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WHEELOCK AND COMPANY LIMITED
(Incorporated in Hong Kong with limited liability)
Stock Code: 20



THE WHARF (HOLDINGS) LIMITED
(Incorporated in Hong Kong with limited liability)
Stock Code: 4

MAJOR TRANSACTION

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JOINT ANNOUNCEMENT

MAJOR TRANSACTION

The boards of directors of Wheelock and Wharf wish to announce that on 8 June 2012, (a) Investor A, a wholly-owned subsidiary of Wharf, and Wharf entered into the Subscription Agreement with Greentown China pursuant to which Greentown China has conditionally agreed to allot and issue, and Investor A has conditionally agreed to subscribe for, the First Tranche Greentown China Shares each at the Subscription Price in cash; and (b) Investor A, Investor B, Wharf, Greentown China and the Issuer, a wholly-owned subsidiary of Greentown China, entered into the Investment Agreement pursuant to which (i) Greentown China has conditionally agreed to allot and issue the Second Tranche Greentown China Shares each at the Subscription Price in cash to Investor A; and (ii) the Issuer has conditionally agreed to issue the Perpetual Subordinated Convertible Securities to Investor B, and Investor A has conditionally agreed to subscribe for the Second Tranche Greentown China Shares and Investor B has conditionally agreed to subscribe for the Perpetual Subordinated Convertible Securities. Subject to the terms and conditions of the Perpetual Subordinated Convertible Securities, they may be converted into Greentown China Shares.

Greentown China is one of the most successful, privately-owned developers in the PRC. Headquartered in Hangzhou, Zhejiang Province, it was founded in 1995 and listed in Hong Kong in 2006. It was ranked number one in "Residents' Overall Satisfaction" in 2011 by the China Index Academy to measure the remarkable recognition of products and services. For the year 2011, Greentown China reported a turnover of RMB22.0 billion (on recognition of 1.04 million s.m. of GFA at an average selling price over RMB20,000 psm of GFA) and an attributable profit of RMB2.6 billion (or RMB1.57 per share). As at 31 December, 2011, Greentown China had 105 projects under development or pending development, representing a total planned GFA of nearly 41 million s.m. (of which about 24 million s.m. attributable to Greentown China) at an average land cost per floor area of under RMB2,900 psm. Sales contracted in 2011 amounted to RMB35.3 billion or 1.75 million s.m.

Over the years, Greentown China has built one of the most valuable brands in the property market in the PRC. Wharf has been invited as a strategic partner to help build Greentown China into a valuable brand in the international financial markets as well. In addition to providing new capital to Greentown China through the Transaction, Wharf will be represented on the Greentown China Board as well as its investment committee to help to establish and implement prudent financial parameters and governance.

In addition, Wharf and Greentown China will explore joint investment in existing and/or new projects to leverage each party's expertise in property development and management.

The Transaction represents re-investment of favourable proceeds generated from sales so far in 2012. In the first five months of the year, inclusive of attributable share of joint ventures, Wharf has presold over RMB5 billion of properties in the PRC. That exceeded target by over 50%.

The Transaction will be funded entirely by Wharf's surplus cash. Including wholly-owned subsidiaries, the Wharf Group's cash surplus stands at about HK\$30 billion currently and is expected to stay at around HK\$18 billion after settlement of the new Ocean Terminal lease as well as the Transaction. Sales proceeds from One Midtown, Delta House and other non-core properties approach HK\$4 billion.

As at the date of this announcement, Wharf holds 34,888,500 Greentown China Shares (representing 2.13% of the issued share capital of Greentown China). Upon completion of the subscription of the First Tranche Greentown China Shares, Wharf will hold approximately 18.43% shareholding interest in Greentown China. Upon completion of the subscription of the First Tranche Greentown China Shares and the Second Tranche Greentown China Shares, Wharf will hold approximately 24.64% shareholding interest in Greentown China. Upon completion of the subscription of the First Tranche Greentown China Shares and the Second Tranche Greentown China Shares and assuming the Perpetual Subordinated Convertible Securities have been converted into Greentown China Shares, Wharf will then hold approximately 35.13% shareholding interest in Greentown China.

For each of Wheelock and Wharf, since one or more of the applicable percentage ratios in respect the Transaction is/are greater than 25% while all such ratios are below 100% for the purposes of Rule 14.07 of the Listing Rules, the Transaction constitutes a major transaction for each of Wheelock and Wharf, and is therefore subject to the reporting, announcement and shareholders' approval requirements as set out in the Listing Rules.

As far as Wheelock is concerned, a written shareholders' approval has already been obtained from a closely allied group of 17 shareholders of Wheelock together holding more than 50% of the issued share capital of Wheelock, for the entering into of the Transaction. No shareholder of Wheelock would be required to abstain from voting if a physical meeting for approval of the Transaction were to be convened.

As far as Wharf is concerned, a written shareholders' approval has already been obtained from Lynchpin Limited and WF Investment Partners Limited, both being indirect wholly-owned subsidiaries of Wheelock, together holding more than 50% of the issued share capital of Wharf, for the entering into of the Transaction. No shareholder of Wharf would be required to abstain from voting if a physical meeting for approval of the Transaction were to be convened.

A circular of each of Wheelock and Wharf containing, among other things, details of the Transaction will be dispatched to Wheelock's shareholders and Wharf's shareholders respectively within 15 business days from the date of this announcement.

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

RESUMPTION OF TRADING

At the request of Wheelock and Wharf, trading in the shares of Wheelock and Wharf on the Stock Exchange have been suspended from 9:00 a.m. on 8 June 2012 pending the publication of this announcement. Application has been made by Wheelock and Wharf to the Stock Exchange for resumption of trading in the shares of Wheelock and Wharf with effect from 9:00 a.m. on 11 June 2012.

