

[For Immediate Release]



## **Greentown China 2021 Interim Results Outstanding Sales and Investment Performance Steady Improvement in Operational Efficiency**

25 August 2021, Hong Kong – **Greentown China Holdings Limited** (“Greentown China” or the “Company”; 3900.HK) is pleased to announce its 2021 interim results that it has achieved total contracted sales of approximately RMB171.7 billion, a year-on-year growth of 88%, reaching 7th place in the national rankings<sup>1</sup>. During the Period under review, it posted revenue of RMB36.1 billion, representing a year-on-year increase of 51% while profit attributable to owners of the Company came in at RMB2.418 billion, representing an increase of 15% year-on-year.

**Mr. ZHANG Yadong, Chairman of the Board of Greentown China said:** “In the first half of 2021, despite the profound changes in the real estate industry, Greentown China guided by "Strategic 2025" and taking the "best understanding of customers and products" as its pivot point of strategy, has committed to maintaining quality and strengthened its streamlined operations. The Company achieved outstanding performance in sales volume, land investment and operational efficiency with all operational indicators surpassing their targets.”

### **Sales Volume Hit Record Highs with Strong Growth Momentum**

In the first half of 2021, Greentown Group (including Greentown China Holdings Limited and its subsidiaries, together with its joint ventures and associates) recorded a total contracted sales area of approximately 7.24 million sqm and a total contracted sales amount of approximately RMB171.7 billion, ranking 7th in the PRC<sup>1</sup> and representing a year-on-year growth of 88%. In particular, contracted sales from self-investment projects were approximately RMB136.9 billion, representing a year-on-year growth of 107%, of which approximately RMB71.3 billion was attributable to the Greentown Group, a year-on-year growth of 87%. Contracted sales from projects under project management amounted to approximately RMB34.8 billion, a year-on-year growth of 39%.

Thanks to excellent product strength and precise investment distribution, the Group recorded a satisfactory 83% sell-through rate for first launched projects<sup>2</sup>. At the same time, the Group implemented streamlined management of cash collection and strengthened cash management mechanism with the cash collection rate reaching 95% during the Period.

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<sup>1</sup> 1H2021 Ranking of Real Estate Developers by Sales (CRIC)

<sup>2</sup> Sell-through rate in the first 30 days for first launched projects

## **Adhering to the Philosophy of Value Investment, Improving Quantity and Quality of Land Bank**

Greentown China has actively responded to the new land policy by accurately grasping the pace of land acquisition. Supported by abundant capital flows, the Group acquired 67 new projects in 31 cities in the first half of 2021 with a total gross floor area ("GFA") of approximately 11.86 million sqm and a total saleable value of RMB214 billion. In respect of geographical distribution, the newly-added saleable value in first- and second-tier cities accounted for 78% during the Period with the Yangtze River Delta as an area of strategic importance accounting for 50% of the newly-added saleable value, which has helped consolidate Greentown China's market share and industry position in the Yangtze River Delta Area. 37% of the newly-added saleable value is expected to be converted to saleable resources in the same year, representing a year-on-year growth of 12 pps, reflecting an improvement in project launch efficiency and generating momentum for future growth and development.

As of 30 June 2021, the total GFA of Greentown China's land bank reached 60.34 million sqm with a total value of RMB995.1 billion.

## **Optimized Institutional Mechanisms Improved Quality and Efficiency in Operation**

In respect of business layout, the Group has formed the three major segments of asset-heavy, asset-light, and "Greentown+", optimizing the management structure and improving decision-making efficiency. Thanks to the continuous promotion of "reform, change and improve", the operational quality of the Group has increased and the uniformity of its development has been consistently strengthened.

Through measures like implementing standard construction time frame and strengthening on-site management and control, the Group's overall operational efficiency has steadily improved. The time required from land acquisition to construction commencement, to presale, to positive return on shareholders' investment and delivery was 4.0 months, 6.8 months, 12.3 months and 30.6 months, respectively, and shortened by 10%, 8%, 14% and 6% year-on-year, respectively. Sales per capita saw a year-on-year growth of 51% to RMB53.21 million.

## **Sound Financial Condition with Lowering Financing Costs**

Leveraging on the advantages of stable operation and prudent financial control, Greentown China has deepened its strategic cooperation with various financial institutions with financing channels staying smooth and financing costs being continuously optimized.

