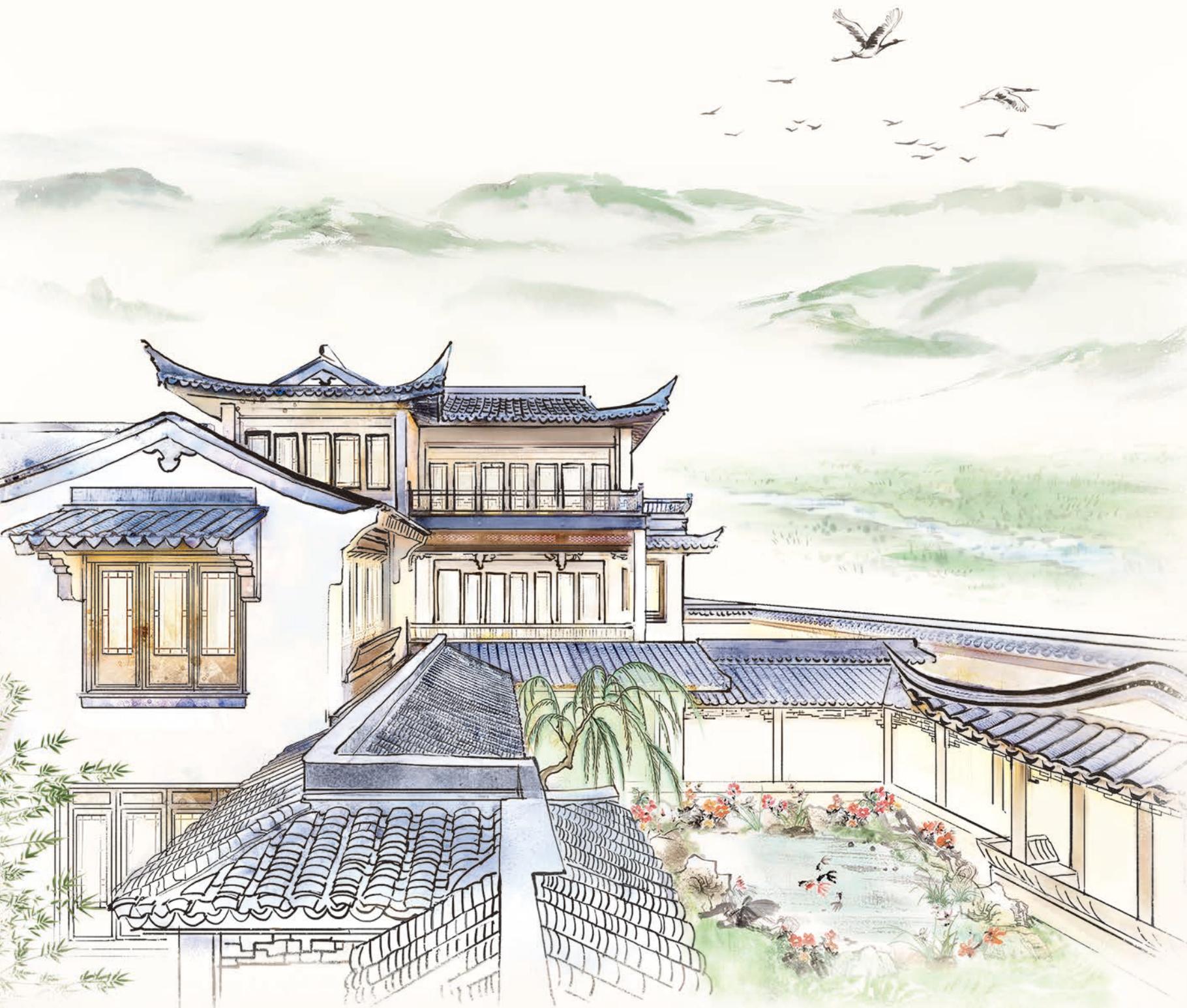




GREENTOWN CHINA HOLDINGS LIMITED  
綠城中國控股有限公司

(incorporated in the Cayman Islands with limited liability) (Stock Code: 03900)  
(於開曼群島註冊成立的有限公司) (股票代碼：03900)

中期報告  
2020  
Interim Report





# Contents



<b>Corporate Profile</b>	<b>002</b>
<b>Corporate Information</b>	<b>004</b>
<b>Land Bank Information</b>	<b>006</b>
<b>Management Discussion and Analysis</b>	
Operation Review	<b>009</b>
Outlook	<b>015</b>
Financial Analysis	<b>017</b>
<b>Corporate Governance</b>	<b>024</b>
<b>Other Information</b>	<b>026</b>
<b>Report on Review of Condensed Consolidated Financial Statements</b>	<b>033</b>
<b>Condensed Consolidated Financial Statements</b>	
Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income	<b>034</b>
Condensed Consolidated Statement of Financial Position	<b>035</b>
Condensed Consolidated Statement of Changes in Equity	<b>037</b>
Condensed Consolidated Statement of Cash Flows	<b>039</b>
Notes to the Condensed Consolidated Financial Statements	<b>041</b>
<b>Definition</b>	<b>075</b>

# Corporate Profile

GREENTOWN CHINA HOLDINGS LIMITED IS A LEADING QUALITY PROPERTY DEVELOPER AND INTEGRATED LIVING SERVICE PROVIDER IN CHINA. IT MAINTAINS A LEADING POSITION IN THE INDUSTRY BY VIRTUE OF THE QUALITY OF ITS PROPERTIES, AND ITS UNIQUE ARCHITECTURAL AESTHETICS AND CUSTOMER CENTRIC SERVICES. THE COMPANY WAS AWARDED THE “TOP 10 AMONG 100 CHINESE REAL ESTATE ENTERPRISES BY COMPREHENSIVE STRENGTH” AND “TOP 10 CHINESE REAL ESTATE COMPANIES BY BRAND VALUE (MIXED OWNERSHIP)” FOR THE 16TH CONSECUTIVE YEAR AND CROWNED “TOP 10 AMONG 100 CHINA REAL ESTATE BY BRAND VALUE 2020” WITH ITS COMPREHENSIVE BRAND VALUE OF RMB86.8 BILLION. MEANWHILE, GREENTOWN CHINA WAS AWARDED THE “CHINESE LEADING REAL ESTATE COMPANIES BY CUSTOMER SATISFACTION” FOR THE 8TH CONSECUTIVE YEAR FOR ITS QUALITY PRODUCTS AND SERVICES AS WELL AS RECEIVED AWARDS SUCH AS “ENTERPRISE WITH SOCIAL RESPONSIBILITY” FOR MANY YEARS.



Greentown China Holdings Limited was founded in Hangzhou, China in January 1995, and listed on the Hong Kong Stock Exchange in July 2006. In June 2012, Wharf was introduced as a strategic shareholder of Greentown. As at the date of this report, Wharf (through its wholly-owned subsidiary) held approximately 22.4% of the total issued share capital of the Company. In December 2014, China Communications Construction Group became a strategic shareholder of Greentown China. As at the date of this report, CCCG was interested in approximately 25.1% of the total issued share capital of the Company and became its single largest shareholder.

After 26 years of development, the Company has adhered to the development strategy of “quality first” and developed the upstream and downstream of the real estate business to form three major segments, namely asset-heavy, asset-light and “Greentown+”. The asset-heavy segment focuses on the real estate investment and development business, the asset-light segment strengthens the project management business, while the “Greentown+” segment provides strong support for both the asset-heavy and asset-light segments by strengthening the industry integration of the upstream and extending the scope of services of the downstream.

Being a professional developer of premium properties in the PRC, Greentown Group has always insisted on innovation and continued to explore the relationship between human and dwellings with excellent accomplishment in low-rise, multi-storey and high-rise residential properties. Based on the construction of beautiful architecture, Greentown Group is committed to building a better life for more people. Greentown, based in Zhejiang, puts significant emphasis on the layout in the first- and second-tier cities as well as quality third- and fourth-tier cities. In addition to traditional development business, Greentown Group facilitates the development of featured projects including new businesses such as town projects, TOD projects, urban renewal and industry-city integration. Leveraging on its rich land bank, human resources with high caliber and highly effective management structure, Greentown China has established an outstanding brand image in all cities where it operates. Greentown’s experience in developing numerous high-quality projects and outstanding operational capabilities accumulated so far has provided strong momentum for its future development.

Since September 2010, Greentown Group has commenced its project management business and has maintained rapid and steady growth every year. On 10 July 2020, Greentown Management Holdings Company Limited was officially spun off from Greentown China and listed separately on the Main Board of the Stock Exchange separately, which has since helped consolidate its leading position in the project management business, while accelerating the growth of Greentown Group’s asset-light segment and enhancing the business synergy between the asset-light and asset-heavy segments.

With the full support of CCCG, a state owned enterprise, Wharf, a Hong Kong blue-chip enterprise, and Xinhua Zhongbao, a reputable enterprise, together with our founder Mr. SONG Weiping, a renowned entrepreneur in China’s real estate industry, and other shareholders, Greentown will continue to adhere to the innovation and practice of mixed ownership enterprise and deem “quality first while taking into account others” as the development principle, and maintain its dedication to sincerity, meticulousness of strategies and excellence of operation, so as to build the brand of “No. 1 integrated service provider for an ideal life”.

# Corporate Information

## Board of Directors

### Executive Directors

Mr ZHANG Yadong  
(Chairman of the Board)  
Mr LIU Wensheng  
Mr GUO Jiafeng  
Mr ZHOU Lianying  
Mr GENG Zhongqiang  
Mr LI Jun

### Non-Executive Directors

Mr Stephen Tin Hoi NG  
(Mr Andrew On Kiu CHOW  
as his alternate)  
Mr WU Yiwen  
(Appointed on 26 May 2020)

### Independent Non-Executive Directors

Mr JIA Shenghua  
Mr KE Huanzhang  
(Resigned on 17 April 2020)  
Mr SZE Tsai Ping, Michael  
(Resigned on 17 April 2020)  
Mr HUI Wan Fai  
Mr QIU Dong  
(Appointed on 17 April 2020)  
Mr ZHU Yuchen  
(Appointed on 17 April 2020)

### Audit Committee

Mr SZE Tsai Ping, Michael  
(Resigned on 17 April 2020)  
Mr HUI Wan Fai  
(Appointed as Chairman  
on 17 April 2020)  
Mr JIA Shenghua  
Mr QIU Dong  
(Appointed on 17 April 2020)  
Mr ZHU Yuchen  
(Appointed on 17 April 2020)

### Nomination Committee

Mr SZE Tsai Ping, Michael  
(Resigned on 17 April 2020)  
Mr ZHU Yuchen  
(Appointed as Chairman  
on 17 April 2020)  
Mr ZHANG Yadong  
Mr LIU Wensheng  
Mr JIA Shenghua  
Mr KE Huanzhang  
(Resigned on 17 April 2020)  
Mr HUI Wan Fai  
Mr QIU Dong  
(Appointed on 17 April 2020)

### Remuneration Committee

Mr JIA Shenghua (Chairman)  
Mr ZHANG Yadong  
Mr LIU Wensheng  
Mr KE Huanzhang  
(Resigned on 17 April 2020)  
Mr SZE Tsai Ping, Michael  
(Resigned on 17 April 2020)  
Mr HUI Wan Fai  
Mr QIU Dong  
(Appointed on 17 April 2020)  
Mr ZHU Yuchen  
(Appointed on 17 April 2020)

### Registered Office

Maples Corporate Services Limited  
PO Box 309, Ugland House  
South Church Street, George Town  
Grand Cayman KY1-1104  
Cayman Islands

### Share Registrar in Hong Kong

Computershare Hong Kong Investor  
Services Limited  
Shops 1712-1716  
17th Floor, Hopewell Centre  
183 Queen's Road East  
Wanchai, Hong Kong

### Share Registrar in Cayman Islands

Royal Bank of Canada Trust Company  
(Cayman) Limited  
4th Floor, Royal Bank House  
24 Shedden Road, George Town  
Grand Cayman KY1-1110  
Cayman Islands

### Auditor

Deloitte Touche Tohmatsu

### Legal Advisors

As to Hong Kong law:  
Allen & Overy

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

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

### Joint Company Secretaries

Ms XU Ying  
(Appointed on 20 March 2020)  
Ms NG Sau Mei  
(Appointed on 20 March 2020)

### Authorized Representatives

Mr ZHANG Yadong  
Ms XU Ying  
(Appointed on 20 March 2020)

### Principal Bankers

Bank of China Limited  
Industrial and Commercial Bank of China  
Limited  
Agricultural Bank of China Ltd.  
China Construction Bank Corp.  
The Hong Kong And Shanghai Banking  
Corp., Ltd.  
China CITIC Bank Corp., Ltd.  
China Merchants Bank Co., Ltd.  
Bank of Communications Co., Ltd.  
The Bank of East Asia, Limited  
China Everbright Bank Corp., Ltd.  
Shanghai Pudong Development Bank  
Co., Ltd.

### Hangzhou Headquarters

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

### Principal Place of Business in Hong Kong

Room 1406-1408, 14/F  
New World Tower 1  
16-18 Queen's Road Central  
Central, Hong Kong

### Investor Relations

Email: [ir@chinagreentown.com](mailto:ir@chinagreentown.com)  
Tel: (852) 2523 3138  
Fax: (852) 2523 6608

### Public Relations

Hill + Knowlton Strategies Asia  
Email: [greentown@hkstrategies.com](mailto:greentown@hkstrategies.com)  
Tel: (852) 2894 6321  
Fax: (852) 2576 1990

### Stock Code

HKEx: 03900

### Websites

[www.chinagreentown.com](http://www.chinagreentown.com)  
[www.greentownchina.com](http://www.greentownchina.com)

# Land Bank Information

## GREENTOWN IN CHINA



Total GFA Exceeds 48.01 Million sqm

Region	No. of Projects	Percentage of GFA (%)
Hangzhou	28	9.5%
Zhejiang (excluding Hangzhou)	51	25.6%
Jiangsu-Shanghai-Anhui	25	14.9%
Bohai Rim Area	34	20.4%
Pearl River Delta Area	5	2.9%
Chengdu-Chongqing Area	6	3.2%
Others	20	21.8%
Overseas	3	1.7%
<b>Total</b>	<b>172</b>	<b>100%</b>

## OVERSEAS



### The Yangtze River Delta Area

<b>Zhejiang</b> (excluding Hangzhou) <b>12,276,891</b> Total GFA (sqm) <b>25.6%</b> Proportion to total land bank (%)	<b>Hangzhou</b> <b>4,537,602</b> Total GFA (sqm) <b>9.5%</b> Proportion to total land bank (%)	<b>Jiangsu</b> <b>5,745,882</b> Total GFA (sqm) <b>12.0%</b> Proportion to total land bank (%)	<b>Anhui</b> <b>907,994</b> Total GFA (sqm) <b>1.9%</b> Proportion to total land bank (%)	<b>Shanghai</b> <b>490,403</b> Total GFA (sqm) <b>1.0%</b> Proportion to total land bank (%)
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### The Bohai Rim Area

<b>Shandong</b> <b>3,093,265</b> Total GFA (sqm) <b>6.4%</b> Proportion to total land bank (%)	<b>Liaoning</b> <b>1,997,142</b> Total GFA (sqm) <b>4.2%</b> Proportion to total land bank (%)	<b>Tianjin</b> <b>1,728,992</b> Total GFA (sqm) <b>3.6%</b> Proportion to total land bank (%)	<b>Beijing</b> <b>1,719,638</b> Total GFA (sqm) <b>3.6%</b> Proportion to total land bank (%)	<b>Hebei</b> <b>1,275,914</b> Total GFA (sqm) <b>2.6%</b> Proportion to total land bank (%)
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### The Pearl River Delta Area

<b>Guangdong</b> <b>1,391,455</b> Total GFA (sqm) <b>2.9%</b> Proportion to total land bank (%)
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### Chengdu-Chongqing Area

<b>Chongqing</b> <b>897,126</b> Total GFA (sqm) <b>1.9%</b> Proportion to total land bank (%)
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### Overseas

<b>Sichuan</b> <b>620,728</b> Total GFA (sqm) <b>1.3%</b> Proportion to total land bank (%)	<b>Overseas</b> <b>835,746</b> Total GFA (sqm) <b>1.7%</b> Proportion to total land bank (%)
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### Other Areas in China

<b>Shaanxi</b> <b>5,513,603</b> Total GFA (sqm) <b>11.5%</b> Proportion to total land bank (%)	<b>Hubei</b> <b>999,658</b> Total GFA (sqm) <b>2.1%</b> Proportion to total land bank (%)	<b>Hainan</b> <b>858,140</b> Total GFA (sqm) <b>1.8%</b> Proportion to total land bank (%)	<b>Henan</b> <b>819,529</b> Total GFA (sqm) <b>1.7%</b> Proportion to total land bank (%)	<b>Jiangxi</b> <b>617,043</b> Total GFA (sqm) <b>1.3%</b> Proportion to total land bank (%)
<b>Fujian</b> <b>588,324</b> Total GFA (sqm) <b>1.2%</b> Proportion to total land bank (%)	<b>Xinjiang</b> <b>496,074</b> Total GFA (sqm) <b>1.0%</b> Proportion to total land bank (%)	<b>Hunan</b> <b>206,722</b> Total GFA (sqm) <b>0.4%</b> Proportion to total land bank (%)	<b>Heilongjiang</b> <b>260,134</b> Total GFA (sqm) <b>0.5%</b> Proportion to total land bank (%)	<b>Yunnan</b> <b>127,528</b> Total GFA (sqm) <b>0.3%</b> Proportion to total land bank (%)

Note: The figures of total GFA and site area are subject to adjustments due to planning changes. The relevant figures will only be finalized after project completion.



## Management Discussion and Analysis

## Operation Review

During the first half of 2020, subject to the negative effects of the COVID-19 pandemic and geopolitical conflicts, as well as increasing uncertainties in global economic development, the real estate industry across the upstream and the downstream was exposed to unprecedented challenges. However, China's real estate sector is gradually returning to normalcy with orderly resumption of work and production, thanks to positive progress of the epidemic prevention and control measures in the country. During the Reporting Period, the prudent monetary policy is more flexible; the regulation policy of "houses are built to be inhabited, not for speculation" in the property market was further deepened to achieve the policy goal of "stabilizing land prices, housing prices and expectations" and to promote a steady and healthy development of the industry.

Adhering to the two-pronged approach of "fighting against the epidemic" and "stabilizing operation", Greentown China responded in a timely manner and took multiple measures while carrying out effective prevention and control of the epidemic, and it has basically completed the semi-annual contract sales and delivery targets, and maintained its steady development while making progress across the board. Since the beginning of 2020, the Group has made many

breakthroughs in land investment, capital markets and strategic coordination. First, land investment witnessed remarkable rises both in quality and quantity. In the first half of the year, the value of newly-added saleable value reached a record high of RMB175.6 billion, ranking among the top in the industry; benefited from the broadening of land acquisition channels and precise grasp of the timing in the market, the estimated average profit margins of the projects of the newly-added land bank increased significantly, and the conversion rate during the year improved notably, laying a solid foundation for achieving sales targets for the year and high-quality development in the future. Second, its subsidiary Greentown Management (9979.HK) was successfully spun-off and listed on the main board of the Hong Kong Stock Exchange, which has become "China's First Stock of Project Management (中國代建第一股)". Leveraging on the strength of the capital market, the scale growth and profit improvement of the light asset sector were accelerated, and the synergy of light and heavy asset businesses was fully utilized. Third, the Group's capital structure was improved by the issuance of shares to and introduction of a strategic investor, Xinhua Zhongbao (600208.SH), to further optimize the mixed-ownership enterprise model. Meanwhile, both parties thereof could complement and cooperate with each

other in terms of project development, which helps facilitate the consolidation of the advantage of Greentown China in the aspect of real estate development in China. Fourth, Greentown China and Greentown Service (2869.HK) jointly established the "Greentown Living Services Committee (綠城生活服務委員會)", to achieve strategic synergy and business integration in the living services sector.

The year of 2020 represents the first year for Greentown China to promote the "Strategic 2025" plan. The Group optimized its organizational structure and established 10 business committees to achieve a clear working mechanism and improve management decision-making efficiency. With a strategic vision and forward-looking perspective, we are committed to the strategic goal of "striving to uphold its excellent product quality, maintaining its number-one spot in customer satisfaction, and ranking among the top-tier in comprehensive performance".

