

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.

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this circular, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this circular.



GREENTOWN CHINA HOLDINGS LIMITED

綠城中國控股有限公司*

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 03900)

DISCLOSEABLE AND CONNECTED TRANSACTION IN RELATION TO THE RESTRUCTURING OF BLUETOWN 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 6 to 30 of this circular and a letter from the Independent Board Committee is set out on pages 31 to 32 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 33 to 55 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 31 August 2016 (Wednesday) at 11/F Jardine House, 1 Connaught Place, Central, Hong Kong is set out on pages 80 to 82 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.hkexnews.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.

CONTENTS

	<i>Page</i>
Definitions	1
Letter from the Board	6
Letter from the Independent Board Committee	31
Letter from the Independent Financial Adviser	33
Appendix I – Property Valuation Report	56
Appendix IIA – Bluetown Valuation Report	61
Appendix IIB – Ningbo Valuation Report	66
Appendix III – General Information	71
Notice of the EGM	80

DEFINITIONS

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

“1st Counterparty” or “Mr Song”	Mr SONG Weiping, an executive director and co-chairman of the Company
“1st and 3rd Counterparty Guarantor”	Greentown Holdings
“2nd Counterparty”	寧波合基投資管理合夥企業(有限合夥) (Ningbo Heji Investment Management Partnership (Limited Liability Partnership)*), a limited liability partnership established in the PRC
“2nd Counterparty Guarantors”	Mr XU Feng (許峰) and Mr FU Linjiang (傅林江)
“3rd Counterparty”	杭州翠都投資管理有限公司 (Hangzhou Cuidu Investment Management Company Limited*) (currently known as 寧波梅山保稅港區翠都投資管理有限公司 (Ningbo Meishan Bonded Port District Cuidu Investment Management Company Limited*)), a company established in the PRC with limited liability
“4th Counterparty”	上海易居生源股權投資中心(有限合夥) (Shanghai Yiju Shengyuan Equity Investment Centre (Limited Liability Partnership)*), a limited liability partnership established in the PRC
“4th and 5th Counterparty Guarantor”	上海易德信股權投資管理有限公司 (Shanghai Yidexin Equity Investment Management Company Limited*), a company established in the PRC with limited liability
“5th Counterparty”	上海易居生泉股權投資中心 (有限合夥) (Shanghai Yiju Shengquan Equity Investment Centre (Limited Liability Partnership)*), a limited liability partnership established in the PRC
“Acquisition Agreement”	the agreement dated 25 June 2016 among the HK Subsidiary (as purchaser), Richwise (as purchaser’s guarantor), each of the 1st Counterparty, 2nd Counterparty, 3rd Counterparty, 4th Counterparty and 5th Counterparty (as vendors) and each of the 1st Counterparty Guarantor, 2nd Counterparty Guarantors, 1st and 3rd Counterparty Guarantor and 4th and 5th Counterparty Guarantor (as guarantors) in relation to, among other things, the acquisition by the HK Subsidiary of an aggregate of 64.6% equity interest in New Bluetown (as amended and supplemented from time to time, if any)

DEFINITIONS

“Agreements”	the Acquisition Agreement, the Disposal Agreement, the Ningbo Acquisition Agreement and the Trademark Assignment Framework and Supplemental Agreement
“Bluetown”	藍城房產建設管理集團有限公司 (Bluetown Real Estate Construction Management Group Co., Ltd.*), formerly known as 綠城房產建設管理集團有限公司 (Greentown Real Estate Construction Management Group Co., Ltd*), a company established in the PRC with limited liability and a non-wholly owned subsidiary of the Company as at the Latest Practicable Date
“Board”	the board of Directors
“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 Main Board of the Stock Exchange
“connected person(s)”	has the same meaning ascribed to it under the Listing Rules
“Construction Management Business”	the business of offering property development management and advisory services in planning, design, budgeting, construction and sales for government construction projects and property development projects
“Director(s)”	the director(s) of the Company
“Disposal Agreement”	the agreement dated 25 June 2016 among Greentown Property (as vendor), the 1st Counterparty (as purchaser) and Greentown Holdings (as purchaser’s guarantor) in relation to, among other things, the disposal of 35.4% equity interest in Bluetown (after the Restructuring) by Greentown Property to the 1st Counterparty (as amended and supplemented from time to time, if any)
“EGM”	an extraordinary general meeting to be held on 31 August 2016 by the Company to consider and, if thought fit, approve the Agreements and the transactions contemplated thereunder

DEFINITIONS

“Greentown Holdings”	綠城控股集團有限公司 (Greentown Holdings Group Limited*), a company established in the PRC with limited liability which is owned as to 40% by Mr Song, 21% by Ms Xia Yibo (being the spouse of Mr Song) and 39% by Mr Shou Bainian (being an executive Director)
“Greentown Property”	綠城房地產集團有限公司 (Greentown Real Estate Group Co., Ltd.*), a company established in the PRC with limited liability and a wholly-owned subsidiary of the Company
“Group”	the Company together with its subsidiaries
“HK Subsidiary”	Mainwide (H.K.) Limited, a company incorporated in Hong Kong with limited liability and a wholly-owned subsidiary of the Company
“Hong Kong”	the 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
“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 Agreements and the transactions contemplated thereunder
“Independent Shareholder(s)”	any Shareholder who is not required to abstain from voting at the EGM
“Latest Practicable Date”	12 August 2016, 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
“Mr Shou”	Mr SHOU Bainian, an executive director of the Company

DEFINITIONS

“New Bluetown”	杭州藍城致信建設管理有限公司 (Hangzhou Bluetown Zhixin Construction Management Group Co., Ltd.*), a company established in the PRC with limited liability pursuant to the Restructuring, which will become a wholly-owned subsidiary of the Company upon completion of the Acquisition Agreement
“Ningbo Acquisition Agreement”	the agreement dated 25 June 2016 between Bluetown (as vendor) and Greentown Property (as purchaser) in relation to, among other things, the acquisition of 60% equity interest in Ningbo Company Greentown Property from Bluetown (as amended and supplemented from time to time, if any)
“Ningbo Company”	寧波高新區智慧綠城建設有限公司 (Ningbo Innovative District Intellectual Greentown Construction Co., Ltd.*), a company established in the PRC with limited liability which is held as to 60% by Bluetown as at the Latest Practicable Date
“Option Holder(s)”	the holder(s) of the share options granted by the Company pursuant to the Share Option Scheme
“Other Businesses”	projects related to retirement, agriculture and township development and business in relation to construction technology, scenery design, decoration design and sales agency
“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)
“PRC GAAP”	the PRC General Accepted Accounting Principles
“Restructuring”	the restructuring to be undertaken by Bluetown by way of demerging and continuing into two entities, namely (a) New Bluetown which will be principally engaged in the Construction Management Business and will take over the assets, rights and liabilities and employees associated with such business; and (b) Bluetown (i.e. the original entity) which will be principally engaged in the Other Businesses, and both of which entities will, immediately after such restructuring, be under the same shareholding structure as that under the existing Bluetown

DEFINITIONS

“Richwise”	Richwise Holdings Limited, a company incorporated in the British Virgin Islands and a wholly-owned subsidiary of the Company
“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(s)”	ordinary shares of HK\$0.1 each in the issued share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Share Option Scheme”	the share option scheme of the Company adopted by a resolution of the Shareholders on 22 June 2006
“Start-up Alliance Companies”	a total of 16 companies established in the PRC with limited liability in which, as at the date of the Acquisition Agreement, Bluetown had certain equity interests therein
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Trademark Assignment Framework and Supplemental Agreement”	the trademark assignment framework agreement and its supplemental agreement dated 25 June 2016 between the Company and Greentown Holdings in relation to, among other things, the assignment of trademarks (as amended and supplemented from time to time, if any)
“Trademark Licence Agreement”	the trademark licence Agreement dated 22 June 2006 entered into between the Company and Greentown Holdings pursuant to which, among other things, the Company and the PRC entities in which the Company has a direct or indirect interest shall be entitled to continue using the trademarks set out therein free of charge

* 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 LIU Wensheng
Mr SUN Guoqiang
Mr SHOU Bainian
Mr CAO Zhounan
Mr LI Qingan
Mr LI Yongqian

Independent non-executive Directors:

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

Registered office:

PO Box 309, Uglund 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

16 August 2016

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

Dear Sir or Madam,

**DISCLOSEABLE AND CONNECTED TRANSACTION
IN RELATION TO THE RESTRUCTURING OF BLUETOWN**

1. INTRODUCTION

Reference is made to (i) the announcement of the Company dated 27 June 2016; and (ii) the circular of the Company dated 23 August 2010 in relation to, among other things, the establishment of Bluetown. Bluetown, a company established in the PRC with limited liability, is currently owned as to 35.4% by the Company (through Greentown Property), 34.6% by 1st Counterparty (namely Mr Song), 17% by 2nd Counterparty, 10% by 3rd Counterparty, 1.7% by 4th Counterparty and 1.3% by 5th Counterparty. Bluetown has, since its establishment, been accounted for as a non-wholly owned subsidiary of the Company given that the Company (through Greentown Property) controls the composition of a majority of the board of directors of Bluetown.

* For identification purposes only

LETTER FROM THE BOARD

As at the Latest Practicable Date, Bluetown is principally engaged in the Construction Management Business, namely the business of property development management and advisory, offering management and advisory services in planning, design, budgeting, construction and sales for government construction projects and property development projects, and is also engaged in the Other Business, namely projects related to retirement, agriculture and township development and business in relation to construction technology, scenery design, decoration design and sales agency.

The shareholders of Bluetown proposed to undergo a restructuring of Bluetown by way of demerging and continuing it into two entities, namely (a) New Bluetown which will be principally engaged in the Construction Management Business and will take over the assets, rights and liabilities and employees associated with such business; and (b) Bluetown (i.e. the original entity after the Restructuring) which will be principally engaged in the Other Business, and both of such entities will, immediately after such restructuring, be under the same shareholding structure as that under the existing Bluetown. In connection with the aforesaid, on 25 June 2016, the Acquisition Agreement and the Disposal Agreement were entered into pursuant to which the Company, through the HK Subsidiary, will acquire the remaining equity interest in New Bluetown from the other shareholders, and through Greentown Property, will dispose of its 35.4% equity interest in Bluetown (after the Restructuring) to 1st Counterparty (namely Mr Song).

In addition to the Acquisition Agreement and the Disposal Agreement, the following agreements were also entered into on 25 June 2016: (a) the Ningbo Acquisition Agreement pursuant to which Greentown Property will acquire, and Bluetown will dispose of, 60% equity interests in Ningbo Company; and (b) the Trademark Assignment Framework and Supplemental Agreement pursuant to which, among other things, Greentown Holdings agreed to assign to the Company or its designated entities a total of 15 "Greentown" series of trademarks currently registered in the PRC or Hong Kong by Greentown Holdings, and the Company agreed to procure the assignment to Greentown Holdings one "育華" trademark currently registered by Greentown Property, free of charge.

2. PRINCIPAL TERMS OF THE AGREEMENTS

The Acquisition Agreement

Date 25 June 2016

Parties The purchaser side:

- The HK Subsidiary (as purchaser)
- Richwise (as purchaser's guarantor)

The vendor side:

- The 1st Counterparty (namely Mr Song)

LETTER FROM THE BOARD

- The 1st and 3rd Counterparty Guarantor (as 1st Counterparty's guarantor and 3rd Counterparty's guarantor)
- The 2nd Counterparty
- The 2nd Counterparty Guarantors (as 2nd Counterparty's guarantors)
- The 3rd Counterparty
- The 4th Counterparty
- The 4th and 5th Counterparty Guarantor (as 4th Counterparty's and 5th Counterparty's guarantor)
- The 5th Counterparty

The 1st Counterparty (namely Mr Song) is a co-chairman of the Board and an executive Director. Mr Song is also indirectly interested in certain Shares as described in the section headed "Listing Rules Implications" below. The 1st and 3rd Counterparty Guarantor (namely Greentown Holdings) is a company established in the PRC with limited liability which is owned as to 40% by Mr Song, 21% by Ms Xia Yibo (being the spouse of Mr Song) and 39% by Mr Shou (being an executive director of the Company). Each of Mr Song and Greentown Holdings is a connected person of the Company (at the issuer level) under the Listing Rules.

To the best of the knowledge, information and belief of the Directors, having made all reasonable enquiry, other than the equity interest in Bluetown, each of the other parties to the Acquisition Agreement and their respective ultimate beneficial owners are third parties independent of the Company and connected persons of the Company.

Notwithstanding that the 2nd Counterparty, the 3rd Counterparty and one of the 2nd Counterparty Guarantors (namely, Mr Xu Feng (許峰)) is a substantial shareholder or director (as the case may be) of Bluetown (being a non-wholly-owned subsidiary of the Company), none of them is a connected person of the Company, given that Bluetown is an insignificant subsidiary of the Company pursuant to Rule 14A.09 of the Listing Rules.

LETTER FROM THE BOARD

Subject matter The HK Subsidiary shall acquire an aggregate of 64.6% equity interest in New Bluetown from each of the 1st Counterparty, the 2nd Counterparty, the 3rd Counterparty, the 4th Counterparty and the 5th Counterparty as follows:

- The 1st Counterparty: 34.6%
- The 2nd Counterparty: 17%
- The 3rd Counterparty: 10%
- The 4th Counterparty: 1.7%
- The 5th Counterparty: 1.3%

Upon completion of the acquisition, New Bluetown will be wholly-owned by the Company (through the HK Subsidiary as to 64.6% and Greentown Property as to 35.4%).

Consideration RMB949,100,000.

This consideration is determined after arm's length negotiations among the parties with reference to (i) the financial information of Bluetown, (ii) the transaction multiples of Greentown Dingyi Real Estate Investment Management Co., Ltd. and Greentown Shidai City Construction & Development Company Limited when they were acquired by the Group in 2015 as announced by the Company on 2 August 2015, (iii) comparable company trading analysis; and (iv) the reasons for entering into the transaction as more particularly set out in the section headed "Reasons for and Benefits of the Transactions" below.

When determining the consideration for the Acquisition, the Company has taken into account, among other things, the transaction P/E multiples of Greentown Dingyi and Greentown Shidai when they were acquired by the Group in 2015, both of which are engaged in the similar business with New Bluetown. It is noted that the implied transaction P/E multiple of New Bluetown (being 9.3 times) is notably lower than that of Greentown Dingyi and Greentown Shidai, which are 18.3 times and 16.8 times respectively.

LETTER FROM THE BOARD

The Company has also conducted comparable company trading analysis. The comparable companies selected are Hong Kong listed companies primarily engaged in the research and consulting business for the industrial sector. As of 2 August 2016, the 2015 P/E multiples of such selected comparable companies ranged from approximately 14.0 times to 20.7 times, with an average 2015 P/E multiple of approximately 17.4 times. The implied transaction P/E multiple of New Bluetown (namely 9.3 times) is notably lower than the 2015 P/E multiples of such comparable companies.

The aforesaid amount of consideration shall be subject to adjustment (if any) arising out of the change of circumstances with respect to the relevant contracts for the projects proposed to be allocated to New Bluetown pursuant to the Acquisition Agreement, including (i) upward adjustment of consideration by 64.6% of the net asset value of any additional projects that are subsequently allocated in determining the consideration (as adjusted at a rate agreed between the parties); (ii) downward adjustment of consideration by 64.6% of the net asset value of projects and businesses that are to be allocated to New Bluetown but are terminated (as adjusted at a rate agreed between the parties) during the period between 31 March 2016 and 30 June 2017 (provided that, after setting off, the decrement in revenue from such projects represents more than 10%); (iii) downward adjustment of consideration by the amount of refund received by New Bluetown before 30 June 2017 from the projects which are originally allocated in determining the consideration (as calculated in a manner agreed between the parties); and (iv) if any principals of the projects do not agree that New Bluetown shall assume the contracts for such projects and demand Bluetown to continue to undertake such projects: (a) if such situations will result in a downward adjustment to the consideration of not more than 10%, the Acquisition Agreement shall continue after such adjustment; (b) if Bluetown continues to undertake such projects, the consideration under the Disposal Agreement shall be adjusted upwards accordingly; and (c) if such situations will result in a downward adjustment to the consideration of more than 10%, the purchaser (i.e. the HK Subsidiary) shall be entitled to choose either to continue with the Acquisition Agreement or to terminate the Acquisition Agreement without the vendors' consent.

