

**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

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

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

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**GREENTOWN CHINA HOLDINGS LIMITED**

**綠城中國控股有限公司\***

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

**(Stock Code: 03900)**

**CONNECTED TRANSACTION  
IN RELATION TO THE DEVELOPMENT OF  
RESIDENTIAL PROPERTIES IN BEIJING  
WITH THE WHARF AND CCCG SUBSIDIARIES  
AND  
NOTICE OF EXTRAORDINARY GENERAL MEETING**

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



A letter from the Board is set out on pages 4 to 11 of this circular and a letter from the Independent Board Committee is set out on pages 12 to 13 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 14 to 27 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 May 2016 (Tuesday) at Conference Room 1, 10th Floor, Block A, Century Plaza, No. 1 Hangda Road, West Lake District, Hangzhou, Zhejiang Province, the People's Republic of China is set out on pages 41 to 42 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](http://www.hkexnews.hk)) and the Company ([www.greentownchina.com](http://www.greentownchina.com)).

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

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

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## DEFINITIONS

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

“Agreement”	the agreement entered into between the Zhichang Beijing, Hangzhou Zhenmei and CCCC Real Estate dated 4 February 2016 in relation to the proposed formation of the Project Company for the development of the Land
“associate(s)”	has the same meaning ascribed to it under the Listing Rules
“Board”	the board of Directors
“CCCC Real Estate”	CCCC Real Estate Company Limited* (中交地產有限公司), a company incorporated in the PRC with limited liability and a wholly-owned subsidiary of CCCG
“CCCG”	China Communication Constructions Group (Limited), a wholly state-owned company established in the PRC and a substantial shareholder of the Company
“Company”	Greentown China Holdings Limited (stock code: 03900), a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the Stock Exchange
“connected person(s)”	has the same meaning ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“EGM”	an extraordinary general meeting to be held on 31 May 2016 by the Company to consider and, if thought fit, approve the Agreement and the transactions contemplated thereunder
“Group”	the Company together with its subsidiaries
“Hangzhou Zhenmei”	Hangzhou Zhenmei Investment Limited* (杭州臻美投資有限公司), a company established in the PRC and a wholly-owned subsidiary of the Company
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong

## DEFINITIONS

“Hong Kong”	Hong Kong Special Administrative Region of the PRC
“Independent Board Committee”	an independent committee of the Board composed of all independent non-executive Directors, namely Mr JIA Shenghua, Mr KE Huanzhang, Mr SZE Tsai Ping, Michael and Mr HUI Wan Fai
“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 Agreement and the transactions contemplated thereunder
“Independent Shareholder(s)”	any Shareholder who is not required to abstain from voting at the EGM
“Land”	a piece of land in Jiangtai Xiang, Chaoyang District of Beijing, PRC with a gross site area of approximately 47,769 sqm
“Land Consideration”	the total consideration of RMB5,135,000,000 for acquiring the land use rights of the Land from Beijing Municipal Bureau of Land and Resources* (北京市國土資源局)
“Latest Practicable Date”	6 May 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
“Option Holder(s)”	the holder(s) of the share options granted by the Company pursuant to the Share Option Scheme
“PRC”	the People’s Republic of China (excluding, for the purpose of this circular, Hong Kong, the Macao Special Administrative Region of the PRC and Taiwan)

## DEFINITIONS

“Project Company”	Beijing Liangma Real Estate Co., Ltd* (北京亮馬置業有限公司), a company established in the PRC which is beneficially owned by Zhichang Beijing, Hangzhou Zhenmei and CCCC Real Estate on a 40:50:10 basis for the purpose of developing the Land
“RMB”	Renminbi, the lawful currency of the PRC
“SFO”	the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong, as amended from time to time
“Share Option Scheme”	the share option scheme of the Company adopted by a resolution of the Shareholders on 22 June 2006
“Share(s)”	ordinary share(s) of HK\$0.10 each in the share capital of the Company
“Shareholder(s)”	holder(s) of Share(s)
“sqm”	square metres
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“substantial shareholder(s)”	has the same meaning ascribed to it under the Listing Rules
“Wharf”	The Wharf (Holdings) Limited (stock code: 00004), a company incorporated in Hong Kong with limited liability, the shares of which are listed on the Stock Exchange
“Wharf Group”	Wharf together with its subsidiaries
“Zhichang Beijing”	Zhichang (Beijing) Corporate Management Company Limited* (致昌(北京)企業管理有限公司), a company established in the PRC and a wholly-owned subsidiary of the Wharf
“%”	per cent.

\* For identification purposes only



**GREENTOWN CHINA HOLDINGS LIMITED**

**綠城中國控股有限公司\***

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

**(Stock Code: 03900)**

*Executive Directors:*

Mr SONG Weiping  
Mr 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, Ugland House  
South Church Street  
George Town  
Grand Cayman, KY1-1104  
Cayman Islands

*Principal place of business  
in Hong Kong:*

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

12 May 2016

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

Dear Sir or Madam,

**CONNECTED TRANSACTION  
IN RELATION TO THE DEVELOPMENT OF  
RESIDENTIAL PROPERTIES IN BEIJING  
WITH THE WHARF AND CCCG SUBSIDIARIES**

**1. INTRODUCTION**

Reference is made to the announcement of the Company dated 4 February 2016.

The Board announced that, on 4 February 2016, Zhichang Beijing (a wholly-owned subsidiary of Wharf), Hangzhou Zhenmei (a wholly-owned subsidiary of the Company) and CCC Real Estate (a wholly-owned subsidiary of CCCG) entered into the Agreement pursuant to which Zhichang Beijing, Hangzhou Zhenmei and CCC Real Estate will jointly develop the Land into residential properties on a 40:50:10 ownership basis.

\* For identification purposes only

## LETTER FROM THE BOARD

The Land is situated in Jiangtai Xiang, Chaoyang District of Beijing, PRC with a gross site area of approximately 47,769 sqm. The residential properties to be developed on the Land are expected to have a total gross floor area of approximately 119,423 sqm (which includes 21,100 sqm as public rental housing) with a floor area ratio of 2.5.

### 2. CONSIDERATION AND PAYMENT TERMS OF THE LAND

According to the terms of the bid for the Land, the total Land Consideration of RMB5,135,000,000 shall be paid by cash instalments in the manner as follows:

Stage Payment	Amount paid/payable
Paid as at the date of the Agreement	RMB1,510,000,000
Within 15 business days from the date of the land use right transfer contract in relation to the Land	Remaining portion of the Land Consideration

Such consideration amount was the outcome of a public bidding announced by Beijing Municipal Bureau of Land and Resources\* (北京市國土資源局).

As at the Latest Practicable Date, the Land Consideration has been paid in full in accordance with the terms of the bid for the Land. Such payments were originally made by Zhichang Beijing, Hangzhou Zhenmei and CCCC Real Estate on a 40:50:10 basis directly to the relevant government authority, and were regarded as their respective shareholders' loans to the Project Company on a pro-rated basis. Subsequently, the Project Company arranged for the external financing of an amount of RMB3,625,000,000 and partially repaid the shareholders' loans to Zhichang Beijing, Hangzhou Zhenmei and CCCC Real Estate on a pro-rated basis.

