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

绿城中国
GREENTOWN

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 2019

HIGHLIGHTS

- Total contracted sales achieved RMB201.8 billion, representing a year-on-year increase of 29%;
- 54 projects were newly added, with a total GFA of approximately 12.36 million sqm and estimated saleable amount of RMB205.7 billion;
- Revenue amounted to RMB61.593 billion, representing a year-on-year increase of 2.1%; Profit before taxation amounted to RMB9.953 billion, representing a year-on year increase of 25.9%;
- Profit attributable to owners of the Company amounted to RMB2.48 billion, representing a year-on-year increase of 147.3%; core net profit attributable to the shareholders amounted to RMB4.336 billion, representing a year-on-year increase of 14.2%;
- As at 31 December 2019, bank balances and cash (including pledged bank deposits) totaled RMB51.894 billion (as at 31 December 2018: RMB48.219 billion); net gearing ratio was 63.2%, which continuously remained at a reasonable level;
- The weighted average interest cost of total borrowings was 5.3% per annum;
- Basic earnings per share was RMB0.55, representing a year-on-year increase of 205.6%; the Board has recommended payment of a final dividend of RMB0.30 per share for the year ended 31 December 2019 (2018: RMB0.23 per share).

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 2019 (the "Year") prepared in accordance with the International Financial Reporting Standards, together with comparative audited figures for the year ended 31 December 2018. The following financial information is extracted from the audited consolidated financial statements in the Group's 2019 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 2019

	NOTES	2019 RMB'000	2018 RMB'000
Revenue		**61,592,939**	60,302,510
Cost of sales		**(45,952,531)**	(46,550,157)
Gross profit		**15,640,408**	13,752,353
Other income	4	**2,667,245**	1,860,271
Other gains and losses	5	**(40,372)**	(509,950)
Selling expenses		**(2,096,820)**	(1,844,396)
Administrative expenses		**(4,297,225)**	(3,895,426)
Finance costs	6	**(1,570,860)**	(1,551,663)
Impairment losses under expected credit loss model, net of reversal	7	**(796,887)**	(1,282,734)
Impairment losses on non-financial assets, net of reversal	8	**(579,195)**	(452,100)
(Loss) gain from changes in fair value of investment properties		**(41,866)**	132,128
Gain on re-measurement of an associate and joint ventures to acquisition date fair value in business combination achieved in stages		**43,487**	686,352
Net gain on disposal of subsidiaries		**98,269**	509,040
Share of results of associates		**1,002,893**	325,582
Share of results of joint ventures		**(75,951)**	174,515
Profit before taxation		**9,953,126**	7,903,972
Taxation	9	**(6,017,704)**	(5,528,742)
Profit for the year		**3,935,422**	2,375,230
Other comprehensive income:			
Item that will not be reclassified to profit or loss:			
Fair value gain on equity instruments at fair value through other comprehensive income		**256,752**	178,192
Other comprehensive income for the year (net of tax)		**256,752**	178,192
Total comprehensive income for the year		**4,192,174**	2,553,422

	NOTE	**2019**	2018
		RMB'000	*RMB'000*
Profit for the year attributable to:			
Owners of the Company		**2,480,232**	1,003,285
Non-controlling interests		**1,455,190**	1,371,945
		3,935,422	2,375,230
Total comprehensive income for the year attributable to:			
Owners of the Company		**2,736,984**	1,181,477
Non-controlling interests		**1,455,190**	1,371,945
		4,192,174	2,553,422
Earnings per share	*11*		
Basic		**RMB0.55**	RMB0.18
Diluted		**RMB0.55**	RMB0.18

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2019

	NOTE	2019 RMB'000	2018 RMB'000
NON-CURRENT ASSETS			
Property, plant and equipment		**9,817,931**	9,399,753
Right-of-use assets		**1,038,724**	–
Prepaid lease payment		**–**	896,967
Investment properties		**4,032,818**	4,066,128
Goodwill		**769,241**	769,241
Interests in associates		**12,084,907**	8,998,556
Interests in joint ventures		**3,869,730**	1,839,788
Equity instruments at fair value through other comprehensive income		**1,511,985**	1,275,682
Rental paid in advance		**–**	18,332
Deferred tax assets		**3,238,893**	2,363,550
Deposit for acquisition of an associate		**–**	2,718,000
		36,364,229	32,345,997
CURRENT ASSETS			
Properties for development		**30,907,247**	22,842,799
Properties under development		**136,615,966**	117,876,867
Completed properties for sale		**12,167,498**	10,972,736
Inventories		**203,711**	119,503
Trade and other receivables, deposits and prepayments	12	**11,312,810**	6,253,199
Contract assets		**2,815,007**	1,887,085
Contract costs		**336,467**	332,268
Amounts due from related parties		**46,378,836**	31,847,932
Prepaid income taxes		**3,559,887**	3,068,258
Prepaid other taxes		**4,440,223**	3,996,968
Pledged bank deposits		**5,326,761**	4,871,831
Bank balances and cash		**46,567,729**	43,347,301
		300,632,142	247,416,747
Assets classified as held for sale		**95,747**	–
		300,727,889	247,416,747

	NOTE	2019 RMB'000	2018 RMB'000
CURRENT LIABILITIES			
Trade and other payables	*13*	**43,453,333**	29,285,142
Contract liabilities		**76,324,981**	66,266,875
Amounts due to related parties		**28,653,456**	26,728,482
Income taxes payable		**10,473,519**	7,690,830
Other taxes payable		**8,420,517**	1,984,054
Lease liabilities		**27,397**	–
Bank and other borrowings		**13,950,984**	13,482,996
Senior notes		**7,712,382**	–
Corporate debt instruments		**11,643,848**	3,998,222
Receipts under securitisation arrangements		**1,633,966**	–
		202,294,383	149,436,601
Liabilities associated with assets classified as held for sale		**70,409**	–
		202,364,792	149,436,601
NET CURRENT ASSETS		**98,363,097**	97,980,146
TOTAL ASSETS LESS CURRENT LIABILITIES		**134,727,326**	130,326,143
NON-CURRENT LIABILITIES			
Bank and other borrowings		**45,642,189**	36,158,356
Senior notes		**–**	3,355,113
Corporate debt instruments		**14,993,416**	22,868,377
Receipts under securitisation arrangements		**–**	1,595,196
Lease liabilities		**89,038**	–
Deferred tax liabilities		**4,847,211**	6,230,261
		65,571,854	70,207,303
		69,155,472	60,118,840
CAPITAL AND RESERVES			
Share capital		**209,694**	209,501
Reserves		**27,434,904**	27,364,909
Equity attributable to owners of the Company		**27,644,598**	27,574,410
Perpetual securities		**21,229,002**	15,408,315
Non-controlling interests		**20,281,872**	17,136,115
		69,155,472	60,118,840

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

1. GENERAL

Greentown China Holdings Limited (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 AMENDMENTS TO INTERNATIONAL FINANCIAL REPORTING STANDARDS ("IFRSs")

New and Amendments to IFRSs that are mandatorily effective for the current year

The Group has applied the following new and amendments to IFRSs issued by the International Accounting Standards Board ("IASB") for the first time in the current year:

IFRS 16	Leases
IFRIC 23	Uncertainty over Income Tax Treatments
Amendments to IFRS 9	Prepayment Features with Negative Compensation
Amendments to IAS 19	Plan Amendment, Curtailment or Settlement Contracts
Amendments to IAS 28	Long-term Interests in Associates and Joint Ventures
Amendments to IFRSs	Annual Improvements to IFRSs 2015-2017 Cycle

Except as described below, the application of the new and amendments to IFRSs in the current year has had no material impact on the Group's financial performance and positions for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

IFRS 16 Leases

The Group has applied IFRS 16 for the first time in the current year. IFRS 16 superseded IAS 17 *Leases* ("IAS 17") and the related interpretations.

Definition of a lease

The Group has elected the practical expedient to apply IFRS 16 to contracts that were previously identified as leases applying IAS 17 and IFRIC 4 *Determining whether an Arrangement contains a Lease* and not apply this standard to contracts that were not previously identified as containing a lease. Therefore, the Group has not reassessed contracts which already existed prior to the date of initial application.

For contracts entered into or modified on or after 1 January 2019, the Group applies the definition of a lease in accordance with the requirements set out in IFRS 16 in assessing whether a contract contains a lease.

2. APPLICATION OF NEW AND AMENDMENTS TO INTERNATIONAL FINANCIAL REPORTING STANDARDS ("IFRSs") (continued)

IFRS 16 Leases (continued)

As a lessee

The Group has applied IFRS 16 retrospectively with the cumulative effect recognised at the date of initial application, 1 January 2019.

As 1 January 2019, the Group recognised additional lease liabilities and right-of-use assets at amounts equal to the related lease liabilities adjusted by any prepaid or accrued lease payments by applying IFRS 16.C8(b)(ii) transition. Any difference at the date of initial application is recognised in the opening retained profits and comparative information has not been restated.

When applying the modified retrospective approach under IFRS 16 at transition, the Group applied the following practical expedients to leases previously classified as operating leases under IAS 17, on lease-by-lease basis, to the extent relevant to the respective lease contracts:

i. relied on the assessment of whether leases are onerous by applying IAS 37 *Provisions, Contingent Liabilities and Contingent Assets* as an alternative of impairment review;

ii. elected not to recognise right-of-use assets and lease liabilities for leases with lease term ends within 12 months of the date of initial application;

iii. excluded initial direct costs from measuring the right-of-use assets at the date of initial application;

iv. applied a single discount rate to a portfolio of leases with a similar remaining terms for similar class of underlying assets in similar economic environment. Specifically, discount rate for certain leases of office buildings in the PRC was determined on a portfolio basis; and

v. used hindsight based on facts and circumstances as at date of initial application in determining the lease term for the Group's leases with extension and termination options.