LETTER FROM THE BOARD

The consideration shall be allocated to each of the vendors on a pro-rated basis based on their respective equity interests in New Bluetown.

The Board intends to finance the payment of the consideration by the Group's internal financial resources.

- | | |
|----------------------|---|
| Payment schedule | <ul style="list-style-type: none">- 20% within 5 business days from the date of the Acquisition Agreement as deposit
- 40% (setting off against the deposit) within 5 business days from the date on which the shareholders of the Company approve the transactions contemplated under the Acquisition Agreement
- 25% within 5 business days from the date on which, as confirmed by the purchaser, at least 50% of the principals of the projects that are proposed to be allocated to New Bluetown having agreed in writing to continue to proceed with the original contracts, and another 25% within 5 business days from the date on which, as confirmed by the purchaser, all of the principals of the projects that are proposed to be allocated to New Bluetown having agreed in writing to continue to proceed with the original contracts (the payment of such amount shall not be subject to the requirement to pay the remaining balance of the consideration before 30 June 2017 as set out below) unless the purchaser agrees to pay the relevant consideration or the vendors agree otherwise with the purchaser
- The balance upon determination of the final remaining amount by the parties and not later than 30 June 2017 |
| Conditions precedent | <p>Completion of the sale and purchase of the equity interest in New Bluetown shall be conditional upon (or waiver by the parties, where applicable) the satisfaction of certain conditions precedent including:</p> <ul style="list-style-type: none">- the Restructuring having been approved by the board of directors of Bluetown
- the necessary approvals, permits, consents and registrations for the Restructuring having been obtained, the New Bluetown having completed its registration for the establishment and Bluetown having completed its registration for the changes |

LETTER FROM THE BOARD

- the principals of the projects that are proposed to be allocated to New Bluetown having acknowledged and agreed in writing to continue to proceed with the original contracts
- New Bluetown having entered into the necessary legal documents with certain Start-up Alliance Companies (the equity interests of which will be transferred from Bluetown to New Bluetown) and its shareholders pursuant to which New Bluetown shall be entitled to increase its equity interest therein to 51% by capital injection or equity transfer (unless otherwise decided by New Bluetown not to pursue so)
- each of the vendors having become the shareholders of New Bluetown in the same shareholding structure as that of Bluetown
- each of the vendors (other than Mr Song) having obtained its internal approval pursuant to its articles of association
- the transfer of the equity interests in New Bluetown having been approved by the governmental authorities
- the Company having obtained its board and shareholders' approval and having complied with all applicable requirements under the Listing Rules in connection with the Acquisition Agreement
- the Disposal Agreement having become effective
- the Trademark Assignment Framework and Supplemental Agreement having becoming effective

Moreover, the Acquisition Agreement and the Disposal Agreement are inter-related and none of the parties may choose to proceed with only one of these two agreements.

Closing date

The date on which the conditions precedent having been satisfied (or waived by the parties, where applicable) or such other date as the parties may agree.

LETTER FROM THE BOARD

Arrangements in relation to the equity interests in the Start-up Alliance Companies	<p>As at the date of the Acquisition Agreement, Bluetown has certain equity interests in a total of 16 non-wholly owned companies (i.e. the Start-up Alliance Companies). The Start-up Alliance Companies are principally engaged in the Construction Management Business. Pursuant to the Restructuring, the equity interests in five of the Start-up Alliance Companies will be transferred to New Bluetown while the equity interests in the remaining 11 Start-up Alliance Companies will be retained by Bluetown.</p>
Non-competition	<p>After the signing of the Acquisition Agreement, the vendors may, through Bluetown (after the Restructuring) and the relevant Start-up Alliance Companies, conduct the existing Construction Management Business until completion of the existing projects or termination of the relevant contracts.</p> <p>Mr Song shall procure Bluetown that the business activities of Construction Management Business participated, conducted or undertaken by it in China in whatsoever form (including but not limited to investment, joint venture, cooperation, partnership, contracting, leasing, acquisition or investment in listed companies) shall not result in any adverse effect on the principal businesses of the Company.</p>
Brand name and trademark	<p>From the signing of the Acquisition Agreement, New Bluetown shall not use the “Bluetown” brand name in its Construction Management Business without the consent of Bluetown, other than in the existing projects of New Bluetown or the Start-up Alliance Companies which have been using the “Bluetown” brand name until completion of such projects.</p> <p>Please also refer to the sub-sections headed “The Disposal Agreement” and “The Trademark Assignment Framework and Supplemental Agreement” in relation to the “Greentown” brand name and trademark.</p>
Termination	<p>The purchaser may terminate the Acquisition Agreement by written notice to the vendors upon the occurrence of any of certain termination events including:</p> <ul style="list-style-type: none">– the conditions precedent not having been satisfied– the Disposal Agreement having been terminated, cancelled or revoked by reasons not at the fault of the vendor therein (i.e. Greentown Property)

LETTER FROM THE BOARD

- the Trademark Assignment Framework and Supplemental Agreement having been terminated, cancelled or revoked, or the trademark assignment thereunder not having been completed, in each case at the fault of Greentown Holdings

The vendors may terminate the Acquisition Agreement by written notice to the purchaser upon the occurrence of any of certain termination events including:

- the conditions precedent not having been satisfied
- the Disposal Agreement having been terminated, cancelled or revoked by reasons not at the fault of the purchaser therein (i.e. Mr Song)
- the Trademark Assignment Framework and Supplemental Agreement having been terminated, cancelled or revoked at the fault of the Company

Upon termination, all obligations of the parties under the Agreement shall end but all rights and liabilities of the parties which shall survive the termination shall continue to exist. Upon termination, the vendors shall forthwith refund any consideration that has been paid by the purchaser and the purchaser shall return any equity interest in New Bluetown to the vendors.

The Disposal Agreement

Date 25 June 2016

Parties The vendor side:

- Greentown Property (as vendor)
- Richwise (as vendor's guarantor)

The purchaser side:

- Mr Song (as purchaser)
- Greentown Holdings (as purchaser's guarantor)

LETTER FROM THE BOARD

Mr Song is a co-chairman of the Board and an executive Director. Mr Song is also indirectly interested in certain Shares as described in the section headed “Listing Rules Implications” below. Greentown Holdings is a company established in the PRC with limited liability which is owned as to 40% by Mr Song, 21% by Ms Xia Yibo (being the spouse of Mr Song) and 39% by Mr Shou (being an executive Director). Each of Mr Song and Greentown Holdings is a connected person of the Company (at the issuer level) under the Listing Rules.

Subject matter Greentown Property shall dispose of its 35.4% equity interest in Bluetown (after the Restructuring) to the 1st Counterparty.

Upon completion of the disposal, the Company (through Greentown Property) will cease to have any equity interest in Bluetown.

Consideration RMB116,931,100.

This consideration is determined after arm’s length negotiations among the parties with reference to (i) the financial information of Bluetown; (ii) the valuation of the 35.4% equity interest in Bluetown (based on asset based approach) as shown on the valuation report (the “**Bluetown Valuation Report**”) prepared by an independent valuer in the PRC as set out in Appendix IIA to this circular (which, for the avoidance of doubt, is different from the property valuation report prepared by DTZ Cushman & Wakefield Limited as set out in Appendix I to this circular, namely the valuation on the property held by Ningbo Company); and (iii) the reasons for entering into the transaction as more particularly set out in the section headed “Reasons for and Benefits of the Transactions” below.

The aforesaid amount has already deducted the dividends of RMB93,102,000 that are expected to be received by Greentown Property from Bluetown after 31 March 2016. In case of any deviation between the expected and actual amount of dividends or if any principals of the projects do not agree that New Bluetown shall assume the contracts for such projects and demand Bluetown to continue to undertake such projects, the consideration shall be upward adjusted accordingly in the following formula:

net asset value of the additional projects x discount rate agreed by the parties x 35.4% = adjustment made to the consideration

LETTER FROM THE BOARD

Bluetown intends to distribute a dividend of RMB263.0 million (the “**Proposed Dividend**”) after the EGM but prior to completion of the disposal, subject to the approval of the board of directors of Bluetown (the “**Bluetown Board**”) taking into consideration whether or not the disposal is approved at the EGM. The approval of the Proposed Dividend requires the approval by the majority of the Bluetown Board. As at the Latest Practicable Date, the majority of the Bluetown Board were representatives of the Company. The Company expects that all of the Company’s representatives on the Bluetown Board will approve the Proposed Dividend in the event that the disposal is approved at the EGM.

- Payment schedule
- 20% within 5 business days from the date of the Disposal Agreement as deposit
 - 40% (setting off against the deposit) within 10 business days from the date on which the shareholders of the Company approve the transactions contemplated under the Disposal Agreement
 - 25% within 5 business days from the date on which the purchaser under the Acquisition Agreement (i.e. the HK Subsidiary) pays the first tranche of the third stage consideration (as set out above in the sub-section headed “The Acquisition Agreement” above) to the vendors, and another 25% within 5 business days from the date on which the purchaser under the Acquisition Agreement pays the second tranche of the third stage consideration (in any event, these payments (in aggregate amounting to 50% of the total consideration under the Disposal Agreement) shall be made no later than 30 days from the date of completion of the disposal of equity interest under the Disposal Agreement)
 - The balance upon determination of the final remaining amount by the parties and not later than 7 July 2017

LETTER FROM THE BOARD

Conditions precedent	<p>Completion of the sale and purchase of the equity interest in Bluetown shall be conditional upon (or waiver by the parties, where applicable) the satisfaction of certain conditions precedent including:</p> <ul style="list-style-type: none">- the Restructuring having been approved by the board of directors of Bluetown- the necessary approvals, permits, consents and registrations for the Restructuring having been obtained, New Bluetown having completed its registration for the establishment and Bluetown having completed its registration for the changes- Bluetown or its board of directors having resolved the distribution of profits accrued as of 31 March 2016 to its shareholders- the other shareholders of Bluetown having approved the transfer of the equity interests in Bluetown and the board of directors of Bluetown having approved such transfer- the transfer of the equity interests in Bluetown having been approved by the governmental authorities- the Company having obtained its board and shareholders' approval and having complied with all applicable requirements under the Listing Rules in connection with the Acquisition Agreement- the Acquisition Agreement having become effective and all conditions for completion having been fulfilled- the Trademark Assignment Framework and Supplemental Agreement having become effective <p>Moreover, the Acquisition Agreement and the Disposal Agreement are inter-related and none of the parties may choose to proceed with only one of these two agreements.</p>
Closing date	<p>The date on which the conditions precedent having been satisfied (or waived by the parties, where applicable) or such other date as the parties may agree</p>

LETTER FROM THE BOARD

Arrangements in relation to the equity interests in the Start-up Alliance Companies	See the sub-section headed "The Acquisition Agreement" above
Non-competition	See the sub-section headed "The Acquisition Agreement" above
Brand name and trademark	<p>The purchaser shall use the "Bluetown" brand name in the business of Bluetown (including its subsidiaries). For the projects engaged in the Construction Management Business that will be retained at Bluetown and existing projects of the Start-up Alliances Companies or others which have been using the "Greentown" brand name, they can continue to do so until completion of the relevant project or termination of the relevant contract.</p> <p>Also see the sub-section headed "The Acquisition Agreement" above.</p>
Termination	<p>The vendor may terminate the Disposal Agreement by written notice to the purchaser upon the occurrence of any of certain termination events including:</p> <ul style="list-style-type: none">- the conditions precedent not having been satisfied- the Acquisition Agreement having been terminated, cancelled or revoked by reasons not at the fault of the purchaser therein (i.e. Greentown Property)- the Trademark Assignment Framework and Supplemental Agreement having been terminated, cancelled or revoked, or the trademark assignment thereunder not having been completed, in each case at the fault of Greentown Holdings <p>The purchaser may terminate the Disposal Agreement by written notice to the vendor upon the occurrence of any of certain termination events including:</p> <ul style="list-style-type: none">- the conditions precedent not having been satisfied- the Acquisition Agreement having been terminated, cancelled or revoked by reasons not at the fault of the vendors therein

LETTER FROM THE BOARD

- the Trademark Assignment Framework and Supplemental Agreement having been terminated, cancelled or revoked at the fault of the Company

Upon termination, all obligations of the parties under the Agreement shall end but all rights and liabilities of the parties which shall survive the termination shall continue to exist. Upon termination, the vendor shall forthwith refund any consideration that has been paid by the purchaser and the purchaser shall return any equity interest in Bluetown to the vendors.

The Ningbo Acquisition Agreement

Date 25 June 2016

- Parties
- Bluetown (as vendor)
 - Greentown Property (as purchaser)

Subject matter Greentown Property shall acquire, and Bluetown shall dispose of, 60% equity interest in Ningbo Company.

Upon completion of the acquisition, Greentown Property will be interested in 60% equity interest in Ningbo Company and Bluetown will cease to hold any equity interest in Ningbo Company.

Consideration RMB103,251,200.

This consideration is determined after arm's length negotiations among the parties with reference to (i) the financial information of Ningbo Company; (ii) the valuation of the 60% equity interest in the Ningbo Company being the consideration of the Ningbo Acquisition (based on asset based approach) as shown on the valuation report (the "**Ningbo Valuation Report**") prepared by an independent valuer in the PRC as set out in Appendix IIB to this circular (which, for the avoidance of doubt, is different from the property valuation report prepared by DTZ Cushman & Wakefield Limited as set out in Appendix I to this circular, namely the valuation on the property held by Ningbo Company); and (iii) the reasons for entering into the transaction as more particularly set out in the section headed "Reasons for and Benefits of the Transactions" below.

LETTER FROM THE BOARD

The Board intends to finance the payment of the consideration by the Group's internal financial resources

- Payment schedule
- 50% within 5 business days from the closing date of the Ningbo Acquisition Agreement
 - 50% within 5 business days from the date on which Ningbo Company completes (i) its registration of changes and changes of register of shareholders; and (ii) its registration of changes regarding the change of directors, supervisors, general manager and legal representative

Conditions precedent

Completion of the sale and purchase of the equity interest in Ningbo Company shall be conditional upon (or waiver by the parties, where applicable) the satisfaction of certain conditions precedent including:

- The respective boards of directors of each of Bluetown and Greentown Property have approved the sale and purchase of equity interest
- The other shareholder of Ningbo Company having approved the sale and purchase of equity interest
- the Company having obtained its board and shareholders' approval and having complied with all applicable requirements under the Listing Rules in connection with the transactions contemplated under the Ningbo Acquisition Agreement

Closing date

The date on which the conditions precedent having been satisfied (or waived by the parties, where applicable) or such other date as the parties may agree.

The Company currently expects that the acquisition of equity interest in Ningbo Company by Greentown Property under the Ningbo Agreement will be completed prior to the completion of the acquisition of New Bluetown and the disposal of Bluetown contemplated under the Acquisition Agreement and the Disposal Agreement, respectively.

Termination

The vendor or the purchaser may terminate the Ningbo Acquisition Agreement by written notice to the purchaser upon the occurrence of any of certain termination events including the conditions precedent not having been satisfied.

LETTER FROM THE BOARD

Upon termination, all obligations of the parties under the Agreement shall end but all rights and liabilities of the parties which shall survive the termination shall continue to exist. Upon termination, the vendor shall forthwith refund any consideration that has been paid by the purchaser and the purchaser shall return any equity interest in Ningbo Company to the vendor.

The Trademark Assignment Framework and Supplemental Agreement

Date 25 June 2016

Parties – The Company
– Greentown Holdings

Greentown Holdings is a company established in the PRC with limited liability which is owned as to 40% by Mr Song, 21% by Ms Xia Yibo (being the spouse of Mr Song) and 39% by Mr Shou (being an executive Director). Greentown Holdings is a connected person of the Company (at the issuer level) under the Listing Rules.