The Directors expect to obtain the land use rights certificate in relation to the Land in or around May 2016.

### 3. PROPERTY DEVELOPMENT THROUGH PROJECT COMPANY

The Agreement was entered into between Zhichang Beijing, Hangzhou Zhenmei and CCCC Real Estate in order to facilitate the development of the Land on a 40:50:10 basis. According to the Agreement, Zhichang Beijing, Hangzhou Zhenmei and CCCC Real Estate will be interested in 40%, 50% and 10%, respectively, of the Project Company.

The Project Company has been established solely for the purpose of developing the Land. Upon establishment, the Project Company has become a subsidiary of the Company.

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

## LETTER FROM THE BOARD

The total investment for the development of the Land is currently expected to be approximately RMB8,000,660,000, comprising the Land Consideration of RMB5,135,000,000, the preliminary stage development costs of approximately RMB48,670,000, the construction and development costs of approximately RMB1,254,930,000, the financing cost of approximately RMB401,290,000, the land tax and other applicable taxes of approximately RMB860,770,000 and other costs of approximately RMB300,000,000. Apart from the registered capital of RMB100,000,000 of the Project Company which has been contributed by Zhichang Beijing, Hangzhou Zhenmei and CCCC Real Estate as to 40%, 50% and 10%, respectively, the parties currently expect that all other funding needs will be primarily arranged by the Project Company itself by way of external financing and the proceeds from the sale of the properties.

#### 4. PRINCIPAL TERMS OF AGREEMENT

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

Purpose : For Zhichang Beijing, Hangzhou Zhenmei and CCCC Real Estate to own and develop the Land on a 40:50:10 basis through the Project Company.

The parties currently expect that the sole purpose and business of the Project Company is to develop the Land.

Capital requirement : The registered capital of the Project Company is RMB100,000,000, which shall be contributed by Zhichang Beijing, Hangzhou Zhenmei and CCCC Real Estate as to 40%, 50% and 10%, respectively. Further, the parties expect that the Land Consideration (plus an amount equivalent to the aggregate of the relevant land tax amount) shall be contributed by Zhichang Beijing, Hangzhou Zhenmei and CCCC Real Estate on a 40:50:10 basis.

In the event that the Project Company requires additional funding for payment of the Land Consideration, project development, construction and operation (including the repayment of shareholder's loans), the Project Company shall first raise its funding through external financing (including but not limited to debt or equity financing). In cases where external financing is insufficient for the Land Consideration, Zhichang Beijing, Hangzhou Zhenmei and CCCC Real Estate shall contribute the remaining portion of the funding required in proportion to their respective shareholding percentages in the Project Company.



## LETTER FROM THE BOARD

In the event that any security or guarantee is required for future external financing of the Project Company, Zhichang Beijing, Hangzhou Zhenmei and CCCC Real Estate shall provide such security or guarantee according to their respective shareholding percentages in the Project Company. In the event that either party (the “**Contributing Party**”) agrees to provide guarantee and/or security in respect of such financing which is more than its pro-rated portion, (i) the other party (the “**Non-contributing Party**”) agrees to provide a counter-guarantee to the Contributing Party for the Non-contributing Party’s pro-rated portion of the obligations under such financing, and (ii) the Contributing Party has a right to receive from the Non-contributing Party a guarantee fee to be determined by the parties.

Distribution of profit : The Project Company shall distribute any net profit after taxation in compliance with all applicable laws, rules and regulations to Zhichang Beijing, Hangzhou Zhenmei and CCCC Real Estate according to their respective shareholding percentages in the Project Company.

Board representation : The board of directors of the Project Company will comprise seven directors, of which two will be appointed by Zhichang Beijing, four will be appointed by Hangzhou Zhenmei, and one will be appointed by CCCC Real Estate.

One of the directors appointed by Hangzhou Zhenmei will be the chairman of the board of directors (who will also be the legal representative) of the Project Company.

Management and operation : The general manager will be responsible for the daily management and operation of the Project Company. The general manager will be nominated by Zhichang Beijing and appointed by the board of directors of the Project Company.

Hangzhou Zhenmei will have the right to nominate the finance director, who will be responsible for financial and accounting management of the Project Company.

Major corporate actions concerning the Project Company shall be subject to unanimous approval of all parties.

## LETTER FROM THE BOARD

### 5. REASONS FOR AND BENEFITS OF THE TRANSACTION

The Directors (including the independent non-executive Directors) believe that the co-development of the Land pursuant to the Agreement will broaden the asset and earnings base of the Company and further strengthen the Company's position as a premier property developer in the PRC. Further, as the property development business is one of the key development strategies of CCCG, and both the Group and the Wharf Group are experienced property developers, their strategic cooperation will complement each other in the co-development of the Land to promote mutual benefit. The Directors (including the independent non-executive Directors) consider that the Agreement has been made on normal commercial terms and in the ordinary and usual course of business of the Group, and that its terms are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

### 6. LISTING RULES IMPLICATIONS

As at the Latest Practicable Date, CCCG and its subsidiaries are holding 624,851,793 Shares, representing approximately 28.895% of the issued share capital of the Company, and CCCG is therefore a substantial shareholder of the Company under the Listing Rules. Accordingly, CCCG and its associates (including CCC Real Estate, being a wholly-owned subsidiary of CCCG) are connected persons of the Company.

As at the Latest Practicable Date, Wharf and its subsidiaries are holding 540,589,293 Shares, representing approximately 24.998% of the issued share capital of the Company, and Wharf is therefore a substantial shareholder of the Company under the Listing Rules. Accordingly, Wharf and its associates (including Zhichang Beijing, being a wholly-owned subsidiary of Wharf) are connected persons of the Company.

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

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

Mr LIU Wensheng, Mr SUN Guoqiang, Mr CAO Zhounan, 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). Therefore, they have abstained from voting on the relevant Board resolution approving the Agreement and the transactions contemplated thereunder.

## LETTER FROM THE BOARD

Any connected person with a material interest in the Agreement and the transactions contemplated thereunder, and any Shareholder who has a material interest in the Agreement and the transactions contemplated thereunder and its associates will be required to abstain from voting at the EGM. CCCG, Wharf and their respective associates holding respectively 624,851,793 Shares (representing approximately 28.895% of the issued share capital of the Company) and 540,589,293 Shares (representing approximately 24.998% of the issued share capital of the Company) will be required to abstain from voting at the EGM.

In the event that independent Shareholders' approval for the transactions contemplated under the Agreement is not obtained at the EGM, the Company expects that the Agreement will be terminated in accordance with the terms of the Agreement. In such case, the Company will discuss in good faith with the relevant parties in relation thereto, including where appropriate, entering into a supplemental agreement to reduce the shareholding percentage of Hangzhou Zhenmei in the Project Company pursuant to which any excess amount already contributed by the Group will be refunded based on the revised shareholding structure accordingly. Any such supplemental arrangement (which may technically involve a disposal of equity interest in the Project Company by the Group) may constitute a connected transaction of the Company under Chapter 14A of the Listing Rules, subject to reporting, announcement and/or independent Shareholders' approval requirements thereunder where applicable.

