

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



GREENTOWN MANAGEMENT HOLDINGS COMPANY LIMITED

綠城管理控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 09979)

ANNOUNCEMENT OF THE ANNUAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2023

The board (the “**Board**”) of directors (the “**Directors**”) of Greentown Management Holdings Company Limited (“**Greentown Management**” or the “**Company**”) is pleased to announce the audited consolidated annual results of the Company and its subsidiaries (collectively, the “**Group**”) for the year ended 31 December 2023 (the “**Reporting Period**” or the “**Period**”) prepared in accordance with the International Financial Reporting Standards, together with comparative figures for the previous financial year. The audited consolidated annual results have been reviewed by the audit committee of the Company (the “**Audit Committee**”) and approved by the Board.

A final dividend in respect of the year ended 31 December 2023 of RMB0.40 per share and a special dividend of RMB0.10 per share, an aggregate amount of RMB1,005 million, have been proposed by the Board in recognition of shareholders’ unwavering support since the listing, and are subject to be approved by the shareholders at the forthcoming annual general meeting.

BUSINESS HIGHLIGHTS

	2023 (Audited) RMB’000	2022 (Audited) RMB’000	Change Increase %
Revenue	3,302,422	2,655,992	24.3%
Gross profit	1,722,302	1,388,607	24.0%
Net profit attributable to owners of the Company	973,607	744,544	30.8%
Net cash inflows from operating activities	955,075	724,655	31.8%
Basic earnings per share (ordinary shareholders of the Company)	0.50	0.38	31.6%
	2023 Million sq.m.	2022 Million sq.m.	Change %
Total GFA of contracted projects	119.6	101.4	17.9%
Area under construction	52.5	47.2	11.4%
Total GFA of newly contracted projects	35.3	28.2	25.0%
	2023 RMB’ billion	2022 RMB’ billion	Change %
Project management fee for the newly contracted projects	10.37	8.61	20.5%

The following financial information is extracted from the audited annual consolidated financial statements as set out in the 2023 Annual Report to be published by the Group:

CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2023

	Notes	Year ended 31 December	
		2023	2022
		RMB'000	RMB'000
Revenue	3	3,302,422	2,655,992
Cost of services		<u>(1,580,120)</u>	<u>(1,267,385)</u>
Gross profit		1,722,302	1,388,607
Other income	4	155,846	166,246
Other gains and losses	5	(75,878)	(49,114)
Selling and marketing expenses		(104,520)	(120,195)
Administration expenses		(514,505)	(488,643)
Finance costs	6	(5,493)	(6,922)
Impairment losses under expected credit loss model, net of reversal		(42,092)	(22,516)
Loss from changes in fair value of investment properties		(1,333)	(1,315)
Gain on disposal of an associate		—	420
Share of results of associates		360	8,102
Share of results of joint ventures		<u>42,721</u>	<u>49,931</u>
Profit before tax	7	1,177,408	924,601
Income tax expense	8	<u>(196,711)</u>	<u>(189,236)</u>
Profit for the year		<u>980,697</u>	<u>735,365</u>

CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (CONTINUED)

For the year ended 31 December 2023

		Year ended 31 December	
		2023	2022
	Note	RMB'000	RMB'000
Other comprehensive expense			
<i>Item that will not be reclassified to profit or loss:</i>			
Fair value loss on investments in equity instruments at fair value through other comprehensive income (“FVTOCI”), net of tax		<u>(8,104)</u>	<u>(24,984)</u>
Total comprehensive income for the year		<u>972,593</u>	<u>710,381</u>
Profit (loss) for the year attributable to:			
Owners of the Company		973,607	744,544
Non-controlling interests		<u>7,090</u>	<u>(9,179)</u>
		<u>980,697</u>	<u>735,365</u>
Total comprehensive income (expense) for the year attributable to:			
Owners of the Company		965,503	719,560
Non-controlling interests		<u>7,090</u>	<u>(9,179)</u>
		<u>972,593</u>	<u>710,381</u>
EARNINGS PER SHARE			
– Basic (RMB)	10	<u>0.50</u>	<u>0.38</u>
– Diluted (RMB)	10	<u>0.49</u>	<u>0.38</u>

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

As at 31 December 2023

		As at 31 December	
		2023	2022
	Notes	RMB '000	RMB '000
Non-Current Assets			
Property, plant and equipment		111,087	109,328
Intangible assets	11	354,139	412,354
Right-of-use assets		10,643	18,573
Investment properties		44,308	45,641
Goodwill		981,761	981,761
Interests in associates		100,264	79,962
Interests in joint ventures		263,733	236,821
Equity instruments at FVTOCI		56,625	67,430
Other long-term receivables		129,394	265,165
Deferred tax assets		45,603	27,529
Deposits for acquisition of properties		195,025	59,192
		<u>2,292,582</u>	<u>2,303,756</u>
Current Assets			
Trade and other receivables	12	823,908	823,930
Contract assets	13	890,602	573,892
Financial assets at fair value through profit or loss (“FVTPL”)		41,324	75,430
Amounts due from related parties		474,422	298,289
Pledged bank deposits		165,436	152,923
Bank balances and cash		2,044,377	1,933,099
		<u>4,440,069</u>	<u>3,857,563</u>
Current Liabilities			
Trade and other payables	14	1,257,219	1,173,275
Amounts due to related parties		395,246	221,366
Income tax payable		229,835	217,264
Other taxes payable		26,140	34,556
Contract liabilities		507,614	432,867
Lease liabilities		4,233	7,870
		<u>2,420,287</u>	<u>2,087,198</u>
Net Current Assets		<u>2,019,782</u>	<u>1,770,365</u>
Total Assets Less Current Liabilities		<u><u>4,312,364</u></u>	<u><u>4,074,121</u></u>

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION (CONTINUED)

As at 31 December 2023

	As at 31 December	
	2023	2022
	RMB'000	RMB'000
Capital and Reserves		
Share capital	16,769	16,769
Reserves	<u>3,978,978</u>	<u>3,722,434</u>
Equity attributable to owners of the Company	3,995,747	3,739,203
Non-controlling interests	<u>137,859</u>	<u>133,825</u>
Total Equity	<u>4,133,606</u>	<u>3,873,028</u>
Non-Current Liabilities		
Deferred tax liabilities	53,206	103,088
Lease liabilities	3,344	9,138
Financial liabilities at FVTPL	<u>122,208</u>	<u>88,867</u>
	<u>178,758</u>	<u>201,093</u>
	<u>4,312,364</u>	<u>4,074,121</u>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. GENERAL

The Company was established in the Cayman Islands as an exempted company with limited liability on 12 December 2016. The address of the registered office and the principal place of business of the Company are set out in the section headed “Corporate Information” of the annual report. The Company’s shares have been listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) since 10 July 2020. The immediate and ultimate holding company of the Company is Greentown China, a company listed on the Main Board of the Stock Exchange and incorporated in the Cayman Islands.

The Company is an investment holding company. The principal activity of the Group is to provide project management services.

The functional currency of the Company is Renminbi (“**RMB**”), which is the same as the presentation currency of the consolidated financial statements.

