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 UNAUDITED INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2024

FINANCIAL HIGHLIGHTS

- Revenue for the six months ended 30 June 2024 (the "**Period**") amounted to RMB146.2 million, a decrease of 61.8% as compared to the corresponding period of 2023.

- Net profit for the Period amounted to RMB48.3 million, a decrease of 74.7% as compared to the corresponding period of 2023. Net profit margin for the Period was 33.0%.

- Basic earnings per share for the Period amounted to RMB1.20 cents, a decrease of RMB4.44 cents as compared to the corresponding period of 2023.

- The Board did not proposed an interim dividend for the six months ended 30 June 2024.

INTERIM RESULTS

The board (the "**Board**") of directors (the "**Directors**" and each a "**Director**") of CENTRAL CHINA MANAGEMENT COMPANY LIMITED (the "**Company**" or "**CCMGT**") announces the unaudited condensed consolidated results of the Company and its subsidiaries (the "**Group**") for the six months ended 30 June 2024 with comparative figures for the corresponding period of 2023 as follows. The interim results have been reviewed by the audit committee of the Company (the "**Audit Committee**") and approved by the Board.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the six months ended 30 June 2024 — unaudited (Expressed in Renminbi)

		Six months ended 30 June	
		2024	2023
	Notes	***RMB'000***	*RMB'000*
Revenue	*3*	**146,238**	382,402
Other net income	*4*	**13,159**	17,391
Personnel costs	*5(b)*	**(60,393)**	(67,121)
Depreciation and amortisation expenses	*5(c)*	**(5,227)**	(7,504)
Other operating expenses		**(31,737)**	(40,402)
Impairment losses on trade and other receivables and contract assets		**15,832**	(40,143)
Finance costs	*5(a)*	**(158)**	(112)
Share of loss of an associate		**–**	(249)
Profit before taxation	*5*	**77,714**	244,262
Income tax	*6*	**(29,388)**	(52,874)
Profit for the period		**48,326**	191,388
Attributable to:			
Equity shareholders of the Company		**44,931**	191,822
Non-controlling interests		**3,395**	(434)
Profit for the period		**48,326**	191,388
Earnings per share	*7*		
— Basic *(RMB cents)*		**1.20**	5.64
— Diluted *(RMB cents)*		**1.18**	5.64

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 June 2024 — unaudited (Expressed in Renminbi)

	Six months ended 30 June	
	2024	2023
	RMB'000	*RMB'000*
Profit for the period	**48,326**	191,388
Other comprehensive income for the period (after tax and reclassification adjustments):		
Item that will not be reclassified to profit or loss:		
Equity investments at fair value through other comprehensive income/(loss) — net movement in fair value reserve (non-recycling)	**133**	(2,027)
Item that may be reclassified subsequently to profit or loss:		
Exchange differences on translation of financial statements of overseas subsidiaries	**2,126**	17,831
Other comprehensive income for the period	**2,259**	15,804
Total comprehensive income for the period	**50,585**	207,192
Attributable to:		
Equity shareholders of the Company	**47,190**	207,626
Non-controlling interests	**3,395**	(434)
Total comprehensive income for the period	**50,585**	207,192

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2024 — unaudited (Expressed in Renminbi)

	Notes	At 30 June 2024 RMB'000	At 31 December 2023 RMB'000
Non-current assets			
Investment property and property, plant and equipment		**8,818**	11,682
Intangible assets		**–**	1,252
Other financial assets		**1,644**	1,511
Deferred tax assets		**25,737**	28,485
		36,199	42,930
Current assets			
Contract assets		**108,655**	125,343
Trade and other receivables	*8*	**722,232**	1,121,515
Cash and cash equivalents	*9*	**2,222,083**	1,835,783
		3,052,970	3,082,641
Current liabilities			
Trade and other payables	*10*	**196,219**	300,361
Contract liabilities		**251,690**	309,936
Lease liabilities		**3,944**	3,846
Current taxation		**113,707**	88,198
		565,560	702,341
Net current assets		**2,487,410**	2,380,300
Total assets less current liabilities		**2,523,609**	2,423,230

CONSOLIDATED STATEMENT OF FINANCIAL POSITION *(Continued)*

At 30 June 2024 — unaudited (Expressed in Renminbi)

