

[For Immediate Release]



Greentown China Announces 2022 Interim Results Steady Improvement in Operating Performance with Stable All-Around Development



△ Greentown China's 2022 Interim Results Announcement

(26 August 2022 – Hong Kong) **Greentown China Holdings Limited** (“Greentown China” or the “Company”; Stock Code: 3900.HK) announced its 2022 interim results and held an online results announcement today.

Mr. Zhang Yadong, Chairman of the Board of Greentown China, said Greentown China adapted itself to the situation in the first half of 2022 with continuous actions to refine its competitive edges. Focusing on the core goal of being a “quality benchmark among the Top 10”, the Company insists on the sustainable development of “high quality in all aspects” and long-termism, and has been comprehensively improving its management ability, product quality and organizational efficiency. Overall business operations have been developing at a steady and progressive pace, with all business lines advancing synergistically and the development advantages further highlighted.



△Speech from Mr. Zhang Yadong, Chairman of the Board of Greentown China

Profitability and Revenue Growth with Sound Financial Conditions

During the first half of the year, Greentown China generated revenue of RMB64,731 million, an increase of 79.1% compared with the corresponding period of last year. Core net profit attributable to the owners of the Company amounted to RMB3,726 million, an increase of 36.7% compared with the corresponding period of 2021. The fundamentals are stable and solid, and the structure is continuously optimized. As of June 30, 2022, cash to short-term debt ratio increased to 2.3 times. Debts due within one year accounted for 19.5% of the total, a drop of 5.6 pps compared with the end of 2021.

The Company effectively implements the sales-oriented production and cost-oriented expenditure strategies. As a result, the Company has maintained excellent liquidity and solvency. Despite a complicated market, Greentown China has maintained smooth financing channels and the onshore and offshore bond issuance amount within the first half of the year reached RMB21.1 billion, with weighted average funding cost of total borrowings lowered to 4.5% from 4.6% in the first half of 2021. Concurrently, the Company has retained stable credit ratings (Moody's: Ba3, S&P: BB-, both with "stable" outlook), showing great recognition from the capital markets.

Market-leading Sales Performance and Sell-through Rate

During the first half of the year, Greentown Group¹ recorded a total contracted sales area of approximately 5.39 million sqm and total contracted sales of RMB112.8 billion to rank among the top 5² across the nation, implying a strong market position. In particular, the self-investment projects contributed a contracted sales amount of approximately RMB84.9 billion, entering the top 10³ nationwide for the first time.

The Group adheres to customer centricity and focuses on customer research, in a bid to boost product competitiveness and gain market acceptance, leading to a steadier sales structure alongside a higher sell-through rate. The Group has actively implemented the rapid sales promoting cash collection for properties in key cities. For example, the sell-through rate of first launched projects in Hangzhou reached 92%. Meanwhile, the Group continued to push cash collection and achieved an industry-leading cash collection rate of 110%.

Accurate Investment and Focused Strategies

With a keen understanding of the situation and focusing on high-tier core cities, the Company acquired 20 new projects in eight cities with a total GFA of approximately 3.13 million sqm during the first half of the year; the newly-added saleable value was estimated to reach RMB73.1 billion. First- and second-tier cities accounted for 90% with the Yangtze River Delta accounting for 73% of the total. At the same time, approximately 60% of the newly-added saleable value is estimated to be converted to sales in the current year to ensure and underpin steady sales growth; the average equity ratio rose to 76% while the attributable profit was strengthened.

As an effective result of precise investment strategy, the land reserve structure has now become more reasonable. As of June 30, the total GFA achieved approximately 56.49 million sqm and the total saleable area was approximately 37.62 million sqm while the value of land reserve in first- and second-tier cities was 76% of the total and 51% across the 10 strategic core cities.

Product and Service Quality Continuing to Lead the Industry

Greentown China regards product quality as the “No.1 Project” and customer satisfaction as the “No.1 Standard”. The Company has won No. 1 among “Chinese Real Estate Companies with Outstanding Product Strength (中國房地產產品力優秀企業)” issued by China Index Academy for three consecutive years and has been leading the industry in the “Chinese Urban Residents’ Satisfaction (中国城市居民居住满意度)” survey for 12 consecutive years, ranking first in terms of customer satisfaction across 15 cities and first in terms of customer loyalty across 10 cities.