INTRODUCTION

The boards of directors of Wheelock and Wharf wish to announce that on 8 June 2012, (a) Investor A, a wholly-owned subsidiary of Wharf, and Wharf entered into the Subscription Agreement with Greentown China pursuant to which Greentown China has conditionally agreed to allot and issue, and Investor A has conditionally agreed to subscribe for, the First Tranche Greentown China Shares each at the Subscription Price in cash and Wharf has agreed to act as a guarantor and among other things, guaranteed the punctual and due performance and observation of Investor A's obligations, commitments, undertakings and covenants under or pursuant to the Subscription Agreement; and (b) Investor A, Investor B, Wharf, Greentown China and the Issuer entered into the Investment Agreement pursuant to which (i) Greentown China has conditionally agreed to allot and issue the Second Tranche Greentown China Shares each at the Subscription Price in cash to Investor A; (ii) the Issuer has conditionally agreed to issue the Perpetual Subordinated Convertible Securities to Investor B, and Investor A has conditionally agreed to subscribe for the Second Tranche Greentown China Shares and Investor B has conditionally agreed to subscribe for the Perpetual Subordinated Convertible Securities; and (iii) Wharf has agreed to act as a guarantor and has, among other things, guaranteed the punctual and due performance and observation of the obligations, commitments, undertakings and covenants of Investor A and Investor B under or pursuant to the Investment Agreement. Subject to the terms and conditions of the Perpetual Subordinated Convertible Securities, they may be converted into Greentown China Shares.

DETAILS OF THE TRANSACTION

The Subscription Agreement

Date: 8 June 2012

Parties: Investor A, a wholly-owned subsidiary of Wharf
Wharf
Greentown China

Total number of First Tranche Greentown China Shares to be allotted and issued under the Subscription Agreement:

327,849,579 Greentown China Shares of HK\$0.10 each, representing approximately 19.99% of the entire issued share capital of Greentown China as at the date of this announcement and approximately 16.67% of the entire issued share capital of Greentown China as enlarged by the First Tranche Subscription.

Subscription Price:

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

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

The Subscription Price was determined by Investor A, Wharf and Greentown China after arm's length negotiations by reference to, among other things, the recent trading prices of the Greentown China Shares, the prevailing market price of the Greentown China Shares and the strategic value of the investment.

Conditions precedent:

Completion of the First Tranche Subscription is conditional upon:

- (a) the Listing Committee of the Stock Exchange granting the approval for the listing of and permission to deal in the First Tranche Greentown China Shares;
- (b) each of Wharf and Wheelock having obtained all necessary approvals, consents and waivers from the Stock Exchange and its shareholders for the transactions contemplated under the Subscription Agreement and the Investment Agreement;
- (c) the warranties given by Greentown China to Investor A under the Subscription Agreement are as at the date of the Subscription Agreement and will as at the second Business Day after the First Unconditional Date (as defined below) be true, accurate and not misleading in all material respects. Investor A may waive the condition precedent set out in this item (c) at any time by notice in writing to Greentown China; and
- (d) the warranties given by Investor A and Wharf to Greentown China under the Subscription Agreement are as at the date of the Subscription Agreement and will as at the second Business Day after the First Unconditional Date (as defined below) be true, accurate and not misleading in all material respects. Greentown China may waive the condition precedent set out in this item (d) at any time by notice in writing to Investor A.

The date on which all the conditions precedent set out above have been (and continue to be) satisfied (or waived pursuant to the terms set out in the Subscription Agreement) shall be the unconditional date (the "**First Unconditional Date**"). If the First Unconditional Date has not occurred within 45 days after the date of the Subscription Agreement or such later date as may be agreed between Greentown China and Investor A in writing, then the Subscription Agreement shall automatically terminate and, without prejudice to the rights and/or obligations of any party thereto in respect of any antecedent breach, the parties to the

Subscription Agreement shall be released and discharged from their respective obligations under the Subscription Agreement.

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

Completion:

Completion of the First Tranche Subscription shall take place on the second Business Day after the First Unconditional Date, or on such other date as Greentown China and Investor A may agree.

Ranking:

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

Undertaking given by Investor A and Wharf:

(i) Non-disposal undertaking

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

- (1) either Mr. Song or Mr. Shou terminates his service with the Greentown China Group as a member of its senior management or an employee of the Greentown China Group;
- (2) Mr. Song, Mr. Shou and Mr. Luo Zhaoming (an executive director of the Greentown China) together cease to control 30% or more of the voting power of Greentown China, other than as a result of (i) a transfer of sale of any Greentown China Shares to Investor A, Wharf or any of their respective associates or (ii) the conversion of the Perpetual Subordinated Convertible Securities pursuant to its terms;
- (3) the Greentown China Group carries out any acquisition of land or investment in any property development project in breach of the undertaking that for so long as the gearing ratio of Greentown China is 100% or more and Investor A holds at least 16.67% or more of the then issued share capital of Greentown China from time to time, except with the prior written consent from the majority of the Investment

Committee (which shall comprise the written consent from Investor A's Representative (as defined below) to the Investment Committee), no member of the Greentown China Group shall carry out any acquisition of land or investment in any property development project; or

- (4) any resolution is passed or order made for the winding up, dissolution, administration or reorganisation of any member of the Greentown China Group (other than a dormant company) or a moratorium is declared in relation to any indebtedness of any member of the Greentown China Group, the appointment of any liquidator, receiver, administrator, administrative receiver, compulsory manager or other similar officer in respect of any member of the Greentown China Group or any of its assets, or any analogous procedure or step in respect of any member of the Greentown China Group is taken in any jurisdiction.