### 7. GENERAL

The Company is a company incorporated in the Cayman Islands with limited liability, whose shares are listed on 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.

Zhichang Beijing is a wholly-owned subsidiary of Wharf and is principally engaged in the business of investment holding. Wharf is a company incorporated in Hong Kong with limited liability, whose shares are listed on the Stock Exchange. The principal business activities of the Wharf Group are ownership of properties for development and letting, investment holding, container terminals as well as communications, media and entertainment.

CCCC Real Estate is a wholly-owned subsidiary of CCCG and is principally engaged in the business of property development. CCCG is a wholly state-owned company established in the PRC and the controlling shareholder of China Communications Construction Co. Ltd., a company established in the PRC whose H shares are listed on the Stock Exchange. Based on publicly available information, CCCG is principally engaged in the design and construction of transportation infrastructure, dredging and heavy machinery manufacturing business and covers the following business aspects: port, terminal, road, bridge, railway, tunnel, civil work design and construction, capital dredging and reclamation dredging, container crane, heavy marine machinery, large steel structure and road machinery manufacturing, and international project contracting, import and export trading services. According to CCCG, it is the

## LETTER FROM THE BOARD

largest port construction and design company in the PRC, a leading company in road and bridge construction and design, a leading railway construction company, the largest dredging company in the PRC and the largest dredging company (in terms of dredging capacity) in the world.

### 8. EGM

A notice convening the EGM is set out on pages 41 to 42 of this circular. Ordinary resolution will be proposed at the EGM to approve the Agreement and the transactions contemplated thereunder.

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

### 9. RECOMMENDATION

Your attention is drawn to the letter from the Independent Board Committee set out on pages 12 to 13 of this circular which contains its recommendation to the Independent Shareholders in relation to the Agreement and the transactions contemplated thereunder. Your attention is also drawn to the letter of advice from the Independent Financial Adviser set out on pages 14 to 27 of this circular which contains its advice to the Independent Board Committee and the Independent Shareholders in relation to the transactions contemplated under the Agreement 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 Agreement has been made on normal commercial terms and in the ordinary and usual course of business of the Group, and that its terms are fair and reasonable and in the interests of the Company and the Shareholders as a whole. Therefore, the Directors recommend that the Independent Shareholders should vote in favour of the ordinary resolutions to approve the Agreement and the transactions contemplated thereunder at the EGM.

**LETTER FROM THE BOARD**

**10. ADDITIONAL INFORMATION**

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

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

By Order of the Board  
**Greentown China Holdings Limited**

**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)**

12 May 2016

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

Dear Sir or Madam

**CONNECTED TRANSACTION  
IN RELATION TO THE DEVELOPMENT OF  
RESIDENTIAL PROPERTIES IN BEIJING  
WITH THE WHARF AND CCCG SUBSIDIARIES**

We refer to the circular of the Company to the Shareholders dated 12 May 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 Agreement and the transactions contemplated thereunder are fair and reasonable so far as the Company and the Shareholders as a whole are concerned.

We wish to draw your attention to the letter of advice from Investec, the Independent Financial Adviser appointed to advise the Independent Board Committee and the Independent Shareholders in relation to the Agreement and the transactions contemplated thereunder, as set out on pages 14 to 27 of the Circular and the letter from the Board set out on pages 4 to 11 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 Agreement and the transactions contemplated thereunder are on normal commercial terms, fair and reasonable and in the interests of the Company and the Shareholders as a whole. We recommend the Independent Shareholders to vote in favour of the resolution in respect of the Agreement and the transactions contemplated thereunder.

Yours faithfully

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

**Mr JIA Shenghua**

**Mr KE Huanzhang**

**Mr SZE Tsai Ping, Michael**

**Mr HUI Wan Fai**

*Independent non-executive Directors*

## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

*The following is the text of the letter of advice from Investec to the Independent Board Committee and the Independent Shareholders in relation to the Agreement 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  
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www.investec.com

12 May 2016

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

Dear Sirs/Madams,

### **CONNECTED TRANSACTION IN RELATION TO THE DEVELOPMENT OF RESIDENTIAL PROPERTIES IN BEIJING WITH THE WHARF AND CCCG SUBSIDIARIES**

#### **I. INTRODUCTION**

We refer to our appointment as the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders with regard to the transactions contemplated under the Agreement. Details of the Agreement are contained in the letter from the Board (the “**Letter from the Board**”) of the circular to the Shareholders dated 12 May 2016 (the “**Circular**”), of which this letter forms part. Unless otherwise stated, terms defined in the Circular have the same meanings in this letter.

As set out in the Letter from the Board, on 4 February 2016, Zhichang Beijing (a wholly-owned subsidiary of Wharf), Hangzhou Zhenmei (a wholly-owned subsidiary of the Company) and CCC Real Estate (a wholly-owned subsidiary of CCCG) entered into the Agreement pursuant to which Zhichang Beijing, Hangzhou Zhenmei and CCC Real Estate will jointly develop the Land on a 40:50:10 basis. The Project Company has been established solely for the purpose of developing the Land and has become an indirect non-wholly owned subsidiary of the Company. According to the Agreement, each of Zhichang Beijing, Hangzhou Zhenmei and CCC Real Estate will be interested in 40%, 50% and 10%, respectively, of the Project Company.

The Land is situated in the Jiangtai Xiang, Chaoyang District of Beijing, of the PRC and of approximately 47,769 sqm. The residential properties to be developed on the Land are expected to have a total gross floor area of approximately 119,423 sqm (which includes 21,100 sqm as public rental housing) with a floor area ratio of 2.5.



## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

As at the Latest Practicable Date, each of CCCG and Wharf is interested in 624,851,793 and 540,589,293 Shares, representing 28.9% and 25.0% of the issued share capital of the Company, respectively. Therefore CCCG and Wharf are substantial shareholders and accordingly are connected persons of the Company under the Listing Rules. Accordingly, CCCG and Wharf and their respective associates (including CCC Real Estate and Zhichang Beijing, being a wholly-owned subsidiary of CCCG and Wharf, respectively) are connected persons of the Company.

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

As at the Latest Practicable Date, Mr Liu Wensheng, Mr Sun Guoqiang, Mr Cao Zhounan, 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). Therefore, they will be required to abstain from voting on the relevant Board resolution approving the Agreement and the transactions contemplated thereunder.

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

In the event that independent Shareholders' approval for the transactions contemplated under the Agreement is not obtained at the EGM, the Company expects that the Agreement will be terminated in accordance with the terms of the Agreement. In such case, the Company will discuss in good faith with the relevant parties in relation thereto, including where appropriate, entering into a supplemental agreement to reduce the shareholding percentage of Hangzhou Zhenmei in the Project Company pursuant to which any excess amount already contributed by the Group will be refunded based on the revised shareholding structure accordingly. Any such supplemental arrangement (which may technically involve a disposal of equity interest in the Project Company by the Group) may constitute a connected transaction of the Company under Chapter 14A of the Listing Rules, subject to reporting, announcement and/or independent Shareholders' approval requirements thereunder where applicable.

