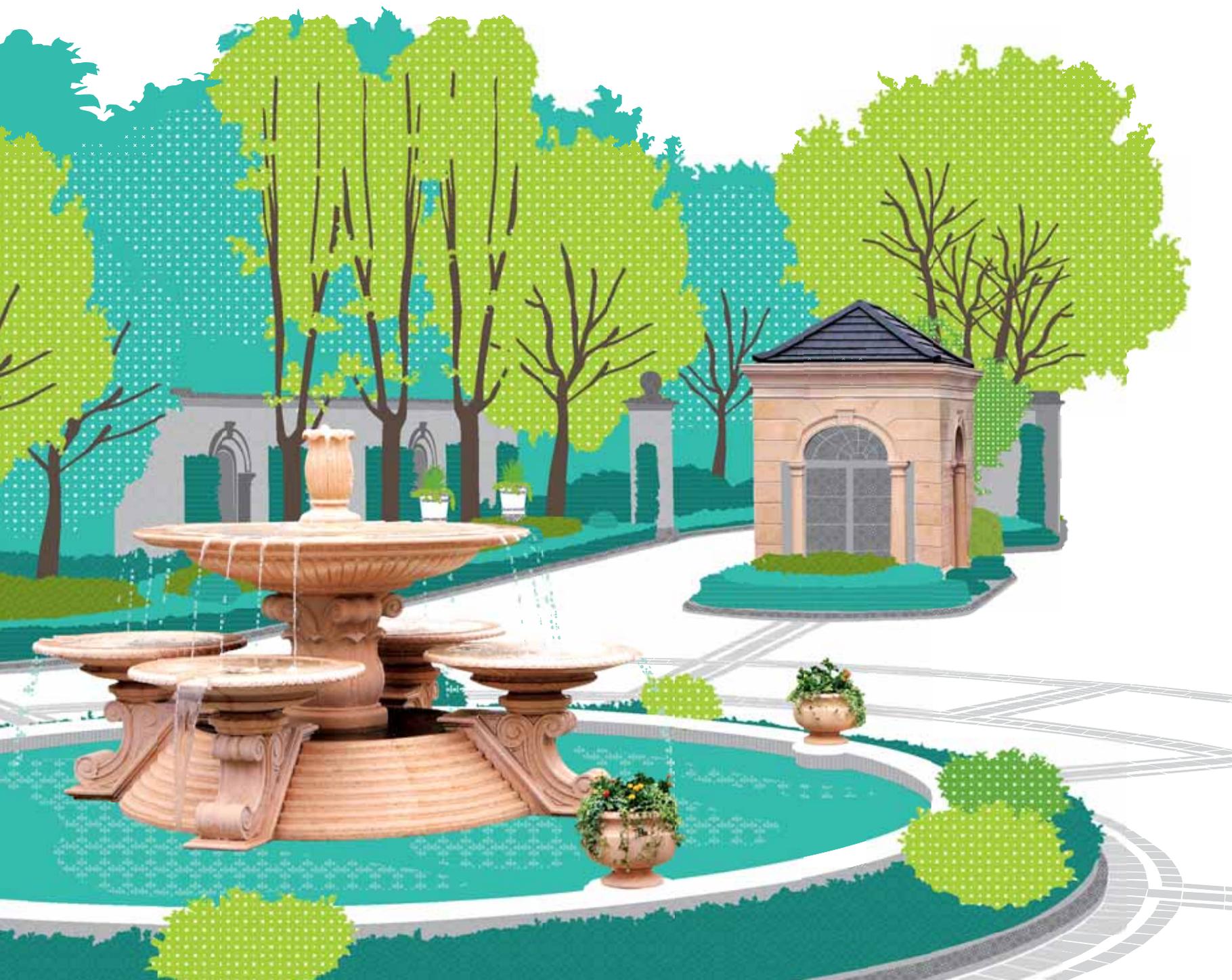


# INTERIM 中期報告 REPORT 2015



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)  
(於開曼群島註冊成立的有限公司) (股票代碼：03900)





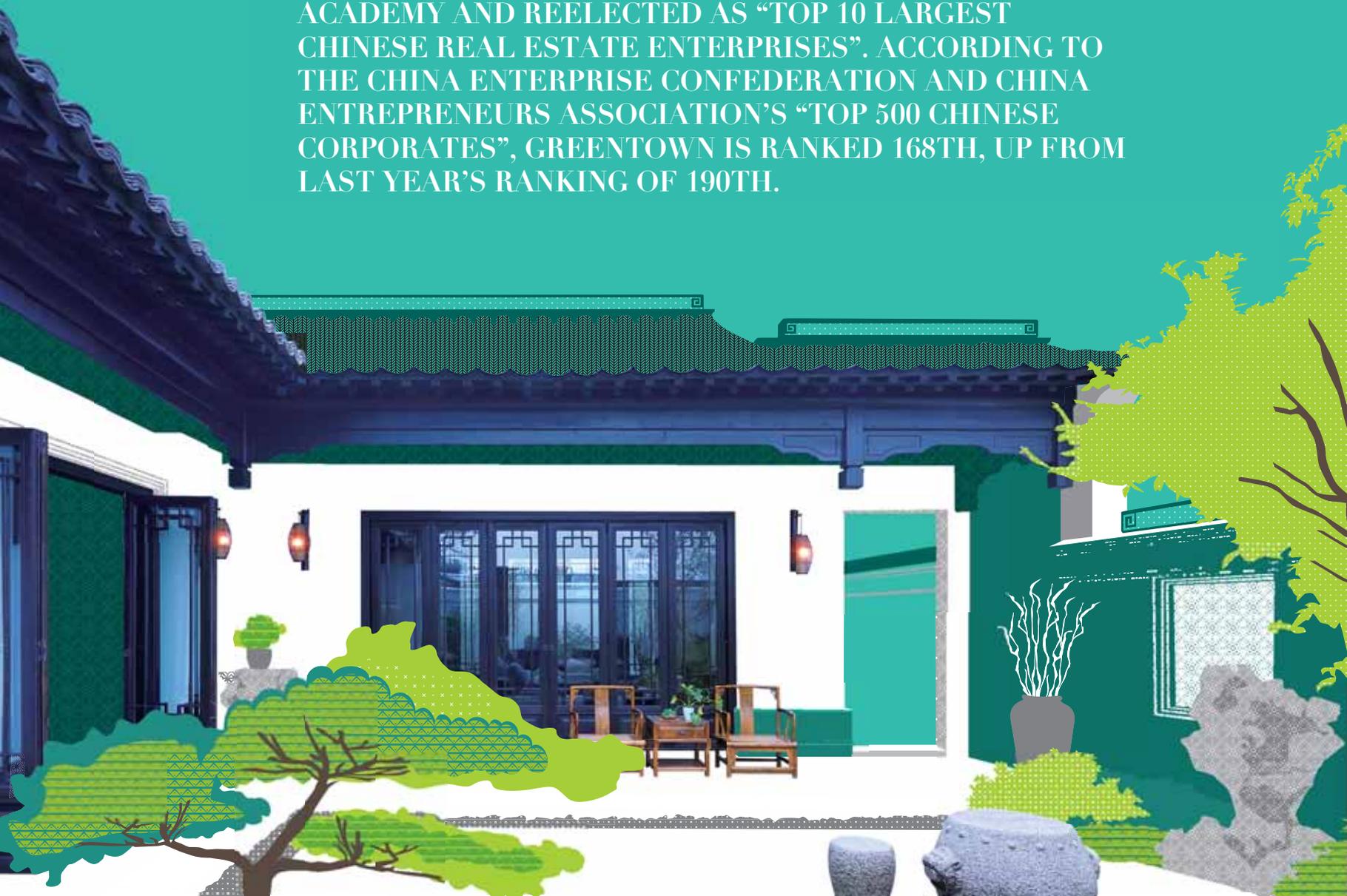
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# Corporate profile



GREENTOWN CHINA HOLDINGS LIMITED IS ONE OF THE LEADING PROPERTY DEVELOPERS IN CHINA. IT COMMANDS A LEADING POSITION IN THE INDUSTRY BY LEVERAGING ON ITS QUALITY PROPERTIES. GREENTOWN GROUP WAS JOINTLY VOTED AS “2015 TOP 10 CHINESE REAL ESTATE ENTERPRISES BY COMPREHENSIVE STRENGTH” FOR THE 11TH CONSECUTIVE YEAR BY THE DEVELOPMENT RESEARCH CENTER OF THE STATE COUNCIL, THE INSTITUTE OF REAL ESTATE STUDIES AT TSINGHUA UNIVERSITY AND THE CHINA INDEX ACADEMY AND REELECTED AS “TOP 10 LARGEST CHINESE REAL ESTATE ENTERPRISES”. ACCORDING TO THE CHINA ENTERPRISE CONFEDERATION AND CHINA ENTREPRENEURS ASSOCIATION’S “TOP 500 CHINESE CORPORATES”, GREENTOWN IS RANKED 168TH, UP FROM LAST YEAR’S RANKING OF 190TH.





Since its establishment 20 years ago, the Group has been based in Zhejiang Province, one of the most economically vibrant provinces in the PRC. With property projects covering most of the economically prosperous cities in Zhejiang Province such as Hangzhou, Ningbo, Taizhou, Shaoxing and other cities amongst the Top 100 national most competitive county-level cities in Zhejiang Province, the Group has a sizable operation scale and enjoys a wide recognition. The Group has successfully set foot in other major cities located in Yangtze River Delta, including Shanghai, Wuxi and Xuzhou, and in major cities in Bohai Rim Economic Belt, including Beijing, Tianjin, Qingdao, Jinan, Dalian and other provincial cities, such as Hefei in Anhui Province, Zhengzhou in Henan Province, Changsha in Hunan Province, and Urumqi in Xinjiang, which enabled the operating results to grow continuously and established an excellent brand image in various cities. Greentown focuses on the development of superior-quality properties. Having continuously improved and enriched its product portfolio, Greentown now offers widely-received high quality housing types

such as villa, flat mansion, low-rise apartment, high-rise apartment, urban complex, integrated community and commercial property.

On 8 June 2012, Wharf was introduced as a strategic shareholder of Greentown. The aggregate investment from Wharf amounted to approximately HK\$5.1 billion (equivalent to approximately RMB4.16 billion), including the subscription of approximately 490 million placing shares and the subscription of convertible securities (which have been redeemed in full in February 2014). As at the date of this report, Wharf (through its wholly-owned subsidiary) was interested in approximately 25% of the total issued share capital of the Company.

On 27 March 2015, CCCG completed the share sale transaction with Mr SONG Weiping and other related shareholders pursuant to which CCCG acquired an aggregate of 524,851,793 shares of the Company at HK\$11.46 per share in cash (representing a total consideration of approximately HK\$6.015 billion). On 4 June 2015, CCCG acquired

another 100 million shares of the Company at HK\$11.46 per share. As at the date of this report, CCCG held approximately a 28.899% stake in the Company, making it the single largest shareholder.

As at 30 June 2015, the premier land bank of Greentown Group comprised a total GFA of over 33.24 million sqm ensuring Greentown Group's sustainable and steady development in the coming future. Leveraging on its quality human resources and highly-effective corporate management structure, Greentown has established a strong presence in all cities where it operates. The Group's experience in developing numerous high-quality projects and outstanding operational capabilities have provided a strong momentum for its further expansion.



# Corporate Information

## Registered Office

Maples Corporate Services Limited  
PO Box 309, Ugland House  
South Church Street  
George Town, Grand Cayman  
KY1-1104, Cayman Islands

## Share Registrar in Hong Kong

Computershare Hong Kong Investor Services Limited  
Shops 1712-1716  
17th Floor, Hopewell Centre  
183 Queen's Road East  
Wanchai, Hong Kong

## Share Registrar in Cayman Islands

Royal Bank of Canada Trust Company (Cayman) Limited  
4th Floor, Royal Bank House  
24 Shedden Road  
George Town, Grand Cayman  
KY1-1110, Cayman Islands

## Auditor

Deloitte Touche Tohmatsu

## Legal Advisors

as to Hong Kong law:  
Ashurst Hong Kong

as to PRC law:  
Zhejiang T&C Law Firm

as to Cayman Islands law and  
British Virgin Islands law:  
Maples and Calder

## Company Secretary

Mr FUNG Ching, Simon

## Authorized Representatives

Mr SHOU Bainian  
Mr FUNG Ching, Simon

## Principal Bankers

The Bank of East Asia, Limited  
Standard Chartered Bank (Hong Kong) Limited  
Bank of China Limited  
Industrial and Commercial Bank of China Limited  
Agricultural Bank of China Limited  
China Construction Bank Corporation  
Bank of Communications Co., Ltd.  
Shanghai Pudong Development Bank Co., Ltd.  
China Everbright Bank Corporation Limited  
Guangdong Development Bank Co., Ltd.

## Hangzhou Headquarters

10/F, Block A, Century Plaza  
No.1 Hangda Road  
Hangzhou, Zhejiang  
PRC  
(Postal code: 310007)

## Principal Place of Business in Hong Kong

Room 1406-1408, 14/F  
New World Tower I  
16-18 Queen's Road Central  
Hong Kong

## Investor Relations

Email: [ir@chinagreentown.com](mailto:ir@chinagreentown.com)  
Tel: (852) 2523 3138  
Fax: (852) 2523 6608

## Public Relations

Hill + Knowlton Strategies Asia  
Email: [greentown@hkstrategies.com](mailto:greentown@hkstrategies.com)  
Tel: (852) 2894 6321  
Fax: (852) 2576 1990

## Stock Code

HKEx: 03900

## Websites

[www.chinagreentown.com](http://www.chinagreentown.com)  
[www.greentownchina.com](http://www.greentownchina.com)

## Board of Directors

### Executive Directors

Mr SONG Weiping (*Co-chairman*)  
Mr ZHU Bixin (*Co-chairman*)  
Mr SUN Guoqiang  
Mr SHOU Bainian  
Mr CAO Zhounan  
Mr LI Qingan

### Non-Executive Director

Mr LIU Wensheng

### Independent Non-Executive Directors

Mr JIA Shenghua  
Mr KE Huanzhang  
Mr SZE Tsai Ping, Michael  
Mr HUI Wan Fai

### Audit Committee

Mr SZE Tsai Ping, Michael (*Chairman*)  
Mr JIA Shenghua  
Mr HUI Wan Fai

### Nomination Committee

Mr SZE Tsai Ping, Michael (*Chairman*)  
Mr ZHU Bixin  
Mr SHOU Bainian  
Mr JIA Shenghua  
Mr KE Huanzhang  
Mr HUI Wan Fai

### Remuneration Committee

Mr JIA Shenghua (*Chairman*)  
Mr SHOU Bainian  
Mr SUN Guoqiang  
Mr KE Huanzhang  
Mr SZE Tsai Ping, Michael  
Mr HUI Wan Fai

# Land Bank Information

## Greentown in CHINA

- 13.3% Hangzhou
- 31.0% Zhejiang (excluding Hangzhou)
- 4.1% The Yangtze River Delta Area (excluding Zhejiang)
- 35.0% The Bohai Rim River Delta Area
- 16.6% Others



Total GFA Exceeds  
**33.24** Million sqm

**Zhejiang****31.0%**Proportion to total land bank (%)  
10,294,716 Total GFA (sqm)**Hainan****4.8%**Proportion to total land bank (%)  
1,581,100 Total GFA (sqm)**Shanghai****2.0%**Proportion to total land bank (%)  
660,997 Total GFA (sqm)**Hubei****0.5%**Proportion to total land bank (%)  
176,174 Total GFA (sqm)**Shandong****20.6%**Proportion to total land bank (%)  
6,834,264 Total GFA (sqm)**Hebei****3.2%**Proportion to total land bank (%)  
1,063,640 Total GFA (sqm)**Beijing****1.8%**Proportion to total land bank (%)  
606,017 Total GFA (sqm)**Inner Mongolia****0.5%**Proportion to total land bank (%)  
170,520 Total GFA (sqm)**Hangzhou****13.3%**Proportion to total land bank (%)  
4,422,676 Total GFA (sqm)**Tianjin****2.6%**Proportion to total land bank (%)  
860,021 Total GFA (sqm)**Henan****1.2%**Proportion to total land bank (%)  
418,733 Total GFA (sqm)**Liaoning****6.8%**Proportion to total land bank (%)  
2,255,905 Total GFA (sqm)**Anhui****2.5%**Proportion to total land bank (%)  
829,038 Total GFA (sqm)**Hunan****0.8%**Proportion to total land bank (%)  
257,414 Total GFA (sqm)**Xinjiang****5.8%**Proportion to total land bank (%)  
1,931,525 Total GFA (sqm)**Jiangsu****2.1%**Proportion to total land bank (%)  
694,330 Total GFA (sqm)**Heilongjiang****0.5%**Proportion to total land bank (%)  
187,669 Total GFA (sqm)

	No. of Projects	Site Area	GFA	% of Total
Hangzhou	15	1,805,131	4,422,676	13.3%
Zhejiang (excluding Hangzhou)	30	6,335,412	10,294,716	31.0%
The Yangtze River Delta Area (excluding Zhejiang)	5	415,094	1,355,327	4.1%
Shandong	11	3,037,128	6,834,264	20.6%
Liaoning	3	877,651	2,255,905	6.8%
Hainan	1	1,506,207	1,581,100	4.8%
Beijing	3	294,295	606,017	1.8%
Other cities	13	3,217,550	5,894,734	17.6%
<b>Total</b>	<b>81</b>	<b>17,488,468</b>	<b>33,244,739</b>	<b>100%</b>

# Management Discussion and Analysis





## Business Review

In the first half of 2015, various measures were implemented against the backdrop of centralized policies with respect to stabilizing housing consumption. Such arrangements improved the market environment and the real estate market began to pick up gradually. Demand on housings, in particular demand on housings with improved quality, has increased after a series of easing policies including financial subsidies and tax reliefs implemented by different local governments. Meanwhile, financing channels including onshore A-share refinancing, medium-notes and corporate bond issuance have been relaxed and this led to an increase in corporate financings of the real estate developers in 2015 which improved the capital structure of the sector.

