



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)

2011
Interim Report
中期報告



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CORPORATE Profile

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

From 2005 to 2011, we have been ranked for seven consecutive years as one of the TOP 10 property enterprises in China jointly 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.

Greentown China Holdings Limited (“Greentown”, “our Company” or “the Company”), and its subsidiaries (the “Group”), together with its jointly controlled entities and associates (the “Greentown Group”), is one of the leading property developers in the People’s Republic of China (the “PRC” or “China”). It commands a leading position in the industry by leveraging on its quality properties. From 2005 to 2011, we have been ranked for seven consecutive years as one of the TOP 10 property enterprises in China jointly by four authoritative institutions, including 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.

Since its establishment 17 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 commencement of the Group’s national expansion strategy in 2000, Greentown has successfully extended its business to other important cities such as Shanghai, Nanjing, Suzhou, Wuxi and Nantong in Yangtze River Delta, Beijing, Tianjin, Qingdao, Jinan and Dalian in Bohai Rim Region, as well as other provincial cities such as Hefei in Anhui province, Zhengzhou in Henan province, Changsha in Hunan 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 2011, the total GFA of the Greentown Group’s premier land bank comprised over 40 million sqm., which ensures the Group’s sustainable and steady development in the next five to seven 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 have 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

Auditor

Deloitte Touche Tohmatsu

Legal Advisors to Our Company

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

Company Secretary

Mr FUNG Ching, Simon

Authorized Representatives

Mr SHOU Bainian
Mr FUNG Ching, Simon

Principal Bankers

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

Principal Place of Business in Hong Kong

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

Hangzhou Headquarters

10/F, Block A, Century Plaza
1 Hangda Road
Hangzhou, Zhejiang
PRC
(Postal code: 310007)

Investor Relations

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

Stock Code

HKEx: 03900

Websites

www.chinagreentown.com
www.greentownchina.com

BOARD of Directors

Directors

Executive Directors

Mr SONG Weiping

(Chairman)

Mr SHOU Bainian

(Executive Vice Chairman)

Mr LUO Zhaoming

(Vice Chairman)

Mr GUO Jiafeng

Mr CAO Zhounan

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

Nomination Committee

Mr SZE Tsai Ping, Michael

(Chairman)

Mr SHOU Bainian

Mr TANG Shiding

Mr XIAO Zhiyue

Remuneration Committee

Mr JIA Shenghua

(Chairman)

Mr SHOU Bainian

Mr SZE Tsai Ping, Michael

Note:

The following changes have been effected up till the date of this interim report and the information provided above has incorporated such changes:

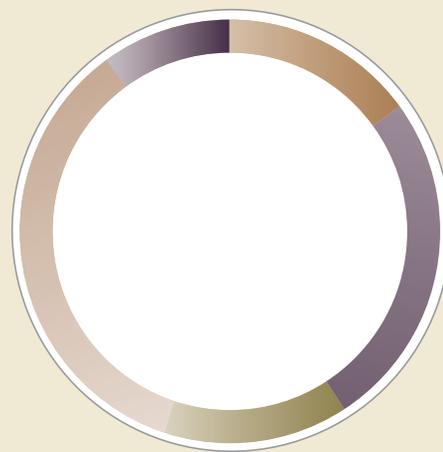
- (1) Mr CAO Zhounan was appointed as an executive director of the Company effective from 1 July 2011.
- (2) Mr SHOU Bainian was appointed as a member of the remuneration committee of the Company on 28 March 2011.

LAND

Bank Information



**GREENTOWN
GROUP IN CHINA**
Total GFA exceeds
40 million sqm.



- 35% Zhejiang (excluding Hangzhou)
- 26% Bohai Rim Region
- 15% Hangzhou
- 14% Yangtze River Delta Region
- 10% Others

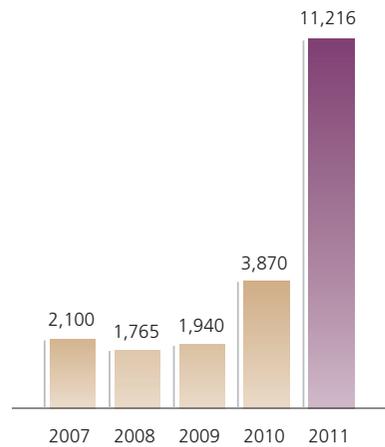
ZHEJIANG (excluding Hangzhou) 35.0% Proportion to the total GFA 14,259,000 GFA (sqm.)	SHANDONG 17.1% Proportion to the total GFA 6,964,000 GFA (sqm.)	HANGZHOU 15.0% Proportion to the total GFA 6,091,000 GFA (sqm.)	JIANGSU 11.2% Proportion to the total GFA 4,540,000 GFA (sqm.)	LIAONING 5.1% Proportion to the total GFA 2,084,000 GFA (sqm.)	HAINAN 4.1% Proportion to the total GFA 1,674,000 GFA (sqm.)	SHANGHAI 3.3% Proportion to the total GFA 1,337,000 GFA (sqm.)
ANHUI 2.0% Proportion to the total GFA 820,000 GFA (sqm.)	HENAN 1.7% Proportion to the total GFA 699,000 GFA (sqm.)	BEIJING 1.6% Proportion to the total GFA 631,000 GFA (sqm.)	XINJIANG 1.5% Proportion to the total GFA 607,000 GFA (sqm.)	HEBEI 1.2% Proportion to the total GFA 504,000 GFA (sqm.)	HUNAN 0.7% Proportion to the total GFA 272,000 GFA (sqm.)	TIANJIN 0.5% Proportion to the total GFA 209,000 GFA (sqm.)

	No. of projects	Site area (‘000 sqm.)	Total GFA (‘000 sqm.)	% of total
Zhejiang (excluding Hangzhou)	39	7,721	14,259	35.0%
Shandong	7	3,418	6,964	17.1%
Hangzhou	30	2,732	6,091	15.0%
Jiangsu	11	1,980	4,540	11.2%
Liaoning	2	1,157	2,084	5.1%
Hainan	1	1,992	1,674	4.1%
Shanghai	8	760	1,337	3.3%
Anhui	1	333	820	2.0%
Henan	3	731	699	1.7%
Beijing	4	310	631	1.6%
Xinjiang	1	382	607	1.5%
Hebei	1	166	504	1.2%
Hunan	1	948	272	0.7%
Tianjin	1	17	209	0.5%
Total	110	22,647	40,691	100%

FINANCIAL Highlights

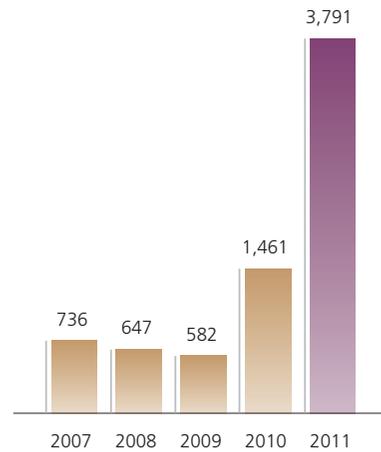
REVENUE

For the six months ended 30 June
(RMB million)



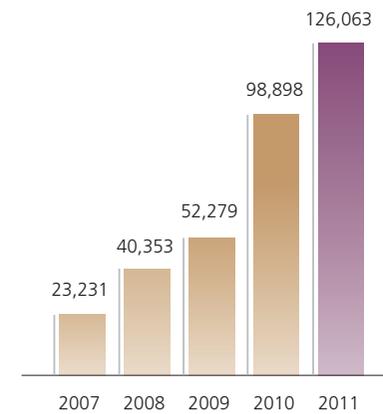
GROSS PROFIT

For the six months ended 30 June
(RMB million)



TOTAL ASSETS

As at 30 June
(RMB million)



FIVE YEARS FINANCIAL SUMMARY

Consolidated Results

	For the six months ended 30 June				
	2007 RMB'000 (Unaudited)	2008 RMB'000 (Unaudited)	2009 RMB'000 (Unaudited)	2010 RMB'000 (Unaudited)	2011 RMB'000 (Unaudited)
Revenue	2,100,239	1,765,161	1,940,468	3,870,171	11,216,159
Cost of sales and services	(1,363,741)	(1,118,113)	(1,358,175)	(2,408,707)	(7,424,921)
Gross profit	736,498	647,048	582,293	1,461,464	3,791,238
Other gains and income	127,766	321,221	428,039	154,188	437,586
Expenses	(348,665)	(578,919)	(716,251)	(1,016,315)	(1,201,542)
Share of results of jointly controlled entities and associates	10,108	170,049	174,724	144,050	15,673
Profit before taxation	525,707	559,399	468,805	743,387	3,042,955
Taxation	(261,781)	(189,675)	(114,409)	(382,754)	(1,266,456)
Profit for the period	263,926	369,724	354,396	360,633	1,776,499
Attributable to:					
Owners of the Company	258,891	340,999	323,176	331,713	891,770
Non-controlling interests	5,035	28,725	31,220	28,920	884,729
	263,926	369,724	354,396	360,633	1,776,499

Consolidated Assets and Liabilities

	As at 30 June				
	2007 RMB'000 (Unaudited)	2008 RMB'000 (Unaudited)	2009 RMB'000 (Unaudited)	2010 RMB'000 (Unaudited)	2011 RMB'000 (Unaudited)
Non-current assets	1,576,318	3,237,432	4,030,388	6,457,612	11,448,607
Current assets	21,655,079	37,115,549	48,248,415	92,440,792	114,614,447
Current liabilities	(7,351,650)	(18,787,672)	(26,928,703)	(64,336,155)	(84,804,920)
Non-current liabilities	(8,057,237)	(11,661,549)	(14,548,441)	(22,448,553)	(25,762,600)
Total equity	7,822,510	9,903,760	10,801,659	12,113,696	15,495,534

An architectural rendering of a modern high-rise residential complex. The image shows several tall, curved apartment buildings with a warm, terracotta-colored facade and large glass windows. The buildings are arranged around a central courtyard area. In the foreground, there is a well-maintained garden with green lawns, various trees, and a winding path. A small, colorful water feature or fountain is visible in the middle ground. The sky is bright blue with a few wispy clouds. The overall scene is vibrant and depicts a high-quality urban living environment.