(ii) Non-acquisition undertaking

Each of Investor A and Wharf undertakes to Greentown China that during the period from the date of the Subscription Agreement and until the expiry of five years from the date of completion of the First Tranche Subscription, each of Investor A and Wharf will not, and will procure its concert parties will not, directly or indirectly, acquire or agree to acquire any additional Greentown China Shares, the economic consequences of ownership of any additional Greentown China Shares, or any additional voting power or control to exercise any additional voting power in Greentown China (or enter into any arrangement or agreement to give such effect including with respect to the voting rights attached the Greentown China Shares), whether any of the foregoing transactions is to be settled by delivery of share capital or such other securities, in cash or otherwise, such that it and parties acting in concert with it (whether alone or together) will come to hold or control more Greentown China Shares or voting power of Greentown China than any other single shareholder of Greentown China from time to time. However, such undertaking shall not apply in the event that Investor A, Wharf and parties acting in concert with them (whether alone or together) have come to hold or control more Greentown China Shares or voting power of Greentown China, than any other single Greentown China Shareholder from time to time solely as a result of:

- (1) the conversion of the Perpetual Subordinated Convertible Securities pursuant to its terms;
- (2) any disposal of Greentown China Shares by any of those Greentown China Shareholders, who immediately following the completion of the First Tranche Subscription, or its concert parties, hold more Greentown China Shares or voting power than Investor A, to someone who is neither Investor A, Wharf nor a party acting in concert with them; or
- (3) any dilution of shareholding interest in Greentown China held by any of the Greentown China Shareholders described in (2) above (other than Investor A, Wharf and their concert parties);

provided that once Investor A, Wharf and their respective concert parties (whether alone or together) come to hold or control more Greentown China Shares or voting power of Greentown China than any other single shareholder of Greentown China pursuant to any of the above permitted exceptions, each of Investor A and Wharf further undertakes that it will not, and will procure that their respective concert party will not, during the period from the date of the Subscription Agreement and until the expiry of five years from the date of completion of the First Tranche Subscription, directly or indirectly, acquire or agree to acquire any additional Greentown China Shares, the economic consequences of ownership

of any additional Greentown China Shares, or any voting power or the control to exercise any additional voting power in Greentown China (or enter into any arrangement or agreement to give such effect including with respect to the voting rights attached to the Greentown China Shares), whether any of the foregoing transactions is to be settled by delivery of share capital or such other securities, in cash or otherwise.

The Investment Agreement

Date: 8 June 2012

Parties: Greentown China
The Issuer, a wholly-owned subsidiary of Greentown China
Investor A, a wholly-owned subsidiary of Wharf
Investor B, a wholly-owned subsidiary of Wharf
Wharf

Subscription:

Pursuant to the Investment Agreement,

- (i) Investor A has agreed to subscribe for and Greentown China has agreed to allot and issue, the Second Tranche Greentown China Shares;
- (ii) Investor B has agreed to subscribe for and the Issuer has agreed to issue, the Perpetual Subordinated Convertible Securities; and
- (iii) Wharf has agreed to, among other things, guarantee the punctual and due performance and observation of the obligations, commitments, undertakings and covenants of Investor A and Investor B under or pursuant to the Investment Agreement.
- (iv) Greentown China has agreed to provide a guarantee on a subordinated basis of the payment of all sums payable by the Issuer in relation to the Perpetual Subordinated Convertible Securities.

The Second Tranche Greentown China Shares:

- (i) Total number of Second Tranche Greentown China Shares to be allotted and issued under the Investment Agreement:

162,113,714 Greentown China Shares of HK\$0.10 each, representing (1) approximately 9.88% of the entire issued share capital of Greentown China as at the date of this announcement; (2) approximately 8.24% of the entire issued share capital of Greentown China as enlarged by the First Tranche Subscription; and (3) approximately 7.61% of the entire issued share capital of Greentown China as further enlarged by the issue of the Second Tranche Greentown China Shares (assuming that there will be no other issue of Greentown China Shares).

- (ii) Subscription Price

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

Ranking

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

The Perpetual Subordinated Convertible Securities:

Principal terms of the Perpetual Subordinated Convertible Securities:

Issuer	:	the Issuer, a company incorporated in the British Virgin Islands with limited liability and a wholly-owned subsidiary of Greentown China
Guarantor	:	Greentown China
Principal amount of the Perpetual Subordinated Convertible Securities	:	HK\$2,550 million
Form and denomination	:	The Perpetual Subordinated Convertible Securities will be issued in registered form in the denomination of HK\$10,000,000 each.
Guarantee	:	Greentown China has agreed to guarantee on a subordinated basis of the due payment of all sums expressed to be payable by the Issuer under the Perpetual Subordinated Convertible Securities.
Status and subordination of the Guarantee	:	In the event of the Winding-up of Greentown China, the rights and claims of a holder of the Perpetual Subordinated Convertible Securities in respect of the Guarantee shall rank ahead of those persons whose claims are in respect of any class of share capital (including preference shares) of Greentown China, but shall be subordinated in right of payment to the claims of all other present and future senior and subordinated creditors of Greentown China other than the claims of holders of the Parity Securities.
Status and subordination of the Perpetual Subordinated Convertible Securities	:	The Perpetual Subordinated Convertible Securities constitute direct, unsecured and subordinated obligations of the Issuer and rank <i>pari passu</i> without any preference among themselves. In the event of the Winding-up of the Issuer, the rights and claims of a holder of the Perpetual Subordinated Convertible Securities shall rank ahead of those persons whose claims are in respect of any class of share capital (including preference shares) of the Issuer, but shall be subordinated in right of payment to the claims of all other present and future senior and subordinated creditors of the Issuer other than the claims of holders of the Parity Securities.
Issue price	:	100% of the principal amount of the Perpetual Subordinated Convertible Securities.
Maturity date	:	There is no maturity date.

- Distribution : The Perpetual Subordinated Convertible Securities confer the holders a right to receive distribution (each a "**Distribution**") at the applicable distribution rate from and including the Issue Date payable on the first anniversary from such issue date, thereafter semi-annually in arrears.
- Rate of distribution : The distribution rate shall be (i) in respect of the period from, and including the Issue Date to, but excluding the fifth anniversary of the Issue Date, 9% per annum and (ii) in respect of the periods from, and including, the fifth anniversary of the Issue Date to, but excluding, the tenth anniversary of the Issue Date, 9% per annum plus the Step-Up Margin and (B) from, and including, each Reset Date falling after the tenth anniversary of the Issue Date to, but excluding, the immediately following Reset Date, the Initial Spread plus the Treasury Rate plus the Step-Up Margin.
- Optional deferral of Distribution : The Issuer may at its sole discretion elect to defer any scheduled Distribution ("**Arrears of Distribution**") to the next scheduled Distribution payment date by giving prior written notice. The Issuer may further defer any Arrears of Distribution following the foregoing notice requirement and is not subject to any limits as to the number of times Distributions and Arrears of Distribution can be deferred.
- Any Arrears of Distribution and any Additional Distribution Amount shall be extinguished upon any voluntary conversion by the holders of the Perpetual Subordinated Convertible Securities.
- Each amount of Arrears of Distribution (as defined below) shall bear interest as if it constituted the principal of the Perpetual Subordinated Convertible Securities at the prevailing Distribution Rate and the amount of such interest (the "**Additional Distribution Amount**") with respect to Arrears of Distribution shall be due and payable and shall be calculated by applying the Distribution Rate to the amount of the Arrears of Distribution. Distributions are cumulative subject to limited exceptions set forth under terms and conditions of the Securities. The Additional Distribution Amount accrued up to any Distribution Payment Date shall be added to the amount of Arrears of Distribution remaining unpaid on such Distribution Payment Date so that it will itself become Arrears of Distribution.
- Dividend and capital distribution stopper : Unless and until the Issuer or Greentown China satisfies in full all outstanding Arrears of Distribution and any Additional Distribution Amount, the Issuer and Greentown China shall not declare, or pay any dividends, distributions or make payment on, and will procure that no dividend or other payment is made on or redeem, reduce, cancel, buy-back or acquire for any consideration any share capital thereof (including preference shares) or Parity Securities.