2. APPLICATION OF NEW AND AMENDMENTS TO INTERNATIONAL FINANCIAL REPORTING STANDARDS ("IFRSs") (continued)

IFRS 16 Leases (continued)

As a lessee (continued)

When recognising the lease liabilities for leases previously classified as operating leases, the Group has applied incremental borrowing rates of the relevant group entities at the date of initial application. The weighted average incremental borrowing rate applied is 5.4%.

	At 1 January 2019
	RMB'000
Operating lease commitments disclosed as at 31 December 2018	222,828
Less: Recognition exemption – short-term leases	(38,385)
Eliminating the impact of value added taxes	(16,735)
Lease liabilities discounted at relevant incremental borrowing rates	(18,411)
Lease liabilities as at 1 January 2019	149,297
Analysed as:	
Current	56,717
Non-current	92,580
	149,297

The carrying amount of right-of-use assets as at 1 January 2019 comprises the following:

	Right-of-use assets
	RMB'000
Right-of-use assets recognised upon application of IFRS 16	149,297
Reclassified from rental paid in advance	18,332
Reclassified from prepaid lease payments	896,967
Reclassified from prepaid lease payments included in trade and other receivables, deposits and prepayments	26,154
Total	1,090,750
By class:	
Leasehold lands	923,121
Buildings	167,629
	1,090,750

Effective from 1 January 2019, leasehold lands which were classified as properties for/under development/completed properties for sale are measured under IFRS 16 at cost less any accumulated depreciation and any impairment losses.

2. APPLICATION OF NEW AND AMENDMENTS TO INTERNATIONAL FINANCIAL REPORTING STANDARDS ("IFRSs") (continued)

IFRS 16 Leases (continued)

As a lessor

In accordance with the transitional provisions in IFRS 16, the Group is not required to make any adjustment on transition for leases in which the Group is a lessor but account for these leases in accordance with IFRS 16 from the date of initial application and comparative information has not been restated.

No impact of transition to IFRS 16 on retained profits at 1 January 2019.

The following adjustments were made to the amounts recognised in the consolidated statement of financial position at 1 January 2019. Line items that were not affected by the changes have not been included.

	Carrying amounts previously reported at 31 December 2018	Adjustments	Carrying amounts under IFRS 16 at 1 January 2019
	RMB'000	*RMB'000*	*RMB'000*
Non-current Assets			
Prepaid lease payments	896,967	(896,967)	–
Right-of-use assets	–	1,090,750	1,090,750
Rental paid in advance	18,332	(18,332)	–
Current Assets			
Trade and other receivables, deposits and prepayments	6,253,199	(26,154)	6,227,045
Current Liabilities			
Lease liabilities	–	56,717	56,717
Non-current liabilities			
Lease liabilities	–	92,580	92,580

3. REVENUE AND SEGMENT INFORMATION

(i) Disaggregation of revenue from contracts with customers

	For the year ended 31 December 2019						
	Property sales *RMB'000*	**Hotel operations** *RMB'000*	**Project management** *RMB'000*	**Design and decoration** *RMB'000*	**Sales of construction materials** *RMB'000*	**Other business** *RMB'000*	**Total** *RMB'000*
Recognised at a point in time	**38,830,713**	**–**	**–**	**–**	**106,511**	**1,366,003**	**40,303,227**
Recognised over time	**15,602,151**	**878,271**	**1,828,968**	**2,815,922**	**–**	**–**	**21,125,312**
Revenue from contracts with customers	**54,432,864**	**878,271**	**1,828,968**	**2,815,922**	**106,511**	**1,366,003**	**61,428,539**

	For the year ended 31 December 2018						
	Property sales *RMB'000*	Hotel operations *RMB'000*	Project management *RMB'000*	Design and decoration *RMB'000*	Sales of construction materials *RMB'000*	Other business *RMB'000*	Total *RMB'000*
Recognised at a point in time	45,937,061	–	–	–	29,127	247,044	46,213,232
Recognised over time	9,337,145	776,452	1,366,485	2,523,700	–	–	14,003,782
Revenue from contracts with customers	55,274,206	776,452	1,366,485	2,523,700	29,127	247,044	60,217,014

(ii) Segment information

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 non-current 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 Project management

For the property development reportable segment, 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.

3. REVENUE AND SEGMENT INFORMATION (continued)

(ii) Segment information (continued)

For the hotel operations reportable segment, 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 reportable segment, 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.

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

Other operating segments include sales of construction materials, design and decoration and other business. None of these segments meet the quantitative thresholds for the reportable segments in both current and prior year. Accordingly, these are grouped in “Others”.

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 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 in the Group’s 2019 annual report.

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

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

3. **REVENUE AND SEGMENT INFORMATION** (continued)

(ii) **Segment information** (continued)

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

	Property development *RMB'000*	**Hotel operations** *RMB'000*	**Property investment** *RMB'000*	**Project management** *RMB'000*	**Others** *RMB'000*	**Segment total** *RMB'000*	**Eliminations** *RMB'000*	**Total** *RMB'000*
For the year ended 31 December 2019								
Revenue from contracts with customers	**54,432,864**	**878,271**	**–**	**1,828,968**	**4,288,436**	**61,428,539**	**–**	**61,428,539**
Rental income	**–**	**–**	**164,400**	**–**	**–**	**164,400**	**–**	**164,400**
Total external segment revenue	**54,432,864**	**878,271**	**164,400**	**1,828,968**	**4,288,436**	**61,592,939**	**–**	**61,592,939**
Inter-segment revenue	**–**	**1,090**	**–**	**240,707**	**1,588,297**	**1,830,094**	**(1,830,094)**	**–**
Total	**54,432,864**	**879,361**	**164,400**	**2,069,675**	**5,876,733**	**63,423,033**	**(1,830,094)**	**61,592,939**
Segment results	**3,697,880**	**40,205**	**100,223**	**381,124**	**12,057**	**4,231,489**	**(1,090)**	**4,230,399**
Unallocated administrative expenses								**(172,241)**
Unallocated other income								**3,052**
Unallocated finance costs								**(10,493)**
Unallocated taxation								**(115,295)**
Profit for the year								**3,935,422**

	Property development *RMB'000*	Hotel operations *RMB'000*	Property investment *RMB'000*	Project management *RMB'000*	Others *RMB'000*	Segment total *RMB'000*	Eliminations *RMB'000*	Total *RMB'000*
For the year ended 31 December 2018								
Revenue from contracts with customers	55,274,206	776,452	–	1,366,485	2,799,871	60,217,014	–	60,217,014
Rental income	–	–	85,496	–	–	85,496	–	85,496
Total external segment revenue	55,274,206	776,452	85,496	1,366,485	2,799,871	60,302,510	–	60,302,510
Inter-segment revenue	–	2,045	–	65,892	1,361,254	1,429,191	(1,429,191)	–
Total	55,274,206	778,497	85,496	1,432,377	4,161,125	61,731,701	(1,429,191)	60,302,510
Segment results	2,101,885	98,181	103,613	345,475	45,066	2,694,220	8,041	2,702,261
Unallocated administrative expenses								(264,670)
Unallocated other income								40,591
Unallocated finance costs								(3,780)
Unallocated taxation								(99,172)
Profit for the year								2,375,230

3. REVENUE AND SEGMENT INFORMATION (continued)

(ii) Segment information (continued)

Segment assets and liabilities

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

Segment assets

	2019	2018
	RMB'000	*RMB'000*
Property development	**311,117,245**	256,113,218
Hotel operations	**8,922,880**	9,483,752
Property investment	**4,183,051**	4,189,650
Project management	**3,164,715**	2,057,916
Others	**8,225,251**	6,820,664
Total segment assets	**335,613,142**	278,665,200
Unallocated	**1,478,976**	1,097,544
Consolidated assets	**337,092,118**	279,762,744

Segment liabilities

	2019	2018
	RMB'000	*RMB'000*
Property development	**257,604,573**	211,484,567
Hotel operations	**251,621**	292,476
Property investment	**1,077,581**	635,451
Project management	**1,355,663**	1,012,518
Others	**6,733,581**	5,387,529
Total segment liabilities	**267,023,019**	218,812,541
Unallocated	**913,627**	831,363
Consolidated liabilities	**267,936,646**	219,643,904

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

- all assets are allocated to operating segments other than certain bank balances and cash, pledge bank deposits, property, plant and equipment, equity instruments at FVTOCI, trade and other receivables, deposits and prepayments, prepaid income taxes, prepaid other taxes and amounts due from related parties pertaining to non-operating group entities.

- all liabilities are allocated to operating segments other than certain trade and other payables, amounts due to related parties, income taxes payable, other taxes payable and deferred tax liabilities pertaining to non-operating group entities.

