



2012 INTERIM REPORT 中期報告

GREENTOWN CHINA HOLDINGS LIMITED

綠城中國控股有限公司

(incorporated in the Cayman Islands with limited liability)

(於開曼群島註冊成立的有限公司)

(Stock Code 股票代碼:03900)



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CORPORATE PROFILE



CORPORATE PROFILE



From 2005 to 2012, we have been ranked for eight consecutive years as one of the TOP 10 Property Enterprises in China jointly by four authoritative institutions, namely 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.

In the 2012 China's Urban Resident Satisfaction Survey, the Group ranked first in the outstanding enterprises rankings in terms of Resident Satisfaction. The Group also ranked first in aspects of "Property-Owner Loyalty", "Corporate Image", "Plan and Design", "Project Quality", "Property Services" and "Sales Services" indices.

Since its establishment 18 years ago, the Group has been based in Zhejiang Province, one of the most economically vibrant provinces in the PRC. With property projects covering most of the economically prosperous cities in Zhejiang Province such as Hangzhou, Ningbo, Wenzhou, Taizhou, Shaoxing and other cities on the list of the Top 100 national most competitive county-level cities in Zhejiang Province, the Group has a sizable operation scale and enjoys high reputation. Since the commencement of the Group's national expansion strategy in 2000, the Group has successfully set foot in other major cities located in Yangtze River Delta, including Shanghai, Nanjing, Suzhou, Wuxi and Nantong and major cities in Bohai Rim Economic Belt, including Beijing, Tianjin, Qingdao, Jinan and Dalian and other provincial cities, such as Hefei in Anhui Province, Zhengzhou in Henan Province, Changsha in Hunan Province, and Urumqi in Xinjiang, which enabled the operating results to grow continuously and established an excellent brand image in various cities. Greentown focuses on the development of superior-quality properties. Having continuously improved and enriched its product mix, Greentown now offers widely-received high quality housing types such as villa, flat mansion, low-rise apartment, high-rise apartment, urban complex, integrated community and commercial property.

On 8 June 2012, Wharf agreed to become a strategic shareholder of Greentown. The aggregate investment by Wharf amounted to HK\$5.1 billion (equivalent to approximately RMB4.16 billion), including the subscription of approximately 490 million placing shares, representing 24.6% of the enlarged total share capital of the Company, and the subscription of PSCS.

In addition, on 22 June 2012, Greentown agreed to establish a joint venture platform company, namely Shanghai Sunac Greentown Real Estate Development Co., Ltd. (上海融創綠城房地產開發有限公司) with a wholly-owned subsidiary of Sunac, namely Sunac Zhidi, of which 50% was owned by each of Greentown and Sunac, respectively.

The establishment of strategic partnership with two powerful real estate developers from the PRC and Hong Kong, clearly indicates that Greentown's products and development ability are endorsed by professionals in the property industry, and their confidence in the Company's prospect.

As at 30 June 2012, the premier land bank of the Greentown Group comprised a total GFA of over 40 million sqm, ensuring Greentown Group's sustainable and steady development in the next five years. Leveraging on its quality human resources and effective corporate management structure, Greentown has established a strong presence in all cities where it operates. The Group's numerous high-quality projects and outstanding operational capabilities have provided a strong momentum for its further expansion.

CORPORATE INFORMATION

Registered Office

M&C Corporate Services Limited
PO Box 309, Ugland House
Grand Cayman, KY1-11047
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

as to Hong Kong law:
Ashurst Hong Kong

as to the PRC law:
Zhejiang T&C Law Firm

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

Company Secretary

Mr FUNG Ching, Simon

Authorized Representatives

Mr SHOU Bainian
Mr FUNG Ching, Simon

Principal Bankers

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

Hangzhou Headquarters

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

Principal Place of Business in Hong Kong

Room 1406-1408, New World Tower 1
16-18 Queen's Road Central
Central, Hong Kong

Investor Relations

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Stock Code

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Websites

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CORPORATE INFORMATION

Board of Directors

Executive Directors

Mr SONG Weiping
(Chairman)
Mr SHOU Bainian
(Executive Vice Chairman)
Mr LUO Zhaoming
(Vice Chairman)
Mr GUO Jiafeng
Mr CAO Zhounan

Non-Executive Director

Mr NG Tin Hoi, Stephen

Independent Non-Executive Directors

Mr JIA Shenghua
Mr JIANG Wei
Mr KE Huanzhang
Mr SZE Tsai Ping, Michael
Mr TANG Shiding
Mr HUI Wan Fai

Audit Committee

Mr SZE Tsai Ping, Michael
(Chairman)
Mr JIA Shenghua
Mr JIANG Wei
Mr TANG Shiding
Mr HUI Wan Fai

Nomination Committee

Mr SZE Tsai Ping, Michael
(Chairman)
Mr SHOU Bainian
Mr TANG Shiding
Mr HUI Wan Fai

Remuneration Committee

Mr JIA Shenghua
(Chairman)
Mr SHOU Bainian
Mr SZE Tsai Ping, Michael

Notes:

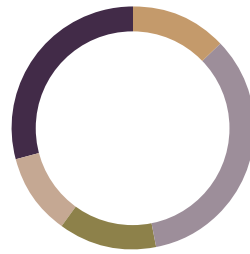
- (1) The following changes have been effective during the six months ended 30 June 2012:
 - (i) Mr HUI Wan Fai was appointed as an independent non-executive director of the Company, a member of the Audit Committee and Nomination Committee with effect from 1 April 2012.
 - (ii) Mr NG Tin Hoi, Stephen was appointed as a non-executive director of the Company with effect from 15 June 2012.
- (2) The following changes have been effective after 30 June 2012:
 - (i) Mr NG Tin Hoi, Stephen was appointed as a member of the Remuneration Committee with effect from 16 July 2012.
 - (ii) Mr TSUI Yiu Cheung was appointed as a non-executive director of the Company, a member of the Audit Committee and Nomination Committee with effect from 2 August 2012.

LAND BANK INFORMATION

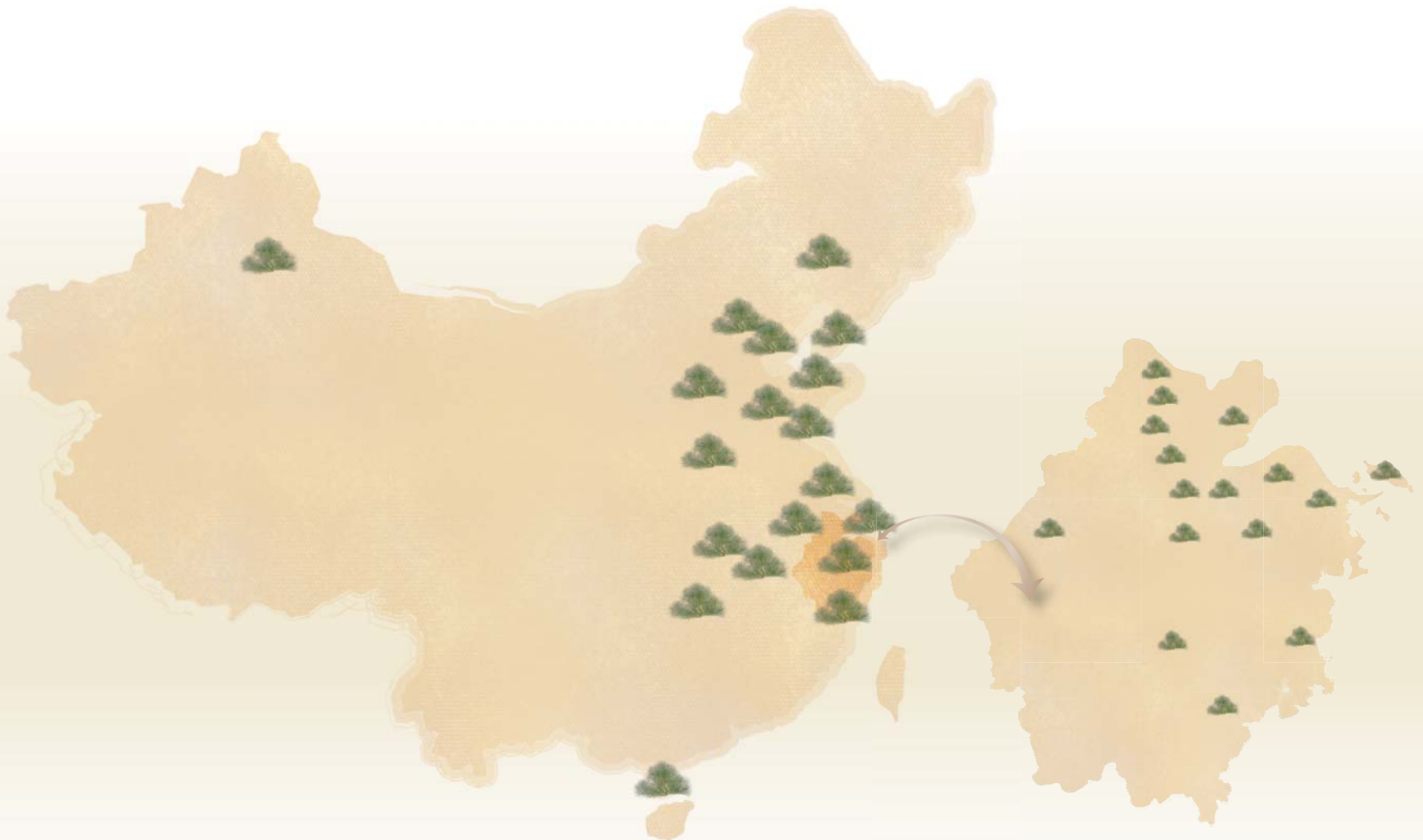
GREENTOWN GROUP IN CHINA

Total GFA exceeds

40 million
sqm



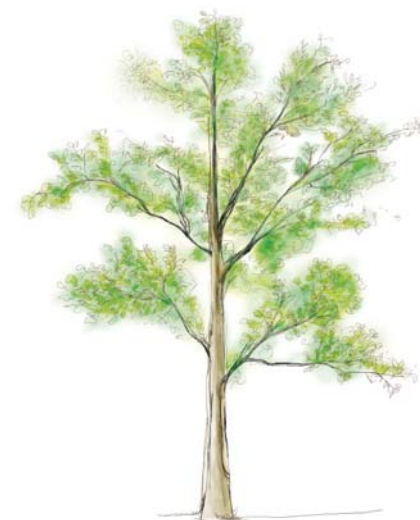
- 29% Zhejiang (Excluding Hangzhou)
- 13% Hangzhou
- 34% Bohai Rim Region
- 13% Yangtze River Delta Region
- 11% Others



LAND BANK INFORMATION



	No. of Projects	Site Area ('000 sqm)	Total GFA ('000 sqm)	% of Total
Zhejiang (Excluding Hangzhou)	34	6,406	11,467	28.6%
Shandong	9	4,108	9,194	22.9%
Hangzhou	26	2,210	5,234	13.1%
Jiangsu	10	1,866	4,301	10.7%
Liaoning	3	1,159	2,878	7.2%
Hainan	1	1,992	2,169	5.4%
Henan	3	995	838	2.1%
Anhui	1	286	830	2.1%
Shanghai	5	507	824	2.1%
Xinjiang	1	310	687	1.7%
Beijing	3	293	634	1.6%
Hebei	1	166	555	1.4%
Hunan	1	948	259	0.6%
Tianjin	1	17	210	0.5%
Total	99	21,263	40,081	100%

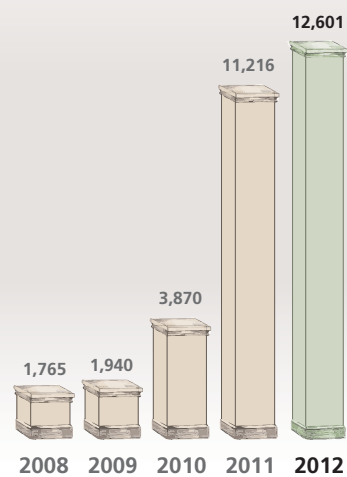


FINANCIAL HIGHLIGHTS

REVENUE

For the six months ended 30 June

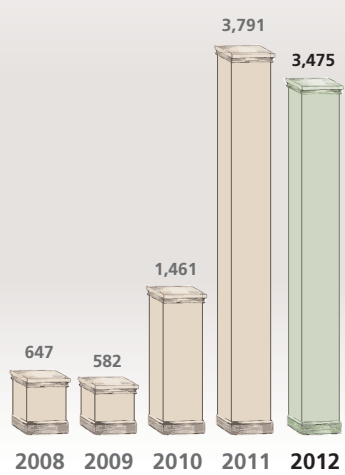
(RMB million)



