CENTRAL CHINA MANAGEMENT COMPANY LIMITED
中原建業有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 9982)

ANNOUNCEMENT OF ANNUAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2022

FINANCIAL HIGHLIGHTS

- The revenue for the year ended 31 December 2022 (the "**Year**") amounted to RMB605.7 million, a decrease of 53.5% as compared to 2021.
- Net profit for the Year amounted to RMB303.5 million, a decrease of 60.6% as compared to 2021. The net profit margin for the Year was 50.1%.
- Basic earnings per share for the Year amounted to RMB9.23 cents.
- The Board has recommended a final dividend of HK2.70 cents per ordinary share for the Year.

ANNUAL RESULTS

The board (the "**Board**") of directors (the "**Directors**" and each a "**Director**") of CENTRAL CHINA MANAGEMENT COMPANY LIMITED (the "**Company**" or "**CCMGT**", together with its subsidiaries, the "**Group**") announces the consolidated results of the Group for the Year with comparative figures for the year ended 31 December 2021 as follows:

CONSOLIDATED STATEMENTS OF PROFIT OR LOSS
For the year ended 31 December 2022
*(Expressed in Renminbi ("**RMB**"))*

		2022	2021
	Note	***RMB'000***	*RMB'000*
Revenue	*2*	**605,679**	1,301,449
Other income	*3*	**35,565**	34,910
Personnel cost	*4(b)*	**(123,069)**	(196,859)
Depreciation and amortisation expenses	*4(c)*	**(18,827)**	(18,177)
Listing expenses		**–**	(19,711)
Other operating expenses		**(58,671)**	(72,330)
Impairment losses on trade and other receivables and contract assets		**(36,633)**	(15,482)
Finance costs	*4(a)*	**(211)**	(413)
Share of loss of an associate		**(271)**	(509)
Profit before taxation	*4*	**403,562**	1,012,878
Income tax	*5*	**(100,085)**	(242,723)
Profit for the year		**303,477**	770,155
Attributable to:			
Equity shareholders of the Company		**303,477**	770,155
Earnings per share			
— Basic and diluted *(RMB cents)*	*6*	**9.23**	24.39

CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2022
(Expressed in RMB)

	2022	2021
	RMB'000	*RMB'000*
Profit for the year	**303,477**	770,155
Other comprehensive income for the year (after tax and reclassification adjustments)		
Item that will not be reclassified to profit or loss:		
Equity investments at fair value through other comprehensive income — net movement in fair value reserve (non-recycling)	**(3,182)**	–
Items that may be reclassified subsequently to profit or loss:		
Exchange differences on translation of financial statements of overseas subsidiaries	**3,607**	(95)
Other comprehensive income for the year	**425**	(95)
Total comprehensive income for the year	**303,902**	770,060
Attributable to:		
Equity shareholders of the Company	**303,902**	770,060

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

As at 31 December 2022
(Expressed in RMB)

		As at 31 December	
		2022	2021
	Note	***RMB'000***	*RMB'000*
Non-current assets			
Investment property and property, plant and equipment	*7*	**12,027**	20,212
Intangible assets		**5,585**	9,628
Interest in an associate	*9*	**2,230**	2,501
Other financial assets	*10*	**4,894**	8,076
Deferred tax assets	*16(b)*	**17,934**	10,158
		42,670	50,575
Current assets			
Contract assets	*11(a)*	**425,028**	300,500
Trade and other receivables	*12*	**661,121**	568,150
Cash and cash equivalents	*13*	**1,564,617**	1,975,806
		2,650,766	2,844,456
Current liabilities			
Trade and other payables	*14*	**116,201**	128,258
Contract liabilities	*11(b)*	**291,968**	393,249
Lease liabilities	*15*	**2,462**	4,464
Current taxation	*16(a)*	**104,234**	47,822
		514,865	573,793
Net current assets		**2,135,901**	2,270,663
Total assets less current liabilities		**2,178,571**	2,321,238
Non-current liabilities			
Lease liabilities	*15*	**636**	1,609
NET ASSETS		**2,177,935**	2,319,629
CAPITAL AND RESERVES			
Share capital	*17(a)*	**26,990**	27,035
Reserves		**2,150,945**	2,292,594
Total equity attributable to equity shareholders of the Company		**2,177,935**	2,319,629
TOTAL EQUITY		**2,177,935**	2,319,629

NOTES TO THE FINANCIAL STATEMENTS

(Expressed in RMB)

The company was incorporated in the Cayman Islands on 22 October 2020, as an exempted company with limited liability under the Companies Act, Cap. 22 (Act 3 of 1961, as consolidated and revised) of the Cayman Islands. Its principal place of business is at Room 7701A, 77th Floor, International Commerce Centre, 1 Austin Road West, Kowloon, Hong Kong and has its registered office at Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands. The shares of the Company were listed on the Main Board of the Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") on 31 May 2021. The Group is principally engaged in the provision of project management services in Henan and other provinces in the People's Republic of China (the "**PRC**").

1 SIGNIFICANT ACCOUNTING POLICIES

(a) Statement of compliance

These financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards (HKFRSs), which collective term includes all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards (HKASs) and Interpretations issued by the Hong Kong Institute of Certified Public Accountants (HKICPA), accounting principles generally accepted in Hong Kong and the disclosure requirements of the Hong Kong Companies Ordinance. These financial statements also comply with the applicable disclosure provisions of the Rules (the "**Listing Rules**") Governing the Listing of Securities on the Stock Exchange. Significant accounting policies adopted by the Group are disclosed below.

The HKICPA has issued certain amendments to HKFRSs that are first effective or available for early adoption for the current accounting period of the Group. Note 1(c) provides information on any changes in accounting policies resulting from initial application of these developments to the extent that they are relevant to the Group for the current accounting period reflected in these financial statements.

(b) Basis of preparation and functional and presentation currency

The consolidated financial statements for the year ended 31 December 2022 comprise the Company and its subsidiaries and the Group's interest in an associate. The consolidated financial statements are presented in RMB rounded to the nearest thousand except as otherwise indicated, while the Company's functional currency is the Hong Kong dollar ("**HK$**").

The measurement basis used in the preparation of the financial statements is the historical cost basis except that the following assets and liabilities are stated at their fair value as explained in the accounting policies set out below:

— investments in debt and equity securities.

The preparation of financial statements in conformity with HKFRSs requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

(c) Changes in accounting policies

The Group has applied the following amendments to HKFRSs issued by the HKICPA to these financial statements for the current accounting period:

- Amendments to HKAS 16, *Property, plant and equipment: Proceeds before intended use*

- Amendments to HKAS 37, *Provisions, contingent liabilities and contingent assets: Onerous contracts — cost of fulfilling a contract*

The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period. Impacts of the adoption of the amended HKFRSs are discussed below:

Amendments to HKAS 16, Property, plant and equipment: Proceeds before intended use

The amendments prohibit an entity from deducting the proceeds from selling items produced before that asset is available for use from the cost of an item of property, plant and equipment. Instead, the sales proceeds and the related costs should be included in profit and loss. The amendments do not have a material impact on these financial statements.

