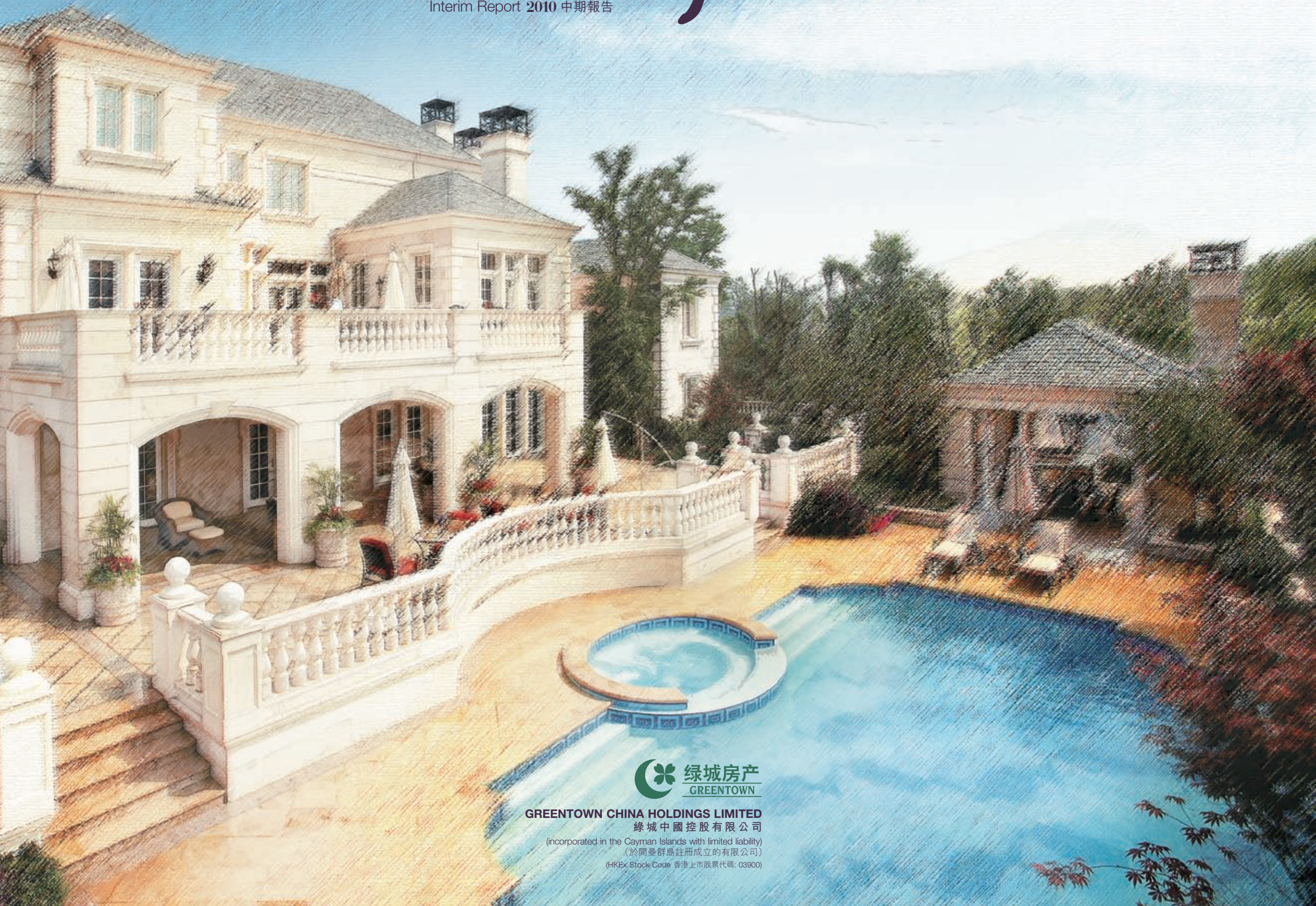


BEAUTIES *in life*

Start with a dream

Interim Report 2010 中期報告



GREENTOWN CHINA HOLDINGS LIMITED

綠城中國控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(於開曼群島註冊成立的有限公司)

(HKEX Stock Code 香港上市股票代碼: 03900)



Thousand-Island Lake Resort Condo



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Greentown China Holdings Limited is one of the leading high-end property developers in China. It commands a leading position in the industry by leveraging on its quality properties.

From 2005 to 2010, we have been ranked for six consecutive years as one of the top 10 property enterprises in China jointly organized by four authoritative institutions, including the Enterprise Research Institute of the Development Research Center of the State Council, China Real Estate Association, Qinghua University Real Estate Research Center and China Index Institute.



▲ Beijing Majestic Mansion

Corporate Profile

Since its establishment in 15 years ago, the Group has been based in Zhejiang province, one of the most economically vibrant and developed provinces in the PRC. With property projects covering most of the prosperous cities in Zhejiang province such as Hangzhou, Ningbo, Wenzhou, Taizhou, Shaoxing and other places on the list of the top 100 most competitive counties and county-level cities of China in Zhejiang province, the Greentown Group has built a sizable operation in the province with exceptionally high brand awareness. Due to the Group's national expansion strategy commenced in 2000, Greentown has successfully extended its business to other important cities such as Shanghai, Nanjiang, Suzhou, Wuxi and Nantong in Yangtze River Delta, Beijing, Tianjin, Qingdao, Jinan, Xintai, Dalian and Tangshan in Bohai Rim Economic Belt, as well as other cities such as Hefei in Anhui province, Zhengzhou in Henan province, Changsha in Hunan province, Linshui in Hainan province and Urumqi in Xinjiang. This expansion has boosted the Group's business growth and reputation further. Greentown is currently at the forefront of quality property developers in the PRC.

As at 30 June 2010, the Greentown Group's premier land bank comprises over 32 million sq.m. of total GFA, which ensures the Group's sustainable and steady development in the next three years. Leveraging on its quality human resources and effective corporate management structure, Greentown has established a strong presence in Zhejiang province and other cities where it has operations. The Group is confident that its excellent track record in developing high quality projects and outstanding operational capabilities has laid a solid foundation for its further expansion.



Corporate Information

Registered Office

M&C Corporate Services Limited
PO Box 309GT, Uglan House
South Church Street
George Town, Grand Cayman
Cayman Islands

Hong Kong Branch Registrar

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

Cayman Islands Principal Share Registrar

Butterfield Fund Services (Cayman) Limited
Butterfield House, 68 Fort Street
P.O. Box 705, George Town
Grand Cayman, Cayman Islands
British West Indies

Company Secretary

Mr FUNG Ching, Simon

Authorized Representatives

Mr SHOU Bainian
Mr FUNG Ching, Simon

Legal Advisors

as to Hong Kong law and U.S. law:
Hogan Lovells

as to PRC law:
Zhejiang T&C Law Firm

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

Auditors

Deloitte Touche Tohmatsu

Principal Bankers

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.

Principal Place of Business in Hong Kong

Room 1406-08, New World Tower 1
16-18 Queen's Road Central
Hong Kong

Investor Relations

Email: ir@chinagreentown.com
Tel: (852) 2523 3137
Fax: (852) 2523 6608

Stock Code

HKEx: 03900

Website

www.chinagreentown.com
www.greentownchina.com



Board of Directors

Executive Directors

Mr SONG Weiping
Chairman
Mr SHOU Bainian
Executive Vice Chairman
Mr LUO Zhaoming
Vice Chairman
Mr CHEN Shunhua
Mr GUO Jiafeng

Independent Non-executive Directors

Mr JIA Shenghua
Mr JIANG Wei
Mr KE Huanzhang
Mr SZE Tsai Ping, Michael
Mr TANG Shiding
Mr XIAO Zhiyue

Audit Committee

Mr XIAO Zhiyue
Chairman
Mr JIA Shenghua
Mr JIANG Wei
Mr SZE Tsai Ping, Michael
Mr TANG Shiding

Remuneration Committee

Mr JIA Shenghua
Chairman
Mr CHEN Shunhua
Mr SZE Tsai Ping, Michael

Nomination Committee

Mr SZE Tsai Ping, Michael
Chairman
Mr SHOU Bainian
Mr TANG Shiding
Mr XIAO Zhiyue

Notes:

The following changes have been effected during the year and the information provided above has incorporated such changes:

- (1) Mr TSUI Yiu Wa, Alec retired by rotation as an independent non-executive director and ceased to be the chairman and a member of the audit committee and a member of the nomination committee of the Company on 3 June 2010;
- (2) Mr FUNG Ching, Simon was appointed as the company secretary and an authorized representative of the Company on 1 August 2010; and
- (3) Mr XIAO Zhiyue was appointed as an independent non-executive director, the chairman and a member of the audit committee and a member of the nomination committee of the Company on 3 June 2010.

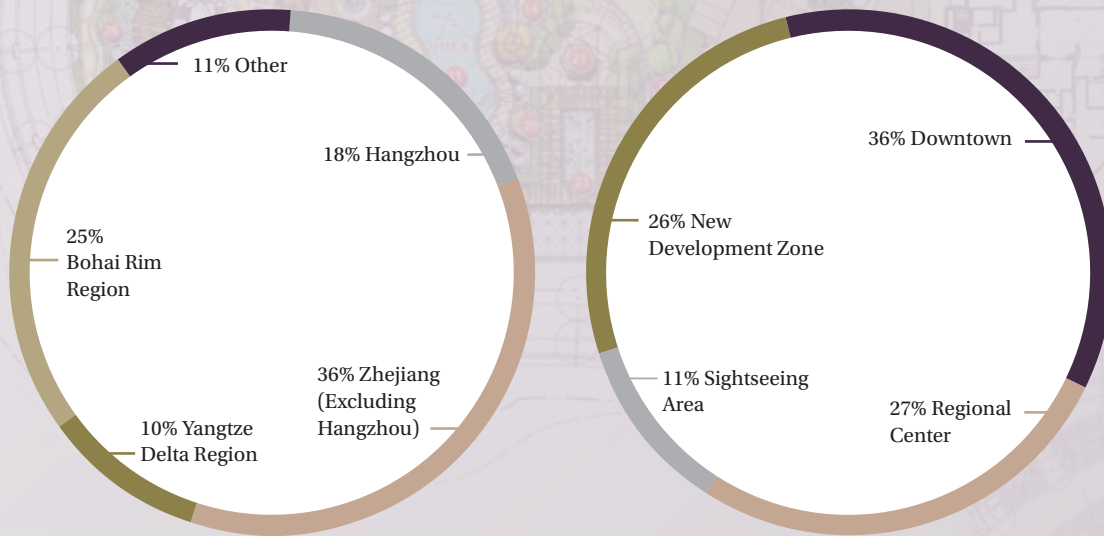
Land Bank Analysis



Greentown Group in China

Total GFA exceeds

32 million sq.m.



Xinjiang
1.8%
 Proportion to total land bank
588,000
 Total GFA (sq.m.)

Hebei
1.6%
 Proportion to total land bank
504,000
 Total GFA (sq.m.)

Hunan
0.9%
 Proportion to total land bank
298,000
 Total GFA (sq.m.)

Beijing
2.5%
 Proportion to total land bank
804,000
 Total GFA (sq.m.)

Henan
1.4%
 Proportion to total land bank
458,000
 Total GFA (sq.m.)

Hainan
3.9%
 Proportion to total land bank
1,256,000
 Total GFA (sq.m.)

Shandong
19.5%
 Proportion to total land bank
6,329,000
 Total GFA (sq.m.)

Anhui
2.9%
 Proportion to total land bank
944,000
 Total GFA (sq.m.)

Tianjin
0.6%
 Proportion to total land bank
209,000
 Total GFA (sq.m.)

Liaoning
0.6%
 Proportion to total land bank
185,000
 Total GFA (sq.m.)

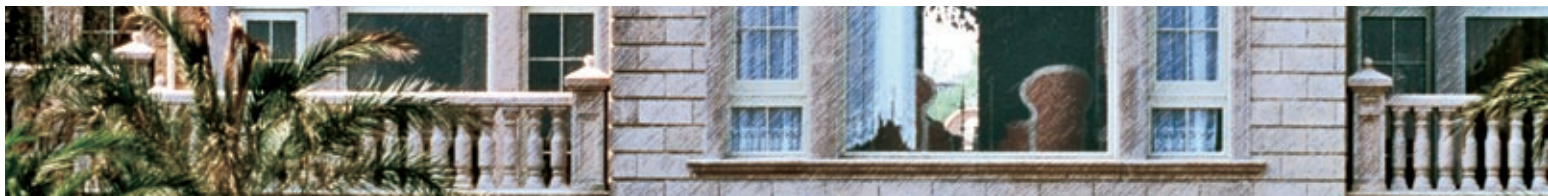
Jiangsu
7.9%
 Proportion to total land bank
2,553,000
 Total GFA (sq.m.)

Shanghai
2.1%
 Proportion to total land bank
670,000
 Total GFA (sq.m.)

Zhejiang
 (excluding Hangzhou)
36.1%
 Proportion to total land bank
11,726,000
 Total GFA (sq.m.)

Hangzhou
18.2%
 Proportion to total land bank
5,917,000
 Total GFA (sq.m.)

| | No. of projects | Site area ('000 sq.m.) | Total GFA ('000 sq.m.) | Ratio |
|-------------------------------|-----------------|------------------------|------------------------|-------------|
| Hangzhou | 32 | 2,837 | 5,917 | 18.2% |
| Zhejiang (excluding Hangzhou) | 34 | 7,330 | 11,726 | 36.1% |
| Shanghai | 6 | 625 | 670 | 2.1% |
| Jiangsu | 9 | 1,541 | 2,553 | 7.9% |
| Beijing | 4 | 421 | 804 | 2.5% |
| Shandong | 6 | 2,596 | 6,329 | 19.5% |
| Hainan | 1 | 1,992 | 1,256 | 3.9% |
| Xinjiang | 1 | 410 | 588 | 1.8% |
| Henan | 2 | 536 | 458 | 1.4% |
| Hebei | 1 | 166 | 504 | 1.6% |
| Hunan | 1 | 1,043 | 298 | 0.9% |
| Tianjin | 1 | 17 | 209 | 0.6% |
| Anhui | 2 | 380 | 944 | 2.9% |
| Liaoning | 1 | 20 | 185 | 0.6% |
| Total | 101 | 19,914 | 32,441 | 100% |

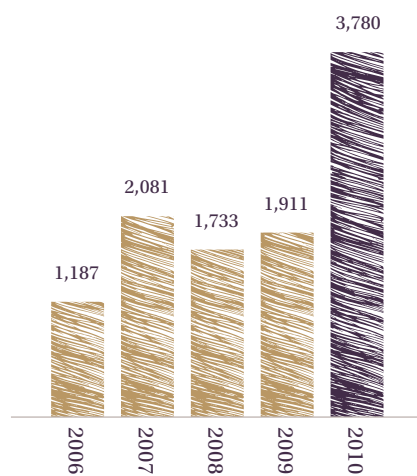


Financial Highlights

Property sales revenue

For the six months ended 30 June

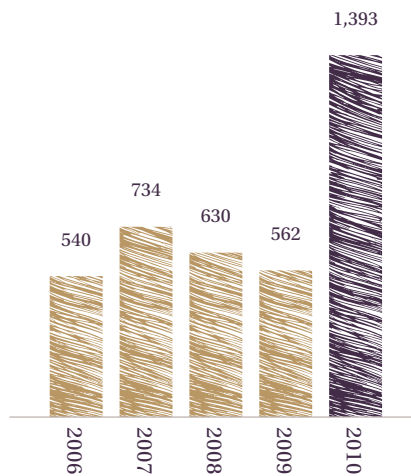
(RMB million)



