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GREENLAND HONG KONG HOLDINGS LIMITED

綠地香港控股有限公司

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 337)

US\$700 million 4.75 per cent. Bonds Due 2016

(Stock Code: 5982)

US\$500 million 4.375 per cent. Notes Due 2017

(Stock Code: 5786)

CNY1,500 million 5.50 per cent. Bonds Due 2018

(Stock Code: 85945)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2015

HIGHLIGHTS

- Contracted sales reached approximately RMB7,024 million for 1H2015, an increase of 20% from 1H2014, 107% of the sales target for 1H2015
- Profit for 1H2015 was approximately RMB70 million, an increase of RMB66 million from 1H2014
- Profit for the period attributable to owners of the Company for 1H2015 was approximately RMB88 million, an increase of 249% from 1H2014
- Average financing cost was stable at around 5% as at 30 June 2015
- Land bank reached approximately 14.3 million square meters as at 30 June 2015
- Placing of 228,000,000 new shares at a total amount of approximately HKD1.7 billion in May 2015
- Grand opening of Greenland Financial Information Services Co., Ltd in May 2015

**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER
COMPREHENSIVE INCOME**

FOR THE SIX MONTHS ENDED 30 JUNE 2015

		Six months ended 30 June	
		2015	2014
	<i>Notes</i>	RMB'000	RMB'000
		(Unaudited)	(Unaudited)
Revenue	4	1,001,228	1,464,980
Cost of sales		(746,117)	(1,142,037)
Gross profit		255,111	322,943
Other gains and losses and other expenses		(15,039)	(20,493)
Selling and marketing costs		(163,360)	(88,226)
Administrative expenses		(206,979)	(184,699)
Finance income		31,904	56,736
Finance expenses	5	(113,737)	(91,563)
Net foreign exchange gains (losses)		57,731	(24,091)
Fair value gains on investment properties	8	293,759	115,821
Share of (losses) gains of joint ventures		(37,354)	42,459
Profit before income tax		102,036	128,887
Income tax expense	6	(31,718)	(125,039)
Profit for the period		70,318	3,848
Profit for the period attributable to:			
Owners of the Company		87,622	25,113
Non-controlling interests		(17,304)	(21,265)
		70,318	3,848
Earnings per share:			
Ordinary share (basic and diluted) (RMB)	7	0.03	0.01
Convertible preference share (basic and diluted) (RMB)	7	0.03	0.01

	Six months ended 30 June	
	2015	2014
<i>Notes</i>	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Other comprehensive expense:		
Items that may be reclassified subsequently to profit or loss:		
Exchange differences arising on translation	—	(23,374)
	<hr/>	<hr/>
Other comprehensive expense for the period, net of income tax	—	(23,374)
	<hr/>	<hr/>
Total comprehensive income (expense) for the period	70,318	(19,526)
	<hr/>	<hr/>
Total comprehensive income attributable to:		
Owners of the Company	87,622	13,426
Non-controlling interests	(17,304)	(32,952)
	<hr/>	<hr/>
	70,318	(19,526)
	<hr/>	<hr/>

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2015

		As at 30 June 2015	As at 31 December 2014
	<i>Notes</i>	RMB'000	RMB'000
		(Unaudited)	(Audited)
NON-CURRENT ASSETS			
Property, plant and equipment		1,558,371	1,619,850
Intangible assets		1,409	1,431
Land use rights		75,892	76,924
Other investments		1,800	2,800
Investment properties	8	6,423,000	5,722,000
Properties under development		16,538,319	17,599,647
Interests in associates		3,603	3,603
Interests in joint ventures	9	900,668	938,022
Long-term receivable		495,671	596,096
Deferred tax assets		149,077	185,915
		<hr/>	<hr/>
Total non-current assets		26,147,810	26,746,288
		<hr/>	<hr/>
CURRENT ASSETS			
Properties under development		7,476,859	4,489,993
Completed properties held for sale		1,858,689	1,727,423
Tax recoverable		236,614	176,650
Long-term receivable within one year		121,311	125,561
Trade and other receivables, deposits and prepayments	10	3,692,845	2,584,310
Restricted cash		313,157	156,693
Cash and cash equivalents		3,563,584	5,032,763
		<hr/>	<hr/>
Total current assets		17,263,059	14,293,393
		<hr/>	<hr/>
Total assets		43,410,869	41,039,681
		<hr/>	<hr/>

	As at 30 June 2015	As at 31 December 2014
<i>Notes</i>	RMB'000 (Unaudited)	RMB'000 (Audited)
EQUITY		
Share capital	1,158,110	1,068,154
Share premium	3,591,847	2,362,986
Reserves	806,196	834,203
Retained earnings	1,441,217	1,353,595
Total equity attributable to owners of the Company	6,997,370	5,618,938
Non-controlling interests	353,769	371,648
Total equity	7,351,139	5,990,586
NON-CURRENT LIABILITIES		
Interest-bearing loans	7,821,909	4,454,928
Long-term payable	31,661	30,437
Bonds	8,774,587	8,763,401
Deferred tax liabilities	553,450	491,791
Total non-current liabilities	17,181,607	13,740,557
CURRENT LIABILITIES		
Interest-bearing loans	1,469,358	1,227,105
Trade, other payables and advance receipts	16,846,672	19,314,718
Tax payable	556,093	760,715
Long-term payable within one year	6,000	6,000
Total current liabilities	18,878,123	21,308,538
Total liabilities	36,059,730	35,049,095
Total equity and liabilities	43,410,869	41,039,681
Net current liabilities	(1,615,064)	(7,015,145)
Total assets exceed current liabilities	24,532,746	19,731,143

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2015

1. GENERAL INFORMATION

Greenland Hong Kong Holdings Limited (the “Company”) was incorporated in the Cayman Islands on 13 April 2006 as an exempted company with limited liability under the Companies Law, Cap 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands. The address of the Company’s registered office is Century Yard, Cricket Square, Hutchins Drive, P.O. Box 2681 GT, George Town, Grand Cayman, British West Indies.

