

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



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 2021

FINANCIAL HIGHLIGHTS

- Revenue for the Period amounted to RMB634.8 million, an increase of 32.0% as compared to the corresponding period of 2020.
- Net profit for the Period amounted to RMB362.4 million, an increase of 20.0% as compared to the corresponding period of 2020.
- Core net profit* for the Period amounted to RMB380.0 million, an increase of 25.6% as compared to the corresponding period of 2020.
- Basic earnings per share for the Period amounted to RMB11.99 cents, an increase of RMB1.81 cents as compared to the corresponding period of 2020.
- Net cash generated from operating activities for the Period amounted to RMB221.2 million, an increase of 49.1% as compared to the corresponding period of 2020.
- As of 30 June 2021, cash and cash equivalents was RMB2,224.6 million, an increase of 478.4% as compared to the corresponding period of 2020.
- As of 30 June 2021, the gross floor area (“GFA”) under management was 30.08 million sq.m, an increase of 25.2% as compared to the corresponding period of 2020.
- The interim dividend for the Period was HK8.60 cents per ordinary share.

* excluding the listing expenses and the related tax effect.

INTERIM RESULTS

The board of directors (the “**Board**” and the “**Directors**”) of CENTRAL CHINA MANAGEMENT COMPANY LIMITED (the “**Company**”) announces the unaudited condensed consolidated results of the Company and its subsidiaries (the “**Group**”) for the six months ended 30 June 2021 (the “**Period**”) with comparative figures for the corresponding period of 2020 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 2021 — unaudited

		Six months ended	
		30 June	
		2021	2020
	Note	RMB'000	RMB'000
Revenue	3	634,829	480,932
Other income	4	8,289	4,123
Personnel costs	5(b)	(92,351)	(48,908)
Depreciation and amortisation expenses	5(c)	(7,310)	(6,181)
Listing expenses		(23,469)	(645)
Other operating expenses		(30,091)	(16,260)
Expected credit losses on trade receivables and contract assets		(6,082)	(8,324)
Finance costs	5(a)	(246)	(208)
Share of loss of an associate		(269)	(417)
Profit before taxation	5	483,300	404,112
Income tax	6	(120,877)	(102,113)
Profit for the period		362,423	301,999
Attributable to:			
Equity shareholders of the Company		362,423	301,999
Earnings per share	7		
Basic and diluted (RMB cents)		11.99	10.18

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER
COMPREHENSIVE INCOME**

For the six months ended 30 June 2021 — unaudited

	Six months ended	
	30 June	
	2021	2020
	RMB'000	RMB'000
Profit for the period	362,423	301,999
Other comprehensive income for the period (after tax and reclassification adjustments):		
<i>Items that may be reclassified subsequently to profit or loss:</i>		
Exchange differences on translation of:		
— financial statements of overseas subsidiaries	<u>11,193</u>	<u>—</u>
Other comprehensive income for the period	<u>11,193</u>	<u>—</u>
Total comprehensive income for the period	<u>373,616</u>	<u>301,999</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2021 — unaudited

		At 30 June 2021 <i>RMB'000</i>	At 31 December 2020 <i>RMB'000</i>
	<i>Note</i>		
Non-current assets			
Property, plant and equipment	8	24,202	24,342
Intangible assets		3,311	1,128
Interest in an associate		2,741	3,010
Deferred tax assets		8,170	6,531
		<u>38,424</u>	<u>35,011</u>
Current assets			
Contract assets		278,377	238,149
Trade and other receivables	9	183,310	1,017,292
Cash and cash equivalents	10	2,224,566	384,599
		<u>2,686,253</u>	<u>1,640,040</u>
Current liabilities			
Trade and other payables	11	75,704	113,885
Contract liabilities		423,917	474,949
Lease liabilities		6,050	7,281
Current taxation		51,976	66,473
		<u>557,647</u>	<u>662,588</u>
Net current assets		<u>2,128,606</u>	<u>977,452</u>
Total assets less current liabilities		<u>2,167,030</u>	<u>1,012,463</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION *(Continued)**At 30 June 2021 — unaudited*