## II. THE INDEPENDENT BOARD COMMITTEE

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

The Independent Board Committee comprising all of the independent non-executive Directors, namely, Mr Jia Shenghua, Mr Ke Huanzhang, Mr Sze Tsai Ping, Michael and Mr Hui Wan Fai, has been established to consider the Agreement and the transactions contemplated thereunder. As the independent financial adviser to the Independent Board Committee and the Independent Shareholders, our role is to give an

## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

independent opinion to the Independent Board Committee and the Independent Shareholders as to (i) whether the terms of the Agreement are on normal commercial terms and ordinary and usual course of business; (ii) whether terms of the Agreement are fair and reasonable and are in the interests of the Company and Shareholders as a whole; and (iii) whether the Independent Shareholders should vote in favour of the resolution to approve the Agreement and the transactions contemplated thereunder at the EGM.

As at the Latest Practicable Date, we were independent from and not connected with Wharf, CCCG and the Company pursuant to Rule 13.84 of the Listing Rules, and accordingly, qualified to give independent advice to the Independent Board Committee and the Independent Shareholders regarding the Agreement. In addition to our appointment as the Independent Financial Adviser, Investec in the last two years also acted as the independent financial adviser to the then independent board committee and then independent Shareholders of the Company in respect of the formation of joint venture with Wharf through entering into of a framework agreement, pursuant to which the Company and Wharf agreed to jointly develop a piece of land in the Bin Jiang District of Hangzhou, Zhejiang province of the PRC of approximately 38,605 sqm, on a 50:50 ownership basis, into residential properties.

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

### III. BASIS AND ASSUMPTIONS OF THE ADVICE

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

We consider that we have reviewed all currently available information and documents to enable us to reach an informed view and to justify our reliance on the information provided so as to form a reasonable basis for our opinions. We have no reason to doubt the truth, accuracy and completeness of the statements, information, opinions and representations provided to us by the Group and/or its senior management staff and/or the Directors and their respective advisers or to believe that material information has been withheld or omitted from the information provided to us or referred to in the aforesaid documents. We consider that we have reviewed sufficient and relevant

## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

information and documents and have taken reasonable steps as required under Rule 13.80 of the Listing Rules including the notes thereto to reach an informed view, to justify reliance on the accuracy of the information contained in the Circular and to provide a reasonable basis for our recommendation. We have not, however, carried out any independent verification of the information provided, nor have we conducted any independent investigation into the business and affairs of the Group, Wharf and CCCG and their respective subsidiaries or the prospects of the markets in which they respectively operate.

#### IV. PRINCIPAL FACTORS CONSIDERED

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

##### 1. Background information of the Group

The Group is one of the leading property developers in the PRC and is primarily engaged in developing quality properties targeting middle to higher income residents in the PRC. As set out in the interim report of the Company for six months ended 30 June 2015 (the “**2015 Interim Report**”), the Company has been established for 20 years and is based in Zhejiang Province, with property projects located in provinces including but not limited to Zhejiang, 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 set out in the 2015 Interim Report, the Company plans to strategically focus on first-tier and second tier cities, as well as third tier cities with considerable development potentials, and emphasise on the expansion of high-quality projects by stages in a short period of time with low costs so as to increase market share in the key PRC cities.

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

## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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

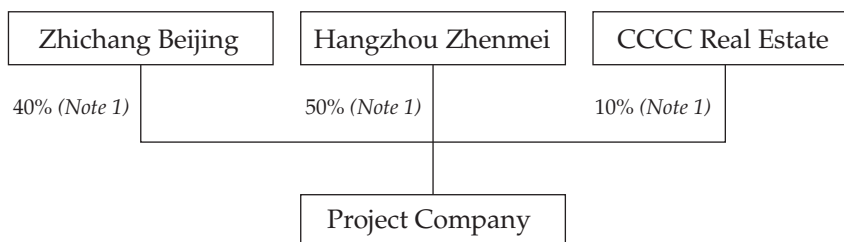
Zhichang Beijing is a wholly-owned subsidiary of Wharf and is principally engaged in the business of investment holding. Wharf is a company incorporated in Hong Kong with limited liability, whose shares are listed on the Stock Exchange. The principal business activities of Wharf are ownership of properties for development and letting, investment holding, container terminals as well as communications, media and entertainment.

CCCC Real estate is a wholly-owned subsidiary of CCCG and is principally engaged in the business of property development. CCCG is a wholly state-owned company established in the PRC and the controlling shareholder of China Communications Construction Co. Ltd., a company established in the PRC whose H shares are listed on the Stock Exchange. Based on publicly available information, CCCG is principally engaged in the design and construction of transportation infrastructure, dredging and heavy machinery manufacturing business and covers the following business aspects: port, terminal, road, bridge, railway, tunnel, civil work design and construction, capital dredging, container crane, heavy marine machinery, large steel structure and road machinery manufacturing, and international project contracting, import and export trading services. According to CCCG, it is the largest port construction and design company in the PRC, a leading company in road and bridge construction and design, a leading railway construction company, the largest dredging company in the PRC and the largest dredging company (in terms of dredging capacity) in the world.

## 2. Background of the Agreement

### 2.1 Background in respect of property development through the Project Company

**Chart A: Corporate structure of the Project Company**



Notes:

- (1) 40:50:10 ownership basis by Zhichang Beijing, Hangzhou Zhenmei and CCCC Real Estate in the Project Company

## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

The Agreement was entered into between Zhichang Beijing, Hangzhou Zhenmei and CCCC Real Estate with a view to facilitate the development of the Land on a 40:50:10 ownership basis. For illustrative purposes, Chart A above sets out a simplified corporate structure of the Project Company.

The Project Company has been established solely for the purpose of developing the Land and has become an indirect non-wholly owned subsidiary of the Company. According to the Agreement, each of Zhichang Beijing, Hangzhou Zhenmei and CCCC Real Estate will be interested in 40%, 50% and 10%, respectively, of the Project Company.

### *2.2 Information on the Land and industry overview of property market in Beijing*

As stated in the Letter from the Board, the Land is situated in Jiangtai Xiang, Chaoyang District of Beijing, PRC with a gross area of approximately 47,769 sqm. The residential properties to be developed on the Land are expected to have a total gross floor area of approximately 119,423 sqm (which includes 21,100 sqm as public rental housing) with a floor area ratio of 2.5.

Based on the information published on the website ([www.bjstats.gov.cn](http://www.bjstats.gov.cn)) of Beijing Statistical Information Network (北京統計信息網), Beijing has a population of approximately 21.7 million as at 31 December 2015. Beijing's gross domestic product for the year ended 31 December 2015 was approximately RMB2.29 trillion, representing a growth of 6.9% in 2015 and a decrease of approximately 0.4% as compared to the same period of 2014.

In addition, the total area of commodity properties sold in Beijing for the year ended 31 December 2015 was approximately 15.6 million sqm (of which approximately 11.3 million sqm was residential properties), representing an increase of approximately 6.6% compared to the year ended 31 December 2014. In 2014, approximately 14.6 million sqm of commodity properties was sold in Beijing, of which approximately 11.4 million sqm was residential properties, as compared to approximately 13.6 million sqm sold in 2013.

