



BEAUTIES IN LIFE START WITH A DREAM

Annual Report 2009



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

(incorporated in the Cayman Islands with limited liability)
(Stock Code: 3900)

* For identification purpose only

Welcome to your home of Greentown. Walk into a world of luxury and style. Transform your dreams into reality here.

From the minute you set foot on the majestic doorway that leads into the elegant hallway, you will be embraced by the luxury and grace of a bygone era.

Traditional style combined with contemporary detailing gives the place a personal touch with a flair of splendour. Each unit is tastefully designed for home lovers who have an eye for quality and beauty. Nestled in breathtaking landscaped gardens, these homes allow you to experience the magical powers of nature in your own private setting. Join the Greentown family and live the dream of many others today. Find your home with Greentown and enjoy the luxury of life with peace of mind.





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Corporate Information

Directors

Executive Directors

Mr SONG Weiping (*Chairman*)
Mr SHOU Bainian (*Executive Vice Chairman*)
Mr LUO Zhaoming (*Vice Chairman*)
Mr CHEN Shunhua
Mr GUO Jiafeng

Independent Non-Executive Directors

Mr JIA Shenghua
Mr JIANG Wei
Mr KE Huanzhang
Mr SZE Tsai Ping, Michael
Mr TANG Shiding
Mr TSUI Yiu Wa, Alec

Company Secretary

Mr LAM Jim

Authorized Representatives

Mr SHOU Bainian
Mr LAM Jim

Audit Committee

Mr TSUI Yiu Wa, Alec
Mr JIA Shenghua
Mr JIANG Wei
Mr SZE Tsai Ping, Michael
Mr TANG Shiding

Remuneration Committee

Mr CHEN Shunhua
Mr JIA Shenghua
Mr SZE Tsai Ping, Michael

Nomination Committee

Mr SHOU Bainian
Mr SZE Tsai Ping, Michael
Mr TANG Shiding
Mr TSUI Yiu Wa, Alec

Auditors

Deloitte Touche Tohmatsu

Cayman Islands Principal Share Registrar

Butterfield Fund Services (Cayman) Limited
Butterfield House, 68 Fort Street
P.O. Box 705, George Town
Grand Cayman, Cayman Islands
British West Indies

Hong Kong Branch Registrar

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

Registered Office

M&C Corporate Services Limited
PO Box 309GT, Uglan House
South Church Street
George Town, Grand Cayman
Cayman Islands

Principle Place of Business in Hong Kong

Room 1406-08, New World Tower 1
16-18 Queen's Road Central
Hong Kong

Legal Advisors to Our Company

as to Hong Kong law and U.S. law:
Lovells

as to PRC law:
Zhejiang T&C Law Firm

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

Principal Bankers

Standard Chartered Bank (Hong Kong) Limited
Bank of China Limited
Industrial and Commercial Bank of China Limited
Agricultural Bank of China
China Construction Bank
Bank of Communications
Shanghai Pudong Development Bank
China Everbright Bank
Guangdong Development Bank

Investor Relations

Email: ir@chinagreentown.com
Tel: (852) 2523 3137
Fax: (852) 2523 6608

Stock Code

HKEX: 03900.HK

Website

www.chinagreentown.com
www.greentownchina.com



▲ Wenzhou Lucheng Plaza





Corporate Profile



Greentown China Holdings Limited (“Greentown” or “the Company”, and its subsidiaries the “Group”) together with its associates and jointly controlled entities (the “Greentown Group”), is one of the leading property developers in the People’s Republic of China (the “PRC” or “China”). It commands a leading position in the industry by leveraging on its quality properties. From 2005 to 2010, we have been ranked for six consecutive years as one of the TOP 10 property enterprises in China jointly by four authoritative institutions, including Enterprise Research Institute of the Development Research Center of the State Council, China Real Estate Association, Qinghua University Real Estate Research Center and China Index Institute.

Since its establishment 15 years ago, the Group has been based in Zhejiang province, one of the most economically vibrant and developed provinces in the PRC. With property projects covering most of the prosperous cities in Zhejiang province such as Hangzhou, Ningbo, Wenzhou, Taizhou, Shaoxing and other places on the list of the Top 100 most competitive counties and county-level cities of China in Zhejiang province, the Greentown Group has built a sizable operation in the province with exceptionally high brand awareness. Due to the Group’s national expansion strategy commenced in 2000, Greentown has successfully extended its business to other important cities such as Shanghai, Nanjiang, Suzhou, Wuxi and Nantong in Yangtze River Delta, Beijing, Tianjin, Qingdao, Jinan and Dalian in Bohai Rim Economic Belt, as well as other provincial cities such as Hefei in Anhui province, Zhengzhou in Henan province, Changsha in Hunan province, Linshui in Hainan province and Urumqi in Xinjiang. This expansion has boosted the Group’s business growth and reputation further. Greentown is currently at the forefront of quality property developers in the PRC.

As at 31 December 2009, the Greentown Group’s premier land bank comprises over 30 million sq.m. of total GFA, which ensures the Group’s sustainable and steady development in the next three years. Leveraging on its quality human resources and effective corporate management structure, Greentown has established a strong presence in Zhejiang province and other cities where it has operations. The Group is confident that its excellent track record in developing high quality projects and outstanding operational capabilities has laid a solid foundation for its further expansion.







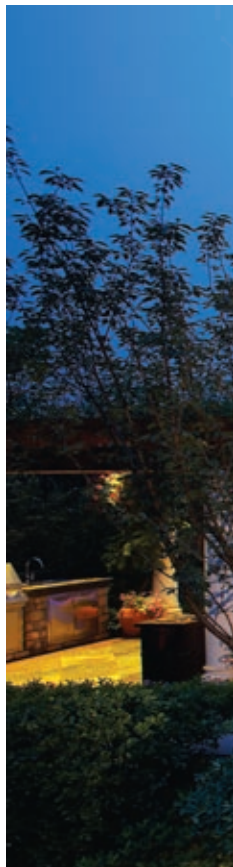
INDULGING YOURSELF IN
**POETIC
SERENITY**

Villa

▼ Changsha Bamboo Garden



▲ Shanghai Rose Garden
Hangzhou Taohuayuan ▼







▲ Hangzhou Majestic Mansion



Mansion



▲ Beijing Majestic Mansion



▲ Thousand-Island Lake Rose Garden

Taizhou Yulan Plaza ▶

▼ Wenzhou Lucheng Plaza



▲ Zhuji Project

Qingdao Ideal City ▶





Urban Complex

Apartments

► Beijing Sincere Garden



► Hangzhou Sincere Garden



▲ Jinan National Games Project



Commercial

▼ Qingdao Ideal City – Commercial Street





◀ Thousand-Island Lake Resort Condo - Sheraton Hotel

▼ Jinan National Games Project - Sheraton Hotel



▲ Xinchang Rose Garden - Radisson Hotel

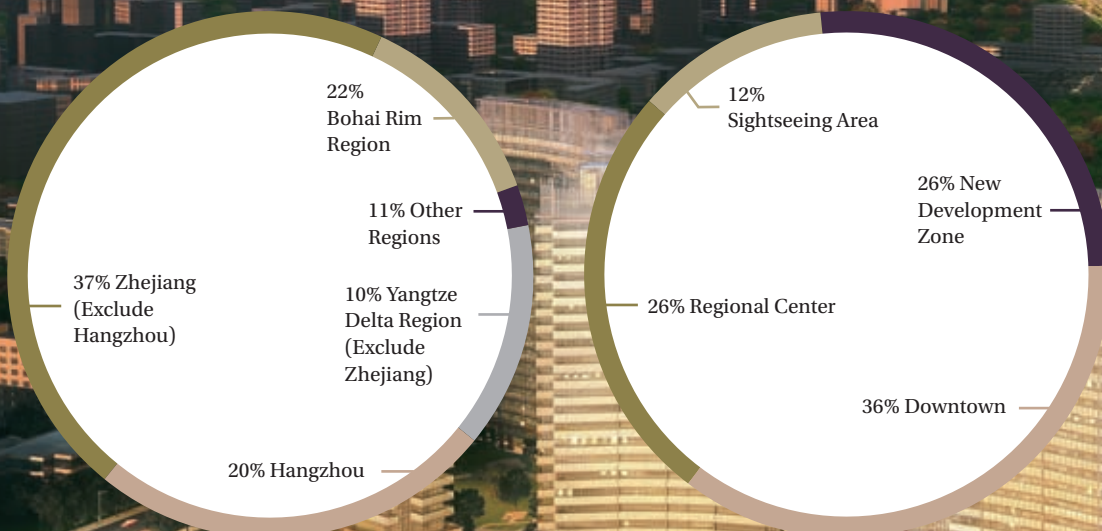
Portfolio

Greentown in China



Total GFA exceeds

30 million sq.m.



Tianjin

0.7%

Proportion to total land bank (%)

208,796

Total GFA (sq.m.)

Liaoning

0.6%

Proportion to total land bank (%)

183,090

Total GFA (sq.m.)

Beijing

3.0%

Proportion to total land bank (%)

924,198

Total GFA (sq.m.)

Shandong

17.3%

Proportion to total land bank (%)

5,341,541

Total GFA (sq.m.)

Jiangsu

8.1%

Proportion to total land bank (%)

2,468,546

Total GFA (sq.m.)

Xinjiang

1.9%

Proportion to total land bank (%)

587,921

Total GFA (sq.m.)

Henan

1.6%

Proportion to total land bank (%)

504,812

Total GFA (sq.m.)

Anhui

3.2%

Proportion to total land bank (%)

985,536

Total GFA (sq.m.)

Shanghai

1.8%

Proportion to total land bank (%)

543,387

Total GFA (sq.m.)

Hunan

0.9%

Proportion to total land bank (%)

297,928

Total GFA (sq.m.)

Hainan

4.1%

Proportion to total land bank (%)

1,256,198

Total GFA (sq.m.)

Zhejiang

(excluding Hangzhou)

37.3%

Proportion to total land bank (%)

11,509,517

Total GFA (sq.m.)

Hangzhou

19.5%

Proportion to total land bank (%)

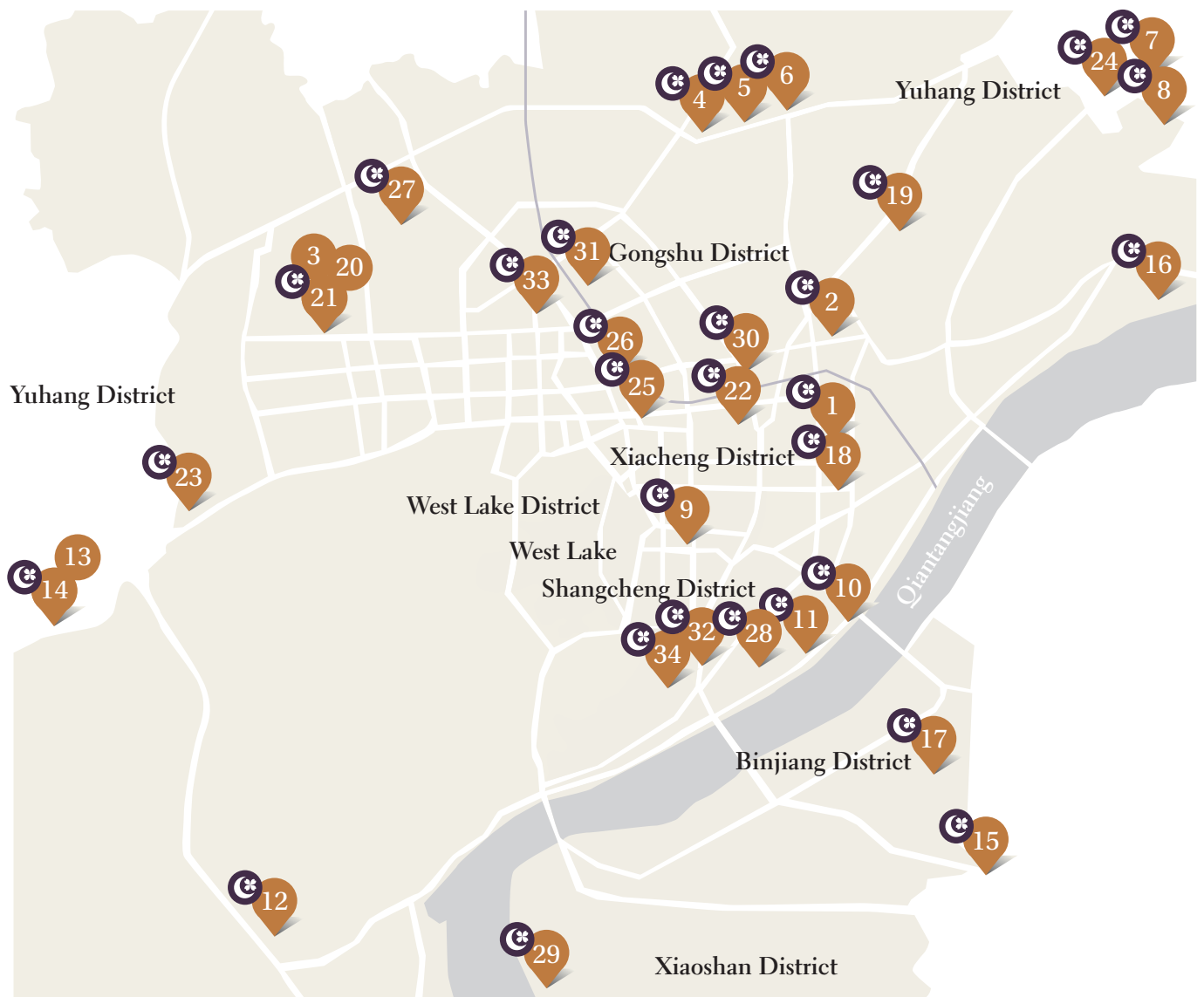
6,021,936

Total GFA (sq.m.)

	No. of projects	Site Area (sq.m.)	Total GFA (sq.m.)	Ratio
Hangzhou	34	2,852,879	6,021,936	19.5%
Zhejiang (exclude Hangzhou)	33	7,089,350	11,509,517	37.3%
Shanghai	4	595,868	543,387	1.8%
Jiangsu	8	1,346,320	2,468,546	8.1%
Beijing	5	458,105	924,198	3.0%
Shandong	3	2,276,687	5,341,541	17.3%
Hainan	1	1,991,706	1,256,198	4.1%
Other provincial cities	8	2,415,753	2,768,083	8.9%
Total	96	19,026,668	30,833,406	100%

Portfolio

Yangtze River Delta Region Hangzhou



Property projects	Type	Interest attributable to Greentown	Site Area (sq. m.)	Total GFA (sq. m.)
1. Hangzhou Sky Blue Apartment	High-rise apartment	95.5%	17,501	59,553
2. Hangzhou Yulan Apartment	High-rise apartment	95.5%	15,486	62,789
3. Hangzhou Sincere Garden Zhijingyuan	High-rise apartment	100%	44,664	141,769
3. Hangzhou Sincere Garden Zhengxinyuan	High-rise apartment	100%	44,870	145,714
4. Hangzhou Tianyuan Lot 40	High-rise apartment	100%	34,914	94,267
5. Hangzhou Tianyuan Lot 41	High-rise apartment, Low-rise apartment	8%	29,200	66,790
6. Hangzhou Tianyuan Lot 81	High-rise apartment	50%	24,060	54,857
7. Hangzhou Blue Patio	Integrated community	85%	319,178	533,647
8. Hangzhou Jada Garden	High-rise apartment	100%	78,386	304,355
9. Hangzhou West Lake Ave Project	Townhouse	56%	10,558	26,903
10. Hangzhou Wangjiang Project	Office	56%	11,000	51,796
11. Hangzhou Sapphire Mansion	High-rise apartment, Hotel	100%	84,255	403,915
12. Hangzhou Yunqi Rose Garden	Villa	51%	223,654	74,963
13. Hangzhou Taohuayuan South	Villa	51%	473,548	193,216
14. Hangzhou Taohuayuan Jinlanyuan	Villa	26%	14,871	7,920
15. Hangzhou Lilac Apartment	High-rise apartment	50%	51,175	97,000
16. Hangzhou Lijiang Apartment	High-rise apartment	100%	39,818	144,757
17. Hangzhou Yueming Rd Project	High-rise apartment	55%	97,711	335,077
18. Hangzhou Qingchun Plaza Project	Office, Serviced apartment	30%	27,908	196,020
19. Hangzhou Begonia Apartment	High-rise apartment	42%	33,196	95,172
20. Hangzhou Sincere Garden Shouchunyuan	High-rise apartment	50%	61,461	190,496
21. Hangzhou Sincere Garden Mingliyuan	High-rise apartment	49%	62,972	191,757
22. Hangzhou Xidebao Lot	High-rise apartment, commercial	42.5%	44,502	138,817
23. Hangzhou Hope Town	Integrated community	45%	506,054	1,075,135
24. Hangzhou Xingqiao Purple Osmanthus Apartment	High-rise apartment	35%	75,245	135,291
25. Hangzhou Hangqifa Project	High-rise apartment, commercial	50%	104,070	446,503
26. Hangzhou Xinhua Paper Industry Lot	High-rise apartment	35%	37,360	89,665
27. Hangzhou Shenhua Rd Project	High-rise apartment	25%	34,289	82,294
28. Hangzhou New Green Garden	High-rise apartment	50%	7,666	28,871
29. Hangzhou Tulip Bank	High-rise apartment, Townhouse	50%	91,278	173,720
30. Hangzhou Ziwei Apartment	High-rise apartment	35%	57,666	119,220
31. Hangzhou Jinlan Apartment	High-rise apartment	50%	18,124	62,034
32. Hangzhou Liyuan	High-rise apartment	9%	27,503	75,084
33. Hangzhou Zilan Apartment	High-rise apartment	8%	25,868	72,555
34. Hangzhou Nanxingqiao Project	Low-rise apartment	8%	22,867	50,014
Total			2,852,878	6,021,936

Portfolio



▲ Hangzhou Sapphire Mansion

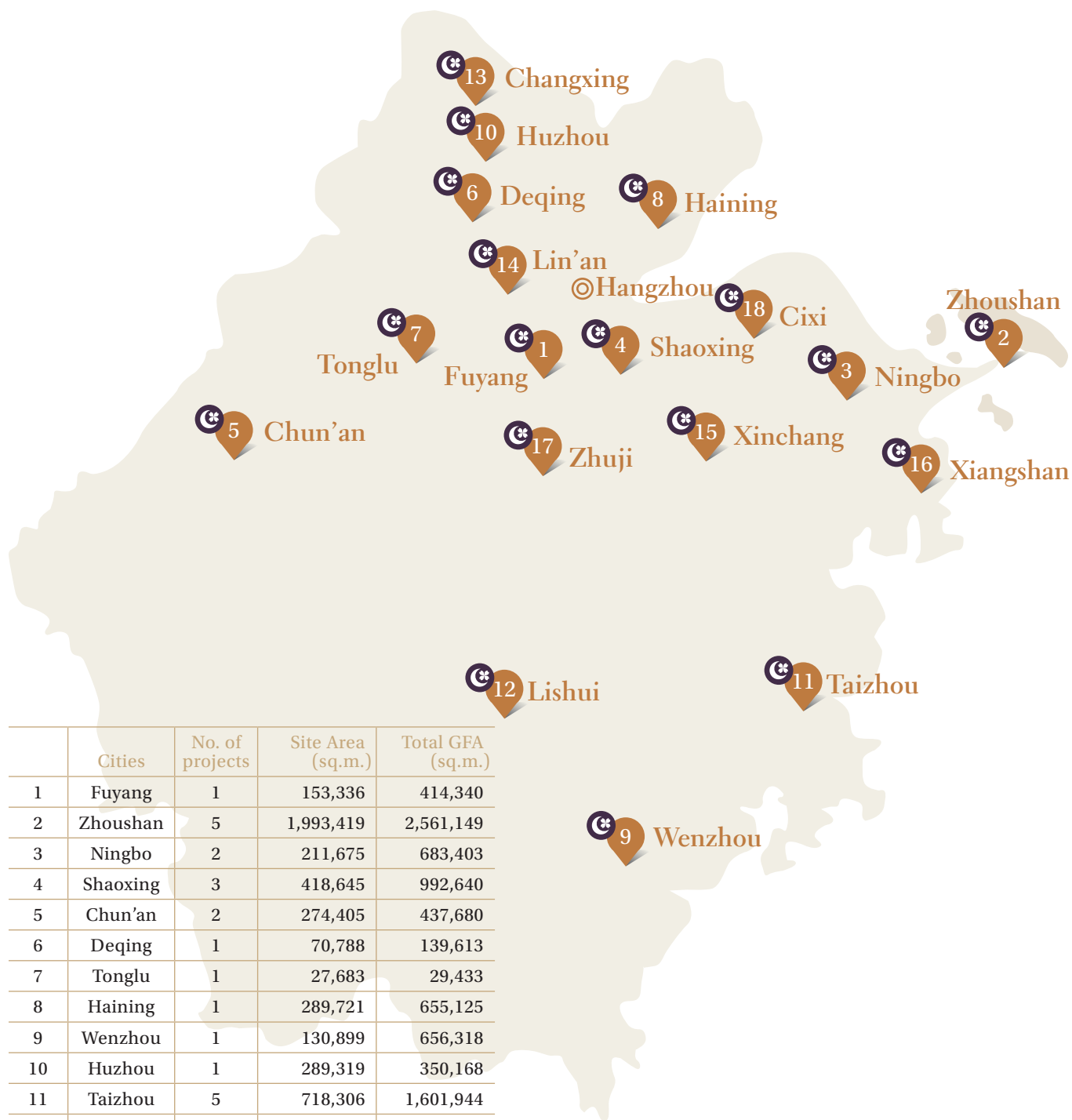


▲ Hangzhou Sincere Garden

Completion schedule of projects in Hangzhou:

	Area sold as at	Interest	Total GFA (sq. m.)	Above-ground saleable GFA (sq. m.)	Area sold as at the end of 2009 (sq. m.)	Historical average selling price (RMB/sq.m.)	Present selling price (RMB/sq.m.)
2010	Hangzhou Sky Blue Apartment	95.5%	59,553	43,218	42,542	Apartment 28,197 Retail 38,570	38,000
	Hangzhou Yulan Apartment	95.5%	62,789	42,543	42,190	Apartment 18,489 Retail 19,717	Retail 19,991
	Hangzhou Blue Patio Phase 2 Yiyang Apartment	85%	15,429	6,802	To be launched		-
	Hangzhou Blue Patio Phase 3	85%	100,611	72,964	71,600	7,139	9,034
	Hangzhou Taohuayuan South Lot G	51%	16,193	11,905	8,794	31,864	30,930
	Hangzhou Hope Town Phase 5-2	45%	51,976	33,306	33,219	8,806	14,680
	Hangzhou Xingqiao Purple Osmanthus Apartment Phase 1	35%	24,342	16,651	12,322	8,513	7,585
	Hangzhou New Green Garden Phase 2	50%	28,871	21,642	21,258	27,109	23,995
	Hangzhou Tulip Bank Phase 2	50%	173,720	114,652	114,652	Apartment 9,927 Townhouse 21,017	sold out
	Hangzhou Ziwei Apartment Phase 1	35%	104,882	86,465	86,465	9,655	sold out
	Hangzhou Ziwei Apartment Auxiliary Project	35%	14,338	-	-		
	Total		652,704	450,148	433,042		
2011	Hangzhou Blue Patio Phase 4	85%	86,009	38,911	15,495	8,411	10,172
	Hangzhou West Lake Ave Project	56%	26,903	10,743	To be launched	To be launched	
	Hangzhou Sapphire Mansion Phase 1	100%	63,444	49,537	49,537	29,066	
	Hangzhou Yunqi Rose Garden Phase 1	51%	22,145	12,180	To be launched	To be launched	
	Hangzhou Yunqi Rose Garden Phase 2	51%	13,848	8,248	To be launched	To be launched	
	Hangzhou Taohuayuan South Lot E1	51%	14,152	8,896	To be launched	To be launched	
	Hangzhou Taohuayuan South Lot E2	51%	20,371	13,828	7,064	36,894	39,895
	Hangzhou Taohuayuan South Lot F1	51%	19,200	14,200	To be launched	To be launched	
	Hangzhou Taohuayuan South Lot H1, H2	51%	53,400	33,750	To be launched	To be launched	
	Hangzhou Taohuayuan South Lot F2	51%	52,900	34,430	3,442	39,524	41,561
	Hangzhou Taohuayuan South Club House	51%	17,000	-	-		
	Hangzhou Taohuayuan Jinlanyuan	26%	7,920	5,037	3,170	30,036	32,414
	Hangzhou Lilac Apartment-Serviced Apartment	50%	97,000	78,400	49,753	14,892	15,751
	Hangzhou Hope Town Phase 5-(3 & 4)	45%	166,699	114,404	57,624	14,299	15,670
	Hangzhou Hope Town Phase 7-2	45%	65,776	38,130	To be launched	To be launched	
	Hangzhou Xingqiao Purple Osmanthus Apartment Phase 2	35%	41,012	29,449	8,484	9,236	9,665
	Hangzhou Xingqiao Purple Osmanthus Apartment Phase 3	35%	69,937	50,910	To be launched	To be launched	
	Hangzhou Jinlan Apartment	50%	62,034	44,338	39,613	24,983	32,563
	Total		899,750	585,391	234,182		
Beyond 2011			4,469,482	3,106,134			

Portfolio



	Cities	No. of projects	Site Area (sq.m.)	Total GFA (sq.m.)
1	Fuyang	1	153,336	414,340
2	Zhoushan	5	1,993,419	2,561,149
3	Ningbo	2	211,675	683,403
4	Shaoxing	3	418,645	992,640
5	Chun'an	2	274,405	437,680
6	Deqing	1	70,788	139,613
7	Tonglu	1	27,683	29,433
8	Haining	1	289,721	655,125
9	Wenzhou	1	130,899	656,318
10	Huzhou	1	289,319	350,168
11	Taizhou	5	718,306	1,601,944
12	Lishui	1	189,194	515,100
13	Changxing	1	102,889	320,987
14	Lin'an	3	1,427,061	479,492
15	Xinchang	1	160,931	102,174
16	Xiangshan	1	89,514	191,028
17	Zhuji	1	357,001	983,285
18	Cixi	2	184,564	395,638
	Total	33	7,089,350	11,509,517

Note: The above figures exclude Hangzhou.

Zhejiang



▲ Wenzhou Lucheng Plaza



▲ Ningbo Crown Garden



▲ Shaoxing Yulan Garden

Portfolio

Property projects	Type	Interest attributable to Greentown	Site Area (sq.m.)	Total GFA (sq.m.)
Lin'an Jinyuyuan	High-rise apartment	65%	22,741	70,000
Lin'an Qingshan Xiyuan Project	Villa, Low-rise apartment	65%	195,548	88,949
Thousand-Island Lake Resort Condo	High-rise apartment	80%	120,284	235,224
Thousand-Island Lake Rose Garden	Villa, High-rise apartment	51%	154,121	202,456
Ningbo Crown Garden	High-rise apartment, Serviced apartment	60%	92,169	363,614
Ningbo R&D Park	High-rise apartment	60%	119,506	319,789
Xinchang Rose Garden	Low-rise apartment, Villa	80%	160,931	102,174
Tonglu Sweet Osmanthus Garden	Low-rise apartment, Townhouse	100%	27,683	29,433
Zhoushan Yulan Garden	High-rise apartment	100%	62,843	195,539
Zhoushan Lily Apartment	Serviced apartment	100%	22,623	81,465
Zhoushan Changzhidao Project*	Integrated community	58.1%	1,554,583	1,793,757
Zhoushan Daishan Sweet Osmanthus Garden	High-rise apartment	60%	142,800	295,835
Zhoushan Zhujiajian Lot**	Hotel, High-rise apartment, Villa	100%	210,570	194,553
Cixi Ciyuan	High-rise apartment	60%	62,576	169,471
Shaoxing Lily Garden	High-rise apartment, Townhouse	42%	111,155	338,637
Taizhou Rose Garden	Townhouse, Villa, High-rise apartment	60%	294,177	412,537
Changxing Plaza	High-rise apartment	51%	102,889	320,987
Zhuji Project	Integrated community	60%	357,001	983,285
Wenzhou Lucheng Plaza	High-rise apartment, Commercial	60%	130,899	656,318
Xiangshan Lily Apartment	High-rise apartment	50%	89,514	191,028
Huzhou Majestic Mansion	Villa, High-rise apartment	70%	289,319	350,168
Fuyang Jinqiao Rd North Lot	High-rise apartment	40%	153,336	414,340
Lin'an Qingshan Lake Rose Garden	Villa	50%	1,208,772	320,543
Haining Lily New Town	Integrated community	50%	289,721	655,125
Shaoxing Yulan Garden	High-rise apartment	35%	124,113	556,824
Shaoxing Jada Garden	Villa	51%	183,377	97,179
Deqing Lily Apartment	Low-rise apartment, High-rise apartment	24.5%	70,788	139,613
Cixi Rose Garden	Low-rise apartment, High-rise apartment, Townhouse	49%	121,988	226,167
Lishui Jiangbin Urban Redevelopment Project	Townhouse, High-rise apartment	37.5%	189,194	515,100
Taizhou Yulan Plaza	High-rise apartment, Commercial	49%	140,669	411,818
Taizhou Yulan Plaza Qionghuayuan	High-rise apartment	40%	32,101	120,347
Taizhou Xueyuan Rd Project	High-rise apartment	49%	107,184	257,242
Taizhou Stadium South Project	High-rise apartment	45%	144,175	400,000
Total			7,089,350	11,509,517

* The interest of Ruifeng Lot of Zhoushan Changzhidao Project (with site area of 466,842 sq.m.) is 35.9%.

** The interests of residential properties (with site area of 97,729 sq.m.) and the commercial part (with site area of 112,841 sq.m.) of Zhoushan Zhujiajian Lot are 90% and 100% respectively.

Completion schedule of projects in Zhejiang (excluding Hangzhou):

	Property projects	Interest attributable to Greentown	Total GFA (sq.m.)	Above-ground saleable Area (sq.m.)	Area sold as at the end of 2009 (sq.m.)	Historical average selling price (RMB/sq.m.)	Present selling price (RMB/sq.m.)
2010	Thousand-Island Lake Resort Condo Phase 2	80%	89,422	-	-		
	Thousand-Island Lake Resort Condo Phase 3	80%	30,350	23,596	9,699	27,505	22,435
	Ningbo R&D Park Phase 2	60%	319,789	231,071	177,434	5,406	5,700
	Xinchang Rose Garden Phase 1	80%	64,601	55,090	23,216	Flat mansion 7,556 Small Courtyard Villa 11,982 Villa 12,866	7,500
	Xinchang Rose Garden Phase 2	80%	37,573	37,573	6,119	Villa 11,974	11,179
	Tonglu Sweet Osmanthus Garden Phase 3	100%	29,433	19,733	12,911	Townhouse 14,114 Apartment 7,271	7,495
	Changxing Plaza Phase 1	51%	94,237	74,495	62,622	Apartment 6,698 Retail 17,181	10,170
	Xiangshan Lily Apartment Phase 1	50%	97,615	71,306	59,657	10,772	11,458
	Lin'an Qingshan Lake Rose Garden Phase 1	50%	48,238	40,541	40,541	18,489	Sold out
	Haining Lily New Town Villa Phase 5	50%	24,772	17,535	17,245	25,264	27,550
	Haining Lily New Town High-rise apartment Phase 2	50%	71,377	54,185	49,931	5,365	8,221
	Deqing Lily Apartment Phase 2	24.5%	139,613	107,957	99,011	Apartment 5,691 Retail 6,428	7,043
	Total		1,047,020	733,082	558,386		
2011	Thousand-Island Lake Resort Condo Phase 4	80%	23,619	15,832	8,656	24,477	26,975
	Thousand-Island Lake Resort Condo Phase 5	80%	91,833	69,916	To be launched		
	Thousand-Island Lake Rose Garden Phase 1	51%	149,509	105,669	45,606	7,831	13,453
	Thousand-Island Lake Rose Garden Phase 2	51%	52,947	29,650	To be launched		
	Zhoushan Yulan Garden	100%	195,539	146,500	80,557	13,773	15,505
	Zhoushan Changzhidao Project Phase 1	58.1%	33,000	20,900	To be launched		
	Zhoushan Changzhidao Project Phase 3	58.1%	10,200	6,700	To be launched		
	Zhoushan Changzhidao Project Phase 4	58.1%	10,200	6,700	To be launched		
	Zhoushan Daishan Sweet Osmanthus Garden Phase 1	60%	73,385	56,107	To be launched		
	Taizhou Rose Garden Phase 3	60%	24,134	17,400	To be launched		
	Changxing Plaza Phase 2	51%	136,750	106,610	To be launched		
	Zhuji Lily Apartment Phase 1	60%	50,742	37,308	21,134	11,541	23,209
	Wenzhou Lucheng Plaza Phase 1	60%	143,297	116,667	105,636	41,463	60,994
	Wenzhou Lucheng Plaza Phase 2	60%	138,068	104,680	99,420	With river-view 45,166 Without river-view 32,022	
	Xiangshan Lily Apartment Phase 2	50%	93,413	66,042	21,942	12,951	13,526
	Huzhou Majestic Mansion Phase 1	70%	102,391	57,197	13,581	18,522	17,373
	Huzhou Majestic Mansion Phase 2	70%	56,500	31,023	To be launched		
	Haining Lily New Town High-rise Phase 3A	50%	60,263	45,990	41,757	5,717	8,199
	Shaoxing Yulan Garden Phase 1	35%	236,676	199,421	143,912	11,900	12,322
	Shaoxing Jada Garden Phase 1	51%	24,240	14,528	12,076	42,797	42,078
	Shaoxing Jada Garden Phase 2	51%	19,636	12,876	To be launched		
	Shaoxing Jada Garden Phase 3	51%	11,883	1,610	To be launched		
	Cixi Rose Garden Phase 1	49%	91,918	62,821	17,306	20,934	26,554
	Cixi Rose Garden Phase 2	49%	134,249	79,740	To be launched		
	Taizhou Yulan Plaza Phase 1	49%	154,749	117,006	70,618	17,635	22,421
	Total		2,119,141	1,528,893	682,201		
Beyond 2011			8,343,356	5,684,828			

Portfolio



	Property projects	Type	Interest attributable to Greentown	Site Area (sq.m.)	Total GFA (sq.m.)
1	Shanghai East Sea Plaza	Office	49%	4,741	38,117
2	Shanghai Rose Garden	Villa	100%	485,914	141,485
3	Shanghai Bund House	High-rise apartment	51%	47,050	236,179
4	Shanghai Tangzhen Project	High-rise apartment	100%	58,163	127,606
	Total			595,868	543,387

Completion schedule of projects in Shanghai:

	Property projects	Interest attributable to Greentown	Total GFA (sq.m.)	Above-ground saleable Area (sq.m.)	Area sold as at the end of 2009 (sq.m.)	Historical average selling price (RMB/sq.m.)	Present selling price	Saleable Area (data provided by Marketing Planning Division)
2010	No project to be delivered							
	Total							
2011	Shanghai Rose Garden Phase 3	100%	47,469	18,662	To be launched			
	Shanghai Bund House Phase 1	51%	75,815	56,013	27,271	53,276	53,000	
	Total		123,284	74,675	27,271			
Beyond 2011	Total		420,103	273,798				



▲ Shanghai Bund House
Shanghai Rose Garden ►



Portfolio

Jiangsu Province



▲ Nantong Yulan Apartment



▲ Nanjing Rose Garden

Property projects	Type	Interest attributable to Greentown	Site Area (sq.m.)	Total GFA (sq.m.)
Nanjing Rose Garden	Villa	70%	236,503	87,843
Nantong Yulan Apartment	High-rise apartment	75%	76,261	177,498
Suzhou Rose Garden	Villa	100%	213,853	209,060
Suzhou Majestic Mansion	Villa	100%	155,664	173,515
Wuxi Yulan Garden	High-rise apartment	85%	180,826	591,320
Wuxi Lixin Ave West Project	High-rise apartment	49%	171,572	367,000
Wuxi Lihu Project	High-rise apartment Townhouse	100%	222,617	716,578
Nantong Rudong Hupanju	Low-rise apartment High-rise apartment	50%	89,024	145,732
Total			1,346,320	2,468,546

Completion schedule of projects in Jiangsu:

	Property projects	Interest attributable to Greentown	Total GFA (sq.m.)	Above-ground saleable Area (sq.m.)	Area sold as at the end of 2009 (sq.m.)	Historical average selling price (RMB/sq.m.)	Present selling price (RMB/sq.m.)	Saleable Area (data provided by Marketing Planning Division)
2010	Nanjing Rose Garden Phase 2	70%	14,428	10,199	5,098	29,997	32,276	
	Nantong Yulan Apartment Phase 1	75%	52,791	40,525	37,239	9,478	12,500	
	Nantong Rudong Hupanju Phase 3 Part 2	50%	44,681	32,811	22,904	3,707	4,129	
	Total		111,900	83,535	65,241			
2011	Nanjing Rose Garden Phase 3	70%	19,465	12,175	6,073	28,378	35,219	
	Nantong Yulan Apartment Phase 2	75%	45,214	32,211	28,661	11,765	11,906	
	Suzhou Rose Garden - Showroom	100%	45,320	28,900	To be launched			
	Suzhou Majestic Mansion - Showroom	100%	15,600	12,500	To be launched			
	Wuxi Yulan Garden Phase 1	85%	216,532	147,337	51,711	10,055	11,345	
	Total		342,131	233,123	86,445			
Beyond 2011	Total		2,014,515	1,474,046				

Portfolio

Bohai Rim Region Beijing



	Property projects	Type	Interest attributable to Greentown	Site Area (sq.m.)	Total GFA (sq.m.)
1	Beijing Majestic Mansion	Low-rise apartment	100%	289,379	293,069
2	Beijing Lily Apartment	Integrated community	80%	103,143	203,032
3	Beijing Sincere Garden	High-rise apartment	50%	22,728	84,910
4	Beijing Tongzhou Project	Integrated Community	100%	39,651	280,031
5	Beijing Oakwood Project	Serviced Apartment	100%	3,204	63,156
	Total			458,105	924,198

Completion schedule of projects in Beijing:

	Property projects	Interest attributable to Greentown	Total GFA (sq.m.)	Above-ground saleable Area (sq.m.)	Area sold as at the end of 2009 (sq.m.)	Historical average selling price (RMB/sq.m.)	Present selling price (RMB/sq.m.)
2010	Beijing Majestic Mansion Phase 2 (partial)	100%	62,040	43,318	40,370	40,156	42,540
	Beijing Lily Apartment Phase 7	80%	57,449	38,639	30,517	7,645	8,300
	Beijing Lily Apartment Phase 8	80%	54,191	42,737	41,996	6,550	7,883
	Beijing Oakwood Project	100%	63,156				
	Total		236,836	124,694	112,883		
2011	Beijing Lily Apartment Phase 9	80%	91,392	71,609	36,149	8,730	10,028
	Beijing Sincere Garden	50%	84,910	59,849	To be launched		
	Total		176,302	131,458	36,149		
Beyond 2011	Total		511,060	228,536	-		



- ▲ Beijing Lily Apartment
- ◀ Beijing Majestic Mansion

Portfolio

Tianjin, Qingdao, Jinan and Dalian

Property projects	Type	Interest attributable to Greentown	Site Area (sq.m.)	Total GFA (sq.m.)
Tianjin Tanggu Xiangluo Bay Project	Commercial	80%	17,160	208,796
Qingdao Ideal City	Large-scale community	80%	1,004,065	2,148,497
Qingdao Jiaozhou Project	High-rise apartment	100%	416,950	1,394,590
Jinan National Games Project	Large-scale community	45%	855,672	1,798,454
Dalian Deep Blue Centre	High-rise apartment, office	100%	18,075	183,090
Total			2,311,922	5,733,427

Completion schedule of projects in Bohai Rim Region:

	Property projects	Interest attributable to Greentown	Total GFA (sq.m.)	Above-ground saleable Area (sq.m.)	Area sold as at end of 2009 (sq.m.)	Historical average selling price (RMB/sq.m.)	Present selling price (RMB/sq.m.)
2010	Jinan National Games Project Residential Part Phase 1	45%	564,918	368,130	261,034	9,002	Residential 10,992 Retail 22,154
	Total		564,918	368,130	261,034		
2011	Qingdao Ideal City Phase 2	80%	190,168	127,821	To be launched		
	Jinan National Games Property Hotel Phase 1	45%	115,300	84,449	To be launched		
	Total		305,468	212,270			
Beyond 2011	Total		4,863,041	3,376,320			



- ▲ Qingdao Ideal City
- ◀ Jinan National Games Project

Portfolio

Other Provincial Cities



◀ Zhengzhou Lily Apartment
▼ Changsha Bamboo Garden



Property projects	Type	Interest attributable to Greentown	Site Area (sq.m.)	Total GFA (sq.m.)
Hefei Yulan Apartment	High-rise apartment	59.4%	58,680	209,055
Hefei Jade Lake Rose Garden	Villa, High-rise apartment	100%	333,373	776,481
Zhengzhou Yanminghu Project	Villa	100%	456,810	369,000
Zhengzhou Zhongmou New Town Project	Low-rise apartment	100%	78,502	135,812
Changsha Bamboo Garden	Villa	52.5%	1,043,246	297,928
Xinjiang Lily Apartment	Low-rise apartment	50%	409,907	587,921
Hainan Lingshui Project	Integrated community	51%	1,991,706	1,256,198
Total			4,372,224	3,632,395

Completion schedule of projects in other provincial cities:

	Property projects	Interest attributable to Greentown	Total GFA (sq.m.)	Above-ground saleable Area (sq.m.)	Area sold as at the end of 2009 (sq.m.)	Historical average selling price (RMB/sq.m.)	Present selling price (RMB/sq.m.)
2010	Hefei Yulan Apartment Phase 1	59.4%	148,550	116,348	46,449	5,852	6,812
	Hefei Yulan Apartment Phase 2	59.4%	60,505	43,829	39,342	6,247	7,507
	Changsha Bamboo Garden North Phase 4	52.5%	13,673	13,673	To be launched		
	Changsha Bamboo Garden South Phase 2	52.5%	12,656	9,387	To be launched		
	Xinjiang Lily Apartment Phase 1 (part 1)	50%	39,530	21,977	12,185	9,429	Residential 8,980
	Total		274,914	205,214	97,976		
2011	Hefei Jade Lake Rose Garden Phase 1	100%	94,428	54,673	To be launched		
	Zhengzhou Yanminghu Project Phase 1	100%	37,500	17,500	To be launched		
	Changsha Bamboo Garden North Phase 5	52.5%	12,834	12,834	To be launched		
	Changsha Bamboo Garden South Phase 3	52.5%	18,781	14,363	To be launched		
	Xinjiang Lily Apartment Phase 1 (part 2 and part 3)	50%	126,055	68,826			
	Total		289,598	168,196			
Beyond 2011	Total		3,067,883	2,229,984			





A ROMANTIC TRIP OF
**TIMELESS
SPLENDOR**



Chairman's Statement

Quality and cooperation have always been the intrinsic values of Greentown. We believe that Greentown's superior quality has given us the autonomy to define our own pricing strategy, while our sincere approach in absorbing external resources has attracted beneficial partnerships. These competitive advantages have helped the Group stay proactive in ever-changing market conditions. In response to cyclical market fluctuations in the future, Greentown will also shorten its product development cycle and adopt a fast-selling approach.



Dear Shareholders,

In early 2009, the level of property transactions in China was low, which had affected Greentown briefly. Taking a proactive stance to meet the challenge, Greentown management carried out continuous discussions and assessments of the situation, which brought two fundamental conclusions that we firmly believe in. The first is that, despite temporary twists and turns, the improvement in living standards and progress in urbanisation shall prevail in the long term, propelled by the continuous economic development in the PRC. At the same time, the real estate industry will be a fundamental driving force for the nation's economic growth and expansion of domestic demand. The second is that, due to the shortage of high-quality products and services in the market, the public's strong demand for sophisticated products and outstanding services will provide an inexhaustible momentum for the development of the real estate industry. Based on these two conclusions, Greentown reinforced its strategic focus on sophisticated products and launched them on schedule defying all other market concerns. As a result, by the end of the second quarter of 2009, Greentown completely overcome the short-term setbacks caused by the market's earlier downturn, and thus its sales jumped rapidly.

Looking forward to 2010, despite numerous uncertainties that hover over the economic fundamentals and industry trends, Greentown management has every confidence in China's advancement towards sustained prosperity. The country's rapid urbanisation will remain a strong impetus to the growth of the real estate industry. Management believes that the Chinese people's urgent demand for better standards of housing and living is an irreversible trend that shapes the Group's long-term growth. While remaining true to our inherent principles, Greentown is committed to the execution of its on-going development strategies.

Quality and cooperation have always been the intrinsic values of Greentown. We believe that Greentown's superior quality has given us the autonomy to define our own pricing strategy, while our sincere approach in absorbing external resources has attracted beneficial partnerships. These competitive advantages have helped the Group stay proactively in the ever-changing market conditions. In response to cyclical market fluctuations in the future, Greentown will also shorten its product development cycle and adopt a fast-selling approach.

In 2010, four guiding principles will shape Greentown's development. Firstly, we will make this "The Year of Investment in Human Resources" to accelerate the growth and development of our people. Secondly, we will strenuously implement the strategy of product sophistication at every level in the company to achieve optimal effectiveness in our operation. Thirdly, we will proactively explore more flexible ways to cooperate with landowners and establish a standard business model for undertaking construction projects, thereby increasing the scale of such projects. Fourthly, we will emphasize the importance of cash flow in our operation. While maintaining its quality standards, Greentown will strengthen its budget management and cost control, and speed up its product development process, thereby achieving earlier, faster and greater sales.

Management believes that changes in the external environment are always secondary influences on a company's development. Greentown's ultimate success always lies in its internal vision for growth and its ability to implement the right strategies in response to market changes. In 2010, Greentown will enter a new stage in its development with vigour, perseverance and a spirit of self-examination.

Finally, I would like to take this opportunity to express my sincere thanks to all of our customers and shareholders, and to our staff for their continuous dedication and hard work.

Song Weiping
Chairman
19 April 2010

CEO's Review



Dear Shareholders,

In 2009, thanks to the PRC government's implementation of a proactive fiscal policy and a moderately loose monetary policy, together with the introduction of domestic consumption stimulus packages, confidence in the real estate market rebounded after it underwent serious adjustment in 2008. Increased market demand brought about explosive growth in property sales volume and drove up housing prices. Foreseeing this market trend, we reinforced our commitment to superior product quality, which helped push the Greentown Group's results to new highs in 2009. This success proved once again that our focus on quality not only helped the Greentown to stay proactively in an ever-changing market but also gave us added strength to excel. We believe that, as a winning strategy against cyclical fluctuations, the Greentown Group's commitment to product sophistication has also enhanced shareholder value.

Impressive Sales Surge

The Greentown Group recorded a massive growth in our sales during 2009. The contracted sales hit a record high and put us on the top of our peers in China.

As at 31 December 2009, the total contracted sales of the Greentown Group together with associates and jointly-controlled entities (collectively, the "Greentown Group") surged 238% year-on-year to RMB51.3 billion, of which RMB33.4 billion was attributable to the Greentown Group, representing an increase of 227%. The Greentown Group's total contracted gross floor area ("GFA") grew by 184% to 3.5 million sq.m., of which 2.15 million sq.m. was attributable to the Greentown Group, representing an increase of 169%. The average selling price of our above-ground properties increased by 23%, from RMB11,910 per sq.m. in 2008 to RMB14,684 per sq.m. in 2009.

The Greentown Group's property projects, ranging from ordinary apartments to high-end villas, all achieved exceptional sales performance. The pre-sale rate jumped by 37 percentage points, from 52% in 2008 to 89% in 2009, while the pre-sale rate of our apartment projects even reached 93%.

In geographical terms, we further strengthened our core position in Hangzhou and other areas in Zhejiang province. Meanwhile, we extended our influence to Shanghai, Beijing and other first-tier cities. Our total contract sales in Zhejiang province, Shanghai and Beijing accounted for 86% of the total. The immense value of the Greentown brand was further highlighted by our increasingly dominant position in the high-end property market. Hangzhou Sapphire Mansion and Hangzhou Sincere Garden were both fully sold within a month of coming onto the market. Beijing Majestic Mansion was one of the best-selling luxury properties in Beijing. The first phase of Shanghai Bund House was sold out on the first day of launch. In terms of GFA sold, Shanghai Rose Garden ranked first among high-end villas with benchmark above RMB15 million per unit in Shanghai. Wenzhou Lucheng Plaza achieved exceptional sales of RMB6.8 billion, making it China's No. 1 project in terms of sales. Besides Zhejiang province, Shanghai and Beijing, the Greentown Group proactively explored other areas that have high growth potential, and we further extended our brand impact and market coverage to Shandong province, Jiangsu province and other provinces.

Sales of major projects during 2009 are set out in the following table:

Project	Saleable area (sq.m.)	Area sold in 2009 (sq.m.)	Sales amount in 2009 RMB million	Percentage of area sold	Average price RMB/sq.m.
Wenzhou Lucheng Plaza	167,609	164,385	6,797	98%	41,351
Hangzhou Sincere Garden	92,303	88,365	2,651	96%	29,999
Hangzhou Sapphire Mansion	78,854	78,854	2,342	100%	29,701
Jinan National Games Project	267,032	235,215	2,267	88%	9,637
Hangzhou Lijiang Apartment	114,697	113,510	2,082	99%	18,340
Beijing Majestic Mansion	44,453	41,505	1,660	93%	39,994
Ningbo Crown Garden	127,161	102,055	1,596	80%	15,636
Hangzhou Hope Town	130,331	125,750	1,575	96%	12,524
Shaoxing Yulan Garden	130,285	123,808	1,536	95%	12,406
Haining Lily New Town	174,996	163,175	1,511	93%	9,258
Shanghai Bund House	28,258	27,271	1,453	97%	53,276
Taizhou Yulan Plaza	90,828	70,618	1,306	78%	18,489
Sub-total of other projects	2,468,413	2,161,679	24,565	87%	11,364
Total	3,915,220	3,496,190	51,341	89%	14,684

Operations and management

Greentown always believes that quality staff is the key to corporate success. The Company's development and expansion rest on the growth and improvement of its workforce. Over the past year, the Group focused on human resources development and implemented a series of in-house training and mentorship programmes as well as accreditation schemes for project managers, finance managers and sales and marketing managers. We are pleased that these efforts have yielded very positive results as we see marked improvement in the specialized and comprehensive skills of our staff at different levels.

During the year, we strengthened the Group's organisational structure and systems in accordance with our three management philosophies, namely "operations, quality and assurance". We implemented a number of changes in this respect, namely integrating the Group's functional departments, establishing our corporate product centre, building our professional team in a more unified manner, improving the quality of our products, strengthening the management of our operation units, defining the roles of the basic operating units in our project companies, which facilitated vertical and corporate reforms with better supporting and serving

projects at their core. In addition, we organised spring and autumn conferences with our shareholders, media and financial institutions, increased the standardisation of our construction processes in line with the "Standardised Construction Planning" system, and developed our information technology infrastructure in a systematic way. As a result, the management has become more transparent and scientific, and the efficiency of our work and management has improved comprehensively.

At the same time, we expanded our vertical financial management systems, introduced comprehensive budget management methods, and carried out a "Comprehensive Budget Management Measures" pilot project. We established expansionary, steady and defensive strategic financial models, upgraded the cost standards we apply to various types of products, and strengthened our cost controls at the design stage. Furthermore, we strictly regulated our bidding management system. All these initiatives were aimed at strengthening our control over the costs of the entire development process to ensure a reasonable return.

Financing

We recognise the important role that a stable and adequate cash flow plays in the Greentown Group's development, and our cash flow accelerated significantly to a total turnover of RMB43.1 billion during the course of 2009.

The Greentown Group's strategic cooperation with commercial banks was further expanded. At present, loans from domestic banks remain our primary source of financing. Apart from credit facilities totalling RMB60 billion from China's top four state commercial banks, the Greentown Group has actively expanded cooperation with other financial institutions, including China Everbright Bank, with which we now have a RMB4 billion credit facility; and Guangdong Development Bank, with which we have another RMB2 billion credit facilities.

Meanwhile, we actively implemented innovative financing methods, broadened our financing channels and built new financing platforms. On 10 September 2009, the Greentown Group entered into a framework agreement with Ping An Trust & Investment Co., Ltd. Ping An Trust is expected to invest a total of RMB15 billion in the Greentown Group in the next three years.

At the same time, we reinforced our capital management methods, and perfected our cash flow monitoring system. More stringent capital management, stable financing sources and scientific capital management systems have underpinned the Group's rapid and steady development.

During the first half of 2009, the Company successfully redeemed 90.3% of the US\$400 million senior notes with due date in 2013. This eliminated most of the restrictions that governed these senior notes, and it has given us greater flexibility to implement new cooperation strategies and multi-channel financing.

Future prospects

China's economy has now entered a new development cycle. The real estate industry is expected to advance continuously during 2010, driven by the acceleration of urbanisation and the people's aspirations for better living conditions. The government's macro-economic policies concerning property sector will bring about

consolidations and optimizations and thus will accelerate its sustainable and healthy development.

Furthermore, as the pillar and engine of the economic development, the real estate industry remains indispensable. The Group believes that the market as a whole will continue to pursue an upward course, even though there are sure to be fluctuations from time to time. We are therefore cautiously optimistic about the general trends in China's real estate market during 2010. The well-established strength of our brand and our management, together with our quality land bank, will provide a powerful impetus for the Group's continued growth during the year.