Amendments to HKAS 37, Provisions, contingent liabilities and contingent assets: Onerous contracts — cost of fulfilling a contract

The amendments clarify that for the purpose of assessing whether a contract is onerous, the cost of fulfilling the contract includes both the incremental costs of fulfilling that contract and an allocation of other costs that relate directly to fulfilling contracts.

Previously, the Group included only incremental costs when determining whether a contract was onerous. In accordance with the transitional provisions, the Group has applied the new accounting policy to contracts for which it has not yet fulfilled all its obligations at 1 January 2022, and has concluded that none of them is onerous.

2 REVENUE AND SEGMENT REPORTING

(a) Revenue

The principal activities of the Group are provision of project management services.

(i) Revenue from contracts with customers is as follows:

	2022	2021
	RMB'000	*RMB'000*
Revenue from contracts with customers within the scope of HKFRS15 and recognised over time		
— Provision of project management services	**605,679**	1,301,449

The Group's customer base is diversified and includes no customer with whom transactions have exceeded 10% of the Group's revenues.

(ii) Revenue expected to be recognised in the future arising from provision of project management services

As at 31 December 2022, the aggregated notional amount of the transaction price allocated to the remaining performance obligations under the Group's existing contracts is RMB2,872,847,000 (2021: RMB3,102,923,000). The Group will recognise the expected revenue from project management service contracts in future by measuring he progress towards complete satisfaction of the performance obligation, during the estimated project management service period which typically ranges from three years to five years.

The above amount does not include any amounts of incentive fee that the Group may earn in the future by meeting the conditions set out in the Group's project management service contracts with customers, unless at the reporting date it is highly probable that the Group will satisfy the conditions for earning those bonuses.

(b) Segment reporting

(i) Services from which reportable segments derive their revenue

Information reported to the Group's chief operating decision maker for the purposes of resource allocation and assessment of segment performance is more focused on the Group as a whole, as all of the Group's activities are considered to be primarily dependent on the performance on project management service. Resources are allocated based on what is beneficial for the Group in enhancing its project management service activities as a whole rather than any specific service. Performance assessment is based on the results of the Group as a whole. Therefore, management considers there is only one operating segment under the requirements of HKFRS 8, *Operating segments*.

(ii) Geographical information

No geographical information is shown as the revenue and profit from operations of the Group is all derived from activities in the PRC.

3 OTHER INCOME

	2022	2021
	RMB'000	*RMB'000*
Interest income on financial assets measured at amortised cost	**25,085**	33,043
Government grants	**9,404**	–
Others	**1,076**	1,867
	35,565	34,910

4 PROFIT BEFORE TAXATION

Profit before taxation is arrived at after charging:

	2022	2021
	RMB'000	*RMB'000*
(a) Finance costs		
Interest on lease liabilities	**211**	413
(b) Personnel cost		
Salaries, wages and other benefits	**113,165**	183,949
Contributions to defined retirement plan	**8,892**	9,493
Equity settled share-based payment expenses	**1,012**	3,417
	123,069	196,859

Employees of the Group's PRC subsidiaries are required to participate in defined contribution retirement schemes which are administered and operated by the local municipal government. The PRC subsidiaries contribute funds which are calculated on certain percentage of the average Employee salary as agreed by the local municipal government to the scheme to fund the retirement benefits of the employees.

The Group also participates in a Mandatory Provident Fund Scheme ("**the MPF Scheme**") for all qualifying employees in Hong Kong. The Group's and employee's contributions to the MPF Scheme are based on 5% of the relevant income of the relevant employee (up to a cap of monthly relevant income of HK$30,000) and in accordance with the requirements of the Mandatory Provident Fund Schemes Ordinance and related regulations.

The Group has no other material obligation for the payment of retirement benefits associated with these schemes beyond the annual contributions described above.

		Note	**2022** **_RMB'000_**	2021 *RMB'000*
(c)	**Other items**			
	Depreciation charge	*7*		
	— investment property and property, plant and equipment		**7,510**	8,209
	— right-of-use assets		**7,219**	8,065
			14,729	16,274
	Amortisation cost of intangible assets		**4,098**	1,903
	Auditor's remuneration		**2,344**	3,919
	— Assurance services		**2,200**	3,585
	— Non-assurance services		**144**	334

5 INCOME TAX IN THE CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

(a) Taxation in the consolidated statement of profit or loss and other comprehensive income represents:

		2022	2021
		RMB'000	*RMB'000*
Current tax			
PRC Corporate Income Tax	*(iv)*	**79,861**	246,350
Withholding tax		**28,000**	–
Deferred tax			
Origination and reversal of temporary differences		**(7,776)**	(3,627)
		100,085	242,723

(i) Pursuant to the rules and regulations of the Cayman Island and the BVI, the Group is not subject to any income tax in the Cayman Islands and the BVI.

(ii) Income tax rate applicable to Group entities incorporated in Hong Kong for the income subject to Hong Kong Profits Tax during the years is 8.25% on the first HK$2 million of estimated assessable profit and at 16.5% on the estimated assessable profits above HK$2 million.

(iii) Withholding taxes are levied on the Company's subsidiary in Hong Kong in respect of dividend distributions arising from profit of PRC subsidiaries earned after 1 January 2008 and interest on inter-company balance received by the Hong Kong subsidiary from PRC subsidiaries levied at 5%.

(iv) Pursuant to the Enterprise Income Tax Law of PRC and the respective regulations of Hainan Free Trade Port, except for Zhongyuan Central China (Hainan) Management Services Limited Company, which enjoys a preferential income tax rate of 15% during the year, the other subsidiaries which operate in mainland China are subject to Corporate Income Tax at a statutory rate of 25%.

(b) Reconciliation between tax expense and accounting profit at applicable tax rates:

	2022	2021
	RMB'000	*RMB'000*
Profit before taxation	**403,562**	1,012,878
Notional tax on profit before taxation, alculated at the rates applicable the jurisdictions concerned	**69,595**	236,388
Tax effect of non-deductible expenses	**2,490**	6,335
Withholding tax	**28,000**	–
Income tax expense	**100,085**	242,723

6 EARNINGS PER SHARE

(a) Basic earnings per share

The calculation of basic earnings per share for the year ended 31 December 2022 is based on the profit attributable to equity shareholders of the Company of RMB 303,477,000 (2021: RMB770,155,000) and the weighted average of 3,286,297,643 ordinary shares (2021: 3,158,084,620 ordinary shares) in issue during the year, calculated as follows:

Weighted average number of ordinary shares:

	2022	2021
At 1 January	**3,289,706,120**	1
Effect of capitalisation issue	**–**	2,967,116,119
Effect of shares issued by initial public offering on 31 May 2021	**–**	191,433,667
Effect of shares repurchased	**(3,408,477)**	(465,167)
	3,286,297,643	3,158,084,620

(b) Diluted earnings per share

There were no dilutive potential shares outstanding during the years ended 31 December 2022 and 2021.