MANAGEMENT
Discussion and Analysis

OPERATION REVIEW

Property Sales

During the first half of 2011, the global economy still encountered volatility, and a series of stringent macro-economic adjustment measures were launched by the Chinese government, in which the restrictive property purchase policy and credit tightening policy continued to affect China's property market. In the face of demanding conditions, the Group remained calm and carried on, trying to seize new opportunities masked by crises. All of our employees have been working very hard and maintaining our commitment to premium product quality, so as to keep enhancing the Group's brand value. We firmly believed that as long as we weathered the crises, we would be greeted by a vigorous growth. In the first half of 2011, the Group achieved steady growth in business scale and the overall sales results were satisfactory amid the difficult operating environment.

In the first half of 2011, Greentown Group had 72 projects for sale, which recorded a total sales amount of approximately RMB20.3 billion, representing a decrease of 7% from the same period of 2010. The amount attributable to the Group was RMB13.1 billion. The pre-sale rate of newly-launched projects reached 53%. Excellent product quality continued to support the selling prices. The average selling price of properties increased by 14.6% to RMB21,149 per sqm. in the first half of 2011 from RMB18,447 per sqm. for the same period of 2010. Among these, the average selling price of apartments was RMB18,062 per sqm., while that of villas was RMB33,762 per sqm.

Projects Sales During the First Half of 2011

Project	Equity interest	Saleable area (Sqm.)	Contracted saleable area (Sqm.)	Contracted sales amount (RMB million)	Average selling price (RMB/Sqm.)
Hainan Clear Water Bay	51%	125,264	87,656	2,450	27,950
Qingdao Ideal City	80%	154,649	102,755	1,197	11,649
Hangzhou Orchid Garden	42.5%	50,078	21,340	1,177	55,155
Shanghai Yulan Garden	100%	30,831	16,645	861	51,727
Lishui Beautiful Spring River	37.5%	41,953	31,725	540	17,021
Hangzhou Sapphire Mansion	100%	19,225	9,445	351	37,163
Hangzhou Bright Moon in Jiangnan	55%	24,524	10,135	319	31,475
Hangzhou Yunqi Rose Garden	51%	11,194	5,162	313	60,635
Shanghai Rose Garden	100%	7,471	2,191	267	121,862
Changxing Plaza	51%	5,554	3,094	176	56,884
Hangzhou Taohuayuan South	64%	4,813	4,330	174	40,185
Haining Lily New Town	50%	12,959	8,514	134	15,739
Shaoxing Yulan Garden	35%	13,174	8,153	100	12,265
Zhengzhou Zhongmou Lily Garden	100%	18,122	18,122	99	5,463
Xintai Yulan Garden	70%	10,520	7,019	48	6,839
Others in total		1,871,561	622,068	12,062	19,390
Total		2,401,892	958,354	20,268	21,149



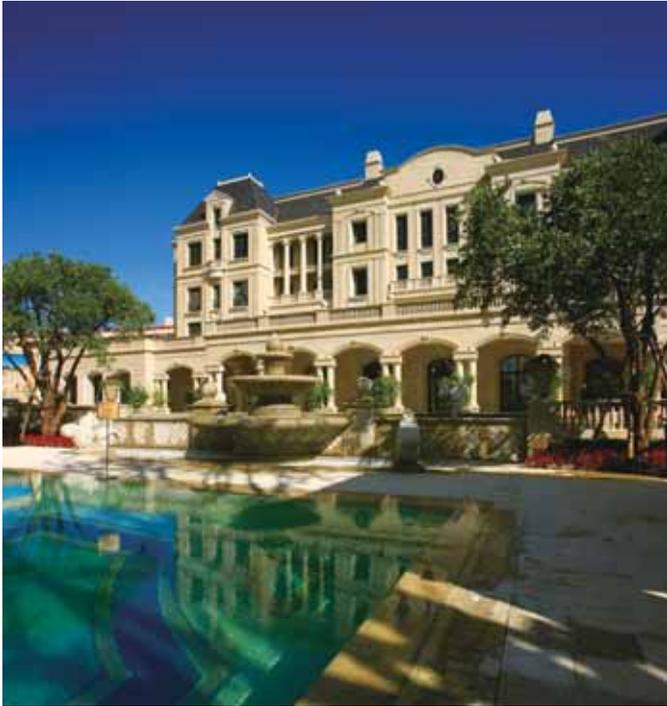
Hangzhou Taohuayuan

Project Development

In the first half of 2011, the Greentown Group commenced construction of new projects with a total gross floor area ("GFA") of 2.66 million sqm., which was 45% lower than that of 4.87 million sqm. scheduled at the start of the year in accordance with market conditions, corporate operations and the overall schedule of project launch.

In the first half of 2011, the Greentown Group completed a total GFA of approximately 914,160 sqm., including a saleable area of approximately 660,058 sqm. As at 30 June 2011, approximately 560,000 sqm. of the saleable area was sold, representing 84.8% of the saleable area. The projects were completed on the schedule formulated early this year.

As at 30 June 2011, the Greentown Group had a total of 75 projects under construction, with a total GFA of 13.81 million sqm.



Cixi Rose Garden

Projects Completed During the First Half of 2011

Project	Phase	Equity interest	Total GFA (Sq.m.)	Saleable area (Sq.m.)
Wenzhou Lucheng Plaza	Phase 1	60%	142,401	108,860
Thousand-Island Lake Rose Garden	Phase 1 (partial)	51%	111,406	73,697
Huzhou Majestic Mansion	Phase 1 (partial)	70%	100,340	50,372
Beijing Lily Apartment	Phase 9 (partial)	80%	56,700	42,354
Nantong Yulan Apartment	Phase 2	77%	44,261	32,212
Beijing Majestic Mansion	Phase 2 (partial)	100%	38,016	27,888
Thousand-Island Lake Resort Condo	Phase 4	80%	24,924	22,935
Zhuji Greentown Plaza	Phase 1 (partial)	60%	30,100	21,565
Hangzhou Taohuayuan South	Phase 8 (partial)	64%	20,307	13,828
Nanjing Rose Garden	Phase 3 (partial)	70%	19,486	12,216
Taizhou Yulan Plaza	Phase 1 (partial)	49%	111,424	105,413
Hangzhou Lilac Apartment	Entire Project	50%	109,158	73,272
Xiangshan Lily Apartment	Phase 2 (partial)	50%	97,859	70,440
Hangzhou Taohuayuan Jinlanyuan	Jinlanyuan	32.6%	7,778	5,006
Total			914,160	660,058



Land Bank

In the first half of 2011, the Greentown Group acquired sites in Taizhou, Cixi and Xinchang of Zhejiang, as well as Shanghai, Liaoning, Henan and Shandong via open land auctions and equity acquisitions. The Group added eight projects with a total site area of approximately 2.9 million sqm. to its land bank. The planned GFA of these newly acquired projects was approximately 4.52 million sqm., of which 2.01 million sqm. was attributable to the Group. The total land premium paid amounted to approximately RMB11.16 billion, of which approximately RMB2.33 billion was attributable to the Group. The average land cost per floor area (calculated on the basis of planned GFA) was RMB2,471 per sqm. As at 30 June 2011, the total GFA of the Greentown Group's land bank exceeded 40.69 million sqm., of which approximately 25.33 million sqm. was attributable to the Group. The increasingly diversified locations of the Group's land bank that spanned across the country will help to ensure the success of its developments in the future.

Lin'an Qingshan Lake Rose Garden



Shaoxing Jade Garden

In fact, the Group's land bank plays an important strategic role in its development. In accordance with its policy of maintaining a balance between operational risk and growth potential, Greentown implements a flexible acquisition strategy for its land bank and a selective joint development model as a means of strengthening its ability to acquire land at minimal risk.

Newly Acquired Land Bank in the First Half of 2011

Project	Region	Equity interest	Total land premium (RMB million)	Land premium attributable to the Group (RMB million)	Site area (Sq.m.)	Planned GFA (Sq.m.)	Average land cost per floor area (RMB/Sqm.)
Shenyang National Games Project	Liaoning	50%	3,127	630	1,139,300	1,899,000	1,647
Taizhou Huangyan Xinqian Street Project	Zhejiang	41%	2,775	558	298,402	535,842	5,179
Shanghai Changfeng Lot 10 North Site	Shanghai	31.5%	2,430	620	90,270	225,674	10,768
Cixi Chengnan Project	Zhejiang	30%	1,920	413	169,267	423,167	4,537
Jinan Dongshefang Project	Shandong	39%	465	20	16,830	149,787	3,104
Henan Xinyang Nanwan Lake Project	Henan	20%	105	10	195,984	293,975	357
Xinchang Rose Garden Phase 4	Zhejiang	80%	68	54	126,799	126,799	536
Shandong Xueye Lake Project	Shandong	49%	271	25	863,338	863,338	314
Total			11,161	2,330	2,900,190	4,517,582	2,471



Hangzhou Sincere Garden

Construction Management Business

Greentown Property Construction Management Company Ltd. (“Greentown Construction Management”), a subsidiary of the Group, provides consultancy services in our brand and management expertise through integrating Greentown’s existing brands and management resources, and increasing revenue by providing services without capital investment. Thanks to Greentown’s reputation for high quality and its strong brand image, Greentown Construction Management has successfully entered into contracts for a total of 38 projects with a total planned GFA of 6.74 million sqm. in a short time of nine months. And the Group has established its presence in such provinces and regions as Zhejiang, Jiangsu, Shanghai, Fujian, Shandong, Henan, Hainan and Inner Mongolia. The establishment and implementation of the Group’s strategy of participating in property construction management and advisory services enables the Group to create more value drawing on its development management expertise. The Group’s business model has been transformed from pure investment to a combination of multiple business models covering investment and operation.

OUTLOOK

The macro-economic adjustment measures for the property sector in the PRC will persist in the second half of 2011 and continue to have a considerable impact on our marketing, sales and financing efforts. Based on its sober knowledge of market conditions, the Group will further accelerate its transition to adopt a development strategy featuring the provision of branding and management consultancy services to external parties. The Group will also strengthen the development of human resources and refine the management of sales, cost, quality and schedule. Along with further implementation of strict risk control measures, the Group will improve its management capacity and risk resistance capacity to achieve sustainable development.