Reinforcing strategic focus on product sophistication

Quality creates value. The Group will therefore reinforce its strategic focus on product sophistication in 2010. By intensifying our product research and development efforts, incorporating new technologies into our offerings, perfecting our craftsmanship in product development, we will strive to make Group properties a byword for quality, and a benchmark against which other products in the cities where they are located will be judged. This will further strengthen our edge as a top-notch developer in the high-end property market.

We will continue to promote and enhance Greentown community services as a means of adding extra value to our projects. For instance, we will further raise the standards of the software and hardware aspects of the health, education and lifestyle services we provide to property owners, and extend their scope to make them more comprehensive and integrated.

Speeding up land development

We will step up the pace of development of our land bank, with the aim of commencing construction within three months of the land being handed over to us, and launching properties in the market within nine months. That means we will be able to transform our quality sites into cash flow within the shortest possible time. We plan to start constructing new projects with a total GFA of approximately 11.13 million sq.m. and to complete a total GFA of 2.89 million sq.m. during 2010.

Maintaining the “earlier, faster and greater sales” policy

Based on our assessment of the market's prospects, we intend to speed up the release of our products in 2010. Adhering to our strategy of “earlier, faster and greater sales”, we will accelerate the asset turnover and thus guarantee the Greentown Group strong and sustainable cash flow. We plan to place the Greentown Group's 75 projects or phases of projects with a total saleable area of 5.94 million sq.m. on the market during 2010. Approximately 2.00 million sq.m. of this will be released during the first half of the year, followed by 3.94 million sq.m. in the second half. The newly added total above-ground saleable area worth over RMB110 billion. Our target for contract sales in 2010 is RMB67 billion.

Expanding high-quality land bank

Maintaining a balanced approach between revenue and expenditure, we will continue to expand our high-quality land bank via open auction and tender, merger and acquisition, and other methods. This will serve to consolidate the Group's dominant position in Zhejiang province, while focusing on acquiring quality land in the Yangtze River Delta (Shanghai and Jiangsu) and Bohai Rim (Beijing, Tianjin, Shandong and Dalian). We will maintain a particular emphasis on their quality, especially aiming to secure scarce land in downtown areas, or in charming natural landscapes. Our aim will be to grow the Greentown Group's land bank so as to ensure a 30% or above year on year growth rate in the contracted sales for the next three years.

Strengthening strategic cooperation

We will continuously pursue a strategy of cooperation. Consolidating and expanding our cooperation in various projects with strategic partners who can provide land and capital will further increase our advantage as a commercial construction and capital management agent. We believe that new contracting business that utilises the Greentown Group's brand advantage and management know-how is a potential focal point of growth for Greentown.

Intensifying risk management

We intend to reinforce the overall management of our budget and capital-planning processes, establish new early warning mechanisms for risks and maintain cash flow balance so as to protect ourselves against market fluctuations.

While consolidating our cooperation with commercial banks, we will deepen our partnerships with large trust companies, and seek to establish new financing platforms. We will gradually explore real estate fund management as a means of ensuring sufficient capital to finance our sustained and healthy development.

Aspiring to be the PRC's most respected property developer with integrated value

For 15 years, we have been growing together with the cities we had our footprints, building our business on product quality and social responsibility. In 2009, we reviewed our position and set ourselves with the goal of becoming “the PRC's most respected property developer with integrated value”. Establishing a value system that focuses on the human factor, heritage, employees, work, quality, service and society, we will pour unceasing efforts into promoting the industry's progress and social harmony. All of Greentown's employees have full confidence in our ability to accept whatever challenges we face and to make continuous progress and breakthroughs in our business.

I would like to take this opportunity to thank our employees, shareholders and directors for their ongoing support and trust in the Group's development. Your concern and understanding have been indispensable for all our achievements in 2009, and our future development will depend on you as well. In return, I assure you that all Greentown's employees will become more united than ever, and more dedicated to using their expertise and team spirit to create more value for our shareholders.

Shou Bainian

Chief Executive Officer

19 April 2010





TO ESCAPE THE
**BONDS OF
EARTH**

Management Discussion and Analysis

BUSINESS REVIEW

The Group continued to adhere to its mission of “building platforms for our staff and creating value for our customers; bringing beauty to our cities and wealth to our society” during 2009, as well as its corporate culture based on sincerity, goodwill, gracefulness, and striving for perfection. The Group achieved promising results by tirelessly devoting itself to improving the quality of its properties. Some of the key highlights of the financial year ended 31 December 2009 (the “Year”) are described below.

Project Development

Responding to changes in the market during 2009, the Group formulated a strategy of “earlier, faster and greater

sales”. We adjusted our construction targets in accordance with market conditions in order to increase our stock of saleable properties. The Greentown Group commenced construction of new projects with a total gross floor area (“GFA”) of 3.88 million sq.m., which was 81% more than we had planned for at the beginning of the year.

Meanwhile, the Greentown Group completed a total GFA of 1.93 million sq.m. during 2009, of which 1.27 million sq.m. were above-ground saleable area. As of 31 December 2009, 92% of these completed above-ground saleable area was sold.

As at 31 December 2009, the Greentown Group had 57 projects with a total GFA of 8.17 million sq.m. under construction.

Projects completed during the Year

	Region	Project	Phases	Interest attributable to the Group	Total GFA completed (sq.m.)	Above-ground saleable area (sq.m.)	Area sold as of the end of 2009 (sq.m.)
Subsidiaries	Hangzhou	Hangzhou Blue Patio	Phase 2	85%	83,841	60,000	59,502
	Hangzhou	Hangzhou Jiuxi Rose Garden	Part 3	100%	5,623	N/A	-
	Hangzhou	Hangzhou Lijiang Apartment	Phase 1	100%	177,581	135,371	127,398
	Hangzhou	Hangzhou Taohuayuan South	Lot F	51%	25,351	19,581	17,634
	Hangzhou	Hangzhou Taohuayuan South	Low-rise apartment	51%	17,343	16,185	16,185
	Zhejiang	Xinchang Rose Garden	Hotel - Main Building and staff dormitory	80%	31,018	N/A	-
	Zhejiang	Xinchang Rose Garden	Entertainment centre, hotel villa	80%	20,281	N/A	-
	Zhejiang	Thousand-Island Lake Resort Condo	Phase 1 Block 1	80%	49,003	36,629	31,192
	Zhejiang	Tonglu Sweet Osmanthus Garden	Phase 2	100%	102,865	80,754	60,829
	Zhejiang	Tonglu Rose Garden	All	51%	16,229	15,329	9,020
Shanghai	Shanghai Rose Garden	Phase 2	100%	46,962	29,040	28,619	
Beijing	Beijing Lily Apartment	Phase 6	80%	52,177	38,868	33,613	
Beijing	Beijing Lily Apartment	School and kindergarten	80%	13,341	N/A	-	
Beijing	Beijing Majestic Mansion	Phase 1 Block 1, Phase 2 west clubhouse	100%	14,397	2,770	2,770	
Jiangsu	Nanjing Rose Garden	Clubhouse	70%	4,475	N/A	-	
Anhui	Hefei Sweet Osmanthus Garden	Phase 5	99%	53,541	36,210	27,549	
Anhui	Hefei Lily Apartment	Phase 4	59.4%	46,462	35,150	35,130	
Hunan	Changsha Bamboo Garden	North Phase 3	52.5%	12,876	9,287	2,488	
Hunan	Changsha Bamboo Garden	South Phase 1	52.5%	7,350	4,703	3,318	
Shandong	Qingdao Ideal City	Phase 1 low-rise	80%	93,609	59,618	58,360	
Shandong	Qingdao Ideal City	Phase 1 high-rise	80%	144,335	112,072	103,600	
Xinjiang	Xinjiang Rose Garden	Phase 4	61.2%	13,088	13,088	8,588	
Sub-total					1,031,748	704,655	625,795

Projects completed during the Year (continued)

	Region	Project	Phases	Interest attributable to the Group	Total GFA delivered (sq.m.)	Above-ground saleable area (sq.m.)	Area sold as of the end of 2009 (sq.m.)
Associates	Hangzhou	Hangzhou Hope Town	Commercial centre and kindergarten	45%	37,437	N/A	-
	Hangzhou	Hangzhou Hope Town	Phase 5-1	45%	47,496	36,365	35,740
	Hangzhou	Hangzhou Hope Town	Phase 7-1	45%	42,200	25,853	24,869
	Hangzhou	Hangzhou Majestic Mansion		45%	77,567	54,190	53,400
	Hangzhou	Hangzhou Tulip Bank	Block 3	50%	20,050	10,340	10,340
	Hangzhou	Hangzhou New Green Garden	Phase 1	50%	90,730	57,339	57,339
	Zhejiang	Haining Lily New Town	High-rise Phase 1	50%	77,632	61,201	56,233
	Zhejiang	Haining Lily New Town	Villa Phase 4	50%	57,273	40,807	32,639
	Zhejiang	Deqing Sweet Osmanthus Town	Phase 2	46.6%	120,353	97,281	95,850
	Henan	Zhengzhou Lily Apartment	Phase 3 Lot D	37.7%	94,170	71,177	70,723
	Henan	Zhengzhou Lily Apartment	Phase 4	37.7%	79,582	59,672	59,170
	Jiangsu	Nantong Rudong Hupanju	Phase 2	50%	46,557	28,756	27,495
	Jiangsu	Nantong Rudong Hupanju	Phase 3 Part 1	50%	31,373	23,803	14,501
	Shandong	Jinan National Games Project	Hotel	45%	79,523	N/A	
Sub-total					901,943	566,784	538,299
Total					1,933,691	1,271,439	1,164,094

Property Sales

The Greentown Group's annual contracted sales amounted to RMB51.3 billion, with contracted GFA totalled 3.5 million sq.m. during 2009, representing increases of 238% and 184% respectively as compared to 2008. Both the total contracted sales and GFA sold set new records for the Greentown Group, and they placed the Greentown Group among one of the top China's real estate developers. The Group accounted for 2.00 million sq.m. of the contracted GFA sold and RMB33.9 billion of the contracted sales, representing increases of 142% and 219% respectively as compared to the 2008 figures.

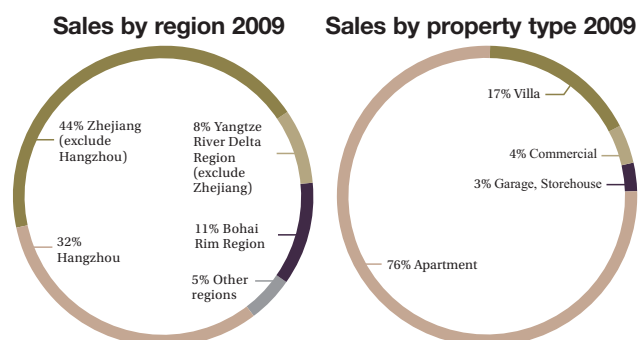
The Greentown Group further enlarged its market share in Zhejiang province. In Hangzhou, the Greentown Group recorded contracted sales of RMB16.3 billions with total GFA sold amounted to 0.9 million sq.m., representing an increase of 191% over 2008. The total contracted sales generated in Hangzhou, which contributed 32% of the Greentown Group's total contracted sales, accounted for 10.1% of the market share in Hangzhou during 2009. Apart from Hangzhou, the Greentown Group contracted to sell a total GFA of 1.56 million sq.m. for a total of RMB22.4 billion in other areas of Zhejiang province, which represented 44% of our total contracted sales and was 243% higher than those of 2008. They accounted for 9.1% of all property transactions in Zhejiang province. The Greentown Group's business in Shanghai, Beijing and Shandong has likewise increased in 2009. The combined sales of the Greentown Group in the aforesaid three regions amounted to RMB8.2 billion, representing a 486% increase over 2008. The Greentown Group's first project in Jinan – the Jinan National Games achieved sales of RMB2.3 billion in 2009, which is the highest figure for any

property project in the city and accounted for 13.2% of all property market transactions there in 2009.

The Greentown Group's property projects, ranging from standard apartments to high-end villas, all achieved exceptional sales performances. In fact, our overall pre-sale rate leapt from 52% in 2008 to 89% in 2009, representing an increase of 37 percentage points. The pre-sale rate of apartments even reached 93%.

The average selling price of the Greentown Group's above-ground properties increased from RMB11,910 per sq.m. in 2008 to RMB14,684 per sq.m. in 2009, representing an increase of 23%. Our apartments were sold for an average selling price of RMB13,514 per sq.m. and our villas for RMB26,364 per sq.m.

Classified by category of properties, apartments, villas and commercial buildings (offices and shops) accounted for 76%, 17% and 4% respectively of the Greentown Group's total contracted sales for the Year.



Management Discussion and Analysis

Land bank

The Greentown Group's land bank strategy continued to focus on the Yangtze River Delta Region and the Bohai Rim Region during 2009. The sizeable bank of quality land we have accumulated has laid strong foundations for our development for the next three years.

In accordance with our development strategy and market conditions, the Greentown Group acquired 37 new

projects with a total site area of 4.21 million sq.m. via land auctions and equity acquisitions during 2009, of which 3.19 million sq.m. was directly attributable to the Group. The planned above-ground GFA of these newly acquired projects was 7.97 million sq.m., of which 5.67 million sq.m. was attributable to the Group. The Greentown Group paid a total of RMB45.6 billion in land premiums (calculation based on the acquisition cost), while the average cost of saleable area (calculated according to planned above-ground GFA) was RMB5,716 per sq.m. Most of the new additions to the Greentown Group's land bank during the year were located in downtown areas and regional centres in Zhejiang province (including Hangzhou), Jiangsu, Shanghai, Hefei, Beijing, Tianjin, Dalian, Qingdao and Zhengzhou, etc.

Projects as newly added land bank during the Year

Project	Region	Interest	Site area	GFA	Total land premium
			Thousand sq.m.	Thousand sq.m.	RMB million
City centre					
Hangzhou Xinhua Paper Industry Lot	Hangzhou	35%	37	90	2,005
Hangzhou Xidebao Lot	Hangzhou	42.5%	45	139	2,910
Hangzhou Qingchun Plaza Commercial Lot	Hangzhou	30%	28	195	2,650
Hangzhou West Lake Rd Project	Hangzhou	56%	11	27	N/A
Hangzhou Wangjiang Project	Hangzhou	56%	11	52	N/A
Hangzhou Zilan Apartment	Hangzhou	8%	26	53	903
Hangzhou Nanxingqiao Project	Hangzhou	8%	23	32	778
Hangzhou Liyuan	Hangzhou	9%	28	53	522
Beijing Oakwood Project	Beijing	100%	28	63	N/A
Zhuji Project	Zhejiang	60%	357	735	2,718
Cixi Ciyuan	Zhejiang	60%	63	169	1,089
Lin'an Jinyuyuan	Zhejiang	65%	23	73	92
Taizhou Xueyuan Rd Project	Zhejiang	49%	107	257	1,520
Lishui Jiangbin Urban Reconstruction Project	Zhejiang	37.5%	189	416	2,000
Taizhou Stadium South Project	Zhejiang	45%	144	288	1,130
Wuxi Lihu Project	Jiangsu	100%	223	525	2,900
Suzhou Rose Garden	Jiangsu	100%	214	128	3,600
Suzhou Majestic Mansion	Jiangsu	100%	156	125	2,500
Wuxi Lixin Ave West Project	Jiangsu	49%	172	377	1,159
Dalian Deep Blue Center Phase 2	Liaoning	100%	7	47	167
Qingdao Jiaozhou Project	Shandong	100%	417	1,042	726
Tianjin Tanggu Xiangluo Bay Project	Tianjin	80%	17	209	N/A

Projects as newly added land bank during the Year (continued)

Project	Region	Interest	Site area	GFA	Total land premium
			Thousand sq.m.	Thousand sq.m.	RMB million
Region centre					
Hangzhou Tianyuan Lot No. 40	Hangzhou	100%	35	70	667
Hangzhou Tianyuan Lot No. 41	Hangzhou	8%	29	53	533
Hangzhou Tianyuan Lot No. 81	Hangzhou	50%	24	38	428
Hangzhou Begonia Apartment	Hangzhou	42%	33	73	306
Hangzhou Yueming Rd Project	Hangzhou	55%	98	244	3,752
Hangzhou Shenhua Rd Project	Hangzhou	25%	34	82	957
Fuyang Jinqiao Rd North Lot	Zhejiang	40%	153	307	1,125
Beijing Tongzhou Xinhua Street Lot	Beijing	100%	40	178	1,242
Anhui Jade Lake Rose Garden	Anhui	100%	333	667	2,600
New development zone					
Shanghai Tangzhen Project	Shanghai	100%	58	87	1,661
Shaoxing Lily Apartment	Zhejiang	42%	111	278	1,220
Zhengzhou Zhongmou New Town Project	Henan	100%	79	135	N/A
Sightseeing area					
Lin'an Qingshan Xiyuan Project	Zhejiang	65%	196	196	145
Zhoushan Zhujiajian Lot	Zhejiang	100%	211	157	252
Zhengzhou Yanminghu Project	Henan	100%	457	312	N/A
Total			4,217	7,972	

As of 31 December 2009, the Greentown Group had 96 projects in 34 cities of the PRC. Their total GFA amounted to 30.83 million sq.m., of which 20.76 million sq.m. was attributable to the Group. The land bank's total above-ground saleable area was 21.27 million sq.m., of which

14.27 million sq.m. was attributable to the Group. The average cost of the land bank's above-ground saleable area and properties held was RMB4,260 per sq.m. A total of 3.38 million sq.m. of above-ground saleable area came to the market and 90% of them was sold.

Management Discussion and Analysis

Financial analysis

Earnings of the Year and profit attributable to the owners of the Company

Earnings of the Year was RMB1,092 million, which was increased by RMB525 million or 92.6% from RMB567 million in the same period of 2008. The net profit margin was 12.5%, with an increment of 4 percentage points compared with 8.5% in the same period of 2008.

The basic earnings per share for the Year was RMB0.64 and the diluted earnings per share was RMB0.62, with rate of return on equity of 11.4%. In 2008, the basic and diluted earnings per share were RMB0.35 and RMB0.34 respectively and the rate of return on equity was 6.6%. The profit attributable to the owners of the Company was RMB1,012 million, representing an increase of 87.4% from RMB540 million in 2008.

Revenue

Revenue hit a historic record high in the Year. As at 31 December 2009, revenue recognized was RMB8,727 million, representing an increase of 31.5% from RMB6,635 million in 2008. From 2007 to 2009, the growth rate of revenue for these two consecutive years were 15.6% and 31.5% respectively, with a compound annual growth rate of 23.3%. Revenue of the Group primarily consists of revenue from sales of properties, construction materials, computer system design and installation and hotel operations, etc. The revenue from property sales represented 98.9% of the total revenue of the Year, a rise of 31.7% to RMB8,632 million for the Year from RMB6,553 million in 2008. The GFA of sales recognized amounted to 943,504 sq.m., representing an increase of 6.6% from 884,918 sq.m. in 2008.

Property sales revenue of 2009 was mainly derived from projects in Hangzhou, Shanghai and Qingdao. Sales derived from projects in Hangzhou amounted to RMB4,133 million with area sold of 368,064 sq.m., representing 47.9% of the total property sales and 39.0% of the total area sold. In terms of proportion to sales and areas sold, sales in Hangzhou ranked the first, followed by Shanghai and Qingdao, which accounted for 14.9% and 12.3% of property sales respectively, and 6.3% and 20.3% of total GFA sold respectively.

The net average price improved significantly, representing a rise of 23.6% to RMB9,149 per sq.m. during the Year from RMB7,404 per sq.m. in 2008. The main reasons driving up the net average price were the changes of the regions and the property types. Firstly, in respect of regions, during the Year, the proportion of sales in first-tier cities was relatively larger, mainly focused on projects in Hangzhou region (accounted for 47.9% of the property sales, with a net average price of RMB11,229 per sq.m.) and Shanghai (accounted for 14.9% of the property sales, with a net average price of RMB21,809 per sq.m.). In 2008, the proportion of sales in second-tier cities was relatively larger, mainly focused on projects in Ningbo (accounted for 30.6% of the property sales, with a net average price of RMB6,618 per sq.m.) and Zhoushan (accounted for 11.8% of the property sales, with a net average price of RMB6,351 per sq.m.). Secondly, in respect of property type, the GFA sold for apartments as a proportion of total GFA sold improved to 87.2% for the Year from 67.1% in 2008. Especially, as the office building project in Ningbo R&D Park was a project with property prices fixed by the local government, its price was relatively low. GFA sold from Ningbo R&D Park for the Year was only 4,501 sq.m. (accounted for 0.5% of the total GFA sold), significantly reduced from the 179,255 sq.m. in 2008 (accounted for 20.3% of the total GFA sold).

Costs of Sales of Properties

The costs of sales of properties included cost of land, construction cost, cost of renovation and decoration and capitalized interest expenses, etc. The costs of sales of properties for the Year increased by 35.0% from RMB4,734 million in 2008 to RMB6,392 million in 2009, representing 99.6% of the total costs of sales. The costs of sales per sq.m. increased by 26.6%, from RMB5,350 per sq.m. in 2008 to RMB6,775 per sq.m. in 2009. The cost increase is due to firstly, the GFA sold for apartment with higher cost as a proportion of total GFA sold rose from 67.1% in 2008 to 87.2% in the Year, whereas the GFA sold for office building project with lower cost as a proportion of total GFA sold experienced a sharp decline from 20.3% in 2008 to 0.5% in the Year, which directly drove up the costs of sales per sq.m. Secondly, the Group always adhered to its strategy of providing exquisite products, by updating its products, implementing its comprehensive community living system and enhancing the additional value for its products, which drove up the cost in a certain extent.

Gross Profit Margin

Gross profit margin of property sales decreased from 27.8% in 2008 to 25.9% in 2009. The consolidated gross profit margin of the Year decreased because, firstly, part of the revenue recognized during the Year was derived from contracted sales of 2008 when the market was depressed while the Group insisted not to cut price but to provide additional value for its products, causing the increase in cost. Secondly, Qingdao Ideal City, the first project the Group performed when entering Qingdao, accounted for 12.3% of property sales revenue in the Year and only had a gross profit margin of 4.8%. Thirdly, the Group adhered to its strategy of 'earlier, faster and greater sales', which accelerated its assets turnover ratio but also affected the pricing of our products to a certain extent.

Other Income

Other income included interest income, government subsidy, foreign exchange gain/(loss) and brand usage fees, etc. Other income of RMB241 million was recorded for the Year, representing a decrease of 26.7% from RMB329 million for 2008, mainly due to the drop in foreign exchange gain. During 2008, the Group achieved a foreign exchange gain of RMB228 million, which was primarily due to the successive appreciation in RMB amounted to approximately 7%, resulting in substantial exchange gain arising from the US dollar denominated senior notes due in 2013 and convertible bonds issued in 2006. The exchange rate for RMB in the Year was relatively stable. Moreover, the Group repurchased part of the senior notes in advance (90.3% of senior notes was repurchased), and the US dollar denominated convertible bonds issued in 2006 were all redeemed. Therefore, exchange gain generated was only a small amount. After the deduction of exchange loss incurred from foreign currency deposits, a net exchange loss of RMB2 million was resulted. Interest income during the Year was RMB103 million, representing an increase of 74.6% from RMB59 million in 2008 due to the increase in interest income from associates and jointly controlled entities over 2008. Brand usage fees for the Year amounted to RMB92 million, increasing significantly from RMB10 million in 2008, which was because the property pre-sales achieved a historic high record.

Gains from Repurchase of Senior Notes and Redemption of Convertible Bonds

The Company repurchased in advance 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 RMB11 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 Year were RMB79 million. A trust agreement was entered into between Greentown Real Estate Group Co., Ltd (綠城房地產集團有限公司) and Zhonghai Trust Company Ltd (中海信託有限公司). The Trust Put Option, the Guarantee and RMB1 Options relating to the above agreement were deemed as derivatives and were measured according to their fair values.

Selling and Administrative Expenses

Selling and administrative expenses in the Year increased by RMB509 million or 69.1% from RMB737 million in the same period of 2008 to RMB1,246 million, with the percentage in turnover growing from 11.1% in 2008 to 14.3%. Specifically, administrative expenses increased by 83.1% to RMB811 million from RMB444 million in 2008. Human resources cost was the single largest item under administrative expenses, increased 183.5% to RMB343 million from RMB121 million in 2008. The sharp increase was mainly due to the grant of four lots of share options during the Year as well as increased property projects and more employees recruited. The human resources cost recognized due to the grant of share options was RMB107 million in the Year. Selling expenses increased 48.0% to RMB435 million during the Year from RMB294 million in 2008. The largest increase in selling expenses was the human resources cost in the sales system, which was increased by 121.2% to RMB115 million from RMB52 million in 2008, owing to the rise in the incentive remuneration and expenditure of the sales persons resulting from robust sales. The second largest increase was expenses in sales and marketing activities as well as advertising expense, which was increased by 42.5% to RMB208 million from RMB146 million in 2008, owing to the increase in the properties launched. The increase in sales expenses was relatively large, but compared with the contracted pre-sales of the Group, the percentage was 1.3%, substantially lower than 2.8% in 2008.

Management Discussion and Analysis

Reversal of Impairment Provision

The impairment provision in 2008 was RMB275 million, of which Shanghai Xinjiangwan Project, Zhoushan Sheraton Hotel, Hefei Sweet Osmanthus Garden, Nantong Yulan Apartment, Thousand-Island Lake Rose Garden and Zhoushan Sweet Osmanthus Town accounted for RMB148 million, RMB53 million, RMB28 million, RMB21 million, RMB21 million and RMB3 million, respectively. As the market revived, no new impairment existed in the Year. The impairment provision taken for Nantong Yulan Apartment and Thousand-Island Lake Rose Garden were written back.

Finance Costs

Interest expenses during the Year increased by 64.1% to RMB658 million from RMB401 million in 2008. Total interest expenses increased by 33.7% to RMB1,853 million from RMB1,386 million in 2008. The increase was caused by the surge in the number of projects and hence the increase in average debt amounts. RMB1,196 million of such interest expenses was capitalized and the capitalization rate was 64.5%. In 2008, RMB985 million of such interest expenses was capitalized and the capitalization rate was 71.1%. The capitalization rate decreased primarily because most of the projects newly acquired in 2009 have not commenced construction yet.

Share of Profit of Associates and Jointly Controlled Entities

Share of profit of associates and jointly controlled entities was RMB615 million for 2009, increased RMB231 million from RMB384 million in 2008. The GFA sold by associates and jointly controlled entities was 660,877 sq.m., approximately the same as 660,973 sq.m. in 2008. However, the net average selling price per sq.m. increased to RMB10,387 in 2009 from RMB8,886 in 2008, and at the same time gross profit margin increased from 29.0% in 2008 to 32.2% during the Year. The delivery of the Phase 1 of Hangzhou New Green Garden was completed during the Year and it achieved sales of RMB1,423 million, representing 20.7% of the total sales from associates and jointly controlled entities and contributing a total profit of RMB211 million to the Group in 2009. The net average selling price per sq.m. reached RMB20,874 with gross profit margin of 42.5%, which directly led to large improvement in the gross profit margin of sales of associates and jointly controlled entities during the Year.

The delivery of the entire Hangzhou Majestic Mansion achieved sales of RMB1,530 million, representing 22.3% of the total sales from associates and jointly controlled entities and contributing a total profit of RMB130 million to the Group in 2009. The net average selling price per sq.m. reached RMB28,790, directly resulted in the swift increase in the net average selling price per sq.m. during the Year.

Taxation Charges

Taxation for the Year included Land Appreciation Tax ("LAT") of RMB168 million and enterprise income tax of RMB310 million. The LAT accounted for 1.9% of revenue from property sales during the Year, which was lower than 5.3% in 2008. It was mainly due to the relatively low gross profit margin of certain projects and the write-back of the over provisions of LAT for Shanghai Greentown project. The effective tax rate for enterprise income tax for the Year was 22.1%, which was decreased by 11.2% from 33.3% in 2008. The drop in tax rate was due to firstly, the gain incurred from the repurchase of senior notes and the redemption of 2006 convertible bonds during the Year was not subject to any enterprise income tax and secondly, more was gained from the Group's associates and jointly controlled entities and the enterprise income tax of which was not included in this item.

Pre-sale Deposits

As at 31 December 2009, the balance of pre-sale deposits of the Group was RMB23,301 million, representing an increase of 279.7% from RMB6,137 million in 2008, and the balance of pre-sale deposits of associates and jointly controlled entities was RMB14,670 million, representing a rise of 190.0% from RMB5,058 million in 2008.

Financial Resources and Liquidity

As at 31 December 2009, the Group's cash balance amounted to RMB11,782 million (2008: RMB1,718 million) with total borrowings of RMB24,861 million (2008: RMB16,118 million). Net gearing ratio (i.e. net debt divided by net assets) decreased from 140.1% in 2008 to 105.1% as at 31 December 2009.

Foreign Exchange Fluctuation Risks

The principal place of operation of the Group is the PRC. Most of the income and expenditures are denominated in RMB. Since the Group had deposits, borrowings and third party loans in foreign currency and both the convertible bonds issued in 2006 and senior notes were denominated in US dollars, the Group was exposed to foreign exchange

risks. However, the Group's operating cash flow or liquidity was not significantly affected by any exchange rate fluctuations. The Group did not enter into any foreign exchange hedging arrangement as at 31 December 2009, other than a US dollar swap rate contract with a term of one year entered into with the Bank of China, in order to lock the exchange rate of two loans in foreign currency during the Year.

Financial Guarantees

As at 31 December 2009, the Group provided guarantees of RMB10,106 million (2008: RMB3,900 million) to certain banks in favour of its customers in respect of the mortgage loans provided by the banks to these customers for the purchase of the Group's properties.

Pledge of Assets

As at 31 December 2009, the Group had pledged buildings, hotels buildings, prepaid lease payment, construction in progress, properties for development, properties under development, completed properties for sale, bank deposits, amount due from associates and interests in associates with an aggregate carrying amount of RMB23,207 million (2008: RMB12,216 million) to secure general banking facilities granted to the Group.

Capital Commitments

As at 31 December 2009, the Group had contracted capital expenditure in respect of properties for development, properties under development and construction in progress but not provided for amounting to RMB21,485 million (31 December 2008: RMB7,904 million).

Employees

As at 31 December 2009, the Company had 2,880 employees, compared with 2,637 employees in 2008. Of these, 1,493 employees or approximately 52% of the workforce had a bachelor's degree or higher educational qualification. There were 767 employees with middle or senior professional titles, approximately 27% of the total. There were 258 operations and management officers with the rank of department manager within the Group itself, or assistant general manager or above within our project companies, accounting for approximately 9% of the total.

Awards

Despite the challenges in the market, the Group continued to grow steadily during 2009 while maintaining a good image and reputation in the industry and among our customers. The Company was named as one of the "China's Top 10 Real Estate Companies in terms of tax contribution in 2009", and one of the "Top 10 of the Top 100 Real-Estate Companies in China" respectively for the sixth consecutive year, as well as one of the "10 Most Valuable Real Estate Brands in China".

Remuneration Policies

The remuneration of the Group's employees is determined based on their performance, experience and prevailing industry practices. The Company reviews its remuneration policies regularly and appraises individual staff members according to their performance. Bonuses and cash awards may be distributed to employees as an incentive to motivate their enthusiasm and sense of responsibility.

OUTLOOK

The Group expects that 2010 will contain a mixture of opportunities and challenges. However, we believe that the real estate industry will develop in a healthy way in the long run and we remain committed to our strategic focus on product sophistication. In our opinion, the real estate market will continue to move forward during 2010; and we will closely monitor market trends and adjust our development strategies accordingly in the coming months. Meanwhile, the Group also expects that the promulgation of macroeconomic tightening measures will further consolidate the market. This consolidation and optimisation will create benefits for companies which have solid fundamentals and good reputations, and enable them to increase their competitive edge over their peers.

Project Development

In accordance with our judgment of market conditions, the Greentown Group has adjusted the pace for our project development in 2010. The Greentown Group expects to begin construction of 70 projects (or phases of projects) with a total GFA of 11.13 million sq.m., representing an increase of 187% compared with that of 2009.

In 2010, the Greentown Group expects to complete 28 projects (or phases of projects) with a total GFA of 2.89 million sq.m., representing an increase of 50% over 2009, of which 1.7 million sq.m. is attributable to the Greentown Group. The total above-ground saleable GFA of these projects is expected to be 1.96 million sq.m., of which 1.13 million sq.m. is attributable to the Group.

Management Discussion and Analysis

Newly commenced GFA in 2010

	Total GFA (Thousand sq.m.)	Ratio
First quarter	2,051	19%
Second quarter	4,668	42%
Third quarter	3,385	30%
Fourth quarter	1,029	9%
Total	11,133	100%

Projects planned to be completed in 2010

	Province	Project	Phase	Interest Percentage	Total GFA (sq.m.)	Above- ground saleable area (sq.m.)	Sold as of the end of 2009 (sq.m.)
Subsidiaries	Hangzhou	Hangzhou Taohuayuan South	G	51.0%	16,193	11,905	8,794
	Hangzhou	Hangzhou Sky Blue Apartment		95.5%	59,553	43,218	42,542
	Hangzhou	Hangzhou Yulan Apartment		95.5%	62,789	42,543	42,190
	Hangzhou	Hangzhou Blue Patio	Phase 2 Yiyang Apartment	85.0%	15,429	6,802	-
	Hangzhou	Hangzhou Blue Patio	Phase 3	85.0%	100,611	72,964	71,600
	Zhejiang	Ningbo R&D Park	Phase 2	60.0%	319,789	231,071	177,434
	Zhejiang	Xinchang Rose Garden	Phase 1	80.0%	64,601	55,090	23,216
	Zhejiang	Xinchang Rose Garden	Phase 2	80.0%	37,573	37,573	6,119
	Zhejiang	Tonglu Sweet Osmanthus Garden	Phase 3	100.0%	29,433	19,733	12,911
	Zhejiang	Changxing Plaza	Phase 1	51.0%	94,237	74,495	62,622
	Zhejiang	Xiangshan Lily Apartment	Phase 1	50.0%	97,615	71,306	59,657
	Zhejiang	Thousand-Island Lake Resort Condo	Phase 2 (hotel)	80.0%	89,422	-	-
	Zhejiang	Thousand-Island Lake Resort Condo	Phase 3	80.0%	30,350	23,596	9,699
	Beijing	Beijing Majestic Mansion	Phase 2 (Part B, C including Block 6)	100.0%	62,040	43,318	40,370
	Beijing	Beijing Lily Apartment	Phase 7	80.0%	57,449	38,639	30,517
	Beijing	Beijing Lily Apartment	Phase 8	80.0%	54,191	42,737	41,996
	Beijing	Beijing Oakwood Project		100.0%	63,156	-	-
	Jiangsu	Nanjing Rose Garden	Phase 2 Group AB	70.0%	14,428	10,199	5,098
	Jiangsu	Nantong Yulan Apartment	Phase 1	75.0%	52,791	40,525	37,239
	Hunan	Changsha Bamboo Garden	North Phase 4	52.5%	13,673	13,673	-
Hunan	Changsha Bamboo Garden	South Phase 2	52.5%	12,656	9,387	-	
Anhui	Hefei Yulan Apartment	Phase 1	59.4%	148,550	116,348	46,449	
Anhui	Hefei Yulan Apartment	Phase 2	59.4%	60,505	43,829	39,342	
Xinjiang	Xinjiang Lily Apartment	Phase 1 Part 1	50.0%	39,530	21,977	12,185	
Sub-total					1,596,564	1,070,928	769,980

Projects planned to be completed in 2010 (continued)

	Province	Project	Phase	Interest Percentage	Delivered total GFA (sq.m.)	Above-ground saleable area (sq.m.)	Sold as of the end of 2009 (sq.m.)
Associates	Hangzhou	Hangzhou Hope Town	Phase 5-2	45.0%	51,976	33,306	33,219
	Hangzhou	Hangzhou New Green Garden	Phase 2	50.0%	28,871	21,642	21,258
	Hangzhou	Hangzhou Xingqiao Purple Osmanthus Apartment	Phase 1	35.0%	24,342	16,651	12,322
	Hangzhou	Hangzhou Ziwei Apartment	Phase 1	35.0%	104,882	86,465	86,465
	Hangzhou	Hangzhou Ziwei Apartment	Auxiliary projects	35.0%	14,338	-	-
	Hangzhou	Hangzhou Tulip Bank	Phase 2	50.0%	173,720	114,652	114,652
	Zhejiang	Deqing Lily Apartment	Phase 2	24.5%	139,613	107,957	99,011
	Zhejiang	Lin'an Qingshan Lake Rose Garden	Phase 1	50.0%	48,238	40,541	40,541
	Zhejiang	Haining Lily New Town	Villa phase 5	50.0%	24,772	17,535	17,245
	Zhejiang	Haining Lily New Town	High-rise Phase 2	50.0%	71,377	54,185	49,931
	Jiangsu	Nantong Rudong Hupanju	Phase 3 Part 2	50.0%	44,681	32,811	22,904
	Shandong	Jinan National Games Project	National Games Project Phase 1	45.0%	564,918	368,130	261,034
Sub-total					1,291,728	893,875	758,582
Total					2,888,292	1,964,803	1,528,562

Property sales

The Greentown Group will continue to implement a reasonable sales plan and adjust the pace of project launching in line with market conditions. In 2010, the Greentown Group expects to launch 75 projects (or phases of projects) with a total above-ground saleable area of approximately 5.94 million sq.m., among which, a total of 1.61 million sq.m. in Hangzhou, and a total of 2.06 million sq.m. area is in other area of Zhejiang region.





**HEAVEN
AWAITS**

Directors and Senior Management

The following table sets forth the position(s) held by our directors (the “Directors”) and senior management with the Company:

Name	Age	Title
Mr SONG Weiping	51	Executive Director and Chairman of the board of Directors (the “Board”)
Mr SHOU Bainian ⁽³⁾	56	Executive Director and Executive Vice Chairman of the Board and Chief Executive Officer
Mr LUO Zhaoming	43	Executive Director and Vice Chairman of the Board
Mr CHEN Shunhua ⁽²⁾	47	Executive Director and Chief Operating Officer
Mr GUO Jiafeng	45	Executive Director and Executive General Manager
Mr JIA Shenghua ⁽¹⁾⁽²⁾	48	Independent Non-Executive Director
Mr JIANG Wei ⁽¹⁾	47	Independent Non-Executive Director
Mr KE Huanzhang	71	Independent Non-Executive Director
Mr SZE Tsai Ping, Michael ⁽¹⁾⁽²⁾⁽³⁾	64	Independent Non-Executive Director
Mr TANG Shiding ⁽¹⁾⁽³⁾	68	Independent Non-Executive Director
Mr TSUI Yiu Wa, Alec ⁽¹⁾⁽³⁾	60	Independent Non-Executive Director
Mr CAO Zhounan	41	Executive General Manager
Mr YING Guoyong	48	Executive General Manager
Mr QIAN Xiaohua	46	Executive General Manager
Mr YANG Zuoyong	47	Executive General Manager
Mr WANG Hongbin	41	Executive General Manager
Mr KUO Xiaoming	38	Executive General Manager
Mr HAN Bo	36	Executive General Manager
Mr LAM Jim	39	Chief Financial Officer, Company Secretary and qualified accountant

Notes:

- (1) Member of the audit committee of the Board (the “Audit Committee”)
- (2) Member of the remuneration committee of the Board (the “Remuneration Committee”)
- (3) Member of the nomination committee of the Board (the “Nomination Committee”)



*Executive Director and
Chairman of the Board*
SONG Weiping ¹

*Executive Director,
Executive Vice Chairman of the
Board and Chief Executive Officer*
SHOU Bainian ²

*Executive Director and Vice
Chairman of the Board*
LUO Zhaoming ³

*Executive Director and
Chief Operating Officer*
CHEN Shunhua ⁴

*Executive Director and
Executive General Manager*
GUO Jiafeng ⁵

Directors and Senior Management

Board of Directors

Our Board consists of eleven Directors, six of whom are Independent Non-Executive Directors. The powers and duties of our Board include: convening shareholders' meetings and reporting the Board's work at the shareholders' meetings, implementing the resolutions passed in the shareholders' meetings, determining our business plans and investment plans, formulating our annual budget and final accounts, formulating our proposals for profit distributions and for the increase or reduction of registered capital as well as exercising other powers, functions and duties as conferred by the articles of association of the Company (the "Articles of Association"). We have entered into service contracts with each of our Executive Directors and Independent Non-Executive Directors.

Executive Directors

Song Weiping

Executive Director and
Chairman of the Board
Age: 51



Song Weiping is primarily responsible for the formulation of our development strategies, as well as supervising our project planning, design and marketing. He is also a director of certain subsidiaries or associates of the Company. Mr Song graduated from Hangzhou University with a bachelor's degree in history in 1982. He founded our Company in January 1995. In 2004 and 2005, Mr Song was honored with the Ten Leaders of the Residential Property Sector in Zhejiang Award jointly by the Zhejiang Daily, the China Housing Industry Association and Special Committee of the China Construction Industry Association. In 2004, Mr Song received the China Construction Architecture Award (Individual Contribution Award). He is the vice-chairman of Zhejiang Provincial Real Estate Association. Mr Song is a controlling shareholder of the Company by holding shares through his controlled corporations, Delta House Limited and Hong Kong Orange Osmanthus Foundation Limited. He is also a director of Delta House Limited and Hong Kong Orange Osmanthus Foundation Limited. Mr Song is the spouse of Ms Xia Yibo.

Shou Bainian

Executive Director and
Executive Vice Chairman of
the Board and Chief
Executive Officer
Age: 56



Shou Bainian is primarily responsible for our overall business operations and financial management. He is also a director of certain subsidiaries or associates of the Company. Mr Shou graduated from Hangzhou University with a bachelor's degree in history in 1982. Between 1982 and 1998, he worked at the government office of Yin County of Zhejiang Province, the general office of Ningbo Municipal Government and China Huaneng Group's Zhejiang subsidiary. Mr Shou joined us in April 1998. He is a vice-chairman of Hangzhou Real Estate Association. Mr Shou is a controlling shareholder of the Company by holding shares through his controlled corporation, Profitwise Limited. He is also a director of Profitwise Limited.

Luo Zhaoming

Executive Director and Vice
Chairman of the Board
Age: 43



Luo Zhaoming is primarily responsible for projects development and operation around Bohai Rim Region, three Provinces in Northeast China and Jiangsu, Anhui, Xinjiang Provinces, and to manage the Company's customer relationship and build service system for the community. Mr Luo, was graduated from Tonji University with a doctorate degree in management in 2005. In May 1993, Mr Luo acted as the general manager of Beijing Yayun Huayuan Real Estate Development Limited* (北京亞運花園房地產開發有限公司). In May 1995, Mr Luo acted as a director and the chief executive officer of HKI Development Limited* (香江國際發展有限公司) and he held that position until January 2006. In October 2006, Mr Luo established and was appointed as a director and the chief executive officer of Beijing Life Builder Co., Ltd* (北京萊福建設有限公司). At present, Mr Luo also serves as the vice chairman of four project companies of which he is interested in and are indirect non-wholly owned subsidiaries of Sino-Ocean Land Holdings Limited, a company listed on The Stock Exchange of Hong Kong Limited (the "Stock Exchange"). He is also a director of Tandellen Group Limited.

Chen Shunhua

Executive Director and
Chief Operating Officer
Age: 47



Chen Shunhua is primarily responsible for the property developments of more than 30 projects in Hangzhou, Ningbo, Jinan, Qingdao, Wuxi and Nantong etc. He received a diploma in management science and engineering from Zhejiang University in 1999 and a master's degree in business administration from the Open University of Hong Kong in 2002. Between 1992 and 2002, he worked at Zhejiang Radio & Television Real Estate Limited as a chief accountant and general manager. He joined the Company in December 2002.

Guo Jiafeng

Executive Director and
Executive General Manager
Age: 45



Guo Jiafeng is primarily responsible for the property developments of more than 10 projects in Hunan Changsha, Zhejiang Hangzhou, Zhejiang Zhoushan, etc. He graduated from Zhejiang School of Construction with a diploma in industrial and civil architecture in 1981. Mr Guo has over 25 years ample experience in project development and construction. He joined the Company in April 2000.

* For identification purposes only

Directors and Senior Management

Independent Non-Executive Directors

Jia Shenghua

Independent
Non-Executive Director
Age: 48



Jia Shenghua is currently an associate director of the Department of Social Sciences of Zhejiang University, as well as a director of Zhejiang University Property Research Center. Mr Jia is an independent non-executive director of Zhejiang Jiali Technology Holding Ltd., Cosmos Group Co., Ltd., a company listed on the Shenzhen Stock Exchange, and Zhejiang Zhongda Group Co., Ltd., a company listed on the Shanghai Stock Exchange. Between 1989 and 1995, Mr Jia taught and conducted research in property economics, property development, and enterprise management in China and studied in Germany during 1993 to 1994. Mr Jia graduated from the Northwest Agricultural University with a doctorate degree in agricultural economics and management. He is currently a member of Zhejiang Enterprises Management Research Society, Hangzhou Land Academy and Zhejiang Land Academy. He was appointed as our Independent Non-Executive Director on 22 June 2006.

Jiang Wei

Independent
Non-Executive Director
Age: 47



Jiang Wei is currently the director and vice president of China Resources (Holdings) Company Limited (“CRC”), an integrated and diversified conglomerate with major business operations involving the manufacture and distribution of consumer products, property development, infrastructure, utilities and related industries. Mr Jiang resigned as the chief financial officer of CRC with effect from 11 January 2010. Mr Jiang has a bachelor’s degree in international trade and a master’s degree in international business and finance, both from the University of International Business and Economics in Beijing, China. Mr Jiang is a director of China Vanke Company Limited, a Shenzhen Stock Exchange listed company primarily engaging in property development business in China. He is also a non-executive director of the following Hong Kong listed companies: China Resources Enterprise Limited, China Resources Land Limited, China Resources Power Holdings Company Limited, China Resources Microelectronics Limited as well as China Assets (Holdings) Limited. He is also an executive director of Cosmos Machinery Enterprises Limited, a company listed on the Stock Exchange. Mr Jiang has extensive experience in business planning and financial control. He was appointed as our Independent Non-Executive Director on 22 June 2006.

Ke Huanzhang

Independent
Non-Executive Director
Age: 71



Ke Huanzhang has over 40 years of experience in the areas of housing, urban-rural development and town planning. Mr Ke was graduated in 1962 from Southeast University (formerly the Nanjing Industrial Institute*) and his major was construction. From 1979 to 1986, Mr Ke served as the deputy section chief and deputy director-general of the Beijing Planning Bureau* (北京市規劃局). From September 1986 to March 2001, Mr Ke was the dean and senior town planning professor at the Beijing Municipal Institute of City Planning and Design* (北京市城市規劃設計研究院). Mr Ke retired from his position as the dean in March 2003 and is now the chief planning consultant of the Beijing Municipal Institute of City Planning and Design* (北京市城市規劃設計研究院).

Sze Tsai Ping, Michael

Independent
Non-Executive Director
Age: 64



Sze Tsai Ping, Michael has over 30 years of experience in the financial and securities field. He graduated with a Master of Laws (LLM) Degree from the University of Hong Kong. He is currently a member of the Securities and Futures Appeals Tribunal in Hong Kong. Mr Sze was a member of the Disciplinary Appeals Committee of the Stock Exchange until December 2009 and a member of the Market Misconduct Tribunal. He was also a former council member, member of the Main Board Listing Committee of the Stock Exchange, member of the Cash Market Consultative Panel of Hong Kong Exchanges and Clearing Limited. Mr Sze is a non-executive director of Burwill Holdings Limited and an independent non-executive director of GOME Electrical Appliances Holding Limited, Harbour Centre Development Limited and Walker Group Holdings Limited, all of which are listed on the Stock Exchange. Mr Sze resigned on 23 January 2008 and 3 November 2009 respectively, as an independent non-executive director of T S Telecom Technologies Limited and C Y Foundation Group Limited, both of which are listed on the Stock Exchange. Mr Sze is a fellow of the Institute of Chartered Accountants in England and Wales, the Hong Kong Institute of Certified Public Accountants and the Association of Chartered Certified Accountants and also a fellow of the Hong Kong Institute of Directors Limited. He was appointed as our Independent Non-executive Director on 22 June 2006.

* For identification purposes only

Directors and Senior Management

Tang Shiding

Independent
Non-Executive Director
Age: 68



Tang Shiding served as the deputy director of Zhejiang Province Construction Department between 1992 and 2002. He is currently the chairman of Zhejiang Provincial Real Estate Association, a consultant of the Real Estate Association of China and a specialist on the Comprehensive Real Estate Development Committee under the China Real Estate and Residence Research Society. Mr Tang has also been a member of the Residential Guidance Working Committee of the China Civil Engineering Institute since December 2003. His publications include “Growth Pattern and Development Trend of the Real Estate Industry in Zhejiang”. Currently, he serves as an independent non-executive director of Lander Real Estate Co., Ltd, a company listed on Shenzhen Stock Exchange and Qianjiang Water Resources Development Co., Ltd., a company listed on Shanghai Stock Exchange. Mr Tang was appointed as our Independent Non-executive Director on 22 June 2006.

Tsui Yiu Wa, Alec

Independent
Non-Executive Director
Age: 60



Tsui Yiu Wa, Alec is currently the chairman of WAG Worldsec Corporate Finance Limited and vice-chairman of China Mergers and Acquisitions Association. He was formerly the chairman of the Hong Kong Securities Institute, the chief operating officer of The Hong Kong Exchanges and Clearing Limited, the chief executive of the Stock Exchange and the adviser and council member of the Shenzhen Stock Exchange. In the last three years, Mr Tsui held past directorships in the following listed companies in Hong Kong as an independent non-executive director: Synergis Holdings Limited and Vertex Group Limited. Currently, Mr Tsui serves as an independent non-executive director in various listed companies in Hong Kong, Shanghai and NASDAQ respectively, including: Industrial & Commercial Bank of China (Asia) Limited, China Chengtong Development Group Ltd., Pacific Online Limited, COSCO International Holdings Limited, China Power International Development Limited, China Bluechemical Limited, China Huiyuan Juice Group Limited, Meleo PBL Entertainment (Macau) Limited, ATA Inc and China Oilfield Services Limited. He graduated from the University of Tennessee, the United States, with a bachelor's degree in science and a master's degree in industrial engineering. He completed the Program for Senior Managers in Government at the John F. Kennedy School of Government of Harvard University. He has numerous experience in finance and administration, corporate and strategic planning, information technology and human resources management. He was appointed as our Independent Non-executive Director on 22 June 2006.

Senior Management

Cao Zhounan, aged 41, is the Executive General Manager of the Company. He is mainly in charge of the overall operation and management of the Group. He was graduated from Zhejiang University of Finance & Economics (浙江財經學院) in 1991, majoring in financial accounting. He obtained a Master's Degree from Université du Québec, Canada in 2009, majoring in Business Administration. From 1991 to 1995, he held office in Zhejiang Provincial Finance Bureau. From 1996 to 1998, he was the assistant to the county magistrate of Zhejiang Province Yunhe County People's Government (浙江省雲和縣人民政府). From 1998 to 2001, he was a deputy division chief (副處長) of the Zhejiang Provincial Finance Bureau. From 2001 to 2009, he served as a vice general manager of the Zhejiang Provincial Railway Investment Group Co., Ltd. (浙江鐵路集團). He joined the Company in February 2009 as the Executive General Manager of the Company.

Ying Guoyong, aged 48, is an Executive General Manager of the Company. He is primarily responsible for the project management, supervision and strategy coordination of our 10 projects in Hangzhou Binjiang district, Linan, Zhejiang Deqing, Cixi, Lishui, Taizhou, Henan Zhengzhou, Shandong Xintai, etc. He graduated from Hangzhou University with a bachelor's degree in law in 1985. Between 1985 to 2001, he worked in various entities including Zhejiang Province CPC. School, CPC Youth of Zhejiang Province Committee and Zhejiang Youth Travel Service Co. Ltd.. He joined the Company in June 2001.

Qian Xiaohua, aged 46, is an Executive General Manager of the Company. He is primarily responsible for the management of the Company's commercial property development. He is also the general manager of Shanghai Jingyu Real Estate Co., Ltd.. He graduated from Beijing Institute of Aeronautics with a bachelor's degree in solid mechanics in 1984 and from China-Europe International Business School with a master degree in business administration in 2002. From 1995 to 2005, he worked in Shanghai Midway Infrastructure (Holdings) Limited as a director and a chief executive officer. He joined the Company in February 2005.

Yang Zuoyong, aged 47, is an Executive General Manager of the Company, and mainly responsible for the management of over 10 project's development in Hangzhou, Wenzhou, Taizhou, Changxing and Zhuji. He is also the chairman and general manager of Wenzhou Greentown Real Estate Development Company Limited, Zhuji Yuedu Properties Limited and Hangzhou Jinma Real Estate Co., Ltd. He graduated from China Communist Party School with major in finance and management in 1999. Between 1984-2006, Mr Yang held senior management positions in various government departments of Hangzhou City Westlake District. He joined the Company in January 2007.

Wang Hongbin, aged 41, is an Executive General Manager of the Company. He is primarily responsible for the development and administration of 6 project companies in Shanghai region and Dalian region. He graduated from Tongji University in 1989 with a major in civil engineering. Between 1989 and 1997, he was employed by Zhoushan Real Estate Corporation. He joined the Company in January 1997 as the Deputy General Manager. Between 2002 and November 2004, he was employed as the senior officer of Shanghai Nando Land Development Co., Ltd. and Shanghai Depo Land Development Co., Ltd., respectively. He was the general manager of Shanghai Greentown Forest Golf Villa Development Co., Ltd since December 2004.

