



[Immediate Release]

Greentown Announces 2012 Interim Results

***** Profit Attributable to Owners of the Company Jumped 103% to RMB1.81 Billion*****

Results Highlights

- The Group achieved combined revenue of approximately RMB12.60 billion, representing an increase of 12.3% from the corresponding period of last year
- Net profit margin amounted to 17.9%, representing an increase compared to 15.8% of the corresponding period of last year.
- Profit attributable to owners of the Company amounted to RMB1.81 billion, soared 103.0% from the corresponding period of last year.
- Earnings per share was RMB1.09, representing a significant increase of 101.9% compared to the corresponding period last year.
- Net gearing ratio amounted to 93.5%, representing a significant improvement compared to 148.7% as at the end of last year.
- Land bank reached 40.08 million sqm. of total gross floor area (“GFA”), which is sufficient for the Group’s development for the coming five years.

(27 August 2012, 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 2012 (“the Reporting Period”).

In the first half of 2012, the Group’s revenue increased 12.3% to approximately RMB12.6 billion. Profit attributable to owners of the Company amounted to approximately RMB1.81 billion, representing a substantial increase of 103.0%. Gross profit margin of property sales decreased to 26.5% as compared with 32.6% recorded in the corresponding period last year. Basic earnings per share was RMB1.09.

Business Review

The first half of 2012 is of milestone significance in the history of Greentown’s development. The Group has dealt with challenges posted by China’s macro-economic tightening policies in a calm

and prudent manner. Greentown adopted a series of proactive measures including enhancement of sales and marketing efforts, introduction of strategic investors, and disposal of certain projects, which helped the Group relieve its financial strain markedly, thereby creating a desirable environment for the Group to implement its stability-oriented operational strategy. At the same time, thanks to its relentless efforts in striving for the highest product and service quality, Greentown has further enhanced its leadership in the market.

Introduction of strategic investors

On 8 June 2012, the Group announced the entering into of the subscription and investment agreements with The Wharf (Holdings) Limited (“Wharf”, stock code: 00004.HK, together with its subsidiaries, the “Wharf Group”) and its wholly-owned subsidiaries. The agreements involved the placement of shares in the Company and the issuance of perpetual subordinated convertible callable securities to the Wharf Group. The aggregate transaction amount is approximately HK\$5.10 billion (approximately RMB4.16 billion). Upon completion of the share placement, the Wharf Group holds approximately 520 million Greentown shares, representing 24.6% of the entire issued share capital of the Company, and becomes Greentown’s second largest shareholder. The Wharf Group also obtained two seats in the Board and one seat in the newly established Investment Committee.

On 22 June 2012, the Group entered into an agreement with Tianjin Sunac Zhidi Co, Ltd.(“Sunac Zhidi”), a wholly-owned subsidiary of Sunac China Holdings Limited (“Sunac”, stock code: 01918.HK), for the establishment of a joint venture platform company, in which each party will hold a 50% equity interest. Eight property development projects namely, Shanghai Yulan Garden, Shanghai Bund House, Suzhou Majestic Mansion, Suzhou Rose Garden, Wuxi Yulan Garden, Wuxi Taihu Project, Changzhou Yulan Square and Tianjin Azure Coast will be transferred to the joint venture platform company. Greentown will also transfer its 50% equity interests in Shanghai Rose Garden to Sunac Zhidi. Thus, Greentown will transfer 50% of the equity interests in the above nine projects at a total consideration for approximately RMB3.37 billion in this transaction.

The introduction of strategic investors not only markedly improved the Group’s equity structure and balance sheet, it also created synergy effect by leveraging the strategic investors’ superior resources and experience and further enhanced the Company’s governance structure and operational ability.

In addition, in the first half of 2012, the Group had disposed of its equity interest in the Shanghai Haizhimen project, Shanghai Greentown Square in whole, and part of its equity interest in Wuxi Lihu Camphor Garden, Taizhou Lagerstroemia Garden and Taizhou Begonia Garden, for a total consideration of RMB5.11 billion.

Property Sales

In the first half of the year, the Greentown Group had given first priority to sales by transforming its sales model from the old ‘sitting-salesman’ showroom sales model, to the new agency model,

which features the agents' active involvement in customer development. A new model of sales comprising a new set of selling philosophy, organizational structure, training, target management, workflow processes, assessment and incentives, has been put in place and has already provided a strengthening effect in promoting sales of the Company..