3. REVENUE AND SEGMENT INFORMATION (continued)

(ii) Segment information (continued)

Other segment information

For the year ended 31 December 2019

	Property development *RMB'000*	Hotel operations *RMB'000*	Property investment *RMB'000*	Project Management *RMB'000*	Others *RMB'000*	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 *(note)*	18,517,576	172,508	92,640	19,418	142,233	18,944,375	80,146	19,024,521
Interests in associates	11,285,655	–	–	55,554	743,698	12,084,907	–	12,084,907
Interests in joint ventures	3,832,241	–	–	37,489	–	3,869,730	–	3,869,730
Impairment loss on financial assets, net of reversal	778,049	–	–	7,775	(7,117)	778,707	18,180	796,887
Impairment loss on non-financial assets, net of reversal	513,551	65,644	–	–	–	579,195	–	579,195
Loss from changes in fair value of investment properties	–	–	25,001	16,865	–	41,866	–	41,866
Gain on re-measurement of an associate to acquisition date fair value in business combination achieved in stages	(43,487)	–	–	–	–	(43,487)	–	(43,487)
Net gain on disposal of subsidiaries	(113,383)	–	–	–	15,130	(98,253)	(16)	(98,269)
Depreciation of property, plant and equipment	185,595	293,107	53	11,548	16,606	506,909	2,877	509,786
Depreciation of right-of-use assets	43,324	25,173	1,554	3,698	28,028	101,777	2,551	104,328
Loss on disposal of property, plant and equipment	15,297	–	–	793	497	16,587	–	16,587
Interest income	(1,411,641)	(1,791)	(11,158)	(17,100)	(55,074)	(1,496,764)	(191,207)	(1,687,971)
Finance costs	1,468,647	7,895	63,027	1,573	19,225	1,560,367	10,493	1,570,860
Share of results of associates	(1,009,501)	–	–	6,605	–	(1,002,896)	3	(1,002,893)
Share of results of joint ventures	60,569	–	–	15,382	–	75,951	–	75,951
Taxation	5,705,982	3,976	3,685	136,563	52,203	5,902,409	115,295	6,017,704

3. **REVENUE AND SEGMENT INFORMATION** (continued)

(ii) **Segment information** (continued)

Other segment information (continued)

For the year ended 31 December 2018

	Property development *RMB'000*	Hotel operations *RMB'000*	Property investment *RMB'000*	Project Management *RMB'000*	Others *RMB'000*	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 (note)	3,332,957	1,281,509	1,114,433	144,361	324,316	6,197,576	4,509	6,202,085
Interests in associates	8,364,698	–	–	58,561	488,212	8,911,471	87,085	8,998,556
Interests in joint ventures	1,831,350	–	–	8,438	–	1,839,788	–	1,839,788
Impairment loss on financial assets, net of reversal	1,206,182	–	–	–	15,729	1,221,911	60,823	1,282,734
Impairment loss on non-financial assets, net of reversal	468,875	(16,775)	–	–	–	452,100	–	452,100
Gain from changes in fair value of investment properties	–	–	(132,128)	–	–	(132,128)	–	(132,128)
Gain on re-measurement of joint ventures to acquisition date fair value in business combination achieved in stages	(686,352)	–	–	–	–	(686,352)	–	(686,352)
Net gain on disposal of subsidiaries	(509,194)	–	–	170	–	(509,024)	(16)	(509,040)
Depreciation of property, plant and equipment	171,842	256,174	10	11,336	11,383	450,745	1,360	452,105
Loss (gain) on disposal of property, plant and equipment	(251)	6	–	3,700	17,578	21,033	7	21,040
Interest income	(1,111,022)	(381)	(29)	(6,383)	(6,798)	(1,124,613)	(405,827)	(1,530,440)
Finance costs	1,514,115	6,321	12,846	327	14,274	1,547,883	3,780	1,551,663
Share of results of associates	(327,271)	–	–	1,684	2	(325,585)	3	(325,582)
Share of results of joint ventures	(201,944)	–	–	27,429	–	(174,515)	–	(174,515)
Taxation	5,293,594	4,593	51,601	–	79,782	5,429,570	99,172	5,528,742

Note: Non-current assets mainly included property, plant and equipment, investment properties (excluding loss (gain) from changes in fair value of investment properties), right-of-use assets, 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

	2019	2018
	RMB'000	*RMB'000*
Interest income	**1,687,971**	1,530,440
Government grants *(note)*	**69,662**	15,151
Dividends from equity instruments at FVTOCI	**105,179**	70,807
Default penalty income	**463,885**	–
Others	**340,548**	243,873
	2,667,245	1,860,271

Note: These grants are unconditional and accounted for as immediate financial support with neither future related costs expected to be incurred nor related to any assets.

5. OTHER GAINS AND LOSSES

	2019	2018
	RMB'000	*RMB'000*
Net foreign exchange losses	**(268,181)**	(487,841)
Net loss on disposal of property, plant and equipment and right-of-use assets	**(16,587)**	(21,040)
Gain (loss) on disposal of associates	**478**	(1,069)
Gain on acquisition of associates at discount *(note)*	**243,918**	–
	(40,372)	(509,950)

Note: The gain on acquisition of associates is mainly from the acquisition of Shanghai Xinhu Real Estate Development Co., Ltd. ("Shanghai Xinhu Real Estate").

6. FINANCE COSTS

	2019	2018
	RMB'000	*RMB'000*
Interest on bank and other borrowings and amounts due to related parties	**4,252,824**	3,803,559
Interest on senior notes	**278,068**	240,556
Interest on corporate debt instruments	**1,386,900**	1,292,779
Interest on receipts under securitisation arrangements	**82,684**	79,768
Interest on leases	**9,006**	–
	6,009,482	5,416,662
Less: capitalised in properties under development and construction in progress	**(4,438,622)**	(3,864,999)
	1,570,860	1,551,663

Borrowing costs capitalised during the year arose on the specific loan and general borrowing pool and are calculated by applying a capitalisation rate of 5.3% (2018: 5.4%) per annum to expenditure on the development of properties for sale and for own use.

7. IMPAIRMENT LOSSES UNDER EXPECTED CREDIT LOSS MODEL, NET OF REVERSAL

	2019 RMB'000	2018 RMB'000
Impairment losses recognised (reversed) on:		
Contract assets	**17,316**	–
Trade receivables	**(23,029)**	13,590
Other receivables and amounts due from related parties	**802,600**	1,269,144
	796,887	1,282,734

8. IMPAIRMENT LOSSES ON NON-FINANCIAL ASSETS, NET OF REVERSAL

	2019 RMB'000	2018 RMB'000
Impairment losses recognised (reversed) on:		
Properties for development	**–**	56,454
Properties under development	**184,805**	270,351
Completed properties for sale	**328,746**	123,648
Inventories	**–**	18,422
Property, plant and equipment	**65,644**	(16,775)
	579,195	452,100

9. TAXATION

	2019 RMB'000	2018 RMB'000
Current tax:		
PRC enterprise income tax ("EIT")	**3,287,569**	2,373,034
PRC Land Appreciation Tax ("LAT")	**5,072,490**	4,782,105
	8,360,059	7,155,139
Over-provision in prior years:		
EIT	**(8,562)**	(23,492)
Deferred tax:		
EIT	**(1,286,079)**	(709,860)
LAT	**(1,047,714)**	(893,045)
	(2,333,793)	(1,602,905)
	6,017,704	5,528,742

The deferred tax current year is mainly due to the fair value adjustment which arises from the acquisition of subsidiaries.

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.

9. TAXATION (continued)

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% or 15%. Greentown Decoration Project Group Co., Ltd. and Zhejiang Greentown Lianhe Design Co., Ltd. are new technology enterprises and the applicable income tax rate is 15% from year 2018 to 2020 and year 2017 to 2019 respectively.

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:

	2019	2018
	RMB'000	***RMB'000***
Profit before taxation	**9,953,126**	7,903,972
Tax at the applicable PRC enterprise income tax rate of 25%	**2,488,282**	1,975,993
Effect of different tax rates	**(9,663)**	(19,552)
Tax effect of share of results of associates	**(250,723)**	(81,396)
Tax effect of share of results of joint ventures	**18,988**	(43,629)
Tax effect of income not taxable for tax purposes	**(106,987)**	(191,190)
Tax effect of expenses not deductible for tax purposes	**558,983**	598,693
Over-provision in respect of prior year	**(8,562)**	(23,492)
Tax effect of deductible temporary differences not recognised	**145,353**	39,390
Tax effect of tax losses not recognised	**116,690**	289,773
Recognition of deferred tax assets on tax losses previously not recognised	**(39,634)**	(21,615)
Utilisation of tax losses previously not recognised	**(18,869)**	(1,588)
LAT provision for the year	**4,024,776**	3,889,060
Tax effect of LAT	**(1,006,194)**	(972,265)
Tax effect of undistributed profits	**105,264**	90,560
Tax charge for the year	**6,017,704**	5,528,742

9. TAXATION (continued)

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税暫行條例) 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税暫行條例實施細則) 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 (關於加強土地增值税管理工作的通知), 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 2019, the Group estimated and made a provision for LAT in the amount of RMB4,024,776,000 (2018: RMB3,889,060,000), 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.

10. DIVIDENDS

On 29 July 2019, a final dividend for 2018 of RMB0.23 per ordinary share, or RMB499,312,000 in total, was paid to the shareholders.

On 18 July 2018, a final dividend for 2017 of RMB0.20 per ordinary share, or RMB433,536,000 in total, was paid to the shareholders.

A final dividend of RMB0.30 per ordinary share (2018: RMB0.23 per ordinary share) for the year ended 31 December 2019 has been proposed by the directors and is subject to approval by the Shareholders at the forthcoming annual general meeting.

11. EARNINGS PER SHARE

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

Earnings

	2019 ***RMB'000***	2018 *RMB'000*
Profit for the year attributable to the owners of the Company	**2,480,232**	1,003,285
Distribution related to perpetual securities	**(1,286,888)**	(611,589)
Earnings for the purpose of basic earnings per share	**1,193,344**	391,696
Earnings for the purpose of diluted earnings per share	**1,193,344**	391,696

11. **EARNINGS PER SHARE** (continued)

Number of shares

	2019	2018
Weighted average number of ordinary shares for the purpose of basic earnings per share	**2,166,050,482**	2,167,671,034
Effect of dilutive potential ordinary shares:		
Share options	**4,246,162**	7,100,798
Weighted average number of ordinary shares for the purpose of diluted earnings per share	**2,170,296,644**	2,174,771,832

The computation of 2019 and 2018 diluted earnings per share does not assume the exercise of some of the share options because the exercise price of some share options was higher than the average market price for shares for the year.

12. **TRADE AND OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS**

	2019	2018
	RMB'000	*RMB'000*
Trade receivables	**1,141,212**	979,502
Less: allowance for credit losses	**(75,566)**	(101,266)
Trade receivables, net of allowance for credit losses	**1,065,646**	878,236
Other receivables, net of allowance for credit losses	**6,850,336**	3,789,485
Prepayments and deposits	**3,326,102**	1,425,478
Consideration receivables from disposal of subsidiaries	**70,726**	160,000
	11,312,810	6,253,199

The Group allows an average credit period of 90 days to trade customers. The aged analysis of trade receivables, before allowance for credit losses, is based on invoice date and stated below.

