绿城房产
GREENTOWN

GREENTOWN CHINA HOLDINGS LIMITED

綠城中國控股有限公司*

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 3900)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2009

OPERATIONAL HIGHLIGHTS

- Earnings for the first half of 2009 were Rmb354 million, of which Rmb323 million was the profit attributable to the owners of the Company. Basic earnings per share for the Reporting Period amounted to Rmb0.21. The Board has resolved to declare an interim dividend of HK9.6 cents per share in respect of the six months ended 30 June 2009.

- Continuous improvement of product quality enables the Group to strengthen its foothold as a leading player in the high-end property market in the PRC. During the Reporting Period, the Group achieved a new historic high sales/pre-sales of Rmb21.1 billion which was a result of its excellent quality, strong brand recognition and unremitting efforts in sales. As at 31 August 2009, the sales/pre-sales reached Rmb31.5 billion, reaffirming its position as one of the top players in China.

- During the Reporting Period, the Group has completed all deliverable GFA on schedule, with recognized revenues of Rmb4.4 billion (including subsidiaries and associates/jointly controlled entities), of which Rmb2.5 billion is attributable to the Group.

- As at 31 August 2009, revenues of Rmb9.3 billion and Rmb26.7 billion have been locked-in through sales/pre-sales contracts for 2H 2009 and years after 2009, respectively, of which Rmb6.6 billion and Rmb16.7 billion are attributable to the Group. Total revenue locked-in through sales/pre-sales contracts but not yet recognised thus amounts to Rmb36.0 billion, of which Rmb23.3 billion is attributable to the Group.

- As at 31 August 2009, 85% of the above-ground saleable area to be completed in 2009 has been sold.

- Given the strong cashflow from sales, net gearing ratio decreased from 140% as at 31 December 2008 to 108% as at 30 June 2009.

- Thanks to the robust sales as well as the Group's ample bank credit and diversified financing channels, the Group has had healthy cashflows. As at 30 June 2009, the Group had a cash balance of Rmb6.0 billion and accounts receivable from contracted sales/pre-sales of Rmb6.1 billion.

- During the first eight months of 2009, the Group acquired 5 plots of land with total gross floor area ("GFA") of 1.77 million sq.m.. As at 31 August 2009, GFA of the Group's total land bank exceeded 26 million sq.m..

The board of directors (the "Board") of Greentown China Holdings Limited (the "Company" or "Greentown") is pleased to present the unaudited consolidated results of the Company and its subsidiaries (the "Group") for the six months ended 30 June 2009 (the "Reporting Period"), together with comparative figures. The interim results have been reviewed by Deloitte Touche Tohmatsu, the Company's auditor and the audit committee of the Company (the "Audit Committee").

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE SIX MONTHS ENDED 30 JUNE 2009

		Six months ended 30 June	
		2009	2008
	NOTES	***Rmb'000***	*Rmb'000*
		(Unaudited)	(Unaudited)
Revenue	*3*	**1,940,468**	1,765,161
Cost of sales		**(1,358,175)**	(1,118,113)
Gross profit		**582,293**	647,048
Other income	*4*	**43,372**	296,566
Reversal of write-down of properties under development		**42,433**	–
Selling expenses		**(177,521)**	(123,562)
Administrative expenses		**(293,406)**	(210,742)
Finance costs	*5*	**(192,804)**	(244,615)
Net gain on redemption of 2006 Convertible Bonds/ fair value changes on embedded financial derivatives		**14,267**	24,153
Fair value changes on Trust-related financial derivatives		**(52,520)**	–
Net gain on purchase of senior notes		**327,967**	–
Net gain on partial disposal of subsidiaries		**–**	502
Share of results of jointly controlled entities		**11,019**	(4,475)
Share of results of associates		**163,705**	174,524
Profit before taxation	*6*	**468,805**	559,399
Taxation	*7*	**(114,409)**	(189,675)
Profit and total comprehensive income for the period		**354,396**	369,724
Attributable to:			
Owners of the Company		**323,176**	340,999
Minority interests		**31,220**	28,725
		354,396	369,724
Earnings per share	*9*		
Basic		**Rmb0.21**	Rmb0.22
Diluted		**Rmb0.20**	Rmb0.21

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AT 30 JUNE 2009

	As at 30 June 2009 *Rmb'000* (Unaudited)	As at 31 December 2008 *Rmb'000* (Audited)
NON-CURRENT ASSETS		
Property, plant and equipment	**1,462,176**	1,321,909
Investment property	**25,000**	25,000
Interests in associates	**1,473,052**	1,434,510
Interests in jointly controlled entities	**249,408**	326,217
Available-for-sale investments	**193,000**	8,500
Prepaid lease payment	**146,824**	148,647
Rental paid in advance	**11,164**	11,664
Deferred tax assets	**399,405**	260,832
Amount due from related party	**10,000**	–
Other receivables	**60,359**	–
	4,030,388	3,537,279
CURRENT ASSETS		
Properties for development	**6,902,892**	6,152,221
Properties under development	**25,660,233**	23,250,049
Completed properties for sale	**1,684,270**	1,962,108
Inventories	**23,130**	11,954
Embedded financial derivatives	**–**	157
Trade and other receivables, deposits and prepayments	**1,834,786**	1,334,601
Amounts due from related parties	**4,935,564**	4,215,415
Prepaid income taxes	**586,232**	297,522
Prepaid other taxes	**658,302**	335,532
Pledged bank deposits	**621,942**	220,217
Bank balances and cash	**5,341,064**	1,498,021
	48,248,415	39,277,797
CURRENT LIABILITIES		
Trade and other payables	**3,050,207**	3,392,250
Pre-sale deposits	**12,610,075**	6,136,522
Amounts due to related parties	**4,225,179**	5,279,321
Dividend payable	**278,092**	1,367
Income taxes payable	**1,485,424**	1,204,898
Other taxes payable	**476,131**	269,849
Embedded financial derivatives	**–**	22,725
Bank and other borrowings – due within one year	**4,803,595**	3,867,741
Senior notes	**–**	2,701,186
	26,928,703	22,875,859