2. APPLICATION OF AMENDMENTS TO INTERNATIONAL FINANCIAL REPORTING STANDARDS (“**IFRSs**”)

New and amendments to IFRSs that are mandatorily effective for the current year

In the current year, the Group has applied the following new and amendments to IFRSs issued by the International Accounting Standards Board (“**IASB**”) for the first time, which are mandatorily effective for the Group’s annual period beginning on 1 January 2023 for the preparation of the consolidated financial statements:

IFRS 17 (including the June 2020 and December 2021 Amendments to IFRS 17)	Insurance Contracts
Amendments to IAS 8	Definition of Accounting Estimates
Amendments to IAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction
Amendments to IAS 12	International Tax Reform-Pillar Two model Rules
Amendments to IAS 1 and IFRS Practice Statement 2	Disclosure of Accounting Policies

The application of the amendments to IFRSs in the current year has had no material impact on the Group’s financial positions and performance for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

Impacts on application of Amendments to IAS 8 Definition of Accounting Estimates

The Group has applied the amendments for the first time in the current year. The amendments define accounting estimates as “monetary amounts in financial statements that are subject to measurement uncertainty”. An accounting policy may require items in financial statements to be measured in a way that involves measurement uncertainty. In such a case, an entity develops an accounting estimate to achieve the objective set out by the accounting policy. The amendments to IAS 8 clarify the distinction between changes in accounting estimates, and changes in accounting policies and the correction of errors.

The application of the amendments in the current year had no material impact on the consolidated financial statements.

Impacts on application of Amendments to IAS 12 Deferred Tax related to Assets and Liabilities arising from a Single Transaction

The Group has applied the amendments for the first time in the current year. The amendments narrow the scope of the recognition exemption of deferred tax liabilities and deferred tax assets in paragraphs 15 and 24 of IAS 12 Income Taxes so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences.

In accordance with the transition provision:

- (i) the Group has applied the new accounting policy retrospectively to leasing transactions that occurred on or after 1 January 2022;
- (ii) the Group also, as at 1 January 2022, recognised a deferred tax asset (to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised) and a deferred tax liability for all deductible and taxable temporary difference associated with right-of-use-assets and lease liabilities.

The application of the amendments has had no material impact on the Group's financial position and performance, except that the Group disclose the related deferred tax assets of RMB2,542,000 and deferred tax liabilities of RMB2,542,000 on a gross basis in the note to the consolidated financial statements but it has no impact on the retained earnings at the earliest period presented.

Impacts on application of Amendments to IAS 1 and IFRS Practice Statement 2 Disclosure of Accounting Policies

The Group has applied the amendments for the first time in the current year. IAS 1 Presentation of Financial Statements is amended to replace all instances of the term “significant accounting policies” with “material accounting policy information”. Accounting policy information is material if, when considered together with other information included in an entity's financial statements, it can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements.

The amendments also clarify that accounting policy information may be material because of the nature of the related transactions, other events or conditions, even if the amounts are immaterial. However, not all accounting policy information relating to material transactions, other events or conditions is itself material. If an entity chooses to disclose immaterial accounting policy information, such information must not obscure material accounting policy information.

IFRS Practice Statement 2 *Making Materiality Judgements* (the “**Practice Statement**”) is also amended to illustrate how an entity applies the “four-step materiality process” to accounting policy disclosures and to judge whether information about an accounting policy is material to its financial statements. Guidance and examples are added to the Practice Statement.

The application of the amendments has had no material impact on the Group's financial positions and performance but has affected the disclosure of the Group's accounting policies set out in the note to the consolidated financial statements.

Amendments to IFRSs in issue but not yet effective

The Group has not early applied the following amendments to IFRSs that have been issued but are not yet effective:

Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ¹
Amendments to IFRS 16	Lease Liability in a Sale and Leaseback ²
Amendments to IAS 1	Classification of Liabilities as Current or Non-current ²
Amendments to IAS 1	Non-current Liabilities with Covenants ²
Amendments to IAS 7 and IFRS 7	Supplier Finance Arrangements ²
Amendments to IAS 21	Lack of Exchangeability ³

¹ Effective for annual periods beginning on or after a date to be determined.

² Effective for annual periods beginning on or after 1 January 2024.

³ Effective for annual periods beginning on or after 1 January 2025.

The directors of the Company anticipate that the application of all the amendments to IFRSs will have no material impact on the consolidated financial statements in the foreseeable future.

3. REVENUE AND SEGMENT INFORMATION

(i) Disaggregation of revenue from contracts with customers is as follows:

	Year ended 31 December	
	2023	2022
	RMB'000	RMB'000
Revenue recognised overtime:		
Commercial project management	2,346,326	1,669,429
Governmental project management	788,480	781,054
Others	167,616	205,509
	<u>3,302,422</u>	<u>2,655,992</u>

(ii) Segment information

The chief operating decision-maker of the Group has been identified as the executive directors and certain senior management (collectively referred to as the “CODM”). Operating segments are determined based on the Group’s internal reports which are submitted to the CODM for performance assessment and resources allocation. This is also the basis upon which the Group is organised and managed.

The Group’s consolidated revenue and results are attributable to the market in the PRC (country of domicile) and all of the Group’s consolidated assets are located in the PRC.

No segment assets and liabilities are presented as they were not regularly provided to the CODM for the purpose of resource allocation and performance assessment.

The Group's reportable segments under IFRS 8 Operating Segments are as follows:

1. Commercial project management – provide property development management service to project owner.
2. Governmental project management – provide property development management service to government on resettlement housing property development projects and public infrastructure.
3. Others (including (i) project management service provided for certain governmental projects tendered by the Group before the grade 1 qualification was obtained by the Group in August 2020, and (ii) construction design and other consulting service, etc.).

For the commercial project management service, the CODM reviews the financial information of each commercial project management service project, hence each commercial project management service project constitutes a separate operating segment. However, the commercial project management service projects possess similar economic characteristics, and are with similar development and selling activities as well as similar customer bases. Therefore, all commercial project management service projects are aggregated into one reportable segment for segment reporting purposes.

For the governmental project management service, the CODM reviews the financial information of each governmental project management service project, hence each governmental project management service project constitutes a separate operating segment. However, the governmental project management service projects possess similar economic characteristics, and are with similar development and selling activities as well as similar customer bases. Therefore, all governmental project management service projects are aggregated into one reportable segment for segment reporting purposes.

The CODM assesses the performance of the operating segments based on the post-tax profit of the group entities engaged in the respective segment activities, which includes share of results of associates and joint ventures, but exclude certain other income, fair value changes in financial assets mandatorily measured at FVTPL, administrative expenses, finance costs, exchange gains and losses and licensing fee.

