



[Immediate Release]

Greentown Announces 2012 Annual Results

***** Profit Attributable to Owners of the Company Jumped 88.4%**

to RMB 4.85 Billion***

*****Substantial Debt Reduction with Net Gearing Ratio Dropped to 49.0%*****

Results Highlights

- The Group's Revenue achieved approximately RMB35.39 billion, representing an increase of 61.1% from last year.
- Profit attributable to the owners of the Company amounted to approximately RMB4.85 billion, which soared 88.4% from last year.
- Basic earnings per share was RMB2.57, representing an increase of 63.7% compared to last year.
- Net gearing ratio decreased to 49.0%, representing a significant improvement compared to 148.7% at the end of last year.
- Land bank amounted to approximately 41.87 million sq.m. of total gross floor area ("GFA"), which is sufficient for the Group's development for the coming five years.
- The Board has recommended payment of a final dividend of RMB0.5 per share for the year ended 31 December 2012, representing a dividend yield ratio of 5.1% based on the closing price on 22 March 2013.

(25 March 2013, Hong Kong) Greentown China Holdings Limited ("Greentown" or the "Company", and together with its subsidiaries, the "Group" (stock code: 03900.HK)), one of the leading property developers in China, announced its annual results for the year ended 31 December 2012 ("the Year").

In 2012, the Group's audited consolidated revenue totalled RMB35.39 billion, representing an increase of 61.1% over last year. Profit attributable to owners of the Company soared 88.4% to RMB4.85 billion. Gross margin from property sales was 29.2%, slightly lower than the gross margin of 32.6% in 2011. In 2012, the Company achieved basic earnings per share of RMB2.57, representing an increase of 63.7% over last year. The Board has recommended the payment of a final dividend of RMB0.5 per share for the year ended 31 December 2012, representing a dividend yield ratio of 5.1% based on the closing price on 22 March 2013.

Business Review

Looking back into 2012, amid market volatility and continued macro-economic control, the Company proactively adjusted its strategies and transitioned from aggressive expansion to prudent operation. Moreover, besides continuously improving our product and service quality, the Group also focused on the end users and established an agent-based sales model. In addition, the introduction of strategic investors into the Group improved capital structure, reduced gearing ratio, capitalized both parties' competitive strengths while at the same time created synergies, and further enhanced brand value and core competencies.

Property Sales

In 2012, the Group implemented a thorough reform on its sales division, which transformed the old static model of onsite reception to the proactive agent-based sales model maximizing all available resources to identify potential customers. These changes have energized the Group's sales force and created an open platform to attract talented sales staff.

For the year ended 31 December 2012, the Greentown Group (including Greentown China Holdings Limited and its subsidiaries, together with its jointly controlled entities and associates) sold approximately 2.83 million sq.m. of properties, representing an increase of 61.7% from 2011. Total property sales amounted to RMB54.6 billion (including RMB27.3 billion attributable to the Group), representing an increase of 54.6% from RMB35.3 billion in 2011, and exceeding 36.5% of the original sales target of RMB40 billion for 2012. The overall average selling price of the Group's products was RMB19,891 per sq.m.

Development scale

In 2012, in light of the market situation, the Greentown Group had put its focus on product quality and customer satisfaction, and duly controlled the development pace and appropriately adjusted product structure. In 2012, the total GFA under the new construction sites amounted to 4.69 million sq.m. In 2012, the Greentown Group completed a total GFA of 4.13 million sq.m. As at 31 December 2012, the Greentown Group had 82 projects under construction, with a total GFA of 16.57 million sq.m.

Land Bank

In 2012, the Group acquired 7 new land sites, with a total GFA of approximately 2.1 million sq.m., of which approximately 680,000 sq.m. is attributable to the Group. The newly added land sites' total land premium amounted to approximately RMB12 billion. Majority of the land premium was borne by the Group's associates, while only approximately RMB700 million was borne by the Group through its internal resources. The average land price of the sites was approximately RMB5,693 per sq.m. As of 31 December 2012, the Group had 96 land bank projects (both projects under construction and projects held for future development). Total GFA amounted to 41.87 million sq.m., of which 22.58 million sq.m. was attributable to the Group. Total saleable area was 27.55 million sq.m., of which 14.59 million sq.m. was attributable to the Group. The average land cost was RMB2,670 per sq.m. The current land bank reserve is sufficient to support Greentown Groups' development for the next five years.

Introduction of Strategic Investors

On 8 June 2012, the Group announced that it entered into a subscription agreement and an investment agreement with The Wharf (Holdings) Limited ("Wharf", stock code: 00004.HK) and its wholly-owned subsidiaries, pursuant to which the Company issued shares and perpetual subordinated convertible callable securities to Wharf's wholly-owned subsidiaries, with the total consideration of approximately HKD5.1 billion (approximately RMB4.16 billion). After the placement in August 2012, Wharf held approximately 520 million Greentown shares, representing 24.6% of the enlarged total share capital, and became Greentown's second largest shareholder. Moreover, Wharf also obtained two seats in the Board and one seat in the newly formed Investment Committee. Shortly afterwards, the Company acquired Dalian Buxiu Lane land site jointly with Wharf, which fostered a closer bond between the two parties progressing from strategic alliance to project collaboration, whereby leveraging on Greentown's excellent capabilities in product development and execution and Wharf's proven experience in financial management and financing. The synergies between both parties are starting to materialize.