	Notes	At 30 June 2024 RMB'000	At 31 December 2023 RMB'000
Non-current liabilities			
Lease liabilities		**2,504**	4,000
Deferred tax liability		**22**	15
		2,526	4,015
NET ASSETS		**2,521,083**	2,419,215
CAPITAL AND RESERVES			
Share capital		**32,204**	30,614
Reserves		**2,482,818**	2,385,935
Total equity attributable to equity shareholders of the Company		**2,515,022**	2,416,549
Non-controlling interests		**6,061**	2,666
TOTAL EQUITY		**2,521,083**	2,419,215

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

(Expressed in Renminbi unless otherwise indicated)

Central China Management Company Limited (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 (the "Companies Act"). 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 "Listing Date").

This interim results announcement as at and for the six months ended 30 June 2024 comprises the Company and its subsidiaries (together, the "Group") which are principally engaged in the provision of project management services in Henan and other provinces in the People's Republic of China (the "PRC").

1 BASIS OF PREPARATION

This interim results announcement has been prepared in accordance with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, including compliance with Hong Kong Accounting Standard ("HKAS") 34, *Interim financial reporting*, issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"). It was authorised for issue on 9 January 2025.

The interim financial report has been prepared in accordance with the same accounting policies adopted in the 2023 annual financial statements, except for the accounting policy changes that are expected to be reflected in the 2024 annual financial statements. Details of any changes in accounting policies are set out in Note 2.

The preparation of an interim financial report in conformity with HKAS 34 requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses on a year to date basis. Actual results may differ from these estimates.

This interim results announcement contains condensed consolidated financial statements and selected explanatory notes. The notes include an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since 2023 annual financial statements. The condensed consolidated interim financial statements and notes thereon do not include all of the information required for a full set of financial statements prepared in accordance with HKFRSs.

2 CHANGES IN ACCOUNTING POLICIES

New and amended HKFRSs

The Group has applied the following new and amended to HKFRSs issued by the HKICPA to this interim results announcement for the current accounting period:

- Amendments to HKAS 1, *Classification of liabilities as current or non-current*
- Amendments to HKAS 1, *Non-current liabilities with covenants*
- Amendments to HKAS 16, *Lease liability in a sale and leaseback*
- Amendments to HKAS 7 and HKFRS 7, *Supplier finance arrangements*

None of these amendments have had a material effect on how the Group's results and financial position for the current or prior periods have been prepared or presented in this interim results announcement.

The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

3 REVENUE AND SEGMENT REPORTING

(a) Revenue

The principal business of the Group is provision of project management services.

(i) Disaggregation of revenue

Disaggregation of revenue from contracts with customers by major products or service lines of customers is as follows:

	Six months ended 30 June	
	2024	2023
	RMB'000	*RMB'000*
Revenue from contracts with customers within the scope of HKFRS 15 and recognised over time		
— Provision of project management services	**146,238**	382,402

(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 services. Resources are allocated based on what is beneficial for the Group in enhancing its project management services 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 substantially derived from activities in the PRC.

4 OTHER NET INCOME

	Six months ended 30 June	
	2024	2023
	RMB'000	*RMB'000*
Interest income on financial assets measured at amortised cost	**12,577**	28,047
Government grants	**31**	8,000
Net exchange loss	**(1,356)**	(17,679)
Others	**1,907**	(977)
	13,159	17,391

5 PROFIT BEFORE TAXATION

Profit before taxation is arrived at after charging:

	Six months ended 30 June	
	2024	2023
	RMB'000	*RMB'000*
(a) Finance costs		
Interest on lease liabilities	**158**	112

	Six months ended 30 June	
	2024	2023
	RMB'000	*RMB'000*
(b) Personnel cost		
Salaries, wages and other benefits	**51,905**	63,033
Contributions to defined contribution retirement plan	**3,817**	3,793
Equity settled share-based payment expenses	**4,671**	295
	60,393	67,121

	Six months ended 30 June	
	2024	2023
	RMB'000	*RMB'000*
(c) Other items		
Depreciation charge		
— owned property, plant and equipment	**1,239**	1,879
— right-of-use assets	**2,458**	2,888
— investment property	**278**	292
	3,975	5,059
Amortisation cost of intangible assets	**1,252**	2,445

6 INCOME TAX

	Six months ended 30 June	
	2024	2023
	RMB'000	*RMB'000*
Current tax		
PRC Corporate Income Tax	**26,633**	61,551
Deferred tax		
Origination and reversal of temporary differences	**2,755**	(8,677)
	29,388	52,874

(i) Pursuant to the rules and regulations of the Cayman Islands 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 income tax rate applicable to group entities incorporated in Hong Kong for the income subject to Hong Kong Profits Tax is 16.5% during the period. No provision for Hong Kong Profits Tax has been made as the Group did not earn any income subject to Hong Kong Profits Tax during the period.

