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GREENTOWN CHINA HOLDINGS LIMITED

綠城中國控股有限公司*

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 03900)

ANNOUNCEMENT OF INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2020

HIGHLIGHTS

- Total contracted sales achieved RMB91.2 billion, representing an increase of 23% as compared to RMB74.3 billion for the corresponding period of last year;
- 43 projects were newly-added, with a total GFA of approximately 10.97 million sqm and estimated saleable amount of RMB175.6 billion, representing a substantial increase of 181% over the corresponding period of last year;
- Revenue amounted to RMB23.896 billion, representing an increase of 28.1% over the corresponding period of last year; profit attributable to owners of the Company amounted to RMB2.096 billion, representing an increase of 1.9% over the corresponding period of last year;
- As at 30 June 2020, bank balances and cash (including pledged bank deposits) totaled RMB62.849 billion (as at 31 December 2019: RMB51.894 billion), which was 1.8 times (as at 31 December 2019: 1.5 times) of the balance of borrowings due within one year; net gearing ratio was 66.1%, remained at a reasonable level;
- The weighted average interest cost of total borrowings was 5.2%, representing a decrease of 20 bps as compared to 5.4% for the corresponding period of 2019.

The board of directors (the “**Board**”) of Greentown China Holdings Limited (“**Greentown**” or the “**Company**”) is pleased to announce the unaudited condensed consolidated interim results of the Company and its subsidiaries (collectively, the “**Group**”) for the six months ended 30 June 2020 (the “**Reporting Period**” or “**Period**”) prepared in accordance with the International Financial Reporting Standards, together with comparative audited figures for the corresponding period of 2019. The interim results have been reviewed by the audit committee of the Company (the “**Audit Committee**”) and approved by the Board. The following financial information is extracted from the unaudited condensed consolidated financial statements as set out in the 2020 Interim Report to be published by the Group.

* For identification purposes only

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 June 2020

	<i>Notes</i>	Six months ended 30 June	
		2020	2019
		RMB'000	RMB'000
		(Unaudited)	(Unaudited)
Revenue	3	23,896,208	18,658,115
Cost of sales		(17,712,331)	(12,689,609)
Gross profit		6,183,877	5,968,506
Other income	4	1,557,250	1,362,461
Other gains and losses	5	58,724	(57,081)
Selling expenses		(623,642)	(665,302)
Administrative expenses		(1,446,688)	(1,404,919)
Finance costs	6	(1,252,360)	(800,890)
Impairment losses under expected credit loss model, net of reversal		(314,509)	145,350
Impairment losses on non-financial assets, net of reversal		93,690	(44,706)
Loss from change in fair value of an investment property		(108,114)	–
Gain on re-measurement of an associate to acquisition date fair value in business combination achieved in stages		–	43,487
Net gain on disposal of subsidiaries		27,957	42,371
Share of results of associates		402,226	504,926
Share of results of joint ventures		69,951	(7,623)
Profit before taxation		4,648,362	5,086,580
Taxation	7	(1,517,992)	(2,013,946)
Profit for the period		3,130,370	3,072,634

		Six months ended 30 June	
		2020	2019
	<i>Note</i>	RMB'000	RMB'000
		(Unaudited)	(Unaudited)
Other comprehensive income item that will not be reclassified to profit or loss			
Fair value gain on equity instruments at fair value through other comprehensive income for the period (net of tax)		84,916	40,757
		<hr/>	<hr/>
Total comprehensive income for the period		3,215,286	3,113,391
		<hr/>	<hr/>
Profit for the period attributable to:			
Owners of the Company		2,095,812	2,057,571
Non-controlling interests		1,034,558	1,015,063
		<hr/>	<hr/>
		3,130,370	3,072,634
		<hr/>	<hr/>
Total comprehensive income attributable to:			
Owners of the Company		2,180,728	2,098,328
Non-controlling interests		1,034,558	1,015,063
		<hr/>	<hr/>
		3,215,286	3,113,391
		<hr/>	<hr/>
Earnings per share			
Basic	9	RMB0.65	RMB0.67
		<hr/>	<hr/>
Diluted		RMB0.65	RMB0.67
		<hr/>	<hr/>

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2020

	As at 30 June 2020	As at 31 December 2019
<i>Note</i>	RMB'000 (Unaudited)	RMB'000 (Audited)
NON-CURRENT ASSETS		
Property, plant and equipment	11,256,942	9,817,931
Right-of-use assets	1,004,293	1,038,724
Investment properties	3,749,194	4,032,818
Goodwill	769,241	769,241
Interests in associates	12,370,366	12,084,907
Interests in joint ventures	4,358,979	3,869,730
Equity instruments at fair value through other comprehensive income	1,943,740	1,511,985
Deferred tax assets	2,967,211	3,238,893
	38,419,966	36,364,229
CURRENT ASSETS		
Properties for development	29,186,326	30,907,247
Properties under development	155,054,629	136,615,966
Completed properties for sale	11,391,095	12,167,498
Inventories	283,483	203,711
Trade and other receivables, deposits and prepayments	15,101,371	11,312,810
Contract assets	3,100,503	2,815,007
Contract costs	329,680	336,467
Amounts due from related parties	51,016,254	46,378,836
Prepaid income taxes	3,553,376	3,559,887
Prepaid other taxes	5,013,600	4,440,223
Pledged bank deposits	6,276,370	5,326,761
Bank balances and cash	56,572,693	46,567,729
	336,879,380	300,632,142
Assets classified as held for sale	285,364	95,747
	337,164,744	300,727,889

		As at 30 June 2020 <i>RMB'000</i> (Unaudited)	As at 31 December 2019 <i>RMB'000</i> (Audited)
	<i>Note</i>		
CURRENT LIABILITIES			
Trade and other payables	<i>11</i>	40,420,088	43,453,333
Contract liabilities		88,121,385	76,324,981
Amounts due to related parties		39,267,025	28,653,456
Dividend payable		748,176	–
Income taxes payable		7,077,248	10,473,519
Other taxes payable		9,056,525	8,420,517
Lease liabilities		13,017	27,397
Bank and other borrowings		16,806,229	13,950,984
Senior notes		7,884,638	7,712,382
Corporate debt instruments		10,091,057	11,643,848
Receipts under securitisation arrangements		6,175	1,633,966
		<u>219,491,563</u>	<u>202,294,383</u>
Liabilities associated with assets classified as held for sale		<u>86,003</u>	<u>70,409</u>
		<u>219,577,566</u>	<u>202,364,792</u>
NET CURRENT ASSETS		<u>117,587,178</u>	<u>98,363,097</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>156,007,144</u>	<u>134,727,326</u>
NON-CURRENT LIABILITIES			
Bank and other borrowings		57,292,509	45,642,189
Corporate debt instruments		17,880,096	14,993,416
Receipts under securitisation arrangements		1,890,899	–
Lease liabilities		102,175	89,038
Deferred tax liabilities		4,718,039	4,847,211
		<u>81,883,718</u>	<u>65,571,854</u>
		<u>74,123,426</u>	<u>69,155,472</u>
CAPITAL AND RESERVES			
Share capital		239,242	209,694
Reserves		31,020,481	27,434,904
Equity attributable to owners of the Company		<u>31,259,723</u>	<u>27,644,598</u>
Perpetual securities		22,635,164	21,229,002
Non-controlling interests		20,228,539	20,281,872
		<u>74,123,426</u>	<u>69,155,472</u>

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2020

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.

Other than additional accounting policies resulting from application of amendments to International Financial Reporting Standards (“**IFRSs**”), the accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended 30 June 2020 are the same as those presented in the Group’s consolidated financial statements for the year ended 31 December 2019.

The application of the Amendments to References to the Conceptual Framework in IFRS Standards and the amendments to IFRSs in the current interim period has no material impact on the Group’s financial positions and performance for the current and prior periods and on the disclosures set out in these condensed consolidation financial statements.

3. REVENUE AND SEGMENT INFORMATION

A. Disaggregation of revenue from contracts with customers

	For the six months ended 30 June 2020						
	Property sales <i>RMB'000</i>	Hotel operations <i>RMB'000</i>	Project management <i>RMB'000</i>	Design and decoration <i>RMB'000</i>	Sales of construction materials <i>RMB'000</i>	Other business <i>RMB'000</i>	Total <i>RMB'000</i>
Recognised at a point in time	15,230,233	-	-	-	42,928	-	15,273,161
Recognised over time	5,483,318	213,086	797,007	1,072,659	-	990,459	8,556,529
Revenue from contracts with customers	20,713,551	213,086	797,007	1,072,659	42,928	990,459	23,829,690
	For the six months ended 30 June 2019						
	Property sales <i>RMB'000</i>	Hotel operations <i>RMB'000</i>	Project management <i>RMB'000</i>	Design and decoration <i>RMB'000</i>	Sales of construction materials <i>RMB'000</i>	Other business <i>RMB'000</i>	Total <i>RMB'000</i>
Recognised at a point in time	8,918,342	-	-	-	33,339	-	8,951,681
Recognised over time	6,971,025	393,480	989,551	1,157,621	-	111,815	9,623,492
Revenue from contracts with customers	15,889,367	393,480	989,551	1,157,621	33,339	111,815	18,575,173

3. REVENUE AND SEGMENT INFORMATION (continued)

A. Disaggregation of revenue from contracts with customers (continued)

Set out below is the reconciliation of the revenue from contracts with customers with the amounts disclosed in the segment information.