Subject matter Greentown Holdings agreed to assign to the Company or its designated entities a total of 15 “Greentown” series of trademarks (which are currently registered in the PRC or Hong Kong), and the Company agreed to procure the assignment to Greentown Holdings one “育華” trademark (which is currently registered in the PRC by Greentown Property).

Consideration No assignment fee will be payable by either party for the Assignment of trademarks.

LETTER FROM THE BOARD

- Other arrangements include, among other things
- Among the 15 “Greentown” series of trademarks to be assigned to the Company or its designated entities, three of which are registered in Hong Kong. The parties agreed that, if the registration of such Hong Kong trademarks are able to be further sub-divided into different classifications, such trademarks which are to be registered under the classifications relevant to real estate development business of the Company shall be assigned to the Company or its designated entities, while those to be registered under the classifications irrelevant to the real estate development business of the Company shall be retained by Greentown Holdings. In the event that such sub-division is not feasible, Greentown Holdings shall, for the purpose of the real estate development business of the Company, grant the exclusive right to the Company or entities in which the Company has a direct or indirect interest to use such trademarks (which are registered in the areas related to real estate development business) free of charge during the validity period (or extension thereof) of such trademarks.
 - The parties agreed that, after the assignment of trademarks to the Company or its designated entities, the Company shall grant the right to Greentown Holdings and its connected persons to use those trademarks for the existing businesses of Greentown Holdings as set out in the agreement that does not or may not compete with the real estate development business, free of charge during the validity period (or extension thereof) of such trademarks.
 - The parties agreed to use their endeavours to protect the “Greentown” brand name. The parties further agreed that each of them shall ensure that there should be clear delineation when they conduct their respective businesses and avoid any confusion that may be brought to the public by virtue of the use of “Greentown” series of trademarks or brand names.

LETTER FROM THE BOARD

- The parties agreed that if the Construction Management Business, hotel business and high-end renovation business of the Company are to be listed on a stock exchange, Greentown Holdings agreed to assign to the Company or its designated entities the “Greentown” series of trademarks relevant to such businesses which have been registered by Greentown Holdings (and its connected persons) or for which trademark registration have been applied. The detailed terms of assignment are to be agreed upon at the relevant time.
- The parties confirmed that the Trademark Licence Agreement shall remain effective pursuant to which the Company and the PRC entities in which the Company has a direct or indirect interest shall be entitled to continue using the trademarks under the free licence under the said agreement.
- The parties agreed that: (i) the Company has the right to apply for registration in or outside of China those unregistered “Greentown” series of trademarks or similar trademarks within the scope of real estate development business; and (ii) Greentown Holdings has the rights to apply for registration in or outside China those unregistered “Greentown” series of trademarks or similar trademarks within the scope which do not or may not compete with the real estate development business for so long as they do not contravene certain obligations of Greentown Holdings under the Trademark Licence Agreement (including the obligation that Greentown Holdings shall not register or use or agree to register or use the similar “Greentown” or “Greentown Property” trademarks for the businesses which compete or may compete with the principal businesses of the Group).

LETTER FROM THE BOARD

- The parties agreed that: (i) in respect of the trademarks that the Company is entitled to use pursuant to the Trademark Licence Agreement and the Trademark Assignment Framework and Supplemental Agreement, for the purpose of the real estate development businesses, the Company has the right to authorise a party in which the Company has a direct or indirect interest or, even without such interest, over which the Company has the management right through contractual arrangements to use such trademarks and shall be entitled to retain any profits therefrom; and (ii) in respect of the trademarks that Greentown Holdings is entitled to use pursuant to the Trademark Assignment Framework and Supplemental Agreement, for the purpose of the businesses which do not or may not compete with the real estate development business, Greentown Holdings has the right to authorise a party in which Greentown Holdings has a direct or indirect interest or, even without such interest, over which Greentown Holdings has the management right through contractual arrangements and shall be entitled to retain any profits therefrom.

- The parties agreed that Greentown Holdings shall not use or authorise any third party to use "Greentown" or similar brand names for the businesses which compete or may compete with the real estate development business (other than those that have been previously authorised by Greentown Holdings or approved by the Company), and shall be entitled to use or authorise any third party to use "Greentown" or similar brand names for businesses which do not or may not compete with the real estate development business.

LETTER FROM THE BOARD

- The parties agreed that for the companies that have been established and are engaged in the businesses which compete or may compete with the real estate development businesses and that have been previously granted the right to use the “Greentown” series of trademarks or brand names, if the Company negotiates with such companies separately regarding the arrangements for the use of such trademarks or brand names going forward, Greentown Holdings shall provide all assistance and cooperation. The parties acknowledged that Greentown Service Group Co. Ltd. (including companies in which it has a direct or indirect interest) and Hangzhou Greentown Hotel Management Co. Ltd. (including companies in which it has a direct or indirect interest) shall not be regarded as companies which are engaged in the businesses which compete or may compete with the real estate development businesses.

3. INFORMATION ABOUT BLUETOWN, NEW BLUETOWN AND NINGBO COMPANY

Bluetown and New Bluetown

As at the Latest Practicable Date, Bluetown was principally engaged in the Construction Management Business, namely the business of offering property development management and advisory services in planning, design, budgeting, construction and sales for government construction projects and property development projects, and was also engaged in the Other Business, namely projects related to retirement, agriculture and township development and business in relation to construction technology, scenery design, decoration design and sales agency.

Set out below are the net profits (before and after taxation) of Bluetown according to its audited accounts prepared in accordance with PRC GAAP:

	For the year ended 31 December	
	2014	2015
	(audited)	(audited)
Net profits before taxation	RMB149.2 million	RMB212.3 million
Net profits after taxation	RMB106.9 million	RMB160.6 million

LETTER FROM THE BOARD

The net asset value of Bluetown as at 31 December 2015 according to its audited accounts was RMB577.4 million.

The Board expects that, pursuant to the Restructuring, New Bluetown will be principally focused on the Construction Management Business, while Bluetown (after the Restructuring) will be principally focused on the Other Business.

Based on the unaudited management accounts for the year ended 31 December 2014, the net profit before taxation of New Bluetown and Bluetown (excluding New Bluetown) for the year ended 31 December 2014 were RMB147.0 million and RMB2.2 million, respectively, the net profit after taxation of New Bluetown for the year ended 31 December 2014 was RMB108.6 million and the net loss after taxation for Bluetown (excluding New Bluetown) for the year ended 31 December 2014 was RMB1.7 million.

Based on the unaudited management accounts for the year ended 31 December 2015, the net profit before taxation of New Bluetown and Bluetown (excluding New Bluetown) for the year ended 31 December 2015 were RMB210.7 million and RMB1.6 million, respectively, the net profit after taxation of New Bluetown and Bluetown (excluding New Bluetown) for the year ended 31 December 2015 were RMB159.3 million and RMB1.3 million, respectively. The net profit after taxation attributable to the shareholders of New Bluetown and Bluetown (excluding New Bluetown) for the year ended 31 December 2015 were approximately RMB158.6 million and RMB4.0 million, respectively.

Based on the unaudited management accounts for the year ended 31 December 2015, the major assets and liabilities of New Bluetown and Bluetown (excluding New Bluetown) as at 31 December 2015 are as follows:

	New Bluetown	Bluetown (excluding New Bluetown)
	As at	As at
	31 December	31 December
	2015	2015
	(unaudited)	(unaudited)
Cash and cash equivalent	RMB288.0 million	RMB85.0 million
Inventory	–	RMB838.6 million
Trade receivables	RMB83.9 million	RMB12.1 million
Trade payables	RMB5.7 million	RMB65.2 million

Based on the unaudited management accounts of Bluetown as at 31 December 2015, the net asset value attributable to the shareholders of New Bluetown and Bluetown (excluding New Bluetown) as at 31 December 2015 were RMB264.2 million and RMB239.5 million, respectively.

LETTER FROM THE BOARD

Ningbo Company

Ningbo Company is a company established in the PRC with limited liability and owed by Bluetown as to 60% and an independent third party as to 40%. It is principally engaged in the business of property development.

Set out below are the net loss (before and after taxation) of Ningbo Company according to its audited accounts prepared in accordance with PRC GAAP:

	For the year ended 31 December	
	2014	2015
	(audited)	(audited)
Net loss before taxation	RMB6.1 million	RMB14.0 million
Net loss after taxation	RMB6.1 million	RMB14.0 million

The net asset value of the Ningbo Company as at 31 December 2015 according to its audited accounts was RMB129.9 million. The net asset value of the Ningbo Company as at 31 March 2016 according to its unaudited management accounts was RMB126.4 million.

4. REASONS FOR AND BENEFITS OF THE TRANSACTIONS

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. As part of the principal businesses, the Group is also engaged in the Construction Management Business.

Bluetown is currently a non-wholly-owned subsidiary of the Company, which is principally engaged in the Construction Management Business, namely the business of offering property development management and advisory services in planning, design, budgeting, construction and sales for government construction projects and property development projects. Bluetown (and New Bluetown, after the Restructuring) provides comprehensive services to corporate clients and government authorities in the development of residential and commercial properties as well as rural and urban community projects. The senior management and officers of Bluetown (and New Bluetown, after the Restructuring) processes rich expertise, experience and network in the construction management industry in the PRC. The Company considers that the transactions contemplated under the Agreements will enable the Group (i) to further increase the scale and attributable income of its Construction Management Business; (ii) to focus on its core business and dispose of its non-core businesses; and (iii) to enhance delineation of the use of "Greentown" series of trademarks by the Group and Greentown Holdings in conducting their respective business activities.

LETTER FROM THE BOARD

The Directors (including the independent non-executive Directors) consider that the Agreements and the transactions contemplated thereunder are on normal commercial terms and in the ordinary and usual course of business of the Group, fair and reasonable and in the interests of the Company and the Shareholders as a whole.

5. LISTING RULES IMPLICATIONS

Mr Song is a co-chairman of the Board and an executive Director. Mr Song is also the sole shareholder of Delta House Limited which holds 126,071,924 Shares, representing approximately 5.83% of the total issued share capital of the Company. Mr Song is also the sole member of Hong Kong Orange Osmanthus Foundation Limited, a company limited by guarantee and established by Mr Song as a charitable institution in Hong Kong. This charitable institution holds 100,000,000 Shares, representing approximately 4.62% of the total issued share capital of the Company. Mr Song has control and entitled to control in respect of such Shares. As at the Latest Practicable Date, Mr Shou is an executive Director. Mr Shou is also the sole shareholder of Profitwise Limited which holds 174,549,783 Shares, representing approximately 8.07% of the total issued share capital of the Company, which Mr Shou has control and entitled to control. Greentown Holdings is a company established in the PRC with limited liability which is owned as to 40% by Mr Song, 21% by Ms Xia Yibo (being the spouse of Mr Song) and 39% by Mr Shou. Each of Mr Song (i.e. the 1st Counterparty) and Greentown Holdings (i.e. the 1st and 3rd Counterparty Guarantor) is a connected person of the Company (at the issuer level) under the Listing Rules.

Based on the applicable size tests, the entering into of the Agreements and the transactions contemplated thereunder constitute a discloseable and connected transaction of the Company subject to the reporting, announcement and independent Shareholder's approval requirements under Chapter 14A of the Listing Rules.

Any connected person with a material interest in the Agreements and the transactions contemplated thereunder, and any Shareholder who has a material interest in the Agreements and the transactions contemplated thereunder and its associates will be required to abstain from voting at the EGM. Mr Song and Mr Shou (each being an executive Director) have a material interest in the Agreements and the transactions contemplated thereunder due to their interests in Greentown Holdings. Therefore, they have abstained from voting on the relevant Board resolution approving the Agreements and the transactions contemplated thereunder. Mr Song and Mr Shou in aggregate control a total of 400,621,707 Shares, representing approximately 18.53% of the total issued share capital of the Company.

6. OTHER INFORMATION

Greentown Holdings (i.e. the 1st and 3rd Counterparty Guarantor) is a company established in the PRC with limited liability which is owned as to 40% by Mr Song, 21% by Ms Xia Yibo (being the spouse of Mr Song) and 39% Mr Shou. It is principally engaged in property management and information consultancy on international economy, technology and environmental protection.

LETTER FROM THE BOARD

The 2nd Counterparty is a limited liability partnership established in the PRC. It is managed by Mr Chen Yangguang (陳仰光) and is principally engaged in investment management.

The 2nd Counterparty Guarantors are Mr Xu Feng (許峰) and Mr Fu Linjiang (傅林江).

The 3rd Counterparty is a company established in the PRC with limited liability and is owned by Mr Mi Jiandong (宓建棟). It is principally engaged in investment management, investment consultancy (other than securities and futures), marketing and sales strategy, corporate image planning, commercial information consultancy (other than commodity intermediate), corporate management consultancy, intellectual property agency (other than patent agency), technical development and computer software.

The 4th Counterparty is a limited liability partnership established in the PRC. It is managed by 上海易德增股權投資管理中心(有限合夥) (Shanghai Yidezeng Equity Investment Centre (Limited Liability Partnership)*) and is principally engaged in equity investment, investment consultancy and asset management.

The 4th and 5th Counterparty Guarantor is a company established in the PRC with limited liability and is principally engaged in equity investment management, enterprise investment, investment consultancy and investment management.

The 5th Counterparty is a limited liability partnership established in the PRC. It is managed by the 4th and 5th Counterparty Guarantor and is principally engaged in equity investment, investment consultancy and asset management.

7. EGM

A notice convening the EGM is set out on pages 80 to 82 of this circular. Ordinary resolution will be proposed at the EGM to approve the Agreements 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.

8. RECOMMENDATION

Your attention is drawn to the letter from the Independent Board Committee set out on pages 31 to 32 of this circular which contains its recommendation to the Independent Shareholders in relation to the Agreements and the transactions contemplated thereunder. Your attention is also drawn to the letter of advice from the Independent Financial

LETTER FROM THE BOARD

Adviser set out on pages 33 to 55 of this circular which contains its advice to the Independent Board Committee and the Independent Shareholders in relation to the transactions contemplated under the Agreements and the principal factors and reasons considered by it in formulating its advice.

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

9. 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 Agreements and the transactions contemplated thereunder are subject to, among other things, the approval by the Independent Shareholders at the EGM.

By Order of the Board
Greentown China Holdings Limited

Fung Ching, Simon
Company Secretary



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)

16 August 2016

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

Dear Sir or Madam

**DISCLOSEABLE AND CONNECTED TRANSACTION
IN RELATION TO THE RESTRUCTURING OF BLUETOWN**

We refer to the circular of the Company to the Shareholders dated 16 August 2016 (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 Agreements 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 Agreements and the transactions contemplated thereunder, as set out on pages 33 to 55 of the Circular and the letter from the Board set out on pages 6 to 30 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 Agreements and the transactions contemplated thereunder are on normal commercial terms and in the ordinary and usual course of business of the Group, 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 Agreements 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 Capital Asia Limited to the Independent Board Committee and the Shareholders in relation to the connected transactions contemplated under the Agreements prepared for the purpose of incorporation in this circular.



Investec Capital Asia Limited
Room 3609, 36/E, Two International Finance Centre
8 Finance Street, Central, Hong Kong
香港中環金融街8號國際金融中心二期36樓3609室
Tel/ 電話: (852) 3187 5000
Fax/ 傳真: (852) 2501 0171
www.investec.com

16 August 2016

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

Dear Sir or Madam,

DISCLOSEABLE AND CONNECTED TRANSACTION IN RELATION TO THE RESTRUCTURING OF BLUETOWN

INTRODUCTION

We refer to our appointment as the independent financial adviser to the Independent Board Committee and the Shareholders in respect of the Agreements and the transactions contemplated thereunder, details of which are set out in the letter from the board (the "**Letter from the Board**") contained in the circular of the Company dated 16 August 2016 (the "**Circular**"), of which this letter forms part. This letter contains our advice to the Independent Board Committee and the Shareholders in this regard. Unless otherwise stated, terms defined in the Circular have the same meanings in this letter.