- Conversion period : The Perpetual Subordinated Convertible Securities are convertible at any time after the expiry of three years from the Issue Date, except (i) if an offer is made to Greentown China Shareholders for all the outstanding Greentown China Shares of Greentown China, in which case, the Perpetual Subordinated Convertible Securities may be converted at any time on or after the offer is formally announced in compliance with applicable rules and regulations; or (ii) a Breach Event occurs and is continuing, in which case, the Perpetual Subordinated Convertible Securities may be converted for so long as the Breach Event is continuing.
- Initial Conversion Price : HK\$7.40 per Greentown China Shares, which represents (i) a premium of approximately 38.3% to the closing price of HK\$5.35 per Greentown China Share as quoted on the Stock Exchange on the Last Trading Day; (ii) a premium of approximately 48.2% to the average of the closing price of the Greentown China Shares as quoted on the Stock Exchange for the last five consecutive trading days up to and including the Last Trading Day of approximately HK\$4.99 per share; and (iii) a premium of approximately 49.7% to the average of the closing price of the Greentown China Shares as quoted on the Stock Exchange for the last 10 consecutive trading days up to and including the Last Trading Day of approximately HK\$4.95 per share. The initial Conversion Price was determined by Greentown China, Wharf and Investor B after arm's length negotiations by reference to, among other things, the recent trading prices of the Greentown China Shares, the prevailing market price of the Greentown China Shares, the valuation metrics of Greentown China's listed comparable companies and the strategic value of the investment.
- Conversion Price adjustment : The Conversion Price will be subject to adjustment for, among other things, the following dilutive events:
- Consolidation, subdivision or reclassification
 - Capitalisation of profits or reserves
 - Capital distributions
 - Rights issues of Greentown China Shares or options over Greentown China Shares
 - Rights issues of other securities
 - Issues at less than 92% of the then prevailing market price
 - Modification of rights of conversion, etc.
 - Other offers to Greentown China Shareholders
 - Certain Other events

- Issuer call : At any time after the Issue Date, the Issuer may redeem all or some of the Perpetual Subordinated Convertible Securities together with all outstanding Arrears of Distributions and Additional Distribution Amount (if any) and the Distribution accrued to the date fixed for redemption at the following prices as a percentage of the principal amount:
- a) from, and including, the Issue Date to, but excluding, the 1st anniversary of the Issue Date, at 103.5% of the principal amount;
 - b) from, and including the 1st anniversary of the Issue Date to, but excluding, the 2nd anniversary of the Issue Date, at 107.0% of the principal amount;
 - c) from, and including the 2nd anniversary of the Issue Date to, but excluding, the 3rd anniversary of the Issue Date, at 110.5% of the principal amount;
 - d) from, and including the 3rd anniversary of the Issue Date to, but excluding, the 4th anniversary of the Issue Date, at 114.0% of the principal amount; and
 - e) from, and including the 4th anniversary of the Issue Date at 117.5% of the principal amount.
- Issuer's option to force conversion : On or at any time after three years from the Issue Date, the Issuer may, at its sole discretion and subject to certain conditions under the terms of the Perpetual Subordinated Convertible Securities, elect to convert the Perpetual Subordinated Convertible Securities in whole but not in part into Greentown China Shares.
- Clean-up call : If at any time the aggregate principal amount of the Perpetual Subordinated Convertible Securities outstanding is 10% or less than the aggregate principal amount originally issued, the Issuer shall have the option to redeem such outstanding Perpetual Subordinated Convertible Securities in whole but not in part at their principal amount together with all outstanding Arrears of Distribution, any Additional Distribution Amount (if any) and the Distribution accrued to the date fixed for redemption.
- Tax call : If there is any change to British Virgin Islands or Cayman Islands tax law which cannot be avoided by the Issuer and would result in the Issuer or the Guarantor becoming liable to pay additional tax amounts, the Issuer shall have the option to redeem such outstanding Perpetual Subordinated Convertible Securities in whole but not in part at their principal amount together with all outstanding Arrears of Distribution, any Additional Distribution Amount (if any) and any Distribution accrued to the date fixed for redemption. Holders have the right to elect for their Perpetual Subordinated Convertible Securities not to be redeemed but with no entitlement to any gross up for the additional tax amounts.