An analysis of the Group's revenue and results by reportable segment is as follow:

For the year ended 31 December 2023

	Commercial project management <i>RMB'000</i>	Governmental project management <i>RMB'000</i>	Others <i>RMB'000</i>	Segment total <i>RMB'000</i>	Eliminations <i>RMB'000</i>	Total <i>RMB'000</i>
Segment revenue						
External revenue	2,346,326	788,480	167,616	3,302,422	–	3,302,422
Inter-segment revenue	183,938	618,232	7,099	809,269	(809,269)	–
Total	<u>2,530,264</u>	<u>1,406,712</u>	<u>174,715</u>	<u>4,111,691</u>	<u>(809,269)</u>	<u>3,302,422</u>
Segment results	<u>873,664</u>	<u>156,069</u>	<u>75,872</u>	<u>1,105,585</u>	<u>438</u>	<u>1,106,023</u>
Unallocated other income						59
Unallocated loss from changes in fair value of financial assets mandatorily measured at FVTPL						(30,505)
Unallocated administrative expenses						(26,779)
Unallocated finance costs						(51)
Unallocated exchange loss						(16,383)
Unallocated license fee						<u>(51,667)</u>
Profit for the year						<u>980,697</u>

For the year ended 31 December 2022

	Commercial project management <i>RMB'000</i>	Governmental project management <i>RMB'000</i>	Others <i>RMB'000</i>	Segment total <i>RMB'000</i>	Eliminations <i>RMB'000</i>	Total <i>RMB'000</i>
Segment revenue						
External revenue	1,669,429	781,054	205,509	2,655,992	–	2,655,992
Inter- segment revenue	51,849	557,968	3,552	613,369	(613,369)	–
Total	<u>1,721,278</u>	<u>1,339,022</u>	<u>209,061</u>	<u>3,269,361</u>	<u>(613,369)</u>	<u>2,655,992</u>
Segment results	<u>611,534</u>	<u>89,642</u>	<u>90,988</u>	<u>792,164</u>	<u>438</u>	<u>792,602</u>
Unallocated other income						28
Unallocated gain from changes in fair value of financial assets mandatorily measured at FVTPL						8,831
Unallocated administrative expenses						(25,401)
Unallocated finance costs						(6)
Unallocated exchange gain						1,435
Unallocated license fee						(42,124)
Profit for the year						<u>735,365</u>

Other segment information

For the year ended 31 December 2023

	Commercial project management <i>RMB'000</i>	Governmental project management <i>RMB'000</i>	Others <i>RMB'000</i>	Segment total <i>RMB'000</i>	Unallocated <i>RMB'000</i>	Total <i>RMB'000</i>
Amounts included in the measure of segment profit or loss:						
Impairment losses under expected credit loss model, net of reversal	(41,916)	731	(907)	(42,092)	–	(42,092)
Loss from changes in fair value of investment properties	–	–	(1,333)	(1,333)	–	(1,333)
Share of results of associates	2,729	425	(2,794)	360	–	360
Share of results of joint ventures	11,423	317	30,981	42,721	–	42,721
Depreciation of property, plant and equipment	(9,255)	(6,461)	(1,033)	(16,749)	(170)	(16,919)
Amortisation of intangible assets	(58,215)	–	–	(58,215)	–	(58,215)
Depreciation of right-of-use assets	<u>(5,875)</u>	<u>(1,516)</u>	<u>(1,030)</u>	<u>(8,421)</u>	<u>(687)</u>	<u>(9,108)</u>

For the year ended 31 December 2022

	Commercial project management RMB'000	Governmental project management RMB'000	Others RMB'000	Segment total RMB'000	Eliminations RMB'000	Total RMB'000
Amounts included in the measure of segment profit or loss:						
Impairment losses under expected credit loss model, net of reversal	(19,024)	(1,587)	(1,905)	(22,516)	–	(22,516)
Loss from changes in fair value of investment properties	–	–	(1,315)	(1,315)	–	(1,315)
Share of results of associates	10,134	(985)	(1,047)	8,102	–	8,102
Share of results of joint ventures	15,967	(3,040)	37,004	49,931	–	49,931
Depreciation of property, plant and equipment	(7,627)	(6,484)	(744)	(14,855)	(698)	(15,553)
Amortisation of intangible assets	(53,363)	–	–	(53,363)	–	(53,363)
Depreciation of right-of-use assets	(5,228)	(1,365)	(1,383)	(7,976)	(392)	(8,368)

4. OTHER INCOME

	Year ended 31 December	
	2023	2022
	RMB'000	RMB'000
Interest income from:		
– bank balances	30,438	46,961
– loans to third parties	42,211	68,586
– loans to related parties	40,737	8,153
	113,386	123,700
Dividends from equity instruments at FVTOCI (<i>Note (i)</i>)	22,000	22,000
Government grants (<i>Note (ii)</i>)	19,565	19,958
Gross rental income from investment properties	503	413
Others	392	175
	155,846	166,246

Notes:

- (i) In June 2023, an equity instrument at FVTOCI of the Group declared a total dividend of RMB6,000,000 to the Group, which is set off against the Group's outstanding other payables due to such equity instrument at FVTOCI. The remaining dividend of RMB16,000,000 had not been received as at 31 December 2023.
- (ii) The amounts were mainly accounted for (a) tax refunds and benefits, and (b) enterprise development supports received from PRC government authorities, which have no condition imposed.

5. OTHER GAINS AND LOSSES

	Year ended 31 December	
	2023	2022
	<i>RMB'000</i>	<i>RMB'000</i>
Loss from changes in fair value of financial liabilities at FVTPL	(33,341)	(61,774)
(Loss) gain arising on financial assets at FVTPL	(27,620)	11,455
Exchange (loss) gain	(16,383)	1,435
Loss on disposal of investment properties	—	(452)
Net gain on disposal/retirement of property, plant and equipment	1,392	103
Gain on early termination of leases	424	18
Others	(350)	101
	<u>(75,878)</u>	<u>(49,114)</u>

6. FINANCE COSTS

	Year ended 31 December	
	2023	2022
	<i>RMB'000</i>	<i>RMB'000</i>
Interest expenses on loans from third parties	(3,150)	(3,150)
Interest expenses on loans from related parties	(1,505)	(2,334)
Interest on lease liabilities	(754)	(1,004)
Arrangement fee for entrusted loans	(84)	(434)
	<u>(5,493)</u>	<u>(6,922)</u>

7. PROFIT BEFORE TAX

Profit before tax for the year has been arrived at after charging:

	Year ended 31 December	
	2023	2022
	<i>RMB'000</i>	<i>RMB'000</i>
Directors' remuneration	25,922	24,311
Salaries and other benefits	970,616	831,957
Retirement benefits scheme contributions	51,456	39,443
	<u>1,047,994</u>	<u>895,711</u>
Staff costs (including directors' emoluments)		
Research and development costs recognised as expenses (included in administration expenses)	31,785	18,881
Depreciation of property, plant and equipment	16,919	15,553
Amortisation of intangible assets	58,215	53,363
Depreciation of right-of-use assets	9,108	8,368
Auditors' remuneration	4,663	5,107
	<u>4,663</u>	<u>5,107</u>

8. INCOME TAX EXPENSE

	Year ended 31 December	
	2023	2022
	RMB'000	RMB'000
Current tax:		
– PRC Enterprise Income Tax (“EIT”)	265,139	220,873
(Over) under provision in prior years:		
– EIT	(3,173)	1,269
Deferred tax:		
– Current year	(65,255)	(32,906)
	<u>196,711</u>	<u>189,236</u>

The Company is registered as an exempted company and as such is not subject to the Cayman Islands taxation.