In the first half of 2021, the weighted average interest cost of total borrowings further decreased from 5.2% to 4.6%, a drop of 60 bps compared to the first half of 2020. As at 30 June 2021, debts due within one year accounted for 23.5% of the total, representing a decrease of 3.8 pps as compared to that at the end of 2020. The financing structure has maintained at a reasonable level and provided strong support for the Company's long-term development.

## **Quality Staying Ahead of Peers Service Continuing to Improve**

Greentown China insists on the concept of "quality first", adheres to the concept of "product-oriented" and artisan spirit and continues to forge its core competitiveness. In March, Greentown China was recognized among the Top 10 in the ranking of "Top 100 Chinese Real Estate Enterprises by Comprehensive Strength" for 17<sup>th</sup> consecutive year, and also ranked first on the list of "Property Developers with Excellent Product Strength" in 2021. In July, it was once again shortlisted as one of the "Top 10 Chinese Real Estate Companies by Brand Value in 2021".

Identifying customer needs as starting point, the Group has continuously delivered excellent service. According to the "2021 Chinese Urban Residents' Satisfaction (2021 年中國城市居民居住滿意度)" survey, Greentown China led the industry with a score of 88.7 and won first place in overall satisfaction across 14 cities. Greentown China ranked high among its peers in the "2021 Chinese Urban Residents' Satisfaction" survey for 11<sup>th</sup> consecutive year.

## **Optimizing Featured Business Layouts, Multi-wheel Driven Businesses**

In addition to traditional real estate investment and development activities, Greentown China also strives to build a second growth engine by staying active in developing the layout of featured businesses and emerging businesses, and expanding the implementation of those businesses.

Thanks to constant expansion and development of town projects and further implementation of town brands, as of 30 June 2021, the town business has covered a total of 21 cities with 27 featured towns under operation and under construction, while a total of 11.92 million sqm of planned GFA secured.

In terms of TOD business, the Group has implemented a nationwide layout strategy focusing on multi-category and multi-type businesses and established strategic cooperation with railway transportation groups in various regions with nearly 20 TOD projects launched in Hangzhou, Ningbo and other cities.

In terms of future community, the Group has established Greentown Future Digital Intelligence Technology Company, formed an industry chain that integrates design, development and operations to create a high-quality living environment. In the first half of 2021, the Group launched two projects in Ningbo and Quzhou and followed up on 35 key future community projects.

## **Five Major Business Strategies to Keep Up Momentum**

Looking forward to the second half of the year, it is expected that the regulatory principle of "housing instead of speculation" will continue to deepen which, when combined with the effects of management and control policies of "Three Red Lines" and centralized land supply, will accelerate changes in the real estate landscape. Greentown China will actively improve its capabilities in multiple aspects, including products, operations, investment and marketing, aiming at steadily improving sales volume, continuously optimizing operation efficiency, positioning accurate investment, further decreasing

costs and implementing long-term mechanisms. With the core goal of creating “TOP 10 Quality Benchmark”, Greentown China will make every effort to achieve business objectives through its operations strategy "productivity, efficiency, accuracy, saving, prudence".

For the second half of 2021, the total saleable area of the Group is expected to reach approximately 14.11 million sqm with a saleable amount of approximately RMB309 billion. In particular, self-investment projects are expected to provide a saleable area of approximately 9.04 million sqm with a saleable amount of approximately RMB231.2 billion. As of 30 June 2021, the Group recorded an accumulated unbooked sales of approximately RMB320.7 billion, an increase of RMB67.5 billion as compared to the end of 2020.

Faced with opportunities brought by new challenges in the industry, Greentown China will continue its efforts to maintain the growth momentum in the first half of the year by adhering to excellent quality, deepening lean operations, improving management efficiency, and promoting organizational reform, striving to become an "excellent student with special expertise and comprehensive development" as well as building the brand of “No. 1 Integrated Service Provider for an Ideal Life”.

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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. The Group maintains its leading position in the industry with excellent product quality, unique architectural aesthetics, and people-oriented services. With over 27 years of development, Greentown China insists on the concept of “quality first” with the core goal of creating “TOP 10 Quality Benchmark”, 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.

Greentown is dedicated to maintaining transparency, adhering to its strategies, and excelling in its operations, continuously satisfying people's pursuit of an ideal life, develop aesthetic buildings, and create a better life.

For further information about Greentown China, please visit the company website at [www.greentownchina.com](http://www.greentownchina.com).

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