- Accounting call : If there is any change or amendment to International Financial Reporting Standards which would result in the Perpetual Subordinated Convertible Securities ceasing to qualify as equity in the financial statements of the Guarantor, the Issuer shall have the option to redeem such outstanding Perpetual Subordinated Convertible Securities in whole but not in part at their principal amount together with all outstanding Arrears of Distribution, any Additional Distribution Amount (if any) and any Distribution accrued to the date fixed for redemption.
- Conversion Shares : Based on the initial Conversion Price, a maximum of 344,594,594 Conversion Shares will be issued by Greentown China upon the full conversion of the Perpetual Subordinated Convertible Securities, representing (i) approximately 21.01% of the entire issued share capital of Greentown China as at the date of this announcement; (ii) approximately 17.51% of the entire issued share capital of Greentown China as enlarged by the First Tranche Subscription; (iii) approximately 16.18% of the entire issued share capital of Greentown China as enlarged by the Second Tranche Subscription; and (iv) approximately 13.92% of the entire issued share capital of Greentown China as further enlarged by a full conversion of the Perpetual Subordinated Convertible Securities (based on the initial Conversion Price) under the Investment Agreement (in each case assuming no other issue of Greentown China Shares is made).
- The Conversion Shares will rank, upon issue, *pari passu* in all respects with the Greentown China Shares in issue on the date of allotment and issue of such Conversion Shares.
- Transferability : The Perpetual Subordinated Convertible Securities cannot be transferred except (i) amongst the holder, its subsidiaries or holding company, or subsidiaries of such holding company (the “**Relevant Subsidiaries**”) provided that the transferee shall be required to transfer the Perpetual Subordinated Convertible Securities to another Relevant Subsidiary upon itself ceasing to be a Relevant Subsidiary, or (ii) with the approval of the Issuer and Greentown China.
- Voting : Holders of the Perpetual Subordinated Convertible Securities will not be entitled to attend or vote at any meetings of Greentown China or the Issuer by reason only of its being a holder.
- Listing : No application will be made for the listing of the Perpetual Subordinated Convertible Securities on the Stock Exchange or any other stock exchange. An application will be made by Greentown China to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Conversion Shares.

Conditions precedent:

Completion of the Second Tranche Subscription and the allotment and issue of the Perpetual Subordinated Convertible Securities under the Investment Agreement is conditional upon the fulfillment or waiver of the following conditions:

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

Investor A and Investor B may together, waive any of the conditions precedent as set out in item (d) and (e) at any time by notice in writing to Greentown China, while Greentown China, on the other hand, may waive the condition precedent set out in item (f) at any time by notice in writing to Investor A and Investor B.

The date on which all the conditions precedent set out above have been (and continue to be) satisfied (or waived pursuant to the terms set out in the Investment Agreement) shall be the unconditional date (the "**Second Unconditional Date**"). If the Second Unconditional Date has not occurred within 180 days after the date of the Investment Agreement or such later date as may be agreed between Greentown China and the Issuer, on the one hand, and Investor A and Investor B on the other hand in writing, then the Investment Agreement shall automatically terminate save as otherwise provided therein and (without prejudice to the rights and/or obligations of any party thereto in respect of any antecedent breach) the parties to the Investment Agreement shall be released and discharged from their respective obligations under the Investment Agreement.

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

Completion:

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

Undertaking given by Investor A:

(i) Non-disposal undertaking

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

- (1) either Mr Song or Mr Shou terminates his service with Greentown China Group as a member of its senior management or an employee of Greentown China Group;
- (2) Mr Song, Mr Shou and Mr Luo Zhaoming (an executive Greentown China Director) together cease to control 30% or more of the voting power of Greentown China, other than as a result of (A) a transfer or sale of any Greentown China Shares to Wharf or its respective associates, or (B) the conversion of the Perpetual Subordinated Convertible Securities pursuant to its terms;
- (3) the Greentown China Group carries out any acquisition of land or investment in any property development project in breach of the Greentown China's obligation to seek the prior approval of the Investment Committee as more particularly described in the section headed "Establishment of the Investment Committee" in this announcement below; and
- (4) any resolution is passed or order made for the winding up, dissolution, administration or reorganisation of any member of the Greentown China Group or a moratorium is declared in relation to any indebtedness of any member of the Greentown China Group, the appointment of any liquidator, receiver, administrator, administrative receiver, compulsory manager or other similar officer in respect of any member of the Greentown China Group or any of its assets, or any analogous procedure or step in respect of any member of the Greentown China Group is taken in any jurisdiction, in each case which would have a material adverse effect

on the financial condition, operations, business or properties of the Greentown China Group taken as a whole.

(ii) Non-acquisition undertaking

Each of Investor A, Investor B and Wharf undertakes to Greentown China that during the period from the date of the Investment Agreement and until the expiry of five years from the date of completion of the Second Tranche Subscription, it will not, and will procure the parties acting in concert with it not to, directly or indirectly acquire any additional Greentown China Shares or the economic consequences of ownership of any additional Greentown China Shares (or enter into any arrangement or agreement to give such effect including with respect to the voting rights attached the Greentown China Shares) such that it and parties acting in concert with it (whether alone or together) would become the single largest Greentown China Shareholder from time to time. However, such undertaking shall not apply in the event that Investor A, Investor B, Wharf and parties acting in concert with it (whether alone or together) have become the single largest Greentown China Shareholder solely as a result of:

- (1) the conversion of the Perpetual Subordinated Convertible Securities;
- (2) any disposal of Greentown China Shares by any of those Greentown China Shareholders, who immediately following the completion of the Second Tranche Subscription, and together with parties acting in concert with it hold more Greentown China Shares than Investor A, Investor B, Wharf and parties acting in concert with it, to someone who is neither Investor A, Investor B, Wharf nor a party acting in concert with it; or
- (3) any dilution of shareholding interest in Greentown China held by any of the Greentown China Shareholders described in (2) above (other than the Investors and its concert parties).

provided that once Investor A, Investor B, Wharf and their respective concert parties (whether alone or together) come to hold or control more Greentown China Shares or voting power of Greentown China than any other single shareholder of Greentown China pursuant to any of the above permitted exceptions, each of Investor A, Investor B and Wharf further undertakes that it will not, and will procure that their respective concert party will not, during the period from the date of the Subscription Agreement and until the expiry of five years from the date of completion of the Second Tranche Subscription, directly or indirectly, acquire or agree to acquire any additional Greentown China Shares, the economic consequences of ownership of any additional Greentown China Shares, or any voting power or the control to exercise any additional voting power in the Greentown China (or enter into any arrangement or agreement to give such effect including with respect to the voting rights attached the Greentown China Shares), whether any of the foregoing transactions is to be settled by delivery of share capital or such other securities, in cash or otherwise.

