

[For Immediate Release]



Greentown China Announced 2023 Annual Results Cultivating Excellence to Achieve Greater Success



△Greentown China's 2023 Annual Results Announcement

(25 March 2024 – Hong Kong) **Greentown China Holdings Limited** (“Greentown China” or the “Company”; Stock code: 3900.HK) announced its 2023 annual results on March 22nd and held an online annual results presentation today.

In 2023, the Group achieved revenue of RMB131.383 billion, up 3.3% year-on-year; profit attributable to owners of the Company was RMB3,118 million, up 13.1% year-on-year; the Board has recommended a final dividend of RMB0.43 per share.

Mr. Zhang Yadong, Chairman of the Board of Greentown China, stated: “In 2023, Greentown China continuously strengthened its development resilience and achieved remarkable results in connotative development which is mainly based on “quality

improvement”, leading to a significant improvement in comprehensive operation capability. Facing the profound changes in the industry, Greentown China will continue to adhere to the strategic pivot of ‘best understanding of customers and best understanding of products’ and focus on the established strategic goals. We will drive continuous improvement in various business indicators and achieve steady progress. We are dedicated to a ‘comprehensively high-quality and sustainable’ development and strive to create beautiful buildings, foster a better quality of life and create fruitful returns to our shareholders as well as the community.”



△Speech from Mr. Zhang Yadong, Chairman of the Board of Greentown China

Focused Investment in Deep-rooted Cities Strengthened Land Reserve Advantages

In 2023, Greentown China conducted focused investment and further concentrated in the market-secured area, so as to enhance the ability to withstand risks. During the Year, the Group acquired 38 new projects with a total GFA of approximately 5.57 million sqm. The newly-added saleable value was estimated to reach RMB142.5 billion, with 84% of the newly-added saleable value coming from first- and second-tier cities, of which the

newly-added saleable value in Beijing, Shanghai and Hangzhou amounted to RMB 82.3 billion, accounting for 58% of the total.

The Company actively implemented the fast turnover concept of “two harvests in one year” for new projects, and realized sales conversion of about RMB54.9 billion in the Year, representing a year-on-year growth of approximately 10% and a conversion rate of approximately 39% for the Year. In 2023, the new projects acquired continued to maintain a favorable level of net profit margin and the average attributable ratio further increased to approximately 74%. Under the premise of ensuring security, highlighting liquidity and balancing profitability, Greentown China has further ensured the delivery of long-term profit attributable to owners of the Company.

Benefiting from the effective implementation of investment strategy, the total land reserve of the Group has continuously focused on core segments in core cities, facilitating the Company’s stable development. As at 31 December 2023, Greentown Group had a total of 168 land reserve projects (including those under and pending construction) with a total GFA of approximately 37.2 million sqm. The value of land reserve in first- and second-tier cities accounted for 80% of the total, and the Yangtze River Delta Area accounted for 57%. The saleable value in 10 strategic core cities such as Beijing, Shanghai and Hangzhou accounted for 59% of the total.

Innovative Marketing Strategies and Further Consolidated Industry Position

In 2023, Greentown China recorded a total contracted sales area of approximately 15.47 million sqm and a total contracted sales amount of approximately RMB301.1 billion, with self-investment projects sales ranking 7th (up 1 place year-on-year) and attributable sales ranking 8th (up 3 places year-on-year).

Focusing on core cities, the Group constantly strengthened its market presence in high-tier core cities, with the proportion of sales in first- and second-tier cities accounting for 86%. Based on CRIC’s data, in terms of sales, Greentown China ranked TOP10 in 13 core cities including Beijing, Shanghai, Hangzhou, Xi’an and others. With more precise market analysis and marketing strategies, the sell-through rate of newly-launched properties in 2023 reached 82%, representing an increase of 7pts as compared to 2022. Moreover, in 2023, the cash collection rate remained high at over 100%, effectively supporting cash flow and reinvestment.