	For the six months ended 30 June 2020					
	Property development RMB'000	Hotel operations RMB'000	Property investment RMB'000	Project management RMB'000	Other RMB'000	Total RMB'000
Revenue disclosed in segment information						
External customers	20,713,551	213,086	66,518	797,007	2,106,046	23,896,208
Inter-segment	–	176	7,645	151,317	758,726	917,864
	<u>20,713,551</u>	<u>213,262</u>	<u>74,163</u>	<u>948,324</u>	<u>2,864,772</u>	<u>24,814,072</u>
Adjustment for property rental income	–	–	(66,518)	–	–	(66,518)
Eliminations	–	(176)	(7,645)	(151,317)	(758,726)	(917,864)
Revenue from contracts with customers	<u>20,713,551</u>	<u>213,086</u>	<u>–</u>	<u>797,007</u>	<u>2,106,046</u>	<u>23,829,690</u>
	For the six months ended 30 June 2019					
	Property development RMB'000	Hotel operations RMB'000	Property investment RMB'000	Project management RMB'000	Other RMB'000	Total RMB'000
Revenue disclosed in segment information						
External customers	15,889,367	393,480	82,942	989,551	1,302,775	18,658,115
Inter-segment	–	805	–	86,281	562,526	649,612
	<u>15,889,367</u>	<u>394,285</u>	<u>82,942</u>	<u>1,075,832</u>	<u>1,865,301</u>	<u>19,307,727</u>
Adjustment for property rental income	–	–	(82,942)	–	–	(82,942)
Eliminations	–	(805)	–	(86,281)	(562,526)	(649,612)
Revenue from contracts with customers	<u>15,889,367</u>	<u>393,480</u>	<u>–</u>	<u>989,551</u>	<u>1,302,775</u>	<u>18,575,173</u>

3. REVENUE AND SEGMENT INFORMATION (continued)

B. Segment information

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

	Property development RMB'000	Hotel operations RMB'000	Property investment RMB'000	Project management RMB'000	Others RMB'000	Segment total RMB'000	Eliminations RMB'000	Total RMB'000
For the six months ended								
30 June 2020								
Revenue from contracts with customers	20,713,551	213,086	-	797,007	2,106,046	23,829,690	-	23,829,690
Rental income	-	-	66,518	-	-	66,518	-	66,518
Total external segment revenue	<u>20,713,551</u>	<u>213,086</u>	<u>66,518</u>	<u>797,007</u>	<u>2,106,046</u>	<u>23,896,208</u>	<u>-</u>	<u>23,896,208</u>
Inter-segment revenue	<u>-</u>	<u>176</u>	<u>7,645</u>	<u>151,317</u>	<u>758,726</u>	<u>917,864</u>	<u>(917,864)</u>	<u>-</u>
Total	<u>20,713,551</u>	<u>213,262</u>	<u>74,163</u>	<u>948,324</u>	<u>2,864,772</u>	<u>24,814,072</u>	<u>(917,864)</u>	<u>23,896,208</u>
Segment results	<u>3,007,377</u>	<u>(26,572)</u>	<u>(40,309)</u>	<u>183,126</u>	<u>97,117</u>	<u>3,220,739</u>	<u>(176)</u>	<u>3,220,563</u>
Unallocated administrative expenses								(22,448)
Unallocated other income								9,818
Unallocated finance costs								(9,799)
Unallocated taxation								(67,764)
Profit for the period								<u>3,130,370</u>
For the six months ended								
30 June 2019								
Revenue from contracts with customers	15,889,367	393,480	-	989,551	1,302,775	18,575,173	-	18,575,173
Rental income	-	-	82,942	-	-	82,942	-	82,942
Total external segment revenue	<u>15,889,367</u>	<u>393,480</u>	<u>82,942</u>	<u>989,551</u>	<u>1,302,775</u>	<u>18,658,115</u>	<u>-</u>	<u>18,658,115</u>
Inter-segment revenue	<u>-</u>	<u>805</u>	<u>-</u>	<u>86,281</u>	<u>562,526</u>	<u>649,612</u>	<u>(649,612)</u>	<u>-</u>
Total	<u>15,889,367</u>	<u>394,285</u>	<u>82,942</u>	<u>1,075,832</u>	<u>1,865,301</u>	<u>19,307,727</u>	<u>(649,612)</u>	<u>18,658,115</u>
Segment results	<u>2,856,835</u>	<u>43,926</u>	<u>45,417</u>	<u>220,910</u>	<u>23,602</u>	<u>3,190,690</u>	<u>-</u>	<u>3,190,690</u>
Unallocated administrative expenses								(65,846)
Unallocated other income								19,878
Unallocated finance costs								(11,739)
Unallocated taxation								(60,349)
Profit for the period								<u>3,072,634</u>

3. REVENUE AND SEGMENT INFORMATION (continued)

B. Segment information (continued)

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

Segment assets

	As at 30 June 2020 <i>RMB'000</i>	As at 31 December 2019 <i>RMB'000</i>
Property development	345,881,636	311,117,245
Hotel operations	9,980,647	8,922,880
Property investment	4,040,238	4,183,051
Project management	3,352,590	3,164,715
Others	<u>10,102,781</u>	<u>8,225,251</u>
Total segment assets	373,357,892	335,613,142
Unallocated	<u>2,226,818</u>	<u>1,478,976</u>
Consolidated assets	<u>375,584,710</u>	<u>337,092,118</u>

Segment liabilities

	As at 30 June 2020 <i>RMB'000</i>	As at 31 December 2019 <i>RMB'000</i>
Property development	288,824,379	257,604,573
Hotel operations	187,120	251,621
Property investment	1,048,803	1,077,581
Project management	1,523,077	1,355,663
Others	<u>8,212,087</u>	<u>6,733,581</u>
Total segment liabilities	299,795,466	267,023,019
Unallocated	<u>1,665,818</u>	<u>913,627</u>
Consolidated liabilities	<u>301,461,284</u>	<u>267,936,646</u>

4. OTHER INCOME

	Six months ended 30 June	
	2020	2019
	RMB'000	RMB'000
Interest income	1,299,892	742,855
Comprehensive service income	86,185	6,088
Dividends from equity instruments at fair value through other comprehensive income	56,000	17,740
Default penalty income	–	460,651
Others	115,173	135,127
	<u>1,557,250</u>	<u>1,362,461</u>

5. OTHER GAINS AND LOSSES

	Six months ended 30 June	
	2020	2019
	RMB'000	RMB'000
Net foreign exchange losses	(265,899)	(59,738)
Gain on acquisition of associates and joint ventures at discount (<i>note</i>)	324,414	1,915
Gain on disposal of an associate	–	478
Gain on disposal of property, plant and equipment	209	264
	<u>58,724</u>	<u>(57,081)</u>

Note: The gain on acquisition of associates and joint ventures at discount are from the acquisition of Shanghai Zhonghan Real Estate Co., Ltd., Shenyang Shenbei Jingu Real Estate Co., Ltd., Shenyang Xihu Pearl Real Estate Co., Ltd., Nantong Qiyang Construction Development Co., Ltd., Nantong Qixin Real Estate Co., Ltd. and Nantong Xihu Real Estate Co., Ltd.

6. FINANCE COSTS

	Six months ended 30 June	
	2020	2019
	RMB'000	RMB'000
Interest on bank and other borrowings, senior notes, corporate debt instruments and receipts under securitisation arrangements	3,826,222	2,981,557
Interest on leases	2,728	4,272
Total borrowing costs	3,828,950	2,985,829
Less: Interest capitalised in properties under development and construction in progress	(2,576,590)	(2,184,939)
	<u>1,252,360</u>	<u>800,890</u>

7. TAXATION

	Six months ended 30 June	
	2020	2019
	RMB'000	RMB'000
Current tax:		
PRC Enterprise Income Tax (“EIT”)	890,143	1,201,259
PRC Land Appreciation Tax (“LAT”)	575,387	1,143,355
	<u>1,465,530</u>	<u>2,344,614</u>
Deferred tax:		
EIT	38,888	(52,684)
LAT	13,574	(277,984)
	<u>52,462</u>	<u>(330,668)</u>
	<u>1,517,992</u>	<u>2,013,946</u>

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.

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% or 15%. Greentown Decoration Project Group Co., Ltd., Zhejiang Greentown Lianhe Design Co., Ltd. and Greentown Project Management Group Co., Ltd. are high and new technology enterprises and the applicable income tax rate is 15% from year 2018 to 2020, year 2017 to 2019 and year 2019 to 2021 respectively.

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.

The Group recognised LAT based on management’s best estimates and in accordance to the requirements set forth in the relevant PRC tax laws and regulations. For the six months ended 30 June 2020, the Group has estimated and made a provision for LAT in the amount of RMB588,961,000 (for the six months ended 30 June 2019: RMB865,371,000). 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

During the interim period, a final dividend of RMB0.30 per ordinary share, or RMB748,176,000 in total, for the year ended 31 December 2019 (for the six months ended 30 June 2019: RMB0.23 per ordinary share, or RMB499,312,000 in total, for the year ended 31 December 2018) was declared by the Board and approved by the shareholders at the annual general meeting. The final dividend was subsequently paid on 30 July 2020.