(iii) PRC Corporate Income Tax ("CIT")

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

(iv) Withholding tax

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

(v) Pillar Two income tax

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 25% 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 period ended 30 June 2024 (2023: 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.

7 EARNINGS PER SHARE

(a) Basic earnings per share

The calculation of basic earnings per share is based on the profit attributable to ordinary equity shareholders of the Company of RMB44,931,000 (six months ended 30 June 2023: RMB191,822,000) and the weighted average of 3,754,563,720 ordinary shares (2023: 3,399,662,584 Shares) in issue during the interim period.

(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 six months ended 30 June 2024, the calculation of diluted earnings per share were based on the profit attributable to equity shareholders of the Company of RMB44,931,000 and the weighted average number of ordinary shares of 3,807,196,220 shares, after adjusting by the dilutive effect of 2023 Share Award Scheme, calculated as follows:

Weighted average number of ordinary shares, diluted:

	Six months ended 30 June 2024
Weighted average number of ordinary shares, basic	**3,754,563,720**
Dilutive effect of 2023 Share Award Scheme	**52,632,500**
Weighted average number of ordinary shares, diluted	**3,807,196,220**

There were no dilutive potential shares outstanding during the six months ended 30 June 2023.

8 TRADE AND OTHER RECEIVABLES

	At 30 June 2024 RMB'000	At 31 December 2023 RMB'000
Trade debtors and bills receivable	**442,013**	396,496
Less: allowance for credit losses	**(135,790)**	(134,042)
Trade debtors and bills receivable, net of loss allowance	**306,223**	262,454
Amounts due from related parties *(note (a))*	**15,527**	4,419
Other debtors *(note (b))*	**391,355**	840,441
Financial assets measured at amortised cost	**713,105**	1,107,314
Deposits and prepayments	**9,127**	14,201
	722,232	1,121,515

Notes:

(a) Amounts due from related parties and non-controlling interests are unsecured, interest-free and have no fixed terms of payment.

(b) As at 30 June 2024, other debtors mainly represented interest bearing advances to third parties of RMB285,000,000 (as at 31 December 2023: RMB747,953,000) with an interest rate from 3.50% to 3.85% (2023: 10% to 14%) per annum, unsecured and expected to be recovered within one year.

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:

	At 30 June 2024 *RMB'000*	At 31 December 2023 *RMB'000*
Within 6 months	**189,740**	192,505
6 months to 1 year	**110,987**	61,016
over 1 year	**5,496**	8,933
	306,223	262,454

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

9 CASH AND CASH EQUIVALENTS

	At 30 June 2024 *RMB'000*	At 31 December 2023 *RMB'000*
Cash and cash equivalents in the consolidated statement of financial position and in the consolidated cash flow statement	**2,222,083**	1,835,783

10 TRADE AND OTHER PAYABLES

	At 30 June 2024 *RMB'000*	At 31 December 2023 *RMB'000*
Amounts due to related parties	**44,708**	43,874
Dividends payables	**–**	124,880
Other creditors and accrued charges	**151,511**	131,607
	196,219	300,361

Amounts due to related parties and non-controlling interests are unsecured, interest-free and have no fixed terms of payment.

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

11 DIVIDENDS

(a) Dividends payable to equity shareholders attributable to the interim period

The Board did not proposed an interim dividend for the period ended 30 June 2024.

(b) Dividends payable to equity shareholders attributable to the previous financial year, approved and subsequently paid:

	2024	2023
	RMB'000	*RMB'000*
Interim dividend in respect of the previous financial year, declared and paid of HK$3.74 cents (equivalent to RMB3.38 cents) per ordinary share	–	124,880

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.