	As at 30 June 2009 *Rmb'000* (Unaudited)	As at 31 December 2008 *Rmb'000* (Audited)
NET CURRENT ASSETS	**21,319,712**	16,401,938
TOTAL ASSETS LESS CURRENT LIABILITIES	**25,350,100**	19,939,217
NON-CURRENT LIABILITIES		
Bank and other borrowings		
– due after one year	**10,377,006**	7,385,305
Amount due to related party	**1,342,125**	–
Trust-related financial derivatives	**311,700**	–
Convertible bonds	**2,138,553**	2,163,523
Senior notes	**261,331**	–
Deferred tax liabilities	**117,726**	109,063
	14,548,441	9,657,891
	10,801,659	10,281,326
CAPITAL AND RESERVES		
Share capital	**157,395**	157,395
Reserves	**8,283,748**	8,052,075
Equity attributable to owners of the Company	**8,441,143**	8,209,470
Minority interests	**2,360,516**	2,071,856
	10,801,659	10,281,326

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 30 JUNE 2009

1. BASIS OF PREPARATION

The condensed consolidated financial statements have been prepared in accordance 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") and with International Accounting Standard 34 "Interim Financial Reporting".

2. PRINCIPAL ACCOUNTING POLICIES

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

The accounting policies used in the condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual financial statements for the year ended 31 December 2008 except as described below.

In the Reporting Period, the Group has adopted the accounting policy on equity-settled share-based payment transactions as follows:

The fair value of services received determined by reference to the fair value of share options granted at the grant date is expensed on a straight-line basis over the vesting period, with a corresponding increase in equity (share options reserve). Share option premiums received or receivable from grantees are recognized in share options reserve.

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

At the time when the share options are exercised, the amount previously recognised in share options reserve will be transferred to share premium. When the share options are forfeited after the vesting date or are still not exercised at the expiry date, the amount previously recognised in share options reserve will be transferred to retained earnings.

In the Reporting Period, the Group has applied, for the first time, a number of new and revised standards, amendments and interpretations ("new and revised IFRSs") issued by the International Accounting Standards Board (the "IASB") and the International Financial Reporting Interpretations Committee (the "IFRIC") of the IASB, which are effective for the Group's financial year beginning on 1 January 2009.

IAS 1 (Revised 2007) has introduced a number of terminology changes, including revised titles for the condensed consolidated financial statements, and has resulted in a number of changes in presentation and disclosure. IFRS 8 is a disclosure standard that requires the identification of operating segments to be performed on the same basis as financial information that is reported internally for the purpose of allocating resources between segments and assessing their performance. The predecessor standard, IAS 14 Segment Reporting, required the identification of two sets of segments (business and geographical) using a risks and returns approach. In the past, the Group did not present any segment information because (i) the Group engages in principally one business segment – properties development; (ii) substantially all of its customers are located in the People's Republic of China ("PRC"); and (iii) substantially all of its assets and liabilities are located in the PRC. The application of IFRS 8 has not resulted in a redesignation of the Group's reportable segments as compared with the primary reportable segments determined in accordance with IAS 14 (see Note 3). The adoption of the other new and revised IFRSs has had no material effect on the results or financial position of the Group for the current or prior accounting periods. Accordingly, no prior period adjustment has been recognized.

The Group has not early applied the following new or revised standards, amendments or interpretations that have been issued but are not yet effective:

IFRSs (Amendments)	Amendment to IFRS 5 as part of Improvements to IFRSs issued in 2008[1]
IFRSs (Amendments)	Improvements to IFRSs issued in 2009[2]
IAS 27 (Revised in 2008)	Consolidated and Separate Financial Statements[1]
IAS 39 (Amendment)	Eligible Hedged Items[1]
IFRS 1 (Amendment)	Additional Exemptions for First-time Adopters[3]
IFRS 2 (Amendment)	Group Cash-settled Share-based Payment Transactions[3]
IFRS 3 (Revised)	Business Combinations[1]
IFRIC – Int 17	Distributions of Non-cash Assets to Owners[1]
IFRIC – Int 18	Transfer of Assets from Customers[4]

1 Effective for annual periods beginning on or after 1 July 2009
2 Amendments that are effective for annual periods beginning on or after 1 July 2009 or 1 January 2010, as appropriate
3 Effective for annual periods beginning on or after 1 January 2010
4 Effective for transfers on or after 1 July 2009

The adoption of IFRS 3 (Revised 2008) may affect the Group's accounting for business combinations for which the acquisition dates are on or after 1 January 2010. IAS 27 (Revised 2008) will affect the accounting treatment for changes in the Group's ownership interest in a subsidiary that do not result in loss of control of the subsidiary. Changes in the Group's ownership interest that do not result in loss of control of the subsidiary will be accounted for as equity transactions. The directors of the Company (the "Directors") anticipate that the application of the other new and revised standards, amendments or interpretations will have no material impact on the results and the financial position of the Group.

3. REVENUE AND SEGMENT INFORMATION

	Six months ended 30 June	
	2009	2008
	Rmb'000	*Rmb'000*
Property sales	**1,910,619**	1,733,013
Hotel operations	**25,047**	21,149
Sales of construction materials	**1,196**	9,390
Other business	**3,606**	1,609
	1,940,468	1,765,161

The chief operating decision-maker of the Group has been identified as the executive directors and certain senior management (collectively referred to as the "CODM"). Management determines the operating segments based on the Group's internal reports, which are then submitted to the CODM for performance assessment and resources allocation.

The Group's consolidated revenue and results are attributable to the market in the PRC and almost all of the Group's consolidated assets are located in the PRC. The Group has identified two reportable segments, namely property development and hotel operations.

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

The CODM assess the performance of the operating segments based on the post-tax profit of the group entities engaged in the respective segment activities which includes share of results of associates and jointly controlled entities, and finance costs. Financial information provided to the CODM is measured in a manner consistent with that in the condensed consolidated interim financial information.