Reference is made to the Letter from the Board of the Company in relation to, among other things, the establishment of Bluetown. Bluetown, a company established in the PRC with limited liability, is currently owned as to 35.4% by the Company (through Greentown Property), 34.6% by 1st Counterparty (namely Mr. Song), 17.0% by 2nd Counterparty, 10.0% by 3rd Counterparty, 1.7% by 4th Counterparty and 1.3% by 5th Counterparty. Bluetown has, since its establishment, been accounted for as a non-wholly owned subsidiary of the Company given that the Company (through Greentown Property) controls the composition of a majority of the board of directors of Bluetown.

The shareholders of Bluetown propose to undergo a restructuring of Bluetown by way of demerging and continuing it into two entities, namely (a) New Bluetown which will be principally engaged in the Construction Management Business and will take over the assets, rights and liabilities and employees associated with such business; and (b) Bluetown (i.e. the original entity after the Restructuring) which will be principally engaged in the Other Business, and both of such entities will, immediately after such restructuring, be under the same shareholding structure as that under the existing

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Bluetown. In connection with the aforesaid, on 25 June 2016, the Acquisition Agreement and the Disposal Agreement were entered into pursuant to which the Company, through the HK Subsidiary, will acquire the remaining equity interest in New Bluetown from the other shareholders, and through Greentown Property, will dispose of its 35.4% equity interest in Bluetown (after the Restructuring) to 1st Counterparty (namely Mr. Song).

In addition to the Acquisition Agreement and the Disposal Agreement, the following agreements were also entered into on 25 June 2016: (a) the Ningbo Acquisition Agreement pursuant to which Greentown Property will acquire, and Bluetown will dispose of, 60% equity interests in Ningbo Company; and (b) the Trademark Assignment Framework and Supplemental Agreement pursuant to which, among other things, Greentown Holdings agreed to assign to the Company or its designated entities a total of 15 “Greentown” series of trademarks currently registered in the PRC or Hong Kong by Greentown Holdings, and the Company agreed to procure the assignment to Greentown Holdings one “育華” trademark currently registered by Greentown Property, free of charge.

As set out in the Letter from the Board, Mr. Song is co-chairman of the Board and an executive Director. Mr. Song is also the sole shareholder of Delta House Limited which holds 126,071,924 Shares, representing approximately 5.83% of the total issued share capital of the Company. Mr. Song is also the sole member of Hong Kong Orange Osmanthus Foundation Limited, a company limited by guarantee and established by Mr. Song as a charitable institution in Hong Kong. As at the Latest Practicable Date, this charitable institution holds 100,000,000 Shares, representing approximately 4.62% of the total issued share capital of the Company. As at the Latest Practicable Date, Mr. Shou is also the sole shareholder of Profitwise Limited which holds 174,549,783 Shares, representing approximately 8.07% of the total issued share capital of the Company. Greentown Holdings is a company established in the PRC with limited liability which is owned as to 40% by Mr. Song, 21% by Ms. Xia Yibo (being the spouse of Mr. Song) and 39% by Mr. Shou. Each of Mr. Song (i.e. the 1st Counterparty) and Greentown Holdings (i.e. the 1st and 3rd Counterparty Guarantor) is a connected person of the Company (at the issuer level) under the Listing Rules. Mr. Song, Mr. Shou and their respective associates are required to abstain from voting at the EGM.

Based on the applicable size tests, the entering into of the Agreements and the transactions contemplated thereunder will constitute a discloseable and connected transaction of the Company subject to the reporting, announcement and independent Shareholder’s approval requirements under Chapter 14A of the Listing Rules.

THE INDEPENDENT BOARD COMMITTEE

The Independent Board Committee comprising all 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 advise the Shareholders in respect of the Agreements and the transactions contemplated thereunder. As the Independent Financial Adviser to the Independent Board Committee and Shareholders, our role is to give an independent opinion to the Independent Board Committee and the Shareholders as to (a) whether the transactions contemplated under the Agreements will be carried out in the

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

ordinary course of business of the Group; (b) whether the terms of the Agreements are normal commercial terms, fair and reasonable, and in the interests of the Company and the Shareholders as a whole; and (c) how the independent Shareholders should vote for the relevant resolutions to be proposed at the EGM in respect of the Agreements and the transactions contemplated thereunder.

As at the Latest Practicable Date, we were independent from and not connected with the Group, Bluetown and New Bluetown pursuant to Rule 13.84 of the Listing Rules, and accordingly, qualified to give independent advice to the Independent Board Committee and the Shareholders regarding the Agreements and the transactions contemplated thereunder. In addition to our appointment as the Independent Financial Adviser, Investec in the last two years has also acted as the independent financial adviser to the then Independent Board Committee and then Shareholders in respect of a connected transaction in relation to the development of residential properties in Beijing with the Wharf (Holdings) Limited and China Communication Construction Group (Limited) (the “CCCCG”) subsidiaries in May 2016, as well as in respect of a connected transaction in relation to the development of residential properties with the Wharf (Holdings) Limited Group in Hangzhou in December 2015. Apart from the normal advisory fee payable to us in connection with our appointment as the independent financial adviser, no arrangement exists whereby we shall receive any other fees or benefits from the Company.

BASIS OF OUR OPINION

In formulating our advice, we have relied solely on the statements, information, opinions, beliefs and representations for matters relating to the Group, Bluetown, New Bluetown, Ningbo Company and their respective shareholders and management contained in the Circular and the information and representations provided to us by the Group and/or its senior management staff (the “**Management**”) and/or the Directors. We have assumed that all such statements, information, opinions, beliefs and representations contained or referred to in the Circular (including this Letter) or otherwise provided or made or given by the Group and/or the Management and/or the Directors and for which it is/they are solely responsible were true and accurate, and valid and complete in all material respects at the time they were made and given and continue to be true and accurate, and valid and complete in all material respects as at the date of the Circular. We have assumed that all the opinions, beliefs and representations for matters relating to the Group, Bluetown, New Bluetown and Ningbo Company made or provided by the Management and/or the Directors contained in the Circular have been reasonably made after due and careful enquiry. We have also sought and obtained confirmation from the Company and/or the Management and/or the Directors that no material facts have been omitted from the information provided and referred to in the Circular.

We consider that we have been provided with sufficient information and documents to enable us to reach an informed view and the Management has assured us no material information has been withheld from us to allow us to reasonably rely on the information provided so as to provide a reasonable basis for our advice. We have no reason to doubt the truth, accuracy and completeness of the statements, information, opinions, beliefs and representations provided to us by the Group and/or the Management and/or the Directors and their respective advisers or to believe that material information has been

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

withheld or omitted from the information provided to us or referred to in the aforesaid documents. 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, Bluetown, New Bluetown, Ningbo Company and their respective shareholder(s) and subsidiaries or affiliates, and their respective histories, experience and track records, or the prospects of the markets in which they respectively operate.

PRINCIPAL FACTORS CONSIDERED

In formulating our opinion regarding the Agreements and the transactions contemplated thereunder, we have taken into consideration the following principal factors:

1. Background information

i. Information on 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 Company's annual report for the year ended 31 December 2015 (the "**2015 Annual Report**"), the Company has been established for 21 years and is based in Zhejiang Province, with property projects located in provinces including but not limited to Zhejiang, Jiangsu, Shandong, Liaoning, Beijing, 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 part of the principal businesses, the Group is also engaged in the Construction Management Business according to the Letter from the Board.

We also note from the 2015 Annual Report that the Company introduced CCCG as a strategic investor and CCCG became and remained as the single largest shareholder of the Company as at the Latest Practicable Date.

Set out below are the summaries of (a) the audited consolidated statement of profit or loss; and (b) the audited consolidated statement of financial positions of

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

the Group in respect of the two years ended 31 December 2015 and as at 31 December 2014 and 2015, respectively, as extracted from the 2015 Annual Report:

Summary of consolidated statement of profit or loss

<i>Approximately</i>	For the year ended	
	31 December	
	2014	2015
	<i>RMB'million</i>	<i>RMB'million</i>
	(Audited)	(Audited)
Revenue	32,049.0	26,047.1
<i>Property sales</i>	30,110.7	23,325.9
<i>Other business</i>	1,938.3	2,721.2
Profit before taxation	5,928.5	2,934.7
Profit for the year attributable to owners of the Company	2,071.7	813.2

For the year ended 31 December 2015, the Group recorded total revenue of approximately RMB26,047.1 million compared to approximately RMB32,049.0 million for the year ended 31 December 2014. The Group recorded property sales income of approximately RMB23,325.9 million which represented approximately 89.6% of total revenue. Other business is comprised of hotel operations, project management, property rental, design and decoration, sales of construction material and other business. For the year ended 31 December 2015, the Group generated profit for the year attributable to owners of the Company of approximately RMB813.2 million, representing a decrease of approximately 60.7% from such for the year ended 31 December 2014.

As advised by the Management and set out in the 2015 Annual Report, the Group's revenue for the year ended 31 December 2015 included property sales, hotel operations, project management, property rental income, design and decoration, sales of construction materials and other business. The decrease in revenue was mainly due to the fact that certain proportion of projects delivered during the year ended 31 December 2015 were located at third-tier and fourth-tier cities and their relatively lower selling price as a result of the macro control measures on the real estate industry promulgated by the Chinese government over the past years has affected the gross profit margin for the year ended 31 December 2015 to a certain extent. As set out in the 2015 Annual Report, the decline in profit for the year attributable to owners of the Company was mainly due to a combination of decrease in gross profit margin, the significant increase of net foreign exchange loss and increase in costs related to human resources and hotel operations.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Summary of consolidated statement of financial positions

<i>Approximately</i>	As at 31 December	
	2014	2015
	<i>RMB'million</i>	<i>RMB'million</i>
	(Audited)	(Audited)
Total assets	127,143.9	144,512.6
<i>Properties under development</i>	41,312.2	48,772.3
<i>Completed properties for sale</i>	15,651.2	14,348.8
<i>Property, plant and equipment</i>	6,216.1	6,512.3
<i>Bank balances and cash</i>	7,733.6	14,879.9
Total liabilities	92,298.6	107,852.5
<i>Bank and other borrowings (current)</i>	12,167.2	12,540.1
<i>Bank and other borrowings (non-current)</i>	15,056.1	14,894.7
<i>Senior notes</i>	8,592.1	10,660.6
<i>Pre-sale deposits</i>	20,116.4	22,223.2
Total equity attributable to owners of the Company	23,640.1	24,001.0

The Group's total assets increased by approximately 13.7%, from approximately RMB127,143.9 million as at 31 December 2014 to approximately RMB144,512.6 million as at 31 December 2015. As set out in the 2015 Annual Report, the majority of the increase in total assets was attributable to increased properties under development and bank balances and cash.

As at 31 December 2015, the Group's total liabilities amounted to approximately RMB107,852.5 million compared with approximately RMB92,298.6 million as at 31 December 2014, representing an increase of approximately 16.9%. As set out in the 2015 Annual Report, the increase was principally attributable to senior notes and corporate bonds, due to the increased properties under development.

Based on the 2015 Annual Report and advice by the Management, the total bank and other borrowings and senior notes of the Group as at 31 December 2015 amounted to approximately RMB38,095.4 million, which consisted of (a) the long-term bank and other borrowings of the Group as at 31 December 2015 amounted to approximately RMB14,894.7 million; and (b) the senior notes of the Group denominated in USD and RMB as at 31 December 2015 amounted to approximately RMB10,660.6 million. As set out in the 2015 Annual Report, the net gearing ratio (measured by net borrowings over net assets) was approximately 73.0% as at 31 December 2015, representing a decrease as compared to approximately 76.7% as at 31 December 2014.

We noted from the 2015 Annual Report that the Group has obtained facilities of approximately RMB67.1 billion from commercial banks, of which approximately RMB17.3 billion had been drawn down as at 31 December 2015. As set out in the

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

announcement of the Company dated 31 March 2016, the Company issued unlisted senior perpetual capital securities in the aggregate principal of US\$400 million in order to refinance existing indebtedness.

We also noted from our discussion with the Management and the 2015 Annual Report that the Group entered into agreements on 2 August 2015 for (i) the acquisition of the entire equity interest in Greentown Real Estate Construction Management Group Co., Ltd. ("**Greentown Dingyi**") for a total consideration of approximately RMB625 million; and (ii) the acquisition of 92% equity interest in Greentown Shidai Urban Construction Development Co., Ltd. ("**Greentown Shidai**") for a total consideration of RMB294 million. Upon completion of these acquisitions, the Group holds 100% shareholding in Greentown Dingyi and Greentown Shidai. Both of Greentown Dingyi and Greentown Shidai are principally engaged in the business of project development management. The Management advised that the above acquisitions were in line with the Group's operation philosophy of increasing the proportion of light asset business, in particular, Construction Management Business.

We noted from the 2015 Annual Report, that in September 2015, Greentown Management Group, which comprises the commercial construction management, government construction management and capital construction management segments, was formally established due to Greentown's new strategic development needs. Greentown Management Group became the principal of Greentown's brand name, management and resources output of Greentown. As at 29 February 2016, Greentown Management Group has undertaken 60 projects with a total GFA of approximately 19.2 million square metres. The Management expects the total saleable amount to be over RMB130.0 billion.

ii. Information on Bluetown (and New Bluetown, after the Restructuring)

As set out in the Letter from the Board, Bluetown, a company established in the PRC with limited liability, is owned as to 35.4% by the Company (through Greentown Property), 34.6% by 1st Counterparty (namely Mr. Song), 17.0% by 2nd Counterparty, 10.0% by 3rd Counterparty, 1.7% by 4th Counterparty and 1.3% by 5th Counterparty. Bluetown has, since its establishment, been accounted for as a non-wholly owned subsidiary of the Company given that the Company (through Greentown Property) controls the composition of a majority of the board of directors of Bluetown.

Bluetown is principally engaged in the Construction Management Business, namely the business of property development management and advisory, offering management and advisory services in planning, design, budgeting, construction and sales for government construction projects and property development projects, and is also engaged in the Other Business, namely projects related to retirement, agriculture and township development and business in relation to construction technology, scenery design, decoration design and sales agency. The Management advised that prior to the restructuring of Bluetown, the Other Business also forms part of the overall Construction Management Business, albeit is considered to be non-essential, ancillary services to the other core Construction Management Business.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

As set out in the Letter from the Board, the shareholders of Bluetown propose to undergo a restructuring of Bluetown by way of demerging and continuing it into two entities, namely (a) New Bluetown which will be principally engaged in the Construction Management Business and will take over the assets, rights and liabilities and employees associated with such business; and (b) Bluetown (i.e. the original entity after the Restructuring) which will be principally engaged in the Other Business, and both of such entities will, immediately after such restructuring, be under the same shareholding structure as that under the existing Bluetown.

Based on the unaudited management accounts of Bluetown as at 31 December 2015, the net asset value attributable to the shareholders of New Bluetown and Bluetown (excluding New Bluetown) as at 31 December 2015 were RMB264.2 million and RMB239.5 million, respectively.

iii. Background of the Ningbo Company

The Ningbo Company is a company which was established in the PRC in November 2013 with limited liability and owned by Bluetown as to 60% and an independent third party as to 40%. We note from the Property Valuation Report, that Ningbo Company is principally engaged in the business of property development, which include the development of five parcels of land in the Ningbo National Hi-Tech Zone, Ningbo City, Zhejiang Province, the PRC with a usable land area totalling 142,370 square metres. The development will be a compound comprising of commercial, office and residential buildings along with a cultural centre for a total gross floor area of approximately 369,910 square metres. Office buildings shall have a total saleable area of 179,739 square metres, residential buildings shall have a total saleable area of 54,739 square metres, commercial buildings shall have a total saleable area of 34,039 square metres, the car park shall have a saleable area of 22,838 square metres and the total ancillary saleable area shall be 78,554 square metres. The entire property compound is expected to be completed in 2018.