In the first half of 2015, CCCG completed its strategic acquisitions of shares in Greentown, following which Greentown becomes the sole overseas listing platform of CCCG in property development. This is of crucial strategic significance to Greentown. CCCG, a wholly state-owned company supervised by State Asset Supervision and Administration Commission, not only further optimizes the shareholding and administrative structures of the Company but also brings more cooperation opportunities to the Company in the future, and this turns the story of the Group into a new chapter.

Even though there is a substantial change in external market environment, the Company remains to uphold its core belief of “Honesty, Goodwill, Exquisite and Perfect” to meet the demands of the market and customers, further diversify the product variety, integrate with the

optimization marketing strategies of the Internet and consolidate the advantages of its high quality service in order to expand its customer base and create the YOUNG era of Greentown. Furthermore, the Company has made good use of the favourable market environment in the first half of 2015 to accelerate the reduction of inventory and has already achieved more than half of its annual sales target.

## Results Overview

During the period, the Group recognized revenue of RMB10,756 million, representing a decrease of 14.4% from RMB12,560 million during the same period in 2014. Gross profit recognized by the subsidiaries from property sales was RMB2,153 million, and gross profit margin from property sales was 22.1%, representing a decrease from 24.0% during the same period in 2014. The decrease was mainly due to a lower selling price in relation to certain projects with revenue recognized during the period as a result of the macro control measures on the real estate industry previously promulgated by the central government, which in turn affected the Group's gross profit margin for the period.

The profit attributable to owners of the Company amounted to RMB519 million, representing a decrease of 15.3% as compared to RMB613 million recorded during the same period in 2014. After deduction of post-tax effect of net gains from acquisitions and disposals, impairment loss on completed properties for sale, and changes in fair value of financial derivatives, the core net profit attributable to owners of the Company was RMB615 million, representing a decrease of 7.0% compared to RMB661 million recorded during the same period in 2014. The decrease

was mainly due to the decrease in gross profit of the properties with revenue recognised during the period, and the increase in selling and administrative expenses as a result of the increases in human resources and hotel operation costs.

The Company recorded the basic earnings per share of RMB0.18 for the period, in line with RMB0.19 per share during the same period in 2014.

## Pre-sales in the First Half of 2015

Since the beginning of 2015, the Central Government has cut the benchmark lending rate, lowered the reserve requirement and relaxed the property purchase limit and all these measures stabilised the property market. The Company grasped this opportunity and adopted flexible sales strategies and innovative marketing advertisements to accelerate the reduction of inventory, accelerate cash inflow and achieve the sales target.

During the six months ended 30 June 2015, Greentown Group recorded approximately 1.68 million sqm of accumulated total saleable area, while the contracted sales amounted to approximately RMB32.3 billion (for the same period in 2014: RMB27.6 billion), of which approximately RMB16.2 billion (for the same period in 2014: RMB13.2 billion) was attributable to the Group. As at 30 June 2015, Greentown Group recorded approximately RMB2.5 billion of subscription sales, of which approximately RMB1.3 billion was attributable to the Group. Greentown Group has achieved 54% of the annual sales target of RMB60 billion set at the beginning of 2015. The overall average selling price was RMB19,257 per sqm.

### Offshore Financing

On 10 February 2015, the Company successfully further issued senior notes due in 2019 in an aggregate amount of USD200 million with an interest rate of 8.0% per annum. The proceeds were utilised for re-financing certain existing short-term liabilities and general corporate purposes.

On 31 July 2015, the Company completed the offer to exchange (the "Exchange Offer") (i) the US\$700,000,000 8.50% Senior Notes due 2018 issued by the Company (the "2018 US\$ Notes") and (ii) the US\$500,000,000 8.0% Senior Notes due 2019 issued by the Company (the "2019 US\$ Notes") into the US\$ denominated 5.875% Senior Notes due 2020 of the Company (the "New Notes"). The Exchange Offer was completed with an average exchange rate of over 33%. The Company concurrently issued an aggregate principal amount of US\$70,302,000 additional

New Notes (the "New Money Issuance") which amount the aggregate principal amount of the New Notes (including New Notes issued pursuant to both the Exchange Offer and the New Money Issuance) to US\$500,000,000. Concurrently, the Company has also completed the consent solicitations with respect to certain terms and conditions of the indenture in relation to the RMB2,500,000,000 5.625% Senior Notes due 2016 (the "RMB Notes"), the 2018 US\$ Notes and the 2019 US\$ Notes issued by the Company.

### CCCG Becoming the Single Largest Shareholder of Greentown

On 27 March 2015, CCCG completed the acquisition of shares of the Company from Mr SONG Weiping, Ms XIA Yibo (spouse of Mr Song) and Mr SHOU Bainian, pursuant to which, CCCG held an aggregate of 524,851,793 shares of the Company, representing approximately 24.287% of the total issued share capital of the

Company. In addition, on 4 June 2015, CCCG, through its wholly-owned subsidiary, CCCG Real Estate Group Limited (中交房地產集團有限公司) acquired another 100 million shares of the Company at HK\$11.46 per share. As at the date of this report, CCCG (and its subsidiaries) held 624,851,793 shares of the Company, representing 28.899% of the total issued share capital of the Company, and thus became the single largest shareholder of Greentown. After the acquisitions by CCCG, the Company has appointed Mr ZHU Bixin as Executive Director and Co-chairman of the Board, Mr SUN Guoqiang as Executive Director, Mr CAO Zhounan as Executive Director and Chief Executive Officer, Mr LI Qingan as Executive Director and General Manager and Mr LIU Wensheng as Non-executive Director. Since then, five out of the seven executive and non-executive directors of the Company were from CCCG.

Qingdao Jiaozhou Lagerstroemia Square



### Land Bank

During the first half of 2015, Greentown Group only acquired one new project, namely Greentown Spring Blossom, an ideal town project comprising Chinese-styled small size villa located in Qingshan Lake National Forest Park, Lin'an, Zhejiang. The project has a site area of approximately 690,000 sqm and GFA of approximately 310,000 sqm. The considerations of acquisition of the 51% equity interest in the project amounted to approximately RMB72,360,000.

On 30 June 2015, Greentown Group had a total land bank with a GFA of approximately 33.24 million sqm, of which approximately 19.19 million sqm was attributable to the Group. Total saleable area amounted to approximately 22.44 million sqm, of which approximately 12.11 million sqm was attributable to the Group, and the average GFA land cost was approximately RMB2,766 per sqm.

### Outlook

With the development in the last two decades, Greentown has achieved a rapid growth by fully taking advantage of the historical opportunities of urbanization in the PRC. However, changes in the current operating environment, including gradual slowdown of land profit, structurally excessive real estate housing supply, general decline in profit of property developers, a "new norm" in the mode of development of the industry which brings fundamental changes, shifts and upgrades of the economy of the PRC, further rapid urbanization and further acceleration of globalization, bring great challenges to the Company. To cope with these



Zhejiang Lin'an Spring Blossom

challenges, the Company will actively reform to stay in line with the new market demands, respond to the national strategy of "Internet+", commit to the historical mission of "creating a better life" for the public, leverage the use of Internet and shift the strategies to provide residential products, real estate financing service products and diversified service products based on the practical application of Internet, in order to shift from "building houses" to "building lifestyles" and from "selling houses" to "selling lifestyles". By doing so, we aim to fully create a socialized and open service platform and strive to develop ourselves as a "pleasant lifestyle integrated service provider".

In face of the current real estate environment, the Company will further strengthen the sales, accelerate the reduction of inventory, expand the financing channels and strictly control the costs. At the same time, the Company will further build up its concrete foundation by optimizing the Group's land reserves and cost structure. These can be achieved through focusing the business on core cities, expanding short term valuable projects, accelerating the project cycles and upgrading the asset-light quantity.

### **Strategic Alliance for Mutual Benefits**

Since the introduction of CCCG as the shareholder of Greentown, CCCG has given multi-dimensional supports to the Company. In the future strategic development plan, CCCG will provide solid and strong support to the stable development of Greentown with its strong background as a state-owned enterprise, the market leader in the construction industry and one of the Global Top 500 Enterprises. From a financial perspective, CCCG will expand the financing channels of Greentown by having a good and long-term cooperation relationship with financial institutions (such as banks) and provide value-added measures to Greentown for future financing – these measures will reduce the finance costs of Greentown and further improve the financing ability and efficiency of Greentown. From a project development perspective, Greentown will become a key strategic cooperation partner of CCCG for future business development through various ways including the setting up of joint venture, co-development of land and projects as well as capital injection, so as to assist Greentown to further develop the asset-light operating model. At the same time, CCCG will leverage the advantages of its overseas resources such that CCCG and Greentown can jointly explore more overseas development opportunities. From an operational management perspective, Greentown will introduce CCCG's advanced management methodology and stringent control system of CCCG to optimize the overall management and control model of the Company to improve its cost-control for continued healthy development.

As the sole property platform of CCCG in the overseas listing arena, Greentown will fully utilize its advantages of brand value, management experience and reputation among customers to lead the integration of offshore real estate business of CCCG and actively exert the synergies effect through an all-rounded and multi-level cooperation, for the mutual benefits of both CCCG and Greentown.

### **Transform from a Traditional Property Developer to a Comprehensive Quality Life Service Provider**

Under the backdrop of a new era, satisfying the comprehensive needs of urban citizens which enjoy a modern city cultural life has become a fundamental requirement for real estate developers to further change and grow. Based on its own strengths and characteristics, Greentown Group will adhere to its vision and positioning of “being an ideal living services provider” in the future, and carry out a strategic reform focusing on “platform-based services, financialisation of real estate and professionalism towards property development” with the two key visions of “beautiful buildings” and “wonderful life” in mind. Meanwhile, the Company will coordinate the three business segments of services, development and construction management, and enrich the three profit models (i.e., the value-added services, the value-added development and the value-added light assets). Greentown aims to transform its core operation from solely “building houses” to “creating an ideal life” in order to upgrade

the comprehensive living quality of residents in the Greentown's properties as well as the general public with complete set of all-rounded programs for different age groups and for life cycle. By driving and fulfilling the diversified, varied and high quality demand, Greentown strives to become the “No. 1 brand of comprehensive urban living service providers”.

### **Focus on Asset Light Business to Enhance Return on Capital and Leverage on Brand Name Advantage**

Based on the existing foundation, the Company will integrate the construction management platform, unified business planning and gather the dominant resources internally in order to integrally strengthen the operation of asset-light business. On the other hand, the Company will build a long term strategic partnership with state-owned enterprises and central enterprises with an aim to form a long lasting channel for the source of project construction management business. By developing the brand and management and emphasizing on the increase of the proportion of light asset business of the Company, we will be able to increase our return on assets, secure and expand the leadership and influence of Greentown in the project construction management sector, and accelerate the building of an unified and complete construction management brand name of Greentown. As such, the influence of Greentown's brand in the domestic market will be strengthened as a whole.

### **Emphasize on Strategic Layout of Key Cities and Concentrate on Effective Development of Core Projects**

The Company will build a multi-level management and control system on project investment rating, which will regulate the management of investment, set a limit on investment to clarify each of the business indicators and implement scientific decision-making principles. The Company will strategically focus on first-tier and second-tier cities, as well as third-tier cities with considerable development potentials, and emphasize on the expansion of high-quality projects by stages in a short period of time with low costs so as to increase its market share in the core and key cities. At the same time, the Company will control investments in projects with low revenue and long cycle in order to optimize the efficiency of capital use and increase the return on investments to achieve scientific layouts returns. The Company will leverage on the strong support of CCCG in respect of the investments in layouts of key cities and overseas market expansion and proactively exert synergy to secure a win-win cooperation situation for both CCCG and Greentown.

### **Keep Abreast of Market Demand, Enrich Product Portfolio and Improve Customer Loyalty**

The Company will coordinate the strategic investment layouts and optimize product portfolio. In the core areas of the first-tier and second-tier cities, it will continue to invest in high-end products to meet the demand of high-end customers. The consistently high quality products of Greentown will in turn further enhance the brand value of the

Company. In other regions, the Company will focus on “the most cost-effective” products and strike a balance between quality and cost which is in line with market demand and the need of the local customers so as to enhance the profitability of the Company. In respect of product innovation, the Company will proactively build a solid base and an online interaction platform for product research and development, and to attract more people to participate in product innovation through creative incentives and design competitions. These measures will enrich the product systems of Greentown, promote product innovation, establish a fundamental system for cost-effective rating of products, form a project development model in line with market and emphasizes on sales segment to increase the popularity of Greentown’s products in the market which will in turn enhance customer loyalty. Concurrently, through optimizing the control model, improving the techniques and processes, enhancing the precision of construction and strengthening the site refined management, the Company will maintain its No. 1 quality of design and No. 1 quality of projects so as to promote Greentown’s products and its strengths, implement a strategy of refined products, upgrade the service system, increase the additional value of products and further upgrade Greentown’s brand.

### **Enhance the Sales of Inventory and Increase the Cash Inflows**

In light of the prevailing business environment, sales remains to be of the top priority. The Company will continue to intensify the agent-based model, strengthen the performance of the sales team and maintain the relationship

of old customers. We aim to complete the APP system of Greentown agents as soon as possible for the purpose of streamlining the sales channels, improving the standardization and traceability of regular marketing activities, and analysing the marketing and promotion experience gathered in Wechat and other platforms systematically. By combining the features of different projects and optimizing an innovative promotion model, we will gradually achieve the full coverage of new and old customers via Wechat platform, extend the promotion coverage, enhance the reputation of the brand and the popularity of the projects as well as reduce the inventory.

Based on the sales of inventory and the amount of the overall inventory level in the first half of the year, the Company will develop sales strategies and inventory reduction plans (including liquidating the remaining units, adopting flexible sales plan with respect to large-sized housing and comprehensive business group purchases) in order to realize the strategic reduction of housing inventory, keep the receivables in a reasonable level, and increase the cash inflow.

### **Projects Scheduled for Completion in the Second Half of the Year**

In the second half of 2015, Greentown Group expects to commence construction of projects with a total GFA of approximately 4.54 million sqm. In addition, it is expected that 33 projects (or phased project) will be completed in the second half of 2015 with a total GFA of approximately 4.15 million sqm.

## Financial Analysis

### Revenue

The revenue of the Group mainly derives from the sales of property, as well as from hotel operations, property rental, project management, sales of construction materials, and design and decoration, etc. During this

period, the revenue from property sales amounted to RMB9,724 million, accounting for 90.4% of the total revenue, and representing a decrease of 17.6% from RMB11,805 million during the same period in 2014. Such decrease was mainly due to the decrease of the average selling prices from property sales. The average selling price of properties delivered in this

period was RMB15,274 per sqm, representing a decrease of 14.9% from RMB17,942 per sqm during the same period in 2014, which was mainly due to certain proportion of projects delivered for the period were located at third-tier and fourth-tier cities, affecting the average selling prices to a certain extent.

Properties with the revenue recognized by subsidiaries during the first half of 2015 were as follows:

Projects	Type of Properties	Area Sold (sqm) (Note)	Sales Revenue (RMB million)	% of Total	Average Selling Price (RMB/sqm)
Hangzhou Yunqi Rose Garden	Villa	15,946	1,375	14.1%	86,229
Xinjiang Lily Apartment	High-Rise Apartment, Low-Rise Apartment	61,926	945	9.7%	15,260
Hainan Greentown Blue Town	High-Rise Apartment, Villa	19,208	905	9.3%	47,116
Taizhou Rose Garden	High-Rise Apartment, Villa	52,723	624	6.4%	11,835
Shanghai Rose Garden	Villa	12,006	568	5.8%	47,310
Zhoushan Changzhidao	High-Rise Apartment	48,000	551	5.7%	11,479
Cixi Sincere Garden	High-Rise Apartment	58,842	524	5.4%	8,905
Qingdao Jiaozhou Lagerstroemia Square	High-Rise Apartment, Low-Rise Apartment	71,944	522	5.4%	7,256
Hangzhou Yuanfu Lane	Villa	3,872	317	3.3%	81,870
Xinjiang Jade Garden	High-Rise Apartment	38,471	310	3.2%	8,058
Others		253,695	3,083	31.7%	12,152
<b>Total</b>		<b>636,633</b>	<b>9,724</b>	<b>100.0%</b>	<b>15,274</b>

Note: Area sold includes above ground and underground areas.