The Board did not proposed an interim dividend for the year ended 31 December 2023.

MANAGEMENT DISCUSSION AND ANALYSIS

OPERATION REVIEW

I. Business Overview

As a leading provider of real estate project management services in China, the Group is committed to providing high-quality and efficient real estate project development and operation services to its clients. During the first half of 2024, the Company continued to strengthen its market position, creating significant value for property owners and customers through its specialised project management services.

During the Period, the Company had cumulatively contracted 433 projects, with a cumulative contracted area of 54,478,724 m^2. Contracted sales amounted to RMB7.2 billion, with a total sales area of 1,183,521 m^2. These results fully demonstrate the Company's resilience and effective management in the current complex and volatile market environment, and reflect the Company's strong competitiveness and market influence in the project management market.

II. Macro Environment

In the first half of 2024, the rising complexity and severity and uncertainty of the external environment, along with ongoing domestic structural adjustments, presented new challenges. Nevertheless, the continued effect of macroeconomic policies, the recovery of external demand, and the acceleration of high-quality productive forces all provided fresh support. Generally speaking, the national economy in the first half of 2024 continued to recover and improve, demonstrating an overall stable progress.

However, under the general environment of policy relaxation, the real estate market struggled to recover in the midst of the downturn, along with the significant overall downward pressure, as evidenced by the year-on-year contraction in real estate investment, sales results and project commencement rates. To stimulate the economy and ensure employment stability across the entire real estate industry chain, governments at all levels have responded quickly with a series of policy measures for the property market. Since the meeting of the Political Bureau in April 2024, the policy focus has shifted to "de-stocking". Residential credit policy has received an epic boost with a down payment as low as 15% and the elimination of the mortgage interest rate floor. The real estate financing coordination mechanism has been established and accelerated, and white-listed projects have been approved for nearly one trillion dollars of financing. With the central bank introducing a refinancing instrument to support local state-owned enterprises in acquiring existing commercial housing, the trade-in of homes has been promoted nationwide. In the first half of the year, 341 policy relaxations were implemented across 222 provinces and cities. Restrictions on home purchases were further eased, and a series of fiscal incentives for homebuyers were introduced.

III. Project Management Market

Meanwhile, due to the impact of the overall economic environment, the growth rate of the project management mode has also slowed down, showing a trend of more concentration of leading enterprises and intensified fragmentation within the industry.

As of mid-2024, there were over 90 project management companies, with 70 of them among the TOP 200 real estate firms. The project management market is gradually shifting from a blue ocean to a red ocean. The government has set up a project management platform, contracting enterprises' development room. In the first half of 2024, local governments set up the project management platform responsible for the implementation of government investment projects, further aggravating the competition of the project management market. Although the project management mode is more flexible, companies' profitability continues to decline. To this end, project management enterprises are introducing a variety of cooperation mechanisms, including the "direct + franchise" mode to expand the scope of cooperation and promote scalable growth. As competition intensifies, project management firms are securing development scale through profits while lowering their rates. With the real estate market remaining sluggish, the scale of commercial project management is gradually shrinking. Industry concentration remains high, with resource-driven demand becoming the mainstream. The TOP10 enterprises maintain a concentration rate of 70%. The competitive pressure on the scale of the major project management firms continues to grow, and at the same time, new demands for projects in terms of financing, capital injection, profit underwriting and cost saving, etc. are being put forward. The expectation for the project management firms to provide capital is getting higher and higher. Resource-oriented project management is becoming the mainstream. Industry risks are increasing and management requirements are getting higher. During the current special development period of the real estate and project management industries, the contradictions between project operation and management have become increasingly prominent. All these problems have gradually increased the risks of operation and delivery.

In the first half of 2024, CCMGT won a number of honours for its sound business operation, excellent delivery strength and good service capability. In March, CCMGT was awarded six honours, namely 2024 China Outstanding Project Management Operation Real Estate Companies, 2024 China Outstanding Government Project Management Operation Companies, 2023 TOP 10 China Real Estate Companies in terms of Comprehensive Project Management Capability, 2024 TOP 6 China Project Management Companies in terms of Comprehensive Strength, 2024 Outstanding Commercial Project Management Companies, 2024 Outstanding Urban Renewal Project Management Companies, by virtue of its sound business operation, excellent delivery strength, and good service capability. The Company strives to innovate business model and continues to improve brand influence. In April, CCMGT won the Excellence Index • 2024 TOP5 Excellence in Performance in Real Estate Project Management, and the Excellence Index • 2024 TOP4 Excellence in Performance in Government Project Management (Residential Project) for its outstanding operation ability and service capability. In May, CCMGT was ranked fourth in the list of 2024 China Outstanding Listed Real Estate Enterprises in Project Management Operation for its outstanding operation capability.

