GREENTOWN CHINA HOLDINGS LIMITED

綠 城 中 國 控 股 有 限 公 司 *

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 03900)

ANNOUNCEMENT OF ANNUAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2013

The board (the "Board") of directors of Greentown China Holdings Limited (the "Company" or "Greentown") is pleased to announce the audited consolidated annual results of the Company and its subsidiaries (collectively the "Group") for the year ended 31 December 2013 (the "Year") prepared in accordance with the International Financial Reporting Standards, together with comparative figures for the year ended 31 December 2012. The following financial information is extracted from the audited consolidated financial statements in the Group's 2013 annual report which is to be published.

* *For identification purposes only*

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2013

	NOTES	**2013** *RMB'000*	2012 *RMB'000*
Revenue	*3*	**28,990,570**	35,392,506
Cost of sales		**(20,215,201)**	(24,678,810)
Gross profit		**8,775,369**	10,713,696
Other income	*4*	**728,329**	1,000,594
Selling expenses		**(848,771)**	(665,170)
Administrative expenses		**(1,491,574)**	(1,403,873)
Finance costs	*5*	**(506,815)**	(564,115)
Reversal of impairment losses on property, plant and equipment		**60,685**	–
Impairment losses on property, plant and equipment		**–**	(81,485)
Gain from changes in fair value of investment properties		**100,900**	600
Fair value changes on cross currency swaps		**49,849**	–
Fair value changes on trust-related financial derivatives		**–**	82,520
Net gain on disposal of subsidiaries		**–**	549,697
Gain on re-measurement of associates to acquisition date fair value in business combination achieved in stages		**3,923**	3,399
Gain on disposal of associates		**–**	56,505
Gain relating to a newly acquired joint venture		**704,131**	–
Gain on re-measurement of an associate to acquisition date fair value upon re-consolidation of a subsidiary		**–**	49,980
Net gain on disposal of joint ventures		**–**	1,377
Share of results of associates		**1,092,037**	209,356
Share of results of joint ventures		**477,999**	304,119
Profit before taxation		**9,146,062**	10,257,200
Taxation	*6*	**(3,155,857)**	(4,204,149)
Profit and total comprehensive income for the year		**5,990,205**	6,053,051
Attributable to:			
Owners of the Company		**4,885,514**	4,851,123
Non-controlling interests		**1,104,691**	1,201,928
		5,990,205	6,053,051
Earnings per share	*7*		
Basic		**RMB2.18**	RMB2.57
Diluted		**RMB1.94**	RMB2.37

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2013

	NOTES	2013 RMB'000	2012 RMB'000
NON-CURRENT ASSETS			
Property, plant and equipment		**4,864,054**	3,675,256
Investment properties		**1,831,500**	1,730,600
Interests in associates		**10,015,706**	6,573,266
Interests in joint ventures		**1,848,221**	1,003,745
Available-for-sale investments		**377,010**	346,545
Prepaid lease payment		**664,713**	254,968
Rental paid in advance		**9,385**	6,744
Deferred tax assets		**1,053,244**	782,241
Cross currency swaps		**49,849**	–
		20,713,682	14,373,365
CURRENT ASSETS			
Properties for development		**6,280,067**	6,020,524
Properties under development		**38,967,574**	43,136,154
Completed properties for sale		**13,062,500**	7,330,358
Inventories		**101,920**	76,299
Trade and other receivables, deposits and prepayments	8	**4,380,556**	4,712,786
Amounts due from related parties		**24,981,206**	21,619,085
Prepaid income taxes		**1,304,209**	1,076,018
Prepaid other taxes		**1,262,909**	1,464,738
Pledged bank deposits		**595,038**	1,734,337
Bank balances and cash		**10,686,041**	6,163,632
		101,622,020	93,333,931
CURRENT LIABILITIES			
Trade and other payables	9	**17,910,929**	15,958,635
Pre-sale deposits		**23,428,384**	28,848,285
Amounts due to related parties		**10,775,306**	7,125,114
Income taxes payable		**5,777,814**	5,389,742
Other taxes payable		**1,217,041**	985,100
Bank and other borrowings – due within one year		**6,017,895**	15,014,288
Senior notes		**–**	241,327
		65,127,369	73,562,491

	2013	2012
	RMB'000	*RMB'000*
NET CURRENT ASSETS	**36,494,651**	19,771,440
TOTAL ASSETS LESS CURRENT LIABILITIES	**57,208,333**	34,144,805
NON-CURRENT LIABILITIES		
Bank and other borrowings		
– due after one year	**15,935,463**	6,117,815
Senior notes	**8,558,184**	–
Deferred tax liabilities	**703,714**	538,915
	25,197,361	6,656,730
	32,010,972	27,488,075
CAPITAL AND RESERVES		
Share capital	**208,656**	207,422
Reserves	**22,654,206**	18,850,269
Convertible securities	**2,084,472**	2,084,472
Equity attributable to owners of the Company	**24,947,334**	21,142,163
Non-controlling interests	**7,063,638**	6,345,912
	32,010,972	27,488,075

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2013

1. GENERAL

The Company was incorporated in the Cayman Islands on 31 August 2005 as an exempted company with limited liability under the Companies Law (2004 Revision) and its shares have been listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") with effect from 13 July 2006. The address of the registered office of the Company is disclosed in the section headed "Corporate Information" of the annual report.

The consolidated financial statements are presented in Renminbi ("RMB"), which is also the functional currency of the Company.

The Company is an investment holding company. The principal activity of its subsidiaries is the development for sale of residential properties in the PRC.

2. APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS ("IFRSs")

New and revised standards and interpretations applied in the current year

In the current year, the Group has applied, for the first time, the following new and revised IFRSs issued by the International Accounting Standards Board (the "IASB") that are effective for the Group's financial year beginning on 1 January 2013.

Amendments to IFRSs	Annual Improvements to IFRSs 2009–2011 Cycle
Amendments to IFRS 7	Disclosures – Offsetting Financial Assets and Financial Liabilities
Amendments to IFRS 10, IFRS 11 and IFRS 12	Consolidated Financial Statements, Joint Arrangements and Disclosure of Interests in Other Entities: Transition Guidance
IFRS 10	Consolidated Financial Statements
IFRS 11	Joint Arrangements
IFRS 12	Disclosure of Interests in Other Entities
IFRS 13	Fair Value Measurement
IAS 19 (as revised in 2011)	Employee Benefits
IAS 27 (as revised in 2011)	Separate Financial Statements
IAS 28 (as revised in 2011)	Investments in Associates and Joint Ventures
Amendments to IAS 1	Presentation of Items of Other Comprehensive Income
IFRIC 20	Stripping Costs in the Production Phase of a Surface Mine

Except for the application of IFRS10, IFRS11, IFRS12, IFRS13 as described in the 2013 annual report, the application of these new and revised IFRSs in the current year has had no material impact on the Group's financial performance and positions for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

3. REVENUE AND SEGMENT INFORMATION

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

	2013	2012
	RMB'000	*RMB'000*
Property sales	**27,460,381**	34,214,430
Hotel operations	**305,340**	298,476
Project management	**350,060**	254,783
Property rental income	**113,864**	111,480
Design and decoration	**581,651**	324,800
Sales of construction materials	**63,172**	104,320
Other business	**116,102**	84,217
	28,990,570	35,392,506

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

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

The Group's reportable and operating segments under IFRS 8 are as follows:

1 Property development
2 Hotel operations
3 Property investment
4 Others (including sales of construction materials, design and decoration, project management, etc.)

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

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

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

The CODM assess the performance of the operating segments based on the post-tax profit of the group entities engaged in the respective segment activities, which includes share of results of joint ventures and associates and related finance costs. Financial information provided to the CODM is measured in a manner consistent with the accounting policies adopted in the preparation of the consolidated financial statements as described in Note 3 in the 2013 annual report.

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

No customers account for 10% or more of the Group's revenue.