During this period, projects in Zhejiang area (excluding Hangzhou) achieved sales revenue of RMB2,913 million, accounting for 30.0% of the property sales, ranking first among all regions. Projects in Hangzhou area achieved sales revenue of RMB2,782 million, accounting for 28.6%, ranking second. Projects in Xinjiang area achieved sales revenue of RMB1,255 million, accounting for 12.9%, ranking third.

During this period, sales revenue of high-rise apartment, low-rise apartment and serviced apartment reached RMB6,194 million, accounting for 63.7% of the property sales; sales revenue of villa reached RMB3,384 million, accounting for 34.8%; and sales revenue of office reached RMB146 million, accounting for 1.5%.

During this period, the Group achieved design and decoration revenue of RMB483 million, representing an increase of 51.4% from RMB319 million during the same period in 2014. Such increase was mainly due to the gradual expansion of design and decoration business scale year by year, and a steady growth in the customer base.

During this period, the Group's revenue from hotel operations was RMB259 million, representing an increase of 57.9% from RMB164 million during the same period in 2014. The increase was mainly due to the official commencement of operation of several hotels such as Hangzhou Azure Qianjiang Luxury Collection Hotel, Hainan Westin Blue Bay Resort and Zhoushan Westin Zhujiajian Resort in the second half of 2014.

During this period, the Group's revenue from project management services amounted to RMB155 million, representing an increase of 30.3% from RMB119 million during the



Hangzhou Sincere Garden

same period in 2014, mainly attributable to construction management revenue of Bluetown Property Construction Management Group Co., Ltd., a subsidiary of the Company. The Company will further strengthen the operation of light assets based on the current foundation, and strive to enhance the proportion of light assets operation of the Company through branding and administrative outputs. Following the development of light assets, the construction management revenue will increase in line with the increase in quantity of projects.

During this period, the Group's rental income from investment properties was RMB62 million, representing a slight increase from RMB59 million during the same period in 2014, mainly attributed by the rental income from Oakwood Residence Beijing.

#### Gross Profit Margin from Property Sales

During this period, the Group's gross profit from property sales was RMB2,153 million and the gross profit margin of property sales was 22.1%, lower than 24.0% in the same period in 2014. The decrease was mainly due to a lower selling price in relation to certain projects with revenue recognized during the period as a result of the macro control measures on the real estate industry previously promulgated by the central government, which in turn affected the Group's gross profit margin for the period.

#### Other Income

During this period, the Group realized other income of RMB429 million, representing a decrease of RMB217 million from RMB646 million during the same period in 2014, mainly due to a decrease in interest income.

### Selling and Administrative Expenses

The Group's selling and administrative expenses during the period amounted to RMB1,554 million in aggregate, representing an increase of 22.0% from RMB1,274 million during the same period in 2014.

Human resources cost, which is the largest single expense item in selling and administrative expenses, amounted to RMB595 million in this period (for the same period in 2014: RMB406 million), representing a year-on-year increase of 46.6%, mainly due to a significant staff cost expenditure in several hotels for official commencement of operation during the second half of 2014, and on the other hand, the absolute amount of human resources cost increased as a result of the increased pre-sales amount for the period as compared to

that of the same period of 2014. In addition, the increase in talent reserve and optimization of remuneration system in the second half of 2014 led to an increase of amounts to a certain extent. Expenses in marketing and related fees during this period amounted to RMB247 million, in line with RMB242 million during the same period in 2014. During this period, the daily operating expenses amounted to RMB445 million (for the same period in 2014: RMB345 million), representing a year-on-year increase of 29.0%. The increase was mainly due to the daily expenses, such as water and electricity charges, property management fees and depreciation, increased in connection with the certain hotels operated during the second half of 2014.

In addition, other income included a net foreign exchange gain of RMB1 million compared with a net foreign exchange loss of RMB69 million in the administrative expenses during the same period in 2014, mainly due to a number of borrowings of the Group denominated in foreign currency and fluctuations effect in exchange rate of RMB against US dollar.

### Financing Cost

During this period, interest expenses recorded in the condensed consolidated statement of profit or loss and other comprehensive income was RMB549 million (for the same period in 2014: RMB273 million). The total interest expenses during this period was RMB1,640 million, representing an increase of 11.6% from RMB1,470 million during the same period in 2014, mainly due to the significant increase in the weighted average of loan balance outstanding during this period. The weighted average interest cost during this period was 7.5% per annum, down slightly from 7.9% per annum for the same period in 2014. During this period, the capitalized interest was RMB1,091 million, at a capitalization percentage of 66.5% (for the same period in 2014: 81.4%).

### Share of Results of Joint Ventures and Associates

During this period, the Group's share of results of joint ventures and associates was in aggregate for a gain of RMB758 million, representing an increase of RMB879 million from a loss of RMB121 million in aggregate for the same period in 2014, mainly due to disposal of the real estate projects held by Shanghai Sunac Greentown Investment Holdings Co., Ltd. ("Shanghai Sunac Greentown") and Sunac Greentown Investment Holdings Limited ("Sunac Greentown Investment"). Details of

Xinjiang Lily Apartment



which please refer to “Transactions with Sunac China” below. The share of results of these two associates of the Group for the period amounted to RMB714 million in aggregate (for the same period in 2014: RMB110 million).

During this period, revenue from property sales recognized by joint ventures and associates amounted to RMB12,881 million in aggregate, representing a decrease of 14.3% from RMB15,022 million for the same period in 2014. Despite the fact that the property average selling price for this period increased by 7.2% from RMB18,994 per sqm for the same period in 2014 to RMB20,366 per sqm, the sold areas decreased by 20.0% to 632,468 sqm from 790,900 sqm for the same period in 2014.

Projects with the revenue recognized by joint ventures and associates in the first half of 2015 were as follows:

Projects	Type	Type of Properties	Area Sold (sqm) (Note)	Sales Revenue (RMB million)	% of Total	Average Selling Price (RMB/sqm)
Hangzhou Xinhua Garden	Associate	High-Rise Apartment	56,863	1,948	15.1%	34,258
Shanghai Dynasty on Bund	Associate	High-Rise Apartment	27,586	1,679	13.0%	60,864
Hangzhou Wulin No. 1	Associate	High-Rise Apartment	14,746	1,071	8.3%	72,630
Hangzhou Sincere Garden Zhichengyuan	Associate	High-Rise Apartment	31,554	1,021	7.9%	32,357
Shanghai Yulan Garden – Glorious Garden	Associate	High-Rise Apartment	39,740	900	7.0%	22,647
Shenyang National Games Project	Joint venture	Low-Rise Apartment, High-Rise Apartment	117,810	741	5.8%	6,290
Hangzhou Bright Moon in Jiangnan	Joint venture	High-Rise Apartment	27,704	736	5.7%	26,567
Shanghai Central Garden	Joint venture	High-Rise Apartment	21,160	686	5.3%	32,420
Others			295,305	4,099	31.9%	13,881
<b>Total</b>			<b>632,468</b>	<b>12,881</b>	<b>100.0%</b>	<b>20,366</b>

Note: Area sold includes above ground and underground areas.

### Taxation Expenses

During this period, taxation included the LAT of RMB381 million (for the same period in 2014: RMB583 million) and enterprise income tax of RMB419 million (for the same period in 2014: RMB580 million). During this period, the effective enterprise income tax rate was 49.4% (excluding share of results of joint ventures and associates and the losses of certain offshore subsidiaries), higher than the statutory tax rate of 25.0%, which was mainly attributable to withholding tax on dividend, the unrecognized deferred tax assets of the losses of certain onshore subsidiaries and the tax effect of non-deductible expenses.

### Fair Value Changes on Cross Currency Swaps

In May 2013, the Company issued senior notes in an amount of RMB2,500 million and entered into several cross currency swap contracts with BOCI Financial Products Limited, Standard Chartered Bank and Industrial & Commercial Bank of China (Asia) Limited. The fair value changes on such cross currency swaps realized gain of RMB24 million during this period (for the same period in 2014: loss of RMB86 million).

### Provision for Impairment Loss

In view of the risk and uncertainties brought by the restriction on property purchases and credit tightening policies imposed by the State, based on the prudent principles, the Group conducted impairment assessments on certain properties. According to the assessments results, the Company's subsidiary Zhujia Yuedu Real Estate Co., Ltd. provided for an impairment loss of RMB39 million for its completed properties for sale (Zhujia Greentown Plaza Project) while the Company's subsidiary Cixi Greentown Property Development Co., Ltd. provided for an impairment loss of RMB88 million for its completed properties for sale (Cixi Sincere Garden Project).

### Pre-sale Deposits

Pre-sale deposits represent the amounts received from the pre-sale of properties. The amounts will be recognized as sales revenue upon delivery of properties. As at 30 June 2015, the balance of pre-sale deposits of the Group was RMB23,175 million, representing an increase of RMB3,059 million or 15.2% from RMB20,116 million as at 31 December 2014.

The pre-sale deposits of joint ventures and associates was RMB36,011 million, representing a decrease of RMB6,087 million from RMB42,098 million as at 31 December 2014, which was mainly due to the disposal of the real estate projects held by Shanghai Sunac Greentown and Sunac Greentown Investment.

### Financial Resources and Liquidity

As at 30 June 2015, the Group had bank balances and cash (including pledged bank deposits) of RMB11,668 million (as at 31 December 2014: RMB9,084 million). Total borrowings amounted to RMB39,965 million (as at 31 December 2014: RMB35,815 million) and the net borrowings (total borrowings less bank balances and cash) amounted to RMB28,297 million (as at 31 December 2014: RMB26,731 million). The net gearing ratio (measured by net borrowings over net assets) was 78.0%, which was relatively stable as compared to 76.7% as at 31 December 2014.

Greentown Group has obtained facilities of approximately RMB45.0 billion from commercial banks, of which approximately RMB16.6 billion had been drawn down as at 30 June 2015.

### Transactions with Sunac China

On 15 May 2015, the Company and Sunac China entered into a framework agreement (the "Framework Agreement") together with the underlying documents for the transactions contemplated thereunder, pursuant to which it was conditionally agreed that the Group would transact with the Sunac China and its subsidiaries in relation to (a) the Group's acquisition of the return on investment in respect of 51% equity interests in Shanghai Huazhe Bund Realty Co., Ltd.; (b) the Group's

acquisition of 45% equity interests in, and shareholder's loan of Beijing Xingye Wanfa Real Estate Development Co., Ltd.; (c) the Group's acquisition of 50% equity interests in Zhejiang Jinying Real Estate Co., Ltd. and shareholder's loan of Zhejiang Jinying Real Estate Co., Ltd.; (d) the Group's disposal of 50% equity interests in Shanghai Greentown Forest Golf Villa Development Co., Ltd.; (e) the Group's disposal of 25% equity interests in Hangzhou Sunac Greentown Real Estate Development Co., Ltd.; (f) the Group's disposal of 50% equity interests in Shanghai Sunac Greentown; (g) the Group's disposal of 50% of the issued share capital of Sunac Greentown Investment; and (h) the development of the Tianjin National Game Village Project on a joint venture basis.

Please refer to the circular of the Company dated 29 June 2015 for the details of the Framework Agreement and the transactions contemplated thereunder. Please also refer to "Share of Results of Joint Ventures and Associates" above for the financial effects during the period of such transactions.

It is expected that the transactions contemplated under the Framework Agreement will generate net cash inflow equivalent to approximately RMB3,391 million in aggregate for the Group. As at 30 June 2015, the Group has received net transaction amounts equivalent to approximately RMB1,353 million in aggregate.

### Risks of Foreign Exchange Fluctuation

The principal place of operation of the Group is the People's Republic of China, and the majority of the income and expenditure were transacted in Renminbi. As the Group had deposits, borrowings, amounts due from and amounts due to related parties, amounts due from and amounts due to the third parties denominated in foreign currency, and the aggregate amount of USD1.2 billion senior notes issued in 2013 and 2015 were denominated in US dollars. In addition, the Company issued senior notes in the aggregate principal amount of RMB2,500 million in May 2013, and entered into cross currency swap contracts with certain banks. The Group was exposed to exchange rate risk.

However, the Group's operating cash flow and liquidity is not subject to significant influence from fluctuations in exchange rates. The Group did not enter into any foreign currency hedging arrangements as at 30 June 2015.

#### Financial Guarantees

The Group provided financial guarantees to banks for mortgage facilities granted to buyers of the Group's properties. As at 30 June 2015, such financial guarantees amounted to RMB17,450 million (as at 31 December 2014: RMB17,826 million).

#### Pledge of Assets

As at 30 June 2015, the Group pledged buildings, hotels, construction in progress, prepaid lease payment, investment properties, properties for development, properties under development, completed properties for sale, pledged bank deposits, interests in joint ventures and interests in associates, with an aggregate carrying value of RMB27,018 million (as at 31 December 2014: RMB26,217 million) to secure general credit facilities granted by banks and other financial institutions to the Group.

#### Capital Commitments

As at 30 June 2015, the Group had contracted, but not provided for, capital expenditure commitments of RMB11,211 million (as at 31 December 2014: RMB13,786 million) in respect of properties for development, properties under development and construction in progress.

#### Capital Expenditure Plan

In consideration of the complicated and highly uncertain economic environment, the Group takes a prudent approach towards the use of funds to secure the capital chain, therefore there is currently no material capital expenditure plan for the second half of 2015.

#### Human Resources

As at 30 June 2015, the Group employed a total of 5,132 employees (as at 31 December 2014: 5,050). 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, cash awards and Share Option may also be granted to the employees based on their individual performance evaluation.



Shanghai Bund House

# Corporate Governance





### Corporate Governance Code

In the opinion of the Board, the Company had complied with the requirements of all the applicable code provisions set out in the Corporate Governance Code under Appendix 14 to the Listing Rules throughout the Reporting Period.

### Compliance With the Model Code

The Company has adopted the Model Code under Appendix 10 to the Listing Rules as the Company's code for dealing in securities of the Company by the Directors. After specific enquiry, all Directors confirmed that they have complied with the Model Code throughout the Reporting Period. Relevant employees who are likely to be in possession of unpublished inside information of the Group are also subject to compliance with written guidelines on same terms as the Model Code.

### Audit Committee

The Audit Committee held two meetings during the Reporting Period, and all committee members attended the meeting. The Audit Committee has reviewed the accounting policies and critical accounting estimates and assumptions adopted by the Group. The audit objectives and the scope of the internal audit department of the Group were also discussed during the meeting.

### Review Of Interim Results

The interim results announcement and the interim report for the Reporting Period have been reviewed by the Audit Committee and approved by the Board.

The auditor of the Company, Deloitte Touche Tohmatsu ("DTT"), has performed a review in accordance with Hong Kong Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" on the interim financial information of the Group for the six months ended 30 June 2015 prepared in accordance with International Accounting Standard 34 "Interim Financial Reporting", and a review report dated 28 August 2015 was issued by DTT.

Zhejiang Zhoushan Zhujiajian Dongsha Resort



# Other Information





## Directors' and Chief Executive's Interests in Securities

As at 30 June 2015, the interests and short positions of directors and chief executive of the Company in the shares, underlying shares and debentures of the Company and its associated corporations, as recorded in the register maintained by the Company pursuant to Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code, were as follows:

### Long Positions in Shares and Underlying Shares of the Company

Name of Director	Personal Interests in Underlying Shares (Share Options Granted to Directors)	Family Interests	Corporate Interests	Total Number of Shares and Underlying Shares Held	% of Issued Share Capital of the Company Held
Mr SONG Weiping	1,089,000 (Note 1)	–	226,071,924 (Note 2)	227,160,924	10.509%
Mr SHOU Bainian	–	–	174,549,783 (Note 3)	174,549,783	8.075%
Mr CAO Zhounan	3,359,000 (Note 4)	–	–	3,359,000	0.155%

Notes:

- (1) It represents the share options granted on 22 January 2009 pursuant to the Share Option Scheme and are exercisable at the price of HK\$2.89 per share from 22 January 2009 to 21 January 2019.
- (2) Mr SONG Weiping, being the sole shareholder of Delta House Limited ("Delta"), is deemed to be interested in 126,071,924 shares held by Delta pursuant to Part XV of the SFO. Hong Kong Orange Osmanthus Foundation Limited ("HKOO Foundation") is a company limited by guarantee and established by Mr SONG Weiping as a charitable institution of a public character exempt from tax under Section 88 of the Inland Revenue Ordinance, Chapter 112 of the Laws of Hong Kong. As Mr SONG Weiping is the sole member of HKOO Foundation, pursuant to Part XV of the SFO, Mr SONG Weiping is deemed to be interested in 100,000,000 shares held by HKOO Foundation notwithstanding that Mr SONG Weiping is not beneficially interested in such shares.
- (3) Mr SHOU Bainian, being the sole shareholder of Profitwise Limited ("Profitwise"), is deemed to be interested in 174,549,783 shares held by Profitwise pursuant to Part XV of the SFO.
- (4) It represents the share options granted on 13 May 2009 pursuant to the Share Option Scheme and are exercisable at the price of HK\$7.16 per share from 13 May 2009 to 12 May 2019.

