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)

INTERIM RESULTS ANNOUNCEMENT
FOR THE SIX MONTHS ENDED 30 JUNE 2015

The board of directors (the "Board") of Greentown China Holdings Limited ("Greentown" or the "Company") is pleased to announce the unaudited condensed consolidated interim results of the Company and its subsidiaries (collectively the "Group") for the six months ended 30 June 2015 (the "Reporting Period") prepared in accordance with International Financial Reporting Standards, together with comparative figures for the corresponding period in 2014. The interim results have been reviewed by the audit committee of the Company (the "Audit Committee") and approved by the Board. The following financial information is extracted from the unaudited condensed consolidated financial statements as set out in the 2015 Interim Report to be published by the Group.

* *For identification purposes only*

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE SIX MONTHS ENDED 30 JUNE 2015

		Six months ended 30 June	
		2015	2014
	Notes	*RMB'000*	*RMB'000*
		(Unaudited)	(Unaudited)
Revenue	*3*	**10,755,916**	12,560,245
Cost of sales		**(8,195,187)**	(9,336,149)
Gross profit		**2,560,729**	3,224,096
Other income	*4*	**428,812**	645,753
Selling expenses		**(537,356)**	(384,305)
Administrative expenses		**(1,016,706)**	(889,278)
Finance costs	*5*	**(548,885)**	(273,082)
Impairment loss on completed properties for sale		**(126,834)**	–
Fair value changes on cross currency swaps		**24,227**	(86,302)
Gain on re-measurement of an associate to acquisition day fair value in business combination achieved in stages		**–**	37,196
Gain on acquisition of a subsidiary		**–**	1,363
Net gain on disposal of subsidiaries		**2,906**	–
Share of results of joint ventures		**(70,110)**	(39,152)
Share of results of associates		**828,273**	(81,429)
Profit before taxation		**1,545,056**	2,154,860
Taxation	*6*	**(799,044)**	(1,162,973)
Profit and total comprehensive income for the period		**746,012**	991,887
Attributable to:			
Owners of the Company		**518,929**	613,174
Non-controlling interests		**227,083**	378,713
		746,012	991,887
Earnings per share	*7*		
Basic		**RMB0.18**	RMB0.19
Diluted		**RMB0.18**	RMB0.19

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS at 30 June 2015

	Notes	**As at 30 June 2015** *RMB'000* **(Unaudited)**	As at 31 December 2014 *RMB'000* (Audited)
NON-CURRENT ASSETS			
Property, plant and equipment		**6,098,742**	6,216,092
Investment properties		**1,891,500**	1,891,500
Interests in associates		**5,648,633**	8,724,954
Interests in joint ventures		**1,391,232**	1,807,755
Available-for-sale investments		**286,977**	388,617
Prepaid lease payment		**650,849**	662,061
Rental paid in advance		**6,572**	8,697
Deferred tax assets		**1,224,739**	1,116,046
		17,199,244	20,815,722
CURRENT ASSETS			
Properties for development		**6,073,177**	5,749,961
Properties under development		**53,285,026**	41,312,223
Completed properties for sale		**15,604,691**	15,651,236
Inventories		**117,724**	123,062
Trade and other receivables, deposits and prepayments	*8*	**7,095,919**	5,215,241
Amounts due from related parties		**24,706,856**	27,156,714
Prepaid income taxes		**1,389,690**	1,055,775
Prepaid other taxes		**1,228,041**	979,687
Pledged bank deposits		**1,572,292**	1,350,690
Bank balances and cash		**10,095,616**	7,733,567
		121,169,032	106,328,156
Assets classified as held for sale		**2,816,390**	–
		123,985,422	106,328,156
CURRENT LIABILITIES			
Trade and other payables	*9*	**19,781,807**	19,380,948
Pre-sale deposits		**23,175,110**	20,116,444
Amounts due to related parties		**8,885,116**	9,850,372
Income taxes payable		**4,874,874**	5,290,359
Other taxes payable		**815,667**	969,807
Bank and other borrowings – due within one year		**14,252,331**	12,167,171
Senior Notes – due within one year		**2,493,041**	–
		74,277,946	67,775,101
Liabilities associated with assets classified as held for sale		**2,806,294**	–
		77,084,240	67,775,101

	As at 30 June 2015 *RMB'000* (Unaudited)	As at 31 December 2014 *RMB'000* (Audited)
NET CURRENT ASSETS	**46,901,182**	38,553,055
TOTAL ASSETS LESS CURRENT LIABILITIES	**64,100,426**	59,368,777
NON-CURRENT LIABILITIES		
Bank and other borrowings – due after one year	**15,942,497**	15,056,123
Senior notes – due after one year	**7,276,857**	8,592,129
Deferred tax liabilities	**4,536,010**	804,043
Cross currency swaps	**46,946**	71,174
	27,802,310	24,523,469
	36,298,116	34,845,308
CAPITAL AND RESERVES		
Share capital	**208,902**	208,850
Reserves	**23,652,798**	23,431,221
Equity attributable to owners of the Company	**23,861,700**	23,640,071
Perpetual securities	**3,014,681**	3,014,681
Non-controlling interests	**9,421,735**	8,190,556
	36,298,116	34,845,308

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2015

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.

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.

Except as described below, the accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended 30 June 2015 are the same as those followed in the preparation of the Group's consolidated financial statements for the year ended 31 December 2014.