Anti-dilution rights given to Investor A:

For so long as the Investor A holds at least 23.0% of the then issued share capital of Greentown China from time to time and subject to (i) the proviso below; (ii) compliance with the then applicable Listing Rules, provisions of the constitutional documents of Greentown China and laws and regulations by Greentown China; and (iii) compliance with the undertaking by Investor A, Investor B and Wharf as described under the paragraph headed "Non-acquisition undertaking" above, if Greentown China at any time from the date of completion of the Second Tranche Subscription up to five years therefrom, issues or offers any new Greentown China Shares (including securities convertible into Greentown China

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

Establishment of the Investment Committee:

Upon completion of the First Tranche Subscription, for so long as Investor A holds at least 16.67% of the issued share capital of Greentown China from time to time, Greentown China shall establish and maintain the Investment Committee which shall comprise three members who may or may not be a Greentown China Director for the purpose of providing guidance and supervision to Greentown China with respect to investment and finance matters. Investor A shall be entitled to appoint one representative (the "**Investor A's Representative**") to the Investment Committee. For so long as the Gearing Ratio is 100% or above, prior written consent from the majority of the members of the Investment Committee (which shall comprise the written consent from Investor A's Representative) shall be obtained for any proposed investment in any acquisition of land or investment in any property development project by any member of the Greentown China Group. Greentown China's obligation to seek the prior approval of the Investment Committee for any new investment shall fall away immediately upon Investor A ceasing to hold at least 16.67% of the then issued share capital of Greentown China.

SHAREHOLDING STRUCTURE IN GREENTOWN CHINA

As at the date of this announcement, Wharf holds 34,888,500 Greentown China Shares (representing 2.13% of the issued share capital of Greentown China). Upon completion of the subscription of the First Tranche Greentown China Shares, Wharf will hold approximately 18.43% shareholding interest in Greentown China. Upon completion of the subscription of the First Tranche Greentown China Shares and the Second Tranche Greentown China Shares, Wharf will hold approximately 24.64% shareholding interest in Greentown China. Upon completion of the subscription of the First Tranche Greentown China Shares and the Second Tranche Greentown China Shares and assuming the Perpetual Subordinated Convertible Securities have been converted into Greentown China Shares, Wharf will then hold approximately 35.13% shareholding interest in Greentown China.

UNDERTAKING BY MR SONG AND MR SHOU

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

PROPOSED APPOINTMENT OF NON-EXECUTIVE GREENTOWN CHINA DIRECTORS

On 8 June 2012, the Greentown China Board appointed Mr. Stephen Tin Hoi Ng (Deputy Chairman of Wheelock, and Deputy Chairman and Managing Director of Wharf), a candidate nominated by Investor A, as a non-executive Greentown China Director whose appointment is subject to, and shall take effect immediately upon, completion of the First Tranche Subscription. Under the Subscription Agreement, Greentown China has agreed to propose Mr. Ng to the Greentown China Shareholders for re-election by as a non-executive Greentown China Director at the EGM. Furthermore, pursuant to the terms of the Investment Agreement, Greentown China has agreed to propose another candidate nominated by Investor A to the Greentown China Shareholders for election as an additional non-executive Greentown China Director at the EGM, with such appointment to take effect immediately upon completion of the Second Tranche Subscription. Each of Mr Song and Mr Shou has undertaken to vote in favour of the relevant resolutions to be put forward at the EGM in relation to the aforesaid appointments.

INFORMATION ON GREENTOWN CHINA

Greentown China is one of the most successful, privately-owned developers in the PRC. Headquartered in Hangzhou, Zhejiang Province, it was founded in 1995 and listed in Hong Kong in 2006. It was ranked number one in "Residents' Overall Satisfaction" in 2011 by the China Index Academy to measure the remarkable recognition of products and services. For the year 2011, Greentown China reported a turnover of RMB22.0 billion (on recognition of 1.04 million s.m. of GFA at an average selling price over RMB20,000 psm of GFA) and an attributable profit of RMB2.6 billion (or RMB1.57 per share). As at 31 December, 2011, Greentown China had 105 projects under development or pending development, representing a total planned GFA of nearly 41 million s.m. (of which about 24 million s.m. attributable to Greentown China) at an average land cost per floor area of under RMB2,900 psm. Sales contracted in 2011 amounted to RMB35.3 billion or 1.75 million s.m.

Over the years, Greentown China has built one of the most valuable brands in the property market in the PRC. Wharf has been invited as a strategic partner to help build Greentown China into a valuable brand in the international financial markets as well. In addition to providing new capital to Greentown China through the Transaction, Wharf will be represented on the Greentown China Board as well as its investment committee to help to establish and implement prudent financial parameters and governance.

In addition, Wharf and Greentown China will explore joint investment in existing and/or new projects to leverage each party's expertise in property development and management.

REASONS FOR AND BENEFITS OF THE TRANSACTION

The Transaction represents re-investment of favourable proceeds generated from sales so far in 2012. In the first five months of the year, inclusive of attributable share of joint ventures, Wharf has presold over RMB5 billion of properties in the PRC. That exceeded target by over 50%.

The directors of Wheelock and Wharf consider that the Transaction is a viable investment, will broaden the asset and earnings base of and will be beneficial to Wheelock and Wharf.

The directors of Wheelock and Wharf also believe that the investment by the Wharf Group in Greentown China to become strategic investors of Greentown China will create opportunities for enhanced strategic dialogue and cooperation between the Wharf Group and the Greentown China Group in the PRC property sector.

The directors of Wheelock and Wharf consider that the terms of the Transaction are fair and reasonable, and in the interests of Wheelock and Wharf and their respective shareholders as a whole.

REGULATORY ASPECTS

To the best of the knowledge, information and belief of the directors of Wheelock and Wharf, and having made all reasonable enquiry, each of Greentown China and its ultimate beneficial owner(s) are independent third parties and are not connected persons of Wheelock and Wharf respectively.

For each of Wheelock and Wharf, since one or more of the applicable percentage ratios in respect of the Transaction is/are greater than 25% while all such ratios are below 100% for the purposes of Rule 14.07 of the Listing Rules, the Transaction constitutes a major transaction for each of Wheelock and Wharf, and is therefore subject to the reporting, announcement and shareholders' approval requirements as set out in the Listing Rules.