### Operating Results Steadily Improved

During the period, the Group generated revenue of RMB23,896 million, representing an increase of RMB5,238 million or 28.1% from RMB18,658 million in the corresponding period of 2019. Net profit was RMB3,130 million, slightly up when compared to RMB3,073 million in the corresponding period of 2019. During the period, profit attributable to owners of the Company amounted to RMB2,096 million,

slightly up when compared to RMB2,058 million in the corresponding period of 2019. After deducting the net post-tax effects of foreign exchange gains and losses, gains from acquisitions, provision and reversal of impairment losses on certain assets and fair value adjustments on certain assets, the core net profit (non-GAAP measure adopted for illustrating the Group's performance results from natural growth and operation of its principal businesses and enabling comparison of business performance across different periods) attributable to owners of the Company amounted to RMB2,435 million, slightly up when compared to RMB2,430 million in the corresponding period of 2019.

#### **Sales Scale Hit Record Highs**

##### **Contract sales growth accelerated.**

For the six months ended 30 June 2020, Greentown Group (including Greentown China Holdings Limited and its subsidiaries, together with its joint ventures and associates) recorded a total contracted sales area of approximately 4.31 million sqm, representing a year-on-year growth of 7%, and a total contracted sales amount of approximately RMB91.2 billion, representing a year-on-year growth of 23%, hitting record highs compared to the corresponding periods of previous years. Cash collection ratio was 95%, at the top level of the industry.

In the first half of 2020, the Company recorded a total contracted sales area of approximately 2.65 million sqm and a total contracted sales amount of approximately RMB66.1 billion (increased by 34% year-on-year) from its investment projects, of which approximately RMB38.2 billion was attributable to the Group (increased by 43% year-on-year). As at 30 June 2020, the Group recorded a total subscription sales

amount of approximately RMB4.3 billion, of which approximately RMB2.3 billion was attributable to the Group; the average selling price of investment projects reached approximately RMB24,922 per sqm, an industry-leading level. In addition, in the first half of 2020, Greentown Group recorded a contracted sales area of approximately 1.66 million sqm and a total contracted sales amount of approximately RMB25.1 billion in aggregate from the projects under project management business where Greentown Group delivered brand value and management expertise (non-investment projects, referred to as "**projects under project management**").

##### **Advanced sell-through structure.**

During the first half of 2020, the Group applied the marketing policy of "all staff, all people, all aspects" and responded actively to the unexpected epidemic and market change with its flexible marketing strategies. By carrying out special promotion campaigns such as "Spring Plan (春天計劃)", "Refreshing Seasons in Spring and Summer (春夏換新季)", and by facilitating marketing promotion through online brand activities on three major online platforms: "Greentown+" APP, "Real Estate Greentown (置業綠城)" WeChat official account and "Greentown Cloud (綠城雲)" WeChat Mini Program, the Company achieved outstanding results. Benefited from the accurate investment strategies, excellent quality services and superior locations, the products of Greentown China were highly recognized by customers, and brilliant achievements have been made in sales of multiple projects, among which popular newly-launched hot-selling projects such as Ningbo Xiaofeng Yinyue, Fenghua Guiyu Chaoyang, Xi'an National Games Village and Chongqing Chunxi Yunlu were sold out immediately after their launch.

#### **Quality and Customers First**

Greentown China continued to forge its core competence by insisting on the product-oriented concept and carrying forward the artisan spirit. The Group has constantly improved product innovations and successfully gained innovative results in projects featuring multifunctional venue, garden-like office, flexible residential living space and fabricated interior decoration. The Group has also paid attention to people's living quality by increasing investment in green and healthy communities, smart communities as well as smart home, highlighting the advantages of its products. Meanwhile, the Group promoted Japanese-styled management, industrialized technology application, comprehensive operation efficiency and smart site at all levels, and held the on-site demonstration of "standardized, industrialized, digitalized and eco-friendly" construction for the fourth time to continuously enhance the level of project construction. Moreover, the Group established a design sharing center, which formed a system lap with the construction research center to safeguard its leading position in product quality from various dimensions. According to China Excellent Real Estate Developers on Product Quality (《中國房地產產品力優秀企業》) by CIA research, in the first half of 2020, Greentown China ranked first in the product quality list. Leveraging on its excellent service quality, it continued to lead in customer satisfaction in the industry. According to the "2020 Chinese Urban Residents' Satisfaction Survey (2020中國城市居民居住滿意度調查報告)", Greentown China leads the industry for 10 consecutive years with an overall satisfaction score of 90.2, far above the industry average of 76.1, ranking first in 13 cities where it has presence, including Hangzhou, Hefei, Zhengzhou and Jinan.

### **Strategic Synergy, Business Linkage**

On 21 July, Greentown China and Greentown Service jointly established the “Greentown Living Service Committee”. Through strategic coordination, each party gives full play to its own advantages to build a living service platform together. Such an integrated service model and system covers a broad range of activities, from planning design to product creation and service operation to product promotion and service upgrades, while promoting the business linkage and synergy. Through enhancing the Housing 4S service cooperation mode, promoting integrated care for the elderly and building the brand of rental apartment, the two parties jointly promoted the “No. 1 Living Service Brand in China”.

### **Improvement in Both Quantity and Quality of Land Bank**

**Well effect on accurate investment strategy.** In the first half of 2020, Greentown China continued to deepen its strategy of “focusing on regions and deepening footprints in cities”. The Company always adheres to value investment and seizes investment opportunities at the right time. The Company further expanded the land bank in core city clusters in Yangtze River Delta Area and the Bohai Rim Area and acquired multiple premium land parcels in first- and second-tier cities at a lower cost. During the period under review, the Group has newly-added 43 projects, with a gross floor area of approximately 10.97 million sqm. It is estimated that

the newly-added saleable value will be RMB175.6 billion, of which approximately RMB101.2 billion will be attributable to the Group. Land cost/acquisition amount totaled approximately RMB64.8 billion, of which approximately RMB43.9 billion was payable by the Group. The average land cost of the new land parcels amounted to approximately RMB6,813 per sqm. In addition, about 25% of the newly-added saleable value is expected to be converted to the annual contracted sales, which brings an improvement in supply efficiency and effectively promotes the sales scale growth for the year and in the future.

### **Continue broadening investment channels.**

The Group proactively broadened its investment channels, and stepped up its efforts in mergers and acquisitions. In the first half of 2020, the Group acquired 12 projects through mergers and acquisitions. It is estimated that the value will amount to RMB73.8 billion, accounting for 42%. The Group secured such strategic merger and acquisition projects of which Xihu Shanghai Projects and Qidong Project serve as representatives, and managed to introduce Xihu Zhongbao as its strategic investor. Moreover, the Group and each regional company have completed the official establishment of a special group for mergers and acquisitions, and will spare no efforts in promoting a batch of reserve merger and acquisition projects, further opening the channels for mergers and acquisitions.

### **Continuous optimization of regional distribution.**

The Group continued to adhere to the strategy of focusing on the layout in first- and second-tier cities as well as quality third- and fourth-tier cities. During the period under review, most of the newly-added land parcels are situated in first- and second-tier core cities such as Beijing, Hangzhou, Ningbo, Shijiazhuang, Shenyang and Xi’an, accounting for approximately 75% of the total saleable value. In respect of regional distribution, the Yangtze River Delta as an area of strategic importance accounted for 63% of the newly-added saleable value, which helped consolidate Greentown China’s performance and industry position in Jiangsu and Zhejiang regions and enhance its risk resistance.

### **Steady growth forecast for earnings.**

During the period, the estimated saleable value of newly acquired land bank hit a record high. The newly-added projects are expected to generate net profit of nearly RMB18 billion in aggregate and the estimated average net profit margins of the projects of the newly-added land bank increased by approximately 3 pps year-on-year, realizing a leap in the quality and quantity of land bank and laying a good profit foundation.

Table of Newly-added Land Bank in the First Half of 2020

No.	Land/Project Name	Acquired by	Equity	Total Land Cost/ Acquisition Cost (RMB million)	Total GFA (sqm)
1	Hangzhou Chunlai Fenghua	Auction	50%	2,697	140,044
2	Hangzhou Guiyu Yingyue	Auction	50%	960	146,550
3	Hangzhou Xihu District Sanshen Reserved Land	Auction	24%	400	95,458
4	Hangzhou Jianggan District Sanbao Block 47	M&A	39%	2,200	182,393
5	Hangzhou Yuhang District Future Sci-tech City Block 81	Auction	51%	2,913	126,207
6	Hangzhou Lin'an Binhu Xincheng Block LA0607-15	Auction	100%	2,135	226,455
7	Hangzhou Longwu Unit XH1602-R21-14 Block	Auction	100%	1,209	81,443
8	Ningbo Chunyue Jinsha	Auction	100%	1,402	82,668
9	Ningbo Osmanthus Grace	Auction	100%	329	88,621
10	Ningbo Chunyue Jianglan	M&A	60%	806	210,417
11	Ningbo Yinzhou District Xurong Block	Auction	100%	2,882	127,575
12	Ningbo Yinzhou District Rail Qianyin Blocks 3 & 4	Auction	51%	3,550	222,960
13	Wenzhou Osmanthus Grace	Auction	34%	2,542	255,181
14	Shengzhou Opera Town Phase III East Block	Auction	32.5%	62	59,803
15	Zhoushan Ruxin Town Changzhi Island Blocks CZ-c-14 & 15	Auction	96.88%	70	32,987
16	Lishui Guiyu Lanting	Auction	60.8%	2,170	255,600
17	Yiwu Xiaofeng Yinyue	Auction	51%	1,210	114,956
18	Jinhua Chunxi Mingyue	Auction	67%	1,399	157,620
19	Anji Angel Town Changshuo Street Blocks 2019-16-1 & 17	M&A	40%	65	74,838
20	Anji Peach Garden Blocks 19 & 20	Auction	100%	261	92,248
21	Quzhou Lixian Future Community Blocks 1 & 2	Auction	66%	2,252	633,643
22	Shanghai Jing'an District Qinglan International Phase II	M&A	35%	1,900	184,826
23	Suzhou Mingyue Binhe	Auction	49%	1,589	130,738
24	Suzhou Mingyue Jiangnan	Auction	100%	300	46,130
25	Wuxi Chenfeng Yunlu	M&A	39.9%	1,092	220,215
26	Nantong Rudong Mingyue Jiangnan	Auction	70%	813	183,852
27	Nantong Qidong Haishang Pearl City Project	M&A	50%	1,824	2,511,162
28	Suqian Liyuanwan Town	Auction	100%	380	210,825
29	Beijing Aohai Mingyue	Auction	42.5%	6,360	279,585
30	Beijing Hejin Sincere Garden	Auction	50%	6,700	275,456
31	Beijing Mingyue Tinglan	Auction	70%	1,348	73,528
32	Tianjin Chentang Block W3	Auction	41%	1,160	78,733
33	Jinan Licheng District Party School New Campus East Block	M&A	20%	43	37,624
34	Dalian Hupan Helu	M&A	88%	388	212,343
35	Dalian Zhongshan District Hualian Hotel Project	Auction	20%	513	68,231
36	Shenyang Shenbei New District Xianlin Golden Valley Project	M&A	35%	206	589,015
37	Shenyang Yuhong District Beautiful Island Project and Xinhu Bay Project	M&A	35%	172	479,948
38	Shijiazhuang Chang'an District Nangaoying Block	Auction	99%	1,274	253,300
39	Shijiazhuang Yuhua District Zhaobukou Project	M&A	99%	482	134,493
40	Chengdu Sichuan Cuisine Town	Auction	60%	189	55,520
41	Xi'an Hongji New Town Phase I Blocks 24 and 27	M&A	80%	2,513	1,062,858
42	Fuzhou East 2nd Ring Road Lianpan Project	Auction	50%	3,188	167,815
43	Urumqi High-tech District Changchun North Road Project	Auction	100%	826	303,174
<b>Total</b>				<b>64,774</b>	<b>10,967,038</b>

As at 30 June 2020, Greentown Group had a total of 172 land reserve projects (including those under and pending construction) with a GFA of approximately 48.01 million sqm, of which approximately 27.98 million sqm was attributable to the Group. The total saleable area was approximately 32.97 million sqm, of which approximately 19.08 million sqm was attributable to the Group. The average GFA land cost was approximately RMB6,234 per sqm. Land reserve in first- and second-tier cities accounted for 74% of the total saleable value.

#### **Featured Innovation and Multidimensional Development**

In addition to traditional real estate investment and development business, the Group strives to create new driving force and growth pole for future profit, stays active in the operation of featured business and makes all efforts to accelerate the layout and implementation of TOD, urban renewal and city-industry integration projects.

**Comprehensively accelerating the formation of the layout.** In terms of the TOD projects, the Group implements a nationwide development strategy focusing on multi-category and multi-type businesses. The Group has firmly seized the strategic opportunities brought by China's railway transportation. Currently, it has launched 13 TOD projects in various cities, such as Hangzhou, Ningbo, Fuzhou and Foshan. In respect of urban renewal, it had successfully won the tender for the reconstruction projects of 3 old communities in Hangzhou and implementing the first future

community project in Quzhou, ushering in a new chapter of Greentown China's reconstruction of old towns. With regard to city-industry integration, the Group in line with the strategic deployment and policies of the country has pinpointed in the industry and opened up new business channels through an industrial development path combining "self-owned resources + partners".

**Prominent performance in town business.** In the first half of 2020, the newly-added saleable resources of Greentown China's town business amounted to RMB33.9 billion. As of 30 June 2020, the Company's town business had extended to 17 cities with 8.93 million sqm of planned GFA secured. 5 to 8 town projects will be initiated in the second half of 2020 with saleable resources close to RMB20 billion. After years of exploration and practice, the town business of Greentown has established a business development model empowered by the dual drive of property sale and industrial operation with focus on three major sectors of healthcare, agriculture and scientific innovation. With such advantages as large scale, low land cost to saleable value ratio and low peak of shareholder investments, the town projects will continue to contribute a steady cash flow and profit to the Group in the future.

#### **Leader in Project Management Industry**

In the first half of 2020, the Group's scale of the project management business expanded rapidly. As of 30 June 2020, the Group had had an aggregate of 268 projects under management, with

an accumulated contracted GFA of approximately 73.31 million sqm. Its commercial project management business has provided various services throughout the property development process to enhance efficiency and management value. Its government project management business has gained high recognition from different sectors of the society and generated outstanding social benefits. As the Group's project management business continues to expand, it maintains the leading position in the industry in terms of scale, which would in turn further increase the profit contribution of asset-light business to the Group.

**Successful listing of Greentown Management.** Greentown Management under Greentown China was spun off and officially listed on the main board of the Stock Exchange on 10 July 2020, becoming the "first stock of project management in China". Upon listing, Greentown Management proactively implemented the asset-light strategy of Greentown China and continued to lead the innovation and development of China's project management industry. With excellent construction capabilities, high-quality products and standardized operation, Greentown Management earns the trust of customers. It was successively awarded the "China's Leading Enterprise in Real Estate Project Management Operation", and was honored with "Annual Influential Business Model Award" and "Annual CSR Contribution Award".

### Healthy Financial Condition and Smooth Financing Channels

Backed with the creditability and repute of China Communications Construction Group Ltd. (“CCCC”), its largest shareholder, and benefiting from the Group’s overall sound operating performance, the net gearing ratio of the Group was 66.1% as at 30 June 2020, maintaining at a reasonable level. Debts due within one year accounted for 31.1% of total, down 5.5 pps compared to that at the end of 2019. Bank deposits and cash (including pledged bank deposits) amounted to RMB62.849 billion. The weighted average interest cost of the total borrowings in the first half of 2020 was 5.2%, a drop of 20 bps compared to 5.4% in the first half of 2019.

### Funding cost hit record low level.

By studying the policy environment and through innovative financing, the Group has widely expanded its financing channels and continuously deepened its strategic cooperation with various financial institutions so as to optimize its financing structure and decrease its capital cost. For offshore financing, the Company in January and July 2020 entered into a USD730 million, three-year and unsecured syndicated loan agreement with an interest rate of only LIBOR/HIBOR + 2.48%. In July 2020, Greentown China kept abreast of market dynamics and strategically captured the optimal market window, successfully issuing the five-year (non-redeemable in first three years) USD300 million senior notes with a coupon rate of

5.65%. The issuance of USD bonds was highly sought after by investors. The initial price guidance was set at 6.2% and the final price guidance was tightened by 55 bps to 5.65%, one of the largest tightening among offshore USD bond issuance by Chinese real estate companies YTD.

For onshore financing, the Group in the first half of 2020 launched the public issuance of bonds in an aggregate amount of RMB14.595 billion with an average interest cost of 3.54%, representing a decrease of 133 bps compared to 4.87% in the corresponding period of 2019. It reflected a record low in onshore financing costs, presence of barrier-free channels and reasonable structure. Among these, the Group issued corporate bonds in an aggregate principal amount of RMB2.93 billion with interest rates ranging from 3.19% to 3.87% per annum, medium-term notes of RMB3 billion with interest rates ranging from 3.27% to 3.86% per annum and perpetual medium-term notes of RMB1.5 billion with an interest rate of 4.2% per annum. Meanwhile, the Group further improved its financing innovation capabilities, explored new financing channels and innovatively promoted securitization. During the period, the Group successfully issued balance payment ABS for house purchase in the amount of RMB2 billion with an interest rate of 3.9% per annum and the supply chain ABS in the amount of RMB5.165 billion with interest rates ranging from 2.5% to 3.98% per annum.

### Lean Management to Improve Quality and Efficiency

**Efficient cost management and control.** During the Reporting Period, the Group achieved significant results in respect of product cost management and control. By further enriching its standardization system, product adaptability was secured, greatly improving the speed and efficiency of product execution. Meanwhile, through promoting centralized strategic procurement and strategic cooperation, 70 product categories were procured with application rate of procured materials reaching 96%. Dynamic cost decreased by RMB2.95 billion, representing a drop of 1.2% compared to the target cost, resulting in pre-settled cost savings of approximately RMB249 million for the first half of 2020. Benefited from highly efficient operations management and results of enhancing digital operational capabilities, the project operation cycles from land acquisition to construction commencement to presale to return on shareholders’ investment and delivery were significantly accelerated by 24%, 10%, 14% and 5% year-on-year, respectively.

### Steady improvement in efficiency per capita.

Adhering to the strategy of “Improve Quality and Efficiency”, the Group actively implemented project group management in marketing to improve efficiency per capita. 2020 YTD, 2 project groups were upgraded to city

companies; at present there are 29 project groups, with resources coordination and efficiency enhancement in full play. During the period, area under construction per capital saw an increase of 29% compared to that in the corresponding period of 2019. In addition, win-win mechanism has achieved huge success, supporting the implementation of strategic plans, promoting quality investment, accelerating operation efficiency, facilitating profitability growth and boosting employee remuneration.

#### **Introduction of Strategic Investor to achieve Win-win Collaboration**

In May 2020, the Company introduced Xinhua Zhongbao as a strategic investor and the third largest shareholder by issuing 323 million shares to a wholly-owned subsidiary of Xinhua Zhongbao. Listed on Shanghai Stock Exchange, Xinhua Zhongbao is mainly engaged in real estate, financial services, fintech and high-tech investment in the PRC, and is a constituent of each of CSI300 and MSCI China A Index. The Group has formed a strong alliance with Xinhua Zhongbao Group to achieve

complementary advantages and mutual benefit. Through exploring cooperation opportunities in various projects, especially in the real estate sector in the PRC, the Group will rapidly increase its high-quality land bank resources and further optimize the mixed-ownership enterprise model.

#### **Outlook**

Looking forward to the second half of 2020, the global economy will still be facing a complex and volatile situation. However, the Chinese economy is steadily improving and its basic trend of long-term improvement remains unchanged. Meanwhile, it has responded to the tide of anti-globalization with further liberalization. In a long run, the further advancement of new urbanization process has improved the comprehensive carrying capacity and resource allocation capabilities of the country's central cities and urban agglomerations, enhanced population mobility and formed a stable support on the demand side. The demand for urban renewal and redevelopment, including

transformation of old towns and urban operations, will also generate momentum and create opportunities for the industry's long-term sustainable development. However, in the meantime, the continuous regulation and control together with increasingly strict financial supervision, rising industry concentration, and shrinking industry gross profit margins will remain to be the challenges for the development and operation of real estate enterprises.

Greentown China will adapt to the trend, follow the trend, seize the opportunities, steadily march ahead, and further deepen the three main business layouts of heavy assets, light assets and "Greentown+".