	2019	2018
	RMB'000	*RMB'000*
Within 90 days	**537,955**	548,217
91–180 days	**131,557**	55,317
181–365 days	**129,033**	125,062
Over 365 days	**342,667**	250,906
Trade receivables	**1,141,212**	979,502

13. TRADE AND OTHER PAYABLES

The aged analysis of trade payables is stated as follows:

	2019	2018
	RMB'000	*RMB'000*
Within 180 days	**24,376,904**	17,939,977
181–365 days	**4,524,362**	1,740,674
Over 365 days	**2,280,819**	1,680,180
Trade payables	**31,182,085**	21,360,831
Other payables and accrued expenses	**12,174,941**	7,924,311
Consideration payables on acquisition of associates	**96,307**	–
	43,453,333	29,285,142

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

MANAGEMENT DISCUSSION AND ANALYSIS

OPERATION REVIEW

In 2019, China's economy faced growing downturn pressure in a complex and volatile international environment, such as slowing growth in global economy and international trade, and escalating trade frictions between China and the US. In line with the central government's emphasis on "not to use real estate as an economic stimulus in the short term", "stability" continues to be the key tone of real estate policies and controls. A long-term management and control mechanism which aims at stabilizing land prices, housing prices and expectations has been established according to "one city with one policy and adopting city-specific strategies", with development and investment as well as commercial housing sales sustaining moderate growth.

In respect of capital markets, some real estate enterprises have become more rational and cautious on land acquisition as it is increasingly difficult to secure financing, and capital chain is tightened due to the fact that prudent management of real estate financing has been continuously strengthened by the central government under the principle of "stabilizing leveraging levels".

Given that the industry is undergoing profound adjustments and increased concentration, the extensive and high-leverage growth approach is no longer sustainable. As the sector's quality benchmark, the Group always adheres to a distinctive, sustainable and quality development model and the strategy of "quality first while taking into account others", so as to accelerate its full transformation from a traditional real estate developer into an "integrated service provider for an ideal life". With the support of substantial shareholders and the relentless efforts of all employees, both contracted sales amount and saleable value of newly-acquired land parcels in 2019 exceeded RMB200 billion, and the Group ranked first for customer satisfaction in major cities across the PRC for the ninth consecutive year. Meanwhile, it continued to raise its operating efficiency while management fee rate and finance costs hit record lows, and maintained its leading position in terms of quality and branding in the industry. During the Year under review, Greentown received honors and awards including "China's Real Estate Industry Competitiveness Benchmark Enterprises", "China's Real Estate Branded Enterprises by Contribution", and "Social Responsible Enterprises of the Year". It was named "Top 10 among 100 Chinese Real Estate Enterprises by Comprehensive Strength" for the fifteenth consecutive year, and was again awarded the "Top 10 Chinese Real Estate Companies by Brand Value (Mixed Ownership)" for the sixteenth consecutive year with a brand value of RMB52.1 billion.

Operating Results Steadily Improved

The Group generated revenue of RMB61,593 million for the Year, representing an increase of 2.1% from RMB60,303 million in 2018. Profit before taxation of the Group amounted to RMB9,953 million for the Year, representing an increase of RMB2,049 million or 25.9% from RMB7,904 million in 2018. Profit attributable to owners of the Company amounted to RMB2,480 million for the Year, representing an increase of RMB1,477 million or 147.3% from RMB1,003 million in 2018, which was mainly attributable to the increase in gross profit of RMB1,888 million over the previous year. After deducting the net post-tax effects of foreign exchange gains and losses, gains from acquisitions, provision and reversal of impairment losses on certain assets and fair value adjustments on certain assets, the core net profit attributable to owners of the Company amounted to RMB4,336 million, representing an increase of RMB540 million or 14.2% compared with RMB3,796 million in 2018. Basic earnings per share amounted to RMB0.55 for the Year, representing an increase of 205.6% from RMB0.18 per share in 2018.

The Board recommended the payment of a final dividend of RMB0.30 per share for the Year ended 31 December 2019 (2018: RMB0.23 per share).

Sales Scale Hit Record Highs

For the 12 months ended 31 December 2019, Greentown Group (including Greentown China Holdings Limited and its subsidiaries, together with its joint ventures and associates) recorded a total contracted sales area of approximately 10.27 million sqm, and a total contracted sales amount of approximately RMB201.8 billion, representing a year-on-year growth of 29%. In 2019, Greentown Group recorded a total contracted sales area of approximately 5.22 million sqm and a total contracted sales amount of approximately RMB135.4 billion from investment projects, of which approximately RMB76.8 billion was attributable to the Group, representing an increase of 38% from last year. As at 31 December 2019, the Group recorded a total subscription sales amount of approximately RMB2.9 billion from its investment projects, of which approximately RMB1.5 billion was attributable to the Group; average selling price of investment projects reached approximately RMB25,936 per sqm (2018: RMB25,455 per sqm), an industry-leading level.

In addition, Greentown Group in 2019 recorded a total contracted sales area of approximately 5.05 million sqm and a total contracted sales amount of approximately RMB66.4 billion from the projects under its project management business where Greentown Group delivered brand value and management expertise (non-investment projects, referred to as “projects under project management”).

In 2019, the Group comprehensively applied the marketing strategy of "all staff, all people, all aspects" with huge success and recorded contracted sales of over RMB5 billion each in nine cities, among which the Group recorded contracted sales of over RMB10 billion in Hangzhou, Ningbo and Beijing. Nine projects recorded sales amount of over RMB3 billion each, among which the performance of Xi'an National Games Village and Hangzhou Xiaofeng Yinyue was particularly outstanding with sales amount each exceeding RMB6 billion. The overall sell-through rate of investment projects reached 68%, with the sell-through rate in the first- and second-tier cities reaching 70%. The sell-through rate of the newly-launched projects was outstanding at 71%, among which hot-selling ones such as Hangzhou Xiaofeng Yinyue, Xi'an National Games Village and Nantong Orchid Residence were sold out immediately after their launch. In the meantime, we initiated certain special campaigns such as "Spring Ploughing Operation", "Autumn Harvest Operation", and "Carnival Season for Greentown Fans" to dispose of property inventories that are difficult to sell for quite some time and achieved destocking value at approximately RMB6 billion. Overall cash collection rate remained at a high level of 87%, showing an accelerated return of cash.

Meanwhile, the Group actively implemented project groups management in marketing, achieving lower cost and higher efficiency. The average sales amount per capita increased to RMB84.3 million, representing a year-on-year increase of 34%, and marketing expenses rate dropped by 18% year-on-year.

Inheritance, Innovation and Quality First

Maintaining a leading position in the industry in product quality. In 2019, the Group continued to forge its core competence by insisting on the product-oriented concept and carrying forward the artisan spirit. The Group has constantly enhanced product innovation and successfully completed the research and development of new products including sky villas and Chinese-style condos. The Group has also paid attention to people's living quality by increasing investment in green and healthy communities, smart communities as well as in quality control and testing, highlighting the advantages of its products. Meanwhile, the Group has sorted out and refined a multi-dimensional, three-dimensional, large-scale and sustainable product genealogy, including 8 product series, 22 product categories and 22 product architectural styles. The Group also published the book *Creating Beauty for Cities – Greentown Product Genealogy (1995-2020)* (《創造城市的美麗 — 綠城產品譜系 (1995-2020)》) on 8 January 2020, which presents diversified samples for the development of urban construction in China and global architecture. In addition, the Group established the Planning and Design Committee and the Engineering Quality Committee to provide strong support for product innovation and quality management and control. In the meantime, the Group also set up a construction research center to safeguard with multiple efforts its leading position in product quality.

Furthermore, the Group has achieved considerable results in respect of product cost management and control. Progress and efficiency of projects were greatly secured by further expanding its standardization system. Meanwhile, through centralized strategic procurement, 70 product categories were procured (representing a year-on-year increase of 16 categories), and the prices fell by 6-20%, generating cost savings of RMB126 million, with application rate of procured materials reaching 97.8%.

Enhancing service quality in all aspects. The Group has continued to strengthen its service quality, by enhancing customer service orientation as well as providing full-cycle housing services and customer services around the main business of real estate development. In 2019, the Group took the second "Greentown Life Developers Conference" as an opportunity to launch the version 2.0 of living service system, which aims to optimize service through scenarization, improve service efficiency through commoditization, combine the online-offline experience through digitalization and ensure continuous service through commercialized operation. All of these efforts have enhanced the overall customer service system and helped maintain a competitive edge in service quality in the industry. Leveraging on its excellent service quality, customers' satisfaction has improved continuously. In 2019, in respect of residents' satisfaction, the Group achieved a score of 89.3, 16.3 points above industry average, ranking first in 16 cities; at the same time, in respect of sales service satisfaction, the Group achieved a score of 92, a benchmark level in the industry.

Diversification of Land Acquisition and Optimization of Land Bank

In 2019, the Group continued to adhere to the strategy of "focusing on regions and deepening footprints in cities", basing itself in Yangtze River Delta and centering on the five major urban agglomerations, as well as flexibly adjusted its investment strategy at different stages and made precise investments with remarkable effect. The Group proactively broadened its investment channels by enhancing its investment efforts and quality in auction, listing and tendering on the one hand and significantly strengthening the capabilities for mergers and acquisition on the other hand. The Group successfully obtained 17 projects throughout the Year, including a number of high quality ones such as Shanghai Xinhu Pearl City and Xi'an Guiyu Lanting. The value of acquisition projects recorded a year-on-year increase of 332%, which facilitated improvement in both the scale and quality of overall investment.

In 2019, the Group acquired a total of 54 new projects with a total gross floor area ("GFA") of approximately 12.36 million sqm. Land cost/acquisition amount totaled approximately RMB69.1 billion, of which approximately RMB52.3 billion was paid by the Group. It is estimated that the total new saleable amount will be approximately RMB205.7 billion, a historic new investment value record for Greentown, of which approximately RMB108.6 billion will be attributable to the Group. The average land cost of the new land parcels was approximately RMB6,923 per sqm.