No provision for Hong Kong Profits Tax has been made as the Group did not have any assessable income subjected to Hong Kong Profits Tax.

PRC EIT is recognised based on management’s best estimate of the annual income tax rate expected for the full financial year. Under the Law of the PRC on Enterprise Income Tax (the “EIT Law”) and Implementation Regulation of the EIT Law, the EIT rate of the PRC subsidiaries is 25%, with the exception of Greentown Construction Management.

Greentown Construction Management was accredited as a “High and New Technology Enterprise” on 4 December 2019 which was renewed on 24 December 2022 and it may entitle to a preferential tax rate of 15% for a three-year period commencing from the year of accreditation, subject to certain conditions. Accordingly, the applicable EIT rate of Greentown Construction Management for the year ended 31 December 2023 is 15% (2022: 15%).

Greentown Shangli Construction Management Co., Ltd. 綠城嶺裡建設管理有限公司 (“Greentown Shangli”), a 60%-owned subsidiary of the Group was accredited as a “High and New Technology Enterprise” on 8 December 2023 and it may entitle to a preferential tax rate of 15% for a three-year period commencing from the year of accreditation, subject to certain conditions. Accordingly, the applicable EIT rate of Greentown Shangli for the year ended 31 December 2023 is 15% (2022: 25%).

Certain subsidiaries of the Group operating in the PRC meet the eligibility criteria set for small and low-profit enterprises in this year, which are eligible for preferential corporate income tax policy. The EIT of those eligible PRC subsidiaries is calculated based on 25% of the taxable profit amount and a preferential tax rate of 20% is applied, thus the actual effective EIT rate of those PRC subsidiaries for the year ended 31 December 2023 is 5%. The qualification of small and low-profit enterprises is reassessed annually through the annual EIT filing process.

The tax charge for the year can be reconciled to the profit per the consolidated statement of profit or loss and other comprehensive income as follows:

	Year ended 31 December	
	2023	2022
	RMB'000	RMB'000
Profit before tax	1,177,408	924,601
Income tax expense calculated at 25% (2022: 25%)	294,352	231,150
Tax effect of share of results of associates	(90)	(2,026)
Tax effect of share of results of joint ventures	(10,680)	(12,483)
Effect of income that are non-taxable	(5,500)	(5,500)
Effect of expenses that are not deductible	31,338	24,541
Effect of unused tax losses not recognised as deferred tax assets	823	1,082
Effect of deductible temporary differences not recognised as deferred tax assets	1,541	244
Utilisation of unused tax losses previously not recognised	(997)	(3,757)
Utilisation of deductible temporary differences previously not recognised	(1,757)	(206)
Effect of preferential EIT rate applied to deferred tax and current tax	(109,146)	(45,078)
(Over) under provision in prior years	(3,173)	1,269
	196,711	189,236

In addition to the amount charged to profit or loss, the following amounts relating to tax have been recognised in other comprehensive expense:

	Year ended					
	31 December 2023			31 December 2022		
	Before-tax amount RMB'000	tax benefit RMB'000	Net-of- income tax amount RMB'000	Before-tax amount RMB'000	tax benefit RMB'000	Net-of- income tax amount RMB'000
<i>Item that will not be reclassified to profit or loss:</i>						
Fair value loss on investments in equity instruments at FVTOCI	(10,805)	2,701	(8,104)	(33,312)	8,328	(24,984)

9. DIVIDENDS

During the year, a final dividend of RMB0.30 per share (2022: RMB0.17 per share) and a special dividend of RMB0.08 per share (2022: nil per share) in respect of the year ended 31 December 2022 were declared to owners of the Company, in an aggregate amount of RMB766,361,000 (2022: RMB391,595,000), including a dividend of RMB18,334,000 (2022: RMB4,173,000) distributed to the treasury shares held by the Group for share award schemes. The final dividend was subsequently wholly paid on 26 July 2023.

Subsequent to the end of the year, a final dividend of RMB0.40 per share (2022: RMB0.30 per share) and a special dividend of RMB0.1 per share (2022: RMB0.08 per share) in respect of the year ended 31 December 2023, in an aggregate amount of approximately RMB1,005 million (2022: RMB763,800,000) to the shareholders of the Company, including a dividend to the treasury shares held by the Group for share award schemes, has been proposed by the directors of the Company and is subject to approval by the shareholders in the forthcoming general meeting.

10. EARNINGS PER SHARE

The calculation of the basic and diluted earnings per share attributable to the owners of the Company is based on the following data:

Earnings figures are calculated as follows:

	Year ended 31 December	
	2023	2022
	<i>RMB'000</i>	<i>RMB'000</i>
Earnings		
Earnings for the purpose of basic and diluted earnings per share for the year attributable to owners of the Company	<u>973,607</u>	<u>744,544</u>
	<i>'000</i>	<i>'000</i>
Number of shares		
Weighted average number of ordinary shares for the purpose of basic earnings per share	1,958,322	1,937,354
Effect of dilutive potential ordinary shares:		
Share awards	<u>40,644</u>	<u>37,701</u>
Weighted average number of ordinary shares for the purpose of diluted earnings per share	<u>1,998,966</u>	<u>1,975,055</u>

The denominators used are the same as those detailed above for both basic and diluted earnings per share.

11. INTANGIBLE ASSETS

**Contractual rights
from the project
management contracts**
RMB'000

COST

At 1 January 2022	—
Acquired on acquisition of a subsidiary	465,717
	<hr/>
At 31 December 2022 and 2023	465,717
	<hr/>

AMORTISATION

At 1 January 2022	—
Charge for the year	(53,363)
	<hr/>
At 31 December 2022	(53,363)
Charge for the year	(58,215)
	<hr/>
At 31 December 2023	(111,578)
	<hr/>

CARRYING VALUES

At 31 December 2023	354,139
	<hr/> <hr/>
At 31 December 2022	412,354
	<hr/> <hr/>

The intangible assets held by the Group are the contractual rights from the project management contracts with the project owners, which were arisen from the acquisition of Greentown Shangli from third parties during the year. The fair value of the intangible assets acquired at the acquisition date was RMB465,717,000.

The intangible assets have finite useful lives and are amortised on a straight-line basis over a period of approximately eight years, which is the estimated weighted average remaining contractual period of the project management contracts acquired.

12. TRADE AND OTHER RECEIVABLES

	As at 31 December	
	2023	2022
	<i>RMB'000</i>	<i>RMB'000</i>
Trade receivables	221,623	216,948
Less: allowance for credit losses	(23,840)	(27,716)
	<u>197,783</u>	<u>189,232</u>
Trade receivables, net of allowance for credit losses		
Other receivables	642,589	600,957
Less: allowance for credit losses	(24,664)	(3,367)
	<u>617,925</u>	<u>597,590</u>
Other receivables, net of allowance for credit losses		
Prepayments	8,200	37,108
	<u>823,908</u>	<u>823,930</u>

Included in the trade receivables were bills receivables amounted to RMB28,664,000 (2022: RMB25,166,000). All bills received by the Group are with a maturity period of less than one year.