Gross profit of property sales

For the six months ended 30 June

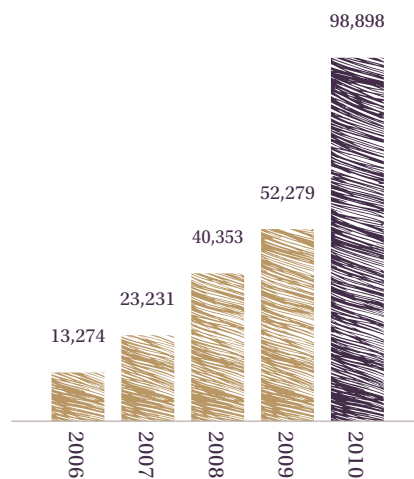
(RMB million)



Total assets

As at 30 June

(RMB million)





Financial Highlights

Five Years Financial Summary

Consolidated Results

| | For the six months ended 30 June | | | | |
|--|----------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|
| | 2006 RMB'000 (Unaudited) | 2007 RMB'000 (Unaudited) | 2008 RMB'000 (Unaudited) | 2009 RMB'000 (Unaudited) | 2010 RMB'000 (Unaudited) |
| Revenue | 1,210,449 | 2,100,239 | 1,765,161 | 1,940,468 | 3,870,171 |
| Cost of sales | (665,667) | (1,363,741) | (1,118,113) | (1,358,175) | (2,408,707) |
| Gross profit | 544,782 | 736,498 | 647,048 | 582,293 | 1,461,464 |
| Other income | 40,916 | 127,766 | 321,221 | 428,039 | 154,188 |
| Expenses | (173,304) | (348,665) | (578,919) | (716,251) | (1,016,315) |
| Share of results of associates and jointly controlled entities | (9,835) | 10,108 | 170,049 | 174,724 | 144,050 |
| Profit before taxation | 402,559 | 525,707 | 559,399 | 468,805 | 743,387 |
| Taxation | (157,565) | (261,781) | (189,675) | (114,409) | (382,754) |
| Profit for the period | 244,994 | 263,926 | 369,724 | 354,396 | 360,633 |
| Attributable to: | | | | | |
| Owners of the Company | 256,901 | 258,891 | 340,999 | 323,176 | 331,713 |
| Non-controlling interests | (11,907) | 5,035 | 28,725 | 31,220 | 28,920 |
| | 244,994 | 263,926 | 369,724 | 354,396 | 360,633 |

Consolidated Assets and Liabilities

| | As at 30 June | | | | |
|-------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|
| | 2006 RMB'000 (Unaudited) | 2007 RMB'000 (Unaudited) | 2008 RMB'000 (Unaudited) | 2009 RMB'000 (Unaudited) | 2010 RMB'000 (Unaudited) |
| Non-current assets | 855,979 | 1,576,318 | 3,237,432 | 4,030,388 | 6,457,612 |
| Current assets | 12,417,522 | 21,655,079 | 37,115,549 | 48,248,415 | 92,440,792 |
| Current liabilities | (9,386,546) | (7,351,650) | (18,787,672) | (26,928,703) | (64,336,155) |
| Non-current liabilities | (3,140,210) | (8,057,237) | (11,661,549) | (14,548,441) | (22,448,553) |
| | 746,745 | 7,822,510 | 9,903,760 | 10,801,659 | 12,113,696 |



Management Discussion and Analysis

OPERATION REVIEW

Property Sales

During the period, the Group achieved steady growth in sales performance in a volatile market. A best-ever half year result of the Group was reported in terms of total contract sales amount.

During the period, the Greentown Group had 68 projects on sale, which recorded a total sales amount of approximately RMB21.9 billion, representing an

increase of 4% over the same period in 2009. The amount attributable to the Group was approximately RMB15.2 billion, representing an increase of 10% over the same period in 2009. During the period, the quality of Greentown's products continued to support the selling prices. The average selling price of properties increased by 28% from RMB14,401 per sq.m. in the first half of 2009 to RMB18,447 per sq.m. Among these, the average selling price of apartments was RMB17,467 per sq.m., while that of villas was RMB23,522 per sq.m.

Pre-sales of Major Projects During the First Half of 2010

| Project | Equity Interest | Saleable area (sq.m.) | Area sold (sq.m.) | Sales amount (RMB million) | Percentage of area sold | Average price (RMB/sq.m.) |
|------------------------------|-----------------|--------------------------|----------------------|-------------------------------|-------------------------|------------------------------|
| Hangzhou Sapphire Mansion | 100.0% | 121,009 | 77,663 | 3,923 | 64% | 50,513 |
| Jinan National Games Project | 45.0% | 136,552 | 120,421 | 1,321 | 88% | 10,970 |
| Beijing Sincere Garden | 50.0% | 35,194 | 28,867 | 1,102 | 82% | 38,175 |
| Hangzhou Hope Town | 45.0% | 70,291 | 49,480 | 954 | 70% | 19,281 |
| Haining Lily New Town | 50.0% | 78,033 | 63,952 | 847 | 82% | 13,244 |
| Zhoushan Lily Apartment | 100.0% | 64,085 | 61,973 | 845 | 97% | 13,635 |
| Cixi Grace Garden | 60.0% | 57,903 | 31,418 | 837 | 54% | 26,641 |
| Shanghai Bund House | 51.0% | 9,354 | 9,354 | 768 | 100% | 82,104 |
| Wuxi Yulan Garden | 85.0% | 62,118 | 56,628 | 703 | 91% | 12,414 |
| Shaoxing Yulan Garden | 35.0% | 46,995 | 37,888 | 621 | 81% | 16,390 |
| Zhoushan Yulan Garden | 100.0% | 64,446 | 40,024 | 617 | 62% | 15,416 |
| Other projects | | 999,903 | 610,535 | 9,382 | 61% | 15,367 |
| Total | | 1,745,883 | 1,188,203 | 21,920 | 68% | 18,447 |

By property type, the sales amounts of apartments, villas, commercial buildings, as well as garages and warehouses, respectively, accounted for 78%, 15%, 4% and 3% of the total contract sales amount.

By regional distribution, the Group further expanded its presence in Shandong and Jiangsu, while consolidating its established dominance in Hangzhou and other regions of Zhejiang province. During the period, the Group further increased its market shares in economically

developed second- and third-tier cities: its market share in Cixi city was 56%, while the market share in Haining city was 62%, and in Zhoushan area, the market share was 47%. The market share of the Jinan National Games Project in Jinan market was 19%, highlighting the spectacular growth of the Group's brand. Our premium products have paved the road for the Group to open new markets and win recognition from a loyal and stable buyer base.



Management Discussion and Analysis



▲ Hangzhou Hope Town

As at 30 June 2010, sales revenue from contracts which is not yet recognized in the condensed consolidated statement of comprehensive income amounted to RMB59.5 billion (RMB39.3 billion was attributable to the Group), among which, the revenue to be recognized in the second half of 2010 will be RMB11.3 billion (RMB7.1 billion will be attributable to the Group).

Project Development

During the period, the Group adjusted the area of new project commencement, in accordance with market conditions, the Group's own operating conditions and

the overall schedule of project launches. In the first half of 2010, the Greentown Group commenced construction of new projects with a total GFA of 3.15 million sq.m.

During the period, a total GFA of 1.44 million sq.m. (920,000 sq.m. of saleable area) was completed on the schedule formulated early this year.

As at 30 June 2010, the Greentown Group had a total of 65 projects under construction, with a total GFA of 9.94 million sq.m.



Management Discussion and Analysis

Projects Completed During the First Half of 2010

| | Project | Phases | Equity interest | Total GFA (sq.m.) | Saleable area (sq.m.) |
|--|-----------------------------------|------------------------------------|-----------------|----------------------|--------------------------|
| Subsidiaries | Hangzhou Sky Blue Apartment | Entire Phase | 95.5% | 59,553 | 42,771 |
| | Hangzhou Yulan Apartment | Entire Phase | 95.5% | 62,789 | 42,471 |
| | Xinchang Rose Garden | Phase 1A | 80.0% | 64,806 | 55,090 |
| | Tonglu Sweet Osmanthus Garden | Phase 3 | 100.0% | 29,433 | 19,733 |
| | Beijing Lily Apartment | Phase 7 | 80.0% | 57,449 | 38,639 |
| | Hefei Yulan Apartment | Phases 1 (Block 11, 12 and 13) | 59.4% | 42,899 | 39,578 |
| | Thousand-Island Lake Resort Condo | Phase 3 (apartment) | 80.0% | 19,947 | 15,345 |
| | Thousand-Island Lake Resort Hotel | Hotel | 80.0% | 89,422 | Operating property |
| | Beijing Oakwood Project | Entire Phase | 100.0% | 63,156 | Operating property |
| Sub-total | | | | 489,454 | 253,627 |
| Jointly controlled entities/ associates | Hangzhou New Green Garden | Phase 2 | 50.0% | 28,871 | 21,642 |
| | Hangzhou Tulip Bank | Phase 2 | 50.0% | 173,720 | 116,810 |
| | Deqing Lily Apartment | Phase 2A | 24.5% | 130,577 | 98,901 |
| | Lin'an Qingshan Lake Rose Garden | Phase 1 Fengdi Yuan Yuling Yuan | 50.0% | 38,523 | 30,826 |
| | Jinan National Games Project | Phase 1 | 45.0% | 537,910 | 368,128 |
| | Nantong Rudong Hupanju | Phase 3 part 2 | 50.0% | 44,681 | 32,812 |
| Sub-total | | | | 954,282 | 669,119 |
| Total | | | | 1,443,736 | 922,746 |

Land Bank

Market volatility and adjustments in the property sector are breeding numerous opportunities. In the first half of 2010, the Group took a more cautious line with its land bank replenishment strategy, with reference to the policy environment of the property sector, the overall market condition and the Group's overall development strategy.

During the period, the Group further acquired a number of quality sites in Shandong, Hangzhou, Zhejiang,

Shanghai and other areas via land auctions and equity acquisitions. The Group added 11 projects with a total site area of approximately 1.44 million sq.m. to its land bank. The planned GFA of these newly acquired projects was approximately 2.40 million sq.m., of which 2.02 million sq.m. was attributable to the Group. Total land premium paid amounted to RMB11.5 billion (RMB9.3 billion was attributable to the Group), while the average floor land price (calculated on the basis of planned GFA) was RMB4,822 per sq.m.



Management Discussion and Analysis



▲ Hangzhou Lilac Apartment

Newly Added Land Bank in the First Half of 2010

| Project | Region | Date of acquisition | Means of acquisition | Equity interest | Total land premium | Land premium attributable to the Group | Site area | Planned GFA | Land cost per sq.m. |
|--|----------|---------------------|----------------------|-----------------|--------------------|--|-----------|-------------|---------------------|
| | | | | | (RMB million) | (RMB million) | (sq.m.) | (sq.m.) | (RMB/sq.m.) |
| Shanghai Bund Office Building Reconstruction Project | Shanghai | January | acquisition | 40% | 659 | 266 | 2,762 | 20,575 | 32,029 |
| Qingdao Audit Office | Shandong | January | auction | 100% | 4,040 | 4,040 | 34,923 | 227,004 | 17,797 |
| Zhoushan Ocean University Lot | Zhejiang | January | auction | 100% | 1,112 | 1,112 | 229,281 | 252,209 | 4,409 |
| Shandong Xintai Lot No.1 | Shandong | January | auction | 70% | 174 | 122 | 129,000 | 283,800 | 613 |
| Shandong Xintai Lot No.2 | Shandong | March | auction | 70% | 172 | 120 | 127,400 | 280,280 | 614 |
| Shanghai Tianshan Road Lot | Shanghai | February | auction | 70% | 1,536 | 1,075 | 25,594 | 102,376 | 15,004 |
| Deqing East Project | Zhejiang | March | auction | 100% | 93 | 93 | 94,251 | 94,251 | 987 |
| Jinan Shengfu Zhuang Project | Shandong | March | acquisition | 100% | 1,240 | 1,240 | 256,003 | 486,590 | 2,548 |
| Tangshan South Lake | Hebei | June | auction | 100% | 473 | 473 | 165,829 | 361,507 | 1,308 |
| Ningbo R&D Park Phase 3 | Zhejiang | April | auction | 60% | 70 | 42 | 40,439 | 80,878 | 866 |
| Hangzhou Tianyuan Lot No.24 | Hangzhou | May | auction | 33% | 1,700 | 561 | 116,208 | 185,933 | 9,143 |
| Suzhou Yeshan Island Project | Jiangsu | June | acquisition | 70% | 280 | 196 | 220,693 | 19,862 | 14,097 |
| Total | | | | | 11,549 | 9,340 | 1,442,383 | 2,395,265 | 4,822 |



Management Discussion and Analysis

As at 30 June 2010, the Greentown Group had a total of 101 projects in its land bank, which spanned across 35 cities in the PRC. The total planned GFA of the land bank was 32.44 million sq.m., of which 22.45 million sq.m. were attributable to the Group. The land bank's total saleable area was approximately 22.59 million sq.m., of which 15.67 million sq.m. were attributable to the Group. The average cost of the land bank (calculated on the basis of saleable area and the properties held) was RMB4,474 per sq.m. A total of 3.89 million sq.m. of saleable area have been launched to the market, among which 83% were sold.

Corporate Management

It is always the Group's belief that quality staff is the foundation of corporate development. A theme event featuring the "Year of Developing Human Resources" was launched during the period. The framework of human resources has been further established and the corporate culture and values are therefore enshrined and exalted. Meanwhile, the establishment and maturation of a talent pool and a development mechanism enable the Group to excel during the process of scale expansion and accelerated development.

In the first half of 2010, the property market experienced a transition from a boom to a sluggish market. Yet, the Group's marketing team took initiative in an innovative and flexible manner, countering market challenges with a positive attitude. The Group held intensive marketing conferences, reviewed launching campaigns of key projects, conducted nationwide inspection of marketing activities, introduced specific marketing policies and identified potential buyers through the impact and market coverage of Greentown Club, striving to carry out innovative marketing initiatives.

Regarding product research and development, a product centre was officially established in early

2010, under which three companies specialized in planning, landscape and decorations were formed. Through corporate operation, management resources were integrated more effectively and product quality standards were improved to create a core competitive edge. Moreover, the Group commenced the research and development of its new products, with a focus on the needs of human beings. It is the aim of such products to exemplify the essence of humanity.

During the period, the Group continued to initiate and launch the Greentown community service project. The project was formally approved by the Ministry of Housing and Urban-Rural Development after three years of research efforts. This pilot research project, with a focus on further enhancing both the substance and extension of the Group's products, is designed to elevate the service scope from property management to a service for people by transforming the concept of product development from "building quality housing" to "upgrading the quality of life". Following the implementation of this pilot project, the Group has started extending the program to a number of property projects, which has added momentum to the continuous enhancement of Greentown's brand value and project sales.

Cashflows Management

The Group maintains a sound cash flow condition at present. In addition to the sale proceeds resulting from a healthy pre-sale rate, the Group also has sufficient bank credit facilities and diversified financing channels to ensure the healthy development of the Group in the future. Among the total credit facility of RMB66 billion for 2010, the Group still has an undrawn portion of approximately RMB40 billion available. During the period, the Group collaborated with its trust partners, such as Ping An Trust and Zhongtai Trust, in successfully issuing RMB3.0 billion worth of trust funds.



Management Discussion and Analysis

OUTLOOK

Despite market fluctuations, the management is confident that the Group will continue to grow steadily. Greentown is well prepared to fight against adversity and strengthen its core competence in difficult times, which will enable the Group to seize market opportunities and achieve outstanding results in times of recovery. The Group believes that its own vision, business management strategy, talent pool and development mechanism, coupled with its adherence to the pursuit of excellence, are the keys to weathering every risk and overcoming every hardship, as well as the impetus for riding through the stormy market.