An analysis of the Group's revenue and results by reportable and operating segment is as follows:

	Property development *RMB'000*	**Hotel operations** *RMB'000*	**Property investment** *RMB'000*	**Others** *RMB'000*	**Segment total** *RMB'000*	**Eliminations** *RMB'000*	**Total** *RMB'000*
For the year ended 31 December 2013							
Segment revenue							
External revenue	**27,460,381**	**305,340**	**113,864**	**1,110,985**	**28,990,570**	**–**	**28,990,570**
Inter-segment revenue	**–**	**5,098**	**490**	**1,347,475**	**1,353,063**	**(1,353,063)**	**–**
Total	**27,460,381**	**310,438**	**114,354**	**2,458,460**	**30,343,633**	**(1,353,063)**	**28,990,570**
Segment results	**5,687,139**	**44,740**	**78,133**	**241,455**	**6,051,467**	**(19,238)**	**6,032,229**
Unallocated administrative expenses							**(25,197)**
Unallocated other income							**109,301**
Unallocated finance costs							**(30,136)**
Fair value changes on cross currency swaps							**49,849**
Unallocated taxation							**(145,841)**
Profit for the year							**5,990,205**

	Property development *RMB'000*	Hotel operations *RMB'000*	Property investment *RMB'000*	Others *RMB'000*	Segment total *RMB'000*	Eliminations *RMB'000*	Total *RMB'000*
For the year ended 31 December 2012							
Segment revenue							
External revenue	34,214,430	298,476	111,480	768,120	35,392,506	–	35,392,506
Inter-segment revenue	–	11,707	703	1,054,283	1,066,693	(1,066,693)	–
Total	34,214,430	310,183	112,183	1,822,403	36,459,199	(1,066,693)	35,392,506
Segment results	6,269,967	(41,654)	(17,566)	(17,043)	6,193,704	(47,573)	6,146,131
Unallocated administrative expenses							(48,252)
Unallocated other income							19,762
Unallocated finance costs							(13,659)
Fair value changes on trust-related financial derivatives							82,520
Unallocated taxation							(133,451)
Profit for the year							6,053,051

Segment assets and liabilities

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

Segment assets

	2013	2012
	RMB'000	*RMB'000*
Property development	**111,780,398**	97,895,112
Hotel operations	**5,067,566**	2,951,674
Property investment	**1,853,416**	1,784,857
Others	**1,900,384**	2,721,404
Total segment assets	**120,601,764**	105,353,047
Unallocated	**1,733,938**	2,354,249
Consolidated assets	**122,335,702**	107,707,296

Segment liabilities

	2013	2012
	RMB'000	*RMB'000*
Property development	**85,710,438**	73,911,205
Hotel operations	**261,676**	180,623
Property investment	**1,003,689**	1,091,446
Others	**2,793,658**	4,230,237
Total segment liabilities	**89,769,461**	79,413,511
Unallocated	**555,269**	805,710
Consolidated liabilities	**90,324,730**	80,219,221

For the purposes of monitoring segment performances and allocating resources between segments:

- all assets are allocated to operating segments other than bank balances and cash, property, plant and equipment, financial instruments, trade and other receivables, deposits and prepayments, and deferred tax assets pertaining to non-operating group entities.

- all liabilities are allocated to operating segments other than senior notes, bank and other borrowings, other taxes payable and deferred tax liabilities pertaining to non-operating group entities.

Other segment information

For the year ended 31 December 2013

	Property development *RMB'000*	Hotel operations *RMB'000*	Property investment *RMB'000*	Others *RMB'000*	Reportable segment total *RMB'000*	Unallocated *RMB'000*	Total *RMB'000*
Amounts included in the measure of segment profit or loss or segment assets:							
Addition to non-current assets *(Note)*	**3,565,958**	**1,533,616**	**520**	**26,912**	**5,127,006**	**–**	**5,127,006**
Interests in associates	**10,015,706**	**–**	**–**	**–**	**10,015,706**	**–**	**10,015,706**
Interests in joint ventures	**1,848,221**	**–**	**–**	**–**	**1,848,221**	**–**	**1,848,221**
Gain from changes in fair value of investment properties	**–**	**–**	**(100,900)**	**–**	**(100,900)**	**–**	**(100,900)**
Reversal of impairment losses on PPE	**–**	**(60,685)**	**–**	**–**	**(60,685)**	**–**	**(60,685)**
Gain relating to a newly acquired joint venture	**(704,131)**	**–**	**–**	**–**	**(704,131)**	**–**	**(704,131)**
Gain on re-measurement of associates to acquisition date fair value in business combination achieved in stages	**(3,923)**	**–**	**–**	**–**	**(3,923)**	**–**	**(3,923)**
Depreciation of property, plant and equipment	**46,665**	**87,113**	**6,651**	**17,324**	**157,753**	**–**	**157,753**
Loss (gain) on disposal of property, plant and equipment	**(1,259)**	**(26)**	**20**	**(125)**	**(1,390)**	**–**	**(1,390)**
Interest income	**(458,795)**	**(3,749)**	**(9,196)**	**(5,861)**	**(477,601)**	**(16,092)**	**(493,693)**
Finance costs	**414,731**	**102**	**51,469**	**10,377**	**476,679**	**30,136**	**506,815**
Share of results of associates	**(1,092,037)**	**–**	**–**	**–**	**(1,092,037)**	**–**	**(1,092,037)**
Share of results of joint ventures	**(477,999)**	**–**	**–**	**–**	**(477,999)**	**–**	**(477,999)**
Taxation	**2,900,450**	**15,989**	**25,127**	**68,450**	**3,010,016**	**145,841**	**3,155,857**

For the year ended 31 December 2012

	Property development *RMB'000*	Hotel operations *RMB'000*	Property investment *RMB'000*	Others *RMB'000*	Reportable segment total *RMB'000*	Unallocated *RMB'000*	Total *RMB'000*
Amounts included in the measure of segment profit or loss or segment assets:							
Addition to non-current assets (Note)	2,896,640	92,718	147	21,081	3,010,586	–	3,010,586
Interests in associates	6,573,266	–	–	–	6,573,266	–	6,573,266
Interests in joint ventures	1,003,745	–	–	–	1,003,745	–	1,003,745
Gain on disposal of associates	(56,505)	–	–	–	(56,505)	–	(56,505)
Net gain on disposal of joint ventures	(1,377)	–	–	–	(1,377)	–	(1,377)
Net gain on disposal of subsidiaries	(549,697)	–	–	–	(549,697)	–	(549,697)
Gain on re-measurement of an associate to acquisition date fair value upon re-consolidation of a subsidiary	(49,980)	–	–	–	(49,980)	–	(49,980)
Gain on re-measurement of an associate to acquisition date fair value in business combination achieved in stages	(3,399)	–	–	–	(3,399)	–	(3,399)
Depreciation of property, plant and equipment	69,129	75,676	7,469	17,503	169,777	–	169,777
Impairment losses on property, plant and equipment	–	81,485	–	–	81,485	–	81,485
Gains on disposal of property, plant and equipment	(580)	(13)	(17)	(196)	(806)	–	(806)
Interest income	(665,745)	(10,134)	(20,039)	(3,078)	(698,996)	(1,486)	(700,482)
Finance costs	370,896	4,683	70,405	104,472	550,456	13,659	564,115
Share of results of associates	(209,356)	–	–	–	(209,356)	–	(209,356)
Share of results of joint ventures	(304,119)	–	–	–	(304,119)	–	(304,119)
Taxation	4,061,183	(2,482)	277	11,720	4,070,698	133,451	4,204,149

Note: Non-current assets included mainly property, plant and equipment, investment properties (excluding gain from changes in fair value of investment properties), prepaid lease payment, interests in joint ventures, interests in associates and rental paid in advance and excluded financial instruments and deferred tax assets.