	At 30 June 2021 <i>RMB'000</i>	At 31 December 2020 <i>RMB'000</i>
<i>Note</i>		
Non-current liabilities		
Lease liabilities	<u>3,169</u>	<u>5,071</u>
NET ASSETS	<u>2,163,861</u>	<u>1,007,392</u>
CAPITAL AND RESERVES		
Share capital	27,035	—
Reserves	<u>2,136,826</u>	<u>1,007,392</u>
Total equity attributable to equity shareholders of the Company	<u>2,163,861</u>	<u>1,007,392</u>
TOTAL EQUITY	<u>2,163,861</u>	<u>1,007,392</u>

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

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 financial report as at and for the six months ended 30 June 2021 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

Prior to the incorporation of the Company and completion of the reorganisation as mentioned below (the “Reorganisation”), the project management business of the Group was carried out by Henan Zhongyuan Central China City Development Company Limited (“Zhongyuan Jianye”) and certain other subsidiaries of Central China Real Estate Limited (the “Other CCRE Operating Entities”). Apart from the project management business, these entities are also engaged in the real estate development and investment business (the “Non-Listing Business”) either through separate legal entities or divisions thereof.

To rationalise the corporate structure in preparation of the listing of the Company’s shares on The Stock Exchange of Hong Kong Limited, the Group underwent the Reorganisation. As part of the Reorganisation, Zhongyuan Jianye disposed of its equity interests in four invested entities engaging in the Non-Listing Business (the “Excluded Entities”). Meanwhile, the project management business previously operated by Other CCRE Operating Entities was also transferred to the Group by way of assignment of the existing uncompleted project management contracts owned by these entities to Zhongyuan Jianye.

The financial information of the Excluded Entities has been excluded since the beginning of the periods presented as if Zhongyuan Jianye had never held any equity interests in such entities. Cash flows in connection with the investments in and the disposal of the Excluded Entities are reflected as capital distributions to and capital contributions from the shareholders as appropriate.

Upon completion of the Reorganisation, the Company became the holding company of the subsidiaries now comprising the Group. The Reorganisation involved inserting several newly formed investment holding entities with no substantive operations as the new holding companies of the project management business. There were no changes in the economic substance of the ownership and the project management business before and after the Reorganisation. Accordingly, the consolidated financial statements for the periods presented have been prepared as a continuation of the financial statements of the project management business with its assets and liabilities recognised and measured on a carry-over basis. Intra-group balances, transactions and unrealised gains/losses on intra-group transactions are eliminated in full in preparing the financial statements.

1 BASIS OF PREPARATION *(Continued)*

This interim financial report 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 16 August 2021.

The interim financial report has been prepared in accordance with the same accounting policies adopted in the historical financial information for the year ended 31 December 2020 as disclosed in the accountants' report dated 18 May 2021, except for the accounting policy changes that are expected to be reflected in the 2021 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 financial report 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 the historical financial information for the year ended 31 December 2020 as disclosed in the accountants' report dated 18 May 2021. 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

The Group has applied the following amendments to HKFRSs issued by the HKICPA to this interim financial report for the current accounting period:

- Amendment to HKFRS 16, *Covid-19-related rent concessions beyond 30 June 2021*
- Amendments to HKFRS 9, HKAS 39, HKFRS 7, HKFRS 4 and HKFRS 16, *Interest rate benchmark reform — phase 2*

Other than the amendment to HKFRS 16, the Group has not applied any new standard or interpretation that is not yet effective for the current accounting period. None of these developments have had a material impact on this interim financial report.

