

[For Immediate Release]



Greentown China Announced 2023 Interim Results Stable and Robust Performance with Improving Profitability



△ Greentown China's 2023 Interim Results Announcement

(28 August 2023 – Hong Kong) **Greentown China Holdings Limited** (“Greentown China” or the “Company”; Stock code: 3900.HK) announced its 2023 interim results on August 25th and held an online interim results presentation today.

In the first half of 2023, the Group generated revenue of RMB56,976 million, and net profit of RMB4,641 million. Profit attributable to owners of the Company was RMB2,545 million, representing an increase of 41.3% in the corresponding period of 2022.

Mr. Zhang Yadong, Chairman of the Board of Greentown China, stated: “Greentown China has always adhered to its core strengths and demonstrated positive momentum in various operational dimensions such as operating performance, financial structure, market position, development prospects, product and services. In the face of major changes in the real estate industry, the Group will adhere to the business policy of “comprehensively high quality and sustainable” development, continue to create beautiful buildings and better life for the community.”



△Speech from Mr. Zhang Yadong, Chairman of the Board of Greentown China

Strategic upgrade in all dimensions with continuous tactics refinement

Facing four significant “Changes” in the real estate industry (namely the major changes in development stage, supply and demand relationships, market structures, and functional demand for housing), Greentown China adheres to the strategic aim of being a “quality benchmark among the Top10”. The Group continuously solidify the strategic pivot points of “best understanding of customers and best understanding of products” and consistently regard product strength as the foundation and enhancement of management capabilities as the core competitiveness of the Group, aiming to achieve comprehensive quality development.

In the second half of 2023, Greentown China will have sufficient saleable resources, and its projects will enjoy significant advantages. As of 30 June 2023, the saleable value of self-investment projects was approximately RMB195.5 billion (excluding the value of projects acquired in the second half of 2023 that can be launched within the year), with first- and second-tier cities accounting for 80%. As of 30 June 2023, the Group recorded an accumulated unbooked sales of approximately RMB311.4 billion, laying a solid foundation for achieving good operating performance.

Effective marketing strategy to secure a solid industry position

In the first half of 2023, Greentown China recorded a total contracted sales area of approximately 6.04 million sqm and a total contracted sales amount of approximately RMB134.2 billion, ranking at the 7th place in the PRC. Among them, the contracted sales amount of the self-investment projects is approximately RMB98.2 billion and of which approximately RMB63.3 billion was attributable to the Greentown Group, representing a year-on-year increase of 40%. The contracted sales, the self-investment projects sales, and the attributable sales are all ranked the Top10 in PRC.

Greentown China constantly strengthened its market presence in strategic core cities, with the proportion of sales in first-and second-tier cities accounted for 85%, and the sales ranking reached Top10 in nearly 20 core cities including Hangzhou, Ningbo, Xi'an and Beijing, gaining high recognition from the local market.

Leveraging its excellent development and operational capabilities, as well as flexible and effective marketing strategies, Greentown China continued to remain the cash collection rate at a high level at 109%, effectively supporting cash flow and reinvestment. With more precise market research and marketing strategies, the sell-through rate of newly-launched properties in the first half of the year reached 82%, representing an increase of 7 pts as compared to the end of 2022.

Focused and sniper-style investment while expanding with precision and efficiency

Greentown China adhered to its investment strategy of “focused and sniper-style, precision and efficiency”. In the first half of the year, the Group acquired 19 new projects with a total GFA of approximately 2.57 million sqm. The costs borne by the Group amounted to approximately RMB25.1 billion. The newly-added saleable value was estimated to reach RMB57.1 billion, ranking 8th in the PRC.

In the first half of the year, Greentown China focused on premium land parcels in core cities, and adopted a “sniper-style investment” approach in other cities. 61% of the newly-added saleable value achieved sales conversion. As of 30 June 2023, approximately RMB9.2 billion has been converted into sales. In the first half of 2023, the new projects acquired continued to maintain a favorable level of net profit margin and the average percentage of attributable ratio increased to 79%, further minimizing cooperation risks and improving profit attributable to owners of the Company.

In July and August, Greentown China acquired 9 premium land parcels in cities such as Shanghai, Hangzhou and Ningbo, further enriching its land reserves in core cities. As of 25 Aug, the cumulative newly-added saleable value for the year is approximately RMB100.5 billion. Among them, the Minhang Meilong, Jiading Nanxiang, and Qingpu Xujing projects in Shanghai are expected to be launched within the year.

Devoting to product and services for quality delivery

Greentown China has always pursued first-class product quality and the top position in customer satisfaction, and committed to establishing itself as an industry benchmark. Product quality and customer satisfaction are Greentown China's "No.1 Project" and "No.1 Standard". According to the 2023 Customer Satisfaction Survey on Real Estate Developers in China (中国房地产顾客满意度调查), Greentown China scored 91.2 points, maintaining its position as an industry leader with the market average of 72 points, and ranked 1st in customer satisfaction across 16 cities and in customer loyalty across 7 cities, in which the Group has presence.