4. OTHER INCOME

	2013 **RMB'000**	2012 *RMB'000*
Interest income on bank balances	**139,282**	80,825
Interest income on amounts due from related parties	**354,411**	619,657
Trust income	**–**	130,769
Government grants	**23,058**	46,416
Net foreign exchange gains	**90,240**	26,126
Brand usage related income	**79,406**	50,198
Others	**41,932**	46,603
	728,329	1,000,594

5. FINANCE COSTS

	2013	2012
	RMB'000	*RMB'000*
Interest on:		
– bank borrowings wholly repayable within five years	**1,056,005**	1,601,308
– bank borrowings not wholly repayable within five years	**57,919**	52,181
– other borrowings wholly repayable within five years	**851,594**	1,460,947
Effective interest expense on trust-related amounts due to related parties	**–**	341,024
Effective interest expense on 2007 Convertible Bonds	**–**	3,259
Interest on senior notes	**465,879**	21,899
	2,431,397	3,480,618
Less: Capitalized in properties under development	**(1,919,987)**	(2,913,604)
Capitalized in construction in progress	**(4,595)**	(2,899)
	506,815	564,115

Borrowing costs capitalized during the year arose on the specific loan and general borrowing pool and are calculated by applying a capitalisation rate of 8.66% (2012: 8.80%) per annum to expenditure on the development of properties for sale and for own use.

6. TAXATION

	2013	2012
	RMB'000	*RMB'000*
Current tax:		
PRC enterprise income tax	**1,997,345**	2,192,930
LAT	**1,253,216**	2,066,294
	3,250,561	4,259,224
Under(Over)-provision in prior years:		
PRC enterprise income tax	**10,013**	(54,006)
Deferred tax:		
Current year	**(104,717)**	(1,069)
	3,155,857	4,204,149

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

Under the Law of the People's Republic of China on Enterprise Income Tax (the "EIT Law") and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiaries is 25%.

In addition, the EIT Law provides that qualified dividend income between two "resident enterprises" that have a direct investment relationship is exempted from income tax. Otherwise, such dividends will be subject to a 5% or 10% withholding tax under the EIT Law. A 10% withholding tax rate is applicable to the Group.

The tax charge for the year can be reconciled to the profit per the consolidated statement of profit or loss and other comprehensive income as follows:

	2013	2012
	RMB'000	*RMB'000*
Profit before taxation	**9,146,062**	10,257,200
Tax at the applicable PRC enterprise income tax rate of 25% (2012: 25%)	**2,286,515**	2,564,300
Effect of different tax rates	**(65,574)**	(17,164)
Tax effect of share of results of associates	**(273,009)**	(52,339)
Tax effect of share of results of joint ventures	**(119,500)**	(76,030)
Tax effect of income not taxable for tax purposes	**(100,975)**	(138,095)
Tax effect of expenses not deductible for tax purposes	**197,873**	191,671
Under (Over)-provision in respect of prior year	**10,013**	(54,006)
Tax effect of tax losses not recognized	**156,003**	122,906
Recognition of deferred tax assets on tax losses previously not recognized	**(9,311)**	(9,826)
Utilization of tax losses previously not recognized	**(16,090)**	(6,988)
LAT provision for the year	**1,253,216**	2,066,294
Tax effect of LAT	**(313,304)**	(516,574)
Tax effect of undistributed profits	**150,000**	130,000
Tax charge for the year	**3,155,857**	4,204,149

PRC LAT

According to the requirements of the Provisional Regulations of the PRC on LAT (中華人民共和國土地增值税暫行條例) effective from 1 January 1994, and the Detailed Implementation Rules on the Provisional Regulations of the PRC on LAT (中華人民共和國土地增值税暫行條例實施細則) effective from 27 January 1995, all income from the sale or transfer of state-owned land use rights, buildings and their attached facilities in the PRC is subject to LAT at progressive rates ranging from 30% to 60% of the appreciation value, with an exemption provided for property sales of ordinary residential properties (普通標準住宅) if their appreciation values do not exceed 20% of the sum of the total deductible items.

According to the Notices for the Strengthening of Administration on LAT (關於加強土地增值税管理工作的通知), the Group is required to pre-pay LAT on pre-sale proceeds at 0.5%–3% for ordinary residential properties and 1%–6% for other properties.

For the year ended 31 December 2013, the Group estimated and made a provision for LAT in the amount of RMB1,253,216,000 (2012: RMB2,066,294,000), 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.

7. 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

	2013	2012
	RMB'000	*RMB'000*
Profit for the year attributable to the owners of the Company	**4,885,514**	4,851,123
Distribution related to Convertible Securities	**(182,914)**	–
Earnings for the purpose of basic earnings per share	**4,702,600**	4,851,123
Effect of dilutive potential ordinary shares:		
Interest on the 2007 Convertible Bonds	**–**	3,259
Distribution related to Convertible Securities	**182,914**	–
Earnings for the purpose of diluted earnings per share	**4,885,514**	4,854,382

Number of shares

	2013	2012
Weighted average number of ordinary shares for the purpose of basic earnings per share	**2,154,876,654**	1,889,150,532
Effect of dilutive potential ordinary shares:		
Share options	**23,149,554**	15,782,728
The 2007 Convertible Bonds	**–**	3,091,716
Convertible Securities	**344,594,594**	143,502,407
Weighted average number of ordinary shares for the purpose of diluted earnings per share	**2,522,620,802**	2,051,527,383

8. TRADE AND OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	2013	2012
	RMB'000	*RMB'000*
Trade receivables	**411,777**	459,907
Other receivables	**3,041,088**	2,828,812
Prepayments and deposits	**927,691**	1,100,461
Consideration receivable from disposal of associates	**–**	323,606
	4,380,556	4,712,786

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 below. The trade receivables which are aged 91 days or above are all past due but not impaired. The Group does not notice any significant changes in the credit quality of its trade receivables and the amounts are considered to be recoverable.

	2013 *RMB'000*	2012 *RMB'000*
Within 30 days	**146,659**	80,382
31–90 days	**62,526**	26,816
91–180 days	**19,550**	130,170
181–365 days	**49,080**	67,118
Over 365 days	**133,962**	155,421
Trade receivables	**411,777**	459,907

9. TRADE AND OTHER PAYABLES

The aged analysis of trade payables is stated as follows:

	2013 *RMB'000*	2012 *RMB'000*
Within 30 days	**5,682,270**	6,107,937
31–90 days	**850,113**	1,933,377
91–180 days	**1,050,500**	1,304,746
181–365 days	**1,637,541**	870,156
Over 365 days	**1,294,420**	598,458
Trade payables	**10,514,844**	10,814,674
Other payables and accrued expenses	**7,256,485**	5,143,961
Consideration payables on acquisition of subsidiaries and a joint venture	**139,600**	–
	17,910,929	15,958,635

Trade payables and other payables principally comprise amounts outstanding for trade purposes and ongoing costs.

MANAGEMENT DISCUSSION AND ANALYSIS

OPERATIONS AND MANAGEMENT REVIEW

In line with the PRC Government's increasing rationalization of its plan to promote urbanization and its measures to regulate the China's real estate market, market players have continuously adjusted and adapted their respective strategies and direction to prevent significant fluctuations encountered by this sector in the past. In the past year, focusing on the principle of operational stability, Greentown has undertaken an in-depth self-rehabilitation of its operations in many aspects and achieved relatively satisfactory results.

Results Overview

In 2013, the profit attributable to owners of the Company reached RMB4,886 million, representing an increase of RMB35 million or 0.7% over RMB4,851 million recorded in 2012. After deduction of post-tax effect of net gains from acquisitions and disposals, impairment losses or reversal of impairment losses on some properties, and gain from changes in fair value of financial derivatives and gain from changes in fair value of investment properties, the core profit attributable to owners of the Company reached RMB4,443 million, representing an increase of RMB186 million or 4.4% compared to RMB4,257 million recorded in 2012.