The Company’s shares were listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) on 10 October 2006. On 27 August 2013, the subscription of the shares of the Company (the “Subscribed Shares”) by Gluon Xima International Limited (“GXIL”) was successfully completed. GXIL is an indirectly wholly-owned subsidiary of Greenland Holding Group Company Limited (“Greenland Holding”). Greenland Holding is a state-controlled enterprise group headquartered in Shanghai, with its main business in real estate, energy and finance.

The Subscribed Shares represent approximately 60% of the entire issued share capital of the Company and approximately 60% of the voting rights of the Company as enlarged by the Subscribed Shares. Immediately after the subscription, Greenland Holding became the ultimate holding company of the Company.

2. BASIS OF PREPARATION

The condensed consolidated financial statements have been prepared in accordance with International Accounting Standard 34 (IAS 34) Interim Financial Reporting issued by the International Accounting Standard 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”).

As of 30 June 2015, Greenland Hong Kong Holdings Limited and its subsidiaries’ (collectively referred to as the “Group”) net current liabilities are approximately RMB1,615,064,000. The directors consider the Group is able to operate as a going concern, taken into account the cashflows generated from operating activities, and unused loan facilities from banks, amounting RMB4,188,463,000 to meet its liquidity requirements in the next twelve months. The condensed consolidated financial statements have been prepared on the basis that the Group will continue to operate throughout the next twelve months as a going concern.

3. PRINCIPAL ACCOUNTING POLICIES

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

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

In the current interim period, the Group has applied, for the first time, certain amendments to International Financial Reporting Standards (“IFRSs”) issued by the IASB that are mandatorily effective for the current interim period.

The application of the amendments to IFRSs in the current interim period has had no material effect on the amounts reported in these condensed consolidated financial statements and/or disclosures set out in these condensed consolidated financial statements.

4. SEGMENT REPORTING

The following is an analysis of the Group's revenue, profit (loss), assets and liabilities by reportable segments:

	Sales of properties RMB'000	Lease of properties RMB'000	Hotel & related services RMB'000	Education RMB'000	Property management & other related services RMB'000	Total RMB'000
For the six months ended 30 June 2015						
Revenue from external customers (unaudited)	751,265	30,402	82,511	60,595	76,455	1,001,228
Inter-segment revenue (unaudited)	–	–	–	–	39,317	39,317
Reportable segment revenue (unaudited)	<u>751,265</u>	<u>30,402</u>	<u>82,511</u>	<u>60,595</u>	<u>115,772</u>	<u>1,040,545</u>
Reportable segment profit (loss) before income tax (unaudited)	<u>(231,420)</u>	<u>306,826</u>	<u>(19,248)</u>	<u>20,637</u>	<u>27,555</u>	<u>104,350</u>
As at 30 June 2015						
Reportable segment assets (unaudited)	<u>34,998,774</u>	<u>6,423,000</u>	<u>3,315,167</u>	<u>375,179</u>	<u>621,123</u>	<u>45,733,243</u>
Reportable segment liabilities (unaudited)	<u>22,074,548</u>	<u>4,039,623</u>	<u>2,907,056</u>	<u>250,619</u>	<u>407,582</u>	<u>29,679,428</u>
	Sales of properties RMB'000	Lease of properties RMB'000	Hotel & related services RMB'000	Education RMB'000	Property management & other related services RMB'000	Total RMB'000
For the six months ended 30 June 2014						
Revenue from external customers (unaudited)	1,177,966	36,331	74,486	39,565	136,632	1,464,980
Inter-segment revenue (unaudited)	–	–	–	–	21,048	21,048
Reportable segment revenue (unaudited)	<u>1,177,966</u>	<u>36,331</u>	<u>74,486</u>	<u>39,565</u>	<u>157,680</u>	<u>1,486,028</u>
Reportable segment profit (loss) before income tax (unaudited)	<u>5,711</u>	<u>95,454</u>	<u>(22,909)</u>	<u>(3,978)</u>	<u>53,769</u>	<u>128,047</u>
As at 31 December 2014						
Reportable segment assets (unaudited)	<u>32,910,968</u>	<u>5,722,000</u>	<u>3,017,245</u>	<u>422,931</u>	<u>565,305</u>	<u>42,638,449</u>
Reportable segment liabilities (unaudited)	<u>21,260,075</u>	<u>3,535,788</u>	<u>2,657,239</u>	<u>322,746</u>	<u>372,557</u>	<u>28,148,405</u>

Reconciliation of reportable segment revenue, profit (loss), assets and liabilities

	Six months ended 30 June	
	2015 RMB'000 (Unaudited)	2014 RMB'000 (Unaudited)
Revenue		
Reportable segment revenue	1,040,545	1,486,028
Elimination of inter-segment revenue	(39,317)	(21,048)
Consolidated revenue	1,001,228	1,464,980
Profit		
Reportable segment profit before income tax	104,350	128,047
Unallocated expenses	(22,275)	(13,724)
Net foreign exchange gains (losses)	57,731	(24,091)
Share-based payments	(416)	(3,804)
Share of (losses) gains of joint ventures	(37,354)	42,459
Consolidated profit before income tax	102,036	128,887
	As at 30 June 2015 RMB'000 (Unaudited)	As at 31 December 2014 RMB'000 (Audited)
Assets		
Reportable segment assets	45,733,243	42,638,449
Elimination of inter-segment receivables	(2,394,285)	(1,862,711)
Elimination of inter-segment investments	(832,360)	(677,682)
Interests in associates	3,603	3,603
Interests in joint ventures	900,668	938,022
Consolidated total assets	43,410,869	41,039,681
Liabilities		
Reportable segment liabilities	29,679,428	28,148,405
Elimination of inter-segment payables	(2,394,285)	(1,862,711)
Bonds	8,774,587	8,763,401
Consolidated total liabilities	36,059,730	35,049,095