In respect of geographical distribution, most of these newly-added land parcels are situated in first- and second-tier core cities such as Hangzhou, Ningbo, Suzhou, Xi'an, Hefei and Guangzhou, accounting for 76% of the total saleable amount. In respect of regional distribution, the Yangtze River Delta as an area of strategic importance accounts for 60% of the saleable value, which helps consolidate the Group's performance and position in Jiangsu and Zhejiang region, base of Greentown. The Group has also steadily increased its presence in the Pearl River Delta Area and Chengdu-Chongqing Area, which accounts for 10% of the Group's total saleable value. Thus, business footprint has been further extended and risk resistance capacity for the future has been effectively elevated. In addition, the turnover rate of the newly-added saleable value has been significantly improved. It is expected that 42% of the saleable value will be converted to sales in 2020, representing a year-one-year increase of 8 percentage points.

Table of Newly-added Land Bank in 2019

No.	Land/Project Name	Acquired by	Equity	Total Land Cost/ Acquisition Cost *(RMB million)*	Total GFA *(sqm)*
1	Hangzhou Guiyu Tinglan	Auction	95%	1,970	115,845
2	Hangzhou Yinlu	Auction	90.16%	965	115,373
3	Hangzhou Chunyue Jinlu	Auction	45.7%	1,917	98,989
4	Hangzhou Oriental Dawn	Auction	47.7%	3,535	192,940
5	Hangzhou Longwu Tea Village	Auction	51%	261	34,271
6	Hangzhou Lakeside Mansion	Auction	100%	4,429	246,619
7	Ningbo Phoenix Mansion	Auction	24.23%	2,340	171,917
8	Ningbo Mingyue Jiangnan	Auction	50%	2,691	209,356
9	Ningbo Shuangdonghui Project	Auction	51%	55	13,973
10	Ningbo Xiaofeng Yinyue	Auction	50.4%	2,445	173,839
11	Ningbo Rail Aipan TOD Block	Auction	51%	891	82,153
12	Ningbo Rail Panhuo TOD Block	Auction	51%	1,252	99,276
13	Fenghua Guiyu Yingyue	Auction	85.04%	600	117,929
14	Fenghua Guiyu Chaoyang	Auction	100%	1,661	244,338
15	Yuyao Fengming Yunlu	Auction	62.5%	1,721	220,976
16	Yuyao Qiaoyuan	Acquisition	35%	85	47,951
17	Jinhua Yongkang Guiyu Tinglan	Auction	56%	1,005	194,463
18	Jiaxing Fenghe Jiuli	Acquisition	20%	76	194,889
19	Haiyan Chunfeng Ruyi	Acquisition	20%	79	273,017
20	Yiwu Orchid Residence	Auction	31.7%	1,929	184,067
21	Yiwu Wanjia Fenghua	Acquisition	26.01%	1,121	524,511
22	Wenling Joy Garden	Acquisition	33%	401	164,254
23	Taizhou Tiantaishan Lotus Town Phase VI Block	Auction	100%	28	18,465
24	Deqing Fengqi Chunlan	Auction	100%	626	101,252
25	Anji Peach Garden Bamboo Residence Phase II Block	Auction	85%	54	8,858
26	Anji Angel Town	Acquisition	40%	320	659,183
27	Shanghai Xinhu Pearl City	Acquisition	35%	3,600	202,683
28	Suzhou Willow Breeze	Acquisition	75%	2,444	226,508
29	Suzhou Yinshan Lake Block 2019-WG-12, 13	Acquisition	50.33%/49.81%	2,132	349,589
30	Wuxi Sincere Garden	Auction	95.44%	1,866	204,335
31	Xuzhou Sincere Garden	Auction	100%	1,405	226,136
32	Nantong Osmanthus Grace	Auction	100%	1,090	111,254
33	Hefei Orchid Residence	Auction	48.31%	3,491	324,281
34	Anhui Chao Lake Town	Auction	100%	441	156,661
35	Tianjin Xiqing Miyun Road Project	Acquisition	49%	1,641	357,872
36	Dalian Jinshitan Port Wine Town	Acquisition	60%	310	154,715

No.	Land/Project Name	Acquired by	Equity	Total Land Cost/ Acquisition Cost	Total GFA
				(RMB million)	*(sqm)*
37	Dalian Sincere Garden	Auction	62.5%	1,632	233,830
38	Dalian Orchid Residence	Acquisition	51%	138	23,205
39	Jinan Jingshiyi Road Block	Auction	100%	593	68,802
40	Jinan Mingyue Fenghe	Auction	100%	692	93,579
41	Jining Hupan Yunlu	Acquisition	49%	542	354,856
42	Shenyang National Games Village Block S4	Auction	50%	583	160,826
43	Guangzhou Xiaofeng Yinyue	Auction	50%	1,183	115,444
44	Foshan Young City	Auction	80%	1,940	325,930
45	Foshan Shunde District Beijiao Talent Town Block	Acquisition	20.625%	568	566,476
46	Chongqing Chunxi Yunlu	Auction	100%	1,960	270,545
47	Xi'an Guiyu Lanting	Acquisition	30.245%	442	735,290
48	Xi'an National Games Village Block 9-02, 10, 11, 12, Hotel Complex	Auction	100%/51%	2,531	1,113,738
49	Wuhan Guanggu Block 171	Acquisition	31.25%	624	331,364
50	Zhengzhou Hupan Yunlu	Auction	100%	1,940	141,892
51	Zhengzhou Mingyue Binhe	Auction	40.585%	1,423	223,271
52	Kunming High-tech District Keyi Road Block	Auction	100%	786	127,527
53	Jiangxi Gao'an Bafulo Agricultural Complex Project	Auction	34%	305	617,043
54	US Seattle Graystone	Acquisition	70%	333	38,171
Total				69,092	12,364,527

As at 31 December 2019, Greentown Group had a total of 142 land reserve projects (including those under and pending construction) with a GFA of approximately 38.73 million sqm, of which approximately 22.4 million sqm was attributable to the Group. The total saleable area was approximately 26.48 million sqm, of which approximately 15.21 million sqm was attributable to the Group. The average GFA land cost was approximately RMB6,119 per sqm. Land reserve in first- and second-tier cities accounted for 73% of the total saleable value.

Retaining Characteristics and Pursuing Constant Innovation

In 2019, in addition to actively exploring high-quality traditional development projects, the Group put great efforts into developing featured businesses, continued to maintain its leading position in project management business in the industry, and innovated the product lines through emerging businesses such as TOD (Transit-Oriented Development), town projects, land acquisition by application mechanism, urban renewal, continuously uplifting composite capabilities in development and operation.

Leading in project management industry. The Group firmly maintains a solid position as the largest project management company in the PRC real estate market and earns the trust of customers. The Group was successively awarded the "China's Leading Enterprise in Real Estate Project Management Operation", and was honored with "Annual Influential Business Model Award" and "Annual CSR Contribution Award". As to project management for the government, the Group has gained high recognition from different sectors of society and generated significant benefits to society. In 2019, the scale of the project management business expanded rapidly, with 72 projects added. As at 31 December 2019, the Group had 260 projects under management, with a total GFA of approximately 67.54 million sqm, and a total saleable amount of approximately RMB368.9 billion. Thanks to the continuous expansion of the Group's project management business, its leadership position in the industry has been strengthened and profitability has grown steadily over the years, which would in turn further increase the profit contribution of asset-light business to the Group.

Focusing on implementing town strategy. In line with the trend of reverse urbanization, the Group has seized the historic opportunity of rural collective land entering the market to focus on the development of town projects. To date, the Group has completed the layout of 15 cities with 30 town projects implemented. After the successful launch of a group of towns with industrial features, including Dalian Jinshitan Port Wine Town, Hangzhou Longwu Tea Village, Jiangxi Gao'an Bafulo Agricultural Complex, and Sichuan Cuisine Town in Chengdu, the overall development landscape of ideal towns has been completed. Town projects in large scale with low land cost to saleable value ratio, as well as low peak of shareholder investments and high production to investment ratio have gradually become an important growth pillar of high-quality expansion for the Company.

Accelerating development of featured businesses. The Group has accelerated the promotion of featured projects to seek new growth opportunities and breakthroughs and further enhance profitability. The Group has increased the proportion of land acquisition by application mechanism, and actively captured the opportunities brought by China's rapid development of railway transportation. The Group has accelerated the nationwide layout of TOD projects, and channeled great efforts to become a leading TOD integrated developer and operator in China. To date, 10 TOD projects featuring multi-regions, multi-categories and multi-types of businesses, and seven urban renewal projects including industry parks, future communities and reserved land have been obtained, which contributed to a quality land bank.

Healthy Financial Condition and Smooth Financing Channels

Steady growth in operations. Benefiting from the financial and credit support of its largest shareholder, China Communications Construction Group Ltd. ("CCCG"), and the Company's overall sound operating performance, the net gearing ratio of the Group was 63.2% as at 31 December 2019. Bank deposits and cash (including pledged bank deposits) amounted to RMB51.894 billion. The weighted average interest cost of the total borrowings in 2019 was 5.3%, which fell by 0.1 percentage point as compared to 5.4% in 2018.

Diversified and smooth financing channels. By proactively carrying out market research, capturing the low interest window and exploring financing channels, the Group completed the annual financing target while controlling the interest rate of the open market financing at a record low level. For offshore financing, the Company swiftly captured the right windows in the market in January 2019 by issuing two tranches of three-year USD senior perpetual notes to the public in quick succession within only two weeks in a principal amount of USD500 million in aggregate. Both tranches of perpetual notes have received enthusiastic responses from the market and investors during the book-building period. On 4 November, the Company completed the issuance of 364-day USD600 million senior notes at a distribution rate of 4.55%. Due to the successful pricing strategy and the excellent credit qualification of the Company, the senior notes were highly popular in the market and achieved multiple oversubscriptions, which was again a proof of capital markets' confidence in the Company's sound operating results and its development strategies, and further demonstrated the robust financing capabilities of the Group in overseas capital markets.

