



[Immediate Release]

## **Greentown Announces 2011 Interim Results**

**\*\*\* Revenue Soared 190% to RMB11.2 Billion\*\*\***

**\*\*\* Net Profit Jumped 169% to RMB892 Million\*\*\***

### **Results Highlights**

- Revenue achieved approximately RMB11.2 billion, representing an increase of 190% from the corresponding period of last year
- Gross profit amounted to approximately RMB3.8 billion, representing a robust growth of 159% from the corresponding period last year.
- Profit attributable to the owners of the Company amounted to approximately RMB891.8 million, soared 169% from the corresponding period last year.
- Earnings per share was RMB0.54, representing a significant increase of 170% compared to the corresponding period last year.
- Land bank exceeded 40 million sqm. of total gross floor area, of which approximately 25.33 million sqm. is attributable to the Group.

(29 August 2011, Hong Kong) Greentown China Holdings Limited (“Greentown” or the “Company”, and together with its subsidiaries, the “Group” (stock code: 03900.HK)), one of the leading property developers in China, announced its interim results for the six months ended 30 June 2011 (“the Reporting Period”).

In the first half of 2011, the Group’s revenue soared 189.8% to approximately RMB11.2 billion. Profit attributable to owners of the Company amounted to approximately RMB891.8 million, representing a substantial increase of 168.7%. Gross profit margin of property sales decreased to 32.6% as compared with 36.8% recorded in the corresponding period last year. Basic earnings per share was RMB0.54. The Board has resolved to declare an interim dividend of RMB0.10 per ordinary share in issue for the six months ended 30 June 2011.

### **Business Review**

#### Property Sales

During the first half of 2011, in spite of the volatile global economy and the PRC government’s launch of stringent macro-economic control policies, restrictive property purchase policies as well as credit tightening policies, which affected the country’s housing market, the Group nevertheless took on these challenges courageously and maintained steady business development, thereby achieving satisfactory sales amid the difficult operating environment.

In the first half of 2011, the Group together with its associates and jointly controlled entities (“Greentown Group”) had 72 projects on sale, which recorded a total sales amount of approximately RMB20.3 billion. The amount attributable to the Group was RMB13.1 billion. During the Reporting Period, the Group’s excellent product quality continued to support the selling price of its properties. The average selling price of properties increased by 14.6% to RMB21,149 per sqm. from RMB18,447 per sqm. recorded in the same period last year.

As at 30 June 2011, Greentown Group’s sales revenue which is not yet recognized in the income statement amounted to approximately RMB88.7 billion, of which approximately RMB57.8 billion was attributable to the Group. The majority of this revenue will be recognized in the financial statement gradually over the next two years, which confirms the Group’s earnings growth trend. Thus, management is confident of Greentown Group’s profitability in the coming years.

#### Project Development

In the first half of 2011, the Group adjusted the scale of new projects planned for construction according to market conditions, its own operating conditions and the overall schedule for project launch. During the Reporting Period, Greentown Group commenced construction on new projects with a total gross floor area (“GFA”) of 2.66 million sqm. and completed a total GFA of approximately 914,160 sqm., including a saleable area of approximately 660,058 sqm. As at 30 June 2011, 84.8% of the saleable area was sold. The Group’s property projects were completed according to the schedule formulated early this year. As at 30 June 2011, Greentown Group had a total of 75 projects under construction, with a total GFA of approximately 13.81 million sqm.

#### Land Bank

In the first half of 2011, Greentown Group continued to pursue a cautious land bank expansion strategy and acquired sites in Taizhou, Cixi and Xinchang of Zhejiang, as well as Shanghai, Liaoning, Henan, Shandong and other areas via open land auctions and equity acquisitions. The Group added 8 projects with a total site area of approximately 2.90 million sqm. to its land bank. The planned GFA of these newly acquired projects was approximately 4.52 million sqm., of which 2.01 million sqm. was attributable to the Group. The total land premium paid amounted to approximately RMB11.16 billion, of which approximately RMB2.33 billion was attributable to the Group. The average land cost per floor area (calculated on the basis of planned GFA) was RMB2,471 per sqm. As at 30 June 2011, the total GFA of the Greentown Group’s land bank exceeded 40.69 million sqm., of which approximately 25.33 million sqm. was attributable to the Group. The geographical expansion of the Group’s land bank projects that spanned across the country has laid a solid foundation for the Group’s future expansion.

#### Construction Management Business

Taking advantage of the Group’s brand advantage and management resources, Greentown Property Construction Management Company Ltd. (“Greentown Construction Management”) provides consultancy services in brand and property project management, which aims to boost the Group’s revenue without any further capital commitment, thereby creating new business model and additional revenue stream for the Group. Thanks to Greentown’s reputation for quality projects and strong brand image, Greentown Construction Management has successfully secured 38 project contracts with a total planned GFA of 6.74 million sqm. in a short span of nine months. Currently, Greentown Construction Management has established its presence in many provinces and regions including

Zhejiang, Jiangsu, Shanghai, Fujian, Shandong, Henan, Hainan and Inner Mongolia. By participating in property construction management and advisory services, the Group is able to realize the value of its expertise in property development and management, thereby enhance its profitability. With the adoption of such a new business model, the Group has successfully transformed itself from a pure property investment company into a multi-faceted enterprise that embraces property investment, management and consultancy.

### **Future Prospects**

Mr. Shou Bainian, Executive Vice-Chairman & Chief Executive Officer of Greentown said, “The Group will strengthen its strategy of “earlier, greater and faster sales” for rapid asset turnover. On the other hand, we will also adjust project schedules in a flexible manner to reduce capital expenditure, and also adopt pro-active marketing strategies to help the Group recover its capital in a short period, thereby further strengthening its financial position. In addition, the Group is well aware of the importance of cost control and thus is prepared to launch a series of efficiency improvement measures for cost reduction. Apart from focusing on reduction of capital pressure, the Group will boost its business expansion and brand power in a progressive manner by exploring new markets and growth drivers while continuing its commercial-construction business model that undertakes property construction and management projects from third parties. In terms of financing channels, the Group has been actively exploring innovative financing models. We are the pioneer to launch a trust fund and a RMB-denominated real estate fund in collaboration with large-scale state-owned financial enterprises in the national and provincial level as well as prestigious private enterprises in China. With an outstanding credit record, Greentown has always been considered as a quality customer by the PRC four largest state-owned banks and thus enjoys considerably strong credit support from the banks, which facilitates the Group’s steady growth in the coming years.”

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

Greentown is one of the leading property developers in China. It plays a leading role in the industry leveraging on its quality properties. Greentown is a quality national residential property developer and its operations extend to over 39 cities including important cities in Yangtze River Delta regions, Bohai Rim Economic Belt, Beijing, and other provincial cities. The record sales performance has ranked Greentown one of the best Chinese property developers in 2010. From 2005 to now, the “Greentown” brand was ranked for seven consecutive years among the “Top 10 Most Valuable Property Brands in China” by authoritative organizations.

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