Rights Certificate has not been obtained. Had the Group obtained a valid State-owned Land Use Rights Certificate, the market value of the property in its existing state as at 17 November 2015 assuming that the land premium had been fully paid would be RMB1,625,000,000. As advised by the Group, as of the latest practicable date, 50% of the land consideration has been paid in accordance with the terms of the bid for the land. The Group expects to obtain the land use rights certificate in relation to the land by July 2016 upon the full payment of the land consideration.
- (2) According to Land Use Rights Grant Contract No. (2015)34 entered into between Hangzhou Municipal Bureau of Land Resources and Zhejiang Lujiu Real Estate Co., Ltd. (浙江綠九置業有限公司), the land use rights of the property have been contracted to be granted to Zhejiang Lujiu Real Estate Co., Ltd. with details as follows:
- | | | | |
|-------|-------------------------------------|---|--|
| (i) | Location | : | Lot no. R21-6, 7, Binjiang District |
| (ii) | Site Area | : | 38,605 sq m |
| (iii) | Use | : | Residential (ancillary utility) |
| (iv) | Total Above Ground Gross Floor Area | : | 77,210 sq m |
| (v) | Land Premium | : | RMB1,625,000,000 |
| (vi) | Building Covenant | : | Construction shall commence before 11 January 2018 and complete before 10 January 2021 |
- (3) According to Business Licence No. 330181000497426, Zhejiang Lujiu Real Estate Co., Ltd. was established on 24 March 2015 as a limited company with a registered capital of RMB100,000,000.
- (4) We have been provided with a legal opinion on the title to which contains, inter-alia, the following information:
- (i) The Land Use Rights Grant Contract is legally valid; and
 - (ii) Zhejiang Lujiu Real Estate Co., Ltd. shall be entitled to transfer, lease, mortgage and dispose of the land use rights of the property after obtaining the State-owned Land Use Rights Certificate.

1. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement in this circular or this circular misleading.

2. DISCLOSURE OF INTERESTS

(a) Directors' Interests in Shares

As at the Latest Practicable Date, save as disclosed below, none of the Directors or chief executive of the Company had interests or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which are required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they are taken or deemed to have under such provisions of the SFO) or which are required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or which are required, pursuant to the Model Code for Securities Transactions by Directors of Listed Companies to be notified to the Company and the Stock Exchange:

(i) Long positions in Shares and underlying Shares

Name of Director	Personal Interests in Underlying Shares	Family Interests	Interest of Controlled Corporation	Total Number of Shares and Underlying Shares held	% of Issued Share Capital of the Company held
Mr SONG Weiping	1,089,000 (note 1)	-	226,071,924 (note 2)	227,160,924	10.506%
Mr SHOU Bainian	-	-	174,549,783 (note 3)	174,549,783	8.073%
Mr CAO Zhounan	3,359,000 (note 4)	-	197,500 (note 5)	3,556,500	0.164%

Notes:

- (1) It represents the share options granted on 22 January 2009 pursuant to the Share Option Scheme and are exercisable at the price of HK\$2.89 per share from 22 January 2009 to 21 January 2019.

- (2) Mr SONG Weiping, being the sole shareholder of Delta House Limited (“**Delta**”), is deemed to be interested in 126,071,924 Shares held by Delta pursuant to Part XV of the SFO. Hong Kong Orange Osmanthus Foundation Limited (“**HKOO Foundation**”) is a company limited by guarantee and established by Mr SONG Weiping as a charitable institution of a public character exempt from tax under Section 88 of the Inland Revenue Ordinance, Chapter 112 of the Laws of Hong Kong. As Mr SONG Weiping is the sole member of HKOO Foundation, pursuant to Part XV of the SFO, Mr SONG Weiping is deemed to be interested in 100,000,000 Shares held by HKOO Foundation notwithstanding that Mr SONG Weiping is not beneficially interested in such shares.
- (3) Mr SHOU Bainian, being the sole shareholder of Profitwise Limited (“**Profitwise**”), is deemed to be interested in 174,549,783 Shares held by Profitwise pursuant to Part XV of the SFO.
- (4) It represents the share options granted on 13 May 2009 pursuant to the Share Option Scheme and are exercisable at the price of HK\$7.16 per share from 13 May 2009 to 12 May 2019.
- (5) Mr CAO Zhounan, being a shareholder holding 60% of the equity interest of Hangzhou Chengxun Investment Management Company Limited (“**Hangzhou Chengxun**”), is deemed to be interested in 197,500 Shares held by Hangzhou Chengxun pursuant to Part XV of the SFO.