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

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

	Property development *Rmb'000*	**Hotel operations** *Rmb'000*	**All other segments** *Rmb'000*	**Group** *Rmb'000*
Six months ended 30 June 2009				
Revenue	**1,910,619**	**26,867**	**153,532**	**2,091,018**
Inter-segment revenue	**–**	**(1,820)**	**(148,730)**	**(150,550)**
Revenue from external customers	**1,910,619**	**25,047**	**4,802**	**1,940,468**
Segment results	**279,073**	**(15,045)**	**(15,444)**	**248,584**
Unallocated corporate expenses				**(79,020)**
Finance costs				**(152,162)**
Net gain on purchase of senior notes				**327,967**
Net gain on redemption of 2006 Convertible Bonds				**14,267**
Unallocated taxation				**(5,240)**
Profit for the period				**354,396**
Six months ended 30 June 2008				
Revenue	1,733,013	24,648	141,885	1,899,546
Inter-segment revenue	–	(3,499)	(130,886)	(134,385)
Revenue from external customers	1,733,013	21,149	10,999	1,765,161
Segment results	291,784	(14,648)	(3,362)	273,774
Unallocated corporate expenses				(12,660)
Other income				273,385
Finance costs				(178,382)
Fair value changes on embedded financial derivatives				24,153
Unallocated taxation				(10,546)
Profit for the period				369,724

4. OTHER INCOME

	Six months ended 30 June	
	2009	2008
	Rmb'000	*Rmb'000*
Interest income	**13,991**	81,849
Net foreign exchange gains	**3,636**	201,471
Government grants	**7,603**	1,850
Others	**18,142**	11,396
	43,372	296,566

5. FINANCE COSTS

	Six months ended 30 June	
	2009	2008
	Rmb'000	*Rmb'000*
Interest on borrowings	**832,525**	646,490
Less: Interest capitalised	**(639,721)**	(401,875)
	192,804	244,615

6. PROFIT BEFORE TAXATION

	Six months ended 30 June	
	2009	2008
	Rmb'000	*Rmb'000*
Profit before taxation has been arrived at after charging:		
Salaries and other benefits	**167,479**	151,840
Equity-settled share-based payments	**52,290**	–
Retirement benefits scheme contributions	**8,215**	7,821
Less: Capitalised in properties under development	**(56,368)**	(47,489)
Total staff costs	**171,616**	112,172
Depreciation of property, plant and equipment	**38,348**	34,148
Less: Capitalised in properties under development	**(1,890)**	(1,469)
	36,458	32,679
Cost of inventories recognised as an expense	**1,358,175**	1,118,113
Amortisation of prepaid lease payment (included in selling and administrative expenses)	**2,077**	491

7. TAXATION

	Six months ended 30 June	
	2009	2008
	Rmb'000	*Rmb'000*
Current tax:		
PRC enterprise income tax	**148,931**	96,449
PRC Land Appreciation Tax ("LAT")	**95,388**	119,228
	244,319	215,677
Deferred tax:		
Current period	**(129,910)**	(26,002)
	114,409	189,675

PRC enterprise income tax is recognised based on management's best estimate of the annual income tax rate expected for the full financial year.

No provision for income tax has been made for the Company and group entities established in the British Virgin Islands as they are not subject to any income tax.

All PRC group entities are subject to enterprise income tax levied at a rate of 25% (2008: 25%), except for (i) Xinjiang Sunshine Greentown Real Estate Development Co., Ltd. which is exempted from enterprise income tax for three years starting from its first profit-making year in 2005, followed by a 50% reduction for the next three years; and (ii) Shanghai Lvyu Real Estate Development Co., Ltd. which is established in Shanghai Pudong New Area and is therefore subject to a reduced enterprise income tax rate of 20% (2008: 18%).

As at the date of this report, the relevant local tax bureaus responsible for the enforcement of LAT regulations had not required the Group to pay any LAT other than the LAT prepayments.

For the six months ended 30 June 2009, the Group has estimated and made a provision for LAT in the amount of Rmb95,388,000 (six months ended 30 June 2008: Rmb119,228,000) according to the requirements set forth in the relevant PRC tax laws and regulations. The actual LAT liabilities are subject to the determination by the tax authorities upon completion of the property development projects and the tax authorities might disagree with the basis on which the provision for LAT is calculated.

8. DIVIDENDS

On 30 May 2008, a dividend of HK$0.32 per share, or Rmb438,283,000 in total, was paid to shareholders as the final dividend for 2007.

On 19 June 2009, a special dividend of Rmb18 cents per share, or Rmb276,725,000 in total, was declared for the financial year ended 31 December 2008. The special dividend was paid on 16 July 2009.

The Board has resolved to declare an interim dividend of HK9.6 cents per ordinary share in issue in respect of the six months ended 30 June 2009 (six months ended 30 June 2008: Nil) payable on 23 October 2009 to shareholders whose names are on the Register of Members of the Company on 9 October 2009.

9. EARNINGS PER SHARE

The calculation of the basic and diluted earnings per share attributable to the owners of the Company is based on the following data:

Earnings

	Six months ended 30 June	
	2009	2008
	Rmb'000	*Rmb'000*
Earnings for the purpose of basic earnings per share (profit for the period attributable to owners of the Company)	**323,176**	340,999
Effect of dilutive potential ordinary shares:		
Fair value changes on embedded financial derivatives	**–**	(24,153)
Interest on 2006 Convertible Bonds	**–**	4,936
Net gain on redemption of 2006 Convertible Bonds	**(14,267)**	–
Earnings for the purpose of diluted earnings per share	**308,909**	321,782

Number of shares

	Six months ended 30 June	
	2009	2008
Weighted average number of ordinary shares for the purpose of basic earnings per share	**1,537,361,607**	1,537,361,607
Effect of dilutive potential ordinary shares:		
2006 Convertible Bonds	**324,301**	11,191,336
Share options	**13,914,190**	–
Weighted average number of ordinary shares for the purpose of diluted earnings per share	**1,551,600,098**	1,548,552,943

The computation of diluted earnings per share for the six months ended 30 June 2008 and 30 June 2009 does not assume the conversion of the Company's outstanding 2007 Convertible Bonds (as defined in Note 26 to the Company's 2008 consolidated financial statements) since their exercise would result in an increase in earnings per share.