In the current interim period, the Group has applied, for the first time, several amendments to International Financial Reporting Standards ("IFRSs") issued by the IASB which are effective for the Group's financial year beginning on 1 January 2015. The application of the amendments to IFRSs in the current interim period has had no material effect on the amounts reported in these condensed consolidated financial statements and/or 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	
	2015	2014
	RMB'000	*RMB'000*
Property sales	**9,724,409**	11,805,098
Hotel operations	**259,407**	163,636
Project management	**154,540**	119,024
Property rental income	**61,580**	59,157
Design and decoration	**482,534**	319,038
Sales of construction materials	**2,030**	13,392
Other business	**71,416**	80,900
	10,755,916	12,560,245

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

	Property development *RMB'000*	**Hotel operations** *RMB'000*	**Property investment** *RMB'000*	**Others** *RMB'000*	**Total** *RMB'000*
For the six months ended 30 June 2015					
External revenue	**9,724,409**	**259,407**	**61,580**	**710,520**	**10,755,916**
Inter-segment revenue	**–**	**2,385**	**–**	**81,452**	**83,837**
Total segment revenue	**9,724,409**	**261,792**	**61,580**	**791,972**	**10,839,753**
Segment results	**841,577**	**(8,312)**	**2,443**	**(39,846)**	**795,862**
Unallocated administrative expenses					**(25,630)**
Unallocated other income					**529**
Unallocated finance costs					**(32,947)**
Fair value changes on cross currency swaps					**24,227**
Unallocated taxation					**(16,029)**
Profit for the period					**746,012**

	Property development *RMB'000*	Hotel operations *RMB'000*	Property investment *RMB'000*	Others *RMB'000*	Total *RMB'000*
For the six months ended 30 June 2014					
External revenue	11,805,098	163,636	59,157	532,354	12,560,245
Inter-segment revenue	–	4,362	85	275,811	280,258
Total segment revenue	11,805,098	167,998	59,242	808,165	12,840,503
Segment results	1,241,593	(37,184)	(2,049)	13,073	1,215,433
Unallocated administrative expenses					(86,261)
Unallocated other income					6,949
Unallocated finance costs					(13,626)
Fair value changes on cross currency swaps					(86,302)
Unallocated taxation					(44,306)
Profit for the period					991,887

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

Segment assets

	As at 30 June 2015 *RMB'000*	As at 31 December 2014 *RMB'000*
Property development	**127,823,217**	115,207,207
Hotel operations	**6,021,093**	6,057,524
Property investment	**1,947,506**	1,921,244
Others	**3,293,155**	2,923,431
Total segment assets	**139,084,971**	126,109,406
Unallocated	**2,099,695**	1,034,472
Consolidated assets	**141,184,666**	127,143,878

Segment liabilities

	As at 30 June 2015 *RMB'000*	As at 31 December 2014 *RMB'000*
Property development	**99,013,768**	86,659,435
Hotel operations	**189,374**	321,269
Property investment	**874,965**	916,091
Others	**3,971,678**	3,560,398
Total segment liabilities	**104,049,785**	91,457,193
Unallocated	**836,765**	841,377
Consolidated liabilities	**104,886,550**	92,298,570

4. OTHER INCOME

	Six months ended 30 June	
	2015 *RMB'000*	2014 *RMB'000*
Interest income	**336,400**	545,047
Net foreign exchange gains	**1,367**	–
Government grants	**–**	1,034
Comprehensive service income	**33,848**	64,344
Others	**57,197**	35,328
	428,812	645,753

5. FINANCE COSTS

	Six months ended 30 June	
	2015	2014
	RMB'000	*RMB'000*
Interest on borrowings	**1,639,513**	1,470,233
Less: Capitalised in properties under development and construction in progress	**(1,090,628)**	(1,197,151)
	548,885	273,082

6. TAXATION

	Six months ended 30 June	
	2015	2014
	RMB'000	*RMB'000*
Current tax:		
PRC Enterprise Income Tax ("EIT")	**432,806**	530,174
PRC Land Appreciation Tax ("LAT")	**380,521**	582,594
	813,327	1,112,768
Deferred tax:		
Current period	**(14,283)**	50,205
	799,044	1,162,973

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% (2014: 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 2015, the Group has estimated and made a provision for LAT in the amount of RMB380,521,000 (for the six months ended 30 June 2014: RMB582,594,000) 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

	Six months ended 30 June	
	2015	2014
	RMB'000	*RMB'000*
Profit for the period attributable to the owners of the Company	**518,929**	613,174
Premium of Convertible Securities on redemption	**–**	(66,677)
Distribution related to Perpetual Securities	**(136,425)**	(116,819)
Distribution related to Convertible Securities	**–**	(25,282)
Earnings for the purpose of basic earnings per share	**382,504**	404,396
Earnings for the purpose of diluted earnings per share	**382,504**	404,396

Number of shares

	Six months ended 30 June	
	2015	2014
Weighted average number of ordinary shares for the purpose of basic earnings per share	**2,161,193,828**	2,158,621,591
Effect of dilutive potential ordinary shares:		
Share options	**6,597,317**	8,922,774
Weighted average number of ordinary shares for the purpose of diluted earnings per share	**2,167,791,145**	2,167,544,365

The computation of 2014 diluted earnings per share does not assume the conversion of the Convertible Securities since their exercise would result in an increase in earnings per share for the period. The computation of 2015 and 2014 diluted earnings per share also does not assume the exercise of some of the share options because the exercise price of these share options was higher than the average market price for shares for the period.

8. TRADE AND OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	As at 30 June 2015	As at 31 December 2014
	RMB'000	*RMB'000*
Trade receivables	**410,403**	611,334
Other receivables	**3,405,859**	3,583,985
Prepayments and deposits	**1,176,203**	956,772
Amount receivable from Sunac China and its subsidiaries in relation to The Framework Agreement	**2,029,704**	–
Consideration receivables from disposal of subsidiaries and an associate	**73,750**	63,150
	7,095,919	5,215,241

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 2015 *RMB'000*	As at 31 December 2014 *RMB'000*
Within 30 days	**126,589**	256,574
31–90 days	**57,113**	104,182
91–180 days	**46,914**	19,494
181–365 days	**42,033**	91,240
Over 365 days	**137,754**	139,844
	410,403	611,334

9. TRADE AND OTHER PAYABLES

	As at 30 June 2015 *RMB'000*	As at 31 December 2014 *RMB'000*
Trade payables	**11,589,881**	11,785,548
Other payables and accrued expenses	**8,191,926**	7,595,400
	19,781,807	19,380,948

Trade payables and other payables principally comprise amounts outstanding for trade purposes and ongoing costs. The aged analysis of trade payables is stated as follows:

	As at 30 June 2015 *RMB'000*	As at 31 December 2014 *RMB'000*
Within 30 days	**6,041,446**	5,307,305
31–90 days	**1,167,942**	1,455,515
91–180 days	**1,546,501**	2,291,915
181–365 days	**1,322,977**	1,459,852
Over 365 days	**1,511,015**	1,270,961
	11,589,881	11,785,548

MANAGEMENT DISCUSSION AND ANALYSIS

OPERATIONAL AND MANAGEMENT REVIEW

In the first half of 2015, various measures were implemented against the backdrop of centralized policies with respect to stabilizing housing consumption. Such arrangements improved the market environment and the real estate market began to pick up gradually. Demand on housings, in particular demand on housings with improved quality, has increased after a series of easing policies including financial subsidies and tax reliefs implemented by different local governments. Meanwhile, financing channels including onshore A-share refinancing, medium-notes and corporate bond issuance have been relaxed and this led to an increase in corporate financings of the real estate developers in 2015 which improved the capital structure of the sector.

In the first half of 2015, China Communications Construction Group (Limited) ("CCCG") completed its strategic acquisitions of shares in Greentown, following which Greentown becomes the sole overseas listing platform of CCCG in property development. This is of crucial strategic significance to Greentown. CCCG, a wholly state-owned company supervised by State Asset Supervision and Administration Commission, not only further optimizes the shareholding and administrative structures of the Company but also brings more cooperation opportunities to the Company in the future, and this turns the story of the Group into a new chapter.

Even though there is a substantial change in external market environment, the Company remains to uphold its core belief of "Honesty, Goodwill, Exquisite and Perfect" to meet the demands of the market and customers, further diversify the product variety, integrate with the optimization marketing strategies of the Internet and consolidate the advantages of its high quality service in order to expand its customer base and create the YOUNG era of Greentown. Furthermore, the Company has made good use of the favourable market environment in the first half of 2015 to accelerate the reduction of inventory and has already achieved more than half of its annual sales target.

Results Overview

During the period, the Group recognized revenue of RMB10,756 million, representing a decrease of 14.4% from RMB12,560 million during the same period in 2014. Gross profit recognized by the subsidiaries from property sales was RMB2,153 million, and gross profit margin from property sales was 22.1%, representing a decrease from 24.0% during the same period in 2014. The decrease was mainly due to a lower selling price in relation to certain projects with revenue recognized during the period as a result of the macro control measures on the real estate industry previously promulgated by the central government, which in turn affected the Group's gross profit margin for the period.

The profit attributable to owners of the Company amounted to RMB519 million, representing a decrease of 15.3% as compared to RMB613 million recorded during the same period in 2014. After deduction of post-tax effect of net gains from acquisitions and disposals, impairment loss on completed properties for sale, and changes in fair value of financial derivatives, the core net profit attributable to owners of the Company was RMB615 million, representing a decrease of 7.0% compared to RMB661 million recorded during the same period in 2014. The decrease was mainly due to the decease in gross profit of the properties with revenue recognised during the period, and the increase in selling and administrative expenses as a result of the increases in human resources and hotel operation costs.

The Company recorded the basic earnings per share of RMB0.18 for the period, in line with RMB0.19 per share during the same period in 2014.

Pre-sales in the First Half of 2015

Since the beginning of 2015, the Central Government has cut the benchmark lending rate, lowered the reserve requirement and relaxed the property purchase limit and all these measures stabilised the property market. The Company grasped this opportunity and adopted flexible sales strategies and innovative marketing advertisements to accelerate the reduction of inventory, accelerate cash inflow and achieve the sales target.

During the six months ended 30 June 2015, Greentown Group (including Greentown China Holdings Limited and its subsidiaries together with its joint ventures and associates) recorded approximately 1.68 million sqm of accumulated total saleable area, while the contracted sales amounted to approximately RMB32.3 billion (for the same period in 2014: RMB27.6 billion), of which approximately RMB16.2 billion (for the same period in 2014: RMB13.2 billion) was attributable to the Group. As at 30 June 2015, Greentown Group recorded approximately RMB2.5 billion of subscription sales, of which approximately RMB1.3 billion was attributable to the Group. Greentown Group has achieved 54% of the annual sales target of RMB60 billion set at the beginning of 2015. The overall average selling price was RMB19,257 per sqm.

Offshore Financing

On 10 February 2015, the Company successfully further issued senior notes due in 2019 in an aggregate amount of USD200 million with an interest rate of 8.0% per annum. The proceeds were utilised for re-financing certain existing short-term liabilities and general corporate purposes.

On 31 July 2015, the Company completed the offer to exchange (the "Exchange Offer") (i) the US$700,000,000 8.50% Senior Notes due 2018 issued by the Company (the "2018 US$ Notes") and (ii) the US$500,000,000 8.0% Senior Notes due 2019 issued by the Company (the "2019 US$ Notes") into the US$ denominated 5.875% Senior Notes due 2020 of the Company (the "New Notes"). The Exchange Offer was completed with an average exchange rate of over 33%. The Company concurrently issued an aggregate principal amount of US$70,302,000 additional New Notes (the "New Money Issuance") which amount the aggregate principal amount of the New Notes (including New Notes issued pursuant to both the Exchange Offer and the New Money Issuance) to US$500,000,000. Concurrently, the Company has also completed the consent solicitations with respect to certain terms and conditions of the indenture in relation to the RMB2,500,000,000 5.625% Senior Notes due 2016 (the "RMB Notes"), the 2018 US$ Notes and the 2019 US$ Notes issued by the Company.

CCCG Becoming the Single Largest Shareholder of Greentown

On 27 March 2015, CCCG completed the acquisition of shares of the Company from Mr SONG Weiping, Ms XIA Yibo (spouse of Mr Song) and Mr SHOU Bainian, pursuant to which, CCCG held an aggregate of 524,851,793 shares of the Company, representing approximately 24.287% of the total issued share capital of the Company. In addition, on 4 June 2015, CCCG, through its wholly-owned subsidiary, CCCG Real Estate Group Limited*

(中交房地產集團有限公司) acquired another 100 million shares of the Company at HK$11.46 per share. As of the date of this announcement, CCCG (and its subsidiaries) held 624,851,793 shares of the Company, representing 28.899% of the total issued share capital of the Company, and thus became the single largest shareholder of Greentown. After the acquisitions by CCCG, the Company has appointed Mr Zhu Bixin as Executive Director and Co-chairman of the Board, Mr SUN Guoqiang as Executive Director, Mr CAO Zhounan as Executive Director and Chief Executive Officer, Mr LI Qingan as Executive Director and General Manager and Mr LIU Wensheng as Non-executive Director. Since then, five out of the seven executive and non-executive directors of the Company were from CCCG.