For onshore financing, the Group carried out public issuance of bonds in an aggregate amount of RMB18.062 billion with an average interest cost of 4.48% in 2019, representing a decrease of 0.98 percentage point as compared to 2018. It reflected a record low in onshore financing costs, presence of barrier-free channels and reasonable structure. Among these, the Group issued corporate bonds in an aggregate principal amount of RMB1.5 billion with an interest rate ranging from 3.78% to 4.34% per annum, medium-term notes of RMB0.5 billion with an interest rate of 3.84% per annum and perpetual medium-term notes of RMB4.6 billion with interest rates ranging from 5.59% to 5.6% per annum. Meanwhile, the Group further improved its financing innovation capability, liquidated dormant assets, explored new financing channels and innovatively promoted securitization. During 2019, the Group successfully issued hotel CMBS in the amount of RMB1.592 billion with an interest rate of 5.14% per annum, the supply chain ABS in the amount of RMB8.87 billion with interest rates ranging from 3.85% to 4.07% per annum, and the specialized bonds of household leasing in an amount of RMB1 billion with interest rates ranging from 3.61% to 3.98% per annum.

Efficient Management to Improve Quality and Efficiency

Constantly optimized governance structure. In 2019, the Group completed the recomposition of the Board, with the directors and management team becoming more professionalised and market-oriented and the management framework flattened. Also, the Group has continued to optimize its system and mechanism that orient toward operating results, forming an "8+3" structure encompassing asset-heavy and asset-light sectors, and seeing regional companies gradually prosper. In the meantime, internal structure has been adjusted to "7+4", namely, in addition to the original seven functional divisions, four divisions (featured real estate division, town development division, financial division and commerce management division) have been newly established to coordinate resources at all levels and enhance operation efficiency. Horizontal structure of the double "eleven" has on an ongoing basis streamlined management structure while minimizing operating costs.

Efficient operation and accelerated cycles. The Group gradually established a central nervous system for its operation with the mission of "target-orientation and information symmetry". By continuously promoting the construction of "Greentown AI" great operation system and enhancing digital operating management, the Group has achieved efficient planning and arrangement for all projects in their entire cycles. Meanwhile, the Group has gradually improved its risk control system to enhance the dynamic control over shareholding investment companies. Benefited from highly efficient operations management during the Year, the project operation cycles from land acquisition to construction commencement, presale, return on shareholders' investment and delivery were significantly accelerated by 10%, 12%, 2% and 7% respectively.

Emphasis on labor force as strengthened support. The Group adhered to streamlining scheme and enhanced control on both staff and expenses, with talent allocation further optimized and more projects commenced without engaging extra employees throughout the Year. At the same time, the Group firmly promoted project group management by transferring 133 projects to 24 groups, which covered 75% of investment projects. Thus the area under construction per capita increased by 25% year-on-year, which reflected a significant improvement in efficiency. In addition, the Group promoted win-win mechanism at a steady pace. In 2019, 38 new projects were open for co-investment, while 178 existing projects have clarified medium-to-long term incentive measures to effectively boost team momentum. Staff dedication was 11% higher than the premium level in the industry, providing strong support for quality development of the Company.

Generating Synergy with Support of Shareholders

As an exemplary mixed-ownership realty enterprise, the Group is not only strongly backed by the profound strength of state-owned enterprise CCCG, but also the flexible mechanism and vigor of private enterprises. These two factors complement and facilitate each other. In terms of project cooperation, positive progress has been made in projects such as Guangzhou Nansha, Harbin TOD, Sichuan Cuisine Town in Chengdu thanks to our deepening partnership with CCCG. Benefiting from the qualifications and repute of CCCG, the Company's financing capabilities have been further enhanced. In terms of maintaining our product's core competitiveness, from product planning and design to town development and operation, we have received full support from Mr SONG Weiping. In terms of corporate governance, The Wharf (Holdings) Limited, our substantial shareholder, has given valuable advice including on Listing Rules, corporate governance system. Despite market competition amid increasing industry concentration, the Group's outstanding advantages will definitely lay a solid foundation for long-term, stable and high-quality development.

OUTLOOK

In respect of macro policy, with the central government's key tone of "housing instead of speculation" remaining unchanged, and its new measure of "fully implementing targeted policies for different cities" in place, the policy of "three stabilizations" promulgated throughout China is expected to be implemented in a more rapid, flexible and well-directed manner. Looking forward to 2020, policies of regulating real estate market across different urban centers will further differentiate from one another and the real estate operation cycles will vary by city. In addition, affected by the outbreak of COVID-19 since the beginning of 2020, the sales centers of commercial houses have been temporarily closed down and project construction has also been suspended in most cities in China. The Group has performed strict control over the epidemic situation while steadily promoting the resumption of work and production. The Group believes that a better reflection of its advantages and value will be realized by enterprises with solid capability, high-quality products and flexible mechanism in face of difficulties and challenges. The impact of the COVID-19 on the real estate industry is temporary rather than a game changer. Under the current challenge, the demand for high-quality houses and services from customers will witness an explosive growth. The Group will focus on being customer-oriented and further innovate product functions and optimize living services to realize customers' pursuit for better lives.

Although market regulations and COVID-19 have put certain pressure on development, the position of real estate as a pillar industry in China's economy remains unchanged. Moreover, with the steady improvement of people's living standards as well as the continuous progress of urbanization, the industry will be transformed from a rapid growth model to a high-quality development model. The Group will actively respond to changes, take a long-term view from a strategic perspective, leverage its strength as the industry's quality benchmark, adhere to the "Strategy 2025" goal of maintaining "top-notch product quality, number-one customer satisfaction and top comprehensive performance", as well as emphasize the layout of the three main business lines, namely heavy assets, light assets and "Greentown+". First of all, the Group will persist in its main business in the asset-heavy segment by continuing to step up efforts in mergers and acquisitions, striving to develop featured businesses and increasing the quantity and quality of investment through public auction, listing and tendering, so as to improve profitability and optimize business structure; secondly, it will enhance expansion capacity of the asset-light segment, establish Greentown sub-brand of project management, upgrade the current project management model and improve management mechanism to ensure the quality of project management products and cement its No. 1 brand in the project management industry; thirdly, it will enrich the content of the "Greentown+" segment. Centering on the asset-light and asset-heavy segments and focusing on the emerging markets, it aims to lengthen its industry chain and expand the industrial clusters, thus tapping into the value points in the upstream and downstream of the real estate industry as well as creating more value for customers. At the same time, it will improve its management layout, continue to optimize organizational structure, strengthen the work of business committee, shorten the management chain, improve decision-making efficiency and enhance operation efficiency.

In order to achieve the strategic goals and visions of the Company, the Group will strengthen its strategic implementation. We will uphold the product-centric, growth- and profit-oriented principles and improve our development quality, striving to become a front-runner for quality in the real estate industry, a leader in the project management business, and the forward-looking innovator of integrated business.

Saleable Resources in 2020

In 2020, the total saleable area of Greentown Group is expected to reach approximately 16.96 million sqm, with a total saleable amount of approximately RMB358.3 billion. Of these, investment projects are expected to provide a saleable area of approximately 10.45 million sqm, and a saleable amount of approximately RMB267.4 billion, (of which approximately RMB63.5 billion will be attributable to inventory property projects in 2019; approximately RMB203.9 billion is expected to be new saleable properties). The total saleable area in first- and second-tier cities is expected to be approximately 7.72 million sqm, and the saleable amount is expected to be approximately RMB212.4 billion, representing 79% of the saleable amount for investment projects in 2020. In addition, the saleable area of Greentown Group's projects under project management is estimated to reach approximately 6.51 million sqm, with a saleable amount of approximately RMB90.9 billion.

FINANCIAL ANALYSIS

Revenue

The revenue of the Group mainly derives from the sales of properties, as well as from project management, design and decoration, hotel operations, property rental, sales of construction materials, etc. During the Year, the revenue of the Group amounted to RMB61,593 million, representing an increase of 2.1% from RMB60,303 million in 2018. During the Year, the Group's revenue from property sales amounted to RMB54,433 million, accounting for 88.4% of the total revenue and representing a slight decrease from RMB55,274 million in 2018. The area of properties with recognised revenue amounted to 2,970,491 sqm, representing a decrease of 12.5% from 3,393,106 sqm in 2018. The average selling price of properties with recognised revenue was RMB18,325 per sqm, representing an increase of 12.5% from RMB16,290 per sqm in 2018 mainly because Beijing Xishan Mansion and Hangzhou Jinlin Mansion (杭州金麟府), with a relatively high share of sales among the projects with recognised revenue for the Year, are located in the first- and second-tier cities, which have elevated the average selling price to certain extent.

Properties with the revenue recognised by subsidiaries for 2019 are as follows:

Project Name	Type of Properties	Area Sold *(sqm)* *(Note)*	Sales Revenue *(RMB million)*	% of Total	Average Selling Price *(RMB per sqm)*
Beijing Xishan Mansion	High-rise Apartment, Low-rise Apartment	115,270	5,606	10.3%	48,634
Hangzhou Jinlin Mansion	High-rise Apartment	114,303	3,404	6.3%	29,780
Jinan Yulan Garden	High-rise Apartment, Low-rise Apartment, Villa	180,164	3,194	5.9%	17,728
Taizhou Ningjiang Mingyue	Integrated Community	221,959	2,826	5.2%	12,732
Tianjin National Games Village	Integrated Community	98,047	2,539	4.7%	25,896
Hangzhou Arcadia Town	High-rise Apartment, Low-rise Apartment, Villa	130,347	2,489	4.6%	19,095
Wuxi Fengqi Heming	High-rise Apartment, Low-rise Apartment, Villa	80,915	2,345	4.3%	28,981
Hainan Blue Town	Integrated Community	87,790	2,305	4.2%	26,256
Hangzhou Willow Breeze	High-rise Apartment, Villa	52,343	2,289	4.2%	43,731
Shanghai Bund House	High-rise Apartment	12,322	2,207	4.1%	179,111
Others		1,877,031	25,229	46.2%	13,441
Total		**2,970,491**	**54,433**	**100%**	**18,325**

Note: Areas sold include aboveground and underground areas.