Through continuous improvement in engineering management, the Group has established a comprehensive quality control system. Greentown China has also developed its own comprehensive operation efficiency and interleaved construction model, constantly enhancing standardization and streamlined operation. The concepts of "front end innovation" and "big design" have been implemented throughout the entire business chain. The "139" home flow route system based on life cycles and emotional pursuits of different families was officially launched, together with the optimization of catering and kitchen, and the constant improvement of IPs such as the landscape of "Chunzhi Academy (春知学堂)" with enlarged scope of application. During the Period, Greentown China has launched the 5G "Heart" service 2.0, providing customers with services and support centering on housing, caring and property services throughout the entire housing lifecycle.

In the first half of 2023, Greentown China delivered a total of 107 projects and over 70,000 units, hitting new records in terms of number of projects and units delivered, among which, the delivery time for self-investment projects was 30 days ahead of the contracted delivery timeline on average.

At the same time, Greentown China always adheres to the concept of "green" and "healthy", continuously improving the quality of green buildings with the commitment to achieving 100% compliance with national green building standards for new projects after 2023. As of 30 June 2023, there have been a total of 242 green building projects, and over 70% of the projects under construction applied the prefabricated technology.

Enhancing debt structure and intensifying cash management to safeguard financial security

In the first half of 2023, Greentown China actively maintained and continuously expanded financing channels with ongoing optimization of its debt structure, providing a solid backup for the long-term development of the Group. The weighted average interest cost of total borrowings remained low at 4.4%, while debts due within one year accounted for 21.8% of the total debts of the Group at 30 June 2023.

Various core indicators of Greentown China have been continuously optimized and highly recognized by a number of rating agencies. In terms of domestic rating, China Bond Rating upgraded Greentown Real Estate's corporate rating from A+ to AA- in June 2023. In terms of overseas rating, despite frequent rating downgrades on a large number of real estate

enterprises from rating agencies, Greentown China has maintained its rating stable, with Moody's Ba3 rating and "stable" outlook, while S&P rated it BB- and upgraded Greentown China's outlook from "stable" to "positive" in May 2023, which was a rare positive rating action for Chinese real estate companies in recent two years.

Focusing on management and strengthening the internal practices

In the first half of 2023, Greentown China continued to implement its strategy of "reform, rebuilding and refinement" to continuously improve management efficiency.

The Group continued to improve procurement management concentration, so as to leveraging the advantages of intensification and lowering procurement costs. The down-floating rate of centralized procurement prices was 3.0%, saving 1.6% on cost of delivered projects compared to estimation, and the application rate of centralized procured materials maintained at 100%.

Greentown China enhanced frontline empowerment, encouraged internal-rotation and streamed management levels. The Group's area under construction per capita during the Period increased by 8% to 11,850 sqm as compared to the end of 2022. At the meantime, the Group further enhanced development efficiency. The period from land acquisition to commencement of construction and to first launch were shortened to 2.1 months and 4.7 months on average, respectively, with year-on-year improvements of 25% and 22%, and the completed area year-on-year increased by 56% to approximately 7.79 million sqm in the first half of 2023, demonstrating continuous improvement of the operational efficiency.

Project management business leading in the industry and empowering business synergies

Greentown Management (9979.HK), a subsidiary of the Group, maintains over 20% market share for 7 consecutive years, ranking 1st in the industry. In the first half of 2023, Greentown Management has strong business expansion capabilities with further strengthened profitability. The estimated project management fees for newly-developed projects reaching RMB 5.12 billion, representing an increase of 26.3 % as compared to the same period last year. Net profit attributable to owners of the Group reaching approximately RMB470 million for the Period, representing a year-on-year increase of 31.3%.

Centering on the real estate industry, Greentown China connects upstream and downstream industries to create the Greentown ecosystem, including ideal town, construction technology, commercial operation, industrial financial business and life services.

Through the collective efforts of the entire Group, Greentown China will actively and steadily focus on improving product quality, driving business development and profit enhancement, and making every effort to achieve our annual business objectives. We will steadfastly advance on the path of "comprehensively high-quality and sustainable" development.

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About Greentown China Holdings Limited

Greentown China Holdings Limited is a leading quality property developer and integrated living service provider in China. It maintains a leadership position in the industry by virtue of the quality of its properties, unique architectural aesthetics, and customer-centric services.

Throughout its 29 years of development, Greentown China has adhered to the development strategy of “quality first” and developed the upstream and downstream of the real estate business to form three major segments, namely asset-heavy, asset-light, and “Greentown+” and awarded the “TOP 10 among Chinese Real Estate Enterprises by Comprehensive Strength” for 19 consecutive years. Going forward, Greentown China will adhere to its aim of building towards the “quality benchmark among the Top10” and the strategic pivot points of “best understanding of customers and best understanding of products”, facilitate the operation of both light and heavy assets, uplift capacity in an all-around manner and firmly insist on “comprehensively high quality and sustainable” development.

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

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