Based on the information published on the website (<http://www.chystats.gov.cn>) of Beijing Chaoyang Statistical Information Net (朝陽區統計信息網), Chaoyang district has a population of approximately 4.0 million as at 31 December 2015. Chaoyang district's gross domestic product for the year ended 31 December 2015 was approximately RMB464.0 billion, representing a growth of approximately 7.0% in 2015, in comparison to Chaoyang district's gross domestic product of approximately RMB433.7 billion, representing a growth of approximately 7.6%, for the same period in 2014.

## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

The total area and total sales of commodity properties sold in Chaoyang district for the year ended 31 December 2015 was approximately 1.9 million sqm and RMB61.6 billion, representing a decrease of approximately 34.1% and approximately 10.0% compared to the corresponding year ended 31 December 2014. For the year ended 31 December 2014, approximately 2.9 million sqm and approximately RMB68.4 billion of commodity properties was sold in Chaoyang district, as compared to approximately 3.7 million sqm and approximately RMB90.4 billion sold in 2013.

In addition, the total area of properties under development and the total area of developed properties in Chaoyang district for the year ended 31 December 2015 was approximately 29.1 million sqm and 4.0 million sqm, representing a decrease of approximately 13.6% and approximately 58.8%, compared to the corresponding year ended 2014. For the year ended 31 December 2014, the total area of properties under development and the total area of developed properties in Chaoyang district were approximately 37.3 million sqm and approximately 9.7 million sqm, respectively, representing a decrease of approximately 0.4% and an increase of approximately 76.9%, compared to the same period in 2013.

As disclosed above, we note that there were decreases in the total area and total sales of commodity properties sold in Chaoyang district for the year ended 31 December 2015. However, after taking into account (i) the continuous growth in GDP in Chaoyang district for the years ended 31 December 2014 and 2015; (ii) possible decrease in the supply of properties available for sale in Chaoyang district as result of decrease in total area of properties under development and developed properties in Chaoyang district; (iii) the policy measures implemented by the PRC government to promote long term sustainability of the PRC property market as mentioned below; (iv) reasons and benefits of the Agreement as mentioned below, we consider that prospects of the property market of Beijing and Chaoyang to be remain stable.

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



*2.3 Reasons for and benefits of the Agreement*

As set out in the Letter from the Board, the Directors (including the independent non-executive Directors) believe that the co-development of the Land pursuant to the Agreement will broaden the asset and earnings base of the Company and further strengthen the Company's position as a premier properties developer in the PRC. Furthermore, as the property development business is one of the key development strategies of CCCG, and both the Group and Wharf are experienced property developers, their strategic cooperation will complement each other in the co-development of the Land to promote mutual benefit. The Directors (including the independent non-executive Directors) consider that the Agreement has been made on normal commercial terms and in the ordinary and usual course of business of the Group, and that its terms are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Having considered that the development of the Land under the Agreement will expand the Group's property development portfolio and the strategic cooperation between Zhichang Beijing, Hangzhou Zhenmei and CCCC Real Estate will be beneficial to the development of the Land, we are of the view that the entering into the Agreement is in line with the Group's existing business strategies and in the interests of the Company and the Shareholders as a whole.

**3. The principal terms of the Agreement**

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

Purpose : For Zhichang Beijing, Hangzhou Zhenmei and CCCC Real Estate to own and develop the Land on a 40:50:10 basis through the Project Company.

The parties currently expect that the sole purpose and business of the Project Company is to develop the Land.

Capital requirement : The parties currently expect that the registered capital of the Project Company will be RMB100,000,000, which shall be contributed by Zhichang Beijing, Hangzhou Zhenmei and CCCC Real Estate as to 40%, 50% and 10%, respectively. Further, the parties expect that the Land Consideration (plus an amount equivalent to the aggregate of the relevant land tax amount) shall be contributed by Zhichang Beijing, Hangzhou Zhenmei and CCCC Real Estate on a 40:50:10 basis.

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In the event that the Project Company requires additional funding for payment of the Land Consideration, project development, construction and operation (including the repayment of shareholder's loans), the Project Company shall first raise its funding through external financing (including but not limited to debt or equity financing). In cases where external financing is insufficient for the Land Consideration, Zhichang Beijing, Hangzhou Zhenmei and CCCC Real Estate shall contribute the remaining portion of the funding required in proportion to their respective shareholdings in the Project Company.

In the event that any security or guarantee is required for future external financing of the Project Company, Zhichang Beijing, Hangzhou Zhenmei and CCCC Real Estate shall provide such security or guarantee according to their respective shareholding percentages in the Project Company. In the event that either party (the "**Contributing Party**") agrees to provide guarantee and/or security in respect of such financing which is more than its pro-rated portion, (i) the other party (the "**Non-contributing Party**") agrees to provide a counter guarantee to the Contributing Party for the Non-contributing Party's pro-rated portion of the obligation under such financing, and (ii) the Contributing Party has a right to receive from the Non-contributing Party a guarantee fee to be determined by the parties.

- Distribution of profit : The Project Company shall distribute any net profit after taxation (except those retained for operational needs) to its shareholders in proportion to their respective shareholding. The distribution of profits by the Project Company will be determined by the board of directors of the Project Company.
- Board representation : It is currently expected that the board of directors of the Project Company will comprise seven directors, of which two will be appointed by Zhichang Beijing, four will be appointed by Hangzhou Zhenmei, and one will be appointed by CCCC Real Estate.



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One of the directors appointed by Hangzhou Zhenmei will be the chairman of the board of directors (who will also be the legal representative) of the Project Company.

Management and operation : The general manager will be responsible for the daily management and operation of the Project Company. The general manager will be nominated by Zhichang Beijing and appointed by the board of directors of the Project Company.

Hangzhou Zhenmei will have the right to nominate the finance director, who will be responsible for financial and accounting management of the Project Company.

Major corporate actions concerning the Project Company shall be subject to unanimous approval of all parties.

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

- i. the amount of equity capital to be contributed by Zhichang Beijing, Hangzhou Zhenmei and CCCC Real Estate was determined in accordance with their respective shareholding in the Project Company (i.e. 40:50:10);
- ii. the Project Company shall distribute any net profit after taxation to Zhichang Beijing, Hangzhou Zhenmei and CCCC Real Estate in proportion to their respective shareholding on the basis of 40%, 50% and 10%, respectively. The distribution of profits by the Project Company will be determined by the board of directors of the Project Company;
- iii. Hangzhou Zhenmei is entitled to appoint four of the seven directors of the Project Company, in which one of the directors appointed by Hangzhou Zhenmei will be the chairman of the board of directors of the Project Company; and
- iv. major corporate actions concerning the Project Company including among others, (a) the overall design, sales strategic and planning of the Land; (b) overall operational planning and budget of the Land; (c) change of capital structure and shareholder's rights of the Project Company; (d) change of scope of operation or merger and acquisition by the Project Company; (e) financing of the Project Company; and (f) distribution of profit by the Project Company, shall be subject to unanimous approval of the board of the Project Company.