Land Bank

During the first half of 2015, Greentown Group only acquired one new project, namely Greentown Spring Blossom, an ideal town project comprising Chinese-styled small size villa located in Qingshan Lake National Forest Park, Lin'an, Zhejiang. The project has a site area of approximately 690,000 sqm and gross floor area ("GFA") of approximately 310,000 sqm. The considerations of acquisition of the 51% equity interest in the project amounted to approximately RMB72,360,000.

On 30 June 2015, Greentown Group had a total land bank with a GFA of approximately 33.24 million sqm, of which approximately 19.19 million sqm was attributable to the Group. Total saleable area amounted to approximately 22.44 million sqm, of which approximately 12.11 million sqm was attributable to the Group, and the average GFA land cost was approximately RMB2,766 per sqm.

OUTLOOK

With the development in the last two decades, Greentown has achieved a rapid growth by fully taking advantage of the historical opportunities of urbanization in the PRC. However, changes in the current operating environment, including gradual slowdown of land profit, structurally excessive real estate housing supply, general decline in profit of property developers, a "new norm" in the mode of development of the industry which brings fundamental changes, shifts and upgrades of the economy of the PRC, further rapid urbanization and further acceleration of globalization, bring great challenges to the Company. To cope with these challenges, the Company will actively reform to stay in line with the new market demands, respond to the national strategy of "Internet+", commit to the historical mission of "creating a better life" for the public, leverage the use of Internet and shift the strategies to provide residential products, real estate financing service products and diversified service products based on the practical application of Internet, in order to shift from "building houses" to "building lifestyles" and from "selling houses" to "selling lifestyles". By doing so, we aim to fully create a socialized and open service platform and strive to develop ourselves as a "pleasant lifestyle integrated service provider".

In face of the current real estate environment, the Company will further strengthen the sales, accelerate the reduction of inventory, expand the financing channels and strictly control the costs. At the same time, the Company will further build up its concrete foundation by optimizing the Group's land reserves and cost structure. These can be achieved through focusing the business on core cities, expanding short term valuable projects, accelerating the project cycles and upgrading the asset-light quantity.

Strategic Alliance for Mutual Benefits

Since the introduction of CCCG as the shareholder of Greentown, CCCG has given multi-dimensional supports to the Company. In the future strategic development plan, CCCG will provide solid and strong support to the stable development of Greentown with its strong background as a state-owned enterprise, the market leader in the construction industry and one of the Global Top 500 Enterprises. From a financial perspective, CCCG will expand the financing channels of Greentown by having a good and long-term cooperation relationship with financial institutions (such as banks) and provide value-added measures to Greentown for future financing – these measures will reduce the finance costs of Greentown and further improve the financing ability and efficiency of Greentown. From a project development perspective, Greentown will become a key strategic cooperation partner of CCCG for future business development through various ways including the setting up of joint venture, co-development of land and projects as well as capital injection, so as to assist Greentown to further develop the asset-light operating model. At the same time, CCCG will leverage the advantages of its overseas resources such that CCCG and Greentown can jointly explore more overseas development opportunities. From an operational management perspective, Greentown will introduce CCCG's advanced management methodology and stringent control system of CCCG to optimize the overall management and control model of the Company to improve its cost-control for continued healthy development.

As the sole property platform of CCCG in the overseas listing arena, Greentown will fully utilize its advantages of brand value, management experience and reputation among customers to lead the integration of offshore real estate business of CCCG and actively exert the synergies effect through an all-rounded and multi-level cooperation, for the mutual benefits of both CCCG and Greentown.

Transform from a Traditional Property Developer to a Comprehensive Quality Life Service Provider

Under the backdrop of a new era, satisfying the comprehensive needs of urban citizens which enjoy a modern city cultural life has become a fundamental requirement for real estate developers to further change and grow. Based on its own strengths and characteristics, Greentown Group will adhere to its vision and positioning of "being an ideal living services provider" in the future, and carry out a strategic reform focusing on "platform-based services, financialisation of real estate and professionalism towards property development" with the two key visions of "beautiful buildings" and "wonderful life" in mind. Meanwhile, the Company will coordinate the three business segments of services, development and construction management, and enrich the three profit models (i.e., the value-added services, the value-added development and the value-added light assets). Greentown aims to transform its core operation from solely "building houses" to "creating an ideal life" in order to upgrade the comprehensive living quality of residents in the Greentown's properties as well as the general public with complete set of all-rounded programs for different age groups and for life cycle. By driving and fulfilling the diversified, varied and high quality demand, Greentown strives to become the "No. 1 brand of comprehensive urban living service providers".

Focus on Asset Light Business to Enhance Return on Capital and Leverage on Brand Name Advantage

Based on the existing foundation, the Company will integrate the construction management platform, unified business planning and gather the dominant resources internally in order to integrally strengthen the operation of asset-light business. On the other hand, the Company will build a long term strategic partnership with state-owned enterprises and central enterprises with an aim to form a long lasting channel for the source of project construction management business. By developing the brand and management and emphasizing on the increase of the proportion of light asset business of the Company, we will be able to increase our return on assets, secure and expand the leadership and influence of Greentown in the project construction management sector, and accelerate the building of an unified and complete construction management brand name of Greentown. As such, the influence of Greentown's brand in the domestic market will be strengthened as a whole.