The Board has resolved not to declare any interim dividend for the six months ended 30 June 2020 (for the six months ended 30 June 2019: nil).

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	
	2020	2019
	RMB'000	RMB'000
Profit for the period attributable to the owners of the Company	2,095,812	2,057,571
Distribution related to perpetual securities	(646,240)	(594,351)
	<u>1,449,572</u>	<u>1,463,220</u>
Earnings for the purpose of basic earnings per share	<u>1,449,572</u>	<u>1,463,220</u>
Earnings for the purpose of diluted earnings per share	<u>1,449,572</u>	<u>1,463,220</u>

Number of shares

	Six months ended 30 June	
	2020	2019
Weighted average number of ordinary shares for the purpose of basic earnings per share	2,230,435,196	2,168,636,944
Effect of dilutive potential ordinary shares:		
Share options	<u>960,438</u>	<u>1,027,563</u>
Weighted average number of ordinary shares for the purpose of diluted earnings per share	<u>2,231,395,634</u>	<u>2,169,664,507</u>

The computation of diluted earnings per share for the six months ended 30 June 2020 and 30 June 2019 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 periods.

10. TRADE AND OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	As at 30 June 2020 <i>RMB'000</i>	As at 31 December 2019 <i>RMB'000</i>
Trade receivables	1,142,735	1,141,212
Less: allowance for credit losses	<u>(89,398)</u>	<u>(75,566)</u>
Trade receivables, net of allowance for credit losses	1,053,337	1,065,646
Other receivables, net of allowance for credit losses	7,133,145	6,850,336
Prepayments and deposits	6,846,889	3,326,102
Consideration receivables from disposal of subsidiaries	<u>68,000</u>	<u>70,726</u>
	<u>15,101,371</u>	<u>11,312,810</u>

The Group allows an average credit period of 90 days to trade customers. The aged analysis of trade receivables before impairment is stated as follows:

	As at 30 June 2020 <i>RMB'000</i>	As at 31 December 2019 <i>RMB'000</i>
Within 90 days	506,480	537,955
91–180 days	112,617	131,557
181–365 days	176,435	129,033
Over 365 days	<u>347,203</u>	<u>342,667</u>
Trade receivables	<u>1,142,735</u>	<u>1,141,212</u>

11. TRADE AND OTHER PAYABLES

	As at 30 June 2020 <i>RMB'000</i>	As at 31 December 2019 <i>RMB'000</i>
Trade payables	29,156,425	31,182,085
Other payables and accrued expenses	10,910,291	12,174,941
Consideration payables on acquisition of a subsidiary and associates	161,191	96,307
Receipt in advance for an investment property held for sale	192,181	–
	<u>40,420,088</u>	<u>43,453,333</u>

Trade payables principally comprise amounts outstanding for trade purchases and contractor payments. The aged analysis of trade payables is stated as follows:

	As at 30 June 2020 <i>RMB'000</i>	As at 31 December 2019 <i>RMB'000</i>
Within 180 days	20,480,415	24,376,904
181–365 days	6,225,469	4,524,362
Over 365 days	2,450,541	2,280,819
	<u>29,156,425</u>	<u>31,182,085</u>

MANAGEMENT DISCUSSION & ANALYSIS

OPERATION REVIEW

During the first half of 2020, subject to the negative effects of the COVID-19 pandemic and geopolitical conflicts, as well as increasing uncertainties in global economic development, the real estate industry across the upstream and the downstream was exposed to unprecedented challenges. However, China's real estate sector is gradually returning to normalcy with orderly resumption of work and production, thanks to positive progress of the epidemic prevention and control measures in the country. During the Reporting Period, the prudent monetary policy is more flexible; the regulation policy of "houses are built to be inhabited, not for speculation" in the property market was further deepened to achieve the policy goal of "stabilizing land prices, housing prices and expectations" and to promote a steady and healthy development of the industry.

Adhering to the two-pronged approach of "fighting against the epidemic" and "stabilizing operation", Greentown China responded in a timely manner and took multiple measures while carrying out effective prevention and control of the epidemic, and it has basically completed the semi-annual contract sales and delivery targets, and maintained its steady development while making progress across the board. Since the beginning of 2020, the Group has made many breakthroughs in land investment, capital markets and strategic coordination. First, land investment witnessed remarkable rises both in quality and quantity. In the first half of the year, the value of newly-added saleable value reached a record high of RMB175.6 billion, ranking among the top in the industry; benefited from the broadening of land acquisition channels and precise grasp of the timing in the market, the estimated average profit margins of the projects of the newly-added land bank increased significantly, and the conversion rate during the year improved notably, laying a solid foundation for achieving sales targets for the year and high-quality development in the future. Second, its subsidiary Greentown Management (9979.HK) was successfully spun-off and listed on the main board of the Hong Kong Stock Exchange, which has become "China's First Stock of Project Management (中國代建第一股)". Leveraging on the strength of the capital market, the scale growth and profit improvement of the light asset sector were accelerated, and the synergy of light and heavy asset businesses was fully utilized. Third, the Group's capital structure was improved by the issuance of shares to and introduction of a strategic investor, Xinhua Zhongbao (600208.SH), to further optimize the mixed-ownership enterprise model. Meanwhile, both parties thereof could complement and cooperate with each other in terms of project development, which helps facilitate the consolidation of the advantage of Greentown China in the aspect of real estate development in China. Fourth, Greentown China and Greentown Service (2869.HK) jointly established the "Greentown Living Services Committee (綠城生活服務委員會)", to achieve strategic synergy and business integration in the living services sector.

The year of 2020 represents the first year for Greentown China to promote the "Strategic 2025" plan. The Group optimized its organizational structure and established 10 business committees to achieve a clear working mechanism and improve management decision-making efficiency. With a strategic vision and forward-looking perspective, we are committed to the strategic goal of "striving to uphold its excellent product quality, maintaining its number-one spot in customer satisfaction, and ranking among the top-tier in comprehensive performance".

Operating Results Steadily Improved

During the period, the Group generated revenue of RMB23,896 million, representing an increase of RMB5,238 million or 28.1% from RMB18,658 million in the corresponding period of 2019. Net profit was RMB3,130 million, slightly up when compared to RMB3,073 million in the corresponding period of 2019. During the period, profit attributable to owners of the Company amounted to RMB2,096 million, slightly up when compared to RMB2,058 million in the corresponding period of 2019. After deducting the net post-tax effects of foreign exchange gains and losses, gains from acquisitions, provision and reversal of impairment losses on certain assets and fair value adjustments on certain assets, the core net profit (non-GAAP measure adopted for illustrating the Group's performance results from natural growth and operation of its principal businesses and enabling comparison of business performance across different periods) attributable to owners of the Company amounted to RMB2,435 million, slightly up when compared to RMB2,430 million in the corresponding period of 2019.

Sales Scale Hit Record Highs

Contract sales growth accelerated. For the six months ended 30 June 2020, Greentown Group (including Greentown China Holdings Limited and its subsidiaries, together with its joint ventures and associates) recorded a total contracted sales area of approximately 4.31 million sqm, representing a year-on-year growth of 7%, and a total contracted sales amount of approximately RMB91.2 billion, representing a year-on-year growth of 23%, hitting record highs compared to the corresponding periods of previous years. Cash collection ratio was 95%, at the top level of the industry.

In the first half of 2020, the Company recorded a total contracted sales area of approximately 2.65 million sqm and a total contracted sales amount of approximately RMB66.1 billion (increased by 34% year-on-year) from its investment projects, of which approximately RMB38.2 billion was attributable to the Group (increased by 43% year-on-year). As at 30 June 2020, the Group recorded a total subscription sales amount of approximately RMB4.3 billion, of which approximately RMB2.3 billion was attributable to the Group; the average selling price of investment projects reached approximately RMB24,922 per sqm, an industry-leading level. In addition, in the first half of 2020, Greentown Group recorded a contracted sales area of approximately 1.66 million sqm and a total contracted sales amount of approximately RMB25.1 billion in aggregate from the projects under project management business where Greentown Group delivered brand value and management expertise (non-investment projects, referred to as “**projects under project management**”).

Advanced sell-through structure. During the first half of 2020, the Group applied the marketing policy of “all staff, all people, all aspects” and responded actively to the unexpected epidemic and market change with its flexible marketing strategies. By carrying out special promotion campaigns such as “Spring Plan (春天計劃)”, “Refreshing Seasons in Spring and Summer (春夏煥新季)”, and by facilitating marketing promotion through online brand activities on three major online platforms: “Greentown+” APP, “Real Estate Greentown (置業綠城)” WeChat official account and “Greentown Cloud (綠城雲)” WeChat Mini Program, the Company achieved outstanding results. Benefited from the accurate investment strategies, excellent quality services and superior locations, the products of Greentown China were highly recognized by customers, and brilliant achievements have been made in sales of multiple projects, among which popular newly-launched hot-selling projects such as Ningbo Xiaofeng Yinyue, Fenghua Guiyu Chaoyang, Xi’an National Games Village and Chongqing Chunxi Yunlu were sold out immediately after their launch.