5. FINANCE EXPENSES

	Six months ended 30 June	
	2015	2014
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Interest expenses on loans and bonds	472,482	299,685
Less: interest capitalised	<u>(359,969)</u>	<u>(209,468)</u>
Net interest expenses on loans and bonds	112,513	90,217
Interest expenses on long-term payable	<u>1,224</u>	<u>1,346</u>
Finance expenses	<u>113,737</u>	<u>91,563</u>

6. INCOME TAX EXPENSE

Income tax in the condensed consolidated statement of profit or loss and other comprehensive income represents:

	Six months ended 30 June	
	2015	2014
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Current tax:		
Provision for PRC enterprise income tax for the period	11,026	33,698
Provision for PRC land appreciation tax for the period	17,696	48,438
Reversal of provision for PRC land appreciation tax for prior period	<u>(95,501)</u>	<u>–</u>
	(66,779)	82,136
Deferred tax	<u>98,497</u>	<u>42,903</u>
	<u>31,718</u>	<u>125,039</u>

Enterprise income tax

No provision for Hong Kong Profits Tax has been made as the Group did not earn any income subject to Hong Kong Profits Tax during the six months ended 30 June 2015 (30 June 2014: Nil).

Pursuant to the rules and regulations of the Cayman Islands and the British Virgin Islands, the Group is not subject to any income tax in the Cayman Islands and the British Virgin Islands.

Under the law of the PRC on enterprise income tax (the “EIT Law”) and implementation regulation of the EIT Law, the Group’s project companies are subject to PRC enterprise income tax at a rate of 25%.

Land appreciation tax

PRC land appreciation tax is levied on properties developed by the Group for sale at progressive rates ranging from 30% to 60% on the appreciation of land value, which under the applicable regulations is calculated based on the proceeds of sales of properties less deductible expenditures including lease charges of land use rights, borrowing costs and all property development expenditures.

The subsidiaries of the Company engaging in property development business in the PRC are subject to land appreciation tax, which has been included in the income tax. However, the implementation of these taxes varies amongst different districts and the Group has not finalised its land appreciation tax returns with the various tax authorities. Accordingly, significant judgement is required in determining the amount of land appreciation and its related taxes. The ultimate tax determination is uncertain during the ordinary course of business. The Group recognises these liabilities based on management's best estimates. Where the final tax outcome of these matters is different from the amounts initially recorded, such differences will impact the profit or loss and provisions for land appreciation tax in the period in which such determination is made.

During the year, the Group received notices from the relevant local tax authority to finalize LAT calculations of certain property projects, and pursuant to the tax laws, an authorized certified tax accountant registered under the relevant rules and regulations in PRC was engaged to recalculate the LAT provision of the property projects. Based on calculations made by the certified tax accountant, the final LAT provision for the property projects were different from the LAT provision initially estimated and recognized by the Group. In particular, a different calculation method was adopted by the certified tax accountant and the appreciate rate for LAT calculation purpose as calculated by the certified tax accountant were lower than appreciate rate initially estimated by the Group. As a result, the land appreciation gain and the resulting LAT provision calculated by the certified tax accountants for the property projects were different with the land appreciation gain the LAT provision initially estimated by the Group, and the methods of calculation adopted by the certified tax accountant and the revised LAT provision have been agreed by the respective local tax bureau (the "Local Tax Bureau"). Accordingly, the Group reversed LAT provision of approximately RMB95,501,000 overprovided in previous periods in relation to the property projects and credited the same amount to profit or loss in the current interim period. As it is uncertain whether such basis would be acceptable for other projects or to other tax bureaus in different tax justifications, the Group has not reversed LAT provision for other projects. The impact of deferred tax asset such relating to over provision brought forward from prior period accounting to RMB23,875,000 has also been reversed in the profit and loss in the current period.

7. EARNINGS PER SHARE

(a) Earnings per ordinary share (basic)

Earnings per ordinary share (basic) is calculated by dividing the profit attributable to owners of the Company allocated to ordinary shares by the weighted average number of ordinary shares in issue during the period and excluding ordinary shares purchased by the Group and held for Share Award Scheme.

	Six months ended 30 June	
	2015 RMB'000 (Unaudited)	2014 RMB'000 (Unaudited)
Profit attributable to owners of the Company allocated to ordinary shares	<u>53,244</u>	<u>10,735</u>
Weighted average number of ordinary shares (basic)	<u>1,602,598,202</u>	<u>1,109,098,028</u>

(b) Earnings per convertible preference share (basic)

Earnings per convertible preference share (basic) is calculated by dividing the profit attributable to owners of the Company allocated to convertible preference shares by the number of convertible preference shares in issue during the period.

	Six months ended 30 June	
	2015 RMB'000 (Unaudited)	2014 RMB'000 (Unaudited)
Profit attributable to owners of the Company allocated to convertible preference shares	<u>34,378</u>	<u>14,378</u>
Weight average number of convertible preference shares (basic) (2014: approximate number of convertible preference shares)	<u>1,034,756,597</u>	<u>1,485,530,000</u>

(c) Diluted earnings per share

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding based on the assumption that all dilutive potential ordinary shares are converted as follows:

	Six months ended 30 June	
	2015 RMB'000 (Unaudited)	2014 RMB'000 (Unaudited)
Weighted average number of ordinary shares (basic)	1,602,598,202	1,109,098,028
Effect of convertible preference shares	1,034,756,597	1,485,530,000
Effect of Share Award Scheme	<u>9,218,493</u>	<u>23,192,000</u>
Weighted average number of total shares (diluted)	<u>2,646,573,292</u>	<u>2,617,820,028</u>