As at 30 June 2012, the Greentown Group (including Greentown China Holdings Limited and its subsidiaries, together with its jointly controlled entities and associates) recorded sales with a total GFA of 1.17 million sqm. Total sales amounted to RMB22.0 billion (including agreement sales of RMB4.2 billion), of which RMB 12.9 billion was attributable to the Group. The average selling price of the total sales was RMB18,744 per sqm.

Land Bank

The Group did not make any new acquisitions of land in the first half of the year. Through introducing partners in the development of certain projects and project disposal, the Group had suitably reduced its total land bank. As at 30 June 2012, the Group had 99 projects in land bank, including projects under construction and available for construction, with total GFA 40.08 million sqm, of which 23.07 million sqm was attributable to the Group. The total saleable area was 26.88 million sqm, of which 15.44 million sqm was attributable to the Group. The land bank has total saleable amount approximately RMB455.6 billion (including RMB80.5 billion sold but not yet recognized), in which approximately RMB259.1 billion was attributable to the Group (including RMB52.7 billion sold but not yet recognized). The Group's current land bank can satisfy its development needs for the coming five years.

Future Prospects

Looking ahead, "Excellent quality and sound operation" will henceforth become the guiding principle for the development of the Group. "Excellent quality" mainly refers to qualities such as attention to details, exquisiteness of products, and sincerity in service. Greentown will learn from the advanced countries and continue to improve its construction techniques and processes. Through meticulous project management and enhancement of quality control, the Group will continue to improve its project quality. At the same time, the Group will continue to promote the 'estate community life services system' and expand its service scope, which aims to offer residents better quality of living. In addition, the Group will allocate more resources to research and development so as to achieve better product mix and enlarge customer base. Hereafter the Group will pay more attention to market demand and geographical characteristics of different markets. While focusing on quality excellence, the Group aims to tap further into mainstream market via design optimization and product diversification, which will enhance its product appeal for a broader range of customers. At the same time, the Group will explore projects such as urban complexes, housing estates for retired people and tourist-oriented estates in second- and third-tier cities in the PRC, thereby broadening its business horizon further.

In line with its prudent approach in operations, the Group will optimize its debt structure while lowering its gearing ratio further. Greentown seeks to reduce the level of its short-term borrowings so as to balance the debt maturity profile. Furthermore, the Group will carefully examine available means of financing and adjust its debt portfolio to lower the average cost of borrowing. At the same time, the Group will continue to explore opportunities to dispose of projects which are of

high quality but have a relatively long cost recovery period in order to improve the Group's gearing ratio and optimize its land bank structure. In terms of cost control, the Group plans to exert stringent control over land cost and construction cost as these two factors determine a project's profitability directly. To strengthen its risk and return assessment for new projects, the Group will make full use of the professional opinion and forward-looking judgment given by the newly established Investment Committee before it arrives at appropriate acquisition decisions. Management expects that the Group's financing cost will drop as a result of the gradual improvement of its gearing ratio and the anticipated downward trend of interest rate.

In the second half of 2012, the Group expects to commence construction for projects with GFA totaling 3.01 million sqm. It is expected that 35 projects, or project phases, will be completed in the second half of 2012, with a total GFA of 2.85 million sqm, of which 1.97 million sqm is saleable area, and 1.42 million sqm of such saleable area is attributable to the Group. As at 30 June 2012, the sales revenue of the Greentown Group which has not yet been recognized in the income statement amounted to RMB80.5 billion, of which RMB52.7 billion was attributable to the Group. The majority of such revenue will be gradually recognized in the next two years, including RMB30.2 billion to be recognized by Greentown Group in the second half of 2012, of which RMB21.4 billion will be attributable to the Group. As such, the Group is optimistic about its prospect.

Mr. Shou Bainian, Executive Vice-Chairman & Chief Executive Officer of Greentown concluded, "Quality excellence has always been fundamental to Greentown's development and we are pleased to see that our core competitiveness has gained market approval. According to the China's Urban Resident Satisfaction Survey jointly published by the China Index Academy and the China Real Estate Index System, which was conducted in the first half of 2012 in 12 major cities in the PRC, Greentown once again came first in the category of "China's Urban Residents' Overall Satisfaction", highlighting its unparalleled product and service quality. Apart from attaining quality excellence, Greentown will improve its financial risk management and pursue an "asset light" model of development by focusing primarily on the export of its brand and management expertise so as to facilitate the Group's sustainable development."

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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 40 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 recent years. From 2005 to 2012, the "Greentown" brand was ranked for eight consecutive years among the "Top 10 Most Valuable Property Brands in China" by authoritative organizations.

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