Emphasize on Strategic Layout of Key Cities and Concentrate on Effective Development of Core Projects

The Company will build a multi-level management and control system on project investment rating, which will regulate the management of investment, set a limit on investment to clarify each of the business indicators and implement scientific decision-making principles. The Company will strategically focus on first-tier and second-tier cities, as well as third-tier cities with considerable development potentials, and emphasize on the expansion of high-quality projects by stages in a short period of time with low costs so as to increase its market share in the core and key cities. At the same time, the Company will control investments in projects with low revenue and long cycle in order to optimize the efficiency of capital use and increase the return on investments to achieve scientific layouts returns. The Company will leverage on the strong support of CCCG in respect of the investments in layouts of key cities and overseas market expansion and proactively exert synergy to secure an win-win cooperation situation for both CCCG and Greentown.

Keep Abreast of Market Demand, Enrich Product Portfolio and Improve Customer Loyalty

The Company will coordinate the strategic investment layouts and optimize product portfolio. In the core areas of the first-tier and second-tier cities, it will continue to invest in high-end products to meet the demand of high-end customers. The consistently high quality products of Greentown will in turn further enhance the brand value of the Company. In other regions, the Company will focus on "the most cost-effective" products and strike a balance between quality and cost which is in line with market demand and the need of the local customers so as to enhance the profitability of the Company. In respect of product innovation, the Company will proactively build a solid base and an online interaction platform for product research and development, and to attract more people to participate in product innovation through creative incentives and design competitions. These measures will enrich the product systems of Greentown, promote product innovation, establish a fundamental system for cost-effective rating of products, form a project development model in line with market and emphasizes on sales segment to increase the popularity of Greentown's products in the market which will in turn enhance customer loyalty. Concurrently, through optimizing the control model, improving the techniques and processes, enhancing the precision of construction and strengthening the site refined management, the Company will maintain its No. 1 quality of design and No. 1 quality of projects so as to promote Greentown's products and its strengths, implement a strategy of refined products, upgrade the service system, increase the additional value of products and further upgrade Greentown's brand.

Enhance the Sales of Inventory and Increase the Cash Inflows

In light of the prevailing business environment, sales remains to be of the top priority. The Company will continue to intensify the agent-based model, strengthen the performance of the sales team and maintain the relationship of old customers. We aim to complete the APP system of Greentown agents as soon as possible for the purpose of streamlining the sales channels, improving the standardization and traceability of regular marketing activities, and analysing the marketing and promotion experience gathered in Wechat and other platforms systematically. By combining the features of different projects and optimizing an innovative promotion model, we will gradually achieve the full coverage of new and old customers via Wechat platform, extend the promotion coverage, enhance the reputation of the brand and the popularity of the projects as well as reduce the inventory.

Based on the sales of inventory and the amount of the overall inventory level in the first half of the year, the Company will develop sales strategies and inventory reduction plans (including liquidating the remaining units, adopting flexible sales plan with respect to large-sized housing and comprehensive business group purchases) in order to realize the strategic reduction of housing inventory, keep the receivables in a reasonable level, and increase the cash inflow.

Projects Scheduled for Completion in the Second Half of the Year

In the second half of 2015, Greentown Group expects to commence construction of projects with a total GFA of approximately 4.54 million sqm. In addition, it is expected that 33 projects (or phased project) will be completed in the second half of 2015 with a total GFA of approximately 4.15 million sqm.

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. During this period, the revenue from property sales amounted to RMB9,724 million, accounting for 90.4% of the total revenue, and representing a decrease of 17.6% from RMB11,805 million during the same period in 2014. Such decrease was mainly due to the decrease of the average selling prices from property sales. The average selling price of properties delivered in this period was RMB15,274 per sqm, representing a decrease of 14.9% from RMB17,942 per sqm during the same period in 2014, which was mainly due to certain proportion of projects delivered for the period were located at third-tier and fourth-tier cities, affecting the average selling prices to a certain extent.

Properties with the revenue recognized by subsidiaries during the first half of 2015 were as follows:

Projects	**Type of Properties**	**Area Sold** *(sqm)* *(Note)*	**Sales Revenue** *(RMB million)*	**% of Total**	**Average Selling Price** *(RMB/sqm)*
Hangzhou Yunqi Rose Garden	Villa	15,946	1,375	14.1%	86,229
Xinjiang Lily Apartment	High-Rise Apartment, Low-Rise Apartment	61,926	945	9.7%	15,260
Hainan Greentown Blue Town	High-Rise Apartment,Villa	19,208	905	9.3%	47,116
Taizhou Rose Garden	High-Rise Apartment,Villa	52,723	624	6.4%	11,835
Shanghai Rose Garden	Villa	12,006	568	5.8%	47,310
Zhoushan Changzhidao	High-Rise Apartment	48,000	551	5.7%	11,479
Cixi Sincere Garden	High-Rise Apartment	58,842	524	5.4%	8,905
Qingdao Jiaozhou Lagerstroemia Square	High-Rise Apartment, Low-Rise Apartment	71,944	522	5.4%	7,256
Hangzhou Yuanfu Lane	Villa	3,872	317	3.3%	81,870
Xinjiang Jade Garden	High-Rise Apartment	38,471	310	3.2%	8,058
Others		253,695	3,083	31.7%	12,152
Total		**636,633**	**9,724**	**100.0%**	**15,274**

Note: Area sold includes above ground and underground areas.

During this period, projects in Zhejiang area (excluding Hangzhou) achieved sales revenue of RMB2,913 million, accounting for 30.0% of the property sales, ranking first among all regions. Projects in Hangzhou area achieved sales revenue of RMB2,782 million, accounting for 28.6%, ranking second. Projects in Xinjiang area achieved sales revenue of RMB1,255 million, accounting for 12.9%, ranking third.

During this period, sales revenue of high-rise apartment, low-rise apartment and serviced apartment reached RMB6,194 million, accounting for 63.7% of the property sales; sales revenue of villa reached RMB3,384 million, accounting for 34.8%; and sales revenue of office reached RMB146 million, accounting for 1.5%.

During this period, the Group achieved design and decoration revenue of RMB483 million, representing an increase of 51.4% from RMB319 million during the same period in 2014. Such increase was mainly due to the gradual expansion of design and decoration business scale year by year, and a steady growth in the customer base.