MANAGEMENT DISCUSSION AND ANALYSIS

The property market recorded unexpected move in the first half of 2009 and exhibited strong characteristics of a periodic cycle. Transaction volume receded significantly during January and February but starting from March, the property market revived with a significant increase in the transaction volume of commodity housing. Transaction volume of residential properties in the Group's core regions such as Hangzhou, Zhejiang, Shanghai and Beijing soared, which represented a boom in the property market in the PRC. Property prices rebound as a result of the increased demand caused by demand for residence, improvement of living and investment, increased liquidity, the expectation of inflation and acceleration of destocking. In the current cycle, the Group's overall sales performance has outperformed that of its peers. This has further strengthened our belief that only companies with excellent product quality can survive and develop under intense competition. The Group will adhere to the core values of "sincerity, goodwill, excellence and perfection" and further leverage on our strengths in ideas, quality and services.

THE FIRST PART – OPERATION AND MANAGEMENT REVIEW IN THE REPORTING PERIOD

Rapid – Encouraging sales growth

Leveraging on outstanding product quality, strong brand effect and committed sales efforts, the Group managed to achieve prominent sales performance. Property projects of the Group from ordinary apartments to high-end properties were sold well.

During the Reporting Period, sales performance of all operating regions of the Group (including associates and jointly controlled entities) was much better than previous years with sales/pre-sales of Rmb21.1 billion (including Rmb18.4 billion contracted sales and Rmb2.7 billion of agreement sales), representing a growth of 170% compared with the same period last year. Sales/pre-sales attributable to the Group grew 150% from the same period of last year to Rmb13.8 billion. It set a new record for the Group. During the Reporting Period, the Group's sales represented one of the highest among all the property developers in the PRC. Average selling price increased 16% from Rmb11,600 per sq.m. in the same period of last year to Rmb13,445 per sq.m. during the Reporting Period. In the first half year of 2009, the Group's sales ranked the top in Hangzhou as well as cities such as Wenzhou, Zhoushan, Haining, Deqing, Xiangshan, Hefei and Jinan.

Contracted and agreement sales of major projects from January to August 2009

Project name	**Saleable area** *(sq.m.)*	**Area sold from January to August** *(sq.m.)*	**Sales amount from January to August** *(Rmb'000)*	**Percentage of area sold**	**Average price** *(Rmb/sq.m)*
Wenzhou Lucheng Plaza	170,362	165,668	6,824,882	97%	41,196
Hangzhou Blue Sapphire Mansion	78,505	78,505	2,338,863	100%	29,792
Beijing Majestic Mansion	44,453	43,609	1,758,490	98%	40,324
Shanghai Bund House	27,953	27,953	1,447,030	100%	51,767
Jinan National Games Project	192,940	157,437	1,427,352	82%	9,066
Shaoxing Yulan Garden	118,985	104,789	1,269,792	88%	12,118
Hangzhou Tulip Bank	92,151	89,080	1,145,169	97%	12,855
Haining Lily New Town	113,979	105,571	1,010,121	93%	9,568
Shanghai Rose Garden	29,904	21,635	940,829	72%	43,487
Zhengzhou Lily Apartment	118,268	109,203	899,735	92%	8,239
Hangzhou Hope Town	83,278	81,715	895,232	98%	10,956
Hangzhou Lijiang Apartment	59,057	58,753	832,436	99%	14,168
Other projects	1,566,112	1,097,670	10,740,575	70%	9,785
Total	**2,695,947**	**2,141,588**	**31,530,506**	**79%**	**14,723**

As at 31 August 2009, the Group (including associates and jointly controlled entities) recorded sales/pre-sales of Rmb31.5 billion (including agreements), an increase of 158% compared with the same period of last year. Sales/pre-sales attributable to the Group amounted to Rmb19.7 billion, representing an increase of 129% over the same period of last year. The Group had 51 on-sale projects in 25 cities, with the core areas of Hangzhou, Zhejiang, Beijing and Shanghai representing 80% of total sales. Four major projects, namely Wenzhou Lucheng Plaza, Hangzhou Blue Sapphire Mansion, Beijing Majestic Mansion and Shanghai Bund House achieved sales/pre-sales of Rmb12.4 billion this year. With the efforts of employees at all levels of the Group, the Group achieved a pre-sale rate of 79% on its 2.70 million sq.m. saleable area and 80% on its newly launched properties.

As at 31 August 2009, the Group pre-sold 85% of the above-ground saleable area of those projects planned to be completed in the current year. As at 31 August 2009, revenues of Rmb9.3 billion and Rmb26.7 billion have been locked-in through sales/pre-sales contracts for the second half of 2009 and years after 2009 respectively, of which Rmb6.6 billion and Rmb16.7 billion are attributable to the Group. Total revenue locked-in through sales/pre-sales contracts but not yet recognised thus amounts to Rmb36.0 billion, of which Rmb23.3 billion is attributable to the Group. As such, the Group is on track to achieve its full year results target.

Flexibility – Adjustment of work progress in response to market situation

By strengthening execution capabilities, the Group ensures that the completion plan for the year will be fully accomplished. In 2009, the Group strengthened its monitoring and assessment on the progress of development of each project. It also gained satisfactory results in terms of consolidating the planning design, construction, sourcing of construction materials and optimisation of workflows of its various projects, which further enhanced the Group's project management and operational capabilities. As a result, the pace of development of each project was assured.

The Group controlled the pace of development according to the actual condition of each project. During the first half of 2009, the Group commenced construction on 19 projects or phases of projects with a total GFA of 1 million sq.m., among which a total of 610,000 sq.m. was attributable to the Group. As at 30 June 2009, the Group had 54 projects under construction, with a total GFA of 6.79 million sq.m..

In the first half of 2009, all projects planned to be delivered were completed as scheduled with completed total GFA of 570,000 sq.m. and completed above-ground saleable GFA of 400,000 sq.m.. The progress of other projects to be delivered in the year was also on track. 85% of the above-ground saleable GFA completed in the first half of 2009 was sold on or before 30 June 2009. According to the existing completion schedule, it is anticipated that 870,000 sq.m. of above-ground saleable GFA will be completed in the second half of 2009.

