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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)

ANNOUNCEMENT OF ANNUAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2016

FINANCIAL HIGHLIGHTS

- Total contracted sales achieved approximately RMB113.9 billion, representing an increase of 58.4% compared with last year and exceeding RMB100 billion for the first time.
- Profit attributable to the owners of the Company amounted to approximately RMB1.917 billion, which increased by 135.8% as compared with last year.
- Basic earnings per share was RMB0.70, representing an increase of 180.0% compared with last year.
- As at 31 December 2016, bank balances and cash and pledged bank deposits totalled RMB24.97 billion (as at 31 December 2015: RMB18.24 billion); and net gearing ratio was 58.1%, representing a significant improvement from 73.0% of last year.
- The weighted average interest cost for the year decreased to 5.9% per annum, representing a remarkable reduction from 7.3% per annum of last year.
- The Board has recommended payment of a final dividend of RMB0.12 per share for the year ended 31 December 2016 (2015: nil).

The board of directors (the “Board”) of Greentown China Holdings Limited (the “Company” or “Greentown”) is pleased to announce the audited consolidated annual results of the Company and its subsidiaries (collectively the “Group”) for the year ended 31 December 2016 (the “Year”) prepared in accordance with the International Financial Reporting Standards, together with comparative audited figures for the year ended 31 December 2015. The following financial information is extracted from the audited consolidated financial statements in the Group’s 2016 annual report which is to be published by the Group.

* For identification purposes only

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2016

	<i>NOTES</i>	2016 <i>RMB'000</i>	2015 <i>RMB'000</i>
Revenue	3	28,975,603	26,047,051
Cost of sales		(22,953,628)	(20,626,106)
Gross profit		6,021,975	5,420,945
Other income	4	977,400	849,170
Selling expenses		(1,347,245)	(1,229,119)
Administrative expenses		(2,860,501)	(2,572,730)
Finance costs	5	(1,037,480)	(885,945)
Reversal of impairment losses on property, plant and equipment		37,649	30,729
Impairment losses on completed properties for sale		(68,593)	(327,120)
Impairment losses on trade and other receivables		(25,783)	–
Impairment losses on amounts due from an associate and a joint venture		(81,787)	(196,619)
Gain from changes in fair value of investment properties		50,000	40,000
Fair value changes on cross currency swaps		55,547	(128,622)
Fair value changes on senior notes' early redemption options		(101,294)	257,994
Gain on re-measurement of associates to acquisition date fair value in business combination achieved in stages		51,689	–
Gain on acquisition of subsidiaries		2,325	2,242
Net gain on disposal of subsidiaries		74,461	2,906
Gain on disposal of an associate		575,455	2,958
Loss on disposal of a joint venture		(636)	–
Share of results of associates		1,255,767	1,436,026
Share of results of joint ventures		169,280	231,856
Profit before taxation		3,748,229	2,934,671
Taxation	6	(1,525,686)	(1,675,175)
Profit for the year		2,222,543	1,259,496

	<i>NOTE</i>	2016 RMB'000	2015 <i>RMB'000</i>
Other comprehensive income item that may be reclassified subsequently to profit or loss			
Fair value gain on available-for-sale investment		<u>86,498</u>	<u>–</u>
Other comprehensive income for the year, net of income tax		<u>86,498</u>	<u>–</u>
Total comprehensive income for the year		<u>2,309,041</u>	<u>1,259,496</u>
Profit for the year attributable to:			
Owners of the Company		1,917,096	813,206
Non-controlling interests		<u>305,447</u>	<u>446,290</u>
		<u>2,222,543</u>	<u>1,259,496</u>
Total comprehensive income attributable to:			
Owners of the Company		2,003,594	813,206
Non-controlling interests		<u>305,447</u>	<u>446,290</u>
		<u>2,309,041</u>	<u>1,259,496</u>
Earnings per share	7		
Basic		<u>RMB0.70</u>	<u>RMB0.25</u>
Diluted		<u>RMB0.70</u>	<u>RMB0.25</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2016

	<i>NOTE</i>	2016 <i>RMB'000</i>	2015 <i>RMB'000</i>
NON-CURRENT ASSETS			
Property, plant and equipment		6,546,635	6,512,266
Investment properties		1,981,500	1,931,500
Goodwill		769,241	769,241
Interests in associates		7,105,857	6,646,717
Interests in joint ventures		3,058,370	2,979,402
Available-for-sale investments		516,801	162,289
Prepaid lease payment		662,981	659,487
Rental paid in advance		8,626	8,843
Deferred tax assets		1,304,716	1,201,769
Senior notes' early redemption options		156,700	257,994
		22,111,427	21,129,508
CURRENT ASSETS			
Properties for development		14,289,403	9,982,486
Properties under development		61,485,671	48,772,289
Completed properties for sale		12,246,484	14,348,837
Inventories		92,844	92,245
Trade and other receivables, deposits and prepayments	8	6,303,874	4,318,531
Amounts due from related parties		23,891,988	24,275,996
Prepaid income taxes		2,634,579	1,351,708
Prepaid other taxes		1,768,699	1,183,024
Pledged bank deposits		2,292,743	3,358,767
Bank balances and cash		22,677,917	14,879,912
		147,684,202	122,563,795
Assets classified as held for sale		–	819,301
		147,684,202	123,383,096

	<i>NOTE</i>	2016 <i>RMB'000</i>	2015 <i>RMB'000</i>
CURRENT LIABILITIES			
Trade and other payables	9	17,290,445	18,754,124
Pre-sale deposits		38,422,675	22,223,247
Amounts due to related parties		17,072,087	11,642,692
Income taxes payable		4,663,588	4,355,641
Other taxes payable		441,433	740,929
Bank and other borrowings		10,037,318	12,540,078
Senior notes		–	2,497,056
Cross currency swaps		–	199,796
		87,927,546	72,953,563
Liabilities associated with assets classified as held for sale		–	312,340
		87,927,546	73,265,903
NET CURRENT ASSETS		59,756,656	50,117,193
TOTAL ASSETS LESS CURRENT LIABILITIES		81,868,083	71,246,701
NON-CURRENT LIABILITIES			
Bank and other borrowings		25,983,995	14,894,665
Senior notes		4,896,445	8,163,517
Corporate bonds		6,916,290	6,898,467
Deferred tax liabilities		4,744,710	4,629,993
		42,541,440	34,586,642
		39,326,643	36,660,059
CAPITAL AND RESERVES			
Share capital		209,034	208,967
Reserves		24,481,284	23,792,070
Equity attributable to owners of the Company		24,690,318	24,001,037
Perpetual securities		5,598,919	3,014,681
Non-controlling interests		9,037,406	9,644,341
		39,326,643	36,660,059

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016

1. GENERAL

The Company was incorporated in the Cayman Islands on 31 August 2005 as an exempted company with limited liability under the Companies Law (2004 Revision) and its shares have been listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) with effect from 13 July 2006. The address of the registered office of the Company is disclosed in the section headed “Corporate Information” of the annual report.

The consolidated financial statements are presented in Renminbi (“RMB”), which is also the functional currency of the Company.

The Company is an investment holding company. The principal activity of its subsidiaries (together with the Company referred to as the “Group”) is the development for sale of residential properties in the PRC.

2. APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (“IFRSs”)

Amendments to IFRSs applied in the current year

In the current year, the Group has applied, for the first time, several amendments to IFRSs issued by the International Accounting Standards Board (the “IASB”) that are effective for the Group’s financial year beginning on 1 January 2016.

The application of the amendments to IFRSs in the current year has had no material effect on the amounts reported in these consolidated financial statements and/or disclosures set out in these consolidated financial statements.

3. REVENUE AND SEGMENT INFORMATION

An analysis of the Group’s revenue from its major products and services is as follows:

	2016	2015
	<i>RMB’000</i>	<i>RMB’000</i>
Property sales	25,520,532	23,325,860
Hotel operations	652,022	583,732
Project management	813,523	747,908
Property rental income	139,028	124,022
Design and decoration	1,660,031	1,099,165
Sales of construction materials	27,239	1,606
Other business	163,228	164,758
	28,975,603	26,047,051

The chief operating decision-maker of the Group has been identified as the executive directors and certain senior management (collectively referred to as the “CODM”). Operating segments are determined based on the Group’s internal reports which are submitted to the CODM for performance assessment and resources allocation. This is also the basis upon which the Group is organised and managed.

The Group’s consolidated revenue and results are attributable to the market in the PRC (country of domicile) and almost all of the Group’s consolidated assets are located in the PRC.

The Group's reportable segments under IFRS 8 are as follows:

- 1 Property development
- 2 Hotel operations
- 3 Property investment
- 4 Others (including sales of construction materials, design and decoration, project management, etc.)

For the property development operations, the CODM reviews the financial information of each property development project, hence each property development project constitutes a separate operating segment. However, the property development projects possess similar economic characteristics, and are with similar development and selling activities as well as similar customer bases. Therefore, all property development projects are aggregated into one reportable segment for segment reporting purposes.

For the hotel operations, the CODM reviews the financial information of each hotel, hence each hotel constitutes a separate operating segment. However, the hotels possess similar economic characteristics, and are with similar development and selling activities as well as similar customer bases. Therefore, all hotels are aggregated into one reportable segment for segment reporting purposes.

For the property investment operations, the CODM reviews the financial information of each investment property, hence each investment property constitutes a separate operating segment. However, the investment properties possess similar economic characteristics, and are with similar development and selling activities as well as similar customer bases. Therefore, all investment properties are aggregated into one reportable segment for segment reporting purposes.