GROSS PROFIT

For the six months ended 30 June

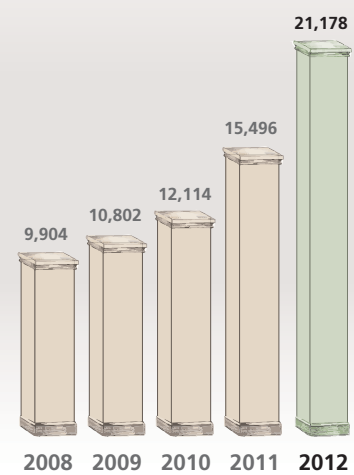
(RMB million)



TOTAL EQUITY

As at 30 June

(RMB million)





FINANCIAL HIGHLIGHTS

Five Years Financial Summary

Consolidated Results

	For the six months ended 30 June				
	2008 RMB'000 (Unaudited)	2009 RMB'000 (Unaudited)	2010 RMB'000 (Unaudited)	2011 RMB'000 (Unaudited)	2012 RMB'000 (Unaudited)
Revenue	1,765,161	1,940,468	3,870,171	11,216,159	12,600,812
Cost of sales and services	(1,118,113)	(1,358,175)	(2,408,707)	(7,424,921)	(9,125,366)
Gross profit	647,048	582,293	1,461,464	3,791,238	3,475,446
Other gains and income	321,221	428,039	154,188	437,586	1,062,855
Expenses	(578,919)	(716,251)	(1,016,315)	(1,201,542)	(1,116,644)
Share of results of jointly controlled entities and associates	170,049	174,724	144,050	15,673	258,467
Profit before taxation	559,399	468,805	743,387	3,042,955	3,680,124
Taxation	(189,675)	(114,409)	(382,754)	(1,266,456)	(1,419,880)
Profit for the period	369,724	354,396	360,633	1,776,499	2,260,244
Attributable to:					
Owners of the Company	340,999	323,176	331,713	891,770	1,811,498
Non-controlling interests	28,725	31,220	28,920	884,729	448,746
	369,724	354,396	360,633	1,776,499	2,260,244

Consolidated Assets and Liabilities

	As at 30 June				
	2008 RMB'000 (Unaudited)	2009 RMB'000 (Unaudited)	2010 RMB'000 (Unaudited)	2011 RMB'000 (Unaudited)	2012 RMB'000 (Unaudited)
Non-current assets	3,237,432	4,030,388	6,457,612	11,448,607	12,528,182
Current assets	37,115,549	48,248,415	92,440,792	114,614,447	114,086,702
Current liabilities	(18,787,672)	(26,928,703)	(64,336,155)	(84,804,920)	(96,338,169)
Non-current liabilities	(11,661,549)	(14,548,441)	(22,448,553)	(25,762,600)	(9,098,994)
Total equity	9,903,760	10,801,659	12,113,696	15,495,534	21,177,721

MANAGEMENT DISCUSSION AND ANALYSIS



MANAGEMENT DISCUSSION AND ANALYSIS

OPERATIONAL AND MANAGEMENT REVIEW

The first half of 2012 is of milestone significance in the history of Greentown's development. We have dealt with the challenges posted by China's macro-economic tightening policies calmly. Through a series of important measures such as enhancing the effectiveness of sales and marketing, introduction of strategic investors, and disposal of certain projects, the Group's financial strain was markedly relieved, thereby creating a good condition for the Group to implement its stability-oriented operational strategy. At the same time, through our relentless efforts in striving for the highest quality in our products and services, we have further enhanced Greentown's market leading position.

Results Overview

During the Reporting Period, the Group achieved a revenue of RMB12,601 million, representing an increase of RMB1,385 million or 12.3% as compared with RMB11,216 million for the corresponding period of 2011. Net profit amounted to RMB2,260 million, representing an increase of 27.3% from RMB1,776 million for the corresponding period of 2011. The net profit margin was 17.9%, representing an increase of 2.1 percentage points from 15.8% for the corresponding period of 2011. Profit attributable to the owners of the Company amounted to RMB1,811 million, representing an increase of RMB919 million or 103.0% as compared with RMB892 million for the corresponding period of 2011. Basic earnings per share for the period was RMB1.09, representing an increase of 101.9% as compared with RMB0.54 per share for the corresponding period of 2011.

Ranking First Again in Residents' Overall Satisfaction

The Group's long term commitment to excellent quality was once again approved by the customers and the market. The China's Urban Resident Satisfaction Survey, published by the China Index Academy and the China Real Estate Index System, was based on information gathered from nearly a hundred enterprises in China, up to 10,000 interviewees, and fieldwork undertaken in 12 major Chinese cities comprising Beijing, Shanghai, Guangzhou, Shenzhen, Chongqing, Tianjin, Hangzhou, Wuhan, Qingdao, Ningbo, Suzhou and Nanjing. Greentown ranked first in "China's Urban Residents' Overall Satisfaction" in the survey, and came first in the 6 sub-indices, namely "Product Quality", "Plan and Design", "Sales Services", "Property Services", "Corporate Image", and "Property-Owner Loyalty".

Introduction of Strategic Investors

On 8 June 2012, the Group announced the entering into of the subscription and investment agreements with the Wharf Group. The agreements involved the placement of Shares and the issuance of PSCs to the Wharf Group. The aggregate transaction amount is approximately HK\$5.1 billion (approximately RMB4.16 billion). Upon completion of the share placement, the Wharf Group holds approximately 520 million Shares, representing 24.6% of the entire issued share capital of the Company, and becomes Greentown's second largest shareholder. The Wharf Group also obtained two seats in the Board and one seat in the newly established Investment Committee.



MANAGEMENT DISCUSSION AND ANALYSIS

On 22 June 2012, the Group entered into an agreement with Sunac Zhidi, a wholly-owned subsidiary of Sunac, for the establishment of a joint venture platform company, in which each party would hold a 50% equity interest. Eight property development projects, namely Shanghai Yulan Garden, Shanghai Bund House, Suzhou Majestic Mansion, Suzhou Rose Garden, Wuxi Yulan Garden, Wuxi Taihu Project, Changzhou Yulan Square and Tianjin Azure Coast will be transferred to the joint venture platform company. Greentown will also transfer its 50% equity interests in Shanghai Rose Garden to Sunac Zhidi. Thus, Greentown will transfer 50% of its equity interests in the above nine projects for a total consideration of approximately RMB3.37 billion in this transaction.

The introduction of strategic investors not only prominently improved the Group's equity structure and balance sheet, it also created synergy by leveraging the strategic investors' superior resources and experience and further enhanced the Company's governance structure and operational ability.



Beijing Majestic Mansion

MANAGEMENT DISCUSSION AND ANALYSIS

In addition, in the first half of the year, the Group disposed of its equity interest in the Shanghai Haizhimen project and Shanghai Greentown Plaza project, and part of its equity interest in Wuxi Lihu Camphor Garden, Taizhou Lagerstroemia Garden and Taizhou Begonia Garden, for a total consideration of approximately RMB5.11 billion.

First Half Pre-Sale Overview

In the first half of the year, the Group had placed sales at its first priority. The sales model is transformed from the old 'sitting-salesman' showroom sales model, to the new agency model, which features the agents' active involvement in customer development. A new sales model comprising a new set of selling philosophy, organizational structure, training, target management, workflow processes, assessment and incentives, has been put in place and has already provided a strengthening effect in promoting sales of the Company.

The Greentown Group (including Greentown China Holdings Limited and its subsidiaries, together with its jointly controlled entities and associates) recorded sales with a total GFA of 1.17 million sqm for the six months ended 30 June 2012. Total sales amounted to RMB22 billion (including agreement sales of RMB4.2 billion), of which RMB12.9 billion was attributable to the Group. The average selling price of the total sales was RMB18,744 per sqm.

Land Bank

The Group did not make any new acquisitions of land in the first half of the year. Through introducing partners in the development of certain projects and project disposal, the Company had appropriately reduced its total land bank. As at 30 June 2012, the Group had 99 projects in land bank, including projects under construction and available for construction, with total GFA 40.08 million sqm, of which 23.07 million sqm was attributable to the Group. The total saleable area was 26.88 million sqm, of which 15.44 million sqm was attributable to the Group. The land bank had total saleable amount approximately RMB455.6 billion (including RMB80.5 billion sold but not yet recognized), in which approximately RMB259.1 billion was attributable to the Group (including RMB52.7 billion sold but not yet recognized). The Company believes that the current land bank can satisfy the Group's developmental need for the coming five years.



Zhoushan Lily Apartment



MANAGEMENT DISCUSSION AND ANALYSIS

OUTLOOK

“Excellent quality and sound operation” will henceforth become the guiding principle for the development of the Group. “Excellent quality” mainly refers to qualities such as attention to details, exquisiteness of products, and sincerity in service. This is the fundamental quality of the Group and we must continue to uphold and promote it. At the same time, the Group will adopt a prudent financial strategy, improve our financial risk management, and pursue an “asset light” model of development, focusing primarily on the export of our brand and management expertise, in order to ensure the sustainable development of Greentown.

Continually Improving the Quality of Products and Services

The Group will learn from the advanced countries, and continue to improve its construction techniques and processes. Through meticulous project management, and enhancement of quality control, we will continue to improve the quality of the Company’s works. At the same time, the Group will continue to promote the ‘estate community life services system’ by



Qingdao Ideal City

MANAGEMENT DISCUSSION AND ANALYSIS



Huzhou Majestic Mansion

improving the width and depth of our services and the residential and living quality of the residents, in order to maintain our market leading position in terms of residents' satisfaction.

Product Diversification

The Group will continue to invest a large portion of its time and effort in research and development in order to further enrich our product lines to serve different segment of customers. Going forward, we will pay more attention to market demand and geographical characteristics. Under the premise of maintaining excellent quality, we will further optimize our designs and diversify our product mix to suit the mainstream market, in order to enhance the competitiveness of our products, so that our products can satisfy a broader range of customers. At the same time, the Group will actively enter into 'themed estate' market, including the building of second and third tier cities' urban complexes, housing estate for retired people, and tourist-oriented estates, to further broaden our space for development.

Cost Controls

Land cost and construction cost directly determine the profitability of a development project. The Group plans to exert stringent controls over these two main areas. Regarding acquisition of land, we will optimize the use of the professional opinion and forward-looking judgment of the newly established Investment Committee in the assessment of the risks and returns associated with new projects, and arrive at appropriate acquisition decisions. Regarding construction cost, the



MANAGEMENT DISCUSSION AND ANALYSIS

Group has established an e-commerce procurement centre to centralize the procurement of building materials, which will effectively lower the relevant costs. At the same time, the Company will standardize construction and decoration cost for products under different price ranges in the new 'Greentown Product Catalogue'. Besides, our financing cost is expected to reduce as a result of the gradual improvement of our net gearing ratio and the anticipated further interest rate cuts.

Optimizing the Debt Structure

Aside from exerting great effort in stabilizing our net gearing ratio to a relatively lower level, another current focus of the Group is to optimize its debt structure. We seek to reduce the level of short-term borrowings so as to balance the debt maturity profile. Also, we will carefully examine available means of financing, and adjust the debt portfolio to lower the average cost of borrowing. At the same time, the Group will continue to explore opportunities to dispose of projects or part of the projects which have a relatively longer payback cycle in order to improve the cash flow condition and optimize the structure of the Group's land bank.

Second Half Project Commencement and Completion

In the second half of 2012, the Group expects to commence construction of projects with GFA totaling 3.01 million sqm. It is expected that 35 projects, or project phases, will be completed in the second half of 2012, with a total GFA of 2.85 million sqm, of which 1.97 million sqm is saleable area, and 1.42 million sqm of such saleable area is attributable to the Group.