Although China's property market will be subject to numerous uncertainties in the second half of 2010, it is becoming increasingly rational and well-regulated in the long run. China's urbanization process and increase in the household disposable income will continue to provide impetus to the property market. In particular, the demand for quality properties in the core locations of

rapidly developing cities will keep rising. With the overall purchasing power on the rise, the demand for high end properties and top living condition is significantly increasing. Looking ahead, Greentown remains optimistic about the prospects of the property sector.

Revise the Scale of Project Development in Accordance with Market Condition

Based on its judgment of market conditions, the Greentown Group has revised the pace of project development in the second half of 2010. A total of 44 projects (or phases of projects) are expected to commence, with a total GFA of 6.48 million sq.m. It is expected that the area of newly started projects will be 9.63 million sq. m. for the whole year of 2010.

In the second half of 2010, the Greentown Group expects a total of 20 projects (or phases of projects) to be completed, with a total GFA of 1.41 million sq.m. (1.01 million sq.m. of saleable area), among which a saleable area of 0.6 million sq.m. is expected to be attributable to the Group.

Projects Planned to be Completed in the Second Half of 2010

| | Project | Phase | Equity Interest | Total GFA (sq.m.) | Saleable area (sq.m.) |
|--------------|-----------------------------------|--------------------------|-----------------|----------------------|--------------------------|
| Subsidiaries | Hangzhou Taohuayuan South | G | 64.0% | 16,193 | 11,510 |
| | Hangzhou Blue Patio | Phase 2 Yiyang Apartment | 85.0% | 15,429 | 6,330 |
| | Hangzhou Blue Patio | Phase 3 | 85.0% | 100,611 | 72,964 |
| | Ningbo R&D Park | Phase 2 | 60.0% | 319,789 | 231,071 |
| | Changxing Plaza | Phase 1 | 51.0% | 94,237 | 74,454 |
| | Xiangshan Lily Apartment | Phase 1 | 50.0% | 97,615 | 71,306 |
| | Thousand-Island Lake Resort Condo | Phase 3 commercial | 80.0% | 10,403 | 7,404 |
| | Beijing Majestic Mansion | Phase 2 | 100.0% | 62,040 | 43,318 |
| | Beijing Lily Apartment | Phase 8 | 80.0% | 54,191 | 42,737 |
| | Nanjing Rose Garden | Phase 2 | 70.0% | 14,428 | 10,237 |
| | Nantong Yulan Apartment | Phase 1 | 77.0% | 52,791 | 40,526 |
| | Changsha Bamboo Garden | North Phase 4 | 52.5% | 13,673 | 13,673 |
| | Changsha Bamboo Garden | South Phase 2 | 52.5% | 12,656 | 9,387 |
| | Heifei Yulan Apartment | Phase 1 Block 1-4, 9, 10 | 59.4% | 105,651 | 78,076 |
| | Heifei Yulan Apartment | Phase 2 | 59.4% | 60,505 | 43,829 |
| | Xinjiang Lily Apartment | Phase 1 part 1 | 50.0% | 39,530 | 21,977 |
| Subtotal | | | | 1,069,742 | 778,799 |



Management Discussion and Analysis

| | Project | Phase | Equity Interest | Total GFA (sq.m.) | Saleable area (sq.m.) |
|--|--|-------------------------|-----------------|----------------------|--------------------------|
| Jointly controlled entities/associates | Hangzhou Hope Town | Phase 5-2 | 45.0% | 51,976 | 33,306 |
| | Hangzhou Xingqiao Purple Osmanthus Apartment | Phase 1 | 35.0% | 24,342 | 16,651 |
| | Hangzhou Ziwei Apartment | Entire Phase | 35.0% | 119,220 | 89,965 |
| | Deqing Lily Apartment | Phase 2 B | 24.5% | 9,056 | 9,056 |
| | Lin'an Qingshan Lake Rose Garden | Phase 1 Yunzhen Yuan | 50.0% | 9,715 | 9,715 |
| | Haining Lily New Town | Villa Phase 5 | 50.0% | 24,772 | 17,535 |
| | Haining Lily New Town | High-rise Phase 2 | 50.0% | 71,377 | 54,185 |
| | Jinan National Games Project | Phase 1 club house | 45.0% | 27,008 | Operating property |
| Subtotal | | | | 337,466 | 230,413 |
| Total | | | | 1,407,208 | 1,009,212 |

Enhance Marketing Efforts

In the second half of 2010, the Greentown Group expects to launch 70 projects (or phases of projects), adding an additional saleable area of approximately 3.25 million sq.m. Adhering to our strategy of “earlier, faster and greater sales”, the Group will adjust the pace of project launches in light of market condition, set prices at reasonable levels, as well as beef up marketing efforts and initiate marketing innovations, so as to ensure stable cash flow to support our healthy operation and growth.

Introduce Cooperation Strategy and Innovative Financing Methods Aggressively

The Group will continue to intensify its cooperation strategy, as well as consolidate and deepen the cooperation with strategic partners that enjoy particular advantages in land and funding, in order to achieve mutual benefits and a win-win situation. In the meantime, the Group is actively mulling participation in property construction management and advisory services, which may take the Group to the next stage of growth through outsourcing our property management expertise.

The Group will also actively look into ways to develop new investment and financing platforms with the aim of broadening our financing channels. Currently, the Group is examining the feasibility of venturing into the real

estate fund management business in order to enhance our financing capability by achieving a breakthrough in investment and financing model.

FINANCIAL ANALYSIS

Sales Revenue

The Group's revenue (net of sales taxes) was mainly derived from sales of properties, hotel operation and sales of construction materials. For the period, the Group's total revenue amounted to RMB3,870 million, representing an increase of 99.5% from RMB1,940 million for the same period of 2009. Revenue from sales of properties amounted to RMB3,780 million, accounting for 97.7% of the total revenue and representing an increase of 97.8% from RMB1,911 million for the same period of 2009.

The area of properties sold during the period was 295,808 sq.m., representing an increase of 11.9% from 264,464 sq.m. for the same period of 2009. The increase in sales revenue was mainly attributable to the rise in the unit price of the properties delivered during the period.



Management Discussion and Analysis

The properties delivered during the period were as follows:

| Property projects | Type | Area sold (sq.m.) | Sales revenue (RMB million) | Sales proportion | Unit price (RMB/sq.m.) |
|-----------------------------------|----------------------|----------------------|-----------------------------------|---------------------|---------------------------|
| Hangzhou Sky Blue Apartment | High-rise apartment | 52,891 | 1,122 | 29.7% | 21,213 |
| Hangzhou Yulan Apartment | High-rise apartment | 52,871 | 683 | 18.1% | 12,918 |
| Thousand-Island Lake Resort Condo | High-rise apartment | 12,469 | 308 | 8.1% | 24,701 |
| Beijing Lily Apartment | Integrated community | 53,563 | 268 | 7.1% | 5,003 |
| Shanghai Rose Garden | Villa | 12,582 | 424 | 11.2% | 33,699 |
| Hefei Yulan Apartment | High-rise apartment | 34,794 | 177 | 4.7% | 5,087 |
| Xinchang Rose Garden | Villa | 15,377 | 160 | 4.2% | 10,405 |
| Hangzhou Lijiang Apartment | High-rise apartment | 7,807 | 145 | 3.8% | 18,573 |
| Others | | 53,454 | 493 | 13.1% | 9,223 |
| Total | | 295,808 | 3,780 | 100.0% | 12,779 |



▲ Nanjing Rose Garden



Management Discussion and Analysis

The unit price of the properties launched during the period was RMB12,779 per sq.m., representing an increase of 76.8% from RMB7,226 per sq.m. in the same period of last year. The reason for such significant increase was that, most of the properties delivered during the period were situated in Hangzhou and Shanghai, where property price was relatively higher. Sales revenue derived from these two places accounted for 75.1% of the Group's total sales revenue, with an average unit price of RMB17,958 per sq.m., raising the overall average unit price. However, for properties launched in 2009, revenue derived from Hangzhou and Shanghai accounted for only 29.8% of the total property sales. The majority of such sales came from the second and third-tier cities where property price was relatively lower, hence the lower average unit price.

Gross Profit Margin of Property Sales

Gross profit margin of property sales increased from 29.4% for the corresponding period of 2009 to 36.8% for the period, representing a significant increase over that of 25.9% for the whole year of 2009. The gross profit margin of property sales increased mainly because a great portion of the properties delivered during the

period were high-end properties situated in the first-tier cities. For example, the Sky Blue Apartment built in the centre of Hangzhou City, which accounted for 29.7% of total property sales, was a set of uptown apartments with refined decoration. It generated a sales revenue of RMB1,122 million for the period with a gross profit margin of 32.8%; the Rose Garden in Shanghai, which accounted for 11.2% of the Group's total property sales, was a set of high-end deluxe villas. It generated a revenue of RMB424 million for the period with a gross profit margin of 50.0%. Meanwhile, the high-end properties in the second- and third-tier cities also rendered appealing performance. For example, the Thousand-Island Lake Resort Condo Phase 3 generated a revenue of RMB282 million for the period with a gross profit margin of 47.2%. The delivery of the above properties directly attributed to the rise in the gross profit margin for the period. However, for the properties launched during the same period in 2009, those in the first-tier cities and the high-end properties accounted for only a small percentage, and moreover, in line with the Group's brand strategy, the Group launched a small number of new projects developed in new places with gross profit margin lower than the normal level, which had an adverse effect on the overall gross profit margin for the same period of 2009.



▲ Hangzhou Yunqi Rose Garden



Management Discussion and Analysis



▲ Hangzhou Blue Patio



▲ Hangzhou Hangqifa Project

Other Income

Other income for the period included interest income, net foreign exchange gains and government grants. During the period, the Group achieved other income of RMB136 million, representing a substantial increase from RMB43 million in the same period of 2009. The increase in other income was mainly due to the increase in interest income and net foreign exchange gain.

The interest income for the period was RMB99 million, representing an increase of RMB85 million from RMB14 million in the same period of 2009. The increase in interest income was contributed by two factors. Firstly, the average balance of bank deposit for the period increased significantly. Secondly, during the period, the Group fully utilized temporary idle funds. Therefore, a higher interest income could be acquired.

The net foreign exchange gain for the period was RMB21 million, representing an increase of RMB17 million from the same period of 2009. The increase was mainly due to additional foreign debts of USD209 million and HK\$1,760 million, and the constant appreciation of Renminbi.

Profit/(Loss) on Repurchase of Senior Notes and Redemption of Convertible Bonds

In May 2010, the Group recorded a loss on redemption of the 2007 convertible bonds of RMB148 million. During the same period of 2009, the Group recorded a gain on early repurchase of senior notes due in 2013 of RMB328 million and gain on early redemption of the 2006 convertible bonds of RMB14 million.

Fair Value Changes on Trust-related Financial Derivatives

In 2009, a trust agreement was entered into between Greentown Real Estate Group Co., Ltd. and Zhonghai Trust Company Ltd. The Trust Unit Put Option, the Guarantee and RMB1 Option relating to the above agreement were deemed as financial derivatives and were measured according to their fair values. In the first half of 2009, fair value changes on trust-related financial derivatives recorded a loss of RMB53 million. During the period, the said fair value changes on trust-related financial derivatives, which were caused by the increase in value of Wuxi Yulan Garden and Hangzhou Sapphire Mansion Project, recorded a gain of RMB18 million.



Management Discussion and Analysis



▲ Zhuji Greentown Plaza

Selling and Administrative Expenses

Selling and administrative expenses for the period amounted to RMB666 million, representing an increase of 41.4% from the RMB471 million in the same period of 2009. The selling and administrative expenses for the period mainly included human resources cost of RMB255 million (for the six months ended 30 June 2009: RMB171 million), advertising and marketing expenses of RMB130 million (for the six months ended 30 June 2009: RMB113 million) and daily administration and operation expenses of RMB174 million (for the six months ended 30 June 2009: RMB109 million).

The increase in human resources cost for the period was mainly due to the increase in staff number for the period. In 2010, the Group emphasized its entity construction. In particular, in order to cater for its needs arising from the Group's development, the Group recruited numerous talents through various means. The number of staff was approximately increased by 22.6% during the period.

The increase in advertising and marketing expenses was mainly due to the increase in pre-sale activities of properties for the period. The weight as a percentage of the Group's pre-sales was 0.8%, which was comparable with 0.7% for the same period of 2009.

The increase in daily administration and operation expenses was, on one hand, due to the significant increase in depreciation of Greentown Thousand-Island Lake Sheraton Hotel and Greentown Radisson Hotel, with their commencement of operation; on the other hand, it was due to the substantial rise in lease of office premises, administrative expenses, business hospitality expense, travel and other expenses, with the increase in number of the Group's subsidiaries and projects.



Management Discussion and Analysis

Finance Costs

Interest expenses included in the condensed consolidated statement of comprehensive income for the period was RMB202 million (for the six months ended 30 June 2009: RMB193 million), representing a slight increase from the same period of 2009. Total interest expenses for the period was RMB1,093 million (for the six months ended 30 June 2009: RMB833 million), representing an increase of 31.2% from the same period of 2009. Among which, the interest capitalized was RMB891 million (for the six months ended 30 June 2009: RMB640 million), with the capitalization rate of 81.5% (for the six months ended 30 June 2009: 76.8%). The increase in total interest expenses was mainly due to the increase in the number of projects and the average borrowing amount. The improvement in capitalization rate was mainly attributable to the faster turnaround of projects.

Share of Results of Jointly Controlled Entities and Associates

Share of results of jointly controlled entities and associates for the period was RMB144 million, representing a decrease of RMB31 million or 17.7%, as compared to the same period of 2009.

Property sales by jointly controlled entities and associates for the period amounted to RMB4,197 million (for the six months ended 30 June 2009: RMB2,518 million), with an area sold of 447,020 sq.m. (for the six months ended 30 June 2009: 238,801 sq.m.) and a gross profit margin of 22.5% (for the six months ended 30 June 2009: 23.5%).

Main projects delivered by the jointly controlled entities and associates during the period were as follows:

| Project | Area sold | Sales revenue | Equity interest | The Group's share of results |
|----------------------------------|-----------|---------------|-----------------|------------------------------|
| | sq.m. | RMB million | % | RMB million |
| Hangzhou New Green Garden | 29,145 | 585 | 50.0% | 98 |
| Hangzhou Tulip Bank | 47,778 | 641 | 50.0% | 55 |
| Deqing Lily Apartment | 101,453 | 540 | 24.5% | 21 |
| Jinan National Games Project | 202,278 | 1,421 | 45.0% | 8 |
| Lin'an Qingshan Lake Rose Garden | 40,410 | 707 | 50.0% | 7 |
| Total | 421,064 | 3,894 | | 189 |

Although property sales by jointly controlled entities and associates for the period increased significantly as compared to the same period of 2009, share of results of jointly controlled entities and associates decreased, as jointly controlled entities and associates have not commenced construction of many new projects, leaving the loan interests unable to be capitalized, thus incurring a loss and offsetting part of the profits of jointly controlled entities and associates.

Taxation

Taxation for the period included EIT of RMB193 million (for the six months ended 30 June 2009: RMB19

million) and LAT of RMB190 million (for the six months ended 30 June 2009: RMB95 million). The effective tax rate for EIT for the period was 34.8%, which was relatively higher than 25% for the prevailing EIT in the PRC. The difference was mainly due to the fact that, for the period, the interest expenses of RMB39 million on the 2007 Convertible Bonds, a loss on redemption of the 2007 Convertible Bonds of RMB148 million and the losses incurred by non-PRC Mainland entities were non-deductible in taxation profits for EIT in the PRC.