During the Year, the Company achieved basic earnings per share of RMB2.18, representing a 15.2% decrease compared to RMB2.57 per share in 2012, primarily due to the placing of approximately 490 million new shares to a wholly-owned subsidiary of The Wharf (Holdings) Limited (Stock Code: 00004.HK) ("Wharf") in 2012 which in turn resulted in an increase in the weighted average number of ordinary shares of the Company in 2013.

Pre-sales in the Year

For the Year, Greentown Group (including Greentown China Holdings Limited and its subsidiaries, together with its joint ventures and associates) recorded a total saleable area of 3.09 million sqm. Total pre-sales amounted to RMB65.1 billion (including subscription sales of RMB3.0 billion), which increase by 19.2% from RMB54.6 billion and accounted for 118.4% of our annual sales target set at the beginning of the Year. Total pre-sales attributable to the Group amounted to RMB33.6 billion. The overall average selling price was RMB20,115 per sqm.

From Satisfaction to Loyalty

In September 2013, Greentown was the only PRC real estate developer in the PRC to be named the "Top Brand in Customer Satisfaction". Greentown received this honor at a press conference held by the "China Real Estate Top 10 Research Team", formed jointly by the Development Research Center of the State Council, the Institute of Real Estate Studies at Tsinghua University and the China Index Academy. The surveys conducted for this recognition covered 17 cities throughout China. Greentown came first on the basis of customer satisfaction in 15 major cities in which it operates. The results have shown that Greentown has a clear advantage in the areas of, among others, property services, quality of construction, project design, sales services and corporate reputation.

Following consecutive years of achieving high rankings in customer satisfaction surveys, the market has unanimously acknowledged our unrelenting pursuit of high quality of product and service. Through our own efforts, we hope to gradually transform our customers' level of product satisfaction into loyalty to the "Greentown" brand. Accordingly, over the course of the Year, we have seized upon the great opportunity to improve products and services and maintain customer loyalty by listening to customers' feedback and suggestions through our customer service centers and numerous other channels, and have conducted a comprehensive review of Greentown property owners' major concerns. We listened to their thoughts and needs in all areas, including landscape planning, residence design, material quality, construction technique, product preservation, and benchmarked ourselves against leading industry standards so as to satisfy the different requirements of our property owners to the largest extent. We are deeply aware that brand value does not entirely depend on the products provided – there are many real estate developers that can design and construct properties; the differentiating factor is our customers' trust in and loyalty to the "Greentown" brand.

Tackling Challenges

After undergoing challenging times, real estate developers have become more sensitive to policy trends, market directions and customer needs and market consolidation has increased. To ensure that we achieve annual sales targets, we have made concerted efforts to organize and maintain our strengths, focus our superior resources and deploy our elite sales force to fully support and develop construction commencement, pre-sale, delivery and other critical development stages of some of our key challenging projects. At the same time, we have constantly ensured that every project monitors its unsold property inventory systematically and, taking into account factors such as market conditions, customer demands and product positioning, implements targeted sales plans for different types of unsold property inventory. The effectiveness of our sales efforts was increased by waves of frenzied property purchases triggered by the imposition of the new 20% personal income tax pursuant to the "New National Five Measures" issued in the first half of the year and, in the second half of the year, by marketing campaigns (such as industry joint trade fairs, project on-site activities and seasonal customer gratitude activities) centered around the theme of "Beautiful Building, Beautiful Life" so as to enhance awareness and reputation of the "Greentown brand".

Establishing Agency Sales Echelon

Sales agents played a crucial role in exceeding the Year's annual sales target and our future development is even more dependent on strengthening these reserves. We are gradually optimizing our sales agency team structure by recruiting talented individuals with a good track record, strong potential and passion into our agency sales echelon to ensure the continuous growth of our sales team as well as steady improvement of our performance. The key members in the agency sales team, who will take on the Company's most important assignments, have to meet our stringent requirements in various areas such as cultural alignment, responsibility, professional expertise and overall quality. In order to strengthen the specialist skills and overall quality of these staff and fast track their career development by letting them take on key roles as soon as possible, the Company has focused on practical work experience and required the agency sales teams to strictly implement marketing and sales systems and ensured that there is a certain number of agency sales team members who conduct daily marketing activities and visit to the customers. The employment of the worst performing sales agent among those sales agents who failed to achieve their sales targets for three consecutive months will be terminated to ensure that a group of elite sales agents will emerge from the teams.

Land Bank

In 2013, Greentown Group acquired 11 new land sites, with a GFA of 3.36 million sqm of which approximately 1.35 million sqm was attributable to the Group. The newly added land sites' total land premium amounted to approximately RMB24.3 billion. The majority of the land premium was paid by business partners, while only approximately RMB7.2 billion was required to be paid by the Group.

The newly added projects in the land bank Greentown Group acquired in 2013 are as follows:

Projects	**Equity Interest**	**Site Area** *(sqm'000)*	**Planned GFA** *(sqm'000)*	**Total Land Premium** *(RMB million)*
Hangzhou Melodious Manor	25%	59	124	645
Hangzhou Zhijiang No.1 (Formerly known as Jindu Golf Villa)	25%	214	526	1,200
Shanghai Dynasty on the Bund	50%	111	675	7,996
Hangzhou Xin Hua Yuan	30%	37	143	357
Hangzhou Wulin Plaza Metro Complex	45%	23	242	3,000
Shanghai Hongkou Project	25.5%	10	39	1,044
Shanghai Central Garden	30.09%	212	468	2,276
Yuyao Mingyuan	47%	186	373	1,633
Yiwu Jiangbin Road South Project	35%	139	402	2,987
Hangzhou Qiantang Mingyue	50%	70	190	2,653
Xinchang Qixing Business Complex	80%	69	174	518
Total		**1,130**	**3,356**	**24,309**

As of 31 December 2013, Greentown Group had a total land bank of 104 projects (including projects under construction and projects held for construction) and a total GFA of 38.89 million sqm (excluding projects in which the Group's equity interest is less than 10%*), of which 21.50 million sqm was attributable to the Group. Total saleable area amounted to 25.13 million sqm, of which 13.61 million sqm was attributable to the Group, while land cost per sqm was RMB2,799. Greentown Group's current land bank is sufficient to support the development for the next three years.

* The GFA of our land bank, including projects in which the Group's equity interest less than 10%, was approximately 42.14 million sqm.

OUTLOOK

The year 2014 will be the starting point for deepening comprehensive reforms in the PRC. The PRC Government's attitude towards the property market has changed due to fluctuations in market equilibrium and the advocacy of measures such as two-way regulation, differentiated policy and category-specific guidance. All these measures are intended to make the property market more stable and healthy and to create a market-oriented environment on a macro level.

For Greentown, these developments in the macro environment will create considerable benefits. In response to the gradual decline in earnings from land, investment requirements are new referring to focus on rational planning and the pursuit of cost efficiency. The Company will adhere to the strategy of "Superior Quality and Stable Operation" and will also proactively carry out adjustments to its operations and launch comprehensive reforms in sales, work schedule, costs, services and staff training to secure longer-term benefits.

Sales Strength being Fundamental to Stable Operations

In 2014, the Company will focus on strengthening its sales efforts, quickening construction cycles and improving inventory turnover. The Company will focus on developing its agent-based sales model, strengthen sales management and control, improve performance appraisal and increase agents' sales potential. It will implement an e-commerce business model for sales marketing and build up a platform of nationwide housing inventory information to increase the sales of the Company on a sustainable basis.

Precise Positioning being a Prerequisite to Effective Inventory Turnover

In relation to product positioning, the Company will conduct precise market research and forecasts according to different cities, regions and geographical features and match our diverse product range with target customers. Newly launched products will meet the demands of local markets. At the same time, the Company will introduce new products in specific areas, differentiating us from our peers and demonstrating our advantage in product innovation.