Quality and Customers First

Greentown China continued to forge its core competence by insisting on the product-oriented concept and carrying forward the artisan spirit. The Group has constantly improved product innovations and successfully gained innovative results in projects featuring multifunctional venue, garden-like office, flexible residential living space and fabricated interior decoration. The Group has also paid attention to people’s living quality by increasing investment in green and healthy communities, smart communities as well as smart home, highlighting the advantages of its products. Meanwhile, the Group promoted Japanese-styled management, industrialized technology application, comprehensive operation efficiency and smart site at all levels, and held the on-site demonstration of “standardized, industrialized, digitalized and eco-friendly” construction for the fourth time to continuously enhance the level of project construction. Moreover, the Group established a design sharing center, which formed a system lap with the construction research center to safeguard its leading position in product quality from various dimensions. According to China Excellent Real Estate Developers on Product Quality (《中國房地產產品力優秀企業》) by CIA research, in the first half of 2020, Greentown China ranked first in the product quality list. Leveraging on its excellent service quality, it continued to lead in customer satisfaction in the industry. According to the “2020 Chinese Urban Residents’ Satisfaction Survey (2020中國城市居民居住滿意度調查報告)”, Greentown China leads the industry for 10 consecutive years with an overall satisfaction score of 90.2, far above the industry average of 76.1, ranking first in 13 cities where it has presence, including Hangzhou, Hefei, Zhengzhou and Jinan.

Strategic Synergy, Business Linkage

On 21 July, Greentown China and Greentown Service jointly established the “Greentown Living Service Committee”. Through strategic coordination, each party gives full play to its own advantages to build a living service platform together. Such an integrated service model and system covers a broad range of activities, from planning design to product creation and service operation to product promotion and service upgrades, while promoting the business linkage and synergy. Through enhancing the Housing 4S service cooperation mode, promoting integrated care for the elderly and building the brand of rental apartment, the two parties jointly promoted the “No. 1 Living Service Brand in China”.

Improvement in Both Quantity and Quality of Land Bank

Well effect on accurate investment strategy. In the first half of 2020, Greentown China continued to deepen its strategy of “focusing on regions and deepening footprints in cities”. The Company always adheres to value investment and seizes investment opportunities at the right time. The Company further expanded the land bank in core city clusters in Yangtze River Delta Area and the Bohai Rim Area and acquired multiple premium land parcels in first- and second-tier cities at a lower cost. During the period under review, the Group has newly-added 43 projects, with a gross floor area of approximately 10.97 million sqm. It is estimated that the newly-added saleable value will be RMB175.6 billion, of which approximately RMB101.2 billion will be attributable to the Group. Land cost/acquisition amount totaled approximately RMB64.8 billion, of which approximately RMB43.9 billion was payable by the Group. The average land cost of the new land parcels amounted to approximately RMB6,813 per sqm. In addition, about 25% of the newly-added saleable value is expected to be converted to the annual contracted sales, which brings an improvement in supply efficiency and effectively promotes the sales scale growth for the year and in the future.

Continue broadening investment channels. The Group proactively broadened its investment channels, and stepped up its efforts in mergers and acquisitions. In the first half of 2020, the Group acquired 12 projects through mergers and acquisitions. It is estimated that the value will amount to RMB73.8 billion, accounting for 42%. The Group secured such strategic merger and acquisition projects of which Xihu Shanghai Projects and Qidong Project serve as representatives, and managed to introduce Xihu Zhongbao as its strategic investor. Moreover, the Group and each regional company have completed the official establishment of a special group for mergers and acquisitions, and will spare no efforts in promoting a batch of reserve merger and acquisition projects, further opening the channels for mergers and acquisitions.

Continuous optimization of regional distribution. The Group continued to adhere to the strategy of focusing on the layout in first- and second-tier cities as well as quality third- and fourth-tier cities. During the period under review, most of the newly-added land parcels are situated in first- and second-tier core cities such as Beijing, Hangzhou, Ningbo, Shijiazhuang, Shenyang and Xi’an, accounting for approximately 75% of the total saleable value. In respect of regional distribution, the Yangtze River Delta as an area of strategic importance accounted for 63% of the newly-added saleable value, which helped consolidate Greentown China’s performance and industry position in Jiangsu and Zhejiang regions and enhance its risk resistance.

Steady growth forecast for earnings. During the period, the estimated saleable value of newly acquired land bank hit a record high. The newly-added projects are expected to generate net profit of nearly RMB18 billion in aggregate and the estimated average net profit margins of the projects of the newly-added land bank increased by approximately 3 pps year-on-year, realizing a leap in the quality and quantity of land bank and laying a good profit foundation.

Table of Newly-added Land Bank in the First Half of 2020

No.	Land/Project Name	Acquired by	Equity	Total Land Cost/ Acquisition Cost (RMB million)	Total GFA (sqm)
1	Hangzhou Chunlai Fenghua	Auction	50%	2,697	140,044
2	Hangzhou Guiyu Yingyue	Auction	50%	960	146,550
3	Hangzhou Xihu District Sanshen Reserved Land	Auction	24%	400	95,458
4	Hangzhou Jianggan District Sanbao Block 47	M&A	39%	2,200	182,393
5	Hangzhou Yuhang District Future Sci-tech City Block 81	Auction	51%	2,913	126,207
6	Hangzhou Lin'an Binhu Xincheng Block LA0607-15	Auction	100%	2,135	226,455
7	Hangzhou Longwu Unit XH1602-R21-14 Block	Auction	100%	1,209	81,443
8	Ningbo Chunyue Jinsha	Auction	100%	1,402	82,668
9	Ningbo Osmanthus Grace	Auction	100%	329	88,621
10	Ningbo Chunyue Jianglan	M&A	60%	806	210,417
11	Ningbo Yinzhou District Xurong Block	Auction	100%	2,882	127,575
12	Ningbo Yinzhou District Rail Qianyin Blocks 3 & 4	Auction	51%	3,550	222,960
13	Wenzhou Osmanthus Grace	Auction	34%	2,542	255,181
14	Shengzhou Opera Town Phase III East Block	Auction	32.5%	62	59,803
15	Zhoushan Ruxin Town Changzhi Island Blocks CZ-c-14 & 15	Auction	96.88%	70	32,987
16	Lishui Guiyu Lanting	Auction	60.8%	2,170	255,600
17	Yiwu Xiaofeng Yinyue	Auction	51%	1,210	114,956
18	Jinhua Chunxi Mingyue	Auction	67%	1,399	157,620
19	Anji Angel Town Changshuo Street Blocks 2019-16-1 & 17	M&A	40%	65	74,838
20	Anji Peach Garden Blocks 19 & 20	Auction	100%	261	92,248
21	Quzhou Lixian Future Community Blocks 1 & 2	Auction	66%	2,252	633,643
22	Shanghai Jing'an District Qinglan International Phase II	M&A	35%	1,900	184,826
23	Suzhou Mingyue Binhe	Auction	49%	1,589	130,738
24	Suzhou Mingyue Jiangnan	Auction	100%	300	46,130

No.	Land/Project Name	Acquired by	Equity	Total Land Cost/ Acquisition Cost (RMB million)	Total GFA (sqm)
25	Wuxi Chenfeng Yunlu	M&A	39.9%	1,092	220,215
26	Nantong Rudong Mingyue Jiangnan	Auction	70%	813	183,852
27	Nantong Qidong Haishang Pearl City Project	M&A	50%	1,824	2,511,162
28	Suqian Liyuanwan Town	Auction	100%	380	210,825
29	Beijing Aohai Mingyue	Auction	42.5%	6,360	279,585
30	Beijing Hejin Sincere Garden	Auction	50%	6,700	275,456
31	Beijing Mingyue Tinglan	Auction	70%	1,348	73,528
32	Tianjin Chentang Block W3	Auction	41%	1,160	78,733
33	Jinan Licheng District Party School New Campus East Block	M&A	20%	43	37,624
34	Dalian Hupan Helu	M&A	88%	388	212,343
35	Dalian Zhongshan District Hualian Hotel Project	Auction	20%	513	68,231
36	Shenyang Shenbei New District Xianlin Golden Valley Project	M&A	35%	206	589,015
37	Shenyang Yuhong District Beautiful Island Project and Xihu Bay Project	M&A	35%	172	479,948
38	Shijiazhuang Chang'an District Nangaoying Block	Auction	99%	1,274	253,300
39	Shijiazhuang Yuhua District Zhaobukou Project	M&A	99%	482	134,493
40	Chengdu Sichuan Cuisine Town	Auction	60%	189	55,520
41	Xi'an Hongji New Town Phrase I Blocks 24 and 27	M&A	80%	2,513	1,062,858
42	Fuzhou East 2nd Ring Road Lianpan Project	Auction	50%	3,188	167,815
43	Urumqi High-tech District Changchun North Road Project	Auction	100%	826	303,174
Total				64,774	10,967,038

As at 30 June 2020, Greentown Group had a total of 172 land reserve projects (including those under and pending construction) with a GFA of approximately 48.01 million sqm, of which approximately 27.98 million sqm was attributable to the Group. The total saleable area was approximately 32.97 million sqm, of which approximately 19.08 million sqm was attributable to the Group. The average GFA land cost was approximately RMB6,234 per sqm. Land reserve in first- and second-tier cities accounted for 74% of the total saleable value.

Featured Innovation and Multidimensional Development

In addition to traditional real estate investment and development business, the Group strives to create new driving force and growth pole for future profit, stays active in the operation of featured business and makes all efforts to accelerate the layout and implementation of TOD, urban renewal and city-industry integration projects.