First, the asset-heavy segment refers to the real estate investment and development business. The Group will focus on strengthening forward-looking city research and improving merger and acquisition capabilities, so as to enhance investment efficiency and drive profitability. The national layout will be

Qufu Confucius Museum



further optimized by deeply cultivating the Zhejiang base camp and the Yangtze River Delta Area, while proactively deploying the core cities of key urban agglomerations including the Bohai Rim Area, the Pearl River Delta Area, Chengdu-Chongqing Area and the middle reaches of the Yangtze River Area. Meanwhile, in order to improve business structure, we will proactively promote the implementation of featured projects including town projects, TOD projects, and industry-city integration, and reserve a batch of long-term projects with land dividends. Second, the asset-light segment refers to the real estate project management business. In the future, Greentown Management will further expand its room for development, establish the sub-brand of Greentown's project management, enhance its existing project management model and R&D capabilities, and improve its management

mechanism to ensure the quality of project management products. Third, the "Greentown+" segment refers to the diversified businesses centering on real estate development. The Group will lengthen the industry chain and expand the industrial clusters, thus tapping into the value points in the upstream and downstream of the real estate industry as well as creating more value for customers.

Looking forward, Greentown China will be committed to continuing the growth momentum of the first half of the year, further optimize its development structure, and strengthen its development momentum. We will uphold the product-centric, growth- and profit-oriented principles and improve our development quality to lay a solid foundation for the "Greentown China Strategy 2025", striving to become a benchmark in quality among superior real estate enterprises, and achieve sustainable development with higher quality.

### Saleable Resources in the Second Half of 2020

For the second half of 2020, the total saleable area of Greentown Group is expected to reach approximately 13.08 million sqm, with a total saleable amount of approximately RMB272.2 billion. Among which, investment projects are expected to provide a saleable area of approximately 7.90 million sqm, and a saleable amount of approximately RMB202.8 billion, (of which in the first half of 2020 approximately RMB50.2 billion will be attributable to inventory property projects and approximately RMB152.6 billion to new saleable properties). The total saleable area in first- and second-tier cities is expected to be approximately 5.65 million sqm, and the saleable amount is expected to be approximately RMB159.3 billion. In the second half of 2020, the saleable area of Greentown Group's projects under project management is estimated to reach approximately 5.18 million sqm, with a saleable amount of approximately RMB69.4 billion.

Haikou Spring Blossom



## Financial Analysis

### Revenue

The revenue of the Group mainly derives from the sales of properties, as well as from project management, design and decoration, hotel operations, property rental, sales of construction materials, etc. During the Period, the revenue of the Group amounted to RMB23,896 million, representing an increase of 28.1% from RMB18,658 million of the same period of 2019, which was mainly due to the increase in sales of properties. During the Period, the Group's revenue from property sales amounted to RMB20,714 million, accounting for 86.7% of the total revenue and representing an increase of 30.4% from RMB15,889 million of the same period of 2019. The area of properties with recognised revenue amounted to 976,036 sqm, representing an increase of 2.8% from 949,684 sqm of the same period of 2019. The average selling price of properties with recognised revenue was RMB21,222 per sqm, representing an increase of 26.8% from RMB16,731 per sqm of the same period of 2019, which was mainly because Yiwu Peach Garden, one of the projects with recognised revenue for the Period accounting for relatively high percentage of sales, is mostly composed of villas with relatively high selling prices, and projects like Hangzhou Osmanthus Grace and Jinan Yulan Garden are located in the first- and second-tier cities, which elevated the average selling price to certain extent.

Properties with the revenue recognised by subsidiaries for the first half of 2020 are as follows:

Project Name	Type of Properties	Area Sold (sqm) (Note)	Sales Revenue (RMB million)	% of Total	Average Selling Price
					(RMB per sqm)
Yiwu Peach Garden	High-rise Apartment, Villa	71,430	2,820	13.6%	39,479
Hangzhou Osmanthus Grace	High-rise Apartment, Villa	58,312	1,898	9.2%	32,549
Ningbo Young City	High-rise Apartment	101,683	1,755	8.5%	17,260
Lishui Liuxiangyuan	High-rise Apartment, Villa	109,329	1,748	8.4%	15,988
Beijing Jinghang Plaza	Commercial	90,333	1,659	8.0%	18,365
Hainan Blue Town	Integrated Community	45,999	1,257	6.1%	27,327
Qingdao Ideal City	Integrated Community	49,247	961	4.6%	19,514
Daishan Sky Blue Apartment	High-rise Apartment	89,397	827	4.0%	9,251
Jinan Yulan Garden	High-Rise Apartment, Low-Rise Apartment, Villa	16,952	559	2.7%	32,975
Shanghai Bund House	High-rise Apartment	2,049	317	1.5%	154,710
Others		341,305	6,913	33.4%	20,255
<b>Total</b>		<b>976,036</b>	<b>20,714</b>	<b>100.0%</b>	<b>21,222</b>

Note: Areas sold include aboveground and underground areas.

During the Period, projects in Zhejiang area achieved property sales revenue of RMB13,148 million, accounting for 63.5% of the total property sales and ranking top. Projects in Beijing area achieved property sales revenue of RMB2,232 million, accounting for 10.8% of the total property sales and ranking second. Projects in Shandong area achieved property sales revenue of RMB1,813 million, accounting for 8.8% of the total property sales and ranking third.

During the Period, the Group's revenue from sales of high-rise apartments, low-rise apartments, serviced apartments, etc. amounted to RMB14,542 million, accounting for 70.2% of the total property sales; sales revenue from villas amounted to RMB5,682 million, accounting for 27.4% of the total property sales; and that from offices amounted to RMB490 million, accounting for 2.4% of the total property sales.

During the Period, the Group's revenue from project management service amounted to RMB797 million, representing a decrease of 19.5% from RMB990 million in the corresponding period of 2019. Affected by the outbreak of COVID-19, the construction, sales and delivery of the Company's projects under project management were delayed by one to two months. The delay in the construction of the projects under project management and sales schedule will affect the progress of completion for the current period. The service income under project management has not been lost, but only postponed to be recognised in the subsequent service cycle.

During the Period, the Group recorded RMB1,073 million in the revenue from its design and decoration business, representing a decrease of RMB85 million or 7.3% from RMB1,158 million in the corresponding period of 2019. During the Period, the Group's revenue from hotel operations amounted to RMB213 million, representing a decrease of 45.8% from RMB393 million in the corresponding period of 2019. During the Period, the Group's rental income from investment properties amounted to RMB67 million, representing a decrease of 19.3% from RMB83 million in the corresponding period of 2019, mainly due to the impact on the hotels and commercial operations resulted from the outbreak of COVID-19, and daily operations have gradually resumed.

#### **Gross Profit and Gross Profit Margin**

During the Period, the Group recorded a gross profit of RMB6,184 million, representing an increase of 3.6% from RMB5,969 million in the corresponding period of 2019. The increase was mainly due to a substantial increase in the scale of property sales revenue in the Period, which lifted the gross profit of property sales.

During the Period, the Group achieved a gross profit margin of 25.9%, representing a decrease of 6.1 pps from 32.0% in the corresponding period of 2019. In particular, the gross profit margin of property sales was 25.6%, representing a decrease of 5.7 pps from 31.3% in the corresponding period of 2019, which was mainly attributable to the insufficient reflection of brand premium affected by price control, resulting the decrease in the gross profit margin.

#### **Other Income**

During the Period, the Group recorded other income of RMB1,557 million, representing an increase of RMB195 million from RMB1,362 million in the corresponding period of 2019, which was mainly comprising interest income, comprehensive service income, etc., representing an increase of 14.3% from the corresponding period of last year, which was mainly attributable to the addition of new projects, generating more interest income from the increase in the amounts due from related parties.

#### **Administrative Expenses**

Administrative expenses include human resource costs, daily operating expenses and other expenses, such as product research and development expenses. During the Period, the Group incurred administrative expenses of RMB1,447 million, representing an increase of RMB42 million or 3.0% from RMB1,405 million in the corresponding period of 2019. Administrative expenses are divided into real estate development and related business expenses, non-real estate development and related business expenses, and depreciation and amortisation fees. Non-real estate development and related businesses are mainly project management, hotel business, design and decoration, sales of construction materials and other services.

During the Period, the Group incurred administrative expenses of RMB715 million in its real estate development and related business, of which human resource costs amount to RMB306 million (the corresponding period of 2019: RMB309 million) and daily operating expenses amounted to RMB86 million (the corresponding period of 2019: RMB99 million), roughly on par with RMB713 million in the corresponding period of 2019, which benefited from the continuous optimization of its management and control model while constantly improving per capita efficiency in recent years, recording a 19.6% decline in the ratio of expenses as compared with the corresponding period of 2019. In addition, subject to the COVID-19 pandemic during the first half of 2020, there was a decrease in a portion of expenses.

Administration expenses of non-real estate development and related business amounted to RMB452 million for the Period, representing an increase of RMB46 million or 11.3% from RMB406 million in 2019, mainly due to the continuous expansion of revenue for non-real estate development and related business, income grew from RMB2,769 million in the corresponding period of 2019 to RMB3,182 million in the Period, with a 3.3% decline in the ratio of expenses compared with the corresponding period of 2019.

The Group incurred depreciation and amortisation fees of RMB280 million for the Period, in line with RMB286 million in the corresponding period of 2019.

#### **Selling Expenses**

Selling Expenses mainly include human resource costs, marketing activities expenses and daily operating expenses. During the Period, the Group incurred selling expenses of RMB624 million, representing a decrease of RMB41 million

or 6.2% from RMB665 million for the corresponding period of 2019. Selling expenses are divided into the expenses for real estate development and related business and the expenses for non-real estate development and related business.

During the Period, the Group incurred selling expenses of RMB526 million for its real estate development and related business, representing a decrease of RMB6 million from RMB532 million for the corresponding period of 2019. The ratio of real estate-related expenses decreased by 20.7% as compared with that of the corresponding period of 2019, mainly due to the Group's flexible use of sales strategies to transfer part of offline marketing campaign to online platform implementation and promotion in the first half of the year, in addition, the Group's high quality properties are more in demand by the market after the COVID-19. As the single largest expenditure in selling expenses incurred by real estate development and related business, marketing activities expenses amounted to RMB226 million for the Period (the corresponding period of 2019: RMB301

million), representing a decrease of RMB75 million or a year-on-year decrease of 24.9%. During the Period, human resource costs incurred in real estate development and related business amounted to RMB210 million, representing an increase of RMB63 million from RMB147 million for the corresponding period of 2019, mainly due to an increase in the recognised revenue and in the corresponding apportionment of sales commission for the Period. During the Period, the daily operating expenses incurred in real estate development and related business amounted to RMB90 million (the corresponding period of 2019: RMB84 million), representing an increase of RMB6 million or a year-on-year increase of 7.1%.

During the Period, the Group incurred selling expenses of RMB98 million for non-real estate development and related business, representing a decrease of RMB35 million or 26.3% from RMB133 million for the corresponding period of 2019, of which RMB32 million of hotel expenses was saved. This was mainly due to the decrease of relevant expenses resulting from hotel business contraction as affected by the COVID-19. The ratio of expenses decreased by 36.4% compared with that of the corresponding period of 2019.

### Finance Costs

During the Period, interest expenses recorded in the Group's condensed consolidated statement of profit or loss and other comprehensive income amounted to RMB1,252 million (the corresponding period of 2019: RMB801 million). Interest expenses for the Period totaled RMB3,829 million, representing an increase of RMB843 million from RMB2,986 million for the corresponding period of 2019, mainly because the Group had more projects under development with a higher weighted average of loan balance outstanding in the Period. Weighted average interest cost was 5.2% during the Period, which represented a decrease from 5.4% for the corresponding period of 2019. During the Period, the Group continued to improve its debt structure, actively innovate its financing model and expand its financing channels, which enabled finance costs to stay at a lower level. Capitalised interest amounted to RMB2,577 million for the Period with a capitalisation rate of 67.3%, which represented a decrease from 73.2% for the corresponding period of 2019, mainly due to the greater increment of joint ventures and associates, as the interest income and expenditure accrued from the transactions between the Group and these companies were directly included in the income statement. During the Period, interest income amounted to RMB1.3 billion (the corresponding period of 2019: RMB743 million), and net interest amounted to RMB2.529 billion, representing an increase of 12.8% from RMB2.243 billion for the corresponding period of 2019.

### Share of Results of Joint Ventures and Associates

During the Period, the Group's share of results of joint ventures was a gain of RMB70 million and the share of results of associates was a gain of RMB402 million, which amounted to an aggregate gain of RMB472 million, in line with RMB497 million for the corresponding period of 2019. During the Period, revenue from property sales recognised by joint ventures and associates totaled RMB7,464 million, representing a decrease of 29.7% from RMB10,616 million for the corresponding period of 2019, which was mainly due to the uneven distribution of the area recognised in the first and second halves of the year. During the Period, the area of properties with recognised revenue amounted to 270,114 sqm, representing a decrease of 31.4% from 393,479 sqm for the corresponding period of 2019.

Projects with the revenue recognised by joint ventures and associates in the first half of 2020 are as follows:

Project Name	Category	Type of Properties	Area Sold (sqm) (Note)	Sales Revenue (RMB million)	% of Total	Average Selling Price (RMB per sqm)
Ningbo Phoenix Mansion	Joint Venture	High-rise Apartment	18,879	827	11.1%	43,805
Foshan Guiyu Lanting	Joint Venture	High-rise Apartment, Villa	27,357	641	8.6%	23,431
Beijing Xifu Haitang	Joint Venture	Low-rise Apartment	10,930	491	6.6%	44,922
Hangzhou Hujing Yunlu	Joint Venture	Villa	10,794	441	5.9%	40,856
Foshan Fengqi Lanting	Joint Venture	High-rise Apartment, Villa	12,428	309	4.1%	24,863
Shenyang National Games Village	Joint Venture	High-rise Apartment, Villa	19,839	256	3.4%	12,904
Shanghai Changfeng Centre (上海長風中心)	Associate	High-rise Apartment, Office	27,984	1,038	13.9%	37,093
Chengdu Phoenix Mansion	Associate	High-rise Apartment, Low-rise Apartment	29,096	611	8.2%	20,999
Ningbo Mingyue Jiangnan	Associate	High-rise Apartment	17,076	472	6.3%	27,641
Qingdao Deep Blue Centre	Associate	Serviced Apartment	9,303	457	6.1%	49,124
Others			86,428	1,921	25.8%	22,227
<b>Total</b>			<b>270,114</b>	<b>7,464</b>	<b>100.0%</b>	<b>27,633</b>

Note: Areas sold include aboveground and underground areas.

### Taxation Expenses

During the Period, taxation included LAT of RMB589 million (the corresponding period of 2019: RMB865 million) and EIT of RMB929 million (the corresponding period of 2019: RMB1,149 million). During the Period, the effective EIT rate was 26.5% (excluding the share of results of joint ventures and associates as well as the losses of certain offshore subsidiaries and net foreign exchange loss), higher than the statutory tax rate of 25.0%. This was mainly attributable to the early provision for withholding tax on dividend, the losses of certain onshore subsidiaries with unrecognised deferred tax assets and expenses non-deductible for taxation purposes.

### Provision and Reversal of Impairment Losses for Certain Assets

In light of the rapid change of market environment, the Company conducted an impairment test on certain properties based on the principle of prudence during the Period. According to the test results, the reversal of impairment by Hangzhou Yuhang Jinteng Real Estate Development Co., Ltd., a subsidiary of the Company, for its completed properties for sale amounted to RMB94 million during the Period.

In addition, provision for an impairment loss of RMB315 million were made based on the expected credit loss impairment model and taking into account a comprehensive range of factors such as the objects of receivables and aging, which was mainly attributable to the impairment

provision of RMB368 million due from Shandong Gaosu Greentown Laiwu Xueye Lake Development Co., Ltd. (山東高速綠城萊蕪雪野湖開發有限公司) as a result of the demolition of constructions within the planned area of Laiwu Xueye Lake Scenic Area (萊蕪雪野湖風景區) by the government.

### Contract Liabilities

Contract liabilities mainly represent the amounts received from the pre-sale of properties. As at 30 June 2020, the balance of contract liabilities of the Group was RMB88,121 million, representing an increase of RMB11,796 million or 15.5% from RMB76,325 million as at 31 December 2019. Such increase was mainly due to the increase in contract sales of the Group during the Period.

As at 30 June 2020, the balance of contract liabilities of joint ventures and associates was RMB68,156 million, representing an increase of RMB17,544 million or 34.7% from RMB50,612 million as at 31 December 2019. Such increase was mainly due to the increase in contract sales of these companies during the Period.

### Financial Resources and Liquidity

As at 30 June 2020, the Group had bank balances and cash (including pledged bank deposits) of RMB62,849 million (31 December 2019: RMB51,894 million). Total borrowings amounted to RMB111,852 million (31 December 2019: RMB95,577 million) and net liabilities (total borrowings less bank balances and cash) amounted

to RMB49,003 million (31 December 2019: RMB43,683 million). The net gearing ratio (net liabilities divided by total equity) was 66.1%, which was slightly higher than the ratio of 63.2% as at 31 December 2019 but remained at a reasonable level. Balance of borrowings due within one year amounted to RMB34,788 million, accounting for 31.1% (31 December 2019: 36.6%) of the total borrowings. The closing balance of bank deposits and cash was 1.8 times (31 December 2019: 1.5 times) the balance of borrowings due within one year. Cash flow was sufficient, coupled with a reasonable debt structure, providing a strong support for the subsequent development of the Company.

Greentown Group has obtained facilities of more than RMB239.7 billion from financial institutions, of which approximately RMB131.2 billion was available as of 30 June 2020.

### Transactions with Xinhua Zhongbao

In April 2020, the Company entered into various agreements with Xinhua Zhongbao Co., Ltd. (Xinhua Zhongbao) and its subsidiaries, pursuant to which it conditionally agreed the Group to conduct the following transactions with Xinhua Zhongbao and its subsidiaries: (a) acquisition of 100% of the total number of shares of Zhejiang Qifeng Industrial Co., Ltd. (浙江啟豐實業有限公司) (which holds 35% of the total number of shares of Shenyang Shenbei Jingu Real Estate Co., Ltd. (瀋陽沈北金谷置業有限公司) and Shenyang Xinhua Pearl Real Estate

Co., Ltd. (瀋陽新湖明珠置業有限公司)), with a total transaction price of RMB379 million, which includes an equity transfer consideration of RMB186 million and a financial support of RMB193 million, and gains from the acquisition increased the net profit of the Company by RMB62 million for the Period; (b) acquisition of 100% of the total number of shares of Zhejiang Qizhi Industrial Co., Ltd. (浙江啟智實業有限公司) (which holds 50% of the total number of shares of Nantong Qixin Real Estate Co., Ltd. (南通啟新置業有限公司) and Nantong Qiyang Construction and Development Co., Ltd. (南通啟陽建設開發有限公司)), with a total transaction price of RMB1.151 billion, which includes an equity transfer consideration of RMB398 million and a financial support of RMB753 million, and gains from the acquisition increased the net profit of the Company by RMB62 million for the Period; (c) acquisition of 50% of the total number of shares of Nantong Xinqu Real Estate Co., Ltd. (南通新湖置業有限公司), with a total transaction price of RMB672 million, which includes an equity transfer consideration of RMB72 million and a financial support of RMB600 million, and gains from the acquisition increased the net profit of the Company by RMB16 million for the Period; (d) acquisition of 35% of the total number of shares of Shanghai Zhonghan Real Estate Co., Ltd. (上海中瀚置業有限公司), with a total transaction price

of RMB1.9 billion, which includes an equity transfer consideration of RMB517 million and a financial support of RMB1.383 billion, and gains from the acquisition increased the net profit of the Company by RMB184 million for the Period.

For details of the acquisition agreements mentioned above, please refer to the announcements of the Company dated 19 April 2020 and 24 April 2020.

#### **Risks of Foreign Exchange Fluctuation**

The principal place of operation of the Group is in the People's Republic of China, and the majority of the income and expenditure was settled in RMB. As the Group had deposits in foreign currencies, amounts due from and to related parties and third parties denominated in foreign currencies, as well as bank borrowings in foreign currencies and overseas senior notes, the Group was exposed to foreign exchange risks. No foreign exchange hedging arrangements was entered into by the Company during the Period. A provision of net foreign exchange loss of RMB266 million was made for RMB depreciation, though there was no effective cash outflow. The Company will heed the changes in the foreign exchange market and actively ascertain with major banks on foreign exchange hedging proposals.

#### **Financial Guarantees**

The Group provided guarantees in respect of certain banks' mortgage granted to the buyers of the Group's properties. As at 30 June 2020, such guarantees for mortgage facilities amounted to RMB33,288 million (31 December 2019: RMB35,651 million).

