

[For Immediate Release]



Greentown China Announces 2020 Interim Results Increases in Both Investment Quantity and Quality Records Rapid Sales Growth

27 August 2020, Hong Kong - Greentown China Holdings Limited (“Greentown China” or the “Company”; 3900.HK), today announces its 2020 interim results.

In the first half of 2020, Greentown China recorded a total contracted sales amount of approximately RMB91.2 billion, representing a year-on-year growth of 23%. Revenue was RMB23.896 billion, representing a year-on-year increase of 28.1%; profit attributable to owners of the Company amounted to RMB2.096 billion, representing an increase of 1.9% year-on-year. The average interest cost further dropped to 5.2% and the net gearing ratio was 66.1%, maintaining a reasonable level.

In the first half of 2020, Greentown China maintained its steady development while making progress across the board. It also made many breakthroughs in land investment, sales scale, efficiency improvements, and financing costs, laying a solid foundation for the Group to achieve its sales targets for the year and high-quality development in the future.

Investment accelerated with newly-added saleable value up by 181%

Greentown China always seizes investment opportunities at the right time and increases investment in land. During the first half of the year, the gross floor area (GFA) of the newly-added land bank was 10.97 million sqm, giving it a newly-added saleable value of RMB175.6 billion and representing a significant increase of 181% year-on-year, while the saleable value in first- and second-tier cities accounted for 75%. The Group further expanded its premium land bank in core areas such as the Yangtze River Delta Area and Bohai Rim Area.

Greentown China has also broadened its investment channels and stepped up its efforts in mergers and acquisitions. During the first half of the year, it is estimated that the project value obtained through mergers and acquisitions amounted to RMB73.8 billion, accounting for 42% of the saleable value. With the improvement in turnover efficiency, Greentown China expects that about 25% of the newly-added saleable value will be converted to the annual contracted sales, which effectively promotes the sales growth for the year and in the future.

The newly-added projects in the first half of the year are expected to generate nearly RMB18 billion in net profit, and the estimated average net profit margins of these projects increased by approximately 3 pps year-on-year, projecting a steady growth in earnings.

As of 30 June 2020, Greentown had a GFA of land reserve of approximately 48.01 million sqm, with a total saleable value of about RMB742.7 billion. The consistent and rapid growth of the Group's scale was strongly supported by its sufficient land reserves. The projects are distributed across the Yangtze River Delta, the Bohai Rim, Chengdu-Chongqing, the middle reaches of the Yangtze River, and other core cities of key urban agglomerations. Those first- and second-tier cities accounted for 74% of the total saleable value, further optimizing the national layout.

Sales scale grew with cash collection ratio reached 95%, well ahead of industry average

In the first half of 2020, Greentown recorded a total contracted sales area of approximately 4.31 million sqm, and the total contracted sales reached a record high of approximately RMB91.2 billion, representing a year-on-year growth of 23%. It ranked 10th in the industry in the first half of 2020 according to a report released by China Real Estate Information Corporation (CRIC).

The total contracted sales amount was approximately RMB66.1 billion (increased by 34% year-on-year) from its investment projects, of which approximately RMB38.2 billion was attributable to the Group (increased by 43% year-on-year). The contracted sales of the project management business maintained a steady and orderly growth with amount reaching approximately RMB25.1 billion. Overall cash collection rate was 95%, showing an accelerated return of cash.

In the face of the unexpected pandemic and market changes, the Group responded actively with flexible marketing strategies. It has carried out special promotion campaigns and facilitated marketing promotion through online platforms such as "Greentown +" APP and "Greentown Cloud" WeChat Mini Program with remarkable results.

Operations efficiency improved, with area under construction per capita increasing by 29%

Benefiting from highly efficient operations management and further developed in the standardization system, Greentown's product adaptability was secured, greatly improving the speed and efficiency of product execution. The Company has estimated that for the full year 2020, projects about 11.25 million sqm will commence construction,

while 6.62 million sqm of construction will be completed, an increase of 20% and 14% year-on-year respectively.

Regarding cost management, Greentown China's application rate of procured materials reached 96% through promoting centralized strategic acquisitions. Dynamic cost decreased by RMB2.95 billion, 1.2% lower than the target cost. In addition, Greentown China was committed to implementing project group management to perform the functions of resources coordination and efficiency enhancement. During the Reporting Period, area under construction per capita saw an increase of 29% year-on-year.

Sound financial condition with financing cost reduced to 5.2%

With stable financial condition, and the credit support of China Communications Construction Group Ltd. ("CCCCG"), Greentown China continues to optimize its financing structure and lower its capital cost. During the Reporting Period, the weighted average interest cost of the total borrowings in the first half of 2020 was 5.2%, a drop of 20 bps compared to 5.4% in the first half of 2019. The net gearing ratio was 66.1% as at 30 June 2020, which remained at a reasonable level.