### Long Position in Debentures of the Company

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

Note:

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

**Long Position in Shares and Underlying Shares of Associated Corporations of the Company**

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

Save as disclosed above, as at 30 June 2015, none of the directors and chief executive of the Company had any interest or short positions in any shares, underlying shares or debentures of the Company or any of its associated corporations, as recorded in the register maintained by the Company pursuant to Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

**Substantial Shareholders' Interests in Securities**

The register of substantial shareholders maintained by the Company pursuant to Section 336 of the SFO shows that, as at 30 June 2015, the following shareholders, other than those disclosed in the section headed "Directors' and Chief Executive's Interests in Securities", had notified the Company of relevant interests in the shares and underlying shares of the Company:

Name of Substantial Shareholder	Interest or Short Position in the Shares or Underlying Shares (Note 1)	Capacity in Which Interests are Held	% of Issued Share Capital of the Company Held
CCCCG (Note 2)	624,851,793(L)	Interest of controlled corporation	28.907%
CCCCG Holding (HK) Limited (Note 3)	524,851,793(L)	Beneficial owner	24.281%
HSBC Trustee (C.I.) Limited (Note 4)	524,851,793(L)	Interest of controlled corporation	24.281%
Wheelock and Company Limited ("Wheelock") (Note 5)	524,851,793(L)	Interest of controlled corporation	24.281%
Wharf (Note 6)	524,851,793(L)	Interest of controlled corporation	24.281%
Ms XIA Yibo (Note 7)	227,160,924(L)	Interest of spouse	10.509%
Profitwise (Note 8)	174,549,783(L)	Beneficial owner	8.075%
Delta (Note 9)	126,071,924(L)	Beneficial owner	5.832%
HKOO Foundation (Note 9)	100,000,000(L)	Beneficial owner	4.626%
Lehman Brothers Holdings Inc. (Note 10)	101,400,450(L)	Interest of controlled corporation	4.691%
	31,868,575(S)	Interest of controlled corporation	1.474%

## Notes:

- (1) The letter "L" denotes a long position. The letter "S" denotes a short position.
- (2) CCCG is deemed to be interested in 624,851,793 shares through its controlled corporations, CCCG Real Estate Group Limited and CCCG Holding (HK) Limited.
- (3) A company controlled by CCCG by virtue of SFO.
- (4) HSBC Trustee (C.I.) Limited is deemed to be interested in 524,851,793 shares through its controlled corporations, namely Wheelock, Wheelock Investments Limited, WF Investment Partners Limited, Wharf, Wharf China Holdings Limited and Target Smart Investments Limited ("Target Smart").
- (5) Wheelock is deemed to be interested in 524,851,793 shares through its controlled corporations, namely Wheelock Investments Limited, WF Investment Partners Limited, Wharf, Wharf China Holdings Limited and Target Smart.
- (6) Wharf is deemed to be interested in 524,851,793 shares through its controlled corporations, namely Wharf China Holdings Limited and Target Smart.
- (7) Ms XIA Yibo is the spouse of Mr SONG Weiping. Accordingly, pursuant to Part XV of the SFO, Ms XIA Yibo is deemed to be interested in: (i) 126,071,924 shares held by Delta, a company of which Mr SONG Weiping is the sole shareholder; (ii) 100,000,000 shares held by HKOO Foundation, a charitable institution established by Mr SONG Weiping of which Mr SONG Weiping is the sole member (notwithstanding that neither Mr SONG Weiping nor Ms XIA Yibo is beneficially interested in those shares); and (iii) 1,089,000 share options of the Company held by Mr SONG Weiping. The aforesaid represents an aggregate of 227,160,924 shares.
- (8) A company controlled by Mr SHOU Bainian by virtue of SFO, of which Mr SHOU Bainian is the sole member.
- (9) A company controlled by Mr SONG Weiping by virtue of SFO, of which Mr SONG Weiping is the sole member. HKOO Foundation is a company limited by guarantee and established by Mr SONG Weiping as a charitable institution of a public character exempt from tax under Section 88 of the Inland Revenue Ordinance, Chapter 112 of the Laws of Hong Kong. As Mr SONG Weiping is the sole member of HKOO Foundation, pursuant to Part XV of the SFO, Mr SONG Weiping is deemed to be interested in 100,000,000 shares held by HKOO Foundation notwithstanding that Mr SONG Weiping is not beneficially interested in such shares.
- (10) Lehman Brothers Holdings Inc., according to its disclosure of interest filing, is deemed to be interested in a total of 101,400,450(L) shares and 31,868,575(S) shares through its controlled corporations by virtue of SFO.

Other than as disclosed above, the Company has not been notified of any other notifiable interests or short positions in any shares or underlying shares of the Company as at 30 June 2015.

## Share Option Scheme

The Share Option Scheme was adopted pursuant to a resolution of the shareholders' meeting passed on 22 June 2006 for the primary purpose of providing incentives and/or reward to directors and employees of the Group and will expire on 21 June 2016. Under the Share Option Scheme, the Board may grant share options to eligible employees, including directors of the Company and its subsidiaries, to subscribe for Shares in the Company.

The total number of Shares in respect of which share options may be granted under the Share Option Scheme is not permitted to exceed 10% of the Shares in issue at any point of time, without prior approval from the Company's shareholders. The number of Shares issued and to be issued in respect of which share options granted and may be granted to any individual in any one year is not permitted to exceed 1% of the Shares in issue at any point of time, without prior approval from the Company's shareholders. Share options granted to independent non-executive directors and substantial shareholders of the Company in excess of 0.1% of the Company's issued share capital and with a value in excess of HK\$5,000,000 must be approved in advance by the Company's shareholders.

Share options may be exercised at any time from the date of grant of the share option to the expiry of the Share Option Scheme, unless otherwise specified in the Share Option Scheme. The exercise price is determined by the Board, and will not be less than the higher of (i) the closing price of the Shares of the Company as stated in the Stock Exchange's daily quotations sheet on the date of grant; (ii) the average of the closing prices of the Shares of the Company as stated in the Stock Exchange's daily quotation sheets for the five business days immediately preceding the date of grant; and (iii) the nominal value of the Shares of the Company.

## Other Information

Details of the share options granted, exercised and cancelled pursuant to the Share Option Scheme during the six months ended 30 June 2015 were as follows:

Name of Grantee	No. of Share Options Outstanding at the Beginning of the Period	No. of Share Options Granted During the Period	No. of Share Options Exercised During the Period	No. of Share Option Cancelled During the Period	No. of Share Option Lapsed During the Period	No. of Share Options Outstanding at the End of the Period	Date of Grant	Period During Which Share Options are Exercisable	Exercise Price per Share (HK\$)
<b>Directors</b>									
Mr SONG Weiping	544,500	–	–	–	–	544,500	22 January 2009	22 January 2009 to 21 January 2019	2.89
	272,250	–	–	–	–	272,250	22 January 2009	22 January 2010 to 21 January 2019	2.89
	272,250	–	–	–	–	272,250	22 January 2009	22 January 2011 to 21 January 2019	2.89
	<u>1,089,000</u>	–	–	–	–	<u>1,089,000</u>			
Mr CAO Zhounan	–	–	–	–	–	–	13 May 2009	13 May 2009 to 12 May 2019	7.16
	59,000	–	–	–	–	59,000	13 May 2009	13 May 2011 to 12 May 2019	7.16
	3,300,000	–	–	–	–	3,300,000	13 May 2009	13 May 2012 to 12 May 2019	7.16
	<u>3,359,000</u>	–	–	–	–	<u>3,359,000</u>			
<b>Employees</b>									
Certain employees of the Company's subsidiaries, associated companies and joint ventures	2,239,000	–	234,000	–	–	2,005,000	22 January 2009	22 January 2009 to 21 January 2019	2.89
	2,642,750	–	170,500	–	–	2,472,250	22 January 2009	22 January 2010 to 21 January 2019	2.89
	3,651,250	–	254,500	–	–	3,396,750	22 January 2009	22 January 2011 to 21 January 2019	2.89
	13,109,250	–	–	–	105,500	13,003,750	22 June 2009	22 June 2009 to 21 June 2019	11.00
	7,166,625	–	–	–	52,750	7,113,875	22 June 2009	22 June 2010 to 21 June 2019	11.00
	7,428,125	–	–	–	52,750	7,375,375	22 June 2009	22 June 2011 to 21 June 2019	11.00
	7,500,000	–	–	–	–	7,500,000	17 July 2009	17 July 2009 to 16 July 2019	11.59
	3,750,000	–	–	–	–	3,750,000	17 July 2009	17 July 2010 to 16 July 2019	11.59
	3,750,000	–	–	–	–	3,750,000	17 July 2009	17 July 2011 to 16 July 2019	11.59
	<u>51,237,000</u>	–	<u>659,000</u>	–	<u>211,000</u>	<u>50,367,000</u>			
Certain employees of Greentown Property Management Service Group Co., Ltd., Hangzhou Jinshagang Travel Cultural Company Limited and Greentown Holdings Group Limited, all being affiliates of Mr SONG Weiping and Mr SHOU Bainian	872,500	–	–	–	–	872,500	22 June 2009	22 June 2009 to 21 June 2019	11.00
	436,250	–	–	–	–	436,250	22 June 2009	22 June 2010 to 21 June 2019	11.00
	436,250	–	–	–	–	436,250	22 June 2009	22 June 2011 to 21 June 2019	11.00
	<u>1,745,000</u>	–	–	–	–	<u>1,745,000</u>			
<b>Total</b>	<b>57,430,000</b>	<b>–</b>	<b>659,000</b>	<b>–</b>	<b>211,000</b>	<b>56,560,000</b>			

The vesting period of the above share options is from the date of grant until the commencement of the period during which they are exercisable.

During the period, 659,000 share options were exercised, 211,000 share options were lapsed and no share options were cancelled.

Other details regarding the Share Option Scheme should be referred to note 21 to the Condensed Consolidated Financial Statements.

## Events After the Interim Period

### Consent Solicitations, Exchange Offer and Concurrent New Senior Notes Issuance

On 20 July 2015, the Company solicited consents (“Consent Solicitation”) from holders of (i) the RMB Notes, (ii) the 2018 US\$ Notes and (iii) the 2019 US\$ Notes (collectively, the “Notes”) to make certain amendments to the terms and conditions of the indentures in relation to the Notes (the “Indentures”) pursuant to a consent solicitations statement dated 20 July 2015. The Company obtained the requisite consents to proceed with the proposed amendments with respect to each of the Indentures on 30 July 2015 (being the consent expiration date). The Company, subsidiary guarantors named therein and DB Trustees (Hong Kong) Limited as trustee executed the supplemental indentures to the respective Indenture on 31 July 2015 to give effect to the proposed amendment.

On 20 July 2015, the Company concurrently commenced an exchange offer (the “Exchange Offer”) pursuant to the exchange offer memorandum dated 20 July 2015 in relation to the exchange of (i) the 2018 US\$ Notes and (ii) the 2019 US\$ Notes into the New Notes. As of 30 July 2015 (being the offer expiration date), (i) US\$139,034,000 of the principal amount of 2018 US\$ Notes, representing approximately 19.86% of the total aggregate principal amount of 2018 US\$ Notes outstanding and (ii) US\$263,459,000 of the principal amount of 2019 US\$ Notes, representing approximately 52.69% of the total aggregate principal amount of 2019 US\$ Notes outstanding, have been validly submitted for exchange for the New Notes and not withdrawn pursuant to the Exchange Offer. Accordingly, the Company would issue an aggregate principal amount of US\$429,698,000 of New Notes pursuant to the Exchange Offer.

On 31 July 2015, the Company conducted the New Money Issuance and proposed to issue an aggregate principal amount of US\$70,302,000 additional New Notes (the “Additional New Notes”) which would form a single series with and have the same terms and conditions as the New Notes (together with the Additional New Notes, the “2020 US\$ Notes”).

The 2020 US\$ Notes were issued at 100% of face value and carried interest at the rate of 5.875% per annum payable semi-annually in arrears. No net proceed has been raised from the Exchange Offer and the net proceeds from the New Money Issuance, after deducting subscription discounts but before subtracting estimated expenses related to the issuance of the Additional New Notes, was approximately US\$69,700,000. The 2020 US\$ Notes will mature on 11 August 2020.

The 2020 US\$ Notes are:

- (1) senior in right of payment to any existing and future obligations of the Company expressly subordinated in right of payment to the 2020 US\$ Notes;
- (2) at least pari passu in right of payment with the RMB Notes, the 2018 US\$ Notes, the 2019 US\$ Notes and all other unsecured, unsubordinated indebtedness of the Company (subject to any priority rights of such unsubordinated indebtedness pursuant to applicable law);
- (3) guaranteed by the subsidiary guarantors named therein and the JV subsidiary guarantors (if any) on a senior basis, subject to certain limitations;
- (4) have the benefit of the keepwell deed and the deed of undertaking provided by CCCG;
- (5) effectively subordinated to secured obligations of the Company, the subsidiary guarantors named therein and the JV subsidiary guarantors (if any), to the extent of the value of the assets serving as security therefor; and
- (6) effectively subordinated to all existing and future obligations of the subsidiaries of the Company which do not provide guarantees under the 2020 US\$ Notes.

The Exchange Offer and the New Money Issuance were completed on 11 August 2015 and an aggregate principal amount of US\$500,000,000 2020 US\$ Notes (comprised of (i) an aggregate amount of US\$429,698,000 New Notes and (ii) an aggregate amount of US\$70,302,000 Additional New Notes) were issued. The 2020 US\$ Notes are listed on the Stock Exchange starting from 12 August 2015.

### Acquisition of Greentown Dingyi and Greentown Shidai

On 2 August 2015, Greentown Real Estate Group Co., Ltd., a wholly-owned subsidiary of the Company ("Greentown Real Estate") entered into a share transfer agreement with the shareholders of Greentown Dingyi Real Estate Investment Management Co., Ltd. ("Greentown Dingyi") and other parties in relation to the acquisition of the entire equity interest in Greentown Dingyi for a total consideration of RMB625,450,000. On the same date, Greentown Real Estate entered into a share transfer agreement with Hangzhou Luyong Investment Management Company Limited and other parties in relation to the acquisition of 92% equity interest in Greentown Shidai City Construction Development Company Limited for a total consideration of RMB294,000,000. Each of such acquisitions constitutes a connected transaction of the Company. Please refer to the announcement of the Company dated 2 August 2015 and other relevant announcement of the Company for the details of these transactions.

### Issue of Domestic Corporate Bonds

Following the obtaining of the approval from The China Securities Regulatory Commission (中國證券監督管理委員會) in relation to the proposed issue of domestic corporate bonds by Greentown Real Estate (the "Issuer") to qualified investors in the PRC with an aggregate principal amount of not more than RMB7,000,000,000, the Issuer has, on 28 August 2015, completed the issue of the first tranche of the domestic corporate bonds in a total amount of RMB3,000,000,000 with a term of five years and an annual coupon rate of 4.7% (the "Bonds"). The Issuer shall be entitled to adjust the coupon rate and the investors shall be entitled to sell back the Bonds at the end of the third year. The Issuer has received "AA+" rating from credit rating agency, namely 中誠信證券評估有限公司, towards the Issuer and the Bonds. Please refer to the announcement of the Company dated 31 August 2015 for further details of the issue of the Bonds.

### Purchase, Sale or Redemption of the Listed Securities of the Company

During the Reporting Period, neither the Company nor any of its subsidiaries has purchased, redeemed or sold any of the Company's listed securities.

### Interim Dividend

The Board has resolved not to declare any interim dividend for the six months ended 30 June 2015 (for the six months ended 30 June 2014: Nil).

### 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**

**SONG Weiping ZHU Bixin**

*Co-Chairmen*

Hangzhou, the PRC

28 August 2015

# Report on Review of Condensed Consolidated Financial Statements



## **TO THE BOARD OF DIRECTORS OF GREENTOWN CHINA HOLDINGS LIMITED**

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

### Introduction

We have reviewed the condensed consolidated financial statements of Greentown China Holdings Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 30 to 63, which comprises the condensed consolidated statement of financial position as of 30 June 2015 and the related condensed consolidated statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the six-month period then ended and certain explanatory notes. The Main Board Listing Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and International Accounting Standard 34 "Interim Financial Reporting" ("IAS 34") issued by the International Accounting Standards Board. The directors of the Company are responsible for the preparation and presentation of these condensed consolidated financial statements in accordance with IAS 34. Our responsibility is to express a conclusion on these condensed consolidated financial statements based on our review, and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

### Scope of Review

We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Hong Kong Institute of Certified Public Accountants. A review of these condensed consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly we do not express an audit opinion.

### Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the condensed consolidated financial statements are not prepared, in all material respects, in accordance with IAS 34.