The CODM assesses the performance of the operating segments based on the post-tax profit of the group entities engaged in the respective segment activities, which includes share of results of joint ventures and associates and related finance costs, but excludes fair value changes on cross currency swaps and certain administrative expenses, other income, finance costs and taxation. Financial information provided to the CODM is measured in a manner consistent with the accounting policies adopted in the preparation of the consolidated financial statements as described in Note 3.

Sales between segments are carried out on terms agreed between the counterparties.

No customers account for 10% or more of the Group's revenue.

An analysis of the Group's revenue and results by reportable segment is as follows:

	Property development RMB'000	Hotel operations RMB'000	Property investment RMB'000	Others RMB'000	Segment total RMB'000	Eliminations RMB'000	Total RMB'000
For the year ended 31 December 2016							
Segment revenue							
External revenue	25,520,532	652,022	139,028	2,664,021	28,975,603	–	28,975,603
Inter-segment revenue	–	802	–	211,731	212,533	(212,533)	–
Total	<u>25,520,532</u>	<u>652,824</u>	<u>139,028</u>	<u>2,875,752</u>	<u>29,188,136</u>	<u>(212,533)</u>	<u>28,975,603</u>
Segment results	<u>1,885,856</u>	<u>95,395</u>	<u>65,783</u>	<u>287,024</u>	<u>2,334,058</u>	<u>(1,846)</u>	<u>2,332,212</u>
Unallocated administrative expenses							(87,700)
Unallocated other income							18,790
Unallocated finance costs							(170)
Fair value changes on cross currency swaps							55,547
Unallocated taxation							(96,136)
Profit for the year							<u>2,222,543</u>
	Property development RMB'000	Hotel operations RMB'000	Property investment RMB'000	Others RMB'000	Segment total RMB'000	Eliminations RMB'000	Total RMB'000
For the year ended 31 December 2015							
Segment revenue							
External revenue	23,325,860	583,732	124,022	2,013,437	26,047,051	–	26,047,051
Inter-segment revenue	–	18,624	–	301,950	320,574	(320,574)	–
Total	<u>23,325,860</u>	<u>602,356</u>	<u>124,022</u>	<u>2,315,387</u>	<u>26,367,625</u>	<u>(320,574)</u>	<u>26,047,051</u>
Segment results	<u>1,217,911</u>	<u>27,045</u>	<u>44,651</u>	<u>202,602</u>	<u>1,492,209</u>	<u>(18,954)</u>	<u>1,473,255</u>
Unallocated administrative expenses							(64,040)
Unallocated other income							16,677
Unallocated finance costs							(1,820)
Fair value changes on cross currency swaps							(128,622)
Unallocated taxation							(35,954)
Profit for the year							<u>1,259,496</u>

Segment assets and liabilities

The following is an analysis of the Group's assets and liabilities by reportable segment:

Segment assets

	2016 <i>RMB'000</i>	2015 <i>RMB'000</i>
Property development	155,218,642	129,525,307
Hotel operations	6,564,684	6,656,336
Property investment	2,011,811	1,969,604
Others	4,872,158	4,843,293
	<hr/>	<hr/>
Total segment assets	168,667,295	142,994,540
Unallocated	1,128,334	1,518,064
	<hr/>	<hr/>
Consolidated assets	169,795,629	144,512,604

Segment liabilities

	2016 <i>RMB'000</i>	2015 <i>RMB'000</i>
Property development	124,376,681	100,698,005
Hotel operations	386,069	413,575
Property investment	682,160	801,599
Others	4,419,841	4,842,873
	<hr/>	<hr/>
Total segment liabilities	129,864,751	106,756,052
Unallocated	604,235	1,096,493
	<hr/>	<hr/>
Consolidated liabilities	130,468,986	107,852,545

For the purposes of monitoring segment performances and allocating resources among segments:

- all assets are allocated to operating segments other than bank balances and cash, property, plant and equipment, available-for-sale investments, trade and other receivables, deposits and prepayments and amounts due from related parties pertaining to non-operating group entities.
- all liabilities are allocated to operating segments other than derivative financial instruments, bank and other borrowings, amounts due to related parties, income taxes payable, other taxes payable and deferred tax liabilities pertaining to non-operating group entities.

Other segment information

For the year ended 31 December 2016

	Property development RMB'000	Hotel operations RMB'000	Property investment RMB'000	Others RMB'000	Reportable segment total RMB'000	Unallocated RMB'000	Total RMB'000
Amounts included in the measure of segment profit or loss or segment assets:							
Addition to non-current assets (<i>Note</i>)	342,362	87,509	509	60,210	490,590	2,025	492,615
Interests in associates	7,105,857	-	-	-	7,105,857	-	7,105,857
Interests in joint ventures	3,058,370	-	-	-	3,058,370	-	3,058,370
Reversal of impairment losses on property, plant and equipment	-	(37,649)	-	-	(37,649)	-	(37,649)
Impairment losses on completed properties for sale	68,593	-	-	-	68,593	-	68,593
Impairment losses on trade and other receivables	-	-	-	25,783	25,783	-	25,783
Impairment losses on amounts due from a joint venture	81,787	-	-	-	81,787	-	81,787
Gain from changes in fair value of investment properties	-	-	(50,000)	-	(50,000)	-	(50,000)
Gain on re-measurement of associates to acquisition date fair value in business combination achieved in stages	(51,689)	-	-	-	(51,689)	-	(51,689)
Gain on acquisition of subsidiaries	(2,325)	-	-	-	(2,325)	-	(2,325)
Net gain on disposal of subsidiaries	(74,461)	-	-	-	(74,461)	-	(74,461)
Gain on disposal of an associate	(575,455)	-	-	-	(575,455)	-	(575,455)
Loss on disposal of a joint venture	636	-	-	-	636	-	636
Depreciation of property, plant and equipment	86,264	191,006	543	9,465	287,278	468	287,746
Loss (gain) on disposal of property, plant and equipment	(12,894)	-	-	(356)	(13,250)	214	(13,036)
Interest income	(734,183)	(77)	(97)	(8,656)	(743,013)	(18,790)	(761,803)
Finance costs	981,673	3,056	42,411	10,170	1,037,310	170	1,037,480
Share of results of associates	(1,255,767)	-	-	-	(1,255,767)	-	(1,255,767)
Share of results of joint ventures	(169,280)	-	-	-	(169,280)	-	(169,280)
Taxation	1,316,598	10,122	12,500	90,330	1,429,550	96,136	1,525,686

For the year ended 31 December 2015

	Property development RMB'000	Hotel operations RMB'000	Property investment RMB'000	Others RMB'000	Reportable segment total RMB'000	Unallocated RMB'000	Total RMB'000
Amounts included in the measure of segment profit or loss or segment assets:							
Addition to non-current assets (<i>Note</i>)	2,223,475	475,217	1,012	27,681	2,727,385	1,245	2,728,630
Interests in associates	6,646,717	-	-	-	6,646,717	-	6,646,717
Interests in joint ventures	2,979,402	-	-	-	2,979,402	-	2,979,402
Reversal of impairment losses on property, plant and equipment	-	(30,729)	-	-	(30,729)	-	(30,729)
Impairment losses on completed properties for sale	327,120	-	-	-	327,120	-	327,120
Impairment losses on amounts due from an associate and a joint venture	196,619	-	-	-	196,619	-	196,619
Gain from changes in fair value of investment properties	-	-	(40,000)	-	(40,000)	-	(40,000)
Gain on acquisition of a subsidiary	(2,242)	-	-	-	(2,242)	-	(2,242)
Net gain on disposal of subsidiaries	(2,906)	-	-	-	(2,906)	-	(2,906)
Gain on disposal of associates	(2,958)	-	-	-	(2,958)	-	(2,958)
Depreciation of property, plant and equipment	128,971	146,021	2,107	26,369	303,468	732	304,200
Loss (gain) on disposal of property, plant and equipment	(3,780)	-	(1)	274	(3,507)	(30)	(3,537)
Interest income	(572,536)	(86)	(64)	(4,729)	(577,415)	(16,242)	(593,657)
Finance costs	795,347	14,944	42,172	31,662	884,125	1,820	885,945
Share of results of associates	(1,436,026)	-	-	-	(1,436,026)	-	(1,436,026)
Share of results of joint ventures	(231,856)	-	-	-	(231,856)	-	(231,856)
Taxation	1,516,354	8,346	10,000	104,521	1,639,221	35,954	1,675,175

Note: Non-current assets mainly included property, plant and equipment, investment properties (excluding gain from changes in fair value of investment properties), prepaid lease payment, interests in joint ventures, interests in associates and rental paid in advance and excluded financial instruments, goodwill and deferred tax assets.

4. OTHER INCOME

	2016 RMB'000	2015 RMB'000
Interest income on bank balances	197,126	119,458
Interest income on amounts due from related parties	564,677	474,199
Government grants	23,819	9,032
Comprehensive service income	48,198	86,577
Dividends from available-for-sale investments	24,000	99,570
Others	119,580	60,334
	977,400	849,170

5. FINANCE COSTS

	2016 <i>RMB'000</i>	2015 <i>RMB'000</i>
Interest on bank and other borrowings	2,546,965	2,133,080
Interest on senior notes	568,782	783,931
Interest on corporate bonds	352,148	111,192
	<u>3,467,895</u>	<u>3,028,203</u>
Less: capitalised in properties under development and construction in progress	<u>(2,430,415)</u>	<u>(2,142,258)</u>
	<u>1,037,480</u>	<u>885,945</u>

Borrowing costs capitalised during the year arose on the specific loan and general borrowing pool and are calculated by applying a capitalisation rate of 5.9% (2015: 7.3%) per annum to expenditure on the development of properties for sale and for own use.