Kuo Xiaoming, aged 38, is the Executive General Manager of the Company. He is primarily responsible for the development and administration of 7 projects in Hangzhou, Xiangshan and Hainan. Between 1996 and 1999, he was the project officer of the Company's Hangzhou Jiuxi Rose Garden Project and the deputy manager of the engineering department. Between 1999 and 2007, he was the deputy manager of the engineering department, manager of the engineering department, assistant to general manager, deputy general manager and general manager of Hangzhou Taohuayuan Real Estate Development Co., Ltd. Mr Kuo is experienced in construction operation. He joined the Company in August 1996.

Han Bo, aged 36, is the Executive General Manager of the Company. He is primarily responsible for the Company's construction system management and the development and administration of 6 projects in Hangzhou, Thousand-Island Lake and Wuzhou. He graduated from Zhejiang University with a bachelor's degree in civil engineering in 1996. From 1996 to 1998, he worked in Zhejiang Urban Construction Management Limited. Mr Han joined the Company in November 1998 as the construction manager of Hangzhou Sweet Osmanthus Town Project and the construction director of Purple Osmanthus Garden Project. From 2001 to 2006, he was the deputy manager, manager, assistant general manager and deputy general manager of the engineering department of Hangzhou Greentown Real Estate Development Co., Ltd. (Chunjiang Huayue Project). He has been the general manager of Zhejiang Jiahe Industrial Co., Ltd. (Lijiang Apartment) since May 2006.

Lam Jim, aged 39, is the Chief Financial Officer, Company Secretary and qualified accountant of the Company. Prior to joining the Company in October 2008, Mr Lam worked in a major international investment bank and has more than 10 years of experience in the field of auditing and investment banking. Mr Lam holds a bachelor's degree in business administration from the Chinese University of Hong Kong and a master's degree in accounting and finance from the London School of Economics and Political Science and is a member of the Hong Kong Institute of Certified Public Accountants.

Corporate Governance Report

The Company recognises the value and importance of achieving high corporate governance standards to enhance corporate performance and accountability. The Board strives to apply the principles of corporate governance and adopt sound corporate governance practices to meet the legal and commercial standards, focusing on areas such as internal control, fair disclosure and accountability to all shareholders.

The Company has complied with the code provisions in the Code on Corporate Governance Practices (the “Code”) as set out in Appendix 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”) during the year ended 31 December 2009, save for the below code provision:

Code provision A.4.2 of the Code 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. However, the Articles of Association provide that any director so appointed shall hold office until the next following annual general meeting when he shall then be eligible for re-election.

To conform with code provision A.4.2 of the Code, a special resolution shall be proposed at the forthcoming annual general meeting of the Company to amend the Articles of Association so that any new director appointed by the Board to fill a casual vacancy shall be subject to re-election by shareholders at the first general meeting after appointment.

(A) The Board of Directors

Our Board consists of eleven Directors including Mr SONG Weiping (Chairman), Mr SHOU Bainian (Chief Executive Officer), Mr LUO Zhaoming, Mr CHEN Shunhua and Mr GUO Jiafeng as the Executive Directors and Mr JIA Shenghua, Mr JIANG Wei, Mr KE Huanzhang, Mr SZE Tsai Ping, Michael, Mr TANG Shiding and Mr TSUI Yiu Wa, Alec as the Independent Non-Executive Directors. The overall management of the Company’s operation is vested in the Board.

The Board takes responsibility to oversee all major matters of the Company, including the formulation and approval of all policy matters, overall strategies, internal control and risk management systems, and monitoring the performance of the senior management. The Directors have to make decisions objectively in the interests of the Company. Currently, the Board comprises eleven Directors, including five Executive Directors and six Independent Non-Executive Directors. Their biographical details are set out in the section entitled “Directors and Senior Management” in this annual report.

Compliance with the Model Code for Directors’ 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 of the Listing Rules as the standard for securities transactions by the Directors. The Company has made specific enquiries of all the Directors and all the Directors confirmed that they have complied with the required standards set out in the Model Code throughout the year ended 31 December 2009.

Directors’ Responsibilities for Financial Statements

The Directors acknowledge their responsibilities for preparing the financial statements of the Group in accordance with statutory requirements and applicable accounting standards. The Directors also ensure that the financial statements of the Group are published in a timely manner.

The reporting responsibilities of our Company’s external auditors on the financial statements of the Group are set out on page 96 of the “Independent Auditor’s Report” in this annual report.

Chairman and Chief Executive Officer

In order to reinforce their respective independence, accountability and responsibility, the role of the Chairman is separate from that of the Chief Executive Officer. The Chairman plays a leadership role and is responsible for the effective functioning of the Board in accordance with the good corporate governance practice adopted by the Company. He is also responsible for instilling corporate culture and developing strategic plans for the Company. The Chief Executive Officer focuses on developing and implementing objectives and policies approved and delegated by the Board. The Chief Executive Officer is also primarily responsible for the Group's day-to-day management and operations and the formulation of the organization structure, control systems and internal procedures and processes of the Company for the Board's approval.

The Chairman of the Board is Mr SONG Weiping and the Chief Executive Officer of the Company is Mr SHOU Bainian.

Independent Non-Executive Directors

Independent Non-Executive Directors have played a significant role in the Board by virtue of their independent judgment and their views carry significant weight in the Board's decision. In particular, they bring an impartial view to bear on issues of the Company's strategy, performance and control. All Independent Non-Executive Directors possess extensive academic, professional and industry expertise and management experience and have provided their professional advices to the Board. According to the Articles of Association, a majority of the Board members shall be Independent Non-Executive Directors. The Board also considers that the Independent Non-Executive Directors can provide independent advice on the Company's business strategy, results and management so that the interests of the Company and the shareholders as a whole can be taken into account and safeguarded. For the year ended 31 December 2009, all Independent Non-Executive Directors of the Company had confirmed their independence to the Company in accordance with the Listing Rules.

Meetings

The Board meets regularly to discuss the overall strategy as well as the operation and financial performance of the Group. Directors may participate either in person or through electronic means of communications. Twenty Board meetings were convened in the year under review. The attendance of individual Directors at these Board meetings is set out below:

	Number of meetings attended/held during the tenure of office
Executive Directors	
Mr SONG Weiping (Chairman)	12/20
Mr SHOU Bainian (Chief Executive Officer)	20/20
Mr LUO Zhaoming*	4/7
Mr CHEN Shunhua	15/20
Mr GUO Jiafeng	15/20
Independent Non-Executive Directors	
Mr JIA Shenghua	15/20
Mr JIANG Wei	11/20
Mr KE Huanzhang**	5/10
Mr SZE Tsai Ping, Michael	13/20
Mr TANG Shiding	17/20
Mr TSUI Yiu Wa, Alec	16/20

* Mr LUO Zhaoming was appointed an Executive Director of the Company on 17 July 2009.

** Mr KE Huanzhang was appointed an Independent Non-Executive Director of the Company on 22 June 2009.

All Directors are provided with relevant materials relating to the matters brought before the meetings. They have separate access to the senior management and the Company Secretary at all time and may seek independent professional advice at the Company's expense. All Directors have the opportunity to include matters in the agenda for Board meetings. Reasonable notices of Board meetings are given to the Directors and Board procedures complied with the Articles of Association, as well as relevant rules and regulations.

Corporate Governance Report

Appointments, Re-election and Removal of directors

Each of the Executive Directors and Independent Non-Executive Directors of the Company has entered into a service contract with the Company for a specific term and the details of which are described in the section headed “Report of the Directors – Directors’ Service Contracts”. Such term is subject to his re-appointment by the Company at an annual general meeting upon retirement. In accordance with the Articles of Association, at every annual general meeting of the Company, one third of the Directors for the time being or, if their number is not three or a multiple of three, then the number nearest to but not less than one-third shall retire from office by rotation provided that every Director (including those appointed for a specific term) shall be subject to retirement by rotation at least once every three years.

Mr LUO Zhaoming, Mr JIANG Wei, Mr KE Huanzhang, Mr SZE Tsai Ping, Michael and Mr TSUI Yiu Wa, Alec will retire at the forthcoming annual general meeting (“AGM”) of the Company and will be subject to re-election in accordance with the Articles of Association. Mr LUO Zhaoming, Mr JIANG Wei, Mr KE Huanzhang and Mr SZE Tsai Ping, Michael, being eligible, offer themselves for re-election while Mr TSUI Yiu Wa, Alec does not seek for re-election.

Board Committees

The Board has established the Nomination Committee, the Audit Committee and the Remuneration Committee with defined terms of reference. The terms of reference of the Board Committees are available on the Company’s website. The Board Committees are provided with sufficient resources to discharge their duties and, upon reasonable request, are able to seek independent professional advice in appropriate circumstances, at the Company’s expenses.

Nomination Committee

The Nomination Committee is primarily responsible to consider and recommend to the Board suitably qualified persons to become the member of the Board and is also responsible for reviewing the structure, size and composition of the Board on a regular basis and as required. Members of the Nomination Committee include Mr SZE Tsai Ping, Michael (Chairman), Mr SHOU Bainian, Mr TANG Shiding and Mr TSUI Yiu Wa, Alec.

The Nomination Committee adopts certain criteria and procedures in the nomination of new directors. The major criteria include the candidates’ professional background and experience in the industry of the Group’s business, past track record of other companies during which the candidates are employed and recommendations from the management team and other reliable sources.

During the year ended 31 December 2009, there was one meeting held by the Nomination Committee, and members of the Nomination Committee have reviewed the composition of the Board which are determined by Directors' skills and experience appropriate to the Company's business, made recommendation to the Board relating to re-appointment of Directors and assessed the independence of the Non-Executive Directors. The attendance of individual members at the Nomination Committee meeting is set out below:

	Number of meetings attended/held
Executive Directors	
Mr SHOU Bainian (Chief Executive Officer)	1/1
Independent Non-Executive Directors	
Mr SZE Tsai Ping, Michael (Chairman)	1/1
Mr TANG Shiding	1/1
Mr TSUI Yiu Wa, Alec	1/1

Audit Committee

The Audit Committee is responsible for the review and supervision of the Group's financial reporting process, internal controls and review of the Company's financial statements. The Audit Committee meets regularly with the Company's external auditors to discuss the audit process and accounting issues. Their written terms of reference are in line with the code provisions of the Code. The Audit Committee comprises five members and all of whom are Independent Non-Executive Directors. The chairman of the Audit Committee is Mr TSUI Yiu Wa, Alec.

The Audit Committee met two times during the year ended 31 December 2009. The attendance of individual members of the Audit Committee at its meetings is set out below:

Independent Non-Executive Directors	Number of meetings attended/held
Mr TSUI Yiu Wa, Alec (Chairman)	3/3
Mr JIA Shenghua	2/3
Mr JIANG Wei	2/3
Mr SZE Tsai Ping, Michael	2/3
Mr TANG Shiding	3/3

During the meetings, the Audit Committee has reviewed the annual results and interim results of the Group and also considered the report prepared by the external auditors relating to accounting issues and major findings in the course of their review. The Audit Committee has also considered and discussed the internal audit report prepared by the internal audit department of the Company for the year of 2009.

Remuneration Committee

The Remuneration Committee is responsible for making recommendations to the Directors' remuneration and other benefits. The remuneration of all Directors is subject to regular monitoring by the Remuneration Committee to ensure that level of their remuneration and compensation are reasonable. Their written terms of reference are in line with the code provisions of the Code. Members of the Remuneration Committee include Mr JIA Shenghua (Chairman), Mr CHEN Shunhua and Mr SZE Tsai Ping, Michael.

Corporate Governance Report

During the year, there was one meeting held by the Remuneration Committee, and members of the Remuneration Committee have reviewed the remuneration packages of the Directors and the remuneration policies of the Company as set out in the section headed “Report of the Directors – Remuneration Policy”. The Remuneration Committee has also considered the Company’s policy and structure for the remuneration of the Directors and senior management. The attendance of individual members at the Remuneration Committee meeting is set out below:

	Number of meetings attended/held
Executive Directors	
Mr CHEN Shunhua	1/1
Independent Non-Executive Directors	
Mr JIA Shenghua (Chairman)	1/1
Mr SZE Tsai Ping, Michael	1/1

(B) Financial Reporting and Internal Control

Financial Reporting

The Board, supported by the finance department, is responsible for the preparation of the financial statements of the Company and the Group. In the preparation of financial statements, international financial reporting standards have been adopted and appropriate accounting policies have been consistently used and applied.

The Board aims to present a clear and balanced assessment of the Group’s performance in the annual and interim reports to the shareholders, and make appropriate disclosure and announcements in a timely manner.

The working scope and responsibilities of Deloitte Touche Tohmatsu, the Company’s external auditors, are stated in the section entitled “Independent Auditor’s Report” in this annual report.

External Auditors’ Remuneration

Deloitte Touche Tohmatsu has been appointed as the Company’s external auditors since 2004.

During the year under review, the fee payable to Deloitte Touche Tohmatsu in respect of its statutory audit services provided to the Company was HKD5,106,000. The fee for non-audit services amounted to an aggregate amount of HKD1,232,000, comprising services charge for the followings:

	HKD
Review of 2009 interim result	1,021,000

Internal Control

The Board is responsible for the internal control of the Group and for reviewing its effectiveness. Procedures have been designed to safeguard assets against unauthorized use or disposition, ensure the maintenance of proper accounting records for the provision of reliable financial information for internal use or for publication, ensure compliance of applicable laws, rules and regulations. The Directors have conducted a review of the effectiveness of the system of internal control of the Group. The Company has conducted general review and monitor of the Company’s internal management and operation during the year. An internal audit department has been established to conduct audit of the Company, its subsidiaries, associates and jointly-controlled entities. The work carried out by the internal audit department will ensure that the internal controls are in place and functioning properly as intended.

The external auditors will report to the Company on the weakness in the Group’s internal control and accounting procedures which have come to their attention during the course of their audit work.

(C) Communications with Shareholders and Investor Relations

The Company has established and maintained various channels of communication with the Company's shareholders and the public to ensure that they are kept abreast of the Company's latest news and development. Information relating to the Company's financial results, corporate details, property projects and major events are disseminated through publication of interim and annual reports, announcements, circulars, press release and newsletters.

The Board believes that effective investor relations can contribute towards lowering cost of capital, improving market liquidity for the Company's stock and building a more stable shareholder base. Therefore, the Company is committed to maintain a high level of corporate transparency and follow a policy of disclosing relevant information to shareholders, investors, analysts and bankers in a timely manner. Keeping them aware of our corporate strategies and business operations is one of the key missions of our investor relations team.

The Company's dedicated investor relations team held regular meetings with investors to keep them abreast of the Company's latest business development and its corporate strategies. A series of public events have been hosted right after certain significant events of the Company such as results announcements, important business development or financial activities. Directors and senior management will attend the events to answer investors' questions and address their concerns. The post-results analyst briefings and press conferences are also webcasted for more timely dissemination of information and broader reach of investors.

As at 31 December 2009, the Company has a diversified shareholding structure and maintained sufficient public float as required under the Listing Rules.

Key investor relations events held in 2009:

Events	Date
2008 Annual Results Announcement - Press Conference and Analyst Briefing	April
Annual general meeting	June
International Roadshow (UK and US)	July
2009 Interim Results Announcement - Press Conference and Analyst Briefing	September
Hong Kong and International Roadshow (HK, Shenzhen and Singapore)	September

Looking forward, our investor relations team will continue to enhance the communication between the Company and its investors and maintain corporate transparency. To ensure easy access to the Company's updated information, all of our published information including statutory announcements, press releases and newsletters, is promptly posted on our website www.greentownchina.com. General public can also make enquiries to the Board or senior management by contacting the investor relations department at (852) 2523 3137 or by email to ir@chinagreentown.com or directly through raising questions at an annual general meeting or extraordinary general meeting.

Key investor relations events to be held in 2010:

Events	Tentative Date
2009 Annual Results Announcement - Press Conference and Analyst Briefing	April
Hong Kong and International Roadshow	April & September
Annual general meeting	June
2010 Interim Results Announcement - Press Conference and Analyst Briefing	August or September

Report of the Directors

The Directors present their annual report and the audited consolidated financial statements of the Group for the year ended 31 December 2009 (the “consolidated financial statements”).

Corporate Reorganisation

The Company was incorporated and registered as an exempted company with limited liability in the Cayman Islands under the Companies Law (2004 Second Revision) of the Cayman Islands on 31 August 2005.

The shares of the Company (the “Shares”) were listed on the Main Board of The Stock Exchange on 13 July 2006.

Principal Activities

The Company is an investment holding company. The activities of its subsidiaries, jointly controlled entities and associates are set out in notes 41, 17 and 18 respectively to the consolidated financial statements.

Results and Appropriations

The results of the Group for the year ended 31 December 2009 are set out in the consolidated statement of comprehensive Income on page 98 of “Independent Auditor’s Report” in this annual report.

The Board recommends the payment of a final dividend of HK26 cents per Share for the year ended 31 December 2009 (the “2009 Final Dividend”), to shareholders of the Company whose names appear on the Company’s Register of Members on 3 June 2010 (Thursday). The 2009 Final Dividend will be paid on or before 11 June 2010 (Friday) following approval by shareholders at the forthcoming annual general meeting of the Company (the “AGM”).

Property, Plant and Equipment

Details of the movements in property, plant and equipment of the Group during the year are set out in note 15 to the consolidated financial statements.

Share Capital

Details of movements during the year in the share capital of the Company are set out in note 30 to the consolidated financial statements.

Convertible Bonds

Details of movements during the year in the 2006 Convertible Bonds and the 2007 Convertible Bonds are set out in note 28 to the consolidated financial statements.

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

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company’s listed securities during the year ended 31 December 2009.

Distributable Reserves

The Group’s reserves as at 31 December 2009 are set out in the section “Consolidated Statement of Changes in Equity” of this annual report.

Directors

During the year ended 31 December 2009 and up to the date of this report, the Directors were as follows:

Executive Directors

SONG Weiping
SHOU Bainian
LUO Zhaoming
CHEN Shunhua
GUO Jiafeng

Independent Non-Executive Directors

JIA Shenghua
JIANG Wei
KE Huanzhang
SZE Tsai Ping, Michael
TANG Shiding
TSUI Yiu Wa, Alec

Mr JIANG Wei, Mr SZE Tsai Ping, Michael and Mr TSUI Yiu Wa, Alec shall retire from the office by rotation at the AGM in accordance with Article 130 of the Company’s Articles of Association, while Mr LUO Zhaoming and Mr KE Huanzhang shall retire at the AGM in accordance with Article 114 of the Articles of Association. Mr LUO Zhaoming, Mr JIANG Wei, Mr KE Huanzhang and Mr SZE Tsai Ping, Michael, being eligible, offer themselves for re-election while Mr TSUI Yiu Wa, Alec does not seek for re-election.

The Company has received, from each of the Independent Non-Executive Directors, an annual confirmation of his independence pursuant to Rule 3.13 of the Listing Rules. The Company considers all of the Independent Non-Executive Directors are independent.

Directors' Service Contracts

Each of the Executive Directors has entered into a service contract with the Company for a term of three years, determinable by either party by giving not less than three months' prior notice in writing.

Each of the Independent Non-Executive Directors has been appointed by the Company for a term of one year.

Apart from the foregoing, no Director proposed for re-election at the AGM has a service contract with the Company which is not determinable by the Company within one year without payment of compensation, other than statutory compensation.

Directors' and Chief Executive's Interests in Securities

As at 31 December 2009, the interests and short positions of Directors and Chief Executive of the Company and their associates in the shares, underlying shares and debentures of the Company and its associated corporations, as recorded in the register maintained by the Company pursuant to Section 352 of the Securities and Futures Ordinance (the "SFO"), or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers, were as follows:

Long positions in Shares and underlying Shares of the Company

Name of Director	Personal interests in Shares	Personal interests in underlying Shares (Share options granted to the Directors)	Family interests	Corporate interests	Other interests	Number of Shares and underlying Shares held (note 1)	Approximate interests percentage in the Company
Mr SONG Weiping	-	1,089,000 (L) (note 2)	68,859,000 (L) (note 3)	492,124,000 (L) (note 3)	-	562,072,000 (L)	34.23%
Mr SHOU Bainian	-	609,000 (L) (note 4)	-	384,490,500 (L) (note 5)	-	385,099,500 (L)	23.46%
Mr LUO Zhaoming	-	15,000,000 (L) (note 6)	-	100,000,000 (L) (note 7)	-	115,000,000 (L)	7.00%
Mr CHEN Shunhua	376,500 (L) (note 8)	376,500 (L) (note 8)	-	-	-	753,000 (L)	0.05%
Mr GUO Jiafeng	-	576,000 (L) (note 9)	-	-	-	576,000 (L)	0.04%

Notes:

- (1) The letter "L" denotes the person's long position in such securities.
- (2) Pursuant to the share option scheme adopted by a resolution of the shareholders of the Company on 22 June 2006 (the "Share Option Scheme"), 1,089,000 share options were granted to Mr SONG Weiping on 22 January 2009 and are exercisable at HK\$2.89 per share from 22 January 2009 to 21 January 2019.
- (3) Included deemed interests in 392,124,000(L) Shares held via a controlled corporation, Delta House Limited and 100,000,000(L) Shares held via a controlled corporation of Mr SONG Weiping, Hong Kong Orange Osmanthus Foundation Limited and deemed interest in 68,859,000(L) Shares held by Wisearn Limited, a controlled corporation owned by his spouse, Ms XIA Yibo.

Report of the Directors

- (4) Pursuant to the Share Option Scheme, 1,056,000 share options were granted to Mr SHOU Bainian on 22 January 2009 and are exercisable at HK\$2.89 per share from 22 January 2009 to 21 January 2019.
- (5) Interests held through a controlled corporation, Profitwise Limited.
- (6) Pursuant to the Share Option Scheme, 15,000,000 share options were granted to Mr LUO Zhaoming on 17 July 2009 and are exercisable at HK\$11.59 per share from 17 July 2009 to 16 July 2019.
- (7) Included deemed interests in 100,000,000(L) Shares held by Tandellen Group Limited (“Tandellen”), a corporation 50% owned by Mr LUO Zhaoming and 50% owned by his spouse, Ms RUAN Yiling.
- (8) Pursuant to the Share Option Scheme, 753,000 share options were granted to Mr CHEN Shunhua on 22 January 2009 and are exercisable at HK\$2.89 per share from 22 January 2009 to 21 January 2019. 376,500 Shares were subscribed by Mr CHEN Shunhua on exercise of the share options on 21 September 2009.
- (9) Pursuant to the Share Option Scheme, 576,000 share options were granted to Mr GUO Jiafeng on 22 January 2009 and are exercisable at HK\$2.89 per share from 22 January 2009 to 21 January 2019.

Long positions in Shares and underlying Shares of associated corporations

Name of Director	Name of associated corporation	Personal interest	Family interest	Approximate shareholding % of issued share capital of associated corporation
Mr SONG Weiping	Delta House Limited	Beneficial owner	-	100%
	Wisearn Limited	-	Beneficial owner	100%
	Hong Kong Orange Osmanthus Foundation Limited	Beneficial owner	-	50%
Mr SHOU Bainian	Profitwise Limited	Beneficial owner	-	100%
Mr LUO Zhaoming	Tandellen Group Limited	Beneficial owner	-	50%
		-	Beneficial owner	50%
Mr GUO Jiafeng	Jamuta Investments Limited	Beneficial owner	-	100%

Other than as disclosed above, none of the Directors and Chief Executive of the Company nor their associates had any interest or short positions in any Shares, underlying Shares or debentures of the Company or any of its associated corporations as at 31 December 2009.

Substantial Shareholders' Interests in Securities

The register of substantial shareholders maintained by the Company pursuant to Section 336 of the SFO shows that, as at 31 December 2009, the following shareholders, other than those disclosed in the section headed "Directors' and Chief Executive's Interests in Securities", had notified the Company of relevant interests in the Shares and underlying Shares of the Company:

Name of substantial shareholder	Interest or short position in the Shares or underlying Shares (Note 1)	Capacity in which interests are held	Approximate interests % in the Company
Ms XIA Yibo	562,072,000 (L) (Note 2)	Interest of a controlled corporation and interest of spouse	34.23%
Delta House Limited	392,124,000 (L) (Note 3)	Beneficial owner	23.88%
Hong Kong Orange Osmanthus Foundation Limited	100,000,000 (L) (Note 3)	Beneficial owner	6.09%
Profitwise Limited	384,490,500 (L) (Note 4)	Beneficial owner	23.42%
Ms RUAN Yiling	115,000,000 (L) (Note 5)	Interest of a controlled corporation and interest of spouse	7.00%
Tandellen Group Limited	100,000,000 (L) (Note 6)	Beneficial owner	6.09%
Lehman Brothers Holdings Inc.	101,400,450 (L) (Note 7)	Interest of controlled corporations	6.18%
	31,868,575 (S) (Note 7)	Interest of controlled corporations	1.94%

Notes:

- (1) The letter "L" denotes a long position. The letter "S" denotes a short position.
- (2) Ms XIA Yibo held deemed interests in 68,859,000(L) Shares as sole shareholder of Wisearn Limited, deemed interests in 392,124,000(L) Shares held by Delta House Limited and 100,000,000(L) Shares held by Hong Kong Orange Osmanthus Foundation Limited, both are corporations controlled by her spouse, Mr SONG Weiping, and deemed interests in 1,089,000 share options held by Mr Song.
- (3) A controlled corporation of Mr SONG Weiping, duplicate to those disclosed in the section "Directors' and Chief Executive's Interests in Securities" above.

Report of the Directors

- (4) A controlled corporation of Mr SHOU Bainian, duplicate to those disclosed in the section “Directors’ and Chief Executive’s Interests in Securities” above.
- (5) Ms RUAN Yiling held deemed interest in 100,000,000(L) Shares held by Tandellen Group Limited, a controlled corporation 50% owned by her and 50% owned by her spouse, Mr LUO Zhaoming, and deemed interest in 15,000,000(L) share options held by her spouse, Mr LUO Zhaoming.
- (6) A controlled corporation of Mr LUO Zhaoming, duplicate to those disclosed in the section “Directors’ and Chief Executive’s Interests in Securities” above.
- (7) Lehman Brothers Holdings Inc. held interest in a total of 101,400,450(L) Shares and 31,868,575(S) Shares by virtue of its control over the following corporations, which held direct interests in the Company:
 - Lehman Brothers Commercial Corporation Asia Limited held 10,768,010(L) Shares. Lehman Brothers Commercial Corporation Asia Limited was 50% owned by LBCCA Holdings I LLC and 50% owned by LBCCA Holdings II LLC. LBCCA Holdings I LLC and LBCCA Holdings II LLC were respectively wholly-owned by Lehman Brothers Holdings Inc.
 - Lehman Brothers International (Europe) held 34,157,882(L) Shares and 23,917,500(S) Shares. Lehman Brothers International (Europe) was wholly-owned by Lehman Brothers Holdings Inc.
 - Lehman Brothers Inc. held 2,009,575(L) Shares and 2,009,575(S) Shares. Lehman Brothers Inc. was wholly-owned by Lehman Brothers Holdings Inc.
 - Lehman Brothers Finance S.A. held 54,464,983(L) Shares and 5,941,500(S) Shares. Lehman Brothers Finance S.A. was wholly-owned by Lehman Brothers Holdings Inc.

Among the entire interest of Lehman Brothers Holdings Ltd. in the Company, 35,065,892(L) Shares and 3,773,000(S) Shares were held through derivatives as follows:

- 35,065,892(L) Shares through physically settled derivatives (off exchange)
- 173,000(S) Shares through physically settled derivatives (off exchange)
- 3,600,000(S) Shares through cash settled derivatives (off exchange)

Other than the interests disclosed above, the Company has not been notified of any other notifiable interests or short positions in the Shares or underlying Shares of the Company as at 31 December 2009.

Share Option Scheme

The Company’s Share Option Scheme was adopted pursuant to the shareholders’ resolution passed on 22 June 2006 for the primary purpose of providing incentives and/or reward to directors and employees of the Group and will expire on 21 June 2016. Under the Share Option Scheme, the Board may grant share options to eligible employees, including directors of the Company and its subsidiaries, to subscribe for Shares in the Company.

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

Share options may be exercised at any time from the date of grant of the share option to the expiry of the Share Option Scheme, unless otherwise specified in the Scheme. The exercise price is determined by the Board, and will not be less than the higher of (i) the closing price of the Shares of the Company as stated in the Stock Exchange’s daily quotations sheet on the date of grant; (ii) the average of the closing prices of the Shares of the Company as stated in the Stock Exchange’s daily quotation sheets for the five business days immediately preceding the date of grant; and (iii) the nominal value of the Shares of the Company. Detailed terms of the Share Option Scheme should be referred to note 35 to the consolidated financial statements.

Details of the share options granted, exercised and cancelled pursuant to the Share Option Scheme on 22 January 2009, 13 May 2009, 22 June 2009 and 17 July 2009, respectively, during the twelve months ended 31 December 2009 were as follows:

Name of grantee	No. of share options outstanding at the beginning of the year	No. of share options granted during the year (Note 5)	No. of share options exercised during the year	No. of share options forfeited during the year	No. of share options outstanding at the end of the year	Date of grant	Period during which share options are exercisable (Note 5)	Exercise price per Share (HK\$)
Mr SONG Weiping	-	544,500	-	-	544,500	22 January 2009	22 January 2009 to 21 January 2019	2.89
	-	272,250	-	-	272,250	22 January 2009	22 January 2010 to 21 January 2019	2.89
	-	272,250	-	-	272,250	22 January 2009	22 January 2011 to 21 January 2019	2.89
	-	1,089,000	-	-	1,089,000			
Mr SHOU Bainian	-	528,000	447,000	-	81,000	22 January 2009	22 January 2009 to 21 January 2019	2.89
	-	264,000	-	-	264,000	22 January 2009	22 January 2010 to 21 January 2019	2.89
	-	264,000	-	-	264,000	22 January 2009	22 January 2011 to 21 January 2019	2.89
	-	1,056,000	447,000	-	609,000			
Mr LUO Zhaoming	-	7,500,000	-	-	7,500,000	17 July 2009	17 July 2009 to 16 July 2019	11.59
	-	3,750,000	-	-	3,750,000	17 July 2009	17 July 2010 to 16 July 2019	11.59
	-	3,750,000	-	-	3,750,000	17 July 2009	17 July 2011 to 16 July 2019	11.59
	-	15,000,000	-	-	15,000,000			
Mr CHEN Shunhua	-	376,500	376,500	-	-	22 January 2009	22 January 2009 to 21 January 2019	2.89
	-	188,250	-	-	188,250	22 January 2009	22 January 2010 to 21 January 2019	2.89
	-	188,250	-	-	188,250	22 January 2009	22 January 2011 to 21 January 2019	2.89
	-	753,000	376,500	-	376,500			
Mr GUO Jiafeng	-	288,000	-	-	288,000	22 January 2009	22 January 2009 to 21 January 2019	2.89
	-	144,000	-	-	144,000	22 January 2009	22 January 2010 to 21 January 2019	2.89
	-	144,000	-	-	144,000	22 January 2009	22 January 2011 to 21 January 2019	2.89
	-	576,000	-	-	576,000			
Mr CAO Zhounan (Note 1)	-	3,300,000	-	-	3,300,000	13 May 2009	13 May 2009 to 12 May 2019	7.16
	-	3,400,000	-	-	3,400,000	13 May 2009	13 May 2011 to 12 May 2019	7.16
	-	3,300,000	-	-	3,300,000	13 May 2009	13 May 2012 to 12 May 2019	7.16
	-	10,000,000	-	-	10,000,000			

Report of the Directors

Name of grantee	No. of share options outstanding at the beginning of the year	No. of share options granted during the year (Note 5)	No. of share options exercised during the year	No. of share options forfeited during the year	No. of share options outstanding at the end of the year	Date of grant	Period during which share options are exercisable (Note 5)	Exercise price per Share (HK\$)
Certain other employees of the Company's subsidiaries, associated companies and jointly controlled entities	-	33,882,000 (Note 2)	3,665,000	-	30,217,000	22 January 2009	22 January 2009 to 21 January 2019	2.89
	-	19,377,500 (Note 3)	-	89,500	19,288,000	22 June 2009	22 June 2009 to 21 June 2019	11.00
		9,688,750		44,750	9,644,000	22 June 2009	22 June 2010 to 21 June 2019	11.00
		9,688,750		44,750	9,644,000	22 June 2009	22 June 2011 to 21 June 2019	11.00
	-	72,637,000	3,665,000	179,000	65,319,000			
Certain employees of Zhejiang Greentown Property Management Company, Hangzhou Jinshagang Travel Cultural Company Limited and Greentown Holdings Group, all being associates of Mr SONG Weiping and Mr SHOU Bainian	-	872,500	-	-	872,500	22 June 2009	22 June 2009 to 21 June 2019	11.00
		436,250			436,250	22 June 2009	22 June 2010 to 21 June 2019	11.00
		436,250			436,250	22 June 2009	22 June 2011 to 21 June 2019	11.00
	-	1,745,000 (Note 4)	-	-	1,745,000			
Total	-	102,856,000	4,488,500	179,000	98,188,500			

Notes:

- (1) executive general manager of the Company
- (2) 41,806,000 share options had been offered but only 33,882,000 share options had been accepted
- (3) 45,242,000 share options had been offered but only 38,755,000 share options had been accepted
- (4) 2,129,000 share options had been offered but only 1,745,000 share options had been accepted
- (5) details of the exercisable period of the share option should be referred to note 35 to the consolidated financial statements

During the year, 4,488,500 share options were exercised, and 179,000 share options were lapsed.

Valuation of Options

The Company has been using the Binomial Valuation Model (the “Model”) to value the share options granted. Details of the key parameters used in the Model and the corresponding fair values of the options granted during the Year should be referred to note 35 to the audited consolidated financial statements.

Arrangements to Purchase Shares or Debentures

Other than those as disclosed under the paragraph headed “Share Option Scheme” above, the granting of new Shares to a wholly-owned subsidiary of Mr GUO Jiafeng as partial consideration for acquisition of Grandlink Development Limited and issue of new Shares to a controlled corporation of Mr LUO Zhaoming as consideration for acquisition of Skymoon International Limited as disclosed under the paragraph headed “Connected Transactions and Continuing Connected Transactions”, at no time during the year was the Company, its holding company, or any of its subsidiaries, a party to any arrangement to enable the Directors to acquire benefits by means of the acquisition of shares in, or debt securities including debentures of, the Company or any other body corporate.

Directors’ Interests in Contracts of Significance

Other than as disclosed in note 39 to the audited consolidated financial statements, no contract of significance to which the Company, its holding company or subsidiaries was a party and in which a Director had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year ended 31 December 2009.

Connected Transactions and Continuing Connected Transactions

Significant related party transactions entered by the Group for the year ended 31 December 2009 are disclosed in note 39 to the consolidated financial statements.

Details of some of the said related party transactions, which also constitute connected transactions or continuing connected transactions on the part of the Company required to be disclosed in accordance with Chapter 14A of the Listing Rules, are listed as follows:

(A) Connected Transactions

(a) Harbour Centre

On 10 April 2009, the Company entered into a sale and purchase agreement (the “Harbour Centre Agreement”) with, *inter alia*, Harbour Centre Development Limited (“Harbour Centre”), pursuant to which (i) Harbour Centre conditionally agreed to procure (a) the sale of 40% interest (the “Hangzhou Sale Interest”) in the registered capital of 杭州綠城海企房地產開發有限公司 (Hangzhou Greentown Haiqi Real Estate Development Co., Ltd.*) (“Hangzhou Project Company”) which was held by 南京聚龍房地產開發有限公司 (Nanjing Julong Real Estate Development Co, Ltd.*) (“Nanjing Julong”), an indirect wholly-owned subsidiary of Harbour Centre, prior to the completion (the “Completion”) of the transactions under the Harbour Centre Agreement, and (b) the shareholders’ loan advanced by Nanjing Julong to Hangzhou Project Company, which amounted to approximately RMB982,392,000 as at the date of the Harbour Centre Agreement (the “Hangzhou Shareholder’s Loan”) to 綠城房地產集團有限公司 (Greentown Real Estate Group Co., Ltd.*) (“Greentown Real Estate”), a wholly-owned subsidiary of the Company, for RMB1,382,392,000 in aggregate; and (ii) the Company conditionally agreed to procure the (a) sale of 99.1% interest and the 0.1% interest (the “Shanghai Sale Interest”) in the registered capital of 上海綠源房地產開發有限公司 (Shanghai Lvyuan Real Estate Development Co., Ltd.*) (“Shanghai Project Company”), which was 99.9% owned by Greentown Real Estate and 0.1% owned by 上海綠宇房地產開發有限公司 (Shanghai Lvyu Real Estate Development Co., Ltd.*) (“Shanghai Lvyu”), an indirect wholly-owned subsidiary of the Company, before the Completion, and (b) the shareholders’ loan advanced by Greentown Real Estate and Shanghai Lvyu to Shanghai Project Company, which amounted to approximately RMB1,088,649,998 to Nanjing Julong for RMB1,230,173,997 in aggregate.

Report of the Directors

As Harbour Centre is the ultimate beneficial owner of Nanjing Julong, which in turn is a substantial shareholder of Hangzhou Project Company, a non-wholly owned subsidiary of the Company, Harbour Centre is therefore a connected person of the Company for the purpose of the Listing Rules and the transactions under the Harbour Centre Agreement constituted connected transactions for the Company under the Listing Rules.

Details of the Harbour Centre Agreement were disclosed in the Company's announcement dated 14 April 2009 and the Company's circular dated 30 June 2009.

(b) *Zhonghai Trust*

On 14 April 2009, Greentown Real Estate and 中海信托股份有限公司 (Zhonghai Trust Co., Ltd. *) ("Zhonghai Trust"), as trustee of the trust named "中海·綠城1號房地產投資基金" (Zhonghai-Greentown No. 1 Real Estates Investment Fund*) (the "Trust"), entered into a trust agreement (the "Trust Agreement") pursuant to which Greentown Real Estate agreed to subscribe not less than 60% of the junior units (the "Junior Units") of the Trust subject to a maximum dollar amount of RMB300,000,000, assuming that the Greentown Real Estate subscribes all the Junior Units at a subscription price of RMB1.00 each and the initial trust capital is equal to RMB1,983.0 million and a minimum dollar amount of RMB90,000,000, assuming that Greentown Real Estate subscribes 60% of the Junior Units at a subscription price of RMB1.00 each and the initial Trust Capital is equal to RMB991.5 million.

Pursuant to the Trust Agreement, (i) 杭州康居投資管理有限公司 (Hangzhou Kangju Investment Management Co., Ltd. *) ("Hangzhou Kangju"), a wholly-owned subsidiary of the Company, and the Trustee shall enter into a disposal agreement pursuant to which it shall dispose not more than 25% of the equity interests in 杭州綠城海企房地產開發有限公司 (Hangzhou Greentown Haiqi Real Estate Development Co., Ltd. *) ("Haiqi Greentown") held by

Hangzhou Kangju (the "Haiqi Greentown Interests") to the Trust for not more than RMB250,000,000; and Greentown Real Estate and the Trustee shall enter into a disposal agreement pursuant to which it shall dispose not more than 45% of the equity interests in 無錫綠城房地產開發有限公司 (Wuxi Greentown Real Estate Development Co., Ltd. *) ("Wuxi Greentown", together with Haiqi Greentown, the "Project Companies") held by Greentown Real Estate (the "Wuxi Greentown Interests") to the Trust for not more than RMB45,900,000 (the "Disposals"); and (ii) the Trust, Haiqi Greentown and Wuxi Greentown shall enter into respective loan agreements (the "Loan Agreements") pursuant to which the Trust shall provide a loan of RMB1,250,000,000 to Haiqi Greentown and a loan of RMB437,100,000 to Wuxi Greentown (the "Loans") respectively upon completion of the Disposals.

In addition, pursuant to the Trust Agreement:

- (i) Greentown Real Estate and the Trustee shall enter into an equity interests put option agreement (the "Equity Interests Put Option Agreement") pursuant to which Greentown Real Estate will grant a put option to the Trustee which may exercise such put option and require Greentown Real Estate or its nominees to acquire all or part (as the case may be) of the Haiqi Greentown Interests and the Wuxi Greentown Interests held by the Trust upon certain conditions or the occurrence of certain events.
- (ii) Greentown Real Estate and the other beneficiaries of the Trust (the "Other Beneficiaries") shall enter into various trust units put option agreements pursuant to which the Other Beneficiaries shall be entitled to exercise a put option requiring Greentown Real Estate to acquire all units of the Trust owned by the Other Beneficiaries upon the occurrence of certain events.

- (iii) Greentown Real Estate and the Trustee shall enter into a guarantee agreement pursuant to which Greentown Real Estate shall provide a guarantee and pay a surety of RMB10,000,000 to the Trustee to secure the performance and obligations of, *inter alia*, Greentown Real Estate, Hangzhou Kangju and/or each Project Company, under, *inter alia*, the Loan Agreements and the Equity Interests Put Option Agreement.
- (iv) To secure, *inter alia*, the repayment of the principal sum of the Loans and the accrued interest and the obligations of Greentown Real Estate or its nominees under the Equity Interests Put Option Agreement, Hangzhou Kangju and Greentown Real Estate (as pledgors) and the Trustee (as pledgee) shall enter into an equity pledge agreement pursuant to which Hangzhou Kangju and Greentown Real Estate shall pledge their respective remaining equity interests in Haiqi Greentown to the Trustee; and Greentown Real Estate (as pledgor) and the Trustee (as pledgee) shall enter into another equity pledge agreement pursuant to which Greentown Real Estate will pledge its remaining equity interests in Wuxi Greentown to the Trustee.
- (v) Greentown Real Estate and the Trustee shall enter into a consultancy agreement pursuant to which Greentown Real Estate shall be appointed as the real estate services provider of the Trust for a period of 33 months during the term of the Trust to, among other things, manage the Qianjiang Project (藍色錢江項目) and the Taihu Project (無錫太湖新城項目) and other real estate projects held by the Project Companies.
- (vi) To protect the interests of the beneficiaries of the Trust, Greentown Real Estate and Hangzhou Kangju shall also enter into equity interest purchase agreements with the Trustee pursuant to which Greentown Real Estate and Hangzhou Kangju will be required to sell all their remaining equity interests in Haiqi Greentown or Wuxi Greentown (as the case may be) to the Trust at a consideration of RMB1 upon the occurrence of certain events.
- Details of the Trust Agreement were disclosed in the Company's announcement dated 15 April 2009.
- (c) *Skymoon*
- On 7 May 2009, the Company, Richwise Holdings Limited ("Richwise") (a direct wholly-owned subsidiary of the Company), Tandellen Group Limited ("Tandellen") and Mr LUO Zhaoming ("Mr Luo") entered into an agreement (the "Skymoon Agreement") (as amended by the supplemental agreement dated 8 May 2009), pursuant to which Tandellen conditionally agreed to sell the sale shares, representing the entire issued share capital of Skymoon International Limited, to Richwise for HK\$610,000,000, which was satisfied in full by the allotment and issue of 100,000,000 new Shares of the Company to Tandellen (or its nominees) at an issue price of HK\$6.10 each (the "Skymoon Acquisition").
- The Skymoon Acquisition constituted a connected transaction for the Company pursuant to the Listing Rules by reason of the agreement to appoint Mr Luo as a Director of the Company after completion of the Skymoon Acquisition.
- Details of the Skymoon Acquisition were disclosed in the Company's announcements dated 8 May 2009 and 15 July 2009 and the Company's circular dated 29 May 2009.

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(d) *Shanghai Huazhe*

On 9 August 2009 and 11 August 2009, 上海華浙外灘置業有限公司 (Shanghai Huazhe Bund Real Estate Co., Ltd.*) (“Shanghai Huazhe”), an indirect non-wholly owned subsidiary of the Company, and Mr SHOU Bainian (“Mr Shou”) and his spouse, Ms YAO Wanjing (姚浣菁) (collectively, the “Purchasers”) entered into two agreements (the “First and Second Agreements”) pursuant to which Shanghai Huazhe agreed to sell and the Purchasers agreed to purchase the two properties situated in Shanghai for RMB21,460,074 and RMB14,479,909, respectively, subject to adjustment.

The Purchasers are Mr Shou, an executive Director and a substantial shareholder of the Company, and Mr Shou’s spouse, Ms YAO Wanjing. The Purchasers are therefore connected persons of the Company within the meaning of the Listing Rules. The entering into of the First and the Second Agreements constituted connected transactions for the Company under the Listing Rules.

Details of the First and Second Agreements were disclosed in the Company’s announcement dated 13 August 2009.

(e) *Tianjin Yijun*

On 3 December 2009, Greentown Real Estate (as the buyer), 聊城市環海聯合房地產開發有限公司 (Liaocheng City Huanhai Lianhe Real Estate Development Co., Ltd.*) (“Huanhai Lianhe”) and 浙江益豐投資有限公司 (Zhejiang Yifeng Investment Co., Ltd.*) (“Zhejiang Yifeng”) (collectively as the “Sellers”) entered into a share transfer framework agreement (the “Share Transfer Agreement”).

Pursuant to the Share Transfer Agreement, Greentown Real Estate agreed to (i) acquire 31% and 49% of the equity interests in 天津逸駿投資有限公司 (Tianjin Yijun Investment Co., Ltd.*) (“Tianjin Yijun”) from Huanhai Lianhe and Zhejiang Yifeng respectively for RMB8,000,000, subject to adjustment (the “Tianjin Yijun Acquisitions”); (ii) provide, after completion of the Tianjin Yijun Acquisitions, a loan in a maximum amount of the total amount payable by Tianjin Yijun for terminating certain contractual obligations as at the date of signing of the Share Transfer Agreement; and (iii) provide a loan to Tianjin Yijun for its repayment of its account payables to the relevant creditors. Upon completion of the Tianjin Yijun Acquisitions, the Company (through Greentown Real Estate) and Huanhai Lianhe will hold 80% and 20% of the equity interests in Tianjin Yijun, respectively.

In anticipation of the Tianjin Yijun Acquisitions, Greentown Real Estate has also provided a loan to Tianjin Yijun for the payment of the outstanding premium and the relevant tax and stamp duty in relation to two parcels of land at which the projects owned by Tianjin Yijun are situated.

Huanhai Lianhe and Zhejiang Yifeng are wholly-owned by Mr MAO Zhijin (毛志金) (“Mr Mao”). As 逸豐(中國)投資有限公司 (Evon (China) Ltd.) (99.99% owned by Mr Mao) and 添智企業有限公司 (Addgenius Enterprises Limited) (a wholly-owned subsidiary of the Company) hold 49% and 51%, respectively, of the equity interests of a joint venture, Mr Mao is a connected person of the Company under the Listing Rules so as the Sellers, Huanhai Lianhe and Zhejiang Yifeng. Therefore, the Tianjin Yijun Acquisitions and the other transactions contemplated under the Share Transfer Agreement (collectively, the “Tianjin Yijun Transactions”) constituted connected transactions for the Company under the Listing Rules.

Details of the Tianjin Yijun Transactions were disclosed in the Company's announcement dated 3 December 2009.

(f) *Grandlink*

On 16 December 2009, the Company, Richwise, Jamuta Investments Limited ("Jamuta") and Mr GUO Jiafeng ("Mr Guo") entered into a share purchase agreement (the "Share Purchase Agreement"), pursuant to which, among other things, Richwise agreed to buy, and Jamuta agreed to sell, the entire issued share capital of Grandlink Development Limited 創興發展有限公司 ("Grandlink") (the "Grandlink Acquisition") for RMB250.0 million which was satisfied by way of (i) a loan in the amount of RMB4.0 million to be procured by Richwise for 舟山易華設計諮詢有限公司 (Zhoushan Yihua Design Consultancy Co., Ltd.*) (wholly-owned by Mr Guo), for the purpose of financing the consideration under a separate agreement entered between Mr Guo and Zhoushan Yihua, whereby Zhoushan Yihua agreed to buy, and Mr Guo agreed to sell, the entire equity interests in 舟山祥和設計諮詢有限公司 (Zhoushan Xianghe Design Consultancy Co., Ltd.*) (wholly-owned by Mr Guo), for RMB4,000,000; (ii) RMB96,000,000 in cash; and (iii) RMB150,000,000 by the allotment and issue of 13,010,000 new Shares of the Company to Jamuta (or its nominee(s)) at the issue price of HK\$13.09 each.

Mr Guo is an executive Director of the Company and hence a connected person of the Company under the Listing Rules. Jamuta, being wholly-owned by Mr Guo, is regarded as an associate of Mr Guo. The Grandlink Acquisition, being a transaction between the Company and Jamuta, constituted a connected transaction of the Company under the Listing Rules. The Grandlink Acquisition, which involved issuance of new Shares to Jamuta, also constituted a share transaction of the Company under the Listing Rules.

Details of the Grandlink Acquisition were disclosed in the Company's announcement dated 16 December 2009 and in the Company's circular dated 1 January 2010.

(g) *Ping An Trust*

On 31 December 2009, Greentown Real Estate entered into a framework cooperation agreement (the "Framework Cooperation Agreement") with 平安信托投资有限公司 (China Ping An Trust & Investment Co., Ltd.*) ("Ping An Trust") pursuant to which Greentown Real Estate agreed to, among other things, (i) acquire 75% direct equity interests in 浙江報業綠城房地產開發有限公司 (Zhejiang Baoye Greentown Real Estate Development Co., Ltd.*) ("Zhejiang Baoye Project Company") by way of a capital injection (the "Capital Injection") of RMB300,000,000 into Zhejiang Baoye Project Company; (ii) after the Capital Injection, dispose of its 50% equity interests (the "Sale Interest") in Zhejiang Baoye Project Company to Ping An Trust for RMB200,000,000 upon satisfaction of certain conditions (the "Disposal"); (iii) provide loans (the "Entrusted Loan") in an aggregate amount of RMB1,300,000,000 to Zhejiang Baoye Project Company through certain banks and assign the Entrusted Loan to Ping An Trust upon satisfaction of certain conditions (the "Assignment of the Entrusted Loan"); (iv) provide and procure provision of certain security (the "Security Package") in favour of Ping An Trust pursuant to the Framework Cooperation Agreement to secure the obligations of Zhejiang Baoye Project Company under the Entrusted Loan upon it being assigned to Ping An Trust and the obligations of Greentown Real Estate under the agreement to be entered into between Greentown Real Estate and Ping An Trust pursuant to which Greentown Real Estate shall agree to repurchase the Sale Interest from Ping An Trust at RMB200,000,000; and (v) repurchase the 50% equity interests in Zhejiang Baoye Project Company from Ping An Trust at RMB200,000,000 after twelve months from the date of completion of the Disposal (the "Repurchase").

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After completion of the Disposal, Greentown Real Estate effectively controls 50% equity interests in Zhejiang Baoye Project Company while the remaining 50% equity interests is held by Ping An Trust. Since Greentown Real Estate is entitled to control the majority of the composition of the board of directors of Zhejiang Baoye Project Company, Zhejiang Baoye Project Company remains a subsidiary of the Company after the Disposal. Ping An Trust has become a substantial shareholder of Zhejiang Baoye Project Company and therefore a connected person of the Company after the Disposal.

The Capital Injection, the Disposal, the Assignment of the Entrusted Loan, the provision of the Security Package and the Repurchase together constituted a discloseable transaction (the “Discloseable Transaction”) for the Company under the Listing Rules. As Ping An Trust has become a connected person of the Company after its purchase of the Sale Interest, the provision of the Entrusted Loan by Ping An Trust to Zhejiang Baoye Project Company, the granting of the Security Package by Greentown Real Estate and Zhejiang Baoye Project Company to Ping An Trust and the Repurchase constituted connected transactions (the “Connected Transactions”) for the Company under the Listing Rules.

Details of the Discloseable Transaction and the Connected Transactions were disclosed in the Company’s announcement dated 31 December 2009 and in the Company’s circular dated 21 January 2010.

(B) Exempt Continuing Connected Transactions

(a) Trademarks Licence

On 22 June 2006, the Company and Greentown Holdings Group Limited (“Greentown Holdings Group”), an affiliate owned by Mr SONG Weiping together with his spouse, Ms XIA Yibo and Mr SHOU Bainian (collectively as the “Original Shareholders”) which is the registered owner of the trademarks and service marks of “綠城” (Greentown) and “綠城房產”

(Greentown Real Estate) in the form of Romanized spelling and Chinese characters (including both simplified and traditional forms) as well as in the form of logos (the “Trademarks”) in the PRC, entered into a trademarks licence agreement (the “Trademarks License Agreement”) pursuant to which, Greentown Holdings Group has granted the Group an irrevocable and exclusive right to use the Trademarks in the Group’s property development business, on a free-of-charge basis. The term of the Trademarks License Agreement is ten years subject to an automatic extension for a further ten years if so requested by the Company one month before the expiry date of such term.

Pursuant to the Listing Rules, Greentown Holdings Group and other associates of the Original Shareholders constitute the connected persons to the Company and therefore the above transaction constitutes connected transaction of the Company. Details of the transaction contemplated under the Trademarks License Agreement were disclosed in the prospectus of the Company dated 30 June 2006 (the “Prospectus”) under the section headed “Connected Transactions – Exempt Continuing Connected Transactions”.

(b) Provision of Real Estate Services

Pursuant to the Trust Agreement dated 14 April 2009 between Greentown Real Estate and Zhongtai Trust as disclosed in the paragraph headed “Connected Transactions and Continuing Connected Transactions – Connected Transactions – (b) Zhongtai Trust”, Greentown Real Estate and the Trustee have entered into a consultancy agreement (the “Consultancy Agreement”) pursuant to which Greentown Real Estate has been appointed the real estate services provider of the Trust for a period of 33 months during the term of the Trust to, among other things, manage the Qianjiang Project and Taihu Project and other real estate projects held by the Project Companies.