7 INVESTMENT PROPERTY AND PROPERTY, PLANT AND EQUIPMENT

(a) Investment Property and property, plant and equipment

	Properties leased for own use	Motor Vehicles	Furniture, fixtures and equipment	Leasehold improve-ments	Investment property	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Cost						
At 1 January 2021	21,874	5,636	5,618	9,277	–	42,405
Additions	2,089	547	467	9,041	–	12,144
Disposals	(1,676)	–	–	–	–	(1,676)
At 31 December 2021	22,287	6,183	6,085	18,318	–	52,873
Additions	2,599	286	106	639	2,925	6,555
Disposals	(8,961)	–	(82)	–	–	(9,043)
At 31 December 2022	**15,925**	**6,469**	**6,109**	**18,957**	**2,925**	**50,385**
Accumulated depreciation:						
At 1 January 2021	(7,646)	(2,139)	(3,501)	(4,777)	–	(18,063)
Charge for the year	(8,065)	(1,292)	(1,135)	(5,782)	–	(16,274)
Written back on disposals	1,676	–	–	–	–	1,676
At 31 December 2021	(14,035)	(3,431)	(4,636)	(10,559)	–	(32,661)
Charge for the year	(7,219)	(1,389)	(845)	(5,032)	(244)	(14,729)
Written back on disposals	8,961	–	71	–	–	9,032
At 31 December 2022	**(12,293)**	**(4,820)**	**(5,410)**	**(15,591)**	**(244)**	**(38,358)**
Net book value:						
At 31 December 2022	**3,632**	**1,649**	**699**	**3,366**	**2,681**	**12,027**
At 31 December 2021	8,252	2,752	1,449	7,759	–	20,212

(b) Right-of-use assets

The analysis of the net book value of the Group's right-of-use assets is as follows:

	Note	**2022** *RMB'000*	2021 *RMB'000*
Properties leased for own use, carried at depreciated cost	*(i)*	**3,632**	8,252

The analysis of expense items in relation to leases recognised in profit or loss is as follows:

	2022 *RMB'000*	2021 *RMB'000*
Depreciation charge of right-of-use assets:		
Properties leased for own use	**7,219**	8,065
Interest on lease liabilities *(note 4(a))*	**211**	413
Expense relating to short-term leases	**1,023**	3,169

During the year, additions to right-of-use assets were RMB2,599,000 (2021: RMB2,089,000). This amount included the capitalised lease payments payable under new tenancy agreements.

(i) Properties leased for own use

The Group has leased a number of properties as its office and employee dormitory through tenancy agreements. The leases typically run for an initial period of 2 to 5 years. Some leases include an option to renew the lease and all terms should be renegotiated towards the end of the lease term. None of the leases includes variable lease payments.

8 INVESTMENTS IN SUBSIDIARIES

The following list contains only the particular of two subsidiaries which principally affects the results, assets or liabilities of the Group. The class of shares held is ordinary unless otherwise stated.

Name of company	Place of Incorporation and business	Registered and paid-up capital	Proportion of ownership interest		Principal activities
			Held by the Company	**Held by a subsidiary**	
Henan Zhongyuan Central China City Development Co., Ltd. 河南中原建業城市發展有限公司	The PRC	RMB800,000,000/ RMB350,000,000	–	100%	Project management services
Zhongyuan Central China (Hainan) Management Services Co., Ltd. 中原建業(海南)管理服務有限公司	The PRC	RMB10,000,000/ –	–	100%	Project management services

Note:

The above subsidiaries are PRC limited liability companies. These official names of the entities are in Chinese. The English names are translated by management only for the purpose of these financial statements as no English names have been registered or available.

9 INTEREST IN AN ASSOCIATE

The following list contains an associate of the Group, which is an unlisted corporate entity, whose quoted market price is not available:

Name of company	Date and place of incorporation/ establishment	Registered and paid-up capital	Effective interest held by the Group As at 31 December		Principal activities
			2022	2021	
Biyang Jianheng Real Estate Development Co., Ltd 泌陽縣建恒房地產開發有限公司	12 September 2019 The PRC	RMB20,000,000/ RMB20,000,000	**20%**	20%	Property development

Note:

The entity is a PRC limited liability company. The official name of the entity is in Chinese. The English name is for identification purpose only.

The associate mentioned above is accounted for using the equity method in the consolidated financial statements.

The information of the associate is as below:

	2022 *RMB'000*	2021 *RMB'000*
Carrying amount of the associate in the consolidated financial statements	**2,230**	2,501
Amounts of the Group's share of the associate's		
loss from continuing operations	**271**	509
Other comprehensive income	**–**	–
Total comprehensive loss	**271**	509

10 OTHER FINANCIAL ASSETS

	Note	2022 *RMB'000*	2021 *RMB'000*
Investment in unlisted securities	*(i)*	**4,894**	8,076

Note:

(i) The Group's investment in unlisted securities represented an investment in a private equity fund. The Group designated the unlisted securities at FVOCI (non-recycling), as it does not intend to dispose of this investment in the foreseeable future.

11 CONTRACT ASSETS AND CONTRACT LIABILITIES

(a) Contract assets

	2022 *RMB'000*	2021 *RMB'000*
Contract assets		
Project management service	**425,028**	300,500

(b) Contract liabilities

	2022	2021
	RMB'000	*RMB'000*
Contract liabilities		
Project management service		
— Billings in advance of performance	**291,968**	393,249

Movements in contract liabilities

	2022	2021
	RMB'000	*RMB'000*
At 1 January	**393,249**	474,949
Decrease in contract liabilities as a result of recognising revenue during the year that was included in the contract liabilities at the beginning of the year	**(273,783)**	(442,898)
Increase in contract liabilities as a result of billing in advance of project management service	**172,502**	361,198
At 31 December	**291,968**	393,249

As at 31 December 2022, the amount of billings in advance of performance and advance payments received expected to be recognised as income after more than one year is RMB153,852,000 (2021: RMB99,236,000). All of the other contract liabilities are expected to be recognised as income within one year.

12 TRADE AND OTHER RECEIVABLES

		2022	2021
	Note	***RMB'000***	*RMB'000*
Trade debtors and bills receivable		**194,160**	219,932
Less: allowance for credit losses		**(38,756)**	(21,659)
Trade debtors and bills receivable, net of loss allowance	*(a)*	**155,404**	198,273
Amounts due from related parties		**30,761**	27,510
Other debtors	*(b)*	**466,540**	337,758
Financial assets measured at amortised cost		**652,705**	563,541
Deposits and prepayments		**8,416**	4,609
		661,121	568,150

Amounts due from related parties are unsecured, interest-free and repayable on demand.