The Group’s current land bank is sufficient and this allows us to cater to project development needs in the future without acquiring substantial quantity of new land. The Group has adopted a prudent strategy in land acquisition since the second half of 2010, taking into account potential market changes in the future. As at 26 August 2011, the Group’s total land premium outstanding for 2011 amounted to merely approximately RMB1.8 billion. Therefore, land acquisition expenditure would not pose major pressure on the Group’s capital chain.

Projects Planned to be Completed in the Second Half of 2011

Project	Phase	Equity interest	Total GFA (Sq.m.)	Saleable area (Sq.m.)	Area sold as at 20 August 2011 (Sq.m.)
Shaoxing Yulan Garden	Phase 1 (partial)	35%	236,676	198,767	190,435
Wuxi Yulan Garden	Phase 1 (partial)	85%	183,649	148,691	116,024
Hangzhou Hope Town	Phase 5 (partial)	45%	166,699	115,784	102,580
Wenzhou Lucheng Plaza	Phase 2	60%	141,272	105,011	105,011
Xinjiang Lily Apartment	Phase 1 (partial)	50%	118,742	71,495	71,495
Hangzhou Begonia Apartment	Phase 1	42%	94,461	71,260	68,749
Cixi Rose Garden	Phase 1	49%	93,646	62,519	50,885
Shanghai Bund House	Phase 1	51%	75,815	56,681	37,593
Hangzhou Sapphire Mansion	Phase 1	100%	63,284	49,537	49,537
Haining Lily New Town	Phase 3 (partial)	50%	60,263	45,990	42,568
Beijing Sincere Garden	Phase 2	50%	59,146	36,665	33,994
Hangzhou Orchid Apartment	Entire Project	50%	58,534	44,338	40,825
Shanghai Rose Garden	Phase 3	100%	47,912	18,650	13,185
Taizhou Yulan Plaza	Phase 1 (partial)	49%	43,285	37,622	19,858
Beijing Lily Apartment	Phase 9 (partial)	80%	34,691	32,236	29,017
Hangzhou Blue Patio	Phase 6 (partial)	85%	33,728	23,487	23,219
Thousand-Island Lake Rose Garden	Phase 1 (partial)	51%	30,754	30,754	20,287
Hangzhou Blue Patio	Phase 4 (partial)	85%	25,562	16,273	16,273
Shaoxing Jade Garden	Phase 1 (partial)	51%	23,712	14,528	14,528
Xinchang Rose Garden	Phase 3	80%	20,132	19,909	11,514
Hangzhou Taohuayuan South	Phase 7 (partial)	64%	13,942	8,836	8,836
Hangzhou Taohuayuan South	Phase 9 (partial)	64%	10,638	6,908	6,908
Hangzhou Xingqiao Purple Osmanthus Apartment	Phase 2 (partial)	35%	7,632	5,622	0
Changsha Bamboo Garden	North Phase 5	49.5%	4,156	4,156	0
Xiangshan Lily Apartment	Kindergarten	50%	3,083	–	–
Total			1,651,414	1,225,719	1,073,321

The Greentown Group will newly launch a total saleable GFA of 2.87 million sqm. for the second half of 2011. The Group will strengthen its strategy of “earlier, greater and faster sales” for rapid assets turnover. The Group has already made sound preparations in anticipation of potential market volatility. If the sales slow down, the Group will adjust project schedules in a flexible manner to reduce capital expenditure. Coupled with a pro-active marketing strategy, the Group is able to recover its capital in a short period, thus enabling a more stable and healthy financial position.



In addition, the Group is fully aware of the importance of cost control. Accordingly, we have engaged a leading professional cost consultancy in China to review and carry out a series of efficiency improvement measures, including the utilization of e-commerce and online platforms for group purchases in order to lower the cost.

While reducing the capital pressure, the Group will continue to develop the business model of delivering commercial construction projects on behalf of external clients and exporting the Group's brand and management as part of our effort to explore new markets and create new drive for growth.

In terms of financing channels, the Group has been actively exploring innovative financing models. We pioneered in China to launch trust funds and RMB-denominated real estate funds in collaboration with large-scale state-owned financial enterprises, large-scale local state-owned enterprises and established private enterprises. As a favoured customer of the four largest state-owned banks in China, the Greentown Group has always maintained excellent reputation and credit records and enjoyed steady credit support from the banks.

It is widely recognised that the growth rate of China's GDP being the highest in the world, coupled with the continuous growth of disposable income per capita and the urbanization progress, the inelastic demand for home purchasing in cities has soared. Amid the volatile global financial market, global investors are focusing on China. Both domestic and overseas investors commonly believe that RMB will certainly be the only currency to appreciate in the long term. Accordingly, they

are eager to increase their investment holdings in China. Quality properties in the prime areas of major cities are increasingly considered as an investment tool with the greatest potential of value appreciation. In this regard, the Greentown Group, which has a consistent focus on the development of properties in the prime areas, is perfectly positioned to meet the expectations of both residents and investors.

As at 30 June 2011, the Greentown Group's sales revenue which is not yet recognized in the income statement amounted to approximately RMB88.7 billion of which approximately RMB57.8 billion was attributable to the Group, the majority of which will be recognized in the income statement gradually over the next two years. With an evident trend of income growth on the horizon, the Group is optimistic for our earnings prospect in the coming years.

In the second half of 2011, the Group will make further efforts to safeguard against financial risks and improve our financial management capacity. Meanwhile, on the basis of stable operation, the Group will react proactively to the changes in the macro economy and policies, strengthen cost and risk control, as well as improve our management in order to further enhance the Company's overall competitiveness. No matter what sort of challenges the Group faces, we will continue to adhere to its mission of "building platforms for our staff and creating value for our customers; bringing beauty to our cities and wealth to our society". Together with our corporate culture based on sincerity, goodwill, gracefulness and striving for perfection, we will certainly stand out amongst fierce competition.

FINANCIAL ANALYSIS

Results

For the six months ended 30 June 2011, the Group's profit totalled RMB1,776 million, representing an increase of 392.0% from RMB361 million for the same period of 2010, and its net profit margin was 15.8%, representing an increase of 6.5 percentage points from 9.3% for the same period of 2010.

The profit attributable to the owners of the Company amounted to RMB892 million, representing an increase of RMB560 million or 168.7% as compared with RMB332 million for the same period of 2010. The profit attributable to the owners of the Company excluding the fair value changes on trust-related financial derivatives and net loss on redemption of the 2007 Convertibles Bonds amounted to RMB907 million, representing an increase of 94.6% as compared with RMB466 million for the same period of 2010. Basic earnings per share for the period was RMB0.54, representing an increase of 170.0% as compared with RMB0.20 per share for the same period of 2010.

Revenue

The revenue of the Group (net of business tax) comes mainly from property sales revenue, and also covers the revenue from hotel operations, property rental income, design and decoration, project management and sales of construction materials, etc. During the period, the revenue recognized by the Group was RMB11,216 million, representing an increase of 189.8% from RMB3,870 million for the same period of 2010.

During the period, the revenue from property sales recognized was RMB10,793 million, which accounted for 96.2% of the total revenue and represented an increase of 185.5% from RMB3,780 million for the same period of 2010. Such increase was mainly attributable to the increase in areas sold and the rise in the unit price of the properties. During the period, the recognized areas of the Group sold and the unit price were 539,595 sqm. and RMB20,002 per sqm., respectively, representing an increase of 82.4% and 56.5% from 295,808 sqm. and RMB12,779 per sqm. for the same period of 2010, respectively.



Lin'an Qingshan Lake Rose Garden



The table below summarises the sales revenue and area of the properties sold during the period:

Project	Property type	Area sold (Sq.m.)	Sales revenue (RMB million)	Share of total property sales revenue	Average selling price (RMB/Sqm.)
Wenzhou Lucheng Plaza	High-rise apartment	115,680	4,697	43.5%	40,603
Beijing Majestic Mansion	Flat mansion	30,205	1,068	9.9%	35,358
Hangzhou Lilac Apartment	High-rise apartment	49,977	855	7.9%	17,108
Xiangshan Lily Apartment	High-rise apartment	52,788	729	6.8%	13,810
Thousand-Island Lake Rose Garden	Villa, high-rise apartment	69,150	600	5.6%	8,677
Hangzhou Taohuayuan South	Villa	13,828	477	4.4%	34,495
Huzhou Majestic Mansion	Villa	26,436	466	4.3%	17,627
Beijing Lily Apartment	High-rise apartment	38,002	345	3.2%	9,078
Nantong Yulan Apartment	High-rise apartment	32,555	337	3.1%	10,352
Others		110,974	1,219	11.3%	10,985
Total		539,595	10,793	100.0%	20,002

As disclosed above, the revenue from project sales in Wenzhou, Hangzhou and Beijing amounted to RMB4,697 million, RMB2,449 million and RMB1,413 million, respectively, accounting for 43.5%, 22.7% and 13.1%, respectively, of the total property sales revenue.

During the period, the revenue from sales of apartments, villas, flat mansions and offices were RMB8,007 million, RMB1,639 million, RMB1,124 million and RMB23 million, respectively, accounting for 74.2%, 15.2%, 10.4% and 0.2% of the total sales revenue, respectively.

During the period, the Group recorded a revenue of RMB116 million from hotel operations, representing a significant increase from RMB77 million for the same period of 2010. The main reasons for such increase were that Greentown Thousand-Island Lake Sheraton Hotel commenced operations in the first half of 2010 and the continuous increase of revenue from the operations of Hangzhou Rose Garden Resort and Sheraton Zhoushan Hotel as a result of their stable customer bases and various other aspects.

During the period, the Group realized rental income from investment properties of RMB40 million, which was mainly attributable to rental income arising from the Oakwood Residence Chaoyang, Beijing, which commenced its operation in 2010.

During the period, the revenue of the Group from project management services amounted to RMB137 million, which was mainly derived from revenue contributed by Greentown Construction Management. It is expected that its revenue will continue to increase as the scale of project management services expands.

Gross Profit Margin from Property Sales

During the period, the Group recorded a gross profit from property sales of RMB3,522 million and a gross profit margin from property sales of 32.6%, representing a decrease from 36.8% for the same period of 2010 but an increase from 29.0% for the full year of 2010. Among the sold properties, the Wenzhou Lucheng Plaza project is a premium high-rise apartment project located in the economically prosperous city of Wenzhou in Zhejiang Province. The project, accounting for 43.5% of the total property sales revenue, contributed a gross profit of RMB1,822 million and achieved a gross profit margin of 38.8%. Hangzhou Lilac Apartment, accounting for 7.9% of the total property sales revenue for the period, contributed a gross profit of RMB361 million and achieved a gross profit margin of 42.2%. The delivery of these projects helped to pull up the gross profit margin from property sales for the period to a great extent. Beijing Majestic Mansion, which was delivered during the period, contributed 9.9% of the total property sales revenue. As the units delivered were sold at an earlier stage, the selling prices were not high at the time and therefore the gross profit margin for the period was affected to a certain extent.