6. TAXATION

	2016 <i>RMB'000</i>	2015 <i>RMB'000</i>
Current tax:		
PRC enterprise income tax	1,086,509	704,744
LAT	430,531	860,606
	<u>1,517,040</u>	<u>1,565,350</u>
Under-provision in prior years:		
PRC enterprise income tax	<u>788</u>	<u>747</u>
Deferred tax:		
Current year	<u>7,858</u>	<u>109,078</u>
	<u>1,525,686</u>	<u>1,675,175</u>

No provision for income tax has been made for the Company and group entities incorporated in Hong Kong as they have no assessable profits derived from Hong Kong.

Under the Law of the People's Republic of China on Enterprise Income Tax (the "EIT Law") and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiaries is 25%.

In addition, the EIT Law provides that qualified dividend income between two "resident enterprises" that have a direct investment relationship is exempted from income tax. Otherwise, such dividends will be subject to a 5% or 10% withholding tax under the EIT Law. A 10% withholding tax rate is applicable to the Group.

The tax charge for the year can be reconciled to the profit per the consolidated statement of profit or loss and other comprehensive income as follows:

	2016 <i>RMB'000</i>	2015 <i>RMB'000</i>
Profit before taxation	<u>3,748,229</u>	<u>2,934,671</u>
Tax at the applicable PRC enterprise income tax rate of 25% (2015: 25%)	937,057	733,668
Effect of different tax rates	(43,448)	(5,594)
Tax effect of share of results of associates	(313,942)	(359,007)
Tax effect of share of results of joint ventures	(42,320)	(57,964)
Tax effect of income not taxable for tax purposes	(46,576)	(89,694)
Tax effect of expenses not deductible for tax purposes	495,718	546,790
Under-provision in respect of prior year	788	747
Tax effect of impairment losses not recognized	1,503	25,380
Tax effect of tax losses not recognised	178,358	211,242
Recognition of deferred tax assets on tax losses previously not recognised	(2,326)	(833)
Utilisation of tax losses previously not recognised	(21,366)	(5,015)
LAT provision for the year	430,531	860,606
Tax effect of LAT	(107,633)	(215,151)
Tax effect of undistributed profits	<u>59,342</u>	<u>30,000</u>
Tax charge for the year	<u>1,525,686</u>	<u>1,675,175</u>

PRC LAT

According to the requirements of the Provisional Regulations of the PRC on LAT (中華人民共和國土地增值稅暫行條例) effective from 1 January 1994, and the Detailed Implementation Rules on the Provisional Regulations of the PRC on LAT (中華人民共和國土地增值稅暫行條例實施細則) effective from 27 January 1995, all income from the sale or transfer of state-owned land use rights, buildings and their attached facilities in the PRC is subject to LAT at progressive rates ranging from 30% to 60% of the appreciation value, with an exemption provided for property sales of ordinary residential properties (普通標準住宅) if their appreciation values do not exceed 20% of the sum of the total deductible items.

According to the Notices for the Strengthening of Administration on LAT (關於加強土地增值稅管理工作的通知), the Group is required to pre-pay LAT on pre-sale proceeds at 0.5%–3% for ordinary residential properties and 1%–6% for other properties.

For the year ended 31 December 2016, the Group estimated and made a provision for LAT in the amount of RMB430,531,000 (2015: RMB860,606,000), according to the requirements set forth in the relevant PRC tax laws and regulations. The actual LAT liabilities are subject to the determination by the tax authorities upon completion of the property development projects and the tax authorities might disagree with the basis on which the provision for LAT is calculated.

7. EARNINGS PER SHARE

The calculation of the basic and diluted earnings per share attributable to the owners of the Company is based on the following data:

Earnings

	2016 <i>RMB'000</i>	2015 <i>RMB'000</i>
Profit for the year attributable to the owners of the Company	1,917,096	813,206
Distribution related to Perpetual Securities	<u>(404,051)</u>	<u>(280,763)</u>
Earnings for the purpose of basic earnings per share	<u>1,513,045</u>	<u>532,443</u>
Earnings for the purpose of diluted earnings per share	<u>1,513,045</u>	<u>532,443</u>

Number of shares

	2016	2015
Weighted average number of ordinary shares for the purpose of basic earnings per share	2,162,698,548	2,161,681,120
Effect of dilutive potential ordinary shares: Share options	<u>4,175,486</u>	<u>5,834,950</u>
Weighted average number of ordinary shares for the purpose of diluted earnings per share	<u>2,166,874,034</u>	<u>2,167,516,070</u>

The computation of 2016 and 2015 diluted earnings per share does not assume the exercise of some of the share options because the exercise price of these share options was higher than the average market price for shares for the year.

8. TRADE AND OTHER RECEIVABLES, DEPOSITS AND PREPAYMENT

	2016 <i>RMB'000</i>	2015 <i>RMB'000</i>
Trade receivables	851,742	600,621
Less: allowance for doubtful debts	<u>(9,873)</u>	<u>–</u>
Trade receivables, net of allowance for doubtful debts	841,869	600,621
Other receivables, net of allowance for doubtful debts	3,824,326	2,947,895
Prepayments and deposits	1,604,529	706,865
Consideration receivables from disposal of a subsidiary and an associate	<u>33,150</u>	<u>63,150</u>
	<u>6,303,874</u>	<u>4,318,531</u>

The Group allows an average credit period of 90 days to certain trade customers with good credit standing. The aged analysis of trade receivable is stated below.

	2016 <i>RMB'000</i>	2015 <i>RMB'000</i>
Within 90 days	607,946	302,171
91–180 days	79,654	85,883
181–365 days	44,202	74,208
Over 365 days	119,940	138,359
	<hr/>	<hr/>
Trade receivables	851,742	600,621
	<hr/>	<hr/>

Aging of trade receivables which are past due but not impaired:

	2016 <i>RMB'000</i>	2015 <i>RMB'000</i>
91–180 days	76,921	85,883
181–365 days	43,059	74,208
Over 365 days	116,004	138,359
	<hr/>	<hr/>
	235,984	298,450
	<hr/>	<hr/>

9. TRADE AND OTHER PAYABLES

The aged analysis of trade payables is stated as follows:

	2016 <i>RMB'000</i>	2015 <i>RMB'000</i>
Within 180 days	9,716,820	8,072,246
181–365 days	1,168,557	2,342,294
Over 365 days	1,141,925	1,128,615
	<hr/>	<hr/>
Trade payables	12,027,302	11,543,155
Other payables and accrued expenses	5,085,266	6,230,768
Receipt in advance for a subsidiary held for sale	–	858,000
Consideration payables on acquisition and partial acquisition of subsidiaries	177,877	122,201
	<hr/>	<hr/>
	17,290,445	18,754,124
	<hr/>	<hr/>

Trade payables and other payables principally comprise amounts outstanding for trade purposes and ongoing costs.

MANAGEMENT DISCUSSION AND ANALYSIS

OPERATIONAL AND MANAGEMENT REVIEW

In 2016, China's national economy made steady progress – national strategies such as “One Belt, One Road”, new-type urbanization, Internet+, supply-side reform etc. has been successively implemented, resulting in further acceleration of the urbanization process and optimization of the structure of economic development. Benefiting from the aforesaid factors, the real estate market has experienced the process from policy easing to the continued tightening of policies in key cities. As the approach of “different cities, different policies” gradually takes effect, and the construction of a long-term mechanism in the real estate industry speeds up, the desire for reverting housing products back to their residential nature intensified.

2016 is a year in which Greentown China made arduous efforts in self-development. The Company firmly implemented the vision of being an “integrated service provider for ideal lifestyle”, and fully deployed the development strategy of “Service Platform Building, Real Estate Financialisation and Property Development Specialization”. With the full support from all of our shareholders as well as the unfailing efforts of all employees, the corporate governance structure of the Company has been continuously optimized, and the advantages of mixed ownership have been fully maximized. The core values of Greentown are deep rooted, and the strengths of quality branding have been effectively passed on. As a result, Greentown's unique features and characteristics have been given a full play. At the same time, the combination of a spectacular growth in operating results, precise investments and sound financial situation highlighted the effectiveness of the Company's continuous innovation efforts and courage to practice in response to market changes and/or reform.

Results Overview

During the Year, the Group realized a net profit of RMB2,223 million, representing an increase of RMB964 million, or 76.6%, from RMB1,259 million in 2015. The increase was mainly due to achieving a gross profit of RMB6,022 million for the Year, representing an increase of 11.1% from RMB5,421 million in 2015, and the Group disposed of its equity interest in one of its associated companies during the Year which resulted in a net gain of RMB575 million. The profit attributable to shareholders of the Company for the Year reached RMB1,917 million, representing an increase of RMB1,104 million, or 135.8%, as compared to RMB813 million recorded in 2015.

After deduction of post-tax effect of net gains from acquisitions, and the provision and reversal of impairment losses on certain assets, profit or loss from changes in fair value of financial derivatives and gain from changes in fair value of investment properties, the core profit attributable to owners of the Company for the Year was RMB1,958 million, representing an increase of RMB925 million, or 89.5%, as compared to RMB1,033 million recorded in 2015.

Earnings per share for the Year was RMB0.70, representing an increase of 180.0% from RMB0.25 per share compared to that in 2015.

The Board of Directors proposes to declare a final dividend of RMB0.12 per share for the year ended 31 December 2016 (2015: nil).