#### **Pledge of Assets**

As at 30 June 2020, the Group pledged right-of-use assets, investment properties, properties for development, properties under development, completed properties for sale, property, plant and equipment, pledged bank deposits, trade and other receivables, deposits and prepayments and interests in an associate, with an aggregate carrying value of RMB93,752 million (31 December 2019: RMB95,868 million) to secure general credit facilities granted by banks and other financial institutions to the Group.

#### **Capital Commitments**

As at 30 June 2020, the Group had contracted, but not provided for, capital expenditure commitments of RMB38,732 million (31 December 2019: RMB30,769 million) in respect of properties for development, properties under development or 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. Currently, therefore, the Group has no material capital expenditure plan.

### Events After the Balance Sheet Date

After the end of the Reporting Period:

#### Repurchase of the 2020 Notes

On 14 July 2020, the Company completed the repurchase of an aggregate principal amount of US\$149,999,000 out of its US\$600,000,000 4.55% senior notes due 2020 (ISIN XS2076070619) (the “**2020 Notes**”). The repurchased 2020 Notes has been cancelled. After cancellation of the repurchased 2020 Notes, the aggregate outstanding principal amount of the 2020 Notes is US\$450,001,000. For details of the repurchase of the 2020 Notes, please refer to the announcements of the Company dated 7 July 2020, 15 July 2020 and 20 July 2020.

#### Issuance of Senior Notes

On 13 July 2020, the Company announced that approval has been granted for the listing of its US\$300,000,000 5.65% senior notes due 2025 (the “**2025 Notes**”). The gross proceeds from the Notes Issue, without deducting subscription discounts, commissions and other estimated expenses payable in connection with the issue of 2025 Notes, was US\$300,000,000. The listing and permission to deal became

effective on 14 July 2020. For details, please refer to the announcements of the Company dated 7 July 2020 and 13 July 2020.

#### Redemption of Notes issued by Wisdom Glory

On 20 July 2020, Wisdom Glory Group Limited (“**Wisdom Glory**”), a wholly-owned subsidiary of the Company, has exercised its option to redeem its US\$450,000,000 senior perpetual notes (the “**Senior Perpetual Notes**”) issued and listed on the Stock Exchange. The Senior Perpetual Notes were redeemed in full and there were no outstanding Senior Perpetual Notes in issue. The withdrawal of listing of the Senior Perpetual Notes took effect on 29 July 2020. For details, please refer to the announcement of the Company dated 22 July 2020.

#### Redemption of 2015 USD Notes

The Company has fully redeemed its senior notes issued in 2015 with the aggregate principal amount of USD500,000,000 (“**2015 USD Notes**”) on 11 August 2020, the final maturity date of the 2015 USD Notes.

#### Listing of Greentown Management

On 10 July 2020, Greentown Management Holdings Company Limited (“**Greentown Management**”), a subsidiary of the Group, was listed on the Main Board of Hong Kong Stock Exchange. Greentown Management issued a total of 525,316,000 new shares at an offer price of HK\$2.50 under its global offering (including 47,756,000 shares issued as a result of the exercise of the over-allotment option (“**Over-allotment**

**Option**”) by the joint representatives on behalf of the international underwriters in the global offering). The Company’s shareholding in Greentown Management was approximately 73.17% immediately after the completion of the global offering and the issuance and allotment of shares pursuant to the full exercise of the Over-allotment Option. The total proceeds of approximately HK\$1,213.1 million (after deducting underwriting fees, commissions and other estimated listing expenses payable by Greentown Management and as disclosed in the announcements of Greentown Management dated 9 July 2020 and 27 August 2020) from the global offering (including the over-allotment) will be utilized for the purposes as set out in the prospectus dated 29 June 2020 and the announcement of the offer price and allotment results dated 9 July 2020 of Greentown Management. For details, please refer to the announcements of the Company dated 9 July 2020, 10 July 2020 and 30 July 2020 and the announcements of Greentown Management.

### Human Resources

As at 30 June 2020, the Group employed a total of 7,608 employees (31 December 2019: 7,418). The employees were remunerated on the basis of their performance, experience and prevailing industry practices. The Group’s remuneration policies and packages were reviewed by the remuneration committee and the Board on a regular basis. As an incentive for the employees, bonuses, cash awards and share options may also be granted to the employees based on their individual performance evaluation.



## Corporate Governance

### Corporate Governance Code

In the opinion of the Board, unless otherwise disclosed, the Company has 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 (the “**Listing Rules**”) on The Stock Exchange of Hong Kong Limited throughout the Reporting Period.

There has been concurrent appointment of Chairman and Chief Executive Officer of the Company. Under Code Provision A.2.1, the roles and functions of chairman and chief executive are separate. Having assessed the practical circumstances of the Company, its current governance structure can better facilitate the execution of its business strategies and enhancement of operation efficiency. Since the Board and senior management of the Company comprise of experienced

and diversified individuals, the balance of power and authority between the Board and the management of the Company will be maintained. Furthermore, under the supervision of the independent non-executive Directors who represent one-thirds of the members of the Board, the balance of the Board will be adequately and fairly safeguarded.

### Compliance with the Model Code

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Listing Rules (the “**Model Code**”) as the code for dealing in securities of the Company by the Directors of the Company. After specific enquiry for all the Directors, each of the Directors confirmed that he has complied with the required standards set out in the Model Code throughout the Reporting Period.

Relevant employees who are likely to be in possession of inside information of the Group are also subject to compliance with written guidelines on same terms as the Model Code.

### Review of Interim Results

The interim results announcement and the interim report for the Reporting Period have been reviewed by the Audit Committee and approved by the Board.

Deloitte Touche Tohmatsu (DTT), the auditor of the Company, 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 2020 prepared in accordance with International Accounting Standard 34 “Interim Financial Reporting”, and issued a review report dated 27 August 2020.

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## Other Information

## Directors' and Chief Executive's Interests in Securities

As at 30 June 2020, the interests and short positions of Directors and chief executive of the Company and their associates in the Shares, underlying shares and debentures of the Company and any of its associated corporations, as recorded in the register maintained by the Company pursuant to Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code, were as follows:

### Long Positions in Shares and Underlying Shares of the Company

Name of Director	Personal Interests in Shares and Underlying Shares (including Share Options or Award Shares Granted to Directors)	Family Interests	Interest of Controlled Corporation	Total Number of Shares and Underlying Shares Interested	% of Issued Share Capital of the Company
Mr ZHANG Yadong	8,270,949 (note 1)	–	–	8,270,949	0.332%
Mr LIU Wensheng	7,986,129 (note 2)	–	–	7,986,129	0.320%
Mr LI Jun	3,433,573 (note 3)	–	–	3,433,573	0.138%
Mr Andrew On Kiu CHOW	500,000 (note 4)	–	–	500,000	0.020%

Notes:

- (1) It includes (i) 7,600,000 share options granted on 28 August 2018 pursuant to the 2016 Share Option Scheme and are only exercisable based on the latest closing price per share stated on the daily quotation sheet of the Stock Exchange which is at least 30% higher than the initial exercise price of HK\$8.326 per share from 28 August 2018 to 27 August 2028; and (ii) 670,949 award shares subject to vesting conditions granted in 2019.
- (2) It includes (i) 7,400,000 share options granted on 27 December 2017 pursuant to the 2016 Share Option Scheme and are only exercisable based on the latest closing price per share stated on the daily quotation sheet of the Stock Exchange which is at least 30% higher than the initial exercise price of HK\$9.10 per share from 27 December 2017 to 26 December 2027; and (ii) 586,129 award shares subject to vesting conditions granted in 2019.
- (3) It includes (i) 1,900,000 share options granted on 27 December 2017 pursuant to the 2016 Share Option Scheme and are only exercisable based on the latest closing price per share stated on the daily quotation sheet of the Stock Exchange which is at least 30% higher than the initial exercise price of HK\$9.10 per share from 27 December 2017 to 26 December 2027; (ii) 1,300,000 share options granted on 28 August 2018 pursuant to the 2016 Share Option Scheme and are only exercisable based on the latest closing price per share stated on the daily quotation sheet of the Stock Exchange which is at least 30% higher than the initial exercise price of HK\$8.326 per share from 28 August 2018 to 27 August 2028. The aforesaid represents an aggregate of 3,200,000 share options; and (iii) 233,573 award shares subject to vesting conditions granted in 2019.
- (4) Shares held as beneficial owner.

Save as disclosed above, as at 30 June 2020, none of the Directors and chief executive of the Company had any interest or short positions in any Shares, underlying shares or debentures of the Company or any of its associated corporations, as recorded in the register required to be maintained by the Company pursuant to Section 352 of the SFO or required to be notified to the Company and the Stock Exchange pursuant to the Model Code.

## Substantial Shareholders' Interests in Securities

As at 30 June 2020, according to the register of substantial shareholders maintained by the Company pursuant to Section 336 of the SFO and so far as the Company is aware, the following shareholders, other than those disclosed in the section headed "Directors' and Chief Executive's Interests in Securities", had notified the Company of relevant interests in the shares and underlying shares of the Company:

Name of Substantial Shareholder (note 1)	Interest or Short Position in the Shares or Underlying Shares (note 2)	Capacity in Which Interests are Held	% of Issued Share Capital of the Company
CCCG (note 3)	624,851,793 (L)	Interest of controlled corporations	25.055%
CCCG Holding (HK) Limited (note 4)	524,851,793 (L)	Beneficial owner	21.045%
HSBC Trustee (C.I.) Limited (note 5)	557,554,793 (L)	Interest of controlled corporations	22.357%
Wheelock and Company Limited ("Wheelock") (note 6)	557,554,793 (L)	Interest of controlled corporations	22.357%
The Wharf (Holdings) Limited ("Wharf") (note 7)	557,554,793 (L)	Interest of controlled corporations	22.357%
HUANG Wei (note 8)	323,000,000 (L)	Interest of controlled corporations	12.951%
LI Ping (note 9)	323,000,000 (L)	Interest of spouse	12.951%
Zhejiang Xinhua Group Co., Ltd. (note 10)	323,000,000 (L)	Interest of controlled corporations	12.951%
Xinhua Zhongbao Co., Ltd. (note 11)	323,000,000 (L)	Interest of controlled corporations	12.951%
Hong Kong Xinhua Investment Co., Limited (note 12)	323,000,000 (L)	Beneficial owner	12.951%
Mr SONG Weiping	8,150,000 (L) (note 13)	Personal interests in underlying Shares (share options)	9.009%
	216,530,924 (L) (note 14)	Interest of controlled corporations	in total
Ms XIA Yibo (note 15)	224,680,924 (L)	Interest of spouse	9.009%

## Notes:

- (1) The list of substantial shareholders of the Company and their respective interests in the shares and underlying shares of the Company set out in the table are based on the information available to the Company after making reasonable enquiry.
- (2) The letter "L" denotes a long position.
- (3) CCCG is deemed to be interested in 624,851,793 Shares through its controlled corporations, namely CCCG Real Estate Group Company Limited\* (中交房地產集團有限公司) (which is wholly-owned by CCCG) and CCCG Holding (HK) Limited and CCCG Real Estate Holding Limited, each of which is wholly-owned by CCCG Real Estate Group Company Limited.
- (4) A company controlled by CCCG by virtue of SFO.
- (5) HSBC Trustee (C.I.) Limited is deemed to be interested in 557,554,793 Shares through its controlled corporations, namely Wheelock, Wheelock Investments Limited, WF Investment Partners Limited, Wharf, Wharf China Holdings (0004) Limited and Target Smart Investments Holdings Limited ("Target Smart").
- (6) Wheelock is deemed to be interested in 557,554,793 Shares through its controlled corporations, namely Wheelock Investments Limited, WF Investment Partners Limited, Wharf, Wharf China Holdings (0004) Limited and Target Smart.

## Other Information

- (7) Wharf is deemed to be interested in 557,554,793 Shares through its controlled corporations, namely Wharf China Holdings (0004) Limited and Target Smart.
- (8) HUANG Wei is deemed to be interested in 323,000,000 Shares through his controlled corporations, namely Zhejiang Xinhu Group Co., Ltd., Xinhu Zhongbao. Co., Ltd. and Hong Kong Xinhu Investment Co., Limited.
- (9) Ms Li Ping is the spouse of Mr HUANG Wei. Accordingly, pursuant to Part XV of the SFO, Ms. Li Ping is deemed to be interested in Mr HUANG Wei's interests in the Company.
- (10) Zhejiang Xinhu Group Co., Ltd. is controlled by Mr HUANG Wei.
- (11) Xinhu Zhongbao Co., Ltd. is deemed to be interested in 323,000,000 Shares through its controlled corporation, namely Hong Kong Xinhu Investment Co., Limited.
- (12) A company controlled by Xinhu Zhongbao Co., Ltd. by virtue of SFO.
- (13) Share options granted on 27 December 2017 pursuant to the 2016 Share Option Scheme and are only exercisable based on the latest closing price per share state on the daily quotation sheet of the Stock Exchange which is at least 30% higher than the initial exercise price of HK\$9.10 per share from 27 December 2017 to 26 December 2027.
- (14) Mr SONG Weiping, being the sole shareholder of Delta House Limited, is deemed to be interested in 116,530,924 Shares held by Delta pursuant to Part XV of the SFO. Hong Kong Orange Osmanthus Foundation Limited ("HKOO Foundation") is a company limited by guarantee and established by Mr SONG Weiping as a charitable institution of a public character exempt from tax under Section 88 of the Inland Revenue Ordinance, Chapter 112 of the Laws of Hong Kong. As Mr SONG Weiping is the sole member of HKOO Foundation, pursuant to Part XV of the SFO, Mr SONG Weiping is deemed to be interested in 100,000,000 Shares held by HKOO Foundation notwithstanding that Mr SONG Weiping is not beneficially interested in such shares.
- (15) Ms XIA Yibo is the spouse of Mr SONG Weiping. Accordingly, pursuant to Part XV of the SFO, Ms XIA Yibo is deemed to be interested in: (i) 116,530,924 Shares held by Delta, a company of which Mr SONG Weiping is the sole shareholder; (ii) 100,000,000 Shares held by HKOO Foundation, a charitable institution established by Mr SONG Weiping of which Mr SONG Weiping is the sole member (notwithstanding that neither Mr SONG Weiping nor Ms XIA Yibo is beneficially interested in those Shares); and (iii) 8,150,000 share options of the Company held by Mr SONG Weiping. The aforesaid represents an aggregate of 224,680,924 Shares.

Save as disclosed above, as at 30 June 2020, the Company had not been notified of any other interests or short positions notifiable to the Company held by any other person in the Shares or underlying shares of the Company required to be recorded under section 336 of the SFO.

## Share Option Scheme

The 2006 Share Option Scheme has been terminated upon adoption of the 2016 Share Option Scheme by ordinary resolution of shareholders of the Company at the annual general meeting of the Company held on 17 June 2016 (the "Effective Date"). Upon termination of the 2006 Share Option Scheme, no further options of the 2006 Share Option Scheme can be offered thereunder but the provisions of the scheme shall remain in force to the extent necessary to give effect to the exercise of any options granted prior to its termination, and options granted prior to such termination shall continue to be valid and exercisable. The 2016 Share Option Scheme was adopted for the primary purpose of providing incentives and/or reward to Directors and employees of the Group and will expire on 16 June 2026 unless otherwise cancelled or amended. Under the Share Option Scheme, the Board may grant options to eligible employees to subscribe for shares in the Company. The eligible participants of the Share Option Scheme are any Director or employee of the Group and any other person (including a consultant or adviser) who in the sole discretion of the Board has contributed or will contribute to the Group. The offer of a grant of share options may be accepted within 21 days from the date of grant, upon receipt by the Company of the payment of a consideration of HK\$1 and signed acceptance of offer by the eligible participant.

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

## Other Information

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

Details of the Company's share options granted, exercised and cancelled pursuant to the 2016 Share Option Scheme during the six months ended 30 June 2020 were as follows:

Name of Grantee	No. of Share Options Outstanding at the Beginning of the Period	No. of Share Options Granted during the Period	No. of Share Options Exercised during the Period	No. of Share Options Cancelled during the Period	No. of Share Options Lapsed during the Period	No. of Share Options Outstanding at the End of the Period	Date of Grant	Period during which Share Options are Exercisable	Exercise Price per Share (HK\$)
<b>Directors</b>									
Mr ZHANG Yadong	2,280,000	-	-	-	-	2,280,000	28 August 2018	28 August 2019 to 27 August 2028	8.326
	2,280,000	-	-	-	-	2,280,000	28 August 2018	28 August 2020 to 27 August 2028	8.326
	1,520,000	-	-	-	-	1,520,000	28 August 2018	28 August 2021 to 27 August 2028	8.326
	760,000	-	-	-	-	760,000	28 August 2018	28 August 2022 to 27 August 2028	8.326
	760,000	-	-	-	-	760,000	28 August 2018	28 August 2023 to 27 August 2028	8.326
	<b>7,600,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>7,600,000</b>			
Mr LIU Wensheng	2,220,000	-	-	-	-	2,220,000	27 December 2017	27 December 2018 to 26 December 2027	9.100
	2,220,000	-	-	-	-	2,220,000	27 December 2017	27 December 2019 to 26 December 2027	9.100
	1,480,000	-	-	-	-	1,480,000	27 December 2017	27 December 2020 to 26 December 2027	9.100
	740,000	-	-	-	-	740,000	27 December 2017	27 December 2021 to 26 December 2027	9.100
	740,000	-	-	-	-	740,000	27 December 2017	27 December 2022 to 26 December 2027	9.100
	<b>7,400,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>7,400,000</b>			
Mr LI Jun	570,000	-	-	-	-	570,000	27 December 2017	27 December 2018 to 26 December 2027	9.100
	570,000	-	-	-	-	570,000	27 December 2017	27 December 2019 to 26 December 2027	9.100
	380,000	-	-	-	-	380,000	27 December 2017	27 December 2020 to 26 December 2027	9.100
	190,000	-	-	-	-	190,000	27 December 2017	27 December 2021 to 26 December 2027	9.100
	190,000	-	-	-	-	190,000	27 December 2017	27 December 2022 to 26 December 2027	9.100
	390,000	-	-	-	-	390,000	28 August 2018	28 August 2019 to 27 August 2028	8.326
	390,000	-	-	-	-	390,000	28 August 2018	28 August 2020 to 27 August 2028	8.326
	260,000	-	-	-	-	260,000	28 August 2018	28 August 2021 to 27 August 2028	8.326
	130,000	-	-	-	-	130,000	28 August 2018	28 August 2022 to 27 August 2028	8.326
	130,000	-	-	-	-	130,000	28 August 2018	28 August 2023 to 27 August 2028	8.326
	<b>3,200,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,200,000</b>			
<b>Employees</b>									
Certain other employees of the Company's subsidiaries, associates and joint ventures	14,865,000	-	-	-	1,830,000	13,035,000	27 December 2017	27 December 2018 to 26 December 2027	9.100
	14,865,000	-	-	-	1,830,000	13,035,000	27 December 2017	27 December 2019 to 26 December 2027	9.100
	9,910,000	-	-	1,220,000	-	8,690,000	27 December 2017	27 December 2020 to 26 December 2027	9.100
	4,955,000	-	-	610,000	-	4,345,000	27 December 2017	27 December 2021 to 26 December 2027	9.100
	4,955,000	-	-	610,000	-	4,345,000	27 December 2017	27 December 2022 to 26 December 2027	9.100
	<b>49,550,000</b>	<b>-</b>	<b>-</b>	<b>2,440,000</b>	<b>3,660,000</b>	<b>43,450,000</b>			
<b>Total</b>	<b>67,750,000</b>	<b>-</b>	<b>-</b>	<b>2,440,000</b>	<b>3,660,000</b>	<b>61,650,000</b>			

## Other Information

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

During the Period, no share options were exercised, 2,440,000 share options were cancelled and 3,660,000 share options lapsed.

For other details regarding the share option scheme(s) of the Company, please refer to note 26 to the condensed consolidated financial statements of the Company in this report.

### Updates on Directors' Information under Rule 13.51B of the Listing Rules

In the Reporting Period, Mr KE Huanzhang and Mr SZE Tsai Ping, Michael have resigned as independent non-executive Directors.

Mr QIU Dong and Mr ZHU Yuchen were appointed as independent non-executive Directors on 17 April 2020. Mr WU Yiwen was appointed as non-executive Director on 26 May 2020. For the details of the abovementioned changes in the composition of the Board, please refer to the announcements of the Company dated 17 April 2020 and 26 May 2020.