8. INVESTMENT PROPERTIES

	As at 30 June 2015 RMB'000 (Unaudited)	As at 31 December 2014 RMB'000 (Audited)
Investment properties under development		
Balance at 1 January	3,994,000	–
Additions	449,241	3,497,682
Net increase in fair value recognised in profit and loss	<u>275,759</u>	<u>496,318</u>
Balance at end of period/year	<u>4,719,000</u>	<u>3,994,000</u>
Completed investment properties		
Balance at 1 January	1,728,000	1,719,000
Cost capitalised	–	31,240
Transfer from property, plant and equipment	–	6,866
Disposal	(42,000)	(55,000)
Net increase in fair value recognised in profit and loss	<u>18,000</u>	<u>25,894</u>
Balance at end of period/year	<u>1,704,000</u>	<u>1,728,000</u>
	<u>6,423,000</u>	<u>5,722,000</u>

All the Group's investment properties are stated at fair values at 30 June 2015. The fair values of investment properties with State-Owned Land Use Rights were arrived at based on valuations carried out by DTZ ("Debenham Tie Leung Limited"). The fair values of investment properties without State-Owned Land Use Rights were arrived at the director's estimation taking into account of inputs from the valuer.

As at 30 June 2015, investment properties with a total carrying value of RMB 914,385,000 (31 December 2014: RMB 1,421,051,000) were pledged as collateral for the Group's borrowings.

9. INTERESTS IN JOINT VENTURES

	As at 30 June 2015 RMB'000 (Unaudited)	As at 31 December 2014 RMB'000 (Audited)
Hainan Tianyuan Lifeng Shiye Company Limited ("Tianyuan Lifeng") (1)	618,673	655,611
Forever Rich Enterprise Limited ("Forever Rich") (2)	281,995	282,411
	<u>900,668</u>	<u>938,022</u>

(1) Tianyuan Lifeng

	As at 30 June 2015 RMB'000 (Unaudited)	As at 31 December 2014 RMB'000 (Audited)
Cost of investment	758,476	758,476
Share of post-acquisition losses	(139,803)	(102,865)
	<u>618,673</u>	<u>655,611</u>

Tianyuan Lifeng is 50.1% owned by the Group, and is mainly engaged in property development in Haikou, Hainan Province, the PRC.

(2) Forever Rich

	As at 30 June 2015 RMB'000 (Unaudited)	As at 31 December 2014 RMB'000 (Audited)
Cost of investment	286,367	286,367
Share of post-acquisition losses	(4,372)	(3,956)
	<u>281,995</u>	<u>282,411</u>

Forever Rich and its subsidiary, China Resources Land(Su Zhou) Co., Ltd, are 50% owned by the Group, and China Resources Land(Su Zhou) Co., Ltd is mainly engaged in property development in Suzhou, Jiangsu Province, the PRC.

10. TRADE, OTHER RECEIVABLES AND ADVANCE DEPOSITS

	As at 30 June 2015 <i>RMB'000</i> (Unaudited)	As at 31 December 2014 <i>RMB'000</i> (Audited)
Receivables due from related parties (1)	2,054,957	1,144,770
Trade receivables due from third parties	65,834	86,149
Advance payments to contractors	28,738	64,617
Advance deposits for acquisition of land use rights	479,495	480,010
Non-trade receivables	676,390	535,725
Other tax prepayments (2)	387,431	273,039
Total	3,692,845	2,584,310

(1): The receivables due from related parties are unsecured, non-interest bearing and repayable on demand.

(2): Other tax prepayments mainly represent prepayments of business tax during the pre-sale stage of certain properties under development.

Age of trade receivables that are past due but not impaired is as follows:

	As at 30 June 2015 <i>RMB'000</i> (Unaudited)	As at 31 December 2014 <i>RMB'000</i> (Audited)
Within 90 days	45,188	83,523
Over 90 days and within 180 days	20,646	728
Over 180 days and within 365 days	–	1,898
	65,834	86,149

11 TRADE, OTHER PAYABLES AND ADVANCE RECEIPTS

	As at 30 June 2015 <i>RMB'000</i> (Unaudited)	As at 31 December 2014 <i>RMB'000</i> (Audited)
Trade payables	3,583,927	2,891,092
Advance receipts from customers	7,435,503	4,704,349
Payables due to related parties	3,911,642	6,560,121
Dividends payable	225	225
Unpaid land cost	702,174	3,784,618
Other taxes payable	24,415	44,237
Deposits and other accruals	1,188,786	1,330,076
Total	16,846,672	19,314,718

(1): The payables due to related parties are unsecured, non-interest bearing and repayable on demand.

The ageing analysis of trade payables at each reporting date is as follows:

	As at 30 June 2015 <i>RMB'000</i> (Unaudited)	As at 31 December 2014 <i>RMB'000</i> (Audited)
Within 90 days	3,419,511	2,705,616
Over 90 days and within 180 days	48,350	52,681
Over 180 days and within 365 days	36,960	35,920
Over 365 days and within 3 years	79,106	96,875
	3,583,927	2,891,092

12. BONDS

On 18 October 2013, the Company issued 4.75% bonds due 2016 (the "A Bond") with an aggregated nominal value of USD700,000,000 at a value equal to 99.655% of the face value. The A Bond is listed on The Stock Exchange of Hong Kong Limited. The Bonds carry interest at the rate of 4.75% per annum, payable semi-annually on 18 April and 18 October in arrears, and will mature on 18 October 2016, unless redeemed earlier. The net proceeds, after deducting the direct issuance costs, amounted to approximately USD692,424,000 (equivalent to RMB4,249,546,000).

On 23 January 2014, the Company issued 5.50% bonds due 2018 (the "B Bond") with an aggregated nominal value of RMB1,500,000,000 at a value equal to 99% of the face value. The B Bond is listed on The Stock Exchange of Hong Kong Limited. The B Bond carries interest at the rate of 5.50% per annum, payable semi-annually on 23 January and 23 July in arrears and will mature on 23 January 2018, unless redeemed earlier. The net proceeds, after deducting the direct issuance costs, amounted to approximately RMB1,490,465,000.