On 22 June 2012, the Group entered into a framework Agreement with Sunac China Holdings Limited ("Sunac", stock code: 01918.HK) to cooperate on a 50/50 basis in eight projects, namely Shanghai Yulan Gardens, the Shanghai Bund House, Suzhou Majestic Mansion, Suzhou Rose Garden, Wuxi Yulan Square, Wuxi Jasmine Garden, Changzhou Yulan Square and Tianjin Azure Coast, and to establish a 50/50 joint venture platform ("Sunac Greentown"). The Group also transferred 50% equity interest in Shanghai Rose Garden to Tianjin Sunac Zhidi Co, Ltd ("Sunac Zhidi", a wholly-owned subsidiary of Sunac). Through this transaction, Greentown transferred half of its equity interest in the above nine projects with a total consideration of RMB3.36 billion. Following this transaction, the Company leveraged on the Sunac Greentown's competitive advantages to secure three high-quality land sites in Shanghai. Given Greentown's expertise in property development, design and management, and Sunac's rich experience in product positioning, cost control and sales management, this strategic cooperation will bring significant synergies to both sides.

Future Prospects

The government's continuing macro-control policies and the unfavorable real estate market conditions had once put pressure on the Company's operations. In 2013, the Group will continue to focus on property sales will put great efforts to enhance its management capability, operating efficiency and product quality. The Group is optimistic about its future prospects and believes that its commitment to integrity, kindness, sophistication and perfection will gain recognition from the market and the society.

In respect of products, the Group aims to offer customers with quality properties and improve their urban living experience. Therefore, the Group will continue its product diversification with a focus on quality and sophistication, which shall cater to market demands. The Group will also transform its business focus from residential project oriented to upcoming cities' urban complex oriented. Besides, the Group will also expand into pension themed projects and tourist-oriented projects.

In respect of financial management, the Group will maintain its gearing ratio at a reasonable level and optimize its debt structure by improving its debt maturity profile and reducing short-term debt, as well as enhancing its cash balances to cover short-term loans due within one year. The Group will also explore different financing channels to optimize its debt structure and reduce average financing cost, while looking for opportunities to monetize projects with long development cycle so as to improve the Group's cash flow and optimize its land bank reserve.

In respect of cost control, the Company will reduce material procurement cost via its electronic procurement center and establish a cost management and evaluation incentive system for different regions and product categories. At the same time, to ensure that development projects in the future will generate a reasonable internal rate of return, the Group will adopt professional advice and forward-looking decisions of the Investment Committee at the early stage of the project to enhance its assessment on investment risk and return for new land parcels and development projects, thereby achieving maximum return through reasonable use of financial leverage and prudent management of its financial liquidity.

In 2013, the Group expects to commence construction for projects with a total GFA of approximately 7.48 million sqm. It is expected that 44 projects, or project phases, will be completed in 2013 with a total GFA of 5.73 million sq.m. As at 31 December 2012, the sales revenues of Greentown Group that has not yet been recognized in the income statement amounted to RMB75.4 billion, of which RMB43.6 billion was attributable to the Group. The majority of these sales revenues are expected to be eventually recognized in the coming two years. Hence, the Company is optimistic about its earnings prospect.

Mr. Shou Bainian, Executive Vice-Chairman & Chief Executive Officer of Greentown said, “Braving the challenges of macro-control policies, the Group’s management team has become more seasoned and employees have become more experienced. In addition, the Group has become more competitive with better operational control and focus. The Group has also obtained a clearer vision and goal for its future development while becoming more confident to tackle market challenges in the future. In 2012, the Company continued to rank No. 1 in respect of Chinese Urban Residents’ Overall Satisfaction. We will enhance our business further and strengthen our competitive advantages in concept development as well as product and service quality, transforming them into building blocks of the Group's further expansion, thereby pushing our business to new high.”

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About Greentown China Holdings Limited

Greentown is one of the leading property developers in China. It plays a leading role in the industry leveraging on its quality properties. Greentown is a quality national residential property developer and its operations extend to 40 cities including important cities in Yangtze River Delta regions, Bohai Rim Economic Belt, Beijing, and other provincial cities. From 2005 to 2013, the “Greentown” brand was ranked for nine consecutive years among the “Top 10 Most Valuable Property Brands in China” by authoritative organizations. Greentown Group continued to rank No. 1 in the survey of "China's Urban Residents' Overall Satisfaction" and came first in the following 6 indices: "Property Services", "Product Quality", "Plan and Design", "Sales Services", "Corporate Image" and “Customer Loyalty”.

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