Management Discussion and Analysis

The LAT accounted for 5.0% of the property sales for the period, which was comparable with that for the same period of 2009.

Pre-sale Deposits

Pre-sale deposits represented the amounts received from the pre-sale of properties, which will be carried forward as sales revenue upon the delivery of properties. As at 30 June 2010, the balance of pre-sale deposits of the subsidiaries was RMB35,422 million, representing an increase of 52.0% from RMB23,301 million as at 31 December 2009, and besides, the balance of pre-sale deposits of jointly controlled entities and associates was RMB16,243 million, increasing by 10.7% from

RMB14,670 million as at 31 December 2009, locking in part of the profit for the second half of 2010 and the years afterwards.

Financial Resources and Liquidity

As at 30 June 2010, the Group's cash and bank deposits amounted to RMB11,050 million (as at 31 December 2009: RMB11,782 million) with total borrowings of RMB30,292 million (as at 31 December 2009: RMB24,861 million). Amongst which, the short-term borrowings due within one year amounted to RMB10,522 million (as at 31 December 2009: RMB8,465 million). Net gearing ratio increased from 105.1% as at 31 December 2009 to 158.8% as at 30 June 2010. The increase was mainly due to that



▲ Dalian Deep Blue Centre



Management Discussion and Analysis



▲ Qingdao Jiaozhou Project



▲ Hangzhou Lijiang Apartment

despite its business expansion and increased projects, the Company was devoted to implement a stringent fund management system to ensure a sustainable growth. The Group has sufficient bank credit facilities and diversified financing channels.

Foreign Exchange Fluctuation Risks

The principal place of operation for the Group is the PRC. Most of the income and expenditure are denominated in Renminbi. As the Group has deposits, borrowings and amounts due from third parties denominated in foreign currencies, and the senior notes issued in 2006 were all denominated in US dollars, the Group was exposed to foreign exchange risks. However, the Group's operating cash flow or liquidity were not subject to any exchange rate fluctuations. Except for the one-year USD exchange rate swap contract entered into between the Group and the Bank of China in order to lock in the exchange rate for a loan denominated in foreign currencies, the Group had not entered into any other foreign currency hedging arrangement as at 30 June 2010.

Financial Guarantees

Certain banks provided mortgage loans to the customers of the Group's properties which are guaranteed by the Group. As at 30 June 2010, guarantees for these mortgage loans amounted to RMB16,827 million (as at 31 December 2009: RMB10,106 million).

Pledge of Assets

As at 30 June 2010, the Group had pledged buildings, hotels buildings, prepaid lease payment, construction in progress, properties for development, properties under development, completed properties for sale, bank deposits, amounts due from related parties and interest in associates with an aggregate carrying amount of RMB25,073 million (as at 31 December 2009: RMB23,188 million) to secure general credit facilities granted to the Group.

Capital Commitments

As at 30 June 2010, the Group has contracted a total capital expenditure in respect of properties for development, properties under development and construction in progress but not provided for of RMB25,106 million (as at 31 December 2009: RMB21,485 million).



Corporate Governance

Audit Committee

The Audit Committee held one meeting during the period, and all committee members attended the meeting. The Audit Committee has reviewed the accounting principles and practices adopted by the Group. The audit objectives and the scope of the internal audit department of the Group were also discussed.

Review of Interim Results

The Audit Committee has reviewed and endorsed the interim results announcement of the Company dated 23 August 2010 and this interim report for the period.

The auditors of the Company, Deloitte Touche Tohmatsu, have performed a review on the interim financial information of the Group for the period prepared in accordance with International Accounting Standard 34, “Interim Financial Reporting”, in accordance with Hong Kong Standard on Review Engagements 2410, “Review of Interim Financial Information Performed by the Independent Auditor of the Entity” and have issued a report dated 23 August 2010.

Code on Corporate Governance Practices

In the opinion of the Board, the Company has complied with all the provisions of the Code on Corporate Governance Practices set out in Appendix 14 to the Listing Rules throughout the six months ended 30 June 2010.

Compliance with the Model Code of the Listing Rules

The Company has adopted the Model Code 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 six months ended 30 June 2010. Relevant employees who are likely to be in possession of unpublished price-sensitive information of the Group are also subject to compliance with written guidelines on no less exacting terms than the Model Code.



Other Information

Directors' and Chief Executive's Interests in Securities

As at 30 June 2010, the interests and short positions of directors and chief executive of the Company and their associates in the shares, underlying shares

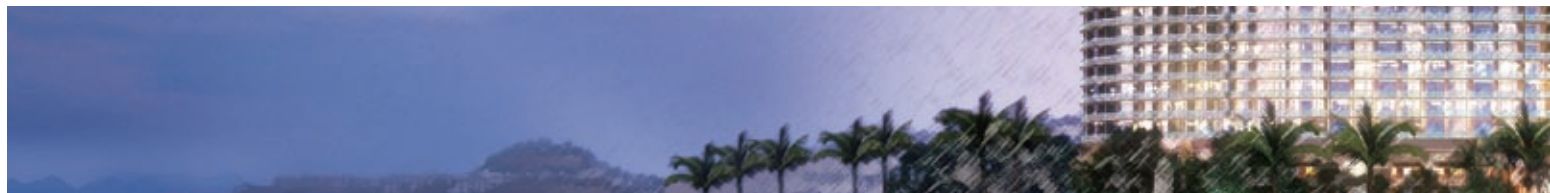
and debentures of the Company and its associated corporations within the meaning of Part XV of the SFO as recorded in the register maintained by the Company pursuant to section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code, were as follows:

Long Positions in Shares and Underlying Shares of the Company

| Name of director | Personal interests in underlying shares (share options granted to the directors) | Family interests | Corporate interests | Total number of shares and underlying shares held | Approximate interests percentage in the Company |
|------------------|--|---------------------------|----------------------------|---|---|
| Mr SONG Weiping | 1,089,000(L) (note 3) | 68,859,000(L) (note 2) | 492,124,000(L) (note 1) | 562,072,000(L) | 34.36% |
| Mr SHOU Bainian | 609,000(L) (note 3) | - | 384,490,500(L) (note 4) | 385,099,500(L) | 23.54% |
| Mr LUO Zhaoming | 15,000,000(L) (note 6) | - | 100,000,000(L) (note 5) | 115,000,000(L) | 7.03% |
| Mr CHEN Shunhua | 376,500(L) (note 3) | - | - | 376,500(L) | 0.02% |
| Mr GUO Jiafeng | 576,000(L) (note 3) | - | 13,010,000(L) (note 7) | 13,586,000(L) | 0.83% |

Notes:

- (1) Mr Song Weiping is deemed to be interested in 392,124,000(L) shares as the sole shareholder of Delta House Limited and 100,000,000(L) shares held by Hong Kong Orange Osmanthus Foundation Limited, a corporation controlled by him.
- (2) Mr Song Weiping is deemed to be interested in such shares held by Wisearn Limited, a company wholly-owned by his spouse, Ms Xia Yibo.
- (3) Pursuant to the share option scheme adopted by a resolution of the shareholders on 22 June 2006, these share options were granted on 22 January 2009 and are exercisable at HK\$2.89 per share from 22 January 2009 to 21 January 2019.
- (4) Mr Shou Bainian is deemed to be interested in such shares as the sole shareholder of Profitwise Limited.
- (5) Mr Luo Zhaoming is deemed to be interested in such shares held by Tandellen Group Limited, a company which is 50% owned by him and 50% owned by his spouse, Ms Ruan Yiling.
- (6) Pursuant to the share option scheme adopted by a resolution of the shareholders on 22 June 2006, these share options were granted on 17 July 2009 and are exercisable at HK\$11.59 per share from 17 July 2009 to 16 July 2019.
- (7) Mr Guo Jiafeng is deemed to be interested in such shares as the sole shareholder of Jamuta Investments Limited.



Other Information

Other than as disclosed above, as at 30 June 2010, none of the directors and chief executive of the Company nor their associates had any interest or short positions in any shares, underlying shares or debentures of the Company or any of its associated corporations which had been recorded in the register kept 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 2010, 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 | Capacity in which interests are held | Approximate interests % in the Company |
|---|---|---|--|
| Ms XIA Yibo | 562,072,000(L) (Note 1) | Interest of a controlled corporation and interest of spouse | 34.36% |
| Delta House Limited | 392,124,000(L) (Note 2) | Beneficial owner | 23.97% |
| Hong Kong Orange Osmanthus Foundation Limited | 100,000,000(L) (Note 2) | Beneficial owner | 6.11% |
| Profitwise Limited | 384,490,500(L) (Note 3) | Beneficial owner | 23.50% |
| Ms RUAN Yiling | 115,000,000(L) (Note 4) | Interest of a controlled corporation and interest of spouse | 7.03% |
| Tandellen Group Limited | 100,000,000(L) (Note 5) | Beneficial owner | 6.11% |
| Lehman Brothers Holdings Inc. | 101,400,450(L) (Note 6) | Interest of controlled corporations | 6.20% |
| | 31,868,575(S) (Note 6) | Interest of controlled corporations | 1.95% |

Notes:

- (1) Ms Xia Yibo held deemed interest in 68,859,000(L) shares as the sole shareholder of Wisearn Limited, deemed interests in 392,124,000(L) shares held by Delta House Limited and 100,000,000(L) shares held by Hong Kong Orange Osmanthus Foundation Limited, both being corporations controlled by her spouse, Mr Song Weiping, and deemed interest in 1,089,000 share options held by Mr Song.
- (2) A corporation controlled by Mr Song Weiping, duplicates to those disclosed in the section "Directors' and Chief Executive's Interests in Securities" above.

- (3) A corporation controlled by Mr Shou Bainian, duplicates to those disclosed in the section "Directors' and Chief Executive's Interests in Securities" above.
- (4) Ms Ruan Yiling held deemed interest in 100,000,000(L) shares held by Tandellen Group Limited, a controlled corporation 50% owned by her and 50% owned by her spouse, Mr Luo Zhaoming, and deemed interest in 15,000,000(L) share options held by her spouse, Mr Luo Zhaoming.
- (5) A corporation controlled by Mr Luo Zhaoming, duplicates to those disclosed in the section "Directors' and Chief Executive's Interests in Securities" above.



Other Information

(6) Lehman Brothers Holdings Inc. held deemed interest in a total of 101,400,450(L) shares and 31,868,575(S) shares by virtue of its control over the following corporations, which held direct interests in the Company:

- Lehman Brothers Commercial Corporation Asia Limited held 10,768,010(L) shares. Lehman Brothers Commercial Corporation Asia Limited was 50% owned by LBCCA Holdings I LLC and 50% owned by LBCCA Holdings II LLC. LBCCA Holdings I LLC and LBCCA Holdings II LLC were respectively wholly-owned by Lehman Brothers Holdings Inc.
- Lehman Brothers International (Europe) held 34,157,882(L) shares and 23,917,500(S) shares. Lehman Brothers International (Europe) was wholly-owned by Lehman Brothers Holdings Plc and it was in turn wholly-owned by Lehman Brothers Holdings Inc.
- Lehman Brothers Inc. held 2,009,575(L) shares and 2,009,575(S) shares. Lehman Brothers Inc. was wholly-owned by Lehman Brothers Holdings Inc.
- Lehman Brothers Finance S.A. held 54,464,983(L) shares and 5,941,500(S) shares. Lehman Brothers Finance S.A. was wholly-owned by Lehman Brothers Holdings Inc.

Among the entire interest of Lehman Brothers Holdings Inc. in the Company, 35,065,892(L) shares and 3,773,000(S) shares were held through derivatives as follows:

- 35,065,892(L) shares through physically settled unlisted derivatives (off exchange)
- 173,000(S) shares through physically settled unlisted derivatives (off exchange)
- 3,600,000(S) shares through cash settled unlisted derivatives (off exchange)

(7) The letter “L” denotes a long position. The letter “S” denotes a short position.

Other than as disclosed above, as at 30 June 2010, the Company has not been notified of any other notifiable interests or short positions in any shares, underlying shares or debentures of the Company which had been recorded in the register required to be kept under section 336 of the SFO.

Share Option Scheme

Movement of Options

Movement of the Options granted pursuant to the Share Option Scheme on 22 January 2009, 13 May 2009, 22 June 2009 and 17 July 2009, during the six months ended 30 June 2010 are listed below in accordance with Rule 17.07 of the Listing Rules:

| 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 options forfeited 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\$) |
|-----------------|---|--|--|--|---|-----------------|---|------------------------------------|
| 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 |
| | 1,089,000 | - | - | - | 1,089,000 | | | |
| Mr SHOU Bainian | 81,000 | - | - | - | 81,000 | 22 January 2009 | 22 January 2009 to 21 January 2019 | 2.89 |
| | 264,000 | - | - | - | 264,000 | 22 January 2009 | 22 January 2010 to 21 January 2019 | 2.89 |
| | 264,000 | - | - | - | 264,000 | 22 January 2009 | 22 January 2011 to 21 January 2019 | 2.89 |
| | 609,000 | - | - | - | 609,000 | | | |
| Mr LUO Zhaoming | 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 |
| | 15,000,000 | - | - | - | 15,000,000 | | | |

Other Information

| 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 options forfeited 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\$) |
|--|---|--|--|--|---|-----------------|---|------------------------------------|
| Mr CHEN Shunhua | 188,250 | - | - | - | 188,250 | 22 January 2009 | 22 January 2010 to 21 January 2019 | 2.89 |
| | 188,250 | - | - | - | 188,250 | 22 January 2009 | 22 January 2011 to 21 January 2019 | 2.89 |
| | 376,500 | - | - | - | 376,500 | | | |
| Mr GUO Jiafeng | 288,000 | - | - | - | 288,000 | 22 January 2009 | 22 January 2009 to 21 January 2019 | 2.89 |
| | 144,000 | - | - | - | 144,000 | 22 January 2009 | 22 January 2010 to 21 January 2019 | 2.89 |
| | 144,000 | - | - | - | 144,000 | 22 January 2009 | 22 January 2011 to 21 January 2019 | 2.89 |
| | 576,000 | - | - | - | 576,000 | | | |
| Mr CAO Zhounan (Note 1) | 3,300,000 | - | - | - | 3,300,000 | 13 May 2009 | 13 May 2009 to 12 May 2019 | 7.16 |
| | 3,400,000 | - | - | - | 3,400,000 | 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 |
| | 10,000,000 | - | - | - | 10,000,000 | | | |
| Certain other employees of the Company's subsidiaries, associated companies and jointly controlled entities | 13,276,000 | - | 797,000 | - | 12,479,000 | 22 January 2009 | 22 January 2009 to 21 January 2019 | 2.89 |
| | 8,470,500 | - | 632,750 | - | 7,837,750 | 22 January 2009 | 22 January 2010 to 21 January 2019 | 2.89 |
| | 8,470,500 | - | - | 48,500 | 8,422,000 | 22 January 2009 | 22 January 2011 to 21 January 2019 | 2.89 |
| | 19,288,000 | - | - | 166,000 | 19,122,000 | 22 June 2009 | 22 June 2009 to 21 June 2019 | 11.00 |
| | 9,644,000 | - | - | 83,000 | 9,561,000 | 22 June 2009 | 22 June 2010 to 21 June 2019 | 11.00 |
| | 9,644,000 | - | - | 83,000 | 9,561,000 | 22 June 2009 | 22 June 2011 to 21 June 2019 | 11.00 |
| Certain employees of Zhejiang Greentown Property Management Company, Hangzhou Jinshagang Travel Cultural Company Limited and Greentown Holdings Group, all being associates 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 |
| | 1,745,000 | - | - | - | 1,745,000 | | | |
| Total | 98,188,500 | - | 1,429,750 | 380,500 | 96,378,250 | | | |

Notes:

- (1) Executive general manager of the Company.
- (2) The vesting period of the above options is from the date of grant until the commencement of the period during which they are exercisable.

