

[For Immediate Release]



Greentown China Announces 2019 Interim Results Solid Performance with Expected Annual Sales Target of RMB200b Strong Cash Position Set for Further Land Acquisition in 2H

26 August 2019, 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 interim results.

In the first six months of 2019, Greentown China posted a total contracted sales amount of approximately RMB74.3 billion and achieved a revenue of RMB18.658 billion, with the gross profit margin up 13.9p.p year-on-year to 32.0% and net profit recorded RMB3.073 billion with net profit margin up 7.2p.p. year-on-year. Profit attributable to owners of the Company amounted to RMB2.058 billion and basic earnings per share was RMB0.67.

During the period under review, the company’s newly acquired land value reached RMB62.6 billion. (In addition, the Company also locked approximately RMB90 billion pending-for-secured saleable value, thus the actual newly added saleable value in the first half of 2019 was RMB150 billion.) With strong cash position and smooth financing channels in both onshore and offshore capital markets, Greentown China is looking to strengthen its participation in land bidding and M&A to reach the goal of achieving RMB200 billion of newly-added saleable value in 2019.

For the second half of 2019, the total saleable area reached approximately 10.6 million sqm, with a total saleable value of approximately RMB226.3 billion. Greentown China strives to accomplish the RMB200 billion annual contracted sales target.

Solid Operational Performance and Sound Financials

During the period under review, Greentown China achieved a total contracted sales area of about 4.03 million sqm, and a total contracted sales amount of RMB74.3 billion, with a cash collection ratio of 88%.

Among them, the Company recorded a total contracted sales area of approximately 1.97 million sqm and a total contracted sales amount of approximately RMB49.4 billion from its investment projects, increased RMB2.1 billion year-on-year. The average selling price of investment projects

reached approximately RMB25,031 per sqm, remaining at a leading position in the industry. In terms of projects under project management, the total contracted sales area was approximately 2.06 million sqm and the total contracted sales amount was approximately RMB24.9 billion.

As at 30 June 2019, the net gearing ratio of the Company was 58.6% and the bank balances and cash (including pledged bank deposits) amounted to RMB48,232 million, which was 2.69 times the balance of borrowings due within one year, sufficient to cover the debts when they fall due and able to ensure sound operations of the Company. The weighted average interest cost of the total borrowings for the first six months of 2019 was 5.4%, which stayed virtually flat as compared to 2018.

Precise Investment Strategy; Abundant Saleable Resources

In the first six months of 2019, the Group acquired a total gross floor area (GFA) of approximately 3.22 million sqm, with the total land premium reaching approximately RMB25.2 billion. The total newly acquired saleable amount is expected to reach approximately RMB62.6 billion.

In terms of geographical distribution, the newly acquired land parcels in the first half of 2019 were mainly situated in first- and second-tier core cities such as Hangzhou, Ningbo, and Xi'an, etc, accounting for about 88% of the newly-added land bank by saleable amount, which will help enhance the risk resistance capacity of the Company.

As at 30 June 2019, the total GFA of Greentown China's land reserve reached approximately 34.12 million sqm and the total saleable area amounted to approximately 23.49 million sqm. The land reserve in first- and second-tier cities accounted for 72% of the total saleable value.

Lay a Solid Foundation for the Future; Ramp Up Featured Businesses

As at 30 June 2019, the Company had a total of 317 projects under project management, with a total planned GFA of approximately 72.84 million sqm and an estimated saleable amount of approximately RMB419.4 billion. The Company remains the largest professional project management service provider in PRC. The project management business is expected to contribute more profit in the future.

The Company has adopted a diversified investment strategy. In addition to traditional bidding and auction, it has augmented the proportion of investment in town, TOD and urban renewal projects. During the period under review, the Company successfully obtained four town projects including Hangzhou Longwu Tea Village, while targeting to closely follow up on another 30 town projects. In the rest of 2019, the Company has plans to invest in 20 town projects, including one in the Hot Spring Town in Wuyi, and one in the Soccer Town in Bangbu, Anhui. Meanwhile, Greentown China's TOD model is well recognized by many local governments. It is now targeting and following up on

TOD projects in cities such as Hangzhou, Xi'an, Harbin and Foshan. Furthermore, the Company is actively promoting the implementation of urban renewal projects, seeking to create a benchmark for future communities in Zhejiang province.

Quality-First; Constant Upgrade of Products and Services

In the first half of 2019, the Group systematically sorted out the product series and completed the establishment of a product system including “8 product series”, “22 product categories” and “22 product styles”. At the same time, the Group has proactively to promote “standardised, digitalised, industrialised and eco-friendly” to expedite the delivery of mature products in the new projects.

The Company has established the Planning and Design Committee and Engineering Quality Committee. The Planning and Design Committee, with Mr. SONG Weiping as Honorary Chairman, assembles product professionals, management team and working teams to forge core competitiveness of Greentown's products and maintain the premium quality of products in the industry.

Meanwhile, the Company kept upgrading service quality, proactively improving its living service system. Its 5G “whole-hearted” services were built upon the 5 dimensions of home insurance for residential property, public property management, household management, neighborhood space and neighborhood relationship.

In 2019, the China Index Academy published a survey report on resident satisfaction towards living in Chinese cities. Greentown China was awarded an overall satisfaction score of 89.3 points, putting it in a leading position. The Company was ranked top in 12 cities in which it has business presence, including Hangzhou and Jinan, seeing a robustly expanding brand value.

Quality and Efficiency Advancement; Management Optimization

In the period under review, the Group proactively promoted the overall management of projects to further facilitate business integration, leading to improve per capita efficiency by 11.5% and significant success in workforce planning and expense reduction under the “Double Control” principle.

The “Greentown China Win-Win Mechanism” has been officially launched since January 2019. To date, 103 projects have been covered under the co-investment scheme, having effectively stimulated a sense of ownership among the management and employees and boosted overall operational efficiency. Meanwhile, the Company has also implemented its share award scheme. In the period under review, 70 core management members were issued 7,414,000 shares under the scheme.

Under current macro policies and market conditions, Mr. ZHANG Yadong, Chairman of the Board and Chief Executive Officer of Greentown China, has noted that stabilization will remain the keynote of real estate policy in China. The industry will be further integrated, and quality real estate developers may meet new business opportunities, while Greentown China's advantage in premium products and its solid business position will be an important support for its future development.

Amid the profound changes in the real estate market, Greentown China will continue to "reform, change and improve", putting strong development as its top priority. The Company will continue with "Dual Internal Control" measures and promote overall management of projects to lower costs, improve efficiency and boost profit. It will also put more efforts into investment and land bank expansion through diversified land acquisition. Meanwhile, the Company will continue to improve capital efficiency and revitalize assets. In addition, it will further strengthen its research on newly entered markets and enhance product adaptability to meet differentiated demands and boost product competitiveness.

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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 has over 300 member companies and its scope of business covers more than 20 provinces, autonomous regions and municipalities. It has presence in over 100 cities, having constructed more than 600 exquisite property complexes. Greentown has been ranked among "Top 10 among 100 Chinese Real Estate Enterprises by Comprehensive Strength" for 15 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 8 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, please visit the company website at www.greentownchina.com.

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