An Asset-Light Model being an Effective Strategy Against Risk

In 2014, the Company will implement a prudent expansion strategy by keeping pace with the national property market and decision-making. We will select premium land to add to our land bank and maximize distribution structure for existing coverage. At the same time, the Company will draw on its two decades of experience in quality property operations, branding and management, to actively promote operational models such as commercial construction management, capital construction management and government construction so as to implement an asset-light model which allows the Company to maintain stable operations for its own projects and grow its business. In addition, the Company is also considering inviting well-capitalized third party financial institutions such as funds to participate in the development of projects. By leveraging the brand name and project management advantages of Greentown, through equity, debt or a combination of both, we can manage risk and ease liquidity pressures while maintaining a reasonable rate of expansion.

Improving Service being The Key to Enhancing Value-added Products

Quality products must be accompanied by attentive service. The Company will strive to realize and strengthen the content and services of the Greentown estate services system, to foster a neighborhood culture and to build a network of virtual communities. By making use of the Greentown estate services system and localized social resources to form service networks, we will identify community service needs, design specific products, build up trust and service standards and organize pilot schemes and social activities so as to continuously enhance service standard and quality.

Internal Management being the Driving Force for Sustainable Development

In 2013, cost control was one of the major highlights of internal management. From improving organization structure and optimizing comprehensive cost control systems, the Company developed solutions for maintaining full reporting on project cost data, implementing cost assessments and early warning mechanisms and improving cost assessment mechanisms. In terms of cost control, the Company strictly adheres to project development progress schedule "05-09", under which construction takes place within five months after the land acquisition, with pre-sales after nine months of construction. By strengthening implementation, assessment, and organizational intervention, the progress and efficiency of development projects are expedited. We meticulously conduct preparatory work to ensure market research, product positioning, house design, and master planning are carried out before land is acquired. The other aspect of internal management lies in the Company viewing staff development and improvement as our long-term driving force, using directional and guidance training in specialist, management and other areas to inspire and enthuse employees into promoting self-learning initiatives and to achieve efficiency and enhancement in execution. The Company is also in the process of reviewing a new system of compensation. While maintaining salaries in the first industry category, by linking evaluation mechanisms with performance, the staff appraisal system will be strengthened with objectives, timelines, quantifiable factors and targets, which will provide improved staff support for the implementation of the Group's strategy.

Prudent Financial Strategy is the Way to Sound Development

The Company is now focusing even more on quality development rather than seeking absolute expansion, and is aiming to maintain gearing ratios at reasonable levels. Having improved its debt structure, the Company will maintain a long-term debt strategy as its main goal and strive to improve utilization of funds. Due to the remarkable results of our offshore financing activities over the past year, the Company will have more optionality in financing methods in the future, which will facilitate a balanced development of various types of financing.

We have much to accomplish in 2014. Faced with challenges, only by changing can we let the Company survive and grow. Following substantial fluctuations and adjustments in the industry, only a company with core competitive strengths can survive. We will develop into an enterprise with core competitive strengths and a solid foundation for sustainable development.

Projects Scheduled for Completion in 2014

The Group expected that a total GFA of 5.98 million sqm will be completed in 2014. Saleable area amounted to 4.01 million sqm, of which 2.18 million sqm is attributable to the Group.

Subsidiaries

Projects	**Equity Interest**	**Phase**	**GFA** *(sqm)*	**Saleable Area** *(sqm)*
Cixi Sincere Garden	100%	Phase I	189,347	133,471
Hainan Greentown Blue Town	51%	Phase V	14,854	4,785
	51%	Westin Hotel	71,329	0
	51%	Phase VII	61,960	35,753
Hangzhou Sapphire Mansion	100%	Phase V Hotel	53,370	0
Hangzhou Taohuayuan	64%	Phase XII	13,106	8,219
Hangzhou Jade Garden	100%	Phase II	82,693	61,027
Hangzhou Yunqi Rose Garden	51%	Phase II	7,095	4,514
Hefei Jade Lake Rose Garden	100%	Phase II	70,926	68,146
	100%	Phase I	17,227	13,671
	100%	Phase III	18,735	14,483
Huzhou Majestic Mansion	70%	Phase IV	73,596	48,603
Qingdao Jiaozhou Lagerstroemia Square	100%	Phase II	166,677	124,585
	100%	Phase III	82,486	56,431
	100%	Ziwei Mansion	38,280	37,298
Lin’an Qianwang Culture Square	65%	Phase II	80,581	59,857
Nanjing Rose Garden	70%	Phase V	20,191	12,602
Nantong Qidong Rose Garden	51%	Phase I	184,693	136,122
Qingdao Ideal City	80%	Sheraton Hotel	54,480	0
	80%	Phase III	67,934	49,934
Shaoxing Lily Garden	51%	Phase I	120,007	94,806
	51%	Phase VI	9,345	9,285
	51%	Phase II	38,216	36,862
	51%	Phase III	37,159	35,841
	51%	Phase IV	37,474	36,613
	51%	Phase V	35,609	34,791
Taizhou Rose Garden	55.2%	Phase IV	23,873	14,968
	55.2%	Phase III	46,990	28,021
	55.2%	Phase V	86,246	63,788
Xinchang Rose Garden	80%	Phase IV	21,275	20,768
Xintai Yulan Garden	70%	Phase II	155,013	122,460
Changsha Bamboo Garden	49.5%	Southern Area	22,576	17,835
Zhengzhou Yanming Lake Rose Garden	100%	Phase I	31,321	19,858
	100%	Phase II	16,662	10,723
Zhoushan Changzhidao	96.875%	Linglong Yuan	34,012	21,048
Zhoushan Zhujiajian Dongsha Resort	90%	North Area Phase I	25,512	10,966
	100%	South Area Phase I	57,519	37,427
	100%	Westin Hotel	67,398	0
Zhuji Greentown Plaza	60%	Phase IV	209,165	120,843
Xinjiang Jade Garden	60%	Phase I	277,675	92,418
Shanghai Rose Garden	50%	Phase VII	35,353	28,282
Sub-total			**2,757,960**	**1,727,104**

Joint Ventures/Associates

Projects	**Equity Interest**	**Phase**	**GFA** *(sqm)*	**Saleable Area** *(sqm)*
Anji Taohuayuan	15%	Phase I	8,223	6,496
Fuyang Harmony Garden	40%	Phase III	153,438	115,536
Hangzhou Hope Town	45%	Lingfeng Yuan	79,095	51,658
Hangzhou Greentown Master Manor	25%	Phase I	113,789	89,893
Hangzhou Orchid Residence	35%	Phase I	149,819	91,748
Hangzhou Bright Moon in Jiangnan	55%	Phase II	162,618	116,180
Jinan Lily Garden	49%	Phase I	272,965	171,697
Jinan National Games Project	45%	Phase IX	56,518	33,100
	45%	Phase XI	30,436	24,044
Lishui Beautiful Spring River	37.5%	Phase I	37,216	16,377
	37.5%	Phase II	157,534	122,736
Lin’an Mantuo Garden	15%	Phase I	22,164	16,456
Ningbo Center	47.2%	Phase I	138,757	109,618
Shaoxing Yulan Garden	35%	Phase III	67,768	57,044
Shenyang National Games Project	50%	Phase I	536,097	335,342
Hangzhou Idyllic Garden Lancuiyuan	50%	Phase I	38,068	30,073
Wenzhou Begonia Bay	40%	Phase I	185,095	146,225
Wuzhen Yayuan	50%	Yile College	34,145	0
	50%	Phase II	52,710	39,422
Hangzhou Sincere Garden Mingliyuan	49%	Serviced Apartment	67,089	44,183
Hangzhou Sincere Garden Shouchunyuan	50%	Phase II	36,898	12,115
Hangzhou Zhijiang No. 1	25%	Phase I	99,738	79,790
Wuxi Yulan West Garden	19.5%	Phase I, II	212,922	170,338
Wuxi Lihu Camphora Garden	49%	Phase II	80,000	64,000
Shanghai Yulan Garden – Glorious Garden	24.5%	Phase I	104,408	83,526
Changzhou Yulan Square	48.5%	Phase I	196,901	157,521
Hangzhou Melodious Manor	25%	Phase I	123,600	98,880
Sub-total			**3,218,011**	**2,283,998**
Total			**5,975,971**	**4,011,102**

As of 31 December 2013, the sales revenues of Greentown Group not yet recognized in the income statement amounted to approximately RMB80.9 billion, of which approximately RMB40.1 billion is attributable to the Group. The majority of these sales revenues is expected to be eventually recognized in the coming two years.