During the period, 1,429,750 share options were exercised, 380,500 share options were lapsed and no share options were cancelled.

Other details regarding the Share Option Scheme should be referred to note 22 to the condensed consolidated financial statements.



Other Information

Human Resources

As at 30 June 2010, the Group employed a total of 3,257 employees (as at 30 June 2009: 2,657 employees). 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 scheme may also be granted to employees based on individual performance evaluation.

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

During the period, pursuant to the mandate to purchase shares of the Company obtained from the Company's shareholders at the 2010 annual general meeting held on 3 June 2010, the Company repurchased an aggregate of 21,076,500 shares on The Stock Exchange and these shares were subsequently cancelled by the Company and accounted for 1.28% of its total share capital. The highest repurchase price was HK\$8.63 per share, and the lowest repurchase price was HK\$7.31 per share, with a total payment of approximately RMB155 million. Except as disclosed above, neither the Company nor any of its subsidiaries has purchased, redeemed or sold any of the Company's listed securities during the period.

Interim Dividend

The Board has resolved to declare an interim dividend of RMB0.10 per ordinary share in issue in respect of the six months ended 30 June 2010 (for the six months ended 30 June 2009: HK9.6 cents) to shareholders whose names appear on the Register of Members of the Company on 10 September 2010. The interim dividend will be payable on 27 September 2010.

Closure of Register of Members

The Register of Members of the Company will be closed from Monday, 13 September 2010 to Wednesday, 15 September 2010, both days inclusive, during which period no transfer of shares will be registered. In order to qualify for the interim dividend, all transfer documents accompanied by the relevant share certificates must be lodged with the Company's 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 for registration no later than 4:30 p.m. on Friday, 10 September 2010.

Appreciation

The Board would like to take this opportunity to express its 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
Chairman

Hangzhou, the PRC
23 August 2010

Report on Review of Interim Financial Information

Deloitte. 德勤

TO THE BOARD OF DIRECTORS OF GREENTOWN CHINA HOLDINGS LIMITED
(Incorporated in the Cayman Islands with limited liability)

Introduction

We have reviewed the interim financial information set out on pages 31 to 63, which comprises the condensed consolidated statement of financial position of Greentown China Holdings Limited (the “Company”) and its subsidiaries (collectively referred to as the “Group”) as of 30 June 2010 and the related condensed consolidated statement of 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 this interim financial information in accordance with IAS 34. Our responsibility is to express a conclusion on this interim financial information 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 interim financial information consists of making enquiries, 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 interim financial information is not prepared, in all material respects, in accordance with IAS 34.

Deloitte Touche Tohmatsu
Certified Public Accountants
Hong Kong

23 August 2010

Condensed Consolidated Statement of Comprehensive Income

For the six months ended 30 June 2010

| | Notes | Six months ended 30 June | |
|---|-------|--------------------------------|--------------------------------|
| | | 2010 RMB'000 (Unaudited) | 2009 RMB'000 (Unaudited) |
| Revenue | 3 | 3,870,171 | 1,940,468 |
| Cost of sales | | (2,408,707) | (1,358,175) |
| Gross profit | | 1,461,464 | 582,293 |
| Other income | 4 | 135,984 | 43,372 |
| Reversal of impairment losses on properties under development | | - | 42,433 |
| Selling expenses | | (226,814) | (177,521) |
| Administrative expenses | | (439,511) | (293,406) |
| Finance costs | 5 | (201,832) | (192,804) |
| Net gain on redemption of the 2006 Convertible Bonds | | - | 14,267 |
| Net loss on redemption of the 2007 Convertible Bonds | 20 | (148,158) | - |
| Fair value changes on Trust-related financial derivatives | | 18,200 | (52,520) |
| Net gain on repurchase of senior notes | | - | 327,967 |
| Net gain on disposal of subsidiaries | | 4 | - |
| Share of results of jointly controlled entities | | 73,569 | 11,019 |
| Share of results of associates | | 70,481 | 163,705 |
| Profit before taxation | 6 | 743,387 | 468,805 |
| Taxation | 7 | (382,754) | (114,409) |
| Profit and total comprehensive income for the period | | 360,633 | 354,396 |
| Attributable to: | | | |
| Owners of the Company | | 331,713 | 323,176 |
| Non-controlling interests | | 28,920 | 31,220 |
| | | 360,633 | 354,396 |
| Earnings per share | 9 | | |
| Basic | | RMB0.20 | RMB0.21 |
| Diluted | | RMB0.20 | RMB0.20 |

Condensed Consolidated Statement of Financial Position

As at 30 June 2010

| | Notes | As at 30 June 2010 RMB'000 (Unaudited) | As at 31 December 2009 RMB'000 (Audited) |
|---|-------|---|---|
| NON-CURRENT ASSETS | | | |
| Property, plant and equipment | 10 | 2,450,858 | 1,965,833 |
| Investment property | | 25,000 | 25,000 |
| Interests in associates | 11 | 2,461,802 | 1,762,099 |
| Interests in jointly controlled entities | | 294,171 | 235,543 |
| Available-for-sale investments | 12 | 454,874 | 204,074 |
| Prepaid lease payment | | 151,016 | 150,882 |
| Rental paid in advance | | 12,660 | 13,026 |
| Deferred tax assets | | 567,051 | 451,859 |
| Amount due from a related party | | 10,000 | 10,000 |
| Other receivables | 22 | 30,180 | 60,359 |
| | | 6,457,612 | 4,878,675 |
| CURRENT ASSETS | | | |
| Properties for development | 13 | 17,684,240 | 14,162,037 |
| Properties under development | 14 | 44,129,418 | 29,980,628 |
| Completed properties for sale | | 1,520,350 | 1,669,485 |
| Inventories | | 28,468 | 19,962 |
| Trade and other receivables, deposits and prepayments | 15 | 3,615,890 | 3,706,736 |
| Amounts due from related parties | | 10,616,936 | 7,102,762 |
| Prepaid income taxes | | 1,793,191 | 946,883 |
| Prepaid other taxes | | 2,002,640 | 1,226,415 |
| Pledged bank deposits | 26 | 2,576,939 | 2,376,822 |
| Bank balances and cash | | 8,472,720 | 9,405,347 |
| | | 92,440,792 | 70,597,077 |
| CURRENT LIABILITIES | | | |
| Trade and other payables | 16 | 5,192,186 | 5,033,225 |
| Pre-sale deposits | 17 | 35,422,420 | 23,300,783 |
| Amounts due to related parties | | 10,557,173 | 5,362,052 |
| Dividend payable | | - | 1,367 |
| Income taxes payable | | 2,024,670 | 1,672,212 |
| Other taxes payable | | 617,384 | 911,754 |
| Bank and other borrowings (due within one year) | 18 | 10,522,322 | 8,465,194 |
| Convertible bonds | 20 | - | 2,188,166 |
| | | 64,336,155 | 46,934,753 |

Condensed Consolidated Statement of Financial Position

As at 30 June 2010

| | Notes | As at 30 June 2010 RMB'000 (Unaudited) | As at 31 December 2009 RMB'000 (Audited) |
|--|-------|---|---|
| NET CURRENT ASSETS | | 28,104,637 | 23,662,324 |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | 34,562,249 | 28,540,999 |
| NON-CURRENT LIABILITIES | | | |
| Bank and other borrowings (due after one year) | 18 | 19,334,946 | 13,946,235 |
| Amounts due to related parties | | 2,186,689 | 1,367,015 |
| Trust-related financial derivatives | 19 | 319,880 | 338,080 |
| Convertible bonds | 20 | 174,080 | - |
| Senior notes | | 260,193 | 261,514 |
| Deferred tax liabilities | | 172,765 | 179,579 |
| | | 22,448,553 | 16,092,423 |
| | | 12,113,696 | 12,448,576 |
| CAPITAL AND RESERVES | | | |
| Share capital | 21 | 166,102 | 166,605 |
| Reserves | | 9,100,440 | 9,437,541 |
| Equity attributable to owners of the Company | | 9,266,542 | 9,604,146 |
| Non-controlling interests | | 2,847,154 | 2,844,430 |
| | | 12,113,696 | 12,448,576 |

The condensed consolidated financial statements on pages 31 to 63 were approved and authorised for issue by the Board of Directors on 23 August 2010 and are signed on its behalf by:

SHOU Bainian
DIRECTOR

CHEN Shunhua
DIRECTOR

Condensed Consolidated Statement of Changes in Equity

For the six months ended 30 June 2010

| | Attributable to owners of the Company | | | | | | | | Non-controlling Interests RMB'000 | Total RMB'000 |
|--|---------------------------------------|--------------------------|----------------------------|--|--------------------------------------|----------------------------------|------------------------------|---------------------|--------------------------------------|------------------|
| | Share capital RMB'000 | Share premium RMB'000 | Special reserve RMB'000 | Statutory reserve RMB'000 (Note i) | Conversion option reserve RMB'000 | Share options reserve RMB'000 | Retained earnings RMB'000 | Subtotal RMB'000 | | |
| At 1 January 2009 (audited) | 157,395 | 5,731,008 | (678) | 279,916 | 350,806 | - | 1,691,023 | 8,209,470 | 2,071,856 | 10,281,326 |
| Profit and total comprehensive income for the period | - | - | - | - | - | - | 323,176 | 323,176 | 31,220 | 354,396 |
| Dividends (note 8) | - | - | - | - | - | - | (276,725) | (276,725) | (34,268) | (310,993) |
| Transfer (note i) | - | - | - | 35,182 | - | - | (35,182) | - | - | - |
| Recognition of equity-settled share-based payments | - | - | - | - | - | 52,290 | - | 52,290 | - | 52,290 |
| Recognition of share option premiums | - | - | - | - | - | 132,932 | - | 132,932 | - | 132,932 |
| Purchase of additional interest in subsidiaries | - | - | - | - | - | - | - | - | (355,396) | (355,396) |
| De-consolidation of a subsidiary | - | - | - | - | - | - | - | - | (6,196) | (6,196) |
| Acquisition of subsidiaries (note 23) | - | - | - | - | - | - | - | - | 60,000 | 60,000 |
| Capital contribution from non-controlling shareholders of subsidiaries | - | - | - | - | - | - | - | - | 593,300 | 593,300 |
| At 30 June 2009 (unaudited) | 157,395 | 5,731,008 | (678) | 315,098 | 350,806 | 185,222 | 1,702,292 | 8,441,143 | 2,360,516 | 10,801,659 |

Condensed Consolidated Statement of Changes in Equity

For the six months ended 30 June 2010

| | Attributable to owners of the Company | | | | | | | | Non-controlling Interests RMB'000 | Total RMB'000 |
|--|---------------------------------------|--------------------------|----------------------------|--|--------------------------------------|----------------------------------|------------------------------|---------------------|--------------------------------------|------------------|
| | Share capital RMB'000 | Share premium RMB'000 | Special reserve RMB'000 | Statutory reserve RMB'000 (Note i) | Conversion option reserve RMB'000 | Share options reserve RMB'000 | Retained earnings RMB'000 | Subtotal RMB'000 | | |
| At 1 January 2010 (audited) | 166,605 | 6,275,035 | (678) | 265,234 | 350,806 | 236,229 | 2,310,915 | 9,604,146 | 2,844,430 | 12,448,576 |
| Profit and total comprehensive income for the period | - | - | - | - | - | - | 331,713 | 331,713 | 28,920 | 360,633 |
| Dividends (note 8) | - | - | - | - | - | - | (371,254) | (371,254) | (38,169) | (409,423) |
| Transfer (note i) | - | - | - | 30,545 | - | - | (30,545) | - | - | - |
| Shares issued | 1,210 | 156,929 | - | - | - | - | - | 158,139 | - | 158,139 |
| Recognition of equity-settled share-based payments | - | - | - | - | - | 24,979 | - | 24,979 | - | 24,979 |
| Exercise of share options | 125 | 5,126 | - | - | - | (1,627) | - | 3,624 | - | 3,624 |
| Shares repurchased and cancelled | (1,845) | (153,060) | - | - | - | - | - | (154,905) | - | (154,905) |
| Shares issued on conversion of the 2007 Convertible Bonds | 7 | 1,883 | - | - | (258) | - | - | 1,632 | - | 1,632 |
| Transfer on redemption of the 2007 Convertible Bonds | - | - | - | - | (323,273) | - | 323,273 | - | - | - |
| Purchase of additional interests in subsidiaries | - | - | (331,532) | - | - | - | - | (331,532) | (169,403) | (500,935) |
| Acquisition of subsidiaries (note 23) | - | - | - | - | - | - | - | - | 96,976 | 96,976 |
| Capital contribution from non-controlling shareholders of subsidiaries | - | - | - | - | - | - | - | - | 84,400 | 84,400 |
| At 30 June 2010 (unaudited) | 166,102 | 6,285,913 | (332,210) | 295,779 | 27,275 | 259,581 | 2,564,102 | 9,266,542 | 2,847,154 | 12,113,696 |

Note:

- (i) 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 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 2010

| | Notes | Six months ended 30 June | |
|---|-------|--------------------------------|--------------------------------|
| | | 2010 RMB'000 (Unaudited) | 2009 RMB'000 (Unaudited) |
| Net cash (used in) from operating activities | | (5,413,976) | 3,491,361 |
| Net cash used in investing activities | | | |
| Additions to property, plant and equipment | | (534,397) | (180,701) |
| Repayment from (advance to) third parties | | 648,864 | (113,817) |
| Repayment from (advance to) related parties | | 427,080 | (657,046) |
| Increase in pledged deposits | | (200,117) | (401,725) |
| Acquisition of subsidiaries (net of cash and cash equivalents acquired) | 23 | (40,435) | (17,593) |
| Dividends received from associates and jointly controlled entities | | 68,536 | 237,265 |
| De-consolidation of a subsidiary | | - | (246,150) |
| Disposal of a subsidiary (net of cash and cash equivalents disposed of) | 24 | 49,004 | (336,363) |
| Purchase of available-for-sale investments | | (250,800) | (184,500) |
| Investments in associates | | (598,500) | - |
| Investments in jointly controlled entities | | (30,000) | - |
| Other investing cash flows | | 94,978 | 25,307 |
| | | (365,787) | (1,875,323) |
| Net cash from financing activities | | | |
| Bank and other borrowings raised | | 15,268,556 | 7,046,041 |
| Repayment of bank and other borrowings | | (7,962,717) | (2,538,486) |
| Advance from related parties | | 1,386,772 | 141,482 |
| Interest paid | | (826,353) | (807,831) |
| Dividends paid | | (410,791) | (2,000) |
| Purchase of additional interests in subsidiaries | | (350,935) | (9,200) |
| Repurchase of senior notes | | - | (2,122,427) |
| Redemption of the 2006 Convertible Bonds | | - | (84,497) |
| Redemption of the 2007 Convertible Bonds | | (2,199,926) | - |
| Contribution by non-controlling shareholders of subsidiaries | | 84,400 | 593,300 |
| Payment on repurchase of shares | | (154,905) | - |
| Proceeds from issue of share options | | - | 12,214 |
| Proceeds from exercise of shares options | | 3,624 | - |
| | | 4,837,725 | 2,228,596 |
| Net (decrease) increase in cash and cash equivalents | | (942,038) | 3,844,634 |
| Cash and cash equivalents at 1 January | | 9,405,347 | 1,498,021 |
| Effect of foreign exchange rate changes | | 9,411 | (1,591) |
| Cash and cash equivalents at 30 June | | 8,472,720 | 5,341,064 |
| Represented by bank balances and cash | | 8,472,720 | 5,341,064 |

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2010

1. Basis of Preparation

The condensed consolidated financial statements have been prepared in accordance 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”) and with International Accounting Standard 34 “Interim Financial Reporting”.