#### **Deloitte Touche Tohmatsu**

*Certified Public Accountants*

Hong Kong

28 August 2015

# Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the six months ended 30 June 2015

	NOTES	Six Months Ended 30 June	
		2015 RMB'000 (Unaudited)	2014 RMB'000 (Unaudited)
Revenue	3	10,755,916	12,560,245
Cost of sales		(8,195,187)	(9,336,149)
Gross profit		2,560,729	3,224,096
Other income	4	428,812	645,753
Selling expenses		(537,356)	(384,305)
Administrative expenses		(1,016,706)	(889,278)
Finance costs	5	(548,885)	(273,082)
Impairment loss on completed properties for sale		(126,834)	–
Fair value changes on cross currency swaps		24,227	(86,302)
Gain on re-measurement of an associate to acquisition day fair value in business combination achieved in stages	22	–	37,196
Gain on acquisition of a subsidiary	22	–	1,363
Net gain on disposal of subsidiaries	23	2,906	–
Share of results of joint ventures		(70,110)	(39,152)
Share of results of associates	25	828,273	(81,429)
Profit before taxation	6	1,545,056	2,154,860
Taxation	7	(799,044)	(1,162,973)
Profit and total comprehensive income for the period		746,012	991,887
Attributable to:			
Owners of the Company		518,929	613,174
Non-controlling interests		227,083	378,713
		746,012	991,887
Earnings per share	9		
Basic		RMB0.18	RMB0.19
Diluted		RMB0.18	RMB0.19

# Condensed Consolidated Statement of Financial Position

As at 30 June 2015

	NOTES	As at 30 June 2015 RMB'000 (Unaudited)	As at 31 December 2014 RMB'000 (Audited)
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	10	6,098,742	6,216,092
Investment properties		1,891,500	1,891,500
Interests in associates	25	5,648,633	8,724,954
Interests in joint ventures		1,391,232	1,807,755
Available-for-sale investments		286,977	388,617
Prepaid lease payment		650,849	662,061
Rental paid in advance		6,572	8,697
Deferred tax assets		1,224,739	1,116,046
		<b>17,199,244</b>	20,815,722
<b>CURRENT ASSETS</b>			
Properties for development	11	6,073,177	5,749,961
Properties under development	12	53,285,026	41,312,223
Completed properties for sale		15,604,691	15,651,236
Inventories		117,724	123,062
Trade and other receivables, deposits and prepayments	13	7,095,919	5,215,241
Amounts due from related parties		24,706,856	27,156,714
Prepaid income taxes		1,389,690	1,055,775
Prepaid other taxes		1,228,041	979,687
Pledged bank deposits	27	1,572,292	1,350,690
Bank balances and cash		10,095,616	7,733,567
		<b>121,169,032</b>	106,328,156
Assets classified as held for sale	24	2,816,390	–
		<b>123,985,422</b>	106,328,156
<b>CURRENT LIABILITIES</b>			
Trade and other payables	14	19,781,807	19,380,948
Pre-sale deposits	15	23,175,110	20,116,444
Amounts due to related parties		8,885,116	9,850,372
Income taxes payable		4,874,874	5,290,359
Other taxes payable		815,667	969,807
Bank and other borrowings – due within one year	16	14,252,331	12,167,171
Senior Notes – due within one year	17	2,493,041	–
		<b>74,277,946</b>	67,775,101
Liabilities associated with assets classified as held for sale	24	2,806,294	–
		<b>77,084,240</b>	67,775,101

## Condensed Consolidated Statement of Financial Position

As at 30 June 2015

	NOTES	As at 30 June 2015 RMB'000 (Unaudited)	As at 31 December 2014 RMB'000 (Audited)
<b>NET CURRENT ASSETS</b>		<b>46,901,182</b>	38,553,055
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<b>64,100,426</b>	59,368,777
<b>NON-CURRENT LIABILITIES</b>			
Bank and other borrowings – due after one year	16	15,942,497	15,056,123
Senior notes – due after one year	17	7,276,857	8,592,129
Deferred tax liabilities		4,536,010	804,043
Cross currency swaps	20	46,946	71,174
		<b>27,802,310</b>	24,523,469
		<b>36,298,116</b>	34,845,308
<b>CAPITAL AND RESERVES</b>			
Share capital	18	208,902	208,850
Reserves		23,652,798	23,431,221
Equity attributable to owners of the Company		<b>23,861,700</b>	23,640,071
Perpetual securities	19	3,014,681	3,014,681
Non-controlling interests		9,421,735	8,190,556
		<b>36,298,116</b>	34,845,308

The condensed consolidated financial statements on pages 30 to 63 were approved and authorised for issue by the Board of Directors on 28 August 2015 and are signed on its behalf by:

**CAO Zhounan**  
DIRECTOR

**LI Qing'an**  
DIRECTOR

# Condensed Consolidated Statement of Changes in Equity

For the six months ended 30 June 2015

	Attributable to Owners of the Company										Total RMB'000
	Share Capital RMB'000	Share Premium RMB'000	Special Reserve RMB'000	Statutory Reserve RMB'000 (Note)	Share Option Reserve RMB'000	Convertible Securities RMB'000	Retained Earnings RMB'000	Subtotal RMB'000	Perpetual Securities RMB'000	Non- Controlling Interests RMB'000	
At 1 January 2014 (audited)	208,656	8,530,329	(316,680)	1,314,590	217,778	2,084,472	12,908,189	24,947,334	-	7,063,638	32,010,972
Profit and total comprehensive income for the period	-	-	-	-	-	-	613,174	613,174	-	378,713	991,887
Dividends recognised as distributions	-	-	-	-	-	-	(928,301)	(928,301)	-	-	(928,301)
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	-	-	(21,219)	(21,219)
Issue of Perpetual Securities	-	-	-	-	-	-	-	-	3,014,681	-	3,014,681
Redemption of convertible securities	-	-	-	-	-	(2,151,149)	-	(2,151,149)	-	-	(2,151,149)
Transfer on redemption of convertible securities	-	-	-	-	-	66,677	(66,677)	-	-	-	-
Distribution relating to Convertible Securities	-	-	-	-	-	-	(99,896)	(99,896)	-	-	(99,896)
Liquidation of subsidiaries	-	-	-	-	-	-	-	-	-	(6,125)	(6,125)
Transfer (note)	-	-	-	368,156	-	-	(368,156)	-	-	-	-
Exercise of share options	27	1,096	-	-	(346)	-	-	777	-	-	777
Disposal of a subsidiary	-	-	-	-	-	-	-	-	-	(24,664)	(24,664)
Acquisition of subsidiaries (note 22)	-	-	-	-	-	-	-	-	-	77,375	77,375
Capital contribution from non-controlling shareholders of subsidiaries	-	-	-	-	-	-	-	-	-	913,087	913,087
At 30 June 2014 (unaudited)	208,683	8,531,425	(316,680)	1,682,746	217,432	-	12,058,333	22,381,939	3,014,681	8,380,805	33,777,425
At 1 January 2015 (audited)	<b>208,850</b>	<b>8,538,238</b>	<b>(383,278)</b>	<b>1,743,712</b>	<b>215,284</b>	<b>-</b>	<b>13,317,265</b>	<b>23,640,071</b>	<b>3,014,681</b>	<b>8,190,556</b>	<b>34,845,308</b>
Profit and total comprehensive income for the period	-	-	-	-	-	-	518,929	518,929	-	227,083	746,012
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	-	-	(1,078,508)	(1,078,508)
Distribution relating to Perpetual securities (note 19)	-	-	-	-	-	-	(138,069)	(138,069)	-	-	(138,069)
Liquidation of subsidiaries	-	-	-	-	-	-	-	-	-	44	44
Transfer (note)	-	-	-	81,774	-	-	(81,774)	-	-	-	-
Exercise of share options	52	2,124	-	-	(672)	-	-	1,504	-	-	1,504
Disposal of subsidiaries (note 23)	-	-	-	-	-	-	-	-	-	(113,682)	(113,682)
Acquisition of subsidiaries (note 22)	-	-	-	-	-	-	-	-	-	2,280,483	2,280,483
Purchase of additional interest in subsidiaries	-	-	(160,735)	-	-	-	-	(160,735)	-	(104,241)	(264,976)
Capital contribution from non-controlling shareholders of subsidiaries	-	-	-	-	-	-	-	-	-	20,000	20,000
At 30 June 2015 (unaudited)	<b>208,902</b>	<b>8,540,362</b>	<b>(544,013)</b>	<b>1,825,486</b>	<b>214,612</b>	<b>-</b>	<b>13,616,351</b>	<b>23,861,700</b>	<b>3,014,681</b>	<b>9,421,735</b>	<b>36,298,116</b>

Note: The statutory reserve is non-distributable and the transfer to this reserve is determined by the board of directors of the relevant companies in accordance with the relevant laws and regulations of the People's Republic of China ("the PRC"). This reserve can be used to offset accumulated losses and increase capital upon approval from the relevant authorities.

# Condensed Consolidated Statement of Cash Flows

For the six months ended 30 June 2015

	NOTES	Six Months Ended 30 June	
		2015 RMB'000 (Unaudited)	2014 RMB'000 (Unaudited)
Net cash from (used in) operating activities		<b>978,075</b>	(4,975,383)
Net cash from (used in) investing activities			
Additions to property, plant and equipment		<b>(49,101)</b>	(907,790)
Proceeds from disposal of property, plant and equipment		<b>9,386</b>	2,662
Increase in prepaid lease payment		<b>–</b>	(71)
(Advance to) repayment from third parties		<b>511,943</b>	(371,378)
Advance to related parties		<b>(788,063)</b>	(27,897)
Increase in pledged deposits		<b>(221,602)</b>	(204,856)
Acquisition of subsidiaries (net of cash and cash equivalents acquired)	22	<b>(134,920)</b>	17,231
Disposal of subsidiaries (net of cash and cash equivalents disposed of)	23	<b>69,529</b>	–
Dividends received from associates and joint ventures		<b>568,214</b>	638,510
Disposal (purchase) of available-for-sale investments		<b>70,640</b>	(7,242)
Investments in associates		<b>(156,743)</b>	(248,254)
Investments in joint ventures		<b>–</b>	(221,758)
Consideration paid for acquisition/partial acquisition of subsidiaries recognised in prior year		<b>–</b>	(69,600)
Other investing cash flows		<b>378,587</b>	551,494
		<b>257,870</b>	(848,949)
Net cash from financing activities			
Bank and other borrowings raised		<b>8,301,760</b>	6,926,766
Repayment of bank and other borrowings		<b>(6,946,306)</b>	(2,940,446)
(Repayment of) advance from related party borrowings		<b>1,424,938</b>	(461,251)
Interest paid		<b>(1,510,655)</b>	(1,334,790)
Dividends paid to non-controlling interests		<b>(1,078,508)</b>	(27,344)
Redemption of convertible securities		<b>–</b>	(2,151,149)
Distribution relating to convertible securities		<b>–</b>	(99,896)
Contribution by non-controlling shareholders of subsidiaries		<b>20,000</b>	913,087
Proceeds from issue of Perpetual Securities		<b>–</b>	3,014,681
Net proceeds from issue of senior notes		<b>1,175,321</b>	–
Distribution to holders of Perpetual securities		<b>(138,069)</b>	–
Proceeds from holder's of exercise of share options		<b>1,504</b>	777
Share option premium received		<b>–</b>	682
Purchase of additional interests in subsidiaries		<b>(123,409)</b>	–
		<b>1,126,576</b>	3,841,117
Net increase (decrease) in cash and cash equivalents		<b>2,362,521</b>	(1,983,215)
Cash and cash equivalents at 1 January		<b>7,733,567</b>	10,686,041
Effect of foreign exchange rate changes		<b>(472)</b>	(69)
Cash and cash equivalents at 30 June, represented by bank balances and cash		<b>10,095,616</b>	8,702,757
As per condensed consolidated statement of financial position		<b>10,095,616</b>	8,702,757

# Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2015

## 1. Basis of Preparation

The condensed consolidated financial statements have been prepared in accordance with International Accounting Standard 34 "Interim Financial Reporting" issued by the International Accounting Standards Board (the "IASB") as well as with the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules").

## 2. Principal Accounting Policies

The condensed consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments and investment properties, which are measured at fair values.

Except as described below, the accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended 30 June 2015 are the same as those followed in the preparation of the Group's consolidated financial statements for the year ended 31 December 2014.

In the current interim period, the Group has applied, for the first time, several amendments to International Financial Reporting Standards ("IFRSs") issued by the IASB which are effective for the Group's financial year beginning on 1 January 2015. The application of the amendments to IFRSs in the current interim period has had no material effect on the amounts reported in these condensed consolidated financial statements and/or disclosures set out in these condensed consolidated financial statements.

## 3. Revenue and Segment Information

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

	Six Months Ended 30 June	
	2015 RMB'000	2014 RMB'000
Property sales	9,724,409	11,805,098
Hotel operations	259,407	163,636
Project management	154,540	119,024
Property rental income	61,580	59,157
Design and decoration	482,534	319,038
Sales of construction materials	2,030	13,392
Other business	71,416	80,900
	<b>10,755,916</b>	12,560,245

## Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2015

## 3. Revenue and Segment Information (continued)

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

	Property Development RMB'000	Hotel Operations RMB'000	Property Investment RMB'000	Others RMB'000	Total RMB'000
<b>For the six months ended 30 June 2015</b>					
External revenue	9,724,409	259,407	61,580	710,520	10,755,916
Inter-segment revenue	–	2,385	–	81,452	83,837
Total segment revenue	9,724,409	261,792	61,580	791,972	10,839,753
Segment results	841,577	(8,312)	2,443	(39,846)	795,862
Unallocated administrative expenses					(25,630)
Unallocated other income					529
Unallocated finance costs					(32,947)
Fair value changes on cross currency swaps					24,227
Unallocated taxation					(16,029)
Profit for the period					746,012
<b>For the six months ended 30 June 2014</b>					
External revenue	11,805,098	163,636	59,157	532,354	12,560,245
Inter-segment revenue	–	4,362	85	275,811	280,258
Total segment revenue	11,805,098	167,998	59,242	808,165	12,840,503
Segment results	1,241,593	(37,184)	(2,049)	13,073	1,215,433
Unallocated administrative expenses					(86,261)
Unallocated other income					6,949
Unallocated finance costs					(13,626)
Fair value changes on cross currency swaps					(86,302)
Unallocated taxation					(44,306)
Profit for the period					991,887

### 3. Revenue and Segment Information (continued)

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

#### Segment Assets

	<b>As at 30 June 2015 RMB'000</b>	As at 31 December 2014 RMB'000
Property development	<b>127,823,217</b>	115,207,207
Hotel operations	<b>6,021,093</b>	6,057,524
Property investment	<b>1,947,506</b>	1,921,244
Others	<b>3,293,155</b>	2,923,431
Total segment assets	<b>139,084,971</b>	126,109,406
Unallocated	<b>2,099,695</b>	1,034,472
Consolidated assets	<b>141,184,666</b>	127,143,878

#### Segment Liabilities

	<b>As at 30 June 2015 RMB'000</b>	As at 31 December 2014 RMB'000
Property development	<b>99,013,768</b>	86,659,435
Hotel operations	<b>189,374</b>	321,269
Property investment	<b>874,965</b>	916,091
Others	<b>3,971,678</b>	3,560,398
Total segment liabilities	<b>104,049,785</b>	91,457,193
Unallocated	<b>836,765</b>	841,377
Consolidated liabilities	<b>104,886,550</b>	92,298,570

## Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2015

## 4. Other Income

	Six Months Ended 30 June	
	2015 RMB'000	2014 RMB'000
Interest income	336,400	545,047
Net foreign exchange gains	1,367	–
Government grants	–	1,034
Comprehensive service income	33,848	64,344
Others	57,197	35,328
	<b>428,812</b>	645,753

## 5. Finance Costs

	Six Months Ended 30 June	
	2015 RMB'000	2014 RMB'000
Interest on borrowings	1,639,513	1,470,233
Less: Capitalised in properties under development and construction in progress	(1,090,628)	(1,197,151)
	<b>548,885</b>	273,082

## 6. Profit before Taxation

	Six Months Ended 30 June	
	2015 RMB'000	2014 RMB'000
Profit before taxation has been arrived at after charging:		
Salaries and other benefits	720,470	531,504
Retirement benefits scheme contributions	31,294	23,774
Less: Capitalised in properties under development	(157,261)	(149,637)
	<b>594,503</b>	405,641
Depreciation of property, plant and equipment	150,190	71,297
Less: Capitalised in properties under development	(2,660)	(4,007)
	<b>147,530</b>	67,290
Cost of properties and inventories recognised as an expense	7,979,833	9,185,089
Amortisation of prepaid lease payment (included in administrative expenses)	11,437	5,137

## 7. Taxation

	<b>Six Months Ended 30 June</b>	
	<b>2015</b>	2014
	<b>RMB'000</b>	RMB'000
Current tax:		
PRC Enterprise Income Tax ("EIT")	<b>432,806</b>	530,174
PRC Land Appreciation Tax ("LAT")	<b>380,521</b>	582,594
	<b>813,327</b>	1,112,768
Deferred tax:		
Current period	<b>(14,283)</b>	50,205
	<b>799,044</b>	1,162,973

PRC EIT is recognised based on management's best estimate of the annual income tax rate expected for the full financial year, which is 25%. All PRC subsidiaries are subject to EIT levied at a rate of 25% (2014: 25%).