More than 58% growth in sales, exceeding RMB100 billion for the first time

For the twelve months ended 31 December 2016, Greentown Group (including Greentown China Holdings Limited and its subsidiaries, together with its joint ventures and associated companies) recorded an accumulated total contracted saleable area of approximately 6.26 million sqm, and a total contracted sales amount of approximately RMB113.9 billion, representing an increase of 58.4% as compared to 2015 (2015: RMB71.9 billion), exceeding the “RMB100 billion” level for the first time. Average sales price of investment projects reached RMB19,813 per sqm, representing an increase of 7.4% as compared to 2015.

Among the above, Greentown Group has recorded an accumulated total contracted saleable area of approximately 4.83 million sqm, and a total contracted sales amount of approximately RMB95.8 billion, of which the equity amount attributable to the Group (including Greentown China Holdings Limited and its subsidiaries) was approximately RMB51.1 billion in 2016. As at 31 December 2016, the Group had accumulated subscription sales of RMB2.5 billion, of which approximately RMB1.3 billion was attributable to the Group. In addition, the projects under its project management business where Greentown Group engaged in delivering brand value and management expertise (non-investment projects, referred to as “projects under project management”) recorded a total saleable housing area of approximately 1.43 million sqm, and a contracted sales amount of approximately RMB18.1 billion in 2016.

Greentown Group has achieved impressive results by adhering to the strategy of inventory reduction. The housing inventory of investment projects at the beginning of the Year amounted to approximately RMB84.4 billion and the aggregate inventory reduction for the Year was approximately RMB46.8 billion, at a reduction rate of 55% (of which, the housing inventory reduced in first-tier and second-tier cities was approximately RMB32.0 billion, at a reduction rate of 59%, and the housing inventory reduced in third-tier and fourth-tier cities was approximately RMB14.8 billion, at a reduction rate of 49%), providing a relatively big support to the increase in sales. The sales contributed by the newly launched projects were approximately RMB49.0 billion for the Year, representing 73% of the total sales of the Newly launched projects. Newly launched projects including Hangzhou Willow Breeze (杭州柳岸曉風), Hangzhou Jinlin Mansion (杭州金麟府) and Beijing Xishan Mansion (北京西山燕廬) etc. had spectacular sales, and were sold out soon after the pre-sales session was launched. The contribution from single property sales increased. Single property projects with sales exceeding RMB5.0 billion throughout the Year included these 3 projects: Tianjin National Games Project (天津全運村), Shanghai Bund House (上海黃浦灣) and Hangzhou Liuxiangyuan (杭州留香園). Single property projects with sales exceeding RMB2.0 billion throughout the Year included these 9 projects: Hangzhou Wulin No.1 (杭州武林壹號), Hangzhou Young City (杭州楊柳郡), Hainan Blue Town (海南藍灣小鎮), Hangzhou Qiantang Mingyue (杭州錢塘明月), Wuxi Lihu Camphora Garden (無錫蠡湖香樟園), Qingdao Ideal City (青島理想之城), Hangzhou Zhijiang No.1 (杭州之江壹號), Jinan National Games Project (濟南全運村) and Hangzhou Hope Town (杭州翡翠城).

Focused Investment Achieved Substantial Effect, Gradual Optimization of Land Reserve

In 2016, the competition of land in first-tier and second-tier cities intensified. Land sales continually broke new record-high prices. The Group's investment strategy emphasizes surrounding the "key cities, core land". The Group also sets reasonable limit to our land acquisitions to effectively prevent the Group from acquiring overpriced "Land King" projects, so as to minimize the negative impact on the Company's overall cash flow and financial position, as well as to ensure the improvement in the gross profit of its development projects. During the Year, the Group added 9 high-quality land sites in key cities such as Beijing, Tianjin, and Hangzhou through public land auctions and acquisitions etc., and acquired the Hangzhou Fengqi Chaoming project (杭州鳳起潮鳴項目) which can fully manifest Greentown's quality features, Beijing Jiuxianqiao project (北京酒仙橋項目) that has good development potential, South China Foshan Qicha project (佛山奇槎項目) and other projects in other key cities. The total GFA of new projects for the Year was approximately 2.28 million sqm, of which approximately 1.60 million sqm was attributable to the Group. The total land premium of new projects amounted to approximately RMB18 billion, of which approximately RMB10.6 billion was attributable to the Group. The newly-added land resources were estimated to have a value of approximately RMB44.7 billion, of which approximately RMB28.5 billion was attributable to the Group's equity, the average GFA price for the new land was approximately RMB11,676 per sqm.

Meanwhile, in respect of our strategy to develop high-quality projects in third-tier and fourth-tier cities in a fast and smooth manner, the Group acquired the high-quality project in Jiaxing Economic Development Zone (嘉興經濟開發區) in the second half of the Year. The Group also strategically reserved some town projects in the vicinity of first-tier and second-tier cities on the basis of optimizing and upgrading the positioning, operating model and development strategy of existing town projects in Zhoushan Changzhidao (舟山長峙島) and Anji Taohuayuan (安吉桃花源).

Table of New Land Bank in 2016

	Land/Project Name	Acquired by	Area	Equity	Total Land Cost of the Projects (RMB Million)	Paid by Greentown (RMB Million)	GFA (sqm)
1	Beijing Jiuxianqiao Project	Auction	Beijing	50%	5,135	2,568	194,144
2	Hangzhou Fengqi Chaoming	Auction	Hangzhou	50%	3,735	1,868	140,246
3	Hangzhou Osmanthus Rain Jiangnan	Auction	Hangzhou	35%	1,099	385	108,661
4	Ningbo Young City	Acquisition	Ningbo	51%	1,585	808	589,845
5	Tianjin Tuanbohu Project	Acquisition	Tianjin	100%	857	857	457,235
6	Hangzhou Xiaoshan Beigan Project	Acquisition	Hangzhou	22.5%	1,990	448	201,682
7	Guangdong Foshan Qicha Project	Auction	Foshan	100%	1,736	1,736	222,679
8	Hangzhou Tape Factory Project	Auction	Hangzhou	100%	1,174	1,174	78,542
9	Jiaxing EDZ Project	Auction	Jiaxing	100%	736	736	288,864
Total					18,047	10,580	2,281,898

As at 31 December 2016, Greentown Group had land bank reserves with a total GFA of approximately 29.12 million sqm, of which approximately 13.33 million sqm was attributable to the Group and the total saleable area amounted to approximately 20.72 million sqm, of which approximately 12.21 million sqm was attributable to the Group. The average GFA land cost was approximately RMB3,474 per sqm and the proportion of land reserve in the first-tier and second-tier cities has risen from 37% in 2015 to 43%.

Further Improvements in Corporate Governance

The Group has established a control system of “one body, four wings”, which enables a clearer management structure and business system – “Greentown China” serves as a control platform and a listed entity; “Greentown Real Estate” focuses on the investment and development of real estate projects; “Greentown Project Management” focuses on the real estate project management business; “Greentown Asset Management” is committed to developing a platform for assets operation and financial control, and “Greentown Town Development” strives to building up ideal towns. The adjustment on control structure has proved to be effective and has been realized in an orderly manner as of today – the operating efficiency of Greentown Real Estate has been enhanced effectively; the operating scale of Greentown Project Management has been improved continuously and its leading position in the industry has been consolidated; Greentown Asset Management has commenced business in the commercial factoring and financial leasing fields, and the efficiency of assets operations has realised a substantial increase; Greentown Town Development continually increases the number of projects it controls and actively explore the area of town services and industry systems, forming the basic model for town development.

The formation of the “one body, four wings” control system benefits from the joint implementation of all shareholders. The Board of Greentown China, as the chief decision body for the operation and management of the Company, will take into account advice from all shareholders and make decisions. Duties, powers, procedures, and standards of each board committee and general office have been announced, and directors, supervisors and operators are all required to comply with the same strictly. Accordingly, the corporate governance of the Company has become more regulated and scientific.

Stable Financial Foundation, Significant Structural Improvement

Benefitting from the credit support from our largest shareholder China Communications Construction Group Limited (“CCCC”), and the positive prospect of the Company’s operations overall, as at 31 December 2016, the net gearing ratio of the Company significantly decreased to 58.1% (31 December 2015: 73.0%), the cash and bank balance and pledged bank deposits totalled RMB24.971 billion, sufficient to cover the RMB10.037 billion borrowings due within one year. The total weighted average interest cost for the Year was 5.9% which marks a remarkable decrease from 7.3% in 2015.

On 29 March 2016, the Company entered into a syndicate loan agreement with 19 financial institutions under which a three year term loan with an aggregate amount of USD720 million would be made available to the Company at an interest rate of LIBOR plus 3.13% per annum. This was the largest syndicate loan among the PRC real estate companies listed in Hong Kong in that year. Subsequently, the Company also successfully obtained a three-year bilateral facility with an aggregate amount of USD300 million from one of the four top state-owned banks in China with an interest rate of LIBOR plus 3% per annum.

On 15 April 2016, the Company's wholly owned subsidiary, Apex Top Group Limited, issued unlisted senior perpetual capital securities callable in 2019 (the "Perpetual Securities") in the aggregate principal amount of USD400 million, with an initial distribution rate of 5.5% per annum, through a private placement to certain financial institutions, as subscribers. The subscribers simultaneously entered into a total return swap with CCCC International Holding Limited ("CCCI"). CCCI, a wholly owned subsidiary of CCCG, is a connected person of the Company. The issuance of the senior perpetual capital securities has adopted an innovative structure of total return swap arrangement. From the perspective of CCCI, it would receive an annual return of more than 10% after taking leverage in its financing, and from the perspective of the Company, the issuance of the perpetual securities at an initial distribution rate of 5.5% per annum is the lowest record among similarly rated companies. This transaction achieved a win-win situation for both companies and its transaction structure is unprecedented in the market.