As far as Wheelock is concerned, a written shareholders' approval has already been obtained from a closely allied group of 17 shareholders of Wheelock together holding 1,204,934,330 shares in Wheelock (representing approximately 59.3% of the issued share capital of Wheelock) for the entering into of the Transaction. No shareholder of Wheelock would be required to abstain from voting if a physical meeting for approval of the Transaction were to be convened.

As far as Wharf is concerned, a written shareholders' approval has already been obtained from Lynchpin Limited and WF Investment Partners Limited, both being Wheelock's indirect wholly-owned subsidiaries, which are the registered owners of 213,267,072 and 1,302,017,536 Wharf's shares respectively (all those Wharf's shares being beneficially owned by them respectively), totaling 1,515,284,608 shares in Wharf (representing approximately 50.02% of the issued share capital of Wharf), for the entering into of the Transaction. No shareholder of Wharf would be required to abstain from voting if a physical meeting for approval of the Transaction were to be convened.

A circular of each of Wheelock and Wharf containing, among other things, details of the Transaction will be dispatched to Wheelock's shareholders and Wharf's shareholders respectively will be dispatched to the Shareholders within 15 business days from the date of this announcement.

GENERAL

The principal business activities of both the Wheelock Group and the Wharf Group are ownership of properties for development and letting, investment holding, container terminals as well as communications, media and entertainment.

The Greentown China Group is primarily engaged in developing quality properties targeting middle to higher income residents in the PRC.

The net profits before and after taxation and extraordinary items attributable to the First Tranche Greentown China Shares were about HK\$609 million and HK\$389 million for the financial year ended 31 December 2010 and the net profits before and after taxation and extraordinary items attributable to the First Tranche Greentown China Shares were about HK\$1,360 million and HK\$836 million for the financial year ended 31 December 2011, respectively.

The net profits before and after taxation and extraordinary items attributable to the First Tranche Greentown China Shares and the Second Tranche Greentown China Shares were about HK\$841 million and HK\$537 million for the financial year ended 31 December 2010 and the net profits before and after taxation and extraordinary items attributable to the First Tranche Greentown China Shares and the Second Tranche Greentown China Shares were about HK\$1,878 million and HK\$1,154 million for the financial year ended 31 December 2011, respectively.

The net profits before and after taxation and extraordinary items attributable to the First Tranche Greentown China Shares, the Second Tranche Greentown China Shares and assuming the Perpetual Subordinated Convertible Securities have been converted to Greentown China Shares were about HK\$1,233 million and HK\$787 million for the financial year ended 31 December 2010 and the net profits before and after taxation and extraordinary items attributable to the First Tranche Greentown China Shares, the Second Tranche Greentown China Shares and assuming the Perpetual Subordinated Convertible Securities have been converted to Greentown China Shares were about HK\$2,754 million and HK\$1,692 million for the financial year ended 31 December 2011, respectively.

The Transaction will be funded entirely by Wharf's surplus cash. Including wholly-owned subsidiaries, the Wharf Group's cash surplus stands at about HK\$30 billion currently and is expected to stay at around HK\$18 billion after settlement of the new Ocean Terminal lease as well as the Transaction. Sales proceeds from One Midtown, Delta House and other non-core properties approach HK\$4 billion.

RESUMPTION OF TRADING IN THE SHARES

At the request of Wheelock and Wharf, trading in the shares of Wheelock and Wharf on the Stock Exchange have been suspended from 9:00 a.m. on 8 June 2012 pending the publication of this announcement. Application has been made by Wheelock and Wharf to the Stock Exchange for resumption of trading in the shares of Wheelock and Wharf with effect from 9:00 a.m. on 11 June 2012.

As at the date of this announcement, the board of directors of Wheelock comprises Mr. Peter K. C. Woo, Mr. Stephen T. H. Ng, Mr. Stewart C. K. Leung, Mr. Paul Y. C. Tsui and Mr. Ricky K. Y. Wong, together with four independent non-executive directors, namely, Mr. Alexander S. K. Au, Mr. Herald L. F. Lau, Mr. Kenneth W. S. Ting and Mr. Glenn S. Yee, and the board of directors of Wharf comprises Mr. Peter K. C. Woo, Mr. Stephen T. H. Ng, Mr. Andrew O. K. Chow, Ms. Doreen Y. F. Lee, Mr. T. Y. Ng and Mr. Paul Y. C. Tsui, together with six independent non-executive directors, namely, Hon. Paul M. P. Chan, Professor

Edward K. Y. Chen, Dr. Raymond K. F. Ch'ien, Hon. Vincent K. Fang, Mr. Hans Michael Jebsen and Mr. James E. Thompson.

TERMS USED IN THIS ANNOUNCEMENT

Unless the context otherwise requires, capitalised terms used in this announcement shall have the following meanings:

“associate(s)”	shall have the same meaning ascribed to the Listing Rules
“Breach Event”	occurs when the Gearing Ratio of the Company is 100 per cent. or more and a member of the Greentown China Group has carried out any acquisition of land or investment in any property development project without the prior written consent from the majority of the members of the Investment Committee;
“connected person”	shall have the same meaning ascribed to the Listing Rules
“Business Day”	a day, other than a Saturday or Sunday or public holiday, on which commercial banks are generally open for normal banking business in Hong Kong
“Conversion Price”	means the price per Share at which Greentown China Shares will be allotted and issued upon conversion of the Perpetual Subordinated Convertible Securities, such price initially being HK\$7.40 per Share, subject to adjustment in accordance with the terms and conditions of the Perpetual Subordinated Convertible Securities
“Conversion Shares”	the Greentown China Shares to be allotted and issued by Greentown China upon conversion of the Perpetual Subordinated Convertible Securities
“EGM”	an extraordinary general meeting to be held by Greentown China to consider and, if thought fit, approve the Investment Agreement and the transactions contemplated thereunder
“First Tranche Greentown China Shares”	the 327,849,579 Greentown China Shares to be allotted and issued to Investor A under the Subscription Agreement
“First Tranche Subscription”	allotment and issue of the First Tranche Greentown China Shares to Investor A under the Subscription Agreement
“Gearing Ratio”	the gearing ratio of Greentown China from time to time as measured by the net debt divided by

