

[For Immediate Release]



Greentown China Records RMB2.072 Billion 2014 Net Profit Attributable to Shareholders

Contracted Sales 22% Above Annual Target Introduces Eminent SOE CCCG as Strategic Shareholder

【30 March 2015, 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 2014.

The Group achieved revenue of RMB32.049 billion in 2014, up 10.5% y-o-y. Revenue recognized from property sales amounted to RMB30.111 billion, with a gross profit margin of 23.5%. Design and decoration revenue increased 28.7% y-o-y, while revenue from project management and hotel operations grew 31.7% and 44.3%, respectively. During the year, profit attributable to owners of the Company reached RMB2.072 billion, with basic earnings per share of RMB0.8.

For the full year of 2014, Greentown Group (including Greentown China Holdings Limited and its subsidiaries, together with its joint ventures and associates) recorded total contracted sales of approximately RMB79.4 billion, surpassing the annual sales target of RMB65 billion set at the beginning of 2014, with overall average selling price of RMB20,264 per sqm. Contracted sales attributable to the Group (including Greentown China Holdings Limited and its subsidiaries) was approximately RMB39.9 billion. At the end of 2014, in addition to contracted sales, the Group recorded subscription sales of RMB3.0 billion, of which approximately RMB1.5 billion was attributable to the Group.

Greentown said, “In view of the volatile market environment and opportunities arising from the ‘change’, we adjusted our strategies in a timely manner. We effectively seized the opportunities arising from the more relaxed real estate policies rolled out by the government, improved product and service quality and stepped up our sales. As a result, our full-year contracted sales were 22.2% above the target set at the beginning of 2014. At the same time, our efforts to lower offshore financing costs and rationalize a premier land bank, etc., laid a solid foundation for the Group’s healthy development in the long run”.

In 2014, Greentown Group acquired 11 new land sites, with a GFA of approximately 4.34 million sqm, of which approximately 2.58 million sqm was attributable to the Group.

The newly-added land sites' total land premium amounted to approximately RMB20.3 billion. The majority of the land premium was paid by business partners, while only approximately RMB3.0 billion was required to be paid by the Group. As at 31 December 2014, Greentown Group had a total land bank of 34.89 million sqm, of which 19.06 million sqm was attributed to the Group. Total saleable area amounted to 25.55 million sqm, of which 13.68 million sqm was attributable to the Group.

During the year, Greentown continued to strive to optimize the capital structure to increase its cash and lower the financing cost. In January 2014, it issued perpetual capital securities in a principal amount of USD500 million with interest rate of 9% per annum. The proceeds of this bond issuance were mainly used to redeem the perpetual subordinated convertible callable securities with an aggregate principal amount of HK\$2.55 billion issued to The Wharf (Holdings) Limited in 2012. As a result, Greentown's weighted average interest cost during 2014 was 7.9% per annum, lower than 8.7% per annum in 2013. In addition, the Company further issued USD200 million senior notes due in 2019. The proceeds have been or will be used for refinancing certain existing short term debts and for general corporate purposes.

In December 2014, Communications Construction Group Limited ("CCCG") reached an agreement to become Greentown's strategic investor. Upon the completion of the transaction on 27 March 2015, CCCG and Wharf became the two largest shareholders of the Company. Being the sole property platform of CCCG in the overseas listing arena, Greentown will benefit from the background of CCCG as a state-owned enterprise in terms of land acquisition, development and financing, while CCCG will be able to expand its overall real estate segment rapidly with Greentown's assistance. On the other hand, Wharf, as a renowned Hong Kong blue-chip company with over a century of history, will continue to safeguard the rapid and healthy growth of Greentown.

Outlook

Looking ahead, the real estate market in China is expected to undergo continuous adjustment and the regulatory policy on the industry may be further relaxed. From a long-term perspective, the huge demand brought by the urbanization process in China will continue to fuel expansion of this industry. However, the entire profit model of the real estate industry has undergone fundamental changes with the gradual erosion of the land premium. The ability to cope with the trend of separation in investment and development, and to achieve added-value in both property development and services will become essential to the continuous growth of enterprises. In 2015, Greentown will focus on the objective of "One Low, Five High", which denotes a low debt ratio, high turnover, strong reputation, high value-for-money, high added-value and high growth rate, by developing strategic policies and ensuring their implementation.

The Group's top priority in 2015 is to increase sales, expand sales channels and increase inventory turnover. With specific, active and flexible sales and pricing strategies, it will speed up sales of new housing projects and of existing projects. As for investment

strategy, Greentown will increase the proportion of investments in first-tier and key cities, expand coverage in regions and further shift the focus of product development from high-end to mid-to-high-end, , continuing to boost the price-performance ratio. Meanwhile, it will actively restructure its assets to improve the liquidity and increase the proportion of light assets such as construction management service. By leveraging the capabilities of its brand and management, Greentown will fully utilize its commercial value in its professional construction capabilities.

By refining its financial management and control, the Group set out to balance its quality and profit by carrying out product research at the stage of land acquisition and planning. It will also optimize the cost control mechanism, the bidding and tender mechanism and procedure supervision system to improve the cost control for the whole production process.

Greentown concluded, “Being one of the Global Top 500 Enterprises and the market leader in the building segment, CCCG has a strong advantage in resources. Its strength will strongly complement the brand value, management experience and customer recognition of Greentown. On the other hand, Wharf, as a renowned Hong Kong blue-chip company with a long history, has a wealth of practical experience in dealing with industry risks and market changes. It will continue to help Greentown to broaden its financing channels and improve its internal financial and risk management. With the ultimate goal of achieving complementary advantages, Greentown, Wharf and CCCG will closely cooperate in developing the property business, and endeavor to create strategic synergies and value.”

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About Greentown China Holdings Limited

Greentown China Holdings Limited, 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 a sustainable growth in its operational results, and has been one of the best-selling Chinese property developers in recent years. From 2004 to 2014, the “Greentown” brand was ranked among the “Top 10 Most Valuable Property Brands in China” by authoritative organizations for 11 consecutive years.

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

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