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

#### 4. Land Consideration

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

As set out in the Letter from the Board, according to the terms of the bid for the Land, the total Land Consideration of RMB5,135,000,000 shall be paid by cash installments in manner as follows:

Stage payment	Amount paid/payable
Paid	RMB1,510,000,000
Within 15 business days from the date of the land use right transfer contract in relation to the Land	Remaining portion of the Land Consideration

Such consideration amount was the outcome of a public bidding announced by Beijing Municipal Bureau of Land and Resources (北京市國土資源局).

As of the Latest Practicable Date, the Land Consideration has been paid in full in accordance with the terms of the bid for the Land. Such payments were originally made by Zhichang Beijing, Hangzhou Zhenmei and CCC Real Estate on a 40:50:10 basis directly to the relevant government authority, and were regarded as their respective shareholders' loans to the Project Company on a pro-rated basis. Subsequently the Project Company arranged for an external financing of an amount of RMB3,625,000,000 and partially repaid the shareholders' loans to Zhichang Beijing, Hangzhou Zhenmei and CCC Real Estate on a pro-rated basis.

The Directors expect to obtain the land use rights certificate in relation to the Land by May 2016.

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

We note that DTZ Cushman & Wakefield Limited (the "Valuer") has been appointed to conduct the valuation on the Land as at 31 March 2016, details of which are set out in the section headed "Property Valuation Report" in Appendix I to the Circular (the "Valuation Report"). According to the Valuation Report, the Valuer has ascribed no commercial value to the Land. However, we note that the Valuer is also of the opinion that assuming the relevant title certificates have been obtained

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and the Land could be freely transferred, the market value of the Land as at 31 March 2016 would be RMB5,135,000,000 (please refer to the Valuation Report for further details). We have reviewed the Valuation Report and discussed with the Valuer the methodology adopted as well as the Valuer's expertise. We understand that the direct comparison method approach has been adopted in their valuation and such approach is commonly used for determining the market value of Land which is vacant. The Valuer has also confirmed its independence from the Group, Wharf, CCCG, and core connected persons of the Group, Wharf and CCCG as at the Latest Practicable Date.

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

We consider that the capital requirements contributed by the Zhichang Beijing, Hangzhou Zhenmei and CCCC Real Estate on pro rata basis (i.e. 40:50:10) to the Project Company under the Agreement which was made with reference to the Land Consideration (which in turn is the outcome of a public bidding and in line with the valuation of the Land by the Valuer) to be fair and reasonable.

### **5. Property development through the Project Company**

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

The total investment for the development of the Land is currently expected to be approximately RMB8,000.7 million, comprising the Land Consideration of RMB5,135.0 million, the preliminary stage development costs of approximately RMB48.7 million, the construction and development costs of approximately RMB1,254.9 million, the financing cost of approximately RMB401.3 million, the land tax and other applicable taxes of approximately RMB860.8 million and other costs of approximately RMB300.0 million. Apart from the registered capital of RMB100.0 million of the Project Company contributed by Zhichang Beijing, Hangzhou Zhenmei and CCCC Real Estate, as to 40%, 50% and 10%, respectively, the parties currently expect that the Land Consideration (plus an amount equivalent to the aggregate of the relevant land tax amount and the preliminary stage development costs) shall be financed on a 40:50:10 basis. All other funding needs will be arranged by the Project Company itself by way of external financing and the sale of proceeds of the properties.

6. **Expected financial impact on the Group as a result of the acquisition of the Land**

*Effects on net asset value*

Upon the completion of the Agreement and acquisition of the Land, the Project Company, including the Land, will become a subsidiary of the Company and the financial results of the Project Company will be consolidated into the financial statements thereafter. On this basis, the total assets of the Group is expected to increase as the financial statements of the Project Company (including the value of the Land of RMB5,135 million) will consolidate into the Group's financial statements and total liabilities of the Group is also expected to increase as the Project Company is expected to finance the acquisition of the Land via a combination of external financing and internal resources. The movement of the net asset value of the Group attributable to the foresaid transactions is expected to the net effect of the increase in total assets and total liabilities as set out above.

*Effects on earnings*

Immediately upon the completion of the Agreement and acquisition of the Land, no material income is expected to be derived from the Land as it is yet to be developed and the Group will incur additional financing costs attributable to borrowings utilised for the acquisition of the Land.

*Effects on cashflow*

As the acquisition of the Land is mainly financed by bank borrowings, it is expected that the Group will not have material net cash outflow upon the completion of the Agreement and the acquisition of the Land (save for transaction costs including professional fees).

**Shareholders should note that the actual gain or loss as a result of the completion of the Agreement and acquisition of the Land to be recorded by the Group is subject to audit and will depend on, among others, the net asset value of the Project Company as at the date of completion.**

Having considered (i) the expected financial impact on the Group as mentioned above; (ii) the Group's financial position as at 30 June 2015; (iii) prospects of Beijing and Chaoyang district of Beijing, PRC; and (iv) reasons for and benefits of the Agreement as mentioned above, we are of the view that the Agreement and the transactions contemplated thereunder is fair and reasonable and in the interests of the Company and the Shareholders as a whole.

## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

### V. RECOMMENDATION

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

- (i) the Agreement and the development plan for the Land are consistent with the strategy of the Group to enhance its business portfolio with particular focus on first-tier and second-tier cities;
- (ii) the capital requirements to be contributed by the Zhichang Beijing, Hangzhou Zhenmei and CCCC Real Estate to the Project Company under the Agreement are in proportion to its respective shareholding;
- (iii) the Land Consideration is in line with the valuation of the Land, assuming that the relevant title certificates have been obtained;
- (iv) the reasons for and benefits of entering into the Agreement as set out in this letter;
- (v) the Project Company shall distribute any net profit after taxation to its shareholders in proportion to their respective shareholding. The distribution of profits by the Project Company will be determined by the board of directors of the Project Company; and
- (vi) the expected financial effects to the Group as a result of the completion of the Agreement and the acquisition of the Land as described in paragraph 6 above,

we consider the Agreement and the transactions contemplated thereunder are on normal commercial terms which are fair and reasonable and in the ordinary and usual course of business of the Group, and in the interests of the Company and the Shareholders as a whole.

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

Yours faithfully  
For and on behalf of  
**Investec Capital Asia Limited**  
**Alexander Tai**  
*Managing Director*  
*Head of Corporate Finance*

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

*The following is the text of a letter and valuation certificate prepared for the purpose of incorporation in this circular, received from DTZ Cushman & Wakefield Limited, an independent property valuer, in connection with the valuation of the Land as at 31 March 2016.*



16th Floor  
Jardine House  
1 Connaught Place  
Central  
Hong Kong

12 May 2016

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

Dear Sirs,

**Re: A piece of land situated in Jiangtai Xiang, Chaoyang District, Beijing, the PRC (“the Land”).**

#### **Instructions, Purpose & Date of Valuation**

In accordance with your instructions for us to value the Land situated in the People’s Republic of China (the “**PRC**”) to be acquired by Greentown China Holdings Limited (the “**Company**”) and its subsidiaries (collectively the “**Group**”), 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 Land as at 31 March 2016 (the “**date of valuation**”).