	net assets and disclosed in the latest published annual or interim financial results of Greentown China (whichever is more recent) from time to time
“GFA”	Gross floor area
“Greentown China Board”	the board of directors of Greentown China
“Greentown China”	Greentown China Holdings Limited (stock code: 3900), an exempted company incorporated in the Cayman Islands with limited liability and the shares of which are listed on the Stock Exchange
“Greentown China Group”	Greentown China and its subsidiaries
“Greentown China Director”	a director of Greentown China
“Greentown China Share(s)”	ordinary share(s) of HK\$0.10 each in the capital of Greentown China
“Greentown China Shareholder(s)”	the registered holder(s) of the Greentown China Share(s)
“Guarantee”	the guarantee given by Greentown China on a subordinated basis in respect of the due payment of all sums expressed to be payable by the Issuer under the Perpetual Subordinated Convertible Securities
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Initial spread”	shall be at a rate to be determined on or before the Issue Date
“Investment Committee”	the investment committee to be established by Greentown China at the board level in accordance with the Investment Agreement upon completion of the First Tranche Subscription
“Investment Agreement”	the investment agreement among Greentown China, the Issuer, Wharf and the Investors dated 8 June 2012 in relation to the subscription and issue of the Second Tranche Greentown China Shares and the Perpetual Subordinated Convertible Securities
“Investors”	Investor A and Investor B
“Investor A”	Target Smart Investments Limited, a company incorporated in the British Virgin Islands and is wholly-owned by Wharf

“Investor B”	Enzio Investments Limited, a company incorporated in the British Virgin Islands and is wholly-owned by Wharf
“Investor Group”	the Investors, their respective subsidiaries, holding companies and subsidiaries of such holding companies
“Issue Date”	the date of issue of the Perpetual Subordinated Convertible Securities under the Investment Agreement
“Issuer”	Active Way Development Limited, a company incorporated in the British Virgin Islands with limited liability and a wholly-owned subsidiary of Greentown China
“Last Trading Day”	7 June 2012, being the last full trading day of the Greentown China Shares on the Stock Exchange immediately prior to the publication of this announcement
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Mr Shou”	Mr Shou Bainian, the vice chairman of the Greentown China Board, the chief executive officer of Greentown China and an executive Greentown China Director
“Mr Song”	Mr Song Weiping, the chairman of the Greentown China Board and an executive Greentown China Director
“Original Greentown China Shareholders”	Mr Song and its spouse Ms Xia Yibo, and Mr Shou
“Parity Securities”	means, in respect of the Issuer and Greentown China, as the case may be: (i) any security issued or guaranteed by the Issuer which ranks or is expressed to rank pari passu with the Perpetual Subordinated Convertible Securities; (ii) any securities issued by Greentown China which ranks or is expressed to rank pari passu with Greentown China's obligation under the Guarantee; and (iii) any security guaranteed by Greentown China or for which Greentown China has otherwise assumed liability where Greentown China's obligations under the relevant guarantee or other assumption of liability rank or are expressed to rank pari passu with Greentown China's obligations under the Guarantee

“parties acting in concert”	shall have the meaning ascribed to in under on the Takeovers Code, and the terms "concert parties" shall be construed accordingly
“Perpetual Subordinated Convertible Securities”	the Hong Kong dollar denominated perpetual subordinated convertible securities of the Issuer with an aggregate principal amount of HK\$2,550 million to be issued pursuant to the Investment Agreement
“PRC”	the People’s Republic of China
“psm”	per square metre
“Reset Date”	the 10 th anniversary of the Issue Date and the day falling every five calendar years after that date
“s.m.”	square metre
“Second Tranche Greentown China” Shares	the 162,113,714 Greentown China Shares to be allotted and issued to Investor A under the Investment Agreement
“Second Tranche Subscription”	allotment and issue of the Second Tranche Greentown China Shares to Investor A under the Investment Agreement
“Share Option Scheme”	the share option scheme adopted by adopted by the Greentown China Shareholders on 22 June 2006 and any other similar option scheme(s) to be adopted by Greentown China from time to time
“Step-Up Margin”	2%
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription Agreement”	the subscription agreement among Greentown China, Investor A and Wharf dated 8 June 2012 in relation to the subscription and issue of the First Tranche Greentown China Shares
“Subscription Price”	HK\$5.20 per Share
“Takeovers Code”	The Code on Takeovers and Mergers and Share Repurchase

“Transaction”	the subscription of the First Tranche Greentown China Shares pursuant to the Subscription Agreement and the subscription of the Second Tranche Greentown China Shares and the Perpetual Subordinated Convertible Securities pursuant to the Investment Agreement together with the relevant transactions contemplated thereunder
“Treasury Rate”	5-year U.S. Treasury Rate with respect to the relevant Reset Date
“Wharf”	The Wharf (Holdings) Limited (stock code: 4), a subsidiary of Wheelock incorporated in Hong Kong with limited liability, the shares of which are listed on the Stock Exchange
“Wharf Group”	Wharf together with its subsidiaries
“Wheelock”	Wheelock and Company Limited (stock code: 20), a company incorporated in Hong Kong with limited liability, the shares of which are listed on the Stock Exchange
“Wheelock Group”	Wheelock together with its subsidiaries
“Winding-up”	with respect to the Issuer or Greentown China, a final and effective order or resolution for the bankruptcy, winding up, liquidation, receivership or similar proceedings in respect of the Issuer or Greentown China, as the case may be
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong
“%”	per cent.

Unless otherwise specified in this announcement, amounts denominated in Renminbi have been converted, for the purpose of illustration only, into Hong Kong dollars at the rate of HK\$1.21875 = RMB1.00. This exchange rate is for the purpose of illustration only and does not constitute a representation that any amount has been, could have been or may be converted at the above rate or any other rates.

By order of the directors of
WHEELOK AND COMPANY LIMITED
Wilson W. S. Chan
Company Secretary

By order of the directors of
THE WHARF (HOLDINGS) LIMITED
Wilson W. S. Chan
Company Secretary

Hong Kong, 8 June 2012