Greentown Real Estate shall receive a fixed consultancy fee after each settlement date, distribution date and trust termination date at a rate of 0.25% per annum with reference to the nominal amount of the total number of outstanding trust units and the number of investment days of the Trust and a performance-based bonus.

It is expected that the annual maximum amount for the fixed consultancy fee and the performance-based bonus (if any) to be received by Greentown Real Estate will not exceed RMB5.1 million for each of the three years ending 31 December 2011.

Details of the Consultancy Agreement were disclosed in the announcement of the Company dated 14 April 2009.

(C) Non-exempt Continuing Connected Transactions

(a) Continuing Connected Transactions

Prior to the Global Offering (as defined in the Prospectus), the Company entered into, among others, the following agreements (the "Continuing Connected Transaction Agreements") for a period of three financial years ended on 31 December 2008:

- (1) (i) a properties leasing agreement dated 22 June 2006 with Greentown Holdings Group in relation to certain premises and properties situated at (a) Level 10 of Zone A, (b) Room 111 on Level 1 of Zone B, and (c) Level 9 of Zone B, Huanglong Century Plaza, No. 1 Hangda Road, Xihu District, Hangzhou, Zhejiang Province, the PRC (the "Existing Commercial Properties") with an aggregate gross floor area of approximately 3,457.6 square meters for general commercial uses; and (ii) a properties leasing agreement dated 22 June 2006 with Zhejiang Century Square Investment Company Limited ("Zhejiang Century Square") in relation to certain premises and properties for general commercial uses (collectively as the "Properties Leasing Agreements"). The term of the Properties Leasing Agreements was three years commenced from 1 January 2006 and the aggregate annual rental payable pursuant by

the Company under the Properties Leasing Agreements was RMB6.35 million for the three years ended 31 December 2008, which was accordingly determined as the annual caps of the Properties Leasing Agreements. There were no rent review provisions. Zhejiang Century Square is owned as to 40% by Greentown Holdings Group and is therefore an associate of Greentown Holdings Group;

- (2) an advertising services agreement dated 22 June 2006 (the "Advertising Services Agreement") with Zhejiang Greentown Football Club Company Limited ("Greentown Football Club"), a company wholly owned by Greentown Holdings Group pursuant to which, Greentown Football Club provided advertising services to the Company including advertising the Company's Greentown Real Estate brand name at the football games and events participated by Greentown Football Club as a marketing campaign which allowed the brand name of the Company to be publicized to spectators and the wider public through various public media reporting the football events. The Advertising Services Agreement was for a term of three years commenced from 1 January 2006. On the assumption that Greentown Football Club would successfully advance into China Football Super League, with reference to the market rate of other football clubs in China Football Super League providing similar advertising and promotion services, an annual advertising fee of RMB40 million was paid to Greentown Football Club in 2007 and 2008, which was accordingly determined as the annual caps of the Advertising Services Agreement. Since Greentown Football Club is wholly owned by Greentown Holdings Group, Greentown Football Club is therefore an associate of Greentown Holdings Group and a connected person of the Company for the purpose of the Listing Rules; and

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- (3) a comprehensive services agreement dated 22 June 2006 (the “Comprehensive Services Agreement”) with the Original Shareholders and Greentown Holdings Group relating to the following transactions:
- (i) the Original Shareholders, through their associates, agreed to provide interior decoration services to the Company for property development upon terms not less favourable than those they offered to any third parties from time to time, but the Company was not obliged to use such services exclusively or at all from the Original Shareholders or their affiliates. The Company may terminate the interior decoration services provided by the Original Shareholders or their affiliates with respect to any projects by serving three months’ prior written notice. The annual fees in respect of interior decoration services for the three years ended 31 December 2008 were estimated to be not more than RMB30 million, RMB40 million and RMB50 million respectively, which accordingly were determined as the annual caps of the interior decoration services pursuant to the Comprehensive Services Agreement;
 - (ii) Greentown Holdings Group, through its subsidiary, Zhejiang Greentown Property Management Company (“Zhejiang Greentown Property”), agreed to provide pre-delivery property management services (including certain property management advisory services, security services and other related services) to the Company for the Company’s property development upon terms not less favourable than those it offered to any third parties from time to time, but the Company was not obliged to use such services exclusively or at all from Greentown Holdings Group. The Company may terminate the property management services provided by the Greentown Holdings Group with respect to any projects by serving three months’ prior written notice. The annual expenditures in respect of property management services provided by Greentown Holdings Group for the three years ended 31 December 2008 were estimated to be not more than RMB11 million, RMB12 million and RMB14 million respectively, which accordingly were determined as the annual caps of the property management services pursuant to the Comprehensive Services Agreement; and

- (iii) Greentown Holdings Group, through its associates, agreed to supply certain landscaping raw materials to the Company for its property developments upon terms not less favourable than those it offered to any third parties from time to time but the Company was not obliged to use such services exclusively or at all from Greentown Holdings Group. The Company may terminate the supply of landscaping raw materials from Greentown Holdings Group in relation to any specific supply contract by serving three months' prior written notice. The annual cost in respect of purchase of landscaping raw materials supplied by Greentown Holdings Group for the three years ended 31 December 2008 were estimated to be not more than RMB2 million, RMB3 million and RMB4 million respectively, which accordingly were determined as the annual caps of the supply of landscaping raw materials pursuant to the Comprehensive Services Agreement.

Pursuant to the Listing Rules, Greentown Holdings Group and other associates of the Original Shareholders constitute the connected persons to the Company and therefore the above transactions constitute connected transactions of the Company. Details of the transactions contemplated under the Continuing Connected Transaction Agreements were disclosed in the Prospectus under the section headed "Connected Transactions - Non-exempt Continuing Connected Transactions".

(b) *Renewed Continuing Connected Transactions*

In view of the continuous development of the Group and based on the internal forecasts of forthcoming demand, the Company entered into the following agreements (the "Renewed Continuing Connected Transaction Agreements") on 1 December 2008 for a term of three years commenced from 1 January 2009 and expiring on 31 December 2011:

- (1) (i) a properties leasing agreement with Greentown Holdings Group in relation to the Existing Commercial Properties for general commercial uses; (ii) a lease with Greentown Holdings Group in relation to the property situated at Level 3 of Zone A, Huanglong Century Plaza, No. 1 Hangda Road, Xihu District, Hangzhou, Zhejiang Province, the PRC with a gross floor area of approximately 700 square meters (the "Additional Commercial Property") for general commercial uses; and (iii) a framework property leasing agreement in relation to the lease of 30 residential units, of which 26 are situated at Zigui Garden, Wenerxi Road, Xihu District, Hangzhou, Zhejiang Province, the PRC and four are situated at No. 532 Wenyixi Road, Xihu District, Zhejiang Province, the PRC (the "Staff Quarters") from Greentown Holdings Group to be used as staff quarters for the Group (collectively as the "Renewed Properties Leasing Agreements"). The aggregate annual rental payable by the Company under the Renewed Properties Leasing Agreements is RMB8.06 million (as to RMB7.56 million for the Existing Commercial Properties and the Additional Commercial Properties and RMB0.50 million for the Staff Quarters) for the three years ending 31 December 2011, which accordingly are determined as the annual caps of the Renewed Properties Leasing Agreements. There are no rent review provisions;

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- (2) an advertising services agreement (the “Renewed Advertising Services Agreement”) with Greentown Football Club on similar terms to those in the Advertising Services Agreement. The annual advertising service fees payable by the Company under the Renewed Advertising Services Agreement is RMB40 million for the three years ending 31 December 2011, which accordingly are determined as the annual caps of the Renewed Advertising Services Agreement; and
- (3) a comprehensive services agreement (the “Renewed Comprehensive Services Agreement”) with the Original Shareholders and Greentown Holdings Group relating to the following transactions:
- (i) the Original Shareholders agreed to provide interior decoration services to the Company for property development on similar terms to the Comprehensive Services Agreement. The aggregate annual fees in respect of interior decoration services payable by the Company under the Renewed Comprehensive Services Agreement is RMB10 million for the three years ending 31 December 2011, which accordingly are determined as the annual caps of the interior decoration services pursuant to the Renewed Comprehensive Services Agreement;
 - (ii) Greentown Holdings Group, through its subsidiary, Zhejiang Greentown Property, agreed to provide, among others, property management services to the Company for the Company’s property development on similar terms to those in the Comprehensive Services Agreement. The annual expenditures in respect of property management services provided by the Company under the Renewed Comprehensive Services Agreement for the three years ending 31 December 2011 are estimated to be RMB14 million, RMB16 million and RMB18 million respectively, which accordingly are determined as the annual caps of the property management services pursuant to the Renewed Comprehensive Services Agreement;
 - (iii) Greentown Holdings Group, through its associate, agreed to supply certain landscaping raw materials to the Company for its property developments on similar terms to those in the Comprehensive Services Agreement. The annual cost payable by the Company in respect of purchase of landscaping raw materials to be supplied by Greentown Holdings Group for the three years ending 31 December 2011 are estimated to be RMB2 million, RMB2.5 million and RMB3 million respectively, which accordingly are determined as the annual caps of the supply of landscaping raw materials pursuant to the Renewed Comprehensive Services Agreement; and

- (iv) Greentown Holdings Group, through its associate, agreed to provide, among other services, pre-delivery hotel management services (including certain advisory services and other related services) and post-delivery hotel management and operation services (including leasing business) to the Company upon terms not less favourable than those it offered to any third parties from time to time but the Company was not obliged to use such services exclusively or at all from Greentown Holdings Group. The Company may terminate the hotel management services provided by the Greentown Holdings Group with respect to any project by serving three months' prior written notice. The aggregate annual expenditure payable by the Company is RMB2 million for the three years ending 31 December 2011, which accordingly are determined as the annual caps of the hotel management services pursuant to the Renewed Comprehensive Services Agreement.

Details of the transactions contemplated under the Renewed Continuing Connected Transaction Agreements were disclosed in the Company's announcement dated 1 December 2008.

Pursuant to the Renewed Continuing Connected Transaction Agreements, the annual amounts for each of these transactions for the year ended 31 December 2009 were as follows:

Expenses paid by the Company for the year ended 31 December 2009	RMB'000
Annual rental pursuant to the Renewed Properties Leasing Agreements	7,886
Advertising fee pursuant to the Renewed Advertising Services Agreement	40,000
Interior decoration service fees pursuant to the Renewed Comprehensive Services Agreement	791
Property management service fees pursuant to the Renewed Comprehensive Services Agreement	13,899
Purchase of raw materials pursuant to the Renewed Comprehensive Services Agreement	1,707
Hotel management services fees pursuant to the Renewed Comprehensive Services Agreement.	1,737

The Independent Non-Executive Directors of the Company have reviewed the transactions contemplated under the Trademarks License Agreement and the Renewed Continuing Connected Transaction Agreements and confirmed that they were:

- (a) entered into by members of the Company in the ordinary and usual course of its business;
- (b) (i) on normal commercial terms; or
- (ii) on terms no less favourable to the Company than those available to (or from) independent third parties; or
- (iii) on terms that are fair and reasonable and in the interests of the shareholders of the Company as a whole; and

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- (c) entered into in accordance with the relevant agreements governing them.

The auditors of the Company have reviewed the transactions contemplated under the Trademarks License Agreement and the Renewed Continuing Connected Transaction Agreements and confirmed to the Company that they:

- (a) have been approved by the Board;
- (b) are in accordance with the pricing policies set out in note 39(i) to the audited consolidated financial statements of the Company;
- (c) have been entered into in accordance with the relevant agreements governing the transactions; and
- (d) have not exceeded the caps as disclosed in the Prospectus or the announcements of the Company made in respect of those transactions.

In the opinion of the Directors, all the above transactions have been entered into in the ordinary course of the Group's business and are conducted on normal commercial terms and are fair and reasonable and in the interest of the Company's shareholders as a whole.

Directors' Interests In Competing Business

During the year and up to the date of this report, except disclosed below, none of the directors is considered to have interest in a business which competes or is likely to compete, either directly or indirectly, with the business of the Group, as defined in the Listing Rules.

Greentown Holdings Group Limited is engaged in various lines of businesses, including certain property development and sale.

On 22 June 2006, Mr SONG Weiping, Mr SHOU Bainan, Ms XIA Yibo and Greentown Holdings Group Limited entered into a deed of non-competition (the "Deed of Non-Competition") with the Company to undertake that they will not, and shall procure their controlled affiliates (other than subsidiaries and associates of the Company) not to engage in any property development business (except for hotel development and property management) in the PRC, provided that Greentown Holdings Group Limited may continue with the development and sale of the eight property projects (the "Non-inclusion Projects"). Pursuant

to the Deed of Non-Competition, Greentown Holdings Group Limited granted an option to the Company to acquire the Non-inclusion Projects. Details of the terms of the Deed of Non-Competition are described in the "Business Section" of the Company's Prospectus.

Pursuant to the ordinary resolutions passed at the Extraordinary General Meeting held on 26 March 2007, three out of eight Non-inclusion Projects were acquired by the Company. During the year ended 31 December 2007, Greentown Holdings Group Limited disposed one Non-inclusion Project to an independent third party. As at 31 December 2009, there are still four Non-inclusion Projects pursuant to the Deed of Non-Competition.

Mr Luo Zhaoming was appointed as an executive director and the vice chairman of the Company on 17 July 2009. As at the date of his appointment, Mr Luo was a director and the vice chairman of Hang Zhou Yuan Yang Lai Fu Real Estate Development Company Limited* (杭州遠洋萊福房地產開發有限公司), Hangzhou Yuanyang Yunhe Commercial District Development Company Limited* (杭州遠洋運河商務區開發有限公司), Hangzhou Yuanyang Xinhe Hotel Property Company Limited* (杭州遠洋新河酒店置業有限公司) and Hangzhou Yuanyang Tianqi Property Company Limited* (杭州遠洋天祺置業有限公司). Each of these companies is a company incorporated in the PRC that principally carries on the business of property development. On 20 January 2010, Mr Luo ceased to be a director and vice chairman of Hangzhou Yuanyang Yunhe Commercial District Development Company Limited* (杭州遠洋運河商務區開發有限公司), Hangzhou Yuanyang Xinhe Hotel Property Company Limited* (杭州遠洋新河酒店置業有限公司) and Hangzhou Yuanyang Tianqi Property Company Limited* (杭州遠洋天祺置業有限公司). As at the date of this report, Mr Luo remains to be a director and the vice chairman of Hang Zhou Yuan Yang Lai Fu Real Estate Development Company Limited* (杭州遠洋萊福房地產開發有限公司).

As at the date of appointment of Mr Luo on 17 July 2009, through companies controlled by him, Mr Luo indirectly held 30% equity interest in each of Hangzhou Yuanyang Yunhe Commercial District Development Company Limited* (杭州遠洋運河商務區開發有限公司), Hangzhou Yuanyang Xinhe Hotel Property Company Limited* (杭州遠洋新河酒店置業有限公司) and Hangzhou Yuanyang Tianqi Property Company Limited* (杭州遠洋天祺置業有限公司). On 18 January 2010, such equity interest was transferred to another subsidiary of Sino-Ocean Land Holdings Limited, a company listed on the Stock Exchange. As at the date of this report, Mr Luo does not directly or indirectly hold any equity interest in these companies.

Remuneration Policy

The remuneration policy of the employees of the Group is set up by the Remuneration Committee on the basis of the employees' performance, qualifications and experiences.

Details of the remuneration of the Directors are set out in note 11 to the audited consolidated financial statements, which are decided by the Remuneration Committee, having regard to the Company's operating results, individual performance of the Directors and comparable market statistics.

The Company has adopted the Share Option Scheme as an incentive to Directors and eligible employees, details of the Share Option Scheme are set out in note 35 to the consolidated financial statements.

Major Customers and Suppliers

The aggregate sales attributable to the Group's five largest customers were less than 30% of the Group's total sales and the sales attributable to the Group's largest customer were less than 10% of the Group's total sales for the year.

The aggregate purchases attributable to the Group's five largest suppliers were less than 30% of the Group's total purchases and the purchases attributable to the Group's largest supplier were less than 10% of the Group's total purchases for the year.

At no time during the year ended 31 December 2009, a Director, an associate of a Director or a shareholder of the Company (who to the knowledge of the Directors own more than 5% of the Company's share capital) had any interest in any of the Group's five largest suppliers or customers.

Pre-Emptive Rights

There are no provisions for pre-emptive rights under the Company's Articles of Association, or the laws of the Cayman Islands, which would oblige the Company to offer new shares on a pro-rata basis to existing shareholders.

Retirement Benefit Scheme

The Group has joined a mandatory provident fund scheme ("MPF Scheme") for all employees in Hong Kong. The MPF Scheme is registered with the Mandatory Provident Fund Schemes Authority under the Mandatory Provident Fund Schemes Ordinance. The assets of the

MPF Scheme are held separately from those of the Group in funds under the control of an independent trustee. Under the MPF Scheme, the employer and its employees are each required to make contributions to the MPF Scheme at rates specified in the rules.

The employees of the Group's subsidiaries in the PRC are members of the state-managed retirement benefits schemes operated by the PRC government. The PRC subsidiaries are required to contribute a certain percentage of payroll costs to the retirement benefits schemes to fund the benefits. The only obligation of the Group with respect to the retirement benefits schemes is to make the specified contributions.

Sufficiency of Public Float

Base on the information that is publicly available to the Company and within the knowledge of the Directors of the Company, the Company has maintained a sufficient public float as required by the Listing Rules throughout the year ended 31 December 2009.

Donations

During the year ended 31 December 2009, the Group made charitable donations amounting to RMB2,528,000.

Post Balance Sheet Events

Subsequent to the date of the balance sheet, significant post balance sheet events of the Group occurred and their details are set out in note 40 to the consolidated financial statements.

Auditors

Messrs. Deloitte Touche Tohmatsu will retire at the forthcoming AGM. A resolution will be proposed at the forthcoming AGM to re-appoint Messrs. Deloitte Touche Tohmatsu as the auditors of the Company.

On behalf of the Board

SONG Weiping
Chairman

19 April 2010

* *For identification purposes only*





THE LEGENDS OF
URBAN LIVING
NEVER ENDS...

Deloitte. **德勤**

TO THE MEMBERS OF GREENTOWN CHINA HOLDINGS LIMITED

(incorporated in the Cayman Islands with limited liability)

We have audited the consolidated financial statements of Greentown China Holdings Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 98 to 189, which comprise the consolidated statement of financial position as at 31 December 2009, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Directors' responsibilities for the consolidated financial statements

The directors of the Company are responsible for the preparation and the true and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards and the disclosure requirements of the Hong Kong Companies Ordinance. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and the true and fair presentation of the consolidated financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit and to report our opinion solely to you, as a body, in accordance with our agreed terms of engagement and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. We conducted our audit in accordance with Hong Kong Standards on Auditing issued by the Hong Kong Institute of Certified Public Accountants. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance as to whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and true and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independent Auditor's Report

Opinion

In our opinion, the consolidated financial statements give a true and fair view of the financial position of the Group as at 31 December 2009 and of the Group's financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards and have been properly prepared in accordance with the disclosure requirements of the Hong Kong Companies Ordinance.

Deloitte Touche Tohmatsu

Certified Public Accountants

Hong Kong

19 April 2010

Consolidated Statement of Comprehensive Income

For the year ended 31 December 2009

	Notes	2009 RMB'000	2008 RMB'000
Revenue	7	8,727,429	6,635,357
Cost of sales		(6,415,278)	(4,765,728)
Gross profit		2,312,151	1,869,629
Other income	8	241,144	329,145
Reversal of impairment losses on properties under development		42,433	-
Selling expenses		(435,095)	(293,686)
Administrative expenses		(811,382)	(443,565)
Finance costs	9	(657,798)	(401,290)
Impairment losses on property, plant and equipment	15	-	(53,000)
Decrease in fair value of investment property	16	-	(1,052)
Impairment losses on properties under development		-	(190,433)
Impairment losses on completed properties for sale		-	(30,816)
Net gain on redemption of 2006 Convertible Bonds and fair value changes on embedded financial derivatives of 2006 Convertible Bonds	28	11,494	19,477
Fair value changes on Trust-related financial derivatives	27	(78,900)	-
Net gain on repurchase of senior notes	29	327,967	-
Net gain on disposal of an associate		-	27
Net gain on partial disposal of subsidiaries		2,824	7,543
Share of results of associates		456,031	242,158
Share of results of jointly controlled entities		159,341	141,573
Profit before taxation	10	1,570,210	1,195,710
Taxation	12	(478,078)	(629,088)
Profit and total comprehensive income for the year		1,092,132	566,622
Attributable to:			
Owners of the Company		1,012,120	540,285
Minority interests		80,012	26,337
		1,092,132	566,622
Earnings per share	14		
Basic		RMB0.64	RMB0.35
Diluted		RMB0.62	RMB0.34

Consolidated Statement of Financial Position

As at 31 December 2009

	Notes	2009 RMB'000	2008 RMB'000
NON-CURRENT ASSETS			
Property, plant and equipment	15	1,965,833	1,321,909
Investment property	16	25,000	25,000
Interests in associates	17	1,762,099	1,434,510
Interests in jointly controlled entities	18	235,543	326,217
Available-for-sale investments	19	204,074	8,500
Prepaid lease payment	20	150,882	148,647
Rental paid in advance		13,026	11,664
Deferred tax assets	21	451,859	260,832
Amount due from related party	27(B)	10,000	-
Other receivables	35	60,359	-
		4,878,675	3,537,279
CURRENT ASSETS			
Properties for development	22	14,162,037	6,152,221
Properties under development	23	29,980,628	23,250,049
Completed properties for sale		1,669,485	1,962,108
Inventories		19,962	11,954
Embedded financial derivatives	28	-	157
Trade and other receivables, deposits and prepayments	24	3,706,736	1,334,601
Amounts due from related parties	39(ii)	7,102,762	4,215,415
Prepaid income taxes		946,883	297,522
Prepaid other taxes		1,226,415	335,532
Pledged bank deposits	24, 36	2,376,822	220,217
Bank balances and cash	24	9,405,347	1,498,021
		70,597,077	39,277,797
CURRENT LIABILITIES			
Trade and other payables	25	5,033,225	3,392,250
Pre-sale deposits		23,300,783	6,136,522
Amounts due to related parties	39(ii)	5,362,052	5,279,321
Dividend payable		1,367	1,367
Income taxes payable		1,672,212	1,204,898
Other taxes payable		911,754	269,849
Embedded financial derivatives	28	-	22,725
Bank and other borrowings			
- due within one year	26	8,465,194	3,867,741
Convertible bonds	28	2,188,166	-
Senior notes	29	-	2,701,186
		46,934,753	22,875,859
NET CURRENT ASSETS		23,662,324	16,401,938
TOTAL ASSETS LESS CURRENT LIABILITIES		28,540,999	19,939,217

Consolidated Statement of Financial Position

As at 31 December 2009

	Notes	2009 RMB'000	2008 RMB'000
NON-CURRENT LIABILITIES			
Bank and other borrowings			
- due after one year	26	13,946,235	7,385,305
Amount due to related party	27(D)	1,367,015	-
Trust-related financial derivatives	27(D)	338,080	-
Convertible bonds	28	-	2,163,523
Senior notes	29	261,514	-
Deferred tax liabilities	21	179,579	109,063
		16,092,423	9,657,891
		12,448,576	10,281,326
CAPITAL AND RESERVES			
Share capital	30	166,605	157,395
Reserves		9,437,541	8,052,075
Equity attributable to owners of the Company		9,604,146	8,209,470
Minority interests		2,844,430	2,071,856
		12,448,576	10,281,326

The consolidated financial statements on pages 98 to 189 were approved and authorised for issue by the Board of Directors on 19 April 2010 and are signed on its behalf by:

Shou Bainian
Director

Chen Shunhua
Director

Consolidated Statement of Changes in Equity

For the year ended 31 December 2009

	Attributable to owners of the Company									
	Share capital RMB'000	Share premium RMB'000	Special reserve RMB'000	Statutory reserve RMB'000 (Note i)	Conversion option reserve RMB'000	Share options reserve RMB'000	Retained earnings RMB'000	Subtotal RMB'000	Minority interests RMB'000	Total RMB'000
At 1 January 2008	157,395	5,731,008	(678)	255,045	350,806	-	1,613,892	8,107,468	1,379,034	9,486,502
Profit and total comprehensive income for the year	-	-	-	-	-	-	540,285	540,285	26,337	566,622
Dividends (Note 13)	-	-	-	-	-	-	(438,283)	(438,283)	(9,740)	(448,023)
Purchase of additional interests in subsidiaries	-	-	-	-	-	-	-	-	(216,536)	(216,536)
Capital contribution from minority shareholders of subsidiaries	-	-	-	-	-	-	-	-	277,140	277,140
Partial disposal of subsidiaries	-	-	-	-	-	-	-	-	81,493	81,493
Acquisition of subsidiaries (Note 31)	-	-	-	-	-	-	-	-	534,128	534,128
Transfer (Note i)	-	-	-	24,871	-	-	(24,871)	-	-	-
At 31 December 2008	157,395	5,731,008	(678)	279,916	350,806	-	1,691,023	8,209,470	2,071,856	10,281,326
Profit and total comprehensive income for the year	-	-	-	-	-	-	1,012,120	1,012,120	80,012	1,092,132
Dividends (Note 13)	-	-	-	-	-	-	(406,910)	(406,910)	(34,268)	(441,178)
Shares issued	8,815	528,876	-	-	-	-	-	537,691	-	537,691
Recognition of equity-settled share-based payments	-	-	-	-	-	107,413	-	107,413	-	107,413
Recognition of share option premiums	-	-	-	-	-	132,932	-	132,932	-	132,932
Exercise of share options	395	15,151	-	-	-	(4,116)	-	11,430	-	11,430
Purchase of additional interests in subsidiaries	-	-	-	-	-	-	-	-	(354,483)	(354,483)
De-consolidation of a subsidiary (Note 27(C))	-	-	-	-	-	-	-	-	(6,196)	(6,196)
Partial disposal of subsidiaries	-	-	-	-	-	-	-	-	3,636	3,636
Capital contribution from minority shareholders of subsidiaries	-	-	-	-	-	-	-	-	993,873	993,873
Acquisition of subsidiaries (Note 31)	-	-	-	-	-	-	-	-	90,000	90,000
Transfer (Note i)	-	-	-	(14,682)	-	-	14,682	-	-	-
At 31 December 2009	166,605	6,275,035	(678)	265,234	350,806	236,229	2,310,915	9,604,146	2,844,430	12,448,576

Notes:

- (i) The statutory reserve is non-distributable and the transfer to this reserve is determined by the board of directors of the relevant companies in accordance with the relevant laws and regulations of the People's Republic of China (the "PRC"). This reserve can be used to offset accumulated losses and increase capital upon approval from the relevant authorities.

Consolidated Statement of Cash Flows

For the year ended 31 December 2009

	Notes	2009 RMB'000	2008 RMB'000
OPERATING ACTIVITIES			
Profit before taxation		1,570,210	1,195,710
Adjustments for:			
Share of results of associates		(456,031)	(242,158)
Share of results of jointly controlled entities		(159,341)	(141,573)
Depreciation and amortisation		80,555	74,705
Impairment losses on property, plant and equipment		-	53,000
Impairment losses on properties under development		-	190,433
Impairment losses on completed properties for sale		-	30,816
Reversal of impairment losses on properties under development		(42,433)	-
Interest income		(103,182)	(59,074)
Finance costs		657,798	401,290
Net unrealised foreign exchange loss (gain)		632	(184,476)
Gain on disposal of property, plant and equipment		(520)	(5,609)
Decrease in fair value of investment property		-	1,052
Equity-settled share based payments		107,413	-
Net gain on redemption of 2006 Convertible Bonds and fair value changes on embedded financial derivatives		(11,494)	(19,477)
Fair value changes on Trust-related financial derivatives		78,900	-
Net gain on repurchase of senior notes		(327,967)	-
Net gain on partial disposal of subsidiaries		(2,824)	(7,543)
Net gain on disposal of associates		-	(27)
Operating cash flows before movements in working capital		1,391,716	1,287,069
(Increase) decrease in properties for development		(6,362,858)	5,216,292
Increase in properties under development		(6,146,103)	(9,443,689)
Decrease (increase) in completed properties for sale		284,653	(866,476)
Increase in inventories		(8,008)	(6,767)
(Increase) decrease in trade and other receivables, deposits and prepayments		(1,654,215)	479,915
Increase in amounts due from related parties		(2,238,909)	(2,006,838)
Increase in prepaid other taxes		(890,883)	(127,813)
(Increase) decrease in rental paid in advance		(1,362)	1,648
Increase in pre-sale deposits		17,164,261	2,553,467
Increase in trade and other payables		81,071	219,244
Increase (decrease) in amounts due to related parties		2,158,148	(609,220)
Increase in other taxes payable		641,925	72,044
Cash generated from (used in) operations		4,419,436	(3,231,124)
Income taxes paid		(780,832)	(544,239)
NET CASH FROM (USED IN) OPERATING ACTIVITIES		3,638,604	(3,775,363)

Consolidated Statement of Cash Flows

For the year ended 31 December 2009

	Notes	2009 RMB'000	2008 RMB'000
INVESTING ACTIVITIES			
Purchase of property, plant and equipment		(676,620)	(297,258)
Proceeds from disposal of property, plant and equipment		5,580	12,609
Increase in prepaid lease payment		(6,557)	(6,777)
Investments in associates		(190,700)	(321,485)
Investments in jointly controlled entities		(40,000)	-
Dividends received from associates and jointly controlled entities		559,101	19,260
Proceeds from disposal of interests in associates		-	38,909
Acquisition of subsidiaries (net of cash and cash equivalents acquired)	31	270,335	(75,722)
Purchase of additional interests in subsidiaries		(9,200)	(217,873)
De-consolidation of a subsidiary	27	(246,150)	-
Proceeds from disposal of subsidiaries (net of cash and cash equivalents disposed of)	32	(336,363)	-
Proceeds from partial disposal of subsidiaries		6,460	89,036
Advance to third parties		(583,348)	(12,478)
Advance to related parties		(709,439)	(435,814)
(Increase) decrease in pledged bank deposits		(2,156,605)	286,065
Interest received		139,461	54,906
Purchase of available-for-sale investments		(195,574)	(7,500)
NET CASH USED IN INVESTING ACTIVITIES		(4,169,619)	(874,122)
FINANCING ACTIVITIES			
Bank and other borrowings raised		18,631,024	7,186,555
Repayment of bank and other borrowings		(7,691,641)	(3,107,911)
Advance from related parties		839,546	654,182
Contribution by minority shareholders of subsidiaries		993,873	277,140
Interest paid		(1,709,556)	(1,285,240)
Dividends paid to owners of the Company		(406,910)	(438,283)
Dividends paid to minority interests		(34,268)	(9,740)
Repurchase of senior notes		(2,122,427)	-
Redemption of 2006 Convertible Bonds		(84,497)	-
Proceeds from issue of share options		12,214	-
Proceeds from exercise of share options		11,430	-
NET CASH FROM FINANCING ACTIVITIES		8,438,788	3,276,703
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		7,907,773	(1,372,782)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF YEAR		1,498,021	2,876,925
Effects of exchange rate changes on the balance of cash held in foreign currencies		(447)	(6,122)
CASH AND CASH EQUIVALENTS AT THE END OF YEAR		9,405,347	1,498,021
REPRESENTED BY BANK BALANCES AND CASH		9,405,347	1,498,021

Notes to the Consolidated Financial Statements

For The Year Ended 31 December 2009

1. GENERAL

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

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

The Company is an investment holding company. The principal activity of its subsidiaries (together with the Company referred to as the “Group”) is the development of residential properties in the PRC.

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

In the current year, the Group has applied the following 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.

IAS 1 (Revised in 2007)	Presentation of Financial Statements
IAS 23 (Revised 2007)	Borrowing Costs
IAS 32 & 1 (Amendments)	Puttable Financial Instruments and Obligations Arising on Liquidation
IFRS 1 & IAS 27 (Amendments)	Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate
IFRS 2 (Amendment)	Vesting Conditions and Cancellations
IFRS 7 (Amendment)	Improving Disclosures about Financial Instruments
IFRS 8	Operating Segments
IFRIC 9 & IAS 39 (Amendments)	Embedded Derivatives
IFRIC 13	Customer Loyalty Programmes
IFRIC 15	Agreements for the Construction of Real Estate
IFRIC 16	Hedges of a Net Investment in a Foreign Operation
IFRIC 18	Transfers of Assets from Customers
IFRSs (Amendments)	Improvements to IFRSs issued in 2008, except for the amendment to IFRS 5 that is effective for annual periods beginning or after 1 July 2009
IFRSs (Amendments)	Improvements of IFRSs issued in 2009 in relation to the amendment to paragraph 80 of IAS 39

Except as described below, the adoption of the new and revised IFRSs has had no material effect on the consolidated financial statements of the Group for the current or prior accounting periods.

New and revised IFRSs affecting presentation and disclosure only

IAS 1 (Revised 2007) Presentation of Financial Statements

IAS 1 (Revised 2007) has introduced terminology changes (including revised titles for the financial statements) and changes in the format and content of the financial statements.

IFRS 8 Operating Segments

IFRS 8 is a disclosure standard that has resulted in a redesignation of the Group’s reportable segments (see Note 7).

Notes to the Consolidated Financial Statements

For The Year Ended 31 December 2009

2. APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (“IFRSs”) (Continued)

New and revised IFRSs affecting presentation and disclosure only (Continued)

Improving Disclosures about Financial Instruments (Amendments to IFRS 7 Financial Instruments: Disclosures)

The amendments to IFRS 7 expand the disclosures required in relation to fair value measurements in respect of financial instruments which are measured at fair value. The amendments also expand and amend the disclosures required in relation to liquidity risk. The Group has not provided comparative information for the expanded disclosures in accordance with the transitional provision set out in the amendments.

Amendments to IAS 1 Presentation of Financial Statements

As part of Improvements to IFRSs (2008), IAS 1 *Presentation of Financial Statements* has been amended to clarify whether derivatives that are classified as held for trading in accordance with IAS 39 *Financial Instruments: Recognition and Measurement* should be presented as current or non-current. The amendment requires derivatives that are held primarily for trading purposes to be presented as current regardless of their maturity dates. In addition, the amendment requires derivatives that are not held for trading purposes to be classified as current or non-current on the basis of their settlement date. Prior to the amendment, the Group presented, as current, all derivatives that are classified as held for trading in accordance with IAS 39. The amendment has had no impact on the Group’s results for the reported periods.

The Group has not early applied the following new and 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 2008 ¹
IFRSs (Amendments)	Improvements to IFRSs 2009 ²
IAS 24 (Revised)	Related Party Disclosures ⁶
IAS 27 (Revised)	Consolidated and Separate Financial Statements ¹
IAS 32 (Amendment)	Classification of Rights Issues ⁴
IAS 39 (Amendment)	Eligible Hedged Items ¹
IFRS 1 (Amendment)	Additional Exemptions for First-time Adopters ³
IFRS 1 (Amendment)	Limited Exemption from Comparative IFRS 7 Disclosures for First-time Adopters ⁵
IFRS 2 (Amendment)	Group Cash-settled Share-based Payment Transactions ³
IFRS 3 (Revised)	Business Combinations ¹
IFRS 9	Financial Instruments ⁷
IFRIC 14 (Amendment)	Prepayments of a Minimum Funding Requirement ⁶
IFRIC 17	Distribution of Non-cash Assets to Owners ¹
IFRIC 19	Extinguishing Financial Liabilities with Equity Instruments ⁵

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 and 1 January 2010, as appropriate

³ Effective for annual periods beginning on or after 1 January 2010

⁴ Effective for annual periods beginning on or after 1 February 2010

⁵ Effective for annual periods beginning on or after 1 July 2010

⁶ Effective for annual periods beginning on or after 1 January 2011

⁷ Effective for annual periods beginning on or after 1 January 2013

The application of IFRS 3 (Revised) may affect the Group’s accounting for business combination for which the acquisition date is on or after 1 January 2010. IAS 27 (Revised) will affect the accounting treatment for changes in the Group’s ownership interest in a subsidiary.

Notes to the Consolidated Financial Statements

For The Year Ended 31 December 2009

2. APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (“IFRSs”) (Continued)

New and revised IFRSs affecting presentation and disclosure only (Continued)

IFRS 9 Financial Instruments introduces new requirements for the classification and measurement of financial assets and will be effective from 1 January 2013, with earlier application permitted. The standard requires all recognised financial assets that are within the scope of IAS 39 *Financial Instruments: Recognition and Measurement* to be measured at either amortised cost or fair value. Specifically, debt investments that (i) are held within a business model whose objective is to collect the contractual cash flows and (ii) have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortised cost. All other debt investments and equity investments are measured at fair value. The application of IFRS 9 might affect the classification and measurement of the Group’s financial assets.

The directors of the Company anticipate that the application of the other new and revised standards, amendments or interpretations will have no material impact on the consolidated financial statements.

3. PRINCIPAL ACCOUNTING POLICIES

The 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, as explained in the accounting policies set out below.

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and by the Hong Kong Companies Ordinance.

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company (its subsidiaries). Control is achieved where the Company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

The results of subsidiaries acquired or disposed of during the year are included in the consolidated statement of comprehensive income from the effective date of acquisition or up to the effective date of disposal, as appropriate.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by other members of the Group.

All significant intra-group transactions, balances, income and expenses are eliminated on consolidation.

Minority interests in the net assets of consolidated subsidiaries are presented separately from the Group’s equity therein. Minority interests in the net assets consist of the amount of those interests at the date of the original business combination and the minority’s share of changes in equity since the date of the combination. Losses applicable to the minority in excess of the minority’s interest in the subsidiary’s equity are allocated against the interests of the Group except to the extent that the minority has a binding obligation and is able to make an additional investment to cover the losses.

Notes to the Consolidated Financial Statements

For The Year Ended 31 December 2009

3. PRINCIPAL ACCOUNTING POLICIES (Continued)

Business combinations

The acquisition of businesses is accounted for using the purchase method. The cost of the acquisition is measured at the aggregate of the fair values, at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued by the Group in exchange for control of the acquiree, plus any costs directly attributable to the business combination. The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under IFRS 3 "Business Combinations" are recognised at their fair values at the acquisition date.

Goodwill arising on acquisition is recognised as an asset and initially measured at cost, being the excess of the cost of the business combination over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities recognised. If, after reassessment, the Group's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities exceeds the cost of the business combination, the excess is recognised immediately in profit or loss.

The interest of minority shareholders in the acquiree is initially measured at the minority's proportion of the net fair value of the assets, liabilities and contingent liabilities recognised.

Acquisition of assets

When the Group acquires a group of assets or net assets that does not constitute a business, the cost of the acquisition is allocated between the individual identifiable assets and liabilities in the group based on their relative fair values at the acquisition date.

Acquisition of additional interests in subsidiaries or associates which are not a business is accounted for as an acquisition of additional interests in assets. The difference between the consideration paid or payable and the carrying amount of minority interests attributable to the acquired interest is allocated to the value of the underlying assets acquired. No goodwill or discount on acquisition is recognised from this transaction.

Disposal of partial interests in subsidiaries or associates which are not a business is accounted for as a disposal of partial interests in assets. The difference between the consideration received or receivable and the carrying amount of net assets attributable to the interest disposed of is included in profit or loss in the year in which the disposal occurs.

Investments in associates

An associate is an entity over which the Group has significant influence and that is neither a subsidiary nor a joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

The results and assets and liabilities of associates are incorporated in these consolidated financial statements using the equity method of accounting. Under the equity method, investments in associates are carried in the consolidated statement of financial position at cost as adjusted for post-acquisition changes in the Group's share of the net assets of the associates, less any identified impairment loss. When the Group's share of losses of an associate equals or exceeds its interest in that associate (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate), the Group discontinues recognising its share of further losses. An additional share of losses is provided for and a liability is recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of that associate.

Where a group entity transacts with an associate of the Group, profits and losses are eliminated to the extent of the Group's interest in the relevant associate.

Notes to the Consolidated Financial Statements

For The Year Ended 31 December 2009

3. PRINCIPAL ACCOUNTING POLICIES (Continued)

Jointly controlled entities

Joint venture arrangements that involve the establishment of a separate entity in which venturers have joint control over the economic activity of the entity are referred to as jointly controlled entities.

The results and assets and liabilities of jointly controlled entities are incorporated in the consolidated financial statements using the equity method of accounting. Under the equity method, investments in jointly controlled entities are carried in the consolidated statement of financial position at cost as adjusted for post-acquisition changes in the Group's share of the net assets of the jointly controlled entities, less any identified impairment loss. When the Group's share of losses of a jointly controlled entity equals or exceeds its interest in that jointly controlled entity (which includes any long-term interests that, in substance, form part of the Group's net investment in the jointly controlled entity), the Group discontinues recognising its share of further losses. An additional share of losses is provided for and a liability is recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of that jointly controlled entity.

When a group entity transacts with a jointly controlled entity of the Group, profits or losses are eliminated to the extent of the Group's interest in the jointly controlled entity.

Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable and represents amounts received or receivable for goods sold and services provided in the normal course of business, net of discounts and sales-related taxes.

Revenue from sales of properties in the ordinary course of business is recognised when the respective properties have been completed and delivered to the buyers. Deposits received from forward sales of properties are carried as pre-sale deposits.

Revenue from sales of other goods is recognised when the goods are delivered and title has passed.

Service income is recognised when services are provided.

Interest income from a financial asset is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts the estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

Rental income, including rental invoiced in advance from properties let under operating leases, are recognised on a straight line basis over the period of the relevant leases.

Foreign currencies

In preparing the financial statements of each individual group entity, transactions in currencies other than the functional currency of that entity (foreign currencies) are recorded in the respective functional currency (i.e. the currency of the primary economic environment in which the entity operates) at the rates of exchange prevailing on the dates of the transactions. At the end of the reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on the translation of monetary items, are recognised in profit or loss in the period in which they arise.

Notes to the Consolidated Financial Statements

For The Year Ended 31 December 2009

3. PRINCIPAL ACCOUNTING POLICIES (Continued)

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets until such time as the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the year in which they are incurred.

Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the consolidated statement of comprehensive income because it excludes items of income and expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries and associates, and interests in joint ventures, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of the reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset is realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities. Deferred tax is recognised in profit or loss, except when it relates to items that are recognised in other comprehensive income or directly in equity, in which case the deferred tax is also recognised in other comprehensive income or directly in equity respectively.

Notes to the Consolidated Financial Statements

For The Year Ended 31 December 2009

3. PRINCIPAL ACCOUNTING POLICIES (Continued)

Government grants

Government grants are recognised in profit or loss on a systematic basis over the periods in which the Group recognises as expenses the related costs for which the grants are intended to compensate. Government grants are recognised as income over the periods necessary to match them with the costs for which they are intended to compensate, on a systematic basis. Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognised in profit or loss in the period in which they become receivable.

Leasing

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

The Group as lessor

Rental income from operating leases is recognised in profit or loss on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised as an expense on a straight-line basis over the lease term.

The Group as lessee

Operating lease payments are recognised as an expense on a straight-line basis over the term of the relevant lease. Benefits received and receivable as an incentive to enter into an operating lease are recognised as a reduction of rental expense over the lease term on a straight-line basis.

Leasehold land and buildings

The land and building elements of a lease of land and buildings are considered separately for the purpose of lease classification, unless the lease payments cannot be allocated reliably between the land and building elements, in which case, the entire lease is generally treated as a finance lease and accounted for as property, plant and equipment. To the extent the allocation of the lease payments can be made reliably, leasehold interests in land are accounted for as operating leases and amortised over the lease term on a straight-line basis.

Retirement benefit costs

The Group participates in state-managed retirement benefit schemes, which are defined contribution schemes, pursuant to which the Group pays a fixed percentage of its qualifying staff's wages as contributions to the plans. Payments to such retirement benefit schemes are charged as an expense when employees have rendered service entitling them to the contributions.

Property, plant and equipment

Property, plant and equipment, including land and buildings held for use in the production or supply of goods or services, or for administrative purposes other than construction in progress, are stated at cost less accumulated depreciation and accumulated impairment losses.

Depreciation is provided to write off the cost of items of property, plant and equipment, other than construction in progress, over their estimated useful lives, and after taking into account of their estimated residual value, using the straight-line method.

Construction in progress represents property, plant and equipment in the course of construction for production or for its own use purposes. Construction in progress is carried at cost less any recognised impairment loss. Construction in progress is classified to the appropriate category of property, plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

Notes to the Consolidated Financial Statements

For The Year Ended 31 December 2009

3. PRINCIPAL ACCOUNTING POLICIES (Continued)

Property, plant and equipment (Continued)

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the item) is included in profit or loss in the year in which the item is derecognised.

Leasehold land and buildings under development for future owner-occupied purpose

When the leasehold land and buildings are in the course of development for production or for administrative purposes, the leasehold land component is classified as a prepaid lease payment and amortised over a straight-line basis over the lease term. During the construction period, the amortisation charge provided for the leasehold land is included as part of costs of buildings under construction. Buildings under construction are carried at cost, less any identified impairment losses. Depreciation of buildings commences when they are available for use (i.e. when they are in the location and condition necessary for them to be capable of operating in the manner intended by management).

Investment properties

Investment properties are properties held to earn rentals and/or for capital appreciation.

On initial recognition, investment properties are measured at cost, including any directly attributable expenditure. Subsequent to initial recognition, investment properties are measured at their fair values using the fair value model. Gains or losses arising from changes in the fair value of investment property are included in profit or loss for the period in which they arise.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use or no future economic benefits are expected from its disposals. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the year in which the item is derecognised.

Impairment of tangible assets

At the end of the reporting period, the Group reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised as an expense immediately.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised as income immediately.

Properties for development

Properties for development, representing leasehold land located in the PRC for development for future sale in the ordinary course of business, are stated at the lower of cost and net realisable value. Cost comprises the costs of land use rights and other directly attributable costs. Net realisable value represents the estimated selling price in the ordinary course of business less estimated costs of completion and the estimated costs necessary to make the sale.

Notes to the Consolidated Financial Statements

For The Year Ended 31 December 2009

3. PRINCIPAL ACCOUNTING POLICIES (Continued)

Properties under development

Properties under development, representing leasehold land located in the PRC under development for future sale in the ordinary course of business, are stated at the lower of cost and net realisable value. Cost comprises the costs of land use rights, construction costs, borrowing costs capitalised and other direct development expenditure. Net realisable value represents the estimated selling price in the ordinary course of business less estimated costs of completion and the estimated costs necessary to make the sale.

Completed properties for sale

Completed properties for sale are stated at the lower of cost and net realisable value. Cost comprises the costs of land use rights, construction costs, borrowing costs capitalised and other direct development expenditure. Net realisable value represents the estimated selling price in the ordinary course of business less the estimated costs necessary to make the sale.

The Group transfers a property from completed properties for sale to investment property when there is a change of intention to hold the property to earn rentals or/and for capital appreciation rather than for sale in the ordinary course of business, which is evidenced by the commencement of an operating lease to another party. Any difference between the fair value of the property at the date of transfer and its previous carrying amount is recognised in profit or loss.

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is calculated using the first-in, first-out method.

Financial instruments

Financial assets and financial liabilities are recognised on the consolidated statement of financial position when a group entity becomes a party to the contractual provisions of the instrument. Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Financial assets

The Group's financial assets are classified into one of the three categories, including financial assets at fair value through profit or loss ("FVTPL"), loans and receivables and available-for-sale financial assets.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial asset, or, where appropriate, a shorter period to the net carrying amount on initial recognition.

Interest income is recognised on an effective interest basis.

Notes to the Consolidated Financial Statements

For The Year Ended 31 December 2009

3. PRINCIPAL ACCOUNTING POLICIES (Continued)

Financial instruments (Continued)

Effective interest method (Continued)

Financial assets at fair value through profit or loss

Financial assets at FVTPL include financial assets held for trading.

A financial asset is classified as held for trading if:

- it has been acquired principally for the purpose of selling in the near future; or
- it is a part of an identified portfolio of financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

Financial assets at FVTPL are measured at fair value, with changes in fair value arising from remeasurement recognised directly in profit or loss in the period in which they arise.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Subsequent to initial recognition, loans and receivables (including trade and other receivables, amounts due from related parties, pledged bank deposits, bank balances and cash) are carried at amortised cost using the effective interest method, less any identified impairment losses (see accounting policy on impairment loss on financial assets below).

Available-for-sale financial assets

Available-for-sale financial assets are non-derivatives that are either designated or not classified as financial assets at FVTPL, loans and receivables or held-to-maturity investments.

For available-for-sale equity investments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured, they are measured at cost less any identified impairment losses at the end of the reporting period (see accounting policy on impairment loss on financial assets below).

Impairment of financial assets

Financial assets, other than those at FVTPL, are assessed for indicators of impairment at the end of the reporting period. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the financial assets have been impacted.

For an available-for-sale equity investment, a significant or prolonged decline in the fair value of that investment below cost is considered to be objective evidence of impairment.

For all other financial assets, objective evidence of impairment could include:

- significant financial difficulty of the issuer or counterparty; or
- default or delinquency in interest or principal payments; or
- it becoming probable that the borrower will enter bankruptcy or financial re-organisation.

Notes to the Consolidated Financial Statements

For The Year Ended 31 December 2009

3. PRINCIPAL ACCOUNTING POLICIES (Continued)

Financial instruments (Continued)

Impairment of financial assets (Continued)

For certain categories of financial assets, such as trade and other receivables, assets that are assessed not to be impaired individually are subsequently assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables could include the Group's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period of 90 days, observable changes in national or local economic conditions that correlate with default on receivables.

For financial assets carried at amortised cost, an impairment loss is recognised in profit or loss when there is objective evidence that the asset is impaired, and is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the original effective interest rate.

For financial assets carried at cost, the amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment loss will not be reversed in subsequent periods.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade and other receivables, where the carrying amount is reduced through the use of an allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss. When a trade or other receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited to profit or loss.

For financial assets measured at amortised cost, if, in a subsequent period, the amount of impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment loss was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the asset at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

Financial liabilities and equity

Financial liabilities and equity instruments issued by a group entity are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. The Group's financial liabilities are generally classified into financial liabilities at FVTPL and other financial liabilities.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period.

Interest expense is recognised on an effective interest basis.

Notes to the Consolidated Financial Statements

For The Year Ended 31 December 2009

3. PRINCIPAL ACCOUNTING POLICIES (Continued)

Financial instruments (Continued)

Effective interest method (Continued)

Financial liabilities at fair value through profit or loss

Financial liabilities at FVTPL include financial liabilities held for trading.

A financial liability is classified as held for trading if:

- it has been incurred principally for the purpose of repurchasing in the near future; or
- it is a part of an identified portfolio of financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

Financial liabilities at FVTPL are measured at fair value, with changes in fair value arising on remeasurement recognised directly in profit or loss in the period in which they arise.

Other financial liabilities

Other financial liabilities including bank and other borrowings, trade and other payables, amounts due to related parties and dividend payable are subsequently measured at amortised cost, using the effective interest method.

Convertible bonds

- (i) Convertible bonds containing liability component, conversion option derivative and early redemption derivatives

Convertible bonds issued by the Group that contain liability, conversion option and early redemption options (which are not closely related to the host liability component) are classified separately into respective items on initial recognition. Conversion option that will be settled other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of the Company's own equity instruments is a conversion option derivative. At the date of issue, the liability, conversion option and redemption option components are recognised at fair value.

In subsequent periods, the liability component of the convertible bonds is carried at amortised cost using the effective interest method. The conversion option and redemption option derivatives are measured at fair value with changes in fair value recognised in profit or loss.

Transaction costs that relate to the issue of the convertible bonds are allocated to the liability, conversion option and redemption option components in proportion to their relative fair values. Transaction costs relating to the conversion option and redemption option derivatives are charged to profit or loss immediately. Transaction costs relating to the liability component are included in the carrying amount of the liability portion and amortised over the period of the convertible bonds using the effective interest method.

Notes to the Consolidated Financial Statements

For The Year Ended 31 December 2009

3. PRINCIPAL ACCOUNTING POLICIES (Continued)

Financial instruments (Continued)

Effective interest method (Continued)

Convertible bonds (Continued)

- (ii) Convertible bonds containing liability and equity components and closely-related early redemption options

Convertible bonds were issued by the Group that contain liability, conversion option and early redemption options. The early redemption options are closely related to the host liability component and are therefore not separately accounted for. The liability and conversion option are classified separately into respective items on initial recognition. Conversion option that will be settled by the exchange of a fixed amount of cash or another financial asset for a fixed number of the Company's own equity instruments is classified as an equity instrument. At the date of issue, the fair value of the liability component is determined using the prevailing market interest rates of similar non-convertible debts. The difference between the gross proceeds of the issue of the convertible bonds and the fair value assigned to the liability component, representing the conversion option for the holder to convert the bonds into equity, is included in equity (conversion option reserve).

In subsequent periods, the liability component of the convertible bonds is carried at amortised cost using the effective interest method. The equity component, representing the option to convert the liability component into ordinary shares of the Company, will remain in conversion option reserve until the embedded conversion option is exercised (in which case the balance stated in conversion option reserve will be transferred to share premium). Where the conversion option remains unexercised at the expiry date, the balance stated in conversion option reserve will be released to the retained earnings. No gain or loss is recognised in profit or loss upon conversion or expiration of the conversion option.

Transaction costs that relate to the issue of the convertible bonds are allocated to the liability and equity components in proportion to the allocation of the gross proceeds. Transaction costs relating to the equity component are charged directly to equity. Transaction costs relating to the liability component are included in the carrying amount of the liability portion and amortised over the period of the convertible bonds using the effective interest method.