Details of completed projects during the Reporting Period were as follows:

No.	**Project**	**Phases**	**Interests attributable to the Group**	**Total GFA** *(sq.m.)*	**Saleable GFA** *(sq.m.)*
1	Beijing Majestic Mansion	Phase 1 Block 1, Phase 2 (west clubhouse)	100%	14,397	2,770
2	Hefei Lily Apartment	Phase 4	77%	46,462	35,150
3	Qingdao Ideal City	Phase 1, Low-rise	80%	93,609	59,618
4	Hangzhou Jiuxi Rose Garden	Part 3	100%	5,623	–
5	Hangzhou Taohuayuan South	Plot F	51%	25,351	19,581
6	Nanjing Rose Garden	Clubhouse	70%	4,475	–
7	Haining Lily New Town	High-rise Phase 1	50%	77,632	61,201
8	Hangzhou Majestic Mansion	All	45%	77,567	54,190
9	Nantong Hupanju	Phase 2B	50%	46,557	28,756
10	Deqing Sweet Osmanthus Town	Phase 2 Hefeng Garden	47%	32,821	26,517
11	Zhengzhou Lily Apartment	Phase 3 Plot D	38%	94,170	71,177
12	Beijing Lily Apartment	Phase 6	80%	52,177	38,868
	Total			570,841	397,828

Persistence – Ample quality land bank for rapid development

As at 31 August 2009, the Group entered into 30 cities with 72 projects. The site area of the land bank was 19.14 million sq.m., of which 11.58 million sq.m. was attributable to the Group. Total GFA of the land bank was 26.51 million sq.m., of which 16.47 million sq.m. was attributable to the Group. Total above-ground saleable area of the land bank was 19.57 million sq.m. (including properties held for investment), of which 12.14 million sq.m. was attributable to the Group. The average cost of the land bank (based on above-ground saleable area) was Rmb3,081/sq.m. The ample and quality land bank ensures satisfactory profits of the Group in the future.

During the first half of 2009, given the uncertain market situation amid the Group's sufficient land bank, the Group remained prudent on land bank expansion. As the market situation became more certain in July 2009, the Group added more quality land bank in a timely manner.

During the first eight months of 2009 the Group newly acquired 5 new projects with a total site area of 790,000 sq.m., of which 660,000 sq.m. was attributable to the Group. The Group's newly acquired land bank has an accumulated total GFA of 1.77 million sq.m., of which 1.45 million sq.m. is attributable to the Group.

An analysis of major projects acquired during January to August 2009 is as follows:

No.	**New projects**	**Region**	**Interests attributable to the Group**	**Total land premium**	**Site area**	**GFA**	**Price per GFA**	**Means of acquiring the property**
				(Rmb'000)	*(sq.m.)*	*(sq.m.)*	*(Rmb/ sq.m.)*	
1	Beijing Dongzhimen Project *(Note 1)*	Beijing	100%	N/A	28,004	62,585	N/A	Acquisition
2	Zhuji Project *(Note 2)*	Zhejiang	90%	2,718,000	369,544	735,200	3,697	Acquisition
3	Cixi Hushan Project *(Note 3)*	Zhejiang	60%	1,089,000	62,576	169,363	6,430	Acquisition
4	Wuxi Project	Jiangsu	100%	2,900,000	222,617	525,109	5,523	Auction and tender in open market
5	Shaoxing Jinghu Lake Project	Zhejiang	35%	1,220,000	111,155	277,887	4,390	Auction and tender in open market
	Total			7,927,000	793,895	1,770,144		

Note 1: The consideration for the acquisition of the project was HK$610 million, which was satisfied by the issuance of 100 million new shares at an issue price of HK$6.10 per share. The details of which had been disclosed in the Company's circular dated 29 May 2009 and the Company's announcement dated 15 July 2009.

Note 2: Total consideration of Rmb2.718 billion for the acquisition of the land will be paid in phases according to the development progress. The Group was only required to pay Rmb550 million in this year and the remaining amount will be paid from sales revenue of the joint venture company after the completion of different phases and the details of which had been disclosed in the Company's announcement dated 7 July 2009.

Note 3: Details of the acquisition had been disclosed in the Company's announcement dated 8 July 2009.

Aggressive – Continued enhancement of management standard

The Group places talents development as its top priority and solidifies its foundation by adhering to the corporate culture and implementing the "Greentown Academy". It implemented standardization procedures to strengthen the development of the Group. During the Reporting Period, the Group enhanced its sales capabilities, product quality, community services, financial management, project cost control to improve its core competitiveness. Besides, the Group strengthened its budget management, risk management and appraisal system to optimize the operation mode of the Group. The Company successfully redeemed 90.3% of its US$400 million senior notes due 2013 in the first half of 2009 which enabled the Company to have more room for development without the restrictive covenants of the senior notes. On 10 September 2009, Greentown Real Estate Group Co., Ltd ("Greentown Real Estate"), a wholly-owned subsidiary of the Company entered into a framework agreement with Ping An Trust & Investment Co. Ltd ("Ping An Trust"), pursuant to which Greentown Real Estate and Ping An Trust agreed to set out the cooperation framework for the investment in real estate projects in different parts of the PRC. It is expected that the total capital to be invested by Ping An Trust will amount to Rmb15 billion in the next three years, of which an estimated amount of Rmb3 billion to Rmb5 billion will be invested in 2009. The co-operation with Ping An Trust will not only develop a new financing channel for the Group, but will also allow the Group to enter into the field of property fund management, thus providing support to the Group's rapid development in the future.

THE SECOND PART – FUTURE PROSPECTS AND STRATEGIES

Property sales started to recede in the second half of 2009 as a result of the surge in demand in the first half of 2009 after a long suppression in late last year, the decrease in commodity housing supply in core cities as well as the refinement of the macro policies. However, we believe this does not imply a downward trend of the property market but rather a reversion to mean following the strong sales in the first half of 2009. The long term prospect of China's macro economic growth is still positive, and the relatively relaxed macroeconomic policies as well as the expectation of inflation shall bring opportunities for the property market, not to mention that the property market remains one of the key drivers for China's economic recovery. The property market has entered into a new development cycle with more opportunities available for the leading industry players. In view of the general tight supply situation amid the overall healthy market outlook of the core regions of the Group, the Group's ample inventory of properties available for sale should ensure its promising growth.

