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 2023

FINANCIAL HIGHLIGHTS

- The revenue for the year ended 31 December 2023 (the "**Year**") amounted to RMB468.4 million, a decrease of 22.7% as compared to 2022.
- Net profit for the Year amounted to RMB201.2 million, a decrease of 33.8% as compared to 2022. The net profit margin for the Year was 43.0%.
- Basic earnings per share for the Year amounted to RMB5.59 cents.
- The Board did not proposed a final dividend for the year ended 31 December 2023.

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 2022 as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the year ended 31 December 2023
(Expressed in Renminbi)

	Notes	**2023** *RMB'000*	2022 (Note) *RMB'000*
Revenue	*2*	**468,377**	605,679
Other income	*3*	**73,888**	35,565
Personnel cost	*4(b)*	**(112,217)**	(123,069)
Depreciation and amortisation expenses	*4(c)*	**(14,148)**	(18,827)
Other operating expenses		**(58,575)**	(58,671)
Impairment losses on trade and other receivables and contract assets		**(111,529)**	(36,633)
Finance costs	*4(a)*	**(347)**	(211)
Share of loss of an associate		**(477)**	(271)
Gain on disposal of an associate		**2,247**	–
Profit before taxation	*4*	**247,219**	403,562
Income tax	*5*	**(45,982)**	(99,662)
Profit for the year		**201,237**	303,900
Attributable to:			
Equity shareholders of the Company		**198,571**	303,900
Non-controlling interests		**2,666**	–
Profit for the year		**201,237**	303,900
Earnings per share			
— Basic earnings per share *(RMB cents)*	*6*	**5.59**	9.25
— Diluted earnings per share *(RMB cents)*		**5.59**	9.25

Note: The Group has applied amendments to HKAS 12 and comparative information is restated. Further details see Note 1(c)(i).

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2023
(Expressed in Renminbi)

	2023	2022 (Note)
	RMB'000	*RMB'000*
Profit for the year	**201,237**	303,900
Other comprehensive (expense)/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)	**(3,383)**	(3,182)
Items that may be reclassified subsequently to profit or loss:		
Exchange differences on translation of financial statements of overseas subsidiaries	**2,332**	3,607
Other comprehensive (expense)/income for the year	**(1,051)**	425
Total comprehensive income for the year	**200,186**	304,325
Attributable to:		
Equity shareholders of the Company	**197,520**	304,325
Non-controlling interests	**2,666**	–
Total comprehensive income for the year	**200,186**	304,325

Note: The Group has applied amendments to HKAS 12 and comparative information is restated. Further details see Note 1(c)(i).

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 December 2023

(Expressed in Renminbi)

		As at 31 December	
		2023	2022(Note)
	Notes	***RMB'000***	*RMB'000*
Non-current assets			
Investment property and property, plant and equipment	*7*	**11,682**	12,027
Intangible assets		**1,252**	5,585
Interest in an associate	*9*	**–**	2,230
Other financial assets	*10*	**1,511**	4,894
Deferred tax assets	*16(b)*	**28,485**	17,934
		42,930	42,670
Current assets			
Contract assets	*11(a)*	**125,343**	425,028
Trade and other receivables	*12*	**1,121,515**	661,121
Cash and cash equivalents	*13*	**1,835,783**	1,564,617
		3,082,641	2,650,766
Current liabilities			
Trade and other payables	*14*	**300,361**	116,201
Contract liabilities	*11(b)*	**309,936**	291,968
Lease liabilities	*15*	**3,846**	2,462
Current taxation	*16(a)*	**88,198**	104,234
		702,341	514,865
Net current assets		**2,380,300**	2,135,901
Total assets less current liabilities		**2,423,230**	2,178,571

		As at 31 December	
		2023	2022*(Note)*
	Notes	***RMB'000***	*RMB'000*
Non-current liabilities			
Lease liabilities	*15*	**4,000**	636
Deferred tax liability	*16(b)*	**15**	143
		4,015	779
NET ASSETS		**2,419,215**	2,177,792
CAPITAL AND RESERVES			
Share capital	*17(a)*	**30,614**	26,990
Reserves		**2,385,935**	2,150,802
Total equity attributable to equity shareholders of the Company		**2,416,549**	2,177,792
Non-controlling interests		**2,666**	–
TOTAL EQUITY		**2,419,215**	2,177,792

Note: The Group has applied amendments to HKAS 12 and comparative information is restated. Further details see Note 1(c)(i).

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 MATERIAL 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**"), and the disclosure requirements of the Hong Kong Companies Ordinance. These financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**"). Material 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 consolidated financial statements.

(b) Basis of preparation and functional and presentation currency

The consolidated financial statements for the year ended 31 December 2023 comprise the Company and its subsidiaries (together referred to as "**the Group**") and the Group's interest in an associate. The consolidated financial statements are presented in Renminbi ("**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:

— other investments in 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

(i) New and amended HKFRSs

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

- HKFRS 17, *Insurance contracts*
- Amendments to HKAS 1, *Presentation of financial statements and HKFRS Practice Statement 2, Making materiality judgements: Disclosure of accounting policies*
- Amendments to HKAS 8, *Accounting policies, changes in accounting estimates and errors: Definition of accounting estimates*
- Amendments to HKAS 12, *Income taxes: International tax reform — Pillar Two model rules*
- Amendments to HKAS 12, *Income taxes: Deferred tax related to assets and liabilities arising from a single transaction*

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 new and amended HKFRSs are discussed below:

HKFRS 17, Insurance contracts

HKFRS 17, which replaces HKFRS 4, sets out the recognition, measurement, presentation and disclosure requirements applicable to issuers of insurance contracts. The standard does not have a material impact on these financial statements as the Group does not have contracts within the scope of HKFRS 17.

Amendments to HKAS 1, Presentation of financial statements and HKFRS Practice Statement 2, Making materiality judgements: Disclosure of accounting policies

The amendments require entities to disclose material accounting policy information and provide guidance on applying the concept of materiality to accounting policy disclosure. The Group has revisited the accounting policy information it has been dislosing and considered it is consistent with the amendments.

Amendments to HKAS 8, Accounting policies, changes in accounting estimates and errors: Definition of accounting estimates

The amendments provide further guidance on the distinction between changes in accounting policies and changes in accounting estimates. The amendments do not have a material impact on these financial statements as the Group's approach in distinguishing changes in accounting policies and changes in accounting estimates is consistent with the amendments.

Amendments to HKAS 12, Income taxes: International tax reform — Pillar Two model rules

The amendments introduce a temporary mandatory exception from deferred tax accounting for the income tax arising from tax laws enacted or substantively enacted to implement the Pillar Two model rules published by the Organisation for Economic Co-operation and Development ("**OECD**") (income tax arising from such tax laws is hereafter referred to as "**Pillar Two income taxes**"), including tax laws that implement qualified domestic minimum top-up taxes described in those rules. The amendments also introduce disclosure requirements about such tax including the estimated tax exposure to Pillar Two income taxes. The amendments are immediately effective upon issuance and require retrospective application. The Group provided the additional disclosures in Note 5(a)(v).