Other Income

Other income mainly included interest income, net foreign exchange gains and government grants, etc. Other income of RMB417 million was recorded by the Group during the period, representing a substantial increase from RMB136 million for the same period of 2010, which was mainly due to the large increase of interest income and net foreign exchange gains.

The interest income of the Group for the period was RMB268 million, representing an increase of RMB169 million from RMB99 million for the same period of 2010, which was mainly due to the large increase of interest income from jointly controlled entities and associates.



Xinchang Rose Garden



The Group's net foreign exchange gains for the period was RMB122 million, representing a robust growth from the net foreign exchange gains of RMB21 million for the same period of 2010, which was primarily due to the appreciation of Renminbi for the period and a greater amount of borrowings denominated in foreign currencies. The appreciation of Renminbi was 2% for the period, while Renminbi appreciation was insignificant for the same period of 2010. As at 30 June 2011, the Group had USD denominated bank borrowings of US\$329 million and HKD denominated bank borrowings of HK\$2,922 million.

Fair Value Changes on Trust-related Financial Derivatives

In 2009, a trust agreement was entered into between Greentown Real Estate Group Co., Ltd., a subsidiary of the Company, and Zhonghai Trust Company Ltd. The Trust Unit Put Option, the Guarantee and RMB1 Option relating to the agreement were deemed as financial derivatives and were measured according to their fair values. During the period, the fair value changes on trust-related financial derivatives resulted in a loss of RMB20 million, compared with a gain of RMB18 million for the same period of 2010.

Selling and Administrative Expenses

The Group's selling and administrative expenses for the period amounted to RMB953 million, representing an increase of 43.1% or RMB287 million from RMB666 million for the same period of 2010.

The biggest spending in selling and administrative expenses was the human resources cost, which increased by 45.9% to RMB372 million for the period (for the same period of 2010: RMB255 million). The increase was mainly due to the expansion of property projects and enlargement of the talent pool. The sales and marketing expenses and the advertising expenses for the period amounted to RMB140 million (for the same period of 2010: RMB130 million), accounting for 1.0% of the property pre-sales of the Group, which was slightly higher than 0.8% for the same period of 2010. The daily operating expenses for the period amounted to RMB269 million, representing an increase of 54.6% from RMB174 million for the same period of 2010. Such increase was mainly due to an increase in office expenses, business meeting expenses, travelling expenses, utilities and property management expenses, rental charges and depreciation costs as a result of the expansion of the corporate scale.

Finance Costs

The interest expenses of the Group for the period charged to the income statement was RMB229 million (for the same period of 2010: RMB202 million). The total interest expenses for the period was RMB1,552 million (for the same period of 2010: RMB1,093 million), representing an increase of 42.0%. Such increase was mainly caused by the increase in the average borrowing amount. The interest capitalized for the period was RMB1,323 million and the capitalization rate was 85.2% (for the same period of 2010: 81.5%). The improvement in the capitalization rate was mainly attributable to the timely commencement of development upon the acquisition of lands.



Xinchang Rose Garden



Share of Results of Jointly Controlled Entities and Associates

The Group's share of results of jointly controlled entities and associates for the period was RMB16 million, representing a significant decrease from RMB144 million for the same period of 2010, which was mainly due to a decrease in the number of properties completed by jointly controlled entities and associates for the period. The revenue from property sales carried forward by jointly controlled entities and associates for the period amounted to RMB940 million, representing a significant decrease from RMB4,197 million for the same period of 2010. Such decrease was principally due to a significant decrease in the areas of properties sold from 447,020 sqm. for the same period of 2010 to 70,731 sqm. for the period. The Company's jointly controlled entities and associates mainly completed the sale of Taizhou Yulan Plaza in the period. The area of properties sold for the period amounted to 61,057 sqm. with a revenue of RMB851 million, representing 90.5% of revenue from property sales.

Taxation Charges

Taxation for the period included LAT of RMB498 million (for the same period of 2010: RMB190 million), and EIT of RMB768 million, comprising current tax of RMB852 million and deferred tax credit of RMB84 million (for the same period of 2010: RMB315 million and deferred tax credit RMB122 million respectively). The effective tax rate for EIT for the period was 30.2%, which was higher than that of the statutory tax rate of 25%. It was mainly due to the unrecognized tax effect of the losses of certain subsidiaries and the tax effect of non-deductible expenses.

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 2011, the balance of pre-sale deposits of the Group was RMB47,386 million, representing a slight decrease from RMB47,547 million as at 31 December 2010, which was mainly due to an increase in delivery of properties for the period.

Besides, the balance of pre-sale deposits of jointly controlled entities and associates was RMB29,390 million, representing an increase of RMB8,950 million or 43.8% from RMB20,440 million as at 31 December 2010, and locking in part of the profit for the second half of 2011 and the years after.

Financial Resources and Liquidity

As at 30 June 2011, the Group's cash and bank deposits amounted to RMB9,746 million (as at 31 December 2010: RMB14,973 million) and total borrowings amounted to RMB35,030 million (as at 31 December 2010: RMB34,047 million). The net gearing ratio (net borrowings divided by net assets) increased from 132.0% as at 31 December 2010 to 163.2% as at 30 June 2011, but the current assets of the Group still greatly exceeded current liabilities. Among the total credit facility of RMB60 billion for 2011, the Greentown Group still has an undrawn portion of approximately RMB28.4 billion available. The Group is devoting itself to implementing a stringent fund management system to ensure a sustainable growth.

Foreign Exchange 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 flows or liquidity was not significantly affected by any exchange rate fluctuations. The Group did not enter into any foreign currency hedging arrangement as at 30 June 2011.

Financial Guarantees

Certain banks provide mortgage loans to the buyers of the Group's properties, which are guaranteed by the Group. As at 30 June 2011, guarantees for these mortgage loans amounted to RMB18,661 million (as at 31 December 2010: RMB18,658 million). The banks will release such guarantees only upon the delivery of property certificates of such projects to the banks as security.

Pledge of Assets

As at 30 June 2011, the Group pledged buildings, hotels, prepaid lease payment, investment properties, properties for development, properties under development, completed properties for sale, bank deposits, amounts due from related parties and interest in jointly controlled entities and associates with an aggregate carrying amount of RMB36,915 million (as at 31 December 2010: RMB36,264 million) to secure general credit facilities granted by banks and other financial institutions to the Group.

Capital Commitments

As at 30 June 2011, the Group had contracted for, but not provided for, capital expenditure of RMB16,177 million (as at 31 December 2010: RMB17,447 million) in respect of properties for development, properties under development and construction in progress.



Huzhou Majestic Mansion

CORPORATE Governance



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 2011.

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 2011. 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 same terms as the Model Code.

AUDIT COMMITTEE

The Audit Committee held one meeting during the period. The Audit Committee has reviewed the accounting policies and critical accounting estimates and assumptions adopted by the Group. The audit objectives and the scope of the internal audit department of the Group were also discussed.

REVIEW OF INTERIM RESULTS

The Interim Results Announcement and the Interim Report for the six months ended 30 June 2011 have been reviewed by the Audit Committee and approved by the Board.

The auditor of the Company, Deloitte Touche Tohmatsu ("DTT"), has performed a review in accordance with Hong Kong Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" on the interim financial information of the Group for the six months ended 30 June 2011 prepared in accordance with International Accounting Standard 34 "Interim Financial Reporting", and a review report dated 26 August 2011 was issued by DTT.

OTHER Information



DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS IN SECURITIES

As at 30 June 2011, the interests and short positions of the 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)			Total Number of Shares and Underlying Shares Held	% of Issued Share Capital of the Company
	Family Interests	Corporate Interests			
Mr SONG Weiping	1,089,000 (note 3)	68,859,000 (note 2)	472,124,000 (note 1)	542,072,000	33.06%
Mr SHOU Bainian	609,000 (note 3)	–	384,490,500 (note 4)	385,099,500	23.49%
Mr LUO Zhaoming	15,000,000 (note 6)	–	100,000,000 (note 5)	115,000,000	7.01%
Mr GUO Jiafeng	576,000 (note 3)	–	13,010,000 (note 7)	13,586,000	0.83%

Notes:

- (1) Mr SONG Weiping is deemed to be interested in 372,124,000 Shares as the sole shareholder of Delta House Limited. Mr Song is also the sole member of Hong Kong Orange Osmanthus Foundation Limited which holds 100,000,000 Shares. Hong Kong Orange Osmanthus Foundation Limited is a company limited by guarantee set up by Mr Song and a charitable institution of a public character exempt from tax under Section 88 of the Inland Revenue Ordinance, Chapter 112 of the Laws of Hong Kong.
- (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, these 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, these 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.

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

Name of Director	Name of Associated Corporation	Capacity	Interest in Registered Capital	% of the Total Registered Capital
Mr SONG Weiping (note 1)	Greentown Property Construction Management Company Ltd. (綠城房產建設管理有限公司) ("Greentown Construction Management")	Beneficial owner	RMB72,000,000	36%

Note:

(1) Mr SONG Weiping was beneficially interested in RMB72,000,000 of the total registered capital of Greentown Construction Management.

Other than as disclosed above, 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 as at 30 June 2011.