Maintain sufficient supply and accelerate sales

In view of the current market condition and the expected trend, the Group will emphasize on the timely launch of new projects for sale in the second half of 2009 to ensure strong cashflow and rapid asset turnover. As at 31 August 2009, the Group had 0.81 million sq.m. saleable area and is expected to launch new projects such as Hangzhou Xixi Chengyuan, Hangzhou Lilac Apartment and Cixi Rose Garden, as well as new phases of projects including Shanghai Bund House, Hangzhou Lijiang Apartment and Ningbo Crown Garden in September to December 2009. It is expected that the newly launched saleable area will amount to approximately 1.31 million sq.m. Given the Group's ample supply in the next four months, we have raised our annual contracted sales target of 2009 to Rmb38 billion.

Increase the pace of development in response to market situation

The Group adjusted the construction schedule in a timely manner based on market situation in 2009 so that the pace of project development matched with the market situation and the pace of sales. It increased its project construction commencement schedule for 2009 from 2.14 million sq.m. GFA in early 2009 to 3.97 million sq.m. GFA to ensure that there will be sufficient properties available for sale in the second half of 2009 and the following year. It is expected that newly commenced projects will reach 2.97 million sq.m. GFA in the second half of 2009 and the projects under development will reach 8.34 million sq.m. GFA by end of 2009. The Group will strengthen the budget management, optimize the planning and project management, enhance product quality, control the pace of development reasonably, shorten the project development cycle and accelerate the turnover of assets.

Strengthen land bank quality and optimize cooperation strategy

The Group will be more selective towards land bank expansion in the future. Land bank expansion will focus mainly in Zhejiang, Yangtze River Delta Region with Shanghai as the centre and Bohai Rim Region with Beijing as the centre. The Group will also ensure the sustainability of development and earnings in its operating regions. Size of the land bank will be set according to the Group's development needs in the next three years. The timing and size of land bank acquisitions will be decided in response to market situation so as to maintain a reasonable balance between the size of the land bank and sales progress.

The Group will continue to reinforce and deepen the cooperation with existing strategic partners, enhance the benefits of "quality brand and professional management", stringently control the cost of land acquisition and control the balance between scale of development and financial risk.

Fully enhance the Group's financial management capability and introduce innovative financing methods

The Group will adapt to changes in market situation by adopting different financial strategies, increase the effectiveness and efficiency of resources allocation, strengthen controls over cost, and fully implement budget management at all levels. The Company will also continue to strengthen the cooperation with various financial institutions, and actively explore various innovative financing methods, thus providing adequate financial support for the Group's future development.

Enhance product quality and community service system

The Group will further implement the standardization of product quality, optimize design management, enhance supervision of production process and improve the overall quality of properties. It will further improve and standardize the community services system. The Company will strive to enhance community service system to increase its core competitiveness.

FINANCIAL ANALYSIS

Revenue

Revenue (net of business tax) is primarily derived from property development, hotel operations, and sales of construction materials. For the six months ended 30 June 2009, revenue was Rmb1,940 million, whereas revenue for the same period in 2008 was Rmb1,765 million, representing a growth of 9.9%. The revenue from property sales amounted to Rmb1,911 million, representing 98.5% of the total revenue and a rise of 10.3% from Rmb1,733 million for the same period in 2008. The GFA of sales recognized in the Reporting Period amounted to 264,464 sq.m., representing an increase of 34.0% from 197,295 sq.m. for the same period in 2008 as the number of projects delivered in the period increased.

Property sales revenue of the Reporting Period was mainly derived from projects in Hangzhou, Qingdao, Zhoushan and Hefei. Sales derived from projects in Hangzhou amounted to Rmb550 million with total area sold of 22,782 sq.m., representing 28.8% of the total property sales and 8.6% of the total area sold. In terms of proportion to total sales, sales in Hangzhou ranked the first, followed by Qingdao, Zhoushan and Hefei which accounted for 20.0%, 17.9% and 11.6% of total property sales respectively, and 24.9%, 21.4% and 19.0% of total area sold respectively.

Our average selling price per square meter decreased quite significantly at a rate of 17.7% from Rmb8,784 in the first half of 2008 to Rmb7,226 during the Reporting Period. Firstly, the decrease in average selling price was driven by the geographical locations of the projects delivered during the Reporting Period. Although projects in Hangzhou still had the largest proportion to total sales in the Reporting Period as in the first half of 2008, the revenue from projects in Hangzhou only accounted for 28.8% of the total revenue in the period, representing a significant decrease comparing to the proportion of 39.9% in the same period of 2008. Since Hangzhou is situated in the economic booming Yangtze Delta region, in which the brand advantage of Greentown properties has been fully reflected, the decrease in the proportion of revenue from projects in Hangzhou effected the average selling price to a certain extent. Besides, it was projects in Qingdao which ranked number two in terms of proportion of sales during the Reporting Period with average selling price per square meter of Rmb5,810, while projects in Shanghai which ranked number two in the first half of 2008 accounted for 21.2% of total sales in that period with average selling price per square meter reaching Rmb19,200, thus also dragging down the period's average selling price to a certain extent. Secondly, the decrease in average selling price was due to the difference in property type. Sales of villas accounted for 65.3% of total property sales in the same period of 2008 but it decreased to 29.1% with sales revenue from villas of Rmb557 million during the Reporting Period. Besides, the proportion of apartments recorded substantial increase, which also contributed to the decrease of average selling price per square meter in the Reporting Period.