As at 31 March 2016, the Ningbo Company recorded unaudited net asset value of approximately RMB126.4 million. The Ningbo Company recorded an audited net loss after taxation of approximately RMB14.0 million for the year ended 31 December 2015.

iv. Background of the Construction Management Business and property development industry

The Construction Management Business mainly includes the business of property development management and advisory, offering management and advisory services in planning, design, budgeting, construction and sales for government construction projects and property development projects.

We noted from our discussion with the Management that New Bluetown's business and revenue is driven by the level of property development in the PRC,

specifically in the Guangdong region. As per the National Bureau of Statistics of China, the total area under property development increased by approximately 5.6%, or 6,513.4 million square metres, for the five months ended 31 May 2016 as compared to the corresponding period in the prior year. Total property investment of the Eastern belt of the PRC, where New Bluetown conducts most of its business, amounted to RMB20,118 billion for the five months ended 31 May 2016.

Against the backdrop of the Chinese economic adjustment and transformation and changes in the real estate industry in the PRC, the Management is optimistic on the outlook of the Construction Management Business in the near future given the recent and expected level of property development activities in the PRC.

2. Principal terms of the Agreements

The principal terms of each of the Agreements, namely the Acquisition Agreement, the Disposal Agreement, the Ningbo Acquisition Agreement and the Trademark Assignment Framework and Supplemental Agreement, are summarised below:

i. The Acquisition Agreement

Pursuant to the Acquisition Agreement, the HK Subsidiary, as purchaser, shall acquire and the 1st Counterparty, 2nd Counterparty, 3rd Counterparty, 4th Counterparty and 5th Counterparty, together as vendors (the “**New Bluetown Vendors**”), shall dispose, an aggregate of 64.6% equity interest in New Bluetown for a consideration of RMB949.1 million. Other principal terms of the Acquisition Agreement, including but not limited to payment schedule and conditions precedent and termination, have been set out under the section headed “The Acquisition Agreement” in the Letter from the Board.

The terms of the Acquisition Agreement are materially the same for all New Bluetown Vendors, which include a connected person to the Company and four independent third parties. The consideration shall be allocated to each of the vendors on a pro-rated basis based on their respective equity interests in New Bluetown.

As at the Latest Practicable Date, New Bluetown is owned as to (a) 35.4% by the Company through Greentown Property; and (b) 34.6%, 17.0%, 10.0%, 1.7% and 1.3% by the 1st Counterparty, 2nd Counterparty, 3rd Counterparty, 4th Counterparty and 5th Counterparty, respectively. Upon completion of the acquisition, New Bluetown will be wholly-owned by the Company (through the HK Subsidiary as to 64.6% and Greentown Property as to 35.4%).

ii. The Disposal Agreement

Pursuant to the Disposal Agreement, Greentown Property, as vendor, shall dispose of its 35.4% equity interest in Bluetown to the 1st Counterparty, a connected party to the Company, for a consideration of RMB116.9 million after deduction of dividends of RMB93.1 million. Other principal terms of the Disposal Agreement,

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

including but not limited to payment schedule and conditions precedent and termination, have been set out under the section headed “The Disposal Agreement” in the Letter from the Board.

As at the Latest Practicable Date, Bluetown is owned as to (a) approximately 35.4% by the Company through Greentown Property; and (b) approximately 34.6%, 17.0%, 10.0%, 1.7% and 1.3% by the 1st Counterparty, 2nd Counterparty, 3rd Counterparty, 4th Counterparty and 5th Counterparty, respectively. Upon completion of the disposal, the Company will cease to have any equity interest in Bluetown.

iii. The Ningbo Acquisition Agreement

Pursuant to the Ningbo Acquisition Agreement, Greentown Property, as purchaser, shall acquire and Bluetown shall dispose of, 60.0% equity interest in Ningbo Company for a consideration of RMB103.3 million. Other principal terms of the Ningbo Acquisition Agreement, including but not limited to, payment schedule and conditions precedent and termination, have been set out under the section headed “The Ningbo Acquisition Agreement” in the Letter from the Board.

iv. The Trademark Assignment Framework and Supplemental Agreement

Pursuant to the Trademark Assignment Framework and Supplemental Agreement, Greentown Holdings agreed to assign to the Company or its designated entities a total of 15 “Greentown” series of trademarks (which are currently registered in the PRC or Hong Kong), and the Company agreed to procure the assignment to Greentown Holdings one “育華” trademark (which is currently registered in the PRC by Greentown Property). No assignment fee will be payable by either party for the Assignment of trademarks.

Other principal terms of the Trademark Assignment Framework and Supplemental Agreement have been set out under the section headed “The Trademark Assignment Framework and Supplemental Agreement” in the Letter from the Board.

3. Our analysis on the principal terms of the Agreements

Set out below is our analysis on the principal terms of each of the Agreements:

i. The Acquisition Agreement

As set out in the Letter from the Board, the consideration was determined after arm’s length negotiations among the parties with reference to (a) the financial information of Bluetown; (b) the transaction multiples of Greentown Dingyi Real Estate Investment Management Co., Ltd. and Greentown Shidai City Construction & Development Company Limited when they were acquired by the Group in 2015 as announced by the Company on 2 August 2015; (c) comparable company trading

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

analysis; and (d) the reasons for entering into the transaction as detailed under the section headed “Reasons for and Benefits of the Transactions” in the Letter from the Board.

As set out in the Letter from the Board, based on the unaudited management accounts of New Bluetown, New Bluetown recorded net profit after taxation attributable to its shareholders of approximately RMB158.6 million for the year ended 31 December 2015 and net asset value attributable to its shareholders of approximately RMB264.2 million as at 31 December 2015.

Based on the consideration of RMB949.1 million for 64.6% equity interest in New Bluetown and the unaudited net profit after taxation attributable to its shareholders of approximately RMB158.6 million recorded by New Bluetown for the year ended 31 December 2015, the implied transaction price-to-earnings multiple (the “**P/E multiple**”) is approximately 9.3 times. On the basis that the unaudited net asset value attributable to its shareholders as at 31 December 2015 being approximately RMB264.2 million, the implied transaction price-to-book multiple (the “**P/B multiple**”) is approximately 5.6 times.

According to the 2015 Acquisition Announcement (defined hereafter), each of Greentown Dingyi and Greentown Shidai is principally engaged in the business of property development management, offering one-stop services in planning, design, project development and construction management. Both companies provide comprehensive services to corporate clients and government authorities in the development of residential and commercial properties as well as rural and urban community projects. The Management has also confirmed that the principal business of New Bluetown is similar to that of Greentown Dingyi and Greentown Shidai.

Based on information as set out in the announcement in relation to the acquisition of Greentown Dingyi Real Estate Investment Management Co., Ltd. (the “**Greentown Dingyi**”) and Greentown Shidai City Construction & Development Company Limited (the “**Greentown Shidai**”) issued by the Company dated 2 August 2015 (the “**2015 Acquisition Announcement**”), the implied transaction P/E multiple of (a) Greentown Dingyi acquisition was approximately 18.3 times, calculated based on the consideration of approximately RMB625.5 million divided by its unaudited profit after taxation for the year ended 31 December 2014 of approximately RMB34.2 million; and (b) Greentown Shidai acquisition was approximately 16.8 times, calculated based on the consideration of approximately RMB294.0 million for 92% equity in Greentown Shidai divided by the unaudited profit after taxation for the year ended 31 December 2014 of approximately RMB19.0 million.

The implied transaction P/B multiple for (a) the Greentown Dingyi acquisition was approximately 5.8 times, calculated based on the consideration of approximately RMB625.5 million divided by its unaudited net asset value as at 31 December 2014 of approximately RMB108.1 million; and (b) Greentown Shidai acquisition was approximately 4.7 times, calculated based on the consideration of

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

approximately RMB294.0 million for 92% equity in Greentown Shidai divided by its unaudited net asset value as at 31 December 2014 of approximately RMB68.1 million.

It was also noted from the 2015 Acquisition Announcement, the then Board (including the then independent non-executive Directors) has approved the Greentown Shidai acquisition and the Greentown Dingyi acquisition and confirmed that the aforesaid acquisitions were entered into on normal commercial terms and that its terms are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Notwithstanding that (a) the implied transaction P/E multiple of the acquisition of New Bluetown of approximately 9.3 times is notably lower than that of the implied transaction P/E multiple of the Greentown Dingyi acquisition and Greentown Shidai acquisition of approximately 18.3 times and 16.8 times, respectively; and (b) the implied transaction P/B multiple of the acquisition of New Bluetown of approximately 5.6 times is within range of the implied transaction P/B multiple of the Greentown Dingyi acquisition and Greentown Shidai acquisition of approximately 5.8 times and 4.7 times, respectively, we have conducted further analysis on the transaction P/E and P/B multiples of the acquisition of New Bluetown.

Having considered that the nature of business undertaken by New Bluetown, namely the business of offering property development management and advisory services in planning, design, budgeting, construction and sales for government construction projects and property development projects and its unaudited financial results for the year ended 31 December 2015, we have attempted to identify companies listed on the Main Board of the Stock Exchange which derives a majority of its revenue from business activities of a similar nature to that of New Bluetown and derived a net profit of not less than HK\$100.0 million for its latest completed financial year (the “**Initial Criteria**”). However, as no comparable listed company in Hong Kong with the Initial Criteria was identified, we expanded our criteria to include companies with the following characteristics (i) a Global Industry Classification Standard (GICS) classification of: (a) sector — industrial; (b) industry group — commercial and professional services; (c) industry — professional services; and (d) sub-industry — research and consulting; (ii) companies whose shares are listed on the Main Board of the Stock Exchange; (iii) profit making for the latest completed financial year; and (iv) have a market capitalisation of not less than the equivalent of HK\$300 million (together the “**Final Criteria**”). Based on the Final Criteria, we have identified, to the best of our knowledge, two listed companies (the “**Comparable Companies**”). Notwithstanding that only two Comparable Companies were identified based on the Final Criteria, given that (i) both the Initial Criteria and Final Criteria were objectively set after taking into account the business nature and financial information of New Bluetown and we have no control over the number of Comparable Companies which satisfies the Final Criteria; (ii) no listed companies were identified based on the Initial Criteria; (iii) there are only a small number of Main Board listed comparables whose business is considered to be comparable to that of New Bluetown, which is niche in nature; and (iv) further expansion of the Final Criteria may lead to the inclusion of listed companies which have different characteristics and business nature to that of New Bluetown, we are of the view that the Comparable Companies are fair and representative samples for comparison purposes.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Table 1 below sets out (i) the P/E and P/B multiple of the New Bluetown acquisition and Bluetown disposal based on the respective transaction consideration; and (ii) the P/E and P/B multiple of the Comparable Companies based on the respective closing share price as at the Latest Practicable Date for comparison purposes.

Table 1: Comparison of the Comparable Companies

Company name (ticker)	Market Capitalisation/Implied Transaction Valuation as at the Latest Practicable Date	P/E multiple <i>(note 1)</i> <i>(approximate)</i>	P/B multiple <i>(note 2)</i> <i>(approximate)</i>	Principal activities
C Cheng Holdings Ltd. (1486:HK)	HK\$388.2 million	13.3 times	2.0 times	Provides building architecture, landscape architecture, town planning, interior design and heritage conservation services in Hong Kong and the PRC.
Earthasia International Holdings Ltd. (6128:HK)	HK\$487.2 million	19.6 times	2.2 times	Provides landscape architecture services in Hong Kong and the PRC.
Average <i>(Note 3)</i>		16.5 times	2.1 times	
New Bluetown	RMB1,469.2 million (equivalent to HK\$1,704.3 million) <i>(Notes 4 & 5)</i>	9.3 times (under the New Bluetown acquisition)	5.6 times (under the New Bluetown acquisition)	Construction Management Business
Bluetown	RMB330.3 million (equivalent to HK\$383.1 million) <i>(Notes 4 & 5)</i>	82.6 times (under the Bluetown disposal)	N/A (under the Bluetown disposal) <i>(Note 6)</i>	Other Business

Notes:

- (1) P/E multiple is calculated based on the profit for the year attributable to the owners for the latest completed financial year divided by the market capitalisation as at the Latest Practicable Date.
- (2) P/B multiple is calculated based on the equity attributable to the owners as at the year end of the latest completed financial year divided by the market capitalisation as at the Latest Practicable Date.
- (3) Average is calculated as the simple average.
- (4) Transaction valuation of the respective target company calculated based on the transaction consideration and the subject equity interest under the respective transaction.
- (5) For the purpose of the analysis set out under Table 1, RMB has been converted to HK\$ at the rate of RMB1.16 = HK\$1.00 for illustration purpose only. No representation is made that any amounts in RMB or HK\$ have been, could have been or could be converted at the above rate or at any other rates or at all.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

- (6) Calculated based on unaudited net asset value of Bluetown after taking into account the distribution of proposed dividend of RMB263.0 million.

Source: Bloomberg, published annual reports and websites of comparable companies

As shown in Table 1 above, the historical P/E multiple of the Comparable Companies ranged from approximately 13.3 times to 19.6 times, with an average of approximately 16.5 times. The implied P/E multiple under the New Bluetown acquisition of approximately 9.3 times is notably below the average P/E multiple of the Comparable Companies and lower than the historical P/E multiple of both of the Comparable Companies.

As shown in Table 1 above, the historical P/B multiple of the Comparable Companies ranged from approximately 2.0 times to 2.2 times, with an average of approximately 2.1 times. The implied P/B multiple of approximately 5.6 times is above both of the historical P/B multiple of the Comparable Companies.

The Management has advised that due to the business nature of the Construction Management Business and the Other Business, being asset-light and more reliant on human capital in nature, and that the key revenue and profit drivers of the Construction Management Business and the Other Business are not asset orientated. For further details of the respective business engaged by the New Bluetown and Bluetown, please refer to paragraph headed "ii. Information on Bluetown (and New Bluetown, after the Restructuring)" in this letter above. On this basis, we concur with the Management that the P/E multiple is a considered to be a more relevant valuation reference than the P/B multiple when assessing the fair and reasonableness of the consideration of the New Bluetown acquisition and Bluetown disposal.

In addition to the above, we also compared the respective transaction P/E multiple and P/B multiple under the New Bluetown acquisition and the Bluetown disposal given we understand from the Management that Bluetown (after restructuring) also engages in construction management related activities, notwithstanding these activities are non-essential, ancillary services to New Bluetown's Construction Management Business. As set out in Table 1 above, both the transaction P/E multiple and P/B multiple under the New Bluetown acquisition is lower than the transaction P/E multiple and P/B multiple under the Bluetown disposal.

In assessing the fair and reasonableness of the terms of the Acquisition Agreement, in particular, the consideration, we have considered, (a) the transaction P/E multiple and transaction P/B multiple of the New Bluetown acquisition is notably lower than that of the Greentown Dingyi acquisition and Greentown Shidai acquisition; (b) the transaction P/E multiple of the New Bluetown acquisition is lower than the P/E multiple of both of the Comparable Companies; (c) notwithstanding that the transaction P/B multiple of the New Bluetown acquisition is higher than the Comparable Companies identified based on the Final Criteria, the Management is of the view that the P/E multiple is a more relevant valuation

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

reference than the P/B multiple; (d) the transaction P/E multiple and P/B multiple under the New Bluetown acquisition is lower than that of the Bluetown disposal; (e) the profit making track record of New Bluetown for the year ended 31 December 2015; and (f) the consideration shall be allocated to each of the vendors on a pro-rated basis based on their respective equity interests in New Bluetown and that the terms of the Acquisition Agreement are materially the same for all New Bluetown Vendors, which include a connected person to the Company and four independent third parties, thus the terms of the Acquisition are no less favourable to the independent third parties as compared to that of the connected person. On the basis of the abovementioned reasons, we concur with the Management that the terms of the Acquisition Agreement is fair and reasonable.

ii. The Disposal Agreement

As set out in the Letter from the Board, the consideration was determined after arm's length negotiations among the parties with reference to (a) the financial information of Bluetown; (b) the valuation (based on asset based approach) conducted by an independent valuer in the PRC; and (c) the reasons for entering into the transaction as detailed under the section headed "Reasons for and Benefits of the Transactions" in the Letter from the Board.