IV. "Greater Central China" Strategy

As a real estate project management company rooted in central China, the Company always adheres to the "Greater Central China" strategy and is committed to developing high-quality real estate projects in central China. By tapping into the market potential in central China, we have been expanding our business territory and enhancing our brand influence. In the first half of the year, strategic cooperation agreements were signed with 2 government platform companies and state-owned enterprises to enhance our focus on government project management. As our continual efforts in regional exploration, we focus on the third and fourth tier markets, promoting urbanisation with our partners by providing a full range of integrated services in real estate development and operation. These services encompass brand building, management, service offerings, operation, culture cultivation and post-sale property management.

The successful implementation of the city partnership model has gathered like-minded city partners and promoted cooperation among members. Together, we are committed to promoting urbanisation and social progress in central China. Through credit and financing means, this model opens up project and capital channels for members and connect resources. Additionally, it aims to provide quality products and services to its customers, rapidly consolidating and expanding CCMGT's brand influence in Greater Central China.

V. Project Development during the Period

During the Period, 15 new project management projects were signed with an additional contracted GFA of 1,385,900 m^2, representing a decrease of 73.5% as compared to the same period in 2023. Among these projects, there were 11 new contracts signed in Henan with an additional contracted GFA of 1,046,900 m^2; and there were 4 new contracts signed beyond Henan with an additional contracted GFA of 339,000 m^2. Contracted sales of the Group's projects under management amounted to RMB7,172 million, representing a year-on-year decrease of 45.2%; and contracted sales area was 1,183,521 m^2, representing a year-on-year decrease of 42.8%. As of 30 June 2024, the Group had 262 projects under management with a GFA under management of 31,619,915 m^2, of which 223 projects with a total GFA of 27,419,403 m^2 were in Henan and 39 projects with a total GFA of 4,200,512 m^2 were beyond Henan. CCMGT focused on the third- and fourth-tier markets in the Greater Central China region, with a cumulative presence in 136 counties and cities in and beyond Henan. In particular, the Company has established presence in 107 counties and cities in Henan, including 17 prefecture-level cities, 1 prefectural county-level city, and 89 counties and county-level cities; and 29 counties and cities beyond Henan, including 6 prefecture-level cities and 23 county-level cities.

VI. Future Business Plan and Strategy

CCMGT will uphold the spirit of commitment and embrace innovation and exploration. In the face of new challenges, we will conduct a comprehensive review of our mechanisms, products, management, investment and development. In addition, we boldly confront problems, dare to break through, and continuously enhance our competitiveness. Our goal is to overcome challenges through precise policy implementation and specialised capabilities, in order to maintain our leading position in the industry and achieve a breakthrough in operational results.

In the current complex and evolving market environment, CCMGT deeply recognises that continuous innovation and self-enhancement are the only ways to succeed in the fierce market competition. Therefore, the Company will comprehensively promote the strategic development of the Group based on the following aspects:

1. Establishment of core competitive advantages in operation

We strive to enhance corporate image by telling our brand stories through the linkage mechanism. The regional brand is strengthened through multiple channels via the linkage mechanism. The display of benchmark projects, customer word-of-mouth, and social responsibility activities help enhance our brand awareness and reputation, thereby expanding our brand influence.

Focusing on management, we consider that refined stewardship will lead to a great leap in core competitiveness. CCMGT upholds the concept of prioritising products and services, strictly adheres to product discipline, and steadily advances the refined full-process project management system. In the process of service provision, we strictly adhere to the bottom line of corporate management. We ensure the quality of service output through standardised systems while reshaping our management advantages by improving operation management, mechanism construction, team protection, operation mode, and resource utilisation.