On 9 July 2020, Mr ZHANG Yadong, the Chairman of the Board, and Mr LIU Wensheng and Mr GUO Jiafeng, executive Directors, were appointed as non-executive directors of Greentown Management Holdings Company Limited (listed on the Main Board of the Stock Exchange with the stock code 9979), a subsidiary of the Company.

### Purchase, Sale or Redemption of the Listed Securities of the Company

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

During the Reporting Period, the Company has, by way of general mandate, issued 323,000,000 ordinary shares (par value: HK\$0.1 per share; aggregate nominal value: HK\$32,300,000) at a subscription price of HK\$9.50 per share to Hong Kong Xinhua Investment Co., Limited, a wholly-owned subsidiary of Xinhua Zhongbao Co., Ltd., a company listed on the Shanghai Stock Exchange principally engaged in the businesses of, among other things, real estate, financial service and financial technology and high technology investment. The reasons for the issuance included introduction of strategic shareholder, creation of opportunities for enhanced strategic dialogue and cooperation, strengthening the capital base and financial position of the Group, and broadening Shareholder base of the Company.

The aggregate gross proceeds of the issuance was HK\$3,068,500,000 and the aggregate net proceeds after deduction of all relevant costs and expenses were approximately HK\$3,067,500,000, representing a net issue price of approximately HK\$9.497 per issued share.

The date on which the terms of the issuance were fixed was 26 April 2020 (Sunday) and the closing price of the shares of the Company on the immediately preceding trading day was HK\$7.01 per share, as quoted on the Stock Exchange.

As disclosed in the announcement of the Company dated 26 April 2020, the net proceeds from the issuance were intended to be used for general corporate purposes, repayment of loan and/or as general working capital, and had been fully applied as at the date of this report:

Purpose	Amount (HK\$)
General corporate purposes and working capital including funding the operation of principal businesses and projects and setting aside for final dividend payment	1,897,500,000
Repayment of loan	1,170,000,000

## Other Information

### Interim Dividend

The Board has resolved not to declare any interim dividend for the six months ended 30 June 2020 (for the six months ended 30 June 2019: Nil).

### 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 to the Group.

By order of the Board  
*Chairman*  
**ZHANG Yadong**

Hangzhou, the PRC  
27 August 2020

# Report on Review of Condensed Consolidated Financial Statements



## **TO THE BOARD OF DIRECTORS OF GREENTOWN CHINA HOLDINGS LIMITED**

*(Incorporated in the Cayman Islands with limited liability)*

### Introduction

We have reviewed the condensed consolidated financial statements of Greentown China Holdings Limited (the “Company”) and its subsidiaries set out on pages 34 to 74, which comprise the condensed consolidated statement of financial position as of 30 June 2020 and the related condensed consolidated statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the six-month period then ended and certain explanatory notes. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and International Accounting Standard 34 “Interim Financial Reporting” (“IAS 34”) issued by the International Accounting Standards Board. The directors of the Company are responsible for the preparation and presentation of these condensed consolidated financial statements in accordance with IAS 34. Our responsibility is to express a conclusion on these condensed consolidated financial statements based on our review, and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

### Scope of review

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

### Conclusion

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

#### **Deloitte Touche Tohmatsu**

*Certified Public Accountants*  
Hong Kong

27 August 2020

# Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the six months ended 30 June 2020

	Notes	Six months ended 30 June	
		2020 RMB'000 (Unaudited)	2019 RMB'000 (Unaudited)
Revenue	3	23,896,208	18,658,115
Cost of sales		(17,712,331)	(12,689,609)
Gross profit		6,183,877	5,968,506
Other income	4	1,557,250	1,362,461
Other gains and losses	5	58,724	(57,081)
Selling expenses		(623,642)	(665,302)
Administrative expenses		(1,446,688)	(1,404,919)
Finance costs	6	(1,252,360)	(800,890)
Impairment losses under expected credit loss model, net of reversal	17	(314,509)	145,350
Impairment losses on non-financial assets, net of reversal		93,690	(44,706)
Loss from change in fair value of an investment property	11	(108,114)	–
Gain on re-measurement of an associate to acquisition date fair value in business combination achieved in stages	27	–	43,487
Net gain on disposal of subsidiaries	28	27,957	42,371
Share of results of associates		402,226	504,926
Share of results of joint ventures		69,951	(7,623)
Profit before taxation	7	4,648,362	5,086,580
Taxation	8	(1,517,992)	(2,013,946)
Profit for the period		3,130,370	3,072,634
Other comprehensive income item that will not be reclassified to profit or loss Fair value gain on equity instruments at fair value through other comprehensive income for the period (net of tax)		84,916	40,757
Total comprehensive income for the period		3,215,286	3,113,391
Profit for the period attributable to:			
Owners of the Company		2,095,812	2,057,571
Non-controlling interests		1,034,558	1,015,063
		3,130,370	3,072,634
Total comprehensive income attributable to:			
Owners of the Company		2,180,728	2,098,328
Non-controlling interests		1,034,558	1,015,063
		3,215,286	3,113,391
Earnings per share	10		
Basic		RMB0.65	RMB0.67
Diluted		RMB0.65	RMB0.67

# Condensed Consolidated Statement of Financial Position

As at 30 June 2020

	Notes	As at 30 June 2020 RMB'000 (Unaudited)	As at 31 December 2019 RMB'000 (Audited)
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	11	11,256,942	9,817,931
Right-of-use assets	11	1,004,293	1,038,724
Investment properties	11	3,749,194	4,032,818
Goodwill		769,241	769,241
Interests in associates		12,370,366	12,084,907
Interests in joint ventures		4,358,979	3,869,730
Equity instruments at fair value through other comprehensive income		1,943,740	1,511,985
Deferred tax assets		2,967,211	3,238,893
		<b>38,419,966</b>	36,364,229
<b>CURRENT ASSETS</b>			
Properties for development	12	29,186,326	30,907,247
Properties under development	13	155,054,629	136,615,966
Completed properties for sale		11,391,095	12,167,498
Inventories		283,483	203,711
Trade and other receivables, deposits and prepayments	14	15,101,371	11,312,810
Contract assets	15	3,100,503	2,815,007
Contract costs		329,680	336,467
Amounts due from related parties		51,016,254	46,378,836
Prepaid income taxes		3,553,376	3,559,887
Prepaid other taxes		5,013,600	4,440,223
Pledged bank deposits	30	6,276,370	5,326,761
Bank balances and cash		56,572,693	46,567,729
		<b>336,879,380</b>	300,632,142
Assets classified as held for sale	16	285,364	95,747
		<b>337,164,744</b>	300,727,889
<b>CURRENT LIABILITIES</b>			
Trade and other payables	18	40,420,088	43,453,333
Contract liabilities		88,121,385	76,324,981
Amounts due to related parties		39,267,025	28,653,456
Dividend payable	9	748,176	–
Income taxes payable		7,077,248	10,473,519
Other taxes payable		9,056,525	8,420,517
Lease liabilities		13,017	27,397
Bank and other borrowings	19	16,806,229	13,950,984
Senior notes	20	7,884,638	7,712,382
Corporate debt instruments	21	10,091,057	11,643,848
Receipts under securitisation arrangements	22	6,175	1,633,966
		<b>219,491,563</b>	202,294,383

## Condensed Consolidated Statement of Financial Position

As at 30 June 2020

	Notes	As at 30 June 2020 RMB'000 (Unaudited)	As at 31 December 2019 RMB'000 (Audited)
Liabilities associated with assets classified as held for sale	16	86,003	70,409
		<b>219,577,566</b>	202,364,792
<b>NET CURRENT ASSETS</b>		<b>117,587,178</b>	98,363,097
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<b>156,007,144</b>	134,727,326
<b>NON-CURRENT LIABILITIES</b>			
Bank and other borrowings	19	57,292,509	45,642,189
Corporate debt instruments	21	17,880,096	14,993,416
Receipts under securitisation arrangements	22	1,890,899	–
Lease liabilities		102,175	89,038
Deferred tax liabilities		4,718,039	4,847,211
		<b>81,883,718</b>	65,571,854
		<b>74,123,426</b>	69,155,472
<b>CAPITAL AND RESERVES</b>			
Share capital	23	239,242	209,694
Reserves		31,020,481	27,434,904
Equity attributable to owners of the Company		<b>31,259,723</b>	27,644,598
Perpetual securities	24	22,635,164	21,229,002
Non-controlling interests		20,228,539	20,281,872
		<b>74,123,426</b>	69,155,472

The condensed consolidated financial statements on pages 34 to 74 were approved and authorised for issue by the Board of Directors on 27 August 2020 and are signed on its behalf by:

ZHANG Yadong  
DIRECTOR

GENG Zhongqiang  
DIRECTOR

# Condensed Consolidated Statement of Changes in Equity

For the six months ended 30 June 2020

	Attributable to owners of the Company									Non-controlling interests	Total	
	Share capital	Treasury Shares	Share premium	Special reserve	Statutory reserve	Share option reserve	Revaluation reserve	Retained earnings	Subtotal			Perpetual securities
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
At 1 January 2019 (audited)	209,501	-	8,565,385	(1,818,272)	1,946,114	343,295	688,159	17,640,228	27,574,410	15,408,315	17,136,115	60,118,840
Profit for the period	-	-	-	-	-	-	-	2,057,571	2,057,571	-	1,015,063	3,072,634
Other comprehensive income for the period	-	-	-	-	-	-	40,757	-	40,757	-	-	40,757
Total comprehensive income for the period	-	-	-	-	-	-	40,757	2,057,571	2,098,328	-	1,015,063	3,113,391
Dividends recognised as distributions (note 9)	-	-	-	-	-	-	-	(499,312)	(499,312)	-	-	(499,312)
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	-	-	-	(188,753)	(188,753)
Transfer	-	-	-	-	100,472	-	-	(100,472)	-	-	-	-
Issue of perpetual securities	-	-	-	-	-	-	-	-	-	8,412,002	-	8,412,002
Redemption of perpetual securities	-	-	-	-	-	-	-	-	-	(6,082,347)	-	(6,082,347)
Transfer on redemption of perpetual securities	-	-	-	-	-	-	-	(475,581)	(475,581)	475,581	-	-
Recognition of share-based incentive	-	-	-	-	-	1,751	-	-	1,751	-	-	1,751
Recognition of equity-settled share-based payments	-	-	-	-	-	28,919	-	-	28,919	-	-	28,919
Exercise of share options	193	-	12,712	-	-	(3,775)	-	-	9,130	-	-	9,130
Interest in perpetual securities recognised as distribution	-	-	-	-	-	-	-	(835,986)	(835,986)	835,986	-	-
Interest in perpetual securities paid	-	-	-	-	-	-	-	-	-	(477,971)	-	(477,971)
Acquisition of subsidiaries (note 27)	-	-	-	-	-	-	-	-	-	-	2,672	2,672
Purchase of additional interest in subsidiaries	-	-	-	(28,609)	-	-	-	-	(28,609)	-	(68,958)	(97,567)
Partial disposal of interest in subsidiaries without loss of control	-	-	-	31,903	-	-	-	-	31,903	-	(3,773)	28,130
Disposal of subsidiaries	-	-	-	-	-	-	-	-	-	-	(26,988)	(26,988)
Liquidation of subsidiaries	-	-	-	-	-	-	-	-	-	-	(21,565)	(21,565)
Shares repurchased (note 26)	-	(37,852)	-	-	-	-	-	-	(37,852)	-	-	(37,852)
Capital contribution from non-controlling shareholders of subsidiaries	-	-	-	-	-	-	-	-	-	-	1,160,377	1,160,377
At 30 June 2019 (unaudited)	209,694	(37,852)	8,578,097	(1,814,978)	2,046,586	370,190	728,916	17,786,448	27,867,101	18,571,566	19,004,190	65,442,857

## Condensed Consolidated Statement of Changes in Equity

For the six months ended 30 June 2020

	Attributable to owners of the Company										Non-controlling interests	Total
	Share capital	Treasury Shares	Share premium	Special reserve	Statutory reserve	Share option reserve	Revaluation reserve	Retained earnings	Subtotal	Perpetual securities		
	RMB'000	RMB'000	RMB'000	RMB'000 (i)	RMB'000 (ii)	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000		
At 1 January 2020 (audited)	209,694	(37,852)	8,578,098	(1,901,327)	2,197,467	398,043	944,911	17,255,564	27,644,598	21,229,002	20,281,872	69,155,472
Profit for the period	-	-	-	-	-	-	-	2,095,812	2,095,812	-	1,034,558	3,130,370
Other comprehensive income for the period	-	-	-	-	-	-	84,916	-	84,916	-	-	84,916
Total comprehensive income for the period	-	-	-	-	-	-	84,916	2,095,812	2,180,728	-	1,034,558	3,215,286
Dividends recognised as distributions (note 9)	-	-	-	-	-	-	-	(748,176)	(748,176)	-	-	(748,176)
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	-	-	-	(1,118,433)	(1,118,433)
Transfer	-	-	-	-	148,375	-	-	(148,375)	-	-	-	-
Issue of perpetual securities	-	-	-	-	-	-	-	-	-	1,493,850	-	1,493,850
Share issued (note 23)	29,548	-	2,777,732	-	-	-	-	-	2,807,280	-	-	2,807,280
Recognition of share-based incentive	-	-	-	-	-	12,690	-	-	12,690	-	-	12,690
Recognition of equity-settled share-based payments	-	-	-	-	-	7,865	-	-	7,865	-	-	7,865
Exercise of share award	-	18,383	-	-	-	(18,383)	-	-	-	-	-	-
Interest in perpetual securities recognised as distribution	-	-	-	-	-	-	-	(646,240)	(646,240)	646,240	-	-
Interest in perpetual securities paid	-	-	-	-	-	-	-	-	-	(733,928)	-	(733,928)
Acquisition of subsidiaries (note 27)	-	-	-	-	-	-	-	-	-	-	48,380	48,380
Purchase of additional interest in subsidiaries	-	-	-	(1,672)	-	-	-	-	(1,672)	-	(93,462)	(95,134)
Partial disposal of interest in subsidiaries without loss of control	-	-	-	2,650	-	-	-	-	2,650	-	79,246	81,896
Disposal of subsidiaries (note 28)	-	-	-	-	-	-	-	-	-	-	(463,139)	(463,139)
Liquidation of subsidiaries	-	-	-	-	-	-	-	-	-	-	(39,559)	(39,559)
Disposal of equity instruments at fair value through other comprehensive income	-	-	-	-	-	-	(12,001)	12,001	-	-	-	-
Capital contribution from non-controlling shareholders of subsidiaries	-	-	-	-	-	-	-	-	-	-	499,076	499,076
At 30 June 2020 (unaudited)	239,242	(19,469)	11,355,830	(1,900,349)	2,345,842	400,215	1,017,826	17,820,586	31,259,723	22,635,164	20,228,539	74,123,426

Notes:

- (i) Special reserve mainly represents changes in equity attributable to owners' of the Company risen from partial acquisition or disposal of subsidiaries without losing control over those subsidiaries by the Group. The changes are calculated based on the difference between the amount by which non-controlling interests are adjusted and the fair value of the consideration paid or received for the partial acquisition or disposal.
- (ii) The statutory reserve is non-distributable and the transfer to this reserve is determined by the board of directors of the relevant companies in accordance with the relevant laws and regulations of the People's Republic of China ("the PRC"). This reserve can be used to offset accumulated losses and increase capital upon approval from the relevant authorities.

# Condensed Consolidated Statement of Cash Flows

For the six months ended 30 June 2020

	Notes	Six months ended 30 June	
		2020 RMB'000 (Unaudited)	2019 RMB'000 (Unaudited)
Operating cash flows before movements in working capital		4,626,428	4,805,305
Decrease in properties for development		2,577,443	4,829,308
Increase in properties under development		(20,034,495)	(21,640,397)
Decrease in completed properties for sale		870,093	2,077,325
Increase in contract liabilities		12,169,755	12,565,475
Income taxes paid		(4,820,404)	(3,306,115)
Other operating cash flows		(2,733,502)	2,144,058
Net cash (used in) from operating activities		(7,344,682)	1,474,959
Net cash used in investing activities			
Purchase of property, plant and equipment		(254,335)	(217,136)
Purchase of investment property		–	(38,832)
Proceeds from disposal of property, plant and equipment		12,059	4,236
Investments in associates		(321,385)	(1,348,120)
Investments in joint ventures		(268,694)	(704,724)
Disinvestments in associates		36,000	126,990
Disinvestments in joint ventures		882,253	296
Dividends received from associates and joint ventures		534,369	47,036
Dividends received from equity instruments at fair value through other comprehensive income		56,000	19,939
Purchase of equity instruments at fair value through other comprehensive income		(579,710)	–
Proceeds from disposal of equity instruments at fair value through other comprehensive income		128,000	12,791
Proceeds from disposal of interests in associates		19,500	9,034
Consideration received for disposal of subsidiaries recognised in prior year		2,726	12,000
Acquisition of subsidiaries (net of cash and cash equivalents acquired)	27	(281,578)	158,262
Disposal of subsidiaries (net of cash and cash equivalents disposed)	28	(471,388)	(755,415)
Acquisition of associates and joint ventures		(1,172,953)	–
Advance to third parties		(3,138,759)	(1,586,027)
Advance to related parties		(19,479,041)	(11,376,626)
Repayment from related parties		15,123,765	9,956,366
(Increase) decrease in pledged bank deposits		(949,609)	3,323,448
Interest received		1,336,021	773,068
Receipt in advance for an asset classified as held for sale		192,181	–
		(8,594,578)	(1,583,414)

## Condensed Consolidated Statement of Cash Flows

For the six months ended 30 June 2020

	Six months ended 30 June	
	2020 RMB'000 (Unaudited)	2019 RMB'000 (Unaudited)
Net cash from financing activities		
Bank and other borrowings raised	32,975,601	17,425,566
Repayment of bank and other borrowings	(17,186,219)	(7,753,177)
Repayments of leases liabilities	(24,107)	(31,314)
Interest paid	(3,826,411)	(3,274,026)
Advance from related parties	18,482,749	8,384,266
Repayment to related parties	(7,144,926)	(10,509,669)
Repayment to third parties	(2,176,237)	–
Contribution by non-controlling shareholders of subsidiaries	652,076	1,160,377
Dividends paid to non-controlling interests	(1,118,433)	(188,753)
Repayment of non-controlling shareholders capital contribution upon liquidation of subsidiaries	(39,559)	(21,565)
Proceeds from issue of perpetual securities	1,493,850	8,412,002
Redemption of perpetual securities	–	(6,082,347)
Distribution relating to perpetual securities	(733,928)	(477,971)
Proceeds from issue of corporate debt instruments	5,912,226	496,113
Repayment of corporate debt instruments	(4,547,000)	(4,000,000)
Proceeds from issue of receipts under securitisation arrangements	1,990,667	–
Repayment of receipts under securitisation arrangements	(1,600,000)	–
Proceeds from exercise of share options	–	9,130
Payment on repurchase of shares	–	(37,852)
Purchase of additional interests in subsidiaries	(95,134)	(97,567)
Proceeds from partial disposal of subsidiaries	81,896	28,130
Proceeds from issue of shares	2,807,280	–
	<b>25,904,391</b>	3,441,343
Net increase in cash and cash equivalents	9,965,131	3,332,888
Cash and cash equivalents at 1 January	46,567,729	43,347,301
Effect of foreign exchange rate changes	39,833	3,846
Cash and cash equivalents at 30 June, represented by bank balances and cash	<b>56,572,693</b>	46,684,035

# Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2020

## 1. BASIS OF PREPARATION

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

## 2. PRINCIPAL ACCOUNTING POLICIES

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

Other than additional accounting policies resulting from application of amendments to International Financial Reporting Standards (“IFRSs”), the accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended 30 June 2020 are the same as those presented in the Group’s consolidated financial statements for the year ended 31 December 2019.

### Application of amendments to IFRSs

In the current interim period, the Group has applied the Amendments to Reference to the Conceptual Framework in IFRS Standards and the following amendments to IFRSs issued by the IASB, for the first time, which are mandatorily effective for the annual period beginning on or after 1 January 2020 for the preparation of the Group’s condensed consolidated financial statements:

Amendments to IAS 1 and IAS 8	Definition of Material
Amendments to IFRS 3	Definition of business
Amendments to IFRS 9, IAS 39 and IFRS 7	Interest Rate Benchmark Reform

The application of the Amendments to References to the Conceptual Framework in IFRS Standards and the amendments to IFRSs in the current interim period has no material impact on the Group’s financial positions and performance for the current and prior periods and on the disclosures set out in these condensed consolidation financial statements.