Zhoushan Zhujiajian Dongsha Resort



Hangzhou Sapphire Mansion



MANAGEMENT DISCUSSION AND ANALYSIS

Projects scheduled for completion in the second half of 2012

	Project	Phase	Equity Interest	Total GFA (sqm)	Saleable Area (sqm)
Subsidiaries	Hefei Rose Garden	Phase 1 (partial)	100.0%	30,348	11,555
	Nanjing Rose Garden	Phase 4 (partial)	70.0%	26,032	10,758
	Nantong Yulan Apartment	Phase 3	77.0%	81,402	64,182
	Xinjiang Lily Apartment	Phase 2 (partial)	50.0%	52,980	31,028
	Qingdao Jiaozhou Lagerstroemia Square	Phase 1	100.0%	185,693	145,743
	Qingdao Ideal City	Phase 2 (partial)	80.0%	138,416	74,952
	Ningbo Crown Garden	Phase 3	60.0%	41,169	26,669
	Thousand-Island Lake Rose Garden	Phase 2	51.0%	29,757	25,036
	Hangzhou Sincere Garden Zhijingyuan	Phase 1	100.0%	142,175	94,085
	Hangzhou Lijiang Apartment	Phase 2 (partial)	100.0%	144,757	111,917
	Hangzhou Blue Patio	Phase 4 (partial)	85.0%	39,155	24,212
	Dalian Deep Blue Centre	Phase 1	80.0%	117,565	93,729
	Beijing Sincere Garden	Phase 3	50.0%	26,000	24,972
	Tangshan South Lake Project	Phase 1	100.0%	71,088	51,782
	Changzhidao Project	Phase 2 (partial)	96.9%	115,529	72,876
		Practice complex building	96.9%	7,550	0
	Lin'an Qianwang Culture Square	Phase 1	65.0%	73,254	52,778
	Taizhou Rose Garden	Phase 1 (partial)	55.2%	47,528	30,816
		Phase 2 (partial)	55.2%	82,153	54,136
	Zhuji Greentown Plaza	Phase 2 (partial)	60.0%	218,140	162,518
	Hangzhou Sapphire Mansion	Phase 3 (partial)	100.0%	175,373	121,935
	Shanghai Rose Garden	Phase 5	100.0%	11,585	7,471
	Shanghai Yulan Garden	Phase 1	100.0%	57,659	42,567
	Hangzhou Taohuayuan	Phase 7 (partial)	64.0%	13,942	8,094
	Hainan Clear Water Bay	Phase 1 (partial)	51.0%	93,332	64,685
	Wuxi Yulan Garden	Phase 2	85.0%	199,709	148,691
Subtotal				2,222,291	1,557,187

MANAGEMENT DISCUSSION AND ANALYSIS

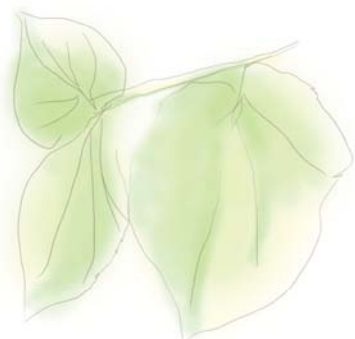
	Project	Phase	Equity Interest	Total GFA (sqm)	Saleable Area (sqm)
Jointly controlled entities/ Associates	Jinan National Games Project	Phase 6 (partial)	45.0%	15,120	13,690
	Shaoxing Jade Garden	Phase 4	51.0%	13,352	8,762
	Hangzhou Aesthetic Garden	Entire Project	9.0%	73,906	50,286
	Cixi Rose Garden	Phase 2	49.0%	134,231	80,640
	Taizhou Yulan Plaza Qionghuayuan	Entire Project	40.0%	121,517	68,797
	Hangzhou Hope Town	Chunxiaoyuan	45.0%	31,958	16,896
	Greentown Bund No.8	Phase 1	40.0%	23,821	20,831
	Wuxi Lihu Camphor Garden	Phase 1 (partial)	49.0%	27,329	22,037
	Greentown Xizi Orchid Mansion	Phase 1	8.0%	72,861	51,876
	Qingshan Lake Rose Garden	Phase 2 (partial)	50.0%	41,434	36,664
	Hangzhou Xingqiao Purple Osmanthus Apartment	Phase 3	35.0%	67,346	45,950
Subtotal				622,875	416,429
Total				2,845,166	1,973,616



Zhoushan Zhujiajian Dongsha Resort



MANAGEMENT DISCUSSION AND ANALYSIS



As at 30 June 2012, the sales revenue of the Greentown Group which has not yet been recognized in the income statement amounted to RMB80.5 billion, of which RMB52.7 billion was attributable to the Group. The Company currently expects that, barring unforeseeable circumstances, the majority of such revenue will be gradually recognized in the next two years, including RMB30.2 billion to be recognized by Greentown Group in the second half of 2012, of which RMB21.4 billion will be attributable to the Group. As such, the Company is optimistic about its prospect.

FINANCIAL ANALYSIS

Revenue

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

During the Reporting Period, the revenue recognized from property sales was RMB12,011 million, which accounted for 95.3% of the total revenue and represented an increase of 11.3% from RMB10,793 million for the corresponding period of 2011. Such increase was mainly attributable to the increase in areas sold. The areas of properties carried forward by the Group increased by 37.7% from 539,595 sqm for the corresponding period of 2011 to 743,239 sqm for the Reporting Period. The average selling price of properties delivered during the Reporting Period was RMB16,160 per sqm, representing a decrease of 19.2% from RMB20,002 per sqm for the corresponding period of 2011. The decrease was mainly due to the fact that the average selling price of Wenzhou Lucheng Plaza, which accounted for 43.5% of the Group's total property sales revenue in the corresponding period of 2011, was RMB40,603 per sqm and pushed up the average selling price in 2011 to a certain extent.



Shaoxing Jade Garden

MANAGEMENT DISCUSSION AND ANALYSIS



Qingdao Ideal City



MANAGEMENT DISCUSSION AND ANALYSIS

The properties delivered during the first half of 2012 are as follows:

Project	Property Type	Area Sold (sqm)	Sales Revenue (RMB million)	Sales Proportion	Average Selling Price (RMB/sqm)
Shanghai Bund House	High-rise apartment	37,627	2,220	18.5%	59,000
Zhoushan Yulan Garden	High-rise apartment	159,544	2,081	17.3%	13,043
Ningbo Crown Garden	High-rise apartment	138,369	2,035	16.9%	14,707
Hangzhou Sapphire Mansion	High-rise apartment	41,262	1,091	9.1%	26,441
Zhoushan Lily Apartment	Serviced apartment	69,020	828	6.9%	11,997
Zhuji Greentown Plaza	High-rise apartment	50,856	501	4.2%	9,851
Changxing Plaza	High-rise apartment	47,721	476	4.0%	9,975
Hangzhou Taohuayuan South	Villa	11,354	453	3.8%	39,898
Thousand-Island Lake Resort Condo	High-rise apartment	27,928	450	3.7%	16,113
Shanghai Rose Garden	Villa	9,439	355	3.0%	37,610
Others		150,119	1,521	12.6%	10,132
Total		743,239	12,011	100.0%	16,160

Note: The aforesaid sold areas include aboveground and underground areas.

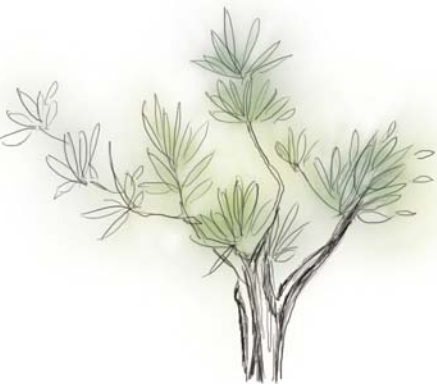
During the Reporting Period, Zhoushan area realized sales revenue of RMB3,425 million and accounted for 28.5% of the Group's total sales revenue. Shanghai area realized sales revenue of RMB2,589 million and accounted for 21.6% of the Group's total sales revenue. Hangzhou area and Ningbo area realized sales revenue of RMB2,096 million and RMB2,048 million, respectively, accounting for 17.5% and 17.1% of the Group's total sales revenue.

During the Reporting Period, the Group recorded the revenue from sales of apartments, villas and offices were RMB10,676 million, RMB1,323 million and RMB12 million, respectively, accounting for 88.9%, 11.0% and 0.1% of the total sales revenue, respectively.

During the Reporting Period, the Group recorded revenue of RMB228 million from design and decoration, surged by 119.2% from RMB104 million for the corresponding period of 2011. The revenue from design and decoration is expected to increase as the scale of design and decoration operation expands.



MANAGEMENT DISCUSSION AND ANALYSIS



During the Reporting Period, the Group recorded revenue of RMB124 million from hotel operations, increased by 6.9% from RMB116 million for the corresponding period of 2011. Operations at Greentown Thousand-Island Lake Sheraton Resort Hotel, Hangzhou Rose Garden Resort and Sheraton Zhoushan Hotel have accumulated a solid customer base and built up a well-developed market presence. Revenue from hotel operations are expected to continue to grow.

During the Reporting Period, the Group recorded property rental income totaling RMB57 million from investment properties, increased by 42.5% as compared to RMB40 million for the corresponding period of 2011. The increase was mainly attributable to the contribution from the rental income of Oakwood Residence Beijing as occupancy rose.

During the Reporting Period, revenue of the Group from project management amounted to RMB86 million, representing a decrease from RMB137 million for the corresponding period of 2011. This was mainly attributable to the delay of certain construction works as a result of the impact of macro-economic tightening policies on the PRC real estate market.

Gross Profit Margin from Property Sales

During the Reporting Period, the Group recorded a gross profit from property sales of RMB3,182 million and a gross profit margin of 26.5%, representing a decrease from 32.6% for the corresponding period of 2011. Among the properties sold during the Reporting Period in terms of property type, villa accounted for 11.0% of the total property sales revenue, representing a certain degree of decrease as compared to 15.2% for the corresponding period of last year. Such decrease has affected the gross profit margin for the Reporting Period to a certain extent. In terms of areas in which properties were delivered, Zhoushan, Shanghai and Hangzhou accounted for 28.5%, 21.6% and 17.5%, respectively, for the Reporting Period and was ranked the top three, as compared to 43.5%, 22.7% and 13.1%, of the top three for the corresponding period of last year, namely Wenzhou, Hangzhou and Beijing. Wenzhou is an economically prosperous city located in Zhejiang Province and the project delivered, being Wenzhou Lucheng Plaza, is a premium high-rise apartment project with a realized gross profit margin of 38.8%. Among the properties handed over for the Reporting Period, Shanghai Bund House and Ningbo Crown Garden came first and third in recorded sales revenue with a gross profit margin of 35.6% and 40.5%, respectively. However, Zhoushan area, which accounted for 28.5% of the total sales revenue, only achieved a gross profit margin of 18.2%. In particular, the gross profit margin for Zhoushan Lily Apartment is relatively low. Zhoushan Lily Apartment is a decorated serviced apartment project, which involved higher costs than roughcast. However, the average selling price has not increased in proportionate to the associated costs, which affected the gross profit margin to a certain extent. In addition, the Northern area of Hangzhou Sapphire Mansion delivered, which accounted for 9.1% of the total property sales revenue for the Reporting Period, commenced pre-sale in May 2009. The relatively low gross profit margin was the result of the macro-economic tightening policies, which resulted in under-pricing. As the Southern area is due to be handed over in the second half of 2012, the gross profit margin is expected to improve.

MANAGEMENT DISCUSSION AND ANALYSIS

Other Income

Other income mainly included interest income, trust income, net foreign exchange gains and government grants. Other income of RMB506 million was recorded by the Group during the Reporting Period, representing an increase of 21.3% from RMB417 million for the corresponding period of 2011.

Interest income of the Group for the Reporting Period was RMB324 million, representing an increase of RMB56 million from RMB268 million for the corresponding period of 2011, which was mainly due to an increase of interest income from jointly controlled entities and associates.

Trust income of the Group for the Reporting Period was RMB131 million, being the revenue from the subordinated trust units of the Zhonghai Greentown No.1 Real Estate Investment Fund (the "Zhonghai Trust") acquired in 2009. The Group entered into a trust agreement with Zhonghai Trust Co., Ltd. in 2009, pursuant to which 60% of subordinated trust units were acquired. The Zhonghai Trust expired in January 2012, and the revenue received from subordinated trust units for the Reporting Period amounted to RMB131 million. In addition, a gain of RMB83 million was generated from the reversal of the trust unit put option, guarantee and RMB1 option as financial derivatives relating to the above agreement, which was recorded in fair value changes on trust-related financial derivatives.

No net foreign exchange gains was recorded for the Reporting Period, as compared to net foreign exchange gains of RMB122 million for the corresponding period of 2011, which was mainly attributable to the insignificant volatility and the slight depreciation of foreign currencies during the Reporting Period, contrary to a stronger Renminbi appreciation and a greater amount of borrowings denominated in foreign currencies for the corresponding period in 2011.

Selling and Administrative Expenses

Selling and administrative expenses amounted to an aggregate of RMB845 million in total for the Reporting Period, representing a decrease of 11.3% as compared to RMB953 million for the corresponding period of 2011.

The largest spending in selling and administrative expenses was human resources cost, which recorded a slight decrease to RMB353 million for the Reporting Period, as compared to RMB372 million for the corresponding period of 2011. The sales and marketing expenses and the advertising expenses for the Reporting Period amounted to RMB126 million (for the corresponding period of 2011: RMB140 million), accounting for 1.0% (for the corresponding period of 2011: 1.0%) of the property pre-sales of the Group and remained at the same level. The daily operating expenses for the Reporting Period amounted to RMB257 million (for the corresponding period of 2011: RMB269 million), representing a year-on-year decrease of 4.5%. Such decrease was mainly due to the Group's reduction in expenses such as office expenses, business meetings, rental charges and entertainment expenses as a result of adjustment to the mode of business development and improved cost control.



