

[Immediate Release]



Greentown China Meets 54% of Annual Sales Target Cooperation between Greentown and CCCG Forms Strong Alliance for Mutual Benefits

(31 August, 2015 – Hong Kong) Greentown China Holdings Limited, one of the leading property developers in China (“Greentown” or the “Company”; stock code: 3900.HK) announced its interim results for the six months ended 30 June 2015.

In the first half of 2015, the Chinese property market began to pick up gradually. Greentown aligned itself with the market environment and adopted flexible sales strategies, with sales performance well exceeding expectations. During the period under review, the Group’s contracted sales amounted to approximately RMB32.3 billion, up 17% from RMB27.6 billion over the year-ago period, standing at 54% of the annual sales target of RMB60 billion set at the beginning of 2015. Of this, approximately RMB16.2 was attributable to the Group. For the first six months of the year, the Group recognized revenue of RMB10,756 million, in which RMB9,724 million, or 90.4%, was from property sales. Property sales recorded a gross profit margin of 22.1%. Profit attributable to owners of the Company amounted to RMB519 million, with core net profit attributable to owners of the Company at RMB615 million; and basic earnings per share at RMB0.18 for the period.

Mr. Cao Zhounan, Chief Executive Officer of Greentown China Holdings Limited, said, “Since the beginning of 2015, the Central Government has cut the benchmark lending rate, lowered the reserve requirement and relaxed the property purchase limit. All these measures helped to stabilize the property market. We seized this opportunity and adopted flexible sales strategies and innovative marketing advertisements to accelerate the reduction of inventory, increase cash inflow, and met more than half of our annual sales target. Beyond that, we successfully introduced China Communications Construction Group (Limited) (“CCCG”) as our strategic investor, and became the sole property platform of CCCG in the overseas listing arena, which is of key strategic importance. Even though there were major shifts in the external market environment, we continued to meet the demands of the market and customers by further diversifying our product variety, integrating with the optimization marketing strategies of the Internet and consolidating the advantages of our high-quality service, with the aim of expanding our customer base.”

CCCG acquired shares of Greentown in March and June this year. As of the date of this interim results announcement, CCCG’s shareholding represents 28.899% of the total issue share capital of Greentown, making it the single largest shareholder of the Group. The solid backing of CCCG will expand the financing channels of Greentown and provide value-added

measures for future financing, thereby helping to reduce the finance costs and improving the Group's financing ability and efficiency. In February 2015, Greentown issued senior notes due in 2019 in the aggregate amount of US\$200 million, with an interest rate of 8.0% per annum. In July and August the same year, with the strong support from CCCG, Greentown completed the offer to exchange two tranches of U.S. dollar denominated senior notes due 2018 and 2019 issued by the Group for U.S. dollar denominated 5.875% new senior notes due 2020. Greentown concurrently issued additional new notes, which brought the aggregate principal amount of the new notes to US\$500 million. The completion of such an offer was a first for listed companies in Hong Kong, with a yield to maturity of 5.875% being the lowest to be achieved by a Chinese property developer with a "BB" credit rating thus far, which further lowered Greentown's financing cost and improved its debt structure.

As at 30 June 2015, the Group had cash and bank balances (including pledged bank deposits) of RMB11,668 million. The net gearing ratio (measured by net borrowings over net assets) was 78%, which was relatively stable as compared with 76.7% as at 31 December 2014.

Outlook

The changes in the current operating environment pose immense challenges to Greentown. They include the gradual slowdown of land profit, structurally excessive real estate housing supply, general decline in profit of property developers, a "new norm" in the mode of industry development which brings fundamental changes, shifts and upgrades of the PRC economy, increasing rapid urbanization and the further acceleration of globalization. To cope with these challenges, the Group will further strengthen its sales, accelerate the reduction of inventory, expand the financing channels and strictly control costs. At the same time, the Group will further strengthen its foundation by optimizing its land reserves and cost structure. These can be achieved by focusing the business on core cities, expanding short-term valuable projects, accelerating the project cycles and upgrading the asset-light quality.

The cooperation between Greentown and CCCG will form a strong alliance for mutual benefits. CCCG will add new impetus to Greentown in term of financial control, project development and business management. Greentown will not only be able to reduce its finance costs and further improve its financing ability and efficiency, but will also leverage CCCG's strong support to strengthen the operations of its asset-light business, fortify its strategic investment in key cities and penetrate overseas markets, to achieve the synergies for a win-win outcome. As the sole property platform of CCCG in the overseas listing arena, Greentown will lead the integration of CCCG's domestic and offshore real estate businesses to fully harness the synergistic effects from a comprehensive and multi-level form of cooperation, to deliver mutual benefits to both CCCG and Greentown.

In light of the prevailing business environment, sales remain as the top priority. Based on the sales of inventory and the overall inventory level in the first half of the year, the

Greentown will develop sales strategies and inventory reduction plans (including liquidating the remaining units, adopting flexible sales plan with respect to large-sized housing and comprehensive business group purchases) to achieve the strategic reduction of housing inventory, keep receivables at a reasonable level, and increase cash inflow. The Group expects to commence construction of projects with a total GFA of approximately 4.54 million sqm, while 33 projects (or phased projects) will be completed in the second half of 2015 with a total GFA of approximately 4.15 million sqm.

Building on its existing foundation, the Group will integrate the construction management platform, unify business planning and gather dominant resources internally to strengthen the operations of its asset-light business. On the other hand, Greentown strives to build a long-term strategic partnership with state-owned enterprises and central enterprises. By developing the brand and management and emphasizing the increase in the proportion of the asset-light business, Greentown will be able to increase its returns on assets, as well as secure and expand its leadership and influence in the project construction management sector. As such, the influence of Greentown's brand in the domestic market will be strengthened as a whole.

The Group will focus on the strategic layouts of first and second-tier cities, as well as third-tier cities with high potential. In the core areas of the first and second-tier cities, it will continue to invest in high-end products to meet the demand of high-end customers. The consistently high quality of Greentown's products will in turn further enhance the Company's brand value. In other regions, the Group will focus on "the most cost-effective" products, and strike a balance between quality and cost in line with market demand and local customer needs, to enhance profitability.

Mr. Cao Zhounan concluded, "CCCG has been offering all-round support to Greentown since it became Greentown's shareholder. CCCG will give full support to the stable development of Greentown by tapping its strong credentials as a state-owned enterprise, a market leader in the construction industry and one of the Global Top 500 Enterprises. We look forward to exploring more opportunities for cooperation, and to creating a new era for Greentown."

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About Greentown China Holdings Limited

Greentown China Holdings Limited, one of the leading property developers in China, is renowned for the high quality of its properties. It has a nationwide footprint in China with operations spanning more than 40 cities, including key cities in the Yangtze River Delta region and Bohai Rim Economic Belt, Beijing, and various provincial capitals. It has achieved a sustainable growth in its operational results, and has been one of the best-selling Chinese property developers in recent years. From 2004 to 2014, the “Greentown” brand was ranked among the “Top 10 Most Valuable Property Brands in China” by renowned organizations for over ten years. Greentown has also been ranked for the tenth consecutive year as one of “The Top 100 China Real Estate Companies: Top 10 China Real Estate Companies in Comprehensive Strength” jointly by three authoritative institutions, namely Development Research Center of the State Council, Tsinghua University Real Estate Research Center and China Index Institute, and was again named “The Top 100 China Real Estate Companies: Top 10 China Real Estate Companies in Terms of Corporate Size.”

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

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