As set out in the Letter from the Board, based on the unaudited consolidated financial statements of Bluetown, Bluetown recorded a net profit after taxation attributable to its shareholders of approximately RMB4.0 million for the year ended 31 December 2015 and a net asset value of approximately RMB239.5 million as at 31 December 2015.

Based on the consideration of RMB116.9 million for 35.4% equity interest in Bluetown and the unaudited net profit after taxation attributable to its shareholders of approximately RMB4.0 million recorded by Bluetown for the year ended 31 December 2015, the transaction price-to-earnings multiple (the "**Disposal P/E multiple**") is approximately 82.6 times. On the basis that the unaudited net asset value of Bluetown as at 31 December 2015 being approximately RMB239.5 million, the transaction price-to-book multiple (the "**Disposal P/B multiple**") is (a) approximately 1.4 times before the distribution of proposed dividend of RMB263.0 million; and (b) after taking into account the distribution of proposed dividend of RMB263.0 million, which is conditional on the approval of the Bluetown board, of which a majority of the board members are representatives of the Company, the Management advised that Bluetown (after the Restructuring) will be in a net liabilities position. On this basis, there is no P/B multiple.

Having considered that, (a) Bluetown has recorded only a profit of RMB4.0 million for the year ended 31 December 2015 and its business is ancillary but non-essential to the Group's core business of property development, including the Construction Management Business; (b) the Disposal P/E multiple is above the highest P/E multiple of the Comparable Companies; (c) Bluetown (after the Restructuring) will be in a net liabilities position after taking account of the proposed dividend; (d) the Other Business engaged by Bluetown is non-essential,

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

ancillary services to New Bluetown's Construction Management Business and not considered one of the principal businesses of the Group, on this basis the disposal represents an opportunity for the Company to dispose of Bluetown and focus on its principal business as outlined in the section headed "i. Information on the Group" above; and (e) the disposal consideration represents a premium to unaudited net asset value of the Group as at 31 December 2015, we concur with the Management that the terms of the Disposal Agreement is fair and reasonable. We believe that the abovementioned reasons, in aggregate, are sufficient to assess the fairness and reasonableness of the considerations of the Disposal.

iii. The Ningbo Acquisition Agreement

Ningbo Company is a company established in the PRC with limited liability which is held as to 60% by Bluetown and an independent third party as to 40%. It is principally engaged in the business of property development.

To the best of the knowledge, information and belief of the Directors having made all reasonable enquiries, as at the Latest Practicable Date, Ningbo Company did not have any assets or liabilities of a material nature, save for the property development at Ningbo National Hi-Tech Zone, Zhejiang Province, the PRC.

The audited consolidated net assets of Ningbo Company as at 31 December 2015 was approximately RMB129.9 million.

Set out below is a summary of certain audited consolidated financial information of Ningbo Company for the two years ended 31 December 2015:

<i>RMB' million</i>	For the years ended	
	31 December	
	2014	2015
Net loss before taxation	6.1	14.0
Net loss after taxation	6.1	14.0

Pursuant to the Ningbo Acquisition Agreement, the consideration of approximately RMB103.3 million is for the acquisition of 60% equity interest in Ningbo Company. The Management advised that, based on the audited financial information of Ningbo Company as at 31 December 2015, the proportional interest attributable to 60% of the audited net asset value of Ningbo Company amounted to approximately RMB77.9 million.

We understand from the Management that under the relevant accounting standards, the property owned by the Ningbo Company is classified under "properties held for sale" and is stated at cost. The Management considers that the carrying values of such property recorded in the consolidated statement of financial position of Ningbo Company do not reflect its prevailing market valuation (i.e. fair value).

As such, in determining the fairness of the consideration of the Ningbo Acquisition Agreement, the Company engaged DTZ Cushman and Wakefield

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Limited (the “**Independent Valuer**”) to appraise the market value of the property as at 30 June 2016, details of which are set out in the section headed “Property Valuation Report” (the “**Valuation Report**”) in Appendix I to the Circular.

As part of our review of the Valuation Report, we have discussed with the Independent Valuer the reasons for adopting the direct comparison method in their assessment. In adopting the direct comparison method, the Independent Valuer made reference to recent sales of similar property that qualify as “arm’s-length” transactions with adjustments made for size, location, time and amenities (the “**Direct Comparison Method**”) and have also taken into account the expended construction costs as well as the costs that will be expended to complete the development. The development value as if completed represents the Independent Valuer’s opinion of the aggregate values of the development assuming it had been completed at the date of valuation. We have also discussed with the Independent Valuer and reviewed the underlying principal assumptions in assessing the market value of the property. We understand from the Independent Valuer that the approach adopted, including the underlying principal assumptions, is commonly used for deriving market values of PRC properties.

As set out in the Valuation Report, the market value of the property as at 30 June 2016 was RMB1,010.0 million as compared to the unaudited book value of the same of approximately RMB937.5 million as at 31 March 2016 based on information provided by the Management.

The above information is set out in a Table 2 below for easy reference:

	<i>RMB’ million</i>
Consideration (A)	103.3
Unaudited net asset value of Ningbo Company as at 31 March 2016	126.4
Less: property at book value (<i>Note 1</i>)	(937.5)
Add: property at market value (<i>Note 2</i>)	1,010.0
Adjusted consolidated net asset value of Ningbo Company (the “ Ningbo Company Adjusted NAV ”))	198.9
Value attributable to 60% of the Ningbo Company Adjusted NAV (B) (the “ Adjusted Acquisition Asset Value ”)	119.3
Discount to the Adjusted Acquisition Asset Value (B-A)	16.0

Notes:

- (1) Based on the unaudited financial information of Ningbo Company for the year ended 31 March 2016.
- (2) Based on the Valuation Report as set out in Appendix I to the Circular.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

As set out in Table 2 above, by solely adjusting the revaluation amount, the Ningbo Company Adjusted NAV attributable to 60% interest of Ningbo Company would be approximately RMB119.3 million.

Based on the above, the consideration for the Ningbo Acquisition Agreement represents a discount of approximately RMB16.0 million to the Adjusted Acquisition Asset Value. On this basis, the Company is in essence acquiring 60% share interest in Ningbo Company at a consideration less than its adjusted net asset value (after taking into account the revaluation amount).

Having considered the above, we concur with the Directors that the consideration for the Ningbo Acquisition Agreement is fair and reasonable.

iv. The Trademark Assignment Framework and Supplemental Agreement

The transactions pursuant to the Trademark Assignment Framework and Supplemental Agreement involve the assignment of 15 trademarks from Greentown Holdings to the Company in exchange for one trademark from the Company to Greentown Holdings.

Greentown Holdings has registered the trademarks and service marks of “綠城” (Greentown) and “綠城房地產” (Greentown Real Estate) with the PRC Trademark Office (中華人民共和國商標局) under various categories including property development, construction, property lease and real estate agency. As at the Latest Practicable Date, Greentown Holdings granted the Group a license to use the trademarks and service marks “綠城” (Greentown) and “綠城房地產” (Greentown Real Estate) free of charge pursuant to which Greentown Holdings granted the Company an irrevocable and exclusive right to use the trademarks in its property development business.

Such trademarks relate to Greentown’s principal business as outlined in the Letter from the Board, namely property development in the PRC. Therefore the use of the Group’s trademarks unencumbered allowed the Group more freedom to market its brand during construction and management. However, the transfer of the relevant trademarks under the Trademark Assignment Framework and Supplemental Agreement shall remove any uncertainties related to the termination or non-renewal, albeit improbable, of the existing irrevocable and exclusive right to use the “Greentown” trademarks in its property development business by Greentown Holdings.

Under the Trademark Assignment Framework and Supplemental Agreement, the Group agreed to transfer the “育華” trademark, currently being used by a primary school in the PRC, to Greentown Holdings. The Management advised that such school is a non-governmental organisation, being a not-for-profit organisation, as at the Latest Practicable Date, and historically the Company has granted the use of the “育華” trademark to Greentown Holdings free of charge. The Management has confirmed that the Group has no current intention of developing an education related business and it has not historically and is not expected to derive any material income from the use, assignment and/or grant of the “育華” trademark in the foreseeable future. The Management also confirmed that the assignment of the “育華” trademark will not materially affect the Group’s operations and/or financial performance. On this basis, we concur with the Management that the terms of the Trademark Assignment Framework and Supplemental Agreement is fair and reasonable.

4. Reasons for and benefits of the transactions

4.1 Reasons for and benefits of New Bluetown acquisition

4.1.1 Expansion of one of the principal businesses of the Group

As set out in the Letter from the Board, the Group is one of the leading property developers in the PRC and as part of the principal businesses, the Group is also engaged in the Construction Management Business. New Bluetown is a non-wholly-owned subsidiary of the Company as at the Latest Practicable Date, which is principally engaged in the Construction Management Business. The Management considers that the transactions contemplated under the Agreements will enable the Group to further increase the scale and attributable income of its Construction Management Business.

4.1.2 Experienced management team and sizeable workforce

Most of the senior management of New Bluetown has over 15 years of experience in the construction industry and the Management considered that the senior management and officers of Bluetown (and New Bluetown, after the Restructuring) possess rich expertise, experience and network in the construction management industry in the PRC, together with a workforce in excess of 1,500 employees as at 6 July 2016, shall contribute towards not only the operations of New Bluetown after the acquisition completion, but to the overall Construction Management Business of the Group as a whole.

4.1.3 Established history the Bluetown (and New Bluetown, after the Restructuring) with a profit making business

As advised by the Management, Bluetown was established in 2010 with total initial investment amounted to RMB300 million. One of the major projects recently undertaken and completed by Bluetown is the Shanghai Huamu Project* (上海花木項目) situated in Shanghai's Pudong New District which involved a gross floor area of 186,200 square metres.

Furthermore, New Bluetown has recorded net profit after taxation for the year ended 31 December 2015.

For further details on Bluetown, please refer to section headed "ii. Information on Bluetown (and New Bluetown, after the Restructuring)" in this letter.

4.1.4 Improve economies of scales, other operating benefits and post deal integration

The New Bluetown acquisition would increase the scale of the Group's existing Construction Management Business significantly. The Management believes that New Bluetown together with the Group's existing Construction Management Business should give rise to business synergies in many areas including stronger purchasing power, sharing of expertise and experience, opportunities in streamlining manpower utilisation and other cost savings areas. As both the Group and New Bluetown have similar business models, the Management is of the view that post-acquisition integration should be relatively straightforward.

The Management also considers that as both the management and staff of the Company and New Bluetown are familiar with Greentown's culture and values, as the Company has been the single largest shareholder of Bluetown (and New Bluetown, after the Restructuring) since its inception and Bluetown (and New Bluetown, after the Restructuring) was a non-wholly owned subsidiary of the Company as at the Latest Practicable Date, they all shared the same common values in management style, business philosophy, loyalty and commitments, which are important elements to engender integration and coherence of the combined group.

4.2. *Reasons for and benefits of Bluetown disposal*

Bluetown is currently a non-wholly-owned subsidiary of the Company, which is principally engaged in the Other Business (after the restructuring), namely projects related to retirement, agriculture and township development and business in relation to construction technology, scenery design, decoration design and sales agency. The Management advised that the Other Business is non-essential, ancillary services to New Bluetown's Construction Management Business and not considered one of the principal businesses of the Group. The disposal consideration also represents a premium to the unaudited consolidated net asset value attributable to its ownership as at 31 December 2015. In addition, the Management is of the view that the disposal of Bluetown provides the Company with an opportunity to focus its attention and resources on its principal businesses.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

4.3 Reasons for and benefits of the Ningbo Acquisition Agreement

As detailed above, the Group is one of the leading property developers in the PRC, the Ningbo Acquisition Agreement enables the Group to obtain a controlling interest in the property, via the Ningbo Company which is aligned with its principal businesses as detailed above in the section headed “i. Information on the Group” above. Moreover, the consideration for 60% equity in Ningbo Company represents a discount to Adjusted Acquisition Asset Value. Such acquisition will also enable to the Group to consolidate the financial results of Ningbo Company. Although the Ningbo Company is currently loss making attributable to no revenue being recognised as the properties (i.e. the five parcels of land) are still being developed and have not reached the sale phase yet, Management is optimistic on the prospects of the Ningbo Company.

4.4 Reasons for and benefits of the Trademark Assignment Framework and Supplemental Agreement

For reasons and benefits of the Trademark Assignment Framework and Supplemental Agreement, please refer to the Letter from the Board and our analysis set out under section headed “4. Our analysis on the principal terms of the Agreements — iv. The Trademark Assignment Framework and Supplemental Agreement” in this letter.

5. Expected financial impact on the Group as a result of the transactions contemplated under the Agreements

Effects as a result of the transactions under the Acquisition Agreement

Upon completion of the acquisition of New Bluetown, New Bluetown will be wholly-owned by the Company (through the HK Subsidiary as to 64.6% and Greentown Property as to 35.4%) with no minority interests and its financial condition and results of operations will be consolidated into the Group’s consolidated financial statements. In addition, the Company will experience a cash outflow equivalent to that of the acquisition consideration.

Effects as a result of the transactions under the Disposal Agreement

Upon completion of the disposal of Bluetown, the Company (through Greentown Property) will cease to have any equity interest in Bluetown. On this basis, the financial condition and results of operations of Bluetown will cease to be consolidated into the Group’s consolidated financial statements. In addition, the Company will experience a cash inflow equivalent to that of the disposal consideration.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Effects as a result of the transactions under the Ningbo Acquisition Agreement

Upon completion of the acquisition of Ningbo Company, Ningbo Company will become a non-wholly-owned subsidiary of the Group (though Greentown property as to 60%) and its financial condition and results of operations will be consolidated into the Group's consolidated financial statements. In addition, the Company will experience a cash outflow equivalent to that of the acquisition consideration.

Effects as a result of the transactions under the Trademark Assignment Framework and Supplemental Agreement

The Management advised that no financial effects of a material nature are expected to arise from the transactions contemplated under the Trademark Assignment Framework and Supplemental Agreement.

Shareholders should note that the actual financial effects as a result of the transactions contemplated under the Agreements to be recorded by the Group is subject to audit and will depend on, among others, the net asset value of New Bluetown, Bluetown and Ningbo Company as at the date of completion.

RECOMMENDATION

Having considered the above principal factors, in particular, the following,

- (a) the acquisition provides the Company with the opportunity to acquire a controlling stake in New Bluetown which enables the Company to eliminate all minority interests upon the completion of the acquisition;
- (b) the disposal of Bluetown provides the Company with the opportunity to focus on its principal business of property development and management and the development of its profitable Construction Management Business;
- (c) our analysis in relation to the consideration pursuant to the Acquisition Agreement and the Disposal Agreement in this letter, respectively;
- (d) the transactions pursuant to the Ningbo Acquisition Agreement whereby the Ningbo Company is to be acquired at a discount to the Adjusted Acquisition Asset Value; and

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

- (e) the other benefits of the transactions contemplated under the Agreements as set out under the section headed “4. Reasons for and benefits of the transactions”,

we are of the opinion that the transactions contemplated under the Agreements are conducted in the ordinary course of business of the Group and the terms of the Agreements are normal commercial terms, fair and reasonable, and in the interests of the Company and the Shareholders as a whole. Accordingly, we recommend the Independent Board Committee to advise the Independent Shareholders to vote in favour of the relevant resolutions to be proposed at the EGM in respect of the Agreements and the transactions contemplated thereunder.

Yours faithfully
For and on behalf of
Investec Capital Asia Limited

Alexander Tai
Managing Director
Head of Corporate Finance

Mr. 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 in Hong Kong.

The following is the text of a letter and valuation certificate prepared for the purpose of incorporation in this circular, received from DTZ Cushman & Wakefield Limited, an independent property valuer, in connection with the valuation of the property owned by the Ningbo Company as at 30 June 2016.