Senior notes

Senior notes issued by the Company that contain both liability and early redemption option (which is not closely related to the host contract) are classified separately into respective items on initial recognition. At the date of issue, both the liability and early redemption option components are recognised at fair value.

In subsequent periods, the liability component of the senior notes is carried at amortised cost using the effective interest method. The early redemption option is measured at fair value with changes in fair value recognised in profit or loss.

Transaction costs that relate to the issue of the senior notes are allocated to the liability and early redemption option components in proportion to their relative fair values. Transaction costs relating to the early redemption option are charged to profit or loss immediately. Transaction costs relating to the liability component are included in the carrying amount of the liability portion and amortised over the period of the senior notes using the effective interest method.

Equity instruments

Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

Notes to the Consolidated Financial Statements

For The Year Ended 31 December 2009

3. PRINCIPAL ACCOUNTING POLICIES (Continued)

Financial instruments (Continued)

Embedded derivatives

Derivatives embedded in non-derivative host contracts are treated as separate derivatives when their risks and characteristics are not closely related to those of the host contracts and the host contracts are not measured at fair value with changes in fair value recognised in profit or loss.

Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument. A financial guarantee contract issued by the Group and not designated as at fair value through profit or loss is recognised initially at its fair value less transaction costs that are directly attributable to the issue of the financial guarantee contract. Subsequent to initial recognition, the Group measures the financial guarantee contract at the higher of: (i) the amount determined in accordance with IAS 37 "Provisions, Contingent Liabilities and Contingent Assets"; and (ii) the amount initially recognised less, when appropriate, cumulative amortisation recognised in accordance with IAS 18 "Revenue".

Derecognition

Financial assets are derecognised when the rights to receive cash flows from the assets expire or, the financial assets are transferred and the Group has transferred substantially all the risks and rewards of ownership of the financial assets. On derecognition of a financial asset, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

Financial liabilities are derecognised when the obligation specified in the relevant contract is discharged, cancelled or expires. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

Share-based payment transactions

Equity-settled share-based payment transactions

Share options granted to employees

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 recognised in share options reserve.

At the end of the 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 continue to be held in share options reserve.

Notes to the Consolidated Financial Statements

For The Year Ended 31 December 2009

4. KEY SOURCES OF ESTIMATION UNCERTAINTY

The key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are disclosed below.

Net realisable value for properties under development and completed properties for sale

Properties under development and completed properties remaining unsold at the end of each reporting period are stated at the lower of cost and net realisable value.

Net realisable value for properties under development is determined by reference to management estimates of the selling price based on prevailing market conditions, less applicable variable selling expenses and the anticipated costs to completion. Net realisable value for completed properties for sale is determined by reference to management estimates of the selling price based on prevailing market conditions, less applicable variable selling expenses. During the course of their assessment, management will also make reference to property valuations conducted by independent qualified professional valuers based on comparable market prices. Management are required to revise these estimates if there is a change in market condition or demand. If actual market conditions are less favourable than those projected by management, additional adjustments to the value of properties under development and completed properties for sale may be required. As at 31 December 2009, the carrying amounts of properties under development and completed properties for sale are RMB29,980,628,000 (2008: RMB23,250,049,000) and RMB1,669,485,000 (2008: RMB1,962,108,000) respectively (net of accumulated impairment loss of nil (2008: RMB190,433,000) and nil (2008: RMB30,816,000) respectively). The accumulated impairment losses on properties under development and completed properties for sale made in prior years were reversed in 2009 through either the disposal of the relevant project company or the increase in the relevant net realisable value estimates.

Estimated impairment of trade receivable

When there is objective evidence of impairment loss, the Group takes into consideration the estimation of future cash flows to determine impairment loss. The amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective increase rate (i.e. the effective interest rate computed at initial recognition). Where the actual future cash flows are less than expected, a material impairment loss may arise.

Land Appreciation Tax

The provision for Land Appreciation Tax ("LAT") amounting to RMB801,199,000 (2008: RMB640,056,000) (included in income taxes payable) is estimated and made 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.

Convertible bonds

As described in Note 28, the Company's convertible bonds contain a number of embedded derivatives that are remeasured to fair value through profit or loss at the end of the reporting period. The Company engaged an independent appraiser to assist it in determining the fair value of these embedded derivatives. The determination of fair value was made after consideration of a number of factors, including: the Group's financial and operating results; the global economic outlook in general and the specific economic and competitive factors affecting the Group's business; the nature and prospects of the PRC property market; the Group's business plan and prospects; business risks the Group faces; and market yields and return volatility of comparable corporate bonds. This conclusion of value was based on generally accepted valuation procedures and practices that rely extensively on the use of numerous assumptions and the consideration of many uncertainties, not all of which can be easily quantified or ascertained.

Notes to the Consolidated Financial Statements

For The Year Ended 31 December 2009

4. KEY SOURCES OF ESTIMATION UNCERTAINTY (Continued)

Trust

As described in Note 27, the Trust-related arrangements contain a number of derivatives that are remeasured to fair value through profit or loss at the end of the reporting period. The Company engaged an independent appraiser to assist it in determining the fair value of these derivatives. The determination of fair value was made after consideration of a number of factors, including: the value of the underlying projects, current conditions of the PRC property market; the Group's business plan and prospects; business risks the Group faces; market yields of reference government bonds and volatility of property price indices. This conclusion of value was based on generally accepted valuation procedures and practices that rely extensively on the use of numerous assumptions and the consideration of many uncertainties, not all of which can be easily quantified or ascertained.

5. CAPITAL RISK MANAGEMENT

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to shareholders through the optimisation of the debt and equity balance. The Group's overall strategy remains unchanged from prior year.

The capital structure of the Group consists of net debt, which includes the borrowings disclosed in Notes 26 to 29 (net of cash and cash equivalents) and equity attributable to the owners of the Company, comprising issued share capital, reserves and retained earnings.

The directors of the Company review the capital structure on a regular basis. As part of this review, the directors consider the cost of capital and the risks associated with each class of capital. The Group will balance its overall capital structure through the payment of dividends, new share issues and share buy-backs as well as the issue of new debt or the redemption of existing debt.

6. FINANCIAL INSTRUMENTS

(a) Categories of financial instruments

	2009 RMB'000	2008 RMB'000
Financial assets		
Fair value through profit or loss (FVTPL)		
Held for trading	-	157
Loans and receivables (including cash and cash equivalents)	20,313,198	6,347,361
Available-for-sale financial assets	204,074	8,500
Financial liabilities		
Fair value through profit or loss (FVTPL)		
Held for trading	338,080	22,725
Amortised cost	36,124,668	24,790,693

Notes to the Consolidated Financial Statements

For The Year Ended 31 December 2009

6. FINANCIAL INSTRUMENTS (Continued)

(b) Financial risk management objectives and policies

The Group's major financial instruments include available-for-sale investments, embedded financial derivatives, trade and other receivables, amounts due from related parties, pledged bank deposits, bank balances and cash, trade and other payables, amounts due to related parties, dividend payable, bank and other borrowings, Trust-related financial derivatives, convertible bonds and senior notes. Details of the financial instruments are disclosed in respective notes. The risks associated with these financial instruments include market risk (currency risk and interest rate risk), credit risk and liquidity risk. The policies on how to mitigate these risks are set out below. The management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner. There has been no significant change in the Group's exposure to these risks or the manner in which it manages and measures risks.

Market risk

(i) *Currency risk*

The Group has bank balances, amounts due to related parties, bank and other borrowings, convertible bonds and senior notes denominated in foreign currencies, which expose the Group to foreign currency risk.

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows:

	Liabilities		Assets	
	2009 RMB'000	2008 RMB'000	2009 RMB'000	2008 RMB'000
Hong Kong dollars ("HKD")	395,635	450,646	123,003	42,729
United States dollars ("USD")	1,814,160	2,792,334	645,657	50,797

The Group does not use any derivative contracts to hedge against its exposure to currency risk except that, during the year, the Group entered into a RMB non-deliverable forward contract to buy USD139,387,000 at a RMB:USD exchange rate of 6.7768 on 25 May 2010. No financial assets or liabilities were recognised in respect of this foreign currency forward contract because its fair value was considered to be insignificant.

Sensitivity analysis

The Group is mainly exposed to the fluctuations in exchange rates between RMB and HKD/USD. The exposure in USD arises mainly from the Company's bank balances and cash, bank and other borrowings, convertible bonds and senior notes.

The following table details the Group's sensitivity to a 5% (2008: 5%) increase and decrease in RMB against the relevant foreign currencies. 5% represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and foreign currency forward contracts and adjusts their translation at the year end for a 5% change in foreign currency rates. A positive number below indicates an increase in post-tax profit where RMB strengthens 5% against the relevant currency. For a 5% weakening of RMB against the relevant currency, there would be an equal and opposite impact on post-tax profit.

Notes to the Consolidated Financial Statements

For The Year Ended 31 December 2009

6. FINANCIAL INSTRUMENTS (Continued)

(b) Financial risk management objectives and policies (Continued)

Market risk (Continued)

(i) Currency risk (Continued)

Sensitivity analysis (Continued)

	HKD Impact		USD Impact	
	2009 RMB'000	2008 RMB'000	2009 RMB'000	2008 RMB'000
Profit or loss	9,737	19,425	7,805	130,787

(ii) Interest rate risk

The Group is exposed to fair value interest rate risk in relation to fixed-rate bank deposits, amounts due from/to related parties, bank and other borrowings, convertible bonds and senior notes (see Notes 24, 26, 27, 28, 29 and 39 for details).

The Group is also exposed to cash flow interest rate risk in relation to variable-rate bank deposits, amounts due from/to related parties and bank and other borrowings (see Notes 24, 26 and 39 for details).

The Group does not use any derivative contracts to hedge against its exposure to interest rate risk.

The Group's exposures to interest rates on financial liabilities are detailed in the liquidity risk management section of this note.

Sensitivity analysis

The sensitivity analyses below have been determined based on the exposure to market deposit and lending interest rates for non-derivative instruments. For variable-rate bank deposits, bank and other borrowings and amounts due to related parties, the analysis is prepared assuming the balances outstanding at the end of the reporting period were outstanding for the whole year. A 5 basis point (2008: 5 basis point) increase or decrease in market deposit interest rates and a 50 basis point (2008: 50 basis point) increase or decrease in market lending interest rates represent management's assessment of the reasonably possible change in interest rates.

If the market lending interest rates had been 50 basis points higher/lower and all other variables were held constant, the Group's post-tax profit for the year ended 31 December 2009 would have decreased/increased by RMB79,021,000(2008: decreased/increased by RMB17,185,000). This is mainly attributable to the Group's exposure to interest rates on its variable-rate bank and other borrowings and amounts due to related parties.

Credit risk

As at 31 December 2009, the Group's maximum exposure to credit risk which will cause a financial loss to the Group due to failure to discharge an obligation by the counterparties and financial guarantees provided by the Group arises from:

- the carrying amount of the respective recognised financial assets as stated in the consolidated statement of financial position; and
- the amount of contingent liabilities disclosed in Note 38.

Notes to the Consolidated Financial Statements

For The Year Ended 31 December 2009

6. FINANCIAL INSTRUMENTS (Continued)

(b) Financial risk management objectives and policies (Continued)

Credit risk (Continued)

In order to minimise the credit risk, the management of the Group has delegated a team responsible for determination of credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue trade debts and amounts due from related parties. In addition, the Group reviews the recoverable amount of each overdue debt at the end of the reporting period to ensure that adequate impairment losses are made for irrecoverable amounts. In this regard, the directors of the Company consider that the Group's credit risk is significantly reduced.

The credit risk on liquid funds is limited because the counterparties are banks with high credit ratings assigned by international credit-rating agencies or with a good reputation.

The Group's concentration of credit risk by geographical locations is mainly in the PRC. The Group has no significant concentration of credit risk, with exposure spread over a number of counterparties and customers.

Liquidity risk

In the management of the liquidity risk, the Group monitors and maintains a level of cash and cash equivalents deemed adequate by the management to finance the Group's operations and mitigate the effects of fluctuations in cash flows. The management monitors the utilisation of bank borrowings and ensures compliance with loan covenants.

The Group relies on bank and other borrowings, convertible bonds and senior notes as a significant source of liquidity.

The following table details the Group's remaining contractual maturity for its non-derivative financial liabilities based on the agreed repayment terms. The table has been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. The table includes both interest and principal cash flows.

In addition, the following table details the Group's liquidity analysis for its derivative financial instruments. The table has been drawn up based on the undiscounted contractual net cash inflows and outflows on derivative instruments that are settled on a net basis. The liquidity analysis for the Group's derivative financial instruments are prepared based on the contractual maturities as the management consider that the contractual maturities are essential for an understanding of the timing of the cash flows of derivatives.

Notes to the Consolidated Financial Statements

For The Year Ended 31 December 2009

6. FINANCIAL INSTRUMENTS (Continued)

(b) Financial risk management objectives and policies (Continued)

Liquidity risk (Continued)

Liquidity and interest risk tables

	Weighted average interest rate %	Less than 1 year RMB'000	1-5 years RMB'000	5+ years RMB'000	Total undiscounted cash flows RMB'000	Carrying amount at 31/12/2009 RMB'000
2009						
Non-derivative financial liabilities						
Trade and other payables	-	4,182,125	351,000	-	4,533,125	4,533,125
Dividend payable	-	1,367	-	-	1,367	1,367
Bank and other borrowings						
- fixed-rate	5.32%	2,741,977	213,761	101,191	3,056,929	2,867,924
- variable-rate	5.95%	7,038,880	14,029,624	1,215,851	22,284,355	19,543,505
Amounts due to related parties						
- interest-free	-	2,454,550	-	-	2,454,550	2,454,550
- fixed-rate	12.55%	2,032,294	-	-	2,032,294	1,805,105
- variable-rate	8.2%	2,671,804	-	-	2,671,804	2,469,412
2007 Convertible Bonds	-	2,387,293	-	-	2,387,293	2,188,166
Senior notes	9%	23,762	331,344	-	355,106	261,514
Financial guarantee Contracts	-	10,196,230	5,079,700	-	15,275,930	-
		33,730,282	20,005,429	1,317,042	55,052,753	36,124,668

Derivatives - net settlement

Foreign exchange forward contracts	-	(5,374)	-	-	(5,374)	-
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	Weighted average interest rate %	Less than 1 year RMB'000	1-5 years RMB'000	5+ years RMB'000	Total undiscounted cash flows RMB'000	Carrying amount at 31/12/2008 RMB'000
2008						
Non-derivative financial liabilities						
Trade and other payables	-	3,136,040	256,210	-	3,392,250	3,392,250
Dividend payable	-	1,367	-	-	1,367	1,367
Bank and other borrowings						
- fixed-rate	7.42%	3,495,376	7,269,820	-	10,765,196	9,554,035
- variable-rate	7.77%	1,213,353	672,892	15,810	1,902,055	1,699,011
Amounts due to related parties						
- interest-free	-	2,345,151	-	-	2,345,151	2,345,151
- fixed-rate	6.12%	53,423	-	-	53,423	50,669
- variable-rate	7.96%	3,113,027	-	-	3,113,027	2,883,501
2006 Convertible Bonds	6%	4,921	86,936	-	91,857	73,423
2007 Convertible Bonds	-	-	2,440,238	-	2,440,238	2,090,100
Senior notes	9%	246,046	3,677,016	-	3,923,062	2,701,186
Financial guarantee contracts	-	4,078,870	466,800	-	4,545,670	-
		17,687,574	14,869,912	15,810	32,573,296	24,790,693

Notes to the Consolidated Financial Statements

For The Year Ended 31 December 2009

6. FINANCIAL INSTRUMENTS (Continued)

(b) Financial risk management objectives and policies (Continued)

Liquidity risk (Continued)

Liquidity and interest risk tables (Continued)

The amounts included above for financial guarantee contracts are the maximum amounts the Group could be required to settle under the arrangement for the full guaranteed amount if that amount is claimed by the counterparty to the guarantee. Based on expectations at the end of the reporting period, the Group considers that it is more likely than not that no amount will be payable under the arrangement. However, this estimate is subject to change depending on the probability of the counterparty claiming under the guarantee which is a function of the likelihood that the financial receivables held by the counterparty which are guaranteed suffer credit losses.

The amounts included above for variable interest rate for non-derivative financial liabilities is subject to change if changes in variable interest rate differ from those interest rate estimates determined at the end of the reporting period.

(c) Fair value

The fair value of financial assets and financial liabilities (including derivative instruments) are determined in accordance with generally accepted pricing models based on discounted cash flow analysis or using prices or rates from observable current market transactions. For an option-based derivative, the fair value is estimated using option pricing model (for example, the binomial model).

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

	2009		2008	
	Carring amount of liability component RMB'000	Fair value RMB'000	Carrying amount of liability component RMB'000	Fair value RMB'000
Financial liabilities				
2006 Convertible Bonds	-	-	73,423	64,009 ¹
2007 Convertible Bonds	2,188,166	2,254,144²	2,090,100	900,900 ²
Senior notes	261,514	254,338²	2,701,186	1,011,521 ²

1 Based on discounted cash flow analysis using market interest rate

2 Based on quoted price

Notes to the Consolidated Financial Statements

For The Year Ended 31 December 2009

6. FINANCIAL INSTRUMENTS (Continued)

(c) Fair value (Continued)

Fair value measurements recognised in the statement of financial position

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which the fair value is observable.

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

	2009 Level 3 RMB'000
Financial liabilities at FVTPL	
Trust-related financial derivatives	338,080

Reconciliation of Level 3 fair value measurements of financial liabilities

	Trust-related financial derivatives RMB'000
At 1 January 2009	-
Issues	259,180
Total losses in profit or loss (included in fair value changes on Trust-related financial derivatives)	78,900
At 31 December 2009	338,080

7. REVENUE AND SEGMENT INFORMATION

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

	2009 RMB'000	2008 RMB'000
Property sales	8,631,978	6,552,608
Hotel operations	72,229	50,078
Sales of construction materials	2,613	11,620
Other business	20,609	21,051
	8,727,429	6,635,357

Notes to the Consolidated Financial Statements

For The Year Ended 31 December 2009

7. REVENUE AND SEGMENT INFORMATION (Continued)

The Group has adopted IFRS 8 *Operating Segments* with effect from 1 January 2009. 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 – property development; (ii) substantially all of its customers are located in the PRC; and (iii) substantially all of its assets and liabilities are located in the PRC. The application of IFRS 8 has resulted in a redesignation of the Group's reportable segments as compared with the primary reportable segments determined in accordance with IAS 14.

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

- 1 Property development
- 2 Hotel operations
- 3 Others (including sales of construction materials, electronic engineering, design and decoration, etc.)

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 (country of domicile) 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 related finance costs. Financial information provided to the CODM is measured in a manner consistent with the accounting policies adopted in the preparation of the consolidated financial statements as described in Note 3.

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

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

Notes to the Consolidated Financial Statements

For The Year Ended 31 December 2009

7. REVENUE AND SEGMENT INFORMATION (Continued)

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

	Property development RMB'000	Hotel operations RMB'000	All other segments RMB'000	Segment total RMB'000	Eliminations RMB'000	Total RMB'000
For the year ended 31 December 2009						
Revenue						
External revenue	8,631,978	72,229	23,222	8,727,429	-	8,727,429
Inter-segment revenue	-	4,264	431,193	435,457	(435,457)	-
Total	8,631,978	76,493	454,415	9,162,886	(435,457)	8,727,429
Segment results	1,191,718	(44,063)	(11,104)	1,136,551	(3,193)	1,133,358
Unallocated administrative expenses						(144,925)
Unallocated other income						353
Unallocated finance costs						(119,744)
Fair value changes on Trust-related financial derivatives						(78,900)
Net gain on repurchase of senior notes						327,967
Net gain on redemption of 2006 Convertible Bonds						11,494
Unallocated taxation						(37,471)
Profit for the year						1,092,132

Notes to the Consolidated Financial Statements

For The Year Ended 31 December 2009

7. REVENUE AND SEGMENT INFORMATION (Continued)

	Property development RMB'000	Hotel operations RMB'000	All other segments RMB'000	Segment total RMB'000	Eliminations RMB'000	Total RMB'000
For the year ended 31 December 2008						
Revenue						
External revenue	6,552,608	50,078	32,671	6,635,357	-	6,635,357
Inter-segment revenue	-	7,400	365,485	372,885	(372,885)	-
Total	6,552,608	57,478	398,156	7,008,242	(372,885)	6,635,357
Segment results	644,747	(64,399)	(16)	580,332	2,076	582,408
Unallocated administrative expenses						(19,166)
Unallocated other income						303,469
Unallocated finance costs						(298,809)
Fair value changes on embedded financial derivatives						19,477
Unallocated taxation						(20,757)
Profit for the year						566,622

Segment assets and liabilities

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

Segment assets

	2009 RMB'000	2008 RMB'000
Property development	70,525,033	40,937,232
Hotel operations	1,898,790	1,250,845
All other segments	2,021,740	492,644
Total segment assets	74,445,563	42,680,721
Unallocated	1,030,189	134,355
Consolidated assets	75,475,752	42,815,076

Notes to the Consolidated Financial Statements

For The Year Ended 31 December 2009

7. REVENUE AND SEGMENT INFORMATION (Continued)

Segment liabilities

	2009 RMB'000	2008 RMB'000
Property development	57,446,642	26,422,849
Hotel operations	105,044	173,718
All other segments	1,618,585	521,743
Total segment liabilities	59,170,271	27,118,310
Unallocated	3,856,905	5,415,440
Consolidated liabilities	63,027,176	32,533,750

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

- all assets are allocated to reportable segments other than bank balances and cash, property, plant and equipment, trade and other receivables, prepayments and deposits, and deferred tax assets pertaining to those non-operating group entities.
- all liabilities are allocated to reportable segments other than senior notes, convertible bonds, Trust-related financial derivatives, bank and other borrowings, and deferred tax liabilities pertaining to those non-operating group entities.

Other segment information

For the year ended 31 December 2009

	Property development RMB'000	Hotel operations RMB'000	All other segments RMB'000	Reportable segment total RMB'000	Adjustments RMB'000	Total RMB'000
Amounts included in the measure of segment profit or loss or segments assets:						
Addition to non-current assets (Note)	237,518	671,173	57,525	966,216	27	966,243
Interests in associates	1,762,099	-	-	1,762,099	-	1,762,099
Interests in jointly controlled entities	235,543	-	-	235,543	-	235,543
Depreciation of property, plant and equipments	48,443	28,126	3,246	79,815	1,333	81,148
Reversal of impairment losses on property under development	(42,433)	-	-	(42,433)	-	(42,433)
(Gains) losses on disposal of property, plant and equipment	(540)	-	20	(520)	-	(520)
Interest income	(101,978)	(73)	(1,035)	(103,086)	(96)	(103,182)
Finance costs	535,389	670	1,995	538,054	119,744	657,798
Share of results of associates	(456,031)	-	-	(456,031)	-	(456,031)
Share of results of jointly controlled entities	(159,341)	-	-	(159,341)	-	(159,341)
Taxation	439,358	-	1,249	440,607	37,471	478,078

Notes to the Consolidated Financial Statements

For The Year Ended 31 December 2009

7. REVENUE AND SEGMENT INFORMATION (Continued)

Other segment information (Continued)

For the year ended 31 December 2008

	Property development RMB'000	Hotel operations RMB'000	All other segments RMB'000	Reportable segment total RMB'000	Adjustments RMB'000	Total RMB'000
Amounts included in the measure of segment profit or loss or segments assets:						
Addition to non-current assets (Note)	394,116	345,174	1,780	741,070	3	741,073
Interests in associates	1,434,510	-	-	1,434,510	-	1,434,510
Interests in jointly controlled entities	326,217	-	-	326,217	-	326,217
Depreciation of property, plant and equipments	44,159	24,882	2,781	71,822	2,074	73,896
Impairment losses on property, plant and equipment	-	53,000	-	53,000	-	53,000
Gains on disposal of property, plant and equipment	(5,609)	-	-	(5,609)	-	(5,609)
Impairment losses on properties under development and completed properties for sale	221,249	-	-	221,249	-	221,249
Interest income	(57,178)	(266)	(526)	(57,970)	(1,104)	(59,074)
Finance costs	102,383	-	98	102,481	298,809	401,290
Share of results of associates	(242,158)	-	-	(242,158)	-	(242,158)
Share of results of jointly controlled entities	(141,573)	-	-	(141,573)	-	(141,573)
Taxation	621,247	(13,250)	334	608,331	20,757	629,088

Note: Non-current assets excluded available-for-sale investments, deferred tax assets, amount due from related party and other receivables.

8. OTHER INCOME

	2009 RMB'000	2008 RMB'000
Interest income on bank balances	23,416	22,311
Interest income on amounts due from related parties	79,766	36,763
Government grants (Note)	15,335	8,590
Net foreign exchange (losses) gains	(2,117)	227,652
Brand usage fees	91,702	10,093
Others	33,042	23,736
	241,144	329,145

Note: Government grants mainly represent subsidies received from local authorities in accordance with the relevant rules and regulations.

Notes to the Consolidated Financial Statements

For The Year Ended 31 December 2009

9. FINANCE COSTS

	2009 RMB'000	2008 RMB'000
Interest on:		
– bank borrowings wholly repayable within five years	964,011	909,147
– bank borrowings not wholly repayable within five years	31,482	1,088
– other borrowings	441,917	111,190
Effective interest expense on Trust-related amount due to related party (Note 27)	199,363	–
Effective interest expense on 2006 Convertible Bonds (Note 28)	–	10,032
Effective interest expense on 2007 Convertible Bonds (Note 28)	98,066	93,670
Interest on senior notes (Note 29)	118,632	261,128
	1,853,471	1,386,255
Less: Capitalised in properties under development	(1,144,669)	(973,515)
Capitalised in construction in progress	(51,004)	(11,450)
	657,798	401,290

Borrowing costs capitalised during the year arose on the general borrowing pool and are calculated by applying a capitalisation rate of 7.04% (2008: 7.66%) per annum to expenditure on the development of properties for sale and for own use.

10. PROFIT BEFORE TAXATION

	2009 RMB'000	2008 RMB'000
Profit before taxation has been arrived at after charging (crediting):		
Salaries and other benefits	580,998	312,596
Equity-settled share-based payments	107,413	–
Retirement benefits scheme contributions	16,402	19,393
Staff costs (including directors' emoluments)	704,813	331,989
Less: Capitalised in properties under development	(125,521)	(103,105)
	579,292	228,884
Depreciation of property, plant and equipment	81,148	73,896
Less: Capitalised in properties under development	(4,740)	(3,016)
	76,408	70,880
Amortisation of prepaid lease payment (included in administrative expenses)	4,147	3,825
Auditors' remuneration	7,815	8,079
Cost of properties and inventories recognised as an expense	6,415,278	4,765,728
Share of tax of associates (included in share of results of associates)	255,058	116,425
Share of tax of jointly controlled entities (included in share of results of jointly controlled entities)	73,232	81,162
Gain on disposal of property, plant and equipment	(520)	(5,609)

Notes to the Consolidated Financial Statements

For The Year Ended 31 December 2009

11. DIRECTORS' AND EMPLOYEES' EMOLUMENTS

The emoluments paid or payable to each of the 11 (2008: 9) directors of the Company were as follows:

	Song Weiping	Shou Bainian	Luo Zhaoming	Chen Shunhua	Guo Jiafeng	Jia Shenghua	Sze Tsai Ping, Michael	Tsui Yiu Wa, Alec	Tang Shiding	Jiang Wei	Ke Huanzhang	2009 Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Fees	-	-	-	-	-	120	176	176	120	176	60	828
Other emoluments:												
Salaries and other benefits	1,500	1,500	600	1,200	1,000	-	-	-	-	-	-	5,800
Contributions to retirement benefits/pension schemes	64	64	-	55	103	-	-	-	-	-	-	286
Performance related incentive payments (Note)	736	736	190	1,285	300	-	-	-	-	-	-	3,247
Equity-settled share-based payments	973	944	37,025	556	82	-	-	-	-	-	-	39,580
Total emoluments	3,273	3,244	37,815	3,096	1,485	120	176	176	120	176	60	49,741

	Song Weiping	Shou Bainian	Luo Zhaoming	Chen Shunhua	Guo Jiafeng	Jia Shenghua	Sze Tsai Ping, Michael	Tsui Yiu Wa, Alec	Tang Shiding	Jiang Wei	Ke Huanzhang	2008 Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Fees	-	-	-	-	-	120	181	181	120	181	-	783
Other emoluments:												
Salaries and other benefits	1,500	1,500	-	1,200	1,000	-	-	-	-	-	-	5,200
Contributions to retirement benefits/pension schemes	67	67	-	58	105	-	-	-	-	-	-	297
Performance related incentive payments (Note)	450	450	-	360	300	-	-	-	-	-	-	1,560
Total emoluments	2,017	2,017	-	1,618	1,405	120	181	181	120	181	-	7,840

Note: The performance related incentive payments is determined as a percentage of the results of the Group for both years.

No directors waived any emoluments in both years.

Of the five individuals with the highest emoluments in the Group, four (2008: four) were directors of the Company whose emoluments are included in the disclosure above. The emoluments of the remaining one (2008: one) individual were as follows:

	2009 RMB'000	2008 RMB'000
Salaries and other benefits	900	1,045
Contributions to retirement benefits/pension schemes	31	9
Performance related incentive payments	499	-
Equity-settled share-based payments	15,250	-
	16,680	1,054

Notes to the Consolidated Financial Statements

For The Year Ended 31 December 2009

11. DIRECTORS' AND EMPLOYEES' EMOLUMENTS (Continued)

His emoluments were within the following bands:

	2009 No. of employees	2008 No. of employees
HKD1,000,001 to HKD1,500,000	-	1
HKD18,500,001 to HKD19,000,000	1	-

During the year, no emoluments were paid by the Group to any of the directors or the five highest paid individuals as an inducement to join or upon joining the Group or as compensation for loss of office.

12. TAXATION

	2009 RMB'000	2008 RMB'000
Current tax:		
PRC enterprise income tax	392,391	359,160
LAT	285,351	345,975
	677,742	705,135
(Over)/Under-provision in prior years:		
PRC enterprise income tax	38,302	1,892
LAT	(117,455)	-
	(79,153)	1,892
Deferred tax (Note 21):		
Current year	(120,511)	(77,939)
	(120,511)	(77,939)
	478,078	629,088

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

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

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For The Year Ended 31 December 2009

12. TAXATION (Continued)

Under the Law of the People's Republic of China on Enterprise Income Tax (the "EIT Law") and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiaries is 25% from 1 January 2008 onwards, except for the following entities:

	Notes	Enterprise income tax rate	
		2009	2008
Shanghai Lvyu Real Estate Development Co., Ltd. ("Shanghai Lvyu")	(i)	20%	18%
Xinjiang Sunshine Greentown Real Estate Development Co., Ltd. ("Xinjiang Sunshine")	(ii)	12.5%	12.5%

Notes:

- (i) Shanghai Lvyu is established in Shanghai Pudong New Area and is therefore subject to a reduced enterprise income tax rate of 20% (2008: 18%).
- (ii) Xinjiang Sunshine 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.

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

The tax charge for the year ended 31 December 2009 can be reconciled to the profit per the consolidated statement of comprehensive income as follows:

	2009 RMB'000	2008 RMB'000
Profit before taxation	1,570,210	1,195,710
Tax at the applicable PRC enterprise income tax rate of 25% (2008: 25%)	392,553	298,927
Effect of different tax rates	(54,452)	(24,626)
Tax effect of share of results of associates	(114,008)	(60,539)
Tax effect of share of results of jointly controlled entities	(39,835)	(35,393)
Tax effect of income not taxable for tax purposes	(851)	(10,017)
Tax effect of expenses not deductible for tax purposes	125,464	89,271
Under-provision in respect of prior year	38,302	1,892
Tax effect of tax losses not recognised	60,645	57,786
Tax effect of deductible temporary differences not recognised	9,477	42,337
Recognition of deferred tax assets on tax losses previously not recognised	(49,268)	(9,833)
Utilisation of tax losses previously not recognised	(1,698)	(3,589)
Utilisation of deductible temporary differences previously not recognised	(37,000)	-
LAT provision for the year	285,351	345,975
LAT reversal	(117,455)	-
Tax effect of LAT	(69,147)	(83,859)
Tax effect of undistributed profits	50,000	20,756
Tax charge for the year	478,078	629,088

Details of deferred taxation for the year ended 31 December 2009 are set out in Note 21.

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12. TAXATION (Continued)

PRC LAT

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

Effective from 1 September 2002 in Hunan, 1 January 2003 in Zhoushan and Xinjiang, 1 January 2004 in Shangyu, 1 July 2004 in Anhui, 1 October 2004 in Hangzhou, 1 October 2006 in Shanghai Pudong New Area and 1 January 2007 in Beijing, the local tax bureau requires pre-payment of LAT on the pre-sale and sale proceeds of property developments. According to the Notices for the Strengthening of Administration on LAT (關於加強土地增值稅管理工作的通知), the Group is required to pre-pay LAT on pre-sale proceeds at 0.5-3% for ordinary residential properties and 1-6% for other properties.

As at the date of approval of these consolidated financial statements, the relevant local tax bureaus responsible for the enforcement of LAT regulations have not required the Group to pay any LAT other than the aforesaid LAT pre-payments.

For the year ended 31 December 2009, the Group estimated and made a provision for LAT in the amount of RMB285,351,000 (2008: RMB345,975,000), 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.

In 2009, the Group decided to dissolve one of its PRC property development subsidiaries and commenced liquidation procedures on it. At the date these consolidated financial statements are authorised for issuance, it has completed its tax registration revocation and has received the tax registration revocation notices from the relevant tax bureau. The directors are of the opinion that the tax obligations of this subsidiary are considered duly terminated by law, and have therefore written back during the year ended 31 December 2009 the LAT provision amounting to RMB117,455,000 (2008: nil) made by this subsidiary in previous years.

13. DIVIDENDS

On 30 May 2008, a dividend of HK32 cents per share, or RMB438,283,000 in total, was paid to shareholders as the final dividend for 2007.

On 16 July 2009, a special dividend for 2008 of RMB0.18 per share, or RMB276,725,000 in total, was paid to shareholders.

On 23 October 2009, an interim dividend for 2009 of HK9.6 cents per share, or RMB130,185,000 in total, was paid to shareholders.

A final dividend of HK26 cents (2008: Nil) per share has been proposed by the directors and is subject to approval by the shareholders at the forthcoming annual general meeting.

Notes to the Consolidated Financial Statements

For The Year Ended 31 December 2009

14. 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

	2009 RMB'000	2008 RMB'000
Earnings for the purpose of basic earnings per share (profit for the year attributable to owners of the Company)	1,012,120	540,285
Effect of dilutive potential shares:		
Fair value changes on embedded financial derivatives	-	(19,477)
Interest on 2006 Convertible Bonds (as defined in Note 28)	-	10,032
Net gain on redemption of 2006 Convertible Bonds	(11,494)	-
Effect of foreign exchange rate changes	-	(7,109)
Earnings for the purpose of diluted earnings per share	1,000,626	523,731

Number of shares

	2009	2008
Weighted average number of ordinary shares for the purpose of basic earnings per share	1,584,339,528	1,537,361,607
Effect of dilutive potential ordinary shares:		
2006 Convertible Bonds (as defined in Note 28)	324,301	10,760,900
Share options	22,806,031	-
Weighted average number of ordinary shares for the purpose of diluted earnings per share	1,607,469,860	1,548,122,507

The computation of diluted earnings per share for both 2008 and 2009 does not assume the conversion of the Company's outstanding 2007 Convertible Bonds (as defined in Note 28) since their assumed exercise would result in an increase in earnings per share.

Notes to the Consolidated Financial Statements

For The Year Ended 31 December 2009

15. PROPERTY, PLANT AND EQUIPMENT

	Hotel buildings RMB'000	Land and buildings RMB'000	Leasehold improvements RMB'000	Machinery RMB'000	Furniture, fixtures and equipment RMB'000	Transportation equipment RMB'000	Construction in progress RMB'000	Total RMB'000
COST								
At 1 January 2008	904,441	70,159	25,661	705	77,360	133,668	40,004	1,251,998
Additions	-	72	12,597	1,402	31,249	29,094	222,844	297,258
Transfer	24,847	-	-	-	-	-	(24,847)	-
Transfer to prepaid lease payment	(537)	-	-	-	-	-	-	(537)
Acquired on acquisition of subsidiaries (Note 31)	-	365	-	137	548	3,190	-	4,240
Disposals	-	(1,985)	(281)	(25)	(634)	(6,175)	-	(9,100)
Reclassification	(4,192)	4,192	-	-	-	-	-	-
At 31 December 2008	924,559	72,803	37,977	2,219	108,523	159,777	238,001	1,543,859
Additions	31,501	106	10,067	5,596	21,969	25,272	633,113	727,624
Transfer	333,067	-	-	-	-	-	(333,067)	-
Acquired on acquisition of subsidiaries (Note 31)	-	-	-	-	611	4,574	-	5,185
Disposals	-	(1,693)	(2,389)	-	(2,157)	(8,342)	-	(14,581)
Reclassification	-	(15)	5	(1,008)	(128)	1,146	-	-
At 31 December 2009	1,289,127	71,201	45,660	6,807	128,818	182,427	538,047	2,262,087
DEPRECIATION AND IMPAIRMENT								
At 1 January 2008	-	(16,133)	(10,785)	(235)	(16,840)	(53,161)	-	(97,154)
Provided for the year	(24,882)	(2,455)	(7,958)	(318)	(19,128)	(19,155)	-	(73,896)
Impairment loss recognised in profit or loss	(53,000)	-	-	-	-	-	-	(53,000)
Eliminated on disposals	-	294	11	-	370	1,425	-	2,100
Reclassification	-	-	-	-	-	-	-	-
At 31 December 2008	(77,882)	(18,294)	(18,732)	(553)	(35,598)	(70,891)	-	(221,950)
Provided for the year	(28,126)	(3,093)	(8,709)	(138)	(20,846)	(20,236)	-	(81,148)
Eliminated on disposals	-	379	405	-	366	5,694	-	6,844
Reclassification	-	1	(1)	234	(4)	(230)	-	-
At 31 December 2009	(106,008)	(21,007)	(27,037)	(457)	(56,082)	(85,663)	-	(296,254)
CARRYING VALUES								
At 31 December 2009	1,183,119	50,194	18,623	6,350	72,736	96,764	538,047	1,965,833
At 31 December 2008	846,677	54,509	19,245	1,666	72,925	88,886	238,001	1,321,909

Notes to the Consolidated Financial Statements

For The Year Ended 31 December 2009

15. PROPERTY, PLANT AND EQUIPMENT (Continued)

The above items of property, plant and equipment other than construction in progress are depreciated on a straight-line basis at the following rates per annum:

Hotel buildings	Over the shorter of the term of the land use rights or 40 years
Land and buildings	Over the shorter of the term of the land use rights or 20 years
Leasehold improvements	Over the shorter of the lease term or five years
Machinery	10% to 33 $\frac{1}{3}$ %
Furniture, fixtures and equipment	10% to 33 $\frac{1}{3}$ %
Transportation equipment	10% to 20%

During 2008, the Group engaged DTZ Debenham Tie Leung Limited, independent qualified professional valuers not connected with the Group, to conduct a review of the Group's hotel buildings and determined that one of those buildings was impaired due to the economic downturn and the performance of the hotel building being adversely affected. Accordingly, an impairment loss of RMB53,000,000 was recognised in 2008 in respect of hotel buildings. The recoverable amount of the relevant hotel building has been determined on the basis of its value in use. The discount rate adopted in measuring the amount of value in use of the relevant hotel building was 10%.

The Group again engaged DTZ Debenham Tie Leung Limited to update their review of the Group's hotel buildings through 31 December 2009 and no significant changes have been identified.

The land and buildings shown above are located on:

	2009 RMB'000	2008 RMB'000
Land in the PRC:		
Medium-term lease	50,194	54,509

Details of the hotel buildings, land and buildings and construction in progress pledged to secure banking facilities granted to the Group are disclosed in Note 36.

16. INVESTMENT PROPERTY

	RMB'000
FAIR VALUE	
At 1 January 2008	26,052
Decrease in fair value recognised in profit or loss	(1,052)
At 31 December 2008 and 2009	25,000

The fair value of the Group's investment property at 31 December 2008 and 2009 have been arrived at on the basis of a valuation carried out on that date by DTZ Debenham Tie Leung Limited, independent qualified professional valuers not connected with the Group. The professional valuers from DTZ Debenham Tie Leung Limited are members of the Hong Kong Institute of Surveyors. The valuation was arrived at by reference to market evidence of transaction prices for similar properties.

Notes to the Consolidated Financial Statements

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16. INVESTMENT PROPERTY (Continued)

The investment property shown above is located on:

	2009 RMB'000	2008 RMB'000
Land in the PRC Medium-term lease	25,000	25,000

17. INTERESTS IN ASSOCIATES

	2009 RMB'000	2008 RMB'000
Cost of unlisted investments in associates	1,357,755	1,175,255
Share of post-acquisition profits, net of dividends received	404,344	259,255
	1,762,099	1,434,510

As at 31 December 2008 and 2009, the Group had interests in the following associates established and operating in the PRC:

Name of associate	Registered capital	Attributable equity interest held by the Group		Principal activities
		2009	2008	
杭州集美房地產開發有限公司 Hangzhou Jimei Real Estate Development Co., Ltd.	RMB32,000,000	30%	30%	Real estate development
杭州余杭綠城九洲房地產開發有限公司 Hangzhou Yuhang Greentown Jiuzhou Real Estate Development Co., Ltd.	RMB85,000,000	35%	35%	Real estate development
杭州翡翠城房地產開發有限公司 Hangzhou Jade City Real Estate Development Co., Ltd. ("Hangzhou Jade City")	RMB50,000,000	45%	45%	Real estate development
上海靜宇置業有限公司 Shanghai Jingyu Real Estate Co., Ltd.	RMB100,000,000	49%	49%	Property investment
杭州錢新綠城房地產開發有限公司 Hangzhou Qianxin Greentown Real Estate Development Co., Ltd. ("Hangzhou Qianxin Greentown")	RMB30,000,000	50% (i)	50% (i)	Real estate development
浙江發展綠城房地產開發有限公司 Zhejiang Fazhan Greentown Real Estate Development Co., Ltd.	RMB50,000,000	45%	45%	Real estate development

Notes to the Consolidated Financial Statements

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17. INTERESTS IN ASSOCIATES (Continued)

Name of associate	Registered capital	Attributable equity interest held by the Group		Principal activities
		2009	2008	
杭州濱綠房地產開發有限公司 Hangzhou Binlv Real Estate Development Co., Ltd. ("Hangzhou Binlv")	RMB 389,140,188	50% (iv)	50% (iv)	Real estate development
浙江中青旅綠城投資置業有限公司 Zhejiang Zhongqinglv Greentown Real Estate Investment Co., Ltd. ("Zhejiang Zhongqinglv")	RMB200,000,000	49% (ii)	49% (ii)	Investment and consulting
河南中州綠城置業投資有限公司 Henan Zhongzhou Greentown Real Estate Development Co., Ltd. ("Henan Zhongzhou")	RMB60,000,000	38% (ii)	38% (ii)	Real estate development
德清西子房地產開發有限公司 Deqing Xizi Real Estate Development Co., Ltd. ("Deqing Xizi")	RMB30,000,000	25% (ii)	25% (ii)	Real estate development
德清綠城中田房地產有限公司 Deqing Greentown Zhongtian Real Estate Development Co., Ltd. ("Deqing Zhongtian")	RMB50,000,000	47% (ii)	47% (ii)	Real estate development
紹興金綠泉房地產開發有限公司 Shaoxing Jinlvquan Real Estate Development Co., Ltd. ("Shaoxing Jinlvquan")	RMB580,000,000	35%	35%	Real estate development
濟南海爾綠城房地產有限公司 Jinan Haier Greentown Real Estate Co., Ltd. ("Jinan Haier Greentown")	RMB200,000,000	45%	45%	Real estate development
無錫綠城房地產開發有限公司 Wuxi Greentown Real Estate Development Co., Ltd. ("Wuxi Greentown")	RMB102,000,000	85% (iii)	- (iii)	Real estate development
慈溪綠城投資置業有限公司 Cixi Greentown Real Estate Investment Co., Ltd. ("Cixi Greentown")	RMB98,000,000	49% (ii)	49% (ii)	Real estate development
台州浙能綠城置業有限公司 Taizhou Zheneng Greentown Real Estate Co., Ltd. ("Taizhou Zheneng")	RMB300,000,000	49% (v)	49% (v)	Real estate development

Notes to the Consolidated Financial Statements

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17. INTERESTS IN ASSOCIATES (Continued)

Name of associate	Registered capital	Attributable equity interest held by the Group		Principal activities
		2009	2008	
杭州浙能綠城置業有限公司 Hangzhou Zheneng Greentown Real Estate Co., Ltd. ("Hangzhou Zheneng")	RMB100,000,000	49% (v)	49% (v)	Real estate development
台州浙信綠城房地產開發有限公司 Taizhou Zhexin Greentown Real Estate Development Co., Ltd. ("Taizhou Zhexin")	RMB20,000,000	40%	40%	Real estate development
台州綠城房地產有限公司 Taizhou Greentown Real Estate Co., Ltd. ("Taizhou Greentown")	RMB100,000,000	45% (vi)	-	Real estate development
台州綠城能源房地產有限公司 Taizhou Greentown Nengyuan Real Estate Co., Ltd. ("Taizhou Greentown Nengyuan")	RMB100,000,000	49% (vi)	-	Real estate development
杭州鐵綠商貿有限公司 Hangzhou Tielv Trading Co., Ltd. ("Hangzhou Tielv")	RMB2,000,000	45% (vi)	-	Trading
浙江鐵建綠城房地產開發有限公司 Zhejiang Tiejian Greentown Real Estate Development Co., Ltd. ("Zhejiang Tiejian Greentown")	RMB100,000,000	38% (vi)	-	Real estate development
杭州百大置業有限公司 Hangzhou Baida Real Estate Co., Ltd. ("Hangzhou Baida")	RMB100,000,000	30% (vii)	-	Real estate development
紹興綠城金昌置業有限公司 Shaoxing Greentown Jinchang Real Estate Co., Ltd. ("Shaoxing Greentown")	RMB100,000,000	42% (vi)	-	Real estate development
杭州新綠西置業有限公司 Hangzhou Xinlvxi Real Estate Co., Ltd. ("Hangzhou Xinlvxi")	RMB10,000,000	42% (vii)	-	Real estate development

Notes to the Consolidated Financial Statements

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17. INTERESTS IN ASSOCIATES (Continued)

Notes:

(i) Only two out of five directors of Hangzhou Qianxin Greentown are appointed by the Group, while a valid board resolution requires two-thirds of the total votes. The Group does not have the power to direct the financial and operating policies of Hangzhou Qianxin Greentown. Therefore, Hangzhou Qianxin Greentown is accounted for as an associate of the Group.

(ii) Henan Zhongzhou, Deqing Xizi, Deqing Zhongtian and Cixi Greentown are subsidiaries of Zhejiang Zhongqinglv.

(iii) Wuxi Greentown became a subsidiary of the Group in 2008 (see Note 31).

Wuxi Greentown became an associate of the Group in 2009 pursuant to the Trust arrangements set out in Note 27.

(iv) Only two out of five directors of Hangzhou Binlv are appointed by the Group, while a valid board resolution requires half of the total votes. The Group does not have the power to direct or jointly control the financial and operational policies of Hangzhou Binlv. Therefore, Hangzhou Binlv is accounted for as an associate of the Group.

(v) Hangzhou Zheneng is a subsidiary of Taizhou Zheneng. Both entities were newly established in 2008.

(vi) Taizhou Greentown, Taizhou Greentown Nengyuan, Zhejiang Tiejian Greentown and Shaoxing Greentown were newly established in 2009. Hangzhou Tielv was newly established in 2009 and is wholly owned by Hangzhou Jade City.

(vii) Hangzhou Baida and Hangzhou Xinlvxi were newly acquired in 2009.

The summarised financial information in respect of the Group's associates is set out below:

	2009 RMB'000	2008 RMB'000
Total assets	33,559,496	19,525,949
Total liabilities	(28,947,362)	(16,041,310)
Net assets	4,612,134	3,484,639
Group's share of net assets of associates	1,762,099	1,434,510
Revenue	5,405,888	3,423,220
Profit for the year	957,072	468,690
Group's share of results of associates for the year	456,031	242,158

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18. INTERESTS IN JOINTLY CONTROLLED ENTITIES

	2009 RMB'000	2008 RMB'000
Cost of unlisted investments in jointly controlled entities	193,037	153,036
Share of post-acquisition profits, net of dividends received	42,506	173,181
	235,543	326,217

As at 31 December 2008 and 2009, the Group had interests in the following jointly controlled entities established and operating in the PRC:

Name of jointly controlled entity	Registered capital	Attributable equity interest held by the Group		Principal activities
		2009	2008	
浙江報業綠城投資有限公司 Zhejiang Newspapering Greentown Investment Co., Ltd. ("Zhejiang Newspapering Greentown")	RMB80,000,000	50%	50%	Investment holding
寧波浙報綠城房地產開發有限公司 Ningbo Zhebao Greentown Real Estate Development Co., Ltd.	RMB60,000,000	50%	50%	Real estate development
寧波綠城桂花園房地產開發有限公司 Ningbo Greentown Osmanthus Garden Real Estate Development Co., Ltd. ("Ningbo Greentown Osmanthus Garden")	RMB20,000,000	60% (i)	60% (i)	Real estate development
海寧綠城新湖房地產開發有限公司 Haining Greentown Sinhoo Real Estate Development Co., Ltd. ("Haining Greentown")	RMB20,000,000	50% (v)	50% (v)	Real estate development
浙江綠西房地產集團有限公司 (原名為：浙江綠城西子房地產集團有限公司) Zhejiang Lvxi Real Estate Group Co., Ltd. ("Zhejiang Lvxi Group") (Formerly known as: Zhejiang Greentown Xizi Real Estate Group Co., Ltd.)	RMB100,000,000	50% (ii)	50% (ii)	Investment holding, real estate development and business consulting
臨安西子房地產開發有限公司 Linan Xizi Real Estate Development Co., Ltd. ("Linan Xizi")	RMB80,000,000	50% (ii)	50% (ii)	Real estate development
南通嘉匯置業有限公司 Nantong Jiahui Real Estate Co., Ltd. ("Nantong Jiahui")	RMB30,000,000	50% (ii)	50% (ii)	Real estate development

Notes to the Consolidated Financial Statements

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18. INTERESTS IN JOINTLY CONTROLLED ENTITIES (Continued)

Name of jointly controlled entity	Registered capital	Attributable equity interest held by the Group		Principal activities
		2009	2008	
浙江西子置業有限公司 Zhejiang Xizi Real Estate Co., Ltd. ("Zhejiang Xizi")	RMB80,000,000	50% (ii)	50% (ii)	Real estate development
浙江綠城新興置業有限公司 Zhejiang Greentown Xinxing Real Estate Co., Ltd. ("Greentown Xinxing")	RMB80,000,000	35% (ii)	35% (ii)	Real estate development
紹興綠城寶業房地產開發有限公司 Shaoxing Greentown Baoye Real Estate Co., Ltd. ("Shaoxing Greentown Baoye")	RMB100,000,000	51% (iii)	51% (iii)	Real estate development
杭州凱喜雅房地產開發有限公司 Hangzhou Kaixiya Real Estate Development Co., Ltd. ("Hangzhou Kaixiya")	RMB100,000,000	50% (ii)	30% (ii)	Real estate development
浙江報業綠城房地產開發有限公司 Zhejiang Newspapering Greentown Real Estate Development Co., Ltd. ("Zhejiang Newspapering Greentown Real Estate")	RMB400,000,000	- (iv)	50% (iv)	Real estate development
南通金管家物業管理有限公司 Nantong Goldsteward Property Management Co., Ltd. ("Nantong Goldsteward")	RMB500,000	50% (ii)	50% (ii)	Property management
浙江綠城新湖商業管理有限公司 Zhejiang Greentown Sinhoo Commerce Management Co., Ltd. ("Zhejiang Greentown Sinhoo")	RMB5,000,000	50% (v)	30% (v)	Commerce management
浙江鐵投綠城投資有限公司 Zhejiang Tietou Greentown Investment Co., Ltd. ("Zhejiang Tietou Greentown Investment")	RMB80,000,000	50% (vi)	-	Investment holding
浙江鐵投綠城房地產開發有限公司 Zhejiang Tietou Greentown Real Estate Development Co., Ltd. ("Zhejiang Tietou Greentown Real Estate")	RMB80,000,000	50% (vi)	-	Real estate development

Notes to the Consolidated Financial Statements

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18. INTERESTS IN JOINTLY CONTROLLED ENTITIES (Continued)

Notes:

- (i) Zhejiang Newspapering Greentown and Richwise Holdings Limited (“Richwise”), a subsidiary of the Company, respectively hold 70% and 25% of the equity interest in Ningbo Greentown Osmanthus Garden. Ningbo Greentown Osmanthus Garden is therefore a subsidiary of Zhejiang Newspapering Greentown. Only one out of five directors of Ningbo Greentown Osmanthus Garden is directly appointed by the Group, while a valid board resolution requires two-thirds of the total votes. The Group does not have the power to direct the financial and operational policies of Ningbo Greentown Osmanthus Garden. Therefore, Ningbo Greentown Osmanthus Garden is equity accounted for as a subsidiary of a jointly controlled entity of the Group.
- (ii) Linan Xizi, Nantong Jiahui, Zhejiang Xizi, Greentown Xinxing, Hangzhou Kaixiya and Nantong Goldsteward are subsidiaries of Zhejiang Lvxi Group.
- (iii) Three out of five directors of Shaoxing Greentown Baoye are appointed by the Group, while a valid board resolution requires unanimous approval from all directors. The Group does not have the power to direct the financial and operational policies of Shaoxing Greentown Baoye. Therefore, Shaoxing Greentown Baoye is accounted for as a jointly controlled entity of the Group.
- (iv) Zhejiang Newspapering Greentown Real Estate became a subsidiary of the Company in 2009 (see Note 31).
- (v) Zhejiang Greentown Sinhoo became a wholly owned subsidiary of Haining Greentown in 2009.
- (vi) Zhejiang Tietou Greentown Investment and Zhejiang Tietou Greentown Real Estate were both established in 2009. Zhejiang Tietou Greentown Investment holds 100% equity interest in Zhejiang Tietou Greentown Real Estate.