FINANCIAL ANALYSIS

Revenue

The revenue of the Group mainly derives from the sales of property, as well as from hotel operations, property rental, project management, sales of construction materials, and design and decoration, etc. In 2013, the Group recognized revenue of RMB28,991 million, representing a decrease of 18.1%, from RMB35,393 million in 2012; of which the revenue from property sales in 2013 amounted to RMB27,460 million, accounting for 94.7% of the total revenue, and representing a decrease of RMB6,754 million or 19.7% from RMB34,214 million in 2012. Such decrease was mainly due to the decrease in both sales area and average selling price. During the Year, the total area sold amounted to 1,653,830 sqm, representing a decrease of 13.5% from 1,912,061 sqm in 2012. The average selling price of properties delivered in 2013 was RMB16,604 per sqm, representing a decrease of 7.2% from RMB17,894 per sqm in 2012.

Properties with the revenue recognized during 2013 were as follows:

Projects	Type of Properties	Area Sold	Sales Revenue	% of Total	Average Selling Price
		(sqm) (Note)	*(RMB million)*		*(RMB/sqm)*
Hangzhou Sapphire Mansion	High-Rise Apartment, Serviced Apartment	76,501	2,916	10.6%	38,117
Cixi Grace Garden	High-Rise Apartment	111,307	2,641	9.6%	23,727
Hangzhou Sincere Garden Zhijingyuan & Zhengxinyuan	High-Rise Apartment	64,135	2,250	8.2%	35,082
Hainan Greentown Blue Town	High-Rise Apartment, Villa	74,678	2,091	7.6%	28,000
Qingdao Ideal City	High-Rise Apartment, Low-Rise Apartment	190,747	1,493	5.4%	7,827
Hangzhou Jade Garden	High-Rise Apartment	73,462	1,268	4.6%	17,261
Zhuji Greentown Plaza	High-Rise Apartment, Villa	86,236	1,155	4.2%	13,393
Xinjiang Lily Apartment	High-Rise Apartment	67,834	1,142	4.2%	16,835
Hefei Jade Lake Rose Garden	High-Rise Apartment, Low-Rise Apartment, Villa	115,570	1,032	3.8%	8,930
Huzhou Majestic Mansion	High-Rise Apartment, Villa	84,671	1,026	3.7%	12,117
Hangzhou Yunqi Rose Garden	Villa	16,696	981	3.6%	58,757
Hangzhou Idyllic Garden Fengheyuan	High-Rise Apartment	54,109	947	3.4%	17,502
Ningbo Crown Garden	High-Rise Apartment, Serviced Apartment, Office	69,178	914	3.3%	13,212
Others		568,706	7,604	27.8%	13,371
Total		**1,653,830**	**27,460**	**100%**	**16,604**

Note: Area sold includes above ground and underground areas.

During the Year, projects in Hangzhou achieved sales revenue of RMB11,350 million, accounting for 41.3% of the property sales, ranking first among all regions. Projects in Zhejiang area (excluding Hangzhou) achieved sales revenue of RMB7,143 million, accounting for 26.0%, ranking second. Projects in Shandong area achieved sales revenue of RMB2,214 million, accounting for 8.1%, ranking third.

During the Year, sales revenue of high-rise, low-rise apartment and serviced apartment reached RMB22,493 million, accounting for 82.0% of the property sales; sales revenue of villa reached RMB4,543 million, accounting for 16.5%; sales revenue of office reached RMB424 million, accounting for 1.5%.

During the Year, the Group achieved design and decoration revenue of RMB582 million, representing an increase of RMB257 million or 79.1% from RMB325 million achieved in 2012. With the constant expansion of design and decoration business, the revenue from design and decoration will maintain sustainable growth.

The Group's revenue from project management in 2013 amounted to RMB350 million, representing an increase of 37.3% from RMB255 million in 2012, mainly consisting of construction income of Greentown Construction Management Co., Ltd., a subsidiary of the Company. As the Group's "asset-light" model moves forward, the revenue from project management will continue to grow.

During the Year, the Group's revenue from hotel operations was RMB305 million, in line with RMB298 million in 2012.

During the Year, the Group's rental income from investment properties was RMB114 million, in line with RMB111 million in 2012, mainly due to rental income from Oakwood Residence Beijing.

Gross Profit Margin from Property Sales

During the Year, the Group's gross profit from properties sales was RMB7,786 million and the gross profit margin from property sales was 28.4%, slightly lower than 29.2% in 2012. Among the properties delivered during the Year, the project of Hefei Jade Lake Rose Garden, which accounted for 3.8% of the total delivered properties, recorded a low gross profit margin due to its relatively low unit price when put on sales in prior year. In the meanwhile, a portion of the project of Qingdao Ideal City delivered in the Year was economically affordable houses, which was developed according to the requirement of the Government and the selling price was subject to the restriction of the local government. As a result, this property only achieved a gross profit margin of approximately 10%. After deduction of effects from Hefei Jade Lake Rose Garden and economically affordable houses of Qingdao Ideal City, the gross profit margin of properties sales was 29.7% during the Year.

Other Income

Other income mainly included interest income, net foreign exchange gains, trust income, brand usage related income and government grants, etc. The Group realized other income of RMB728 million during the Year, representing a decrease of RMB273 million from RMB1,001 million in 2012, mainly due to a decrease in interest income. During the Year, the Group received interest income of RMB494 million, representing a decrease of RMB206 million from interest income of RMB700 million in 2012, mainly due to the decrease in interest due from related parties.

In 2013, the Group recorded a net foreign exchange gain of RMB90 million, significantly more than that of RMB26 million in 2012, mainly due to further appreciation of Renminbi and the increase in foreign currency borrowings and issuance of several senior notes denominated in US dollar. As at 31 December 2013, the Group had Hong Kong dollar bank borrowings of nil (as at 31 December 2012: HKD1,010 million), an outstanding US dollar bank borrowings of USD400 million (as at 31 December 2012: USD234 million), and senior notes totaling USD1,000 million (as at 31 December 2012: USD39 million).

Selling and Administrative Expenses

The Group's selling and administrative expenses during the Year amounted to RMB2,340 million, representing an increase of 13.1% from RMB2,069 million in 2012.

Human resource cost, which is the largest single expense item in selling and administrative expenses, amounted to RMB723 million in 2013 (2012: RMB668 million), representing an increase of 8.2% as compared with last year, mainly due to increase in number of management staff for an increased business scale in this year. Expenses in advertising, sales and marketing and sales agency fees was RMB561 million, representing an increase of RMB154 million from RMB407 million in 2012. It was mainly due to the development and training exercises for project agents and more spending on marketing and promotion, and we ensured that internal staff and third-party intermediaries resources would be fully mobilized to maximize sales performance. In 2013, the daily operating expenses amounted to RMB664 million (2012: RMB611 million), up 8.7% as compared with last year, mainly due to a slightly increase in basic expenses including office expenses, travel expenses, utilities fees and property management fees, rental fees, entertainment expenses, etc.

Financing Cost

During the Year, interest expenses recorded in the consolidated statement of profit or loss and other comprehensive income was RMB507million (2012: RMB564 million). The total interest expenses during the Year was RMB2,431 million, representing a decrease of 30.2% from RMB3,481 million in 2012, mainly due to the significant decrease in the weighted average of loan balance outstanding during the year and the decrease in the weighted average interest cost from 8.80% per annum in 2012 to 8.66% per annum during the Year. During the Year, the capitalized interest was RMB1,924 million, at a capitalization percentage of 79.1%, lower than the capitalization percentage of 83.8% in 2012.