On 7 August 2014, the Company issued 4.375% bonds due 2017 (the “C Bond”) with an aggregated nominal value of USD 500,000,000 at a value equal to 99.31% of the face value. The C Bond is listed on The Stock Exchange of Hong Kong Limited. The C Bond carries interest at the rate of 4.375% per annum, payable semi-annually on 7 February and 7 August in arrears and will mature on 7 August 2017, unless redeemed earlier. The net proceeds after deducting the direct issuance costs, amounted to approximately USD 492,287,000 (equivalent to RMB3,035,935,000).

The A Bond, B Bond and C Bond (the “Bonds”) have the benefit of a keepwell deed from Greenland Holding Group Company Limited, the ultimate controlling shareholder of the Company.

The Bonds embedded certain options as below:

(1) The issuer’s redemption option all for A Bond (redemption option No. 1)

The Company may at any time redeem the A Bond, in whole but not in part, at a redemption price equal to the Make Whole Price as of, and accrued and unpaid interest, if any, to (but excluding), the redemption date. “Make Whole Price” means, with respect to a Bond at any redemption date, the amount calculated is the greater of (1) the present value of the principal amount of such Bond, plus all required remaining scheduled interest payments due on such Bond from the optional redemption date to the maturity date (but excluding accrued and unpaid interest to the option redemption date), computed using a discount rate, which the rate per annum equal to the semi-annual equivalent yield in maturity of the comparable treasury issue plus 0.5 per cent, and (2) the principal amount of such Bonds.

(2) The issuer’s redemption option for taxation reason (redemption option No. 2)

The Bonds may be redeemed at the option of the Company in whole, but not in part, at any time, at their principal amount (together with any interest accrued to the date fixed for redemption) in the event of certain changes affecting taxes of a relevant jurisdiction.

(3) The holder’s redemption option (redemption option No. 3)

Following the occurrence of a Put Event, the holder of any Bonds will have the right, at such holder’s option, to require the Issuer to redeem all, but not some only, of such holder’s Bonds on the Put Event Put Date at 101% of their principal amount, together with accrued interest to the Put Event Put Date.

A “Put Event” will be deemed to occur if:

- (1) there is a change of control, and
- (2) within a period ending six months after the date notice of the change of control first becomes public (which period shall be extended so long as the Bonds are under consideration (as publicly announced within such six month period) for a possible rating downgrade), a rating downgrade occurs.

The redemption option No. 1 held by the Company is separately accounted for at fair value at the initial recognition date and each reporting date as derivative financial instruments.

The exercise price of both redemption option No. 2 held by the Company and the redemption option No. 3 held by the bondholder is approximately equal to the amortised cost of the host contract. Hence, the redemption options No. 2 and No. 3 have risks and characteristics that are closely related to those of the host contract and are not separated from the host contract.

The movements of different components of Bonds are set out below:

	Liability component RMB'000	Call option of the Company RMB'000	Total RMB'000
As at 1 January 2015	8,896,454	–	8,896,454
Interests and issue cost amortised during the year	223,742	–	223,742
Interest paid during period	(210,643)	–	(210,643)
Exchange gain	(5,165)	–	(5,165)
As at 30 June 2015	<u>8,904,388</u>	<u>–</u>	<u>8,904,388</u>
Represented by		30 June 2015 RMB'000	31 December 2014 RMB'000
– Other payables – accrued interests		129,801	133,053
– Bonds		8,774,587	<u>8,763,401</u>
– Total		<u>8,904,388</u>	<u>8,896,454</u>

Liability component of the Bonds represents the contractually determined stream of future cash flows discounted at the rate of interest determined by the market instruments of comparable credit status taken into account the business risk and financial risk of the Company. The effective interest rate of the liability component is 4.934%-5.734% per annum for 30 June 2015.

At 30 June 2015, the liability component of the Bonds was repayable as follows:

	30 June 2015 RMB'000	31 December 2014 RMB'000
Represented by		
After one year but within two years	4,256,500	4,251,935
After two years but within five years	4,518,087	<u>4,511,466</u>
Total	<u>8,774,587</u>	<u>8,763,401</u>

BUSINESS REVIEW

Results

During the first half of 2015, together with the easing of monetary policies in China and several reductions of interest rate and reserve requirement ratio by the People's Bank of China, China government authorities also introduced new policies for the property market, including lowering the down payment levels for second homebuyers, expanding the amount of loans available through housing provident funds and adjusting their home purchase limit policy, etc. Stimulated by these policies, the demand for properties rebounded in first – and second-tier cities in China and property prices returned to a rising trend as property developers gradually unloaded inventory. Benefiting from such favorable policies for the property market, the Group completed 107% of its target for the first half of 2015, with total contracted sales growing by about 20% to approximately RMB7,024 million during the six months ended 30 June 2015.

During the six months ended 30 June 2015, the Group recorded total revenue of approximately RMB1,001,228,000, a decline of 32% from the same period last year, mainly as a result of fewer properties delivered. Net profit attributable to owners of the Company was approximately RMB87,622,000, representing a year-on-year increase of approximately 249%. Basic and diluted earnings per share attributable to owners of the Company amounted to RMB0.03, compared with RMB0.01 per share during the same period last year. The Board of Directors has resolved not to declare any interim dividend in respect of the six months ended 30 June 2015.