Amendments to HKAS 12, Income taxes: Deferred tax related to assets and liabilities arising from a single transaction

The amendments narrow the scope of the initial recognition exemption such that it does not apply to transactions that give rise to equal and offsetting temporary differences on initial recognition such as leases and decommissioning liabilities. For leases and decommissioning liabilities, the associated deferred tax assets and liabilities are required to be recognised from the beginning of the earliest comparative period presented, with any cumulative effect recognised as an adjustment to retained earnings or other components of equity at that date. For all other transactions, the amendments are applied to those transactions that occur after the beginning of the earliest period presented.

The following table summarises the impact of amendments to HKAS 12 on the consolidated financial position as at 31 December 2022.

	The amount before adjustment *RMB'000*	The effect of the adjustment *RMB'000*	The amount after adjustment *RMB'000*
Deferred tax assets	17,934	–	17,934
Deferred tax liabilities	–	143	143
Reserves	2,150,945	(143)	2,150,802

There is no impact on the Company's financial position.

The following table summarises the impact of amendments to HKAS 12 on the consolidated statement of profit or loss and consolidated statement of profit or loss and other comprehensive income for the year ended 31 December 2022.

	The amount before adjustment *RMB'000*	The effect of the adjustment *RMB'000*	The amount after adjustment *RMB'000*
Income tax	(100,085)	423	(99,662)
Profit for the year	303,477	423	303,900
Attributable to:			
Equity shareholders of the Company	303,477	423	303,900
Total comprehensive income for the year	303,902	423	304,325
Attributable to:			
Equity shareholders of the Company	303,902	423	304,325

There is no impact on the Company's financial performance.

There is no impact on the Group's and the Company's cash flows.

(ii) New HKICPA guidance on the accounting implications of the abolition of the MPF-LSP offsetting mechanism

In July 2023, the HKICPA published "Accounting implications of the abolition of the MPF-LSP offsetting mechanism in Hong Kong" that provides guidance on the accounting considerations relating to the offsetting mechanism and the abolition of the mechanism.

The Group has assessed the implications of this new guidance on the above accounting policies and the guidance does not has a material impact on how the Group's results and financial position for the current or prior periods have been prepared or presented in these consolidated financial statements.

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:

	2023	2022
	RMB'000	*RMB'000*
Revenue from contracts with customers within the scope of HKFRS15 and recognised over time		
— Provision of project management services	**468,377**	605,679

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 2023, the aggregated notional amount of the transaction price allocated to the remaining performance obligations under the Group's existing contracts is RMB2,146,122,000 (2022: RMB2,872,847,000). The Group will recognise the expected revenue from project management service contracts in future by measuring the 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 and all of its non-current assets were located in the PRC.

3 OTHER INCOME

	2023	2022
	RMB'000	*RMB'000*
Interest income on financial assets measured at amortised cost	**61,229**	25,085
Government grants	**12,174**	9,404
Others	**485**	1,076
	73,888	35,565

4 PROFIT BEFORE TAXATION

Profit before taxation is arrived at after charging:

	2023	2022
	RMB'000	*RMB'000*
(a) Finance costs		
Interest on lease liabilities	**347**	211
(b) Personnel cost		
Salaries, wages and other benefits	**95,607**	113,165
Contributions to defined contribution retirement plan	**9,269**	8,892
Equity settled share-based payment expenses	**7,341**	1,012
	112,217	123,069

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.

	Notes	**2023**	2022
		RMB'000	*RMB'000*
(c) Other items			
Depreciation charge	*7*		
— investment property and property, plant and equipment (excluding right-of-use assets)		**4,292**	7,510
— right-of-use assets		**5,523**	7,219
		9,815	14,729
Amortisation cost of intangible assets	*7*	**4,333**	4,098
Auditor's remuneration			
— assurance services		**4,780**	2,200
— non-assurance services		**–**	144
		4,780	2,344

5 INCOME TAX

(a) Taxation in the consolidated statement of profit or loss represents:

		2023	2022(Note)
		RMB'000	*RMB'000*
Current tax			
PRC Corporate Income Tax	*(iv)*	**56,661**	79,861
Withholding tax	*(iii)*	**–**	28,000
Deferred tax			
Origination and reversal of temporary differences		**(10,679)**	(8,199)
		45,982	99,662

Note: The Group has applied amendments to HKAS 12 and comparative information is restated. Further details see Note 1(c)(i).

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

(ii) The provision for Hong Kong Profits Tax for 2023 is calculated at 16.5% (2022: 16.5%) of the estimated assessable profits for the year, except for one subsidiary of the group which is a qualifying corporation under the two-tiered Profits Tax rate regime.

For this subsidiary, the first HK$2 million of assessable profits are taxed at 8.25% and the remaining assessable profits are taxed at 16.5%. The provision for Hong Kong Profits Tax for this subsidiary was calculated at the same basis in 2022.

(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 Corporate 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 ("**CIT**") at a statutory rate of 25%.

(v) The Group incorporated a holding entity in Hong Kong, which has recently enacted new tax laws to implement the Pillar Two model rules published by the OECD. The new tax laws take effect from 1 January 2025. When these laws take effect, the Group expects to be subject to a new top-up tax in Hong Kong in relation to its operations in Mainland China, where the additional tax deductions in connection with government support would result in an effective tax rate of lower than 15%. As the new tax laws are not yet effective, the Group does not expect any current tax impact for the year ended 31 December 2023 (2022: Nil). The Group has applied the temporary mandatory exception from deferred tax accounting for the top-up tax and would account for the tax as current tax when incurred (see Note 1(c)(i)).

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

	2023	2022*(Note)*
	RMB'000	*RMB'000*
Profit before taxation	**247,219**	403,562
Notional tax on profit before taxation, calculated at the rates applicable to profits in the jurisdictions concerned	**38,540**	69,172
Tax effect of non-deductible expenses	**7,442**	2,490
Withholding tax	**–**	28,000
Income tax expense	**45,982**	99,662

Note: The Group has applied amendments to HKAS 12 and comparative information is restated. Further details see Note 1(c)(i).