During this period, the Group's revenue from hotel operations was RMB259 million, representing an increase of 57.9% from RMB164 million during the same period in 2014. The increase was mainly due to the official commencement of operation of several hotels such as Hangzhou Azure Qianjiang Luxury Collection Hotel, Hainan Westin Blue Bay Resort and Zhoushan Westin Zhujiajian Resort in the second half of 2014.

During this period, the Group's revenue from project management services amounted to RMB155 million, representing an increase of 30.3% from RMB119 million during the same period in 2014, mainly attributable to construction management revenue of Bluetown Property Construction Management Group Co., Ltd., a subsidiary of the Company. The Company will further strengthen the operation of light assets based on the current foundation, and strive to enhance the proportion of light assets operation of the Company through branding and administrative outputs. Following the development of light assets, the construction management revenue will increase in line with the increase in quantity of projects.

During this period, the Group's rental income from investment properties was RMB62 million, representing a slight increase from RMB59 million during the same period in 2014, mainly attributed by the rental income from Oakwood Residence Beijing.

Gross Profit Margin from Property Sales

During this period, the Group's gross profit from property sales was RMB2,153 million and the gross profit margin of property sales was 22.1%, lower than 24.0% in the same period in 2014. The decrease was mainly due to a lower selling price in relation to certain projects with revenue recognized during the period as a result of the macro control measures on the real estate industry previously promulgated by the central government, which in turn affected the Group's gross profit margin for the period.

Other Income

During this period, the Group realized other income of RMB429 million, representing a decrease of RMB217 million from RMB646 million during the same period in 2014, mainly due to a decrease in interest income.

Selling and Administrative Expenses

The Group's selling and administrative expenses during the period amounted to RMB1,554 million in aggregate, representing an increase of 22.0% from RMB1,274 million during the same period in 2014.

Human resources cost, which is the largest single expense item in selling and administrative expenses, amounted to RMB595 million in this period (for the same period in 2014: RMB406 million), representing a year-on-year increase of 46.6%, mainly due to a significant staff cost expenditure in several hotels for official commencement of operation during the second half of 2014, and on the other hand, the absolute amount of human resources cost increased as a result of the increased pre-sales amount for the period as compared to that of the same period of 2014. In addition, the increase in talent reserve and optimization of remuneration system in the second half of 2014 led to an increase of amounts to a certain extent. Expenses in marketing and related fees during this period amounted to RMB247 million, in line with RMB242 million during the same period in 2014. During this period, the daily operating expenses amounted to RMB445 million (for the same period in 2014: RMB345 million), representing a year-on-year increase of 29.0%. The increase was mainly due to the daily expenses, such as water and electricity charges, property management fees and depreciation, increased in connection with the certain hotels operated during the second half of 2014.

In addition, other income included a net foreign exchange gain of RMB1 million compared with a net foreign exchange loss of RMB69 million in the administrative expenses during the same period in 2014, mainly due to a number of borrowings of the Group denominated in foreign currency and fluctuations effect in exchange rate of RMB against US dollar.

Financing Cost

During this period, interest expenses recorded in the condensed consolidated statement of profit or loss and other comprehensive income was RMB549 million (for the same period in 2014: RMB273 million). The total interest expenses during this period was RMB1,640 million, representing an increase of 11.6% from RMB1,470 million during the same period in 2014, mainly due to the significant increase in the weighted average of loan balance outstanding during this period. The weighted average interest cost during this period was 7.5% per annum, down slightly from 7.9% per annum for the same period in 2014. During this period, the capitalized interest was RMB1,091 million, at a capitalization percentage of 66.5% (for the same period in 2014: 81.4%).

Share of Results of Joint Ventures and Associates

During this period, the Group's share of results of joint ventures and associates was in aggregate for a gain of RMB758 million, representing an increase of RMB879 million from a loss of RMB121 million in aggregate for the same period in 2014, mainly due to disposal of the real estate projects held by Shanghai Sunac Greentown Investment Holdings Co., Ltd. ("Shanghai Sunac Greentown") and Sunac Greentown Investment Holdings Limited ("Sunac Greentown Investment"). Details of which please refer to "Transactions with Sunac China" below. The share of results of these two associates of the Group for the period amounted to RMB714 million in aggregate (for the same period in 2014: RMB110 million).

During this period, revenue from property sales recognized by joint ventures and associates amounted to RMB12,881 million in aggregate, representing a decrease of 14.3% from RMB15,022 million for the same period in 2014. Despite the fact that the property average selling price for this period increased by 7.2% from RMB18,994 per sqm for the same period in 2014 to RMB20,366 per sqm, the sold areas decreased by 20.0% to 632,468 sqm from 790,900 sqm for the same period in 2014.

Projects with the revenue recognized by joint ventures and associates in the first half of 2015 were as follows:

Projects	Type	Type of Properties	Area Sold *(sqm) (Note)*	Sales Revenue *(RMB million)*	% of Total	Average Selling Price *(RMB/sqm)*
Hangzhou Xinhua Garden	Associate	High-Rise Apartment	56,863	1,948	15.1%	34,258
Shanghai Dynasty on Bund	Associate	High-Rise Apartment	27,586	1,679	13.0%	60,864
Hangzhou Wulin No. 1	Associate	High-Rise Apartment	14,746	1,071	8.3%	72,630
Hangzhou Sincere Garden Zhichengyuan	Associate	High-Rise Apartment	31,554	1,021	7.9%	32,357
Shanghai Yulan Garden – Glorious Garden	Associate	High-Rise Apartment	39,740	900	7.0%	22,647
Shenyang National Games Project	Joint venture	Low-Rise Apartment, High-Rise Apartment	117,810	741	5.8%	6,290
Hangzhou Bright Moon in Jiangnan	Joint venture	High-Rise Apartment	27,704	736	5.7%	26,567
Shanghai Central Garden	Joint venture	High-Rise Apartment	21,160	686	5.3%	32,420
Others			295,305	4,099	31.9%	13,881
Total			**632,468**	**12,881**	**100.0%**	**20,366**

Note: Area sold includes above ground and underground areas.