During the period, the total gross floor area (“GFA”) sold and delivered amounted to 87,070 square meters, a decrease of approximately 10% from the 97,254 square meters sold and delivered during the same period last year. The average selling price (“ASP”) was approximately RMB8,500 per square meter. Revenue derived from property sales was approximately RMB751 million, a decrease of approximately RMB427 million from

RMB1,178 million in the same period last year. The key projects completed and delivered in the first half of 2015 are as follows:

Item	City	Approximate GFA sold and delivered in 1H2015 <i>sqm</i>	Approximate sales recognized in 1H2015 <i>RMB'000</i>	Average selling price <i>RMB/sqm</i>
Huangshan Taiping Lake Resort	Huangshan	62,346	351,333	5,635
Oriental Garden	Shanghai	8,775	129,985	14,813
Cambridge Forest New Town	Shanghai	970	63,286	65,243
Greenland Xi Shui Dong	Wuxi	5,456	57,205	10,485
Greenland Emerald Bay	Changshu	4,339	48,272	11,125
Global 188	Suzhou	2,327	45,278	19,458
Greenland The Florea	Haikou	2,782	44,810	16,107
The Metropolitan	Kunming	75	608	8,107
Sub-total		87,070	740,777	8,508
Greenland Xi Shui Dong-carparking lot	Wuxi		3,899	
Greenland Emerald Bay-carparking lot	Changshu		3,660	
Greenland The Florea-carparking lot	Haikou		1,809	
Tiffany-carparking lot	Shanghai		1,120	
Sub-total			10,488	
Total property sales			751,265	

Contracted Sales

Property sales warmed up as one after another favorable measure was launched. Moreover, benefiting from the brand impact of its parent company, Greenland Holdings Corporation Limited (“Greenland Holdings”), and the precise positioning and flexible pricing strategies of the Group’s projects, the Group achieved total contracted sales of approximately RMB7,024 million during the first half of 2015, representing a year-on-year increase of approximately RMB1,153 million, an increase of 20%. The Group recorded total contracted GFA of 883,603 square meters with a year-on-year increase of 69,551 square meters, an increase of 9%. The Group has completed 107% of its target for the first half of 2015, which was determined at the beginning of the year.

During the six months ended 30 June 2015, sales of projects in first- and second-tier cities continued to be the main contributor to the Group’s contracted sales. The key projects that contributed significant volumes of contracted sales include Hainan (29%), Jiangsu (20%), Zhejiang (19%) and Guangxi (11%). The ASP for the period was RMB7,949.

Financial Business

Mr. Li Keqiang, Premier of the State Council, unveiled the “Internet Plus” action plan in the Reports on the Work of the Government this year. In response to the development trend of the Internet, the Group has spared no effort to promote a “big finance” strategy in order to establish its finance business, and to proactively develop internet financial products by using the tools of “Internet Plus”. The Group’s Greenland Financial Information Services Co., Ltd (“Greenland Financial Services”), which came into operation in May 2015, has entered into strategic cooperation agreements with three financial institutions, namely Shanghai Lujiazui International Financial Asset Exchange, Zhong An Online P&C Insurance Co. Ltd. and China Orient Asset Management (International) Holding Limited. This marked the Group’s official entry into the internet finance business, which is a key step for implementing the “big finance” strategy.

Greenland Financial Services will join hands with its partners to explore an innovative business model of internet finance and cooperate with them in terms of brands, platforms and products. Greenland Financial Services will launch the 2.0 version of internet finance, with its major products being mobile products based on big data and cloud platforms. Also, based on the investment and financing platform of the entire property industry chain, a series of products will be launched, such as “Dichanbao”, “Yezhubao”, “Zhiyebao” and “Shequbao” to multi-layer business model.

Greenland Holdings was involved in the finance business as early as in 2011, and such valuable hands-on experiences is beneficial to the development of the finance business of the Group. Greenland Financial Services is undertaking the task of building a “3+1” financial ecosystem for the Group by striving to establish an internet financial platform based on property and engaging in sectors including public-private partnership funds (“PPP funds”), property funds and special opportunity investment funds, in order to create an integrated investment and financing platform in terms of products, platforms and channels in the internet finance sector.

On 25 August, a self-developed mobile internet finance platform app of Greenland Financial Services, the “綠地廣財”, was launched online. “綠地廣財” aims at providing users with a wide range of products and services relating to property internet finance covering various sectors, including investment, wealth management, social life and livelihood. With enrichment of its product lines, the products to be launched by Greenland Financial Services in the future will be listed for sale on this self-owned platform.

With respect to products, Greenland Financial Services rolled out its first product, “Greenland Dichanbao·The Blue Sky Series” (綠地地產寶•藍天系列), in late August for the purpose of providing investment and financing services to property developers. Compared with traditional financial institutions, “Greenland Dichanbao” (綠地地產寶) enjoys a differentiated competitive edge in risk control and capital pricing.

In addition, “Greenland Zhiyebao·Property Purchase at Zero Cost” (綠地置業寶•零元買房) was also successfully launched in late August and was first introduced for the Greenland Huangshan Taiping Lake, Nanning Central Plaza and Ningbo Xin Du Hui projects. Innovatively designed as an internet finance product by Greenland Financial Services, this product not only provided favorable offers to property buyers, but also helped property developers utilize their capital in a efficient manner.

Land Bank

As at 30 June 2015, the Group held a land bank of approximately 14.3 million square meters, with prime sites strategically located in key cities in the Yangtze River Delta and southern China coastal area. The land bank is sufficient to support the Group's development pipeline for the next three to five years. With the support of the abundant resources of the Greenland Holding and the cost-effective financing channels offered by Greenland Hong Kong, the Group is continuously looking for quality sites which demonstrate growth potential.

Outlook

Recently, the property market in China has been recovering steadily, while performance still varied among cities. According to the Group's estimate, the government will be less likely to announce intensive easing policies on the property sector in the second half of the year, but it is believed that the easing policies launched earlier on property will continue to take effect. Except Beijing, Shanghai, Guangzhou and Sanya, home purchase restrictions have been lifted in other cities in China. Since Shanghai has also fine-tuned its home purchase limit policy towards individuals meeting the criteria, it is not impossible that the other first-tier cities may also loosen their policies. Nevertheless, the steady rise of property prices in first-tier cities will also discourage the introduction of easing policies. The property market is currently under full-scale correction. On the one hand, market fragmentation and industry integration continue to intensify while the external business model changes swiftly. On the other hand, the government is introducing a number of favorable policies, presenting a valuable opportunity for the Group to quicken its steps in transformation and upgrade.