6 EARNINGS PER SHARE

(a) Basic earnings per share

The calculation of basic earnings per share for the year ended 31 December 2023 is based on the profit attributable to equity shareholders of the Company of RMB196,355,000 (2022 (Restated): RMB303,900,000) after adjusting to reflect the cash dividends distributed to holders of unvested restricted shares under 2023 Share Award Scheme, and the weighted average of 3,511,422,120 ordinary shares (2022: 3,286,297,643 ordinary shares) in issue during the year, calculated as follows:

Earnings, basic

	2023	2022
	RMB'000	*RMB'000*
Profit attributable to equity shareholders of the Company	**198,571**	303,900
Less: Cash dividends distributed to holders of unvested restricted shares under 2023 Share Award Scheme	**(2,216)**	–
Adjusted profit attributable to equity shareholders of the Company, used in the basic earnings per share calculation	**196,355**	303,900

Weighted average number of ordinary shares, basic:

	2023	2022
At 1 January	**3,282,662,120**	3,289,706,120
Effect of ordinary shares issued	**228,760,000**	–
Effect of shares repurchased	**–**	(3,408,477)
	3,511,422,120	3,286,297,643

(b) Diluted earnings per share

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares.

For the year ended 31 December 2023, the calculation of diluted earnings per share were based on the profit attributable to equity shareholders of the Company of RMB198,571,000 and the weighted average number of ordinary shares of 3,537,801,572 shares, after adjusting by the potential dilutive effect of 2023 Share Award Scheme, calculated as follows:

Weighted average number of ordinary shares, diluted:

	2023
Weighted average number of ordinary shares, basic	**3,511,422,120**
Dilutive effect of 2023 Share Award Scheme	**26,379,452**
Weighted average number of ordinary shares, diluted	**3,537,801,572**

As the declared high cash dividend distribution plan during the year ended 31 December 2023 and the 2023 Share Award Scheme have an anti-diluting effect, the 2023 Share Award Scheme was ignored in the calculation of diluted earnings per share. Therefore, the diluted earnings per share and basic earnings per share are the same for the year ended 31 December 2023.

There was no dilutive potential ordinary shares outstanding during the year ended 31 December 2022. Therefore, the diluted earnings per share and basic earnings per share are the same for the year ended 31 December 2022.

7 INVESTMENT PROPERTY AND PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS

(a) Reconciliation of carrying amount of investment property and property, plant and equipment

	Properties leased for own use	**Motor Vehicles**	**Furniture, fixtures and equipment**	**Leasehold improvements**	**Investment property**	**Total**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Cost						
At 1 January 2022	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
Additions	9,954	10	41	–	–	10,005
Disposals	(4,015)	–	(27)	–	–	(4,042)
Exchange differences	134	–	1	–	–	135
At 31 December 2023	**21,998**	**6,479**	**6,124**	**18,957**	**2,925**	**56,483**
Accumulated depreciation:						
At 1 January 2022	(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)
Charge for the year	(5,523)	(895)	(424)	(2,417)	(556)	(9,815)
Written back on disposals	3,486	–	10	–	–	3,496
Exchange differences	(130)	–	(1)	7	–	(124)
At 31 December 2023	**(14,460)**	**(5,715)**	**(5,825)**	**(18,001)**	**(800)**	**(44,801)**
Net book value:						
At 31 December 2023	**7,538**	**764**	**299**	**956**	**2,125**	**11,682**
At 31 December 2022	3,632	1,649	699	3,366	2,681	12,027

(b) Right-of-use assets

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

	Note	**2023** *RMB'000*	2022 *RMB'000*
Properties leased for own use, carried at depreciated cost	*(i)*	**7,538**	3,632

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

	2023 *RMB'000*	2022 *RMB'000*
Depreciation charge of right-of-use assets:		
Properties leased for own use	**5,523**	7,219
Interest on lease liabilities *(Note 4(a))*	**347**	211
Expense relating to short-term leases	**819**	1,023

During the year ended 31 December 2023, additions to right-of-use assets were RMB9,954,000 (2022: RMB2,599,000). 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 subsidiaries which principally affects the results, assets or liabilities of the Group as at 31 December 2023. 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.	The PRC	RMB800,000,000/ RMB350,000,000	–	100%	Project management services
Zhongyuan Central China (Hainan) Management Services Co., Ltd.	The PRC	RMB10,000,000/ –	–	100%	Project management services
Zhongyuan Central China (Anyang) City Development Co., Ltd.	The PRC	RMB5,000,000/ –	–	70%	Project management services
Zhongyuan Central China (Puyang) City Development Co., Ltd.	The PRC	RMB5,000,000/ –	–	70%	Project management services
Zhongyuan Central China (Shangqiu) City Development Co., Ltd.	The PRC	RMB5,000,000/ –	–	70%	Project management services
Zhongyuan Central China (Xuchang) City Development Co., Ltd.	The PRC	RMB5,000,000/ –	–	70%	Project management services
Zhongyuan Central China (Zhumadian) City Development Co., Ltd.	The PRC	RMB5,000,000/ –	–	70%	Project management services
Zhongyuan Central China (Zhoukou) City Development Co., Ltd.	The PRC	RMB5,000,000/ –	–	70%	Project management services

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	
Zhongyuan Central China (Luoyang) City Development Co., Ltd.	The PRC	RMB5,000,000/ –	–	70%	Project management services
Zhongyuan Central China (Xinyang) City Development Co., Ltd.	The PRC	RMB5,000,000/ –	–	70%	Project management services
Zhongyuan Central China (Nanyang) City Development Co., Ltd.	The PRC	RMB5,000,000/ –	–	70%	Project management services
Yichuan Jianbang Management Services Co., Ltd.	The PRC	RMB5,000,000/ –	–	70%	Project management services
Zhongyuan Central China (Shaanxi) City Development Co., Ltd.	The PRC	RMB10,000,000/ –	–	65%	Project management services
Zhongyuan Central China (Shanxi) City Development Co., Ltd.	The PRC	RMB5,000,000/ –	–	70%	Project management services
Zhongyuan Central China (Pingdingshan) City Development Co., Ltd.	The PRC	RMB10,000,000/ –	–	70%	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**
			2023	2022	
Biyang Jianheng Real Estate Development Co., Ltd ("**Biyang Jianheng**")	12 September 2019 The PRC	RMB20,000,000/ RMB20,000,000	**–**	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:

	2023	2022
	RMB'000	*RMB'000*
Carrying amount of the associate in the consolidated financial statements	**–**	2,230
Amounts of the Group's share of the associate's		
Loss from continuing operations	**477**	271
Other comprehensive income	**–**	–
Total comprehensive loss	**477**	271

During the year ended 31 December 2023, the Group disposed of all of interest in Biyang Jianheng to an independent third party for a consideration of RMB4,000,000. The gain on disposal is recognised in profit or loss as follow:

	RMB'000
Consideration	4,000
Carrying amount of the 20% investment on the date of loss of significant influence	(1,753)
Gain on disposal of an associate	2,247

10 OTHER FINANCIAL ASSETS

		2023	2022
		RMB'000	*RMB'000*
Investment in unlisted securities	*(i)*	**1,511**	4,894

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 held for trading and not expect to dispose of this investment in the foreseeable future.