Practicing Product Offering and

Highlighting Competitive Advantages

Greentown China always insists on product quality as its “No.1 Project”, and customer satisfaction as the “No.1 Standard”. In 2023, the Company again won a grand slam in product strength assessments by three major institutions, namely China Index Academy, CRIC and EH Consulting. It also achieved good results in “Chinese Urban Residents’ Satisfaction (中國城市居民居住滿意度)” survey for 12 consecutive years, and ranked 1st in customer satisfaction across 16 cities and in customer loyalty across 7 cities in which the Company has presence.

Led by innovative R&D and standardization, Greentown China established 8 major product series including “Yuehua Series”, “Lu Series”, and “Ming Series” to cater to high-end upgrading needs. The Company launched 18 “front end innovation” such as living communities (生息社區) and ten park landscaping (園區十景) to improve product innovation efficiency, and winning more than 60 major domestic and international design awards, which are highly recognized by the market and professional institutions.

Greentown China takes quality delivery as the Company's redline. During the Year, the properties delivered GFA in the self-investment segment was 17.77 million sqm, representing a 24% increase year-on-year; the average construction cycle was shortened to 28.2 months, representing a 5% decrease year-on-year, while the average delivery was 41 days ahead of schedule on average, leading the industry in terms of property quality and customer satisfaction. The Company has established 16 “full-dimensional real scenery display areas” in China, where customers can see and experience the future life scenarios they will get in property, which leads the industry.

Strengthening Capabilities to Improve Quality and Efficiency

In 2023, Greentown China summarized outstanding experience into standardized procedures that can be replicated quickly. The periods from land acquisition to commencement of construction and to first launch of the properties were shortened to 2.2 and 4.7 months on average, respectively, and the overall operational efficiency was accelerated by 18%. The completed area increased by 37% year-on-year to approximately 17.32 million sqm.

Through quarterly control and dynamic management, the full-process monitoring and early warning for expenses and rates have been achieved, resulting in a year-on-year decrease of 4.6% in administrative expenses and 6% in selling expenses in 2023. Meanwhile, the procurement concentration constantly increased, with the dynamic

construction costs reduced by 1.6% and the centralized procurement prices floated down by 2.8% on a year-on-year basis, while the application rate of procured materials maintained at 100%.

Organizational Optimization and Sustainably Stimulated Manpower Efficiency

In 2023, the Company further implemented the two-level organizational structure of “Group - City”, continuously diversified synergies in three main business sectors and better allocated manpower to improve efficiency and save cost. During the Year, the Company promoted more than 600 internal rotations and frontline deployments. The Company also focused on internal training and talent recruitment with the introduction of 295 outstanding management talents.

At the same time, the Company optimized organizational management and structure and continuously improved efficiency per capita, recording a year-on-year increase of 28% in per capita sales of RMB72 million for sales employees in 2023.

Optimized Debt Structure and Solid Financial Condition

In 2023, leveraging its high creditworthiness, steady business development and effective cash flow management, Greentown China maintained smooth financing channels with ongoing optimization of its debt structure, providing a solid backup for the long-term development of the Group.

In 2023, the weighted average interest cost of total borrowings decreased to 4.3%, representing a drop of 10bps compared to last year despite rising prices of domestic bonds and offshore loans, while debts due within one year accounted for approximately 22.3% of the total debts of the Group as at the end of 2023, remaining at a low level.

The Group issued RMB13.853 billion of domestic bonds in 2023, with stable valuation. Meanwhile, the Group completed offshore refinancing of USD1.172 billion, of which the proportion of Chinese banks and institutions was further increased, and the structure of offshore debts was more stable. Up to now, the refinancing of offshore debts due in 2024 has been progressing smoothly. The Group plans to complete the refinance of the debts due in 2024 in the first half of the year. All of the above reflect the high recognition of financial institutions and the capital market in Greentown China.