The interest expense for the aforesaid financing is substantially lower as compared to previous financings of the same kind, and this has effectively reduced the interest expenses of the Company and further optimized the debt structure of the Company. Meanwhile, the Company was awarded the "Asian Best Debt Management Award (亞洲最佳債務管理大獎)" by The Asset magazine, a prestigious international financial media, an indication that the Company's debt management has been positively recognized by the capital market.

In February 2017, with the strong support from our largest shareholder CCCG and with the corporate credit rating of AAA given by China Cheng Xin International Credit Rating Co., Ltd. (中誠信國際信用評級有限責任公司), the Group successfully received notice from the National Association of Financial Market Institution Investors (中國銀行間市場交易商協會) in relation to the approval of Greentown's issuance of RMB8.9 billion medium-term notes. Greentown Group was among the first batch of domestic real estate enterprises that obtained such approval in 2017, and this manifests the market's confidence in the stable development and financial credibility of Greentown. This is the Group's first permission to issue medium-term notes since the successful issuance of domestic corporate bonds in 2015 and would help the Group to improve its debt structure and reduce the financial costs. On 3 March 2017, the Group completed the issuance of the first batch of medium-term notes amounting to RMB3.0 billion. The funds raised were received on 6 March 2017. The first batch of medium-term notes were issued for a term of 5 years at an interest rate of 5.5%.

In 2016, Greentown Group entered into a strategic cooperation agreement with certain banks including CITIC Bank, Bank of China, Agricultural Bank of China, China Construction Bank and Bank of Communications, and has obtained facilities of more than RMB150 billion from financial institutions.

Breakthrough in Quality and Improvement in Cost-effectiveness

In 2016, the Group further achieved a breakthrough in terms of quality. In product design, we considered the customers' residential needs as a core guidance for development, and aimed at innovative design and improvement of residence structures to further enhance the functions and the sense of comfort of residences. For instance, we launched a new design in Hangzhou Willow Breeze (杭州柳岸曉風) which featured three south-facing bedrooms (out of the four bedrooms) a big L-shape balcony, and equipped with seven major storage and

intelligent household systems, and such design was very well received by customers. During the production process, we took quality assurance and turnover rate as the core, and strictly controlled the cost. The turnover efficiency for our new projects of the Year was significantly increased. Both Hangzhou Willow Breeze (杭州柳岸曉風) and Hangzhou Jinlin Mansion (杭州金麟府) took only eight months from land acquisition to sale of the properties. During the process of project construction, management and control, the Group paid more attention on process monitoring, details control, implementation of the Japanese refined management standards – we launched the activity of “Open Day of Construction Sites Across China” for the first time to allow customers to experience the project construction process in persona; in respect of services quality, the big data platform served as our base to improve the living services quality regarding the full living chain of customers and the full life chain of housing, and forming the framework for implementation solutions for the upgrade of customers’ complaint response mechanisms like online 95059 and offline service centers, enhancing the speed of responsiveness. Meanwhile, our joint quality inspection team across China would focus on self-inspection and self-rectification, which would effectively improve the overall quality of products and services. We continued to improve the cost-effectiveness and satisfaction level of our customers.

Greentown’s high quality products and achievements in innovation were also recognized by the professionals. In November 2016, due to its persistence towards product quality, as well as its concept and practice on innovating products and energetic branding, Greentown received the “2016 Annual Innovative Brand Award (2016年度品牌創新獎)” from *The People’s Daily*. Meanwhile, with its residence format and innovative Chinese sentiment that are difficult to replicate, Hangzhou River South (杭州江南里) received the “Golden Award” for the best international residence. Hangzhou Young City (杭州楊柳郡) received the award of “2016 Chinese Real Estate Design Award (2016中國地產設計大獎)”.

Innovative Project Management creates Great Advantage

As one of the leading companies in the project management industry in China, Greentown Project Management is featured by leveraging or delivering brand value, management expertise and resources network, which has been well received in the market. In 2016, the Company successfully completed the business combination and reorganization of the project management business in Greentown Project Management and the project management business of Bluetown Property Construction Management Group Co., Ltd., and realised the phrasal objectives of projects integration, control integration and team integration as scheduled. Meanwhile, Greentown Project Management took “Customization, Platform Building, Value Creating and Profit Sharing” as its core, and built up the new service system and ecological platform across the entire industry chain in property development. As at 31 December 2016, the total number of projects managed by Greentown Project Management was 164 in total, with a planned total GFA of approximately 45.57 million sqm and estimated total saleable amount of approximately RMB253.1 billion. Meanwhile, we delivered the projects of Qiandao Lake Yulan Garden, Hangzhou Xixi Global Commercial Center, Bengbu Chunjiang Mingyue, Yiwu Headquarters Economic Park with a total of 4.54 million sqm. The Greentown Project Management Group has evolved into the nation’s largest professional project and management group with leading quality.

Outlook

After over two decades of rapid development, the real estate industry in China has undergone fundamental changes. The days when we relied on the exploding growth based on the “high liabilities, high turnover” model have long gone. Land premiums have basically become non-existent, with the model of financial real estate sector gradually leading the market. Investment and development has been separating from each other, such that professional development has become the prevailing trend in the industry. More attention has been shifted downstream to the value in service delivery from the value of property development.

Looking into 2017, real estate investments will continue to grow, supporting the stable development of the economy. Under the new round of market regulation measures under the idea of “different cities, different policies”, it is expected that, in the short run, the progress of “inventory reduction” in third-tier and fourth-tier cities will speed up, there will be tighter regulatory restrictions in first-tier and second-tier cities, and the growth in property sales may even slow down. As large real estate enterprises are striving for larger market share, there may be even keener competition in the industry.

Facing reforms and vigorous competition in the real estate industry, in line with the new industry norms, the Group is accelerating its transformation in branding, professionalization, platform development, financial operations and integrated efficient development. The focus of its profit model will be gradually changing to focus on the added value from service and capital, with added value property development serving an ancillary role. The Group’s developments will be upgraded from “building homes” to “building lifestyle”, as well as from “marketing homes” to “marketing lifestyle”. The range of the Group’s development is extending from core urban areas to suburban towns. For residential developments, there will be a return to the functionality of dwelling and living, with a view to winning customers with highly cost-efficient products and services. Meanwhile, the Group will gradually develop new businesses, such as capital operations, featured towns constructions, innovative living services, so as to display its competitive advantages with its diversified profit model.

In 2017, the Group will establish the Greentown Living Services based on the foundation of “one body, four wings”, serving the purpose of “putting people in the center, starting from living”, while establishing a “client-oriented organization and management system” and a highly responsive client-oriented living services platform”. Greentown Living Services will cooperate with Greentown Real Estate (investment and development), Greentown Project Management (project management), Greentown Asset Management (asset operations) and Greentown Town Development (town construction) in developing the number-one brand of “integrated service provider for an ideal life in China” in full gear.

For sales precision, the Group will strictly implement the existing principle of “early sales, quick sales, and more sales”. Under this principle, the Group pays close attention to market changes, attends to clients’ needs, allows flexibility, sets reasonable price range, and maintains the profitability expected by the Company and its shareholders. In the meantime, the Group also starts to develop pilot areas with precise positioning and appropriate marketing in Hangzhou, with the help of tools such as big data to maintain the sales rate and price level in the beginning of sales and continue to accelerate the sales of housing inventory, especially those in the third-tier and fourth-tier cities, increasing the sales rate of the Group’s projects as a whole.

For investment expansion, in 2016, the Greentown Group's total contracted sales has exceeded RMB100 billion for the first time. Not only did the Group receive a handsome sum of capital return, but the Group also set our price at a reasonable cap when the Group made a decision on land acquisition, through which the Group successfully avoided acquiring the over-priced projects, as well as secured a sufficient capital amount for 2017, allowing the Company to have investment and development at a greater scale. In 2017, the Group will continue to apply the strategy of "core cities, core areas" in its overall investment. On one hand, it will continue to strengthen the project investments in the first-tier and second tier key cities. On the other hand, it will moderately increase its investments in the high-quality short term projects in the outstanding third-tier and fourth-tier cities, and will strictly control the quantity of individual projects in the third-tier and fourth-tier cities. Thirdly, we will strategically expand the high-quality small town projects surrounding the first-tier and second-tier cities. We firmly hold the opportunity of "reasonably increasing the residential land of first-tier and second-tier cities". Through various channels including tendering, auctioning and listing, mergers and acquisition, PPP (cooperation between government and social capital), Class I and II Land Utilization (一二級土地聯動), urban redevelopment, old town transformation, strategic cooperation with the transport sector, the Group will seek to maximize the number of high-quality land projects it acquires, further increase the Group's land reserves in Beijing, Shanghai, Guangzhou, Hangzhou and Nanjing, strive to enter into those cities like Shenzhen and Chongqing, increase the number of quality projects in Zhengzhou, Jinan, Ningbo, as well as to basically achieve the target of optimizing and adjusting the structure and modes of land reserve structure and reserve during the year.

On this foundation, the Group will proceed its internationalization through relying on the advantages of the overseas resources of CCCG, maintaining close attention on high-quality cities in developed countries like the United Kingdom, the United States, and Australia, and developing countries in Southeast Asia, and selectively acquiring high-quality overseas projects.