11 CONTRACT ASSETS AND CONTRACT LIABILITIES

(a) Contract assets

	2023	2022
	RMB'000	*RMB'000*
Contract assets		
Project management service	**125,343**	425,028

All of contract assets are expected to be recovered within one year.

(b) Contract liabilities

	2023	2022
	RMB'000	*RMB'000*
Contract liabilities		
Project management service		
— Billings in advance of performance	**309,936**	291,968

Movements in contract liabilities

	2023	2022
	RMB'000	*RMB'000*
At 1 January	**291,968**	393,249
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	**(110,108)**	(273,783)
Increase in contract liabilities as a result of billing in advance of project management service	**128,076**	172,502
At 31 December	**309,936**	291,968

As at 31 December 2023, the amount of billings in advance of performance and advance payments received expected to be recognised as income after more than one year is RMB204,878,000 (2022: RMB153,852,000). All of the other contract liabilities are expected to be recognised as income within one year.

12 TRADE AND OTHER RECEIVABLES

	Notes	2023	2022
		RMB'000	*RMB'000*
Trade debtors and bills receivable		**396,496**	194,160
Less: allowance for credit losses		**(134,042)**	(38,756)
Trade debtors and bills receivable, net of loss allowance	*(a)*	**262,454**	155,404
Amounts due from related parties		**4,419**	30,761
Other debtors	*(b)*	**840,441**	466,540
Financial assets measured at amortised cost		**1,107,314**	652,705
Deposits and prepayments		**14,201**	8,416
		1,121,515	661,121

Amounts due from related parties are unsecured, interest-free and have no fixed terms of payment.

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:

	2023	2022
	RMB'000	*RMB'000*
Within 6 months	**192,505**	122,463
6 months to 1 year	**61,016**	16,324
Over 1 year	**8,933**	16,617
	262,454	155,404

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

(b) Other debtors

As at 31 December 2023, other debtors mainly represented advances to third parties of RMB747,953,000 (2022: RMB428,530,000) which are interest bearing at rates ranging from 10% to 14% (2022: 14%) per annum, unsecured and expected to be recovered within one year.

13 CASH AND CASH EQUIVALENTS

	2023	2022
	RMB'000	*RMB'000*
Cash and cash equivalents	**1,835,783**	1,564,617

14 TRADE AND OTHER PAYABLES

	2023	2022
	RMB'000	*RMB'000*
Amounts due to related parties	**43,874**	35,658
Dividend payables	**124,880**	–
Other creditors and accrued charges	**131,607**	80,543
	300,361	116,201

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 2023		31 December 2022	
	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	**3,846**	**4,107**	2,462	2,532
After 1 year but within 2 years	**3,395**	**3,497**	636	653
After 2 years but within 5 years	**605**	**609**	–	–
	4,000	**4,106**	636	653
	7,846	**8,213**	3,098	3,185
Less: total future interest expense		**(367)**		(87)
Present value of lease liabilities		**7,846**		3,098

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 2022	47,822
Charged to profit or loss *(Note 5(a))*	107,861
Tax paid	(51,449)
At 31 December 2022 and 1 January 2023	**104,234**
Charged to profit or loss *(Note 5(a))*	**56,661**
Tax paid	**(72,697)**
At 31 December 2023	**88,198**

	2023	2022
	RMB'000	*RMB'000*
Representing:		
Current taxation	**88,198**	104,234

(b) Deferred tax assets and liabilities recognised

(i) Movement of each component of deferred tax assets and liabilities

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

	Credit loss allowance	**Lease liabilities**	**Right-of-use assets**	**Total**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
At 1 January 2022	10,158	–	–	10,158
Impact on initial application of amendments to HKAS 12 *(Note 1(c)(i))*	–	1,518	(2,084)	(566)
At 1 January 2022 (restated)	**10,158**	**1,518**	**(2,084)**	**9,592**
Credited/(charged) to profit or loss *(Note 5(a))*	**7,776**	**(744)**	**1,167**	**8,199**
At 31 December 2022 and 1 January 2023	**17,934**	**774**	**(917)**	**17,791**
Credited/(charged) to profit or loss *(Note 5(a))*	**10,551**	**368**	**(240)**	**10,679**
At 31 December 2023	**28,485**	**1,142**	**(1,157)**	**28,470**

(ii) Reconciliation to the consolidated statement of financial position

	2023	2022(Note)
	RMB'000	*RMB'000*
Representing:		
Deferred tax assets	**28,485**	17,934
Deferred tax liabilities	**(15)**	(143)
	28,470	17,791

Note: The Group has applied amendments to HKAS 12 and comparative information is restated. Further details see Note 1(c)(i).

(c) Deferred tax liabilities not recognised:

As at 31 December 2023, taxable temporary differences relating to undistributed profits of the Company's PRC subsidiaries amounted to RMB1,430,272,000 (2022: RMB1,210,168,000). 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 AND DIVIDENDS

(a) Share Capital

	As at 31 December			
	2023		2022	
	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			
	2023		2022	
	Number of shares	**Amount**	Number of shares	Amount
		RMB'000		*RMB'000*
Ordinary shares, issued and fully paid:				
At 1 January	**3,289,706,120**	**26,990**	3,295,288,120	27,035
Issuance of ordinary shares *(Note (ii))*	**343,140,000**	**3,092**	–	–
Issuance of restricted shares held for share award scheme *(Note (iii))*	**65,500,000**	**595**	–	–
Share repurchased and cancelled *(Note (iv))*	**(7,044,000)**	**(63)**	(5,582,000)	(45)
At 31 December	**3,691,302,120**	**30,614**	3,289,706,120	26,990

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 May 2023, the Company issued 343,140,000 shares to twelve subscribers at a total consideration of HK$274,512,000 (equivalent to RMB247,330,000). RMB3,092,000 was credited to share capital and RMB244,238,000 was credited to share premium.

(iii) In July 2023, the Company issued 65,500,000 ordinary shares to an independent trustee for the purpose of granting restricted shares held for share award scheme ("**2023 Share Award Scheme**"). The ordinary shares held for share award scheme was deducted from shareholders' equity as the directors are of the view that such shares are within the Company's control until the shares are vested unconditionally to the participants and hence are considered as treasury shares in substance.

(iv) In 2022, the Company repurchased its own ordinary shares of 7,044,000, with an aggregate consideration paid amounting to approximately HK$7,174,000 (equivalent to RMB6,408,000). All of these shares were cancelled in May 2023.

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.