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 2011, the following shareholders, other than those disclosed in the section headed "Directors' and Chief Executive's Interests in Securities", had notified the Company of relevant interests in the Shares and underlying Shares of the Company:

Name of Substantial Shareholder	Interest or Short Position in the Shares or Underlying Shares (note 1)	Capacity in which Interests are Held	% of Issued Share Capital of the Company
Ms XIA Yibo (note 2)	542,072,000 (L)	Interest of a controlled corporation and interest of spouse	33.06%
Delta House Limited (note 3)	372,124,000 (L)	Beneficial owner	22.70%
Hong Kong Orange Osmanthus Foundation Limited (note 3)	100,000,000 (L)	Beneficial owner	6.10%
Profitwise Limited (note 4)	384,490,500 (L)	Beneficial owner	23.45%
Ms RUAN Yiling (note 5)	115,000,000 (L)	Interest of a controlled corporation and interest of spouse	7.01%
Tandellen Group Limited (note 6)	100,000,000 (L)	Beneficial owner	6.10%
Lehman Brothers Holdings Inc. (note 7)	101,400,450 (L)	Interest of controlled corporations	6.18%
	31,868,575 (S)	Interest of controlled corporations	1.94%

Notes:

- (1) The letter "L" denotes a long position. The letter "S" denotes a short position.
- (2) Ms XIA Yibo held deemed interests in 68,859,000(L) Shares as sole shareholder of Wisearn Limited and deemed interests in 372,124,000(L) Shares held by Delta House Limited and 100,000,000(L) Shares held by Hong Kong Orange Osmanthus Foundation Limited, both are corporations controlled by her spouse, Mr SONG Weiping, and deemed interests in 1,089,000 Options held by Mr Song.
- (3) Controlled corporations of Mr SONG Weiping, details of which are disclosed in the section "Directors' and Chief Executive's Interests in Securities" above.
- (4) A controlled corporation of Mr SHOU Bainian, details of which are disclosed in the section "Directors' and Chief Executive's Interests in Securities" above.
- (5) 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) Options held by Mr Luo.

- (6) A controlled corporation of Mr LUO Zhaoming, details of which are disclosed in the section "Directors' and Chief Executive's Interests in Securities" above.
- (7) 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, which 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 derivatives (off exchange)
- 173,000(S) Shares through physically settled derivatives (off exchange)
- 3,600,000(S) Shares through cash settled derivatives (off exchange)

Other than as disclosed above, as at 30 June 2011, 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

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

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

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

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 2011 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\$)
Directors								
Mr SONG Weiping	544,500	–	–	–	544,500	22 January 2009	22 January 2009 to 21 January 2019	2.89
	272,250	–	–	–	272,250	22 January 2009	22 January 2010 to 21 January 2019	2.89
	272,250	–	–	–	272,250	22 January 2009	22 January 2011 to 21 January 2019	2.89
	<u>1,089,000</u>	–	–	–	<u>1,089,000</u>			
Mr 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
	<u>609,000</u>	–	–	–	<u>609,000</u>			
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
	<u>15,000,000</u>	–	–	–	<u>15,000,000</u>			
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
	<u>576,000</u>	–	–	–	<u>576,000</u>			
Mr CHEN Shunhua (note 2)	250	–	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
	<u>188,500</u>	–	188,500	–	–			

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\$)
Employees								
Mr CAO Zhounan (note 3)	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	11,495,000	–	612,500	–	10,882,500	22 January 2009	22 January 2009 to 21 January 2019	2.89
	7,388,000	–	479,500	–	6,908,500	22 January 2009	22 January 2010 to 21 January 2019	2.89
	8,222,750	–	720,250	–	7,502,500	22 January 2009	22 January 2011 to 21 January 2019	2.89
	18,592,500	–	–	333,500	18,259,000	22 June 2009	22 June 2009 to 21 June 2019	11.00
	9,296,250	–	–	166,750	9,129,500	22 June 2009	22 June 2010 to 21 June 2019	11.00
	9,296,250	–	–	166,750	9,129,500	22 June 2009	22 June 2011 to 21 June 2019	11.00
	64,290,750	–	1,812,250	667,000	61,811,500			
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	93,498,250	–	2,000,750	667,000	90,830,500			

Notes:

- (1) The vesting period of the above Options is from the date of grant until the commencement of the period during which they are exercisable.
- (2) Mr CHEN Shunhua resigned as an executive director on 10 December 2010.
- (3) Mr CAO Zhounan was an executive general manager of the Company as at 30 June 2011. Mr CAO was appointed as an executive director of the Company effective from 1 July 2011.

During the period, 2,000,750 share options were exercised, 667,000 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.

HUMAN RESOURCES

As at 30 June 2011, the Group employed a total of 4,038 employees (30 June 2010: 3,257). 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 employees, bonuses, cash awards and share options may also be given to employees based on individual performance evaluation.

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

Neither the Company nor any of its subsidiaries purchased, sold or redeemed 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 2011 (for the six months ended 30 June 2010: RMB0.10 per ordinary share). The record date and book closure dates for determining entitlements to the interim dividend and the actual payment date will be further announced by the Company.

APPRECIATION

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

By order of the Board

Greentown China Holdings Limited

Song Weiping

Chairman

Hangzhou, the PRC

26 August 2011

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 37 to 67, 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 2011 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

26 August 2011

CONDENSED

Consolidated Statement of Comprehensive Income

For the six months ended 30 June 2011

	Notes	Six months ended 30 June 2011 RMB'000 (Unaudited)	2010 RMB'000 (Unaudited)
Revenue	3	11,216,159	3,870,171
Cost of sales and services		(7,424,921)	(2,408,707)
Gross profit		3,791,238	1,461,464
Other income	4	416,638	135,984
Selling expenses		(265,477)	(226,814)
Administrative expenses		(687,262)	(439,511)
Finance costs	5	(228,883)	(201,832)
Net loss on 2007 Convertible Bonds	20	–	(148,158)
Fair value changes on trust-related financial derivatives		(19,920)	18,200
Net gain on disposal of subsidiaries		–	4
Gain on de-consolidation of a subsidiary	19	20,948	–
Share of results of jointly controlled entities		(17,411)	73,569
Share of results of associates		33,084	70,481
Profit before taxation	6	3,042,955	743,387
Taxation	7	(1,266,456)	(382,754)
Profit and total comprehensive income for the period		1,776,499	360,633
Attributable to:			
Owners of the Company		891,770	331,713
Non-controlling interests		884,729	28,920
		1,776,499	360,633
Earnings per share	9		
Basic		RMB0.54	RMB0.20
Diluted		RMB0.54	RMB0.20

CONDENSED

Consolidated Statement of Financial Position

As at 30 June 2011

	Notes	As at 30 June 2011 RMB'000 (Unaudited)	As at 31 December 2010 RMB'000 (Audited)
NON-CURRENT ASSETS			
Property, plant and equipment	10	2,450,006	2,448,260
Investment properties		1,725,000	1,725,000
Interests in associates	11	5,082,823	3,224,763
Interests in jointly controlled entities		873,311	732,137
Available-for-sale investments	12	459,194	428,944
Prepaid lease payment		166,874	151,110
Rental paid in advance		13,055	13,559
Deferred tax assets		678,344	588,782
Amount due from a related party		–	10,000
Other receivables	22	–	30,180
		11,448,607	9,352,735
CURRENT ASSETS			
Properties for development	13	18,359,300	19,230,262
Properties under development	14	58,922,537	57,391,838
Completed properties for sale		2,676,640	1,976,802
Inventories		58,980	57,404
Trade and other receivables, deposits and prepayments	15	4,513,478	4,195,959
Amounts due from related parties		16,904,740	14,954,680
Prepaid income taxes		1,252,048	1,298,136
Prepaid other taxes		2,180,626	1,928,245
Pledged bank deposits	25	3,001,667	2,565,234
Bank balances and cash		6,744,431	12,407,659
		114,614,447	116,006,219

CONDENSED

Consolidated Statement of Financial Position

As at 30 June 2011

	Notes	As at 30 June 2011 RMB'000 (Unaudited)	As at 31 December 2010 RMB'000 (Audited)
CURRENT LIABILITIES			
Trade and other payables	16	8,809,889	8,927,970
Pre-sale deposits	17	47,385,709	47,547,368
Amounts due to related parties		12,742,495	16,594,933
Income taxes payable		1,679,905	1,733,344
Other taxes payable		219,119	643,786
Bank and other borrowings (due within one year)	18	13,514,164	11,993,908
Convertible bonds	20	182,239	–
Trust-related financial derivatives	19	271,400	–
		84,804,920	87,441,309
NET CURRENT ASSETS			
		29,809,527	28,564,910
TOTAL ASSETS LESS CURRENT LIABILITIES			
		41,258,134	37,917,645
NON-CURRENT LIABILITIES			
Bank and other borrowings (due after one year)	18	21,085,180	21,621,422
Amounts due to related parties		4,045,347	781,338
Trust-related financial derivatives	19	–	251,480
Convertible bonds	20	–	178,110
Senior notes		248,164	253,854
Deferred tax liabilities		383,909	378,750
		25,762,600	23,464,954
		15,495,534	14,452,691

CONDENSED

Consolidated Statement of Financial Position

As at 30 June 2011

	Notes	As at 30 June 2011 RMB'000 (Unaudited)	As at 31 December 2010 RMB'000 (Audited)
CAPITAL AND RESERVES			
Share capital	21	166,411	166,243
Reserves		10,251,787	10,033,271
Equity attributable to owners of the Company		10,418,198	10,199,514
Non-controlling interests		5,077,336	4,253,177
		15,495,534	14,452,691

The condensed consolidated financial statements on pages 37 to 67 were approved and authorised for issue by the board of directors on 26 August 2011 and are signed on its behalf by:

SHOU Bainian
DIRECTOR

LUO Zhaoming
DIRECTOR

CONDENSED

Consolidated Statement of Changes in Equity

For the six months ended 30 June 2011

	Attributable to owners of the Company									Total RMB'000
	Share capital RMB'000	Share premium RMB'000	Special reserve RMB'000	Statutory reserve RMB'000 (Note)	Conversion option reserve RMB'000	Share options reserve RMB'000	Retained earnings RMB'000	Subtotal RMB'000	Non- controlling Interests 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)	–	–	–	30,545	–	–	(30,545)	–	–	–
Remuneration shares issued to former Chief Financial Officer of the Company	65	8,148	–	–	–	–	–	8,213	–	8,213
Shares issued upon purchase of addition interest in a subsidiary	1,145	148,781	–	–	–	–	–	149,926	–	149,926
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