In addition, the Law of the People's Republic of China on Enterprise Income Tax (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.

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

For the six months ended 30 June 2015, the Group has estimated and made a provision for LAT in the amount of RMB380,521,000 (for the six months ended 30 June 2014: RMB582,594,000) 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.

## 8. Dividends

The Board has resolved not to declare any interim dividend for the six months ended 30 June 2015 (for the six months ended 30 June 2014: RMB nil per ordinary share).

## 9. Earnings Per Share

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

### Earnings

	Six Months Ended 30 June	
	2015 RMB'000	2014 RMB'000
Profit for the period attributable to the owners of the Company	518,929	613,174
Premium of convertible securities on redemption	–	(66,677)
Distribution related to Perpetual Securities (as defined in Note 19)	(136,425)	(116,819)
Distribution related to convertible securities	–	(25,282)
Earnings for the purpose of basic earnings per share	382,504	404,396
Earnings for the purpose of diluted earnings per share	382,504	404,396

### Number of Shares

	Six Months Ended 30 June	
	2015	2014
Weighted average number of ordinary shares for the purpose of basic earnings per share	2,161,193,828	2,158,621,591
Effect of dilutive potential ordinary shares:		
Share options	6,597,317	8,922,774
Weighted average number of ordinary shares for the purpose of diluted earnings per share	2,167,791,145	2,167,544,365

The computation of 2014 diluted earnings per share does not assume the conversion of the convertible securities since their exercise would result in an increase in earnings per share for the period. The computation of 2015 and 2014 diluted earnings per share also does not assume the exercise of some of the share options because the exercise price of these share options was higher than the average market price for shares for the period.

## 10. Property, Plant and Equipment

During the period, the Group acquired additional property, plant and equipment in the amount of RMB54,779,000 (for the six months ended 30 June 2014: RMB988,546,000), in which RMB38,496,000 (for the six months ended 30 June 2014: RMB912,667,000) was for the construction of its hotel properties.

Details of the buildings and construction in progress pledged to secure banking facilities granted to the Group are disclosed in Note 27.

## 11. Properties for Development

Included in properties for development as at 30 June 2015 was an amount of RMB2,131,296,000 (as at 31 December 2014: RMB2,253,436,000) in respect of long-term leasehold land for which the Group was in the process of obtaining the land use rights certificates.

All properties for development are expected to be recovered after more than 12 months from the end of the period.

## 12. Properties Under Development

	<b>As at 30 June 2015 RMB'000</b>	As at 31 December 2014 RMB'000
Long-term leasehold land – at cost	<b>28,517,330</b>	19,325,206
Development costs	<b>19,716,217</b>	17,781,481
Finance costs capitalised	<b>5,051,479</b>	4,205,536
	<b>53,285,026</b>	41,312,223

Properties under development for sale amounting to RMB41,526,938,000 (as at 31 December 2014: RMB16,044,213,000) are expected to be recovered after more than 12 months from the end of the period.

## 13. Trade and Other Receivables, Deposits and Prepayments

	<b>As at 30 June 2015 RMB'000</b>	As at 31 December 2014 RMB'000
Trade receivables	<b>410,403</b>	611,334
Other receivables	<b>3,405,859</b>	3,583,985
Prepayments and deposits	<b>1,176,203</b>	956,772
Amount receivable from Sunac China and its subsidiaries in relation to the Framework Agreement (Note)	<b>2,029,704</b>	–
Consideration receivables from disposal of subsidiaries and an associate	<b>73,750</b>	63,150
	<b>7,095,919</b>	5,215,241

Note: The amount represents net payment receivable from Sunac China and its subsidiaries in relation to the Framework Agreement. Please refer to Note 24 for more details on the Framework Agreement.

## Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2015

## 13. Trade and Other Receivables, Deposits and Prepayments (continued)

The Group allows an average credit period of 90 days to certain trade customers with good credit standing. The aged analysis of trade receivables is stated as follows:

	As at 30 June 2015 RMB'000	As at 31 December 2014 RMB'000
Within 30 days	126,589	256,574
31–90 days	57,113	104,182
91–180 days	46,914	19,494
181–365 days	42,033	91,240
Over 365 days	137,754	139,844
	<b>410,403</b>	611,334

## 14. Trade and Other Payables

	As at 30 June 2015 RMB'000	As at 31 December 2014 RMB'000
Trade payables	11,589,881	11,785,548
Other payables and accrued expenses	8,191,926	7,595,400
	<b>19,781,807</b>	19,380,948

Trade payables and other payables principally comprise amounts outstanding for trade purposes and ongoing costs. The aged analysis of trade payables is stated as follows:

	As at 30 June 2015 RMB'000	As at 31 December 2014 RMB'000
Within 30 days	6,041,446	5,307,305
31–90 days	1,167,942	1,455,515
91–180 days	1,546,501	2,291,915
181–365 days	1,322,977	1,459,852
Over 365 days	1,511,015	1,270,961
	<b>11,589,881</b>	11,785,548

## 15. Pre-Sale Deposits

Pre-sale deposits represent amounts received in respect of properties pre-sold. They are expected to be recognised as revenue upon delivery of properties as contracted.

## 16. Bank and Other Borrowings

	<b>As at 30 June 2015 RMB'000</b>	As at 31 December 2014 RMB'000
Secured bank loans (note 27)	<b>18,170,570</b>	16,503,229
Unsecured bank loans	<b>6,394,369</b>	5,617,662
	<b>24,564,939</b>	22,120,891
Secured other loans (note 27)	<b>4,287,850</b>	4,971,908
Unsecured other loans	<b>1,342,039</b>	130,495
	<b>5,629,889</b>	5,102,403
	<b>30,194,828</b>	27,223,294
The amount is repayable as follows:		
Amounts due within one year	<b>14,252,331</b>	12,167,171
Amounts due after one year	<b>15,942,497</b>	15,056,123
	<b>30,194,828</b>	27,223,294

At the end of the period, certain bank loans were also supported by guarantees from the following parties:

	<b>As at 30 June 2015 RMB'000</b>	As at 31 December 2014 RMB'000
Secured bank loans, guaranteed by:		
Independent third parties	<b>240,000</b>	360,000
Non-controlling shareholders of subsidiaries	-	186,200
Unsecured bank loans, guaranteed by:		
Independent third parties	<b>209,000</b>	195,500

## Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2015

## 17. Senior Notes

**2018 USD Notes – Unsecured**

On 4 February 2013, the Company issued senior notes with an aggregate principal amount of USD400,000,000 at 100% of face value (the “2018 USD Notes”), which are listed on the Stock Exchange. The 2018 USD Notes carry interest at the rate of 8.5% per annum payable semi-annually in arrears. The net proceeds, after deduction of direct issuance costs, amounted to approximately USD394,626,000 (approximately RMB2,480,617,000). The 2018 USD Notes will mature on 4 February 2018.

On 26 March 2013, the Company issued additional USD senior notes with an aggregate principal amount of USD300,000,000 at 102.5% of face value plus accrued interest that were consolidated and formed a single series with the 2018 USD Notes. These additional USD senior notes are listed on the Stock Exchange and carry the same terms and conditions as the 2018 USD Notes. The net proceeds, after deduction of direct issuance costs, amounted to approximately USD308,515,000 (approximately RMB1,934,851,000).

Please refer to the Group’s 2013 consolidated financial statements for the principal terms of the 2018 USD Notes.

After the end of reporting period, the Company replaced USD139,034,000 of the principal amount of the 2018 USD Notes with new 2020 USD Notes, please refer to Note 30 for details.

The movements of 2018 USD Notes during the period are set out below:

	RMB'000
At 1 January 2015	4,281,780
Exchange realignment	(3,754)
Interest charged during the period	182,205
Interest paid/payable during the period	(181,985)
Carrying amounts at the end of the Reporting Period	4,278,246

**RMB Notes – Unsecured**

On 13 May 2013, the Company issued senior notes with an aggregate principal amount of RMB2,500,000,000 at 100% of face value (the “RMB Notes”), which are listed on the Stock Exchange. The RMB Notes carry interest at the rate of 5.625% per annum payable semi-annually in arrears. The net proceeds, after deduction of direct issuance costs, amounted to approximately RMB2,475,911,000. The RMB Notes will mature on 13 May 2016.

Please refer to the Group’s 2013 consolidated financial statements for the principal terms of RMB Notes.

The movements of RMB Notes during the period are set out below:

	RMB'000
At 1 January 2015	2,489,026
Interest charged during the period	74,328
Interest paid/payable during the period	(70,313)
Carrying amounts at the end of the Reporting Period	2,493,041

## 17. Senior Notes (continued)

### 2019 USD Notes – Unsecured

On 24 September 2013, the Company issued senior notes with an aggregate principal amount of USD300,000,000 at 100% of face value (the “2019 USD Notes”), which are listed on the Stock Exchange. The 2019 USD Notes carry interest at the rate of 8.0% per annum payable semi-annually in arrears. The net proceeds, after deduction of direct issuance costs, amounted to approximately USD296,947,000 (approximately RMB1,826,138,000). The 2019 USD Notes will mature on 24 March 2019.

Please refer to the Group’s 2013 consolidated financial statements for the principal terms of the 2019 USD Notes.

On 10 February 2015, the Company issued additional senior notes with an aggregate principal amount of USD200,000,000 at 96.61% of face value plus accrued interest that were consolidated and formed a single series with the 2019 USD Notes. This additional USD senior notes are listed on the Stock Exchange and carry the same terms and conditions as the 2019 USD Notes. The net proceeds, after deduction of direct issuance costs, amounted to approximately USD191,817,000 (approximately RMB1,175,321,000).

After the end of the Reporting Period, the Company replaced USD263,459,000 of the principal amount of the 2019 USD Notes with new 2020 USD Notes, please refer to Note 30 for details.

The movements of 2019 USD Notes during the period are set out below:

	<b>RMB'000</b>
At 1 January 2015	<b>1,821,323</b>
Issuance of senior notes	<b>1,175,321</b>
Exchange realignment	<b>(8,668)</b>
Interest charged during the period	<b>158,938</b>
Interest paid/payable during the period	<b>(148,303)</b>
Carrying amounts at the end of the Reporting Period	<b>2,998,611</b>

## Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2015

## 17. Senior Notes (continued)

The summary of movements of all senior notes during the period is set out below:

	RMB'000
At 1 January 2015	8,592,129
Issuance of senior notes	1,175,321
Exchange realignment	(12,422)
Interest charged during the period	415,471
Interest paid during the period	(400,601)
Carrying amounts at the end of the Reporting Period	9,769,898
Senior Notes – due within one year	2,493,041
Senior Notes – due after one year	7,276,857

All of the senior notes contain early redemption options. Early redemption options are regarded as embedded derivatives not closely related to the host contracts. The directors consider that the fair value of the early redemption options is insignificant on 30 June 2015.

## 18. Share Capital

	Number of Shares	Share Capital HKD'000
<i>Issued and fully paid</i>		
Ordinary shares of HKD0.10 each		
As at 1 January 2014	2,158,500,690	215,850
Exercise of share options	339,000	34
As at 30 June 2014	2,158,839,690	215,884
As at 1 January 2015	2,160,947,690	216,095
Exercise of share options	659,000	66
As at 30 June 2015	2,161,606,690	216,161
		<b>RMB'000</b>
Shown on the condensed consolidated statement of financial position		
As at 31 December 2014		208,850
As at 30 June 2015		<b>208,902</b>

## 19. Perpetual Securities

On 28 January 2014 (the "Issue Date"), Moon Wise Global Limited ("Moon Wise"), a wholly-owned subsidiary of the Company, issued USD denominated subordinated perpetual capital securities ("Perpetual Securities") with an aggregate principal amount of USD500,000,000. The Company has agreed to guarantee on a subordinated basis the due payment of all sums expressed to be payable by Moon Wise under the Perpetual Securities.

Please refer to the Group's 2014 consolidated financial statements for the principal terms and conditions of the Perpetual Securities,

As the Perpetual Securities only impose contractual obligations on the Group to repay principal or to pay any distributions under certain circumstances which are at the Group's discretion, they have in substance confer the Group an unconditional right to avoid delivering cash or other financial asset to settle contractual obligations, therefore they do not meet the definition for classification as financial liabilities under IAS 32 *Financial Instruments: Presentation*. As a result, the whole instrument is classified as equity, and distributions if and when declared are treated as equity dividends.

Distribution of RMB138,069,000 in respect of the prior period has been provided and paid by the Company during the six months ended 30 June 2015.

## 20. Fair Value Measurements of Financial Instruments

### **Fair Value of the Group's Financial Assets and Liabilities that are Measured at Fair Value on a Recurring Basis**

At the end of the Reporting Period, the Group had the following cross currency swaps not designated as hedging instruments. Major terms of the cross currency swaps are as follows:

Notional Amount	Maturity	Exchange Rates	Interest Rate Swap
Sell RMB600,000,000	05/09/2016	USD 1: RMB6.1640	From fixed rate 5.625% per annum to fixed rate 4.625% per annum
Sell RMB600,000,000	05/13/2016	USD 1: RMB6.1600	From fixed rate 5.625% per annum to fixed rate 4.625% per annum
Sell RMB700,000,000	05/13/2016	USD 1: RMB6.1600	From fixed rate 5.625% per annum to fixed rate 4.625% per annum
Sell RMB600,000,000	05/13/2016	USD 1: RMB6.1700	From fixed rate 5.625% per annum to fixed rate 4.625% per annum

## 20. Fair Value Measurements of Financial Instruments (continued)

**Fair Value of the Group's Financial Assets and Liabilities that are Measured at Fair Value on a Recurring Basis (Continued)**

Some of the Group's financial liabilities are measured at fair value at the end of each Reporting Period. The following table gives information about how the fair values of these financial liabilities are determined (in particular, the valuation technique(s) and inputs used).

Financial Instrument	Fair Value RMB'000	Fair Value Hierarchy	Valuation Technique and Key Inputs
Cross currency swaps	Liabilities: 46,946 (31/12/2014: Liabilities: 71,174)	Level 2	Broker quotes: The quotes are calculated by discounting estimated future cash flows based on contracted interest rates discounted at respective currency's observable yield curves at the end of the year

**Fair Value of Financial Assets and Financial Liabilities that are not Measured at Fair Value on a Recurring Basis (But Fair Value Disclosures are Required)**

Except as detailed in the following table, the directors consider that the carrying amounts of financial assets and financial liabilities recorded at amortised cost in the condensed consolidated financial statements approximate their fair values:

	As at 30 June 2015		31 December 2014	
	Carrying Amount of Liability Component RMB'000	Fair Value RMB'000	Carrying Amount of Liability Component RMB'000	Fair Value RMB'000
<b>Financial liabilities</b>				
Senior notes (Level 2)	9,769,898	10,250,695 <sup>1</sup>	8,592,129	8,565,155 <sup>1</sup>

<sup>1</sup> Based on quoted price

## 21. Share-Based Payment Transactions

The Company has the Share Option Scheme for eligible employees of the Group. All outstanding share options are vested in prior year. Details of the share options outstanding during the current period are as follows:

	Number of Share Options	Weighted Average Exercise Price HKD
Outstanding as at 1 January 2015	57,430,000	9.57
Exercised during the period	(659,000)	2.89
Forfeited during the period	(211,000)	11.00
Outstanding as at 30 June 2015	56,560,000	9.64

In the current period, no share options were granted.

In respect of the share options exercised during the period, the weighted average share price at the dates of exercise was HKD9.67 (for the six months ended 30 June 2014: HKD8.47).