#### **Definition of Market Value**

Our valuation of the Land 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 Land 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 Land nor for any expenses or taxation which may be incurred in effecting a sale. Unless otherwise stated, it is assumed that the Land is free from encumbrances, restrictions and outgoing of an onerous nature which could affect its value.

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

### **Method of Valuation**

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

### **Source of Information**

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

### **Title Investigation**

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

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

### **Site Inspection**

We have inspected the exterior and, where possible, the interior of the Land. The site inspection was carried out on 2 March 2016 by our Ms Angie Ge who is Registered China Real Estate Appraiser. We have not carried out investigation on site to determine the suitability of the soil conditions and the services etc. for any future development. Our valuation is prepared on the assumption that these aspects are satisfactory and that no extraordinary expenses or delays will be incurred during the construction period. Unless otherwise stated, we have not been able to carry out on-site measurements to verify the site and floor areas of the Land 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 28 years’ experience in the valuation of properties in the PRC.



## VALUATION CERTIFICATE

## Property to be acquired for future development in the PRC

Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 31 March 2016
A piece of land situated in Jiangtai Xiang, Chaoyang District, Beijing, the PRC	<p>The Land comprises a piece of land with a site area of 47,769.068 sq m.</p> <p>The Land is a planned development of residential use. The Land has a total planned gross floor areas of 119,423 sq m (which includes 21,100 sq m as public rental housing).</p> <p>The Land is located at the northeast of Chaoyang District of Beijing. Developments nearby are mainly residential in nature. According to the information provided by the Group, the Land is for residential use.</p> <p>The land use rights of the Land have been granted for terms of 70 years for residential use, 40 years for commercial use and 50 years for office use.</p>	As at the date of valuation, the Land was a vacant site.	<p>No commercial value</p> <p>(see note no. 1)</p>

## Notes:

- (1) In the course of our valuation, we have ascribed no commercial value to the Land as the State-owned Land Use Rights Certificate has not been obtained. Had the Group obtained a valid State-owned Land Use Rights Certificate, the market value of the Land in its existing state as at 31 March 2016 assuming that the land premium had been fully paid would be RMB5,135,000,000.
- (2) According to Land Use Rights Grant Contract and its Supplemental Contract entered into between Beijing Municipal Bureau of Land and Resources (Party A) and Zhichang (Beijing) Corporate Management Company Limited, Hangzhou Zhenmei Investment Limited and CCCC Real Estate Company Limited (collectively known as Party B), the land use rights of the Land have been contracted to be granted to Party B with details as follows:
- |       |                                      |   |   |
|-------|--------------------------------------|---|---|
| (i)   | Site Area                            | : | 47,769.068 sq m   |
| (ii)  | Uses                                 | : | Residential, commercial and office  |
| (iii) | Gross Floor Area                     | : | 98,323 sq m (for residential, commercial and office uses);<br>21,100 sq m (for public rental housing use) |
| (iv)  | Consideration                        | : | RMB5,135,000,000  |
| (v)   | Building Covenant                    | : | Construction shall commence before 16 December 2017 and complete before 16 February 2020                  |
| (vi)  | Construction of ancillary facilities | : | Educational facilities and power supply facilities  |
- (3) According to Business Licence No. 91110105MA003TA9XX, Beijing Liangma Real Estate Co., Ltd (北京亮馬置業有限公司) was established on 26 February 2016 with a registered capital of RMB100,000,000 for an operating period from 26 February 2016 to 25 February 2066.

- (4) We have been provided with a legal opinion on the title to which contains, inter-alia, the following information:
- (i) The Land Use Rights Grant Contract and its Supplemental Contract are legally valid;
  - (ii) A project company, Beijing Liangma Real Estate Co., Ltd, was established by Zhichang (Beijing) Corporate Management Company Limited, Hangzhou Zhenmei Investment Limited and CCCC Real Estate Company Limited for the purpose of developing the Land;
  - (iii) The Agreement was entered into between Zhichang (Beijing) Corporate Management Company Limited, Hangzhou Zhenmei Investment Limited and CCCC Real Estate Company Limited in order to facilitate the development of the Land on a 40:50:10 basis. According to the Agreement, Zhichang (Beijing) Corporate Management Company Limited, Hangzhou Zhenmei Investment Limited and CCCC Real Estate Company Limited will be interested in 40%, 50% and 10% respectively of the project company; and
  - (iv) The project company shall be entitled to transfer, lease, mortgage and dispose of the land use rights of the Land after obtaining the State-owned Land Use Rights Certificate.

## 1. RESPONSIBILITY STATEMENT

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

## 2. DISCLOSURE OF INTERESTS

### (a) Directors' Interests in Shares

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

#### (i) Long positions in Shares and underlying Shares

Name of Director	Personal Interests in Underlying Shares	Family Interests	Interest of Controlled Corporation	Total Number of Shares and Underlying Shares interested	% of Issued Share Capital of the Company
Mr SONG Weiping	1,089,000 (note 1)	-	226,071,924 (note 2)	227,160,924	10.505%
Mr SHOU Bainian	-	-	174,549,783 (note 3)	174,549,783	8.072%
Mr CAO Zhounan	3,359,000 (note 4)	-	761,500 (note 5)	4,120,500	0.191%

Notes:

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

- (2) Mr SONG Weiping, being the sole shareholder of Delta House Limited (“**Delta**”), is deemed to be interested in 126,071,924 Shares held by Delta pursuant to Part XV of the SFO. Hong Kong Orange Osmanthus Foundation Limited (“**HKOO Foundation**”) is a company limited by guarantee and established by Mr SONG Weiping as a charitable institution of a public character exempt from tax under Section 88 of the Inland Revenue Ordinance, Chapter 112 of the Laws of Hong Kong. As Mr SONG Weiping is the sole member of HKOO Foundation, pursuant to Part XV of the SFO, Mr SONG Weiping is deemed to be interested in 100,000,000 Shares held by HKOO Foundation notwithstanding that Mr SONG Weiping is not beneficially interested in such shares.
- (3) Mr SHOU Bainian, being the sole shareholder of Profitwise Limited (“**Profitwise**”), is deemed to be interested in 174,549,783 Shares held by Profitwise pursuant to Part XV of the SFO.
- (4) It represents the share options granted on 13 May 2009 pursuant to the Share Option Scheme and are exercisable at the price of HK\$7.16 per share from 13 May 2009 to 12 May 2019.
- (5) Mr CAO Zhounan, being a shareholder holding 60% of the equity interest of Hangzhou Chengxun Investment Management Company Limited (“**Hangzhou Chengxun**”), is deemed to be interested in 761,500 Shares held by Hangzhou Chengxun pursuant to Part XV of the SFO.