2. Principal Accounting Policies

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

The accounting policies used in the condensed consolidated financial statements are consistent with those followed in the preparation of the Group’s annual financial statements for the year ended 31 December 2009 except as described below.

In the current interim period, the Group has applied, for the first time, a number of new and revised standards, amendments and interpretations (“new and revised IFRSs”) issued by the International Accounting Standards Board (the “IASB”) and the IFRS Interpretations Committee of the IASB, which are effective for the Group’s financial year beginning on 1 January 2010.

Except as revisions described below, the application of these new and revised IFRSs had no material effect on the condensed consolidated financial statements of the Group for the current or prior accounting periods.

IFRS 3 (Revised) Business Combinations

IFRS 3 (Revised) Business Combinations (“IFRS 3 (Revised)”) has been applied prospectively from 1 January 2010. Its application to the accounting for the Group’s acquisition of Qianwang Meilu Food & Restaurant Co., Ltd. (“Qianwang Meilu”) in the current period did not result in any material changes, as described below.

The impact of adoption of IFRS 3 (Revised) is as follows:

- The revised standard allows a choice on a transaction-by-transaction basis for the measurement of non-controlling interests (previously referred to as “minority” interests). In the current period, in accounting for the acquisition of Qianwang Meilu, the Group has elected to measure the non-controlling interests at their proportionate share of the acquiree’s identifiable net assets;
- The revised standard changes the recognition and subsequent accounting requirements for contingent consideration. Previously, contingent consideration was recognised at the acquisition date only if it met probability and reliably measurable criteria, whereas under the revised standard, the consideration for the acquisition always includes the fair value of any contingent consideration. Once the fair value of the contingent consideration on the acquisition date has been determined, subsequent adjustments are made against the cost of the acquisition only to the extent that i) they reflect fair value on the acquisition date, and ii) they occur within the “measurement period” (a maximum of 12 months from the acquisition date). Under the previous version of the standard, adjustments to consideration were made against the cost of the acquisition. This change has had no effect on the accounting for the acquisition of Qianwang Meilu as there was no contingent consideration involved; and

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2010

2. Principal Accounting Policies (Continued)

- The revised standard requires acquisition-related costs to be accounted for separately from the business combination. Under the previous version of the standard, they would have been accounted for as part of the cost of the acquisition. This change has had no effect on the accounting for the acquisition of Qianwang Meilu as the acquisition-related costs incurred were immaterial.

Consequently, in the current period, these changes in policies have had no material effect on the accounting for the acquisition of Qianwang Meilu.

The accounting of the other acquisitions of subsidiaries as disclosed in note 23 are not affected by the application of IFRS 3 (Revised) because the subsidiaries acquired are considered to be acquisitions of assets and liabilities rather than business combinations.

IAS 27 (Revised) Consolidated and Separate Financial Statements (“IAS 27 (Revised)”)

The application of IAS 27 (Revised) has resulted in changes in the Group's accounting policies regarding increases or decreases in ownership interests in subsidiaries of the Group. In prior years, in the absence of specific requirements in IFRSs, acquisition of additional interests in subsidiaries which were not a business was accounted for as an acquisition of additional interests in assets. The difference between the consideration paid or payable and the carrying amount of non-controlling interests attributable to the acquired interest is allocated to the value of the underlying assets acquired. The impact of decreases in interests in subsidiaries which were not a business that did not involve loss of control (being the difference between the consideration received or receivable and the carrying amount of the share of net assets disposed of) was recognised in profit or loss. Under IAS 27 (Revised), all increases or decreases in such interests are dealt with in equity, with no impact on goodwill or profit or loss.

When control of a subsidiary is lost as a result of a transaction, event or other circumstance, the revised standard requires that the Group derecognises all assets, liabilities and non-controlling interests at their carrying amount. Any retained interest in the former subsidiary is recognised at its fair value on the date the control is lost. A gain or loss on loss of control is recognised in profit or loss as the difference between the proceeds, if any, and these adjustments.

In respect of the purchase of additional interests in subsidiaries which are not a business during the period, the impact of the change in policy has been that an amount of RMB331,532,000, being the difference between (i) the consideration of RMB500,935,000 comprising RMB350,935,000 in cash and new shares issued at fair value of RMB150,000,000; and (ii) the carrying amount of the non-controlling interests of RMB169,403,000, has been recognised directly in equity. Had the previous accounting policy been applied, this amount would have been added to the underlying assets acquired (comprising properties for development and properties under development). Therefore, the change in accounting policy has had no effect on the profit for the current period. In addition, cash consideration of RMB350,935,000 paid to the non-controlling shareholders has been presented as cash flow used in financing activities.

Results of the Group in future periods may be affected by future transactions, for which IFRS 3 (Revised), IAS 27 (Revised) and the consequential amendments to the other IFRSs are applicable.

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2010

2. Principal Accounting Policies (Continued)

The Group has not early applied the following new or revised standards, amendments or interpretations that have been issued but are not yet effective:

| | |
|--------------------------|--|
| IFRSs (Amendments) | Improvements to IFRSs 2010 ¹ |
| IAS 24 (Revised) | Related Party Disclosures ⁴ |
| IAS 32 (Amendment) | Classification of Rights Issues ² |
| IFRS 1 (Amendment) | Limited Exemption from Comparative IFRS 7 Disclosures for First-time Adopters ³ |
| IFRS 9 | Financial Instruments ⁵ |
| IFRIC-Int 14 (Amendment) | Prepayments of a Minimum Funding Requirement ⁴ |
| IFRIC-Int 19 | Extinguishing Financial Liabilities with Equity Instruments ³ |

¹ Effective for annual periods beginning on or after 1 July 2010 and 1 January 2011, as appropriate

² Effective for annual periods beginning on or after 1 February 2010

³ Effective for annual periods beginning on or after 1 July 2010

⁴ Effective for annual periods beginning on or after 1 January 2011

⁵ Effective for annual periods beginning on or after 1 January 2013

IFRS 9 Financial Instruments introduces new requirements for the classification and measurement of financial assets and will be effective from 1 January 2013, with earlier application permitted. The Standard requires all recognised financial assets that are within the scope of IAS 39 Financial Instruments: Recognition and Measurement to be measured at either amortised cost or fair value. Specifically, debt investments that (i) are held within a business model whose objective is to collect the contractual cash flows and (ii) have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortised cost. All other debt investments and equity investments are measured at fair value. The application of IFRS 9 might affect the classification and measurement of the Group's financial assets.

The directors of the Company anticipate that the application of the other new or revised standards, amendments or interpretations will have no material impact on the results and the financial position of the Group.

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2010

3. Revenue and Segment Information

| | Six months ended 30 June | |
|------------------|--------------------------|-----------------|
| | 2010 RMB'000 | 2009 RMB'000 |
| Property sales | 3,779,814 | 1,910,619 |
| Hotel operations | 82,370 | 25,047 |
| Other business | 7,987 | 4,802 |
| | 3,870,171 | 1,940,468 |

The chief operating decision-maker of the Group has been identified as the executive directors and certain senior management (collectively referred to as the "CODM"). Management determines the operating segments based on the Group's internal reports, which are then submitted to the CODM for performance assessment and resources allocation.

The Group's consolidated revenue and results are attributable to the market in the PRC (country of domicile) and almost all of the Group's consolidated assets are located in the PRC. The Group has identified two reportable segments, namely property development and hotel operations.

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

The CODM assess the performance of the operating segments based on the post-tax profit of the group entities engaged in the respective segment activities which includes share of results of associates and jointly controlled entities, and related finance costs. Financial information provided to the CODM is measured in a manner consistent with the accounting policies adopted in the preparation of the condensed consolidated interim financial statements.

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

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2010

3. Revenue and Segment Information (Continued)

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

| | Property development RMB'000 | Hotel operations RMB'000 | All other segments RMB'000 | Total RMB'000 |
|---|------------------------------------|--------------------------------|----------------------------------|------------------|
| Six months ended 30 June 2010 | | | | |
| Total segment revenue | 3,779,814 | 88,836 | 204,045 | 4,072,695 |
| Inter-segment revenue | - | (6,466) | (196,058) | (202,524) |
| External revenue | 3,779,814 | 82,370 | 7,987 | 3,870,171 |
| Segment results | 759,518 | (1,496) | (59,228) | 698,794 |
| Unallocated corporate expenses | | | | (51,218) |
| Other income | | | | 19,939 |
| Finance costs | | | | (161,208) |
| Fair value changes on Trust-related financial derivatives | | | | 18,200 |
| Net loss on redemption of 2007 Convertible Bonds | | | | (148,158) |
| Unallocated taxation | | | | (15,716) |
| Profit for the period | | | | 360,633 |
| Six months ended 30 June 2009 | | | | |
| Total segment revenue | 1,910,619 | 26,867 | 153,532 | 2,091,018 |
| Inter-segment revenue | - | (1,820) | (148,730) | (150,550) |
| External revenue | 1,910,619 | 25,047 | 4,802 | 1,940,468 |
| Segment results | 318,464 | (15,045) | (15,445) | 287,974 |
| Unallocated corporate expenses | | | | (79,020) |
| Finance costs | | | | (152,162) |
| Fair value changes on Trust-related financial derivatives | | | | (52,520) |
| Net gain on repurchase of senior notes | | | | 327,967 |
| Net gain on redemption of the 2006 Convertible Bonds | | | | 14,267 |
| Unallocated taxation | | | | 7,890 |
| Profit for the period | | | | 354,396 |

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2010

4. Other Income

| | Six months ended 30 June | |
|----------------------------|--------------------------|-----------------|
| | 2010 RMB'000 | 2009 RMB'000 |
| Interest income | 98,757 | 13,991 |
| Net foreign exchange gains | 20,737 | 3,636 |
| Government grants | 2,242 | 7,603 |
| Others | 14,248 | 18,142 |
| | 135,984 | 43,372 |

5. Finance Costs

| | Six months ended 30 June | |
|----------------------------|--------------------------|-----------------|
| | 2010 RMB'000 | 2009 RMB'000 |
| Interest on borrowings | 1,092,549 | 832,525 |
| Less: Interest capitalised | (890,717) | (639,721) |
| | 201,832 | 192,804 |

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2010

6. Profit Before Taxation

| | Six months ended 30 June | |
|--|--------------------------|-----------------|
| | 2010 RMB'000 | 2009 RMB'000 |
| Profit before taxation has been arrived at after charging: | | |
| Salaries and other benefits | 288,602 | 167,479 |
| Equity-settled share-based payments | 33,192 | 52,290 |
| Retirement benefits scheme contributions | 7,849 | 8,215 |
| Less: Capitalised in properties under development | (74,625) | (56,368) |
| Total staff costs | 255,018 | 171,616 |
| Depreciation of property, plant and equipment | 53,770 | 38,348 |
| Less: Capitalised in properties under development | (9,131) | (1,890) |
| | 44,639 | 36,458 |
| Cost of properties and inventories recognised as an expense | 2,408,707 | 1,358,175 |
| Amortisation of prepaid lease payment (included in selling and administrative expenses) | 3,933 | 2,077 |
| Impairment loss on goodwill (included in administrative expenses) | 9,341 | - |

7. Taxation

| | Six months ended 30 June | |
|-----------------------------------|--------------------------|-----------------|
| | 2010 RMB'000 | 2009 RMB'000 |
| Current tax: | | |
| PRC Enterprise Income Tax ("EIT") | 314,513 | 148,931 |
| PRC Land Appreciation Tax ("LAT") | 190,247 | 95,388 |
| | 504,760 | 244,319 |
| Deferred tax: | | |
| Current period | (122,006) | (129,910) |
| | 382,754 | 114,409 |

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2010

7. Taxation (Continued)

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%.

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

No provision for income tax has been made for the Company and subsidiaries established in the British Virgin Islands as they are not subject to any income tax.

All PRC subsidiaries are subject to EIT levied at a rate of 25% (2009: 25%), except for Xinjiang Sunshine Greentown Real Estate Development Co., Ltd. which is exempted from EIT for three years starting from its first profit-making year in 2005, followed by a 50% reduction for the next three years.

As at the date of this report, the relevant local tax bureaus responsible for the enforcement of LAT regulations have not required the Group to pay any LAT other than the LAT prepayments.

For the six months ended 30 June 2010, the Group has estimated and made a provision for LAT in the amount of RMB190,247,000 (for the six months ended 30 June 2009: RMB95,388,000) 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

On 19 June 2009, a special dividend of RMB0.18 per share, or RMB276,725,000 in total, was declared for the financial year ended 31 December 2008. The special dividend was paid on 16 July 2009.

On 23 October 2009, an interim dividend for 2009 of HK9.6 cents per share, or RMB130,185,000 in total, was paid to shareholders.

On 10 June 2010, a dividend of HK26 cents per share, or RMB371,254,000 in total, was paid to shareholders as the final dividend for 2009.

The Board has resolved to declare an interim dividend of RMB0.10 per ordinary share in issue in respect of the six months ended 30 June 2010 payable on 27 September 2010 to shareholders whose names appear on the Register of Members of the Company on 10 September 2010.

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2010

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 | |
|---|--------------------------|-----------------|
| | 2010 RMB'000 | 2009 RMB'000 |
| Earnings for the purpose of basic earnings per share (profit for the period attributable to owners of the Company) | 331,713 | 323,176 |
| Effect of dilutive potential ordinary shares: | | |
| Net gain on redemption of the 2006 Convertible Bonds | - | (14,267) |
| Earnings for the purpose of diluted earnings per share | 331,713 | 308,909 |

Number of shares

| | Six months ended 30 June | |
|---|--------------------------|----------------------|
| | 2010 | 2009 |
| Weighted average number of ordinary shares for the purpose of basic earnings per share | 1,651,421,760 | 1,537,361,607 |
| Effect of dilutive potential ordinary shares: | | |
| The 2006 Convertible Bonds | - | 324,301 |
| Share options | 26,515,994 | 13,914,190 |
| Weighted average number of ordinary shares for the purpose of diluted earnings per share | 1,677,937,754 | 1,551,600,098 |

The computation of diluted earnings per share for the six months ended 30 June 2009 and 30 June 2010 does not assume the conversion of the Company's outstanding 2007 Convertible Bonds since their exercise would result in an increase in earnings per share.

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2010

10. Property, Plant and Equipment

During the period, the Group incurred additional expenditure on property, plant and equipment in the amount of RMB537,576,000 (for the six months ended 30 June 2009: RMB180,701,000), in which RMB464,526,000 (for the six months ended 30 June 2009: RMB166,931,000) was spent on the construction of its hotel properties. In addition, the Group disposed of certain motor vehicles and equipment at their carrying amount of RMB2,080,000 (for the six months ended 30 June 2009: RMB656,000).

Details of the buildings and construction in progress pledged to secure banking facilities granted to the Group are disclosed in note 26.

11. Interests in Associates

During the period, the Group invested in newly set up associates, which are all engaged in the property development business, in the amount of RMB451,500,000. In addition, the Group made an additional capital contribution of RMB147,000,000 to an existing associate.

12. Available-for-Sale Investments

During the period, the Group invested RMB100,000,000 for a 10% equity interest in a newly set up entity engaged in the property development business and provided a shareholder loan of RMB858,000,000 to the entity (included in other receivables as disclosed in note 15) which bears interest at 8% per annum and repayable within 12 months. In addition, as disclosed in note 19(ii), the Group subscribed for all the ordinary units of a trust established during this period for RMB150,000,000.