Hangzhou Chunjianghuayue



MANAGEMENT DISCUSSION AND ANALYSIS



Finance Costs

The interest expenses of the Group for the Reporting Period charged to the income statement was RMB272 million (for the corresponding period of 2011: RMB229 million). The total interest expenses for the Reporting Period was RMB2,143 million, representing an increase of 38.1% as compared to RMB1,552 million for the corresponding period of 2011. Such increase was mainly caused by the increase in the average interest rate for financing. The interest capitalized for the Reporting Period was RMB1,871 million and the capitalization rate was 87.3%, which was at a similar level compared with 85.2% for the corresponding period of 2011.

Share of Results of Jointly Controlled Entities and Associates

The Group's share of results of jointly controlled entities and associates for the Reporting Period was RMB258 million, representing a significant increase of RMB242 million or 15.1 times from RMB16 million for the corresponding period of 2011, which was mainly due to the increase in the number of properties delivered for the Reporting Period. The revenue from property sales carried forward by jointly controlled entities and associates for the Reporting Period amounted to RMB2,477 million, representing a significant increase of 163.5% from RMB940 million for the corresponding period of 2011. Such increase was principally due to an increase in the areas of properties carried forward from 70,731 sqm for the corresponding period of 2011 to 249,096 sqm for the Reporting Period. Gross profit margin for property sales increased from 26.5% for the corresponding period of 2011 to 39.6%. The major property handed over during the Reporting Period was Haining Lily New Town, comprising high-rise apartments and flat mansions, with 139,774 sqm and income of RMB1,564 million carried forward and the gross profit margin was 47.7%, driving the gross profit margin for the Reporting Period significantly upward.

The properties delivered during the first half of 2012 are as follows:

Project	Property Type	Area Sold (sqm)	Sales Revenue (RMB million)	Sales Proportion	Average Selling Price (RMB/sqm)
Haining Lily New Town	High-rise apartment, flat mansion	139,774	1,564	63.1%	11,189
Nantong Rudong Hupanju	Low-rise apartment, High-rise apartment	78,722	370	14.9%	4,700
Shaoxing Jade Garden	Villa	7,421	166	6.7%	22,369
Hangzhou Hope Town	Low-rise apartment	8,377	160	6.5%	19,100
Others		14,802	217	8.8%	14,660
Total		249,096	2,477	100.0%	9,944

Note: The aforesaid areas sold include aboveground and underground areas.

MANAGEMENT DISCUSSION AND ANALYSIS

Taxation Charges

Taxation for the Reporting Period included LAT of RMB731 million (for the corresponding period of 2011: RMB498 million), and EIT of RMB689 million (for the corresponding period of 2011: RMB768 million). The effective EIT rate for the Reporting Period was 26.1%, which was higher than the statutory tax rate of 25.0%. This was mainly attributable to the unrecognized deferred tax assets of the loss of certain subsidiaries which have not yet commenced pre-sale and certain overseas subsidiaries, and certain non-deductible expenses.

Pre-sale Deposits

Pre-sale deposits represent the amounts received from the pre-sale of properties. The amounts will be recognized as sales revenue upon delivery of properties. As at 30 June 2012, the balance of pre-sale deposits of the Group was RMB39,901 million, representing a decrease of RMB5,858 million from RMB45,759 million as at 31 December 2011, mainly due to the large amount of property delivered during the Reporting Period, and the pre-sale deposits for properties held for sale of RMB1,775 million were being transferred to liabilities associated with assets classified as held for sale for presentation (please refer to "Formation of a Joint Venture Platform Company with Sunac" below for details). The balance of pre-sale deposits of jointly controlled entities and associates was RMB25,199 million, representing an increase of RMB3,179 million or 14.4% from RMB22,020 million as at 31 December 2011.

Investment by Wharf

On 8 June 2012, the Group entered into the subscription and investment agreements with the Wharf Group, pursuant to which Target Smart Investments Limited, a wholly-owned subsidiary of Wharf, subscribed for 327,849,579 Shares and 162,113,714 Shares issued by the Company in two tranches at the subscription price of HK\$5.2 per Share, and Enzo Investments Limited, a wholly-owned subsidiary of Wharf, subscribed for the PSCS in the principal amount of HK\$2,550 million issued by a wholly-owned subsidiary of the Company, namely Active Way Development Limited. As at 30 June 2012, the Company received the subscription monies of HK\$1,705 million (approximately RMB1,386 million) for 327,849,579 shares issued under the first tranche. On 2 August 2012, the Company received the subscription monies for 162,113,714 shares issued under the second tranche, as well as subscription monies for the PSCS totaling HK\$3,393 million (approximately RMB2,774 million).

Formation of a Joint Venture Platform Company with Sunac

On 22 June 2012, the Group entered into a cooperative framework agreement with Sunac Zhidi to form a joint venture platform company, namely Shanghai Sunac Greentown Real Estate Development Co., Ltd., owned by each of the Group and Sunac Zhidi as to 50%. The Group shall dispose of the equity interests in the seven subsidiaries and one associate described below to the joint venture platform company. The joint venture platform company is a subsidiary of Sunac as Greentown does not have control over the board of directors of the joint venture platform company.



Changsha Bamboo Garden



MANAGEMENT DISCUSSION AND ANALYSIS

Contribution to the Joint Venture Platform Company	Equity Interest Transferred	Project Name
上海華浙外灘置業有限公司 Shanghai Huazhe Bund Real Estate Co., Ltd.*	51.00%	Shanghai Bund House
上海綠順房地產開發有限公司 Shanghai Lvshun Real Estate Development Co., Ltd.*	100.00%	Shanghai Yulan Garden
蘇州綠城御園房地產開發有限公司 Suzhou Greentown Yuyuan Real Estate Development Co., Ltd.*	90.50%	Suzhou Majestic Mansion
蘇州綠城玫瑰園房地產開發有限公司 Suzhou Greentown Rose Garden Real Estate Development Co., Ltd.*	66.67%	Suzhou Rose Garden
無錫綠城房地產開發有限公司 Wuxi Greentown Real Estate Development Co., Ltd.*	85.00%	Wuxi Yulan Garden
無錫太湖綠城置業有限公司 Wuxi Taihu Greentown Real Estate Co., Ltd.*	39.00%	Wuxi Taihu Project
常州綠城置業有限公司 Changzhou Greentown Real Estate Co., Ltd.*	37.00%	Changzhou Yulan Square
天津逸駿投資有限公司 Tianjin Yijun Investment Co., Ltd.*	80.00%	Tianjin Azure Coast



Hangzhou Hope Town

MANAGEMENT DISCUSSION AND ANALYSIS

At the same time, the Group disposed of its 50% equity interests in a wholly-owned subsidiary, namely Shanghai Greentown Woods Golf Villas Development Co., Ltd. ("Greentown Woods"), to Sunac Zhidi. Upon the disposal, Greentown Woods remains and will continue to remain as a subsidiary of the Company because its board of directors remains under the control of the Company.

It is expected that the transfer of equity interests and the recovery of relevant shareholders' loans from the above nine projects will contribute approximately RMB3,372 million cash inflow to the Group. The relevant assets and liabilities disposed of to the joint venture platform company have been transferred to assets classified as held for sale and liabilities associated with assets classified as held for sale, respectively, for presentation purpose.

Projects Disposal

On 29 December 2011, the Group entered into an equity transfer agreement in respect of the disposal of a wholly-owned subsidiary, namely Hangzhou Greentown Hesheng Investment Company ("Greentown Hesheng") to a wholly-owned subsidiary of SOHO China Limited ("SOHO China", stock code 00410.HK), pursuant to which the Group agreed to dispose of 100% equity interest and shareholders' loans in Greentown Hesheng at a consideration of RMB1,040 million. Greentown Hesheng holds 10% equity interest in the Shanghai Haizhimen project. The transaction has been completed during the Reporting Period.

On 5 January 2012, the Group entered into an equity transfer agreement in respect of the disposal of a wholly-owned subsidiary, namely Wuxi Greentown Hubin Real Estate Co., Ltd. ("Wuxi Hubin") to Sunac Zhidi, pursuant to which the Group agreed to dispose of 51% equity interest in Wuxi Hubin at a consideration of RMB51 million. Wuxi Hubin develops the Wuxi Lihu Camphor Garden project. The transaction was completed in January 2012.


On 17 April 2012, the Group and MaAnShan Hualong Real Estate Development Co., Ltd. entered into an equity transfer agreement with SOHO China and its subsidiary in respect of the disposal of Shanghai Greentown Plaza Development Co., Ltd. ("Shanghai Greentown Plaza") to a subsidiary of SOHO China, pursuant to which the Group and MaAnShan Hualong Real Estate Development Co., Ltd. agreed to dispose of their 70% and 30% equity interests and shareholders' loans in Shanghai Greentown Plaza, respectively, at an aggregate consideration of RMB2,138 million. Shanghai Tianshan Road Project is developed by Shanghai Greentown Plaza. The transaction was completed in June 2012.



Qingdao Ideal City



MANAGEMENT DISCUSSION AND ANALYSIS



Furthermore, the Group has disposed of a portion of its equity interests in Taizhou Greentown Real Estate Co., Ltd. and Taizhou Greentown Nengyuan Real Estate Co., Ltd., both of which are associates of the Group, to a non-affiliated party during the Reporting Period.

The transfer of equity interests and recovery of shareholders' loans from the above five projects contributed an aggregate cash inflow of approximately RMB5,111 million to the Group, of which RMB900 million had been received in 2011, while RMB2,891 million had been received during the Reporting Period. As at 30 June 2012, receivables amounted to RMB1,320 million.

Financial Resources and Liquidity Ratio

As at 30 June 2012, the Group had cash and bank balances (including pledged bank deposits) of RMB7,282 million (as at 31 December 2011: RMB5,884 million), and total borrowings amounted to RMB27,078 million (as at 31 December 2011: RMB32,112 million). Net gearing ratio (measured by net borrowings over net assets) was 93.5%, representing a substantial decrease compared to 148.7% as at 31 December 2011, which was mainly because the Company has implemented a stringent fund management system by working towards an "asset-light" development model, upgrading of services and diversifying product mix. At the same time, the Group implemented effective measures and introduced the Wharf Group as a strategic shareholder to facilitate the steady operation of the Group. In the second half of the year, net gearing ratio is expected to have larger room for reduction with the second tranche of capital injection from the Wharf Group, the subscription for the PSCS and the injection of transfer monies by Sunac Zhidi.

Risks of Foreign Exchange Fluctuation

The principal place of operation of the Group is the People's Republic of China, and a majority of the income and expenditure are denominated in Renminbi. As the Group has deposits, borrowings, amounts due from third parties and amounts due to third parties denominated in foreign currencies, and the senior notes issued in 2006 were denominated in US dollars, the Group was exposed to exchange rate risk. However, the Group's operating cash flow or liquidity was not significantly affected by any fluctuations in exchange rates. The Group did not enter into any foreign currency hedging arrangements as at 30 June 2012.

Financial Guarantees

Certain banks provide mortgage facilities to the buyers of the Group's properties, which are guaranteed by the Group. As at 30 June 2012, such financial guarantees amounted to RMB17,389 million (as at 31 December 2011: RMB18,886 million).

MANAGEMENT DISCUSSION AND ANALYSIS

Pledge of Assets

As at 30 June 2012, the Group pledged buildings, hotels, prepaid lease payment, investment properties, properties for development, properties under development, completed properties for sale, assets classified as held for sale, pledged bank deposits, interests in jointly controlled entities, and interests in associates, with an aggregate carrying value of RMB35,417 million (as at 31 December 2011: RMB35,773 million) to secure general credit facilities granted by banks and other financial institutions to the Group.

Capital Commitments

As at 30 June 2012, the Group had contracted, but not provided for, total capital expenditure of RMB19,534 million (as at 31 December 2011: RMB19,327 million) in respect of properties for development, properties under development, assets classified as held for sale, and construction in progress.



Hangzhou Hope Town

CORPORATE GOVERNANCE





CORPORATE GOVERNANCE

Code on Corporate Governance Practices

In the opinion of the Board, the Company had complied with the requirements of all the applicable code provisions set out in the Code on Corporate Governance Practices (effective until 31 March 2012) and Corporate Governance Code and Corporate Governance Report (effective from 1 April 2012) under Appendix 14 to the Listing Rules throughout the Reporting Period, save that regarding code provision A.6.7 which provides for non-executive directors and independent non-executive directors to attend general meetings, two out of six independent non-executive directors of the Company were absent from the last annual general meeting of the Company held on 8 June 2012 due to their other engagements at the relevant time.

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 2012. 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 Reporting Period, and all committee members attended the meeting. The Audit Committee has reviewed the accounting policies and critical accounting estimates and assumptions adopted by the Group. The audit objectives and the scope of the internal audit department of the Group were also discussed.

Review of Interim Results

The Interim Results Announcement and the Interim Report for the six months ended 30 June 2012 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 2012 prepared in accordance with International Accounting Standard 34 "Interim Financial Reporting", and a review report dated 24 August 2012 was issued by DTT.