Taxation Expenses

During this period, taxation included the LAT of RMB381 million (for the same period in 2014: RMB583 million) and enterprise income tax of RMB419 million (for the same period in 2014: RMB580 million). During this period, the effective enterprise income tax rate was 49.4% (excluding share of results of joint ventures and associates and the losses of certain offshore subsidiaries), 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 onshore subsidiaries and the tax effect of non-deductible expenses.

Fair Value Changes on Cross Currency Swaps

In May 2013, the Company issued senior notes in an amount of RMB2,500 million and entered into several 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 RMB24 million during this period (for the same period in 2014: loss of RMB86 million).

Provision for Impairment Loss

In view of the risk and uncertainties brought by the restriction on property purchases and credit tightening policies imposed by the State, based on the prudent principles, the Group conducted impairment assessments on certain properties. According to the assessments results, the Company's subsidiary Zhuji Yuedu Real Estate Co., Ltd. provided for an impairment loss of RMB39 million for its completed properties for sale (Zhuji Greentown Plaza Project) while the Company's subsidiary Cixi Greentown Property Development Co., Ltd. provided for an impairment loss of RMB88 million for its completed properties for sale (Cixi Sincere Garden Project).

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 2015, the balance of pre-sale deposits of the Group was RMB23,175 million, representing an increase of RMB3,059 million or 15.2% from RMB20,116 million as at 31 December 2014.

The pre-sale deposits of joint ventures and associates was RMB36,011 million, representing a decrease of RMB6,087 million from RMB42,098 million as at 31 December 2014, which was mainly due to the disposal of the real estate projects held by Shanghai Sunac Greentown and Sunac Greentown Investment.

Financial Resources and Liquidity

As at 30 June 2015, the Group had bank balances and cash (including pledged bank deposits) of RMB11,668 million (as at 31 December 2014: RMB9,084 million). Total borrowings amounted to RMB39,965 million (as at 31 December 2014: RMB35,815 million) and the net borrowings (total borrowings less bank balances and cash) amounted to RMB28,297 million (as at 31 December 2014: RMB26,731 million). The net gearing ratio (measured by net borrowings over net assets) was 78.0%, which was relatively stable as compared to 76.7% as at 31 December 2014.

Greentown Group has obtained facilities of approximately RMB45.0 billion from commercial banks, of which approximately RMB16.6 billion had been drawn down as at 30 June 2015.

Transactions with Sunac China

On 15 May 2015, the Company and Sunac China Holdings Limited ("Sunac China") entered into a framework agreement (the "Framework Agreement") together with the underlying documents for the transactions contemplated thereunder, pursuant to which it was conditionally agreed that the Group would transact with the Sunac China and its subsidiaries in relation to (a) the Group's acquisition of the return on investment in respect of 51% equity interests in Shanghai Huazhe Bund Realty Co., Ltd.; (b) the Group's acquisition of 45% equity interests in, and shareholder's loan of Beijing Xingye Wanfa Real Estate Development Co., Ltd.; (c) the Group's acquisition of 50% equity interests in Zhejiang Jinying Real Estate Co., Ltd. and shareholder 's loan of Zhejiang Jinying Real Estate Co., Ltd.; (d) the Group's disposal of 50% equity interests in Shanghai Greentown Forest Golf Villa Development Co., Ltd.; (e) the Group's disposal of 25% equity interests in Hangzhou Sunac Greentown Real Estate Development Co., Ltd.; (f) the Group's disposal of 50% equity interests in Shanghai Sunac Greentown; (g) the Group's disposal of 50% of the issued share capital of Sunac Greentown Investment; and (h) the development of the Tianjin National Game Village Project on a joint venture basis.

Please refer to the circular of the Company dated 29 June 2015 for the details of the Framework Agreement and the transactions contemplated thereunder. Please also refer to "Share of Results of Joint Ventures and Associates" above for the financial effects during the period of such transactions.

It is expected that the transactions contemplated under the Framework Agreement will generate net cash inflow equivalent to approximately RMB3,391 million in aggregate for the Group. As at 30 June 2015, the Group has received net transaction amounts equivalent to approximately RMB1,353 million in aggregate.

Risks of Foreign Exchange Fluctuation

The principal place of operation of the Group is the People's Republic of China, and the majority of the income and expenditure were transacted in Renminbi. As the Group had deposits, borrowings, amounts due from and amounts due to related parties, amounts due from and amounts due to the third parties denominated in foreign currency, and the aggregate amount of USD1.2 billion senior notes issued in 2013 and 2015 were denominated in US dollars. In addition, the Company issued senior notes in the aggregate principal amount of RMB2,500 million in May 2013, and entered into cross currency swap contracts with certain banks. 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 30 June 2015.

Financial Guarantees

The Group provided financial guarantees to banks for mortgage facilities granted to buyers of the Group's properties. As at 30 June 2015, such financial guarantees amounted to RMB17,450 million (as at 31 December 2014: RMB17,826 million).

Pledge of Assets

As at 30 June 2015, 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 RMB27,018 million (as at 31 December 2014: RMB26,217 million) to secure general credit facilities granted by banks and other financial institutions to the Group.

Capital Commitments

As at 30 June 2015, the Group had contracted, but not provided for, capital expenditure commitments of RMB11,211 million (as at 31 December 2014: RMB13,786 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 secure the capital chain, therefore there is currently no material capital expenditure plan for the second half of 2015.

EVENTS AFTER THE INTERIM PERIOD

Consent Solicitations, Exchange Offer and Concurrent New Senior Notes Issuance

On 20 July 2015, the Company solicited consents ("Consent Solicitation") from holders of (i) the RMB Notes, (ii) the 2018 US$ Notes and (iii) the 2019 US$ Notes (collectively, the "Notes") to make certain amendments to the terms and conditions of the indentures in relation to the Notes (the "Indentures") pursuant to a consent solicitations statement dated 20 July 2015. The Company obtained the requisite consents to proceed with the proposed amendments with respect to each of the Indentures on 30 July 2015 (being the consent expiration date). The Company, subsidiary guarantors named therein and DB Trustees (Hong Kong) Limited as trustee executed the supplemental indentures to the respective Indenture on 31 July 2015 to give effect to the proposed amendment.