For the six months ended 30 June 2020

## 3. REVENUE AND SEGMENT INFORMATION

## A. Disaggregation of revenue from contracts with customers

For the six months ended 30 June 2020							
	Property sales RMB'000	Hotel operations RMB'000	Project management RMB'000	Design and decoration RMB'000	Sales of construction materials RMB'000	Other business RMB'000	Total RMB'000
Recognised at a point in time	15,230,233	–	–	–	42,928	–	15,273,161
Recognised over time	5,483,318	213,086	797,007	1,072,659	–	990,459	8,556,529
<b>Revenue from contracts with customers</b>	<b>20,713,551</b>	<b>213,086</b>	<b>797,007</b>	<b>1,072,659</b>	<b>42,928</b>	<b>990,459</b>	<b>23,829,690</b>

For the six months ended 30 June 2019							
	Property sales RMB'000	Hotel operations RMB'000	Project management RMB'000	Design and decoration RMB'000	Sales of construction materials RMB'000	Other business RMB'000	Total RMB'000
Recognised at a point in time	8,918,342	–	–	–	33,339	–	8,951,681
Recognised over time	6,971,025	393,480	989,551	1,157,621	–	111,815	9,623,492
<b>Revenue from contracts with customers</b>	<b>15,889,367</b>	<b>393,480</b>	<b>989,551</b>	<b>1,157,621</b>	<b>33,339</b>	<b>111,815</b>	<b>18,575,173</b>

For the six months ended 30 June 2020

## 3. REVENUE AND SEGMENT INFORMATION (continued)

**A. Disaggregation of revenue from contracts with customers (continued)**

Set out below is the reconciliation of the revenue from contracts with customers with the amounts disclosed in the segment information.

	For the six months ended 30 June 2020					
	Property development RMB'000	Hotel operations RMB'000	Property investment RMB'000	Project management RMB'000	Others RMB'000	Total RMB'000
<b>Revenue disclosed in segment information</b>						
External customers	20,713,551	213,086	66,518	797,007	2,106,046	23,896,208
Inter-segment	-	176	7,645	151,317	758,726	917,864
	20,713,551	213,262	74,163	948,324	2,864,772	24,814,072
Adjustment for property rental income	-	-	(66,518)	-	-	(66,518)
Eliminations	-	(176)	(7,645)	(151,317)	(758,726)	(917,864)
<b>Revenue from contracts with customers</b>	20,713,551	213,086	-	797,007	2,106,046	23,829,690

	For the six months ended 30 June 2019					
	Property development RMB'000	Hotel operations RMB'000	Property investment RMB'000	Project management RMB'000	Others RMB'000	Total RMB'000
<b>Revenue disclosed in segment information</b>						
External customers	15,889,367	393,480	82,942	989,551	1,302,775	18,658,115
Inter-segment	-	805	-	86,281	562,526	649,612
	15,889,367	394,285	82,942	1,075,832	1,865,301	19,307,727
Adjustment for property rental income	-	-	(82,942)	-	-	(82,942)
Eliminations	-	(805)	-	(86,281)	(562,526)	(649,612)
<b>Revenue from contracts with customers</b>	15,889,367	393,480	-	989,551	1,302,775	18,575,173

For the six months ended 30 June 2020

## 3. REVENUE AND SEGMENT INFORMATION (continued)

## B. Segment information

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

	Property development RMB'000	Hotel operations RMB'000	Property investment RMB'000	Project management RMB'000	Others RMB'000	Segment total RMB'000	Eliminations RMB'000	Total RMB'000
For the six months ended 30 June 2020								
Revenue from contracts with customers	20,713,551	213,086	-	797,007	2,106,046	23,829,690	-	23,829,690
Rental income	-	-	66,518	-	-	66,518	-	66,518
Total external segment revenue	20,713,551	213,086	66,518	797,007	2,106,046	23,896,208	-	23,896,208
Inter-segment revenue	-	176	7,645	151,317	758,726	917,864	(917,864)	-
Total	20,713,551	213,262	74,163	948,324	2,864,772	24,814,072	(917,864)	23,896,208
Segment results	3,007,377	(26,572)	(40,309)	183,126	97,117	3,220,739	(176)	3,220,563
Unallocated administrative expenses								(22,448)
Unallocated other income								9,818
Unallocated finance costs								(9,799)
Unallocated taxation								(67,764)
Profit for the period								3,130,370
	Property development RMB'000	Hotel operations RMB'000	Property investment RMB'000	Project management RMB'000	Others RMB'000	Segment total RMB'000	Eliminations RMB'000	Total RMB'000
For the six months ended 30 June 2019								
Revenue from contracts with customers	15,889,367	393,480	-	989,551	1,302,775	18,575,173	-	18,575,173
Rental income	-	-	82,942	-	-	82,942	-	82,942
Total external segment revenue	15,889,367	393,480	82,942	989,551	1,302,775	18,658,115	-	18,658,115
Inter-segment revenue	-	805	-	86,281	562,526	649,612	(649,612)	-
Total	15,889,367	394,285	82,942	1,075,832	1,865,301	19,307,727	(649,612)	18,658,115
Segment results	2,856,835	43,926	45,417	220,910	23,602	3,190,690	-	3,190,690
Unallocated administrative expenses								(65,846)
Unallocated other income								19,878
Unallocated finance costs								(11,739)
Unallocated taxation								(60,349)
Profit for the period								3,072,634

For the six months ended 30 June 2020

## 3. REVENUE AND SEGMENT INFORMATION (continued)

**B. Segment information (continued)**

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

**Segment assets**

	As at 30 June 2020 RMB'000	As at 31 December 2019 RMB'000
Property development	345,881,636	311,117,245
Hotel operations	9,980,647	8,922,880
Property investment	4,040,238	4,183,051
Project management	3,352,590	3,164,715
Others	10,102,781	8,225,251
Total segment assets	373,357,892	335,613,142
Unallocated	2,226,818	1,478,976
Consolidated assets	375,584,710	337,092,118

**Segment liabilities**

	As at 30 June 2020 RMB'000	As at 31 December 2019 RMB'000
Property development	288,824,379	257,604,573
Hotel operations	187,120	251,621
Property investment	1,048,803	1,077,581
Project management	1,523,077	1,355,663
Others	8,212,087	6,733,581
Total segment liabilities	299,795,466	267,023,019
Unallocated	1,665,818	913,627
Consolidated liabilities	301,461,284	267,936,646

For the six months ended 30 June 2020

## 4. OTHER INCOME

	Six months ended 30 June	
	2020 RMB'000	2019 RMB'000
Interest income	1,299,892	742,855
Comprehensive service income	86,185	6,088
Dividends from equity instruments at fair value through other comprehensive income ("FVTOCI")	56,000	17,740
Default penalty income	–	460,651
Others	115,173	135,127
	<b>1,557,250</b>	<b>1,362,461</b>

## 5. OTHER GAINS AND LOSSES

	Six months ended 30 June	
	2020 RMB'000	2019 RMB'000
Net foreign exchange losses	(265,899)	(59,738)
Gain on acquisition of associates and joint ventures at discount (note)	324,414	1,915
Gain on disposal of an associates	–	478
Gain on disposal of property, plant and equipment	209	264
	<b>58,724</b>	<b>(57,081)</b>

Note: The gain on acquisition of associates and joint ventures at discount are from the acquisition of Shanghai Zhonghan Real Estate Co., Ltd. ("Shanghai Zhonghan"), Shenyang Shenbei Jingu Real Estate Co., Ltd. ("Shenyang Shenbei Jingu"), Shenyang Xinhua Pearl Real Estate Co., Ltd. ("Shenyang Xinhua Pearl"), Nantong Qiyang Construction Development Co., Ltd. ("Nantong Qiyang"), Nantong Qixin Real Estate Co., Ltd. ("Nantong Qixin") and Nantong Xinhua Real Estate Co., Ltd. ("Nantong Xinhua").

During the interim period, the Group acquired 35% equity interests in Shanghai Zhonghan, acquired 100% equity interests in Zhejiang Qifeng Industrial Co., Ltd., which is an investment holding company and directly holds 35% of the equity interests in Shenyang Shenbei Jingu and Shenyang Xinhua Pearl, acquired 100% equity interest in Zhejiang Qizhi Industrial Co., Ltd., which is an investment holding company and directly holds 50% of the equity interests in Nantong Qiyang and Nantong Qixin, and acquired 50% of the equity interests in Nantong Xinhua for a consideration of RMB517,373,000, RMB186,314,000, RMB397,719,000 and RMB71,547,000 respectively.

The Group recognised the gain on acquisition of associates and joint ventures at discount of RMB183,677,000, RMB62,517,000, RMB62,268,000 and RMB15,952,000 respectively. After the acquisitions, Shanghai Zhonghan, Shenyang Shenbei Jingu, Shenyang Xinhua Pearl, Nantong Qiyang, Nantong Qixin and Nantong Xinhua were classified as associates and joint ventures using equity method of the Group. Details of the transaction set out above are disclosed in the Company's announcement dated 19 April 2020 and 24 April 2020.

For the six months ended 30 June 2020

## 6. FINANCE COSTS

	Six months ended 30 June	
	2020 RMB'000	2019 RMB'000
Interest on bank and other borrowings, senior notes, corporate debt instruments and receipts under securitisation arrangements	3,826,222	2,981,557
Interest on leases	2,728	4,272
Total borrowing costs	3,828,950	2,985,829
Less: Interest capitalised in properties under development and construction in progress	(2,576,590)	(2,184,939)
	1,252,360	800,890

## 7. PROFIT BEFORE TAXATION

	Six months ended 30 June	
	2020 RMB'000	2019 RMB'000
Profit before taxation has been arrived at after charging:		
Salaries and other benefits	1,132,815	1,030,551
Retirement benefits scheme contributions (note)	20,864	68,729
Less: Capitalised in properties under development	(384,987)	(351,978)
	768,692	747,302
Depreciation of property, plant and equipment	247,877	256,939
Less: Capitalised in properties under development	(2,708)	(2,781)
	245,169	254,158
Cost of properties and inventories recognised as an expense	17,407,416	12,537,566
Depreciation of right-of-use assets	45,041	67,806

Note: The government assistance have been implemented for the relief of the social insurance in respect of Covid-19. According to the notice issued by the Ministry of Social Affairs (2020) No.11, in order to minimize the impact of the Covid-19 on social and economic development, the government has reduced the social security fees for medium-sized enterprises from February to June 2020.

For the six months ended 30 June 2020

## 8. TAXATION

	Six months ended 30 June	
	2020 RMB'000	2019 RMB'000
Current tax:		
PRC Enterprise Income Tax ("EIT")	890,143	1,201,259
PRC Land Appreciation Tax ("LAT")	575,387	1,143,355
	<b>1,465,530</b>	2,344,614
Deferred tax:		
EIT	38,888	(52,684)
LAT	13,574	(277,984)
	<b>52,462</b>	(330,668)
	<b>1,517,992</b>	2,013,946

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.

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% or 15%. Greentown Decoration Project Group Co., Ltd., Zhejiang Greentown Lianhe Design Co., Ltd. and Greentown Project Management Group Co., Ltd. are high and new technology enterprises and the applicable income tax rate is 15% from year 2018 to 2020, year 2017 to 2019 and year 2019 to 2021 respectively.

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.

The Group recognised LAT based on management's best estimates and in accordance to the requirements set forth in the relevant PRC tax laws and regulations. For the six months ended 30 June 2020, the Group has estimated and made a provision for LAT in the amount of RMB588,961,000 (for the six months ended 30 June 2019: RMB865,371,000). 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.

## 9. DIVIDENDS

During the interim period, a final dividend of RMB0.30 per ordinary share, or RMB748,176,000 in total, for the year ended 31 December 2019 (for the six months ended 30 June 2019: RMB0.23 per ordinary share, or RMB499,312,000 in total, for the year ended 31 December 2018) was declared by the Board and approved by the shareholders at the annual general meeting. The final dividend was subsequently paid on 30 July 2020.

The Board has resolved not to declare any interim dividend for the six months ended 30 June 2020 (for the six months ended 30 June 2019: nil).

For the six months ended 30 June 2020

## 10. 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	
	2020 RMB'000	2019 RMB'000
Profit for the period attributable to the owners of the Company	2,095,812	2,057,571
Distribution related to perpetual securities	(646,240)	(594,351)
Earnings for the purpose of basic earnings per share	1,449,572	1,463,220
Earnings for the purpose of diluted earnings per share	1,449,572	1,463,220

### Number of shares

	Six months ended 30 June	
	2020 RMB'000	2019 RMB'000
Weighted average number of ordinary shares for the purpose of basic earnings per share	2,230,435,196	2,168,636,944
Effect of dilutive potential ordinary shares:		
Share options	960,438	1,027,563
Weighted average number of ordinary shares for the purpose of diluted earnings per share	2,231,395,634	2,169,664,507

The computation of diluted earnings per share for the six months ended 30 June 2020 and 30 June 2019 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 periods.

For the six months ended 30 June 2020

## 11. MOVEMENT IN PROPERTY, PLANT AND EQUIPMENT, RIGHT-OF-USE ASSETS AND INVESTMENT PROPERTIES

During the current interim period, the Group incurred additional expenditure on property, plant and equipment in the amount of RMB254,335,000 (for the six months ended 30 June 2019: RMB217,136,000).

During the current interim period, the Group entered into additional new lease agreements for office buildings and apartments. The Group is required to make fixed monthly payments. On lease commencement, the Group recognized RMB25,153,000 of right-of-use assets and RMB25,153,000 lease liabilities.

Details of the property, plant and equipment pledged to secure banking facilities granted to the Group are disclosed in note 30.

The Group's investment properties at the end of the current interim period were valued by the directors. The basis of determining the valuation methods, inputs and assumptions used in the condensed consolidated financial statements for the six months ended 30 June 2020 are the same as those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2019. The resulting decrease in fair value of investment properties of RMB108,114,000 (for the six months ended 30 June 2019: nil) has been recognised directly in profit or loss for the six months ended 30 June 2020. Except for the investment property classified as held for sale, the directors of the Company considered that there was no material change on the fair value of those investment properties. Please refer to note 16 for details.

## 12. PROPERTIES FOR DEVELOPMENT

Included in properties for development as at 30 June 2020 was an amount of RMB11,577,669,000 (as at 31 December 2019: RMB10,066,178,000) in respect of long-term leasehold land for which the Group was in the process of obtaining the land use rights certificates.

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

## 13. PROPERTIES UNDER DEVELOPMENT

	<b>As at 30 June 2020 RMB'000</b>	As at 31 December 2019 RMB'000
Long-term leasehold land – at cost	<b>99,872,771</b>	81,552,082
Development costs	<b>39,078,559</b>	40,506,043
Finance costs capitalised	<b>16,103,299</b>	14,557,841
	<b>155,054,629</b>	136,615,966

Properties under development for sale amounting to RMB111,833,791,000 (as at 31 December 2019: RMB108,238,953,000) are expected to be recovered after more than 12 months from the end of the interim period.

For the six months ended 30 June 2020

## 14. TRADE AND OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	As at 30 June 2020 RMB'000	As at 31 December 2019 RMB'000
Trade receivables	1,142,735	1,141,212
Less: allowance for credit losses	(89,398)	(75,566)
Trade receivables, net of allowance for credit losses	1,053,337	1,065,646
Other receivables, net of allowance for credit losses	7,133,145	6,850,336
Prepayments and deposits	6,846,889	3,326,102
Consideration receivables from disposal of subsidiaries	68,000	70,726
	<b>15,101,371</b>	11,312,810

The Group allows an average credit period of 90 days to trade customers. The aged analysis of trade receivables before impairment is stated as follows:

	As at 30 June 2020 RMB'000	As at 31 December 2019 RMB'000
Within 90 days	506,480	537,955
91–180 days	112,617	131,557
181–365 days	176,435	129,033
Over 365 days	347,203	342,667
Trade receivables	<b>1,142,735</b>	1,141,212

Details of the impairment assessment are set out in note 17.

## 15. CONTRACT ASSETS

	As at 30 June 2020 RMB'000	As at 31 December 2019 RMB'000
Design and decoration (note)	2,153,906	2,157,885
Project management (note)	388,548	299,394
Others	565,429	375,044
Less: allowance for credit losses	(7,380)	(17,316)
Contract assets, net of allowance for credit losses	<b>3,100,503</b>	2,815,007

Note: The contract assets primarily relate to the Group's right to consideration for work completed and not billed because the rights are conditioned on the Group's future performance in achieving specified milestones stipulated in the relevant contracts at the reporting date on design and decoration and project management service. The contract assets are transferred to trade receivables when the rights become unconditional. The Group typically transfer the contract assets to trade receivables when the relevant revenue is billed.

For the six months ended 30 June 2020

## 16. DISPOSAL GROUP CLASSIFIED AS HELD FOR SALE

On 30 September 2019, the directors of Greentown Management Holdings Company Limited, a wholly-owned subsidiary of the Company, resolved to dispose of Zhejiang Greentown Landscape Garden Project Co., Ltd. and Zhejiang Greentown Public City Garden Construction Co., Ltd. Negotiation with interested party have subsequently taken place. The assets and liabilities attributable to the business, which are expected to be sold within 12 months, have been classified as a disposal group held for sale and are separately presented in the condensed consolidated statement of financial position. The net proceeds of disposal are expected to exceed the net carrying amount of the relevant assets and liabilities and accordingly, no impairment loss has been recognised.

On 21 April 2020, the Group entered into a sales and purchase agreement to dispose of one investment property in Qingdao to an independent third party for a total cash consideration of RMB192,181,000. At 30 June 2020, the Group has fully received the consideration according to the sales and purchase agreement. The disposal has not been completed according to the agreement. As such, the investment property attributable to the Group that are expected to be sold within 12 months has been classified as held for sale asset and is separately presented in the condensed consolidated statement of financial position. The Group recognised a loss from change in fair value of an investment property of RMB108,114,000 according to the consideration compared with the carrying amount of the investment property.

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

	As at 30 June 2020 RMB'000	As at 31 December 2019 RMB'000
Property, plant and equipment	4,481	4,216
Deferred tax assets	–	774
Right-of-use assets	401	730
Inventories	4,837	4,761
Trade and other receivables deposits and prepayments	28,800	25,025
Investment properties	181,886	–
Amounts due from related parties	42,355	47,850
Contract assets	18,184	–
Bank balances and cash	4,420	12,391
<b>Assets classified as held for sale</b>	<b>285,364</b>	<b>95,747</b>
	As at 30 June 2020 RMB'000	As at 31 December 2019 RMB'000
Trade and other payables	79,275	60,258
Contract liabilities	482	482
Amounts due to related parties	–	8,762
Income taxes payable	–	140
Bank and other borrowings	6,000	–
Lease liabilities	246	767
<b>Liabilities associated with assets classified as held for sale</b>	<b>86,003</b>	<b>70,409</b>

For the six months ended 30 June 2020

## 17. IMPAIRMENT ASSESSMENT ON FINANCIAL ASSETS AND OTHER ITEMS SUBJECT TO EXPECTED CREDIT LOSS ("ECL") MODEL

	Six months ended 30 June	
	2020 RMB'000	2019 RMB'000
Impairment loss (reversed) recognised in respect of		
Contract assets	(9,936)	15,767
Trade receivables	13,832	(14,623)
Other receivables and amounts due from related parties	310,613	(146,494)
	<b>314,509</b>	(145,350)

The basis of determining the inputs and assumptions and the estimation techniques used in the condensed consolidated financial statements for the six months ended 30 June 2020 are the same as those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2019.