The summarised financial information in respect of the Group’s interests in the jointly controlled entities which are accounted for using the equity method is set out below:

	2009	2008
	RMB’000	RMB’000
Current assets	6,813,684	3,804,530
Non-current assets	102,770	21,962
Current liabilities	(5,616,394)	(2,825,360)
Non-current liabilities	(1,077,077)	(682,925)
Income	879,858	1,260,895
Expenses	(707,400)	(1,137,172)

Notes to the Consolidated Financial Statements

For The Year Ended 31 December 2009

18. INTERESTS IN JOINTLY CONTROLLED ENTITIES (Continued)

The Group has discontinued recognition of its share of losses of certain jointly controlled entities as its share of losses of those jointly controlled entities equals or exceeds its interests in those jointly controlled entities. The amounts of unrecognised share of losses of these jointly controlled entities, both for the year and cumulatively, are as follows:

	2009 RMB'000	2008 RMB'000
Unrecognised share of losses of jointly controlled entities for the year	(13,355)	25,919
Accumulated unrecognised share of losses of jointly controlled entities	12,564	25,919

19. AVAILABLE-FOR-SALE INVESTMENTS

Available-for-sale investments comprise:

	2009 RMB'000	2008 RMB'000
Junior Trust units (Note 27(A))	180,000	-
Unlisted equity securities	24,074	8,500
	204,074	8,500

The above unlisted equity securities were issued by private entities established in the PRC. The available-for-sale investments are measured at cost less impairment at the end of the reporting period because the range of reasonable fair value estimates is so significant that the directors are of the opinion that their fair values cannot be measured reliably.

20. PREPAID LEASE PAYMENT

	2009 RMB'000	2008 RMB'000
The Group's prepaid lease payment comprises:		
Leasehold land in the PRC:		
Medium-term lease	155,328	152,917
Analysed for reporting purposes as:		
Current asset (included in trade and other receivables)	4,446	4,270
Non-current asset	150,882	148,647
	155,328	152,917

Notes to the Consolidated Financial Statements

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21. DEFERRED TAXATION

The following are the major deferred tax assets (liabilities) recognised and movements thereon during the current and prior years:

	Temporary differences on revenue recognition and related cost of sales	Impairment losses	Tax losses	Fair value adjustments	LAT provision	Undistributed profits	Others	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
At 1 January 2008	9,753	-	46,209	(85,496)	96,749	-	6,615	73,830
Credit (charge) to profit or loss	(6,849)	26,225	46,874	4,468	54,448	(20,756)	(26,471)	77,939
At 31 December 2008	2,904	26,225	93,083	(81,028)	151,197	(20,756)	(19,856)	151,769
Credit (charge) to profit or loss	12,034	(6,825)	139,805	28,097	13,642	(50,000)	(16,242)	120,511
At 31 December 2009	14,938	19,400	232,888	(52,931)	164,839	(70,756)	(36,098)	272,280

Others represent mainly deferred tax liabilities recognised in respect of temporary differences arising from accelerated tax depreciation.

For the purpose of presentation in the consolidated statement of financial position, deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred taxes relate to the same legal entity and fiscal authority. The following is the analysis of the deferred tax balances for financial reporting purposes:

	2009 RMB'000	2008 RMB'000
Deferred tax assets	451,859	260,832
Deferred tax liabilities	(179,579)	(109,063)
	272,280	151,769

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For The Year Ended 31 December 2009

21. DEFERRED TAXATION (Continued)

At the end of the reporting period, the Group had unutilised tax losses of RMB1,541,267,000 (2008: RMB893,888,000) available for offset against future profits. A deferred tax asset has been recognised in respect of RMB935,251,000 (2008: RMB391,217,000) of such losses. No deferred tax asset has been recognised in respect of the remaining RMB606,016,000 (2008: RMB502,671,000) due to the unpredictability of future profit streams. Pursuant to the relevant laws and regulations in the PRC, the unrecognised tax losses at the end of the reporting period will expire in the following years:

	2009 RMB'000	2008 RMB'000
2009	-	66,798
2010	22,188	24,220
2011	26,704	58,054
2012	106,924	122,454
2013	207,618	231,145
2014	242,582	-
	606,016	502,671

Based on the latest budgets, management believes that there will be sufficient future profits for the realisation of the deferred tax assets recognised in respect of tax losses.

At the end of the reporting period, the Group has deductible temporary differences of RMB37,908,000 (2008: RMB169,348,000) in respect of which no deferred tax asset has been recognised as it is not probable that taxable profit will be available against which the deductible temporary differences can be utilised.

Under the EIT Law of PRC, withholding tax is imposed on dividends declared in respect of profits earned by PRC subsidiaries from 1 January 2008 onwards. Deferred taxation has not been provided for in the consolidated financial statements in respect of temporary differences attributable to accumulated profits of the PRC subsidiaries amounting to RMB1,650,973,000 (31 December 2008: RMB484,306,000) as the Group is able to control the timing of the reversal of the temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future.

22. PROPERTIES FOR DEVELOPMENT

Included in properties for development is an amount of RMB6,891,411,000 (2008: RMB2,712,195,000) as at 31 December 2009 which represents prepayments made in respect of the long-term leasehold land. As at 31 December 2009, the Group was in the process of obtaining the land use rights certificates for such land included in the balance of properties for development.

All properties for development are expected to be recovered after more than 12 months.

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For The Year Ended 31 December 2009

23. PROPERTIES UNDER DEVELOPMENT

	2009 RMB'000	2008 RMB'000
Long-term leasehold land - at cost	19,207,286	16,645,854
Development costs	8,496,511	5,117,146
Finance costs capitalised	2,276,831	1,487,049
	29,980,628	23,250,049

Properties under development amounting to RMB23,675,421,000 (2008: RMB18,822,664,000) are expected to be recovered after more than 12 months.

During the year, there was a significant increase in the net realisable value of properties under development due to the recovery in the PRC property market. As a result, a reversal of impairment losses on properties under development of RMB190,433,000 (2008: RMB nil) has been recognised in the current year through either the disposal of the relevant project company or the increase in the relevant net realisable value estimates.

24. OTHER CURRENT ASSETS

Trade and other receivables, deposits and prepayments

	2009 RMB'000	2008 RMB'000
Trade receivables	179,933	205,844
Other receivables	1,177,975	207,864
Prepayments and deposits	2,348,828	920,893
	3,706,736	1,334,601

The Group allows an average credit period of 90 days to its trade customers. The aged analysis of trade receivables is stated below. The trade receivables which are aged 91 days or above are all past due but not impaired. The Group does not notice any significant changes in the credit quality of its trade receivables and the amounts are considered to be recoverable.

	2009 RMB'000	2008 RMB'000
0 - 30 days	137,468	133,976
31 - 90 days	8,353	34,123
91 - 180 days	3,069	125
181 - 365 days	15,155	1,025
Over 365 days	15,888	36,595
Trade receivables	179,933	205,844

Most of the Group's customers take out mortgages from banks to buy their properties. Should a customer fail to obtain a mortgage and honour the property sale and purchase agreement between himself and the Group, the Group has the right to revoke the agreement, reclaim the property and re-sell it in the market. The Group does not notice any significant changes in the credit quality of its trade receivables and the amount are considered to be recoverable.

Included in other receivables were advances to third parties of RMB641,373,000 (2008: RMB58,025,000) as at 31 December 2009. The advances are interest free, unsecured and expected to be recovered within one year. The advances comprise mainly earnest money for potential projects. The Group has concentration of credit risk at 85% (2008: 65%) of the total advances to third parties was due from the five largest counterparties. The Group does not notice any significant changes in the credit quality of its advances to third party and the amounts are considered to be recoverable.

Notes to the Consolidated Financial Statements

For The Year Ended 31 December 2009

24. OTHER CURRENT ASSETS (Continued)

Other receivables are repayable on demand. Prepayments and deposits are expected to be recovered after more than 12 months.

No allowance was made for trade and other receivables.

Bank balances and cash/pledged bank deposits

Bank balances and cash comprise cash held by the Group and short-term bank deposits with an original maturity of three months or less. Bank balances carry interest at market rates which range from 0.36% to 1.71% (2008: 0.36% to 4.41%) per annum.

Pledged bank deposits represent deposits pledged to banks to secure short-term banking facilities granted to the Group. The pledged bank deposits carry interest at market rates which range from 0.36% to 4.14% (2008: 1.98% to 5.58%) per annum.

As at 31 December 2009, the Group had bank balances and cash (including pledged bank deposits) denominated in Renminbi amounting to RMB11,119,796,000 (2008: RMB1,624,869,000). Renminbi is not freely convertible into other currencies.

Bank balances and cash/pledged bank deposits that are denominated in currencies other than the functional currency of the respective group entities are set out below:

	HKD RMB'000	USD RMB'000
As at 31 December 2009	16,716	645,657
As at 31 December 2008	42,729	50,640

25. TRADE AND OTHER PAYABLES

The aged analysis of trade payables is stated as follows:

	2009 RMB'000	2008 RMB'000
0 - 30 days	2,373,452	1,693,002
31 - 90 days	183,009	193,780
91 - 180 days	172,634	109,312
181 - 365 days	456,886	441,368
Over 365 days	247,648	187,846
Trade payables	3,433,629	2,625,308
Other payables and accrued expenses	1,599,596	766,942
	5,033,225	3,392,250

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

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26. BANK AND OTHER BORROWINGS

	2009 RMB'000	2008 RMB'000
Secured bank loans (See Note 36)	18,151,925	8,125,826
Unsecured bank loans	3,542,036	1,690,140
	21,693,961	9,815,966
Secured other loans (See Note 36)	227,474	517,400
Unsecured other loans	489,994	919,680
	717,468	1,437,080
	22,411,429	11,253,046

	2009 RMB'000	2008 RMB'000
Carrying amount repayable:		
Within one year	8,465,194	3,867,741
More than one year, but not exceeding two years	5,657,795	5,180,566
More than two years, but not exceeding three years	6,374,240	1,923,138
More than three years, but not exceeding four years	112,783	3,350
More than four years, but not exceeding five years	557,783	263,581
More than five years	1,243,634	14,670
	22,411,429	11,253,046
Less: Amounts due within one year shown under current liabilities	(8,465,194)	(3,867,741)
Amounts due after one year	13,946,235	7,385,305

Bank and other borrowings can be further analysed as follows:

	2009 RMB'000	2008 RMB'000
Fixed-rate	2,867,924	9,554,035
Variable-rate	19,543,505	1,699,011
	22,411,429	11,253,046

Notes to the Consolidated Financial Statements

For The Year Ended 31 December 2009

26. BANK AND OTHER BORROWINGS (Continued)

The average interest rates were as follows:

	2009	2008
Bank loans	6.45%	7.82%
Other loans	6.51%	8.14%

At the end of the reporting period, certain bank loans are supported by guarantees from the following companies:

	2009 RMB'000	2008 RMB'000
Secured bank loans:		
Minority shareholders	292,000	-
Independent third parties	27,549	30,610
Unsecured bank loans:		
Minority shareholders	102,000	-

27. TRUST

On 14 April 2009, a trust agreement was entered into between Greentown Real Estate Group Co., Ltd. ("Greentown Real Estate"), a wholly-owned subsidiary of the Company, and Zhonghai Trust Company Ltd. (the "Trustee"), as trustee of the Zhonghai Greentown No. 1 Real Estate Investment Fund (the "Trust"). Pursuant to the terms of the Trust, a bank in the PRC subscribed for a total of 1,700,000,000 senior trust units of the Trust, comprising 100% of the total senior trust units and 85% of the total trust units available for subscription under the Trust, at a consideration of approximately RMB1,683,000,000. On 17 April 2009, Greentown Real Estate subscribed for a total of 180,000,000 junior trust units of the Trust, comprising 60% of the total junior trust units and 9% of the total trust units available for subscription under the Trust, at a consideration of RMB180,000,000. The remaining junior trust units of the Trust available for subscription under the Trust, comprising 40% of the total junior trust units and 6% of the total trust units available for subscription under the Trust, were subscribed by qualified investors in the PRC for a consideration of RMB120,000,000. The Trust was fully constituted on 20 April 2009 (the "Trust Establishment Date") and the initial Trust capital was approximately RMB1,983,000,000.

Pursuant to the terms of the Trust, the following agreements were entered into between Greentown Real Estate and Hangzhou Kangju Investment Management Company Limited ("Hangzhou Kangju"), a wholly-owned subsidiary of the Company, and the Trustee:

- (a) On 14 April 2009 and 17 April 2009, Greentown Real Estate and Hangzhou Kangju entered into separate equity sale and purchase agreements with the Trustee for the sale of 45% equity interest in Wuxi Greentown Real Estate Development Co., Ltd. ("Wuxi Greentown") and 25% equity interest in Hangzhou Greentown Haiqi Real Estate Development Co. Ltd. ("Hangzhou Greentown Haiqi") for a consideration of RMB45,900,000 and RMB250,000,000, respectively (collectively, the "Equity Sale"). The sale by Greentown Real Estate of its 45% equity interest in Wuxi Greentown was completed on 15 April 2009. The sale by Hangzhou Kangju of its 25% equity interest in Hangzhou Greentown Haiqi was completed on 17 April 2009.

Notes to the Consolidated Financial Statements

For The Year Ended 31 December 2009

27. TRUST (Continued)

- (b) On 20 April 2009, the Trustee entered into separate loan agreements with each of Wuxi Greentown and Hangzhou Greentown Haiqi pursuant to which the Trust provided a loan in the principal amount of RMB437,100,000 to Wuxi Greentown and a loan in the principal amount of RMB1,250,000,000 to Hangzhou Greentown Haiqi (collectively, the “Trust Loans”). The Trust Loans bear an interest rate of 14%, and are repayable in full on the 33rd month after the Trust Establishment Date save and except that if 40% of the total above-ground gross floor area (“GFA”) of phase one of the Qianjiang Project (undertaken by Hangzhou Greentown Haiqi) and the Taihu Project (undertaken by Wuxi Greentown) (as the case may be) is sold, the relevant project company shall repay half of the principal sum of the relevant Trust Loan; and if 80% of the total above-ground GFA of phase one of the Qianjiang Project and the Taihu Project (as the case may be) is sold, the relevant project company shall repay all of the principal sum of the Trust Loan. Under other circumstances, Hangzhou Greentown Haiqi or Wuxi Greentown (as the case may be) may request early repayment by multiple instalments if all of the following conditions are satisfied:
- (i) the Trust has been established for more than six months;
 - (ii) the relevant Trust Loan has been drawn for more than six months;
 - (iii) a one-month prior written notice for early repayment has been given to the Trustee;
 - (iv) each repayment of the principal sum of the relevant Trust Loan(s) shall not be less than one-third of the principal sum of the relevant Trust Loan(s) as stipulated in the loan agreements or RMB250.0 million, whichever is lower; and
 - (v) Greentown Real Estate or its nominees have acquired the equity interest of Hangzhou Greentown Haiqi or Wuxi Greentown (as the case may be) held by the Trust in such proportion equivalent to the percentage of the principal sum of the relevant Trust Loan repaid by Hangzhou Greentown Haiqi or Wuxi Greentown (as the case may be).
- (c) In connection with the Equity Sale and the Trust Loans, Greentown Real Estate and Hangzhou Kangju entered into various additional agreements with the Trustee in respect of:
- (i) The equity interests sold in the Equity Sale, pursuant to which the Trust shall be obliged (the “Equity Put”) to require Greentown Real Estate or its nominees to repurchase the equity interests sold in the Equity Sale at a pre-agreed purchase price (the “Equity Put Price”) upon (a) the expiry of the 33rd month after the Trust Establishment Date; (b) the occurrence of certain material adverse events affecting Wuxi Greentown, Hangzhou Greentown Haiqi or Greentown Real Estate; or (c) early repayment of the Trust Loans. The Equity Put Price is based on a fixed rate of 40% per annum with reference to the number of investment days in Wuxi Greentown and/or Hangzhou Greentown Haiqi less any cumulative dividend paid by Wuxi Greentown and/or Hangzhou Greentown Haiqi;
 - (ii) The outstanding equity interests in Wuxi Greentown and Hangzhou Greentown Haiqi held by Greentown Real Estate and Hangzhou Kangju immediately after the Equity Sale (the “Remaining Equity Interests”), pursuant to which the Trustee has the right to acquire the Remaining Equity Interests for a consideration of RMB1 if certain material adverse events occur. However, each of Greentown Real Estate and Hangzhou Kangju has been granted a call option to repurchase the relevant Remaining Equity Interests from the Trust for a consideration of RMB1 if the Trust Loans have been repaid and if the realization value of the Equity Put is not less than the Equity Put Price (the “RMB1 Options”); and
 - (iii) Trust units held by beneficiaries of the Trust (other than Greentown Real Estate), pursuant to which such beneficiaries of the Trust have been granted a put option (the “Trust Put”) to procure Greentown Real Estate to purchase all outstanding Trust units not then held by Greentown Real Estate at a pre-agreed purchase price (the “Trust Put Price”) in the event that (a) certain material adverse events occur; and (b) the Trust is unable to obtain certain agreed minimum returns on equity upon the exercise of Equity Put. The Trust Put Price is based on a fixed rate of 11.5% per annum in the case of senior Trust units and 45% per annum in the case of junior Trust units with reference to the number of investment days of the Trust less any cumulative Trust income distributed to the beneficiaries of the senior Trust units or the junior Trust units (as the case may be)

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27. TRUST (Continued)

- (d) Under the terms of the Trust, Greentown Real Estate also provided (i) a guarantee to the Trustee in respect of all of the obligations of Wuxi Greentown, Hangzhou Greentown Haiqi and other parties related to Greentown Real Estate under, among other things, the Trust Loans (the "Guarantee"); and (ii) a surety of RMB10,000,000 to the Trustee as security for the obligations of Wuxi Greentown, Hangzhou Greentown Haiqi, Greentown Real Estate and other parties related to Greentown Real Estate under, among other things, the Trust Loans and Equity Put (the "Surety"). Furthermore, as security for, among other things, obligations of Wuxi Greentown and Hangzhou Greentown Haiqi under the Trust Loans, Greentown Real Estate and Hangzhou Kangju pledged all of their respective Remaining Equity Interests in Wuxi Greentown and Hangzhou Greentown Haiqi to the Trustee.

The accounting treatment for the junior trust units subscribed for by Greentown Real Estate and the various agreements entered into between the Trustee, Greentown Real Estate and Hangzhou Kangju (described above) is as follows:

- (A) The 180,000,000 junior units of the Trust subscribed for by the Group at a consideration of RMB180,000,000 are accounted for as an available-for-sale investment. Beneficiaries of junior units are subordinate to those of senior units in receiving Trust income. They are entitled to a floating income only, which is based on a maximum floating rate of 45% per annum with reference to the number of investment days of the Trust and less any cumulative Trust income distributed to the beneficiaries of each junior unit, (i) upon early repayment of the Trust Loans and exercise of the Equity Put; (ii) prior to exercise of the Trust Put; and (iii) upon termination of the Trust.
- (B) The Surety of RMB10,000,000 provided by the Group to the Trustee as security for certain obligations of the Group under the Trust is accounted for as a non-current amount due from related party. The Surety shall be refunded upon termination of the Trust.
- (C) For accounting purposes, the Equity Sale and the Equity Put together are considered to be sale and repurchase arrangements. The sale and repurchase arrangements between the Trust and the Group in relation to the 25% equity interest in Hangzhou Greentown Haiqi and the 45% equity interest in Wuxi Greentown are accounted for as a financing arrangement rather than a disposal of equity interests in Hangzhou Greentown Haiqi and Wuxi Greentown.

On the Trust Establishment Date, Wuxi Greentown became an associate of the Group as the Group has transferred control over Wuxi Greentown to the Trust, but it is able to exercise significant influence over Wuxi Greentown by appointing one director on the board of directors of Wuxi Greentown. The assets and liabilities of Wuxi Greentown were de-consolidated and the 85% equity interest which is considered to be held by the Group in Wuxi Greentown is accounted for as an associate using the equity method.

	2009 RMB'000
Net assets de-consolidated:	
Property, plant and equipment	2,637
Deferred tax assets	196
Properties under development	702,013
Trade and other receivables, deposits and prepayments	602
Bank balances and cash	246,150
Trade and other payables	(4,487)
Amounts due to related parties	(505,892)
Other taxes payable	(1)
Bank borrowings	(400,000)
	41,218
Minority interests	(6,196)
	35,022
Transfer to interest in an associate	35,022

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27. TRUST (Continued)

(D) The net proceeds received from the Trust under the sale and repurchase arrangements in relation to the 25% equity interest in Hangzhou Greentown Haiqi and the 45% equity interest in Wuxi Greentown and the Trust Loans have been split into a liability component and a number of derivatives as follows:

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

The interest charged for the year is calculated by applying an effective interest rate of approximately 22% per annum to the liability component since the Trust Establishment Date.

The cash receipts of RMB45,900,000 and RMB250,000,000 are accounted for as borrowings of the Group as a result of the sale and repurchase arrangements in relation to the 45% equity interest in Wuxi Greentown and the 25% equity interest in Hangzhou Greentown Haiqi respectively.

The cash receipts from the Trust Loans granted by the Trust to Hangzhou Greentown Haiqi and Wuxi Greentown are accounted for as borrowings of the Group and associate respectively in the principal amount of RMB1,250,000,000 and RMB437,100,000 respectively.

The liability component is classified as a non-current amount due to related party.

(ii) The Trust Put, the Guarantee and the RMB1 Options (together, the “Trust-related financial derivatives”) are accounted for as separate derivatives at fair value.

The movements of the liability component and Trust-related financial derivatives for the year are set out below:

	Liability component RMB'000	RMB1 Trust Put RMB'000	Guarantee RMB'000	Options RMB'000	Total RMB'000
At 20 April 2009	1,286,720	186,360	71,730	1,090	1,545,900
Interest charged during the year	199,363	-	-	-	199,363
Interest paid during the year	(119,068)	-	-	-	(119,068)
Changes in fair value	-	(16,460)	96,220	(860)	78,900
At 31 December 2009	1,367,015	169,900	167,950	230	1,705,095

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28. CONVERTIBLE BONDS

(i) 2006 Convertible Bonds

As at 31 December 2008, secured non-mandatory convertible bonds due 2011 (the “2006 Convertible Bonds”) in an aggregate principal amount of USD12,000,000 were outstanding. The 2006 Convertible Bonds were listed on the Singapore Exchange Securities Trading Limited.

The principal terms of the 2006 Convertible Bonds are as follows:

(i) *Optional conversion*

The 2006 Convertible Bonds may be converted at the option of the holders at any time on or after 180 days subsequent to the listing date up to the seventh business day prior to the maturity date of the convertible bonds, which is 10 January 2011. Subject to adjustments upon the occurrence of various events described in the trust deed relating to the convertible bonds, the initial conversion price for the non-mandatory convertible bonds will be 104% of the offer price of the shares of the Company in the Company’s initial public offering in 2006 (the “Global Offering”).

(ii) *Redemption*

- *Redemption at the option of the Company*

Subsequent to the Global Offering, the Company will have the right to require holders of the 2006 Convertible Bonds to redeem their 2006 Convertible Bonds (having given not less than 30 nor more than 60 days’ prior written notice) as follows:

- The Company may, at its option, redeem the 2006 Convertible Bonds in whole, but not in part, at any time after 10 July 2008 but not less than seven business days prior to 10 January 2011 if the closing price of the Company’s shares for each of any 20 trading days falling within a period of 30 consecutive trading days, with the last day of such period occurring no more than five trading days prior to the date upon which the early redemption notice is given, was for each such 20 trading day at least 140% of the principal amount of the 2006 Convertible Bonds divided by the conversion ratio, which is equal to the principal amount of the convertible bonds divided by the then applicable conversion price translated into USD at USD1.00 = HKD7.75, subject to specific adjustments relating to the 2006 Convertible Bonds; and
- The Company may, at its option, redeem the 2006 Convertible Bonds in whole, but not in part, if less than 10% of the aggregate principal amount of 2006 Convertible Bonds originally issued remains outstanding.

Notes to the Consolidated Financial Statements

For The Year Ended 31 December 2009

28. CONVERTIBLE BONDS (Continued)

(i) 2006 Convertible Bonds (Continued)

(ii) Redemption (Continued)

- *Redemption at the option of the bondholders*

Holders of the 2006 Convertible Bonds have the right to require the Company to redeem the convertible bonds at their outstanding principal amount plus accrued interest (including any default interest) with respect to such 2006 Convertible Bonds as follows:

- to redeem, at the option of such holders, all or a part of the 2006 Convertible Bonds on 10 January 2009, being the third anniversary of their issue date;
- to redeem in whole, but not in part, the 2006 Convertible Bonds upon the occurrence of a change of control when (a) any person or persons, acting together, other than any of the relevant shareholders, namely SONG Weiping, SHOU Bainian and Xia Yibo (the "Shareholders"), acquires more than 50% of the voting rights of the Company's issued share capital or the right to appoint and/or remove all or the majority of the Company's directors or (b) the Company consolidate with or merge into or sell or transfer all or substantially all of its assets to any other person resulting in any person or persons, acting together, other than any Shareholders, acquiring control over more than 50% of the voting rights of the Company's issued share capital or the right to appoint and/or remove all or the majority of the Company's directors; and
- to redeem in whole, but not in part, the 2006 Convertible Bonds upon the Company's shares ceasing to be listed or admitted to trading on the Stock Exchange subsequent to the Global Offering.

The net proceeds received from the issue of the convertible bonds have been split between a liability component and a number of embedded derivatives as follows:

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

The interest charged for the year is calculated by applying an effective interest rate of approximately 14% per annum to the liability component since the convertible bonds were issued.

- (ii) Embedded derivatives, comprising:

- (a) The fair value of the option of the bondholders to convert the convertible bonds into equity of the Company at a conversion price linked to the offer price of the Company's shares in the Global Offering;
- (b) The fair value of the option of the Company to require the bondholders to redeem the convertible bonds; and
- (c) The fair value of the option of the bondholders to require the Company to redeem the convertible bonds.

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28. CONVERTIBLE BONDS (Continued)

(i) 2006 Convertible Bonds (Continued)

The binomial model is used in the valuation of these embedded derivatives. Inputs into the model are as follows:

	31 December 2008
Exercise price	100%
Risk-free rate of interest	3.00%
Dividend yield	2.64%
Time to expiration	2.0 years
Volatility	62%

Notes:

- (a) The risk-free rate of interest adopted was the market yield of China International Bond maturing in 2011.
- (b) The dividend yield adopted as at 31 December 2008 was based on the dividend yield of the Company over the past two years.
- (c) The volatility adopted as at 31 December 2008 was based on the share price volatility of the Company over the past two years.
- (d) The fair value of the redemption options was developed by the “with and without approach”, i.e. the fair value of the conversion option/liability component with or without the redemption option.

The variables and assumptions used in computing the fair value of the embedded derivatives are based on the directors’ best estimates. The value of embedded derivatives varies with different variables of certain subjective assumptions.

On 9 January 2009, the Company redeemed the outstanding 2006 Convertible Bonds at US\$12,360,000 (equivalent to RMB84,497,000), representing their outstanding principal amount plus accrued interest, upon the holders of the 2006 Convertible Bonds exercising their redemption option, resulting in a gain of RMB11,494,000.

Notes to the Consolidated Financial Statements

For The Year Ended 31 December 2009

28. CONVERTIBLE BONDS (Continued)

(i) 2006 Convertible Bonds (Continued)

The movements of the liability component and embedded derivatives of the convertible bonds for the year are set out below:

	Liability component RMB'000	Conversion option RMB'000	Bondholder redemption option RMB'000	Issuer redemption option RMB'000	Total RMB'000
At 1 January 2008	73,391	54,025	7,597	(17,378)	117,635
Exchange realignment	(4,910)	(1,832)	(932)	565	(7,109)
Interest charged during the year	10,032	-	-	-	10,032
Interest paid/payable during the year	(5,090)	-	-	-	(5,090)
Changes in fair value	-	(49,480)	13,347	16,656	(19,477)
At 31 December 2008	73,423	2,713	20,012	(157)	95,991
Redemption	(73,423)	(2,713)	(20,012)	157	(95,991)
At 31 December 2009	-	-	-	-	-

(ii) 2007 Convertible Bonds

On 18 May 2007, the Company issued USD settled zero coupon convertible bonds (the "2007 Convertible Bonds") in an aggregate principal amount of RMB2,310,000,000 due 2012. The 2007 Convertible Bonds are also listed on the Singapore Exchange Securities Trading Limited. The net proceeds from the issue of the 2007 Convertible Bonds are mainly used to finance the development of the Group's existing projects and new projects (including land acquisition costs), with the remainder being applied to the Group's general working capital requirement.

The 2007 Convertible Bonds constitute direct, unsubordinated, unconditional and unsecured obligations of the Company, and shall at all times rank pari passu and without any preference or priority among themselves.

The principal terms of the 2007 Convertible Bonds are as follows:

(i) Guarantee

Each initial Subsidiary Guarantor (as defined below) has unconditionally and irrevocably guaranteed, on a joint and several basis, the due payment of all sums expressed to be payable by the Company under the 2007 Convertible Bonds and the trust deed (as amended or supplemented from time to time, the "Trust Deed") dated 18 May 2007 constituting the 2007 Convertible Bonds. Each Subsidiary Guarantor's obligations in respect of the 2007 Convertible Bonds and the Trust Deed (the "Guarantee") are contained in the Trust Deed.

The initial Subsidiary Guarantors (comprising all of the Subsidiary Guarantors which guarantee the payment of the senior notes (as described in Note 29) as of 18 May 2007) are Richwise Holdings Limited (BVI), Green Sea International Limited (BVI), Hua Yick Investments Limited (BVI), Best Smart Enterprises Limited (BVI), Addgenius Enterprises Limited (BVI), Active Way Development Limited (BVI) and Zest Rich Investments Limited (BVI).

Notes to the Consolidated Financial Statements

For The Year Ended 31 December 2009

28. CONVERTIBLE BONDS (Continued)

(ii) 2007 Convertible Bonds (Continued)

(i) *Guarantee (Continued)*

The Company will cause each of its future Subsidiaries (as defined in the indenture dated 8 November 2006 constituting the senior notes) which guarantees the payment of amounts payable under the senior notes or the indenture to guarantee the payment of any amount payable under the 2007 Convertible Bonds or the Trust Deed.

A Subsidiary Guarantor shall be simultaneously released from its obligations under the Guarantee upon the release of the Subsidiary Guarantor from its Subsidiary Guarantee under the indenture.

The payment obligations of the Subsidiary Guarantors under the Guarantee shall at all times rank at least equally with all their other present and future unsecured and unsubordinated obligations.

(ii) *USD settlement*

All amounts due under, and all claims arising out of or pursuant to, the 2007 Convertible Bonds, the Guarantee and/or the Trust Deed from or against the Company and/or any Subsidiary Guarantor shall be payable and settled in USD only.

(iii) *Conversion right*

The conversion right attaching to any 2007 Convertible Bonds may be exercised, at the option of the holder thereof, at any time on and after 28 June 2007 up to the close of business (at the place where the certificate evidencing such bonds is deposited for conversion) on 11 May 2012 or, if such bonds shall have been called for redemption before 18 May 2012 (the "Maturity Date"), then up to the close of business (at the place aforesaid) on a date no later than seven business days prior to the date fixed for redemption thereof.

The number of shares to be issued on conversion of the 2007 Convertible Bonds will be determined by dividing the RMB principal amount of the 2007 Convertible Bonds to be converted (translated into Hong Kong dollars at the fixed exchange rate of HKD1.00 = RMB0.9843) by the Conversion Price (as defined below) in effect at the conversion date.

The price at which shares will be issued upon conversion (the "Conversion Price") will initially be HKD22.14 per share but will be subject to adjustment for, among other things, subdivision or consolidation of shares, bonus issues, rights issues, distributions and other dilutive events. The present Conversion Price is HKD21.99 per share.

(iv) *Final redemption*

Unless previously redeemed, converted or purchased and cancelled, the Company will redeem the 2007 Convertible Bonds on the Maturity Date at the USD equivalent of their RMB principal amount multiplied by 105.638%.

(v) *Redemption at the option of the Company*

At any time after 18 May 2009 and prior to the Maturity Date, the Company may, having given not less than 30 nor more than 60 days' notice to the bondholders, the trustee and the principal agent (which notice will be irrevocable), redeem all or some only of the 2007 Convertible Bonds at the USD equivalent of their Early Redemption Amount (as defined below) on the redemption date, provided, however, that no such redemption may be made unless the closing price of the shares (as derived from the daily quotations sheet of the Stock Exchange) translated into RMB at the prevailing rate applicable to the relevant trading day, for 20 out of 30 consecutive trading days, where the last day of such 30-trading day period falls within five trading days prior to the date upon which notice of such redemption is given, was at least 120% of the Conversion Price then in effect translated into RMB at the fixed rate of exchange of HKD1.00 to RMB0.9843.

Notes to the Consolidated Financial Statements

For The Year Ended 31 December 2009

28. CONVERTIBLE BONDS (Continued)

(ii) 2007 Convertible Bonds (Continued)

(v) *Redemption at the option of the Company (Continued)*

The Company may, having given not less than 30 nor more than 60 days' notice to the bondholders, the trustee and the principal agent (which notice will be irrevocable), redeem all and not some only of the 2007 Convertible Bonds at the USD equivalent of their Early Redemption Amount (as defined below) on the redemption date if at any time at least 90% in principal amount of the 2007 Convertible Bonds has already been converted, redeemed or purchased and cancelled.

"Early Redemption Amount" of the 2007 Convertible Bonds, for each RMB100,000 principal amount of the 2007 Convertible Bonds, is determined so that it represents for the bondholder a gross yield of 1.1% per annum, calculated on a semi-annual basis. The applicable Early Redemption Amount for each RMB100,000 principal amount of the 2007 Convertible Bonds is calculated on a semi-annual basis in accordance with the following formula, rounded (if necessary) to two decimal places with 0.005 being rounded upwards (provided that if the date fixed for redemption is a Semi-Annual Date (as set out below), such Early Redemption Amount shall be as set out in the table below in respect of such Semi-Annual Date):

$$\text{Early Redemption Amount} = \text{Previous Redemption Amount} \times (1+r/2)^{d/p}$$

Previous Redemption Amount = the Early Redemption Amount for each RMB100,000 principal amount on the Semi-Annual Date immediately preceding the date fixed for redemption as set out below:

Semi-Annual Date	Early redemption Amount RMB
18 November 2007	100,550.00
18 May 2008	101,103.03
18 November 2008	101,659.09
18 May 2009	102,218.22
18 November 2009	102,780.42
18 May 2010	103,345.71
18 November 2010	103,914.11
18 May 2011	104,485.64
18 November 2011	105,060.31
18 May 2012	105,638.14

$r = 1.1\%$ expressed as a fraction

d = number of days from and including the immediately preceding Semi-Annual Date to, but excluding, the date fixed for redemption, calculated on the basis of a 360-day year consisting of 12 months of 30 days each and, in the case of an incomplete month, the number of days elapsed

$p = 180$

Notes to the Consolidated Financial Statements

For The Year Ended 31 December 2009

28. CONVERTIBLE BONDS (Continued)

(ii) 2007 Convertible Bonds (Continued)

(vi) Redemption at the option of the bondholders

On 18 May 2010, the holders of the 2007 Convertible Bonds will have the right, at such holders' option, to require the Company to redeem all or some only of the 2007 Convertible Bonds of such holders at the USD equivalent of their RMB principal amount multiplied by 103.346%.

The net proceeds received from the issue of the 2007 Convertible Bonds have been split between a liability component and an equity component as follows:

- (i) Liability component represents the present value of the contractually determined stream of future cash flows discounted at the prevailing market interest rate at that time applicable to instruments of comparable credit status and providing substantially the same cash flows, on the same terms, with the issuer and bondholder early redemption options but without the conversion option. The early redemption options are not separately accounted for because they are considered to be closely related to the host liability component.

The interest charged for the period is calculated by applying an effective interest rate of approximately 4.69% to the liability component since the convertible bonds were issued.

- (ii) Equity component represents the option of the bondholders to convert the convertible bonds into equity of the Company, which is equal to the difference between the net proceeds received and the fair value of the liability component.

The movements of the liability component and equity component of the 2007 Convertible Bonds for the year are set out below:

	Liability component RMB'000	Equity component RMB'000	Total RMB'000
As at 1 January 2008	1,996,430	350,806	2,347,236
Interest charged during the year	93,670	-	93,670
As at 31 December 2008	2,090,100	350,806	2,440,906
Interest charged during the year	98,066	-	98,066
As at 31 December 2009	2,188,166	350,806	2,538,972

As at 31 December 2009, the 2007 Convertible Bonds were classified as a current liability as the bondholders have the right to require the Company to redeem all or some only of the 2007 Convertible Bonds on 18 May 2010.

Notes to the Consolidated Financial Statements

For The Year Ended 31 December 2009

29. SENIOR NOTES

On 10 November 2006, the Company issued senior notes in an aggregate principal amount of USD400,000,000. The senior notes are designated for trading in the National Association of Securities Dealer Inc.'s PORTAL market and are listed on the Singapore Exchange Securities Trading Limited. The senior notes carry interest at the rate of 9% per annum, payable semi-annually in arrears, and will mature on 8 November 2013, unless redeemed earlier.

The principal terms of the senior notes are as follows:

The senior notes are:

- (i) general obligations of the Company;
- (ii) guaranteed by the Subsidiary Guarantors, subsidiaries other than those organised under the laws of the PRC, on a senior basis, subject to certain limitations (the "Subsidiary Guarantees");
- (iii) senior in right of payment to any existing and future obligations of the Company expressly subordinated in right of payment to the senior notes;
- (iv) at least pari passu in right of payment with all other unsecured, unsubordinated indebtedness of the Company (subject to any priority rights of such unsubordinated indebtedness pursuant to applicable law); and
- (v) effectively subordinated to all existing and future obligations of the Non-Guarantor Subsidiaries, subsidiaries organised under the laws of the PRC.

After the charge of the Collateral (as defined below) by the Company and the Subsidiary Guarantor Chargor (as defined below) and subject to certain limitations, the senior notes will:

- (i) be entitled to a first priority lien on the Collateral charged by the Company and the Subsidiary Guarantor Chargor (subject to any permitted liens);
- (ii) rank effectively senior in right of payment to unsecured obligations of the Company with respect to the value of the Collateral charged by the Company securing the senior notes; and
- (iii) rank effectively senior in right of payment to unsecured obligations of the Subsidiary Guarantor Chargors with respect to the value of the Collateral charged by each Subsidiary Guarantor Chargor securing the senior notes (subject to priority rights of such unsecured obligations pursuant to applicable law).

The Company has agreed, for the benefit of the holders of the senior notes, to charge, or cause the initial Subsidiary Guarantor Chargor to charge, as the case maybe, the capital stock of each initial Subsidiary Guarantor (collectively, the "Collateral") in order to secure the obligations of the Company under the senior notes and the indenture and of the Subsidiary Guarantor Chargor under its Subsidiary Guarantee. The initial Subsidiary Guarantor Chargor will be Richwise. The Collateral securing the senior notes and the Subsidiary Guarantees may be released or reduced in the event of certain asset sales and certain other circumstances.

Notes to the Consolidated Financial Statements

For The Year Ended 31 December 2009

29. SENIOR NOTES (Continued)

At any time and from time to time on or after 8 November 2010, the Company may redeem the senior notes, in whole or in part, at a redemption price equal to the percentage of principal amount set forth below plus accrued and unpaid interest to the redemption date if redeemed during the twelve-month period beginning on 8 November of each of the years indicated below.

Period	Redemption price
2010	104.50%
2011	102.25%
2012 and thereafter	100.00%

At any time prior to 8 November 2010, the Company may at its option redeem the senior notes, in whole but not in part, at a redemption price equal to 100% of the principal amount of the senior notes plus the Applicable Premium (as defined below) as of, and accrued and unpaid interest, if any, to the redemption date.

“Applicable Premium” means with respect to the senior notes at any redemption date, the greater of (1) 1.00% of the principal amount of such senior notes and (2) the excess of (A) the present value at such redemption date of (i) the redemption price of such senior notes on 8 November 2010 plus (ii) all required remaining scheduled interest payments due on such senior notes through 8 November 2010 (but excluding accrued and unpaid interest to such redemption date), computed using a discount rate equal to the Adjusted Treasury Rate, the rate per annum equal to the semi-annual equivalent yield in maturity of the comparable US Treasury security, plus 100 basis points, over (B) the principal amount of such senior notes on such redemption date.

At any time and from time to time prior to 8 November 2009, the Company may redeem up to 35% of the aggregate principal amount of the senior notes at a redemption price of 109% of the principal amount of the senior notes, plus accrued and unpaid interest, if any, with the proceeds from sales of certain kinds of its capital stock, subject to certain conditions.

The senior notes contain a liability component and an early redemption option:

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

The interest charged for the year is calculated by applying an effective interest rate of approximately 9% per annum to the liability component since the senior notes were issued.

- (ii) Early redemption option is regarded as an embedded derivative not closely related to the host contract. The directors consider that the fair value of the early redemption option is insignificant on initial recognition and on 31 December 2008 and 2009.

Notes to the Consolidated Financial Statements

For The Year Ended 31 December 2009

29. SENIOR NOTES (Continued)

The movements of the senior notes during the year are set out below:

	RMB'000
At 1 January 2008	2,879,761
Exchange realignment	(185,293)
Interest charged during the year	261,128
Interest paid/payable during the year	(254,410)
At 31 December 2008	2,701,186
Exchange realignment	(2,530)
Repurchase	(2,440,317)
Interest charged during the year	118,632
Interest paid/payable during the year	(115,457)
At 31 December 2009	261,514

According to the indenture of the senior notes issued by the Company, the officers of the Company must certify, on or before a date not more than 120 days after the end of each fiscal year, that a review has been conducted of the activities of the Company and its Restricted Subsidiaries (as defined in the Indenture) and the Company's and its Restricted Subsidiaries' performance under the indenture and that the Company has fulfilled all obligations thereunder, or, if there has been a default in the fulfillment of any such obligation, specifying each such default and the nature and status thereof. The Company will also be obligated to notify the trustee of any default or defaults in the performance of any covenants or agreements under the indenture.

During the course of this review, it came to the Company's attention that the Company had defaulted in the performance of or breached certain covenants contained in the indenture (the "Events of Default"). According to the indenture, if any of such Events of Default occurs and is continuing under the indenture, the trustee or the holders of at least 25% in aggregate principal amount of the senior notes then outstanding, by written notice to the Company (and to the trustee if such notice is given by the holders), may, and the trustee at the request of such holders shall, declare the principal of, premium, if any, and accrued and unpaid interest on the senior notes to be immediately due and payable. Upon a declaration of acceleration, such principal, premium, if any, and accrued and unpaid interest shall be immediately due and payable. The directors of the Company were of the opinion that the Group had not received such a notice of acceleration in writing up to the date on which the 2008 consolidated financial statements were authorised for issuance.

On 21 April 2009, the Company commenced a tender offer (the "Tender Offer") to purchase for cash any and all of its outstanding US\$400,000,000 9.00% Senior Notes due 2013 (the "Notes"). In conjunction with the Tender Offer, the Company also solicited (the "Consent Solicitation", and together with the Tender Offer, the "Offer") from the holders of the Notes consents (the "Consents") to proposed amendments and waivers (the "Proposed Amendments and Waivers") of the provisions of the indenture governing the Notes (the "Indenture"), dated as of 10 November 2006. The Offer expired at 5:00 p.m., New York City time, on 19 May 2009 (the "Expiration Date").

Holders who validly tendered and did not withdraw their Notes on or prior to 5:00 p.m., New York City Time, on 4 May 2009 (the "Consent Date") were eligible to receive the total consideration of US\$850 for each US\$1,000 principal amount of the Notes tendered (the "Total Consideration"), which consists of (i) an amount of US\$775 (the "Purchase Price"), (ii) an amount of US\$59, which constitutes an early tender payment (the "Early Tender Payment", and (iii) a consent payment of US\$16 (the "Consent Payment"), plus accrued and unpaid interest thereon up to, but not including, the date of payment (the "Settlement Date"). Holders who validly tendered after the Consent Date but on or before the Expiration Date were eligible to receive the Purchase Price only, plus accrued and unpaid interest thereon up to, but not including, the Settlement Date. Holders who did not tender their Notes but validly deliver Consents on or prior to the Consent Date, and did not validly revoke their Consents on or prior to the Consent Date, were eligible to receive the Consent Payment only.

Notes to the Consolidated Financial Statements

For The Year Ended 31 December 2009

29. SENIOR NOTES (Continued)

As of the Expiration Date:

- (i) US\$361,334,000 of the principal amount of the Notes, representing approximately 90.3% of the total aggregate principal amount of Notes outstanding, had been validly tendered and not been withdrawn; and
- (ii) Consents (including Consents deemed to have been delivered) from holders holding US\$370,003,000 of the principal amount of the Notes, representing approximately 92.5% of the total aggregate principal amount of Notes outstanding, had been validly delivered and not been revoked.

The Company accepted all the tendered Notes for payment. Following the settlement of the Offer and as at 31 December 2009, US\$38,666,000 of the principal amount of the Notes remains outstanding. As at 31 December 2009, the carrying amount of the outstanding Notes amounted to RMB261,514,000.

On 5 May 2009, the Company executed with the Subsidiary Guarantors and the trustee a supplement to the Indenture containing the Proposed Amendments and Waivers which became effective upon execution but does not become operative until the settlement date. The Proposed Amendments and Waivers, among other things,

- (a) eliminated substantially all of the restrictive covenants contained in the Indenture including the limitations on (i) incurrence of indebtedness and preferred stock, (ii) restricted payments, (iii) liens other than liens over the Collateral, (iv) dividends and other payment restrictions affecting subsidiaries, (v) sales and issuances of capital stock in restricted subsidiaries, (vi) issuances of guarantees by restricted subsidiaries, (vii) sale and leaseback transactions, (viii) transactions with shareholders and affiliates, (ix) business activities, (x) designation of restricted and unrestricted subsidiaries and (xi) anti-layering, and compliance with certain financial requirements in the mergers, consolidations or sales of assets covenants;
- (b) eliminated certain Events of Default with respect to the Notes; and
- (c) waived any and all actual defaults or Events of Default that have occurred and are continuing as well as any and all potential defaults or Events of Default that may have occurred or are continuing under the Indenture directly or indirectly, from or in connection with, any non-compliance or potential non-compliance with the Indenture.

The aggregate amount paid by the Company to the holders for the purchase of the Notes tendered pursuant to the Tender Offer and the payment for the Consents delivered pursuant to the Consent Solicitation is approximately US\$311,026,000 (equivalent to RMB2,122,427,000) (which includes accrued interest thereon and fees paid). Payment was made on 22 May 2009 for all tendered Notes and delivered Consents.

As at 31 December 2008, since the Company had defaulted in the performance of or breached certain covenants contained in the Indenture and the holders had not agreed to waive their right to accelerate repayment, the Notes were classified as a current liability. As at 31 December 2009, the Notes were reclassified as a non-current liability after the Proposed Amendments and Waivers had taken effect.

Notes to the Consolidated Financial Statements

For The Year Ended 31 December 2009

30. SHARE CAPITAL

	Number of shares	Share capital HKD'000
<i>Authorised</i>		
Ordinary shares of HKD0.10 each At 31 December 2008 and 2009	10,000,000,000	1,000,000
<i>Issued and fully paid</i>		
Ordinary shares of HKD0.10 each At 1 January 2008 and 31 December 2008	1,537,361,607	153,736
Issue in consideration for the acquisition of the issued share capital of Skymoon International Limited	100,000,000	10,000
Exercise of share options	4,488,500	449
At 31 December 2009	1,641,850,107	164,185
		RMB'000
Shown on the consolidated balance sheet As at 31 December 2009		166,605
As at 31 December 2008		157,395

On 7 May 2009, the Company, Richwise Holdings Limited (“Richwise”), a wholly-owned subsidiary of the Company, Tandellen Group Limited (“Tandellen”) and Mr. LUO Zhaoming, a shareholder of Tandellen, entered into an agreement (as amended by the supplemental agreement dated 8 May 2009), pursuant to which Tandellen conditionally agreed to sell the entire issued share capital of Skymoon International Limited (“Skymoon International”) to Richwise at a consideration of HK\$610,000,000 (equivalent to RMB537,691,000), which would be satisfied in full by the allotment and issue of 100,000,000 new shares in the Company (the “Consideration Shares”) to Tandellen (or its nominees) at HK\$6.1 per share. Skymoon International holds 100% equity interest in Litao (Hangzhou) Construction and Design Consultancy Co., Ltd., which in turn holds 100% equity interest in Hangzhou Chuangjing Property Co. Ltd. Hangzhou Chuangjing Property Co., Ltd. holds 100% equity interest in Beijing Laifu Century Property Co., Ltd.

The acquisition of Skymoon International was completed on 16 July 2009 (see Note 31).

All shares issued rank pari passu with other shares in issue in all respects.

Notes to the Consolidated Financial Statements

For The Year Ended 31 December 2009

31. ACQUISITION OF SUBSIDIARIES

Particulars of the subsidiaries acquired during 2008 were as follows:

Acquired company	Principal activities	Acquisition date	Effective equity interest acquired by the Group	Consideration RMB'000
新疆燁城萬順房地產開發有限公司 Xinjiang Yecheng Wanshun Real Estate Development Co., Ltd.	Real estate development	8 January 2008	51%	12,373
杭州金馬房地產有限公司 Hangzhou Golden Horse Real Estate Development Co., Ltd.	Real estate development	27 June 2008	51%	45,982
無錫綠城房地產開發有限公司 Wuxi Greentown Real Estate Development Co., Ltd. ("Wuxi Greentown")	Real estate development	3 February 2008	85% (i)	46,920
湖州新錦江房地產開發有限公司 Huzhou Xinjinjiang Real Estate Development Co., Ltd. ("Huzhou Xinjinjiang")	Real estate development	17 January 2008	80%	237,400
寧波太平洋實業有限公司 Ningbo Pacific Real Estate Co., Ltd.	Real estate development	31 March 2008	60%	581,118
浙江華能裝飾工程有限公司 Zhejiang Huaneng Decoration Project Co., Ltd.	Property design and decoration services	4 August 2008	100%	6,460
台州吉利嘉苑房地產有限公司 Taizhou Jilijiyuan Real Estate Development Co., Ltd. ("Taizhou Jilijiyuan")	Real estate development	10 June 2008	60%	24,000
台州翡翠物業管理有限公司 Taizhou Jadeite Property Management Co., Ltd. ("Taizhou Jadeite Property Management")	Property management	10 June 2008	60% (ii)	-
				954,253

Notes:

- (i) Wuxi Greentown was previously a 39%-owned associate of the Group. After the acquisition, the Group held 85% equity interest in Wuxi Greentown.
- (ii) Taizhou Jadeite Property Management is a subsidiary of Taizhou Jilijiyuan.

Notes to the Consolidated Financial Statements

For The Year Ended 31 December 2009

31. ACQUISITION OF SUBSIDIARIES (Continued)

Particulars of the subsidiaries acquired during 2009 were as follows:

Acquired company	Principal activities	Acquisition date	Effective equity interest acquired by the Group	Consideration RMB'000
浙江報業綠城房地產 開發有限公司 Zhejiang Newspapering Greentown Real Estate (Note i)	Real Estate Development	18 May 2009	100%	100,000
杭州休博園湖畔綠景休閒 開發有限公司 Hangzhou Xiuboyuan Hupan Lvjing Xiuxian Development Co., Ltd. ("Hangzhou Xiuboyuan") (Note ii)	Real Estate Development	25 May 2009	50%	60,000
河南錦江置業有限公司 Henan Jinjiang Real Estate Co., Ltd.	Real Estate Development	17 November 2009	100%	136,733
諸暨市越都置業有限公司 Zhuji Yuedu Real Estate Co., Ltd. ("Zhuji Yuedu") (Note iii)	Real Estate Development	7 July 2009	90%	270,000
Skymoon International Limited (Note iv)	Real Estate Development	16 July 2009	100%	537,691
				1,104,424

Notes:

- (i) Zhejiang Newspapering Greentown Real Estate was previously a wholly owned subsidiary of Zhejiang Newspapering Greentown, a jointly controlled entity of the Group.
- (ii) The Group has the right to appoint a majority of directors for the board of directors of Hangzhou Xiuboyuan and hence has the power to direct the financial and operational policies of the entity. Therefore, it is accounted for as a subsidiary of the Group.
- (iii) 30% equity interest in Zhuji Yuedu was subsequently sold to a minority shareholder on 30 November 2009. Please refer to Note 39(iii)(b) for details.
- (iv) Skymoon International holds 100% equity interest in Litao (Hangzhou) Construction and Design Consultancy Co., Ltd., which in turn holds 100% equity interests in Hangzhou Chuangjing Property Co., Ltd. Hangzhou Chuangjing Property Co., Ltd. holds 100% equity interest in Beijing Laifu Century Property Co., Ltd.

