

[Immediate Release]



## **Greentown Announces 2015 Annual Results**

### **Surpassing Sales Target Significantly by 20%**

### **New Corporate Governance Layout in Place with CCCG Becoming Single Largest Shareholder of Greentown**

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### **US\$720 Million Syndicated Loan Agreement Signed to Enhance Debt Structure and Lower Financing Costs**

(29 March, 2016 – Hong Kong) Greentown China Holdings Limited, one of the leading property developers in China (“Greentown”; including Greentown and its subsidiaries, together with its joint ventures and associates hereinafter referred to as “Greentown Group”; HKEx stock code: 3900.HK) announced today its annual results for the year ended 31 December 2015. During the year under review, the Group recognized revenue of RMB26,047 million. Profit attributable to owners of the Company was RMB813 million. Earnings per share stood at RMB0.25.

#### **Results Review**

In 2015, revenue recognized from property sales was RMB23,326 million, down 22.5% from the previous year. The decrease was brought, in part, by a lowering of the sales area of properties delivered to the level of 1,610,818 sqm. Additionally, a certain proportion of the projects delivered were located in third- and fourth-tier cities, which sustained relatively lower selling prices in the light of the macro control initiatives implemented by the Chinese government in the real estate industry over the past years. The gross profit margin from property sales for the year was 18.0%.

Moreover, during the year, design and decoration revenue registered a growth of 46.7% year-on-year. Revenue from project management saw a jump of 62.3%, while that from hotel operations increased by 32.7%.

For the twelve months ended 31 December 2015, Greentown Group recorded an accumulated total saleable area of approximately 3,900,000 sqm. Total contracted sales amounted to approximately RMB71,900 million, surpassing its pre-set annual sales target of RMB60,000 million by a significant 20%. Overall average selling price was RMB18,449 per sqm. Contracted sales attributable to the Group (including Greentown and its subsidiaries) were approximately RMB38,800 million. As at the end of December 2015, in addition to contracted sales, the Group recorded subscription sales of

RMB1,800 million, of which approximately RMB1,000 million was attributable to the Group.

### **New Corporate Governance Layout**

In 2015, China Communications Construction Group (Limited) (“CCCCG”) increased its interest in Greentown. As at the date of this announcement, CCCC’s shareholding represents 28.899% of the total issued share capital of Greentown, making it the single largest shareholder of the Group. Upon completion of the stake purchases, five out of seven executive directors sitting on the Board of Greentown are from CCCC, outlining a new corporate governance layout.

**Mr. Cao Zhounan, Chief Executive Officer of Greentown China Holdings Limited**, said, “The year of 2015 marked the onset of a new journey for the Group. During the year, CCCC completed its strategic acquisitions of shares in Greentown, following which Greentown becomes the sole overseas listing platform of CCCC in property development. This is of dual strategic significance to the Group. With the strong backing of CCCC, not only did we achieve a smooth transition and stable operational performance, but we also optimized further our shareholding and governance structure. We look forward to the many possible collaborative opportunities as they unfold ahead.”

**Mr. Cao Zhounan** added, “In the face of the rapidly changing market environment, Greentown has always firmly upheld its core values of ‘Honesty, Goodwill, Exquisiteness and Perfection’. While keeping ourselves abreast of the times and market demands, we have innovated a variety of product series and refined our marketing strategies making the most of the opportunities offered by the Internet and Internet of Things, with an aim to further broaden our customer base, enhance our service standards all-roundly and evolve into ‘a developer of choice offering exclusive lifestyle integrated services’.”

### **Strategic Investment Deployment**

In 2015, the Group clearly identified 15 cities for strategic development covering Beijing, Shanghai, Guangzhou, Shenzhen, Hangzhou, Tianjin, Nanjing, Wuhan, Hefei, Jinan, Zhengzhou, Xiamen, Fuzhou, Chengdu and Chongqing. New projects were explored primarily in these 15 key cities. Moreover, the Group proactively picked quality land parcels and joined hands with quality partners to acquire new quality projects via public land auctions and acquisitions. With the Group’s strategic investment deployment forging ahead, it is estimated that the saleable property value of the Group will be topped with approximately RMB41,100 million.