Supported by the Group's ecosystem, we are committed to strengthening the sincerity and warmth of our services. To connect customers and brands with sincere services, we listen to their voices, understand their needs and solve their problems, continuously innovating our service offerings and enhancing the service experience. In addition, we will continuously refine and enhance the customer maintenance system, implement standardised maintenance practices, and demonstrate our professionalism and commitment through our sincerity, brand, management, products, and services.

2. Innovation of the business model and optimisation of the investment and development mechanism

In addition to consolidating and strengthening our traditional commercial project management business, in alignment with the industry benchmarks, we will actively explore and strive for breakthroughs in areas, such as the government's "three major projects", stock property operation and C-suite business. At the same time, we will optimise the incentive sharing mechanism for investment and development to enhance the motivation of all staff. In accordance with the requirements of "high efficiency and coordination, respective duties, full integration, and retroactive review", we will further optimise the setup of investment and development structure, process settings, and work responsibilities to accelerate the transformation and application of projects.

3. Perfection of comprehensive management and product leadership

To further improve the full-process management of CCMGT, we will optimise the control structure, management system, workflow and system standards, ensuring that each project is profitable, meets all standards, and carries zero delivery risk. These initiatives will guarantee the high efficiency of comprehensive management and overall operations. With high-quality products at the core, we comprehensively manage each project by leveraging advantages in design innovation, product presentation, cost control, scene construction, sales performance, and partner service satisfaction. The product serves as a key marketing tool, enabling a closed loop of rapid sales, inventory turnover, and capital recovery.

4. Optimisation of organisational structure to enhance operational efficiency

In order to enhance operational efficiency and market responsiveness, CCMGT is actively optimising its organisational structure by streamlining management levels, clarifying responsibilities, strengthening cross-departmental collaboration and introducing flexible management mechanisms. We aim to develop a more efficient, agile and innovative organisational system to ensure that the Company can quickly adapt to market changes and continue to drive business growth and the achievement of its strategic objectives.

5. Improvement of the management mechanism to focus on business realisation

The management mechanism has been comprehensively upgraded to reinforce the strict enforcement of standards. We strive to enhance standardised management, strengthen grassroots management capabilities, foster continuous learning, and actively embrace changes. We will improve the mechanism monitoring domestic economy, government policy, industry situation, competitors and target resources. A dynamic system will also be fully implemented to set goals, perform management and conduct assessment. For unexpected problems in the management process, the special decision-making mechanism of the executive committee is able to sort out the problems and formulate specific resolutions. We will fulfil our responsibilities to ensure that our business targets are met in full. Based on our operational objectives, we aim to accurately analyse the current situation, human resources, and relevant positions to effectively define roles and align our tactics with strategy, ensuring the successful implementation and achievement of targets. We embrace the fighting spirit of forging ahead with perseverance to realise CCMGT's brand value.

VII. Outlook

With the optimisation of policy formulation and the gradual stabilisation of market demand, the project management industry is entering a phase of transformation, shifting from scale expansion to high-quality development. The industry is expected to emerge as a new market with significant capitalisation potential in the future. CCMGT will continue to refine the "Greater Central China" strategy. Driven by introspection, consensus, change, and perseverance, we are committed to fostering our strength and market competitiveness through technological innovation, management optimisation, and business expansion, while actively seeking for new growth and development opportunities. Guided by the "City Partner" initiative, we will strengthen the collaboration of the entire industry chain through the innovation of the service model to satisfy the diversified needs of our partners. Moreover, CCMGT will actively align with national policies and respond to market demand, promote industry standardisation, and continue to lead the project management industry toward high-quality development and transformation.

FINANCIAL ANALYSIS

For the Period, the Group achieved:

Revenue

The Group generated revenue and received management service fees from the provision of project management services. Primary factors affecting our revenue include scale of our business, number of projects and total contracted GFA under our management, milestones and progress of projects under our management and our sales strategy. During the Period, the revenue amounted to RMB146.2 million, a year-on-year decrease of 61.8% as compared with that of RMB382.4 million in the corresponding period in 2023. 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 six months ended 30 June				
Revenue	**2024**		2023		**Change**
		% of		*% of*	**increase/**
	RMB'000	***revenue***	*RMB'000*	*revenue*	**(decrease)**
Projects in Henan Province	**125,525**	**85.8%**	358,393	93.7%	(65.0)%
Projects outside Henan Province	**20,713**	**14.2%**	24,009	6.3%	(13.7)%
Total	**146,238**	**100.0%**	382,402	100.0%	(61.8)%

Other Net Income

Other net income primarily comprises interest income on financial assets measured at amortised cost, government grants and exchange gain or loss. During the Period, other net income amounted to RMB13.2 million, a decrease of RMB4.2 million as compared with that of RMB17.4 million in the corresponding period in 2023. The decrease was mainly due to decrease in interest income on advances to third parties during the period.