In terms of product quality, the Group will continue to embrace the Greentown's spirit and disposition, pursue the highest quality, focus on developing highly cost-effective products to meet market demands, and to enhance innovative research and development in the design, layout, functional structure and material matching of the Group's property products. The Group will also upgrade the level of innovative research and development activities on new technologies, new materials, digitalization, green and energy saving technologies, as well as the application thereof. Meanwhile, the Group will construct a joint-laboratory with the Zhejiang University to establish a platform for construction, building inspection and innovative research through industry-academia collaboration. The Group will also construct a joint research and development base with Zhongtian Construction Group (中天建設集團) to engage in industrial turnkey technology development and provide green construction solutions and applications, which will be applied towards our projects including Hangzhou Willow Breeze (杭州柳岸曉風), Shanghai Sincere Garden (上海誠園) (a project under project management) as pilot areas for application. The Group will gradually transform its professional technologies into Greentown's productivity and the core competitiveness of Greentown's products, thereby further enhancing the cost-effectiveness of Greentown's products.

In terms of service upgrades, in order to adapt to the trend of the Chinese society gradually stepping into the age of quality life, the Group will focus on the needs of Greentown's customers and property owners as well as the establishment and operations of Greentown Living Services Group. It will speed up the establishment of business system regarding the maintenance, repair, replacement and exchange services after the delivery of houses. We have established the first housing 4S shop in the PRC. At the same time, leveraging on tools such as the Internet and big data, and combining offline commercial physical shops with offline quality living service packages, the Group will launch a brand-new living services platform, further improving the living quality of its customers and the property owners.

In terms of financial control, the Group has implemented overall budget management with the assistance of expense control digital system, which takes into account all of the Company's operational activities in budgeting plans, and serves to optimize the expense standard and controlling initiatives based on the execution of budget. The Group has also set up a fund settlement center to assess its objectives, enhancing the coordination and management of funds, and raising the efficiency of the use of funds. Meanwhile, the Group has further reinforced the coordination of financing plans and the scientific basis of taxation planning, innovating the financial management model under the project management model. The Group has enlarged profit space and raised the profitability to track down every single item for realization, raised its profitability level and capability, and maintained an optimal cash flow and a reasonable gearing ratio.

In terms of talent incubation, the Greentown Group and Zhejiang University of Technology jointly organize the "Greentown fellow class" in which outstanding college undergraduates and post-graduate students are selected for systemic incubation in accordance with the Company's requirements, and through which, the Company will be able to identify distinctive college students in advance. The Group has initiated the "Greentown management school" and organized the second phase of "Rainbow Plan" programme for training of project general managers, so as to establish a base for talent incubation, strengthen its backbone team, and establish the structure of apprenticeship between the Company's senior managers and the backbone staff to meet the Company's demands for talents for its development. The Group adopts incentive mechanisms such as landing project simulating co-investment and actual co-investment and special incentive policy, maintains the market competitiveness of its remuneration incentive mechanisms, seeks to attract outstanding mid- and high-end talents, and rewards the value creators and value contributors to a high degree.

The total saleable housing area of Greentown Group in 2017 is estimated to reach 8.71 million sqm, with the total saleable amount of RMB149.3 billion. Thereinto, the Group will have 105 investment projects or projects for sales by phases. It is expected that the total saleable housing area can reach 5.71 million sqm, and overall saleable amount is expected to reach approximately RMB112.5 billion, of which, the saleable property inventories amounted to RMB55.7 billion, and the expected new saleable property inventories in 2017 is RMB56.8 billion. The saleable housing area in first-tier or second-tier cities is about 1.53 million sqm, and the saleable amount is approximately RMB43.5 billion, representing 38.7% of the saleable amount in 2017. The saleable housing area under the Greentown's projects under project management in 2017 is estimated to reach 3 million sqm, with the saleable amount of RMB36.8 billion.

With the full support of the Company's substantial shareholders including CCCG and The Wharf (Holdings) Limited, a Hong Kong blue chip enterprise, together with our founding shareholders (including Mr Song Weiping, a renowned entrepreneur in real estate industry in China), Greentown has developed professional development and management capabilities in investment and development, project management, assets operations, town construction, living services and other areas of the entire industrial chain. Meanwhile, during the course of its project development over the years, Greentown has attracted a large number of prestigious and loyal property owners across China with its high-quality and valued-added real estate products and excellent services. It has laid a solid foundation for Greentown's development in the future.

In the future, the Greentown Group will fully display all the characteristics of a mixed ownership enterprise, to promote diversified development in the five major segments of Greentown Real Estate, Greentown Project Management, Greentown Asset Management, Greentown Town Development and Greentown Living Services. We always strive to inherit Greentown's spirit in pursuit of the supreme qualities. We believe that the Group is leading the real estate industry with its revolutionary profit model, which will guide Greentown to fulfill its goal of becoming "the integrated service provider for ideal lifestyle", and to form the benchmark of a real estate enterprise incorporating the ideas of "beautiful architecture" and "beautiful life".

FINANCIAL ANALYSIS

Revenue

The revenue of the Group mainly derives from the sales of property, as well as from hotel operations, property rental, project management, sales of construction materials, and design and decoration, etc. During the Year, the revenue from property sales amounted to RMB25,521 million, accounting for 88.1% of the total revenue, and representing an increase of RMB2,195 million or 9.4% from RMB23,326 million in 2015. Such increase was mainly due to the increase in sales area of properties delivered. The total sales area of properties delivered in 2016 was 2,269,171 sqm, representing an increase of 40.9% from 1,610,818 sqm in 2015. The average selling price of properties delivered during the Year was RMB11,247 per sqm, representing a decrease of 22.3% from RMB14,481 per sqm in 2015, which was mainly due to the fact that a large proportion of projects delivered during the Year, such as Xinjiang Lily Apartment, Zibo Lily Garden, Fenghua Rose Garden, were located at third-tier and fourth-tier cities, affecting the average selling prices to a certain extent.

Properties with the revenue recognized by subsidiaries during 2016 were as follows:

Project	Type of Properties	Area Sold (<i>sqm</i>) (<i>Note</i>)	Sales Revenue (<i>RMB million</i>)	% of Total	Average Selling Price (<i>RMB/sqm</i>)
Hefei Jade Lake Rose Garden	High-Rise Apartment, Villa	263,506	2,719	10.7%	10,319
Hainan Blue Town	High-Rise Apartment, Villa	93,841	2,047	8.0%	21,813
Xinjiang Lily Apartment	High-Rise Apartment, Office	136,892	1,786	7.0%	13,047
Qingdao Ideal City	High-Rise Apartment, Low-Rise Apartment, Villa	134,452	1,780	7.0%	13,239
Zibo Lily Garden	High-Rise Apartment, Low-Rise Apartment, Villa	183,002	1,519	6.0%	8,300
Hangzhou Jade Garden	High-Rise Apartment	81,866	1,363	5.3%	16,649
Fenghua Rose Garden	High-Rise Apartment, Villa	121,491	1,283	5.0%	10,560
Jiande Chunjiang Mingyue	High-Rise Apartment	106,766	1,233	4.8%	11,549
Hangzhou Blue Patio	High-Rise Apartment, Low-Rise Apartment, Villa	147,748	1,176	4.6%	7,959
Zhuji Greentown Plaza	High-Rise Apartment, Villa	99,496	920	3.6%	9,247
Zhoushan Changzhidao	High-Rise Apartment	88,615	850	3.3%	9,592
Others		811,496	8,845	34.7%	10,900
Total		2,269,171	25,521	100.0%	11,247

Note: Area sold includes above ground and underground areas.

During the Year, projects in Zhejiang area (excluding Hangzhou) achieved sales revenue of RMB7,288 million, accounting for 28.6% of the property sales, ranking first among all regions. Projects in Hangzhou area achieved sales revenue of RMB6,001 million, accounting for 23.5% of the property sales, ranking second. Projects in Shandong area achieved sales revenue of RMB4,372 million, accounting for 17.1%, ranking third.

During the Year, revenue generated from sales of high-rise apartments, low-rise apartments and serviced apartments reached RMB17,653 million, accounting for 69.2% of the property sales; sales revenue of villas reached RMB6,760 million, accounting for 26.5%; and sales revenue of offices reached RMB1,108 million, accounting for 4.3%.

During the Year, the Group's design and decoration business recorded a revenue of RMB1,660 million, representing an increase of 51.0% from RMB1,099 million in 2015. Such increase was mainly due to the gradual expansion of its design and decoration business year by year, and a steady growth in the customer base as a result of the high degree of recognition among customer forwards the high-end fit-out products and services provided by the Group.

The Group's revenue from project management in 2016 amounted to RMB814 million, representing an increase of 8.8% from RMB748 million in 2015, mainly due to the fact that the Group in recent years has implemented our light assets operation model, whereby we continuously export and deliver externally the brand value of Greentown, management system and resources along the whole industry chain; each core advantage of project management business has been gradually recognized by the industry, and service customers increases and the business scale keeps expanding.

During the Year, the Group's revenue from hotel operations was RMB652 million, representing an increase of 11.6% from RMB584 million in 2015. The increase was mainly due to the additional revenue contributed by several hotels such as Hangzhou Azure Qianjiang Luxury Collection Hotel, Hainan Westin Blue Bay Resort and Zhoushan Westin Zhujiajian Resort, etc, which operations were mature as a result of their growing customer base in 2015. Furthermore, hotels, such as Sheraton Qingdao Licang Hotel, which commenced operations in previous years also recorded an increase in operational revenue as a result of their stable customer base.

During the Year, the Group's rental income from investment properties was RMB139 million, representing an increase of 12.1% as compared to that of RMB124 million 2015, mainly attributed by the rental income from Oakwood Residence Beijing. The occupancy rate of Oakwood Residence Beijing was 87.4%, representing a considerable increase from 83.6% in 2015.