Share of Results of Joint Ventures and Associates

During the Year, the Group's share of results of joint ventures and associates was RMB1,570 million, representing an increase of RMB1,057 million or 2.1 times from RMB513 million in 2012, mainly due to more properties delivered by joint ventures and associates during the Year. During the Year, sales revenue from properties carried forward by joint ventures and associates was RMB32,921 million, representing an increase of 2.3 times from RMB9,849 million in 2012, mainly due to sold areas increased by 120.9% from 680,676 sqm in 2012 to 1,503,542 sqm and the average selling price increased significantly by 51.3% from RMB14,469 per sqm in 2012 to RMB21,896 per sqm.

Projects with the revenue recognized by joint ventures and associates in 2013 were as follows:

Projects	**Type of Properties**	**Area Sold**	**Sales Revenue**	**% of Total**	**Average Selling Price**
		(sqm) (Note)	*(RMB million)*		*(RMB/sqm)*
Hangzhou Ocean Mansion	High-Rise Apartment	118,689	4,004	12.2%	33,735
Hangzhou Sincere Garden Shouchunyuan	High-Rise Apartment	91,312	2,995	9.1%	32,800
Hangzhou Bright Moon in Jiangnan	High-Rise Apartment	110,601	2,793	8.5%	25,253
Shaoxing Yulan Garden	High-Rise Apartment	202,075	2,770	8.4%	13,708
Shanghai Yulan Garden	High-Rise Apartment	86,019	2,612	7.9%	30,365
Jinan National Games Project	High-Rise Apartment, Low-Rise Apartment, Serviced Apartment, Office	174,926	2,535	7.7%	14,492
Hangzhou Sincere Garden Mingliyuan	High-Rise Apartment	86,261	2,394	7.3%	27,753
Suzhou Majestic Mansion	Low-Rise Apartment, Villa	44,517	1,823	5.5%	40,951
Shanghai Dynasty on Bund	High-Rise Apartment, Office	25,288	1,680	5.1%	66,435
Shanghai Bund No. 8	Office	22,584	1,636	5.0%	72,441
Lishui Beautiful Spring River	High-Rise Apartment	107,179	1,608	4.9%	15,003
Others		434,091	6,071	18.4%	13,986
Total		**1,503,542**	**32,921**	**100%**	**21,896**

Note: Area sold includes above ground and underground areas.

Taxation

During the Year, taxation included the LAT of RMB1,253 million (2012: RMB2,066 million) and enterprise income tax of RMB1,903 million (2012: RMB2,138 million). During the Year, the effective enterprise income tax rate was 30.1% (excluding share of results of joint ventures and associates), higher than the statutory tax rate of 25.0%, which was mainly attributable to withholding tax on dividend, the unrecognized deferred tax assets of the losses of certain subsidiaries which have not yet commenced pre-sale and certain overseas subsidiaries, and the tax effect of non-deductible expenses.

Gain from Changes in Fair Value of Investment Properties

Investment property is a property held for rental earning and measured at fair value. The Group commissioned DTZ Debenham Tie Leung Limited to provide assessments on investment properties of the Group. According to the results of the assessment, the gain from changes in fair value of investment properties amounted to RMB101 million in 2013.

Fair Value Changes on Cross Currency Swaps

In May 2013, the Company issued senior notes in the aggregate principal amount of RMB2,500 million and entered into cross currency swap contracts with BOCI Financial Products Limited, Standard Chartered Bank and Industrial & Commercial Bank of China (Asia) Limited. The fair value changes on such cross currency swaps realized gain of RMB50 million during the Year.

Provision and Reversal of Provision for Impairment Losses

The restriction on property purchases and credit tightening policies imposed by the State increased the level of risk and uncertainties of China's real estate market. In light of this, the Group commissioned DTZ Debenham Tie Leung Limited to provide assessments on properties held by the Group. According to the results of the assessment, Zhoushan Putuo Greentown Industry Investment Co., Ltd., a subsidiary of the Company, recognized a reversal of impairment provision of RMB61 million in 2013. In 2012, the Group's subsidiary Xinchang Greentown Real Estate Co., Ltd. had provision for impairment losses of RMB81 million for its hotel properties.

In addition, the Group's associate Wenzhou Greentown Real Estate Development Co., Ltd. recognized impairment losses of RMB64 million (2012: RMB233 million) for the properties under development and the Group's joint venture Shenyang National Games Project Construction Co., Ltd. recognized impairment losses of RMB205 million for the properties under development.

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 31 December 2013, the balance of pre-sale deposits of the Group was RMB23,428 million, representing a decrease of RMB5,420 million or 18.8% from RMB28,848 million as at 31 December 2012.

The pre-sale deposits of joint ventures and associates was RMB42,726 million, representing an increase of RMB6,214 million or 17.0% from RMB36,512 million as at 31 December 2012.

Gain Relating to a Newly Acquired Joint Venture

On 16 April 2013, Shanghai Greentown Woods Golf Villas Development Co., Ltd. ("Greentown Woods"), a subsidiary of the Company, entered into an equity transfer agreement with Jindu Real Estate Group Co., Ltd. ("Jindu Real Estate"), pursuant to which Jindu Real Estate transfered its 50% equity in, and entire creditor's right owed by, Zhejiang Jinying Realty Co., Ltd. ("Zhejiang Jinying") to Greentown Woods at the consideration of RMB1,200 million. Zhejiang Jinying owns and is the developer of the project of Hangzhou Zhijiang No. 1. The acquisition enabled Greentown Woods to generate a gain of RMB704 million, increasing the profit attributable to the owners of the Company by RMB268 million.

Offshore Financing

In addition to our excellent sales performance in 2013, the adjustments we made to our debt structure also met our management's expectations. Rating agencies such as Moody's and Standard & Poor also positively responded and confirmed our outstanding performance. Moody's gradually upgraded the Company's credit ratings from the original Caa1 to B1, while Standard & Poor upgraded the Company's credit rating from the original CCC+ to BB-. Meanwhile, global capital market's extraordinarily low interest rates created good conditions for us to improve our debt structure, reduce financing costs and operating risks, thereby creating a positive cycle. Accordingly, in this year, we spent significant efforts in tapping offshore capital markets and established good relationships and communication channels with various offshore banks, while at the same time maintaining our existing onshore financing channels. As of the end of the Year, we have tapped offshore capital markets through four fundraising exercises in the form of senior notes issuances, raising an aggregate amount of approximately USD1.4 billion. These notes are listed on the Stock Exchange. In addition, we have conducted three syndicated loan financing exercises with major commercial banks in Hong Kong, raising an aggregate amount of approximately USD600 million. In 2013, the Group raised offshore financings of approximately USD2.0 billion (equivalent to approximately RMB12.14 billion) in total and our average offshore financing cost has been lowered to 5.96%.

The proceeds from the offshore financings were allocated and arranged in a reasonable manner according to actual requirement and so to the maximum extent, to enhance the efficiency of capital consumption and to reduce circulation cost. The proceeds were primarily used for repayment of bank borrowings, project acquisition and payment of land premium and for general working purposes.

Specific uses of the proceeds were as follows:

	RMB100 million	% of Total
Repayment of bank borrowings	54.7	45%
Project acquisitions and land premium payment	43.1	36%
Payment of contract fee and for general working purpose	23.6	19%
Total	121.4	100%

Financial Resources and Liquidity

As at 31 December 2013, the Group had bank balances and cash (including pledged bank deposits) of RMB11,281 million (as at 31 December 2012: RMB7,898 million), and total borrowings amounted to RMB30,512 million (as at 31 December 2012: RMB21,373 million). While the net gearing ratio (measured by net borrowings over net assets) was 60.1%, representing an increase from 49.0% as at 31 December 2012, it still maintained at a reasonable level.