In the first half of the year, the Group continued to strengthen product innovation by optimizing the living experience and innovating the living environment in communities with the completion of the “Ruyi Zone (如意盒子)” stilt-floor system, the “Chunzhi Academy (春知學堂)” botanic garden and other projects. A number of innovative efforts such as Greentown Entrance Hall, Unbounded Apartment(無界公寓) and Green "Stack" Generation (綠色「疊」代) have been applied in 58 projects across 28 cities, including Beijing, Hangzhou, Guangzhou, Changsha and Wuhan.

¹ Greentown Group includes Greentown China Holdings Limited and its subsidiaries, together with its joint ventures and associates.

² Ranking of Real Estate Developers by Operation(CRIC)

³ Ranking of Real Estate Developers by Sales(CRIC)

By adhering to the mission of “Customer and Quality First”, Greentown China has ensured high quality delivery through multi-dimensional safeguard measures. The Group achieved 100% on-time delivery for the Period, with 39 projects, 28,000 households and 5.66 million sqm delivered.

Brand Culture Supporting Operation

The Company’s brand recognition continues to maintain a leading position within the industry. Greentown China has been awarded the “Top 10 among 100 Chinese Real Estate Enterprises by Comprehensive Strength (中國房地產百強企業綜合實力 TOP 10)” for 18 consecutive years and ranked sixth on the list of “Top 100 Chinese Real Estate Brand Influential Enterprises in 2022 (2022 中國房地產品牌影響力百強企業)”. It has also won awards such as “ESG A-level Company (ESG A級企業)”, “Sustainable Blue-chip Value Company (可持續藍籌價值企業)” etc.

The Company takes cultural values as its “No.1 Principle”. While focusing on external brand management, Greentown China has attached great importance to the enhancement of its corporate culture. The “Twin Tower” Cultural System and "Standard of Conduct for Greentown Culture" were officially launched in the first half of the year to promote the practice of ‘walking the talk’ and provide support for the strategies embraced by the Company.

Main Business Lines Empowered by Featured Businesses

In the first half of this year, the Group diversified its featured business around its principal real estate business and maintained stable development across all lines of its business. The Group demonstrates prominent advantages in the project management business with a market share that has exceeded 22% for six consecutive years, enabling it to secure the top position in the industry with its profitability continuing to strengthen. Meanwhile, the Group has captured the opportunities afforded by the disposal of non-performing assets and the expansion of government project management business to increase business development opportunities.

The Group’s business segments of ideal town, construction technology, living services, commercial management and industrial finance have continued to achieve solid progress with synergistic development, actively empowering the principal business.

Steady Steps Toward a Bright Future Insisting on a Sustainable Development Path of “High Quality in all Aspects”

Facing a complex environment fraught with multifaceted challenges, Greentown China will stay calm, strengthen its internal management, seize opportunities, implement policies accurately and continue to insist on the sustainable development of high quality in all-aspects. The Group will adhere to its strategic principles, enhance quality control, facilitate the operation of both light and heavy assets, insist on accurate investments with focus, optimize sales structure, ensure the safety of financial funds and continue to meticulously optimize its tactics for better and stronger development.

In the second half of 2022, Greentown China’s total saleable value is expected to reach RMB381.9 billion. In particular, the saleable value of self-investment projects will amount to approximately RMB301.6 billion with saleable area of approximately 11.62 million sqm. As of 30 June 2022, the Group recorded accumulated unbooked sales of approximately RMB313.1 billion. The sufficient saleable resources have laid a solid foundation for the Group’s operational targets for 2022.

2022 is a year of advancement for Greentown China's "Strategic 2025" plan. Following a three-year strategic development period, the Group will make steady progress this year and continues to improve its various capabilities, adheres to the pursuit of excellence, aspires for comprehensive development, and is steadily progressing toward the goal of becoming the No. 1 "Integrated Service Provider for an Ideal Life".

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About Greentown China Holdings Limited

Greentown China Holdings Limited is a leading quality property developer and integrated living service provider in China. It maintains a leadership position in the industry by virtue of the quality of its properties, and its unique architectural aesthetics and customer centric services.

Throughout its 28 years of development, the Company has adhered to the development strategy of "quality first", with building "quality benchmark among the TOP 10" as its core objective, to form three major segments, namely asset-heavy, asset-light and "Greentown+". The asset-heavy segment focuses on the real estate development business, and the asset-light segment concentrates on the project management business, while the "Greentown+" segment provides strong support for both the asset-heavy and asset-light segments by strengthening the industry integration of the upstream and extending the scope of services of the downstream.

Greentown is dedicated to maintaining high integrity in business, meticulousness in skills and excellence in operations, so as to continuously satisfy people's pursuit of an ideal life, and develop aesthetic buildings, and create a better life.

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

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