## 22. Acquisition of Subsidiaries

Particulars of the subsidiaries acquired during the six months ended 30 June 2015 were as follows:

Acquired Company	Principal Activities	Acquisition Date	Effective Equity Interest Acquired	Consideration RMB'000
臨安金基房地產開發有限公司 Lin'an Jinji Real Estate Development Co., Ltd. (Note (i))	Real estate development	31 May 2015	51%	72,360
上海華浙外灘置業有限公司 Shanghai Huazhe Bund Realty Development Co., Ltd. (Note (ii))	Real estate development	30 June 2015	51%	1,970,285
北京藍城房地產開發有限公司 Beijing Bluetown Real Estate Development Co., Ltd. (Note (iii))	Real estate development	1 January 2015	21%	256
柳州綠城投資有限公司 Liuzhou Greentown Investment Co., Ltd. (Note (iv))	Investment holding	30 April 2015	60%	48,000
柳州綠城房地產開發有限公司 Liuzhou Greentown Real Estate Development Co., Ltd. (Note (iv))	Real estate development	30 April 2015	60%	—

## Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2015

## 22. Acquisition of Subsidiaries (continued)

Notes:

- (i) Hangzhou Greentown Zhizhen Investment Co., Ltd., a wholly-owned subsidiary of the Company acquired 51% equity interest of Lin'an Jinji Real Estate Development Co., Ltd ("Lin'an Jinji"). The Group acquired Lin'an Jinji so as to continue the expansion of the Group's property development operation.
- (ii) Greentown Real Estate Group Co., Ltd. ("Greentown Real Estate"), a wholly-owned subsidiary of the Company, acquired the return on investment in respect of 51% equity interests of Shanghai Huazhe Bund Realty Development Co., Ltd. ("Huazhe Bund"). The Group acquired Huazhe Bund so as to continue the expansion of the Group's property development operation. The acquisition is a part of the Framework Agreement entered into between the Company and Sunac China, please refer to note 24 for more details.
- (iii) Bluetown Property Construction Management Group Co., Ltd. ("Bluetown Construction Management"), a 35.4%-owned subsidiary of the Company, acquired 60% equity interest of Beijing Bluetown Real Estate Development Co., Ltd. ("Beijing Bluetown"). The Group acquired Beijing Bluetown so as to continue the expansion of the Group's property development operation.
- (iv) Greentown Real Estate injected cash and obtained 60% equity interest in Liuzhou Greentown Investment Co., Ltd. ("Liuzhou Greentown"). Liuzhou Greentown Real Estate Development Co., Ltd. ("Liuzhou Greentown Development") is a wholly-owned subsidiary of Liuzhou Greentown, therefore was also acquired by the Group. The Group acquired Liuzhou Greentown and Liuzhou Greentown Development so as to continue the expansion of the Group's property development operation.

Particulars of the subsidiary acquired during the six months ended 30 June 2014 were as follows:

Acquired Company	Principal Activities	Acquisition Date	Effective Equity Interest Acquired	Consideration RMB'000
馬鞍山偉華置業發展有限公司 Ma'anshan Weihua Property Development Co., Ltd. (Note (i))	Real estate development	27 February 2014	70%	74,200
麒愉有限公司 Magic Delight Limited (Note (ii))	Investment holding	27 March 2014	50%	—
杭州綠城九龍倉置業有限公司 Hangzhou Greentown Wharf Property Co., Ltd. (Note (ii))	Real estate development	27 March 2014	50%	—
杭州綠城錦玉置業有限公司 Hangzhou Greentown Jinyu Real Estate Co., Ltd. (Note (iii))	Real estate development	30 May 2014	85%	147,370

Notes:

- (i) Greentown Real Estate acquired 70% equity interest of Ma'anshan Weihua Property Development Co., Ltd ("Ma'anshan Weihua"). The Group acquired Ma'anshan Weihua so as to continue the expansion of the Group's property development operation.
- (ii) Onnex Limited, a wholly-owned subsidiary of the Company, acquired 50% equity interest of Magic Delight Limited ("Magic Delight"). Magic Delight became a subsidiary of the Group because the Group has the right to appoint majority of directors of Magic Delight and hence the power over Magic Delight and has the ability to use its power to affect its returns. Hangzhou Greentown Wharf Property Co., Ltd. ("Hangzhou Greentown Wharf") is a wholly-owned subsidiary of Magic Delight, therefore was also acquired by the Group. The Group acquired Magic Delight and Hangzhou Greentown Wharf so as to continue the expansion of the Group's property development operation.
- (iii) Greentown Real Estate acquired additional 50% equity interest of Hangzhou Greentown Jinyu Real Estate Co., Ltd. ("Greentown Jinyu") during the period. Greentown Jinyu was previously a 35%-owned associate of the Group. The Group acquired additional 50% equity interest so as to continue the expansion of the Group's property development operation.

## 22. Acquisition of Subsidiaries (continued)

A summary of the effects of acquisition of these subsidiaries is as follows:

	<b>Six Months Ended 30 June</b>	
	<b>2015</b>	2014
	<b>RMB'000</b>	RMB'000
Net assets acquired:		
Property, plant and equipment	<b>2,672</b>	2,870
Deferred tax assets	<b>109,181</b>	18,830
Properties for development	<b>12,894</b>	1,295,250
Properties under development	<b>11,782,528</b>	4,817,102
Completed properties for sale	<b>349,327</b>	–
Trade and other receivables, deposits and prepayments	<b>48,432</b>	28,682
Amounts due from related parties	<b>376,944</b>	15
Prepaid income taxes	<b>139,997</b>	368,449
Prepaid other taxes	<b>138,645</b>	–
Bank balances and cash	<b>773,554</b>	238,801
Trade and other payables	<b>(472,109)</b>	(109,628)
Pre-sale deposits	<b>(2,279,764)</b>	(4,060,190)
Deferred tax liabilities	<b>(3,695,391)</b>	–
Amounts due to related parties	<b>(821,002)</b>	(468,904)
Income taxes payable	<b>(405,203)</b>	(3,129)
Other taxes payable	<b>(73,226)</b>	–
Bank and other borrowings	<b>(1,616,095)</b>	(1,724,681)
	<b>4,371,384</b>	403,467
Non-controlling interests	<b>(2,280,483)</b>	(77,375)
	<b>2,090,901</b>	326,092
Less:		
Transferred from interests previously held and classified as an associate	–	(65,963)
Gain on re-measurement of an associate to acquisition day fair value in business combination achieved in stages (Note i)	–	(37,196)
Gain on acquisition of a subsidiary (Note ii)	–	(1,363)
	<b>2,090,901</b>	221,570
Total consideration, satisfied by:		
Cash	<b>908,474</b>	221,570
Consideration payable (Note iii)	<b>1,182,427</b>	–
	<b>2,090,901</b>	221,570
Net cash (outflow) inflow arising on acquisition:		
Cash paid	<b>(908,474)</b>	(221,570)
Bank balances and cash acquired	<b>773,554</b>	238,801
	<b>(134,920)</b>	17,231

## Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2015

## 22. Acquisition of Subsidiaries (continued)

- Note: i. The Group's 35% equity interest in Greentown Jinyu, which was previously accounted for as an associate, was remeasured to its fair value upon acquisition, resulting in a gain of RMB37,196,000.
- ii. The acquisition of Magic Delight and Hangzhou Greentown Wharf was completed with a consideration of HKD1, resulting in a gain of RMB1,363,000.
- iii. Consideration payable of RMB1,182,171 in relation to the acquisition of Huazhe Bund has been deducted from amount receivable from Sunac China and its subsidiaries in relation to the Framework Agreement. Please refer to note 24 for more details on the Framework Agreement.

The acquisition of the subsidiaries has been accounted for using the acquisition method. The effect of the acquisitions was presented together as the assets and liabilities acquired from Lin'an Jinji, Beijing Bluetown, Liuzhou Greentown and Liuzhou Greentown Development were not material in comparison to the assets and liabilities acquired from Huazhe Bund. The acquired assets and liabilities of Huazhe Bund were recognised at provision amount.

The receivables acquired (which principally comprised trade and other receivables and amounts due from related parties) with a fair value of RMB423,322,000 at the date of acquisition had gross contractual amounts of RMB423,322,000, which were expected to be fully collected.

The non-controlling interest recognised at the acquisition date was measured by reference to the proportionate share of the recognised amounts of net assets of subsidiaries and amounted to RMB2,280,483,000.

Huazhe Bund, Liuzhou Greentown and Liuzhou Greentown Development did not contribute any revenue to the Group between the date of acquisition and the end of the period. Lin'an Jinji and Beijing Bluetown contributed RMB6,402,000 and RMB643,000 in revenue to the Group between the date of acquisition and the end of the period.

The losses attributable to Lin'an Jinji, Liuzhou Greentown and Liuzhou Greentown Development amounted to RMB624,000, RMB33,000 and RMB1,000,000 has been recognised in the Group's profit for interim period between the date of acquisition and the end of the period. The profits attributable to Beijing Bluetown amounted to RMB36,000 has been recognised in the Group's profit for interim period between the date of acquisition and the end of the period.

Had the acquisition of the subsidiaries been effected at 1 January 2015, the effect on the Group's revenue and profit for the six months period ended 30 June 2015 would have been insignificant.

## 23. Disposal of Subsidiaries

On 9 February 2015, the Group disposed of its entire 55% equity interest in Beijing Greentown Changxin Property Co., Ltd. to an independent third party for a cash consideration of approximately RMB11,000,000.

On 15 February 2015, Bluetown Construction Management disposed of its 66% equity interest in Greentown East Construction Management Co., Ltd. ("East Construction Management") to independent third parties for a cash consideration of RMB33,000,000. Bluetown Construction Management retained 34% equity interest in East Construction Management and East Construction Management is accounted for as an associate after the disposal.

On 30 June 2015, the Group disposed of its 53% equity interest in Hangzhou Nuoqian Investment Management Co., Ltd. ("Hangzhou Nuoqian") to an independent third party for a cash consideration of RMB10,600,000. The remaining 47% equity interest in Hangzhou Nuoqian is accounted for as an associate.

On 30 June 2015, the Group disposed of its entire 50% equity interest in Shanghai Greentown Forest Golf Villas Development Co., Ltd. ("Shanghai Forest Golf") to Tianjin Sunac Zhidi Co., Ltd. ("Sunac Zhidi"), a wholly-owned subsidiary of Sunac China, for a cash consideration of RMB104,540,000. The disposal is part of the Framework Agreement entered into between the Company and Sunac China, please refer to note 24 for more details.

### 23. Disposal of Subsidiaries (continued)

A summary of the effects of the disposal of these subsidiaries is as follows:

	<b>Six Months Ended 30 June 2015 RMB'000</b>
Net assets disposed of:	
Property, plant and equipment	18,628
Interest in a joint venture	295,036
Deferred tax assets	51,347
Properties for development	12,500
Completed properties for sale	148,016
Inventories	531
Trade and other receivables, deposits and prepayments	108,369
Amounts due from related parties	2,006,820
Prepaid income taxes	162,425
Prepaid other taxes	56,901
Bank balances and cash	16,287
Pre-sale deposits	(160,526)
Trade and other payables	(178,956)
Amounts due to related parties	(1,653,770)
Income taxes payables	(534,585)
Other taxes payables	(54,157)
Non-controlling interests	(113,682)
	<b>181,184</b>
Net gain on disposal of subsidiaries	<b>2,906</b>
Total consideration	<b>184,090</b>
Satisfied by:	
Cash received	85,816
Cash receivable	73,323
Retained interests accounted for associates	24,951
Total consideration	<b>184,090</b>
Net cash inflow arising on disposal:	
Cash received	85,816
Bank balances and cash disposed of	(16,287)
	<b>69,529</b>

## 24. Disposal Groups Classified as Held for Sale

As mentioned in Note 22 and Note 23, on 15 May 2015, the Company entered into the Framework Agreement with Sunac China, the series of transaction under the Framework Agreement include the following:

- (a) acquisition of the return on investment in respect of 51% equity interests in Huazhe Bund by Greentown Real Estate from Shanghai Sunac Greentown Investment Holdings Limited ("Shanghai Sunac Greentown"). Huazhe Bund was a subsidiary of Shanghai Sunac Greentown, an associate of the Group, Huazhe Bund became a non-wholly owned subsidiary of the Group after the acquisition;
- (b) acquisition of additional 45% equity interests in, and shareholder's loan of Beijing Xingye Wanfa Real Estate Development Co., Ltd. ("Beijing Xingye Wanfa"), a 55% owned subsidiary of the Group, by Greentown Real Estate from Beijing Sunac Construction Investment Real Estate Co., Ltd., a wholly-owned subsidiary of Sunac China. Beijing Xingye Wanfa was a non-wholly owned subsidiary of the Group, Beijing Xingye Wanfa became a wholly owned subsidiary of the Group after the acquisition;
- (c) acquisition of 50% equity interests in Zhejiang Jinying Realty Co., Ltd. ("Zhejiang Jinying"), a joint venture of the Group, from Shanghai Forest Golf and shareholder's loan of Zhejiang Jinying from Sunac Zhidi by Greentown Real Estate, Zhejiang Jinying was a joint venture company of the Group, Zhejiang Jinying remained a joint venture company of the Group after the acquisition;
- (d) disposal of 50% equity interests in Shanghai Forest Golf by Greentown Real Estate to Sunac Zhidi, Shanghai Forest Golf was a non-wholly owned subsidiary of the Company, Shanghai Forest Golf was deconsolidated from condensed consolidated statement of financial position as at 30 June 2015 after the disposal;
- (e) disposal of 25% equity interests in Hangzhou Sunac Greentown Real Estate Development Co., Ltd. ("Hangzhou Sunac Greentown") by On Century Investment Limited, a wholly-owned subsidiary of the Company, to Zhuo Yue Property Investment Holdings Limited, a wholly-owned subsidiary of Sunac China;
- (f) disposal of 50% equity interests in Shanghai Sunac Greentown by Greentown Investment Management Co., Ltd., a wholly-owned subsidiary of the Company to Shanghai Sunac Real Estate Development Co., Ltd., a wholly-owned subsidiary of Sunac China;
- (g) disposal of 50% of the issued share capital of Sunac Greentown Investment Holdings Limited ("Sunac Greentown") by the Company to Sunac China; and
- (h) development of the Tianjin National Game Village Project on a joint venture basis in the proportion of 51:49 by the Company and Sunac China.

The transactions contemplated under the Framework Agreement are to be net settled, it is expected to generate net cash inflow equivalent to approximately RMB3,390,687,000 in aggregate for the Group.

The Framework Agreement was approved by an extraordinary general meeting on 15 July 2015. The management of the Company and Sunac China agreed that all exposure, or rights, to variable returns from its involvement with Huazhe Bund, Beijing Xingye Wanfa, Zhejiang Jinying and Shanghai Forest Golf and management control of the these companies have been transferred as at 30 June 2015, as such, the management of the Company considers the control or significant influence of these companies has been transferred as at 30 June 2015.

## 24. Disposal Groups Classified as Held for Sale (continued)

As of 30 June 2015, the disposal of associates as described in transactions (e), (f) and (g) have not yet been completed as certain condition for their completion was not yet met, as such the assets and liabilities attributable to the interest in the associates that are expected to be sold within 12 months have been classified as disposal groups held for sale and are separately presented in the condensed consolidated statement of financial position. These associates are included in the Group's property development activities for segment reporting purposes.

The major classes of assets and liabilities classified as held for sale are as follows:

	<b>Six Months Ended 30 June 2015 RMB'000</b>
Interest in associates	<b>2,816,390</b>
Assets classified as held for sale	<b>2,816,390</b>
Amounts due to related parties	<b>2,806,294</b>
Liabilities associated with assets classified as held for sale	<b>2,806,294</b>

## 25. Interests in Associates

During the period, the Group made an additional capital contribution of RMB156,743,000 to existing associates.

On 15 May 2015, the Company entered into the Framework Agreement with Sunac China, a company listed on the Stock Exchange. Included in the Framework Agreement are the disposal of certain associates of the Company, namely (i) the disposal of 25% equity interests in Hangzhou Sunac Greentown, (ii) the disposal of 50% equity interests in Shanghai Sunac Greentown and (iii) the disposal of 50% of issued share capital of Sunac Greentown.

As at 30 June 2015, the disposal of these associates are not yet completed but the interests in these associates are expected to be sold within 12 months and have been classified as assets held for sale since 30 June 2015. The assets and liabilities of the disposal group and details of the Framework Agreement are presented in Note 24 of the condensed consolidated statement of financial position.

The gains recognised by the associates were mainly due to the disposal of real estate projects held by Shanghai Sunac Greentown, including the disposal of the return on investment in respect of 51% equity interest in Huazhe Bund, and Sunac Greentown as part of the Framework Agreement. The share of results of these two associates of the Group for the period amounted to RMB714,053,000 in aggregate (for the six months ended 30 June 2014: RMB110,248,000).

## Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2015

## 26. Commitments

	As at 30 June 2015 RMB'000	As at 31 December 2014 RMB'000
Commitments contracted for but not provided in the condensed consolidated financial statements in respect of:		
Properties for development and properties under development	11,129,406	13,707,260
Construction in progress	81,286	78,877
	<b>11,210,692</b>	13,786,137

In addition to the above, the Group's share of the commitments of its joint ventures is as follows:

	As at 30 June 2015 RMB'000	As at 31 December 2014 RMB'000
Contracted for but not provided in respect of properties for development and properties under development	<b>3,676,086</b>	6,968,762

## 27. Pledge of Assets

At the end of the period, the following assets were pledged to banks and other parties to secure credit facilities granted to the Group:

	As at 30 June 2015 RMB'000	As at 31 December 2014 RMB'000
Land and buildings	15,624	15,762
Hotel buildings	3,366,919	3,487,208
Construction in progress	53,050	49,131
Prepaid lease payment	528,259	536,345
Properties for development	560,808	600,577
Properties under development	15,898,042	13,808,752
Completed properties for sale	2,654,765	3,967,235
Investment properties	1,860,000	1,860,000
Pledged bank deposits	1,572,292	1,350,690
Interests in associates	411,307	429,987
Interests in joint ventures	97,110	111,491
	<b>27,018,176</b>	26,217,178

## 28. Contingent Liabilities

### (i) Guarantees

The Group provided guarantees of RMB17,449,895,000 as at 30 June 2015 (as at 31 December 2014: RMB17,826,248,000) to banks in favour of its customers in respect of the mortgage loans provided by the banks to those customers for the purchase of the Group's developed properties. These guarantees provided by the Group to the banks will be released upon receiving the building ownership certificate of the respective properties by the banks from the customers as a pledge for security to the mortgage loans granted.

