

[Immediate Release]



Greentown China 2018 Interim Results Announcement

Remarkable Results with Steady, Quality Growth

Profit Attributable to Shareholders Reaches RMB2.33 Billion, Up 90%

(27 August, 2018 – Hong Kong) **Greentown China Holdings Limited**, one of the leading property developers in the PRC (“Greentown China” or the “Company”; 3900.HK), is pleased to announce today its interim results for the six months ended 30 June 2018.

Greentown China achieved revenue of RMB33.53 billion in the first half of 2018, increased by 220.9% year-on-year. Profit before tax amounted to RMB5.57 billion, increased by 111% year-on-year. Profit attributable to owners of the Company reached RMB2.33 billion, up 90% year-on-year. Core profit attributable to owners of the Company was RMB3.15 billion, surged by 189.8% year-on-year. Basic earnings per share was RMB0.94, up 104.3% year-on-year.

As of 30 June, 2018, Greentown China had bank balances and cash (including pledged bank deposits) of RMB44.42 billion, an increase of 23.5% from RMB35.98 billion in 31 December 2017. Net gearing ratio remained steady at 55.1%. The weighted average interest cost of total borrowings was 5.3% in the first half of 2018, representing a further improvement from 5.6% for the corresponding period of 2017.

Mr. Zhang Yadong, Chief Executive Officer and Executive Director of Greentown China Holdings Limited, said, “In face of the stringent market regulations and challenging market environment in the first half of 2018, Greentown China continued to advance ahead in a steady manner owing to its adequate preparation and unremitting efforts of its staff. Adhering to the Company’s strategy of ‘Balancing the Development of Light Assets and Heavy Assets’, which helps enhance the profitability of the heavy asset segment while intensifying the light asset arena as new growth drivers, the Company was able to uplift its core competitiveness and make a leap forward in its strategic transformation towards becoming the ‘Integrated Service Provider for an Ideal Life’”.

Smooth Financing Channels and Sufficient Funding

A strong financial position is a guarantee for a company’s expansion. Benefitted from the credit support from the largest shareholder China Communications Construction Group Co., Ltd. and Greentown China’s continuous robust operational performance, the Company has maintained a healthy financial position and stable operation.

Greentown China has continued to win the recognition and support of offshore capital markets. In July 2018, the Company was awarded with two offshore financing facilities worth a total of USD1.4 billion, which are not only larger in size, but also lower in interest rates with longer tenor. This underscores investors' confidence in Greentown and will offer strong financial support for the Company's continued scale expansion.

Equipped with sufficient facilities and smooth financing channels domestically, Greentown China issued corporate bonds in an aggregate amount of RMB6 billion and short-term commercial papers of RMB4 billion. Undertaking Greentown China's strategy of "Real Estate Financialization", Greentown Asset Management Group Co., Ltd. promotes the financing and securitization of holding assets in an innovative manner and strives to develop new financing channels. In January 2018, the Group's supply chain ABS was approved by the Shenzhen Stock Exchange with a quota of RMB10 billion, which can be issued within two years. An aggregate of RMB1.113 billion has been issued in three tranches.

Effective Investment with Optimized Land Reserve Structure

In 2018, on top of deepening its presence in the Yangtze River Delta, Greentown China continued to increase investments in core cities such as Wuhan, Xi'an, Chongqing and Tianjin and made its debut into Fuzhou. At the same time, the Company also invested in fast-turnover projects, grasping the opportunities to replenish its land bank effectively.

In the first half of 2018, Greentown Group (including Greentown China and its subsidiaries, together with its joint ventures and associates) acquired a total of 19 new land parcels, which covered a GFA of approximately 4.4 million sqm. Transaction amount totaled approximately RMB24.8 billion, of which approximately RMB18.4 billion was paid by Greentown Group. It is estimated that the total saleable amount will be approximately RMB74.5 billion, of which approximately RMB43.3 billion will be attributable to Greentown Group. The average land cost of the new land parcels amounted to approximately RMB10,111 per sqm, representing a notable decline from RMB11,979 per sqm from the corresponding period last year.

As of 30 June 2018, the GFA of the Group's total land bank was approximately 32.97 million sqm; total saleable area amounted to approximately 23.23 million sqm. Projects in first- and second-tier cities accounted for 70% of the total saleable value, signifying a gradually optimized land reserve structure.