Gross Profit Margin from Property Sales

During the Year, the Group's gross profit from property sales was RMB4,611 million and the gross profit margin of property sales was 18.1%, in line with 18.0% in 2015. Among the projects delivered during the Year, gross profit margin of a few properties, such as Zhuji Greentown Plaza, Cixi Grace Garden, Daqing Majestic Mansion, was very low (as a result of the macro control measures imposed by the central government on the real estate industry over the past few years). Excluding these properties, Group's gross profit margin from properties sales was 21.9%, higher than the comparable gross profit margin of 20.9% in 2015.

Other Income

During the Year, the Group realized other income of RMB977 million, representing an increase of RMB128 million from RMB849 million in 2015, mainly due to the increase of interest income of RMB168 million.

Selling and Administrative Expenses

The Group's selling and administrative expenses during the Year amounted to RMB1,347 million and RMB2,861 million, respectively, and RMB4,208 million in total, representing an increase of 10.7% from RMB3,802 million in 2015, which were mainly due to human resources cost and the increase of net foreign exchange loss. Excluding the impact of net foreign exchange loss, the selling and administrative expenses recorded an increase of 9.0% as compared with last year.

Human resources cost, which is the largest single expense item in selling and administrative expenses, amounted to RMB1,476 million in 2016 (2015: RMB1,237 million), representing an increase of 19.3% as compared with last year. The absolute amount of human resources cost increased as a result of the increased presales amount owing to the Group's greater effort to reduce inventories in response to the steady recovery of the real estate market. Expenses in marketing and related fees during the Year amounted to RMB599 million, representing a slight increase as compared with RMB584 million in 2015. During the Year, the daily operating expenses amounted to RMB929 million (2015: RMB991 million), representing a decrease of 6.3% as compared with that of last year. This decrease was mainly due to the Company strived to enhance the cost-effectiveness of marketing expenses and strictly controlled different expenses for better impacts by optimizing the costs and expenses management system.

The administrative expenses for the Year included a net foreign exchange loss of RMB528 million, representing an increase of RMB102 million from RMB426 million in 2015. The increase was mainly due to the appreciation of USD against RMB which caused the USD:RMB exchange rate to increase by approximately 6.7% and high amount of foreign currency borrowings of the Group. As at 31 December 2016, the Group had foreign currency borrowings and offshore senior notes with total amount of USD2,042 million (as at 31 December 2015: USD2,203 million).

Financing Cost

The total interest expenses during the Year was RMB3,468 million, representing an increase of RMB440 million from RMB3,028 million in 2015, mainly due to the increase in weighted average capital. The weighted average interest cost during the Year was 5.9% per annum, representing a remarkably improvement from 7.3% per annum in 2015. This decrease was mainly because the Group adopted a series of measures to adjust the debt structure of the Group in order to achieve a continuous reduction in financing cost and this included the successful completion of the exchange offer in relation to the offshore senior notes and the issuance of the domestic corporate bonds in the second half of 2015 and the early redemption of certain offshore senior notes in the first half of 2016. During the Year, the capitalized interest was RMB2,431 million, at a capitalization percentage of 70.1% which was in line with 70.7% in 2015. During the Year, interest expenses recorded in the consolidated statement of profit or loss and other comprehensive income was RMB1,037 million (2015: RMB886 million).

Share of Results of Joint Ventures and Associates

During the Year, the Group's share of results of joint ventures and associates amounted to an aggregate gain of RMB1,425 million, representing a decrease of RMB243 million from a gain of RMB1,668 million in aggregate in 2015. The Group's share of results of joint ventures and associates in 2015 included the revenue from disposal of the real estate projects held by Shanghai Sunac Greentown Investment Holdings Co., Ltd. and Sunac Greentown Investment Holdings Limited. The share of results of these two associates of the Group for 2015 amounted to RMB714 million in aggregate. Excluding the impact of this factor, the share of results of joint ventures and associates for the year, represented an increase of RMB471 million, or 49.4%, from RMB954 million as per the comparable data of the previous year.

Hangzhou Wulin No. 1, the project delivered in the Year, was a high-end fit-out apartment project, with a higher average selling price, a lower land acquisition price, and a relatively higher gross profit margin from property sales, which, to a certain extent, has lifted the share of the results of associates for the Year.

Projects with the revenue recognized by joint ventures and associates in 2016 were as follows:

Projects	Category	Type of Properties	Area Sold (<i>sqm</i>) (<i>Note</i>)	Sales Revenue (<i>RMB million</i>)	% of Total	Average Selling Price (<i>RMB/sqm</i>)
Jinan Lily Garden	Joint Venture	High-Rise Apartment	188,833	1,633	5.7%	8,648
Yuyao Mingyuan	Joint Venture	High-Rise Apartment, Villa	141,076	1,554	5.5%	11,015
Hangzhou Zhijiang No. 1	Joint Venture	High-Rise Apartment	82,576	1,495	5.3%	18,105
Hangzhou Wulin No. 1	Associate	High-Rise Apartment	101,100	5,853	20.6%	57,893
Yiwu Rose Garden	Associate	High-Rise Apartment, Villa	244,087	4,234	14.9%	17,346
Shanghai Changfeng Center	Associate	High-Rise Apartment, Office	53,287	1,708	6.0%	32,053
Hangzhou Idyllic Garden	Associate	High-Rise Apartment, Villa	82,312	1,452	5.1%	17,640
Jinan National Games Project	Associate	High-Rise Apartment, Villa	117,979	1,417	5.0%	12,011
Others			665,643	9,068	31.9%	13,623
Total			1,676,893	28,414	100.0%	16,944

Note: Area sold includes above ground and underground areas.

Taxation Expenses

During the Year, taxation included the LAT of RMB431 million (2015: RMB861 million) and enterprise income tax of RMB1,095 million (2015: RMB814 million). During the Year, the effective enterprise income tax rate was 37.2% (excluding share of results of joint ventures and associates and the losses of certain offshore subsidiaries), higher than the statutory tax rate of 25.0%. It was mainly attributable to the early provision for withholding tax on dividend, the unrecognized deferred tax assets of the losses of certain onshore subsidiaries, fair value change on cross currency swaps, fair value changes on early redemption options of senior notes and the tax effect of certain non-deductible expenses.

Gain from Changes in Fair Value of Investment Properties

Investment property is a property held for rental earning and measured at fair value. The Group commissioned DTZ Debenham Tie Leung Limited to provide assessments on investment properties. According to the results of the assessment, the gain from changes in fair value of investment properties amounted to RMB50 million in 2016 (2015: a gain of RMB40 million).

Fair Value Changes on Cross Currency Swaps

In May 2013, the Company issued senior notes in an amount of RMB2,500 million and entered into several cross currency swap contracts with BOCI Financial Products Limited, Standard Chartered Bank (Hong Kong) Limited, and Industrial & Commercial Bank of China (Asia) Limited. Those cross currency swaps have been settled in the Year. The fair value changes on such cross currency swaps realized a gain of RMB56 million (2015: a loss of RMB129 million).

Fair Value Changes on Early Redemption Options of Senior Notes

All of the senior notes of the Group contain early redemption options. Early redemption options are regarded as embedded derivatives not closely related to the host contracts. During the Year, the fair value changes on early redemption options of senior notes was a loss of RMB101 million (2015: a gain of RMB258 million.), which was mainly due to the exercise of the early redemption options on expired 2018 senior notes.

Provision and Reversal of Provision for Impairment Losses for Certain Assets

In light of the rapid movement of market environment, the Group commissioned DTZ Debenham Tie Leung Limited to provide assessments on certain properties. According to the results of the assessment, Zhoushan Putuo Greentown Industry Investment Co., Ltd., a subsidiary of the Company, recognized a reversal of impairment provision of RMB35 million in 2016 (2015: a reversal of impairment provision of RMB25 million), and Xinchang Greentown Real Estate Co., Ltd., a subsidiary of the Company, recognized a reversal of impairment provision of RMB3 million for its hotel properties (2015: a reversal of impairment provision of RMB6 million).

The Group provided for impairment loss of certain subsidiaries for their completed properties for sale during the Year as follows:

Company	Project	Impairment Loss (RMB million)
Greentown Hengji Daqing	Daqing Majestic Mansion	20
Zhuji Yuedu	Zhuji Greentown Plaza	20
Zhejiang Hongshun	Lin'an Mantuo Garden	13
Taizhou Greentown Taiye Real Estate Development Co., Ltd.	Taizhou Ningjiang Mingyue	8
Anhui Greentown Rose Garden Real Estate Development Co., Ltd.	Hefei Jade Lake Rose Garden	8
Total		69

In addition, an impairment loss of RMB82 million (2015: RMB98 million) was made on the amount due from Shaoxing Greentown Baoye Real Estate Development Co., Ltd. (Shaoxing Jade Garden), a joint venture of the Group.

Pre-sale Deposits

Pre-sale deposits represent the amounts received from the pre-sale of properties. The amounts will be recognized as sales revenue upon delivery of properties. As at 31 December 2016, the balance of pre-sale deposits of the Group was RMB38,423 million, representing an increase of RMB16,200 million or 72.9% from RMB22,223 million as at 31 December 2015.

As at 31 December 2016, the balance of pre-sale deposits of joint ventures and associates was RMB50,905 million, representing an increase of RMB20,266 million or 66.1% from RMB30,639 million as at 31 December 2015.

The significant increase in the above-mentioned pre-sales deposits was mainly due to the fact that housing reserves and new housing reserves of the Greentown Group had higher sales rate, as well as the sales capital had a higher return rate, during the Year.