### **Land Bank**

During the year under review, the Group acquired eight new quality land projects in core cities including Beijing, Hangzhou and Jinan, etc. with a total gross floor area of 2,510,000 sqm. Of this, approximately 1,330,000 sqm was attributable to the Group. Total land premiums of new projects amounted to approximately RMB15,300 million, of which approximately RMB3,700 million was paid in cash by the Group with its own resources. As at 31 December 2015, Greentown Group had a land bank of a total gross

floor area of 31,240,000 sqm, of which 18,210,000 sqm was attributable to the Group. Total saleable area amounted to 23,080,000 sqm, of which 13,560,000 sqm was attributable to the Group. Average land cost in terms of gross floor area was approximately RMB3,095 per sqm.

### **Syndicated Loan**

Greentown is pleased to announce that it has signed a US\$720 million three-year syndicated loan agreement with a consortium of 19 banks, with an interest rate of 3.13% per annum above HIBOR. The facility will be made available to the Group for refinancing some of its existing offshore debts incurred at higher interest rates, and its general working capital and capital expenditure requirements.

With as many as 19 participating banks, the facility is one of the largest of its kind for mainland property stocks in the recent period, casting a vote of confidence from the capital market in Greentown's business strength and CCCG-backed development. Arrangers of the syndicated loan comprise HSBC, China CITIC Bank International Limited, China Construction Bank (Asia) Corporation Limited, Bank of Communications, The Bank of East Asia, Limited, China Merchants Bank Co., Ltd., Hong Kong Branch, Chong Hing Bank Limited, Fubon Bank (Hong Kong) Limited, Industrial Bank Company, Limited, Hong Kong Branch, Shanghai Pudong Development Bank Co., Ltd., Hong Kong Branch, Tai Fung Bank Limited, Wing Lung Bank, Limited, Ping An Bank Co., Ltd, Industrial and Commercial Bank of China (Asia) Limited, China Minsheng Banking Corp., Ltd. Hong Kong Branch, Dah Sing Bank, Limited, China Everbright Bank Co., Ltd., Hong Kong Branch, Luso International Banking Ltd., and Bank of Shanghai (Hong Kong) Limited.

As at the end of 2015, the Group had cash and bank balances (including pledged bank deposits) of RMB18,239 million. The net gearing ratio (measured by net borrowings over net assets) stood at 73%, slightly lower than the 76.7% as at 31 December 2014. The Group's debt structure remained sound.

### **Outlook**

In the face of the new normal in China's economy and the fundamental changes that have been taken place in the real estate industry, only those which cherish quality, branding and professional management in the course of development would flourish. Greentown, being a leading developer of exquisitely designed properties, is well positioned to capture the opportunities as the industry advances ahead. In 2016, it is expected the Chinese government will adjust its real estate-related policies in a more flexible manner and further reduce housing inventory and capacity with determination. The real estate market will see a fresh round of competition and development.

Striving to become "a developer of choice offering exclusive lifestyle integrated services", the Group is committed to optimizing its corporate governance structure and building out its modern enterprise system in an orderly fashion. With "enhancing gross profit margin and profitability" as its two utmost goals, the Group will continue to uphold its market-oriented approach, center on sales and quality, and solidly promote its strategies of "platform-based services, development with professionalism and real

estate financialization”. The Group instills its core values into business practices, and is determined to forge the creation of a full real estate value chain and a higher value enterprise serving as a role model of diversification in mainland China.

Leveraging the brand and management expertise in the project construction management discipline, the Group endeavors to enhance the proportion of its asset-light business, facilitating the integration of project management strengths across the value chain. Concurrently, the Group will formulate its plans for urban redevelopment and overseas business development and seek out long-term strategic partnerships to effectively form a long lasting channel for the source of project construction management business. This would consolidate the Group’s leading position in the market.

**Mr. Cao Zhounan** concluded, “2016 is crucial for our strategic transformation and pursuance of operational excellence. We will apply ourselves to strategically transform into a developer of choice offering exclusive lifestyle integrated services. We will also intensify our corporate control management and optimize our market-driven investment deployment. By adding real value to our projects, services and light assets as a whole, the Group is set to become ‘the number one brand of comprehensive urban living services provider’.”

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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, as well as various provincial capitals, and has been one of the best-selling Chinese property developers these recent years. From 2004 to 2015, the “Greentown” brand was ranked among the “Top 10 Most Valuable Property Brands in China” by authoritative organizations for 12 consecutive years.

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

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