Investment Committee

Pursuant to the subscription agreement entered into with the Wharf Group on 8 June 2012, the Company has established an Investment Committee and appointed three members, namely Mr Song Weiping, Mr Shou Bainian and Mr Ng Tin Hoi, Stephen (being the representative of Wharf), for the purpose of providing guidance and supervision to the Group with respect to investment matters. Any acquisition of land or investment in any property development project to be carried out by the Group shall be submitted to the Investment Committee for consideration. For so long as the net gearing ratio of the Company is 100% or above, a written consent is required to be obtained from the representative of Wharf.

OTHER INFORMATION



OTHER INFORMATION

Directors' and Chief Executive's Interests in Securities

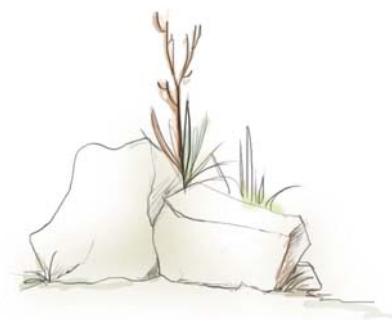
As at 30 June 2012, the interests and short positions of the directors and chief executive of the Company and their associates in the Shares, underlying Shares and debentures of the Company and its associated corporations within the meaning of Part XV of the SFO, as recorded in the register maintained 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)	Family Interests	Corporate Interests	Total Number of Shares and Underlying Shares Held	% of Issued Share Capital of the Company
Mr SONG Weiping	1,089,000 (note 3)	68,859,000 (note 2)	472,124,000 (note 1)	542,072,000	27.54%
Mr SHOU Bainian	609,000 (note 3)	–	384,490,500 (note 4)	385,099,500	19.57%
Mr LUO Zhaoming	15,000,000 (note 6)	–	100,000,000 (note 5)	115,000,000	5.84%
Mr GUO Jiafeng	576,000 (note 3)	–	13,010,000 (note 7)	13,586,000	0.69%
Mr CAO Zhounan	10,000,000 (note 8)	–	–	10,000,000	0.51%

Note:

- (1) Mr SONG Weiping, being the sole shareholder of Delta House Limited ("Delta"), is deemed to be interested in 372,124,000 Shares held by Delta pursuant to Part XV of the SFO. Hong Kong Orange Osmanthus Foundation Limited ("HKOO Foundation") is a company limited by guarantee and established by Mr SONG as a charitable institution of a public character exempt from tax under Section 88 of the Inland Revenue Ordinance, Chapter 112 of the Laws of Hong Kong. As Mr SONG is the sole member of HKOO Foundation, pursuant to Part XV of the SFO, Mr Song is deemed to be interested in 100,000,000 Shares held by HKOO Foundation notwithstanding that Mr SONG is not beneficially interested in such Shares.
- (2) Mr SONG Weiping is deemed to be interested in such Shares held by Wisearn Limited ("Wisearn"), 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 ("Profitwise").
- (5) Mr LUO Zhaoming is deemed to be interested in such Shares held by Tandellen Group Limited ("Tandellen"), 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.
- (8) Pursuant to the Share Option Scheme, these options were granted on 13 May 2009 and are exercisable at HK\$7.16 per share from 13 May 2009 to 12 May 2019.



OTHER INFORMATION



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

Name of Director	Name of Associated Corporation	Interest in Registered Capital	% of the Total Registered Capital
Mr SONG Weiping	Greentown Construction Management (綠城房產建設管理有限公司)	RMB72,000,000	36%
Mr CAO Zhounan	Greentown Construction Management (綠城房產建設管理有限公司)	RMB54,000,000	27%

Other than as disclosed above, none of the directors and chief executive of the Company or 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 2012.



Nanjing Rose Garden

OTHER INFORMATION

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 2012, 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:

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	27.54%
Delta (note 3)	372,124,000 (L)	Beneficial owner	18.91%
HKOO Foundation (note 3)	100,000,000 (L)	Beneficial owner	5.08%
Profitwise (note 4)	384,490,500 (L)	Beneficial owner	19.54%
Ms RUAN Yiling (note 5)	115,000,000 (L)	Interest of a controlled corporation and interest of spouse	5.84%
Tandellen (note 6)	100,000,000 (L)	Beneficial owner	5.08%
Lehman Brothers Holdings Inc. (note 7)	101,400,450 (L) 31,868,575 (S)	Interest of controlled corporations Interest of controlled corporations	5.15% 1.62%
HSBC Trustee (Guernsey) Limited (note 8)	869,446,387 (L)	Interest of controlled corporations	44.18%
Wheellock and Company Limited (note 9)	869,446,387 (L)	Interest of controlled corporations	44.18%
The Wharf (Holdings) Limited (note 10)	869,446,387 (L)	Interest of controlled corporations	44.18%

Note:

- (1) The letter "L" denotes a long position. The letter "S" denotes a short position.
- (2) Ms XIA Yibo, being the sole shareholder of Wisearn, is deemed to be interested in 68,859,000 Shares held by Wisearn pursuant to Part XV of the SFO. Ms XIA is the spouse of Mr SONG Weiping. Accordingly, pursuant to Part XV of the SFO, Ms XIA is also deemed to be interested in the following: (i) 372,124,000 Shares held by Delta, a corporation of which Mr SONG is the sole shareholder, (ii) 100,000,000 Shares held by HKOO Foundation, a charitable institution established by Mr SONG of which Mr SONG is the sole member (notwithstanding that neither Mr SONG nor Ms XIA is beneficially interested in those Shares); and (iii) 1,089,000 share options of the Company held by Mr SONG. The aforesaid represents an aggregate of 542,072,000 Shares.
- (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 Shares held by Tandellen, a controlled corporation 50% owned by her and 50% owned by her spouse, Mr LUO Zhaoming, and deemed interest in 15,000,000 share options held by Mr Luo.

OTHER INFORMATION

- (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., according to its disclosure of interest filing, held deemed interest in a total of 101,400,450(L) Shares and 31,868,575(S) Shares by virtue of its control over certain entities.
- (8) HSBC Trustee (Guernsey) Limited, through its controlled corporations, namely Wheelock and Company Limited, Wheelock Investments Limited, WF Investment Partners Limited, Wharf, Wharf China Holdings Limited, Target Smart Investments Limited and Enzo Investments Limited, is deemed to be interested in 869,446,387 Shares.
- (9) Wheelock and Company Limited through its controlled corporations, namely Wheelock Investments Limited, WF Investment Partners Limited, Wharf, Wharf China Holdings Limited, Target Smart Investments Limited and Enzo Investments Limited, is deemed to be interested in 869,446,387 Shares.
- (10) Wharf through its wholly-owned subsidiaries, namely Wharf China Holdings Limited, Target Smart Investments Limited and Enzo Investments Limited, is deemed to be interested in 869,446,387 Shares.

Other than as disclosed above, as at 30 June 2012, 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 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 and with a value in excess of HK\$5,000,000 must be approved in advance by the Company’s shareholders.

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



OTHER INFORMATION

Details of the share options granted, exercised and cancelled pursuant to the Share Option Scheme during the six months ended 30 June 2012 were as follows:

Name of Grantee	No. of Share Options Outstanding at the Beginning of the Period	No. of Share Options Granted During the Period	No. of Share Options Exercised During the Period	No. of Share 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 CAO Zhounan	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
	<u>10,000,000</u>	–	–	–	<u>10,000,000</u>			

OTHER INFORMATION

Name of Grantee	No. of Share Options Outstanding at the Beginning of the Period	No. of Share Options Granted During the Period	No. of Share Options Exercised During the Period	No. of Share Options Forfeited During the Period	No. of Share Options Outstanding at the End of the Period	Date of Grant	Period During which Share Options are Exercisable	Exercise Price Per Share (HK\$)
Employees								
Certain other employees of the Company's subsidiaries, associates and jointly controlled entities	10,593,000	–	225,500	–	10,367,500	22 January 2009	22 January 2009 to 21 January 2019	2.89
	6,869,000	–	191,250	–	6,677,750	22 January 2009	22 January 2010 to 21 January 2019	2.89
	7,463,000	–	258,750	–	7,204,250	22 January 2009	22 January 2011 to 21 January 2019	2.89
	17,818,500	–	–	112,000	17,706,500	22 June 2009	22 June 2009 to 21 June 2019	11.00
	8,909,250	–	–	56,000	8,853,250	22 June 2009	22 June 2010 to 21 June 2019	11.00
	8,909,250	–	–	56,000	8,853,250	22 June 2009	22 June 2011 to 21 June 2019	11.00
	60,562,000		675,500	224,000	59,662,500			
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	89,581,000	–	675,500	224,000	88,681,500			

Note:

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

During the period, 675,500 share options were exercised, 224,000 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.



Haining Lily New Town

OTHER INFORMATION

Human Resources

As at 30 June 2012, the Group employed a total of 4,483 employees (as at 31 December 2011: 4,383). 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

As disclosed in this report, the Group entered into the subscription and investment agreements with the Wharf Group on 8 June 2012 in relation to the issue of, among other things, the Shares which are listed on the Stock Exchange to the Wharf Group. Save as aforesaid, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the Reporting Period.

Interim Dividend

The Board has resolved not to declare any interim dividend for the six months ended 30 June 2012 (for the six months ended 30 June 2011: RMB0.10 per ordinary share).

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

24 August 2012



REPORT ON REVIEW OF CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

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 condensed consolidated financial statements of Greentown China Holdings Limited (the “Company”) and its subsidiaries (collectively referred to as the “Group”) set out on pages 43 to 67, which comprises the condensed consolidated statement of financial position as of 30 June 2012 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 these condensed consolidated financial statements in accordance with IAS 34. Our responsibility is to express a conclusion on these condensed consolidated financial statements based on our review, and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Scope of Review

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

Conclusion

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

Deloitte Touche Tohmatsu

Certified Public Accountants

Hong Kong

24 August 2012

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2012

	Notes	Six months ended 30 June	
		2012 RMB'000 (Unaudited)	2011 RMB'000 (Unaudited)
Revenue	3	12,600,812	11,216,159
Cost of sales		(9,125,366)	(7,424,921)
Gross profit		3,475,446	3,791,238
Other income	4	506,006	416,638
Selling expenses		(244,861)	(265,477)
Administrative expenses		(599,646)	(687,262)
Finance costs	5	(272,137)	(228,883)
Fair value changes on trust-related financial derivatives		82,520	(19,920)
Net gain on disposal of subsidiaries	24	368,280	–
Net gain on disposal of a jointly controlled entity		1,879	–
Net gain on disposal of associates		54,190	–
Gain on re-consolidation of a subsidiary	23	49,980	–
Gain on de-consolidation of a subsidiary		–	20,948
Share of results of jointly controlled entities		232,473	(17,411)
Share of results of associates		25,994	33,084
Profit before taxation	6	3,680,124	3,042,955
Taxation	7	(1,419,880)	(1,266,456)
Profit and total comprehensive income for the period		2,260,244	1,776,499
Attributable to:			
Owners of the Company		1,811,498	891,770
Non-controlling interests		448,746	884,729
		2,260,244	1,776,499
Earnings per share	9		
Basic		RMB1.09	RMB0.54
Diluted		RMB1.08	RMB0.54

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2012

	Notes	As at 30 June 2012 RMB'000 (Unaudited)	As at 31 December 2011 RMB'000 (Audited)
NON-CURRENT ASSETS			
Property, plant and equipment	10	3,179,277	2,861,141
Investment properties		1,730,000	1,730,000
Interests in associates	11	5,037,434	5,866,392
Interests in jointly controlled entities		1,282,983	1,061,033
Available-for-sale investments	12	327,305	303,300
Prepaid lease payment		189,756	196,726
Rental paid in advance		13,576	15,358
Deferred tax assets		767,851	728,165
		12,528,182	12,762,115
CURRENT ASSETS			
Properties for development	13	10,622,019	14,127,886
Properties under development	14	51,161,152	67,597,987
Completed properties for sale		4,198,054	2,956,620
Inventories		87,987	73,387
Available-for-sale investments	12	23,750	234,720
Trade and other receivables, deposits and prepayments	15	5,301,119	5,180,473
Amounts due from related parties		14,908,692	15,131,620
Prepaid income taxes		1,494,730	1,509,285
Prepaid other taxes		2,141,348	2,518,644
Pledged bank deposits	27	2,535,047	2,268,642
Bank balances and cash		4,747,267	3,615,149
		97,221,165	115,214,413
Assets classified as held for sale	25	16,865,537	–
		114,086,702	115,214,413