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	
	2021	2020
	RMB'000	RMB'000
Revenue from contracts with customers within the scope of HKFRS 15 and recognised over time		
— Provision of project management services	<u>634,829</u>	<u>480,932</u>

(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 INCOME

	Six months ended 30 June	
	2021	2020
	RMB'000	RMB'000
Interest income on financial assets measured at amortised cost	6,645	4,062
Others	<u>1,644</u>	<u>61</u>
	<u>8,289</u>	<u>4,123</u>

5 PROFIT BEFORE TAXATION

Profit before taxation is arrived at after charging:

	Six months ended 30 June	
	2021	2020
	RMB'000	RMB'000
(a) Finance costs		
Interest on lease liabilities	<u>246</u>	<u>208</u>
	Six months ended 30 June	
	2021	2020
	RMB'000	RMB'000
(b) Personnel cost		
Salaries, wages and other benefits	86,007	46,036
Contributions to defined contribution retirement plan	5,014	1,960
Equity settled share-based payment expenses	<u>1,330</u>	<u>912</u>
	<u>92,351</u>	<u>48,908</u>
	Six months ended 30 June	
	2021	2020
	RMB'000	RMB'000
(c) Other items		
Depreciation charge		
— owned property, plant and equipment	2,286	2,767
— right-of-use assets	<u>4,282</u>	<u>2,712</u>
	<u>6,568</u>	<u>5,479</u>
Amortisation cost of intangible assets	<u>742</u>	<u>702</u>

6 INCOME TAX

	Six months ended 30 June	
	2021	2020
	RMB'000	RMB'000
Current tax		
PRC Corporate Income Tax	122,516	104,222
Deferred tax		
Origination and reversal of temporary differences	(1,639)	(2,109)
	<u>120,877</u>	<u>102,113</u>

- (i) Pursuant to the rules and regulations of the Cayman Island and the BVI, the Group is not subject to any income tax in the Cayman Islands and the BVI.
- (ii) 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) Pursuant to the Enterprise Income Tax Law of PRC and the respective regulations of Hainan Free Trade Port (the "Hainan FTP"), except for Zhongyuan Central China (Hainan) Management Services Limited Company ("Zhongyuan Jianye (Hainan)"), which enjoys a preferential income tax rate of 15% during the period, the other subsidiaries which operate in Mainland China are subject to Corporate Income Tax ("CIT") at a statutory rate of 25%.

7 EARNINGS PER SHARE

(a) Basic earnings per share

The calculation of basic earnings per share is based on the profit attributable to equity shareholders of the Company of RMB362,423,000 and the weighted average of 3,021,811,453 ordinary shares in issue during the six months ended 30 June 2021, comprising:

- (i) 1 ordinary shares in issue at 1 January 2021;
- (ii) 2,967,116,119 ordinary shares issued pursuant to the capitalisation issue immediately prior to the completion of the initial public offering, as if these ordinary shares were outstanding throughout the six months ended 30 June 2021; and
- (iii) 328,172,000 ordinary shares issued on the Listing Date by initial public offering.

7 EARNINGS PER SHARE (Continued)

(a) Basic earnings per share (Continued)

The basic earnings per share for the six months ended 30 June 2020 was calculated based on the profit attributable to equity shareholders of the Company of RMB301,999,000 and the weighted average of 2,967,116,119 ordinary shares, comprising 2,967,116,119 ordinary shares issued pursuant to the capitalisation issue immediately prior to the completion of the initial public offering, as 2,967,116,119 ordinary shares were outstanding throughout the six months ended 30 June 2020.

The calculation of the weighted average number of ordinary shares for the six months ended 30 June 2021 and 2020 is as follows:

	Six months ended 30 June	
	2021	2020
Issued ordinary shares at 1 January	1	–
Effect of capitalisation issue	2,967,116,119	2,967,116,119
Effect of shares issued by initial public offering on 31 May 2021	<u>54,695,333</u>	<u>–</u>
	<u>3,021,811,453</u>	<u>2,967,116,119</u>

(b) Diluted earnings per share

There were no dilutive potential shares outstanding during the six months ended 30 June 2021 and 2020.