13. Properties for Development

Included in properties for development is an amount of RMB7,189,825,000 (as at 31 December 2009: RMB6,891,411,000) as at 30 June 2010 which represents prepayments made in respect of long-term leasehold land. As at 30 June 2010, the Group was in the process of obtaining the land use rights certificates for such land included in the balance of properties for development.

All properties for development are expected to be recovered after more than 12 months.

14. Properties under Development

| | As at 30 June 2010 RMB'000 | As at 31 December 2009 RMB'000 |
|------------------------------------|----------------------------------|--------------------------------------|
| Long-term leasehold land - at cost | 30,053,716 | 19,207,286 |
| Development costs | 11,096,528 | 8,496,511 |
| Finance costs capitalised | 2,979,174 | 2,276,831 |
| | 44,129,418 | 29,980,628 |

Properties under development amounting to RMB19,185,234,000 (as at 31 December 2009: RMB23,675,421,000) are expected to be recovered after more than 12 months.

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2010

15. Trade and Other Receivables, Deposits and Prepayments

| | As at 30 June 2010 RMB'000 | As at 31 December 2009 RMB'000 |
|--------------------------|----------------------------------|--------------------------------------|
| Trade receivables | 174,737 | 179,933 |
| Other receivables | 1,591,190 | 1,177,975 |
| Prepayments and deposits | 1,849,963 | 2,348,828 |
| | 3,615,890 | 3,706,736 |

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

| | As at 30 June 2010 RMB'000 | As at 31 December 2009 RMB'000 |
|----------------|----------------------------------|--------------------------------------|
| Within 30 days | 101,366 | 137,468 |
| 31 - 90 days | 7,582 | 8,353 |
| 91 - 180 days | 26,318 | 3,069 |
| 181 - 365 days | 35,031 | 15,155 |
| Over 365 days | 4,440 | 15,888 |
| | 174,737 | 179,933 |

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2010

16. Trade and Other Payables

| | As at 30 June 2010 RMB'000 | As at 31 December 2009 RMB'000 |
|-------------------------------------|----------------------------------|--------------------------------------|
| Trade payables | 3,538,259 | 3,433,629 |
| Other payables and accrued expenses | 1,653,927 | 1,599,596 |
| | 5,192,186 | 5,033,225 |

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

| | As at 30 June 2010 RMB'000 | As at 31 December 2009 RMB'000 |
|----------------|----------------------------------|--------------------------------------|
| Within 30 days | 2,109,404 | 2,373,452 |
| 31 - 90 days | 152,595 | 183,009 |
| 91 - 180 days | 612,363 | 172,634 |
| 181 - 365 days | 343,440 | 456,886 |
| Over 365 days | 320,457 | 247,648 |
| | 3,538,259 | 3,433,629 |

17. 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.

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2010

18. Bank and Other Borrowings

| | As at 30 June 2010 RMB'000 | As at 31 December 2009 RMB'000 |
|-------------------------------------|----------------------------------|--------------------------------------|
| Secured bank loans (note 26) | 23,664,264 | 18,151,925 |
| Unsecured bank loans | 2,715,000 | 3,542,036 |
| | 26,379,264 | 21,693,961 |
| Secured other loans (note 26) | 2,558,722 | 227,474 |
| Unsecured other loans | 919,282 | 489,994 |
| | 3,478,004 | 717,468 |
| | 29,857,268 | 22,411,429 |
| The amount is repayable as follows: | | |
| Amounts due within one year | 10,522,322 | 8,465,194 |
| Amounts due after one year | 19,334,946 | 13,946,235 |
| | 29,857,268 | 22,411,429 |

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

| | As at 30 June 2010 RMB'000 | As at 31 December 2009 RMB'000 |
|------------------------------|----------------------------------|--------------------------------------|
| Secured bank loans | | |
| Independent third parties | 5,556 | 27,549 |
| Non-controlling shareholders | 290,000 | 292,000 |
| Officer | 20,468 | - |
| | 316,024 | 319,549 |
| Unsecured bank loans | | |
| Non-controlling shareholders | - | 102,000 |

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2010

19. Trust Financing

(i) Trust (as defined in the 2009 consolidated financial statements)

The movements of the liability component and Trust-related financial derivatives for the period under review are set out below:

| | Liability component RMB'000 | Trust Put RMB'000 | Guarantee RMB'000 | RMB1 Option RMB'000 | Total RMB'000 |
|------------------------------------|--------------------------------|----------------------|----------------------|---------------------------|------------------|
| At 1 January 2010 | 1,367,015 | 169,900 | 167,950 | 230 | 1,705,095 |
| Interest charged during the period | 158,415 | - | - | - | 158,415 |
| Changes in fair value | - | 114,450 | (134,200) | 1,550 | (18,200) |
| At 30 June 2010 | 1,525,430 | 284,350 | 33,750 | 1,780 | 1,845,310 |

In addition to the Trust, the Group entered into further trust financing arrangements during the six months ended 30 June 2010 as follows:

(ii) Cooperation with China Ping An Trust & Investment Co., Ltd. ("Ping An Trust")

On 31 December 2009, Greentown Real Estate Group Co., Ltd. ("Greentown Real Estate"), an indirect wholly-owned subsidiary of the Company, entered into a framework cooperation agreement with Ping An Trust pursuant to which Greentown Real Estate agreed to, among other things, (i) make a capital injection of RMB300,000,000 into Zhejiang Newspapering Greentown Real Estate Development Co., Ltd ("Zhejiang Newspapering Project Company"); (ii) after the capital injection, dispose its 50% equity interest in Zhejiang Newspapering Project Company to Ping An Trust at RMB200,000,000 upon satisfaction of certain conditions; (iii) provide an entrusted loan in an aggregate amount of RMB1,300,000,000 to Zhejiang Newspapering Project Company through certain banks and assign the entrusted loan to Ping An Trust upon satisfaction of certain conditions; (iv) provide and procure provision of a security package in favour of Ping An Trust to secure the obligations of Zhejiang Newspapering Project Company under the entrusted loan upon it being assigned to Ping An Trust and the obligations of Greentown Real Estate under a repurchase agreement; and (v) repurchase the 50% equity interest in Zhejiang Newspapering Project Company from Ping An Trust at RMB200,000,000 after 12 months from the date of completion of the disposal.

Ping An Trust agreed to establish a trust with a fund size of RMB1,500,000,000 after the capital injection for the purpose of acquisition of the 50% equity interest in Zhejiang Newspapering Project Company and the entrusted loan from Greentown Real Estate. The duration of the trust shall be 12 months from the trust establishment date, or 15 months if the entrusted loan is extended.

The trust was established on 13 January 2010 and the aforementioned transactions were completed on 13 January 2010.

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2010

19. Trust Financing (Continued)

(ii) Cooperation with China Ping An Trust & Investment Co., Ltd. ("Ping An Trust") (Continued)

Before completion of the disposal, Greentown Real Estate controlled 100% equity interest in Zhejiang Newspapering Project Company. After completion of the disposal on 13 January 2010, as Greentown Real Estate is entitled to appoint the majority of the composition of the board of directors of Zhejiang Newspapering Project Company, Zhejiang Newspapering Project Company remains a subsidiary of the Company after the disposal. Furthermore, Greentown Real Estate still has in substance a present ownership interest of 100% in Zhejiang Newspapering Project Company.

The trust financing arrangements set out above are considered to be a sale and repurchase arrangement. This sale and repurchase arrangement is accounted for as a financing arrangement rather than a disposal of equity interest in Zhejiang Newspapering Project Company.

The net proceeds received from the capital injection and entrusted loan are considered to be a liability and classified as a current amount due to related party by virtue of the trust's representation on the the board of directors of Zhejiang Newspapering Project Company. The contractual interest rate on the entrusted loan of RMB1,300 million is 11.5% per annum. The interest charged for the period is calculated by applying an effective interest rate of approximately 10% per annum to the liability since the trust establishment date.

The movements of the liability for the period under review are set out below:

| | RMB'000 |
|------------------------------------|------------------|
| At 13 January 2010 | 1,500,000 |
| Interest charged during the period | 67,776 |
| At 30 June 2010 | 1,567,776 |

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2010

19. Trust Financing (Continued)

(iii) Cooperation with Zhongtai Trust Co., Ltd. (“Zhongtai Trust”)

On 27 January 2010, Greentown Real Estate, Shanghai Greentown Woods Golf Villas Development Co., Ltd. (“Shanghai Greentown”), an indirect wholly-owned subsidiary of the Company, and Zhongtai Trust entered into a framework cooperation agreement. Pursuant to the framework cooperation agreement, (a) Zhongtai Trust shall establish a trust with a capital of not more than RMB1,650,000,000 and not less than RMB880,000,000 for the purposes of (i) the capital injection of RMB96,080,000 by Zhongtai Trust into Shanghai Greentown for the subscription of a 49% equity interest in Shanghai Greentown; and (ii) the acquisition of the part of a shareholders’ loan in the amount of not less than RMB783,920,000 to be provided by Greentown Real Estate to Shanghai Greentown (the “Assigned Shareholders’ Loan”); (b) Zhongtai Trust shall act as the trustee of the trust; (c) Greentown Real Estate shall subscribe for all the ordinary units of the trust in cash by its internal resources; (d) Zhongtai Trust shall use part of the trust capital in the amount of RMB96,080,000 for the capital injection into Shanghai Greentown for the subscription of a 49% equity interest in Shanghai Greentown; (e) before the trust establishment date, Greentown Real Estate shall enter into an entrusted loan agreement with a financial institution in the PRC to provide the shareholders’ loan through the financial institution to Shanghai Greentown; (f) after the establishment of the trust, Greentown Real Estate shall assign the Assigned Shareholders’ Loan to Zhongtai Trust and the consideration for the Assigned Shareholders’ Loan shall be the balance of the trust capital after deducting the amount for the capital injection; (g) Greentown Real Estate shall provide a guarantee in favour of Zhongtai Trust in respect of the repayment obligations of Shanghai Greentown in relation to the Assigned Shareholders’ Loan and the interest accrued thereon; (h) Greentown Real Estate shall provide an equity pledge in respect of its 51% direct equity interest in Shanghai Greentown in favour of Zhongtai Trust to secure the performance of the repayment obligations of Shanghai Greentown in relation to the Assigned Shareholders’ Loan and the interest accrued thereon; (i) Greentown Real Estate shall provide a guarantee on return and a guarantee on net asset value to Zhongtai Trust; and (j) Greentown Real Estate shall deposit the escrow dividends that may be distributed by Shanghai Greentown in an escrow account to secure the payment obligations of Greentown Real Estate under the various documents.

On or before the trust establishment date, Greentown Real Estate and Zhongtai Trust would enter into a custodian agreement with a custodian bank. Pursuant to the custodian agreement, Greentown Real Estate shall pay a custodian fee in an amount of not more than RMB30,000,000 to the custodian bank for the holding of the trust capital.

Before the capital injection, Greentown Real Estate held all of the equity interest in Shanghai Greentown. After the capital injection, as Greentown Real Estate is entitled to appoint the majority of the composition of the board of directors of Shanghai Greentown, Shanghai Greentown remains a subsidiary of the Company after the disposal. Furthermore, Greentown Real Estate still has in substance a present ownership interest of 100% in Shanghai Greentown.

The trust was established on 11 February 2010 and the aforementioned transactions were completed on 11 February 2010.

The trust financing arrangements set out above are considered to be a sale and repurchase arrangement. This sale and repurchase arrangement is accounted for as a financing arrangement rather than a disposal of equity interest in Shanghai Greentown.

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2010

19. Trust Financing (Continued)

(iii) Cooperation with Zhongtai Trust Co., Ltd. (“Zhongtai Trust”) (Continued)

The net proceeds received from the capital injection and Assigned Shareholders’ Loan are considered to be a liability and classified into current (RMB1,003,900,000) and non-current (RMB646,100,000) amounts due to related party according to the terms of the trust by virtue of the trust’s representation on the board of directors of Shanghai Greentown. The contractual interest rate on the Assigned Shareholders’ Loan of RMB1,553.9 million is 9.3% per annum. The interest charged for the period is calculated by applying an effective interest rate of approximately 9.3% per annum to the liability since the trust establishment date.

The movements of the liability for the period under review are set out below:

| | RMB’000 |
|------------------------------------|------------------|
| At 11 February 2010 | 1,650,000 |
| Interest charged during the period | 69,863 |
| Interest paid during the period | (39,307) |
| At 30 June 2010 | 1,680,556 |

20. Convertible Bonds

On 16 April 2010, the deadline for the submission of the put exercise notice in respect of the 2007 Convertible Bonds, the Company received from certain bondholders put exercise notices requiring the Company to redeem part of the 2007 Convertible Bonds with an aggregate principal amount of RMB2,128,700,000, representing 92.15% of the total principal amount of the 2007 Convertible Bonds outstanding as at 31 December 2009. Such portion of the 2007 Convertible Bonds were redeemed for RMB2,199,926,000 on 18 May 2010. A loss of RMB148,158,000 was recognized in profit or loss for the period ended 30 June 2010 as a result of a revision in estimates of the expected payments over the expected life of the 2007 Convertible Bonds.

In addition, certain holders of the 2007 Convertible Bonds with an aggregate principal amount of RMB1,700,000 opted to convert their holdings into 78,540 shares in the Company at a conversion price of HK\$21.99 per share. Such conversion shares were issued on 16 April 2010.

As at 30 June 2010, the remaining 2007 Convertible Bonds due on 18 May 2012 were classified as a non-current liability.

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2010

21. Share Capital

| | Number of shares | Share capital HKD'000 |
|--|----------------------|--------------------------|
| <i>Issued and fully paid</i> | | |
| Ordinary shares of HK\$0.10 each | | |
| As at 1 January 2009 and 30 June 2009 | 1,537,361,607 | 153,736 |
| As at 1 January 2010 | 1,641,850,107 | 164,185 |
| Issue of remuneration shares to former Chief Financial Officer of the Company | 740,000 | 74 |
| Issued in part consideration for the acquisition of Grandlink Development Limited | 13,010,000 | 1,301 |
| Exercise of share options | 1,429,750 | 143 |
| Issued on conversion of 2007 Convertible Bonds | 78,540 | 8 |
| Shares repurchased and cancelled | (21,076,500) | (2,108) |
| As at 30 June 2010 | 1,636,031,897 | 163,603 |
| | | RMB'000 |
| Shown on the condensed consolidated statement of financial position | | |
| As at 31 December 2009 | | 166,605 |
| As at 30 June 2010 | | 166,102 |

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2010

22. Share-based Payments

The Company has a share option scheme for eligible employees of the Group. Details of the share options outstanding during the current period are as follows:

| | Number of share options |
|------------------------------------|-------------------------|
| Outstanding at 1 January 2010 | 98,188,500 |
| Exercised during the period | (1,429,750) |
| Forfeited during the period | (380,500) |
| Outstanding at 30 June 2010 | 96,378,250 |

In the current period, no share options were granted.

The weighted average closing price of the Company's shares immediately before the dates on which the options were exercised was HK\$8.89.

HK\$1.00 is payable for each acceptance of grant of share options. In addition, (i) in respect of the 2009A share options (as defined in the 2009 consolidated financial statements), certain grantees were required to pay an option premium of HK\$1.00 per share option up front; and (ii) in respect of the 2009C share options (as defined in the 2009 consolidated financial statements), certain grantees were required to pay an option premium of HK\$3.50 per share option in three annual instalments. As at 30 June 2010, share option premiums receivable amounting to RMB90,538,000 (as at 31 December 2009: RMB60,359,000) and RMB30,180,000 (as at 31 December 2009: RMB60,359,000) were included in current other receivables and non-current other receivables respectively according to the payment terms of the share option premiums.

