

[For Immediate Release]



## **Greentown China Announces 2019 Annual Results Business Performance Improves Steadily Investments Achieve Remarkable Results**

**23 March 2020, Hong Kong - Greentown China Holdings Limited**, one of the leading property developers in the PRC (“Greentown China” or the “Company”; 3900.HK) is pleased to announce its 2019 annual results for the year ended 31 December 2019 (“the Year”).

Greentown China generated revenue of RMB61.593 billion for the Year, representing a year-on-year increase of 2.1%. Profit before taxation amounted to RMB9.953 billion, up 25.9% year-on-year; core net profit attributable to owners of the Company amounted to RMB4.336 billion, representing an increase of 14.2% year-on-year; and basic earnings per share amounted to RMB0.55 for the Year, representing an increase of 205.6% year-on-year. The Board recommended the payment of a final dividend of RMB0.30 per share for the year ended 31 December 2019 (2018: RMB0.23 per share), up 30.4% year-on-year.

**Mr. ZHANG Yadong, Chairman of the Board, Executive Director and Chief Executive Officer**, said: "In the past 25 years, Greentown China has set the industry benchmark by prioritizing products quality. The Group ranked first for customer satisfaction in China for the ninth consecutive year; it was again awarded the “Top 10 Chinese Real Estate Companies by Brand Value (Mixed Ownership)” for the sixteenth consecutive year with a brand value of RMB52.1 billion. In 2019, both contracted sales amount and saleable value of newly-acquired land parcels exceeded RMB200 billion, reaching a new level of development. Standing at a new starting point, Greentown China will strengthen strategic implementation by upholding the product-centric, growth- and efficiency-oriented principles and improve our development quality, striving to become a front-runner for quality in the real estate industry, a leader in the project management business, and a forward-looking innovator of integrated business."

### **Maintains Leading Position in Industry with Quality Brand**

With continuous innovation in products, full attention to people’s living quality, advanced planning concepts and supporting services, the Group achieved strong community management and helped safeguard people’s quality of life during the epidemic outbreak. Meanwhile, through centralized strategic procurement the Group’s cost control measures were extremely effective.

The Group has enhancing its quality living services in all aspects by providing full-cycle housing services and customer services around the main business of real estate development. Leveraging its excellent service quality, customer satisfaction has improved continuously, setting a benchmark for the industry, and its brand value and influence have continued to expand.

### **Optimized Management with High Efficient, High Quality Development**

The Group has continued to optimize its governance structure. During the Year, it completed the recomposition of the Board and restructuring of management with the directors and management team becoming more professionalized and market-oriented. Also, the Group has continued to optimize its system and mechanisms that orient toward operating results. By strengthening the management team, management and marketing expenses rate has reached a new low, accelerating per capita efficiency.

### **Sound Financial Position with Advantages in Financing**

The weighted average interest cost of the total borrowings in 2019 was 5.3%, a 0.1-percentage- point fell compared to 5.4% in 2018. The net gearing ratio of the Group was 63.2% as at 31 December 2019. Bank balances and cash (including pledged bank deposits) totaled RMB51.894 billion.

### **Contracted Sales Hit Record Highs with Improved Marketing Strategies**

In 2019, the Group's contracted sales grew steadily. It recorded a total contracted sales area of approximately 10.27 million sqm, and a total contracted sales amount of approximately RMB201.8 billion, representing a 29% growth from last year. Of the Group's total contracted sales, a total contracted sales area of approximately 5.22 million sqm and a total contracted sales amount of approximately RMB135.4 billion were from investment projects. Overall cash collection rate remained at a high level of 87%, showing an accelerated return of cash.

The Group has comprehensively applied the marketing strategy of "all staff, all people, all aspects" with huge success. Nine cities recorded contracted sales of over RMB5 billion each. Nine projects recorded sales amount of over RMB3 billion each. The overall sell-through rate of investment projects reached 68%. The sell-through rate of the newly-launched projects was an outstanding 71%.

Meanwhile, the Group actively implemented project groups management in marketing, achieving lower cost and higher efficiency. The average sales amount per capita increased to RMB84.3 million, representing a year-on-year increase of 34%, and marketing expenses rate dropped by 18% year-on-year.