## 18. TRADE AND OTHER PAYABLES

	As at	As at
	30 June 2020 RMB'000	31 December 2019 RMB'000
Trade payables	29,156,425	31,182,085
Other payables and accrued expenses	10,910,291	12,174,941
Consideration payables on acquisition of subsidiaries and associates	161,191	96,307
Receipt in advance for an investment property held for sale (note 16)	192,181	–
	<b>40,420,088</b>	43,453,333

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

	As at	As at
	30 June 2020 RMB'000	31 December 2019 RMB'000
Within 180 days	20,480,415	24,376,904
181–365 days	6,225,469	4,524,362
Over 365 days	2,450,541	2,280,819
Trade payables	<b>29,156,425</b>	31,182,085

For the six months ended 30 June 2020

## 19. BANK AND OTHER BORROWINGS

	<b>As at 30 June 2020 RMB'000</b>	As at 31 December 2019 RMB'000
Secured bank loans	<b>48,971,774</b>	39,518,402
Unsecured bank loans	<b>21,998,745</b>	15,560,289
	<b>70,970,519</b>	55,078,691
Secured other loans	<b>2,145,566</b>	2,119,000
Unsecured other loans	<b>982,653</b>	2,395,482
	<b>3,128,219</b>	4,514,482
	<b>74,098,738</b>	59,593,173
The amount is repayable as follows:		
Amounts due within one year	<b>16,806,229</b>	13,950,984
Amounts due after one year	<b>57,292,509</b>	45,642,189
	<b>74,098,738</b>	59,593,173

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

	<b>As at 30 June 2020 RMB'000</b>	As at 31 December 2019 RMB'000
Secured bank loans, guaranteed by: Non-controlling shareholders of subsidiaries	<b>3,390,647</b>	2,857,153
Unsecured bank loans, guaranteed by: Non-controlling shareholders of subsidiaries	<b>1,807,778</b>	1,941,538

For the six months ended 30 June 2020

## 20. SENIOR NOTES

### 2015 USD Notes – Unsecured

The movement of 2015 USD notes during the interim period is set out below:

	RMB'000
At 1 January 2020	3,538,956
Exchange realignment	51,758
Interest charged during the interim period	127,645
Interest paid during the interim period	(102,472)
At 30 June 2020	3,615,887

The principal terms of 2015 USD Notes are disclosed in the Group's 2015 consolidated financial statements.

The 2015 USD Notes contain a liability component and an early redemption option:

- (i) Liability component represents the present value of the contractually determined stream of future cash flows discounted at the prevailing market interest rate at that time applicable to instruments of comparable credit status and providing substantially the same cash flows, on the same terms, but without the embedded derivatives.

The interest charged for the interim period is calculated by applying an effective interest rate of approximately 6.23% per annum to the liability component since the senior notes were issued.

- (ii) Early redemption option is regarded as an embedded derivative not closely related to the host contract. The directors consider that the fair value of the early redemption option is insignificant on 31 December 2019 and 30 June 2020.

On 11 August 2020, the Company redeemed 2015 USD Notes with an outstanding principal of USD500,000,000 (approximately RMB3,470,400,000) in full at face value and repaid all provided and interest.

For the six months ended 30 June 2020

## 20. SENIOR NOTES (continued)

### 2019 USD Notes – Unsecured

The movement of 2019 USD notes during the interim period is set out below:

	RMB'000
At 1 January 2020	4,173,426
Exchange realignment	61,791
Interest charged during the interim period	103,856
Interest paid during the interim period	(70,322)
At 30 June 2020	4,268,751

On 13 November 2019, the Company issued senior notes with an aggregate principal amount of USD600,000,000 at 100% of face value (the "2019 USD Notes"), which are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange"). The 2019 USD Notes carry interest at the rate of 4.55% per annum payable semi-annually in arrears. The net proceeds, after deduction of direct issuance costs, amounted to approximately USD597,960,000 (approximately RMB4,187,275,000). The 2019 USD Notes will mature on 10 November 2020.

The principal terms of 2019 USD Notes are disclosed in the Group's 2019 consolidated financial statements.

The 2019 USD Notes contain a liability component and an issuer's early redemption option:

- (i) Liability component represents the present value of the contractually determined stream of future cash flows discounted at the prevailing market interest rate at that time applicable to instruments of comparable credit status and providing substantially the same cash flows, on the same terms, but without the embedded derivatives.

The interest charged for the interim period is calculated by applying an effective interest rate of approximately 4.90% per annum to the liability component since the senior notes were issued.

- (ii) Early redemption option is regarded as an embedded derivative not closely related to the host contract. The directors consider that the fair value of the early redemption options is insignificant on 31 December 2019 and 30 June 2020.

The summary of movements of all senior notes during the interim period is set out below:

	RMB'000
At 1 January 2020	7,712,382
Exchange realignment	113,549
Interest charged during the interim period	231,501
Interest paid during the interim period	(172,794)
At 30 June 2020	7,884,638

For the six months ended 30 June 2020

## 21. CORPORATE DEBT INSTRUMENTS

The summary of movements of corporate debt instruments during the interim period is set out below:

	RMB'000
At 1 January 2020	26,637,264
Fair value at the date of issuance (note)	5,912,226
Interest charged during the interim period	742,363
Interest paid during the interim period	(773,700)
Principal repaid during the interim period upon maturity	(4,547,000)
At 30 June 2020	27,971,153
Less: Amounts due within one year shown under current liabilities	(3,610,832)
Amounts puttable within one year shown under current liabilities	(6,480,225)
Amounts shown under non-current liabilities	17,880,096

Note:

On 6 March 2020, Greentown Real Estate Group Co., Ltd. ("Greentown Real Estate") issued the first tranche of corporate bonds with an aggregate principal amount of RMB1,430,000,000 at 100% of face value (the "2020 First Bonds"). The 2020 First Bonds carry interest at the rate of 3.19% per annum payable annually in arrears. The net proceeds, after deduction of direct issuance costs, amounted to RMB1,423,085,000. The 2020 First Bonds will mature on 6 March 2025.

On 31 March 2020, Greentown Real Estate issued the second tranche of corporate bonds with an aggregate principal amount of RMB500,000,000 at 100% of face value (the "2020 Second Bonds"). The 2020 Second Bonds carry interest at the rate of 3.87% per annum payable annually in arrears. The net proceeds, after deduction of direct issuance costs, amounted to RMB498,041,000. The 2020 Second Bonds will mature on 31 March 2027.

On 31 March 2020, Greentown Real Estate issued the third tranche of corporate bonds with an aggregate principal amount of RMB1,000,000,000 at 100% of face value (the "2020 Third Bonds"). The 2020 Third Bonds carry interest at the rate of 3.26% per annum payable annually in arrears. The net proceeds, after deduction of direct issuance costs, amounted to RMB996,112,000. The 2020 Third Bonds will mature on 31 March 2025.

On 27 February 2020, Greentown Real Estate issued the medium-term notes with an aggregate principal amount of RMB1,500,000,000 at 100% of face value (the "2020 First Medium-term Notes"). The 2020 First Medium-term Notes carry interest at the rate of 3.30% per annum payable annually in arrears. The net proceeds, after deduction of direct issuance costs, amounted to RMB1,497,531,000. The 2020 First Medium-term Notes will mature on 27 February 2023.

On 27 February 2020, Greentown Real Estate issued the medium-term notes with an aggregate principal amount of RMB500,000,000 at 100% of face value (the "2020 Second Medium-term Notes"). The 2020 Second Medium-term Notes carry interest at the rate of 3.86% per annum payable annually in arrears. The net proceeds, after deduction of direct issuance costs, amounted to RMB499,174,000. The 2020 Second Medium-term Notes will mature on 27 February 2025.

On 16 March 2020, Greentown Real Estate issued the medium-term notes with an aggregate principal amount of RMB1,000,000,000 at 100% of face value (the "2020 Third Medium-term Notes"). The 2020 Third Medium-term Notes carry interest at the rate of 3.27% per annum payable annually in arrears. The net proceeds, after deduction of direct issuance costs, amounted to RMB998,283,000. The 2020 Third Medium-term Notes will mature on 16 March 2023.

Greentown Real Estate shall be entitled to adjust the coupon rate and the investors shall be entitled to sell back the 2020 First Bonds and the 2020 Third Bonds at the end of the third year, the 2020 Second Bonds at the end of the fifth year ("2020 Coupon Rate Adjustment Right").

For the six months ended 30 June 2020

## 21. CORPORATE DEBT INSTRUMENTS (continued)

Note: (continued)

The principal terms of the 2020 First Bonds, the 2020 Second Bonds and the 2020 Third Bonds (collectively, the “2020 Corporate Bonds”) are as follows:

- (i) the 2020 First Bonds and the 2020 Third Bonds have fixed interest rate in the first three years. At the end of the fixed interest rate period, Greentown Real Estate has the right to adjust the coupon rate of the remaining outstanding bonds. If Greentown Real Estate choose to exercise the 2020 Coupon Rate Adjustment Right, the new fixed coupon rate for the remaining two years will be the coupon rate of the first three years plus adjusting basis points;
- (ii) the investors of the 2020 First Bonds and the 2020 Third Bonds have option to sell back the bonds, in whole or in parts, at a redemption price equal to 100% of the principal amount of the bonds plus accrued and unpaid interest, if any, to (but not including) the redemption date when Greentown Real Estate issue the announcement concerning whether to adjust the coupon rate of the bonds at the end of the third year;
- (iii) the 2020 Second Bonds has fixed interest rate in the first five years. At the end of the fixed interest rate period, Greentown Real Estate has the right to adjust the coupon rate of the remaining outstanding bonds. If Greentown Real Estate choose to exercise the 2020 Coupon Rate Adjustment Right, the new fixed coupon rate for the remaining two years will be the coupon rate of the first five years plus adjusting basis points;
- (iv) the investors of the 2020 Second Bonds have option to sell back the bonds, in whole or in parts, at a redemption price equal to 100% of the principal amount of the bonds plus accrued and unpaid interest, if any, to (but not including) the redemption date when Greentown Real Estate issue the announcement concerning whether to adjust the coupon rate of the bonds at the end of the fifth year;

Further details of the 2020 Corporate Bonds are published on the website of the Shanghai Stock Exchange ([www.sse.com.cn](http://www.sse.com.cn)).

The 2020 Corporate Bonds contain a liability component and a written put option:

- (i) Liability component represents the present value of the contractually determined stream of future cash flows discounted at the prevailing market interest rate at that time applicable to instruments of comparable credit status and providing substantially the same cash flows, on the same terms.  
  
The interest charged for the interim period is calculated by applying an effective interest rate of approximately 3.36% per annum to the liability component since the corporate bonds were issued.
- (ii) Written put option is regarded as an embedded derivative closely related to the economic characteristics and risks of the host contract, therefore, the written put option is not separated from the liability component.

As at 30 June 2020, the Group has had no plan nor intention to exercise the 2020 Coupon Rate Adjustment Right of the corporate bonds, therefore the interest expense for the interim period were calculated using the original coupon rates of the 2020 Corporate Bonds.

## 22. RECEIPTS UNDER SECURITISATION ARRANGEMENTS

The movements of receipts under securitisation arrangements during the interim period are set out below:

	RMB'000
At 1 January 2020	1,633,966
Fair value at the dates of issuance (note)	1,890,667
Interest charged during the interim period	12,441
Interest paid during the interim period	(40,000)
Repaid during the interim period	(1,600,000)
At 30 June 2020	1,897,074

Note: On 17 June 2020, Greentown Real Estate issued receipts under securitisation arrangements (the “2020 Receipts Under Securitisation Arrangements”) with an aggregate principal amount of RMB2,000,000,000 at 100% of face value comprising (i) RMB1,900,000,000 with a term of fixed annual coupon rate of 3.90% and provide distribution semi-annually (the “2020 Senior Tranche Securities”), and (ii) RMB100,000,000 with a term of no annual coupon rate (the “2020 Junior Tranche Securities”). The Greentown Real Estate purchased all the 2020 Junior Tranche Securities. The 2020 Receipts Under Securitisation Arrangements are listed on the Shenzhen Stock Exchange. The net proceeds of the 2020 Receipts Under Securitisation Arrangements, after deduction of direct issuance costs, amounted to RMB1,990,667,000. Both Senior Tranche Securities and Junior Tranche Securities will mature on 16 June 2023.

The receipts under securitisation arrangements are assets backed securitisation collateralised by certain future trade receivables for the remaining receipts from sales of properties.

For the six months ended 30 June 2020

## 23. SHARE CAPITAL

	Number of shares	Share capital HKD'000
<i>Authorised</i>		
Ordinary shares of HKD0.10 each At 1 January 2020 and 30 June 2020	10,000,000,000	1,000,000
<i>Issued and fully paid</i>		
Ordinary shares of HKD0.10 each As at 1 January 2020	2,170,920,190	217,092
Share issued (note)	323,000,000	32,300
As at 30 June 2020	2,493,920,190	249,392

Note: On 26 April 2020, the Company entered into a subscription agreement with Hong Kong Xinhua Investment Co., Limited ("Hong Kong Xinhua Investment"), a company incorporated under the laws of Hong Kong with limited liability and a wholly-owned subsidiary of Xinhua Zhongbao Co., Ltd., pursuant to which the Company has conditionally agreed to allot and issue, and Hong Kong Xinhua Investment has conditionally agreed to subscribe for, a total of 323,000,000 shares to be allotted and issued by the Company. The shares has been allotted, issued and fully paid on 26 May 2020 at HKD 9.5 per share, amounting to RMB2,807,280,000.

	RMB'000
Shown on the condensed consolidated statement of financial position As at 31 December 2019	209,694
As at 30 June 2020	239,242

## 24. PERPETUAL SECURITIES

**2017 USD Perpetual Securities**

On 19 July 2017, Wisdom Glory Group Limited ("Wisdom Glory"), a wholly-owned subsidiary of the Company, issued USD denominated guaranteed senior perpetual capital securities (the "2017 USD Perpetual Securities") with an aggregate principal amount of USD450,000,000. The Company has agreed to guarantee the due payment of all sums expressed to be payable by Wisdom Glory under the 2017 USD Perpetual Securities.

The principal terms of the 2017 USD Perpetual Securities are disclosed in the Group's 2017 consolidated financial statements.

**2018 USD Perpetual Securities**

On 28 December 2018, Twinkle Lights Holdings Limited ("Twinkle Lights"), a wholly-owned subsidiary of the Company, issued USD denominated guaranteed senior perpetual capital securities (the "2018 USD Perpetual Securities") with an aggregate principal amount of USD500,000,000. The 2018 USD Perpetual Securities are unlisted, guaranteed by the Company, and also benefit from a keepwell deed and deed of equity interest purchase undertaking provided by CCCG.

The principal terms of the 2018 USD Perpetual Securities are disclosed in the Group's 2018 consolidated financial statements.

For the six months ended 30 June 2020

## 24. PERPETUAL SECURITIES (continued)

### **2018 First Domestic Perpetual Securities**

On 26 October 2018, Greentown Real Estate issued listed and unsecured domestic perpetual securities (the “2018 First Domestic Perpetual Securities”) with an aggregate principal amount of RMB1,400,000,000.

The principal terms of the 2018 First Domestic Perpetual Securities are disclosed in the Group’s 2018 consolidated financial statements.

### **2018 Second Domestic Perpetual Securities**

On 3 December 2018, Greentown Real Estate issued listed and unsecured domestic perpetual securities (the “2018 Second Domestic Perpetual Securities”) with an aggregate principal amount of RMB2,000,000,000.

The principal terms of the 2018 Second Domestic Perpetual Securities are disclosed in the Group’s 2018 consolidated financial statements.

### **2019 First USD Perpetual Securities**

On 8 February 2019, Champion Sincerity Holdings Limited (“Champion Sincerity”), a wholly-owned subsidiary of the Company, issued USD denominated guaranteed senior perpetual capital securities (the “2019 First USD Perpetual Securities”) with an aggregate principal amount of USD400,000,000. The Company has agreed to guarantee on a subordinated basis the due payment of all sums expressed to be payable by Champion Sincerity under the 2019 First USD Perpetual Securities.

The principal terms of the 2019 First USD Perpetual Securities are disclosed in the Group’s 2019 consolidated financial statements.

### **2019 Second USD Perpetual Securities**

On 8 February 2019, Champion Sincerity issued USD denominated guaranteed senior perpetual capital securities (the “2019 Second USD Perpetual Securities”) with an aggregate principal amount of USD100,000,000. The Company has agreed to guarantee on a subordinated basis the due payment of all sums expressed to be payable by Champion Sincerity under the 2019 Second USD Perpetual Securities.

The principal terms of the 2019 Second USD Perpetual Securities are disclosed in the Group’s 2019 consolidated financial statements.

### **2019 First Domestic Perpetual Securities**

On 29 January 2019, Greentown Real Estate issued listed and unsecured domestic perpetual securities (the “2019 First Domestic Perpetual Securities”) with an aggregate principal amount of RMB2,000,000,000.

The principal terms of the 2019 First Domestic Perpetual Securities are disclosed in the Group’s 2019 consolidated financial statements.

For the six months ended 30 June 2020

## 24. PERPETUAL SECURITIES (continued)

### **2019 Second Domestic Perpetual Securities**

On 24 April 2019, Greentown Real Estate issued listed and unsecured domestic perpetual securities (the “2019 Second Domestic Perpetual Securities”) with an aggregate principal amount of RMB2,600,000,000.

The principal terms of the 2019 Second Domestic Perpetual Securities are disclosed in the Group’s 2019 consolidated financial statements.

### **2019 Third Domestic Perpetual Securities**

On 19 June 2019 and 30 August 2019, Greentown Real Estate issued unlisted and unsecured domestic perpetual securities with an aggregate principal amount of RMB500,000,000 and RMB1,500,000,000 respectively (collectively the “2019 Third Domestic Perpetual Securities”).

The principal terms of the 2019 Third Domestic Perpetual Securities are disclosed in the Group’s 2019 consolidated financial statements.

### **2019 Fourth Domestic Perpetual Securities**

On 26 December 2019, Tianjin CCCG Greentown Urban Construction Development Co., Ltd. (“Tianjin CCCG Greentown”) issued unlisted and unsecured domestic perpetual securities (the “2019 Fourth Domestic Perpetual Securities”) with an aggregate principal amount of RMB1,014,326,000.

The principal terms of the 2019 Fourth Domestic Perpetual Securities are disclosed in the Group’s 2019 consolidated financial statements.

### **2020 First Domestic Perpetual Securities**

On 28 April 2020, Greentown Real Estate issued listed and unsecured domestic perpetual securities (the “2020 First Domestic Perpetual Securities”) with an aggregate principal amount of RMB1,500,000,000.

Under the terms and conditions of the 2020 First Domestic Perpetual Securities (the “2020 First Domestic Perpetual Securities T&Cs”), the holders of the 2020 First Domestic Perpetual Securities have a right to receive distribution at the applicable distribution rate from 28 April 2020 annually in arrears. The distribution rate shall be (i) in respect of the period from, and including, 28 April 2020 to, but excluding, 28 April 2023, Initial Distribution Rate (as defined in the 2020 First Domestic Perpetual Securities T&Cs); and (ii) in respect of the periods from, and including, each Reset Date falling after 28 April 2020 to, but excluding, the immediately following Reset Date, the Relevant Reset Distribution Rate (as defined in the 2020 First Domestic Perpetual Securities T&Cs). A Reset Date is defined as each day falling every 3 calendar years after 28 April 2020.

Greentown Real Estate may at its sole discretion elect to defer any scheduled distribution to the next scheduled distribution payment date by giving prior written notice. Greentown Real Estate may further defer any arrears of distribution following the foregoing notice requirement and is not subject to any limits as to the number of times distributions and arrears of distribution can be deferred. Unless and until Greentown Real Estate satisfies in full all outstanding arrears of distribution and any additional distribution amount, Greentown Real Estate shall not declare or pay any dividends or reduce any share capital.

In the current interim period, the total interest in perpetual securities recognised as distribution is RMB646,240,000. The weighted average interest rate in perpetual securities is 6.49% as at 30 June 2020.

For the six months ended 30 June 2020

## 25. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS

### Fair value of the Group's financial assets and liabilities that are measured at fair value on a recurring basis

Some of the Group's financial assets and financial liabilities are measured at fair value at the end of each reporting period. The following table gives information about how the fair values of these financial assets and financial liabilities are determined (in particular, the valuation technique(s) and inputs used), as well as the level of the fair value hierarchy into which the fair value measurements are categorised (Levels 1 to 3) based on the degree to which the inputs to the fair value measurements is observable.

- Level 1 fair value measurements are quoted prices (unadjusted) in active market for identical assets or liabilities;
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Financial instrument	Fair value RMB'000	Fair value hierarchy	Valuation technique and key inputs	Significant unobservable inputs
Listed equity investment at FVTOCI	Assets: 1,158,285 (31 December 2019: Assets: 1,058,755)	Level 1	Quoted bid prices in an active market.	N/A
Unquoted equity investments at FVTOCI	Assets: 785,455 (31 December 2019: Assets: 453,230)	Level 3	Income approach – in this approach, the discounted cash flow method was used to capture the present value of the expected future economic benefits to be derived from the ownership of these investees.	Long-term pre-tax operating margin taking into account management's experience and knowledge of market conditions of the specific industries, ranging from 2.8-36.3 per cent (2019: 2.8-36.3 per cent).