The Group also provided guarantees to banks and other parties in respect of credit facilities utilised by the following companies:

	As at 30 June 2015 RMB'000	As at 31 December 2014 RMB'000
<i>Credit guarantees provided to:</i>		
Associates	2,508,600	5,912,621
Joint ventures	2,058,100	1,532,470
Independent third parties	300,000	300,000
	<b>4,866,700</b>	7,745,091
<i>Mortgage and charge guarantees provided to:</i>		
Associates	791,311	804,987
Joint ventures	368,822	423,880
	<b>1,160,133</b>	1,228,867
Total	<b>6,026,833</b>	8,973,958

Contingent liabilities arising from interests in associates at the end of the period:

	As at 30 June 2015 RMB'000	As at 31 December 2014 RMB'000
Share of mortgage loan guarantees provided by associates to banks in favour of its customers	3,842,132	5,097,567

## 28. Contingent Liabilities (continued)

## (i) Guarantees (continued)

Contingent liabilities arising from interests in joint ventures at the end of the period:

	As at 30 June 2015 RMB'000	As at 31 December 2014 RMB'000
Share of mortgage loan guarantees provided by joint ventures to banks in favour of its customers	2,338,042	2,317,055

The directors consider that the fair value of the above guarantees is insignificant on initial recognition and it is not probable that an outflow in settlement will be required.

## (ii) Litigation against Zhejiang Fosun Commerce Development Limited (“Zhejiang Fosun”)

On 29 December 2011, Zhejiang Jiahe Industrial Co., Ltd. (“Greentown Jiahe”), a wholly-owned subsidiary of the Company, Shanghai Zendai Land Company Limited (“Shanghai Zendai Land”), a wholly-owned subsidiary of Shanghai Zendai Property Limited, a company listed on the Stock Exchange and an independent third party, and Shanghai Chang Ye Investment management Consulting Co., Ltd. (“Shanghai Chang Ye”), a wholly-owned subsidiary of SOHO China Limited, a wholly-owned subsidiary of a company listed on the Stock Exchange and an independent third party, entered into an agreement pursuant to which Shanghai Chang Ye had conditionally agreed to acquire, and (i) Greentown Jiahe had conditionally agreed to sell its 100% equity interest in Hangzhou Greentown Hesheng Investment Company (“Greentown Hesheng”) and its loan granted to Greentown Hesheng; and (ii) Shanghai Zendai Land had conditionally agreed to sell its 100% equity interest in Shanghai Zendai Wudaokou Property Company Limited (“Shanghai Zendai Wudaokou”) and its loan granted to Shanghai Zendai Wudaokou.

Pursuant to a supplementary agreement dated 9 January 2012, the relevant parties agreed that Shanghai Chang Sheng Investment Management Consulting Co., Ltd. (“Shanghai Chang Sheng”) should assume all rights, obligations and liabilities of Shanghai Chang Ye under the equity transfers and loan assignments. Greentown Hesheng and Shanghai Zendai Wudaokou owned 10% and 40% equity interests respectively in Shanghai Haizhimen Property Management Co., Ltd. (“Shanghai Haizhimen”), while Zhejiang Fosun, a wholly-owned subsidiary of Fosun International Limited, a company listed on the Stock Exchange, owned the remaining 50% equity interest in Shanghai Haizhimen. Shanghai Haizhimen indirectly owns 100% interest in a land parcel in Shanghai. The disposal of the 100% equity interest in Greentown Hesheng resulted in a gain of RMB15,330,000 to the Group in 2012.

## 28. Contingent Liabilities (continued)

### (ii) Litigation against Zhejiang Fosun Commerce Development Limited (“Zhejiang Fosun”) (continued)

On 30 May 2012, Zhejiang Fosun filed a civil suit to Shanghai No. 1 Intermediate People’s Court (the “Court”) and received a notification of acceptance from the Court, pursuant to which Zhejiang Fosun had initiated a civil action against the relevant parties to protect its pre-emptive rights in the above-mentioned indirect transfers of equity interests in Shanghai Haizhimen by asking for the transactions to be invalidated.

On 4 June 2012, the Group was served with a document of summons issued by the Court in relation to the civil action, pursuant to which Greentown Jiahe, among others, was named as a defendant.

On 29 November 2012, a preliminary trial was held at the Court. On 24 April 2013, the Court issued its preliminary judgment (the “Judgment”), granting orders for (among other things):

1. the invalidation of the agreement to transfer 100% equity interests in Shanghai Zendai Wudaokou and Greentown Hesheng respectively from Shanghai Zendai Land and Greentown Jiahe to Shanghai Chang Ye as stipulated under the agreement dated 29 December 2011;
2. the invalidation of the equity transfer agreement in relation to the transfer of 100% equity interests in Shanghai Zendai Wudaokou by Shanghai Zendai Land to Shanghai Chang Sheng (“Shanghai Zendai Wudaokou Transfer”) dated 29 December 2011;
3. the invalidation of the equity transfer agreement in relation to the transfer of 100% equity interests in Greentown Hesheng by Greentown Jiahe to Shanghai Chang Sheng (“Greentown Hesheng Transfer”) dated 12 January 2012; and
4. the restatement of the ownership of Shanghai Zendai Wudaokou and Greentown Hesheng back to the state before the Shanghai Zendai Wudaokou Transfer and Greentown Hesheng Transfer, respectively.

The Group has reviewed the Judgment. SOHO China Limited had made an appeal to the Higher People’s Court of Shanghai in relation to the Judgment. As of the date of these financial statements, the second trial is in progress. Having consulted with its legal advisers, the Group believes the Judgment cannot be enforced and will not become effective pending the results of the appeal. The Group considers that the Judgment does not have any material adverse effect on the operation or financial position of the Group.

## 29. Related Party Disclosures

- (i) During the six months ended 30 June 2015, in addition to those disclosed elsewhere in the condensed consolidated financial statements, the Group had the following significant transactions with related parties:

	Six Months Ended 30 June	
	2015 RMB'000	2014 RMB'000
Sales of materials to		
– associates (note)	1,692	2,328
– joint ventures (note)	207	1,968
– non-controlling shareholders	–	12
– other related parties	105	–
Construction service income from joint ventures and associates (note)	13,225	3,086
Construction consulting service income from Shareholders' Companies	–	220
Rental expenses paid/payable to:		
– shareholders' companies	5,799	4,081
– non-controlling shareholders	67	64
Purchases from associates (note)	2,065	–
Purchases from Shareholders' Companies (note)	192	2,039
Property management fees paid/payable to Shareholders' Companies	85,409	47,891
Interest income arising from amounts due from:		
– associates (note)	193,333	271,283
– joint ventures (note)	148,378	80,798
– non-controlling shareholders	2,754	10,263
Interest expense arising from amounts due to:		
– associates (note)	34,865	980
– joint ventures (note)	5,686	28,954
– non-controlling shareholders	144,837	132,629
Rental income from Shareholders' Companies	539	–
Advertising expenses paid/payable to Shareholders' Companies	33,000	35,000
Interior decoration service fees paid to associates (note)	6,450	6,300
Interior decoration service income from joint ventures and associates (note)	203,027	181,383
Interior decoration service income from Shareholders' Companies	50	135
Hotel management fees paid/payable to Shareholders' Companies	1,487	1,512
Hotel service income from joint ventures and associates (note)	1,552	488
Hotel service income from Shareholders' Companies	4	86
Hotel service income from non-controlling shareholders	–	109
Health management service fee to Shareholders' Companies	–	293
Healthcare service fee to Shareholders' Companies	1,256	1,919

## 29. Related Party Disclosures (continued)

- (i) **During the six months ended 30 June 2015, in addition to those disclosed elsewhere in the condensed consolidated financial statements, the Group had the following significant transactions with related parties: (continued)**

	Six Months Ended 30 June	
	2015 RMB'000	2014 RMB'000
Marketing service income from joint ventures and associates (note)	67	7,604
Advertising income from		
– associates (note)	150	1,683
– joint ventures (note)	–	2,943
Brand usage fees from associates (note)	15,616	80,464
Brand usage fees from joint ventures (note)	8,892	–
Landscape construction fee to associates (note)	47,283	22,986
Other income from		
– associates (note)	–	3,173
– joint ventures (note)	75	32
– Shareholders' Companies	–	441
Other fees to		
– associates (note)	88	4
– joint ventures (note)	152	–
– Shareholders' Companies	224	2,200

Note: Purchases from Shareholders' Companies represent raw materials purchased for use by construction contractors, the costs of which are included in the overall construction contracts. The transactions with joint ventures and associates are presented gross before elimination of unrealised profits or losses attributable to the Group.

The directors considered that the transactions above were carried out in accordance with the terms agreed with the counterparties.

Mr SONG Weiping, Mr SHOU Bainian and Ms XIA Yibo are each a "Shareholder", and collectively the "Shareholders", of the Company. Shareholders' Companies represent companies owned by the Shareholders and affiliates.

- (ii) **During the six months ended 30 June 2015, in addition to those disclosed in Note 22, Note 23 and Note 24, the Group made the following acquisition and disposal from related parties:**

	Six Months Ended 30 June	
	2015 RMB'000	2014 RMB'000
Acquisition of partial interests in subsidiaries from non-controlling shareholders	264,974	–

## 29. Related Party Disclosures (continued)

**(iii) Compensation of Key Management Personnel**

The remuneration of directors and other members of key management during the six months ended 30 June 2015 was as follows:

	Six Months Ended 30 June	
	2015 RMB'000	2014 RMB'000
Short-term benefits	13,690	9,657
Post-employment benefits	74	153
	<b>13,764</b>	9,810

## 30. Events After the End of the Reporting Period

The following significant events took place subsequent to 30 June 2015:

**Consent Solicitations, Exchange Offer and Concurrent New Senior Notes Issuance**

On 20 July 2015, the Company solicited consents ("Consent Solicitation") from holders of (i) the RMB Notes, (ii) the 2018 USD Notes and (iii) the 2019 USD Notes (collectively, the "Notes") to make certain amendments to the terms and conditions of the indentures in relation to the Notes (the "Indentures") pursuant to a consent solicitations statement dated 20 July 2015. The Company obtained the requisite consents to proceed with the proposed amendments with respect to each of the Indentures on 30 July 2015 (being the consent expiration date). The Company, subsidiary guarantors named therein and DB Trustees (Hong Kong) Limited as trustee executed the supplemental indentures to the respective Indenture on 31 July 2015 to give effect to the proposed amendment.

On 20 July 2015, the Company concurrently commenced an exchange offer (the "Exchange Offer") pursuant to the exchange offer memorandum dated 20 July 2015 in relation to the exchange of (i) the 2018 USD Notes and (ii) the 2019 USD Notes into new USD senior notes due 2020 ("New Notes"). As of 30 July 2015 (being the offer expiration date), (i) USD139,034,000 of the principal amount of 2018 USD Notes, representing approximately 19.86% of the total aggregate principal amount of 2018 USD Notes outstanding and (ii) USD263,459,000 of the principal amount of 2019 USD Notes, representing approximately 52.69% of the total aggregate principal amount of 2019 USD Notes outstanding, have been validly submitted for exchange for the New Notes and not withdrawn pursuant to the Exchange Offer. Accordingly, the Company would issue an aggregate principal amount of USD429,698,000 of New Notes pursuant to the Exchange Offer.

On 31 July 2015, the Company conducted the New Money Issuance and proposed to issue an aggregate principal amount of US\$70,302,000 additional senior notes due 2020 (the "Additional New Notes") which would form a single series with and have the same terms and conditions as the New Notes (together with the Additional New Notes, the "2020 USD Notes").

The 2020 USD Notes were issued at 100% of face value and carried interest at the rate of 5.875% per annum payable semi-annually in arrears. No net proceed has been raised from the Exchange Offer and the net proceeds from the New Money Issuance, after deducting subscription discounts but before subtracting estimated expenses related to the issuance of the Additional New Notes, was approximately USD69,700,000. The 2020 USD Notes will mature on 11 August 2020.

### 30. Events After the End of the Reporting Period (continued)

#### **Consent Solicitations, Exchange Offer and Concurrent New Senior Notes Issuance (continued)**

The 2020 USD Notes are:

- (1) senior in right of payment to any existing and future obligations of the Company expressly subordinated in right of payment to the 2020 USD Notes;
- (2) at least pari passu in right of payment with the RMB Notes, the 2018 USD Notes, the 2019 USD Notes and all other unsecured, unsubordinated indebtedness of the Company (subject to any priority rights of such unsubordinated indebtedness pursuant to applicable law);
- (3) guaranteed by the subsidiary guarantors named therein and the JV subsidiary guarantors (if any) on a senior basis, subject to certain limitations;
- (4) have the benefit of the keepwell deed and the deed of undertaking provided by CCCG;
- (5) effectively subordinated to secured obligations of the Company, the subsidiary guarantors named therein and the JV subsidiary guarantors (if any), to the extent of the value of the assets serving as security therefor; and
- (6) effectively subordinated to all existing and future obligations of the subsidiaries of the Company which do not provide guarantees under the 2020 USD Notes.

The Exchange Offer and the New Money Issuance were completed on 11 August 2015 and an aggregate principal amount of USD500,000,000 2020 USD Notes (comprised of (i) an aggregate amount of USD429,698,000 New Notes and (ii) an aggregate amount of USD70,302,000 Additional New Notes) were issued. The 2020 USD Notes are listed on the Stock Exchange starting from 12 August 2015.

#### **Acquisition of Greentown Dingyi and Greentown Shidai**

On 2 August 2015, Greentown Real Estate entered into a share transfer agreement with the shareholders of Greentown Dingyi Real Estate Investment Management Co., Ltd. ("Greentown Dingyi") and other parties in relation to the acquisition of the entire equity interest in Greentown Dingyi for a total consideration of RMB625,450,000. On the same date, Greentown Real Estate entered into a share transfer agreement with Hangzhou Luyong Investment Management Company Limited and other parties in relation to the acquisition of 92% equity interest in Greentown Shidai City Construction Development Company Limited ("Greentown Shidai") for a total consideration of RMB294,000,000. Each of such acquisitions constitutes a connected transaction of the Company. Please refer to the announcement of the Company dated 2 August 2015 and other relevant announcement of the Company for the details of these transactions. The acquisitions have not been completed as of the interim report date.

#### **Issue of Domestic Corporate Bonds**

Following the obtaining of the approval from The China Securities Regulatory Commission (中國證券監督管理委員會) in relation to the proposed issue of domestic corporate bonds by Greentown Real Estate (the "Issuer") to qualified investors in the PRC with an aggregate principal amount of not more than RMB7,000,000,000, the Issuer has, on 28 August 2015, completed the issue of the first tranche of the domestic corporate bonds in a total amount of RMB3,000,000,000 with a term of five years and an annual coupon rate of 4.7% (the "Bonds"). The Issuer shall be entitled to adjust the coupon rate and the investors shall be entitled to sell back the Bonds at the end of the third year. The Issuer has received "AA+" rating from credit rating agency, namely 中誠信證券評估有限公司, towards the Issuer and the Bonds. Please refer to the announcement of the Company dated 31 August 2015 for further details of the issue of the Bonds.

# Definition

In this interim report, unless the context otherwise requires, the following expressions have the following meanings:

Audit Committee	the audit committee of the Company
Board	the Board of Directors of the Company
CCCCG	China Communications Construction Group (Limited)
Directors	the directors of the Company
GFA	gross floor area
Company/Greentown	Greentown China Holdings Limited, a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the Main Board of the Stock Exchange (stock code: 03900)
Greentown Group	Greentown China Holdings Limited and its subsidiaries together with its joint ventures and associates
Group	Greentown China Holdings Limited and its subsidiaries
Bluetown Construction Management	藍城房產建設管理集團有限公司 (Bluetown Property Construction Management Group Co., Ltd.), formerly known as 綠城房產建設管理有限公司 (Greentown Property Construction Management Co., Ltd.), a subsidiary of the Company
Listing Rules	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
Model Code	Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Listing Rules
PRC/China	the People's Republic of China
Reporting Period	the six months ended 30 June 2015
SFO	Securities and Futures Ordinance, Chapter 571 of the laws of Hong Kong
Share Option Scheme	the share option scheme adopted by a resolution of the shareholders of the Company on 22 June 2006
sqm	square metres
Stock Exchange/HKEx	The Stock Exchange of Hong Kong Limited
Sunac China	Sunac China Holdings Limited, a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the Main Board of the Stock Exchange (stock code: 01918)
Wharf	The Wharf (Holdings) Limited, a company incorporated in Hong Kong with limited liability, the shares of which are listed on the Main Board of the Stock Exchange (stock code: 00004)





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