Comprehensively accelerating the formation of the layout. In terms of the TOD projects, the Group implements a nationwide development strategy focusing on multi-category and multi-type businesses. The Group has firmly seized the strategic opportunities brought by China's railway transportation. Currently, it has launched 13 TOD projects in various cities, such as Hangzhou, Ningbo, Fuzhou and Foshan. In respect of urban renewal, it had successfully won the tender for the reconstruction projects of 3 old communities in Hangzhou and implementing the first future community project in Quzhou, ushering in a new chapter of Greentown China's reconstruction of old towns. With regard to city-industry integration, the Group in line with the strategic deployment and policies of the country has pinpointed in the industry and opened up new business channels through an industrial development path combining "self-owned resources + partners".

Prominent performance in town business. In the first half of 2020, the newly-added saleable resources of Greentown China's town business amounted to RMB33.9 billion. As of 30 June 2020, the Company's town business had extended to 17 cities with 8.93 million sqm of planned GFA secured. 5 to 8 town projects will be initiated in the second half of 2020 with saleable resources close to RMB20 billion. After years of exploration and practice, the town business of Greentown has established a business development model empowered by the dual drive of property sale and industrial operation with focus on three major sectors of healthcare, agriculture and scientific innovation. With such advantages as large scale, low land cost to saleable value ratio and low peak of shareholder investments, the town projects will continue to contribute a steady cash flow and profit to the Group in the future.

Leader in Project Management Industry

In the first half of 2020, the Group's scale of the project management business expanded rapidly. As of 30 June 2020, the Group had had an aggregate of 268 projects under management, with an accumulated contracted GFA of approximately 73.31 million sqm. Its commercial project management business has provided various services throughout the property development process to enhance efficiency and management value. Its government project management business has gained high recognition from different sectors of the society and generated outstanding social benefits. As the Group's project management business continues to expand, it maintains the leading position in the industry in terms of scale, which would in turn further increase the profit contribution of asset-light business to the Group.

Successful listing of Greentown Management. Greentown Management under Greentown China was spun off and officially listed on the main board of the Stock Exchange on 10 July 2020, becoming the “first stock of project management in China”. Upon listing, Greentown Management proactively implemented the asset-light strategy of Greentown China and continued to lead the innovation and development of China’s project management industry. With excellent construction capabilities, high-quality products and standardized operation, Greentown Management earns the trust of customers. It was successively awarded the “China’s Leading Enterprise in Real Estate Project Management Operation”, and was honored with “Annual Influential Business Model Award” and “Annual CSR Contribution Award”.

Healthy Financial Condition and Smooth Financing Channels

Backed with the creditability and repute of China Communications Construction Group Ltd. (“CCCC”), its largest shareholder, and benefiting from the Group’s overall sound operating performance, the net gearing ratio of the Group was 66.1% as at 30 June 2020, maintaining at a reasonable level. Debts due within one year accounted for 31.1% of total, down 5.5 pps compared to that at the end of 2019. Bank deposits and cash (including pledged bank deposits) amounted to RMB62.849 billion. The weighted average interest cost of the total borrowings in the first half of 2020 was 5.2%, a drop of 20 bps compared to 5.4% in the first half of 2019.

Funding cost hit record low level. By studying the policy environment and through innovative financing, the Group has widely expanded its financing channels and continuously deepened its strategic cooperation with various financial institutions so as to optimize its financing structure and decrease its capital cost. For offshore financing, the Company in January and July 2020 entered into a USD730 million, three-year and unsecured syndicated loan agreement with an interest rate of only LIBOR/HIBOR + 2.48%. In July 2020, Greentown China kept abreast of market dynamics and strategically captured the optimal market window, successfully issuing the five-year (non-redeemable in first three years) USD300 million senior notes with a coupon rate of 5.65%. The issuance of USD bonds was highly sought after by investors. The initial price guidance was set at 6.2% and the final price guidance was tightened by 55 bps to 5.65%, one of the largest tightening among offshore USD bond issuance by Chinese real estate companies YTD.

For onshore financing, the Group in the first half of 2020 launched the public issuance of bonds in an aggregate amount of RMB14.595 billion with an average interest cost of 3.54%, representing a decrease of 133 bps compared to 4.87% in the corresponding period of 2019. It reflected a record low in onshore financing costs, presence of barrier-free channels and reasonable structure. Among these, the Group issued corporate bonds in an aggregate principal amount of RMB2.93 billion with interest rates ranging from 3.19% to 3.87% per annum, medium-term notes of RMB3 billion with interest rates ranging from 3.27% to 3.86% per annum and perpetual medium-term notes of RMB1.5 billion with an interest rate of 4.2% per annum. Meanwhile, the Group further improved its financing innovation capabilities, explored new financing channels and innovatively promoted securitization. During the period, the Group successfully issued balance payment ABS for house purchase in the amount of RMB2 billion with an interest rate of 3.9% per annum and the supply chain ABS in the amount of RMB5.165 billion with interest rates ranging from 2.5% to 3.98% per annum.

Lean Management to Improve Quality and Efficiency

Efficient cost management and control. During the Reporting Period, the Group achieved significant results in respect of product cost management and control. By further enriching its standardization system, product adaptability was secured, greatly improving the speed and efficiency of product execution. Meanwhile, through promoting centralized strategic procurement and strategic cooperation, 70 product categories were procured with application rate of procured materials reaching 96%. Dynamic cost decreased by RMB2.95 billion, representing a drop of 1.2% compared to the target cost, resulting in pre-settled cost savings of approximately RMB249 million for the first half of 2020. Benefited from highly efficient operations management and results of enhancing digital operational capabilities, the project operation cycles from land acquisition to construction commencement to presale to return on shareholders' investment and delivery were significantly accelerated by 24%, 10%, 14% and 5% year-on-year, respectively.

Steady improvement in efficiency per capita. Adhering to the strategy of “Improve Quality and Efficiency”, the Group actively implemented project group management in marketing to improve efficiency per capita. 2020 YTD, 2 project groups were upgraded to city companies; at present there are 29 project groups, with resources coordination and efficiency enhancement in full play. During the period, area under construction per capital saw an increase of 29% compared to that in the corresponding period of 2019. In addition, win-win mechanism has achieved huge success, supporting the implementation of strategic plans, promoting quality investment, accelerating operation efficiency, facilitating profitability growth and boosting employee remuneration.

Introduction of Strategic Investor to achieve Win-win Collaboration

In May 2020, the Company introduced Xihu Zhongbao as a strategic investor and the third largest shareholder by issuing 323 million shares to a wholly-owned subsidiary of Xihu Zhongbao. Listed on Shanghai Stock Exchange, Xihu Zhongbao is mainly engaged in real estate, financial services, fintech and high-tech investment in the PRC, and is a constituent of each of CSI300 and MSCI China A Index. The Group has formed a strong alliance with Xihu Zhongbao Group to achieve complementary advantages and mutual benefit. Through exploring cooperation opportunities in various projects, especially in the real estate sector in the PRC, the Group will rapidly increase its high-quality land bank resources and further optimize the mixed-ownership enterprise model.

OUTLOOK

Looking forward to the second half of 2020, the global economy will still be facing a complex and volatile situation. However, the Chinese economy is steadily improving and its basic trend of long-term improvement remains unchanged. Meanwhile, it has responded to the tide of anti-globalization with further liberalization. In a long run, the further advancement of new urbanization process has improved the comprehensive carrying capacity and resource allocation capabilities of the country's central cities and urban agglomerations, enhanced population mobility and formed a stable support on the demand side. The demand for urban renewal and redevelopment, including transformation of old towns and urban operations, will also generate momentum and create opportunities for the industry's long-term sustainable development. However, in the meantime, the continuous regulation and control together with

increasingly strict financial supervision, rising industry concentration, and shrinking industry gross profit margins will remain to be the challenges for the development and operation of real estate enterprises.

Greentown China will adapt to the trend, follow the trend, seize the opportunities, steadily march ahead, and further deepen the three main business layouts of heavy assets, light assets and “Greentown+”.

First, the asset-heavy segment refers to the real estate investment and development business. The Group will focus on strengthening forward-looking city research and improving merger and acquisition capabilities, so as to enhance investment efficiency and drive profitability. The national layout will be further optimized by deeply cultivating the Zhejiang base camp and the Yangtze River Delta Area, while proactively deploying the core cities of key urban agglomerations including the Bohai Rim Area, the Pearl River Delta Area, Chengdu-Chongqing Area and the middle reaches of the Yangtze River Area. Meanwhile, in order to improve business structure, we will proactively promote the implementation of featured projects including town projects, TOD projects, and industry-city integration, and reserve a batch of long-term projects with land dividends. Second, the asset-light segment refers to the real estate project management business. In the future, Greentown Management will further expand its room for development, establish the sub-brand of Greentown’s project management, enhance its existing project management model and R&D capabilities, and improve its management mechanism to ensure the quality of project management products. Third, the “Greentown+” segment refers to the diversified businesses centering on real estate development. The Group will lengthen the industry chain and expand the industrial clusters, thus tapping into the value points in the upstream and downstream of the real estate industry as well as creating more value for customers.

Looking forward, Greentown China will be committed to continuing the growth momentum of the first half of the year, further optimize its development structure, and strengthen its development momentum. We will uphold the product-centric, growth- and profit-oriented principles and improve our development quality to lay a solid foundation for the “Greentown China Strategy 2025”, striving to become a benchmark in quality among superior real estate enterprises, and achieve sustainable development with higher quality.