During the Year, projects in Zhejiang area achieved property sales revenue of RMB26,650 million, accounting for 49.0% of the total property sales and ranking top. Projects in Shandong area achieved property sales revenue of RMB7,788 million, accounting for 14.3% of the total property sales and ranking second. Projects in Beijing area achieved property sales revenue of RMB6,032 million, representing 11.1% of the total property sales and ranking third.

During the Year, the Group's revenue from sales of high-rise apartments, low-rise apartments and serviced apartments amounted to RMB45,701 million, accounting for 84.0% of the total property sales; sales revenue from villas amounted to RMB7,948 million, accounting for 14.6% of the total property sales; and that from offices amounted to RMB784 million, accounting for 1.4% of the total property sales.

During the Year, the Group's revenue from project management service amounted to RMB1,829 million, representing an increase of 33.9% from RMB1,366 million in 2018. The Group stresses both the light-asset and heavy-asset aspects of its business in its development. Capitalising on its first grade construction, high-quality products and diversified operation model, the Company maintains its leading advantage in traditional project management business and continues to innovate its project management model. Through cooperation with business partners and initial achievement in exploring the general project management model, the Company has gained a good reputation in the industry and become a benchmark for the project management sector. Its project management business, as a whole, has shown a good momentum of development.

During the Year, the Group recorded RMB2,816 million in the revenue from its design and decoration business, representing an increase of RMB292 million or 11.6% from RMB2,524 million in 2018. The high-end fit-out products and services provided by the Group's design and decoration business were highly regarded by clients, sustaining a continuously stable expansion of business scale.

During the Year, the Group's revenue from hotel operations amounted to RMB878 million, representing an increase of 13.1% from RMB776 million in 2018, mainly because Banyan Tree Anji and InterContinental Ningbo commenced operation in the second half of 2018. Our rental income from investment properties amounted to RMB164 million, representing an increase of 92.9% from RMB85 million in 2018, which was mainly attributable to an increase in rental income from the Jinan Financial Centre (濟南金融中心) offices which commenced operation in the second half of 2018.

Gross Profit and Gross Profit Margin

During the Year, the Group recorded a gross profit of RMB15,640 million, representing an increase of 13.7% from RMB13,752 million in 2018, which was mainly attributable to an increase in gross profit margin of property sales revenue in the Year.

During the Year, the Group achieved a gross profit margin of 25.4%, representing a moderate increase from 22.8% in 2018. In particular, the gross profit margin of property sales was 24.8%, higher than 21.3% in 2018, which was mainly because the market highly recognised the adaptability of the Group's projects with leading shares of sales during the Year such as Hangzhou Jinlin Mansion, Hainan Blue Town, Taizhou Ningjiang Mingyue and Hangzhou Arcadia Town, which presented their brand premium and delivered a higher gross profit in sales.

Other Income

During the Year, the Group recorded other income of RMB2,667 million, representing an increase of RMB807 million from RMB1,860 million in 2018. Other income, mainly comprising interest income, default penalty income, dividends from equity instruments at FVTOCI and government grants, grew by 43.4% compared with last year because (i) RMB395 million of interest income and default penalty income was recognised in respect of an independent third party that did not repay the amounts for first-tier land development in time; (ii) doubtful debts were recovered from Dalian Chengda Investment Co., Ltd. (大連城達投資有限公司) which recognised a corresponding interest income of RMB68 million; and (iii) the Group added a number of new joint development projects, incurring more interest income from the increase in the amounts due from related parties.

Administrative Expenses

Administrative expenses include human resource costs, daily operating expenses and other expenses, such as product research and development expenses. During the Year, the Group incurred administrative expenses of RMB4,297 million, representing an increase of RMB402 million or 10.3% from RMB3,895 million in 2018. Administrative expenses are mainly divided into real estate development and related business expenses, non-real estate development and related business expenses, and depreciation and amortisation fees. Non-real estate development and related businesses are mainly project management, hotel business, design and decoration, sales of construction materials and other services.

During the Year, the Group incurred administrative expenses of RMB2,589 million in its real estate development and related business, representing an increase of RMB172 million or 7.1% from RMB2,417 million in 2018, which was mainly attributable to the expanded scale of real estate sales. In 2019, the Company implemented its win-win mechanism, optimised its management and control model, and attained higher per capita efficiency, recording a 22.1% decline in the ratio of expenses as compared to 2018. Human resource costs constituted the single largest expenditure in the administration expenses incurred by real estate development and related business. Such expenditure amounted to RMB1,286 million during the Year, roughly on par with RMB1,283 million in 2018. Daily operating expenses of real estate development and related business amounted to RMB871 million for the Year, representing an increase of RMB81 million or 10.3% from RMB790 million in 2018.

Administration expenses of non-real estate development and related business amounted to RMB1,118 million for the Year, representing an increase of 11.0% from RMB1,007 million in 2018, mainly due to the continuously expanding scale of sales for non-real estate development and related business; operating income grew from RMB5,029 million in 2018 to RMB7,160 million in 2019, with a 22.1% decline in the ratio of expenses compared with 2018.

The Group incurred depreciation and amortisation fees of RMB590 million for the Year, representing an increase of 25.3% from RMB471 million in 2018, mainly because Banyan Tree Anji and InterContinental Ningbo commenced operation in the second half of 2018, which resulted in an increase in the corresponding depreciation and amortisation fee as well as a higher depreciation fee arising from the initial application of the lease standard.

Selling Expenses

Selling expenses mainly include human resource costs, marketing activities expenses and daily operating expenses. During the Year, the Group incurred selling expenses of RMB2,097 million, representing an increase of RMB253 million or 13.7% from RMB1,844 million in 2018. Selling expenses are divided into the expenses for real estate development and related business and the expenses for non-real estate development and related business.

During the Year, the Group incurred selling expenses of RMB1,782 million for its real estate development and related business, representing an increase of RMB207 million or 13.1% from RMB1,575 million in 2018 mainly due to a substantial increase in the volume of project launch and sales compared with 2018, except a 17.8% decline in the ratio of expenses of real estate-related in 2019 business as compared to 2018. As the single largest expenditure in selling expenses incurred by real estate development and related business, marketing activities expenses amounted to RMB951 million for the Year (2018: RMB847 million), representing an increase of RMB104 million or a year-on-year increase of 12.3%. During the Year, human resource costs incurred in real estate development and related business amounted to RMB497 million, representing an increase of 2.5% from RMB485 million in 2018. During the Year, the daily operating expenses incurred in real estate development and related business amounted to RMB334 million (2018: RMB243 million), representing an increase of RMB91 million or a year-on-year increase of 37.4%.

During the Year, the Group incurred selling expenses of RMB315 million for non-real estate development and related business, representing an increase of RMB46 million or 17.1% from RMB269 million in 2018. This was mainly due to the increase in relevant expenses, as operation commenced at Banyan Tree Anji and InterContinental Ningbo in the second half of 2018 and at Deqing Landison Hotel in the first half of 2019, except a 18.0% decrease in the ratio of expenses compared with 2018.

Finance Costs

During the Year, interest expenses recorded in the Group's consolidated statement of profit or loss and other comprehensive income amounted to RMB1,571 million (2018: RMB1,552 million). Interest expenses for the Year totalled RMB6,009 million, representing an increase of RMB592 million from RMB5,417 million in 2018, mainly because the Group had more projects under development with a higher weighted average of loan balance outstanding in the Year. Weighted average interest cost was 5.3% during the Year, which represented a decrease from 5.4% in 2018. During the Year, the Group continued with its breakthrough and innovation in financing, further expanded financing channels and reduced financing costs, helping to propel the business development of the Company. Capitalised interest amounted to RMB4,438 million for the Year with a capitalisation rate of 73.9%, which was higher than 71.3% in 2018 mainly due to more newly-developed projects.

Share of Results of Joint Ventures and Associates

During the Year, the Group's share of results of joint ventures was a loss of RMB76 million and the share of results of associates was a gain of RMB1,003 million, which amounted to an aggregate gain of RMB927 million and represented an increase of RMB426 million from a gain of RMB501 million in 2018. The increase was mainly due to the increase in property sales revenue and the provision for impairment loss of RMB778 million for Qingdao Greentown Huajing Real Estate Co., Ltd. (Qingdao Deep Blue Centre) in 2018 which reduced the Group's share of results of associates by RMB311 million.

During the Year, revenue from property sales recognised by joint ventures and associates totalled RMB26,201 million, representing an increase of 8.3% from RMB24,186 million in 2018. The average selling price of properties with recognised revenue was RMB23,626 per sqm, representing an increase of 27.8% from RMB18,484 per sqm in 2018. Such increase were mainly attributable to the fact that projects with recognised revenue and a relatively high share of sales during the Year, such as Hangzhou Liuxiangyuan and Hangzhou Tianju Mansion, are located in first- and second-tier cities and have elevated the average selling price to a certain extent.

Projects with the revenue recognised by joint ventures and associates in 2019 are as follows:

Project Name	Category	Type of Properties	Area Sold *(sqm)* *(Note)*	Sales Revenue *(RMB million)*	% of Total	Average Selling Price *(RMB per sqm)*
Wuxi Lihu Camphora Garden	Joint Venture	High-rise Apartment, Villa	70,242	1,236	4.7%	17,596
Shenyang National Games Village	Joint Venture	High-rise Apartment, Villa	61,901	699	2.7%	11,292
Beijing Xifu Haitang	Joint Venture	High-rise Apartment	15,338	698	2.7%	45,508
Hangzhou Liuxiangyuan	Associate	High-rise Apartment	186,330	5,842	22.3%	31,353
Hangzhou Tianju Mansion	Associate	High-rise Apartment	139,223	3,861	14.7%	27,732
Hangzhou Young City	Associate	High-rise Apartment	136,289	3,648	13.9%	26,767
Ningbo Centre	Associate	High-rise Apartment, Office	94,723	1,445	5.5%	15,255
Hangzhou Hope Town	Associate	High-rise Apartment, Villa	66,601	1,344	5.1%	20,180
Dongying Ideal City	Associate	High-rise Apartment, Villa	111,177	799	3.0%	7,187
Dalian Taoyuan Lane	Associate	High-rise Apartment	31,354	666	2.5%	21,241
Others			195,806	5,963	22.9%	30,454
Total			**1,108,984**	**26,201**	**100%**	**23,626**

Note: Areas sold include aboveground and underground areas.