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2012

	Notes	As at 30 June 2012 RMB'000 (Unaudited)	As at 31 December 2011 RMB'000 (Audited)
CURRENT LIABILITIES			
Trade and other payables	16	14,836,329	13,238,106
Pre-sale deposits	17	39,900,915	45,758,782
Amounts due to related parties		9,870,180	13,689,413
Dividend payable		–	164,026
Income taxes payable		3,657,217	2,935,305
Other taxes payable		846,992	926,474
Bank and other borrowings (due within one year)	18	18,461,625	15,877,335
Trust-related financial derivatives	19	–	82,520
Convertible bonds	20	–	186,466
		87,573,258	92,858,427
Liabilities associated with assets classified as held for sale	25	8,764,911	–
		96,338,169	92,858,427
NET CURRENT ASSETS		17,748,533	22,355,986
TOTAL ASSETS LESS CURRENT LIABILITIES		30,276,715	35,118,101
NON-CURRENT LIABILITIES			
Bank and other borrowings (due after one year)	18	8,373,545	15,806,358
Amounts due to related parties		–	992,174
Senior notes		242,737	241,718
Deferred tax liabilities		482,712	434,537
		9,098,994	17,474,787
		21,177,721	17,643,314

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2012

	Notes	As at 30 June 2012 RMB'000 (Unaudited)	As at 31 December 2011 RMB'000 (Audited)
CAPITAL AND RESERVES			
Share capital	21	193,154	166,441
Reserves		14,947,255	11,773,458
Equity attributable to owners of the Company		15,140,409	11,939,899
Non-controlling interests		6,037,312	5,703,415
		21,177,721	17,643,314

The condensed consolidated financial statements on pages 43 to 67 were approved and authorised for issue by the Board of Directors on 24 August 2012 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 2012

	Attributable to owners of the Company							Subtotal RMB'000	Non-controlling Interests RMB'000	Total RMB'000
	Share capital RMB'000	Share premium RMB'000	Special reserve RMB'000	Statutory reserve RMB'000 (Note)	Conversion option reserve RMB'000	Share options reserve RMB'000	Retained earnings 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 without losing control	-	-	(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

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2012

	Attributable to owners of the Company							Subtotal RMB'000	Non-controlling Interests RMB'000	Total RMB'000
	Share capital RMB'000	Share premium RMB'000	Special reserve RMB'000	Statutory reserve RMB'000 (Note)	Conversion option reserve RMB'000	Share options reserve RMB'000	Retained earnings RMB'000			
At 1 January 2012 (audited)	166,441	6,299,722	(552,744)	346,150	27,275	280,105	5,372,950	11,939,899	5,703,415	17,643,314
Profit and total comprehensive income for the period	-	-	-	-	-	-	1,811,498	1,811,498	448,746	2,260,244
Dividends	-	-	-	-	-	-	-	-	(136,126)	(136,126)
Transfer (note)	-	-	-	31,445	-	-	(31,445)	-	-	-
Shares issued (note 21)	26,658	1,359,563	-	-	-	-	-	1,386,221	-	1,386,221
Recognition of equity-settled share-based payments	-	-	-	-	-	1,203	-	1,203	-	1,203
Exercise of share options	55	2,222	-	-	-	(689)	-	1,588	-	1,588
Transfer on redemption of the 2007 Convertible Bonds (as defined in the 2011 consolidated financial statements)	-	-	-	-	(27,275)	-	27,275	-	-	-
Disposal of subsidiaries (note 24)	-	-	-	-	-	-	-	-	(464,113)	(464,113)
Liquidation of subsidiaries	-	-	-	-	-	-	-	-	(6,072)	(6,072)
Re-consolidation of a subsidiary (note 23)	-	-	-	-	-	-	-	-	38,962	38,962
Acquisition of assets (note 30)	-	-	-	-	-	-	-	-	17,000	17,000
Capital contribution from non-controlling shareholders of subsidiaries	-	-	-	-	-	-	-	-	435,500	435,500
At 30 June 2012 (unaudited)	193,154	7,661,507	(552,744)	377,595	-	280,619	7,180,278	15,140,409	6,037,312	21,177,721

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 2012

	Notes	Six months ended 30 June	
		2012 RMB'000 (Unaudited)	2011 RMB'000 (Unaudited)
Net cash from operating activities		551,083	888,669
Net cash from (used in) investing activities			
Additions to property, plant and equipment		(408,380)	(79,899)
Advances to third parties		(200,503)	(419,268)
Repayment from (advances to) related parties		175,673	(605,802)
Increase in pledged deposits		(266,405)	(436,433)
Re-consolidation/Acquisition of a subsidiary (net of cash and cash equivalents acquired)	23	62,727	(19,998)
Acquisition of assets (net of cash and cash equivalents acquired)	30	61,621	–
Proceeds from disposal of available-for-sale investments		110,970	–
Dividends received from jointly controlled entities and associates		500,050	5,363
De-consolidation of a subsidiary		–	(579,578)
Disposal of subsidiaries (net of cash and cash equivalents disposed of)	24	694,262	–
Disposal of interests in associates		51,800	–
Proceeds from disposal of shareholders' loans as part of disposal/partial disposal of subsidiaries and associates		1,204,181	–
Proceeds from receipt of consideration receivable from disposal/partial disposal of subsidiaries and associates and relevant shareholder loans recognised in prior periods		751,515	–
Purchase of available-for-sale investments		(3,217)	(30,250)
Investments in associates		(39,175)	(1,859,854)
Investments in jointly controlled entities		–	(100,000)
Guarantee money received for disposal of a subsidiary		1,050,496	–
Receipt of trust income		130,769	–
Other investing cash flows		327,172	370,165
		4,203,556	(3,755,554)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2012

	Six months ended 30 June	
	2012 RMB'000 (Unaudited)	2011 RMB'000 (Unaudited)
Net cash used in financing activities		
Bank and other borrowings raised	3,750,149	9,602,265
Repayment of bank and other borrowings	(5,215,842)	(8,218,251)
Trust loans raised	–	3,323,750
Trust loans repaid	(795,900)	(2,503,900)
Repayment of related party borrowings	(78,362)	(3,137,283)
Interest paid	(2,253,902)	(1,201,616)
Dividends paid	(300,152)	(604,506)
Purchase of additional interests in subsidiaries	–	(105,754)
Proceeds from partial disposal of subsidiaries	–	5,120
Redemption of the 2007 Convertible Bonds	(189,726)	–
Contribution by non-controlling shareholders of subsidiaries	435,500	10,435
Proceeds from issuance of new shares	1,386,221	–
Proceeds from exercise of share options	1,588	4,864
Share option premium received	–	24,040
	(3,260,426)	(2,800,836)
Net increase (decrease) in cash and cash equivalents	1,494,213	(5,667,721)
Cash and cash equivalents at 1 January	3,615,149	12,407,659
Effect of foreign exchange rate changes	1,301	4,493
Cash and cash equivalents at 30 June, represented by bank balances and cash:	5,110,663	6,744,431
As per condensed consolidated statement of financial position	4,747,267	6,744,431
Included in disposal groups classified as held for sale	363,396	–
	5,110,663	6,744,431

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2012

1. Basis of Preparation

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

2. Principal Accounting Policies

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

The accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended 30 June 2012 are the same as those followed in the preparation of the Group’s annual financial statements for the year ended 31 December 2011.

In the current interim period, the Group has applied, for the first time, certain amendments to International Financial Reporting Standards (“IFRSs”) issued by the IASB which are effective for the Group’s financial year beginning on 1 January 2012. The application of these amendments to IFRSs in the current interim period has had no material effect on the amounts reported in these condensed consolidated financial statements and disclosures set out in these condensed consolidated financial statements.

3. Revenue and Segment Information

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

	Six months ended 30 June	
	2012	2011
	RMB’000	RMB’000
Property sales	12,011,259	10,793,169
Hotel operations	124,138	115,551
Project management	85,989	137,400
Property rental income	56,976	39,798
Design and decoration	227,904	104,443
Sales of construction materials	45,933	13,874
Other business	48,613	11,924
	12,600,812	11,216,159

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2012

3. Revenue and Segment Information (Continued)

An analysis of the Group's revenue and results by reportable and operating segments 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 2012					
External revenue	12,011,259	124,138	56,976	408,439	12,600,812
Inter-segment revenue	–	6,902	198	180,483	187,583
Total segment revenue	12,011,259	131,040	57,174	588,922	12,788,395
Segment results	2,196,610	12,604	(12,105)	16,566	2,213,675
Unallocated administrative expenses					(11,328)
Unallocated other income					33,058
Unallocated finance costs					(37,582)
Fair value changes on trust-related financial derivatives					82,520
Unallocated taxation					(20,099)
Profit for the period					2,260,244
Six months ended 30 June 2011					
External revenue	10,793,169	115,551	39,798	267,641	11,216,159
Inter-segment revenue	–	5,098	430	340,770	346,298
Total segment revenue	10,793,169	120,649	40,228	608,411	11,562,457
Segment results	1,960,605	7,810	(21,381)	(22,399)	1,924,635
Unallocated administrative expenses					(36,555)
Unallocated other income					43,447
Unallocated 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

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2012

3. Revenue and Segment Information (Continued)

Segment assets

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

	As at 30 June 2012 RMB'000	As at 31 December 2011 RMB'000
Property development	117,071,616	119,352,193
Hotel operations	2,357,816	2,469,622
Property investment	1,807,003	1,800,169
Others	2,765,088	2,579,308
Total segment assets	124,001,523	126,201,292
Unallocated	2,613,361	1,775,236
Consolidated assets	126,614,884	127,976,528

4. Other Income

	Six months ended 30 June 2012 RMB'000	2011 RMB'000
Interest income	324,020	267,583
Net foreign exchange gains	–	121,727
Government grants	30,273	6,615
Trust income (note 12)	130,769	–
Others	20,944	20,713
	506,006	416,638

5. Finance Costs

	Six months ended 30 June 2012 RMB'000	2011 RMB'000
Interest on borrowings	2,142,614	1,552,475
Less: Interest capitalised in properties under development	(1,870,477)	(1,323,592)
	272,137	228,883

6. Profit Before Taxation

	Six months ended 30 June 2012 RMB'000	2011 RMB'000
Profit before taxation has been arrived at after charging:		
Salaries and other benefits	439,054	461,847
Equity-settled share-based payments	1,203	9,921
Retirement benefits scheme contributions	22,228	19,928
Less: Capitalised in properties under development	(109,508)	(119,817)
	352,977	371,879
Depreciation of property, plant and equipment	76,308	70,349
Less: Capitalised in properties under development	(5,169)	(7,855)
	71,139	62,494
Cost of properties and inventories recognised as an expense	9,044,769	7,369,400
Amortisation of prepaid lease payment (included in administrative expenses)	2,146	2,409

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For the six months ended 30 June 2012

7. Taxation

	Six months ended 30 June	
	2012	2011
	RMB'000	RMB'000
Current tax:		
PRC Enterprise Income Tax ("EIT")	767,500	852,364
PRC Land Appreciation Tax ("LAT")	731,013	498,495
	1,498,513	1,350,859
Deferred tax:		
Current period	(78,633)	(84,403)
	1,419,880	1,266,456

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% (2011: 25%).

In addition, the Law of the People's Republic of China on Enterprise Income Tax (the "EIT Law") provides that qualified dividend income between two resident enterprises that have a direct investment relationship is exempted from income tax. Otherwise, such dividends will be subject to a 5% or 10% withholding tax under the EIT Law. A 10% withholding tax rate is applicable to the Group.

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

For the six months ended 30 June 2012, the Group has estimated and made a provision for LAT in the amount of RMB731,013,000 (for the six months ended 30 June 2011: RMB498,495,000) 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.

On 19 March 2012, an interim dividend for 2011 of RMB0.10 per ordinary share, or RMB164,026,000 in total, was paid to the shareholders. The Board has resolved not to declare any interim dividend for the six months ended 30 June 2012 (for the six months ended 30 June 2011: 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	
	2012	2011
	RMB'000	RMB'000
Earnings for the purpose of basic earnings per share (profit for the period attributable to owners of the Company)	1,811,498	891,770
Effect of dilutive potential ordinary shares:		
Interest on the 2007 Convertible Bonds	3,259	4,129
Earnings for the purpose of diluted earnings per share	1,814,757	895,899

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For the six months ended 30 June 2012

9. Earnings Per Share (Continued)

Number of shares

	Six months ended 30 June	
	2012	2011
Weighted average number of ordinary shares for the purpose of basic earnings per share	1,667,409,986	1,638,189,598
Effect of dilutive potential ordinary shares:		
The 2007 Convertible Bonds	6,234,677	8,297,621
Share options	12,079,725	19,683,509
Weighted average number of ordinary shares for the purpose of diluted earnings per share	1,685,724,388	1,666,170,728

10. Property, Plant and Equipment

During the period, the Group incurred additional expenditure on property, plant and equipment in the amount of RMB408,380,000 (for the six months ended 30 June 2011: RMB79,899,000), in which RMB337,211,000 (for the six months ended 30 June 2011: RMB4,746,000) was spent on the construction of its hotel properties.