8 PROPERTY, PLANT AND EQUIPMENT

Right-of-use assets

During the six months ended 30 June 2021, the Group entered into a number of lease agreements for offices and employee dormitories, and therefore recognised the additions to right-of-use assets of RMB2,043,000. None of the leases includes variable lease payments.

9 TRADE AND OTHER RECEIVABLES

	At 30 June 2021 <i>RMB'000</i>	At 31 December 2020 <i>RMB'000</i>
Trade debtors and bills receivable	148,423	156,748
Less: allowance for credit losses	<u>(16,786)</u>	<u>(14,779)</u>
Trade debtors and bills receivable, net of loss allowance	131,637	141,969
Amounts due from related parties	28,988	869,213
Other debtors	<u>18,512</u>	<u>3,630</u>
Financial assets measured at amortised cost	-----179,137	-----1,014,812
Deposits and prepayments	-----4,173	-----2,480
	<u><u>183,310</u></u>	<u><u>1,017,292</u></u>

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:

	At 30 June 2021 <i>RMB'000</i>	At 31 December 2020 <i>RMB'000</i>
Within 3 months	67,111	89,414
3 months to 6 months	33,979	25,311
6 months to 1 year	24,555	21,145
over 1 year	<u>5,992</u>	<u>6,099</u>
	<u><u>131,637</u></u>	<u><u>141,969</u></u>

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

10 CASH AND CASH EQUIVALENTS

	At 30 June 2021 <i>RMB'000</i>	At 31 December 2020 <i>RMB'000</i>
Cash and cash equivalents in the statement of financial position	<u><u>2,224,566</u></u>	<u><u>384,599</u></u>

11 TRADE AND OTHER PAYABLES

	At 30 June 2021 <i>RMB'000</i>	At 31 December 2020 <i>RMB'000</i>
Amounts due to related parties	5,993	17,415
Other creditors and accrued charges	<u>69,711</u>	<u>96,470</u>
	<u><u>75,704</u></u>	<u><u>113,885</u></u>

Amounts due to related parties 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.

12 CAPITAL, RESERVES AND DIVIDENDS

(a) Share capital

	At 30 June 2021		At 31 December 2020	
	Number of shares	Amount HK\$	Number of shares	Amount HK\$
Authorised share capital (<i>Note (i)</i>)	<u>10,000,000,000</u>	<u>100,000,000</u>	<u>38,000,000</u>	<u>380,000</u>
	At 30 June 2021		At 31 December 2020	
	Number of shares	Amount RMB'000	Number of shares	Amount RMB'000
Ordinary shares, issued and fully paid:				
At 1 January 2021/22 October 2020 (date of incorporation)	1	—*	1	—*
Capitalisation issue (<i>Note (ii)</i>)	2,967,116,119	24,343	—	—
Issuance of shares by initial public offering (<i>Note (iii)</i>)	<u>328,172,000</u>	<u>2,692</u>	<u>—</u>	<u>—</u>
At 30 June/31 December	<u>3,295,288,120</u>	<u>27,035</u>	<u>1</u>	<u>—*</u>

* The balances represent amounts less than RMB1,000.

Notes:

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

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

- (ii) Immediately prior to the completion of the initial public offering, the Company allotted and issued 2,967,116,119 ordinary shares, credited as fully paid at par value, to CCRE by way of capitalisation of HK\$29,671,161 (equivalent to approximately RMB24,343,000) from the share premium account of the Company on the Listing Date.
- (iii) 328,172,000 ordinary shares of par value of HK\$0.01 each were issued at a price of HK\$3.00 per ordinary share upon the listing of the shares of the Company on the Stock Exchange. The proceeds of HK\$3,281,720 (equivalent to approximately RMB2,692,000), representing the par value, were credited to the Company's share capital. The remaining proceeds, net of share issuance expenses, of approximately HK\$949,317,000 (equivalent to approximately RMB778,831,000) were credited to the Company's share premium account.