The Group does not normally allow a credit period to its customers. The following is an age analysis of trade receivables (including bills receivables), net of allowance for credit losses, presented based on the invoice date at the end of each reporting period end:

	As at 31 December	
	2023	2022
	<i>RMB'000</i>	<i>RMB'000</i>
Within 180 days	163,934	123,689
180 - 365 days	13,725	39,392
Over 365 days	20,124	26,151
	<u>197,783</u>	<u>189,232</u>

13. CONTRACT ASSETS

	As at 31 December	
	2023	2022
	<i>RMB'000</i>	<i>RMB'000</i>
Project management service		
Contract assets	954,749	613,751
Less: allowance for credit losses	(64,147)	(39,859)
	<u>890,602</u>	<u>573,892</u>

14. TRADE AND OTHER PAYABLES

	As at 31 December	
	2023	2022
	<i>RMB'000</i>	<i>RMB'000</i>
Trade payables	34,073	15,893
Other payables	937,211	889,833
Payroll payable	270,435	240,455
Dividend payable	–	618
Provision for share of losses of joint ventures exceeded interests invested	15,500	26,418
Provision for share of losses of associates exceeded interests invested	–	58
	<u>1,257,219</u>	<u>1,173,275</u>

The following is an aged analysis of trade payables presented based on the invoice date.

	As at 31 December	
	2023	2022
	<i>RMB'000</i>	<i>RMB'000</i>
Within 1 year	32,431	14,989
1 - 2 years	870	807
2 - 3 years	676	–
More than 3 years	96	97
	<u>34,073</u>	<u>15,893</u>

MANAGEMENT DISCUSSION AND ANALYSIS

The Board is pleased to announce the audited annual results of the Group for 2023 together with comparative figures. The annual results have been reviewed by the Audit Committee.

FINAL DIVIDEND AND SPECIAL DIVIDEND

The Board recommended the payment of a final dividend for 2023 of RMB0.40 per share and a special dividend of RMB0.10 per share (equivalent to a final dividend of HKD0.44 per share and a special dividend of HKD0.11 per share based on the prevailing exchange rate of HKD1.00 to RMB0.90709 published by the People's Bank of China on 21 March 2024) to shareholders, subject to shareholders' approval at the annual general meeting to be convened on Thursday, 13 June 2024. The dividends payable to shareholders will be declared in RMB and paid in HKD based on the average exchange rate published by the People's Bank of China for the 5 business days prior to the date of the annual general meeting.

The proposed final dividend and special dividend are expected to be paid to shareholders on or before 15 July 2024.

BUSINESS REVIEW

I. Business Overview

In 2023, China's real estate industry was still in the adjustment stage, where real estate investment and market sales remained sluggish. As a result, traditional real estate companies have adopted prudent development strategies. In order to maintain economic activity and protect employment in the upstream and downstream of the industrial chain, local governments have increased land investment through entities such as urban investment platforms, etc., accelerated the facilitation of relieving measures under the “Ensure the delivery of properties (保交樓)” policy, and have commenced three mega projects, namely urban village renovation, affordable housing construction, and dual use of housing in normal and emergency situations. The central government has also introduced a series of supporting policies and financial support. The real estate industry has ushered in a new stage of development. As a light-asset development service, the project management model adapted to this new situation and new needs. Therefore, both project management business and service income, in turn, experienced rapid growth.

Relying on the reputable Greentown brand and the credit endorsement of central state-owned enterprises, combined with the diversified customer structure and national business layout, the Company has facilitated the upgrading of the business model and expanded its project management business, so as to improve business fulfillment for B-end customers with “M Climbing Model (M登山模型)” and create a beautiful living environment for C-end owners with “M Fortunate Community (M確幸社群)”. The Company also further consolidated its leading position in the industry through top-level designs such as open source knowledge systems and preparation of the China Project Management Industry Association.

In 2023, the Company maintained its absolute leading position in the project management industry as its new business scale grew steadily with revenue and profits continuously increasing. During the Reporting Period, revenue from continuing operations reached RMB3,302.4 million, representing an increase of 24.3% from RMB2,656.0 million for the corresponding period of last year; the gross profit was RMB1,722.3 million, representing an increase of 24.0% from RMB1,388.6 million for the corresponding period of last year; the comprehensive gross profit margin rate during the Period reached 52.2%, which was basically the same as 52.3% in the corresponding period last year; the net profit attributable to shareholders of the Company was RMB973.6 million, representing an increase of 30.8% compared with RMB744.5 million for the corresponding period of last year; the net cash flow from operating activities of the Company reached RMB955.1 million during the Reporting Period, and the Company had no bank liabilities and had sufficient cash flow.

II. The Macro Market

In 2023, the overall new construction area of project management business exceeded 150 million square feet. Project management opportunities from clients such as the government, state-owned enterprises, urban investment companies, and financial institutions continued to increase, with more non-traditional real estate companies emerging on the investment side, thus the trend of separation of investment and development was more evident.

Government services: The central government first proposed the "three mega projects" and accelerated the construction of affordable housing and the transformation of urban villages through restarting PSL and issuance of special bonds, thereby promoting the industry-city integration and improving municipal supporting facilities. Provincial and municipal governments have successively introduced a project management system for government investment plans, and market-oriented development of project management services have become the service procurement model recommended by governments at all levels.

State-owned enterprise services: The results of land bidding, auctions and listings showed that the proportion of lands acquired by central state-owned enterprises (including local urban investment companies) has remained high in the past two years. However, owners of such lands generally lack excellent teams and industrial chain resources, and professional project management service providers are required to their high-quality development goals. Through brand empowerment and sell-through, values of state-owned assets can be maintained and increased.

Capital owner services: As the real estate industry cleared up, financial institutions have accumulated huge housing-related relief plans. Project management model can assist distressed projects to start sales through various methods such as credit empowerment, brand renewal, and industrial chain reorganization, so as to help investors repair their balance sheets and achieve the goals of preserving asset prices, ensuring completion and delivery, and protecting the development team.

III. Management Measures

Based on the analysis of the macro-market and the Company's core strengths above, we adopted the following measures in 2023:

1 Laying out nationwide business and focusing on developed areas

In 2023, the Company maintained its No. 1 position in the field of real estate development services. It has maintained a market share of over 20% in the project management industry for eight consecutive years, and was awarded more than 20 honors including the “2023 TOP 1 Enterprise of Project Management in Real Estate Development” (「2023房地產開發企業代建地產TOP 1」), the “Outstanding Enterprise in Project Management Operation of Listed Companies” (「上市公司代建運營優秀企業」) of 2023 China Real Estate, the “Leading Enterprise in Project Management Operation” (「代建營運引領企業」) and the “Leading Enterprise in Project Management Operation for the Government” (「政府代建營運引領企業」).