In the second half of 2015, the Group aims to launch four projects in Shanghai, namely Huangpu District Wuliqiao Project, Greenland Yunxiang Tower, Greenland Free Harbour and Greenland Xin Du Hui. Except Huangpu District Wuliqiao Project, which is a residential, commercial and office complex, the remaining three projects are all commercial and office complexes. Also, the Group will introduce new units mainly in Jiangsu Province, Guangxi Autonomous Region, Zhejiang Province and Yunnan Province. Launching these new phases is expected to further drive contracted sales growth in the second half of the year.

In April 2015, the reorganization proposal of Greenland Holdings and Shanghai Jinfeng Investment Co., Ltd. ("Jinfeng Investment") (600606.SH) was approved by the China Securities Regulatory Commission. The stock listing ceremony held by Greenland Holdings at the Shanghai Stock Exchange on 18 August 2015 marked the successful listing of the entire Greenland Holdings group. Based on the background of Greenland Holdings and the Group's relatively low financing cost realized through restructuring its own debt, the Group is able to obtain quality land for property development at competitive prices. The Group is also proactively identifying merger and acquisition opportunities in order to maintain its growth momentum.

As for the development of the finance business, Greenland Financial Services is implementing "Greenland No. 1 REITs" (綠地REITs一號) with the Nanxiang project of Greenland Hong Kong as its first asset. This is a REITs product targeting commercial property to be issued by Greenland Financial Services in the private equity market with the aim of enhancing investment returns by assisting property projects in completing sales and realizing quick capital payback. Rental income will be earned through property management by subsequently

establishing a property fund, thereby adding value to the property sector. Another innovative product which is under preparation by Greenland Financial Services is called “Greenland Rongtongbao” (綠地融通寶), which will provide liquidity support to upstream and downstream enterprises along the property industry chain and anticipated thousands of corporate users on the platform of Greenland Financial Services. Through analyzing data generated from long-accumulated business cooperations, it can ascertain credit limits.

Meanwhile, Greenland Financial Services will take the initiative to apply for financial licenses necessary for internet finance in the PRC, further refine the “綠地廣財” personal wealth management platform and to quicken its pace in platform acquisition and asset development. Greenland Financial Services will look to its parent company’s strengths in capital scale and over two decades of experience in risk and pricing control as well use the advantages of the Group’s overseas capital platform. Leveraging these advantages, Greenland Financial Services will strive to build a leading internet platform for property-related investment and financing in China and all over the globe by introducing a wide array of products across the investment and financing market of the entire property industry chain. Greenland Financial Services aims to become the top internet investment platform by reaching a turnover on its platform of over RMB100 billion and with three million registered users across 500 communities over the next three years.

The Group has borrowings denominated in US dollars and Hong Kong dollars while its earnings are mainly denominated in RMB. Please see also Note 12 of the financial statements of the Group set out in this announcement. The Group does not engage in hedging transaction. The Company notes the recent fluctuation of the RMB exchange rate. If the RMB exchange rate depreciates it will adversely affect the result of the Group. The Company will continue to monitor development in the RMB exchange rate and take such action as it deems appropriate in the circumstances.

FINANCIAL PERFORMANCE

Revenue

The total revenue of the Group decreased by approximately 32% from approximately RMB1,465 million for the first half of 2014 to approximately RMB1,001 million for the same period in 2015.

Sales of property, the core business activity, generated revenue of approximately RMB751 million, accounting for approximately 75% of the total revenue, representing a year-on-year decrease of approximately 36%. The revenue of the Group from other segments included lease of properties, property management and other related services, hotel and related services operation and education.

	1H2015 <i>RMB'000</i>	1H2014 <i>RMB'000</i>	Change <i>RMB'000</i>
Sales of properties	751,265	1,177,966	-426,701
Hotel and related services	82,511	74,486	8,025
Property management & other related services	76,455	136,632	-60,177
Education	60,595	39,565	21,030
Lease of properties	30,402	36,331	-5,929
Total	1,001,228	1,464,980	-463,752

Cost of sales

Cost of sales decreased by approximately 35% from RMB1,142 million for the same period last year to approximately RMB746 million. The cost of sales mainly comprised land costs, construction costs, capitalized finance costs and sales tax.

Gross profit and margin

Gross profit decreased to approximately RMB255 million from RMB323 million for the first half of 2014, while gross profit rose from 22% to 25%.

Other gains, losses and other operating expenses

During in the first half of 2015, the Group recorded other gains, losses and other operating expenses of approximately RMB15 million, which was mainly attributable to the penalty fee.

Operating expenses

With development and expansion of the Group, administrative expenses and selling and marketing costs increased from RMB185 million and RMB88 million for the same period last year to RMB207 million and RMB163 million respectively.

Net Finance Expenses

Finance expenses decreased from RMB59 million in the same period last year to RMB24 million in the first half of 2015. The decrease was mainly because of foreign exchange gain due to appreciation of RMB.

Share of Gains/Losses of Associates and Joint Ventures

The Group recorded a loss from share of operating results of associates/joint ventures amounting to RMB37 million as compared to a gain of RMB42 million in the same period last year. The loss during the first half of 2015 was mainly attributable to the Hai Chang Liu project in Haikou and Wujiang project in Suzhou which were still in the development stage.

Fair Value Gains on Investment Properties

The Group recorded fair value gains on investment properties of approximately RMB294 million, as compared with a gain of RMB116 million in the first half of 2014. The fair value gain was mainly attributable to investment properties in Nanning and Shanghai.

Income Tax

Income tax decreased by 74% from RMB125 million in the first half of 2014 to RMB32 million in the first half of 2015 mainly due to less LAT and CIT provision accrued for property delivery.

Profit Attributable to Owners of the Company

The Company's profit attributable to owners amounted to approximately RMB87,622,000, an increase of 249% compared to RMB25,113,000 in the first half of 2014.