Among the total borrowings of RMB30,512 million as at 31 December 2013, borrowings with maturity of within one year amounted to RMB6,018 million and borrowings with maturity of after one year amounted to RMB24,494 million, accounting for 19.7% and 80.3% respectively of total borrowings. Among the total borrowings of RMB21,373 million as at 31 December 2012, borrowings with maturity of within one year amounted to RMB15,255 million and borrowings with maturity of after one year amounted to RMB6,118 million, accounting for 71.4% and 28.6%, respectively. The debt structure has been improved while the bank balances and cash was sufficient to cover borrowings with maturity of within one year.

Risks of Foreign Exchange Fluctuation

The principal place of operation of the Group is PRC, and the majority of the income and expenditure were transacted in Renminbi. As the Group had deposits, borrowings and amounts due from/to third parties denominated in foreign currencies, and the USD 1 billion senior notes issued in 2013 were denominated in US dollars, the Group was exposed to exchange rate risk. However, the Group's operating cash flow and liquidity is not subject to significant influence from fluctuations in exchange rates. The Group did not enter into any foreign currency hedging arrangements as at 31 December 2013.

Financial Guarantees

The Group provided financial guarantees to banks for mortgage facilities granted to buyers of the Group's properties. As at 31 December 2013, such financial guarantees amounted to RMB17,625 million (as at 31 December 2012: RMB17,144 million).

Pledge of Assets

As at 31 December 2013, the Group pledged buildings, hotels, construction in progress, prepaid lease payment, investment properties, properties for development, properties under development, completed properties for sale, pledged bank deposits, interests in joint ventures and interests in associates, with an aggregate carrying value of RMB22,725 million (as at 31 December 2012: RMB24,848 million) to secure general credit facilities granted by banks and other financial institutions to the Group.

Capital Commitments

As at 31 December 2013, the Group had contracted, but not provided for, capital expenditure commitments of RMB14,065 million (as at 31 December 2012: RMB15,276 million) in respect of properties for development, properties under development and construction in progress.

CAPITAL EXPENDITURE PLAN

In consideration of the complicated and highly uncertain economic environment, the Group takes a prudent approach towards the use of funds to ensure the safety of the capital chain. There is currently no material capital expenditure plan.

EVENTS AFTER THE BALANCE SHEET DATE

The following significant events took place subsequent to 31 December 2013:

The subordinated perpetual capital securities in the aggregate principal amount of USD500 million (the "2014 Securities") was issued by Moon Wise Global Limited (月慧環球有限公司), a wholly-owned subsidiary of the Company and guaranteed by the Company on 20 January 2014, with an initial distribution rate of 9% per annum. The listing of and permission to deal in the 2014 Securities was approved by the Stock Exchange. The net proceeds from the issuance of the 2014 Securities is approximately USD493,250,000, which has been partly used in redeeming in full the perpetual subordinated convertible callable securities of an aggregate principal amount of HKD2,550 million issued to a wholly-owned subsidiary of Wharf in August 2012 and the remaining balance of which will be used in refinancing certain existing short term debts and for general corporate purposes.

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

Save as disclosed in this announcement, neither the Company nor any of its subsidiaries has purchased, redeemed or sold any of the Company's listed securities during the Year.

HUMAN RESOURCES

As at 31 December 2013, the Group employed a total of 4,928 employees (2012: 4,670). 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 of the Company and the Board on a regular basis. As an incentive for the employees, bonuses and cash awards may also be given to the employees based on their individual performance evaluation.

CORPORATE GOVERNANCE CODE

Throughout the Year, the Board considers that the Company has met the code provisions as set out in the "Corporate Governance Code" contained in Appendix 14 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules").

COMPLIANCE WITH THE MODEL CODE OF THE LISTING RULES

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix 10 to the Listing Rules (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 Year. Relevant employees who are likely to be in possession of inside information of the Group are also subject to compliance with the written guidelines on no less exacting terms than the Model Code.

AUDIT COMMITTEE

The audit committee of the Company (the "Audit Committee") comprises of six members (one non-executive Director and five independent non-executive Directors). The Audit Committee has reviewed the accounting principles and practices adopted by the Group and discussed the audit objectives and the scope of the internal audit department of the Group. The results of the Group for the Year have been reviewed by the Audit Committee.

FORWARD LOOKING STATEMENTS

This announcement includes forward-looking statements. These forward-looking statements can be identified by the use of forward-looking terminology, including the terms "believe", "estimate", "anticipate", "expect", "intend", "may", "will" or "should" or, in each case, their negative, or other variations or similar terminology. These forward-looking statements include all matters that are not historical facts. They appear in a number of places throughout this announcement and include statements regarding our intentions, beliefs or current expectations concerning, among other things, our results of operations, financial condition, liquidity, prospects and growth strategies, and the industry in which the Greentown Group operates.

By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. We caution you that forward-looking statements are not guarantees of future performance and that our actual results of operations, financial condition and liquidity, and the development of the industry in which the Greentown Group operates may differ materially from those made in, or suggested by, the forward-looking statements contained in this announcement. In addition, even if our results of operations, financial condition and liquidity, and the development of the industry in which the Greentown Group operates are consistent with the forward-looking statements contained in this announcement, those results or developments may not be indicative of results or developments in subsequent periods.

DIVIDENDS

The Board recommends the payment of a final dividend of RMB0.43 per share for the year ended 31 December 2013 (the "2013 Final Dividend") to the ordinary shareholders whose names appear on the Company's register of members as of 9 July 2014 (Wednesday). Subject to shareholders' approval at the AGM, the 2013 Final Dividend will be paid on 18 July 2014 (Friday).

ANNUAL GENERAL MEETING

It is proposed that the annual general meeting (the "AGM") of the Company will be held on 27 June 2014 (Friday). A notice convening the AGM will be published and dispatched to the shareholders of the Company in the manner as required by the Listing Rules in due course.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed during the following periods:

(i) From 24 June 2014 (Tuesday) to 27 June 2014 (Friday), both days inclusive, during which period no transfer of shares will be registered, for the purpose of ascertaining shareholders' entitlement to attend and vote at the AGM. In order to be eligible to attend and vote at the AGM, all transfers accompanied by the relevant share certificates must be lodged with the Company's branch share register in Hong Kong, Computershare Hong Kong Investor Services Limited at Shops 1712–1716, 17th Floor, Hopewell Center, 183 Queen's Road East, Wanchai, Hong Kong for registration no later than 4:30 p.m. on 23 June 2014 (Monday); and

(ii) From 4 July 2014 (Friday) to 9 July 2014 (Wednesday), both days inclusive, during which period no transfer of shares will be registered, for the purpose of ascertaining shareholders' entitlement to the proposed final dividend. In order to qualify for the proposed final dividend, all transfers accompanied by the relevant share certificates must be lodged with the Company's branch share register in Hong Kong, Computershare Hong Kong Investor Services Limited at Shops 1712–1716, 17th Floor, Hopewell Center, 183 Queen's Road East, Wanchai, Hong Kong for registration no later than 4:30 p.m. on 3 July 2014 (Thursday).

PUBLICATION OF ANNUAL REPORT ON THE STOCK EXCHANGE WEBSITE

The annual report of the Company for the Year containing all the information required by the Listing Rules will be dispatched to the Company's shareholders and published on the website of the Stock Exchange at www.hkexnews.com and the websites of the Company at www.chinagreentown.com or www.greentownchina.com.

APPRECIATION

Lastly, on behalf of the Board, I would like to take this opportunity to express my sincere gratitude to our management and all our fellow staff for their contributions to our development. Also, I would like to extend my deepest appreciation to our shareholders, business partners, customers and professional advisors for their support and confidence in making the Group have a more prosperous and fruitful future.

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

Hangzhou, the PRC
21 March 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 six independent non-executive directors, namely Mr Jia Shenghua, Mr Jiang Wei, Mr Ke Huanzhang, Mr Sze Tsai Ping, Michael, Mr Tang Shiding and Mr Hui Wan Fai.