All of the trade and other receivables are expected to be recovered or recognised as expense within one year or on demand.

(a) Ageing analysis

As of the end of the reporting period, the ageing analysis of trade debtors and bills receivable, based on the invoice date and net of loss allowance, is as follows:

	2022	2021
	RMB'000	*RMB'000*
Within 3 months	**94,025**	126,499
3 months to 6 months	**28,438**	27,292
6 months to 1 year	**16,324**	36,574
over 1 year	**16,617**	7,908
	155,404	198,273

Trade debtors and bills receivable are due when the receivables are recognised.

(b) Other debtors

As at 31 December 2022, other debtors mainly represented advances to third parties of RMB428,530,000 (2021: RMB319,147,000) which are interest bearing at 14% (2021: 15%) per annum, unsecured and expected to be recovered within one year.

13 CASH AND CASH EQUIVALENTS

	2022	2021
	RMB'000	*RMB'000*
Cash and cash equivalents	**1,564,617**	1,975,806

14 TRADE AND OTHER PAYABLES

	2022	2021
	RMB'000	*RMB'000*
Amounts due to related parties	**35,658**	38,856
Other creditors and accrued charges	**80,543**	89,402
	116,201	128,258

Amounts due to related parties are unsecured, interest-free and payable on demand.

All of the trade and other payables are expected to be settled within one year or on demand.

15 LEASE LIABILITIES

The following table shows the remaining contractual maturities of the Group's lease liabilities:

	31 December 2022		31 December 2021	
	Present value of the minimum lease payments	**Total minimum lease payments**	Present value of the minimum lease payments	Total minimum lease payments
	RMB'000	***RMB'000***	*RMB'000*	*RMB'000*
Within 1 year	**2,462**	**2,532**	4,464	4,641
After 1 year but within 2 years	**636**	**653**	1,609	1,628
	636	**653**	1,609	1,628
	3,098	**3,185**	6,073	6,269
Less: total future interest expenses		**(87)**		(196)
Present value of lease liabilities		**3,098**		6,073

16 INCOME TAX IN THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(a) Current taxation in the consolidated statement of financial position represents:

	Total
	RMB'000
At 1 January 2021	66,473
Charged to profit or loss *(note 5(a))*	246,350
Tax paid	(265,001)
At 31 December 2021 and 1 January 2022	**47,822**
Charged to profit or loss *(note 5(a))*	**107,861**
Tax paid	**(51,449)**
At 31 December 2022	**104,234**

	2022	2021
	RMB'000	*RMB'000*
Representing:		
Current taxation	**104,234**	47,822

(b) Deferred tax assets

(i) Movement of each component of deferred tax assets

The components of deferred tax assets recognised in the consolidated statement of financial position and the movements during the year are as follows:

	Credit loss allowance
	RMB'000
At 1 January 2021	6,531
Credited to profit or loss *(note 5(a))*	3,627
At 31 December 2021 and 1 January 2022	**10,158**
Credited to profit or loss *(note 5(a))*	**7,776**
At 31 December 2022	**17,934**

(ii) Reconciliation to the consolidated statement of financial position

	2022	2021
	RMB'000	*RMB'000*
Representing:		
Deferred tax assets	**17,934**	10,158

(c) Deferred tax liabilities not recognised:

As at 31 December 2022, taxable temporary differences relating to undistributed profits of the Company's PRC subsidiaries amounted to RMB1,210,168,000 (2021: RMB1,450,319,000). No deferred tax liability was recognised in respect of the tax that would be payable on the distribution of these retained profits as the Company controls the dividend policy of these subsidiaries and it has determined that it is probable that these will not be distributed in the foreseeable future.

17 CAPITAL, RESERVES AND DIVIDENDS

(a) Share Capital

	As at 31 December			
	2022		2021	
	Number of shares	**Amount**	Number of shares	Amount
		HK$		*HK$*
Authorised share capital *(Note (i))*	**10,000,000,000**	**100,000,000**	10,000,000,000	100,000,000

	As at 31 December			
	2022		2021	
	Number of shares	**Amount**	Number of shares	Amount
		RMB'000		*RMB'000*
Ordinary shares, issued and fully paid:				
At 1 January	**3,295,288,120**	**27,035**	1	–*
Capitalisation issue	**–**	**–**	2,967,116,119	24,343
Issuance of shares by initial public offering	**–**	**–**	328,172,000	2,692
Share repurchased and cancelled *(Note (ii))*	**(5,582,000)**	**(45)**	–	–
At 31 December	**3,289,706,120**	**26,990**	3,295,288,120	27,035

* The balances represent amounts less than RMB1,000.

Notes:

(i) The Company was incorporated on 22 October 2020 in the Cayman Islands as an exempted company with limited liability. Upon incorporation, the Company's authorised share capital was HK$380,000 divided into 38,000,000 shares with a par value of HK$0.01 each, of which 1 share was issued and allotted, credited as fully paid.

On 12 May 2021, the authorised share capital of the Company was increased from HK$380,000 divided into 38,000,000 shares to HK$100,000,000 divided into 10,000,000,000 shares.

(ii) In 2021, the Company repurchased its own ordinary shares of 5,582,000, with an aggregate consideration paid amounting to approximately HK$8,605,000 (equivalent to RMB6,950,000). All of these shares were cancelled in March 2022.

In 2022, the Company repurchased its own ordinary shares of 7,044,000 on the Stock Exchange, with an aggregate consideration paid amounting to approximately HK$7,174,000 (equivalent to RMB6,408,000). As at 31 December 2022, the ordinary shares were repurchased but not yet cancelled by the Company and were recorded in "Treasury shares" in the Company's reserves at the purchase consideration.

(b) Dividends

(i) Dividend payable to equity shareholders of the Company attributable to the year

	2022	2021
	RMB'000	*RMB'000*
Interim dividend declared and paid of HK$5.81 cents (equivalent to RMB5.37 cents) per ordinary share (2021: HK$8.6 cents)	**176,659**	235,813
Final dividend in respect of the previous financial year, approved and paid during the year, of HK$9.9 cents (equivalent to RMB8.01 cents) per ordinary share (2021: Nil)	**263,541**	–

The Board has recommended a final dividend of HK2.70 cents per ordinary share for the year ended 31 December 2022. The proposed final dividend after the end of the reporting period has not been recognised as a liability at the end of the reporting period.