(ii) *Long position in debentures of the Company*

Name of Director	Personal Interest in the Underlying Debentures	Family Interest	Corporate Interest
Mr SZE Tsai Ping, Michael	–	US\$300,000 (note 1)	–

Note:

- (1) These debentures are held by Ms YU Ka Po Ruby, the spouse of Mr SZE Tsai Ping, Michael. Accordingly, Mr SZE Tsai Ping, Michael is deemed to be interested in these debentures.

(iii) *Long position in shares and underlying shares of associated corporations of the Company*

Name of Director	Name of Associated Corporation	Interest in Registered Capital	% of the Total Registered Capital
Mr SONG Weiping	Bluetown Property Construction Management Group Co., Ltd. (藍城房產建設管理集團有限公司)	RMB69,200,000	34.6%

Other than as disclosed above, none of the Directors and chief executive of the Company nor their associates had any interest or short positions in any shares, underlying shares or debentures of the Company or any of its associated corporations as at the Latest Practicable Date.

(b) Substantial Shareholders

As at the Latest Practicable Date, save as disclosed below, so far as is known to the Board, no persons (not being a Director or chief executive of the Company) had an interest or short position in the Shares or underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO:

Name of Substantial Shareholder		Interest or Short Position in the Shares or Underlying Shares (note 1)	Capacity in Which Interests are Held	% of Issued Share Capital of the Company Held
CCCG	(note 2)	624,851,793 (L)	Interest of controlled corporations	28.899%
CCCG Holding (HK) Limited	(note 3)	524,851,793 (L)	Beneficial owner	24.274%
HSBC Trustee (C.I.) Limited	(note 4)	540,589,293 (L)	Interest of controlled corporations	25.002%
Wheelock and Company Limited ("Wheelock")	(note 5)	540,589,293 (L)	Interest of controlled corporations	25.002%
Wharf	(note 6)	540,589,293 (L)	Interest of controlled corporations	25.002%
Ms XIA Yibo	(note 7)	227,160,924 (L)	Interest of spouse	10.506%
Profitwise	(note 8)	174,549,783 (L)	Beneficial owner	8.073%
Delta	(note 9)	126,071,924 (L)	Beneficial owner	5.831%
HKOO Foundation	(note 9)	100,000,000 (L)	Beneficial owner	4.625%
Lehman Brothers Holdings Inc.	(note 10)	101,400,450 (L)	Interest of controlled corporations	4.690%
		31,868,575 (S)	Interest of controlled corporations	1.474%

Notes:

- (1) The letter “L” denotes a long position. The letter “S” denotes a short position.
- (2) CCCG is deemed to be interested in 624,851,793 Shares through its controlled corporations, namely CCCG Real Estate Group Company Limited* (中交房地產集團有限公司), CCCG Holding (HK) Limited and CCCG Real Estate Holding Limited.
- (3) A company controlled by CCCG by virtue of SFO.
- (4) HSBC Trustee (C.I.) Limited is deemed to be interested in 540,589,293 Shares through its controlled corporations, namely Wheelock, Wheelock Investments Limited, WF Investment Partners Limited, Wharf, Wharf China Holdings Limited and Target Smart Investments Limited (“**Target Smart**”).
- (5) Wheelock is deemed to be interested in 540,589,293 Shares through its controlled corporations, namely Wheelock Investments Limited, WF Investment Partners Limited, Wharf, Wharf China Holdings Limited and Target Smart.
- (6) Wharf is deemed to be interested in 540,589,293 Shares through its controlled corporations, namely Wharf China Holdings Limited and Target Smart.
- (7) Ms XIA Yibo is the spouse of Mr SONG Weiping. Accordingly, pursuant to Part XV of the SFO, Ms XIA Yibo is deemed to be interested in: (i) 126,071,924 Shares held by Delta, a company of which Mr SONG Weiping is the sole shareholder; (ii) 100,000,000 Shares held by HKOO Foundation, a charitable institution established by Mr SONG Weiping of which Mr SONG Weiping is the sole member (notwithstanding that neither Mr SONG Weiping nor Ms XIA Yibo is beneficially interested in those shares); and (iii) 1,089,000 share options of the Company held by Mr SONG Weiping. The aforesaid represents an aggregate of 227,160,924 Shares.
- (8) A company controlled by Mr SHOU Bainian by virtue of SFO, of which Mr SHOU Bainian is the sole member.
- (9) A company controlled by Mr SONG Weiping by virtue of SFO, of which Mr SONG Weiping is the sole member. HKOO Foundation is a company limited by guarantee and established by Mr SONG Weiping as a charitable institution of a public character exempt from tax under Section 88 of the Inland Revenue Ordinance, Chapter 112 of the Laws of Hong Kong. As Mr SONG Weiping is the sole member of HKOO Foundation, pursuant to Part XV of the SFO, Mr SONG Weiping is deemed to be interested in 100,000,000 shares held by HKOO Foundation notwithstanding that Mr SONG Weiping is not beneficially interested in such shares.
- (10) Lehman Brothers Holdings Inc., according to its disclosure of interest filing, is deemed to be interested in a total of 101,400,450(L) shares and 31,868,575(S) shares through its controlled corporations by virtue of SFO.