12 CAPITAL, RESERVES AND DIVIDENDS *(Continued)*

(b) Dividends

(i) *Dividend payable to equity shareholders of the Company attributable to the interim period*

	2021 <i>RMB'000</i>	2020 <i>RMB'000</i>
Interim dividend declared after the interim period of HK\$8.60 cents (equivalent to RMB7.16 cents) per ordinary share (2020:Nil)	<u>235,813</u>	<u>–</u>

The interim dividend has not been recognised as a liability at the end of the reporting period.

13 NON-ADJUSTING EVENTS AFTER THE REPORTING PERIOD

After the end of reporting period, the board of directors of the Company declared an interim dividend. Further details are disclosed in note 12(b).

MANAGEMENT DISCUSSION AND ANALYSIS

OPERATION REVIEW

Impact of COVID-19

During the first half of 2021, the global COVID-19 situation improved and the world economy gradually recovered, but it still showed significant differentiation and imbalance. As the epidemic prevention and control has produced initial results, the Chinese economy is on a solid recovery track. China's GDP increased by 12.7% year-on-year during the first half of 2021 and is forecasted by the World Bank to grow 8.5% throughout the year. This creates a positive, favourable environment for businesses to grow.

Macro Environment

Property developers are facing increasing financial pressure and intensifying competition, as China keeps tightening its macro-control over the real estate industry under the guidance of the policies of “housing is for accommodation in and not for speculation”, “placing equal emphasis on leasing and sale”, and “adopting a prudent approach in financing”. However, China has also proposed key tasks for the development of new urbanization and urban-rural integration in 2021, that is, seeking in-depth implementation of a new urbanization strategy centered on people, promoting urbanization with county towns as an important carrier, and accelerating the development of urban-rural integration, so as to provide the “14th Five-Year Plan” with strong support.

Project Management Market

Due to changes in the policy environment and trends of the real estate market, the project management market offers abundant opportunities. On 27 May 2021, the first China Project Management Value Summit (中國代建價值峰會) released the Blue Paper for the Project Management Industry (《代建行業藍皮書》), it is expected that the penetration of the project management industry will reach 4.8% in 2021. Compared to US and Europe project management industry penetration of 20% to 30%, China's project management industry penetration has room to further grow up to 5.2 times. Thus, there's enough room for competition and the prospect for development in future is promising.

In addition, the project management market for public housing and urban renovation has great potential. In the coming five years, except for commercial housing, the new overall demand for housing will still be dominated by public housing and urban renovation demand, mainly from government-led urban renewal, city construction and investment companies, affordable housing and old city reconstruction. Under new policies, there will be a remarkable growth in the number of policy-related houses in key cities and a great prospect for the entire project management market.

During the first half of 2021, Zhongyuan Jianye was ranked as one of the “Outstanding Companies in China for Real Estate Project Management Operations in 2021” (2021中國房地產代建營運優秀企業) at the 2021 Press Conference for Research Findings of Top 100 Real Estate Companies in China (2021中國房地產百強企業研究成果發布會) jointly hosted by China Enterprises Evaluation Association, Institute of Real Estate Studies of Tsinghua University and China Index Academy.

“Greater Central China” Strategy

The Greater Central China region is an area with the center of Zhengzhou and a radius of 500km, which includes eight provinces and six state-level city clusters (i.e. city clusters in the middle reaches of the Yangtze River, Yangtze River Delta, Central Plains, Kuan-chung Plain, Beijing-Tianjin-Hebei region, and Shandong Peninsula). It has 595 cities at and above the county level with a population of 430 million. Its urbanisation rate is 57.4%, which is 3.2 percentage points lower than the national rate 60.6%. There are huge market opportunities that provide a big platform for companies to grow. One of the Group’s main growth strategies is to expand into the Greater Central China region. The Group has tapped into Hebei, Anhui, Shaanxi, and Shanxi provinces and is expected to expand its presence to other three provinces in the Greater Central China during the second half of the year.