Saleable Resources in the Second Half of 2020

For the second half of 2020, the total saleable area of Greentown Group is expected to reach approximately 13.08 million sqm, with a total saleable amount of approximately RMB272.2 billion. Among which, investment projects are expected to provide a saleable area of approximately 7.90 million sqm, and a saleable amount of approximately RMB202.8 billion, (of which in the first half of 2020 approximately RMB50.2 billion will be attributable to inventory property projects and approximately RMB152.6 billion to new saleable properties). The total saleable area in first- and second-tier cities is expected to be approximately 5.65 million sqm, and the saleable amount is expected to be approximately RMB159.3 billion. In the second half of 2020, the saleable area of Greentown Group’s projects under project management is estimated to reach approximately 5.18 million sqm, with a saleable amount of approximately RMB69.4 billion.

FINANCIAL ANALYSIS

Revenue

The revenue of the Group mainly derives from the sales of properties, as well as from project management, design and decoration, hotel operations, property rental, sales of construction materials, etc. During the Period, the revenue of the Group amounted to RMB23,896 million, representing an increase of 28.1% from RMB18,658 million of the same period of 2019, which was mainly due to the increase in sales of properties. During the Period, the Group's revenue from property sales amounted to RMB20,714 million, accounting for 86.7% of the total revenue and representing an increase of 30.4% from RMB15,889 million of the same period of 2019. The area of properties with recognised revenue amounted to 976,036 sqm, representing an increase of 2.8% from 949,684 sqm of the same period of 2019. The average selling price of properties with recognised revenue was RMB21,222 per sqm, representing an increase of 26.8% from RMB16,731 per sqm of the same period of 2019, which was mainly because Yiwu Peach Garden, one of the projects with recognised revenue for the Period accounting for relatively high percentage of sales, is mostly composed of villas with relatively high selling prices, and projects like Hangzhou Osmanthus Grace and Jinan Yulan Garden are located in the first- and second-tier cities, which elevated the average selling price to certain extent.

Properties with the revenue recognised by subsidiaries for the first half of 2020 are as follows:

Project Name	Type of Properties	Area Sold (sqm) (Note)	Sales Revenue (RMB million)	% of Total	Average Selling Price (RMB per sqm)
Yiwu Peach Garden	High-rise Apartment, Villa	71,430	2,820	13.6%	39,479
Hangzhou Osmanthus Grace	High-rise Apartment, Villa	58,312	1,898	9.2%	32,549
Ningbo Young City	High-rise Apartment	101,683	1,755	8.5%	17,260
Lishui Liuxiangyuan	High-rise Apartment, Villa	109,329	1,748	8.4%	15,988
Beijing Jinghang Plaza	Commercial	90,333	1,659	8.0%	18,365
Hainan Blue Town	Integrated Community	45,999	1,257	6.1%	27,327
Qingdao Ideal City	Integrated Community	49,247	961	4.6%	19,514
Daishan Sky Blue Apartment	High-rise Apartment	89,397	827	4.0%	9,251
Jinan Yulan Garden	High-Rise Apartment, Low-Rise Apartment, Villa	16,952	559	2.7%	32,975
Shanghai Bund House	High-rise Apartment	2,049	317	1.5%	154,710
Others		341,305	6,913	33.4%	20,255
Total		976,036	20,714	100.0%	21,222

Note: Areas sold include aboveground and underground areas.

During the period, projects in Zhejiang area achieved property sales revenue of RMB13,148 million, accounting for 63.5% of the total property sales and ranking top. Projects in Beijing area achieved property sales revenue of RMB2,232 million, accounting for 10.8% of the total property sales and ranking second. Projects in Shandong area achieved property sales revenue of RMB1,813 million, accounting for 8.8% of the total property sales and ranking third.

During the Period, the Group's revenue from sales of high-rise apartments, low-rise apartments, serviced apartments, etc. amounted to RMB14,542 million, accounting for 70.2% of the total property sales; sales revenue from villas amounted to RMB5,682 million, accounting for 27.4% of the total property sales; and that from offices amounted to RMB490 million, accounting for 2.4% of the total property sales.

During the Period, the Group's revenue from project management service amounted to RMB797 million, representing a decrease of 19.5% from RMB990 million in the corresponding period of 2019. Affected by the outbreak of COVID-19, the construction, sales and delivery of the Company's projects under project management were delayed by one to two months. The delay in the construction of the projects under project management and sales schedule will affect the progress of completion for the current period. The service income under project management has not been lost, but only postponed to be recognised in the subsequent service cycle.

During the Period, the Group recorded RMB1,073 million in the revenue from its design and decoration business, representing a decrease of RMB85 million or 7.3% from RMB1,158 million in the corresponding period of 2019. During the Period, the Group's revenue from hotel operations amounted to RMB213 million, representing a decrease of 45.8% from RMB393 million in the corresponding period of 2019. During the Period, the Group's rental income from investment properties amounted to RMB67 million, representing a decrease of 19.3% from RMB83 million in the corresponding period of 2019, mainly due to the impact on the hotels and commercial operations resulted from the outbreak of COVID-19, and daily operations have gradually resumed.

Gross Profit and Gross Profit Margin

During the Period, the Group recorded a gross profit of RMB6,184 million, representing an increase of 3.6% from RMB5,969 million in the corresponding period of 2019. The increase was mainly due to a substantial increase in the scale of property sales revenue in the Period, which lifted the gross profit of property sales.

During the Period, the Group achieved a gross profit margin of 25.9%, representing a decrease of 6.1 pps from 32.0% in the corresponding period of 2019. In particular, the gross profit margin of property sales was 25.6%, representing a decrease of 5.7 pps from 31.3% in the corresponding period of 2019, which was mainly attributable to the insufficient reflection of brand premium affected by price control, resulting the decrease in the gross profit margin.

Other Income

During the Period, the Group recorded other income of RMB1,557 million, representing an increase of RMB195 million from RMB1,362 million in the corresponding period of 2019, which was mainly comprising interest income, comprehensive service income, etc., representing an increase of 14.3% from the corresponding period of last year, which was mainly attributable to the addition of new projects, generating more interest income from the increase in the amounts due from related parties.

Administrative Expenses

Administrative expenses include human resource costs, daily operating expenses and other expenses, such as product research and development expenses. During the Period, the Group incurred administrative expenses of RMB1,447 million, representing an increase of RMB42 million or 3.0% from RMB1,405 million in the corresponding period of 2019. Administrative expenses are divided into real estate development and related business expenses, non-real estate development and related business expenses, and depreciation and amortisation fees. Non-real estate development and related businesses are mainly project management, hotel business, design and decoration, sales of construction materials and other services.

During the Period, the Group incurred administrative expenses of RMB715 million in its real estate development and related business, of which human resource costs amount to RMB306 million (the corresponding period of 2019: RMB309 million) and daily operating expenses amounted to RMB86 million (the corresponding period of 2019: RMB99 million), roughly on par with RMB713 million in the corresponding period of 2019, which benefited from the continuous optimization of its management and control model while constantly improving per capita efficiency in recent years, recording a 19.6% decline in the ratio of expenses as compared with the corresponding period of 2019. In addition, subject to the COVID-19 pandemic during the first half of 2020, there was a decrease in a portion of expenses.

Administration expenses of non-real estate development and related business amounted to RMB452 million for the Period, representing an increase of RMB46 million or 11.3% from RMB406 million in 2019, mainly due to the continuous expansion of revenue for non-real estate development and related business, income grew from RMB2,769 million in the corresponding period of 2019 to RMB3,182 million in the Period, with a 3.3% decline in the ratio of expenses compared with the corresponding period of 2019.

The Group incurred depreciation and amortisation fees of RMB280 million for the Period, in line with RMB286 million in the corresponding period of 2019.

Selling Expenses

Selling Expenses mainly include human resource costs, marketing activities expenses and daily operating expenses. During the Period, the Group incurred selling expenses of RMB624 million, representing a decrease of RMB41 million or 6.2% from RMB665 million for the corresponding period of 2019. Selling expenses are divided into the expenses for real estate development and related business and the expenses for non-real estate development and related business.

During the Period, the Group incurred selling expenses of RMB526 million for its real estate development and related business, representing a decrease of RMB6 million from RMB532 million for the corresponding period of 2019. The ratio of real estate-related expenses decreased by 20.7% as compared with that of the corresponding period of 2019, mainly due to the Group's flexible use of sales strategies to transfer part of offline marketing campaign to online platform implementation and promotion in the first half of the year, in addition, the Group's high quality properties are more in demand by the market after the COVID-19. As the single largest expenditure in selling expenses incurred by real estate development and related business, marketing activities expenses amounted to RMB226 million for the Period (the corresponding period of 2019: RMB301 million), representing a decrease of RMB75 million or a year-on-year decrease of 24.9%. During the Period, human resource costs incurred in real estate development and related business amounted to RMB210 million, representing an increase of RMB63 million from RMB147 million for the corresponding period of 2019, mainly due to an increase in the recognised revenue and in the corresponding apportionment of sales commission for the Period. During the Period, the daily operating expenses incurred in real estate development and related business amounted to RMB90 million (the corresponding period of 2019: RMB84 million), representing an increase of RMB6 million or a year-on-year increase of 7.1%.