Set out below is a table that illustrates the area sold, revenue, and interest attributable to the Group:

Projects	**Area sold** *(sq.m.)*	**Revenue** *Rmb million*	**Interest attributable to the Group**
Hangzhou			
Taohuayuan South	14,464	500	51%
Others	8,318	50	
	22,782	550	
Zhejiang Province (excluding Hangzhou)			
Zhoushan Sweet Osmanthus Town	56,710	343	100%
Ningbo Crown Garden	5,197	48	60%
Others	571	3	
	62,478	394	
Qingdao			
Qingdao Ideal City	65,744	382	80%
Hefei			
Hefei Sweet Osmanthus Garden	7,645	19	99%
Hefei Lily Apartment	42,625	203	77%
	50,270	222	
Beijing			
Beijing Lily Apartment	35,566	199	80%
Changsha			
Changsha Sweet Osmanthus Town	21,088	87	51%
Changsha Green Bamboo Garden	2,428	57	52%
	23,516	144	
Shanghai			
Shanghai Greentown	4,108	20	100%
Total	264,464	1,911	

Gross profit margin of property sales

Gross profit margin of property sales decreased from 36.3% in the same period of 2008 to 29.4% in the Reporting Period, but there was a slight increase comparing with the annual gross profit margin of 27.8% in 2008. The Group has been dedicated to improving product quality and enhancing its product tier ranking, thus incurring higher construction cost in respect of its property projects. In addition, the Group's strategy has been to increase the turnover of assets, which also affected the Group's gross profit margin to a certain extent. On the other hand, according to the Group's branding strategy, the gross profit margin of new projects in newly entered cities (e.g. Qingdao Ideal City) is generally lower. Furthermore, the growing popularity of exquisitely fitting-out properties may also somehow affect the Group's future gross profit margin.

Other income

Other income included interest income, government subsidy and foreign exchange gain, etc. Other income of Rmb43 million was recorded during the Reporting Period, representing a decrease of 85.5% from Rmb297 million for the same period of 2008, mainly due to the substantial drop in foreign exchange gain during the Reporting Period. During the first half of 2008, the successive appreciation in Renminbi amounted to approximately 6.0%, resulting in substantial exchange gain arising from the US dollar denominated senior notes and convertible bonds issued in 2006. At the same time, a slight foreign exchange loss was incurred in the deposits denominated in foreign currency. After setting off with the exchange gain arising from Renminbi appreciation, a net exchange gain of Rmb201 million was resulted. During the Reporting Period, the US dollar denominated convertible bonds issued in 2006 were all redeemed and the majority of the US dollar denominated senior notes were repurchased. Adding that the exchange rate of Renminbi had little fluctuation in the first half of 2009. After the deduction of exchange gain by exchange loss incurred from foreign currency deposits, an exchange gain of Rmb4 million was resulted. Interest income during the Reporting Period was Rmb14 million, representing a significant drop from Rmb82 million in the same period of 2008 due to the decrease in interest income from associates and jointly controlled entities in the Reporting Period.

Repurchase of senior notes and redemption of convertible bonds

The Company repurchased part of the senior notes due in 2013 (90.3% of senior notes was repurchased) in May 2009 and generated a gain of Rmb328 million. The redemption of convertible bonds issued in 2006 incurred a gain of Rmb14 million in January 2009.

Fair value changes on Trust-related financial derivatives

The losses arising from the fair value changes in Trust-related financial derivatives in the Reporting Period were Rmb53 million. A trust agreement was entered into between Greentown Real Estate and Zhonghai Trust Company Ltd.. The Trust Put Option, the Guarantee and RMB1 Options relating to the above agreement were deemed as derivatives and measured according to their fair values. Losses of Rmb53 million were recorded in the Reporting Period due to valuation gain on the derivatives.

Selling and administrative expenses

Selling and administrative expenses in the Reporting Period increased by 41.0% from Rmb334 million in the same period of 2008 to Rmb471 million during the Reporting Period. Administrative expenses increased by 38.9% to Rmb293 million from Rmb211 million in the first half of 2008. Human resources cost of Rmb136 million was the single largest item under administrative expenses during the Reporting Period, representing 46.4% of total administrative expenses while human resources cost was Rmb81 million in the same period of 2008, representing 38.5% of total administrative expenses. The increase was mainly due to the grant of three lots of share options during the Reporting Period which recognized Rmb52 million of human resources cost. Selling expenses increased 44.7% to Rmb178 million during the Reporting Period from Rmb123 million in the first half of 2008. The biggest increase in selling expenses was expense in sales and marketing activities as well as advertising expense, which increased by Rmb39 million over the same period of last year to Rmb113 million during the Reporting Period, mainly due to the increase in properties launched during the Reporting Period. As a percentage of pre-sale proceeds received by our subsidiaries, our selling expenses decreased significantly from 2.2% in the same period of 2008 to 1.4% in the first half of 2009.

Reversal of impairment provision

The impairment provision in the second half of 2008 was Rmb274 million, of which Shanghai Xinjiangwan Project, Zhoushan Sheraton Hotel, Hefei Sweet Osmanthus Garden, Nantong Yulan Apartment and Thousand-Island Lake Rose Garden accounted for Rmb148 million, Rmb53 million, Rmb28 million, Rmb21 million and Rmb21 million, respectively. As the market revived, all the impairment provision for Nantong Yulan Apartment and Thousand-Island Lake Rose Garden totalling Rmb42 million was reversed during the Reporting Period. Zhoushan Sheraton Hotel and Hefei Sweet Osmanthus Garden maintained the impairment provision in the Reporting Period and there was no impairment reversal for Shanghai Xinjiangwan Project as it was sold in the Reporting Period.

Finance costs

Interest expenses charged to the consolidated income statement during the Reporting Period decreased by 21.2% to Rmb193 million from Rmb245 million for the first half of 2008. Total interest expenses increased by 28.9% to Rmb833 million from Rmb646 million for the first half of 2008. The increase was caused by the surge in the number of projects and hence the increase in average debt amounts during the Reporting Period. Rmb640 million of such interest expenses was capitalized during the Reporting Period and the capitalization rate was 76.8%. For the first half of 2008, Rmb402 million of such interest expenses was capitalized and the capitalization rate was 62.1%. The increase in the capitalization rate was due to the increased number of projects acquired in previous years which commenced construction in the second half of 2008 or in the first half of 2009.