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

11. Interests in Associates

During the period, the Group invested in newly set up associates which are all engaged in the property development-related business in the amount of RMB14,675,000. In addition, the Group made an additional capital contribution of RMB24,500,000 to existing associates.

On 18 June 2012, the Group disposed of its 35% equity interest in Taizhou Greentown Real Estate Co., Ltd. ("Taizhou Greentown") to an independent third party for a cash consideration of RMB35,000,000, of which RMB24,500,000 were received as at 30 June 2012. Before the disposal, the Group owned 45% equity interest in Taizhou Greentown and the investment was previously accounted for as an interest in an associate using the equity method of accounting.

On 20 June 2012, the Group disposed of its 39% equity interest in Taizhou Greentown Nengyuan Real Estate Co., Ltd. ("Taizhou Greentown Nengyuan") to an independent third party for a cash consideration of RMB39,000,000, of which RMB27,300,000 were received as at 30 June 2012. Before the disposal, the Group owned 49% equity interest in Taizhou Greentown Nengyuan and the investment was previously accounted for as an interest in an associate using the equity method of accounting.

The Group has retained the remaining 10% equity interests in Taizhou Greentown and Taizhou Greentown Nengyuan and classified the retained investments as available-for-sale investments measured at cost.

12. Available-for-sale Investments

During the period, upon the maturity of the Zhonghai Greentown No.1 Real Estate Investment Fund (the "Zhonghai Trust"), the Group redeemed its remaining junior units of the Zhonghai Trust amounting to RMB110,970,000 and received a trust income of RMB130,769,000. Please also refer to note 19.

On 21 May 2012, the 10% equity interest in Shanghai Haizhimen Property Management Co., Ltd. ("Shanghai Haizhimen") amounting to RMB100,000,000 held by Hangzhou Greentown Hesheng Investment Co., Ltd. ("Greentown Hesheng"), a wholly-owned subsidiary of the Company, was disposed of when the Group disposed of its 100% equity interest in Greentown Hesheng to Shanghai Chang Sheng Investment Management Consulting Co., Ltd. ("Shanghai Chang Sheng"), a wholly-owned subsidiary of SOHO China Limited, a company listed on The Stock Exchange of Hong Kong Limited and an independent third party.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2012

13. Properties for Development

Included in properties for development as at 30 June 2012 is an amount of RMB6,694,769,000 (as at 31 December 2011: RMB10,271,888,000) 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 2012 RMB'000	As at 31 December 2011 RMB'000
Long-term leasehold land – at cost	24,180,513	40,728,038
Development costs	21,304,590	21,945,782
Finance costs capitalised	5,676,049	4,924,167
	51,161,152	67,597,987

Properties under development for sale amounting to RMB29,035,031,000 (as at 31 December 2011: RMB43,290,608,000) 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 2012 RMB'000	As at 31 December 2011 RMB'000
Trade receivables	766,343	402,958
Other receivables	2,050,088	2,858,368
Prepayments and deposits	1,157,065	1,142,132
Consideration receivable from disposal of subsidiaries, disposal/partial disposal of associates, and disposal of relevant shareholders' loans	1,327,623	777,015
	5,301,119	5,180,473

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

	As at 30 June 2012 RMB'000	As at 31 December 2011 RMB'000
Within 30 days	441,078	117,337
31–90 days	58,996	87,885
91–180 days	30,811	49,955
181–365 days	91,853	45,672
Over 365 days	143,605	102,109
	766,343	402,958

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For the six months ended 30 June 2012

16. Trade and Other Payables

	As at 30 June 2012 RMB'000	As at 31 December 2011 RMB'000
Trade payables	9,097,864	7,910,905
Other payables and accrued expenses	4,687,969	4,427,201
Deposit received on disposal of a subsidiary	–	900,000
Guarantee money received on disposal of a subsidiary	1,050,496	–
	14,836,329	13,238,106

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 2012 RMB'000	As at 31 December 2011 RMB'000
Within 30 days	6,073,727	5,606,464
31–90 days	604,028	378,790
91–180 days	645,816	727,779
181–365 days	796,971	611,788
Over 365 days	977,322	586,084
	9,097,864	7,910,905

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 2012 RMB'000	As at 31 December 2011 RMB'000
Secured bank loans (note 27)	17,652,300	22,871,749
Unsecured bank loans	3,931,693	4,354,311
	21,583,993	27,226,060
Secured other loans (note 27)	4,917,577	3,523,543
Unsecured other loans	333,600	934,090
	5,251,177	4,457,633
	26,835,170	31,683,693
The amount is repayable as follows:		
Amounts due within one year	18,461,625	15,877,335
Amounts due after one year	8,373,545	15,806,358
	26,835,170	31,683,693

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

	As at 30 June 2012 RMB'000	As at 31 December 2011 RMB'000
Secured bank loans, guaranteed by:		
Independent third parties	19,599	243,837
Non-controlling shareholders of subsidiaries	700,000	432,000
	719,599	675,837
Unsecured bank loans, guaranteed by:		
Independent third parties	100,000	100,000

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2012

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.

At the inception of the Zhonghai Trust, Wuxi Greentown Real Estate Development Co., Ltd. ("Wuxi Greentown") became an associate of the Group as the Group had lost control over Wuxi Greentown, but it had been able to exercise significant influence over Wuxi Greentown by appointing one director on the board of directors of Wuxi Greentown. The assets and liabilities of Wuxi Greentown were then de-consolidated and the 85% equity interest which was considered to be held by the Group in Wuxi Greentown had been accounted for as an associate using the equity method. During the period, upon the maturity of the Zhonghai Trust, Wuxi Greentown became a subsidiary of the Company as the Group has regained control over Wuxi Greentown. The assets and liabilities of Wuxi Greentown were re-consolidated accordingly. Please refer to note 23 for details.

Please refer to the Group's 2011 consolidated financial statements for details of the various trust financing arrangements. 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 components# RMB'000	Trust-related derivatives RMB'000	Total RMB'000
As at 1 January 2012	4,411,664	82,520	4,494,184
Interest charged during the period	240,162	–	240,162
Principal repaid during the period	(795,900)	–	(795,900)
Interest paid during the period	(458,761)	–	(458,761)
Changes in fair value	–	(82,520)	(82,520)
As at 30 June 2012	3,397,165	–	3,397,165

As at 30 June 2012 and 31 December 2011, the entire liability components were included in current amounts due to related parties.

20. Convertible Bonds

On 18 May 2012, the remaining 2007 Convertible Bonds were redeemed at their carrying amount for a cash consideration of RMB189,726,000 upon maturity.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2012

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 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
As at 1 January 2012	1,640,022,897	164,002
Exercise of share options	675,500	68
Issuance of new shares (note)	327,849,579	32,785
As at 30 June 2012	1,968,547,976	196,855
		RMB'000
Shown on the condensed consolidated statement of financial position		
As at 31 December 2011		166,441
As at 30 June 2012		193,154

Note: On 15 June 2012, the Company issued and allotted 327,849,579 shares of HKD0.10 each to Target Smart Investments Limited ("Target Smart"), a wholly-owned subsidiary of The Wharf (Holdings) Limited ("Wharf"), a company listed on The Stock Exchange of Hong Kong Limited, at HKD5.20 per share pursuant to a subscription agreement dated 8 June 2012. The total consideration received amounted to approximately HKD 1,704,818,000 (equivalent to approximately RMB1,386,221,000). The shares issued rank pari passu in all respects with other shares in issue.

22. Share-Based Payment Transactions

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 2012	89,581,000
Exercised during the period	(675,500)
Forfeited during the period	(224,000)
Outstanding as at 30 June 2012	88,681,500

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 HKD6.54.

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

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2012

23. Acquisition of Subsidiaries

Particulars of the subsidiary acquired during the six months ended 30 June 2012 were as follows:

Acquired company	Principal activities	Acquisition date	Equity interest acquired	Consideration RMB'000
無錫綠城房地產開發有限公司 Wuxi Greentown (note 19)	Real estate development	11 January 2012	85%	–

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.	Investment holding	4 January 2011	100%	20,000

A summary of the effects of acquisition of the subsidiary is as follows:

	2012 RMB'000	2011 RMB'000
Net assets acquired:		
Property, plant and equipment	1,936	–
Properties under development	943,617	–
Completed properties for sale	270,678	–
Trade and other receivables, deposits and prepayments	51,419	20,027
Amounts due from related parties	282,219	–
Prepaid income taxes	23,504	–
Prepaid other taxes	18,239	–
Bank balances and cash	62,727	2
Trade and other payables	(121,490)	(29)
Pre-sale deposits	(400,476)	–
Amounts due to related parties	(235,802)	–
Income taxes payable	(33,159)	–
Other taxes payable	(13)	–
Bank and other borrowings	(603,650)	–
	259,749	20,000
Less: Non-controlling interests	(38,962)	–
Transferred from interests previously held and classified as an associate (note)	(220,787)	–
	–	20,000
Total consideration, satisfied by:		
Cash	–	20,000
	–	20,000
Net cash inflow (outflow) arising on acquisition:		
Cash paid	–	(20,000)
Bank balances and cash acquired	62,727	2
	62,727	(19,998)

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2012

23. Acquisition of Subsidiaries (Continued)

Note: The Group's 85% equity interest in Wuxi Greentown, which was previously accounted for as an associate, was remeasured to its fair value upon the maturity of the Zhonghai Trust, resulting in a gain of RMB49,980,000.

The receivables acquired (which principally comprised amounts due from related parties) with a fair value of RMB333,638,000 at the date of acquisition had gross contractual amounts of RMB333,638,000, which were expected to be fully collected.

The non-controlling interest (15%) in Wuxi Greentown recognised at the acquisition date was measured by reference to the proportionate share of the recognised amounts of net assets of Wuxi Greentown and amounted to RMB38,962,000.

Revenue for the period includes RMB92,248,000 which is attributable to Wuxi Greentown between the date of acquisition and the end of the period.

The profit attributable to Wuxi Greentown amounted to RMB16,858,000, 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 Wuxi Greentown been effected at 1 January 2012, the effect on the Group's revenue and profit for the six months ended 30 June 2012 would have been insignificant.

24. Disposal of Subsidiaries

On 13 January 2012, the Group disposed of its 51% equity interest in Wuxi Greentown Hubin Real Estate Co., Ltd. ("Wuxi Greentown Hubin"), a wholly-owned subsidiary, to Tianjin Sunac Zhidi Co., Ltd. ("Sunac Zhidi"), a wholly-owned subsidiary of Sunac China Holdings Limited, a company listed on The Stock Exchange of Hong Kong limited and an independent third party, for a cash consideration of RMB51,000,000. The remaining 49% equity interest in Wuxi Greentown Hubin is accounted for as an associate.

On 27 February 2012, the Group disposed of its 81% equity interest in Zhejiang Greentown Electronic Engineering Co., Ltd. ("Zhejiang Greentown Electronic Engineering") to an independent third party, for a cash consideration of approximately RMB7,096,000. The Group has retained the remaining 9% equity interest in Zhejiang Greentown Electronic Engineering and classified the retained investments as an available-for-sale investment measured at cost.

On 21 May 2012, the Group disposed of its 100% equity interest in Greentown Hesheng to Shanghai Chang Sheng for a cash consideration of RMB130,330,000.

On 18 June 2012, the Group disposed of its entire 70% equity interest in Shanghai Greentown Plaza Development Co., Ltd. to SOHO (Shanghai) Investment Co., Ltd., a wholly-owned subsidiary of SOHO China Limited, for a cash consideration of approximately RMB1,289,736,000.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2012

24. Disposal of Subsidiaries (Continued)

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

	2012 RMB'000
Net assets disposed of:	
Property, plant and equipment	3,908
Available-for-sale investments	100,000
Interest in a jointly controlled entity	5,000
Deferred tax assets	15,427
Properties under development	5,861,581
Inventories	306
Trade and other receivables, deposits and prepayments	895,005
Amounts due from related parties	14,538
Prepaid income taxes	20,136
Prepaid other taxes	28,102
Bank balances and cash	41,466
Trade and other payables	(2,203,922)
Amounts due to related parties	(1,865,934)
Bank and other borrowings	(1,291,830)
Non-controlling interests	(464,113)
	1,159,670
Net gain on disposal of subsidiaries	368,280
Total consideration	1,527,950
Satisfied by:	
Cash received	735,728
Cash receivable	742,434
Transfer to interest in an associate	49,000
Transfer to available-for-sale investments	788
Total consideration	1,527,950

	2012 RMB'000
Net cash inflow arising on disposal:	
Cash received	735,728
Bank balances and cash disposed of	(41,466)
	694,262

25. Disposal Groups Classified as Held for Sale

On 22 June 2012, Greentown Real Estate Group Co., Ltd. ("Greentown Real Estate"), a wholly-owned subsidiary of the Company, entered into a cooperative framework agreement with Sunac Zhidi pursuant to which Greentown Real Estate conditionally agreed to dispose of, and Sunac Zhidi conditionally agreed to acquire Greentown Real Estate's equity interests in (i) seven subsidiaries, namely Shanghai Huazhe Bund Real Estate Co., Ltd., Shanghai Lvshun Real Estate Development Co., Ltd., Suzhou Greentown Yuyuan Real Estate Development Co., Ltd., Suzhou Greentown Rose Garden Real Estate Development Co., Ltd., Wuxi Greentown Real Estate Development Co., Ltd., Changzhou Greentown Real Estate Co., Ltd. and Tianjin Yijun Investment Co., Ltd.; and (ii) one associate, namely Wuxi Taihu Greentown Real Estate Co., Ltd., by way of (i) the establishment of a joint venture platform company to be owned as to 50% by Greentown Real Estate and 50% by Sunac Zhidi; and (ii) the acquisition of the equity interests in the seven subsidiaries and one associate by the joint venture platform company from Greentown Real Estate.