For the six months ended 30 June 2020

## 25. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS (continued)

**Reconciliation of Level 3 fair value measurements of financial assets**

	Unquoted equity investments RMB'000
At 1 January 2019	545,520
Disposals	(12,791)
At 30 June 2019	532,729
At 1 January 2020	453,230
Purchases	479,710
Total losses in other comprehensive income	(19,485)
Disposals	(128,000)
At 30 June 2020	785,455

Except as detailed in the following table, the directors consider that the carrying amounts of financial assets and financial liabilities recorded at amortised cost in the condensed consolidated financial statements approximate their fair values:

	As at 30 June 2020		As at 31 December 2019	
	Carrying amount of liability component RMB'000	Fair value RMB'000	Carrying amount of liability component RMB'000	Fair value RMB'000
<b>Financial liabilities</b>				
Senior notes (Level 2)	7,776,880 <sup>1</sup>	7,794,494 <sup>2</sup>	7,632,119 <sup>1</sup>	7,719,263 <sup>2</sup>
Corporate debt instruments (Level 2)	27,297,724 <sup>1</sup>	28,246,583 <sup>2</sup>	25,905,349 <sup>1</sup>	26,343,132 <sup>2</sup>
Receipts under securitisation arrangements (Level 2)	1,890,899 <sup>1</sup>	1,900,000 <sup>2</sup>	1,598,530 <sup>1</sup>	1,600,000 <sup>2</sup>

1 The carrying amount of liability component represented the principle of the financial liability.

2 Based on quoted price.

There were no transfer into or out of Level 2 during both period.

For the six months ended 30 June 2020

## 26. SHARE-BASED PAYMENT TRANSACTIONS

### Share Option Scheme

The Company has share option schemes for eligible employees of the Group. Outstanding share options of 67,750,000 are granted in prior year but not vested. Details of the share options outstanding during the current interim period are as follows:

	Number of share options	Weighted average exercise price HKD
Outstanding as at 1 January 2020	67,750,000	9.00
Forfeited during the interim period	(6,100,000)	9.10
Outstanding as at 30 June 2020	61,650,000	8.99

In the current interim period, no share options were granted or exercised.

In respect of the share options exercised for the six months ended 30 June 2019, the weighted average share price at the dates of exercise was HKD6.68.

### Share Award Scheme

The Company has share award scheme for the selected employees of the Group. Outstanding shares of 7,414,000 have been purchased by the trustee from the open market out of cash contributed by the Group and granted to the selected employees and directors.

In the current interim period, 3,600,722 shares were exercised (for the six months ended 30 June 2019: nil).

For the six months ended 30 June 2020

## 27. ACQUISITION OF SUBSIDIARIES

Particulars of the subsidiaries acquired during the six months ended 30 June 2020 were as follows:

Acquired company	Principal activities	Acquisition date	Equity interest acquired	Consideration RMB'000
大連寶融房地產開發有限公司 Dalian Baorong Real Estate Development Co., Ltd. ("Dalian Baorong") (Note(i))	Real estate development	12 June 2020	88%	354,790
烏魯木齊聚岑實業有限責任公司 Urumqi Jucen Industrial Co., Ltd. ("Urumqi Jucen") (Note(ii))	Real estate development	29 June 2020	100%	103,573
				458,363

Notes:

- (i) Beijing Greentown Investment Co., Ltd., a wholly-owned subsidiary of the Company, acquired 88% equity interests of Dalian Baorong so as to continue the expansion of the Group's property development operation.
- (ii) Chengdu Greentown Bashu Investment Co., Ltd., a wholly-owned subsidiary of the Company, acquired 100% equity interests of Urumqi Jucen so as to continue the expansion of the Group's property development operation. The Group accounted for the acquisition of 100% equity interests of Urumqi Jucen as an acquisition of asset. The major assets acquired is properties for development amounting to RMB856,522,000.

For the six months ended 30 June 2020

## 27. ACQUISITION OF SUBSIDIARIES (continued)

Particulars of the subsidiaries acquired during the six months ended 30 June 2019 were as follows:

Acquired company	Principal activities	Acquisition date	Equity interest acquired	Consideration RMB'000
山東東城置業有限公司 Shandong Dongcheng Real Estate Co., Ltd. ("Shandong Dongcheng") (Note(i))	Real estate development	21 February 2019	51%	397,968
山東綠城青和建築設計有限公司 Shandong Greentown Qinghe Construction and Design Co., Ltd. ("Shandong Qinghe") (Note(ii))	Design and Decoration	6 March 2019	51%	–
北京東部綠城置業有限公司 Beijing Dongbu Greentown Real Estate Co., Ltd. ("Beijing Dongbu") (Note(iii))	Real estate development	22 April 2019	51%	45,262
				443,230

Notes:

- (i) Greentown Real Estate acquired 51% equity interests of Shandong Dongcheng so as to continue the expansion of the Group's property development operation. Shandong Dongcheng was previously a 49%-owned joint venture of the Group.
- (ii) Greentown Real Estate Project Management Group Co., Ltd., a wholly-owned subsidiary of the Company, obtained 51% equity interest of Shandong Qinghe by capital injection of RMB3,120,000 so as to continue the expansion of the Group's design and decoration operation.
- (iii) Beijing Greentown Investment Co., Ltd., a wholly-owned subsidiary of the Company, acquired 51% equity interests of Beijing Dongbu so as to continue the expansion of the Group's property development operation. Beijing Dongbu was previously a 49%-owned associate of the Group.

For the six months ended 30 June 2020

**27. ACQUISITION OF SUBSIDIARIES (continued)**

A summary of the provisional effects of acquisition of these subsidiaries is as follows:

	<b>Six months ended 30 June</b>	
	<b>2020</b> <b>RMB'000</b>	2019 RMB'000
Net assets acquired:		
Property, plant and equipment	<b>134</b>	483
Deferred tax assets	<b>8,567</b>	70
Properties for development	<b>856,522</b>	–
Properties under development	<b>912,743</b>	2,587,629
Completed properties for sale	–	93,983
Trade and other receivables, deposits and prepayments	<b>300</b>	21,451
Amounts due from related parties	–	781,311
Prepaid income taxes	<b>2,583</b>	59
Prepaid other taxes	<b>22,394</b>	1,854
Bank balances and cash	<b>15,594</b>	203,524
Trade and other payables	<b>(760,773)</b>	(218,760)
Contract liabilities	<b>(122,687)</b>	(10,863)
Amounts due to related parties	<b>(38,076)</b>	(1,039,152)
Income taxes payable	<b>(221)</b>	(168,936)
Other taxes payable	<b>(11,126)</b>	(24)
Bank and other borrowings	<b>(294,000)</b>	(1,320,000)
Deferred tax liabilities	<b>(85,211)</b>	(60,878)
	<b>506,743</b>	871,751
Non-controlling interests	<b>(48,380)</b>	(2,672)
	<b>458,363</b>	869,079

For the six months ended 30 June 2020

## 27. ACQUISITION OF SUBSIDIARIES (continued)

A summary of the provisional effects of acquisition of these subsidiaries is as follows: (continued)

	Six months ended 30 June	
	2020 RMB'000	2019 RMB'000
Less:		
Transferred from interests previously held and classified as associates and joint ventures	–	(382,362)
Gain on re-measurement of an associate to acquisition date fair value in business combination achieved in stages	–	(43,487)
	<b>458,363</b>	443,230
Total consideration, satisfied by:		
Cash	<b>297,172</b>	45,262
Consideration payables	<b>161,191</b>	397,968
	<b>458,363</b>	443,230
Net cash inflow arising on acquisition:		
Cash paid	<b>(297,172)</b>	(45,262)
Bank balances and cash acquired	<b>15,594</b>	203,524
	<b>(281,578)</b>	158,262

The receivables acquired (which principally comprised trade and other receivables, deposits and prepayments) with a fair value of RMB300,000 at the date of acquisition had gross contractual amounts of RMB300,000, which were expected to be fully collected.

The non-controlling interest recognised at the acquisition date was measured by reference to the proportionate share of the recognised amounts of net assets of subsidiaries and amounted to RMB48,380,000.

No revenue contributed to the Group by a subsidiary acquired between the date of acquisition and the end of the interim period.

For the six months ended 30 June 2020

## 27. ACQUISITION OF SUBSIDIARIES (continued)

A summary of the provisional effects of acquisition of these subsidiaries is as follows: (continued)

The profits attributable to a subsidiary amounted to RMB1,000 have been recognised in the Group's profit for the interim period between the date of acquisition and the end of the interim period.

Had the acquisition of a subsidiary been effected at 1 January 2020, the total amount of revenue of the Group for the interim period would have been RMB23,916,001,000 and the amount of the profit for the interim period would have been RMB3,126,278,000. The proforma information is for illustrative purposes only and is not necessarily an indication of revenue and results of operations of the Group that actually would have been achieved had the acquisition been completed at the beginning of the interim period, nor is it intended to be a projection of future results.

Analysis of the summary of effects of acquisition of subsidiaries for the six months ended 30 June 2019 are set out in the Group's condensed consolidated financial statements for the six months ended 30 June 2019. During the year ended 31 December 2019, the Group completed the initial accounting of the business combination and no adjustments were made to the fair value of assets and liabilities acquired.

## 28. DISPOSAL OF SUBSIDIARIES

In April 2020, the Group disposed of its 100% equity interests in Hangzhou Chengling Business Consulting, LLP. ("Hangzhou Chengling") to an independent third party and one of the Group's joint venture for a zero consideration. After the disposal, Hangzhou Chengling was an independent third party of the Group.

In June 2020, the Group disposed of its 1% equity interests from 51% to 50% in Hangzhou Zhaoqian Investment Co., Ltd. ("Hangzhou Zhaoqian") to an independent third party for a cash consideration of RMB10,000,000. Fuzhou Lvmin Real Estate Co., Ltd. ("Fuzhou Lvmin") is a wholly-owned subsidiary of Hangzhou Zhaoqian, therefore was also disposed by the Group. After the disposal, Hangzhou Zhaoqian and Fuzhou Lvmin were accounted for as joint ventures of the Group.

For the six months ended 30 June 2020

**28. DISPOSAL OF SUBSIDIARIES (continued)**

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

	Six months ended 30 June	
	2020 RMB'000	2019 RMB'000
Net assets disposed of:		
Property, plant and equipment	910	3,131
Right-of-use assets	–	8,553
Properties for development	–	2,889,488
Properties under development	3,625,518	5,227,990
Inventories	–	80,247
Trade and other receivables, deposits and prepayments	656	225,788
Amounts due from related parties	250	459,830
Contract assets	7,084	80,216
Prepaid income taxes	12,204	34,993
Prepaid other taxes	51,146	118,200
Bank balances and cash	481,388	848,635
Deferred tax assets	18,275	18,744
Contract liabilities	(496,036)	(1,451,799)
Trade and other payables	(114,462)	(1,893,785)
Amounts due to related parties	(827,023)	(3,970,846)
Lease liability	–	(8,553)
Income taxes payables	–	(32,357)
Other taxes payables	(44,728)	(10,097)
Bank borrowings	(1,770,000)	(2,503,000)
Deferred tax liabilities	–	(860)
	945,182	124,518
Transferred to interests held and classified as associates and joint ventures	(500,000)	(14,162)
Net gain on disposal of subsidiaries	27,957	42,371
Non-controlling interests	(463,139)	(26,988)
Total consideration	10,000	125,739
Total consideration, satisfied by:		
Cash received	10,000	93,220
Consideration receivable	–	32,519
	10,000	125,739
Net cash inflow arising on disposal:		
Cash received	10,000	93,220
Bank balances and cash disposed of	(481,388)	(848,635)
	(471,388)	(755,415)

For the six months ended 30 June 2020

## 29. COMMITMENTS

	<b>As at 30 June 2020 RMB'000</b>	As at 31 December 2019 RMB'000
Commitments contracted for but not provided in the condensed consolidated financial statements in respect of:		
Properties for development, properties under development and construction in progress	<b>38,731,558</b>	30,768,717

In addition to the above, the Group's share of the commitments of its joint ventures is as follows:

	<b>As at 30 June 2020 RMB'000</b>	As at 31 December 2019 RMB'000
Contracted for but not provided in respect of properties for development and properties under development and construction in progress	<b>4,519,667</b>	2,923,622

## 30. PLEDGE OF ASSETS

At the end of the interim period, the following assets were pledged to banks and other parties to secure credit facilities granted to the Group:

	<b>As at 30 June 2020 RMB'000</b>	As at 31 December 2019 RMB'000
Property, plant and equipment	<b>6,521,300</b>	3,063,257
Right-of-use assets	<b>546,419</b>	360,381
Properties for development	<b>2,628,710</b>	2,504,272
Properties under development	<b>75,162,242</b>	81,984,914
Completed properties for sale	<b>188,667</b>	76,563
Investment properties	<b>2,355,701</b>	2,355,701
Trade and other receivables, deposits and prepayments	<b>16,479</b>	123,642
Pledged bank deposits	<b>6,276,370</b>	5,326,761
Interests in an associate	<b>55,790</b>	72,355
	<b>93,751,678</b>	95,867,846

For the six months ended 30 June 2020

### 31. CONTINGENT LIABILITIES

#### Guarantees

The Group provided guarantees of RMB33,287,696,000 as at 30 June 2020 (as at 31 December 2019: RMB35,651,192,000) to banks in favour of its customers in respect of the mortgage loans provided by the banks to those customers for the purchase of the Group's developed properties. These guarantees provided by the Group to the banks will be released upon receiving the building ownership certificate of the respective properties by the banks from the customers as a pledge for security to the mortgage loans granted.

The Group also provided guarantees to banks and other parties in respect of credit facilities utilised by the following companies:

	As at 30 June 2020 RMB'000	As at 31 December 2019 RMB'000
<i>Credit guarantees provided to:</i>		
Associates	9,378,647	8,199,419
Joint ventures	12,819,000	12,879,126
	<b>22,197,647</b>	21,078,545
<i>Mortgage and charge guarantees provided to:</i>		
Associates	5,225,000	4,275,000
Total	<b>27,422,647</b>	25,353,545

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

	As at 30 June 2020 RMB'000	As at 31 December 2019 RMB'000
Share of mortgage loan guarantees provided by associates to banks in favour of its customers	3,282,978	2,170,782

Contingent liabilities arising from interests in joint ventures at the end of the interim period:

	As at 30 June 2020 RMB'000	As at 31 December 2019 RMB'000
Share of mortgage loan guarantees provided by joint ventures to banks in favour of its customers	1,770,527	1,445,244

The directors consider that the fair value of the above guarantees is insignificant on initial recognition and there was no loss allowance recognised for expected credit losses during the interim period (2019: nil).

For the six months ended 30 June 2020

## 32. RELATED PARTY DISCLOSURES

- (i) **During the six months ended 30 June 2020, in addition to those disclosed in other notes to the condensed consolidated financial statements, the Group had the following significant transactions with related parties:**

	Six months ended 30 June	
	2020 RMB'000	2019 RMB'000
Construction service income from joint ventures and associates (note)	9,876	13,845
Rental expenses paid/payable to Shareholders' companies	–	3,329
Purchases from associates (note)	163,574	75,500
Interest income arising from amounts due from:		
– associates (note)	516,195	130,884
– joint ventures (note)	526,759	167,844
– non-controlling shareholders	140,319	99,947
Interest expense arising from amounts due to:		
– associates (note)	330,322	50,827
– joint ventures (note)	222,536	50,143
– non-controlling shareholders	50,323	64,533
– Shareholders' companies	13,654	5,280
Advertising expenses paid/payable to joint ventures (note)	57,075	51,887
Comprehensive service income from joint ventures and associates (note)	79,000	3,489
Hotel management fees paid/payable to Shareholders' companies	–	1,313
Interior decoration service income from:		
– associates (note)	164,630	105,670
– joint ventures (note)	111,961	56,186
Landscape construction fee to Shareholders' companies	11,691	195
Educational services framework fee to Shareholders' companies	1,042	2,476
Construction design fees paid to:		
– associates (note)	58,486	9,091
– joint ventures (note)	235,938	248,331
– Shareholders' companies	175,679	16,253

Note: The transactions with joint ventures and associates are presented gross before elimination of unrealised profits or losses attributable to the Group.

The transactions above are presented net of taxes.

The directors considered that the transactions above were carried out in accordance with the terms agreed with the counterparties.

Before May 2020, CCCG was a "Shareholder" of the Company. After May 2020, CCCG and Xihu Zhongbao Co., Ltd. are each a "Shareholder", and collectively the "Shareholders", of the Company. Shareholders' Companies represent companies owned by the Shareholders and affiliates.

For the six months ended 30 June 2020

## 32. RELATED PARTY DISCLOSURES (continued)

- (ii) **During the six months ended 30 June 2020, in addition to those disclosed in note 27, the Group made the following acquisitions from related parties:**

	Six months ended 30 June	
	2020 RMB'000	2019 RMB'000
Acquisitions of additional interests in subsidiaries from non-controlling shareholders	95,134	97,567

- (iii) **Compensation of key management personnel**

The remuneration of directors and other members of key management during the six months ended 30 June 2020 was as follows:

	Six months ended 30 June	
	2020 RMB'000	2019 RMB'000
Short-term benefits	17,296	12,983
Post-employment benefits	213	154
Share-based payment (note)	5,148	20,998
Share award	3,206	849
	<b>25,863</b>	<b>34,984</b>

Note: The Group recognised the expense in the profit or loss in relation to shares granted but not vested under share option schemes.

## 33. EVENTS AFTER THE REPORTING PERIOD

Since 10 July 2020, Greentown Management Holdings Company Limited ("Greentown Management"), a subsidiary of the Company, has listed its shares on the Main Board of The Stock Exchange of Hong Kong Limited. The total of 477,560,000 ordinary shares before any exercise of the over-allotment option were allotted and issued to the shareholders on the register of members of Greentown Management in proportion to their respective shareholdings in Greentown Management of HKD0.01 each at the price of HKD2.50 per share. On 6 August 2020, Greentown Management issued a total of 47,756,000 ordinary shares of HKD0.01 each at the price of HKD2.50 per share by means of full exercise of the over-allotment option. Net proceeds from the Hong Kong public offering and international offering after full exercise of the over-allotment option which were approximately HKD1,258.8 million (after deducting the underwriting fees, commissions and sponsors expenses).

# Definition

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

2006 Share Option Scheme	The share option scheme adopted by a resolution of the shareholders of the Company on 22 June 2006
Board	The Board of Directors of the Company
CCCC	China Communications Construction Company Limited, a joint stock limited company incorporated in the PRC with limited liability, whose H shares and A shares are listed on the Stock Exchange and the Shanghai Stock Exchange respectively
CCCG	China Communications Construction Group (Limited) (中國交通建設集團有限公司), a wholly state-owned company established in the PRC and a substantial Shareholder of the Company
Company/Greentown/ Greentown China	Greentown China Holdings Limited, a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the Main Board of the Stock Exchange
Directors	The directors of the Company
GFA	Gross floor area
Greentown Group	Greentown China Holdings Limited and its subsidiaries together with its joint ventures and associates
Greentown Management	Greentown Management Holdings Company Limited (綠城管理控股有限公司), a corporation incorporated in the Cayman Islands with limited liability, the shares of which are listed on the Main Board of the Stock Exchange (stock code: 09979)
Greentown Real Estate	Greentown Real Estate Group Co., Ltd.* (綠城房地產集團有限公司), a company established in the PRC and a wholly owned subsidiary of the Company
Greentown Service	Greentown Service Group Co. Ltd. (綠城服務集團有限公司), a corporation incorporated in the Cayman Islands with limited liability, the shares of which are listed on the Main Board of the Stock Exchange (stock code: 02869)
Group	Greentown China Holdings Limited and its subsidiaries
Listing Rules	The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
Model Code	Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Listing Rules
Period/Reporting Period	The six months ended 30 June 2020
PRC/China	The People's Republic of China

## Definition

SFO	Securities and Futures Ordinance, Chapter 571 of the laws of Hong Kong
Share Option Scheme	The share option scheme adopted by a resolution of the shareholders of the Company on 17 June 2016
Shares	The shares of the Company
Sqm	Square metres
Stock Exchange/HKEx	The Stock Exchange of Hong Kong Limited
Wharf	The Wharf (Holdings) Limited, a company incorporated in Hong Kong with limited liability, the shares of which are listed on the Main Board of the Stock Exchange (stock code: 00004)
Xinhu Zhongbao	Xinhu Zhongbao Co., Ltd. (新湖中寶股份有限公司), a company established in the PRC with limited liability, being a company listed on Shanghai Stock Exchange (Stock Code: 600208)

\* For identification purposes only



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