18 COMMITMENTS

Capital commitments outstanding at 31 December 2022 and 2021 not provided for in the financial statements were as follows:

	2022	2021
	RMB'000	*RMB'000*
Contracted for	**3,075**	3,253

MANAGEMENT DISCUSSION AND ANALYSIS

OPERATION REVIEW

I. Business Overview

In 2022, impacted by multiple factors such as the downturn in the real estate market and the resurgence of the COVID-19 pandemic, the Group saw a year-on-year decline in operational indicators like newly expanded area, contracted sales and net profit. However, the Group believes that with the optimisation of anti-pandemic policies in China, the economy is getting better and the project management industry will see healthier development.

The Group had 30 newly signed project management projects during the Year, with newly contracted gross floor area ("**GFA**") of 3,367,056 square metres ("**sq.m**"). The contracted sales for projects under the Group's management amounted to approximately RMB21.317 billion, and the contracted sales GFA was 3,498,418 sq.m. As of 31 December 2022, 266 projects were under the Group's management with an aggregated GFA of approximately 31,710,028 sq.m. In 2022, two new contracts were signed in provinces other than Henan with a newly contracted GFA of 106,200 sq.m. In 2022, the Group delivered 64 projects with 32,391 units and an aggregated GFA of 4.3 million sq. m., of which 18 projects were delivered ahead of schedule, representing an increase of 1.3% year-on-year, and the level of project delivery management steadily improved. As of 31 December 2022, the Group had conducted business in 123 cities and counties, in particular 102 cities and counties in Henan and 21 cities and counties outside Henan.

As of 31 December 2022, the Group had signed strategic cooperation agreements with 14 governments' platform companies and eight state-owned enterprises, and had signed 14 government project management projects, with a contracted GFA of 2.01 million sq.m. It had signed three capital project management projects, with contracted GFA of 530,000 sq.m. The business model of the Group is becoming more diversified.

II. Macro Environment

In 2022, COVID-19, war and inflation, and interest rate hikes are the key factors affecting the global economy. With the full relaxation of pandemic control measures in various countries, economic activities are gradually recovering and improving. Facing the grim and complicated international situation and the huge risk challenges that came one after another, the central government of the PRC, which sought progress while maintaining stability, took a holistic approach to both the domestic and international situation, better coordinated the pandemic prevention and control with economic and social development, better coordinated development with security, focused on high-quality development, promoted the creation of a new development pattern, enhanced the internal driving force for domestic circulation and improve the quality of international circulation, laying a long-term value foundation for the sound development of enterprises. China's GDP amounted to RMB121.02 trillion in 2022, with an actual growth rate of 3.0%. Henan Province's GDP totalled RMB6.13 trillion, representing a year-on-year increase of 3.1%, which was 0.1% higher than the national average. From the perspective of economic indicators, China's economy slowed down, while Henan Province's primary economic indicators maintained growth momentum, outperforming the national average. Henan, as an economic powerhouse, gave full play to the key supporting role of stabilising the national economy and shouldered the responsibility of making more contributions to the national economy.

III. Project Management Market

In the context of high property development costs, tightening financing environment and declining industry profits, the real estate industry is seeking to transform from "benefiting from land resources" and "benefiting from the financial sector" to "benefiting from management" era. Project management is a sign of industry maturity when globalisation and urbanisation have reached to a certain stage. With the advantages of being asset-light, highly profitable and cycle-resistant, project management has become an important option for many real estate companies to explore new models. In conjunction with the national and provincial "14th Five-Year" Plan policies, the direction of supply-side reform in the real estate industry is becoming clearer, promoting the construction of indemnificatory rental housing, and urban renewal may become a trend. Meanwhile, with accelerated market integration, demand from SME enterprises for project management business gradually increases. In recent years, the PRC's central government and local authorities have issued intensive policies to speed up the development of indemnificatory rental housing. China has initially planned to add 6.5 million units of indemnificatory rental housing in 40 key cities during the "14th Five-Year" Plan period, of which 2.4 million units were planned to be completed by 2022. As a result, there will be an explosive growth in indemnificatory rental housing, providing a good opportunity for the overall project management market to develop.

Project management is in the stage of survival of the fittest, and more companies ensure sound and safe development. Featuring strong subjectivity and willingness, project management has become a separate business as a new profit point for enterprises. In the meantime, due to the increasing market downward pressure, residents' weakened housing purchase expectations, and the relief of real estate developers defaulting on debts, more experienced, capable and resourceful enterprises are needed to operate project management business, so as to minimise the economic and social pressure. At present, opportunities arising from government project management have attracted many brand-name real estate companies to participate in relevant projects, and more than 40 top companies have made their presence in project management business. Bidders of government-led projects will be no longer subject to geographical restrictions, which is conducive to cross-regional business development of enterprises engaged in project management business.

In 2022, CCMGT was named one of the "2022 China Outstanding Project Management Real Estate Companies" and the "2022 Leading Brand of China Real Estate Project Management Companies".

IV. Impact of COVID-19

According to the data released by the National Bureau of Statistics, the investment in real estate development nationwide fell by 10.0% year on year in 2022, the sales area of commercial properties dropped by 24.3%, and the area of commercial properties for sale increased by 10.5%. The paid-in investment of real estate developers slumped by 25.9%. Compared with other parts of the country, Zhengzhou and even Henan may see a severer downturn in the real estate market in 2022. Real estate developers in Henan are slow in transformation. Once the external environment deteriorates, such as pandemic prevention and control and macroeconomic slowdown, local real estate enterprises are affected in terms of their continuing operations to a considerable extent, which in turn will lead to a lack of confidence in market entities and a cold real estate market.

According to the experience and regularity of the pandemic over the past two years, the biggest problem with the pandemic in 2022 is that it has hit China's economic powerhouses and core regions, where economy periodically became stagnant. The losses caused, including the knock-on effects, shall not be underestimated. Except first-tier cities, new first-tier cities with strong economic fundamentals and some provincial capitals, the vast majority of Chinese cities came under downward pressure in the field of real estate economy and housing prices starting from the second half of 2021. Private real estate developers continued with deleveraging and risk reduction in 2022, when the property market was generally sluggish and housing prices lacked support. Because of the pandemic, most people were hit financially and their attitudes toward cash flows and future expectations turned negative.

V. "Greater Central China" Strategy

The Group officially initiated the "Greater Central China" strategy last year. It has now achieved great results — establishing five urban companies in Shanxi, Xinjiang, Hainan, Tianjin and Shaanxi. The Group's projects under management cover six provinces and autonomous region outside Henan, including Anhui, Shanxi, Shaanxi, Hebei, Xinjiang and Hainan. The Group's "Greater Central China" strategy has a great competitive advantage and is highly compatible with the Greater Central China market, providing the Group with excellent room for development.

