

[For Immediate Release]



## **Greentown China Achieves 2013 Net Profit of RMB4.89 Billion**

**Strong Sales Surpass Annual Target;**

**Significant Improvement to Financial Structure**

【24 March 2014, Hong Kong】 Greentown China Holdings Limited (“Greentown” or the “Company”, and together with its subsidiaries, the “Group”; stock code: 3900.HK), one of the leading property developers in China, announced the Group’s annual results for the year ended 31 December 2013.

The Group achieved revenue of RMB28.99 billion in 2013, with RMB27.46 billion or 94.7% contributed from property sales. The gross profit margin of property sales was maintained at a healthy level of 28.4%. Profit attributable to owners of the Company reached RMB4.89 billion, while core profit attributable to owners of the Company amounted to RMB4.44 billion. The Group achieved basic earnings per share of RMB2.18, with the year-on-year change primarily due to the increase of the weighted average number in 2013, which rose in the placement of approximately 490 million new shares to The Wharf (Holdings) Limited (Stock Code: 00004.HK) (Wharf) in 2012. The Board recommended a final dividend of HK\$43 cents per share for 2013.

During the year, the Group achieved contracted sales of RMB65.1 billion, or 3.09 million sq.m. in terms of G.F.A, including subscription sales of RMB 3 billion. The annual contracted sales value increased by 19.2% compared with the previous year, and accounted for 118.4 % of the Group’s annual sales target set at the start of 2013. Contracted sales attributable to equity of the Group amounted to RMB33.6 billion. The overall average selling price was RMB20,115 per sq.m..

**Mr. Shou Bainian, Executive Vice-Chairman & Chief Executive Officer of Greentown,** said, " In line with the country’s increasing rationalization of its plans to promote urbanization and of its measures to regulate China’s real estate market, market players have continuously adjusted and adapted their respective strategies and direction to avoid past turbulent times encountered by the sector. In the past year, focusing on the principle of operational stability, Greentown has undertaken an in-depth self-rehabilitation of its operations in many areas and achieved a relatively satisfactory result. While our contracted sales surpassed the annual sales target in 2013, we were the only real estate developer in the PRC to be named the ‘Top Brand in Customer Satisfaction’, and ranked first in terms of resident satisfaction in all the cities where we operate."

In 2013, the Group acquired 11 new land sites, with a G.F.A. of 3.36 million sq. m., of which approximately 1.35 million sq. m. was attributable to the Group. The total land premium of the newly-added land sites amounted to approximately RMB24.3 billion. The majority of the land premium was paid by associates, while the Group was only required to pay approximately RMB7.2 billion.

As of 31 December 2013, the Group's land bank had 104 projects (including projects under development and projects held for development) and a total GFA of 38.89 million sq. m., of which 21.50 million sq.m. was attributable to the Group. Total saleable area amounted to 25.13 million sq.m., of which 13.61 million sq.m. was attributable to the Group, while land cost per sq. m. was RMB2,799. The Group's current land bank is sufficient to support its development needs for the next three years.

The Group is striving to optimize its debt structure while maintaining the strength of its operations. As of the end of 2013, it had tapped offshore capital markets through four fundraising exercises in the form of senior notes issuances, which raised a total of nearly USD1.4 billion. It had also completed three syndicated loans with major commercial banks in Hong Kong, raising a total of USD600 million. In 2013, the Group had offshore financing amounting to approximately USD2.0 billion (equivalent to approximately RMB12.14 billion) with its average offshore financing cost lowered to 5.96%. The proceeds will be primarily used for repayment of bank borrowings, project acquisitions, payment of land premiums and for general working purposes.

These measures not only effectively lowered the Group's average financing cost and further optimized its debt structure and maturity, but also allowed the Group to continuously increase its financial strength. Rating agencies such as Moody's and Standard & Poor also responded positively by acknowledging the Group's outstanding performance. Moody's upgraded the Company's credit ratings from its original Caa1 to B1, while Standard & Poor bumped up its rating from CCC+ to BB-.

As at 31 December 2013, the Group had a bank balance and cash (including pledged bank deposits) of RMB11.28 billion (as at 31 December 2012: RMB7.9 billion). Net gearing ratio was maintained at a prudent level of 60.1%. The debt structure was improved while the bank balances and cash was sufficient to cover borrowings with maturity of less than a year.

## **Outlook**

The year 2014 will be the starting point to deepen comprehensive reforms in the PRC. The Government has advocated measures such as two-way regulation, differentiated policy and category-specific guidance. These measures will facilitate a more stable and healthy development of the property market, and create a market-oriented environment on the whole, which will create considerable benefits for Greentown. With

investments back to rational planning and in pursuit of more cost-effective methods, the Company will adhere to the strategy of “Superior Quality and Stable Operation”. It will also proactively adjust its operations and launch comprehensive reforms in sales, work schedule, costs, services and staff training to secure longer-term benefits.

In 2014, the Company will focus on strengthening its sales efforts, increasing the pace of turnover and improving sales of inventory. The Company will implement a prudent expansion strategy by selecting premium land to add to its land bank and maximize the distribution structure for existing coverage. In addition, the Company is also considering inviting well-funded third-party financial institutions such as funds to participate in the development of projects. By leveraging the brand name and project management advantages of Greentown, through equity, debt or a combination of both, we can manage risk and ease liquidity pressure while maintaining a reasonable rate of expansion.

In 2014, the Group expects to complete a total GFA of 5.98 million sq. m.. Saleable area amounted to 4.01 million sq. m., of which 2.18 million sq. m. is attributable to the Group.

**Mr. Shou Bainian concluded,** “Greentown is now focused on quality development instead of merely seeking expansion, constantly targeting to keep gearing ratios at prudent levels. Due to the outstanding results of the offshore financing activities over the past year, we will have more choices in financing methods in the future, which will facilitate the balanced development of various types of financing. We have much to accomplish in 2014. In the face of challenges, only by changing can we let the company survive and grow. Following substantial changes in the industry, only a company with core competitive strengths can survive. We will develop into an enterprise with core competitive strengths and a solid foundation for sustainable development.”

– End –

### **About Greentown China Holdings Limited**

Greentown, one of the leading property developers in China, is renowned for the high quality of its properties. It has a nationwide footprint in China with operations spanning more than 40 cities, including key cities in the Yangtze River Delta region and Bohai Rim Economic Belt, Beijing, and various provincial capitals. It has achieved sustainable growth in its operational results, and has been one of the best-selling Chinese property developers in recent years. Starting from 2005, the “Greentown” brand was ranked among the “Top 10 Most Valuable Property Brands in China” by authoritative organizations for nine consecutive years.

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

### **For enquiries, please contact Hill + Knowlton Strategies Asia:**

Ms. Daphne Chan    Tel: 2894 6217 / 6096 8656

Ms. Ivy Ke            Tel: 2894 6209 / 6708 0826

Email: greentownchina@hkstrategies.com