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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: 3900)

### ANNOUNCEMENT

### HIGH CONCENTRATION OF SHAREHOLDING

This announcement is made in respect of the high concentration of the shareholding of the Company in the hands of a limited number of Shareholders as at 5 December 2006.

**In view of the high concentration of Shares in the hands of a small number of Shareholders, the price of the Shares could fluctuate substantially even with a small number of Shares traded. Shareholders and potential investors are reminded to exercise extreme caution when dealing in the Shares.**

#### Introduction

This announcement is made at the request of Stock Exchange to provide information to the public in respect of high concentration of the shareholding of the Company in the hands of a limited number of Shareholders as at 5 December 2006.

#### High concentration of Shareholding

The Board was informed by the Stock Exchange that on the basis of information provided by the SFC, as at 5 December 2006, Mr. Song Weiping (“**Mr. Song**”), the chairman of the Company, held 570,383,000 Shares of the Company, representing approximately 42.33% of the issued share capital of the Company. Another substantial shareholder of the Company, Mr. Shou Bainian (“**Mr. Shou**”), held 383,643,000 Shares, representing approximately 28.47% of the issued share capital of the Company. Mr. Song and Mr. Shou, together with another 18 entities held in aggregate, 1,215,760,500 Shares, representing approximately 90.12% of the issued share capital of the Company. This implies that only 131,642,000 Shares or approximately 9.88% of the Company’s total issued shares were in the hands of other investors.

The Company wishes to clarify that, after the conversion of US\$22,000,000 convertible bonds issued by the Company and held by public investors into 19,944,317 Shares on 18 January 2007 and as of the date of this announcement, Mr. Song and his spouse Ms. Xia Yibo are interested in 570,383,000 Shares, representing approximately 41.71% of the total issued share capital of the Company, which is held through Delta House Limited and Wisearn Limited, their wholly-owned companies. Mr. Shou is interested in 383,643,000 Shares, representing approximately 28.06% of the total issued share capital of the Company, which is held through Profitwise Limited, a company wholly owned by Mr. Shou. Save for the above, and as far as the Company is aware, based on the disclosures of interest pursuant to SFO filed with the Company, the only other Shareholders interesting in more than 5% of the Shares of the Company are JP Morgan (who is interested in a 5.83% long interest and a 3.56% short interest) and Warburg Pincus (who is interested in a 5.12% long interest). Mr. Song, Mr. Shou together with JP Morgan and Warburg Pincus directly or indirectly hold an aggregate of 1,103,764,760 Shares, representing approximately 80.72% of the total issued share capital of the Company. The remaining 263,582,057 Shares, representing approximately 19.28% of the total issued share capital of the Company, are held by other investors.

The Board was also informed that the SFC noted that during the period from 16 November 2006 to 5 December 2006, the closing prices of the Company surged 30% from HK\$11.32 to HK\$14.72 with an average daily turnover for the same period of 2,453,046 Shares.

The Board, having made all reasonable enquiries with the Directors, chief executive or substantial shareholders of the Company and its subsidiaries or their respective associates (those terms as defined in the Listing Rules), confirms that there has been no change in the shareholding interest held by Mr. Song and Mr. Shou since Listing Date up to the date of this announcement. Save as disclosed above, the Board, having made all reasonable enquiries, is not aware of any connected persons (as defined in the Listing Rules) of the Company having interests in 10% or more of the issued share capital of the Company as at the date of this announcement.

#### Public Float

To the best of the Directors’ knowledge, information and belief, having made all reasonable enquiries, 393,376,500 Shares, representing approximately 29.20% of the Company’s total issued share capital as at 5 December 2006 and 413,320,817 Shares, representing approximately 30.23% of the Company’s total issued share capital as at 18 January 2007, the last trading date immediately preceding the date of this announcement, respectively were held by the public and thus the Company is in compliance with Rule 8.08 of the Listing Rules. However, given that the concentration of the Company’s public float was in the hands of a limited number of public shareholders on 5 December 2006 as notified by the SFC, the Company hereby makes this announcement to keep the market informed.

The closing price of the Shares as at the date of this announcement is HK\$14.26.

**In view of the high concentration of Shares in the hands of a small number of Shareholders, the price of the Shares could fluctuate substantially even with a small number of Shares traded. Shareholders and potential investors are reminded to exercise extreme caution when dealing in the Shares.**

\* For identification purpose only

**Definitions**

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

“Board”	the board of Directors of the Company
“Company”	Greentown China Holdings Limited
“Directors”	the directors of the Company
“JP Morgan”	J.P. Morgan Securities Ltd.
“Listing Date”	the date on which the Shares were listed on the Main Board of the Stock Exchange, being 13 July 2006
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“SFC”	Securities and Futures Commission
“SFO”	The Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share”	an ordinary share, with a nominal value of HK\$0.10, in the share capital of the Company
“Shareholders”	the shareholders of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Warburg Pincus”	Warburg Pincus Private Equity IX, L.P.

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

Hangzhou, the PRC, 19 January 2007

*As at the date of this announcement, Mr. Song Weiping, Mr. Shou Bainian, Mr. Chen Shunhua and Mr. Guo Jiafeng are the executive Directors of the Company; Mr. Tsui Yiu Wa, Alec, Mr. Jia Shenghua, Mr. Jiang Wei, Mr. Sze Tsai Ping, Michael and Mr. Tang Shiding are the independent non-executive Directors of the Company.*

“Please also refer to the published version of this announcement in The Standard”.