The establishment of the CCMGT City Partner Council in December 2022 is the fruit of seven years of exploration of the asset-light development model in China. The CCMGT City Partner Council is to bring together like-minded city partners, promote cooperation among its members, and ultimately promote urbanisation and social progress in central China. The CCMGT City Partner Council shall use credit and financing means to open up project and capital channels for members and connect resources, and create quality products and provide quality services for customers. Ultimately, the Group can rapidly consolidate and expand its brand and enable it to take root and blossom in the Greater Central China region.

VI. Future Business Plan and Strategy

In 2023, under the guidance of the "Greater Central China" strategy, the Group will further optimize the structure of its business model and maintain the integrity and health of its development. The Group will focus on internal management, examine its own management deficiencies, eliminate the barriers rooted in our cognition, ability and habit, promote various foundational works, steadily improve project management capabilities, uphold fundamental principles and break new ground, and strive for excellence in practical work. At the same time, 2023 is also the inaugural year after the establishment of the CCMGT City Partner Council, which matters significantly as it will lead the Group into a new journey. In 2023, the Group will focus on the following strategic plans:

1. Optimisation of diversified business models

First, the Group will consolidate the research and presence in high-level cities, and deepen the research on the business models of government project management, capital project management and consultation services, striving to develop capabilities for comprehensive project management services aimed at all property categories within five years. Second, efforts will be made to strengthen the connection with financial institutions, asset companies, governments' investment platforms, etc. In the process of cooperation on existing government project management and capital project management projects, the Group will accumulate management experience and promote the maturity and standardisation of business models of government project management and capital project management. Third, it will effectively leverage the resources of the City Partner Council to build a capital project management platform with the Group's characteristics that meets the development needs of the asset-light industry, which is favourable to the development of the asset-light industry. Last but not least, it will deepen the "partner classification management" mechanism, improve the partner information file card, and conduct active maintenance to continuously improve the repeat cooperation rate.

2. Steady development of out-of-province business

First, the Group will strengthen the research on out-of-province markets for each business line, especially in the Greater Central China region, to create replicable experiences. Second, with regard to different out-of-province markets, it will gradually establish project operation control standards in line with the local market, so as to promote the operation of out-of-province projects from a more objective perspective. Third, focus will fall on creating outstanding out-of-province projects and promoting the development and growth of out-of-province business. Fourth, an out-of-province brand publicity standardisation system will be improved to enhance brand popularisation and image. Finally, the Group will smoothen the cooperation channels with quality partners outside Henan to jointly consolidate the sustainable development of out-of-province business.

3. Continuous cost reduction, quality improvement and benefit enhancement

First, with "fine management in the whole process of projects", the Group will take a holistic approach to increase the project benefits and per capita efficiency. Second, continuous efforts will be made to promote product innovation, optimise and improve product suitability according to market needs, and perfect innovative products that have the same quality as high-quality products and are subject to cost constraints. Third, it will perfect the supplier resource base and design a management evaluation mechanism to increase project efficiency and enhance quality control. Finally, cost optimisation cases will be analysed to get valuable and promotable outstanding cases, so as to improve the systematic and standardised project management.

4. Spread of CCMGT's strong image in project management

First, guided by direction and empowered with brand, the Group will focus on "sorting out the advantages in project management and spreading stories of project management", and tell stories about products and deliveries, aiming to build a strong image as "the king in the market with the average home price below RMB10,000 per sq.m". Second, it will ensure the resumption of projects and on-time delivery of quality projects to create its brand image. Last but not least, the Group will consolidate its customer service level and strengthen the closed-loop management for customer complaint handling. Based on early-stage service, risk management, customer complaint management, the Group will implement the maintenance system of the "staged responsibility + standardised management" to meet the needs of prospective property owners, owners in run-in period, stable owners and old owners, aiming to enhance its brand image.

5. *Improvement of work standards on internal control and compliance*

As a pioneer in the project management industry, the Group will consolidate and strengthen its compliance capabilities in order to ensure the healthy, safe and sustainable development of its business. First, it will strictly follow management systems and documents and oversee the implementation effect to ensure the compliance of each work. Second, further business research will be conducted, the authorities and responsibilities of all parties in the project cooperation process will be updated according to business developments, and business rules and management boundaries will be clarified. Finally, the Group will team up with partners to launch compliance-related training to enhance its compliance capabilities and maintain high standards.

VII. Outlook

In 2023, real estate policies were relaxed, which has driven the real estate sector into a smooth transition to high-quality development. Top 100 real estate developers have made their presence in project management business. Bidders of government-led projects will be no longer subject to geographical restrictions, which is conducive to cross-regional business development of enterprises engaged in project management business. Project management business has broad prospects for development. The Group, which has always insisted on "fine management in the whole process of projects", will refine the basic management, optimise business models, make innovations to enhance the product and service power, and consolidate the Group's core competitiveness in project management, with a view to leading the healthy and high-quality development of the project management industry.

FINANCIAL ANALYSIS

For the Year, the Group achieved:

Revenue

The Group generated revenue and received management fees from the provision of project management services. Principal factors affecting revenue include the business size, number of projects under management and total contracted GFA, milestones and progress of projects under management as well as the sale strategies. During the Year, revenue amounted to RMB605.7 million, representing a decrease of 53.5% from RMB1,301.4 million in 2021. The decline in revenue is primarily due to a year-on-year decline in newly contracted GFA and contracted sales of projects under management, affected by the resurgence of the pandemic and continued downturn in the real estate market. Below is the Group's revenue divided by whether projects under management are based in Henan Province:

	For the year ended 31 December				
	2022		2021		**Changes**
		% of		% of	**Increase/**
	RMB'000	**revenue**	*RMB'000*	revenue	**(decrease)**
Projects in Henan province	**554,225**	**91.5%**	1,208,028	92.8%	(54.1%)
Projects outside Henan province	**51,454**	**8.5%**	93,421	7.2%	(44.9%)
Total	**605,679**	**100.0%**	1,301,449	100.0%	(53.5%)

Other Income

Other income is primarily interest income on financial assets measured at amortised cost and government grants. During the year, other income amounted to RMB35.6 million, an increase of RMB0.7 million as compared with that of RMB34.9 million in 2021.

Personnel Cost

Personnel cost is the Group's largest cost item, which primarily comprises base salary and bonus, social insurance and other benefits as well as equity-settled share-based payments by Central China Real Estate Limited (previously the holding company of the Group) paid to the Group's employees. Such cost does not include salary, bonus, social insurance and housing funds, and other benefits and fees paid to the Group's employees who are seconded to relevant project companies in connection with real property development projects managed by us, which are borne by respective project owners and paid by the project owners to the seconded personnel directly. During the Year, personnel cost amounted to RMB123.1 million, representing a decrease of 37.5% from RMB196.9 million in 2021. Personnel cost dropped primarily due to a decrease of the number of employees during the Year as a result of adjustment of the Group's organisational structure.