CONDENSED

Consolidated Statement of Changes in Equity

For the six months ended 30 June 2011

	Attributable to owners of the Company									Total RMB'000
	Share capital RMB'000	Share premium RMB'000	Special reserve RMB'000	Statutory reserve RMB'000 (Note)	Conversion option reserve RMB'000	Share options reserve RMB'000	Retained earnings RMB'000	Subtotal RMB'000	Non- controlling Interests RMB'000	
At 1 January 2011 (audited)	166,243	6,291,728	(453,909)	339,060	27,275	270,652	3,558,465	10,199,514	4,253,177	14,452,691
Profit and total comprehensive income for the period	–	–	–	–	–	–	891,770	891,770	884,729	1,776,499
Dividends (note 8)	–	–	–	–	–	–	(589,036)	(589,036)	(15,470)	(604,506)
Transfer (note)	–	–	–	4,142	–	–	(4,142)	–	–	–
Recognition of equity-settled share-based payments	–	–	–	–	–	9,921	–	9,921	–	9,921
Exercise of share options	168	6,775	–	–	–	(2,079)	–	4,864	–	4,864
Purchase of additional interests in subsidiaries	–	–	(97,583)	–	–	–	–	(97,583)	(8,171)	(105,754)
Partial disposal of subsidiaries	–	–	(1,252)	–	–	–	–	(1,252)	6,372	5,120
Liquidation of a subsidiary	–	–	–	–	–	–	–	–	(14,977)	(14,977)
De-consolidation of a subsidiary	–	–	–	–	–	–	–	–	(38,759)	(38,759)
Capital contribution from non-controlling shareholders of subsidiaries	–	–	–	–	–	–	–	–	10,435	10,435
At 30 June 2011 (unaudited)	166,411	6,298,503	(552,744)	343,202	27,275	278,494	3,857,057	10,418,198	5,077,336	15,495,534

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

CONDENSED Consolidated Statement of Cash Flows

For the six months ended 30 June 2011

	Notes	Six months ended 30 June	
		2011 RMB'000 (Unaudited)	2010 RMB'000 (Unaudited)
Net cash from (used in) operating activities		888,669	(5,413,976)
Net cash used in investing activities			
Additions to property, plant and equipment		(79,899)	(534,397)
(Advances to) repayment from third parties		(419,268)	648,864
(Advances to) repayment from related parties		(605,802)	427,080
Increase in pledged deposits		(436,433)	(200,117)
Acquisition of subsidiaries (net of cash and cash equivalents acquired)	23	(19,998)	(40,435)
Dividends received from associates and jointly controlled entities		5,363	68,536
De-consolidation of a subsidiary	19	(579,578)	–
Disposal of a subsidiary (net of cash and cash equivalents disposed of)		–	49,004
Purchase of available-for-sale investments		(30,250)	(250,800)
Investments in associates		(1,859,854)	(598,500)
Investments in jointly controlled entities		(100,000)	(30,000)
Other investing cash flows		370,165	94,978
		(3,755,554)	(365,787)

CONDENSED Consolidated Statement of Cash Flows

For the six months ended 30 June 2011

	Notes	Six months ended 30 June	
		2011 RMB'000 (Unaudited)	2010 RMB'000 (Unaudited)
Net cash (used in) from financing activities			
Bank and other borrowings raised		9,602,265	15,268,556
Repayment of bank and other borrowings		(8,218,251)	(7,962,717)
Trust loans raised		3,323,750	3,150,000
Trust loans repaid		(2,503,900)	–
Repayment of related parties borrowings		(3,137,283)	(1,763,228)
Interest paid		(1,201,616)	(826,353)
Dividends paid		(604,506)	(410,791)
Purchase of additional interests in subsidiaries		(105,754)	(350,935)
Proceeds from partial disposal of subsidiaries		5,120	–
Redemption of the 2007 Convertible Bonds		–	(2,199,926)
Contribution by non-controlling shareholders of subsidiaries		10,435	84,400
Payment on repurchase of shares		–	(154,905)
Proceeds from exercise of share options		4,864	3,624
Share option premium received		24,040	–
		(2,800,836)	4,837,725
Net decrease in cash and cash equivalents		(5,667,721)	(942,038)
Cash and cash equivalents at 1 January		12,407,659	9,405,347
Effect of foreign exchange rate changes		4,493	9,411
Cash and cash equivalents at 30 June		6,744,431	8,472,720
Represented by bank balances and cash		6,744,431	8,472,720

NOTES

To The Condensed Consolidated Financial Statements

For the six months ended 30 June 2011

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 properties, which are measured at fair values.

The accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended 30 June 2011 are the same as those followed in the preparation of the Group's annual financial statements for the year ended 31 December 2010 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 were effective for the Group's financial year beginning on 1 January 2011. The

application of these new and revised IFRSs in the current interim period has had no material effect on the condensed consolidated financial statements of the Group for the current or prior accounting periods.

The Group has not early applied the new or revised standards and amendments that have been issued but are not yet effective. The following new or revised standards and amendments have been issued after the date the consolidated financial statements for the year ended 31 December 2010 were authorised for issuance and are not yet effective:

IFRS 10	Consolidated Financial Statements ¹
IFRS 11	Joint Arrangements ¹
IFRS 12	Disclosure of Interests in Other Entities ¹
IFRS 13	Fair Value Measurement ¹
IAS 1 (Amendments)	Presentation of Items of Other Comprehensive Income ²
IAS 19 (Revised 2011)	Employee Benefits ¹
IAS 27 (Revised 2011)	Separate Financial Statements ¹
IAS 28 (Revised 2011)	Investments in Associates and Joint Ventures ¹

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

² Effective for annual periods beginning on or after 1 July 2012

NOTES

To The Condensed Consolidated Financial Statements

For the six months ended 30 June 2011

2. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

IFRS 10, IFRS 11, IFRS 12, IAS 27 (Revised) and IAS 28 (Revised) on consolidation, joint arrangements and disclosures were issued by the IASB in May 2011 and are effective for annual periods beginning on or after 1 January 2013. Earlier application is permitted provided that all of these five new or revised standards are applied early at the same time. The directors of the Company anticipate that these new or revised standards will be applied in the Group's consolidated financial statements for the financial year ending 31 December 2013 and the potential impact is described below.

IFRS 10 replaces the parts of IAS 27 *Consolidated and Separate Financial Statements* that deal with consolidated financial statements. Under IFRS 10, there is only one basis for consolidation for all entities, and that basis is control. In addition, IFRS 10 includes a new definition of control that contains three elements: (a) power over an investee, (b) exposure, or rights, to variable returns from its involvement with the investee, and (c) ability to use its power over the investee to affect the amount of the investor's returns. Extensive guidance has been added in IFRS 10 to deal with complex scenarios. Overall, the application of IFRS 10 requires a lot of judgement. The application of IFRS 10 might result in the Group no longer consolidating some of its investees, and consolidating investees that were not previously consolidated.

IFRS 11 replaces IAS 31 *Interests in Joint Ventures*. IFRS 11 deals with how a joint arrangement of which two or more parties have joint control should be classified. Under IFRS 11, there are two types of joint arrangements:

joint ventures and joint operations. The classification in IFRS 11 is based on parties' rights and obligations under the arrangements. In contrast, under IAS 31, there are three different types of joint arrangements: jointly controlled entities, jointly controlled assets and jointly controlled operations. In addition, joint ventures under IFRS 11 are required to be accounted for using the equity method of accounting, whereas jointly controlled entities under IAS 31 can be accounted for using the equity method of accounting or proportionate accounting. The application of IFRS 11 might result in changes in the classification of the Group's joint arrangements and their accounting treatments.

IFRS 12 *Disclosure of Interests in Other Entities* is a disclosure standard and is applicable to entities that have interests in subsidiaries, joint arrangements, associates or unconsolidated structured entities. IFRS 12 establishes disclosure objectives and specifies minimum disclosures that entities must provide to meet those objectives. The objective of IFRS 12 is that entities should disclose information that helps users of financial statements evaluate the nature of and risks associated with its interests in other entities and the effects of those interests on financial statements. The disclosure requirements set out in IFRS 12 are more extensive than those in the current standards.

Other than disclosed above, the directors of the Company anticipate that the application of these new or revised standards and amendments 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 2011

3. REVENUE AND SEGMENT INFORMATION

	Six months ended 30 June	
	2011	2010
	RMB'000	RMB'000
Property sales	10,793,169	3,779,814
Hotel operations	115,551	77,136
Project management	137,400	–
Property rental income	39,798	5,234
Design and decoration	104,443	4,801
Sales of construction materials	13,874	1,193
Others	11,924	1,993
	11,216,159	3,870,171

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

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

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

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

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

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To The Condensed Consolidated Financial Statements

For the six months ended 30 June 2011

3. REVENUE AND SEGMENT INFORMATION (CONTINUED)

The CODM assesses the performance of the operating segments based on the post-tax profit of the group entities engaged in the respective segment activities, which includes share of results of jointly controlled entities and associates 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.

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	Property investment RMB'000	Others RMB'000	Total RMB'000
Six months ended 30 June 2011					
Total segment revenue	10,793,169	120,649	40,228	608,411	11,562,457
Inter-segment revenue	–	(5,098)	(430)	(340,770)	(346,298)
External revenue	10,793,169	115,551	39,798	267,641	11,216,159
Segment results	1,960,605	7,810	(21,381)	(22,399)	1,924,635
Unallocated corporate expenses					(36,555)
Other income					43,447
Finance costs					(90,330)
Fair value changes on trust-related financial derivatives					(19,920)
Unallocated taxation					(44,778)
Profit for the period					1,776,499

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To The Condensed Consolidated Financial Statements

For the six months ended 30 June 2011

3. REVENUE AND SEGMENT INFORMATION (CONTINUED)

	Property development RMB'000	Hotel operations RMB'000	Property investment RMB'000	Others RMB'000	Total RMB'000
Six months ended 30 June 2010					
Total segment revenue	3,779,814	83,602	5,234	204,045	4,072,695
Inter-segment revenue	–	(6,466)	–	(196,058)	(202,524)
External revenue	3,779,814	77,136	5,234	7,987	3,870,171
Segment results	759,518	2,625	(4,121)	(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 2007 Convertible Bonds					(148,158)
Unallocated taxation					(15,716)
Profit for the period					360,633

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To The Condensed Consolidated Financial Statements

For the six months ended 30 June 2011

3. REVENUE AND SEGMENT INFORMATION (CONTINUED)

Segment assets

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

	2011 RMB'000	2010 RMB'000
Property development	116,060,815	115,537,454
Hotel operations	2,063,349	2,118,317
Property investment	1,792,968	1,778,909
Others	4,186,760	3,294,050
Total segment assets	124,103,892	122,728,730
Unallocated	1,959,162	2,630,224
Consolidated assets	126,063,054	125,358,954