Financial Position

As at 30 June 2015, the Group's total equity was RMB7,351 million (31 December 2014: RMB5,991 million), total assets amounted to RMB43,411 million (31 December 2014: RMB41,040 million) and total liabilities stood at RMB36,060 million (31 December 2014: RMB35,049 million).

Liquidity and Financial Resources

The Group's business operations, bank borrowings and cash proceeds raised have been the primary source of liquidity of the Group, which have been applied in for the business operations and investment in development projects.

As at 30 June 2015, net gearing ratio (total borrowings less cash and cash equivalents including restricted cash over total equity) was 193% (31 December 2014: 155%) and total cash and cash equivalents (including restricted cash) amounted to RMB3,877 million, with total borrowings of RMB18,066 million and an equity base of RMB7,351 million.

Treasury Policy

The business transactions of the Group were mainly denominated in RMB. Apart from fund raising transactions in the capital market, there is limited exposure in foreign exchange risk.

The Group has established a treasury policy with the objective of enhancing the control over treasury functions and lowering costs of funds. In providing funds to its operations, funding terms have been centrally reviewed and monitored at Group level.

To minimize interest risk, Group continued to closely monitor and manage its loan portfolio by its existing agreements' interest margin spread with market interest rates and offers from banks.

Credit Policy

Trade receivables mainly arose from sale and lease of properties and are settled in accordance with the terms stipulated in the sale and purchase agreements and lease agreements.

Pledge of Assets

As at 30 June 2015, the Group pledged properties and land use rights with a carrying value of RMB10.7 billion to secure bank facilities, and the total secured loan balance outstanding amounted to RMB3.9 billion.

Financial Guarantees

As at 30 June 2015, the Group provided guarantees to banks for:

	30 June 2015	31 December 2014
	<i>RMB'000</i>	<i>RMB'000</i>
Mortgage	4,414,394	2,969,788

Capital Commitment

	30 June 2015	31 December 2014
	<i>RMB'000</i>	<i>RMB'000</i>
Property development activities:		
– Contracted but not provided for	8,008,744	2,828,778
– Authorized but not contracted	789,165	495,158
Total of property development	8,797,909	3,323,936

Human Resources

As at 30 June 2015, the Group employed a total of 2,487 employees (30 June 2014: 1,931). The Group has adopted a performance-based rewarding system to motivate its staff. In addition to a basic salary, year-end bonuses are offered to staff with an outstanding performance. Share award schemes have also been adopted to attract and retain talent. The Group also provides various staff programs to improve their skills and develop their respective expertise.

CORPORATE GOVERNANCE

During the six-month period ended 30 June 2015, the Company has complied with the code provisions set out in the Corporate Governance Code and Corporate Governance Report (“**CG Code**”) contained in Appendix 14 of the Rules (the “**Listing Rules**”) Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, except for code provisions A.2.1., A.4.2 and E.1.2 as described below.

Code Provision A.2.1 stipulates that the roles of chairman and chief executive should be separate and should not be performed by the same individual. From 1 January 2015 to 30 June 2015, Mr. CHEN Jun has undertaken the role of both Chairman of the Board and Chief Executive Officer of the Company. The Company considers that the combination of the roles is conducive to the efficient formulation and implementation of the Group’s strategies and policies and such combination has not impaired the corporate governance practices of the Group. The balance of power and authority is ensured by the management of the Company’s affairs by the Board which meets regularly to discuss and determine issues concerning the operations of the Group.

Code A.4.2 stipulates that all directors appointed to fill a casual vacancy should be subject to election by shareholders at the first general meeting after their appointment.

Pursuant to the Company's articles of association, any person appointed as a Director by the Board shall stand for re-election at the next following annual general meeting of the Company. Such arrangement is considered appropriate in light of the requirement of paragraph 4(2) of Appendix 3 to the Listing Rules which requires that any person appointed by the directors to fill a casual vacancy shall hold office only until the next following annual general meeting and shall then be eligible for re-election.

Code E.1.2 stipulates that the chairman of the Board should attend annual general meetings. The Chairman of the Board did not attend the annual general meeting of the Company held on 5 June 2015 due to other business commitments.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company 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. Based on specific enquiry by the Company, all Directors have confirmed that they have complied with the required standards set out in the Model Code during the six months ended 30 June 2015.

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

For the six months ended 30 June 2015, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities, save for the placing of 228,000,000 new shares of the Company on 26 May 2015. Please see the announcement of the Company dated 18 May 2015 for further details. Also, the trustee to the Company's share award scheme purchased on the Stock Exchange a total of 7,478,000 shares of the Company at a total consideration of HK\$50,073,992, pursuant to the terms of the trust deed governing the Company's share award scheme.

AUDIT COMMITTEE

The Company has an audit committee which was established in compliance with Rule 3.21 of the Listing Rules for the purpose of reviewing and providing supervision over the Group's financial reporting process and internal controls. The audit committee comprises the three independent non-executive Directors of the Company.

The audit committee has reviewed the interim results for the six months ended 30 June 2015 with the management of the Company.

PUBLICATION OF INTERIM REPORT

The 2015 interim report containing all the information required by the Listing Rules will be published on The Stock Exchange of Hong Kong Limited's website (www.hkex.com.hk) and the Company's website (www.greenlandhk.com).

By order of the Board
Greenland Hong Kong Holdings Limited
Chen Jun
Chairman

Hong Kong, 27 August 2015

As at the date of this announcement, the executive directors of the Company are Mr. Chen Jun, Mr. Wang Weixian, Mr. Hou Guangjun, Mr. Wu Zhengkui, Ms. Wang Xuling and Mr. You Defeng; and the independent non-executive directors of the Company are Mr. Cheong Ying Chew, Henry, Mr. Fong Wo, Felix, JP and Mr. Kwan Kai Cheong.

The Directors jointly and severally accept full responsibility for the accuracy of the information in this announcement and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement, the omission of which would make any statement in this announcement misleading.