Other Operating Expenses

The Group's other operating expenses mainly comprise corporate overhead and business, office and travelling expenses. During the Year, other operating expenses amounted to RMB58.7 million, a decrease of 18.9% from RMB72.3 million in 2021. The decrease was mainly caused by (i) decrease of business and travelling expenses because of impacts of the pandemic and market factors on business development; and (ii) decrease of corporate overhead and office expenses as the number of employees dropped due to adjustment of the Group's organisational structure.

Income Tax

During the year, income tax amounted to RMB100.1 million, a decrease of 58.8% from RMB242.7 million in 2021. The effective income tax rate was 24.8%, 0.8 percentage points higher than the effective tax rate of 24.0% for 2021, largely due to the fact that a withholding tax of RMB28.0 million was levied at 5% by the Company's subsidiary in Hong Kong on dividend distributions arising from profit of PRC subsidiaries earned after 1 January 2008.

Profit for the Year

During the Year, net profit amounted to RMB303.5 million, representing an increase of 60.6% from RMB770.2 million in 2021.

Trade and Other Receivables

For the year ended 31 December 2022, trade and other receivables amounted to RMB661.1 million, representing an increase of 16.4% from RMB568.2 million as of 31 December 2021. This was mainly attributable to advances of RMB111.0 million paid by a third party.

Contract Assets

Contract assets amounted to RMB425.0 million as of 31 December 2022, representing an increase of 41.4% from RMB300.5 million as of 31 December 2021. It was mainly due to the decline in the contracted sales of the Group's projects under management affected by the pandemic and the real estate market. Contract assets will be converted into the cash inflow from the Group's operating activities in the future.

Trade and Other Payables

Trade and other payables amounted to RMB116.2 million as of 31 December 2022, representing a decrease of 9.4% from RMB128.3 million as of 31 December 2021. It was primarily due to decrease of other creditors and accrued charges.

Contract Liabilities

Contract liabilities amounted to RMB292.0 million as of 31 December 2022, representing a decrease of 25.8% from RMB393.2 million as of 31 December 2021. Contract liabilities represent the payments received before the related project management service is provided. The decrease during the Year was primarily due to a decline in payments received.

Proceeds from the Listing

The Shares were listed on the Main Board of the Stock Exchange (the "**Listing**") on 31 May 2021, with a total of 328,172,000 Shares issued pursuant to the Global Offering. After deducting the underwriting fees and relevant expenses, net proceeds from the Listing amounted to approximately HK$915.8 million (equivalent to RMB751.4 million). The following table sets out the intended use and actual use of the net proceeds as of 31 December 2022:

	Use of proceeds	Allocation of use of the net proceeds *RMB million*	Percentage of total net proceeds	Net proceeds utilised during the Year *RMB million*	Actual use as of 31 December 2022 *RMB million*	Unutilised net proceeds as at 31 December 2022 *RMB million*	Timetable
1.	**Expanding into new markets in the "Greater Central China" region and new service offerings**	**300.5**	**40.0%**	**14.7**	**26.8**	**273.7**	
1.1	Setting up of new regional branch offices	75.1	10.0%	1.6	3.2	71.9	One to three years after Listing
1.2	Recruitment of new staffs to new branches	180.4	24.0%	6.5	15.6	164.8	One to three years after Listing
1.3	Brand Promotion	22.5	3.0%	5.2	5.5	17.0	One to three years after Listing
1.4	Recruitment of new staffs and efforts in developing new service offerings (including both government projects and capital projects)	22.5	3.0%	1.4	2.5	20.0	One to three years after Listing
2.	**Pursuing strategic investments and acquisitions**	**270.6**	**36.0%**	**–**	**–**	**270.6**	One to three years after Listing
3.	**Enhancing the information technology system**	**105.2**	**14.0%**	**7.5**	**10.0**	**95.2**	One to three years after Listing
4.	**General working capital**	**75.1**	**10.0%**	**37.6**	**75.1**	**–**	One to two years after Listing
Total		**751.4**	**100.0%**	**59.8**	**111.9**	**639.5**	

Subscription of New Shares

On 18 November 2022 (after trading hours), the Company (as issuer) entered into twelve subscription agreements with twelve subscribers in respect of the subscription of an aggregate of 343,140,000 Shares at the subscription price of HK$0.80 per Share (the "**Subscriptions**"). The Subscriptions have not been completed as at the date of this announcement.

The net proceeds from the Subscriptions (after deducting all applicable costs and expenses of the Subscriptions) will be approximately HK$274,069,150. The Group intends to use the net proceeds from the Subscriptions as follows:

Use of proceeds	**Allocation of use of proceeds**		**Percentage of proceeds**	**Timetable**
	(HK$ million)	*(RMB million)*	*(%)*	
Development of government project management business	137.0	123.5	50.0%	Within 3 years after Completion
Development of capital project management business	123.3	111.1	45%	Within 3 years after Completion
General working capital	13.7	12.4	5%	Within 2 years after Completion
Total	**274.1**	**247.0**	**100.0%**	

For details of the Subscriptions, please refer to the announcements of the Company dated 18 November 2022 and 16 December 2022.

Financial Resources Management and Capital Structure

The Group has adopted comprehensive treasury policies and internal control measures to review and monitor its financial resources.

As of 31 December 2022, cash and cash equivalents amounted to RMB1,564.6 million (31 December 2021: RMB1,975.8 million). The Group maintained at net cash position as of 31 December 2022 without any borrowings. The Company paid dividend of RMB440.2 million in total during the Year.

The gearing ratio is calculated as total borrowings divided by total equity, and the sum of long-term and short-term interest bearing bank loans and other loans as of the corresponding date divided by the total equity as of the same date. As of 31 December 2022, the gearing ratio was nil (31 December 2021: Nil) .

Debt

During the Year, the Group had no significant borrowings.

Foreign Exchange Risk

The Group conducts substantially all of its business in China and in RMB. Therefore, the Group is exposed to minimum foreign exchange risks. However, the depreciation or appreciation of RMB and HK$ against foreign currencies may have impact on the Group's results. Currently, the Group does not hedge foreign exchange risks, but will continue to closely monitor its exposure to foreign exchange risks. The management will consider hedging foreign exchange risks when the Group becomes materially affected by such risks.

Contingent Liabilities and Capital Commitment

As at 31 December 2022, the Group did not have any significant contingent liabilities and capital commitment.

Pledge of Assets

During the Year, the Group did not have any pledged assets.

Major Acquisitions and Disposals

During the Year, the Group did not have any major acquisitions and disposals.

Major Investment

As of 31 December 2022, the Group did not hold any significant investment.

Events after the Reporting Period

Subsequent to 31 December 2022 and up to the date of this announcement, no important event affecting the Group has occurred.

Employment and Remuneration Policies

As at 31 December 2022, the Group had 912 full-time employees, including 557 employees assigned to relevant project companies to carry out property development projects under the Group's management.