4. OTHER INCOME

	Six months ended 30 June	
	2011 RMB'000	2010 RMB'000
Interest income	267,583	98,757
Net foreign exchange gains	121,727	20,737
Government grants	6,615	2,242
Others	20,713	14,248
	416,638	135,984

5. FINANCE COSTS

	Six months ended 30 June	
	2011 RMB'000	2010 RMB'000
Interest on borrowings	1,552,475	1,092,549
Less: Interest capitalised in properties under development	(1,323,592)	(890,717)
	228,883	201,832

NOTES

To The Condensed Consolidated Financial Statements

For the six months ended 30 June 2011

6. PROFIT BEFORE TAXATION

	Six months ended 30 June	
	2011	2010
	RMB'000	RMB'000
Profit before taxation has been arrived at after charging:		
Salaries and other benefits	461,847	288,602
Equity-settled share-based payments	9,921	33,192
Retirement benefits scheme contributions	19,928	7,849
Less: Capitalised in properties under development	(119,817)	(74,625)
	371,879	255,018
Depreciation of property, plant and equipment	70,349	53,770
Less: Capitalised in properties under development	(7,855)	(9,131)
	62,494	44,639
Cost of properties and inventories recognised as an expense	7,369,400	2,387,405
Amortisation of prepaid lease payment (included in selling and administrative expenses)	2,409	3,933
Impairment loss on goodwill (included in administrative expenses)	–	9,341

7. TAXATION

	Six months ended 30 June	
	2011	2010
	RMB'000	RMB'000
Current tax:		
PRC Enterprise Income Tax ("EIT")	852,364	314,513
PRC Land Appreciation Tax ("LAT")	498,495	190,247
	1,350,859	504,760
Deferred tax:		
Current period	(84,403)	(122,006)
	1,266,456	382,754

PRC EIT is recognised based on management's best estimate of the annual income tax rate expected for the full financial year, which is 25%. All PRC subsidiaries are subject to EIT levied at a rate of 25% (2010: 25%).

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

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To The Condensed Consolidated Financial Statements

For the six months ended 30 June 2011

7. TAXATION (CONTINUED)

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

For the six months ended 30 June 2011, the Group has estimated and made a provision for LAT in the amount of RMB498,495,000 (for the six months ended 30 June 2010: RMB190,247,000) 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 17 June 2011, a dividend of RMB0.36 per ordinary share, or RMB589,036,000 in total, was paid to shareholders as the final dividend for 2010 (2009: HKD0.26 per ordinary share).

The Board has resolved to declare an interim dividend of RMB0.10 per ordinary share in issue for the six months ended 30 June 2011 (for the six months ended 30 June 2010: RMB0.10 per ordinary share).

9. EARNINGS PER SHARE

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

Earnings

	Six months ended 30 June	
	2011	2010
	RMB'000	RMB'000
Earnings for the purpose of basic earnings per share (profit for the period attributable to owners of the Company)	891,770	331,713
Effect of dilutive potential ordinary shares: Interest on the 2007 Convertible Bonds	4,129	–
Earnings for the purpose of diluted earnings per share	895,899	331,713

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9. EARNINGS PER SHARE (CONTINUED)

Number of shares

	Six months ended 30 June	
	2011	2010
Weighted average number of ordinary shares for the purpose of basic earnings per share	1,638,189,598	1,651,421,760
Effect of dilutive potential ordinary shares:		
The 2007 Convertible Bonds	8,297,621	—
Share options	19,683,509	26,515,994
Weighted average number of ordinary shares for the purpose of diluted earnings per share	1,666,170,728	1,677,937,754

The computation of diluted earnings per share for the six months ended 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.

10. PROPERTY, PLANT AND EQUIPMENT

During the period, the Group incurred additional expenditure on property, plant and equipment in the amount of RMB79,899,000 (for the six months ended 30 June 2010: RMB537,576,000), in which RMB4,746,000 (for the six months ended 30 June 2010: RMB464,526,000) 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 RMB3,018,000 (for the six months ended 30 June 2010: RMB2,080,000).

Details of the buildings and construction in progress pledged to secure banking facilities granted to the Group are disclosed in note 25.

11. INTERESTS IN ASSOCIATES

During the period, the Group invested in newly set up and newly acquired associates, which are all engaged in the property development business, in the amount of RMB265,000,000 and RMB952,374,000 respectively. In addition, the Group made an additional capital contribution of RMB642,480,000 to existing associates.

12. AVAILABLE-FOR-SALE INVESTMENTS

During the period, the Group subscribed for all the ordinary units of a trust fund established during this period for RMB23,750,000 as disclosed in note 19.

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13. PROPERTIES FOR DEVELOPMENT

Included in properties for development as at 30 June 2011 is an amount of RMB14,400,288,000 (as at 31 December 2010: RMB11,804,525,000) in respect of long-term leasehold land for which the Group was in the process of obtaining the land use rights certificates.

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

14. PROPERTIES UNDER DEVELOPMENT

	As at 30 June 2011 RMB'000	As at 31 December 2010 RMB'000
Long-term leasehold land – at cost	38,266,563	39,987,244
Development costs	16,256,515	13,486,921
Finance costs capitalised	4,399,459	3,917,673
	58,922,537	57,391,838

Properties under development for sale amounting to RMB45,749,273,000 (as at 31 December 2010: RMB42,495,327,000) are expected to be recovered after more than 12 months from the end of the period.

15. TRADE AND OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	As at 30 June 2011 RMB'000	As at 31 December 2010 RMB'000
Trade receivables	391,821	246,800
Other receivables	2,496,254	2,006,616
Prepayments and deposits	1,625,403	1,942,543
	4,513,478	4,195,959

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 2011 RMB'000	As at 31 December 2010 RMB'000
Within 30 days	115,606	165,138
31-90 days	96,699	10,885
91-180 days	22,315	31,498
181-365 days	126,515	7,009
Over 365 days	30,686	32,270
	391,821	246,800

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16. TRADE AND OTHER PAYABLES

	As at 30 June 2011 RMB'000	As at 31 December 2010 RMB'000
Trade payables	5,608,904	4,867,641
Other payables and accrued expenses	3,200,985	4,060,329
	8,809,889	8,927,970

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

	As at 30 June 2011 RMB'000	As at 31 December 2010 RMB'000
Within 30 days	3,627,618	2,452,105
31-90 days	902,503	285,936
91-180 days	143,527	712,622
181-365 days	559,256	731,915
Over 365 days	376,000	685,063
	5,608,904	4,867,641

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.

18. BANK AND OTHER BORROWINGS

	As at 30 June 2011 RMB'000	As at 31 December 2010 RMB'000
Secured bank loans (note 25)	26,304,659	26,950,924
Unsecured bank loans	5,873,010	3,933,507
	32,177,669	30,884,431
Secured other loans (note 25)	2,040,585	2,230,200
Unsecured other loans	381,090	500,699
	2,421,675	2,730,899
	34,599,344	33,615,330
The amount is repayable as follows:		
Amounts due within one year	13,514,164	11,993,908
Amounts due after one year	21,085,180	21,621,422
	34,599,344	33,615,330

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For the six months ended 30 June 2011

18. BANK AND OTHER BORROWINGS (CONTINUED)

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

	As at 30 June 2011 RMB'000	As at 31 December 2010 RMB'000
Secured bank loans		
Independent third parties	26,025	24,462
Non-controlling shareholders	777,291	699,331
	803,316	723,793
Unsecured bank loans		
Non-controlling shareholders	100,000	100,000

19. TRUST FINANCING

Since 2009, the Group has entered into a number of trust financing arrangements with certain PRC trust companies for the purpose of establishing trust funds investing in select project companies. Such trust financing arrangements in general involve (i) the transfer of the Group's equity interests in a particular project company to a trust fund; (ii) the trust fund investing in the project company in the form of equity and/or loans; (iii) the Group offering credit protection to the unit holders of the trust fund; and (iv) the Group retaining control over, and hence the residual interest in, the project company. Accordingly, such trust financing arrangements have been accounted for as financing arrangements rather than disposals of equity interests in project companies.

During the period, similar trust financing arrangements were entered into by the Group and they carry interest at rates ranging from 7.0% to 9.8% per annum and have a term of 18 months.

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For the six months ended 30 June 2011

19. TRUST FINANCING (CONTINUED)

The movements of the liability components and trust-related financial derivatives of the various trust financing arrangements for the period under review are set out below:

	Liability Component [#] RMB'000	Trust-related derivatives RMB'000	Total RMB'000
As at 1 January 2011	4,088,127	251,480	4,339,607
Trust loans raised during the period	3,323,750	–	3,323,750
Interest charged during the period	270,280	–	270,280
Principal repaid during the period	(2,503,900)	–	(2,503,900)
Interest paid during the period	(193,783)	–	(193,783)
Changes in fair value	–	19,920	19,920
As at 30 June 2011	4,984,474	271,400	5,255,874

As at 30 June 2011, approximately RMB1,589,127,000 (31 December 2010: 3,306,789,000) and RMB3,395,347,000 (31 December 2010: 781,338,000) were included in current and non-current amounts due to related parties respectively.

During the period, the Group together with the non-controlling equity holder of Hangzhou Greentown Zhongsheng Real Estate Co., Ltd. ("Greentown Zhongsheng"), a 55%-owned subsidiary, entered into a trust financing arrangement with a trust company for a term of one year with respect to Greentown Zhongsheng. This trust financing arrangement involved a change in the board composition of Greentown Zhongsheng and resulted in the Group losing control, but retaining joint control, over Greentown Zhongsheng. As a result, Greentown Zhongsheng ceased to be a subsidiary of the Company and was de-consolidated and accounted for as a jointly controlled entity of the Group during the current period.

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19. TRUST FINANCING (CONTINUED)

The net assets of Greentown Zhongsheng de-consolidated at the date of de-consolidation were as follows:

	2011 RMB'000
Net assets de-consolidated:	
Property, plant and equipment	3,451
Deferred tax assets	4,551
Properties for development	1,820,880
Properties under development	2,285,940
Trade and other receivables	679
Bank balances and cash	579,578
Trade and other payables	(1,485,764)
Amounts due to related parties	(1,378,532)
Pre-sale deposits	(1,344,590)
Other taxes payable	(61)
Bank borrowings	(400,000)
	86,132
Non-controlling interests	(38,759)
Gain on de-consolidation of a subsidiary	20,948
	68,321
Transfer to interest in jointly controlled entities	68,321

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.