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 shared-based payment by Central China Real Estate Limited, a former 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 Period, personnel cost amounted to RMB60.4 million, representing a decrease of 10.0% as compared with that of RMB67.1 million for the corresponding period in 2023. The decrease was primarily due to our strict control over personnel cost and expenses during the Period.

Other Operating Expenses

Other operating expenses primarily comprise corporate overhead and business entertainment, office and travelling expenses. During the Period, other operating expenses amounted to RMB31.7 million, representing a decrease of 21.4% as compared with that of RMB40.4 million for the corresponding period in 2023. The decrease was mainly due to the Group's strict control over various operating expenses.

Profit for the Period

During the Period, net profit amounted to RMB48.3 million, representing a decrease of 74.7% as compared with that of RMB191.4 million for the corresponding period in 2023, which was mainly due to the decrease in revenue for current period.

Trade and Other Receivables

Trade and other receivables amounted to RMB722.2 million as of 30 June 2024, representing a decrease of 35.6% from RMB1,121.5 million as of 31 December 2023. The decrease was mainly due to the decrease in advances to third parties amounted to RMB462.6 million.

Contract Assets

Contract assets amounted to RMB108.7 million as of 30 June 2024, representing a decrease of 13.3% from RMB125.3 million as of 31 December 2023. Contract assets will be converted into the cash inflow from the Group's operating activities in the future.

Trade and Other Payables

Trade and other payables amounted to RMB196.2 million as of 30 June 2024, representing a decrease of 34.7% from RMB300.4 million as of 31 December 2023. This was mainly due to the fact that the interim dividend of RMB124.9 million for the year 2023 was paid on 22 February 2024.

Contract Liabilities

Contract liabilities amounted to RMB251.7 million as of 30 June 2024, representing a decrease of 18.8% from RMB309.9 million as of 31 December 2023. Contract liabilities represent the payments received before the related project management service is provided. The decrease during the Period is primarily due to a decline 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 "**Listing**") on 31 May 2021, with a total of 328,172,000 Shares issued pursuant to the global offering. After deducting the underwriting fees and relevant expenses, net proceeds from the Listing amounted to approximately HK$915.8 million (equivalent to RMB751.4 million). The following table sets out the intended use and actual use of the net proceeds as of 30 June 2024:

Use of proceeds	Allocation of use of the net proceeds *RMB million*	Percentage of total net proceeds *%*	Net proceeds utilised during the Period *RMB million*	Actual use as of 30 June 2024 *RMB million*	Unutilised net proceeds as at 30 June 2024 *RMB million*	Timetable
1. Expanding into new markets in the "Greater Central China" region and new service offerings	**300.5**	**40.0%**	**2.3**	**53.4**	**247.1**	
1.1 Setting up of new regional branch offices	75.1	10.0%	0.3	5.3	69.8	One to five years after Listing
1.2 Recruitment of new staffs to our new branches	180.4	24.0%	1.6	26.6	153.8	One to five years after Listing
1.3 Brand promotion	22.5	3.0%	0.4	18.3	4.2	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%	–	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%**	**0.1**	**11.8**	**93.4**	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%**	**2.4**	**140.3**	**611.1**	

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 30 June 2024:

Use of proceeds	Allocation of use of the proceeds from the Subscriptions		Percentage of the proceeds from the Subscriptions	Net proceeds utilised during the Period	Actual use as of 30 June 2024	Unutilised net proceeds as at 30 June 2024	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%	6.2	11.4	1.0	Within 2 years after completion of the Subscriptions
Total	274.1	247.0	100.0%	6.2	11.4	235.6	

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 the Group's financial resources.

As at 30 June 2024, the cash and cash equivalents amounted to RMB2,222.1 million (31 December 2023: RMB1,835.8 million). The Group maintained at net cash position as at 30 June 2024 without any borrowings.