The Company's sustainable growth depends on the ability and loyalty of employees. The management of the Company, who understands the importance of realising the personal value of employees, has established a transparent evaluation system for all employees seeking career development in various business units. A performance-based compensation structure was set up to reward employees for their performance. The Company also adjusted compensation from time to time in accordance with its development strategies and market standards. Efforts have been made to promote the healthy competition within the Company, maximise the potential of employees, continuously optimise the current compensation incentive system to retain and attract excellent talents.

In addition, the Company recognises the importance of providing employees with comprehensive and sustainable training programmes to improve their business skills, enhance their risk management capabilities and help them demonstrate high standards of diligence and dedication. It provided employees with various training programmes with different emphasis based on their tenure. Besides internal training, third-party training institutions were also invited to provide online and offline training for the Group's employees. Through these measures, team members can get access to the latest information on industry trends and market developments. So a stable talent pool full of cohesion and vitality will support the Company's long-term and sustainable development.

CORPORATE GOVERNANCE PRACTICES

The Group is committed to achieving high corporate governance standards to safeguard the interests of its stakeholders. The Company has applied the principles in the Corporate Governance Code ("**CG Code**") in Appendix 14 to the Listing Rules by conducting its business by reference to the principles of the CG Code and emphasising such principles in the Company's governance framework. To the best knowledge of the Directors, the Company has complied with all applicable code provisions under the CG Code during the Year.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS OF LISTED ISSUERS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") in Appendix 10 to the Listing Rules as the code of conduct for the Directors in their dealings in the Company's securities. Having made specific enquires with each Director, the Company confirmed that the Directors had complied with the required standard as set out in the Model Code for the Year.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

For the Year, the Board recognised that the repurchase of Shares could increase the net asset value and/or earnings per share, so the Company repurchased a total of 7,044,000 Shares on the Stock Exchange during the Year, with a total consideration of approximately HK$7,174,000 (including the transaction cost). As at the date of this announcement, all repurchased Shares have been repurchased but not yet cancelled.

Details of the repurchase of Shares were as follows:

Date of repurchase	**Number of Shares repurchased**	**Price per share**	
		Highest	**Lowest**
		(HK$)	*(HK$)*
1 April 2022	320,000	1.22	1.22
12 April 2022	370,000	1.27	1.23
18 May 2022	350,000	1.15	1.12
26 May 2022	256,000	1.18	1.11
27 May 2022	250,000	1.14	1.12
30 May 2022	420,000	1.16	1.13
31 May 2022	250,000	1.19	1.14
1 June 2022	670,000	1.19	1.16
14 June 2022	380,000	1.26	1.2
17 June 2022	246,000	1.23	1.16
27 June 2022	250,000	1.16	1.16
28 June 2022	430,000	1.18	1.15
14 July 2022	520,000	0.95	0.90
5 September 2022	650,000	0.77	0.72
6 September 2022	306,000	0.79	0.78
22 September 2022	260,000	0.74	0.70
26 September 2022	680,000	0.72	0.70
30 September 2022	436,000	0.70	0.67

Save as disclosed above, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the Year.

REVIEW OF ANNUAL RESULTS BY AUDIT COMMITTEE

The Company established the audit committee with written terms of reference in compliance with the Listing Rules and the CG Code (the "**Audit Committee**"). As at the date of this announcement, the Audit Committee consists of three independent non-executive Directors, namely Mr. Zhu Baoguo, Mr. Xu Ying and Mr. Siu Chi Hung. Mr. Siu Chi Hung is the chairman of the Audit Committee.

The Audit Committee has discussed with the management and external auditors the accounting principles and policies adopted by the Group and has reviewed the Group's audited consolidated results for the Year.

SCOPE OF WORK OF KPMG

The financial figures in respect of the Group's consolidated statement of profit or loss, consolidated statement of profit or loss and other comprehensive income, consolidated statement of financial position and the related notes thereto for the Year set out in the preliminary announcement have been compared by the Group's auditor, KPMG, Certified Public Accountants, to the amounts set out in the Group's audited consolidated financial statements for the year and the amounts were found to be in agreement. The work performed by KPMG in this respect did not constitute an audit, review or other assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by the auditor.

ANNUAL GENERAL MEETING

The 2023 annual general meeting of the Company (the "**2023 AGM**") will be held on Wednesday, 31 May 2023. Notice of the 2023 AGM will be published and issued to the shareholders of the Company in due course.

FINAL DIVIDEND

The Board of Directors has resolved to recommend a final dividend (the "**Final Dividend**") of HK2.70 cents per ordinary share for the Year. The Final Dividend shall be subject to the approval of the 2023 AGM and such dividend is expected to be paid on or around Monday, 31 July 2023 to the shareholders of the Company whose names appear on the register of members of the Company on Thursday, 20 July 2023.

CLOSURE OF REGISTER OF MEMBERS

For the purposes of determining shareholders' eligibility to attend and vote at the 2023 AGM, the register of members of the Company will be closed from Friday, 26 May 2023 to Wednesday, 31 May 2023 (both days inclusive), during which period no transfer of shares will be registered. All properly completed share transfer forms accompanied by the relevant share certificates must be lodged with the Company's Hong Kong branch share registrar, Computershare Hong Kong Investor Services Limited at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong, no later than 4:30 p.m. on Thursday, 25 May 2023, for registration.

For the purposes of determining the entitlement of the shareholders of the Company to the proposed Final Dividend, the register of members of the Company will be closed from Wednesday, 19 July 2023 to Thursday, 20 July 2023 (both days inclusive), during no transfer of shares will be registered. All properly completed share transfer forms accompanied by the relevant share certificates must be lodged with the Company's Hong Kong branch share registrar, Computershare Hong Kong Investor Services Limited at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong, no later than 4:30 p.m. on Tuesday, 18 July 2023, for registration.

PUBLICATION OF ANNUAL RESULTS ANNOUNCEMENT AND ANNUAL REPORT

The announcement has been published on the websites of the Stock Exchange (**www.hkexnews.hk**) and the Company (**www.centralchinamgt.com**). The annual report for the Year (containing all information set forth in Appendix 16 to the Listing Rules) will be dispatched to the shareholders of the Company in due course and will be published on the aforesaid websites of the Stock Exchange and the Company.

By Order of the Board
CENTRAL CHINA MANAGEMENT COMPANY LIMITED
Wu Po Sum
Chairman

Hong Kong, 20 March 2023

As at the date of this announcement: (1) the chairman and non-executive Director is Mr. Wu Po Sum; (2) the executive Directors are Mr. Hu Bing, Mr. Chen Aiguo and Mr. Duan Juwei; (3) the non-executive Director is Ms. Wu Wallis (alias Li Hua); and (4) the independent non-executive Directors are Mr. Zhu Baoguo, Mr. Xu Ying and Mr. Siu Chi Hung.