Taxation Expenses

During the Year, taxation included LAT of RMB4,025 million (2018: RMB3,889 million) and EIT of RMB1,993 million (2018: RMB1,640 million). During the Year, the effective EIT rate was 31.8% (excluding the share of results of joint ventures and associates as well as the losses of certain offshore subsidiaries and net foreign exchange loss), higher than the statutory tax rate of 25.0%. This was mainly attributable to the early provision for withholding tax on dividend, the losses of certain onshore subsidiaries with unrecognised deferred tax assets and expenses non-deductible for taxation purposes.

Provision and Reversal of Impairment Losses for Certain Assets

In light of the risk and uncertainty brought by the purchase restriction and the credit tightening policy of the PRC property market, the Company engaged Cushman & Wakefield Limited to provide valuation on certain properties. According to the valuation and test results, the reversal of impairment by Xinchang Greentown Real Estate Co., Ltd., a subsidiary of the Company, for its hotel property (Xinchang Zunlan Mountain Hotel) amounted to RMB19 million and the impairment by Qingdao Greentown Jiaozhouwan Real Estate Development Co., Ltd. for its hotel property (Sheraton Qingdao Jiaozhou Hotel) amounted to RMB84 million during the Year.

During the Year, the Group made provisions for the impairment losses of certain subsidiaries in respect of their completed properties for sale, properties under development respectively, as follows:

Company Name	**Project Name**	**Impairment Losses** *(RMB million)*
Tianjin Greentown National Games Village Construction Development Co., Ltd.	Tianjin National Games Village	174
Wuhan Shuanggu Real Estate Co., Ltd. (武漢雙谷房地產有限公司)	Wuhan Phoenix Mansion	149
Zhejiang Jiande Greentown Real Estate Co., Ltd.	Jiande Beauty Plaza (建德美好廣場)	103
Xinjiang Junfa Greentown Real Estate Development Co., Ltd.	Xinjiang Lily Apartment	52
Beijing Eastern Greentown Real Estate Co., Ltd.	Beijing Jinghang Plaza	36
Total		**514**

In addition, the Group made provision for an impairment loss of RMB797 million based on the expected credit loss impairment model and taking into account a comprehensive range of factors such as the objects of receivables and aging, as follows:

Company Name	**Project Name**	**Impairment Losses** *(RMB million)*
Shenyang National Games Village Construction Co., Ltd.	Shenyang National Games Village	398
Foshan Lvkang Real Estate Co., Ltd. (佛山綠康置業有限公司)	Foshan Guiyu Lanting	99
Tangshan Greentown Real Estate Development Co., Ltd.	Tangshan South Lake Project	132
Others		168
Total		**797**

Contract Liabilities

Contract liabilities mainly represent the amounts received from the pre-sale of properties. As at 31 December 2019, the balance of contract liabilities of the Group was RMB76,325 million, representing an increase of RMB10,058 million or 15.2% from RMB66,267 million as at 31 December 2018. Such increase was mainly due to the increase in contract sales of the Group during the Year.

As at 31 December 2019, the balance of contract liabilities of joint ventures and associates was RMB50,612 million, representing an increase of RMB11,729 million or 30.2% from RMB38,883 million as at 31 December 2018.

Financial Resources and Liquidity

As at 31 December 2019, the Group had bank balances and cash (including pledged bank deposits) of RMB51,894 million (31 December 2018: RMB48,219 million). Total borrowings amounted to RMB95,577 million (31 December 2018: RMB81,458 million) and net liabilities (total borrowings less bank balances and cash) amounted to RMB43,683 million (31 December 2018: RMB33,239 million). Net gearing ratio was 63.2%, which was higher than the ratio of 55.3% as at 31 December 2018 but remained at a reasonable level. Balance of borrowings due within one year amounted to RMB34,941 million, accounting for 36.6% of total borrowings. The closing balance of bank deposits and cash was 1.5 times the balance of borrowings due within one year. Cash flow was sufficient, coupled with a reasonable debt structure, providing a strong support for the prospective development of the Company.

Greentown Group obtained facilities of RMB238.4 billion from financial institutions, of which approximately RMB145.7 billion was available as of 31 December 2019.

Important Acquisition

The Group entered into the Share Transfer and Cooperation Agreement with two independent parties in December 2019 to acquire an aggregate of 35% equity interests in Shanghai Xinhu Real Estate (上海新湖房地產). The entering into of the Share Transfer and Cooperation Agreement was mainly to set out the terms of cooperation for the development of the Target Project, namely Section 4 of Phase Three of the Pearl City Project. The transaction was completed in December 2019. The consideration for the equity transfer was RMB550 million. Such acquisition increased the net profit of the Group by RMB212 million for the Year.

For details of the acquisition, please refer to the announcement of the Company dated 17 December 2019.

Risks of Foreign Exchange Fluctuation

The principal place of operation of the Group is in the People's Republic of China, and the majority of the income and expenditure was settled in RMB. As the Group had deposits in foreign currencies, amounts due from and to related parties and third parties denominated in foreign currencies, as well as bank borrowings in foreign currencies and overseas senior notes, the Group was exposed to foreign exchange risks. No foreign exchange hedging arrangements was entered into by the Company during the Year. A provision of net foreign exchange loss of RMB268 million was made for RMB depreciation, though there was no effective cash outflow. The Company will heed the changes in the foreign exchange market and actively ascertain with banks on foreign exchange hedging proposals.

Financial Guarantees

The Group provided guarantees to certain banks for mortgage facilities granted to buyers of the Group's properties. As at 31 December 2019, such guarantees for mortgage facilities amounted to RMB35,651 million (31 December 2018: RMB33,938 million).

Pledge of Assets

As at 31 December 2019, the Group pledged right-of-use assets, investment properties, properties for development, properties under development, completed properties for sale, property, plant and equipment, pledged bank deposits, trade and other receivables, deposits and prepayments and interests in associates, with an aggregate carrying value of RMB95,868 million (31 December 2018: RMB67,015 million) to secure general credit facilities granted by banks and other financial institutions to the Group.

Capital Commitments

As at 31 December 2019, the Group had contracted, but not provided for, capital expenditure commitments of RMB30,769 million (31 December 2018: RMB25,909 million) in respect of properties for development, properties under development or 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.

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

Save as disclosed, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of its listed securities during the Year.

For (i) the issue of senior perpetual capital securities by a wholly-owned subsidiary of the Company and guaranteed by the Company; (ii) the full redemption of the outstanding amount of the subordinated perpetual capital securities callable 2019 in the aggregate principal amount of US$500,000,000 issued by a wholly-owned subsidiary of the Company and listed on The Stock Exchange of Hong Kong Limited (the "Stock Exchange"); and (iii) the issue of US$600,000,000 4.55% Senior Notes due 2020 by the Company and guaranteed by its subsidiaries in the Year, please refer to the Company's announcements dated 25, 26, 29 and 31 January 2019, 8 February 2019 and 4 and 12 November 2019 for details.

HUMAN RESOURCES

As at 31 December 2019, the Group employed a total of 7,418 employees (31 December 2018: 7,535). 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, save as disclosed, 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 on The Stock Exchange of Hong Kong Limited (the "Listing Rules") throughout the Year.

There has been concurrent appointment of Chairman and Chief Executive Officer of the Company. Under Code Provision A.2.1, the roles and functions of chairman and chief executive are separate. Having assessed the practical circumstances of the Company, its current governance structure can better facilitate the execution of its business strategies and enhancement of operation efficiency. Since the Board and senior management of the Company comprise of experienced and diversified individuals, the balance of power and authority between the Board and the management of the Company will be maintained. Furthermore, under the supervision of the independent non-executive Directors who represent over one-thirds of the members of the Board, the balance of the Board will be adequately and fairly safeguarded.

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. Having made specific enquiry to each of the Directors, they have confirmed that they have complied with the Model Code throughout the Year. 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 on 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 2019 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 12 June 2020 (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 RMB0.30 per share for the year ended 31 December 2019 (the "2019 Final Dividend") to the ordinary Shareholders whose names appear on the Company's register of members as of 23 June 2020 (Tuesday) (2018: RMB0.23 per share). Subject to approval of the Shareholders at the AGM, the 2019 Final Dividend is expected to be paid before 31 July 2020.

CLOSURE OF REGISTER OF MEMBERS

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

(i) From 9 June 2020 (Tuesday) to 12 June 2020 (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 8 June 2020 (Monday); and

(ii) From 19 June 2020 (Friday) to 23 June 2020 (Tuesday), both days inclusive, during which period no transfer of shares will be registered, for the purpose of ascertaining Shareholders' entitlement to the 2019 Final Dividend, if approved by the Shareholders at the AGM. In order to be eligible to the 2019 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 18 June 2020 (Thursday).

PUBLICATION OF ANNUAL REPORT

The annual report of the Group for the year ended 31 December 2019 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
ZHANG Yadong
Chairman

Hangzhou, the PRC
20 March 2020

As at the date of this announcement, the Board comprises Mr ZHANG Yadong, Mr LIU Wensheng, Mr ZHOU Lianying, Mr GUO Jiafeng, Mr GENG Zhongqiang and Mr LI Jun as executive directors, Mr Stephen Tin Hoi NG (Mr Andrew On Kiu CHOW as his alternate) as a non-executive director and Mr JIA Shenghua, Mr KE Huanzhang, Mr SZE Tsai Ping, Michael and Mr HUI Wan Fai as independent non-executive directors.