(b) Dividends

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

	2023	2022
	RMB'000	*RMB'000*
Interim dividend declared of HK$3.74 cents (equivalent to RMB3.38 cents) per ordinary share (2022: declared and paid of HK$5.81 cents (equivalent to RMB5.37 cents))	**124,880**	176,659
Final dividend in respect of the previous financial year, approved and paid during the year, of HK$2.70 cents (equivalent to RMB2.49 cents) per ordinary share (2022: HK$9.9 cents (equivalent to RMB8.01 cents))	**88,554**	263,541

The Board did not proposed a final dividend for the year ended 31 December 2023.

On 24 August 2023, the Board declared an interim dividend for the six months ended 30 June 2023, of HK$3.74 cents per ordinary share ("**2023 Interim Dividend**"). On 8 December 2023 and 15 January 2024, the Company announced a supplementary announcement regarding a scrip dividend scheme, pursuant to which the scheme offering eligible shareholders the scrip dividend option whereby eligible shareholders may elect to receive the 2023 Interim Dividend wholly or partly in cash or by the allotment of new shares credited as fully paid in lieu of cash dividend.

18 COMMITMENTS

Capital commitments outstanding at 31 December 2023 and 2022 not provided for in the consolidated financial statements were as follows:

	2023	2022
	RMB'000	*RMB'000*
Contracted for	**2,196**	3,075

MANAGEMENT DISCUSSION AND ANALYSIS

OPERATION REVIEW

I. Macro Environment

China's economy showed complexity and diversity during the post-pandemic normalization in 2023. The rapid recovery of the services sector gave a positive boost to consumption, which in turn contributed to the gradual recovery of the economy. However, the marked decline in real estate sales and development investment, as well as the drop in demand for exports, put pressure on residents' employment and incomes, leading to a prominent structural differentiation among different fields, industries and subjects. Despite the confirmed recovery, China is still under test in the momentum and sustainability of the recovery.

As far as the real estate market is concerned, market players moved forward under pressure in 2023. Nearly half of the top 100 property developers in terms of sales failed to acquire land-use rights, and nearly 70% of the top 100 property developers saw a decline in sales. Enterprises made weak investment and remained cautious. In 2023, the relationship between supply and demand in the real estate market underwent significant changes. The central government first adopted stable policies and then loose policies. It emphasised at the July meeting of the Political Bureau that relationship between supply and demand in the real estate industry has undergone significant changes, marking that policies released were to prop up the real estate sector. On the demand side, the government supported residents in buying houses on mortgage by lowering the down payment ratio, cutting the interest rates for loans and implementing the policy of "recognizing properties but not loans". On the supply side, it eased the capital pressure on real estate developers through measures including "three no less-thans" and non-discriminatory support for financing. According to the statistics of the China Index Academy, the loosening of local policies accelerated. Policies in 273 provinces and cities were eased 622 times. Such loosening occurred first in third- and fourth-tier cities and then in first- and second-tier cities. Restrictive administrative measures have almost been withdrawn, and the policy environment was close to the most relaxed level in 2014. Constant efforts were made to strengthen the policy support, ensure the stability of the market, and promote the soft landing of the real estate industry.

II. Project Management Market

Amid the downturn of the real estate market, the project management business became the "second growth curve" of many real estate developers. As at the end of 2023, more than 80 renowned real estate enterprises developed the project management business. Some of them have specialised in different fields to enhance their market competitiveness. In 2023, the new contract size of top 5 project management companies accounted for 47% of the total, and the figure for the top 10 companies was 71%. The industry concentration remained at a high level.

With the fast-growing size of project management, the project management system saw gradual upgrading and improvement. More provinces and municipalities have released corresponding measures. The Administrative Measures on Project Management System for Investment Projects of Fujian Provincial Government (Trial) (《福建省省級政府投資項目代建制管理辦法(試行)》) was released in Fujian in February 2023, in a bid to enhance the enthusiasm of quality enterprises to participate in project management. In July, Xiamen upgraded and perfected the original administrative measures on project management system, and formulated the Administrative Measures on Project Management System for Investment Projects of Xiamen Government (《廈門市政府投資項目代建制管理辦法》). In September, the city of Cangzhou in Hebei Province issued the Measures for Implementation of Project Management System for Investment Projects of Cangzhou Government (《滄州市政府投資項目代建制實施辦法》). Similar systems were released in Beijing, Zhejiang, Jiangsu, Guangdong, Shandong, Shaanxi, Gansu, among others, stipulating that professional project management units should be selected via tendering and other means for governmental projects above a certain investment amount, so as to better regulate government investment management and increase investment efficiency. On the whole, the project management business will enter a period of high-quality development featuring steady growth and stiff competition in the next 5–10 years.

In 2023, CCMGT cooperated with the China Real Estate Association to organise the working meeting of the association's project management branch themed on "Gathering in Central China and building the future together" at Unique Henan, Land of Dramas and prepared for the establishment of the project management branch. In November, CCMGT was invited to attend the 14th China Real Estate Scientific Development Forum organised by the China Real Estate Association, and was elected as the vice-chairman unit. The project management industry entered a new stage of common development. In addition, CCMGT formally launched the "CCMGT 3.0 Project Management Model — CCMGT C Platform" (confidence, connect, cooperation) in September, in order to enhance its comprehensive competitiveness, create an open enterprise digital platform, and adapt to the new trends and challenges of the market, customers, industry and the times.

In 2023, CCMGT won many awards and honours, including 2023 Outstanding Companies in China for Real Estate Project Management Operations, 2023 Leading Brand of China Real Estate Project Management Companies, 2023 Leading Brand of China Real Estate Government Project Management Companies, 2023 Leading Brand of China Real Estate Green Project Management Companies and China's 2023 Top 5 Project Management Service Providers with Comprehensive Strength, for its good corporate quality, economic strength, operation ability, financial condition, contract fulfillment ability, and credit status. It won more than 10 provincial engineering honours, including 2 provincial quality projects, 3 provincial safe and civilised standardised sites, 5 provincial quality standardised demonstration sites, and more than 20 prefecture-level engineering honours. It received two product design awards in product innovation, which demonstrates its craftsmanship spirit of paying tribute to life with products and winning honour with quality, and is a strong proof that its product capability in 31 years has been recognised by the industry.

III. "Greater Central China" Strategy

Under the guidance of the "Greater Central China" Strategy, CCMGT was dedicated to six core indicators and remains committed to deriving benefits through refined management practices. CCMGT accelerated the structural adjustment of the business model and increased the expansion of the government project management. In addition, CCMGT also made steady improvements in product control capabilities, refined the product control system, and fostered a mindset of creating unique products. Furthermore, CCMGT made continuous strides in enhancing the quality of project operations and intensified its efforts in identifying and resolving risks and challenges arising from projects. Moreover, CCMGT dedicated itself to reinforcing brand maintenance and implementing a closed-loop management system for addressing customer complaints. Besides, CCMGT demonstrated a strong commitment to conducting innovative research and enhancing the management system of our partners, thereby fulfilling our role as a new growth catalyst for them.