Share of profit of associates and jointly controlled entities

The share of profit of associates and jointly controlled entities was Rmb175 million for the Reporting Period, which was approximately the same as Rmb170 million in the same period of 2008. Sales from associates and jointly controlled entities amounted to Rmb2,518 million, representing a drop of 8.5% from Rmb2,751 million in the same period of 2008. GFA sold was 238,801 sq.m., approximately the same as 234,000 sq.m. in the same period of 2008. Gross profit margin of sales from associates and jointly controlled entities decreased slightly from 27.6% in the same period of 2008 to 23.5% during the Reporting Period. The delivery of Hangzhou Majestic Mansion achieved sales of Rmb1,363 million, representing 54.1% of the total sales from associates and jointly controlled entities and contributed a profit of Rmb120 million to the Group. As the land premium and construction cost were relatively higher for Hangzhou Majestic Mansion, its gross profit margin was just 24.7%. Shanghai East Sea Plaza Phase 1 delivered in the first half of 2008 achieved sales of Rmb1,889 million, representing 68.7% of the total sales from associates and jointly controlled entities in the first half of 2008 with gross profit margin of 27.1%. Therefore, the gross profit margin for the Reporting Period was lower than that in the same period of 2008. As the overall market improved, the impairment provision of Rmb54 million for Nantong Rudong Hupanju in the second half of 2008 was reversed in the Reporting Period and contributed Rmb20 million to the share of profit of associates and jointly controlled entities during the Reporting Period.

Taxation charges

Taxation for the first half of 2009 included LAT of Rmb95 million and enterprise income tax of Rmb19 million. LAT accounted for 5.0% of revenue from property sales during the Reporting Period, which was lower than 6.9% for the same period in 2008. It was mainly due to the decrease in gross profit margin of property sales and lower proportion of sales from villas.

Earnings for the period and profit attributable to the owners of the Company

Earnings for the period decreased slightly to Rmb354 million from Rmb370 million in the same period of 2008. Net profit margin for the period was 18.2%, representing a slight decrease over 20.9% in the same period of 2008.

The profit attributable to the owners of the Company for the Reporting Period was Rmb323 million, a slight decrease from Rmb341 million in the same period of 2008.

Basic and diluted earnings per share for the period were Rmb0.21 and Rmb0.20 respectively. Return on equity was 3.9%.

Pre-sale deposits

As at 30 June 2009, the balance of pre-sale deposits of the subsidiaries was Rmb12,610 million, representing an increase of 105.5% from Rmb6,137 million as at 31 December 2008, and the balance of pre-sale deposits of associates and jointly controlled entities was Rmb7,214 million, rising 42.6% from Rmb5,058 million as at 31 December 2008, locking in part of the profit for the second half of 2009 and the years afterwards.

Financial resources and liquidity

As at 30 June 2009, the Group's cash balance amounted to Rmb5,963 million (31 December 2008: Rmb1,718 million) with total borrowings of Rmb17,580 million (31 December 2008: Rmb16,118 million). Net gearing ratio, measured by net debt over net assets, decreased from 140.1% as at 31 December 2008 to 107.5% as at 30 June 2009.

Foreign exchange fluctuation risks

The principal place of operation for the Group is the PRC. Most of the income and expenditure are denominated in Renminbi. Since the Group has deposits denominated in US dollars or HK dollars and certain senior notes denominated in US dollars, the Group was exposed to foreign exchange risks. However, the Group's operating cash flow or liquidity was not subject to any exchange rate fluctuations. The Group did not enter into any foreign exchange hedging arrangements as at 30 June 2009.

Financial guarantees

As at 30 June 2009, the Group provided guarantees of Rmb5,381 million (31 December 2008: Rmb3,900 million) to banks in favor 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.

Pledge of assets

As at 30 June 2009, the Group had pledged buildings, hotels buildings, prepaid lease payment, construction in progress, properties for development, properties under development, completed properties for sale, interests in associates, amounts due from associates and bank deposits with an aggregate carrying amount of Rmb15,534 million (31 December 2008: Rmb12,216 million) to secure general credit facilities granted to the Group.

Capital commitments

As at 30 June 2009, the Group has contracted capital expenditure in respect of properties for development, properties under development and construction in progress but not provided for amounted to Rmb7,673 million (31 December 2008: Rmb7,904 million).

Employees

As at 30 June 2009, the Group employed a total of 2,657 employees. 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 of the Company on a regular basis. As an incentive for the employees, bonuses and cash awards may also be given to employees based on individual performance evaluation.

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

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities during the six months ended 30 June 2009.

Corporate Governance

In the opinion of the Directors, the Company has complied with the code provisions set out in the Code on Corporate Governance Practices contained in Appendix 14 of the Rules Governing the Listing of Securities on The Stock Exchange (the "Listing Rules") throughout the six months ended 30 June 2009.

Model Code for Securities Transactions

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 to the Listing Rules as its code of conduct for dealings in securities of the Company by the directors. The Company has made specific enquiry of all directors of the Company and all directors confirmed that they have complied with the required standard set out in the Model Code throughout the period for the six months ended 30 June 2009.

Audit Committee

The Audit Committee has reviewed the accounting principles and practices adopted by the Group, the internal controls and financial reporting with the management of the Group, including the Group's unaudited interim financial statements and the interim report for the six months ended 30 June 2009. The Audit Committee comprises five independent non-executive Directors, namely Mr. Tsui Yiu Wa, Alec (the Chairman of the Audit Committee), Mr. Jia Shenghua, Mr. Jiang Wei, Mr. Sze Tsai Ping, Michael and Mr. Tang Shiding.

Closure of Register of Members

The Register of Members of the Company will be closed from Monday, 12 October 2009, to Wednesday, 14 October 2009, both days inclusive, during which period no transfer of shares will be registered. In order to qualify for the interim dividend, all transfer documents accompanied by the relevant share certificates must be lodged with the Company's 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 for registration no later than 4:30 p.m. on Friday, 9 October 2009.

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

Hangzhou, the PRC
16 September 2009

As at the date hereof, Mr. Song Weiping, Mr. Shou Bainian, Mr. Luo Zhaoming, Mr. Chen Shunhua and Mr. Guo Jiafeng are the executive directors of the Company; Mr. Tsui Yiu Wa, Alec, Mr. Jia Shenghua, Mr. Jiang Wei, Mr. Sze Tsai Ping, Michael, Mr. Tang Shiding and Mr. Ke Huanzhang are the independent non-executive directors of the Company.

* *For identification purpose only*