On 20 July 2015, the Company concurrently commenced an exchange offer (the "Exchange Offer") pursuant to the exchange offer memorandum dated 20 July 2015 in relation to the exchange of (i) the 2018 US$ Notes and (ii) the 2019 US$ Notes into the New Notes. As of 30 July 2015 (being the offer expiration date), (i) US$139,034,000 of the principal amount of 2018 US$ Notes, representing approximately 19.86% of the total aggregate principal amount of 2018 US$ Notes outstanding and (ii) US$263,459,000 of the principal amount of 2019 US$ Notes, representing approximately 52.69% of the total aggregate principal amount of 2019 US$ Notes outstanding, have been validly submitted for exchange for the New Notes and not withdrawn pursuant to the Exchange Offer. Accordingly, the Company would issue an aggregate principal amount of US$429,698,000 of New Notes pursuant to the Exchange Offer.

On 31 July 2015, the Company conducted the New Money Issuance and proposed to issue an aggregate principal amount of US$70,302,000 additional New Notes (the "Additional New Notes") which would form a single series with and have the same terms and conditions as the New Notes (together with the Additional New Notes, the "2020 US$ Notes").

The 2020 US$ Notes were issued at 100% of face value and carried interest at the rate of 5.875% per annum payable semi-annually in arrears. No net proceed has been raised from the Exchange Offer and the net proceeds from the New Money Issuance, after deducting subscription discounts but before subtracting estimated expenses related to the issuance of the Additional New Notes, was approximately US$69,700,000. The 2020 US$ Notes will mature on 11 August 2020.

The 2020 US$ Notes are:

(1) senior in right of payment to any existing and future obligations of the Company expressly subordinated in right of payment to the 2020 US$ Notes;

(2) at least pari passu in right of payment with the RMB Notes, the 2018 US$ Notes, the 2019 US$ Notes and all other unsecured, unsubordinated indebtedness of the Company (subject to any priority rights of such unsubordinated indebtedness pursuant to applicable law);

(3) guaranteed by the subsidiary guarantors named therein and the JV subsidiary guarantors (if any) on a senior basis, subject to certain limitations;

(4) have the benefit of the keepwell deed and the deed of undertaking provided by CCCG;

(5) effectively subordinated to secured obligations of the Company, the subsidiary guarantors named therein and the JV subsidiary guarantors (if any), to the extent of the value of the assets serving as security therefor; and

(6) effectively subordinated to all existing and future obligations of the subsidiaries of the Company which do not provide guarantees under the 2020 US$ Notes.

The Exchange Offer and the New Money Issuance were completed on 11 August 2015 and an aggregate principal amount of US$500,000,000 2020 US$ Notes (comprised of (i) an aggregate amount of US$429,698,000 New Notes and (ii) an aggregate amount of US$70,302,000 Additional New Notes) were issued. The 2020 US$ Notes are listed on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") starting from 12 August 2015.

Acquisition of Greentown Dingyi and Greentown Shidai

On 2 August 2015, Greentown Real Estate Group Co., Ltd., a wholly-owned subsidiary of the Company ("Greentown Real Estate") entered into a share transfer agreement with the shareholders of Greentown Dingyi Real Estate Investment Management Co., Ltd. ("Greentown Dingyi") and other parties in relation to the acquisition of the entire equity interest in Greentown Dingyi for a total consideration of RMB625,450,000. On the same date, Greentown Real Estate entered into a share transfer agreement with Hangzhou Luyong Investment Management Company Limited and other parties in relation to the acquisition of 92% equity interest in Greentown Shidai City Construction Development Company Limited for a total consideration of RMB294,000,000. Each of such acquisitions constitutes a connected transaction of the Company. Please refer to the announcement of the Company dated 2 August 2015 for the details of these transactions.

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

During the Reporting Period, neither the Company nor any of its subsidiaries has purchased, redeemed or sold any of the Company's listed securities.

HUMAN RESOURCES

As at 30 June 2015, the Group employed a total of 5,132 employees (as at 31 December 2014: 5,050). The employees of the Group 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, cash awards and Share Option may also be granted to the employees based on their individual performance evaluation.

CORPORATE GOVERNANCE CODE

In the opinion of the Board, the Company had complied with the requirements of all the applicable code provisions 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") throughout the Reporting Period.

COMPLIANCE WITH THE MODEL CODE OF THE LISTING RULES

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") set out in Appendix 10 to the Listing Rules 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 required standard set in the Model Code as at 30 June 2015. Relevant employees who are likely to be in possession of unpublished inside 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 two meetings 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 during the meeting.

REVIEW OF INTERIM RESULTS

The interim results announcement for the six months ended 30 June 2015 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 2015 prepared in accordance with International Accounting Standard 34 "Interim Financial Reporting", and a review report dated 28 August 2015 was issued by DTT.

INTERIM DIVIDEND

The Board has resolved not to declare any interim dividend for the six months ended 30 June 2015 (for the six months ended 30 June 2014: Nil).

PUBLICATION OF INTERIM REPORT

The full text of the Company's 2015 Interim Report will be sent to the shareholders of the Company and posted on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.chinagreentown.com) respectively in due course.

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 of similar nature) or, in each case, their negative, or other variations or similar terminologies. These forward looking statements involve all matters that are not historical events. These forward looking statements appear in various parts of this announcement and include the Company's current intention and belief or statements about the current expectation on the Company's results of operations, financial condition and liquidity and the development of the industry in which 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 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 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.

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 ZHU Bixin
Co-Chairmen

Hangzhou, the PRC
28 August 2015

As at the date of this announcement, the Board comprises six executive directors, namely Mr Song Weiping, Mr Zhu Bixin, Mr Sun Guoqiang, Mr Shou Bainian, Mr Cao Zhounan and Mr Li Qingan, one non-executive director, namely Mr Liu Wensheng and four independent non-executive directors, namely Mr Jia Shenghua, Mr Ke Huanzhang, Mr Sze Tsai Ping, Michael, and Mr Hui Wan Fai.