In 2023, Central China Group still led the provincial project management market, enhanced the ability of "fine management in the whole process of projects" to further optimise business models, with a view to maintaining the sound and healthy development of CCMGT's business. In 2023, the tender work of CCMGT for the expansion of projects inside and outside the province was professionalised, standardised and institutionalised, which effectively enhanced the competitiveness in participating external tenders in terms of tender quality, personnel reserve, control system and experience accumulation. In 2023, CCMGT was awarded the AAA credit rating certificate for tenders, which demonstrates its excellent development, operation and credit status, and guarantees bidding and fulfillment of relevant economic and social responsibilities. It also actively participated in the bidding and tendering of projects in Zhejiang and Jiangsu. It has a competitive edge in this regard in the real estate project management industry.

IV. Project Development during the Year

The Company had 57 newly signed project management projects during the Year, representing a year-on-year rise of 90%. The newly contracted gross floor area (GFA) soared 113% year on year to 7,155,300 sq.m. There were 45 new contracts signed in Henan with a newly contracted GFA of 5,739,400 sq.m. Twelve new contracts were signed in provinces other than Henan with a newly contracted GFA of 1,415,900 sq.m. The contracted sales for projects under the Group's management amounted to approximately RMB29.5 billion, representing a year-on-year increase of 38%, and the contracted sales area was 4,659,686 sq.m., representing a year-on-year growth of 33%. As at 31 December 2023, the Group had 264 projects under management with an aggregate GFA of 31,690,340 sq.m., 228 of which were in Henan with an aggregate GFA of 27,764,198 sq. m, and there were 36 projects in provinces other than Henan with an aggregate GFA of 3,926,142 sq.m. CCMGT focused on the third- and fourth-tier markets in the Greater Central China region, with a cumulative presence in 134 counties and cities in and beyond Henan. In particular, CCMGT has established presence in 106 counties and cities in Henan, including 17 prefecture-level cities, 1 prefectural county-level city, and 88 counties and county-level cities, and 28 counties and cities beyond Henan, including 6 prefecture-level cities and 22 county-level cities.

V. Future Business Plan and Strategy

CCMGT firmly upholds the principle of "Good People and Good Land" as its guiding philosophy for cooperation. It operates primarily through commercial project management, government project management, capital project management, and specialised management consulting services. The Group will actively offer project management services to small- and medium-sized developers in Henan. This initiative aims to expand brand influence and share management approaches. By engaging in deep collaboration with partners, the Group seeks to address the lack of management experience among small and medium-sized developers and enhance overall project management standards, project quality, and operational efficiency. This approach ensures timely project delivery and mitigates the risk of delays. Through establishing a community of common interests with synergistic advantages, risk sharing, and a shared interest in success, we can generate substantial value for partners and the community, promoting urbanization construction and advancement in China.

In 2024, CCMGT should focus on internal management changes and innovative development models to carry out work. CCMGT will emphasise "change" and "innovation", center on improving operation and management in an innovative way, enhance the competitiveness of its products through effective integration of resources, and give full play to the advantages of the "CCMGT 3.0 Model — Project Management C Platform" to empower its partners and create a virtuous cycle of benign operation and development.

1. ***Government project management gains full momentum and breakthroughs will made in business outside Henan***

   In order to sustain its business development and market expansion, CCMGT will pay continuous attention to government project management and out-of-province markets, strengthen its cooperation with governments' platform companies, and flexibly adjust its mode of operation to cater to the needs of different partners. Additionally, the Company will improve its management mechanism, set up a strategic research department to strengthen business research, and establish expansion offices in out-of-province markets to improve the linkage efficiency. In addition, CCMGT will leverage the supply chain financing capability of its Project Management C Platform and its strategic cooperation with financial institutions to provide financial support for the implementation of high-quality projects.

2. ***Enhancing product competitiveness and transforming product power into marketing power***

CCMGT has actively responded to the policy orientation of new development models, explored the standardization of market-adapted products, and promoted the enhancement of its product power with the turnkey project plan of the Project Management C Platform. Through innovative R&D and upgrading of the product system, the Company intends to sort out existing products, enrich and upgrade them according to market and customer needs, and at the same time clarify and deepen various product standards to ensure good product design effects. Moreover, CCMGT will strengthen the quality control over construction works, foster an excellent supply chain, improve the standardization system, and create iconic projects to present high-quality demonstration areas by taking measures such as site open day and all-weather site opening, in order to satisfy customers' needs and promote the Company's sustainable and steady development.

3. ***Carrying out risk prevention and control and improving management capabilities***

CCMGT has adopted a series of risk management measures to address risk challenges. In terms of sales, through the classification and management of projects, it will make concerted efforts on marketing to set a benchmark and get out of a dilemma within the time limit. At the same time, efforts will be made to strengthen payment collection to ensure the sustainability of cash flows and the safety of project operation. From the perspective of capital risks, the Company will focus on monitoring cash-strapped and delayed projects, strictly enforce the regulations on the use of funds, and strengthen the management of U-shield to ensure the safe operation of project funds. In addition, CCMGT will also focus on project delivery risk management, utilise policies to promote the use of project relief funds, and strengthen brand risk management by strictly agreeing on the legal risks and solutions in cooperative projects to ensure the Company's overall stable operation and achieve sustainable development.

4. ***Building a digital intelligence management platform to realise scientific and efficient control***

CCMGT plans to build a digital intelligence service platform to realise the functions of "comprehensive visualization of operational data, expansion management programming, refinement of operation and management, informationization of marketing management, dynamic cost management, and integration of business and financial management", transform to "how to manage well", practically remove the pain points in project development and management, and provide effective support for risk control and operational decision making.

5. ***Taking city partners as a benchmark to seek a group of partners***

CCMGT is committed to raising the service standard for city partners and strengthening all-round cooperation with them. It will enhance the awareness of initiative, efficiency and boundaries to ensure timely communication, efficient services and professional respect. It will periodically evaluate and adjust the partnership to ensure the "recognition in three aspects" and deep-rooted trust. CCMGT will select preferred partners with city partners as a benchmark to optimise the overall partnership structure and enhance confidence in cooperation. Meanwhile, it will utilise the advantages of city partners in resources to connect internal and external cooperation resources, seek long-term and stable cooperation, promote quality projects, share benchmarking experience, and promote exchanges and cooperation among partners to achieve win-win development.

VI. OUTLOOK

With the rapid development of the real estate project management industry, the market size continues to expand and the demand for project management services grows. Through ongoing improvement in its business model and innovative service management, CCMGT has optimised its business process and enhanced its service quality and efficiency to provide better project management services and create value for its partners to meet the needs of different partners. In the meantime, CCMGT offers high-quality project management products and comfortable living environments to provide customers with high-quality products and quality of life. As one of the leaders in the industry, CCMGT will assume the responsibility as the vice-chairman unit of China Real Estate Association's project management branch, pay close attention to the market dynamics and policy changes, strengthen the exchange of the project management industry, and promote the innovation and development of the project management industry with strategic partners through the innovative initiative of CCMGT Project Management C Platform.