Notes to the Consolidated Financial Statements

For The Year Ended 31 December 2009

31. ACQUISITION OF SUBSIDIARIES (Continued)

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

	2009	2008
	RMB'000	RMB'000
Net assets acquired:		
Property, plant and equipment	5,185	4,240
Deferred tax assets	-	36
Properties for development	1,646,701	1,071,144
Properties under development	1,323,029	2,026,444
Inventories	-	48
Trade and other receivables	75,883	228,403
Prepaid income taxes	-	680
Prepaid other taxes	-	5,977
Bank balances and cash	718,462	146,693
Trade and other payables	(1,627,001)	(1,216,810)
Amounts due to related parties	(148,564)	(368,682)
Other taxes payable	(70)	(11)
Bank borrowings	(799,000)	(370,000)
	1,194,625	1,528,162
Minority interests	(90,000)	(534,129)
	1,104,625	994,033
Less:		
Interest previously acquired and classified as jointly controlled entities/associates	(201)	(39,780)
	1,104,424	954,253
Total consideration, satisfied by:		
Other payables	118,606	44,823
Cash	448,127	222,415
Shares issued	537,691	687,015
	1,104,424	954,253
Net cash inflow (outflow) arising on acquisition		
Cash paid	(448,127)	(222,415)
Bank balances and cash acquired	718,462	146,693
	270,335	(75,722)

These acquisitions have been accounted for as acquisitions of assets and liabilities as the subsidiaries acquired are not businesses.

Notes to the Consolidated Financial Statements

For The Year Ended 31 December 2009

32. DISPOSAL OF SUBSIDIARIES

On 10 April 2009, the Company entered into a sale and purchase agreement with, inter alia, Harbour Centre Development Limited (“Harbour Centre”), pursuant to which (i) Harbour Centre conditionally agreed to procure the sale to Greentown Real Estate of its 40% equity interest in Hangzhou Greentown Haiqi, a 60%-owned subsidiary of the Company, held by Harbour Centre’s wholly owned subsidiary, Nanjing Julong Property Development Company (“Nanjing Julong”), and shareholder loan made by Nanjing Julong to Hangzhou Greentown Haiqi for an aggregate consideration of RMB1,382,392,000; and (ii) the Company conditionally agreed to procure the sale to Nanjing Julong of its 100% equity interest in Shanghai Luyuan Real Estate Development Co., Ltd. (“Shanghai Luyuan”) and shareholder loans made by the Company’s subsidiaries to Shanghai Luyuan for a total consideration of RMB1,230,174,000. The consideration for the acquisition of the 40% equity interest in and shareholder’s loan to Hangzhou Greentown Haiqi was satisfied partly by the consideration for the sale of the 100% equity interest in and shareholder’s loan to Shanghai Luyuan and partly by a cash consideration of RMB152,218,000. The transactions under the sale and purchase agreement were completed on 16 April 2009, as a result of which Hangzhou Greentown Haiqi became a wholly-owned subsidiary of the Company and Shanghai Luyuan ceased to be a subsidiary of the Company.

The net assets and shareholder loans of Shanghai Luyuan disposed of at the date of disposal were as follows:

	2009 RMB'000
Net assets disposed of:	
Property, plant and equipment	40
Properties under development	1,284,982
Trade and other receivables, deposits and prepayments	1,243
Bank balances and cash	184,145
Trade and other payables	(36,231)
Amounts due to related parties	(1,117,994)
Other taxes payable	(89)
Bank borrowings	(180,000)
	136,096
Shareholder loans	1,088,650
	1,224,746
Satisfied by:	
Cash consideration paid	(152,218)
40% net assets of Hangzhou Greentown Haiqi	1,376,964
	1,224,746
Net cash outflow arising on disposal	
Cash paid	(152,218)
Bank balances and cash disposed of	(184,145)
	(336,363)

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33. OPERATING LEASES

The Group as lessee

	2009	2008
	RMB'000	RMB'000
Minimum lease payments made under operating leases in respect of buildings during the year	34,289	22,378

At the end of the reporting period, the Group had commitments for future minimum lease payments under non-cancellable operating leases which fall due as follows:

	2009	2008
	RMB'000	RMB'000
Within one year	26,307	13,849
In the second to fifth year inclusive	26,334	44,699
After five years	2,602	33
	55,243	58,581

Operating lease payments represent rentals payable by the Group for certain office premises. Leases are negotiated for a term ranging from 2 to 10 years with fixed rentals.

The Group as lessor

	2009	2008
	RMB'000	RMB'000
Property rental income, net of negligible outgoings	5,344	5,681

At the end of the reporting period, the Group had contracted with tenants for the following future minimum lease payments:

	2009	2008
	RMB'000	RMB'000
Within one year	3,939	2,730
In the second to fifth year inclusive	10,003	7,227
After five years	7,013	8,983
	20,955	18,940

Property rental income represents rentals receivable by the Group. Leases are negotiated for a term ranging from 2 to 15 years with fixed rentals.

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34. COMMITMENTS

	2009	2008
	RMB'000	RMB'000
Commitments contracted for but not provided in the consolidated financial statements in respect of properties for development, properties under development and construction in progress	21,485,272	7,903,986

In addition to the above, the Group's share of the commitments of its jointly controlled entities are as follows:

	2009	2008
	RMB'000	RMB'000
Contracted for but not provided	533,741	2,262,631

35. SHARE-BASED PAYMENT TRANSACTIONS

The Company's share option scheme (the "Scheme") was adopted pursuant to the shareholders' resolution passed on 22 June 2006 for the primary purpose of providing incentives and/or reward to directors and employees of the Group and will expire on 21 June 2016. Under the Scheme, the Board of Directors of the Company may grant options to eligible employees, including directors of the Company and its subsidiaries, to subscribe for shares in the Company.

The total number of shares in respect of which options may be granted under the Scheme is not permitted to exceed 10% of the shares of the Company in issue at any point in time, without prior approval from the Company's shareholders. The number of shares issued and to be issued in respect of which options granted and may be granted to any individual in any one year is not permitted to exceed 1% of the shares of the Company in issue at any point in time, without prior approval from the Company's shareholders. Options granted to independent non-executive directors and substantial shareholders of the Company in excess of 0.1% of the Company's share capital or with a value in excess of HKD5 million must be approved in advance by the Company's shareholders.

Options may be exercised at any time from the date of grant of the share option to the expiry of the Scheme, unless otherwise specified in the Scheme. The exercise price is determined by the directors of the Company, and will not be less than the higher of (i) the closing price of the Company's shares on the date of grant; (ii) the average closing price of the share for the five business dates immediately preceding the date of grant; and (iii) the nominal value of the Company's shares.

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35. SHARE-BASED PAYMENT TRANSACTIONS (Continued)

Details of specific categories of options granted in 2009 are as follows:

	Date of grant	Vesting period	Exercise period	Exercise price	Fair value
2009A	22/1/2009	22/1/2009-21/1/2011	22/1/2009-21/1/2019	HK\$2.89	HK\$1.19
2009B	13/5/2009	13/5/2009-12/5/2012	13/5/2009-12/5/2019	HK\$7.16	HK\$3.41
2009C	22/6/2009	22/6/2009-21/6/2011	22/6/2009-21/6/2019	HK\$11.00	HK\$4.71
2009D	17/7/2009	17/7/2009-16/7/2011	17/7/2009-16/7/2019	HK\$11.59	HK\$4.17

The closing prices of the Company's shares on 22 January, 13 May, 22 June and 17 July 2009, the dates of grant, were HK\$2.75, HK\$7.16, HK\$11.00 and HK\$11.52 respectively.

The share options are exercisable during the following periods:

2009A

- (i) up to 50% of the share options granted to each grantee from 22 January 2009;
- (ii) up to 75% of the share options granted to each grantee at any time after the expiration of 12 months from 22 January 2009; and
- (iii) all the remaining share options granted to each grantee at any time after the expiration of 24 months from 22 January 2009, and in each case, not later than 21 January 2019.

2009B

- (i) up to 33% of the share options granted to each grantee from 13 May 2009;
- (ii) up to 67% of the share options granted to each grantee at any time after the expiration of 24 months from 13 May 2009; and
- (iii) all the remaining share options granted to each grantee at any time after the expiration of 36 months from 13 May 2009, and in each case, not later than 12 May 2019.

2009C

- (i) up to 50% of the share options granted to each grantee from 22 June 2009;
- (ii) up to 75% of the share options granted to each grantee at any time after the expiration of 12 months from 22 June 2009; and
- (iii) all the remaining share options granted to each grantee at any time after the expiration of 24 months from 22 June 2009, and in each case, not later than 21 June 2019.

2009D

- (i) up to 50% of the share options granted to each grantee from 17 July 2009;
- (ii) up to 75% of the share options granted to each grantee at any time after the expiration of 12 months from 17 July 2009; and
- (iii) all the remaining share options granted to each grantee at any time after the expiration of 24 months from 17 July 2009, and in each case, not later than 16 July 2019.

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35. SHARE-BASED PAYMENT TRANSACTIONS (Continued)

The following table discloses movements of the Company's share options held by directors and employees during the year:

Option type	Outstanding at 1/1/2009	Granted during year	Exercised during year	Forfeited during year	31/12/2009
2009A	-	37,356,000	(4,488,500)	-	32,867,500
2009B	-	10,000,000	-	-	10,000,000
2009C	-	40,500,000	-	(179,000)	40,321,000
2009D	-	15,000,000	-	-	15,000,000
	-	102,856,000	(4,488,500)	(179,000)	98,188,500
Exercisable at the end of the year					45,150,000
Weighted average exercise price			HK\$2.89		

HK\$1.00 is payable for each acceptance of grant of share options. In addition, (i) in respect of the 2009A share options, certain grantees were required to pay an option premium of HK\$1.00 per share option up front; and (ii) in respect of the 2009C share options, certain grantees were required to pay an option premium of HK\$3.50 per share option in three annual instalments. As at 31 December 2009, share option premiums receivable amounting to RMB60,359,000 and RMB60,359,000 were included in current other receivables and non-current other receivables respectively according to the payment terms of the share option premiums.

The estimated fair values of the 2009A, 2009B, 2009C and 2009D share options at their respective dates of grant are RMB39,173,000, RMB30,023,000, RMB168,173,000 and RMB55,132,000 respectively.

The following assumptions were used to calculate the fair values of the share options:

	2009A	2009B	2009C	2009D
Grant date share price	HK\$2.75	HK\$7.16	HK\$11.00	HK\$11.52
Exercise price	HK\$2.89	HK\$7.16	HK\$11.00	HK\$11.59
Expected life	10 years	10 years	10 years	5.1 years
Expected volatility	58%	59%	59%	57%
Dividend yield	2.81%	2.81%	4.16%	4.16%
Risk-free interest rate	1.450%	2.372%	2.951%	1.79%

The Binomial model has been used to estimate the fair value of the 2009A, 2009B and 2009C share options. The Black-Scholes pricing model has been used to estimate the fair value of the 2009D share options. The variables and assumptions used in computing the fair value of the share options are based on the directors' best estimate. Changes in variables and assumptions may result in changes in the fair value of the share options.

Expected volatility was determined by using the historical volatility of the share price of comparable listed companies over the most recent period. The expected life used in the model has been adjusted, based on management's best estimate, for the effects of non transferability, exercise restrictions and behavioural considerations.

Notes to the Consolidated Financial Statements

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35. SHARE-BASED PAYMENT TRANSACTIONS (Continued)

The Group recognised the total expense of RMB107,413,000 for the year ended 31 December 2009 (2008: nil) in relation to share options granted by the Company.

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

36. PLEDGE OF ASSETS

At the end of the reporting period, the following assets were pledged to banks to secure general banking facilities granted to the Group:

	2009 RMB'000	2008 RMB'000
Land and buildings	65,449	35,724
Hotel buildings	1,042,707	873,990
Prepaid lease payment	60,865	41,999
Construction in progress	8,369	31,023
Properties for development	1,242,287	749,267
Properties under development	17,705,303	10,101,999
Completed properties for sale	104,818	161,448
Bank deposits	2,376,822	220,217
Amounts due from associates	510,000	-
Interests in associates	90,000	-
	23,206,620	12,215,667

37. RETIREMENT BENEFITS PLANS

The employees of the Group's subsidiaries in the PRC are members of the state-managed retirement benefits schemes operated by the PRC government. The PRC subsidiaries are required to contribute a certain percentage of payroll costs to the retirement benefits schemes to fund the benefits. The only obligation of the Group with respect to the retirement benefits schemes is to make the specified contributions.

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38. CONTINGENT LIABILITIES

Guarantees

The Group provided guarantees of RMB10,106,230,000 (2008: RMB3,900,370,000) at 31 December 2009 to banks in favour of its customers in respect of the mortgage loans provided by the banks to those customers for the purchase of the Group's developed properties. These guarantees provided by the Group to the banks will be released upon receiving the building ownership certificate of the respective properties by the banks from the customers as a pledge for security to the mortgage loans granted.

The Group also provided guarantees to banks in respect of bank facilities utilised by the following companies:

	2009 RMB'000	2008 RMB'000
Associates	3,730,700	179,800
Jointly controlled entities	1,439,000	465,500
	5,169,700	645,300

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

	2009 RMB'000	2008 RMB'000
Mortgage loan guarantees provided by an associate to banks in favour of its customers	1,921,789	933,780

Contingent liabilities arising from interests in jointly controlled entities at the end of the reporting period:

	2009 RMB'000	2008 RMB'000
Mortgage loan guarantees provided by jointly controlled entities to banks in favour of its customers	528,385	623,284

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39. RELATED PARTY DISCLOSURES

- (i) During the year, in addition to those disclosed in other notes to the consolidated financial statements, the Group entered into the following transactions with related parties:

	2009	2008
	RMB'000	RMB'000
Sale of properties to Shareholders	65,770	13,160
Sale of properties to officers	54,960	233,100
Sale of properties to minority shareholders of subsidiaries	253,389	216,019
Sale of materials to associates and jointly controlled entities	1,694	7,260
Construction service income from associates	5,650	4,525
Construction service income from jointly controlled entities	1,098	1,427
Construction service income from Shareholders' Companies	-	2,037
Rental fees paid/payable to:		
- Shareholders' Companies	7,886	5,098
- minority shareholders	200	173
Purchases from Shareholders' Companies (Note)	1,707	1,460
Interior decoration service fees paid/payable to Shareholders' Companies	791	21,304
Sales commission paid/payable to minority shareholders	-	6,301
Property management fees paid/payable to Shareholders' Companies	13,899	11,153
Interest income arising from amounts due from:		
- associates	89,361	72,491
- jointly controlled entities	163,681	82,572
Interest expense arising from amounts due to:		
- associates	3,982	90,620
- jointly controlled entities	17,669	77,138
- minority shareholders	3,199	69,809
Advertising expenses paid/payable to Shareholders' Companies	40,000	40,000
Other service fees to Shareholders' Companies	5,645	4,506
Brand usage fees from jointly controlled entities and associates	84,500	10,093
Hotel management fees paid/payable to Shareholders' Companies	1,737	-
Hotel service income from jointly controlled entities	-	148
Hotel service income from associates	-	502
Hotel service income from Shareholders' Companies	12	275

Note: Purchases from Shareholders' Companies represent raw materials purchased for use by construction contractors, the costs of which are included in the overall construction contracts.

The directors considered that the transactions above were carried out in the Group's normal course of business and in accordance with the terms agreed with the counterparties.

Shareholders' Companies represent companies owned by the Shareholders and affiliates.

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39. RELATED PARTY DISCLOSURES (Continued)

(ii) As at the end of the reporting period, the Group had balances with related parties as follows:

	2009					
	Project-related		Non-project related		Total	
	Interest bearing RMB'000	Non-interest bearing RMB'000	Interest bearing RMB'000	Non-interest bearing RMB'000	Interest bearing RMB'000	Non-interest bearing RMB'000
Due from						
Shareholders' Companies	-	63,379	-	-	-	63,379
Minority shareholders	-	2,128,539	-	311,843	-	2,440,382
Associates	1,831,210	1,743,547	-	379,727	1,831,210	2,123,274
Jointly controlled entities	20,000	161,327	-	413,402	20,000	574,729
Officers	-	59,788	-	-	-	59,788
	1,851,210	4,156,580	-	1,104,972	1,851,210	5,261,552
Due to						
Shareholders	-	13,160	-	-	-	13,160
Shareholders' Companies	-	3,219	-	-	-	3,219
Minority shareholders	1,689,902	534,037	-	699,747	1,689,902	1,233,784
Associates	-	5,383	2,021,489	12,798	2,021,489	18,181
Jointly controlled entities	561,824	486,833	1,302	563,150	563,126	1,049,983
Officers	-	136,223	-	-	-	136,223
	2,251,726	1,178,855	2,022,791	1,275,695	4,274,517	2,454,550
	2008					
	Project-related		Non-project related		Total	
	Interest bearing RMB'000	Non-interest bearing RMB'000	Interest bearing RMB'000	Non-interest bearing RMB'000	Interest bearing RMB'000	Non-interest bearing RMB'000
Due from						
Shareholders' Companies	-	6,793	-	158	-	6,951
Minority shareholders	-	268,415	-	493,834	-	762,249
Associates	953,197	1,644,077	-	44	953,197	1,644,121
Jointly controlled entities	753,759	68,095	-	15	753,759	68,110
Officers	-	25,546	-	1,482	-	27,028
	1,706,956	2,012,926	-	495,533	1,706,956	2,508,459
Due to						
Shareholders	-	13,115	-	-	-	13,115
Shareholders' Companies	-	138	-	4,007	-	4,145
Minority shareholders	560,419	1,696,406	-	570,515	560,419	2,266,921
Associates	-	12,807	1,679,199	-	1,679,199	12,807
Jointly controlled entities	184,258	-	510,294	-	694,552	-
Officers	-	48,163	-	-	-	48,163
	744,677	1,770,629	2,189,493	574,522	2,934,170	2,345,151

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39. RELATED PARTY DISCLOSURES (Continued)

- (ii) As at the end of the reporting period, the Group had balances with related parties as follows: (Continued)

In respect of project-related balances with related parties:

- (a) The trade balances due from officers arise mainly from property sales and are with a normal credit term of two months.
- (b) The trade balances due from Shareholders' Companies are mainly construction prepayments and trade receivables.

Construction prepayments are billed according to the construction contracts and are settled within one to two months after the construction cost incurred are verified and agreed.

Trade receivables arise mainly from materials sales and are with a normal credit terms of two months.

- (c) The project-related balances due from minority shareholders/associates/jointly controlled entities are mainly project advances to these minority shareholders/associates/jointly controlled entities and are tied to the project development cycle. In the opinion of the directors, these balances are expected to be settled when the projects concerned commence pre-sales.
- (d) The trade balances due to Shareholders and officers are mainly pre-sale deposits.
- (e) The trade balances due to Shareholders' Companies arise mainly from construction purchases and are with a normal credit term of one to two months after the construction costs incurred are verified and agreed. Typically as much as 85% of the construction costs incurred will be settled by the time the construction of a project is completed and up to 95% by the time the amount of the aggregate construction costs are finally agreed. A warranty fee of up to 5% of the aggregate construction cost will be withheld and settled within two to five years.
- (f) The project-related balances due to minority shareholders/jointly controlled entities are mainly project advances from these minority shareholders/jointly controlled entities and are tied to the project development cycle. In the opinion of the directors, these balances are expected to be settled when the projects concerned commence pre-sales.
- (g) The project-related balances due to associates/jointly controlled entities are mainly prepaid distributions.

The non-interest bearing balances due from (to) related parties are unsecured and repayable on demand. The key terms of the interest bearing balances due from (to) related parties are as follows:

- (a) The project-related amounts due from associates of RMB1,321,210,000 (2008: RMB254,277,000) at 31 December 2009 carried interest at fixed rates ranging from 5.4% to 8.29% (2008: 8.29% to 10.98%) per annum.

The project-related amounts due from associates of RMB510,000,000 (2008: RMB698,920,000) at 31 December 2009 carried interest at a variable rate of 5.84% (2008: 7.30% to 7.85%) per annum.

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39. RELATED PARTY DISCLOSURES (Continued)

(ii) As at the end of the reporting period, the Group had balances with related parties as follows: (Continued)

(b) The project-related amounts due from jointly controlled entities of RMB20,000,000 (2008: RMB727,689,000) at 31 December 2009 carried interest at a fixed rate of 6.91% (2008: 10.98%) per annum.

The project-related amounts due from jointly controlled entities of RMB26,070,000 at 31 December 2008 carried interest at a variable rate of 9.01% per annum.

(c) The project-related amounts due to minority shareholders of RMB207,744,000 (2008: RMB560,419,000) at 31 December 2009 carried interest at a variable rate of 12.28% (2008: 10.98% to 14%) per annum.

The project-related amounts due to minority shareholders of RMB1,482,158,000 (2008: nil) at 31 December 2009 carried interest at a fixed rate ranging from 10.98% to 14% (2008: nil) per annum.

(d) The project-related amounts due to jointly controlled entities of RMB361,644,000 (2008: RMB184,258,000) at 31 December 2009 carried interest at a variable rate of 7.82% (2008: 7.12%) per annum.

The project-related amounts due to jointly controlled entities of RMB200,180,000 (2008: nil) at 31 December 2009 carried interest at a fixed rate of 10% (2008: nil) per annum.

(e) The non-project related amounts due to associates of RMB122,767,000 at 31 December 2009 (2008: RMB50,669,000) carried interest at a fixed rate of 5.31% (2008: 6.12%) per annum.

The non-project related amounts due to associates of RMB1,898,722,000 at 31 December 2009 (2008: RMB1,628,530,000) carried interest at a variable rate of 7.82% (2008: 7.17% to 8.26%) per annum.

(f) The non-project related amounts due to jointly controlled entities of RMB1,302,000 (2008: RMB510,294,000) at 31 December 2009 carried interest at a variable rate ranging from 7.82% to 9.01% (2008: 7.97% to 9.01%) per annum.

(iii) (a) During the year, in addition to those disclosed in Notes 31 and 32, the Group made acquisitions from related parties as follows:

	2009	2008
	RMB'000	RMB'000
Purchase of additional interests in subsidiaries from minority shareholders	9,200	214,357

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39. RELATED PARTY DISCLOSURES (Continued)

- (iii) (a) During the year, in addition to those disclosed in Note 31, the Group made acquisitions from related parties as follows: (Continued)

On 14 January 2008, the Group entered into an agreement to acquire a 40% equity interest held by Hangzhou Binjiang Properties Limited in Hangzhou Lvbin Real Estate Development Co., Ltd., a subsidiary of the Company, for a consideration of RMB155,007,000.

On 6 October 2008, the Group entered into an agreement to acquire a 20% equity interest held by DOU Zhenggang in Huzhou Xinjinjiang, a subsidiary of the Company, for a consideration of RMB59,350,000.

On 28 March 2009, the Group entered into an agreement to acquire a 10% equity interest held by Beijing Qiantian Real Estate Company Limited in Beijing Greentown Yinshi Real Estate Development Company for a consideration of RMB5,000,000.

On 10 April 2009, the Group entered into an agreement to acquire a 40% equity interest in Hangzhou Greentown Haiqi held by Nanjing Julong. Please refer to Note 32 for details.

On 23 June 2009, the Group entered into an agreement to acquire a 9% equity interest held by Hefei Chuangyi Technology Investment Company in Anhui Greentown Real Estate Development Company Limited, a subsidiary of the Company, for a consideration of RMB4,200,000.

- (b) During the year, in addition to those disclosed in Note 32, the Group made disposals to related parties as follows:

	2009 RMB'000	2008 RMB'000
Disposal of interests in subsidiaries to a minority shareholder	90,000	-

On 30 November 2009, the Group entered into an agreement to dispose of a 30% equity interest held by Greentown Real Estate in Zhuji Yuedu Real Estate Development Co., Ltd., a subsidiary newly acquired in 2009, for a consideration of RMB90,000,000 to a minority shareholder.

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

The remuneration of directors and other members of key management during the year was as follows:

	2009 RMB'000	2008 RMB'000
Short-term benefits	18,776	25,970
Post-employment benefits	150	506
Share-based payments	56,386	-
	75,312	26,476

The remuneration of directors and key executives is determined by the remuneration committee having regard to the performance of individuals and market trends.

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40. EVENTS AFTER THE END OF THE REPORTING PERIOD

The following significant events took place subsequent to 31 December 2009:

- (i) On 3 December 2009, Greentown Real Estate as buyer and Liaocheng City Huanhai Lianhe Real Estate Development Co., Ltd. (“Huanhai Lianhe”) and Zhejiang Yifeng Investment Co., Ltd. (“Zhejiang Yifeng”) as sellers entered into a share transfer agreement. Pursuant to the share transfer agreement, Greentown Real Estate agreed to acquire 31% and 49% of the equity interests in Tianjin Yijun Investment Co., Ltd. (“Tianjin Yijun”) from Huanhai Lianhe and Zhejiang Yifeng respectively for a total consideration of RMB8,000,000, subject to adjustment.

These acquisitions were completed on 13 January 2010. The directors of the Company are in the process of assessing the financial effects of these acquisitions.

- (ii) On 16 December 2009, the Company, Richwise Holdings Limited, a wholly-owned subsidiary of the Company, Mr GUO Jiafeng, an executive director of the Company, and Jamuta Investments Limited (“Jamuta”), which is wholly-owned by Mr GUO, entered into an agreement, pursuant to which, among other things, Richwise agreed to buy, and Jamuta agreed to sell, the entire issued share capital of Grandlink Development Limited (“Grandlink”), a wholly-owned subsidiary of Jamuta, for RMB250 million (the “Consideration”).

Before the completion of this acquisition, Mr GUO wholly owned Jamuta, which wholly owned Grandlink, which, in turn, wholly owned Zhoushan Yihua Design Consultancy Co., Ltd. (“Zhoushan Yihua”). Further, before the completion of this acquisition, Mr GUO wholly owned Zhoushan Xianghe Design Consultancy Co., Ltd. (“Zhoushan Xianghe”), which owned 13% of the equity interest in Hangzhou Yuhang Greentown Real Estate Development Co., Ltd. (“Yuhang Greentown”) (with the remaining 51% and 36% equity interest in Yuhang Greentown being owned by Greentown Real Estate and other investors, respectively). Before the completion of this acquisition, Zhoushan Yihua will acquire the entire equity interest in Zhoushan Xianghe from Mr GUO under a separate agreement.

Immediately before the completion of this acquisition, Grandlink would own indirectly (through Zhoushan Yihua and Zhoushan Xianghe) 13% of the equity interest in Yuhang Greentown. The Consideration would be satisfied by way of (i) a loan in the amount of RMB4 million to be procured by Richwise for Zhoushan Yihua for the purpose of financing its acquisition of the entire equity interest in Zhoushan Xianghe from Mr GUO, (ii) RMB96 million in cash; and (iii) RMB150 million by the allotment and issue of 13,010,000 new shares in the Company to Jamuta (or its nominee(s)) at an issue price of HK\$13.09 per share.

This acquisition was completed on 6 January 2010. The directors of the Company are in the process of assessing the financial effects of this acquisition.

- (iii) On 31 December 2009, Greentown Real Estate entered into a framework cooperation agreement with China Ping An Trust & Investment Co., Ltd. (“Ping An Trust”) pursuant to which Greentown Real Estate agreed to, among other things, (i) make a capital injection of RMB300,000,000 into Zhejiang Newspapering Greentown Real Estate; (ii) after the capital injection, dispose of its 50% equity interest in Zhejiang Newspapering Greentown Real Estate to Ping An Trust at RMB200,000,000 upon satisfaction of certain conditions; (iii) provide an entrusted loan in an aggregate amount of RMB1,300,000,000 to Zhejiang Newspapering Greentown Real Estate through certain banks and assign the entrusted loan to Ping An Trust upon satisfaction of certain conditions; (iv) provide and procure provision of a security package in favour of Ping An Trust to secure the obligations of Zhejiang Newspapering Greentown Real Estate under the entrusted loan upon it being assigned to Ping An Trust and the obligations of Greentown Real Estate under a repurchase agreement; and (v) repurchase the 50% equity interest in Zhejiang Newspapering Greentown Real Estate from Ping An Trust at RMB200,000,000 after 12 months from the date of completion of the disposal.

Notes to the Consolidated Financial Statements

For The Year Ended 31 December 2009

40. EVENTS AFTER THE END OF THE REPORTING PERIOD (Continued)

Ping An Trust agreed to establish a trust with a fund size of RMB1,500,000,000 after the capital injection for the purpose of acquisition of the 50% equity interest in Zhejiang Newspapering Greentown Real Estate and the entrusted loan from Greentown Real Estate. The duration of the Trust shall be 12 months from the trust establishment date, or 15 months if the entrusted loan is extended.

The trust was established on 13 January 2010 and the aforementioned transactions were completed on 13 January 2010. The directors of the Company are in the process of assessing the financial effects of these transactions.

- (iv) On 6 January 2010, Zhoushan Greentown Real Estate Development Co., Ltd. (“Zhoushan Greentown”), a wholly-owned subsidiary of the Company, and Beijing Urban Investment & Development Co., Ltd. (“Beijing Urban Investment”) entered into an equity transfer agreement pursuant to which, (a) Zhoushan Greentown agreed to buy, and Beijing Urban agreed to sell, the 40% equity interests owned by Beijing Urban in Beijing Urban Construction Sino-State Industry & Development Co., Ltd. (“Beijing Urban Construction”) for RMB250,000,000; and (b) Zhoushan Greentown agreed to repay the shareholder’s loan provided by Beijing Urban Investment to Beijing Urban Construction and the accrued interest thereon to Beijing Urban Investment.

Beijing Urban Construction was 40% owned by Beijing Urban Investment, 30% owned by Zhongji Group (HK) International Financial Investment Limited (“Zhongji Group”) and 30% owned by De He International Industrial Limited (“De He”). Zhongji Group and De He are both indirectly wholly-owned by the Company. Upon completion of this acquisition, the Company would indirectly wholly own Beijing Urban Construction, which, in turn, directly or indirectly, owns certain interests in Urban Construction Zhongji (Zhejiang) Industry & Development Co., Ltd., Zhoushan Mingcheng Real Estate Development Co., Ltd., Zhoushan Qianyuan Real Estate Development Co., Ltd. and Zhoushan Ruifeng Real Estate Development Co., Ltd. and the Chang Zhi Dao Project.

This acquisition was completed on 21 January 2010. The directors of the Company are in the process of assessing the financial effects of these transactions.

- (v) On 27 January 2010, Greentown Real Estate, Shanghai Greentown Woods Golf Villas Development Co., Ltd. (“Shanghai Greentown”), a wholly-owned subsidiary of the Company, and Zhongtai Trust Co., Ltd. (“Zhongtai Trust”) entered into a framework cooperation agreement. Pursuant to the framework cooperation agreement, (a) Zhongtai Trust shall establish a trust with a capital of not more than RMB1,650,000,000 and not less than RMB880,000,000 for the purposes of (i) the capital injection of RMB96,080,000 by Zhongtai Trust into Shanghai Greentown for the subscription of a 49% equity interest in Shanghai Greentown; and (ii) the acquisition of the part of a shareholders’ loan in the amount of not less than RMB783,920,000 to be provided by Greentown Real Estate to Shanghai Greentown (the “Assigned Shareholders’ Loan”); (b) Zhongtai Trust shall act as the trustee of the trust; (c) Greentown Real Estate shall subscribe for all the ordinary units of the trust in cash by its internal resources; (d) Zhongtai Trust shall use part of the trust capital in the amount of RMB96,080,000 for the capital injection into Shanghai Greentown for the subscription of a 49% equity interest in Shanghai Greentown; (e) before the trust establishment date, Greentown Real Estate shall enter into an entrusted loan agreement with a financial institution in the PRC to provide the shareholders’ loan through the financial institution to Shanghai Greentown; (f) after the establishment of the trust, Greentown Real Estate shall assign the Assigned Shareholders’ Loan to Zhongtai Trust and the consideration for the Assigned Shareholders’ Loan shall be the balance of the trust capital after deducting the amount for the capital injection; (g) Greentown Real Estate shall provide a guarantee in favour of Zhongtai Trust in respect of the repayment obligations of Shanghai Greentown in relation to the Assigned Shareholders’ Loan and the interest accrued thereon; (h) Greentown Real Estate shall provide a share pledge in respect of its 51% direct equity interest in Shanghai Greentown in favour of Zhongtai Trust to secure the performance of the repayment obligations of Shanghai Greentown in relation to the Assigned Shareholders’ Loan and the interest accrued thereon; (i) Greentown Real Estate shall provide a guarantee on return and a guarantee on net asset value to Zhongtai Trust; and (j) Greentown Real Estate shall deposit the escrow dividends in an escrow account to secure the payment obligations of Greentown Real Estate under the various documents.

Notes to the Consolidated Financial Statements

For The Year Ended 31 December 2009

40. EVENTS AFTER THE END OF THE REPORTING PERIOD (Continued)

On or before the trust establishment date, Greentown Real Estate and Zhongtai Trust would enter into a custodian agreement with a custodian bank. Pursuant to the custodian agreement, Greentown Real Estate shall pay a custodian fee in an amount of not more than RMB30,000,000 to the custodian bank for the holding of the trust capital.

Before the capital injection, Greentown Real Estate held all of the equity interest in Shanghai Greentown. After the capital injection, Zhongtai Trust would directly hold a 49% equity interest in Shanghai Greentown, and Greentown Real Estate would directly hold the remaining 51% equity interest in Shanghai Greentown.

The trust was established on 11 February 2010 and the aforementioned transactions were completed on 11 February 2010. The directors of the Company are in the process of assessing the financial effects of these transactions.

- (vi) On 31 March 2010, Hangzhou Greentown Real Estate Investment Co., Ltd. (“Hangzhou Greentown Investment”), a wholly-owned subsidiary of the Company, and Greentown Real Estate entered into an equity transfer framework agreement with Qingdao Haixin Real Estate Co., Ltd. (“Qingdao Haixin”) and Jinan Haixin Real Estate Co., Ltd. (“Jinan Haixin”), a wholly-owned subsidiary of Qingdao Haixin, whereby Hangzhou Greentown Investment agreed to acquire a 100% equity interest in Shandong Dongcheng Real Estate Co., Ltd. from Jinan Haixin for an aggregate consideration of RMB1,240,330,000.

This acquisition has not yet been completed as at the date on which these consolidated financial statements are authorised for issuance. The directors of the Company are in the process of assessing the financial effects of this acquisition.

- (vii) On 16 April 2010, the deadline for the submission of the put exercise notice in respect of the 2007 Convertible Bonds, the Company received from certain bondholders put exercise notices requiring the Company to redeem part of the 2007 Convertible Bonds with an aggregate principal amount of RMB2,128,700,000, representing 92.15% of the total principal amount of the 2007 Convertible Bonds outstanding as at 31 December 2009. Such portion of the 2007 Convertible Bonds will be redeemed for RMB2,199,926,000 on 18 May 2010.

In addition, certain holders of the 2007 Convertible Bonds with an aggregate principal amount of RMB1,700,000 opted to convert their holdings into 78,540 shares in the Company at a conversion price of HK\$21.99 per share. Such conversion shares were issued on 16 April 2010.

Notes to the Consolidated Financial Statements

For The Year Ended 31 December 2009

41. PARTICULARS OF PRINCIPAL SUBSIDIARIES

Particulars of the principal subsidiaries as at 31 December 2008 and 2009 are set out below:

Name of subsidiary	Place and date of incorporation/ registration	Issued and fully paid share/ registered capital	Attributable equity interest				Principal activities	Legal form
			Direct		Indirect			
			2009	2008	2009	2008		
綠城房地產集團有限公司 Greentown Real Estate Group Co., Ltd.	The PRC 6 January 1995	RMB895,000,000	-	-	100%	100%	Real estate development	Wholly foreign-owned enterprise
上海綠城森林高爾夫別墅開發有限公司 Shanghai Greentown Woods Golf Villas Development Co., Ltd.	The PRC 19 June 2002	RMB100,000,000	-	-	100%	100%	Real estate development	Limited liability company
舟山綠城房地產開發有限公司 Zhoushan Greentown Real Estate Development Co., Ltd.	The PRC 16 December 1999	RMB100,000,000	-	-	100%	100%	Real estate development	Limited liability company
北京陽光綠城房地產開發有限公司 Beijing Sunshine Greentown Real Estate Development Co., Ltd.	The PRC 15 January 2001	RMB50,000,000	-	-	80%	80%	Real estate development	Limited liability company
北京興業萬發房地產有限公司 Beijing Xingye Wanfa Real Estate Development Co., Ltd.	The PRC 26 October 2000	RMB50,000,000	-	-	100%	100%	Real estate development	Limited liability company
湖南青竹湖國際商務社區開發有限公司 Hunan Green Bamboo Lake International Business Community Development Co., Ltd.	The PRC 26 September 2003	RMB50,600,000	-	-	52%	52%	Real estate development	Limited liability company
上海華浙外灘置業有限公司 Shanghai Huazhe Bund Real Estate Co., Ltd.	The PRC 26 September 2002	RMB50,000,000	-	-	51%	51%	Real estate development	Limited liability company
杭州余杭綠城房地產開發有限公司 Hangzhou Yuhang Greentown Real Estate Development Co., Ltd. (Hangzhou Yuhang Greentown") (Note i)	The PRC 12 November 1999	RMB30,000,000	-	-	51%	51%	Real estate development	Limited liability company
寧波高新區研發園綠城建設有限公司 Ningbo Gaoxinqu Yanfayuan Greentown Construction Co., Ltd.	The PRC 21 August 2003	RMB50,000,000	-	-	60%	60%	Real estate development	Sino-foreign equity joint venture

Notes to the Consolidated Financial Statements

For The Year Ended 31 December 2009

41. PARTICULARS OF PRINCIPAL SUBSIDIARIES (Continued)

Name of subsidiary	Place and date of incorporation/ registration	Issued and fully paid share/ registered capital	Attributable equity interest				Principal activities	Legal form
			Direct		Indirect			
			2009	2008	2009	2008		
杭州余杭金騰房地產開發有限公司 Hangzhou Yuhang Jinteng Real Estate Development Co., Ltd.	The PRC 25 December 2001	RMB50,000,000	-	-	85%	85%	Real estate development	Limited liability company
浙江嘉和實業有限公司 Zhejiang Jiahe Industrial Co., Ltd.	The PRC 25 April 1995	RMB50,000,000	-	-	100%	100%	Real estate development	Limited liability company
杭州綠城東部建設有限公司 Hangzhou Greentown Orient Construction Co., Ltd.	The PRC 14 February 2006	RMB333,000,000	-	-	96%	96%	Real estate development	Sino-foreign equity joint venture
杭州玫瑰園度假村有限公司 Hangzhou Rose Garden Property Services Co., Ltd.	The PRC 15 August 2006	RMB184,410,000	-	-	100%	100%	Real estate development	Limited liability company
杭州千島湖綠城投資置業有限公司 Hangzhou Qiandaohu Real Estate Investment Co., Ltd.	The PRC 15 June 2005	RMB30,000,000	-	-	80%	80%	Real estate development	Limited liability company
杭州桐廬綠城置業有限公司 Hangzhou Tonglu Greentown Real Estate Co., Ltd.	The PRC 1 September 2006	RMB80,000,000	-	-	100%	100%	Real estate development	Sino-foreign equity joint venture
南京天浦置業有限公司 Nanjing Tianpu Real Estate Co., Ltd.	The PRC 12 November 2002	RMB50,000,000	-	-	70%	70%	Real estate development	Limited liability company
新昌綠城置業有限公司 Xinchang Greentown Real Estate Co., Ltd.	The PRC 12 December 2006	RMB77,600,000	-	-	80%	80%	Real estate development	Limited liability company
溫州綠城房地產開發有限公司 Wenzhou Greentown Real Estate Development Co., Ltd.	The PRC 15 February 2007	RMB768,000,000	-	-	60%	60%	Real estate development	Sino-foreign equity joint venture
溫州綠城家景房地產開發有限公司 Wenzhou Greentown Jiajing Real Estate Development Co., Ltd.	The PRC 21 May 2007	RMB386,000,000	-	-	60%	60%	Real estate development	Sino-foreign equity joint venture
杭州綠銀置業有限公司 Hangzhou Lvyin Real Estate Co., Ltd. ("Hangzhou Lvyin")	The PRC 9 July 2007	RMB28,000,000	-	-	26% (Note i)	26% (Note i)	Real estate development	Limited liability company
南通綠城房地產開發有限公司 Nantong Greentown Real Estate Development Co., Ltd.	The PRC 23 August 2007	RMB50,000,000	-	-	75%	75%	Real estate development	Limited liability company

Notes to the Consolidated Financial Statements

For The Year Ended 31 December 2009

41. PARTICULARS OF PRINCIPAL SUBSIDIARIES (Continued)

Name of subsidiary	Place and date of incorporation/ registration	Issued and fully paid share/ registered capital	Attributable equity interest				Principal activities	Legal form
			Direct		Indirect			
			2009	2008	2009	2008		
青島綠城華川置業有限公司 Qingdao Greentown Huachuan Real Estate Co., Ltd.	The PRC 21 August 2007	RMB517,764,600	-	-	80%	80%	Real estate development	Sino-foreign equity jointly venture
舟山綠城聯海置業有限公司 Zhoushan Greentown Lianhai Real Estate Co., Ltd.	The PRC 5 June 2007	RMB250,000,000	-	-	100%	100%	Real estate development	Limited liability company
寧波太平洋置業有限公司 Ningbo Pacific Real Estate Co., Ltd.	The PRC 11 July 2003	RMB177,000,000	-	-	60%	60%	Real estate development	Limited liability company
台州吉利嘉苑房地產開發有限公司 Taizhou Jilijiyuan Real Estate Development Co., Ltd.	The PRC 15 October 2001	RMB40,000,000	-	-	60%	60%	Real estate development	Limited liability company
養生堂浙江千島湖房地產有限公司 Yangshengtang Zhejiang Qiandaohu Real Estate Co., Ltd.	The PRC 24 January 2005	RMB200,000,000	-	-	51%	51%	Real estate development	Limited liability company
杭州綠城海企房地產開發有限公司 Hangzhou Greentown Haiqi Real Estate Development Co., Ltd.	The PRC 23 November 2007	RMB1,000,000,000	-	-	100%	60%	Real estate development	Limited liability company
湖州新錦江房地產開發有限公司 Huzhou Xinjinjiang Real Estate Development Co., Ltd.	The PRC 3 February 2004	RMB50,000,000	-	-	70%	70%	Real estate development	Limited liability company
長興綠城房地產開發有限公司 Changxing Greentown Real Estate Development Co., Ltd.	The PRC 30 January 2008	RMB100,000,000	-	-	51%	51%	Real estate development	Limited liability company
新疆俊發綠城房地產開發有限公司 Xinjiang Junfa Greentown Real Estate Development Co., Ltd.	The PRC 16 January 2008	RMB211,079,000	-	-	50% (Note ii)	50% (Note ii)	Real estate development	Limited liability company
舟山蔚藍海岸房地產開發有限公司 Zhoushan Weilanhai'an Real Estate Development Co., Ltd.	The PRC 6 May 2008	RMB50,000,000	-	-	60%	60%	Real estate development	Limited liability company
北京亞奧房地產開發有限公司 Beijing Ya'ao Real Estate Development Co., Ltd.	The PRC 19 August 2008	RMB50,000,000	-	-	50% (Note ii)	50% (Note ii)	Real estate development	Limited liability company

Notes to the Consolidated Financial Statements

For The Year Ended 31 December 2009

41. PARTICULARS OF PRINCIPAL SUBSIDIARIES (Continued)

Name of subsidiary	Place and date of incorporation/ registration	Issued and fully paid share/ registered capital	Attributable equity interest				Principal activities	Legal form
			Direct		Indirect			
			2009	2008	2009	2008		
寧波象山綠城房地產開發有限公司 Ningbo Xiangshan Greentown Real Estate Development Co., Ltd.	The PRC 19 February 2008	RMB100,000,000	-	-	50% (Note ii)	50% (Note ii)	Real estate development	Limited liability company
杭州金馬房地產有限公司 Hangzhou Golden Horse Real Estate Development Co., Ltd.	The PRC 22 October 1992	USD50,000,000	-	-	51%	51%	Real estate development	Sino-foreign joint venture
杭州休博園湖畔綠景休閒開發有限公司 Hangzhou Xiuboyuan Hupan Lvjing Xiuxian Development Co., Ltd.	The PRC 2 April 2008	RMB120,000,000	-	-	50% (Note ii) (Note iii)	-	Real estate development	Limited liability company
浙江報業綠城房地產開發有限公司 Zhejiang Newspapering Greentown Real Estate Development Co., Ltd.	The PRC 7 July 2008	RMB400,000,000	-	-	100% (Note iii)	-	Real estate development	Limited liability company
北京萊福世紀置業有限公司 Beijing Laifu Century Property Co., Ltd.	The PRC 24 April 2007	RMB30,000,000	-	-	100% (Note iii)	-	Real estate development	Limited liability company
諸暨市越都置業有限公司 Zhuji Yuedu Real Estate Co., Ltd.	The PRC 31 October 2008	RMB300,000,000	-	-	60% (Note iii)	-	Real estate development	Limited liability company

The above table lists the subsidiaries of the Group which, in the opinion of the Directors, principally affected the results or assets of the Group. To give details of other subsidiaries would, in the opinion of the directors, result in particulars of excessive length.

Notes:

- (i) Hangzhou Lvyin is a 51%-owned subsidiary of Hangzhou Yuhang Greentown.
- (ii) The Group has the right to appoint a majority of directors for the board of directors and hence has the power to direct the financial and operational policies of these entities. Therefore, these entities are accounted for as subsidiaries of the Group.
- (iii) These subsidiaries were newly acquired in 2009. Please refer to Note 31 for details.

Five Years Financial Summary

Consolidated Results

	2005 RMB'000	2006 RMB'000	2007 RMB'000	2008 RMB'000	2009 RMB'000
Revenue	2,535,075	6,400,467	5,738,791	6,635,357	8,727,429
Cost of Sales	(1,639,634)	(3,579,946)	(3,675,198)	(4,765,728)	(6,415,278)
Gross profit	895,441	2,820,521	2,063,593	1,869,629	2,312,151
Other income	129,638	139,551	287,909	356,192	625,862
Expenses	(344,748)	(751,475)	(736,210)	(1,413,842)	(1,983,175)
Share of results of associates and jointly controlled entities	31,228	(36,730)	120,181	383,731	615,372
Profit before taxation	711,559	2,171,867	1,735,473	1,195,710	1,570,210
Taxation	(125,112)	(883,373)	(729,884)	(629,088)	(478,078)
Profit for the year from continuing operations	586,447	1,288,494	1,005,589	566,622	1,092,132
Profit for the year from discontinued operations	322	-	-	-	-
Profit for the year	586,769	1,288,494	1,005,589	566,622	1,092,132
Attributable to:					
Owners of the Company	622,688	1,269,066	923,376	540,285	1,012,120
Minority interests	(35,919)	19,428	82,213	26,337	80,012
	586,769	1,288,494	1,005,589	566,622	1,092,132

Consolidated Assets and Liabilities

	2005 RMB'000	2006 RMB'000	2007 RMB'000	2008 RMB'000	2009 RMB'000
Non-current assets	812,985	1,139,923	2,542,377	3,537,279	4,878,675
Current assets	11,768,697	16,698,610	30,323,468	39,277,797	70,597,077
Current liabilities	(9,221,956)	(7,532,932)	(13,971,970)	(22,875,859)	(46,934,753)
Non-current liabilities	(2,496,593)	(5,566,967)	(9,407,373)	(9,657,891)	(16,092,423)
	863,133	4,738,634	9,486,502	10,281,326	12,448,576

Notes:

- (i) The results of the Group for the year ended 31 December 2005 and its assets and liabilities as at 31 December 2005 have been extracted for the Company's Prospectus dated 30 June 2006. The results and financial situation of the Group for the year ended 31 December 2006 and 2007 are disclosed in the annual report of year 2006 and 2007. The results of the Group for the year ended 31 December 2008 and 2009 and its assets and liabilities as at 31 December 2008 and 2009 are those set out on pages 98 to 189 of the annual report and are presented on the basis as set out in Note 3 to the consolidated financial statements.
- (ii) Starting from the financial year ended 31 December 2007, the Group, in order to conform to market practices, has decided to classify LAT as income tax and present it as such in the consolidated financial statements. The 2006's presentation had been already reclassified and its income statement and balance sheet had been disclosed in the annual report of year 2007. For the year ended 31 December 2004 and 2005, LAT was classified as a component of cost of sales. Prior year adjustments were not made for the result extracted for the year ended 31 December 2004 and 2005.

Valuation Report and Analysis

Valuation Report No.: F10-000313

Our Ref: KFC/DW/VLW/kc

Date: 16 April 2010

The Directors
Greentown China Holdings Limited
Huanglong Centry Plaza,
No. 1 Hangda Road,
Hangzhou,
Zhejiang Province,
The PRC

Dear Sirs,

Instructions, Purpose and Date of Valuation

In accordance with your instructions for us to value the properties held by Greentown China Holdings Limited (the “Company”) and its subsidiaries (hereinafter together referred to as the “Group”) in the People’s Republic of China (the “PRC”) as listed in the attached summary of valuations, we confirm that we have carried out inspection, made relevant enquiries and obtained such further information as we consider necessary for the purpose of providing the Group with our opinion of the market values of such properties as at 31 December 2009 (the “date of valuation”).

Definition of Market Value

Our valuation of each property represents its market value which in accordance with the HKIS Valuation Standards on Properties (First Edition 2005) published by the Hong Kong Institute of Surveyors is defined as “an estimated amount for which a property should exchange on the date of valuation between a willing buyer and a willing seller in an arm’s-length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion”.

Valuation Basis and Assumption

Our valuations exclude an estimated price inflated or deflated by special terms or circumstances such as atypical financing, sale and leaseback arrangement, special considerations or concessions granted by anyone associated with the sale, or any element of special value.

In the course of our valuation of the properties in the PRC, we have assumed that the transferable land use rights of the properties for their respective specific terms at nominal annual land use fees have been granted and that any land grant premium payable has already been fully paid. We have relied on the information regarding the title to each of the properties and the interests of the Group in the properties. In valuing the properties, we have assumed that the Group has an enforceable title to each of the properties and has free and uninterrupted right to use, occupy or assign the properties for the whole of the respective unexpired terms as granted.

In respect of the properties situated in the PRC, the status of the titles and grant of major certificates, approvals and licences, in accordance with the information provided by the Group are set out in the notes in the respective valuation certificates.

Valuation Report and Analysis

Method of Valuation

In valuing those properties in Groups I and II which are held by the Group for sale or owned and occupied by the Group in the PRC respectively, we have adopted direct comparison approach assuming sale of each of those properties in its existing state by making reference to comparable sales transactions as available in the relevant market.

The properties in Groups III and IV are held under development or for future development in the PRC. We have valued on the basis that each of these properties will be developed and completed in accordance with the Group's latest development proposals provided to us (if any). We have assumed that all consents, approvals and licences from relevant government authorities for the development proposals have been obtained without onerous conditions or delays. We have also assumed that the design and construction of the development are in compliance with the local planning regulations and have been approved by the relevant authorities. In arriving at our opinion of value, we have adopted the direct comparison approach by making reference to comparable sales evidence as available in the relevant market and have also taken into account the expended construction costs and the costs that will be expended to complete the development to reflect the quality of the completed development.

Regarding the properties in Group V which are contracted to be acquired by the Group for future development in the PRC, we have been advised by the Group that the State-owned Land Use Rights Certificates of the properties have not been obtained yet and we usually ascribe no commercial value to the properties. However, according to the Group's specific instruction, we have valued each of these properties on the basis that valid State-owned Land Use Rights Certificates have been issued to the properties and all land premium and related fees for the grant of the certificates have been fully settled. We have further carried out our valuation on the basis that all costs of public utilities, ancillary infrastructure fees and compensation to and resettlement of any original residents to make way for the proposed development have been fully settled. Moreover we have assumed these properties will be developed and completed in accordance with the Group's latest development proposals provided to us. We have assumed that all consents, approvals and licenses from relevant government authorities for the development proposals have been obtained without onerous conditions or delays. We have also assumed that the design and construction of the development are in compliance with the local planning regulations and have been approved by the relevant authorities. In arriving at our opinion of value, we have adopted the direct comparison approach by making reference to comparable sales evidence as available in the relevant market and have also taken into account the development costs that will be expended to complete the development to reflect the quality of the completed development.

According to the Group's specific instruction, we have valued each of the properties in on the basis assuming valid State-owned Land Use Rights Certificates have been issued to the properties and all land premium and related fees for the grant of the certificates have been fully settled (see the footnotes mentioned in the Summary of Valuations attached herewith).

Source of Information

We have been provided by the Group with extracts of documents in relation to the titles to the properties. However, we have not inspected the original documents to ascertain any amendments which may not appear on the copies handed to us.

In the course of our valuation, we have relied to a considerable extent on the information given by the Group in respect of the properties in the PRC and have accepted advice given by the Group on such matters as planning approvals or statutory notices, easements, tenure, identification of land and buildings, completion date of buildings, number of car parking spaces, particulars of occupancy, development schemes, construction costs, site and floor areas, interest attributable to the Group and all other relevant matters.

Dimension, measurements and areas included in the attached valuation certificates are based on the information provided to us and are therefore only approximations. We have had no reasons to doubt the truth and accuracy of the information provided to us by the Group which is material to the valuations. We were also advised by the Group that no material facts have been omitted from the information provided.