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 2011, the remaining 2007 Convertible Bonds due on 18 May 2012 were classified as a current liability.

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21. SHARE CAPITAL

	Number of shares	Share capital HKD'000
<i>Issued and fully paid</i>		
Ordinary shares of HKD0.10 each		
As at 1 January 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
As at 1 January 2011	1,637,653,647	163,765
Exercise of share options	2,000,750	200
As at 30 June 2011	1,639,654,397	163,965
		RMB'000
Shown on the condensed consolidated statement of financial position		
As at 31 December 2010		166,243
As at 30 June 2011		166,411

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 as at 1 January 2011	93,498,250
Exercised during the period	(2,000,750)
Forfeited during the period	(667,000)
Outstanding as at 30 June 2011	90,830,500

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\$8.28.

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22. SHARE-BASED PAYMENTS (CONTINUED)

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 2010 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 2010 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 2011, share option premiums receivable amounting to RMB96,679,000 (as at 31 December 2010: RMB90,539,000) and RMB nil (as at 31 December 2010: RMB30,180,000) 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.

23. ACQUISITION OF SUBSIDIARIES

Particulars of the subsidiary acquired during the six months ended 30 June 2011 were as follows:

Acquired company	Principal activities	Acquisition date	Equity interest acquired	Consideration RMB'000
綠城投資管理有限公司 Greentown Investment Management Co., Ltd. ("Greentown Investment") (note)	Investment holding	4 January 2011	100%	20,000
				20,000

Note: Greentown Investment was being acquired from a related party as disclosed in Note 27(ii). Greentown Investment subsequently established two wholly-owned subsidiaries engaged in investment.

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For the six months ended 30 June 2011

23. ACQUISITION OF SUBSIDIARIES (CONTINUED)

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 Limited	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
杭州錢王美廬餐飲管理有限公司 Hangzhou Qianwang Meilu Food & Restaurant Management 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

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23. ACQUISITION OF SUBSIDIARIES (CONTINUED)

Notes:

- (i) On 16 December 2009, the Company, Richwise Holdings Limited, a wholly-owned subsidiary of the Company, Mr GUO Jiafeng, a shareholder and 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.

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.

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

	2011 RMB'000	2010 RMB'000
Net assets acquired:		
Property, plant and equipment	–	2,995
Properties under development	–	615,776
Inventories	–	639
Trade and other receivables	20,027	609,339
Amounts due from related parties	–	60,000
Bank balances and cash	2	67,565
Trade and other payables	(29)	(277,587)
Amounts due to related parties	–	(696,564)
Income tax and other taxes payable	–	(22)
Bank borrowings	–	(166,892)
	20,000	215,249
Goodwill	–	9,341
Non-controlling interests	–	(96,976)
	20,000	127,614
Less: Interests previously held and classified as jointly controlled entities/associates	–	(19,614)
	20,000	108,000

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23. ACQUISITION OF SUBSIDIARIES (CONTINUED)

	2011 RMB'000	2010 RMB'000
Total consideration, satisfied by:		
Cash	20,000	108,000
	20,000	108,000
Net cash outflow arising on acquisition		
Cash paid	(20,000)	(108,000)
Bank balances and cash acquired	2	67,565
	(19,998)	(40,435)

The acquisition of Greentown Investment has been accounted for as an acquisition of assets.

Greentown Investment has not contributed any revenue to the Group for the period between the date of acquisition and the end of the period. The loss attributable to Greentown Investment amounted to RMB30,000, 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 Greentown Investment been effected at 1 January 2011, the effect on the Group's revenue and profit for the six months ended 30 June 2011 would have been insignificant.

24. COMMITMENTS

	As at 30 June 2011 RMB'000	As at 31 December 2010 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	16,177,199	17,447,089

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

	As at 30 June 2011 RMB'000	As at 31 December 2010 RMB'000
Contracted for but not provided	569,374	351,575

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25. PLEDGE OF ASSETS

In addition to the security provided under the trust financing arrangements disclosed in note 19, at the end of the period, the following assets were pledged to banks and other parties to secure credit facilities granted to the Group:

	As at 30 June 2011 RMB'000	As at 31 December 2010 RMB'000
Land and buildings	27,127	29,782
Hotel buildings	1,657,570	1,577,929
Prepaid lease payment	141,545	135,631
Properties for development	1,101,514	1,656,960
Properties under development	28,821,017	28,380,933
Completed properties for sale	212,173	–
Bank deposits	3,001,667	2,565,234
Interest in associates	111,326	138,700
Interest in jointly controlled entities	63,964	–
Amounts due from related parties	76,851	78,820
Investment properties	1,700,000	1,700,000
	36,914,754	36,263,989

26. CONTINGENT LIABILITIES

Guarantees

The Group provided guarantees of RMB18,660,587,000 as at 30 June 2011 (as at 31 December 2010: RMB18,657,985,000) 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 2011 RMB'000	As at 31 December 2010 RMB'000
Associates	3,046,000	3,120,000
Jointly controlled entities	1,783,000	1,930,000
	4,829,000	5,050,000

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26. CONTINGENT LIABILITIES (CONTINUED)

Guarantees (continued)

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

	As at 30 June 2011 RMB'000	As at 31 December 2010 RMB'000
Share of mortgage loan guarantees provided by associates to banks in favour of their customers	4,422,778	3,363,035

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

	As at 30 June 2011 RMB'000	As at 31 December 2010 RMB'000
Share of mortgage loan guarantees provided by jointly controlled entities to banks in favour of their customers	1,337,622	761,407

27. RELATED PARTY DISCLOSURES

- (i) During the six months ended 30 June 2011, in addition to those disclosed in notes 18 and 26, the Group had the following significant transactions with related parties:

	Six months ended 30 June 2011 RMB'000	2010 RMB'000
Sales of properties to officers	16,162	26,132
Sales of materials to associates	10,630	2,372
Sales of property, plant and equipment to non-controlling shareholders	–	10,302
Sales of materials to jointly controlled entities	–	292
Construction service income from Shareholders' Companies	208	34
Construction service income from associates	1,276	995
Construction service income from jointly controlled entities	1,312	–
Construction fees paid to Shareholders' Companies	–	2,781
Construction fees paid to non-controlling shareholders of subsidiaries	60	–
Rental expense to Shareholders' Companies	4,152	46
Purchases from Shareholders' Companies (note)	4,436	3,347
Property management fees paid to Shareholders' Companies	12,463	6,073

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For the six months ended 30 June 2011

27. RELATED PARTY DISCLOSURES (CONTINUED)

	Six months ended 30 June	
	2011 RMB'000	2010 RMB'000
Interest income arising from non-controlling shareholders of subsidiaries	34,977	35,957
Interest income arising from amounts due from associates	143,320	70,270
Interest income arising from amounts due from jointly controlled entities	16,056	14,650
Interest expense paid to non-controlling shareholders	316,956	23,598
Interest expenses arising from amounts due to associates	36,619	26,009
Interest expenses arising from amounts due to jointly controlled entities	28,189	10,939
Advertising expenses paid to Shareholders' Companies	20,000	20,000
Interior decoration service income from associates	101,561	–
Other services fees to Shareholders' Companies	3,814	2,527
Other income from Shareholders' Companies	145	120
Other income from associates	3	–
Other income from jointly controlled entities	55	–
Sales commission paid to Shareholders' Companies	–	86

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

Mr SONG Weiping, Mr SHOU Bainian and Ms XIA Yibo are each a "Shareholder", and collectively the "Shareholders", of the Company. The Shareholders collectively control the Company. Shareholders' Companies represent companies directly or indirectly controlled by the Shareholders and affiliates.

(ii) During the six months ended 30 June 2011, the Group made the following acquisitions from related parties:

	Six months ended 30 June	
	2011 RMB'000	2010 RMB'000
Acquisition of a subsidiary from a shareholder's company	20,000	–
Purchase of additional interests in subsidiaries from non-controlling shareholders	105,754	500,935

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27. RELATED PARTY DISCLOSURES (CONTINUED)

(iii) Compensation of key management personnel

The remuneration of directors and other members of key management during the six months ended 30 June 2011 was as follows:

	Six months ended 30 June	
	2011	2010
	RMB'000	RMB'000
Short-term benefits	9,170	9,104
Post-employment benefits	106	87
Equity-settled share-based payments	6,941	14,792
	16,217	23,983

DEFINITION

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

Audit Committee	The audit committee of the Company	PRC/China	The People's Republic of China
Board	The board of directors of the Company	SFO	Securities and Futures Ordinance, Chapter 571 of the laws of Hong Kong
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	Share Option Scheme	The share option scheme adopted by a resolution of the shareholders' meeting of the Company passed on 22 June 2006
EIT	Enterprise Income Tax	Shares	The shares of the Company
GFA	Gross Floor Area	sqm.	Square metres
Greentown Group	Greentown China Holdings Limited and its subsidiaries together with its jointly controlled entities and associates	Stock Exchange	The Stock Exchange of Hong Kong Limited
Group	Greentown China Holdings Limited and its subsidiaries	the period	The six months ended 30 June 2011
LAT	Land Appreciation Tax		
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		

GREENTOWN CHINA HOLDINGS LIMITED

HANGZHOU HEADQUARTERS

10/F, Block A, Century Plaza, No. 1 Hangda Road,
Hangzhou, Zhejiang, PRC (Postcode: 310007)
Tel: (86-571) 8898 8888 Fax: (86-751) 8790 1717

HONG KONG OFFICE

Rm 1406-1408, New World Tower 1
16-18 Queen's Road, Central, Hong Kong
Tel: (852) 2523 3137 Fax: (852) 2523 6608

www.chinagreentown.com

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綠城中國控股有限公司

杭州總部

中國浙江省杭州市杭大路1號,
黃龍世紀廣場A座10樓 (郵編: 310007)
電話: (86-571) 8898 8888 傳真: (86-571) 8790 1717

香港辦事處

香港中環皇后大道中16-18號,
新世界大廈1期14樓1406-1408室
電話: (852) 2523 3137 傳真: (852) 2523 6608

www.chinagreentown.com

設計及制作: 卓智財經印刷有限公司
網址: www.ione.com.hk