Other than the interests disclosed above, the Company has not been notified of any other notifiable interests or short positions in the Shares or underlying Shares as at the Latest Practicable Date.

As at the Latest Practicable Date, save as disclosed below, none of the Directors was a director or employee of a company which had an interest or short position in the Shares or underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO:

Name of Director	Name of company which had such discloseable interest or short position in the Shares	Position within such company
Mr SONG Weiping	Delta HKOO Foundation	Director Director
Mr ZHU Bixin	CCCG	Chief Legal Counsel
Mr SHOU Bainian	Profitwise	Director
Mr SUN Guoqiang	CCCG Real Estate Group Company Limited* (中交房地產集團有限公司)	Chairman and General Manager

3. DIRECTORS' SERVICE CONTRACTS

Each of the independent non-executive Directors entered into an appointment letter with the Company regarding his appointment commencing from 1 April 2015 for an initial term of three years subject to the terms and conditions of the appointment letter. Their respective appointment as an independent non-executive Director shall also be subject to retirement by rotation at the annual general meeting of the Company and each of them shall be eligible for re-election in accordance with the articles of association of the Company.

Each of the independent non-executive Directors is entitled to an annual director's fee of RMB260,000, respectively. The amount of their respective annual director's fee was determined by the Board by reference to, among other things, their respective qualifications and experience and is subject to review by the Board from time to time.

Apart from the foregoing, as at the Latest Practicable Date, none of the Directors had entered into a service contract with the Company which does not expire or which is not determinable by the Company within one year without payment of compensation, other than statutory compensation.

4. COMPETING BUSINESS INTEREST OF DIRECTORS

Save as disclosed below, as at the Latest Practicable Date, none of the Directors or their respective associates was interested in any other business which competes or is likely to compete, either directly or indirectly, with the business of the Group as required to be disclosed pursuant to the Listing Rules.

Name of Director	Name of competing entity	Nature of business of the competing entity	Nature of interest of the director in the competing entity
Mr SONG Weiping	Greentown Holdings Group Limited* (綠城控股集團有限公司) (“Greentown Holdings”)	The development and sale of the Remaining Non-Inclusion Projects (Note)	Director and substantial shareholder
Mr ZHU Bixin	CCCCG	The design and construction of transportation infrastructure, dredging business, heavy machinery manufacturing and property development	Chief Legal Counsel
Mr SHOU Bainian	Greentown Holdings	The development and sale of the Remaining Non-Inclusion Projects (Note)	Director and substantial shareholder
Mr SUN Guoqiang	CCCCG Real Estate Group Company Limited* (中交房地產集團有限公司)	The development of properties and project investment	Chairman and General Manager
Mr Liu Wensheng	China Communications Construction Company Limited	The design and construction of transportation infrastructure, dredging business, heavy machinery manufacturing and property development	Secretary of Board of Directors, Company Secretary and Chief Economist

Note: The remaining four (the “**Remaining Non-Inclusion Projects**”) out of eight property projects as referred to in the deed of non-competition dated 22 June 2006, details of which are disclosed in the section headed “Business – Non-competition undertaking – Non-inclusion projects” in the prospectus of the Company dated 30 June 2006.

5. MATERIAL ADVERSE CHANGE

As at the Latest Practicable Date, the Directors were not aware of any material adverse change in the financial or trading position of the Group since 31 December 2014, being the date to which the latest published audited consolidated financial statements of the Company were made up.

6. EXPERTS

The qualification of the following experts which have given their respective opinion or advices contained in this circular are set out below:

Name	Qualification
Investec	Independent financial adviser
Zhe Jiang T&C Law Firm	PRC legal adviser
DTZ Debenham Tie Leung Limited	Property valuer

Each of the above experts has given and has not withdrawn its written consent to the issue of this circular with the inclusion of its letter and/or reference to its name in the form and context in which it appears.