Valuation Report and Analysis

Site Inspection

We have inspected the exterior and, wherever possible, the interior of the properties. However, we have not carried out investigations on site to determine the suitability of the soil conditions and the services etc. for any future development. Our valuations are prepared on the assumption that these aspects are satisfactory and that no extraordinary costs or delays will be incurred during the construction period. Moreover, no structural survey has been made, but in the course of our inspection, we did not note any serious defect. We are not, however, able to report whether the properties are free of rot, infestation or any other structural defect. No test was carried out on any of the services. Unless otherwise stated, we have not been able to carry out detailed on-site measurements to verify the site and gross floor areas of the properties and we have assumed that the areas shown on the documents handed to us are correct.

No allowance has been made in our valuations for any charges, mortgages or amounts owing on the properties nor for any expenses or taxation which may be incurred in effecting a sale. Unless otherwise stated, it is assumed that the properties are free from encumbrances, restrictions and outgoings of any onerous nature which could affect their values.

Currency

Unless otherwise stated, all sums stated in our valuations are in Renminbi (RMB), the official currency of the PRC.

We enclose herewith a summary of our valuations and our valuation certificates.

Yours faithfully,
for and on behalf of
DTZ Debenham Tie Leung Limited

Andrew K. F. Chan
Registered Professional Surveyor (GP)
China Real Estate Appraiser
MSc., M.H.K.I.S., M.R.I.C.S
Director

Valuation Report and Analysis

SUMMARY OF VALUATIONS

Property	Capital value in existing state as at 31 December 2009 RMB	Attributable interest to the Group %	Capital value in existing state as at 31 December 2009 attributable to the Group RMB
Group I – Properties held for sale by the Group in the PRC			
1. Phases 1 to 3, Greentown Lanting, Shanghuanqiao Village, Linping Street, Yuhang District, Hangzhou, Zhejiang Province, the PRC 中華人民共和國浙江省杭州市 余杭區臨平街道上環橋村綠城藍庭一至三期	365,000,000	85	310,250,000
2. Phase 1, Lijiang Apartment, Yanggong Village, Jiubao Town, Jiangan District, Hangzhou, Zhejiang Province, the PRC 中華人民共和國浙江省杭州市 江幹區九堡鎮楊公村麗江公寓一期	179,800,000	100	179,800,000
3. Phases 1 and 3, South Zone of Taohuayuan, Zhongtai Village, Fenghuang Shan, Yuhang District, Hangzhou, Zhejiang Province, the PRC 中華人民共和國浙江省杭州市 余杭區鳳凰山中泰鄉桃花源南區一、三期	33,000,000	51	16,830,000

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Property	Capital value in existing state as at 31 December 2009 RMB	Attributable interest to the Group %	Capital value in existing state as at 31 December 2009 attributable to the Group RMB
<p>4. Phase 1, Greentown Resort, Qingfeng Yuan, Qiandaohu Town, Chun'an County, Hangzhou, Zhejiang Province, the PRC</p> <p>中華人民共和國浙江省杭州市 淳安縣千島湖鎮清風苑綠城千島湖度假公寓一期</p>	556,000,000	80	444,800,000
<p>5. The unsold portion of Ningbo R & D Park Phase I, Juxian Road, Jiangdong District, Ningbo City, Zhejiang Province, the PRC</p> <p>中華人民共和國浙江省寧波市 江東區聚賢路寧波研發園一期未售部分</p>	10,000,000	60	6,000,000
<p>6. Phases 1 and 2, Tonglu Osmanthus Garden, Tongjun Jiedao, Tonglu County, Hangzhou City, Zhejiang Province, the PRC</p> <p>中華人民共和國浙江省杭州市 桐廬縣桐君街道桐廬桂花園一、二期</p>	160,500,000	100	160,500,000
<p>7. Phases 1 and 2 of Greentown Rose Garden, 10/2, 10/3, 10/5, 10/8 Qiu, 380 Street, Maqiao Town, Minhang District, Shanghai, the PRC</p> <p>中華人民共和國上海市閔行區馬橋鎮380街坊 10/2、10/3、10/5、10/8丘綠城玫瑰園一、二期</p>	426,600,000	100	426,600,000

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Property	Capital value in existing state as at 31 December 2009 RMB	Attributable interest to the Group %	Capital value in existing state as at 31 December 2009 attributable to the Group RMB
<p>8. Unsold portion, Phases 1-6, Lily Apartment, Liyuan Cun South Area, Yan Cun County Fangshan District Beijing, the PRC</p> <p>中華人民共和國北京市房山區閻村鎮 南梨園村北百合公寓一至六期未售部分</p>	46,000,000	80	36,800,000
<p>9. Phase 1, Ideal City, On the north of Jiushui Road, south of Tianshui Road, east of Yichuan Road, south of Tongchuan Road and Hechuan Road, Licang District, Qingdao, Shandong Province, the PRC</p> <p>中華人民共和國山東省青島市 李滄區九水路以北，天水路以南，宜川路以東， 銅川路及合川路以南青島理想之城一期</p>	72,000,000	80	57,600,000
<p>10. Unsold portion of Phases 1 to 3 in North District and Phase 1 in South District, Qingzhuyuan, Laodaohe Town, Kaifu District, Changsha City, Hunan Province, the PRC</p> <p>中華人民共和國湖南省長沙市 開福區撈刀河鎮青竹園北區一至三期、 南區一期未售部分</p>	370,000,000	52.47	194,139,000
<p>11. Phases 1 and 3, Xizi-Yujinxiang'an, Huangshan Village, Wenyan Town, Xiaoshan District, Hangzhou, Zhejiang Province, the PRC</p> <p>中華人民共和國浙江省杭州市 蕭山區聞堰鎮黃山村西子鬱金香岸一、三期</p>	68,700,000	50	34,350,000

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Property	Capital value in existing state as at 31 December 2009 RMB	Attributable interest to the Group %	Capital value in existing state as at 31 December 2009 attributable to the Group RMB
<p>12. Phase 1, New Green Garden, Lot F-05, Wangjiang Zone, Qianjiang New City, Shangcheng District, Hangzhou, Zhejiang Province, the PRC</p> <p>中華人民共和國浙江省杭州市 上城區錢江新城望江地區F-05地塊新綠園一期</p>	33,000,000	50	16,500,000
<p>13. The unsold portion of Haining Baihe New City Apartment Phases 1 to 4, 6 to 9,11 and 18, East to Wenyuan Road, South to 3rd Ring South Road, West to Haining Avenue and North to 2nd Ring South Road, Haining City, Zhejiang Province, the PRC</p> <p>中華人民共和國浙江省海寧市 北至二環南路，西至海寧大街，南至三環南路， 東至文苑路海寧百合新城一至四、六至九、 十一及十八期未售部分</p>	366,000,000	50	183,000,000
<p>14. Phase 1, Greentown Xizi.Lily Apartment, Wukang Town, Deqing County, Zhejiang Province, the PRC</p> <p>中華人民共和國浙江省德清縣 武康鎮綠城西子百合公寓一期</p>	15,000,000	24.5	3,675,000
<p>15. Tonglu Rose Garden, Tongjun Jiedao, Tonglu County, Hangzhou City, Zhejiang Province, the PRC</p> <p>中華人民共和國浙江省杭州市 桐廬縣桐廬街道綠城桐廬玫瑰園</p>	268,000,000	51	136,680,000

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Property	Capital value in existing state as at 31 December 2009 RMB	Attributable interest to the Group %	Capital value in existing state as at 31 December 2009 attributable to the Group RMB
<p>16. The unsold portion of Lv Yuan and Lv Yuan Tower, No. 226 Canghai Road, Jiangdong District, Ningbo City, Zhejiang Province, the PRC</p> <p>中華人民共和國浙江省寧波市 江東區滄海路226號綠園、綠園大廈未售部分</p>	161,000,000	50	80,500,000
<p>17. The unsold portion of Phases 1 and 2, Greentown Deqing Guihua Garden, Wukang Town, Deqing County, Zhejiang Province, the PRC</p> <p>中華人民共和國浙江省德清縣 武康鎮綠城德清桂花城一、二期未售部分</p>	53,000,000	46.55	24,671,500
<p>18. 657 units of car park, Shanghai Greentown, Jinhe Road, Pudong New Area, Shanghai, the PRC</p> <p>中華人民共和國上海浦東新區 錦和路上海綠城657車位單元</p>	111,000,000	100	111,000,000
<p>19. Unsold portion of Baihe Apartment, 27 Hezuohua Road South, Shushan District, Hefei City, Anhui Province, the PRC</p> <p>中華人民共和國安徽省合肥市 蜀山區合作化南路27號百合公寓未售物業</p>	47,000,000	59.4	27,918,000

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Property	Capital value in existing state as at 31 December 2009 RMB	Attributable interest to the Group %	Capital value in existing state as at 31 December 2009 attributable to the Group RMB
20. Unsold portion of Phases 1, 2 and 3, Osmanthus Town, South side of Yuhua Road, Yuhua District, Changsha City, Hunan Province, the PRC 中華人民共和國湖南省長沙市雨花區 雨花大道南側，桂花城一、二及三期未售部分	102,000,000	51	52,020,000
21. Unsold portion, Dongfeng Road, Zhengdong New District, Zhengzhou City, Henan Province, the PRC 中華人民共和國河南省鄭州市 鄭東新區東風路鄭州百合公寓未售部分	52,000,000	37.73	19,619,600
22. The unsold portion of Xinjiang Rose Garden, Hongqiaoshan, Shuimogou Road, Shuimogou District, Urumqi, Xinjiang UAR, the PRC 中華人民共和國新疆維吾爾自治區烏魯木齊市 水磨溝區水磨溝路新疆玫瑰園未售部分	142,000,000	61.2	86,904,000
		Sub-total:	2,610,157,100

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Property	Capital value in existing state as at 31 December 2009 RMB	Attributable interest to the Group %	Capital value in existing state as at 31 December 2009 attributable to the Group RMB
Group II - Properties owned and occupied by the Group in the PRC			
23. Greentown Radisson Hotel, Huanxiang Highway, Panlong Lake, Qixing Block, Xinchang Town, Zhejiang Province, the PRC 中華人民共和國浙江省新昌縣七星街道 蟠龍湖西郊環鄉公路旁綠城雷迪森大酒店	680,000,000	80	544,000,000
24. Sheraton Zhoushan Hotel, No. 101 Qiandao Road, Lincheng New Area, Dinghai District, Zhoushan City, Zhejiang Province, the PRC 中華人民共和國浙江省舟山市 定海區臨城新區琴島路101號舟山喜來登大酒店	716,000,000	100	716,000,000
25. Hotel in Phase 2 The project of Jinan Haier Greentown, on two sides of Lvyou Road, Lixia District, Jinan, Shandong Province, the PRC 中華人民共和國山東省濟南市 曆下區旅游路濟南海爾綠城項目二期酒店	1,340,000,000	45	603,000,000

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Property	Capital value in existing state as at 31 December 2009 RMB	Attributable interest to the Group %	Capital value in existing state as at 31 December 2009 attributable to the Group RMB
<p>26. Jiuxi Rose Garden Resort, No. 8 Wuyun West Road, Xihu District, Hangzhou, Zhejiang Province, the PRC</p> <p>中華人民共和國浙江省杭州市 西湖區五雲西路8號九溪玫瑰園度假村度假酒店</p>	314,000,000	100	314,000,000
<p>27. Shop unit No.7 of western part of public building, Langui Garden, No. 330 Wenxin Road, Xihu District, Hangzhou, Zhejiang Province, the PRC</p> <p>中華人民共和國浙江省杭州市 西湖區文新路330號蘭桂花園公建西段商舖7號</p>	31,000,000	100	31,000,000
<p>28. Unit 2, Level 1 of Clubhouse, Guihua City, No. 69 Zijinghua Road, Xihu District, Hangzhou, Zhejiang Province, the PRC</p> <p>中華人民共和國浙江省杭州市 西湖區紫荊花路69號桂花城會所一層2號</p>	5,100,000	100	5,100,000
<p>29. Property Management Building, Yuegui Garden, Nos. 253 and 255 Wenyuan Road, Xihu District, Hangzhou, Zhejiang Province, the PRC</p> <p>中華人民共和國浙江省杭州市 西湖區文苑路253、255號月桂花園物管樓</p>	22,000,000	100	22,000,000

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Property	Capital value in existing state as at 31 December 2009 RMB	Attributable interest to the Group %	Capital value in existing state as at 31 December 2009 attributable to the Group RMB
<p>30. Unit No. 110, Dingxiang Apartment, No. 151 Tianmushan Road, Xihu District, Hangzhou, Zhejiang Province, the PRC</p> <p>中華人民共和國浙江省杭州市 西湖區天目山路151號丁香公寓110室商舖</p>	6,100,000	100	6,100,000
<p>31. Property Management Building, Dangui Apartment, Wenyuan Road, Xihu District, Hangzhou, Zhejiang Province, the PRC</p> <p>中華人民共和國浙江省杭州市 西湖區文苑路丹桂公寓物管樓</p>	66,000,000	100	66,000,000
<p>32. Unit Nos. 101, 201 and 202, Deep Blue Plaza, No. 203 Zhaohui Road, Xiacheng District, Hangzhou, Zhejiang Province, the PRC</p> <p>中華人民共和國浙江省杭州市 下城區朝暉路203號深藍廣場101及201、202商舖</p>	25,800,000	100	25,800,000
<p>33. Units 2701-2712 and Nos.127 and 128, Basement Car Park Level 2, No. 319 Xianxia Road, Changning District, Shanghai, the PRC</p> <p>中華人民共和國上海市長寧區仙霞路319號 遠東國際廣場2701-2712單元127-128號地下車位</p>	37,900,000	100	37,900,000

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Property	Capital value in existing state as at 31 December 2009 RMB	Attributable interest to the Group %	Capital value in existing state as at 31 December 2009 attributable to the Group RMB
34. Level 26 of Guoxing Building, No. 22 Shouti South Road, Haidian District, Beijing, the PRC 中華人民共和國北京市 海淀區首體南路22號國興大廈26層	19,200,000	100	19,200,000

Sub-total: 2,390,100,000

Group III – Properties held under development by the Group in the PRC

35. Weilan Apartment under construction, north side of Fengqi Road East, Jiangan District, Hangzhou, Zhejiang Province, the PRC 中華人民共和國浙江省杭州市 江幹區鳳起東路以北蔚藍公寓	905,000,000	95.50	864,275,000
36. Yulan Apartment under construction, east side of Proposed Xujiayang Road, Jiangan District, Hangzhou, Zhejiang Province, the PRC 中華人民共和國浙江省杭州市 江幹區規劃徐家洋路東側玉蘭公寓	730,000,000	95.50	697,150,000
37. Phases 4 to 6, Greentown Lanting under construction, Shanghuanqiao Village, Linping Street, Yuhang District, Hangzhou, Zhejiang Province, the PRC 中華人民共和國浙江省杭州市 余杭區臨平街道上環橋村綠城藍庭四至六期	777,000,000	85	660,450,000

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Property	Capital value in existing state as at 31 December 2009 RMB	Attributable interest to the Group %	Capital value in existing state as at 31 December 2009 attributable to the Group RMB
<p>38. Phase 1, Sincere Garden, Lots B-07 and B-10, New Zone of Jiangcun Village, Xihu District, Hangzhou, Zhejiang Province, the PRC</p> <p>中華人民共和國浙江省杭州市 西湖區規劃蔣村新區地號B-07及B-10地塊 西溪誠園一期</p>	2,330,000,000	100	2,330,000,000 (Note 1)
<p>39. Phase 2, Lijiang Apartment under construction, Yanggong Village, Jiubao Town, Jianggan District, Hangzhou, Zhejiang Province, the PRC</p> <p>中華人民共和國浙江省杭州市 江幹區九堡鎮楊公村麗江公寓二期</p>	851,000,000	100	851,000,000
<p>40. Phases 1 to 3, Sapphire Mansion, Qianjiang New City, Shangcheng District, Hangzhou, Zhejiang Province, the PRC</p> <p>中華人民共和國浙江省杭州市 上城區錢江新城藍色錢江項目一至三期</p>	3,170,000,000	100	3,170,000,000
<p>41. Phases 2 and 5, South Zone of Taohuayuan, Zhongtai Village, Fenghuang Shan, Yuhang District, Hangzhou, Zhejiang Province, the PRC</p> <p>中華人民共和國浙江省杭州市 余杭區鳳凰山中泰鄉桃花源南區二、五期</p>	1,040,000,000	51	530,400,000

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Property	Capital value in existing state as at 31 December 2009 RMB	Attributable interest to the Group %	Capital value in existing state as at 31 December 2009 attributable to the Group RMB
<p>42. Project Hupan Zone, Xiubo Garden, Xiaoshan District, Hangzhou, Zhejiang Province, the PRC</p> <p>中華人民共和國浙江省杭州市 蕭山區休博園湖畔區地塊項目</p>	491,000,000	50	245,500,000
<p>43. Phases 2 to 5, 1000-Island lake Resort Condo, Qing Feng Yuan, Qiandaohu Town, Chun'an County, Hangzhou, Zhejiang Province, the PRC</p> <p>中華人民共和國浙江省杭州市 淳安縣千島湖鎮清風苑綠城千島湖 度假公寓項目二至五期</p>	1,960,000,000	80	1,568,000,000
<p>44. Yangshengtang Project, Kaifa Road, Qiandaohu Town, Chun'an County, Hangzhou, Zhejiang Province, the PRC</p> <p>中華人民共和國浙江省杭州市 淳安縣千島湖鎮開發路千島湖玫瑰園項目</p>	526,000,000	51	268,260,000
<p>45. Phases 1 and 2, Greentown Xinchang Rose Garden under construction, Huanxiang Highway, Panlong Lake, Qixing Block, Xinchang Town, Zhejiang Province, the PRC</p> <p>中華人民共和國浙江省新昌縣七星街道 蟠龍湖西郊環鄉公路旁綠城新昌玫瑰園一、二期</p>	505,000,000	80	404,000,000

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Property	Capital value in existing state as at 31 December 2009 RMB	Attributable interest to the Group %	Capital value in existing state as at 31 December 2009 attributable to the Group RMB
<p>46. Phases I and II of Wenzhou Lucheng Plaza, North of the junction of Binjiang Road and Chezhan Avenue, Lucheng District, Wenzhou, Zhejiang Province, the PRC</p> <p>中華人民共和國浙江省溫州市 鹿城區濱江路與車站大道交叉口北側 溫州鹿城廣場住宅一期及二期</p>	4,700,000,000	60	2,820,000,000
<p>47. Phases 1 and 2, Greentown Changxing Plaza, Zhicheng Village, Zhicheng Town, Changxing County, Zhejiang Province, the PRC</p> <p>中華人民共和國浙江省長興縣雉城鎮 雉城村(中心商務區A區\B區\D區) 綠城長興廣場一、二期</p>	702,000,000	51	358,020,000
<p>48. Ningbo R&D Park Phase II, Juxian Road, Jiangdong District, Ningbo City, Zhejiang Province, the PRC</p> <p>中華人民共和國浙江省寧波市 江東區聚賢路寧波研發園二期</p>	750,000,000	60	450,000,000
<p>49. Crown Garden Phase II, Yuanshi Road, Jiangdong District, Ningbo City, Zhejiang Province, the PRC</p> <p>中華人民共和國浙江省寧波市 江東區院士路皇冠花園二期</p>	957,000,000	60	574,200,000

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Property	Capital value in existing state as at 31 December 2009 RMB	Attributable interest to the Group %	Capital value in existing state as at 31 December 2009 attributable to the Group RMB
<p>50. Lily Apartment under construction, Jujing Road, Dandong Jiedao, Xiangshan County, Ningbo City, Zhejiang Province, the PRC</p> <p>中華人民共和國浙江省寧波市 象山縣丹東街道巨鷹路百合公寓</p>	930,000,000	50	465,000,000
<p>51. Plot Nos. A-2, B, C and E, located at Taizhou Automobile Industrial City, and one plot of land located at the sides of Yin'an Street, Luoyang Street, Luqiao District, Taizhou, Zhejiang Province, the PRC</p> <p>中華人民共和國浙江省台州市 路橋區台州汽車工業城內A-2、B、C、E地塊， 路橋區螺洋街道銀安街兩側 (東方翡翠花園中間地塊) 台州玫瑰園</p>	859,000,000	60	515,400,000
<p>52. Phases 1 and 2, West of Qingtong Road North, Renhuang Mountain New District, Huzhou City, Zhejiang Province, the PRC</p> <p>中華人民共和國浙江省湖州市 仁皇山新區青銅北路西側一、二期</p>	338,000,000	70	236,600,000
<p>53. Phase 3, Tonglu Osmanthus Garden under construction, Tongjun Jiedao, Tonglu County, Hangzhou City, Zhejiang Province, the PRC</p> <p>中華人民共和國浙江省杭州市 桐廬縣桐君街道桐廬桂花園三期</p>	122,000,000	100	122,000,000

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Property	Capital value in existing state as at 31 December 2009 RMB	Attributable interest to the Group %	Capital value in existing state as at 31 December 2009 attributable to the Group RMB
54. Serviced Apartment under construction, Centry Avenue, Lincheng New Area, Dinghai District, Zhoushan City, Zhejiang Province, the PRC 中華人民共和國浙江省舟山市定海區臨城新區世紀大道酒店式公寓	174,000,000	100	174,000,000
55. Magnolia Garden, Zizhulin Road, Dinghai District, Zhoushan City, Zhejiang Province, the PRC 中華人民共和國浙江省舟山市定海區紫竹林玉蘭花園	911,000,000	100	911,000,000 (Note 2)
56. Phase 1, Duigangshan Lot, Gaoting Town, Daishan Country, Zhoushan City, Zhejiang Province, the PRC 中華人民共和國浙江省舟山市岱山縣高亭鎮對港山地塊一期	101,000,000	60	60,600,000
57. Four pieces of land with land no. LZ-CZ-01, LZ-CZ-05, LZ-CZ-08 and LZ-CZ-09 located in Changzhi Island, Dinghai District, Zhoushan City, Zhejiang Province, the PRC 中華人民共和國浙江省舟山市定海區長峙島01、05、08、09號地塊	2,200,000,000	58.125	1,278,750,000
58. Phases 1 and 2, The city reconstruction project, of Zhujia City, Zhejiang Province, the PRC 中華人民共和國浙江省諸暨市舊城改造項目一、二期	1,750,000,000	60	1,050,000,000 (Note 3)

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Property	Capital value in existing state as at 31 December 2009 RMB	Attributable interest to the Group %	Capital value in existing state as at 31 December 2009 attributable to the Group RMB
<p>59. Greentown Hushanjiang under construction, situated at west of Hushan River, east of South Jiaochangshan Road, north of Xinshi Road, south of Ximen School, Cixi, Zhejiang Province, the PRC</p> <p>中華人民共和國浙江省慈溪市澁山江以西，教場山南路以東，新市路以北，西門學校以南綠城澁山江項目</p>	1,068,000,000	60	640,800,000
<p>60. Phases 3 to 7 of Greentown Rose Garden, 10/2, 10/3, 10/5, 10/8 Qiu, 380 Street, Maqiao Town, Minhang District Shanghai, the PRC</p> <p>中華人民共和國上海市閔行區馬橋鎮380街坊10/2、10/3、10/5、10/8丘綠城玫瑰園3-7期</p>	1,680,000,000	100	1,680,000,000
<p>61. Phase I of Huazhe Bund Huangpu Bay under construction, 1/1 Qiu, Dongjiadu Jiedao, 620 Street, Huangpu District, Shanghai, the PRC</p> <p>中華人民共和國上海市黃浦區620街坊董家渡街道1/1丘華浙外灘黃浦灣一期</p>	2,132,000,000	51	1,087,320,000
<p>62. Magnolia Apartment under construction, No.99 Century Avenue, Nantong City, Jiangsu Province, the PRC</p> <p>中華人民共和國江蘇省南通市世紀大道99號玉蘭公寓在建工程</p>	997,000,000	75	747,750,000
<p>63. Greentown Rose Garden, Zhenzhu Road, Pukou District, Nanjing City, Jiangsu Province</p> <p>中華人民共和國江蘇省南京市浦口區珍珠路玫瑰園別墅二期及三期</p>	833,000,000	70	583,100,000

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Property	Capital value in existing state as at 31 December 2009 RMB	Attributable interest to the Group %	Capital value in existing state as at 31 December 2009 attributable to the Group RMB
<p>64. Phases 7 to 9 Phases VI-IX of Lily Apartment under construction, Liyuan Cun South Area, Yan Cun County Fangshan District, Beijing, the PRC</p> <p>中華人民共和國北京市房山區閻村鎮 南梨園村百合公寓七至九期</p>	663,000,000	80	530,400,000
<p>65. Plot No.3, Nanshatan East Road, Chaoyang District, Beijing, the PRC</p> <p>中華人民共和國北京市 朝陽區南沙灘東路3號地塊</p>	772,000,000	50	386,000,000
<p>66. Phase 2, Majestic Mansion, Qinglongqiao, Haidian County Haidian District, Beijing, the PRC</p> <p>中華人民共和國北京市 海淀區海澱鄉青龍橋御園二期在建部分</p>	1,124,000,000	100	1,124,000,000
<p>67. No. 8 Dongzhimenwai Xiejie, Chaoyang District, Beijing, the PRC</p> <p>中華人民共和國北京市 朝陽區東直門外斜街8號院</p>	1,140,000,000	100	1,140,000,000

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Property	Capital value in existing state as at 31 December 2009 RMB	Attributable interest to the Group %	Capital value in existing state as at 31 December 2009 attributable to the Group RMB
<p>68. Phase 1 A plot of land on the south of Gaoerji Road, Shahekou District, Dalian, Liaoning Province, the PRC</p> <p>中華人民共和國遼寧省大連市 沙河口區高爾基路以南大連深藍中心一期</p>	422,000,000	100	422,000,000
<p>69. Phases 4, 5 in North District, Phases 2 and 3 in South District and the remaining portion of Qingzhuyuan under construction, Laodaoh Town Kaifu District, Changsha City, Hunan Province, the PRC</p> <p>中華人民共和國湖南省長沙市開福區撈刀河鎮 青竹園北區四、五期、南區二、三期及餘下在建部分</p>	800,000,000	52.47	419,760,000
<p>70. Phase 1, The Lily Apartment Henan East Road, Shuimogou District, Urumqi, Xinjiang UAR, the PRC</p> <p>中華人民共和國新疆維吾爾自治區烏魯木齊市 水磨溝區河南東路綠城百合公寓一期在建部份</p>	191,000,000	50	95,500,000
<p>71. Phase 2 Xizi-Yujinxiang'an under construction, Huangshan Village, Wenyan Town, Xiaoshan District, Hangzhou, Zhejiang Province, the PRC</p> <p>中華人民共和國浙江省杭州市 蕭山區聞堰鎮黃山村西子鬱金香岸二期</p>	1,282,000,000	50	641,000,000

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Property	Capital value in existing state as at 31 December 2009 RMB	Attributable interest to the Group %	Capital value in existing state as at 31 December 2009 attributable to the Group RMB
<p>72. Dadou Road Project(Jinlan Apartment), Dadou Road, east side of the Grand Canal, Gongshu District, Hangzhou, Zhejiang Province, the PRC</p> <p>中華人民共和國浙江省杭州市 拱墅區運河以東大兜路錦蘭公寓項目</p>	820,000,000	50	410,000,000
<p>73. Phases 1 and 2, Xingqiao Zigui Apartment, Xingqiao Development Zone Avenue, Yuhang District, Hangzhou, Zhejiang Province, the PRC</p> <p>中華人民共和國浙江省杭州市余杭區星橋開發區 大道星橋紫桂公寓項目一、二期</p>	278,000,000	35	97,300,000
<p>74. Phases 4, 5 and 7, Jade City under construction, Huafeng Village, Xianlin Town, Yuhang District, Hangzhou, Zhejiang Province, the PRC</p> <p>中華人民共和國浙江省杭州市 余杭區閒林鎮華豐村翡翠城四、五及七期</p>	1,980,000,000	45	891,000,000
<p>75. Xizi Haitang Apartment, Jiangan Science & Technology Zone, Jiubao Town, Jiangan District, Hangzhou, Zhejiang Province, the PRC</p> <p>中華人民共和國浙江省杭州市 江幹區九堡鎮江幹區科技園區西子海棠公寓項目</p>	634,000,000	42	266,280,000

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Property	Capital value in existing state as at 31 December 2009 RMB	Attributable interest to the Group %	Capital value in existing state as at 31 December 2009 attributable to the Group RMB
<p>76. Phase 1 to Phase 7, Rose Garden under construction, Minzhu Village, Qingshanhu Street, Lin'an City, Hangzhou, Zhejiang Province, the PRC</p> <p>中華人民共和國浙江省杭州市臨安市青山湖街道 民主村臨安青山湖玫瑰園一至七期</p>	1,715,000,000	50	857,500,000
<p>77. Haining Baihe New City Phases 10, 12, 13 and 15 under construction, East to Wenzong Road, South to 3rd Huannan Road, West to Haining Avenue and North to 2nd Huannan Road, Haining City, Zhejiang Province, the PRC</p> <p>中華人民共和國浙江省海寧市北至二環南路， 西至海寧大街，南至三環南路，東至文宗路 海寧百合新城十、十二、十三及十五期</p>	705,000,000	50	352,500,000
<p>78. Phase 1, Yuyuan under construction, No.1 Yangming Road, Shaoxing City Zhejiang Province, the PRC</p> <p>中華人民共和國浙江省紹興市 陽明路1號紹興玉園一期</p>	637,000,000	51	324,870,000

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Property	Capital value in existing state as at 31 December 2009 RMB	Attributable interest to the Group %	Capital value in existing state as at 31 December 2009 attributable to the Group RMB
<p>79. Phase 1 Plot Nos. GN-9a and GN-9b, located at the south of Huayu Road, west of Huzhong Road; Plot Nos. GN-10a and GN-10b, located at the south of Huayu Road, east of Huzhong Road; Plot No. GN-11, located at the north of Qunxian Road, East of Guangdian Road, Shaoxing County, Zhejiang Province, the PRC</p> <p>中華人民共和國浙江省紹興縣湖中路以西、 華宇路以南GN-9a、GN-9b號地塊，湖中路 以東、華宇路以南GN-10a、GN-10b號地塊， 廣電路以東、群賢路以北GN-11號地塊 紹興玉蘭花園一期</p>	1,150,000,000	35	402,500,000
<p>80. Greentown Rose Garden under construction, situated at west of Jinlian Zone, east of Jianshan Road, north of South Erhuan Road, south of Yujia Road, Cixi, Zhejiang Province, the PRC</p> <p>中華人民共和國浙江省慈溪市金山區以西， 劍山路以東，南二環路以北，虞家路以南 綠城玫瑰園</p>	1,370,000,000	49	671,300,000
<p>81. Phase 1, Yulan Plaza, located at west of Zhongxin Road, north of Shifu Road, east of Xueyuan Road, Jiaojiang District, Taizhou, Zhejiang Province, the PRC</p> <p>中華人民共和國浙江省台州市椒江區中心大道 以西市府大道以北學院路以東玉蘭廣場一期</p>	1,061,000,000	49	519,890,000

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Property	Capital value in existing state as at 31 December 2009 RMB	Attributable interest to the Group %	Capital value in existing state as at 31 December 2009 attributable to the Group RMB
<p>82. Land Lot No. C-2, West Business Area, Taizhou Economic Development Zone, Jiaojiang District, Taizhou, Zhejiang Province, the PRC</p> <p>中華人民共和國浙江省台州市 椒江區台州經濟開發區西商務區C-2地塊 台州玉蘭廣場瓊華苑C2</p>	246,000,000	40	98,400,000
<p>83. Phase 2, Greentown Xizi.Lily Apartment under construction, Wukang Town, Deqing County, Zhejiang Province, the PRC</p> <p>中華人民共和國浙江省德清縣 武康鎮綠城西子百合公寓二期在建項目</p>	540,000,000	24.5	132,300,000
<p>84. Greentown Lakefront Homestead Phase III to V under construction, Juegang Village, Rudong Town, Nantong City, Jiangsu Province, the PRC</p> <p>中華人民共和國江蘇省南通市 如東鎮掘港村湖畔居三至五期在建工程</p>	361,000,000	50	180,500,000
<p>85. Phases 1 and 3, The project of Jinan Haier Greentown, on two sides of Lvyou Road, Lixia District, Jinan, Shandong Province, the PRC</p> <p>中華人民共和國山東省濟南市 曆下區旅游路濟南海爾綠城項目一、三期</p>	3,390,000,000	45	1,525,500,000

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Property	Capital value in existing state as at 31 December 2009 RMB	Attributable interest to the Group %	Capital value in existing state as at 31 December 2009 attributable to the Group RMB
86. Magnolia Apartment under construction, Tongcheng South Road, Baohe District, Hefei city, Anhui Province, the PRC 中華人民共和國安徽省合肥市 包河區桐城南路玉蘭公寓	996,000,000	59.4	591,624,000
87. Phase 1 Dingxiang Garden, Golf Road, Shuimogou District, Urumqi, Xinjiang UAR, the PRC 中華人民共和國新疆維吾爾自治區烏魯木齊市 水磨溝區高爾夫路綠城丁香花園一期在建部分	41,000,000	51	20,910,000
Sub-total:			37,444,609,000

Group IV - Properties held for future development by the Group in the PRC

88. Phase 7, Greentown Lanting, Shanghuanqiao Village, Linping Street, Yuhang District, Hangzhou, Zhejiang Province, the PRC 中華人民共和國浙江省杭州市 余杭區臨平街道上環橋村綠城藍庭七期	297,000,000	85	252,450,000
89. Phases 4 and 5, Sapphire Mansion, Qianjiang New City, Shangcheng District, Hangzhou, Zhejiang Province, the PRC 中華人民共和國浙江省杭州市 上城區錢江新城藍色錢江項目四、五期	880,000,000	100	880,000,000

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Property	Capital value in existing state as at 31 December 2009 RMB	Attributable interest to the Group %	Capital value in existing state as at 31 December 2009 attributable to the Group RMB
<p>90. Phases 4, 6 and 7, South Zone of Taohuayuan, Zhongtai Village, Fenghuang Shan, Yuhang District, Hangzhou, Zhejiang Province, the PRC</p> <p>中華人民共和國浙江省杭州市 余杭區鳳凰山中泰鄉桃花源南區四、六、七期</p>	1,490,000,000	51	759,900,000
<p>91. Crown Garden Phase III, Yuanshi Road, Jiangdong District, Ningbo City, Zhejiang Province, the PRC</p> <p>中華人民共和國浙江省寧波市 江東區院士路皇冠花園三期</p>	640,000,000	60	384,000,000
<p>92. Phases 3 and 4, West of Qingtong Road North, Renhuang Mountain New District, Huzhou City, Zhejiang Province, the PRC</p> <p>中華人民共和國浙江省湖州市 仁皇山新區青銅北路西側三、四期</p>	458,000,000	70	320,600,000 (Note 4)
<p>93. Three pieces of land with land no. LZ-CZ-02, LZ-CZ-03 and LZ-CZ-04 located in Changzhi Island, Dinghai District, Zhoushan City, Zhejiang Province, the PRC</p> <p>中華人民共和國浙江省舟山市 定海區長峙島02、03、04號地塊</p>	1,100,000,000	58.125	639,375,000

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Property	Capital value in existing state as at 31 December 2009 RMB	Attributable interest to the Group %	Capital value in existing state as at 31 December 2009 attributable to the Group RMB
<p>94. Phases 2 and 3 of Huazhe Bund Huangpu Bay, 1/1 Qiu, Dongjiadu Jiedao, 620 Street, Huangpu District Shanghai, the PRC</p> <p>中華人民共和國上海市黃浦區620街坊 董家渡街道1/1丘華浙外灘黃浦灣二、三期</p>	2,831,000,000	51	1,443,810,000
<p>95. Proposed development Yulan Garden situated at west of Gonghu Avenue, east of Lixin Avenue. north of Wuyue Road, south of Gaolang Road, Wuxi, Jiangsu Province, the PRC</p> <p>中華人民共和國江蘇省無錫市高浪路以南、 吳越路以北、麗新路以東、貢湖大道以西 規劃玉蘭花園</p>	981,000,000	85	833,850,000
<p>96. Phase 3 Xingqiao Zigui Apartment, Xingqiao Development Zone Avenue, Yuhang District, Hangzhou, Zhejiang Province, the PRC</p> <p>中華人民共和國浙江省杭州市 余杭區星橋開發區大道星橋紫桂公寓三期</p>	307,000,000	35	107,450,000
<p>97. Phases 6, 8 to 11, Jade City under construction, Huafeng Village, Xianlin Town, Yuhang District, Hangzhou, Zhejiang Province, the PRC</p> <p>中華人民共和國浙江省杭州市 余杭區閒林鎮華豐村翡翠城六、八至十一期</p>	3,940,000,000	45	1,773,000,000

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Property	Capital value in existing state as at 31 December 2009 RMB	Attributable interest to the Group %	Capital value in existing state as at 31 December 2009 attributable to the Group RMB
<p>98. Phase 2 New Green Garden, Lot F-05, Wangjiang Zone, Qianjiang New City, Shangcheng District, Hangzhou, Zhejiang Province, the PRC</p> <p>中華人民共和國浙江省杭州市 上城區錢江新城望江地區F-05地塊新綠園二期</p>	444,000,000	50	222,000,000
<p>99. Phase 8, Rose Garden, Minzhu Village, Qingshanhu Street, Lin'an City, Hangzhou, Zhejiang Province, the PRC</p> <p>中華人民共和國浙江省杭州市 臨安市青山湖街道民主村玫瑰園八期</p>	758,000,000	50	379,000,000
<p>100. The proposed Haining Baihe New City Phases 5, 14, 16 and 17, East to Wenzong Road, South to 3rd Ring South Road, West to Haining Avenue and North to 2nd Ring South Road, Haining City, Zhejiang Province, the PRC</p> <p>中華人民共和國浙江省海寧市，北至二環南路， 西至海寧大街，南至三環南路，東至文宗路擬 開發之海寧百合新城五、十四、十六及十七期</p>	815,000,000	50	407,500,000
<p>101. Phases 2 and 3, Yuyuan under constrution, No. 1 Yangming Road, Shaoxing City Zhejiang Province, the PRC</p> <p>中華人民共和國浙江省紹興市 陽明路1號紹興玉園二、三期</p>	535,000,000	51	272,850,000

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Property	Capital value in existing state as at 31 December 2009 RMB	Attributable interest to the Group %	Capital value in existing state as at 31 December 2009 attributable to the Group RMB
<p>102. Phase 2, Plot Nos. GN-9a and GN-9b, located at the south of Huayu Road, west of Huzhong Road; Plot Nos. GN-10a and GN-10b, located at the south of Huayu Road, east of Huzhong Road; Plot No. GN-11, located at the north of Qunxian Road, East of Guangdian Road, Shaoxing County, Zhejiang Province, the PRC</p> <p>中華人民共和國浙江省紹興縣湖中路以西、 華宇路以南GN-9a、GN-9b號地塊，湖中路 以東、華宇路以南GN-10a、GN-10b號地塊， 廣電路以東、群賢路以北GN-11號地塊二期</p>	735,000,000	35	257,250,000
<p>103. Phase 2, Yulan Plaza, located at west of Zhongxin Road, north of Shifu Road, east of Xueyuan Road, Jiaojiang District, Taizhou, Zhejiang Province, the PRC</p> <p>中華人民共和國浙江省台州市椒江區中心大道 以西市府大道以北學院路以東玉蘭廣場二期</p>	445,000,000	49	218,050,000
<p>104. Phase II of Donghai Plaza, No. 1486 West Nanjing Road, Jing'an District Shanghai, the PRC</p> <p>中華人民共和國上海市靜安區南京西路1486號 上海東海廣場二期</p>	674,000,000	49	330,260,000

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Property	Capital value in existing state as at 31 December 2009 RMB	Attributable interest to the Group %	Capital value in existing state as at 31 December 2009 attributable to the Group RMB
<p>105. Phases 2 and 3, Dingxiang Garden, Golf Road, Shuimogou District, Urumqi, Xinjiang UAR, the PRC</p> <p>中華人民共和國新疆維吾爾自治區烏魯木齊市水磨溝區高爾夫路綠城丁香花園二、三期待開發部分</p>	109,000,000	51	55,590,000
<p>106. Plot No.34 situated at Xiaoyun Road and Plot No.8 situated at Dongfang East Road (to be re-developed together), Chaoyang District, Beijing, the PRC</p> <p>中華人民共和國北京市朝陽區霄雲路34號、東方東路8號地塊(將共同再開發)</p>	570,000,000	82	467,400,000
<p>107. East of Yanming Lake Scenic Spot Road and west of Tianming Group, Zhongmou Count, Zhengzhou City, Henan Province, the PRC</p> <p>中華人民共和國河南省鄭州市中牟縣雁鳴湖景區路以東、天明集團以西項目</p>	255,000,000	100	255,000,000
<p>108. East of Jingsan Road and north of Weiyi Road, West District, Zhongmou County, Zhengzhou City, Henan Province, the PRC</p> <p>中華人民共和國河南省鄭州市中牟縣城西區經三路東、緯一路北項目</p>	52,000,000	100	52,000,000

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Property	Capital value in existing state as at 31 December 2009 RMB	Attributable interest to the Group %	Capital value in existing state as at 31 December 2009 attributable to the Group RMB
109. Phases 4 to 11, The project of Jinan Haier Greentown, on two sides of Lvyou Road, Lixia District, Jinan, Shandong Province, the PRC 中華人民共和國山東省濟南市 曆下區旅游路濟南海爾綠城項目四至十一期	3,050,000,000	45	1,372,500,000
110. Jinlan Yuan, Taohuayuan, Zhongtai Village, Fenghuang Shan, Yuhang District, Hangzhou, Zhejiang Province, the PRC 中華人民共和國浙江省杭州市 余杭區鳳凰山中泰鄉桃花源錦蘭苑	76,000,000	26.01	19,767,600
111. Phase 3, Greentown Changxing Plaza, Zhicheng Village, Zhicheng Town, Changxing County, Zhejiang Province, the PRC 中華人民共和國浙江省長興縣雉城鎮雉城村 (中心商務區A區/B區/D區) 綠城長興廣場 三期	121,000,000	51	61,710,000
112. Phases 2 to 4, Lily Apartment Henan East Road, Shuimogou District, Urumqi, Xinjiang UAR, the PRC 中華人民共和國新疆維吾爾自治區烏魯木齊市 水磨溝區河南東路綠城百合公寓二、三、四期 待開發部分	235,000,000	50	117,500,000
		Sub-total:	11,882,812,600

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Property	Capital value in existing state as at 31 December 2009 RMB	Attributable interest to the Group %	Capital value in existing state as at 31 December 2009 attributable to the Group RMB
Group V - Properties interests contracted to be acquired by the Group in the PRC			
113. Phases 2 to 5, Duigangshan Lot, Gaoting Town, Daishan Country, Zhoushan City, Zhejiang Province, the PRC 中華人民共和國浙江省舟山市 岱山縣高亭鎮對港山地塊二至五期	251,000,000	60	150,600,000 (Note 5)
114. Phases 3 and 4, The city reconstruction project, of Zhuji City, Zhejiang Province, the PRC 中華人民共和國浙江省諸暨市 舊城改造項目三、四期	1,260,000,000	60	756,000,000 (Note 6)
115. Phase II, Sincere Garden, Jiangcun Village, Xihu District, Hangzhou, Zhejiang Province, the PRC 中華人民共和國浙江省杭州市 西湖區蔣村西溪誠園二期	1,100,000,000	49	539,000,000 (Note 7)
116. Yunxi Rose Garden, Zhuantang Town, Xihu District, Hangzhou, Zhejiang Province, the PRC 中華人民共和國浙江省杭州市 西湖區轉塘鎮雲溪玫瑰園項目	1,180,000,000	51	601,800,000 (Note 8)

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Property	Capital value in existing state as at 31 December 2009 RMB	Attributable interest to the Group %	Capital value in existing state as at 31 December 2009 attributable to the Group RMB
117. Lot No. 40, Tianyuan Project, Gongshu District, Hangzhou, Zhejiang Province, the PRC 中華人民共和國浙江省杭州市 拱墅區田園40號地塊項目	670,000,000	100	670,000,000 (Note 9)
118. Lot No. 81, Tianyuan Project, Gongshu District, Hangzhou, Zhejiang Province, the PRC 中華人民共和國浙江省杭州市 拱墅區田園81號地塊項目	430,000,000	50	215,000,000 (Note 10)
119. Lot YZGC (2008) 15 Project, Yuhang District, Hangzhou, Zhejiang Province, the PRC 中華人民共和國浙江省杭州市 余杭區餘政掛出(2008)15號地塊 項目臨平人民大道項目	1,156,000,000	100	1,156,000,000 (Note 11)
120. Proposed retail and Hotel Project of Wenzhou Lucheng Plaza, North of the junction of Binjiang Road and Chezhan Avenue, Lucheng District, Wenzhou, Zhejiang Province, the PRC 中華人民共和國浙江省溫州市 鹿城區濱江路與車站大道交叉口北側 溫州鹿城廣場之規劃商舖及酒店項目	1,420,000,000	60	852,000,000 (Note 12)

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Property	Capital value in existing state as at 31 December 2009 RMB	Attributable interest to the Group %	Capital value in existing state as at 31 December 2009 attributable to the Group RMB
<p>121. Plot No.1 of Waitan, Jinghu New District, Shaoxing City, Zhejiang Province, the PRC</p> <p>中華人民共和國浙江省紹興市鏡湖新區外灘1號地塊</p>	1,220,000,000	42	512,400,000 (Note 13)
<p>122. Dongsha Lot, Zhujiajian Island, Putuo District, Zhoushan City, Zhejiang Province, the PRC</p> <p>中華人民共和國浙江省舟山市普陀區朱家尖島東沙地塊</p>	396,000,000	100	396,000,000 (Note 14)
<p>123. A piece of land situated at south of Taihu Avenue, east of Hongqiao Road, West of Yinxiu Road, Wuxi, Jiangsu Province, the PRC</p> <p>中華人民共和國江蘇省無錫市太湖大道以南、鴻橋路以東、隱秀路以西地塊無錫蠡湖二號地塊項目</p>	2,931,000,000	100	2,931,000,000 (Note 15)
<p>124. A piece of land situated at south of Gaohe Road, North of Dushu Lake Suzhou, Jiangsu Province, the PRC</p> <p>中華人民共和國江蘇省蘇州市高和路以南、獨墅湖以北地塊蘇州金雞湖項目</p>	3,610,000,000	100	3,610,000,000 (Note 16)
<p>125. Phases 3 to 5, Majestic Mansion, Qinglongqiao, Haidian County, Haidian District, Beijing, the PRC</p> <p>中華人民共和國北京市海淀區海淀鄉青龍橋御園三至五期待開發部分</p>	2,137,000,000	100	2,137,000,000 (Note 17)

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Property	Capital value in existing state as at 31 December 2009 RMB	Attributable interest to the Group %	Capital value in existing state as at 31 December 2009 attributable to the Group RMB
<p>126. A parcel of land located at the north-east corner of the junction of Xinhua Avenue and Xinhua North Road, Tongzhou District Beijing, the PRC</p> <p>中華人民共和國北京市通州區新華大街及新華北路交叉口東北角地塊</p>	1,300,000,000	100	1,300,000,000 (Note 18)
<p>127. Phases 2 to 11, Ideal City under construction, On the north of Jiushui Road, south of Tianshui Road, east of Yichuan Road, south of Tongchuan Road and Hechuan Road, Licang District, Qingdao, Shandong Province, the PRC</p> <p>中華人民共和國山東省青島市李滄區九水路以北、天水路以南、宜川路以東、銅川路以南青島理想之城二至十一期</p>	4,474,000,000	80	3,579,200,000 (Note 19)
<p>128. 10 pieces of land, on the north of Beijing Road, east of Guihua No.5 Road, Jiaozhou, Shandong Province, the PRC</p> <p>中華人民共和國山東省膠州北京路以北、規劃5號路以東十幅地塊</p>	800,000,000	100	800,000,000 (Note 20)
<p>129. Phase 2 A plot of land on the east of Zhongshan Road, south of Gaoerji Road, Shahekou District, Dalian, Liaoning Province, the PRC</p> <p>中華人民共和國遼寧省大連市沙河口區中山路以東、高爾基路以南地塊 大連深藍中心二期</p>	246,000,000	100	246,000,000 (Note 21)

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Property	Capital value in existing state as at 31 December 2009 RMB	Attributable interest to the Group %	Capital value in existing state as at 31 December 2009 attributable to the Group RMB
<p>130. A piece of land situated at southwest of the junction of Fanhua Avenue and Yunwai Road, Economic & Technic Development District, Hefei, Anhui Province, the PRC</p> <p>中華人民共和國安徽省合肥市經濟技術開發區繁華大道與雲外路交叉處西南側地塊</p>	2,700,000,000	100	2,700,000,000 (Note 22)
<p>131. Plot Nos. 19, 20, 21 and 22, Xincun Town, Lingshui County, Hainan Province, the PRC</p> <p>中華人民共和國海南省陵水黎族自治縣新村鎮19、20、21及22號宗地海南陵水項目</p>	2,070,000,000	51	1,055,700,000 (Note 23)
<p>132. Phase III, Sincere Garden Xihu District, Hangzhou, Zhejiang Province, the PRC</p> <p>中華人民共和國浙江省杭州市西湖區西溪誠園三期</p>	1,050,000,000	50	525,000,000 (Note 24)
<p>133. Hangqifa Project, Hushu Road South, Gongshu District, Hangzhou, Zhejiang Province, the PRC</p> <p>中華人民共和國浙江省杭州市拱墅區湖墅南路杭汽發項目</p>	6,800,000,000	50	3,400,000,000 (Note 25)
<p>134. A piece of land situated at No. 186 South Hushu Road, Gongshu District, Hangzhou, Zhejiang Province, the PRC</p> <p>中華人民共和國浙江省杭州市拱墅區湖墅南路186號新華集團地塊</p>	2,080,000,000	35	728,000,000 (Note 26)

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Property	Capital value in existing state as at 31 December 2009 RMB	Attributable interest to the Group %	Capital value in existing state as at 31 December 2009 attributable to the Group RMB
<p>135. Xidebao Project, the cross of East Huancheng Road and North Huancheng Road, Xiacheng District, Hangzhou, Zhejiang Province, the PRC</p> <p>中華人民共和國浙江省杭州市 下城區環城東路和環城北路交叉口喜得寶地塊</p>	2,960,000,000	42.5	1,258,000,000 (Note 27)
<p>136. Yueming Road Project, Binjiang District, Hangzhou, Zhejiang Province, the PRC</p> <p>中華人民共和國浙江省杭州市 濱江區月明路地塊項目</p>	3,830,000,000	55	2,106,500,000 (Note 28)
<p>137. A piece of land situated at Qianwang Culture Square, Linan, Zhejiang Province, the PRC</p> <p>中華人民共和國浙江省臨安錢王文化廣場項目</p>	440,000,000	65	286,000,000 (Note 29)
<p>138. A piece of land situated at Qingshan Xi Garden, Linan, Zhejiang Province, the PRC</p> <p>中華人民共和國浙江省臨安市臨安青山溪園項目</p>	310,000,000	65	201,500,000 (Note 30)
<p>139. The plot of land located at the south of Donghai Avenue, Jiaojiang District, Taizhou, Zhejiang Province, the PRC</p> <p>中華人民共和國浙江省台州市 椒江區學院路東側、東海大道南側地塊</p>	1,540,000,000	49	754,600,000 (Note 31)
<p>140. Pieces of land of urban redevelopment situated at Jiangbin Road, Liandu District, Lishui City, Zhejiang Province, the PRC</p>	1,660,000,000	37.5	622,500,000 (Note 32)

Valuation Report and Analysis

Property	Capital value in existing state as at 31 December 2009 RMB	Attributable interest to the Group %	Capital value in existing state as at 31 December 2009 attributable to the Group RMB
中華人民共和國浙江省麗水市 蓮都區江濱路舊城改造地塊			
141. The plot of land located at Houxu Village, Jiaojiang District, Taizhou, Zhejiang Province, the PRC	1,130,000,000	45	508,500,000 (Note 33)
中華人民共和國浙江省台州市 椒江區後許村地塊台州體育中心南項目			
142. A site situated at the east side of Qi'ai Road and south side of Tanglong Road, Pudong New Area, Shanghai, the PRC	1,670,000,000	100	1,670,000,000 (Note 34)
中華人民共和國上海市浦東新區西至齊愛路、 北至唐龍路土地綠城上海唐鎮項目			
143. A piece of land situated at south of Jinji Lake Avenue, West of Zonger Road Suzhou, Jiangsu Province, the PRC	2,500,000,000	100	2,500,000,000 (Note 35)
中華人民共和國江蘇省蘇州市 金雞湖大道以南地塊			
		Sub-total:	38,768,300,000
		Grand-total:	93,095,978,700

Notes:

- As at the date of valuation, the State-owned Land Use Rights Certificate of the property with a site area of approximately 44,870 sq.m. out of the total 89,534 sq.m. has not been obtained yet. However, for referencing purpose, we have valued the property on the assumption that all of the valid State-owned Land Use Rights Certificates of the property have been issued to the property, all land premium, related fees for the grant of the certificate and costs necessary to render the site ready for immediate development have been fully settled.
- As at the date of valuation, the State-owned Land Use Rights Certificate of the property with a site area of approximately 33,905 sq.m. out of the total 60,193 sq.m. has not been obtained yet. However, for referencing purpose, we have valued the property on the assumption that all of the valid State-owned Land Use Rights Certificates of the property have been issued to the property, all land premium, related fees for the grant of the certificate and costs necessary to render the site ready for immediate development have been fully settled.

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