During the Period, the Group incurred selling expenses of RMB98 million for non-real estate development and related business, representing a decrease of RMB35 million or 26.3% from RMB133 million for the corresponding period of 2019, of which RMB32 million of hotel expenses was saved. This was mainly due to the decrease of relevant expenses resulting from hotel business contraction as affected by the COVID-19. The ratio of expenses decreased by 36.4% compared with that of the corresponding period of 2019.

Finance Costs

During the Period, interest expenses recorded in the Group's condensed consolidated statement of profit or loss and other comprehensive income amounted to RMB1,252 million (the corresponding period of 2019: RMB801 million). Interest expenses for the Period totaled RMB3,829 million, representing an increase of RMB843 million from RMB2,986 million for the corresponding period of 2019, mainly because the Group had more projects under development with a higher weighted average of loan balance outstanding in the Period. Weighted average interest cost was 5.2% during the Period, which represented a decrease from 5.4% for the corresponding period of 2019. During the Period, the Group continued to improve its debt structure, actively innovate its financing model and expand its financing channels, which enabled finance costs to stay at a lower level. Capitalised interest amounted to RMB2,577 million for the Period with a capitalisation rate of 67.3%, which represented a decrease from 73.2% for the corresponding period of 2019, mainly due to the greater increment of joint ventures and associates, as the interest income and expenditure accrued from the transactions between the Group and these companies were directly included in the income statement. During the Period, interest income amounted to RMB1.3 billion (the corresponding period of 2019: RMB743 million), and net interest amounted to RMB2.529 billion, representing an increase of 12.8% from the RMB2.243 billion for the corresponding period of 2019.

Share of Results of Joint Ventures and Associates

During the Period, the Group's share of results of joint ventures was a gain of RMB70 million and the share of results of associates was a gain of RMB402 million, which amounted to an aggregate gain of RMB472 million, in line with RMB497 million for the corresponding period of 2019. During the Period, revenue from property sales recognised by joint ventures and associates totaled RMB7,464 million, representing a decrease of 29.7% from RMB10,616 million for the corresponding period of 2019, which was mainly due to the uneven distribution of the area recognised in the first and second halves of the year. During the Period, The area of properties with recognised revenue amounted to 270,114 sqm, representing a decrease of 31.4% from 393,479 sqm for the corresponding period of 2019.

Projects with the revenue recognised by joint ventures and associates in the first half of 2020 are as follows:

Project Name	Category	Type of Properties	Area Sold (sqm) (Note)	Sales Revenue (RMB million)	% of Total	Average Selling Price (RMB per sqm)
Ningbo Phoenix Mansion	Joint Venture	High-rise Apartment	18,879	827	11.1%	43,805
Foshan Guiyu Lanting	Joint Venture	High-rise Apartment, Villa	27,357	641	8.6%	23,431
Beijing Xifu Haitang	Joint Venture	Low-rise Apartment	10,930	491	6.6%	44,922
Hangzhou Hujing Yunlu	Joint Venture	Villa	10,794	441	5.9%	40,856
Foshan Fengqi Lanting	Joint Venture	High-rise Apartment, Villa	12,428	309	4.1%	24,863
Shenyang National Games Village	Joint Venture	High-rise Apartment, Villa	19,839	256	3.4%	12,904
Shanghai Changfeng Centre (上海長風中心)	Associate	High-rise Apartment, Office	27,984	1,038	13.9%	37,093
Chengdu Phoenix Mansion	Associate	High-rise Apartment, Low-rise Apartment	29,096	611	8.2%	20,999
Ningbo Mingyue Jiangnan	Associate	High-rise Apartment	17,076	472	6.3%	27,641
Qingdao Deep Blue Centre	Associate	Serviced Apartment	9,303	457	6.1%	49,124
Others			86,428	1,921	25.8%	22,227
Total			270,114	7,464	100.0%	27,633

Note: Areas sold include aboveground and underground areas.

Taxation Expenses

During the Period, taxation included LAT of RMB589 million (the corresponding period of 2019: RMB865 million) and EIT of RMB929 million (the corresponding period of 2019: RMB1,149 million). During the Period, the effective EIT rate was 26.5% (excluding the share of results of joint ventures and associates as well as the losses of certain offshore subsidiaries and net foreign exchange loss), higher than the statutory tax rate of 25.0%. This was mainly attributable to the early provision for withholding tax on dividend, the losses of certain onshore subsidiaries with unrecognised deferred tax assets and expenses non-deductible for taxation purposes.

Provision and Reversal of Impairment Losses for Certain Assets

In light of the rapid change of market environment, the Company conducted an impairment test on certain properties based on the principle of prudence during the Period. According to the test results, the reversal of impairment by Hangzhou Yuhang Jinteng Real Estate Development Co., Ltd., a subsidiary of the Company, for its completed properties for sale amounted to RMB94 million during the Period.

In addition, provision for an impairment loss of RMB315 million were made based on the expected credit loss impairment model and taking into account a comprehensive range of factors such as the objects of receivables and aging, which was mainly attributable to the impairment provision of RMB368 million due from Shandong Gaosu Greentown Laiwu Xueye Lake Development Co., Ltd. (山東高速綠城萊蕪雪野湖開發有限公司) as a result of the demolition of constructions within the planned area of Laiwu Xueye Lake Scenic Area (萊蕪雪野湖風景區) by the government.

Contract Liabilities

Contract liabilities mainly represent the amounts received from the pre-sale of properties. As at 30 June 2020, the balance of contract liabilities of the Group was RMB88,121 million, representing an increase of RMB11,796 million or 15.5% from RMB76,325 million as at 31 December 2019. Such increase was mainly due to the increase in contract sales of the Group during the Period.

As at 30 June 2020, the balance of contract liabilities of joint ventures and associates was RMB68,156 million, representing an increase of RMB17,544 million or 34.7% from RMB50,612 million as at 31 December 2019. Such increase was mainly due to the increase in contract sales of these companies during the Period.

Financial Resources and Liquidity

As at 30 June 2020, the Group had bank balances and cash (including pledged bank deposits) of RMB62,849 million (31 December 2019: RMB51,894 million). Total borrowings amounted to RMB111,852 million (31 December 2019: RMB95,577 million) and net liabilities (total borrowings less bank balances and cash) amounted to RMB49,003 million (31 December 2019: RMB43,683 million). The net gearing ratio (net liabilities divided by total equity) was 66.1%, which was slightly higher than the ratio of 63.2% as at 31 December 2019 but remained at a reasonable level. Balance of borrowings due within one year amounted to RMB34,788 million, accounting for 31.1% (31 December 2019: 36.6%) of the total borrowings. The closing balance of bank deposits and cash was 1.8 times (31 December 2019: 1.5 times) the balance of borrowings due within one year. Cash flow was sufficient, coupled with a reasonable debt structure, providing a strong support for the subsequent development of the Company.

Greentown Group has obtained facilities of more than RMB239.7 billion from financial institutions, of which approximately RMB131.2 billion was available as of 30 June 2020.

Transactions with Xihu Zhongbao

In April 2020, the Company entered into various agreements with Xihu Zhongbao Co., Ltd. (Xihu Zhongbao) and its subsidiaries, pursuant to which it conditionally agreed the Group to conduct the following transactions with Xihu Zhongbao and its subsidiaries: (a) acquisition of 100% of the total number of shares of Zhejiang Qifeng Industrial Co., Ltd. (浙江啟豐實業有限公司) (which holds 35% of the total number of shares of Shenyang Shenbei Jingu Real Estate Co., Ltd. (瀋陽沈北金谷置業有限公司) and Shenyang Xihu Pearl Real Estate Co., Ltd. (瀋陽新湖明珠置業有限公司)), with a total transaction price of RMB379 million, which includes an equity transfer consideration of RMB186 million and a financial support of RMB193 million, and gains from the acquisition increased the net profit of the Company by RMB62 million for the Period; (b) acquisition of 100% of the total number of shares of Zhejiang Qizhi Industrial Co., Ltd. (浙江啟智實業有限公司) (which holds 50% of the total number of shares of Nantong Qixin Real Estate Co., Ltd. (南通啟新置業有限公司) and Nantong Qiyang Construction and Development Co., Ltd. (南通啟陽建設開發有限公司)), with a total transaction price of RMB1.151 billion, which includes an equity transfer consideration of RMB398 million and a financial support of RMB753 million, and gains from the acquisition increased the net profit of the Company by RMB62 million for the Period; (c) acquisition of 50% of the total number of shares of Nantong Xihu Real Estate Co., Ltd. (南通新湖置業有限公司), with a total transaction price of RMB672 million, which includes an equity transfer consideration of RMB72 million and a financial support of RMB600 million, and gains from the acquisition increased the net profit of the Company by RMB16 million for the Period; (d) acquisition of 35% of the total number of shares of Shanghai Zhonghan Real Estate Co., Ltd. (上海中瀚置業有限公司), with a total transaction price of RMB1.9 billion, which includes an equity transfer consideration of RMB517 million and a financial support of RMB1.383 billion, and gains from the acquisition increased the net profit of the Company by RMB184 million for the Period.

For details of the acquisition agreements mentioned above, please refer to the announcements of the Company dated 19 April 2020 and 24 April 2020.