As at the Latest Practicable Date, each of the above experts did not have (i) any shareholding in any member of the Group, or any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group, and (ii) any interest, either direct or indirect, in any assets which, since 31 December 2014 (being the date to which the latest audited consolidated financial statements of the Company was made up) and up to the Latest Practicable Date, had been acquired, or disposed of by, or leased to any member of the Group, or are proposed to be acquired, or disposed of by, or leased to any member of the Group.

7. GENERAL

- (a) Save as disclosed in (i) the announcement of the Company dated 28 October 2015 and this circular in relation to the Framework Agreement; (ii) the announcement of the Company dated 20 November 2015 in relation to the financial lease arrangements entered into between each of Hangzhou Qiandao Lake Greentown Investment & Property Co., Ltd.* (杭州千島湖綠城投資置業有限公司) and Zhoushan Putuo Greentown Industrial Investment Co., Ltd.* (舟山市普陀綠城實業投資有限公司) as one party, and CCCC Financial Leasing Co., Ltd.* (中交建融租賃有限公司) as the other party, in relation to certain leased assets for a respective lease payment of RMB27,552,120 and RMB154,291,872; (iii) the announcement of the Company dated 19 November 2015 in relation to a possible joint venture with, among other parties, CCCC Real Estate Company Limited* (中交地產有限公司), a wholly-owned

subsidiary of CCCG in relation to the joint development of a piece of land in the Mentougou District of Beijing, the PRC of approximately 72,401.83 sqm; (iv) the announcement of the Company dated 29 October 2015 in relation to the financial lease arrangements entered into between each of Hainan Greentown Gaodi Investment Co., Ltd.* (海南綠城高地投資有限公司) and Qingdao Greentown Jiaozhouwan Real Estate Development Co., Ltd.* (青島綠城膠州灣房地產開發有限公司) as one party, and CCCC Financial Leasing Co., Ltd.* (中交建融租賃有限公司) as the other party, in relation to certain leased assets for a respective lease payment of RMB302,365,777.65 and RMB111,783,711.75; (v) the announcements of the Company dated 2 August 2015 and 4 September 2015 in relation to the acquisition by Greentown Real Estate Group Co., Ltd.* (綠城房地產集團有限公司) of the entire equity interest in Greentown Dingyi Real Estate Investment Management Co., Ltd.* (綠城鼎益房地產投資管理有限公司) and the 92% equity interest in Greentown Shidai City Construction & Development Company Limited* (綠城時代城市建設發展有限公司) for a respective consideration of RMB625,450,000 and RMB294,000,000; and (vi) the announcement of the Company dated 12 March 2015 in relation to, among other things, the lease of certain properties by Greentown Holdings Group Limited* (綠城控股集團有限公司) to the Company for an aggregate annual rental of RMB15 million, each of which constitutes a connected or continuing connected transaction of the Company under Chapter 14A of the Listing Rules, as at the Latest Practicable Date, none of the Directors had any direct or indirect interest in any assets which, since 31 December 2014 (being the date to which the latest audited consolidated financial statements of the Company was made up) and up to the Latest Practicable Date, had been acquired or disposed of by or leased to any member of the Group, or are proposed to be acquired, disposed of by or leased to any member of the Group.

- (b) Save as disclosed in the announcements of the Company as set out in sub-paragraph 7(a) above, as at the Latest Practicable Date, none of the Directors was materially interested in any contract or arrangement entered into by any member of the Group, which was subsisting and was significant in relation to the business of the Group.
- (c) The company secretary of the Company is Mr Fung Ching, Simon. Mr Fung is a fellow member of the Hong Kong Institute of Certified Public Accountants and a fellow member of the CPA Australia.
- (d) The registered address of the Company is PO Box 309, Ugland House, South Church Street, George Town, Grand Cayman, KY1-1104, Cayman Islands.
- (e) The principal place of business of the Company in Hong Kong is at Room 1406-1408, 14th Floor, New World Tower 1, 16-18 Queen's Road Central, Hong Kong.
- (f) The share registrar of the Company in Hong Kong is Computershare Hong Kong Investor Services Limited.

- (g) The principal share registrar of the Company in the Cayman Islands is Royal Bank of Canada Trust Company (Cayman) Limited.
- (h) The English text of this circular shall prevail over their respective Chinese text for the purpose of interpretation.

8. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection at the Company's principal place of business in Hong Kong at Room 1406–1408, 14th Floor, New World Tower 1, 16–18 Queen's Road Central, Hong Kong during normal business hours on any weekdays, except public holidays, for a period of 14 days from the date of this circular:

- (a) the Framework Agreement;
- (b) service contracts of the independent non-executive Directors as more particularly described in "3. Directors' service contracts" of this Appendix II; and
- (c) this circular.

* For identification purposes only

NOTICE OF THE EGM



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)

NOTICE IS HEREBY GIVEN that an Extraordinary General Meeting (“EGM”) of Greentown China Holdings Limited (the “**Company**”) will be held at 2:30 p.m. on 8 January 2016 (Friday) at Conference Room 1, 10th Floor, Block A, Century Plaza, No. 1 Hangda Road, West Lake District, Hangzhou, Zhejiang Province, the People’s Republic of China for the purpose of considering and, if thought fit, passing the following resolution, with or without amendments, as an ordinary resolution of the Company:

ORDINARY RESOLUTION

1. “**THAT**

- (a) the Framework Agreement (as defined in the Company’s circular dated 18 December 2015 despatched to the shareholders of the Company (the “**Circular**”), a copy of which has been produced to the meeting marked “A” and signed by the chairman of the meeting for the purpose of identification), a copy of which has been produced to the meeting marked “B” and signed by the chairman of the meeting for the purpose of identification, and the transactions contemplated thereunder be and are hereby approved, confirmed and ratified; and
- (b) any one of the directors of the Company be and is hereby authorised to sign, execute, perfect, deliver, negotiate, agree and do all such documents, deeds, acts, matters and things, as the case may be, as he may in his opinion or absolute discretion consider reasonable, necessary, desirable or expedient to implement and/or give effect to the Framework Agreement and the transactions contemplated thereunder with any changes as such director of the Company may in his absolute discretion think fit.”

By Order of the Board
Greentown China Holdings Limited
Song Weiping Zhu Bixin
Co-chairmen

Hangzhou, the PRC
18 December 2015

* *For identification purposes only*

NOTICE OF THE EGM

Principal place of business in Hong Kong:

Room 1406–1408, 14th Floor
New World Tower 1
16–18 Queen’s Road Central
Hong Kong

Notes:

- (1) Pursuant to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, the above resolution at the EGM will be taken by poll except where the chairman, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands and the results of the poll will be published on the websites of The Stock Exchange of Hong Kong Limited and of the Company.
- (2) A member entitled to attend and vote at the EGM is entitled to appoint a proxy or proxies (if holding two or more shares) to attend and vote instead of him/her. A proxy need not be a member of the Company.
- (3) Completion and delivery of the form of proxy shall not preclude a member of the Company from attending and voting in person at the EGM or any adjournment thereof should the member of the Company so wish, and in which case, the form of proxy shall be deemed to be revoked.
- (4) Where there are joint registered holders of any share in the Company, any one of such persons may vote at the EGM, either personally or by proxy, in respect of such share as if he/she were solely entitled thereto; but if more than one of such joint holders be present at the EGM personally or by proxy, that one of the said persons so present being the most or, as the case may be, the more senior shall alone be entitled to vote in respect of the relevant joint holding and, for this purpose, seniority shall be determined by reference to the order in which the names of the joint holders stand on the register of members of the Company in respect of the relevant joint holding.
- (5) In order to be valid, a form of proxy and the power of attorney or other authority, if any, under which it is signed or a notarially certified copy thereof, must be deposited at the Company’s share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong not less than 48 hours before the time fixed for holding the EGM or any adjournment thereof.
- (6) For determining the entitlement to attend and vote at the EGM, the register of members of the Company will be closed from 7 January 2016 to 8 January 2016, during which period no transfer of shares of the Company will be registered. In order to be eligible to attend and vote at the EGM, all transfer documents accompanied by the relevant share certificates must be lodged with the Company’s share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712–1716, 17th Floor, Hopewell Center, 183 Queen’s Road East, Wanchai, Hong Kong for registration not later than 4:30 p.m. on 6 January 2016 (Wednesday).

As at the date of this notice, the board of directors of the Company comprises six executive directors, namely Mr Song Weiping, Mr Zhu Bixin, Mr Sun Guoqiang, Mr Shou Bainian, Mr Cao Zhounan and Mr Li Qingan, one non-executive director, namely Mr Liu Wensheng and four independent non-executive directors, namely Mr Jia Shenghua, Mr Ke Huanzhang, Mr Sze Tsai Ping, Michael, and Mr Hui Wan Fai.