The Company considers the joint venture platform company to be its associate as it will not control the majority of the board of directors of the joint venture platform company. The assets and liabilities attributable to the subsidiaries and the interest in the associate that are expected to be sold within 12 months have been classified as disposal groups held for sale and are separately presented in the condensed consolidated statement of financial position. The subsidiaries and associate are included in the Group's property development activities for segment reporting purposes.

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25. Disposal Groups Classified as Held for Sale (Continued)

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

	As at 30 June 2012 RMB'000
Property, plant and equipment	10,882
Interests in associates	156,663
Rental paid in advance	112
Deferred tax assets	71,695
Amounts due from related parties	183,472
Properties for development	3,936,210
Properties under development	10,882,707
Completed properties for sale	887,387
Trade and other receivables, deposits and prepayments	206,328
Prepaid income taxes	71,409
Prepaid other taxes	95,276
Bank balances and cash	363,396
Total assets classified as held for sale	16,865,537
Trade and other payables	(972,199)
Pre-sale deposits	(1,775,320)
Amounts due to related parties	(2,443,761)
Income taxes payable	(318,191)
Other taxes payable	(31,790)
Bank and other borrowings (due within one year)	(244,650)
Bank and other borrowings (due after one year)	(2,979,000)
Total liabilities associated with assets classified as held for sale	(8,764,911)

26. Commitments

	As at 30 June 2012 RMB'000	As at 31 December 2011 RMB'000
Commitments contracted for but not provided in the condensed consolidated financial statements in respect of:		
Properties for development and properties under development	19,308,944	19,184,459
Construction in progress	224,726	142,190
	19,533,670	19,326,649

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

	As at 30 June 2012 RMB'000	As at 31 December 2011 RMB'000
Contracted for but not provided in respect of properties for development and properties under development	1,860,879	1,757,029

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

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27. Pledge of Assets

In addition to the security provided under the trust financing arrangements disclosed in note 19 and senior notes, 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 2012 RMB'000	As at 31 December 2011 RMB'000
Land and buildings	33,920	35,033
Hotel buildings	1,599,957	1,623,052
Prepaid lease payment	137,118	139,037
Properties for development	344,051	448,657
Properties under development	20,672,140	29,212,935
Completed properties for sale	241,326	237,290
Bank deposits	2,535,047	2,268,642
Interests in associates	172,245	108,479
Interests in jointly controlled entities	49,040	–
Investment properties	1,700,000	1,700,000
Assets classified as held for sale	7,932,282	–
	35,417,126	35,773,125

28. Contingent Liabilities

(i) Guarantees

The Group provided guarantees of RMB17,388,725,000 as at 30 June 2012 (as at 31 December 2011: RMB18,886,018,000) 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 credit facilities utilised by the following companies:

	As at 30 June 2012 RMB'000	As at 31 December 2011 RMB'000
Associates	2,420,318	2,173,280
Jointly controlled entities	689,174	1,904,362
	3,109,492	4,077,642

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

	As at 30 June 2012 RMB'000	As at 31 December 2011 RMB'000
Share of mortgage loan guarantees provided by associates to banks in favour of its customers	3,249,255	2,984,971

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

	As at 30 June 2012 RMB'000	As at 31 December 2011 RMB'000
Share of mortgage loan guarantees provided by jointly controlled entities to banks in favour of its customers	1,225,569	1,394,135

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28. Contingent Liabilities (Continued)

(ii) Litigation

On 29 December 2011, Zhejiang Jiahe Industrial Co., Ltd. (“Greentown Jiahe”), a wholly-owned subsidiary of the Company, Shanghai Zendai Land Company Limited (“Shanghai Zendai Land”), a wholly-owned subsidiary of Shanghai Zendai Property Limited, a company listed on The Stock Exchange of Hong Kong limited and an independent third party, and Shanghai Chang Ye Investment Management Consulting Co., Ltd. (“Shanghai Chang Ye”), a wholly-owned subsidiary of SOHO China Limited, entered into an agreement pursuant to which Shanghai Chang Ye had conditionally agreed to acquire, and (i) Greentown Jiahe had conditionally agreed to sell its 100% equity interest in Greentown Hesheng and its loan granted to Greentown Hesheng; and (ii) Shanghai Zendai Land had conditionally agreed to sell its 100% equity interest in Shanghai Zendai Wudaokou Property Company Limited (“Shanghai Zendai Wudaokou”) and its loan granted to Shanghai Zendai Wudaokou. Pursuant to a supplementary agreement dated 9 January 2012, the relevant parties agreed that Shanghai Chang Sheng should assume all rights, obligations and liabilities of Shanghai Chang Ye under the equity transfers and loan assignments. Greentown Hesheng and Shanghai Zendai Wudaokou owned 10% and 40% equity interests respectively in Shanghai Haizhimen, while Zhejiang Fosun Commerce Development Limited (“Zhejiang Fosun”), a wholly-owned subsidiary of Fosun International Limited, a company listed on The Stock Exchange of Hong Kong limited, owned the remaining 50% equity interest in Shanghai Haizhimen. Shanghai Haizhimen indirectly owns 100% interest in a land parcel in Shanghai. The disposal of the 100% equity interest in Greentown Hesheng resulted in a gain of RMB115,330,000 to the Group in 2012.

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

On 4 June 2012, the Group was served with a document of summons issued by the Court in relation to the civil action, pursuant to which Greentown Jiahe, among others, is named as a defendant. Having discussed with its PRC legal advisers, the Company believes that the transactions did not constitute a breach of the pre-emptive rights by Greentown Jiahe as alleged by Zhejiang Fosun in the document of summons because Zhejiang Fosun was not an equity holder of Greentown Hesheng and therefore not entitled to any pre-emptive rights in the transfer of equity interest in Greentown Hesheng. The Company considers that the civil action does not have any material adverse effect on the operation or financial position of the Group.

29. Related Party Disclosures

- (i) During the six months ended 30 June 2012, in addition to those disclosed elsewhere in the condensed consolidated financial statements, the Group had the following significant transactions with related parties:

	Six months ended 30 June	
	2012	2011
	RMB'000	RMB'000
Sales of properties to officers	–	16,162
Sales of materials to jointly controlled entities and associates (note)	40,242	10,630
Construction service income from Shareholders’ Companies	–	208
Construction service income from associates (note)	662	1,276
Construction service income from jointly controlled entities (note)	1,479	1,312
Construction fees paid/payable to associates (note)	2,150	–
Construction fees paid/payable to non-controlling shareholders	–	60
Construction consulting service income from jointly controlled entities and associates (note)	19,250	–

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2012

29. Related Party Disclosures (Continued)

- (i) During the six months ended 30 June 2012, in addition to those disclosed elsewhere in the condensed consolidated financial statements, the Group had the following significant transactions with related parties: (Continued)

	Six months ended 30 June	
	2012	2011
	RMB'000	RMB'000
Real estate service income from non-controlling shareholders	223	–
Rental expenses paid/payable to:		
– shareholders' companies	4,264	4,152
– non-controlling shareholders	500	–
Purchases from Shareholders' Companies (note)	5,865	4,436
Property management fees paid/payable to Shareholders' Companies	24,363	12,463
Interest income arising from amounts due from:		
– associates (note)	277,581	143,320
– jointly controlled entities (note)	44,045	16,056
– non-controlling shareholders	5,130	34,977
Interest expense arising from amounts due to:		
– associates (note)	143,384	36,619
– jointly controlled entities (note)	27,097	28,189
– non-controlling shareholders	503,680	316,956

	Six months ended 30 June	
	2012	2011
	RMB'000	RMB'000
Advertising expenses paid/payable to Shareholders' Companies	20,000	20,000
Interior decoration service income from jointly controlled entities and associates (note)	27,146	101,561
Hotel management fees paid/payable to Shareholders' Companies	3,618	2,212
Hotel service income from associates (note)	176	3
Hotel service income from jointly controlled entities (note)	31	55
Hotel service income from Shareholders' Companies	252	145
Health management service fee to Shareholders' Companies	642	687
Healthcare service fee to Shareholders' Companies	733	178
Educational service fee to Shareholders' Companies	68	–
Other services fees to Shareholders' Companies	2,249	737

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

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

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2012

29. Related Party Disclosures (Continued)

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

	Six months ended 30 June	
	2012	2011
	RMB'000	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

- (iii) Compensation of key management personnel

The remuneration of directors and other members of key management during the six months ended 30 June 2012 was as follows:

	Six months ended 30 June	
	2012	2011
	RMB'000	RMB'000
Short-term benefits	9,812	9,170
Post-employment benefits	119	106
Equity-settled share-based payments	1,203	6,941
	11,134	16,217

30. Other Matter

Pursuant to a termination agreement dated 11 June 2012, the agreement dated 5 September 2011 in respect of the conditional disposal by the Group and the entrusting management of the Group's entire 60% equity interest in Xinjiang Hongyuan Investment Co., Ltd. ("Xinjiang Hongyuan") to Shanghai Jiechen Investment Consulting Service Co., Ltd., a third party, was terminated. As a result, the Group resumes control over Xinjiang Hongyuan. The effect of the re-acquisition in 2012 is as follows:

	2012
	RMB'000
Net assets acquired:	
Property, plant and equipment	6,668
Properties under development	750,452
Trade and other receivables, deposits and prepayments	174,362
Bank balances and cash	61,621
Trade and other payables	(40,856)
Amounts due to related parties	(380,740)
Other taxes payable	(7)
Bank and other borrowings (due after one year)	(529,000)
	42,500
Less: Non-controlling interests	(17,000)
	25,500
Total consideration, satisfied by:	
Reversal of consideration receivable	25,500
	25,500
Net cash inflow arising on acquisition:	
Cash paid	–
Bank balances and cash acquired	61,621
	61,621

31. Subsequent Events After the End of the Reporting Period

On 2 August 2012, (i) the Company allotted and issued 162,113,714 shares of HKD0.10 each to Target Smart at HKD5.20 per share; and (ii) Active Way Development Limited, a wholly-owned subsidiary of the Company, issued the Hong Kong dollar denominated perpetual subordinated convertible callable securities with an aggregate principal amount of HKD2,550,000,000 to Enzo Investments Limited, a wholly-owned subsidiary of Wharf, pursuant to an investment agreement dated 8 June 2012. Please refer to the Company's circular dated 17 July 2012 for details.

DEFINITION

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

Board	The Board of Directors of the Company
Company/Greentown	Greentown China Holdings Limited, a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the Main Board of the Stock Exchange
GFA	Gross floor area
Greentown Construction Management	綠城房產建設管理有限公司(Greentown Property Construction Management Company Ltd*)
Greentown Group	Greentown China Holdings Limited and its subsidiaries together with its jointly controlled entities and associates
Group	Greentown China Holdings Limited and its subsidiaries
Listing Rules	The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
Model Code	Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Listing Rules
PRC/China	The People's Republic of China
PSCS	The Hong Kong dollar denominated perpetual subordinated convertible callable securities issued by Active Way Development Limited (being a wholly-owned subsidiary of the Company) with an aggregate principal amount of HK\$2,550 million
Reporting Period	The six months ended 30 June 2012
SFO	Securities and Futures Ordinance, Chapter 571 of the laws of Hong Kong
Share Option Scheme	The share option scheme adopted by a resolution of the shareholders of the Company on 22 June 2006
Share(s)	Ordinary share(s) of HK\$0.10 each in the share capital of the Company
sqm	Square metres
Stock Exchange/HKEx	The Stock Exchange of Hong Kong Limited
Sunac	Sunac China Holdings Limited, a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the Main Board of the Stock Exchange (stock code: 01918)
Sunac Zhidi	天津融創置地有限公司 (Tianjin Sunac Zhidi Co, Ltd.*), a company established under the laws of the PRC, which is a wholly-owned subsidiary of Sunac
Wharf	The Wharf (Holdings) Limited, a company incorporated in Hong Kong with limited liability, the shares of which are listed on the Main Board of the Stock Exchange (stock code: 00004)
Wharf Group	Wharf and its subsidiaries

* For identification purposes only

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