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GREENTOWN CHINA HOLDINGS LIMITED

綠城中國控股有限公司*

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 03900)

PROFIT WARNING

This announcement is made by the Company pursuant to the inside information provisions under Part XIVA of the SFO and Rule 13.09(2)(a) of the Listing Rules.

The Board wishes to inform the Shareholders and potential investors of the Company that, based on a preliminary review and analysis of the unaudited consolidated management accounts of the Group for the six months ended 30 June 2014 and information currently available to the Board, it is expected that the Group may record a decrease in the consolidated net profit attributable to the owners of the Company of more than 65% for the six months ended 30 June 2014 as compared to that for the six months ended 30 June 2013.

The information contained in this announcement is based on a preliminary review and analysis made by the Board of the unaudited consolidated management accounts of the Group for the six months ended 30 June 2014 and the information available to the Board as of the date of this announcement, which have not been audited or reviewed by the auditors of the Company. The Company is in the process of finalising the Group's interim results for the six months ended 30 June 2014. Details of the Group's financial information for the six months ended 30 June 2014 will be disclosed in its interim results announcement which is expected to be published by the end of August 2014.

Shareholders and potential investors are advised to exercise caution when dealing in the securities of the Company and, in case of doubt, to seek independent advice from professional or financial advisers.

This announcement is made by Greentown China Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to the inside information provisions under Part XIVA of the Securities and Futures Ordinance (“**SFO**”) and Rule 13.09(2)(a) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”).

* For identification purposes only

The board of directors of the Company (the “**Board**”) wishes to inform the shareholders of the Company (the “**Shareholders**”) and other investors that, based on a preliminary review and analysis of the unaudited consolidated management accounts of the Group for the six months ended 30 June 2014 and information currently available to the Board, it is expected that the Group may record a decrease in the consolidated net profit attributable to the owners of the Company of more than 65% for the six months ended 30 June 2014 as compared to that for the six months ended 30 June 2013.

During the six months ended 30 June 2014, despite the increase in overall revenue recorded by the Group compared to that for the six months ended 30 June 2013, the decrease in the consolidated net profit of the Group is mainly due to the following reasons:

- (a) there was an acquisition conducted by the Group during the six months ended 30 June 2013 which generated a gain of RMB704 million but there was no such similar gain during the six months ended 30 June 2014;
- (b) a decrease in gross profit margin from the sale of properties by the Group by approximately six percentage points for the six months ended 30 June 2014 from 29.7% for the six months ended 30 June 2013. The decrease in gross profit margin is due to the fact that the revenue recognized during the six months ended 30 June 2014 is mainly contributed by sales of properties with relatively lower gross profit margin; and
- (c) the change of the Group’s share of the results of joint ventures and associates from a gain for the six months ended 30 June 2013 to a loss for the six months ended 30 June 2014 due to the relatively low gross profit margin of the property projects in respect of which the joint ventures and associates recognized revenue and the loss of certain of such joint ventures and associates despite the fact that they had delivered properties during the six months ended 30 June 2014.

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Shareholders and other investors are advised to exercise caution when dealing in the securities of the Company and, in case of doubt, to seek independent advice from professional or financial advisers.

By order of the Board
Greentown China Holdings Limited
Song Weiping
Chairman

Hangzhou, the PRC

4 August 2014

As at the date of this announcement, the Board comprises five executive directors, namely Mr Song Weiping, Mr Shou Bainian, Mr Luo Zhaoming, Mr Guo Jiafeng and Mr Cao Zhounan, two non-executive directors, namely, Mr Ng Tin Hoi, Stephen and Mr Tsui Yiu Cheung and five independent non-executive directors, namely Mr Jia Shenghua, Mr Jiang Wei, Mr Ke Huanzhang, Mr Sze Tsai Ping, Michael, and Mr Hui Wan Fai.