At each reporting date, the Group revises its estimates of the number of share options that are expected to ultimately vest. The impact of the revision of the estimates, if any, is recognised in profit and loss, with a corresponding adjustment to the share options reserve.

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2010

23. Acquisition of Subsidiaries

Particulars of the subsidiaries acquired during the six months ended 30 June 2010 were as follows:

| Acquired company | Principal activities | Acquisition date | Equity interest acquired | Consideration RMB'000 |
|---|-------------------------|------------------|--------------------------|-----------------------|
| 創興發展有限公司 Grandlink Development Co., Ltd. | Investment holding | 6 January 2010 | 100% | Note (i) |
| 天津逸駿投資有限公司 Tianjin Yijun Real Estate Development Co., Ltd. | Real estate development | 13 January 2010 | 80% | 8,000 |
| 杭州銀嘉房地產開發有限公司 Hangzhou Yinjia Real Estate Development Co., Ltd. | Real estate development | 21 January 2010 | 56% | 60,000 |
| 錢王美廬餐飲有限公司 Qianwang Meilu Food & Restaurant Co., Ltd. (“Qianwang Meilu”) | Food and entertainment | 31 January 2010 | 80% | 10,000 |
| 紹興綠城金昌置業有限公司 Shaoxing Greentown Jinchang Real Estate Development Co., Ltd. (“Shaoxing Greentown Jinchang”) (Note (ii)) | Real estate development | 12 April 2010 | 51% | 30,000 |
| | | | | 108,000 |

Notes:

- (i) On 16 December 2009, the Company, Richwise Holdings Limited, a wholly-owned subsidiary of the Company, Mr GUO Jiafeng, an executive director of the Company, and Jamuta Investments Limited (“Jamuta”), which is wholly-owned by Mr GUO, entered into an agreement, pursuant to which, among other things, Richwise agreed to buy, and Jamuta agreed to sell, the entire issued share capital of Grandlink Development Limited (“Grandlink”), a wholly-owned subsidiary of Jamuta, for RMB250 million (the “Consideration”).

Before the completion of this acquisition, Mr GUO wholly owned Jamuta, which wholly owned Grandlink, which, in turn, wholly owned Zhoushan Yihua Design Consultancy Co., Ltd. (“Zhoushan Yihua”). Further, before the completion of this acquisition, Mr GUO wholly owned Zhoushan Xianghe Design Consultancy Co., Ltd. (“Zhoushan Xianghe”), which owned 13% of the equity interest in Hangzhou Yuhang Greentown Real Estate Development Co., Ltd. (“Yuhang Greentown”) (with the remaining 51% and 36% equity interest in Yuhang Greentown being owned by Greentown Real Estate and other investors, respectively). Before the completion of this acquisition, Zhoushan Yihua will acquire the entire equity interest in Zhoushan Xianghe from Mr GUO under a separate agreement.

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2010

23. Acquisition of Subsidiaries (Continued)

Notes: (Continued)

Immediately before the completion of this acquisition, Grandlink would own indirectly (through Zhoushan Yihua and Zhoushan Xianghe) 13% of the equity interest in Yuhang Greentown. The Consideration would be satisfied by way of (i) a loan in the amount of RMB4 million to be procured by Richwise for Zhoushan Yihua for the purpose of financing its acquisition of the entire equity interest in Zhoushan Xianghe from Mr GUO, (ii) RMB96 million in cash; and (iii) RMB150 million by the allotment and issue of 13,010,000 new shares in the Company to Jamuta (or its nominee(s)) at an issue price of HK\$13.09 per share.

This acquisition was completed on 6 January 2010 and accounted for a purchase of additional interest in Yuhang Greentown.

- (ii) Shaoxing Greentown Jinchang was previously a 21%-owned associate of the Group.

Particulars of the subsidiaries acquired during the six months ended 30 June 2009 were as follows:

| Acquired company | Principal activities | Acquisition date | Equity interest acquired | Consideration RMB'000 |
|--|-------------------------|------------------|--------------------------|--------------------------|
| 浙江報業綠城房地產開發有限公司 Zhejiang Newspapering Greentown Real Estate Development Co., Ltd (note i) | Real Estate Development | 18 May 2009 | 100% | 100,000 |
| 杭州休博園湖畔綠景休閒開發有限公司 Hangzhou Xiuboyuan Hupan Lvjing Xiuxian Development Co., Ltd. (note ii) | Real Estate Development | 25 May 2009 | 50% | 60,000 |
| | | | | 160,000 |

Notes:

- (i) Zhejiang Newspapering Greentown Real Estate Development Co. Ltd. was previously a wholly owned subsidiary of Zhejiang Newspapering Greentown Investment Co., Ltd., a jointly controlled entity of the Group.
- (ii) The Group has the right to appoint a majority of directors for the board of directors and hence has the power to direct the financial and operational policies of Hangzhou Xiuboyuan Hupan Lvjing Xiuxian Development Co., Ltd. Therefore, it is accounted for as a subsidiary of the Group.

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2010

23. Acquisition of Subsidiaries (Continued)

A summary of the effects of acquisitions of these subsidiaries except Grandlink is as follows:

| | 2010 RMB'000 | 2009 RMB'000 |
|--|-----------------|-----------------|
| Net assets acquired: | | |
| Property, plant and equipment | 2,995 | 1,247 |
| Properties for development | - | 1,244,750 |
| Properties under development | 615,776 | 97,681 |
| Inventories | 639 | - |
| Trade and other receivables | 609,339 | 58,349 |
| Amounts due from related parties | 60,000 | - |
| Bank balances and cash | 67,565 | 42,407 |
| Trade and other payables | (277,587) | (1,224,226) |
| Amounts due to related parties | (696,564) | - |
| Income tax and other taxes payable | (22) | (7) |
| Bank borrowings | (166,892) | - |
| | 215,249 | 220,201 |
| Goodwill | 9,341 | - |
| Non-controlling interests | (96,976) | (60,000) |
| | 127,614 | 160,201 |
| Less: Interests previously held and classified as jointly controlled entities/associates | (19,614) | (201) |
| | 108,000 | 160,000 |
| Total consideration, satisfied by: | | |
| Other payables | - | 100,000 |
| Cash | 108,000 | 60,000 |
| | 108,000 | 160,000 |
| Net cash outflow arising on acquisition | | |
| Cash paid | (108,000) | (60,000) |
| Bank balances and cash acquired | 67,565 | 42,407 |
| | (40,435) | (17,593) |

These acquisitions have been accounted for as acquisitions of assets and liabilities as the subsidiaries acquired are not businesses except for Qianwang Meilu, the acquisition of which have been accounted for as an acquisition of business. The non-controlling interest in Qianwang Meilu recognised at the acquisition date was measured by reference to its proportionate share of Qianwang Meilu's identifiable net assets and amounted to RMB165,000. The goodwill arising from the acquisition of Qianwang Meilu was subsequently written off in the current period.

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2010

23. Acquisition of Subsidiaries (Continued)

Qianwang Meilu contributed revenue amounted to RMB6.4 million to the Group for the period between the date of acquisition and the end of the period. The loss attributable to Qianwang Meilu amounted to RMB0.7 million, which have been recognised in the Group's profit for the period between the date of acquisition and the end of the period.

Had the acquisition of Qianwang Meilu been effected at 1 January 2010, the effect on the Group's revenue and profit for the six months ended 30 June 2010 would have been insignificant.

24. Disposal of a Subsidiary

On 31 March 2010, the Group disposed of its 100% equity interest in Changxing Huadi Real Estate Co, Ltd. ("Changxing Huadi") to Wuxi Huadi Investment Management Co, Ltd.

The net assets of Changxing Huadi disposed of at the date of disposal were as follows:

| | 2010 RMB'000 | 2009 RMB'000 |
|---|-----------------|-----------------|
| Net assets disposed of: | | |
| Property, plant and equipment | - | 40 |
| Properties for development | 75,000 | - |
| Properties under development | - | 1,284,982 |
| Trade and other receivables, deposits and prepayments | - | 1,243 |
| Bank balances and cash | 996 | 184,145 |
| Trade and other payables | - | (36,231) |
| Amounts due to related parties | (26,000) | (1,117,994) |
| Other taxes payable | - | (89) |
| Bank borrowings | - | (180,000) |
| | 49,996 | 136,096 |
| Shareholder loans | - | 1,088,650 |
| Gain on disposal of a subsidiary | 4 | - |
| Total Consideration | 50,000 | 1,224,746 |
| Satisfied by: | | |
| Cash | 50,000 | - |
| Cash consideration paid | - | (152,218) |
| 40% net assets of Hangzhou Greentown Haiqi | - | 1,376,964 |
| | 50,000 | 1,224,746 |
| Net cash inflow arising on disposal | | |
| Cash received | 50,000 | |
| Cash paid | - | (152,218) |
| Bank balances and cash disposed of | (996) | (184,145) |
| | 49,004 | (336,363) |

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2010

25. Commitments

| | As at 30 June 2010 RMB'000 | As at 31 December 2009 RMB'000 |
|--|----------------------------------|--------------------------------------|
| Commitments contracted for but not provided in the condensed consolidated financial statements in respect of properties for development, properties under development and construction in progress | 25,106,127 | 21,485,272 |

In addition to the above, the Group's share of the commitments of its jointly controlled entities are as follows:

| | As at 30 June 2010 RMB'000 | As at 31 December 2009 RMB'000 |
|---------------------------------|----------------------------------|--------------------------------------|
| Contracted for but not provided | 554,493 | 533,741 |

26. Pledge of Assets

At the end of the period, apart from the equity pledge discussed in note 19, the following assets were pledged to banks and other parties to secure credit facilities granted to the Group:

| | As at 30 June 2010 RMB'000 | As at 31 December 2009 RMB'000 |
|----------------------------------|----------------------------------|--------------------------------------|
| Land and buildings | 65,902 | 65,449 |
| Hotel buildings | 1,028,896 | 1,042,707 |
| Prepaid lease payment | 40,063 | 60,865 |
| Construction in progress | - | 8,369 |
| Properties for development | 2,925,608 | 1,242,287 |
| Properties under development | 18,177,106 | 17,705,303 |
| Completed properties for sale | 13,920 | 104,818 |
| Bank deposits | 2,576,939 | 2,376,822 |
| Interest in associates | 7,940 | 4,268 |
| Amounts due from related parties | 236,513 | 576,682 |
| | 25,072,887 | 23,187,570 |

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2010

27. Contingent Liabilities

Guarantees

The Group provided guarantees of RMB16,827,093,000 as at 30 June 2010 (as at 31 December 2009: RMB10,106,230,000) 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 in respect of bank facilities utilised by the following companies:

| | As at 30 June 2010 RMB'000 | As at 31 December 2009 RMB'000 |
|-----------------------------|----------------------------------|--------------------------------------|
| Associates | 3,963,250 | 3,730,700 |
| Jointly controlled entities | 1,016,000 | 1,439,000 |
| | 4,979,250 | 5,169,700 |

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

| | As at 30 June 2010 RMB'000 | As at 31 December 2009 RMB'000 |
|---|----------------------------------|--------------------------------------|
| Mortgage loan guarantees provided by associates to banks in favour of their customers | 2,202,664 | 1,921,789 |

Contingent liabilities arising from interests in jointly controlled entities at the end of the period:

| | As at 30 June 2010 RMB'000 | As at 31 December 2009 RMB'000 |
|--|----------------------------------|--------------------------------------|
| Mortgage loan guarantees provided by jointly controlled entities to banks in favour of their customers | 1,323,723 | 528,385 |

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2010

28. Related Party Disclosures

- (i) During the six months ended 30 June 2010, in addition to those disclosed in notes 18 and 27, the Group had the following significant transactions with related parties.

| | Six months ended 30 June | |
|---|--------------------------|-----------------|
| | 2010 RMB'000 | 2009 RMB'000 |
| Sales of properties to officers | 26,132 | 39,160 |
| Sales of materials to associates | 2,372 | 551 |
| Sales of property, plant and equipment to non-controlling shareholders | 10,302 | - |
| Sales of materials to jointly controlled entities | 292 | 1,073 |
| Construction service income from Shareholders' Companies | 34 | - |
| Construction service income from associates | 995 | 1,691 |
| Construction service income from jointly controlled entities | - | 693 |
| Construction fees paid to Shareholders' Companies | 2,781 | - |
| Rental expense to Shareholders' Companies | 46 | 3,881 |
| Purchases from Shareholders' Companies (note) | 3,347 | 1,151 |
| Property management fees paid to Shareholders' Companies | 6,073 | 8,129 |
| Interest income arising from trade balances due from associates | 70,270 | 17,407 |
| Interest income arising from amounts due from jointly controlled entities | 14,650 | 38,674 |
| Interest expense paid to non-controlling shareholders | 23,598 | 84,051 |
| Interest income arising from non-controlling shareholders | 35,957 | - |
| Interest expenses arising from amounts due to associates | 26,009 | 38,477 |

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2010

28. Related Party Disclosures – Continued

- (i) During the six months ended 30 June 2010, in addition to those disclosed in notes 18 and 27, the Group had the following significant transactions with related parties. – continued

| | Six months ended 30 June | |
|---|--------------------------|-----------------|
| | 2010 RMB'000 | 2009 RMB'000 |
| Interest expenses arising from amounts due to jointly controlled entities | 133,802 | 54,529 |
| Advertising expenses paid to Shareholders' Companies | 20,000 | 20,000 |
| Other services fees to Shareholders' Companies | 2,527 | 1,490 |
| Other income from Shareholders' Companies | 120 | 731 |
| Other income from associates | - | 34 |
| Sales commission paid to Shareholder's Companies | 86 | - |

Note: Purchases from Shareholders' Companies represented raw materials purchased for use by construction contractors, the costs of which are included in the overall construction contracts.

Shareholders' Companies represent companies owned by SONG Weiping, SHOU Bainian and XIA Yibo, the ultimate controlling shareholders of the Company.

- (ii) During the six months ended 30 June 2010, the Group made the following acquisitions from related parties:

| | Six months ended 30 June | |
|--|--------------------------|-----------------|
| | 2010 RMB'000 | 2009 RMB'000 |
| Purchase of additional interests in subsidiaries from non-controlling shareholders | 500,935 | 161,418 |

- (iii) Compensation of key management personnel

The remuneration of directors and other members of key management during the six months ended 30 June 2010 was as follows:

| | Six months ended 30 June | |
|-------------------------------------|--------------------------|-----------------|
| | 2010 RMB'000 | 2009 RMB'000 |
| Short-term benefits | 17,676 | 13,843 |
| Post-employment benefits | 176 | 210 |
| Equity-settled share-based payments | 14,792 | 19,186 |
| | 32,644 | 33,239 |

Definition

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

| | |
|---------------------|---|
| Board | The Board of Directors of the Company |
| Company/Greentown | Greentown China Holdings Limited, an exempted company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the Main Board of the Stock Exchange |
| GFA | Gross floor area |
| Greentown Group | Greentown China Holdings Limited, its subsidiaries together with its associates and jointly controlled entities |
| Group | Greentown China Holdings Limited and its subsidiaries |
| Listing Rules | The Rules Governing the Listing of Securities on the Stock Exchange |
| Model Code | Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Listing Rules |
| Options | Share options in respect of the Share Option Scheme |
| Ping An Trust | Ping An Trust & Investment Co., Ltd |
| PRC/China | The People's Republic of China |
| the period | The six months ended 30 June 2010 |
| 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 |
| sq.m. | Square metres |
| Stock Exchange | The Stock Exchange of Hong Kong Limited |
| Zhonghai Trust | Zhonghai Trust Company Ltd |
| EIT | Enterprise Income Tax |
| LAT | Land Appreciation Tax |

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