As of 31 December 2023, the Company's project management projects were distributed in 122 major cities in 29 provinces, municipalities and autonomous regions in China. The total GFA of the contracted projects was 119.6 million square meters, representing a growth of 17.9% over the corresponding period last year.

With nationwide presence, major economic regions (including: Bohai Rim Economic Zone, Beijing-Tianjin-Hebei urban agglomeration, Yangtze River Delta Economic Zone, Pearl River Delta Economic Zone, and Chengdu-Chongqing urban agglomeration) continued to maintain a relatively large project proportion: the estimated total saleable value of these contracted projects reached RMB693.3 billion, accounting for 77.7% of the total saleable value, among which projects in the Yangtze River Delta Economic Zone of RMB289.7 billion accounted for 32.5%, projects in the Bohai Rim Economic Zone and Beijing-Tianjin-Hebei urban agglomeration of RMB234.3 billion accounted for 26.2%, projects in the Pearl River Delta Economic Zone of RMB122.8 billion accounted for 13.8%, and projects in Chengdu-Chongqing urban agglomeration of RMB46.5 billion accounted for 5.2%.

2 *Optimized customer structure to expand business scope*

The Company adapts to changes in the industry landscape and adjusts its customer structure and business scope in a timely manner. It continuously deepens project management opportunities in state-owned enterprises, financial institutions and other fields, and keeps consolidating its own strengths and industry influence.

In 2023, the Company's new business scale expansion maintained its growth against the downward trend. The total GFA of new contracted project management projects was 35.3 million square meters, representing an increase of approximately 25.0% over the corresponding period last year; among them, the government, state-owned enterprises and financial institutions accounted for 74.7%. The estimated project management fee of new project management project was RMB10.37 billion, an increase of approximately 20.5% over the corresponding period last year; among them, the government, state-owned enterprises and financial institutions accounted for 69.4%.

Besides residential projects, new diversified businesses also include industry parks, public rental housing, talent apartments, co-ownership property housing, future communities, municipal facilities, commercial, hotels, offices, and others.

As of 31 December 2023, according to the total GFA of contracted projects, the government projects were 32.0 million square meters, accounting for 26.8%; the projects entrusted by state-owned enterprise were 40.9 million square meters, accounting for 34.2%; the projects entrusted by private enterprises were 37.9 million square meters, accounting for 31.7%; and the projects entrusted by financial institutions were 8.8 million square meters, accounting for 7.3%.

3 *Applying information tools to improve business fulfillment*

The degree of project operation fulfillment is the ultimate expression of the capabilities of our project management services, which is also the core indicator of clients' satisfaction.

The Company has summarized and refined its 12 years of experience in project management services and launched the "M Climbing Model (M登山模型)", which broke down the project management services process into 6 major steps and 23 contact points, which further standardized the content and implementation standards of project management services. Through the promotion and use of the "Greentown M" APP by all employees, the Company has empowered its management and control departments at all levels with information tools, which simplified the business decision-making process, optimized the assessment and evaluation mechanism, and further improved the Company's operating efficiency and effectiveness per capita, so as to support the Company's business scale growth and management scope expansion.

The "M Climbing Model (M登山模型)" has also been praised by our clients. The intuitive display of the mobile APP and timely feedback of project information speed up the Company's ability to respond to various service needs, which ensures the control of the project operation process and the realization of operating results, and thus effectively improves clients' satisfaction.

4 *Optimizing organizational structure to build a platform enterprise*

In face of the rapidly growing demand for project management and diversified business models, the Company began to transform into a platform organization.

Internally, the Company accelerated the integration of its affiliated companies and signed a supplementary cooperation agreement with Greenview Holdings in respect of Zhejiang Greentown Times during the Year, bringing its 387 employees and 49 project management projects into the Company's direct management system. Externally, the Company has launched the Inclusive Recruitment Program. Against the backdrop of massive downsizing in the real estate industry, the Company introduced urban partners through a diversified cooperation model to attract outstanding teams and premium project management projects.

In 2023, the Company was engaged with over 500 imminent project management projects, making management more difficult. To this end, the Company initiated corresponding organizational structure changes. By subdividing the original regional market, five new regional/city companies were added to reduce the management radius, accelerate service response, and enhance customized service capabilities for clients.

5 *Undertaking social mission to promote common prosperity of the industry*

The Company is well aware that project management, as one of the representatives of new real estate development model in China, is still in the initial stage of the business model. To achieve faster and better development, it requires the participation of more peers and the support of more policies.

As a result, the Company continued to be committed to promoting mutual visits and exchanges, as well as value promotion in the project management industry. After summing up the experience in the operation of the "Light Asset Alliance" in the past three years, the Company led the establishment of the Project Management Division of the China Real Estate Association in 2023. Mr. Zhang Yadong and Mr. Li Jun, both being members of the Board of the Company, served as the president and executive president of the Project Management Division, respectively.

In the future, the Company will rely on the Project Management Division to actively communicate with governments at all levels and real estate authorities to promote the project management business model, and take the lead in formulating industry standards. The Company will also connect more peers in the project management industry and upstream and downstream enterprises in the industry chain through open source knowledge systems, building ecological platforms, etc., to promote the healthy and orderly development of the project management industry.

IV. Business Outlook

The Company believes that the development scale of China's real estate market during the medium term will maintain at around 1 billion square meters annually. It will show two major trends: the dual-track development of affordable housing commercial housing, and the separation of investment and development.

Against the backdrop of more non-professional development enterprises entering the real estate business, the demand for professional project management services will grow steadily, and the penetration rate of China's project management industry is expected to reach over 30%.

The Company's project management business model is very in line with the above development trends. Going forward, the Company will continue to maintain its leading position in the industry, give full play to the endorsement of central enterprises and the credit of listed companies, keep abreast of policies and trends, optimize regional and customer structures, actively undertake association tasks and social responsibilities, and give back to all stakeholders with excellent performance.

The Company has become the largest real estate development service provider in China.

FINANCIAL ANALYSIS

As at 31 December 2023, the Group has achieved:

Revenue

Revenue of RMB3,302.4 million, representing a year-on-year increase of 24.3% compared with RMB2,656.0 million in 2022. Revenue is derived from three types of businesses: (i) commercial project management; (ii) government project management; and (iii) other services, which are listed by business segment as follows:

	As at 31 December				% Change Increase/ (Decrease)
	2023 RMB'000 (Audited)	% of total revenue	2022 RMB'000 (Audited)	% of total revenue	
From commercial					
project management	2,346,326	71.0	1,669,429	62.9	40.5
(1) Self-operated	1,432,277	43.3	1,038,861	39.2	37.9
(2) Cooperation with business partners	914,049	27.7	630,568	23.7	45.0
From government project					
management	788,480	23.9	781,054	29.4	1.0
(1) Self-operated	759,098	23.0	739,314	27.8	2.7
(2) Cooperation with business partners	29,382	0.9	41,740	1.6	(29.6)
Other services	167,616	5.1	205,509	7.7	(18.4)
Total	3,302,422	100.0	2,655,992	100.0	24.3

During the Reporting Period:

- (i) commercial project management is still the largest source of revenue and profit for the Group, with revenue of RMB2,346.3 million during the year, accounting for 71.0% of the total revenue, increased by 40.5% compared with RMB1,669.4 million in 2022. The main reasons for the increase were the continuous promotion of strategy of exploring such local area of the Group in 2023, resulting in steady growth in new commercial project management business; continuous optimization of internal management of the Company to improve the conversion rate of project operation, resulting in an increase in the revenue arising from commercial project management from self-operation and cooperation with business partners.
- (ii) revenue from government project management reached RMB788.5 million, accounting for 23.9% of the total revenue, basically remaining at the same level as compared with RMB781.1 million in 2022. In 2023, the Company optimized the layout and business model of its government project management business, with focus on improving operating efficiency and discontinuing low-margin projects, resulting in relatively moderate growth in revenue.
- (iii) revenue from other services was RMB167.6 million, accounting for 5.1% of the total revenue, mainly due to the revenue of RMB112.2 million derived from a project during the Reporting Period which was tendered by Greentown Real Estate Group Co., Ltd. (“**Greentown Real Estate Group**”) and managed by Greentown Project Management Group Co., Ltd. (“**Greentown Project Management Group**”) as the Company did not obtain the grade 1 qualification for real estate development prior to listing.

Costs of Services

During the Reporting Period, costs of services was RMB1,580.1 million, representing an increase of 24.7% from RMB1,267.4 million in 2022. The main reasons for the increase were the increase in the scale of revenue of commercial project management from self-operation and cooperation with business partners as well as the increase in project service costs.

Gross Profit

During the Reporting Period, the gross profit was RMB1,722.3 million, representing an increase of 24.0% from RMB1,388.6 million in 2022. The gross profit margin was 52.2%, basically remaining at the same level as compared to 52.3% for 2022.

- The gross profit margins of the three business segments are: 52.3% for commercial project management, 45.2% for government project management and 82.2% for other services, compared to 53.8%, 40.8% and 84.0%, respectively, for 2022.
- The gross profit margin of commercial project management was 52.3%, decreased by 1.5 percentage points from 53.8% in 2022, mainly due to the increase in the proportion of clients from state-owned enterprises and financial institutions. In order to deepen business cooperation, the Company has shown its resilience to changes in the industry and expanded its service scope to areas which require assistance from third-party manufacturers such as design and marketing. As a result, costs have grown faster than revenue, and the overall gross profit of commercial project management has declined.
- The gross profit margin of government project management was 45.2%, increased by 4.4 percentage points from 40.8% in 2022, mainly due to the fact that the Group has strengthened its construction of informatization so as to empower management and control departments at all levels with informatized tools and optimize the assessment and evaluation mechanisms, resulting in an increase in the operating efficiency of the Company and efficiency per capita, thereby increasing the gross profit margin of government project management.
- The gross profit margin of other services was 82.2%. The higher gross profit margin was mainly due to the revenue of RMB112.2 million derived from a project during the Period which was tendered by Greentown Real Estate Group and managed by Greentown Project Management Group as the Company did not obtain the grade 1 qualification for real estate development prior to listing on the Stock Exchange; the service cost of the project was recorded at Greentown Real Estate Group, and the Company recognized the revenue based on the net gain of the project settled with Greentown Real Estate Group.

Other Income

During the Reporting Period, other income of the Group was RMB155.8 million, a decrease of 6.3% from RMB166.2 million in 2022. The decrease in other income was mainly due to the decrease in interest rates of bank deposits, which resulted in a decrease in interest income from financial institutions.

Other Gains/Losses

During the Reporting Period, the other losses of the Group was RMB75.9 million, the losses were mainly due to (1) the increase in the estimated value of the contingent consideration for the equity acquisition of Shangli Company of RMB33.3 million; (2) the decrease in the fair value of financial assets of RMB27.6 million; and (3) the exchange loss incurred by foreign currency assets and foreign currency liabilities of RMB16.4 million.

Selling and Marketing Expenses

Selling and marketing expenses were RMB104.5 million, representing a decrease of 13.1% from RMB120.2 million in 2022. The decrease was mainly due to the improvement of the performance evaluation on developing personnel by the Company and the control of project acquisition costs during the Period.

Administration Expenses

Administration expenses were RMB514.5 million, representing an increase of 5.3% from RMB488.6 million in 2022. The increase was mainly due to the increase in the management personnel reserve of companies in such jurisdiction in order to promote the strategy of exploring various regions.

Profit for the Year

During the Reporting Period, the net profit of the Group was RMB980.7 million, representing an increase of 33.4% from RMB735.4 million in 2022. The net profit during the period attributable to the owners of the Company was RMB973.6 million, representing an increase of 30.8% from net profit of RMB744.5 million in 2022.

Trade and Other Receivables

As at 31 December 2023, trade and other receivables reached RMB823.9 million, remaining at the same level as compared to RMB823.9 million at the end of 2022. The Company strengthened the management of receivables in 2023. The turnover ratio of trade receivables increased from 14.7 times to 15.1 times in 2023.

Contract Assets

As at 31 December 2023, the Group's contract assets amounted to RMB890.6 million, representing an increase of 55.2% from RMB573.9 million at the end of 2022. The contract assets reflected the amounts related to certain projects where the Company have fulfilled its obligations but have not yet reached the management fee collection milestone as agreed in the contract. The increase during the year was mainly due to the expansion of the Company's operating scale, which such project will be transferred to cash inflows from the Company's operating activities in the future.

Trade and Other Payables

As at 31 December 2023, trade and other payables amounted to RMB1,257.2 million, representing an increase of 7.2% from RMB1,173.3 million at the end of 2022. Collection payables increased by RMB90.4 million and employees' compensation payables increased by RMB30.0 million.

Capital Structure

As at 31 December 2023, the total equity of the Group reached approximately RMB4,133.6 million, representing an increase of approximately RMB260.6 million from RMB3,873.0 million at the beginning of 2023. Specifically, equity attributable to shareholders was approximately RMB3,995.7 million, representing an increase of approximately RMB256.5 million from RMB3,739.2 million at the beginning of 2023, mainly due to the facts that: (1) the Company achieved a net profit attributable to the shareholders of the Company of RMB973.6 million in 2023 led to the increase in equity attributable to shareholders; (2) the cost sharing of options of RMB39.1 million led to the increase in equity attributable to shareholders; and (3) the distribution of cash dividends to shareholders during the Period led to the equity attributable to shareholders decreased by RMB748.0 million.

As at 31 December 2023, the Company had a total of 2,010,000,000 shares in issue, and had a total market capitalization of approximately HKD10,793.7 million (based on the closing price on 31 December 2023).

Liquidity and Capital Resources

As at 31 December 2023, the Group had bank deposits and cash (not including pledged bank deposits) of RMB2,044.4 million (31 December 2022: RMB1,933.1 million); and the current ratio was 1.83 times (31 December 2022: 1.85 times). Gearing ratio (interest-bearing debt divided by total equity at the end of the same period) was 0.9% (31 December 2022: 0.9%). The cash flow was very abundant, providing strong support for the Company's future development.