### **Precise Investment with Sufficient Landbank**

In 2019, the Group continued to adhere to the strategy of "focusing on regions and deepening footprints in cities", proactively broaden its investment channels and enhance its investment efforts and quality in auction, listing and tendering. It also significantly strengthened the capabilities for mergers and acquisitions and successfully obtained 17 projects throughout the year. The value of

acquisition projects recorded a year-on-year increase of 332%, which facilitated improvement in both the scale and quality of overall investment.

In 2019, the Group acquired a total of 54 new projects with a total gross floor area (“GFA”) of approximately 12.36 million sqm. It is estimated that the total new saleable amount will be approximately RMB205.7 billion, a record high in new investment value for Greentown China. Most of these newly-added land parcels are situated in first- and second-tier core cities such as Hangzhou, Ningbo and Xi’an, accounting for approximately 76% of the total saleable amount. In addition, the turnover rate of the newly-added saleable value has significantly improved. It is expected that 42% of the saleable value will be converted to sales in 2020, representing a year-on-year increase of 8 percentage points.

As at 31 December 2019, Greentown China had a total of 142 land reserve projects (including those under construction and pending construction) with a GFA of approximately 38.73 million sqm. The total saleable value was about RMB596 billion. Land reserve projects in first- and second-tier cities accounted for 73% of the total saleable value.

#### **Retaining Own Characteristics and Innovating New Business Model**

In 2019, in addition to actively exploring high-quality traditional development projects, Greentown China put great efforts into developing featured businesses, continued to maintain its leading position in the project management business in the industry, and cultivated new growth opportunities and breakthroughs through emerging businesses such as TOD (Transit-Oriented Development), town projects, land acquisition by application mechanism, and urban renewal.

To date, 10 TOD projects featuring multi-regions, multi-categories and multi-types of businesses, and seven urban renewal projects including industry parks, future communities and reserved land have been obtained, which contribute to the Group’s high-quality landbank. At the same time, Greentown China seized the historic opportunity of rural collective land by entering the market to focus on the development of town projects. Up to now, the Group has completed the layout of 15 cities with 30 town projects obtained.

Looking forward to 2020, the total saleable area of the Group is expected to reach approximately 16.96 million sqm, with a total saleable amount of approximately RMB358.3 billion, of which the investment projects are expected to provide a saleable area of approximately 10.45 million sqm, and a saleable amount of approximately RMB267.4 billion. The total saleable area in first- and second-tier cities for investment projects is expected to be representing 79% of the saleable amount in 2020. The saleable area of Greentown China’s projects under project management is abundant and estimated to reach approximately 6.51 million sqm, with a saleable amount of approximately RMB90.9 billion.

In 2020, Greentown China will actively respond to changes, take a long-term view from a strategic perspective, leverage its strength as the industry's quality benchmark, adhere to the "Strategy 2025" goal of maintaining "top-notch product quality, number-one customer satisfaction and top comprehensive performance", as well as emphasize the layout of the three main business lines, namely heavy assets, light assets and "Greentown+", so as to accelerate its full transformation into an "integrated service provider for an ideal life".

### **About Greentown China Holdings Limited**

As a leading property developer and integrated living service provider in China, Greentown China Holdings Limited commands a foremost position in the industry by leveraging its quality properties, unique architectural aesthetics and customer-centric residence services. Over 25 years of development, Greentown's scope of business covers more than 20 provinces, autonomous regions and municipalities. It has constructed more than 800 exquisite property complexes. Greentown has been ranked among "Top 10 among 100 Chinese Real Estate Enterprises by Comprehensive Strength" for 16 consecutive years, "Top 10 Chinese Real Estate Companies by Brand Value" for 15 consecutive years, as well as "Leading Chinese Real Estate Companies by Customer Satisfaction" for eight consecutive years. Backed by the full support of state-owned enterprise CCCG and Hong Kong blue-chip enterprise Wharf, together with our founding shareholder Mr. Song Weiping and other substantial shareholders, Greentown China has insisted on taking advantage of the innovation and practice of mixed ownership while balancing the development of light and heavy assets in efforts to be the No.1 "Integrated Service Provider for an Ideal Life" in the country.

For further information about Greentown China, please visit the company website at [www.greentownchina.com](http://www.greentownchina.com).

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