FINANCIAL ANALYSIS

For the year ended 31 December 2023 ("**Year**"), the Group achieved:

Revenue

The Group generated revenue and received management service 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 RMB468.4 million, representing a decrease of 22.7% from RMB605.7 million in 2022. The decline in revenue was due to lower service fees charged by the Company as a result of the continued downturn of the domestic real estate market and the fact that the increase in new project development was not as significant as the decrease in completed projects. Below is the Group's revenue divided by whether projects under management are based in Henan Province:

	For the year ended 31 December				
	2023		2022		**Changes**
		% of		% of	**Increase/**
	RMB'000	**revenue**	*RMB'000*	revenue	**(decrease)**
Projects in Henan province	**435,116**	**92.9%**	554,225	91.5%	(21.5)%
Projects outside Henan province	**33,261**	**7.1%**	51,454	8.5%	(35.6)%
Total	**468,377**	**100.0%**	605,679	100.0%	(22.7)%

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 RMB73.9 million, an increase of RMB38.3 million or 107.8% as compared with that of RMB35.6 million in 2022. This was mainly due to an increase in interest income on advances to third parties during the Year.

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) and the Company 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 RMB112.2 million, representing a decrease of 8.8% from RMB123.1 million in 2022. The decrease was primarily due to the decrease in personnel cost resulting from our strict control over personnel cost and expenses during the Year.

Other Operating Expenses

The Group's other operating expenses mainly comprise corporate overhead and business entertainment, office and travelling expenses. During the Year, other operating expenses amounted to RMB58.6 million, which was roughly flat as last year.

Income Tax

During the year, income tax amounted to RMB46.0 million, a decrease of 53.9% from RMB99.7 million in 2022. The effective income tax rate was 18.6%, 6.1 percentage points lower than the effective tax rate of 24.7% for 2022, largely due to the fact that, in 2022, 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 RMB201.2 million, representing an decrease of 33.8% from RMB303.9 million in 2022, which was mainly due to the decrease in revenue and the increase in provision for impairment loss for the Year.

Trade and Other Receivables

As of 31 December 2023, trade and other receivables amounted to RMB1,121.5 million, representing an increase of 69.6% from RMB661.1 million as of 31 December 2022. This was mainly attributable to advances increased paid by a third party.

Contract Assets

Contract assets amounted to RMB125.3 million as of 31 December 2023, representing a decrease of 70.5% from RMB425.0 million as of 31 December 2022, mainly due to lower revenue recognised.

Trade and Other Payables

Trade and other payables amounted to RMB300.4 million as of 31 December 2023, representing an increase of 158.5% from RMB116.2 million as of 31 December 2022. It was primarily due to the interim dividend of RMB124.9 million for the half year 2023 had not been paid during the Year.

Contract Liabilities

Contract liabilities amounted to RMB309.9 million as of 31 December 2023, representing an increase of 6.2% from RMB292.0 million as of 31 December 2022. Contract liabilities represent the payments received before the related project management service is provided. The increase during the Year was primarily due to an increase in payments received.

Proceeds from the Listing

The ordinary shares of the Company ("**Shares**") were listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") on 31 May 2021 (the "**Listing**"), 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 2023:

Use of proceeds	Allocation of use of the net proceeds	Percentage of total net proceeds	Net proceeds used during the Year	Actual use as of 31 December 2023	Unutilised net proceeds as at 31 December 2023	Timetable
	RMB million	*%*	*RMB million*	*RMB million*	*RMB million*	
1. Expanding into new markets in the "Greater Central China" region and new service offerings	**300.5**	**40.0%**	**24.4**	**51.3**	**249.2**	
1.1 Setting up of new regional branch offices	75.1	10.0%	1.7	5.0	70.1	One to five years after Listing
1.2 Recruitment of new staffs to new branches	180.4	24.0%	9.5	25.1	155.3	One to five years after Listing
1.3 Brand promotion	22.5	3.0%	12.5	18.0	4.5	One to five 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%	0.7	3.2	19.3	One to five years after Listing
2. Pursuing strategic investments and acquisitions	**270.6**	**36.0%**	**–**	**–**	**270.6**	One to five years after Listing
3. Enhancing the information technology system	**105.2**	**14.0%**	**1.7**	**11.7**	**93.5**	One to five years after Listing
4. General working capital	**75.1**	**10.0%**	**–**	**75.1**	**–**	One to two years after Listing
Total	**751.4**	**100.0%**	**26.1**	**138.1**	**613.3**	

Subscription of New Shares

On 18 November 2022 (after trading hours), the Company (as issuer) entered into twelve subscription agreements with twelve high net worth independent subscribers in respect of the subscription of an aggregate of 343,140,000 Subscription Shares at the subscription price and net subscription price of HK$0.80 per Subscription Share (the "**Subscriptions**"). On the date of the subscription agreements, the closing price per Share was HK$0.62. The aggregate nominal value of the subscription Shares under the Subscriptions was HK$3,431,400. The Subscriptions have been completed on 3 May 2023.

The Directors are of the view that the Subscriptions will benefit the Group's long term development by providing a good opportunity to raise additional funds to strengthen the financial position and to broaden the Company's shareholder base and capital base to facilitate the future growth and development of its business as well as to increase the trading liquidity of the Shares. In particular, the Directors believe the Subscriptions represent a desirable opportunity for the Company to scale up the Group's government project management business and capital project management business, while allowing the Group to preserve its existing internal cash resources.

The net proceeds from the Subscriptions (after deducting all applicable costs and expenses of the Subscriptions) were approximately HK$274.1 million. The following table sets out the intended use and actual use of the net proceeds from the Subscriptions as of 31 December 2023:

Use of proceeds	Allocation of use of proceeds from the Subscriptions		Percentage of proceeds from the Subscriptions	Net proceeds utilised during the Period	Actual use as of 31 December 2023	Unutilised net proceeds as at 31 December 2023	Timetable
	(HK$ million)	*(RMB million)*	*(%)*	*RMB million*	*RMB million*	*RMB million*	
Development of government project management business	137.0	123.5	50.0%	–	–	123.5	Within 3 years after completion of the Subscriptions
Development of capital project management business	123.4	111.1	45.0%	–	–	111.1	Within 3 years after completion of the Subscriptions
General working capital	13.7	12.4	5.0%	5.2	5.2	7.2	Within 2 years after completion of the Subscriptions
Total	274.1	247.0	100.0%	5.2	5.2	241.8	

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 2023, cash and cash equivalents amounted to RMB1,835.8 million (31 December 2022: RMB1,564.6 million). The Group maintained at net cash position as of 31 December 2023 without any borrowings. The Company paid dividend of RMB88.6 million in total during the Year.