16th Floor
Jardine House
1 Connaught Place
Central
Hong Kong

16 August 2016

The Directors
Greentown China Holdings Limited
10/F, Block A, Century Plaza,
No. 1 Hangda Road,
Hangzhou,
Zhejiang Province,
The PRC

Dear Sirs,

Re: A proposed development in Ningbo National Hi-Tech Zone, Lot Nos. GX03-01-21-01 to GX03-01-21-05, Ningbo City, Zhejiang Province, the PRC

Instructions, Purpose & Date of Valuation

In accordance with your instructions for us to value the property situated in the People's Republic of China (the "PRC") to be acquired by Greentown China Holdings Limited (the "Company") and its subsidiaries (hereinafter referred to as the "Group"), 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 30 June 2016 (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 the course of our valuation of the property in the PRC, we have assumed that transferable land use rights in respect of the property for a specific term at nominal annual land use fees have been granted and that any premium has already been fully settled. We have relied on the advice given by the Group regarding the title to the property. For the purpose of our valuation, we have assumed that the grantee has an enforceable title to the property.

In valuing the properties in the PRC, we have assumed that the grantees or the users of the property have free and uninterrupted rights to use or to assign the property for the whole of the unexpired term as granted.

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

We have valued the property on the basis that it will be developed and completed in accordance with the latest development proposals provided to us by the Group. We have assumed that all consents, approvals and licences from relevant government authorities for the development proposal will be obtained without onerous conditions or delays. We have also assumed that the design and construction of the developments are in compliance with the local planning and other relevant regulations and have been approved by the relevant authorities. In arriving at our valuation, we have adopted Direct Comparison Method by making reference to comparable sales evidence as available in the relevant market and have also taken into account the expended construction costs as well as the costs that will be expended to complete the development. The development value as if completed represents our opinion of the aggregate values of the development assuming it had been completed at the date of valuation.

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 and buildings, development proposals, construction costs, estimated completion dates, 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.

All documents and leases have been used for reference only and all dimensions, measurements and areas are approximate.

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, in respect of the title to the property in the PRC.

Site Inspection

We have inspected the exterior and, where possible, the interior of the property. The site inspection was carried out in July 2016 by Mr. Simon Dong of DTZ Hangzhou office. No structural survey has been made, but in the course of our inspection, we did not note any serious defects. We are, however, not able to report that the property is free of rot, infestation and any other structural defects, nor were any test carried out to any of the services. 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 Cushman & Wakefield 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 29 years' experience in the valuation of properties in the PRC.

VALUATION CERTIFICATE

Property to be acquired by the Group under development in the PRC

Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 30 June 2016
A proposed development in Ningbo National Hi-Tech Zone, Lot Nos. GX03-01-21-01 to GX03-01-21-05, Ningbo City, Zhejiang Province the PRC	The property is erected upon 5 parcels of land having a total site area of 142,370 sq m. The property, currently under construction, is a planned development of commercial, office and service apartment uses. According to the information provided by the Group, the constituent planned gross floor areas of the property are as follows:	As at the date of valuation, the property was under construction.	RMB1,010,000,000
	Approximate Planned Gross Floor Area (sq m)		
	Use		
	Service apartment	54,739.15	
	Office	179,739.03	
	Commercial	34,039.14	
	Car park	22,838.84	
	Ancillary	78,554.32	
	Total:	369,910.48	

The whole development is scheduled to be completed in 2018.

The property is located at the north side of Ningbo National Hi-tech Zone of Ningbo City. Developments nearby are mainly residential and office in nature. According to the information provided by the Group, the property is for commercial, service apartment and office uses.

The land use rights of the property have been granted for terms due to expire on 22 July 2054 for commercial use.

Notes:

- (1) According to State-owned Land Use Rights Certificates Nos. (2014) 1005294 to 1005298 issued by the Ningbo Land Resources Bureau (寧波市國土資源局), the land use rights of the property with a total site area of 142,370.00 sq m have been vested in 寧波高新區智慧綠城建設有限公司 (Ningbo Innovative District Intellectual Greentown Construction Co., Ltd.) for terms due to expire on 22 July 2054 for commercial use.
- (2) According to Grant Contract of Land Use Rights No. 3302012014A21002 entered into between the State Land Resources Bureau of Ningbo and 寧波高新區智慧綠城建設有限公司 (Ningbo Innovative District Intellectual Greentown Construction Co., Ltd.), the land use rights of the development have been contracted to be granted to 寧波高新區智慧綠城建設有限公司 (Ningbo Innovative District Intellectual Greentown Construction Co., Ltd.) with details as follows:
 - (i) Site Area : 142,370 sq m
 - (ii) Use : Commercial and office
 - (iii) Total Above Ground Gross Floor Area : 272,646.80 sq m
 - (iv) Land Premium : RMB408,970,200
 - (v) Building Covenant : Construction shall commence before 23 November 2014 and complete before 23 November 2017
- (3) According to Commencement Permit for Construction Works Nos. 330204201411070101, 330204201411070201, 330204201408220101, 330204201504230101, 330204201511050101, 330204201511050201, the construction works of the development with a gross floor area of 359,592 sq m are in compliance with the requirements for works commencement and have been permitted.
- (4) The development value of the property as if completed as at 30 June 2016 was approximately RMB2,697,000,000.
- (5) According to the Group, portions of the property with a total gross floor area of 21,916.61 sq m have been committed for sale at a total consideration of approximately RMB176,271,385. We have included such portions and taken into account the consideration in our valuation.
- (6) According to the information provided by the Group, the expended construction cost as at 30 June 2016 was approximately RMB446,680,000. The estimated outstanding construction cost was approximately RMB1,028,000,000. In the course of our valuation, we have taken such costs into account.
- (7) We have been provided with a legal opinion on the title to which contains, inter-alia, the following information:
 - (i) 寧波高新區智慧綠城建設有限公司 (Ningbo Innovative District Intellectual Greentown Construction Co., Ltd.) has obtained the land use rights of the property;
 - (ii) The land grant premium of the property has been fully settled;
 - (iii) 寧波高新區智慧綠城建設有限公司 (Ningbo Innovative District Intellectual Greentown Construction Co., Ltd.) has obtained the relevant consents and approvals from the government for construction of the property.

The following is the English translation of the text of the valuation report received from Tian Yuan Asset Appraisal Limited, an independent valuer in the PRC, in connection with the valuation of the 35.4% equity interest in Bluetown as at 31 March 2016.

Tian Yuan Ping Bao Zi [2016] No. 0149



Tian Yuan Asset Appraisal Limited*
(天源資產評估有限公司)

21 June 2016

We, Tian Yuan Asset Appraisal Limited* (天源資產評估有限公司), have been engaged by Greentown Real Estate Group Co., Ltd.* (綠城房地產集團有限公司) to assess the market value of the shareholders' total interests as at 31 March 2016 in Bluetown Real Estate Construction Management Group Co., Ltd.* (藍城房產建設管理集團有限公司) subsisted upon demerging and restructuring involved in the proposed equity transfer by Greentown Real Estate Group Co., Ltd.* (綠城房地產集團有限公司) in accordance with relevant laws, regulations, asset valuation standards and assets valuation principles and in compliance with all necessary valuation procedures by adopting the asset-based method. The valuation and conclusion are set out below:

- I. The Principal: Greentown Real Estate Group Co., Ltd.* (hereafter, "Greentown Property")
- II. Appraised Entity: Bluetown Real Estate Construction Management Group Co., Ltd.* (藍城房產建設管理集團有限公司) (subsisted upon demerging and restructuring, hereafter referred to as "Bluetown")
- III. Purpose of Valuation: this valuation has been conducted to provide reference to the value of the shareholders' total interests in Bluetown in relation to the proposed equity transfer by Greentown Property.
- IV. Subject and Scope of Valuation

The subject of valuation was the total interests attributable to the shareholders of Bluetown upon demerging and restructuring. The scope of valuation was all assets and liabilities attributable to Bluetown upon demerging and restructuring, which was reported by Bluetown, including current assets, available-for-sale financial assets, long-term equity investment, fixed assets, deferred income tax assets and current liabilities. The book value of the total assets is RMB528,830,429.91, while the book value of the total liabilities amounted to RMB123,065,509.74, and total equity (net assets) amounted to RMB405,764,920.17.

- V. Type of Valuation: market value
- VI. Valuation date: 31 March 2016
- VII. Methodology of Valuation: asset-based method
- VIII. Valuation Conclusion

As the assumptions indicated in this report, the valuation result of appraised subject as at 31 March 2016 (being the valuation date) is as follows:

The book value of the total assets is RMB528,830,400, the appraised value is RMB716,379,300, the valuation appreciation is RMB187,548,900, and the appreciation rate is 35.46%.

The book value of the total liabilities is RMB123,065,500, the appraised value is RMB123,065,500 and there is no valuation appreciation or depreciation.

The book value of total equity (net assets) is RMB405,764,900, the appraised value is RMB593,313,800, the valuation appreciation is RMB187,548,900, and the appreciation rate is 46.22%.

Table of Valuation Result

Unit: RMB (in ten thousand)

Item	Book value	Appraised value	Appreciation	Appreciation rate %
	A	B	C=B-A	D=C/A×100
Current assets	36,936.13	36,936.13		
Non-current assets	15,946.91	34,701.80	18,754.89	117.61
Of which: Available-for-sales financial assets	28.50	66.00	37.50	131.58
Held-to-maturity investments				
Long-term receivables				
Long-term equity investments	14,436.86	31,574.27	17,137.41	118.71
Investment property				
Fixed assets	1,174.45	1,341.48	167.03	14.22
Construction in progress				
Construction materials				
Disposal of fixed assets				
Productive biological assets				
Oil and gas assets				
Intangible assets		1,412.94	1,412.94	
Of which: Land use right				
Development costs				
Goodwill				
Long-term amortization charges				
Deferred income tax assets	307.11	307.11		
Other non-current assets				
Total assets	52,883.04	71,637.93	18,754.89	35.46
Current liabilities	12,306.55	12,306.55		
Non-current liability				
Total liability	12,306.55	12,306.55		
Total equity (net assets)	40,576.49	59,331.38	18,754.89	46.22

IX: Explanation of special issues

1. It is proposed that Bluetown Real Estate Construction Management Group Co., Ltd will undergo a restructuring by way of demerging the company into two entities (Bluetown will retain its original company name), and that part of the equity interest in Bluetown Group will be transferred. This valuation was conducted using the audited pro forma balance sheet of Bluetown as the scope of valuation.
2. 60% of equity interest in Ningbo Innovative District Intellectual Greentown Construction Co., Ltd.* (寧波高新區智慧綠城建設有限公司) held by Bluetown Real Estate Construction Management Group Co., Ltd. is proposed to be disposed of separately. Bluetown reported long-term equity interest of RMB103,251,163.45 at book value under other receivables. Such book value is stated as appraised value in this valuation.
3. As of the valuation date, the guarantees given by Bluetown Real Estate Construction Management Group Co., Ltd. are as follows:
 - (1) Below shows the profile of the guarantees given by Bluetown Real Estate Construction Management Group Co., Ltd.* (藍城房產建設管理集團有限公司) for its subsidiaries:

Name of Guaranteed Entities	Guarantee Period		Guaranteed Contracted Amounts	Guaranteed Deposits	Valid Guaranteed Balances	Financial Institutions
	Commencement Date	Expiry Date				
Ningbo Innovative District Intellectual Greentown Construction Co., Ltd.* (寧波高新區智慧綠城建設有限公司)	25/12/2014	24/12/2024	500,000,000.00	500,000,000.00	272,000,000.00	Industrial and Commercial Bank of China Ningbo Gaoxin Branch
Ningbo Innovative District Intellectual Greentown Construction Co., Ltd.* (寧波高新區智慧綠城建設有限公司)	12/06/2015	23/11/2017	153,000,000.00	153,000,000.00	153,000,000.00	China Construction Bank Gaoxin Branch
Yiwu Greentown Real Estate Development Co., Ltd.* (義烏綠城房產建設管理有限公司)	11/06/2014	11/06/2016	24,000,000.00	24,000,000.00	1,222,650.00	China CITIC Bank Yiwu Branch
Hangzhou Greentown Leju Real Estate Development Co., Ltd.* (杭州綠城樂居建設管理有限公司)	12/11/2015	12/11/2019	4,900,000.00	2,216,928.00	2,216,928.00	Huaxia Bank Hangzhou Branch
Hangzhou Dajiangdong Bluetown Real Estate Development Co., Ltd.* (杭州大江東藍城建設管理有限公司)	27/11/2015	27/11/2019	4,900,000.00	2,695,241.50	2,695,241.50	Huaxia Bank Hangzhou Branch
Greentown Modern Agriculture Development Company Limited (綠城現代農業開發有限公司)	16/12/2014	15/12/2016	24,000,000.00	24,000,000.00	20,000,000.00	Agricultural Bank of China Shengzhou Branch
Total			710,800,000.00	705,912,169.50	451,134,819.50	

- (2) Below shows the profile of the guarantees given by Bluetown Property Construction Management Group Co., Ltd.* (藍城房產建設管理集團有限公司) for its non-subsidiaries:

Name of Guaranteed Entities	Guarantee Period		Guaranteed Contracted Amounts	Guaranteed Deposits	Valid Guaranteed Balances	Financial Institutions
	Commencement Date	Expiry Date				
Ningbo Taigu Real Estate Development Co., Ltd.* (寧波泰谷房地產開發有限公司)	25/12/2014	25/12/2017	500,000,000.00	500,000,000.00	62,000,000.00	Zhongrong International Trust Co., Ltd.
Greentown E-Commerce Company Limited* (綠城電子商務有限公司)	20/04/2015	18/12/2015	80,000,000.00	80,000,000.00	45,798,397.30	Bank of Jiangsu Hangzhou Branch
Greentown E-Commerce Company Limited* (綠城電子商務有限公司)	04/12/2015	04/12/2016	100,000,000.00	70,043,023.96	70,043,023.96	Huaxia Bank Zhijiang Branch
Greentown E-Commerce Company Limited* (綠城電子商務有限公司)	04/11/2015	04/05/2017	88,000,000.00	80,000,000.00	6,774,877.54	Bank of Hangzhou Jiangcheng Branch
Greentown Agricultural Inspection Technology Co., Ltd.* (綠城農科檢測技術有限公司)	28/08/2015	28/08/2021	50,000,000.00	25,000,000.00	25,000,000.00	Huaxia Bank Hangzhou Jiefang Branch
Total			680,000,000.00	755,043,023.96	209,616,298.80	

The user of the report is reminded to pay attention to the effects of the above on the valuation result and on the proposed economic activity.

X. The validity of the valuation result

The valuation result is only valid as at the valuation date stipulated in the valuation report. The validity of the valuation result shall be arrived based on the assets conditions and market movements after the valuation date. When there are fewer movements of assets conditions and market changes, the validity of the valuation result in theory shall be one year from the valuation date (i.e from 31 March 2016 to 30 March 2017).

XI. Date of the valuation report: 21 June 2016

Authorised Representative: Qian Youyan

Registered Asset Appraiser: Liang Xuebing

Registered Asset Appraiser: Zhang Xiaojun

Tian Yuan Appraisal Limited
21 June 2016

* For identification purpose only

The following is the English translation of the text of the valuation report received from Tian Yuan Asset Appraisal Limited, an independent valuer in the PRC, in connection with the valuation of the 60% equity interest in Ningbo Company as at 31 March 2016.