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

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

Note:

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

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

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

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

**(b) Substantial Shareholders**

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

Name of Substantial Shareholder		Interest or Short Position in the Shares or Underlying Shares (note 1)	Capacity in Which Interests are Held	% of Issued Share Capital of the Company
CCCG	(note 2)	624,851,793 (L)	Interest of controlled corporations	28.895%
CCCG Holding (HK) Limited	(note 3)	524,851,793 (L)	Beneficial owner	24.271%
HSBC Trustee (C.I.) Limited	(note 4)	540,589,293 (L)	Interest of controlled corporations	24.998%
Wheelock and Company Limited ("Wheelock")	(note 5)	540,589,293 (L)	Interest of controlled corporations	24.998%
Wharf	(note 6)	540,589,293 (L)	Interest of controlled corporations	24.998%
Ms XIA Yibo	(note 7)	227,160,924 (L)	Interest of spouse	10.505%
Profitwise	(note 8)	174,549,783 (L)	Beneficial owner	8.072%
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 Yibo is the spouse of Mr SONG Weiping. Accordingly, pursuant to Part XV of the SFO, Ms XIA Yibo is deemed to be interested in: (i) 126,071,924 Shares held by Delta, a company of which Mr SONG Weiping is the sole shareholder; (ii) 100,000,000 Shares held by HKOO Foundation, a charitable institution established by Mr SONG Weiping of which Mr SONG Weiping is the sole member (notwithstanding that neither Mr SONG Weiping nor Ms XIA Yibo is beneficially interested in those shares); and (iii) 1,089,000 share options of the Company held by Mr SONG Weiping. The aforesaid represents an aggregate of 227,160,924 Shares.
- (8) A company controlled by Mr SHOU Bainian by virtue of SFO, of which Mr SHOU Bainian is the sole member.
- (9) A company controlled by Mr SONG Weiping by virtue of SFO, of which Mr SONG Weiping is the sole member.
- (10) HKOO Foundation is a company limited by guarantee and established by Mr SONG Weiping as a charitable institution of a public character exempt from tax under Section 88 of the Inland Revenue Ordinance, Chapter 112 of the Laws of Hong Kong. As Mr SONG Weiping is the sole member of HKOO Foundation, pursuant to Part XV of the SFO, Mr SONG Weiping is deemed to be interested in 100,000,000 shares held by HKOO Foundation notwithstanding that Mr SONG Weiping is not beneficially interested in such shares.
- (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 Weiping	Delta HKOO Foundation	Director Director
Mr LIU Wensheng	CCCG Holding (HK) Limited	Director
Mr SUN Guoqiang	CCCG Real Estate Group Company Limited* (中交房地產集團有限公司)	Chairman and General Manager
Mr SHOU Bainian	Profitwise	Director
Mr CAO Zhounan	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 Weiping	Greentown Holdings Group Limited* (綠城控股集團有限公司) ("Greentown Holdings")	The development and sale of the Remaining Non-Inclusion Projects (Note)	Director and substantial shareholder
Mr LIU Wensheng	China Communications Construction Company Limited	The design and construction of transportation infrastructure, dredging business, heavy machinery manufacturing and property development	Secretary of Board of Directors, Company Secretary and Chief Economist
Mr SUN Guoqiang	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 Bainian	Greentown Holdings	The development and sale of the Remaining Non-Inclusion Projects (Note)	Director and substantial shareholder
Mr CAO Zhounan	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:

<b>Name</b>	<b>Qualification</b>
Investec	Independent financial adviser
Zhe Jiang T&C Law Firm	PRC legal adviser
DTZ Cushman & Wakefield Limited	Property valuer

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

As at the Latest Practicable Date, each of the above experts did not have (i) any shareholding in any member of the Group, or any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group, and (ii) any interest, either direct or indirect, in any assets which, since 31 December 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 the announcement of the Company dated 4 February 2016 and this circular in relation to the Agreement, which constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules, as at the Latest Practicable Date, none of the Directors had any direct or indirect interest in any assets which, since 31 December 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) As at the Latest Practicable Date, none of the Directors was materially interested in any contract or arrangement entered into by any member of the Group, which was subsisting and was significant in relation to the business of the Group.
- (c) The company secretary of the Company is Mr Fung Ching, Simon. Mr Fung is a fellow member of the Hong Kong Institute of Certified Public Accountants and a fellow member of the CPA Australia.
- (d) The registered address of the Company is PO Box 309, Ugland House, South Church Street, George Town, Grand Cayman, KY1-1104, Cayman Islands.
- (e) The principal place of business of the Company in Hong Kong is at Room 1406–1408, 14th Floor, New World Tower 1, 16–18 Queen’s Road Central, Hong Kong.
- (f) The share registrar of the Company in Hong Kong is Computershare Hong Kong Investor Services Limited.
- (g) The principal share registrar of the Company in the Cayman Islands is Royal Bank of Canada Trust Company (Cayman) Limited.
- (h) The English text of this circular shall prevail over their respective Chinese text for the purpose of interpretation.

#### 8. DOCUMENTS AVAILABLE FOR INSPECTION

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

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

\* For identification purposes only

## NOTICE OF THE EGM



### GREENTOWN CHINA HOLDINGS LIMITED

綠城中國控股有限公司\*

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

(Stock Code: 03900)

**NOTICE IS HEREBY GIVEN** that an Extraordinary General Meeting (“EGM”) of Greentown China Holdings Limited (the “**Company**”) will be held at 2:30 p.m. on 31 May 2016 (Tuesday) at Conference Room 1, 10th Floor, Block A, Century Plaza, No. 1 Hangda Road, West Lake District, Hangzhou, Zhejiang Province, the People’s Republic of China for the purpose of considering and, if thought fit, passing the following resolution, with or without amendments, as an ordinary resolution of the Company:

#### ORDINARY RESOLUTION

1. “**THAT**

- (a) the Agreement (as defined in the Company’s circular dated 12 May 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) 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 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  
12 May 2016

\* *For identification purposes only*

## NOTICE OF THE EGM

*Principal place of business in Hong Kong:*

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

*Notes:*

- (1) Pursuant to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, the above resolution at the EGM will be taken by poll except where the chairman, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands and the results of the poll will be published on the websites of The Stock Exchange of Hong Kong Limited and of the Company.
- (2) A member entitled to attend and vote at the EGM is entitled to appoint a proxy or proxies (if holding two or more shares) to attend and vote instead of him/her. A proxy need not be a member of the Company.
- (3) Completion and delivery of the form of proxy shall not preclude a member of the Company from attending and voting in person at the EGM or any adjournment thereof should the member of the Company so wish, and in which case, the form of proxy shall be deemed to be revoked.
- (4) Where there are joint registered holders of any share in the Company, any one of such persons may vote at the EGM, either personally or by proxy, in respect of such share as if he/she were solely entitled thereto; but if more than one of such joint holders be present at the EGM personally or by proxy, that one of the said persons so present being the most or, as the case may be, the more senior shall alone be entitled to vote in respect of the relevant joint holding and, for this purpose, seniority shall be determined by reference to the order in which the names of the joint holders stand on the register of members of the Company in respect of the relevant joint holding.
- (5) In order to be valid, a form of proxy and the power of attorney or other authority, if any, under which it is signed or a notarially certified copy thereof, must be deposited at the Company’s share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong not less than 48 hours before the time fixed for holding the EGM or any adjournment thereof.
- (6) For determining the entitlement to attend and vote at the EGM, the register of members of the Company will be closed from 27 May 2016 to 31 May 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 26 May 2016 (Thursday).

*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.*