Sales Continue to Hit Record High; Project Management Tops the Industry

In the first half of 2018, Greentown Group recorded a total contracted sales area of approximately 3.99 million sqm, and a total contracted amount of approximately RMB75.4 billion, representing a year-on-year increase of approximately 26.7% and hitting a record high.

Of which, Greentown Group's investment projects recorded a total contracted sales area of approximately 1.92 million sqm and a total contracted sales amount approximately RMB47.4 billion, of which approximately RMB26.8 billion was attributable to the Group. In the first half of 2018, an overall sell-through rate of approximately 80% was recorded for the Group's newly launched investment projects, some of which even

achieved a sell-through rate of 90%. The saleable amount of inventory investment projects in third- and fourth-tier cities decreased significantly.

In addition, in the first half of 2018, Greentown Group recorded a total contracted sales area of approximately 2.07 million sqm and a total contracted sales amount of approximately RMB28 billion from the projects under project management.

Being an important asset-light segment of Greentown China and focusing on project management business, Greentown Management Holdings Company Limited is the largest and most professional project management service provider in China. As of 30 June 2018, Greentown Project Management managed a total of 250 projects with a planned GFA of approximately 53.48 million sqm.

Strong Capability of Withstanding Cyclical Risks; Profitability Improves Further

In the second half of 2018, it is expected that regulatory measures will continue in the real estate sector, exerting considerable impact upon property developers. Greentown China's current land reserve ensures steady development for the next three years or so, with land cost at a relatively low level. Coupled with the strong capability of withstanding cyclical risks, smooth financing channels and a healthy debt ratio, the Company is set to have adequate capital for investments and land acquisitions in order to replenish quality land reserves in a timely manner when the land market cools down.

Upon more than two decades of development, Greentown China has formed a 2:6:2 product structure that comprises 20% high-end products, 60% cost-effective products and 20% high quality resettlement or social security properties. Such olive-shaped product structure, rich product line-up and quality service will cater future market demand, and profitability will begin to emerge.

With accuracy in investment layout, Greentown China will accelerate the development of blue ocean segments that are oriented towards "ideal towns", "beautiful countryside", "service for a beautiful life" and "Rail Transit + Property" projects, turning them into new growth drivers of its heavy asset business. Concurrently, the Company will diversify its asset-light business into project management, asset management, living service and housing technology in a move to enrich its product offerings and seek new elements to boost profit contribution of the light asset segment and shareholders' return in the long run.

Zhang Yadong concluded, "Looking ahead, Greentown China will seize the strategic opportunity as the PRC enters into a new era of urbanization and Chinese people begin to pursue a good life. With that in mind, the Company will stay committed to the principles of quality growth and moderate expansion. With the strong support from all shareholders, Greentown China will improve its core competitiveness through the strategy of 'Balancing the Development of Light Assets and Heavy Assets', withstand the everchanging external environment and speed up its transformation to an 'Integrated Service Provider for an Ideal Life' thereby delivering a better life for customers and creating value for shareholders."

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About Greentown China Holdings Limited

As a leading property developer and integrated living service provider in China, Greentown China Holdings Limited commands a foremost position in the industry by leveraging its quality properties, unique architectural aesthetics and customer-centric residence services. Backed by the full support of state-owned enterprise CCCG and Hong Kong blue-chip enterprise Wharf, together with our founding shareholder Mr. Song Weiping and other substantial shareholders, Greentown China has insisted on taking advantage of the innovation and practice of mixed ownership striving to be the No.1 “Integrated Service Provider for an Ideal Life” in the country. Over 23 years of development, Greentown has evolved to engage in the businesses of property development, construction management, asset operation, town development and living services, and has been ranked among “Top 10 among 100 Chinese Real Estate Enterprises by Comprehensive Strength” and “Top 10 Chinese Real Estate Companies by Brand Value” for 14 consecutive years, as well as “Leading Chinese Real Estate Companies by Customer Satisfaction” for 6 consecutive years. To date, Greentown has over 300 member companies and its scope of business covers more than 20 provinces, autonomous regions and municipalities. It has presence in over 100 cities, having constructed more than 500 exquisite property complexes.

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

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