During the Reporting Period, our liquidity was mainly tailored to meet the working capital needs. Internally generated cash flow was the main source of funding for our working capital, capital expenditures and other funding needs.

Debt

During the Reporting Period, the Group had no significant borrowings.

Foreign Exchange Risk

The Group conducts substantially all of its business in Mainland China and in Renminbi. Therefore, the Group is exposed to low foreign exchange risks. However, the depreciation or appreciation of RMB and HKD against foreign currencies may have impact on the Group's financial performance. 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

The Group did not have any significant contingent liabilities as at 31 December 2023.

Pledge of Assets

During the Reporting Period, the Group had no pledge of assets.

Asset Transactions and Significant Investments

During the Reporting Period, the Group had no asset transactions or significant investments.

Material Acquisitions and Disposals

During the Reporting Period, the Group had no material acquisition and disposal.

Treasury Management

Our treasury management function undertakes the responsibility of cash management, liquidity planning and control, provision of cost-efficient financing for the Group, liaison with banks and other related institutions, investment in financial products, as well as mitigation of financial risks such as interest and foreign exchanges risks. Our treasury function is designed to align with the long-term and short-term needs of the Group and comply with good corporate governance standard.

OTHER INFORMATION

PURCHASE, SALE OR REDEMPTION OF THE LISTED SECURITIES OF THE COMPANY

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the Reporting Period.

EMPLOYEES AND REMUNERATION POLICIES

During the Reporting Period, the Group provided diversified training and personal development plans to its employees according to established human resources policies and systems. The remuneration package including basic salaries, allowances, bonuses, share award schemes and other employee benefits offered to the employees was determined by their duties and the prevailing market terms. Discretionary bonuses based on individual performance will be paid to employees as recognition of and reward for their contributions. Staff benefits, including pension, medical coverage, and provident funds are also provided to employees of the Group.

As at 31 December 2023, the Group had 2,056 employees, of which the number of male and female employees are 1,517 and 539, respectively (accounted for 73.78% and 26.22% respectively), which representing an increase of 34.47% from 31 December 2022, mainly due to the Company's effort to build a platform organization during the Period, which brought 387 employees and 49 project management projects of Zhejiang Greentown Times into our direct management system. At the same time, the Company changed the organizational structure, subdivided the original regional market, and added 5 new regional/city companies.

MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

For the year ended 31 December 2023, we had no material acquisition or disposal of subsidiaries, associates and joint ventures.

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

The Company is committed to maintaining and promoting stringent corporate governance. The principle of the Company's corporate governance is to promote effective internal control measures, uphold a high standard of ethics, transparency, responsibility and integrity in all aspects of business, to ensure that its affairs are conducted in accordance with applicable laws and regulations and to enhance the transparency and accountability of the Board to all shareholders. During the year ended 31 December 2023, the Company has adopted the code provisions in the Corporate Governance Code (the "CG Code") as set out in Appendix C1 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules").

COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (“**Model Code**”) as set out in Appendix C3 to the Listing Rules as its code of conduct regarding dealings in the securities of the Company during the Reporting Period. Having made specific enquiry of all the Directors of the Company, all the Directors confirmed that they have strictly complied with the required standards set out in the Model Code during the Reporting Period.

The Board has also adopted the Model Code to regulate all dealings by relevant employees who are likely to be in possession of unpublished inside information of the Company in respect of securities in the Company. Having made reasonable enquiry, no incident of non-compliance with the Model Code by the Company’s relevant employees has been noted during the Reporting Period.

CLOSURE OF REGISTER OF MEMBERS

(a) For determining the entitlement of the shareholders to attend and vote at the AGM

The register of members of the Company will be closed from Friday, 7 June 2024 to Thursday, 13 June 2024 (both days inclusive), during which period no transfer of shares will be registered. In order to determine the identity of members who are entitled to attend and vote at the AGM, all share transfer documents accompanied by the relevant share certificates must be lodged with the Company’s branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong for registration not later than 4:30 p.m. on Thursday, 6 June 2024.

(b) For determining the entitlement to the 2023 proposed final dividend and special dividend

The register of members of the Company will be closed from Thursday, 4 July 2024 to Tuesday, 9 July 2024 (both days inclusive), during which no transfer of shares of the Company will be registered. In order to be eligible for the 2023 proposed final dividend and special dividend, unregistered holders of shares of the Company should ensure that all transfer forms accompanied by the relevant share certificates must be lodged with the Company’s branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong for registration no later than 4:30 p.m. on Wednesday, 3 July 2024.

AUDIT COMMITTEE AND REVIEW OF FINANCIAL STATEMENTS

We have established the Audit Committee with written terms of reference in compliance with Rule 3.21 of the Listing Rules and the CG Code as set out in Appendix C1 to the Listing Rules. The Audit Committee consists of three independent non-executive Directors, namely Mr. Chan Yan Kwan Andy, Mr. Lin Zhihong and Dr. Ding Zuyu. Mr. Chan Yan Kwan Andy is the chairman of the Audit Committee.

The Audit Committee has reviewed the Group's annual results for the year ended 31 December 2023, and confirms that the applicable accounting principles, standards and requirements have been complied with, and that adequate disclosures have been made. The Audit Committee has also discussed the auditing, internal control and financial reporting matters.

SCOPE OF WORK OF MESSRS. DELOITTE TOUCHE TOHMATSU

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the year ended 31 December 2023 as set out in the preliminary announcement have been agreed by the Group's auditor, Messrs. Deloitte Touche Tohmatsu, to the amounts set out in the audited consolidated financial statements of the Group for the year as approved by the Board of Directors on 21 March 2024. The work performed by Messrs. Deloitte Touche Tohmatsu in this respect did not constitute an assurance engagement and consequently no opinion or assurance conclusion has been expressed by Messrs. Deloitte Touche Tohmatsu on the preliminary announcement.

SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD

Save as disclosed in this announcement, no significant events have taken place subsequent to 31 December 2023 and up to the date of this announcement.

PUBLICATION OF ANNUAL RESULTS ANNOUNCEMENT AND ANNUAL REPORT

This announcement was published on the website of the Stock Exchange (www.hkexnews.hk) and the website of the Company (www.lcgljt.com). The annual report for the year ended 31 December 2023 will be dispatched to shareholders in due course and published on the websites of the Stock Exchange and the Company.

APPRECIATION

The Board would like to take this opportunity to express gratitude to our shareholders, customers, suppliers, correspondent banks, professional consultants and all the employees for their continuous patronage and support to the Group.

By order of the Board
Greentown Management Holdings Company Limited
Li Jun
Vice Chairman and Executive Director

Hong Kong, PRC, 21 March 2024

As at the date of this announcement, the Board of the Company comprises Mr. Guo Jiafeng and Mr. Zhang Yadong as non-executive Directors, Mr. Li Jun, Mr. Wang Junfeng and Mr. Lin Sanjiu as executive Directors, and Mr. Lin Zhihong, Dr. Ding Zuyu and Mr. Chan Yan Kwan Andy as independent non-executive Directors.