Tian Yuan Ping Bao Zi [2016] No. 0180



Tian Yuan Asset Appraisal Limited*
(天源資產評估有限公司)

17 June 2016

We, Tian Yuan Asset Appraisal Limited* (天源資產評估有限公司), have been engaged by Greentown Real Estate Group Co., Ltd.* (綠城房地產集團有限公司) to assess the market value of the shareholders' total interests as at 31 March 2016 in Ningbo Innovative District Intellectual Greentown Construction Co., Ltd.* (寧波高新區智慧綠城建設有限公司) involved in the proposed equity acquisition by Greentown Real Estate Group Co., Ltd.* (綠城房地產集團有限公司) in accordance with relevant laws, regulations, asset valuation standards and assets valuation principles and in compliance with all necessary valuation procedures by adopting the asset-based method. The valuation and conclusion are set out below:

- I. The Principal: Greentown Real Estate Group Co., Ltd.* (綠城房地產集團有限公司) (hereafter, "**Greentown Property**")
- II. Appraised Entity: Ningbo Innovative District Intellectual Greentown Construction Co., Ltd.* (寧波高新區智慧綠城建設有限公司) (hereafter, "**Ningbo Company**")
- III. Purpose of Valuation: this valuation has been conducted to provide reference to the value of the shareholders' total interests in Ningbo Company in relation to the proposed equity acquisition by Greentown Property.
- IV. Subject and Scope of Valuation

The subject of valuation was the shareholders' total interests in Ningbo Company. The scope of valuation was all assets and liabilities reported by Ningbo Company, in specific, including current assets, fixed assets (equipment type), deferred income tax assets, current liabilities and non-current liabilities. The book value of the total assets of Ningbo Company as at valuation date is RMB975,612,829.60, while the book value of the total liabilities amounted to RMB849,083,865.11, and total equity (net assets) amounted to RMB126,528,964.49.

- V. Type of Valuation: market value
- VI. Valuation date: 31 March 2016
- VII. Methodology of Valuation: asset-based method
- VIII. Valuation Conclusion

The valuation of the shareholders' total interests in Ningbo Company was conducted by adopting the asset-based method. As the assumptions indicated in this report, the valuation result was as follows:

The book value of the total assets is RMB975,612,900, the appraised value is RMB1021,420,400, the valuation appreciation is RMB45,807,500, and the appreciation rate is 4.70%.

The book value of the total liabilities is RMB849,083,900, the appraised value is RMB849,335,100, the valuation appreciation is RMB251,200, and the appreciation rate is 0.03%.

The book value of total equity (net assets) is RMB126,529,000, the appraised value is RMB172,085,300, the valuation appreciation is RMB45,556,300, and the appreciation rate is 36.00%.

Table of Valuation Result

Unit: RMB (in ten thousand)

Item	Book value	Appraised value	Appreciation	Appreciation rate %
	A	B	C=B-A	D=C/A×100
Current assets	97,454.28	102,030.18	4,575.90	4.70
Non-current assets	107.01	111.86	4.85	4.53
Of which: Fixed assets	106.50	111.86	5.36	5.03
Of which: Equipment	106.50	111.86	5.36	5.03
Deferred income tax assets	0.51		-0.51	-100.00
Total assets	97,561.29	102,142.04	4,580.75	4.70
Current liabilities	32,708.39	32,733.51	25.12	0.08
Non-current liabilities	52,200.00	52,200.00		
Total liabilities	84,908.39	84,933.51	25.12	0.03
Total equity (net assets)	12,652.90	17,208.53	4,555.63	36.00

IX. Explanation of Special Issues

(1) Security and guarantee issues

1. On 10 June 2015, Ningbo Company entered into a maximum mortgage contract (最高額抵押合同) with contract number of 1273-2015 (Gaoxin) -1 (1) with China Construction Bank Ningbo Gaoxin Branch, pursuant to which Ningbo applied to China Construction Bank Ningbo Gaoxin Branch for a loan facility up to RMB185 million secured by the land use right (Yong Guo Yong (2014) No. 1005295), for a term commencing from 10 June 2015 to 23 November 2017.
2. On 10 June 2015, Ningbo Company entered into a maximum mortgage contract (最高額抵押合同) with contract number of 1273-2015 (Gaoxin) -1 (2) with China Construction Bank Ningbo Gaoxin Branch, pursuant to which Ningbo Company applied to China Construction Bank Ningbo Gaoxin Branch for a loan facility up to RMB268 million secured by the land use right (Yong Guo Yong (2014) No. 1005298), for a term commencing from 10 June 2015 to 23 November 2017.

As of the valuation date, the balances in respect of borrowings under the above two mortgage contracts totaled RMB250 million.

3. On 23 December 2014, Ningbo Company entered into a maximum mortgage contract (最高額抵押合同) with contract number of 0390100015-Year 2014 Keji(Di)Zi No.0109 with ICBC Ningbo Gaoxin Branch, pursuant to which Ningbo Company applied to ICBC Ningbo Gaoxin Branch for a loan facility up to RMB209.93 million secured by the land use right (Yong Guo Yong (2014) No. 1005294), for a term commencing from 23 December 2014 to 23 November 2017.

Subsequent to the valuation date, the security in relation to the land use right of Yong Guo Yong (2014) No. 1005294 has been released.

4. On 23 December 2014, Ningbo Company entered into a maximum mortgage contract (最高額抵押合同) with contract number of 0390100015-Year 2014 Keji(Di)Zi No.0110 with ICBC Ningbo Gaoxin Branch, pursuant to which Ningbo Company applied to ICBC Ningbo Gaoxin Branch for a loan facility up to RMB70.62 million secured by the land use right (Yi Yong Guo Yong (2014) No. 1005296), for a term commencing from 23 December 2014 to 23 November 2017.

5. On 23 December 2014, Ningbo Company entered into a maximum mortgage contract (最高額抵押合同) with contract number of 0390100015-Year 2014 Keji(Di)Zi No.0111 with ICBC Ningbo Gaoxin Branch, pursuant to which Ningbo Company applied to ICBC Ningbo Gaoxin Branch for a borrowing up to RMB22.73 million secured by the land use right (Yong Guo Yong (2014) No. 1005297), for a term commencing from 23 December 2014 to 23 November 2017.

As of valuation date, the balances in respect of borrowings under the above three mortgage contracts totaled RMB272 million.

6. Pursuant to the “Circular of the MOF and the SAT regarding the Pilot Program on Comprehensive Implementation of Value Added Taxes from Business Taxes Reform” (Cai Shui [2016] No.36) and relevant requirements under the prevailing value-added tax, the value-added tax rate is based on a simplified tax imposition of 5%.
7. Save for the above-mentioned, Ningbo Company does not have other contingent issues including charges (pledges) over its assets, external guarantees and pending litigations.

- (2) Considerations on the premiums (or discounts) over (to) equity attributable to shareholders:

The result of this valuation is the value of the shareholders’ total interest in the appraised entity. The value of the shareholders’ partial interest does not necessarily equal to the value of the shareholders’ total interest multiplied by shareholding proportion. Specifically, the user of the report shall take into consideration of the effects of premiums or discounts brought about by factors including controlling stake and minority holding on the basis of the valuation result when quoting the result of this valuation report as a reference to capital contribution, controlling stake or minority equity transaction.

The user of the report is reminded to pay attention to the effects of the above on the valuation result and on the proposed economic activity.

X. The validity of the valuation result

The valuation result is only valid on the valuation date stipulated in the valuation report. The validity of the valuation result shall be arrived based on the assets conditions and market movements after the valuation date. When there are fewer movements of assets conditions and market changes, the validity of the valuation result in theory shall be one year from the valuation date (i.e from 31 March 2016 to 30 March 2017).

XI. Date of the valuation report: 17 June 2016

Authorised Representative: Qian Youyan

Registered Asset Appraiser: Liang Xuebing

Registered Asset Appraiser: Zhang Xiaojun

Tian Yuan Appraisal Limited

17 June 2016

* *For identification purposes only*

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 interested	% of Issued Share Capital of the Company
Mr Song	1,089,000 <i>(note 1)</i>	-	226,071,924 <i>(note 2)</i>	227,160,924	10.504%
Mr Shou	-	-	174,549,783 <i>(note 3)</i>	174,549,783	8.071%
Mr CAO Zhounan ("Mr Cao")	3,359,000 <i>(note 4)</i>	-	1,161,500 <i>(note 5)</i>	4,520,500	0.209%

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, 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 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 is the sole member of HKOO Foundation, pursuant to Part XV of the SFO, Mr Song is deemed to be interested in 100,000,000 Shares held by HKOO Foundation notwithstanding that Mr Song is not beneficially interested in such shares.
- (3) Mr Shou, 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, being a shareholder holding 60% of the equity interest of Hangzhou Chengxun Investment Management Company Limited (“**Hangzhou Chengxun**”), is deemed to be interested in 1,161,500 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	Bluetown	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
China Communication Constructions Group (Limited) ("CCCG")	(note 2)	624,851,793 (L)	Interest of controlled corporations	28.894%
CCCG Holding (HK) Limited	(note 3)	524,851,793 (L)	Beneficial owner	24.270%
HSBC Trustee (C.I.) Limited	(note 4)	540,589,293 (L)	Interest of controlled corporations	24.997%
Wheelock and Company Limited ("Wheelock")	(note 5)	540,589,293 (L)	Interest of controlled corporations	24.997%
The Wharf (Holdings) Limited ("Wharf")	(note 6)	540,589,293 (L)	Interest of controlled corporations	24.997%
Ms XIA Yibo ("Ms Xia")	(note 7)	227,160,924 (L)	Interest of spouse	10.504%
Profitwise	(note 8)	174,549,783 (L)	Beneficial owner	8.071%
Delta	(note 9)	126,071,924 (L)	Beneficial owner	5.830%
HKOO Foundation	(note 10)	100,000,000 (L)	Beneficial owner	4.624%
Lehman Brothers Holdings Inc.	(note 11)	101,400,450 (L)	Interest of controlled corporations	4.689%
		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) (which is wholly-owned by CCCG) and CCCG Holding (HK) Limited and CCCG Real Estate Holding Limited, each of which is wholly-owned by CCCG Real Estate Group Company Limited* (中交房地產集團有限公司).
- (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 is the spouse of Mr Song. Accordingly, pursuant to Part XV of the SFO, Ms Xia is deemed to be interested in: (i) 126,071,924 Shares held by Delta, a company of which Mr Song is the sole shareholder; (ii) 100,000,000 Shares held by HKOO Foundation, a charitable institution established by Mr Song of which Mr Song is the sole member (notwithstanding that neither Mr Song nor Ms Xia is beneficially interested in those shares); and (iii) 1,089,000 share options of the Company held by Mr Song. The aforesaid represents an aggregate of 227,160,924 Shares.
- (8) A company controlled by Mr Shou by virtue of SFO, of which Mr Shou is the sole member.
- (9) A company controlled by Mr Song by virtue of SFO, of which Mr Song is the sole member.
- (10) HKOO Foundation is a company limited by guarantee and established by Mr Song 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 is the sole member of HKOO Foundation, pursuant to Part XV of the SFO, Mr Song is deemed to be interested in 100,000,000 shares held by HKOO Foundation notwithstanding that Mr Song is not beneficially interested in such shares.
- (11) 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	Delta HKOO Foundation	Director Director
Mr LIU Wensheng ("Mr Liu")	CCCG Holding (HK) Limited	Director
Mr SUN Guoqiang ("Mr Sun")	CCCG Real Estate Group Company Limited* (中交房地產集團有限公司)	Chairman and General Manager
Mr Shou	Profitwise	Director
Mr Cao	CCCG Real Estate Group Company Limited* (中交房地產集團有限公司)	Director
Mr LI Qingan	CCCG Real Estate Group Company Limited* (中交房地產集團有限公司)	Director
Mr LI Yongqian	CCCG Real Estate Group Company Limited* (中交房地產集團有限公司)	Director

3. DIRECTORS' SERVICE CONTRACTS

Each of the independent non-executive Directors entered into an appointment letter with the Company regarding his appointment 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	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 Liu	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
Mr Sun	CCCG 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 Shou	Greentown Holdings	The development and sale of the Remaining Non-Inclusion Projects (Note)	Director and substantial shareholder
Mr Cao	CCCG Real Estate Group Company Limited* (中交房地產集團有限公司)	The development of properties and project investment	Director
Mr LI Qingan	CCCG Real Estate Group Company Limited* (中交房地產集團有限公司)	The development of properties and project investment	Director
Mr LI Yongqian	CCCG Real Estate Group Company Limited* (中交房地產集團有限公司)	The development of properties and project investment	Director

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 2015, 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 Cushman & Wakefield Limited	Independent property valuer
Tian Yuan Asset Appraisal Limited	Independent 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 2015 (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 4 February 2016 and the circular dated 12 May 2016 in relation to the agreement entered into between 致昌(北京)企業管理有限公司 (Zhichang (Beijing) Corporate Management Company Limited*), 杭州臻美投資有限公司 (Hangzhou Zhenmei Investment Limited*) and 中交地產有限公司 (CCCC Real Estate Company Limited*) (“**CCCC Real Estate**”) dated 4 February 2016 in relation to the proposed formation of Beijing Liangma Real Estate Co., Ltd for the development of a piece of land in Jiangtai Xiang, Chaoyang District of Beijing PRC with a gross site area of approximately 47,769 sqm where Mr Liu, Mr Sun, Mr Cao, Mr LI Qingan and Mr LI Yongqian (each being an executive Director) have a material interest in

the agreement and the transactions contemplated thereunder due to their respective roles in CCCG and its subsidiaries (where appropriate);

- (ii) the announcement of the Company dated 27 June 2016 and this circular in relation to the Agreements where Mr Song and Mr Shou (each being an executive Director) have a material interest in the Agreements and the transactions contemplated thereunder due to their interests in Greentown Holdings; and
- (iii) the announcement of the Company dated 26 July 2016 in relation to the joint development agreement entered into between 杭州致金投資有限公司 (Hangzhou Zhiqian Investment Co. Ltd.*) and CCC Real Estate for the joint development of a piece of land located in the Mentougou District of Beijing PRC with a site area of approximately 72,401.83 sq.m. where Mr. Liu, Mr. Sun Guoqiang, Mr. Cao, Mr. LI Qingan and Mr. LI Yongqian (each being an executive Director) have a material interest in the agreement and the transaction contemplated thereunder due to their respective role in CCCG and its subsidiaries (where appropriate),

where the relevant agreements constitute connected transactions 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 2015 (being the date to which the latest published 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 (a) above, 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, Uglan 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 Acquisition Agreement;
- (b) the Disposal Agreement;
- (c) the Ningbo Acquisition Agreement;
- (d) the Trademark Assignment Framework and Supplemental Agreement;
- (e) service contracts of the independent non-executive Directors as more particularly described in "3. Directors' service contracts" of this Appendix III; and
- (f) this circular.

* *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)

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 31 August 2016 (Wednesday) at 11/F Jardine House, 1 Connaught Place, Central, Hong Kong for the purpose of considering and, if thought fit, passing the following resolutions, with or without amendments, each as an ordinary resolution of the Company:

ORDINARY RESOLUTION

1. “**THAT**

- (a) the Acquisition Agreement (as defined in the Company’s circular dated 16 August 2016 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) the Disposal Agreement (as defined in the Circular), a copy of which has been produced to the meeting marked “C” 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
- (c) 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 Acquisition Agreement, the Disposal Agreement and the transactions contemplated thereunder with any changes as such director of the Company may in his absolute discretion think fit.”

* For identification purposes only

NOTICE OF THE EGM

2. “THAT

- (a) the Ningbo Acquisition Agreement (as defined in the Circular), a copy of which has been produced to the meeting marked “D” 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 Ningbo Acquisition Agreement and the transactions contemplated thereunder with any changes as such director of the Company may in his absolute discretion think fit.”

3. “THAT

- (a) the Trademark Assignment Framework and Supplemental Agreement (as defined in the Circular), a copy of which has been produced to the meeting marked “E” 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 Trademark Assignment Framework and Supplemental 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

Fung Ching, Simon
Company Secretary

Hangzhou, the PRC
16 August 2016

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 30 August 2016 to 31 August 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 29 August 2016 (Monday).

As at the date of this notice, the board of directors of the Company comprises seven executive directors, namely Mr SONG Weiping, Mr LIU Wensheng, Mr SUN Guoqiang, Mr SHOU Bainian, Mr CAO Zhounan, Mr LI Qingan and Mr LI Yongqian and four independent non-executive directors, namely Mr JIA Shenghua, Mr KE Huanzhang, Mr SZE Tsai Ping, Michael and Mr HUI Wan Fai.