Project Development During the Period

During the first half of 2021, 52 project management contracts were signed with a newly contracted GFA of 5,733,600 sq.m representing a year-on-year increase of 21.5%, and the contracted sales for projects under the Group’s management amounted to approximately RMB16,816 million representing a year-on-year increase of 30.0%. As of 30 June 2021, 250 projects were under the Group’s management with GFA of approximately 30.08 million sq.m. During the first half of 2021, 9 contracts were signed for provinces other than Henan with a newly contracted GFA of 928,633 sq.m. As of 30 June 2021, the Group had conducted business in 116 cities and counties, namely 99 cities and counties in Henan and 17 cities and counties in other 6 provinces and autonomous regions.

Future Business Plan and Strategy

Guided by the “Greater Central China” strategy, the Group will continue to improve its core competitiveness, dare to explore and adopt an proactive approach to expand its business in external provinces and increase its market share in China’s project management market while consolidating its overwhelmingly leading position in Henan during the second half of 2021. During the second half of 2021, the Company will focus on the following key strategic initiatives:

1. Expedite new breakthroughs in provinces other than Henan

First, the headquarters will continuously improve standards and mechanisms for expanding its presence in external provinces for central deployment in the untapped provinces and develop and support key projects in the external provinces. Urban resources must be better coordinated and channels for securing projects be expanded in accordance with headquarters working standards to ensure presence in the neighbouring seven provinces within the year. Second, projects outside Henan shall be managed as key projects and developed into benchmark projects. The Company should promote its brands in external provinces through effective project operations and demonstration of branding and service capabilities and accumulate experience in project operation and management in these provinces. Third, the Company needs to enhance communication with governments, the industry, chambers of commerce in the real estate industry, and media and continuously improve business cooperation models in external provinces to reshape the local development landscape, thereby having mature experience in business expansion, operations and branding in the external provinces.

2. Continue to increase investments in government project management

It is specially stated in the national 14th Five-Year Plan that it is necessary to increase the supply of indemnificatory housing, to promote the new people-centered urbanization, to implement the urban renewal action and to advance the coordinated development of large, medium and small cities and small towns. With the support of the above policies, it is expected that the demand for public housing and urban renewal will continue to be the driver of the government project management in the field of real estate in China, and the demand for government project management will still maintain a certain scale. By the end of 2019, the urbanization rate of China’s resident population has exceeded 60%. According to the goal of the 14th Five-Year Plan, the urbanization rate of China’s resident population will reach 65% in 2025, which is an important opportunity for the development of government project management in the field of real estate.

3. *Continuously improve products and services*

Emphasis will be placed on two aspects for the improvement of product capabilities: First, the Company has to draw on product innovations and promote their applications and advance product iteration for some projects at the second half of the year to continuously improve product competitiveness. Second, a standardised management mechanism should be put in place through innovation based on experience from and effectiveness of full process management in demonstration areas, and widely promoted at the second half of the year. In terms of service capabilities, customer service personnel should better manage risks before they become a problem and strengthen customer complaint and satisfaction management throughout lifecycles. Meanwhile, a classified and streamlined partner management mechanism should be in place to improve satisfaction among partners.

4. *Keep diversifying business models*

The Company will enhance research on the innovation of new business models such as government project management and project management with capital contribution, on second-tier cities for business layout planning in higher-tier cities, and on various forms of properties including residential products in order to develop capabilities for comprehensive project management services aimed at all property categories within three years. The Company will focus on strengthening research on the blue ocean business model of project management with capital contribution, explore business operation models with financial institutions, asset companies, and government investment platforms, and sort out and integrate resources of existing partners to build an alliance of investors. The Company seeks to develop a platform for project management with capital contribution that is distinctive of the Company and satisfies development needs of the asset-light industry. It will keep improving refined management and accumulating management experience based on existing full process refined project management practices, speed up digital and intelligent construction for the Company's wider operations and explore the building of the "Digital SaaS Platform for Project Management Services".