The proportion of debt due within one year was 5.5 pps lower than that at the end of 2019, accounting for 31.1% of total debts. The bank balance and cash (including pledged bank deposits) amounted to RMB62.849 billion.

During the Reporting Period, for onshore financing, Greentown China launched public bonds in an aggregate amount of RMB14.595 billion at an average interest cost of 3.54%, a decrease of 133 bps compared to the corresponding period of 2019. Through multiple debt swaps, it further reduced the cost of its debts and optimized the debt duration.

Development of featured business, gradual launch of growth engines to achieve future business growth

In addition to traditional real estate investment and development business, Greentown China strives to create a new driving force for future profit, stays active in the operation of its featured business and makes efforts to accelerate the layout and implementation of TOD, urban renewal and city-industry integration projects. Currently, Greentown China has launched 13 TOD projects, located in Hangzhou, Ningbo, Fuzhou, Foshan and other cities.

Also, the Group's town business has established a business development model empowered by "the dual drive of property sales and industrial operation" with focus on

three major sectors: healthcare, agriculture, and scientific innovation. As of 30 June 2020, the Group's town business had extended to 8.93 million sqm of secured planned GFA.

Spin-off of project management business to unveil the value of asset-light segment

Greentown Management (9979.HK), a subsidiary of the Group, was spun off and officially listed on the main board of Hong Kong Stock Exchange on 10 July 2020, leveraging the power of the capital market to accelerate the growth in scale and profit in the asset-light segment. As of 30 June 2020, the Group had had an aggregate of 268 projects under management with an accumulated contracted GFA of approximately 73.31 million sqm, maintaining its leading position in the project management industry.

Strategic leadership – developing three business segments synergistically

Looking forward, Greentown China will adapt to the trends, follow the trends; seize the opportunities, steadily march ahead. Through multi-wheel driven development, it will further deepened the three main business layouts of heavy assets, light assets and “Greentown +”. The group will also optimize its business structure to achieve rapid growth in profit scale and brand quality.

Regarding the Asset-heavy segment (the real estate investment and development business), the Group will focus on strengthening investment intensity and accuracy, so as to enhance investment efficiency and achieve high-quality development. The Group will also proactively promote the implementation of featured projects, including town projects, TODs and industry-city integration to explore new profit-making opportunities.

Regarding the Asset-light segment (the real estate project management business), the Group will strive to expand its room for development and enhance its existing project management model and research and development (R&D) capabilities to consolidate its leading position in the industry.

Regarding the “Greentown +” segment (the diversified businesses centering on real estate development), the Group will extend the industry chain and expand the industrial clusters, thus tapping into the value points upstream and downstream in the real estate industry and creating more value for customers to develop a new business growth engine.

The year 2020 represents the first year Greentown China to promotes the “Strategic 2025” plan. It will continue its growth momentum starting since the first half of the year

to further optimize its development structure, strengthen its development momentum, and uphold the product-centric, growth- and profit-oriented principles. All these efforts aim at improving its development quality and striving to become the “No.1 integrated service provider for an ideal life in China” and a benchmark in quality among superior real estate enterprises.

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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 offers premium properties and services. Under the development strategy of “quality first”, Greentown China focuses on the value points from upstream to downstream in the real estate sector, forming three major segments of asset heavy, asset light, and “Greentown+”. The asset-heavy segment focuses on real estate development business, while the asset-light segment strengthens the real estate project management business. The “Greentown+” segment provides strong support to both segments, strengthening the integration of the upstream industry chain and improving the service of the downstream industry chain.

With over 26 years of development, Greentown’s scope of business covers more than 20 provinces, autonomous regions and municipalities. It has constructed more than 800 exquisite property complexes. Greentown has been awarded the “Chinese Leading Real Estate Companies by Customer Satisfaction” for 8 consecutive years, and has been ranked among the “Top 10 among 100 Chinese Real Estate Enterprises by Comprehensive Strength” for 16 consecutive years, as well as “Top 10 Chinese Real Estate Companies by Brand Value (Mixed Ownership)”. With a comprehensive brand value of RMB86.8 billion, Greentown also has been ranked among the “2020 Top 10 among 100 Chinese Real Estate Companies by Brand Value”. Greentown is dedicated to maintaining transparency, adhering to its strategies, and excelling in its operations, to build the brand into the “No. 1 integrated service provider for an ideal life”.

For further information about Greentown, please visit the company website at

www.greentownchina.com .

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