The gearing ratio is calculated as total borrowings divided by total equity, i.e. 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 2023, the gearing ratio was nil (31 December 2022: Nil).

Material lending transactions

As at 31 December 2023, the Group had other debtors amounting to RMB840.4 million, mainly consisting of advances to third parties of RMB747.95 million. Such advances to third parties mainly included loans provided to four strategic customers (being independent third parties) in the principal amounts of RMB100 million, RMB100 million, RMB120 million and RMB108.53 million respectively on 1 December 2022, for a term of one year. On 27 December 2023, the Group entered into loan extension agreements with borrowers aforesaid whereby the maturity were extended to on or before 30 November 2024 with principals of RMB100 million, RMB100 million, RMB120 million and RMB102.6 million to be repaid. The loan receivables are unguaranteed and unsecured.

The background and reasons for each of the loans are similar. All of the counterparty borrowers are the Group's existing customers who have also in the past cooperated with the Company on multiple projects, with a focus on developing land parcels in the Central China region. The Company's continued cooperation with such customers is consistent with the Company's "Greater Central China" strategy. Therefore, the Company considers such customers to be of a strategic nature.

The main purpose of each loan has been to assist such customers to successfully acquire and develop the relevant land parcel(s), which will result in a win-win situation for both the Company and the customer, as the Company will be engaged as the project management service provider for the relevant land parcel(s).

Further, the Company operates an asset-light business model. Granting such loans also allowed the Company to make better use of its idle cash, given that such cash would increase the Company's ability to acquire more project management contracts (as mentioned above), as well as provide an additional source of income by way of the interest. Such loans were also relatively short term (being one year).

Prior to entering into each of the loans, the Company conducted a credit risk assessment in line with its internal policy, which included assessing and monitoring historical settlement records and past business cooperation experience with such strategic customers, conducting analysis and projections for the relevant project, as well as current market conditions and forecasts of future economic conditions. In addition, the Company considered: (i) its good and mutually beneficial relationship with such customers, given the Company has provided such customers with project management services for several other projects in the past, and such customers rely on the Company to develop their projects and ultimately sustain their businesses (given their lack of property development experience and/or capabilities); (ii) as discussed above, the main purpose of the loans is to assist customers to successfully acquire and develop the relevant land parcel(s), which will result in a win-win situation for both the Company and the customers, as the Company will be engaged as the project management service provider for the relevant land parcel(s); and (iii) such existing customers have paid all fees/expenses payable to the Company in relation to their projects on time, and where applicable, repaid their loans owed to the Company on time.

Having considered the above, the Directors (including the independent non-executive Directors) consider that each of the loans had been entered into on terms that are fair and reasonable which was in the interests of the Company and its shareholders as a whole.

As at 31 December 2023, the full principal loan amounts remained outstanding as they have not yet become due. The Group monitors the exposures and manages the loans based on historical settlement records and past experience, current conditions and forecasts of future economic conditions. Pursuant to HKFRS 9's expected credit losses model, the credit risk on the loans has not increased significantly since initial recognition, and the Group measures the loss allowance for them at an amount equal to 12-month expected credit loss. The Group recorded impairment losses on loan receivables in relation to the loans in the aggregate amount of approximately RMB10.8 million for the year ended 31 December 2023, which the Directors consider to be immaterial. As at the date of this announcement, the four borrowers have repaid all principal loan amounts.

For details, please refer to the announcements of the Company dated 13 April 2023 and 27 December 2023 respectively.

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 2023, the Group did not have any significant contingent liabilities or capital commitment.

Pledge of Assets

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

Material Acquisitions and Disposals

During the Year, the Group did not have any material acquisitions or disposals of subsidiaries, associates or joint ventures.

Major Investment

As of 31 December 2023, the Group did not hold any significant investment.

Events After The Reporting Period

References are made to the announcements of the Company dated 26 March 2024, 28 March 2024, 26 April 2024, 14 June 2024, 20 June 2024, 27 June 2024, 29 July 2024, 30 August 2024, 13 September 2024, 27 September 2024, 10 October 2024, 15 October 2024, 18 October 2024 and 27 December 2024. Due to the delay in publication of the audited annual results of the Company for the year ended 31 December 2023, trading in the shares of the Company on the Stock Exchange has been suspended since 9:00 a.m. on 2 April 2024. On 24 June 2024 and 15 October 2024, the Company received letters from the Stock Exchange setting out the resumption guidance, details of which were set out in the Company's announcements dated 27 June 2024 and 18 October 2024. Trading in the shares of the Company remains suspended as at the date of this announcement. The Company is taking all necessary steps to satisfy the resumption guidance, and will seek to resume trading in the shares of the Company as soon as possible.

Employees and Remuneration Policies

As at 31 December 2023, the Group had approximately 877 full-time employees, including 499 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. In addition to internal trainings, third-party training institutions were also invited to provide online and offline trainings for the Group's employees. Through these measures, team members can get access to the latest information on industry trends and market development. 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 C1 to the Rules Governing the Listing of Securities on the Stock Exchange (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 C3 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

During the Year, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities.

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. Liu Dianchen, Mr. Xu Ying and Ms. Yan Yingchun. Mr. Liu Dianchen 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 PRISM HONG KONG LIMITED

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, Prism Hong Kong Limited, 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 Prism Hong Kong Limited 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.

FINAL DIVIDEND

The Board has resolved not to declare any dividend for the year ended 31 December 2023 (31 December 2022: HK2.70 cents per Share).

ANNUAL GENERAL MEETING

The 2024 annual general meeting of the Company (the "**2024 AGM**") was held on Friday, 28 June 2024. Notice of the 2024 AGM has been published and issued to shareholders on 5 June 2024.

CLOSURE OF THE REGISTER OF MEMBERS

For the purposes of determining shareholders' eligibility to attend and vote at the 2024 AGM, the register of members of the Company was closed from Tuesday, 25 June 2024 to Friday, 28 June 2024 (both days inclusive), during which period no transfer of shares would 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 Monday, 24 June 2024, for registration.

PUBLICATION OF ANNUAL RESULTS ANNOUNCEMENT AND ANNUAL REPORT

The announcement is 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 required by 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.

CONTINUED SUSPENSION OF TRADING

Trading in the shares of the Company on the Stock Exchange has been suspended since 9:00 a.m. on 2 April 2024 and will remain suspended until further notice.

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

Hong Kong, 9 January 2025

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; and (3) the independent non-executive Directors are Mr. Xu Ying, Mr. Liu Dianchen and Ms. Yan Yingchun.