Risks of Foreign Exchange Fluctuation

The principal place of operation of the Group is in the People's Republic of China, and the majority of the income and expenditure was settled in RMB. As the Group had deposits in foreign currencies, amounts due from and to related parties and third parties denominated in foreign currencies, as well as bank borrowings in foreign currencies and overseas senior notes, the Group was exposed to foreign exchange risks. No foreign exchange hedging arrangements was entered into by the Company during the Period. A provision of net foreign exchange loss of RMB266 million was made for RMB depreciation, though there was no effective cash outflow. The Company will heed the changes in the foreign exchange market and actively ascertain with major banks on foreign exchange hedging proposals.

Financial Guarantees

The Group provided guarantees in respect of certain banks' mortgage granted to the buyers of the Group's properties. As at 30 June 2020, such guarantees for mortgage facilities amounted to RMB33,288 million (31 December 2019: RMB35,651 million).

Pledge of Assets

As at 30 June 2020, the Group pledged right-of-use assets, investment properties, properties for development, properties under development, completed properties for sale, property, plant and equipment, pledged bank deposits, trade and other receivables, deposits and prepayments and interests in an associate, with an aggregate carrying value of RMB93,752 million (31 December 2019: RMB95,868 million) to secure general credit facilities granted by banks and other financial institutions to the Group.

Capital Commitments

As at 30 June 2020, the Group had contracted, but not provided for, capital expenditure commitments of RMB38,732 million (31 December 2019: RMB30,769 million) in respect of properties for development, properties under development or construction in progress.

CAPITAL EXPENDITURE PLAN

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

EVENTS AFTER THE BALANCE SHEET DATE

After the end of the Reporting Period:

Repurchase of the 2020 Notes

On 14 July 2020, the Company completed the repurchase of an aggregate principal amount of US\$149,999,000 out of its US\$600,000,000 4.55% senior notes due 2020 (ISIN XS2076070619) (the “**2020 Notes**”). The repurchased 2020 Notes has been cancelled. After cancellation of the repurchased 2020 Notes, the aggregate outstanding principal amount of the 2020 Notes is US\$450,001,000. For details of the repurchase of the 2020 Notes, please refer to the announcements of the Company dated 7 July 2020, 15 July 2020 and 20 July 2020.

Issuance of Senior Notes

On 13 July 2020, the Company announced that approval has been granted for the listing of its US\$300,000,000 5.65% senior notes due 2025 (the “**2025 Notes**”). The gross proceeds from the Notes Issue, without deducting subscription discounts, commissions and other estimated expenses payable in connection with the issue of 2025 Notes, was US\$300,000,000. The listing and permission to deal became effective on 14 July 2020. For details, please refer to the announcements of the Company dated 7 July 2020 and 13 July 2020.

Redemption of Notes issued by Wisdom Glory

On 20 July 2020, Wisdom Glory Group Limited (“**Wisdom Glory**”), a wholly-owned subsidiary of the Company, has exercised its option to redeem its US\$450,000,000 senior perpetual notes (the “**Senior Perpetual Notes**”) issued and listed on the Stock Exchange. The Senior Perpetual Notes were redeemed in full and there were no outstanding Senior Perpetual Notes in issue. The withdrawal of listing of the Senior Perpetual Notes took effect on 29 July 2020. For details, please refer to the announcement of the Company dated 22 July 2020.

Redemption of 2015 USD Notes

The Company has fully redeemed its senior notes issued in 2015 with the aggregate principal amount of USD500,000,000 (“**2015 USD Notes**”) on 11 August 2020, the final maturity date of the 2015 USD Notes.

Listing of Greentown Management

On 10 July 2020, Greentown Management Holdings Company Limited (“**Greentown Management**”), a subsidiary of the Group, was listed on the Main Board of Hong Kong Stock Exchange. Greentown Management issued a total of 525,316,000 new shares at an offer price of HK\$2.50 under its global offering (including 47,756,000 shares issued as a result of the exercise of the over-allotment option (“**Over-allotment Option**”) by the joint representatives on behalf of the international underwriters in the global offering). The Company’s shareholding in Greentown Management was approximately 73.17% immediately after the completion of the global offering and the issuance and allotment of shares pursuant to the full exercise of

the Over-allotment Option. The total proceeds of approximately HK\$1,213.1 million (after deducting underwriting fees, commissions and other estimated listing expenses payable by Greentown Management) from the global offering (including the over-allotment) will be utilized for the purposes as set out in the prospectus dated 29 June 2020 and the announcement of the offer price and allotment results dated 9 July 2020 of the Greentown Management. For details, please refer to the announcements of the Company dated 9 July 2020, 10 July 2020 and 30 July 2020 and the announcements of Greentown Management.

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

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

During the Reporting Period, the Company has, by way of general mandate, issued 323,000,000 ordinary shares (par value: HK\$0.1 per share; aggregate nominal value: HK\$32,300,000) at a subscription price of HK\$9.50 per share to Hong Kong Xinhua Investment Co., Limited, a wholly-owned subsidiary of Xinhua Zhongbao Co., Ltd., a company listed on the Shanghai Stock Exchange principally engaged in the businesses of, among other things, real estate, financial service and financial technology and high technology investment. The reasons for the issuance included introduction of strategic shareholder, creation of opportunities for enhanced strategic dialogue and cooperation, strengthening the capital base and financial position of the Group, and broadening Shareholder base of the Company.

The aggregate gross proceeds of the issuance was HK\$3,068,500,000 and the aggregate net proceeds after deduction of all relevant costs and expenses were approximately HK\$3,067,500,000, representing a net issue price of approximately HK\$9.497 per issued share.

The date on which the terms of the issuance were fixed was 26 April 2020 (Sunday) and the closing price of the shares of the Company on the immediately preceding trading day was HK\$7.01 per share, as quoted on the Stock Exchange.

As disclosed in the announcement of the Company dated 26 April 2020, the net proceeds from the issuance were intended to be used for general corporate purposes, repayment of loan and/or as general working capital, and had been fully applied as at the date of this announcement:

Purpose	Amount <i>(HK\$)</i>
general corporate purposes and working capital including funding the operation of principal businesses and projects and setting aside for final dividend payment	1,897,500,000
repayment of loan	<u>1,170,000,000</u>

HUMAN RESOURCES

As at 30 June 2020, the Group employed a total of 7,608 employees (31 December 2019: 7,418). The employees 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 and the Board on a regular basis. As an incentive for the employees, bonuses, cash awards and share options may also be granted to the employees based on their individual performance evaluation.

CORPORATE GOVERNANCE CODE

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

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

COMPLIANCE WITH MODEL CODE OF THE LISTING RULES

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Listing Rules (the "**Model Code**") as the code for dealing in securities of the Company by the Directors of the Company. After specific enquiry for all the Directors, each of the Directors confirmed that he has complied with the required standards set out in the Model Code throughout the Reporting Period. Relevant employees who are likely to be in possession of inside information of the Group are also subject to compliance with written guidelines on same terms as the Model Code.

REVIEW OF INTERIM RESULTS

The announcement of interim results for the six months ended 30 June 2020 has been reviewed by the Audit Committee and approved by the Board. The auditor of the Company, Deloitte Touche Tohmatsu 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 2020 prepared in accordance with International Accounting Standard 34 "Interim Financial Reporting", and issued a review report dated 27 August 2020.

INTERIM DIVIDEND

The Board has resolved not to declare any interim dividend for the six months ended 30 June 2020 (for the six months ended 30 June 2019: nil).

PUBLICATION OF INTERIM REPORT

The full text of the Company's 2020 Interim Report will be sent to the shareholders of the Company and posted on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.chinagreentown.com) respectively in due course.

FORWARD LOOKING STATEMENTS

This announcement includes forward-looking statements. These forward-looking statements can be identified by the use of forward-looking terminology, including the terms “believe”, “estimate”, “anticipate”, “expect”, “intend”, “may”, “will” or “should” (or of related nature), or, in each case, their negative or other variations or similar terminology. These forward-looking statements include all matters that are not historical facts. They appear in a number of places throughout this announcement and include statements regarding our intentions, beliefs or current expectations concerning, among other things, our results of operations, financial condition, liquidity, prospects and growth strategies, and the industry in which the Greentown Group operates. By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. We caution you that forward-looking statements are not guarantees of future performance and that our actual results of operations, financial condition and liquidity, and the development of the industry in which the Greentown Group operates may differ materially from those made in, or suggested by, the forward-looking statements contained in this announcement. In addition, even if our results of operations, financial condition and liquidity, and the development of the industry in which the Greentown Group operates are consistent with the forward-looking statements contained in this announcement, those results or developments may not be indicative of results or developments in subsequent periods.

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 to the Group.

By order of the Board
Greentown China Holdings Limited
Zhang Yadong
Chairman

Hangzhou, the PRC
27 August 2020

As at the date of this announcement, the Board comprises Mr ZHANG Yadong, Mr LIU Wensheng, Mr GUO Jiafeng, Mr ZHOU Lianying, Mr GENG Zhongqiang and Mr LI Jun as executive Directors, Mr Stephen Tin Hoi NG (Mr Andrew On Kiu CHOW as his alternate) and Mr WU Yiwen as non-executive Directors and Mr JIA Shenghua, Mr HUI Wan Fai, Mr QIU Dong and Mr ZHU Yuchen as independent non-executive Directors.