Financial Resources and Liquidity

As at 31 December 2016, the Group had bank balances and cash (including pledged bank deposits) of RMB24,971 million (as at 31 December 2015: RMB18,239 million). Total borrowings amounted to RMB47,834 million (as at 31 December 2015: RMB44,994 million) and the net borrowings (total borrowings less bank balances and cash) amounted to RMB22,863 million (as at 31 December 2015: RMB26,775 million). The net gearing ratio (measured by net borrowings over net assets) was 58.1%, representing a significant improvement as compared to 73.0% as at 31 December 2015, which was mainly due to the fact that the Group actively expanded sales activities and promoted the reduction of inventories, achieving continuous breakthroughs in sales, and returning more capital from the sales, as well as our prudent approach in land acquisition, as a result of which we had not purchased any land at a high price.

Greentown Group has obtained facilities of more than RMB150 billion from financial institutions, of which approximately RMB34 billion had been actually utilized as at 31 December 2016.

Material Acquisitions and Disposals

During the Year, the shareholders of Bluetown Real Estate Construction Management Group Co., Ltd. (“Bluetown”), a subsidiary of the Company at the relevant time, underwent a restructuring of Bluetown by way of demerging and continuing it into two entities, namely Hangzhou Bluetown Zhixin Construction Management Group Co., Ltd. (“New Bluetown”) and Bluetown (i.e. the original entity after the restructuring). In connection with the aforesaid restructuring, on 25 June 2016, the Group entered into an acquisition agreement and the disposal agreement, pursuant to which the Group agreed to (i) acquire the remaining 64.6% equity interest in New Bluetown from the other shareholders at an adjusted total consideration of approximately RMB926 million, and (ii) dispose of its 35.4% equity interest in Bluetown (after the restructuring) to Mr Song Weiping at an adjusted total consideration of approximately RMB135 million, respectively. As at 31 December 2016, the Group has paid approximately RMB617 million of the consideration for the acquisition of New Bluetown, and has received approximately RMB76 million of the consideration for the disposal of Bluetown. Upon completion of the acquisition and the disposal, New Bluetown has become

a wholly-owned subsidiary of the Company and the Company has ceased to hold any interest in Bluetown. In addition to the above, on 25 June 2016, the Group entered into another acquisition agreement pursuant to which, Greentown Real Estate Group Co. Ltd., a subsidiary of the Company, agreed to acquire 60% equity interests in Ningbo Innovative District Intellectual Greentown Construction Co., Ltd. at the total consideration of approximately RMB103 million from Bluetown. For further details of the above transactions, please refer to the Company's announcement dated 25 June 2016 and the Company's circular dated 16 August 2016.

On 21 November 2016, the Group and an independent third party entered into a property rights trade contract pursuant to which the Group agreed to dispose of 24% equity interest held in an associate named China Investment Development Co., Ltd., at a consideration of RMB684 million. The disposal increased the profit attributable to owners of the Company by RMB575 million for the Year.

Risks of Foreign Exchange Fluctuation

The principal place of operation of the Group is the People's Republic of China, and the majority of the income and expenditure were transacted in Renminbi. The Group had deposits in foreign currencies, amounts due from and to related parties denominated in foreign currencies, and amounts due from and to the third parties denominated in foreign currencies, as well as bank borrowings and overseas senior notes balance at an aggregate amount of approximately USD2,042 million. As such, the Group was exposed to exchange rate risk. However, the Group's operating cash flow and liquidity is not subject to significant influence from fluctuations in exchange rates. However, the Company is still actively discussing with major banks on the foreign exchange hedging arrangement, no foreign exchange hedging arrangements was entered into as at 31 December 2016.

Financial Guarantees

The Group provided financial guarantees to banks for mortgage facilities granted to buyers of the Group's properties. As at 31 December 2016, such financial guarantees amounted to RMB27,361 million (as at 31 December 2015: RMB21,845 million).

Pledge of Assets

As at 31 December 2016, the Group pledged buildings, hotels, construction in progress, prepaid lease payment, investment properties, properties for development, properties under development, completed properties for sale, pledged bank deposits, interests in joint ventures and interests in associates, with an aggregate carrying value of RMB37,698 million (as at 31 December 2015: RMB29,370 million) to secure general credit facilities granted by banks and other financial institutions to the Group.

Capital Commitments

As at 31 December 2016, the Group had contracted, but not provided for, capital expenditure commitments of RMB11,000 million (as at 31 December 2015: RMB16,465 million) in respect of properties for development, properties under development and construction in progress.

CAPITAL EXPENDITURE PLAN

In consideration of the complicated and highly uncertain economic environment, the Group takes a prudent approach towards the use of funds to secure the capital chain. Currently the Group has no material capital expenditure plan.

EVENTS AFTER THE BALANCE SHEET DATE

On 14 February 2017, the Group has obtained approval from the National Association of Financial Market Institutional Investors of the PRC for the issuance of medium-term notes with an aggregate principal amount of RMB8,900,000,000. On 3 March 2017, the Group completed the issuance of the first tranche of the medium-term notes with an aggregate principal amount of RMB3,000,000,000, with a term of five years and a coupon rate of 5.5% per annum.

PURCHASE, SALE OR REDEMPTION OF THE LISTED SECURITIES OF THE COMPANY

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities during the Year.

HUMAN RESOURCES

As at 31 December 2016, the Group employed a total of 5,334 employees (2015:5,328). The employees of the Group were remunerated on the basis of their performance, experience and prevailing industry practices. The Group's remuneration policies and packages were reviewed by the remuneration committee of the Company and the Board on a regular basis. As an incentive for the employees, bonuses and cash awards may also be granted to the employees based on their individual performance evaluation.

CORPORATE GOVERNANCE CODE OF THE LISTING RULES

In the opinion of the Board, the Company had complied with the requirements of all the applicable code provisions set out in the Corporate Governance Code contained in Appendix 14 to the Rules Governing the Listing of Securities (the "Listing Rules") on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") throughout the Year.

MODEL CODE OF THE LISTING RULES

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 to the Listing Rules as the Company's code for dealing in securities of the Company by the Directors. Relevant employees who are likely to be in possession of unpublished inside information of the Group are also subject to compliance with the written guidelines on same terms as the Model Code.

AUDIT COMMITTEE

The audit committee of the Company (the “Audit Committee”) has reviewed the accounting principles and practices adopted by the Group and discussed the audit objectives, the scopes and the report of the internal audit department of the Group. The results of the Group for the year ended 31 December 2016 have been reviewed by the Audit Committee.

FORWARD LOOKING STATEMENTS

This announcement includes forward-looking statements. These forward-looking statements can be identified by the use of forward-looking terminology, including the terms “believe”, “estimate”, “anticipate”, “expect”, “intend”, “may”, “will” or “should” or, in each case, their negative, or other variations or similar terminology. These forward-looking statements include all matters that are not historical facts. They appear in a number of places throughout this announcement and include statements regarding our intentions, beliefs or current expectations concerning, among other things, our results of operations, financial condition, liquidity, prospects and growth strategies, and the industry in which the Greentown Group operates.

By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. We caution you that forward-looking statements are not guarantees of future performance and that our actual results of operations, financial condition and liquidity, and the development of the industry in which the Greentown Group operates may differ materially from those made in, or suggested by, the forward-looking statements contained in this announcement. In addition, even if our results of operations, financial condition and liquidity, and the development of the industry in which the Greentown Group operates are consistent with the forward – looking statements contained in this announcement, those results or developments may not be indicative of results or developments in subsequent periods.

ANNUAL GENERAL MEETING

The forthcoming annual general meeting of the Company (the “AGM”) is proposed to be held on 16 June 2017 (Friday). A notice convening the AGM will be published and dispatched to the shareholders of the Company (the “Shareholders”) in the manner as required by the Listing Rules in due course.

DIVIDENDS

The Board recommends the payment of a final dividend of RMB0.12 per share for the year ended 31 December 2016 (the “2016 Final Dividend”) to the ordinary Shareholders whose names appear on the Company’s register of members as of 26 June 2017 (Monday) (2015: nil). Subject to approval of Shareholders at the AGM, the 2016 Final Dividend is expected to be paid before the end of July 2017.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed during the following periods:

- (i) From 13 June 2017 (Tuesday) to 16 June 2017 (Friday), both days inclusive, during which period no transfer of shares will be registered, for the purpose of ascertaining Shareholders' entitlement to attend and vote at the AGM. In order to be eligible to attend and vote at the AGM, all transfers accompanied by the relevant share certificates must be lodged with the Company's branch share register 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 no later than 4:30 p.m. on 12 June 2017 (Monday); and
- (ii) From 22 June 2017 (Thursday) to 26 June 2017 (Monday), both days inclusive, during which period no transfer of shares will be registered, for the purpose of ascertaining Shareholders' entitlement to the 2016 Final Dividend, if approved by the Shareholders at the AGM. In order to be eligible to the 2016 Final Dividend, all transfers accompanied by the relevant share certificates must be lodged with the Company's branch share register 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 no later than 4:30 p.m. on 21 June 2017 (Wednesday).

PUBLICATION OF ANNUAL REPORT

The annual report of the Group for the year ended 31 December 2016 containing all the information required by the Listing Rules will be dispatched to the Shareholders and published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.chinagreentown.com).

APPRECIATION

The Board would like to take this opportunity to express gratitude to our shareholders, customers, suppliers, banks, professional parties and employees for their continuous patronage and support.

By order of the Board
Greentown China Holdings Limited
Fung Ching, Simon
Company Secretary

Hangzhou, the PRC
24 March 2017

As at the date of this announcement, 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.