Adhering to Sustainable Development and Fulfilment of Social Responsibility

Greentown China has formulated and released its strategic plan for sustainable development, leading the Company's business development with the concept of sustainability.

Under the trend of real estate transitioning towards green and low-carbon development, Greentown China adheres to the concept of “healthy, low-carbon, full cycles” and continuously improves the quality of green building. 100% of the new projects acquired since 2023 have met the national green building standards. As of 31 December 2023, there have been a total of 293 green building projects, and over 80% of the projects under construction applied the prefabricated technology.

The Group proactively fulfilled its environmental and social responsibilities. As the co-builder of the Hangzhou Asian Games, the Group has successfully completed construction and event services. "Growing Spring Breeze" activity has been carried out for 9 consecutive years, creating over 2,140 mu of "Greentown Forest". “Dolphin Program” has taught swimming skills to over 190,000 children of property owners in the past 15 years.

The Company's corporate governance is well recognized by the industry. International rating agency MSCI upgraded the Company's ESG rating to A, while the domestic authoritative institution Wind Information rated the Company to AA in terms of ESG. Additionally, the Company was rated as TOP1 in "2023 China Green and Low-Carbon Real Estate (Operation) TOP10 (2023 中國綠色低碳地產(運行)TOP10)".

Consolidating the Leading Position in Project Management Business Featured Businesses Empowering Synergy

Greentown Management Holdings Company Limited (“Greentown Management”), a subsidiary of Greentown China, continues to lead the industry, with a market share of more than 20% for eight consecutive years. The estimated project management fees for newly-developed projects during the Year reached RMB10.37 billion, representing a year-on-year increase of 20.5%. The profitability also continued to strengthen, with net profit attributable to owners of the company reaching RMB970 million for the Year, representing a year-on-year increase of 30.8%.

As a pioneer and leader in the project management industry, Greentown Management

has announced the “M Climbing Model” and facilitated the establishment of the Project Management branch of China Real Estate Association, to build an ecological platform and consolidate its leading position.

Greentown China extended its industrial chain and broadened its industry scope around property development. The construction technology sector and the living service segment were merged to encourage internal competition and strengthen business synergy, while the town operation and commercial management were solidly advanced, empowering main business with professional capabilities.

Overcoming Challenges Collectively and Advancing Steadily

Improving Quality and Efficiency and Achieving Comprehensive Quality Development

In 2024, Greentown China will have sufficient saleable resources, and its projects will enjoy significant advantages. The saleable value of self-investment projects is estimated to be about RMB245 billion (excluding the value of projects acquired in 2024 that can be launched within the year), with first- and second-tier cities accounting for 80%.

As the industry undergoes a transition towards new development models, Greentown China is also pursuing higher quality development through “four transformations”.

Facing the market challenges and opportunities, Greentown China will continue to reform, rebuilding and refinement. The Company aims to refine the inventories, optimize the increments and reinforce the variables, and strive to achieve comprehensive and quality development and to become a quality benchmark among the TOP10 and create a “special and excellent” enterprise.

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About Greentown China Holdings Limited

Greentown China Holdings Limited is a leading quality property developer and integrated living service provider in China. It maintains a leadership position in the industry by virtue of the quality of its properties, its unique architectural aesthetics and customer centric services.

Throughout its 29 years of development, Greentown China has adhered to the development strategy of “quality first” and developed the upstream and downstream of the real estate business to form three major segments, namely asset-heavy, asset-light, and “Greentown+” and awarded the “TOP 10 among Chinese Real Estate Enterprises by Comprehensive Strength” for consecutive years. Going forward, Greentown China will adhere to its aim of building towards the “quality benchmark among the Top10” and the strategic pivot points of “best understanding of customers and best understanding of products”, facilitate the operation of both light and heavy assets, uplift capacity in an all-around manner and firmly insist on “comprehensively high quality and sustainable” development.

For further information about Greentown, please visit the company website at www.greentownchina.com

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