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 30 June 2024, the gearing ratio was nil (30 June 2023: Nil).

Material Lending Transactions

As at 30 June 2024, the Group had other debtors amounting to RMB391.4 million, mainly consisting of advances to third parties of RMB285.5 million. Such advances to third parties mainly included loans provided to two strategic customers (being independent third parties) in the principal amounts of RMB100 million and RMB100 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 and RMB100 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 charging 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 30 June 2024, 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 loss allowance for loan receivables in relation to the loans in the aggregate amount of approximately RMB6.0 million for the year ended 30 June 2024, which the Directors consider to be immaterial. As at the date of this announcement, the two 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 Period, the Group had no significant borrowings.

Foreign Exchange Risk

The Group conducts substantially all of its business in China and in Renminbi. Therefore, the Group is exposed to minimum foreign exchange risks. However, the depreciation or appreciation of RMB and HKD 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 30 June 2024, the Group did not have any significant contingent liabilities or capital commitment.

Pledge of Assets

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

Material Acquisition and Disposals

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

Major Investment

As of 30 June 2024, the Group did not hold any significant investment.

Employees and Remuneration Policies

As at 30 June 2024, the Group had 751 full-time employees, including 417 employees assigned to relevant project companies to carry out property development projects under the Group's management.

The Group's sustainable development depends on the ability and loyalty of employees. The Group 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 Group also continues to optimise existing remuneration incentive mechanism according to its development strategy and market standards, to promote the healthy competition within the Group, maximise the potential of employees and retain and attract excellent talents.

In addition, the Group values the importance of providing employees with comprehensive and sustainable trainings 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 internal and external trainings with different emphasis based on their tenure. Through these initiatives, our team members can acquire updates on the industry trend, thereby supporting our sustainable expansion with a vibrant and stable talent pool.

Suspension of Trading

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 (the "**Announcements**"). 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.

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 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (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 Period.

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, save as disclosed below, all Directors had complied with the required standard as set out in the Model Code during the Period.

Reference is made to the announcement of the Company dated 28 March 2024. The Board was informed at the close of business of 28 March 2024 by Mr. Wu Po Sum ("**Mr. Wu**"), chairman and non-executive director of the Company, that 395,560,000 Shares (which were placed in securities trading accounts with margin facilities) held by Joy Bright Investments Limited (a company wholly-owned by Mr. Wu), representing approximately 10.2% of the then total issued share capital of the Company, were sold on the market as collateral pursuant to the terms and conditions applicable to such margin facilities on 27 and 28 March 2024 (the "**Disposal**") to settle the outstanding balances owing to the relevant securities firm. Pursuant to paragraph A.3 of Appendix C3 to the Listing Rules, the Directors were prohibited from dealing in any securities of the Company on any day on which its financial results are published and during the period of 60 days immediately preceding the publication date of the annual results (the "**Black-out Period**"). The Disposal fell within the Black-out Period. As disclosed in the announcement of the Company dated 26 March 2024, there would be a delay in publication of the Company's annual results for the year ended 31 December 2023, therefore the Disposal fell within the Black-out Period and constituted a dealing of shares by Mr. Wu. Mr. Wu was however in a passive position in relation to the Disposal. The Directors (except Mr. Wu) considered the Disposal and were satisfied that the Disposal during the Black-out Period was made under exceptional circumstances under paragraph C.14 of Appendix C3 to the Listing Rules.

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

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

REVIEW OF INTERIM 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. 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 reviewed the interim results and the unaudited condensed consolidated financial statements of the Group for the six months ended 30 June 2024.

EVENTS AFTER THE REPORTING PERIOD

Save for the above, subsequent to 30 June 2024 and up to the date of this announcement, no important event affecting the Group has occurred.

INTERIM DIVIDEND

The Board has resolved not to declare any dividend for the six months ended 30 June 2024 (30 June 2023: HK3.74 cents per Share).

PUBLICATION OF INTERIM RESULTS ANNOUNCEMENT AND INTERIM REPORT

The announcement is published on the websites of The Stock Exchange of Hong Kong Limited (www.hkexnews.hk) and the Company (www.centralchinamgt.com). The interim report for the six months ended 30 June 2024 (containing all information required by the Listing Rules) will be dispatched to Shareholders 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.