5. *Optimise the organisational management mechanism*

Under the "Greater Central China" Strategy, in terms of the improvement of organisational management capabilities, the Company will mainly carry out the following work. First, the Company will develop incentives and promote concurrent duties among cadres. Second, the Company will promote tiered cadre management and develop plans for certifying professional levels of non-managers. Third, the Company will develop specific management standards and improve its organisational appraisal system with an aim to improve per capita efficiency based on the characteristics of asset-light businesses, concurrent duties among cadres, project classification, and the talent pool.

OUTLOOK

Looking forward, with the increasingly widening of industry sectors and release of the industry's potential for continuous growth, the Company will centre on products and services and steadily push forward a refined full process project management system. In the era of management dividends, the Group will build its core competitiveness and promote its transformation into a leading project management company.

FINANCIAL ANALYSIS

For the Period, the Group achieved:

Revenue

The Group generated revenue and received management fees from the provision of project management services. Principal factors affecting revenue included the business size, number of projects under management and total contracted GFA under management, milestones and progress of projects under management. During the Period, the Group's revenue amounted to RMB634.8 million, a year-on-year increase of 32.0% as compared with that of RMB480.9 million in the corresponding period in 2020. The revenue increased primarily due to an increase in the number of projects under management and total contracted GFA under management. Below is the Group's revenue divided by whether projects under management are based in Henan province:

Revenue	For the six months ended 30 June				Change Increase/ (decrease)
	2021		2020		
	<i>RMB'000</i> (Unaudited)	% of total revenue	<i>RMB'000</i> (Unaudited)	% of total revenue	
Projects in Henan province	596,195	93.9%	471,458	98.0%	26.5%
Projects outside Henan province	38,634	6.1%	9,474	2.0%	307.8%
Total	634,829	100%	480,932	100%	32.0%

Personnel Cost

The Group's 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 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, the Group's personnel cost amounted to RMB92.4 million, representing an increase of 88.8% as compared with that of RMB48.9 million for the corresponding period in 2020. The Group's personnel cost increased primarily due to the increased number of employees deployed for larger GFA under management.

Listing Expenses

The Group's listing expenses primarily comprise professional fees paid to external financial, legal and reporting accountants in connection with the Company's Listing. During the Period, the Group's listing expenses amounted to RMB23.5 million, representing 3.7% of the Group's revenue.

Other Operating Expenses

The Group's other operating expenses primarily comprise corporate overhead and business, office and travelling expenses. During the Period, the Group's other operating expenses amounted to RMB30.1 million, representing an increase of 85.1% as compared with that of RMB16.3 million for the corresponding period in 2020. The increase was mainly because of the increased business, office and travelling expenses due to (i) the increased number of employees deployed for larger GFA under management; (ii) fewer restrictions on business travel under the COVID-19 as compared to the corresponding period in 2020.

Income Tax

During the Period, the Group's income tax expense amounted to RMB120.9 million, representing an increase of 18.4% as compared with that of RMB102.1 million for the corresponding period in 2020. The effective income tax rate was 25.0%, which was basically flat with the effective tax rate of 25.3% for the corresponding period in 2020. The income tax expense increased primarily due to increased profit before taxation.

Profit for the Period

During the Period, net profit amounted to RMB362.4 million, representing an increase of 20.0% as compared with that of RMB302.0 million for the corresponding period in 2020. After excluding listing expenses and the related tax effect, the core net profit attributable to the shareholders of the Company for the period amounted to RMB380.0 million, representing an increase of 25.6% as compared to the corresponding period in 2020.

Trade and Other Receivables

Trade and other receivables amounted to RMB183.3 million, representing a decrease of 82.0% as compared with that of RMB1,017.3 million at the end of 2020. This was mainly attributable to the receipt of the amount due from related parties of RMB843.2 million in the current period. The balance of trade receivables decreased from RMB142.0 million at the end of 2020 to RMB131.6 million at the end of June 2021, representing a decrease of 7.3%.

Contract Assets

As at 30 June 2021, the Group's contract assets amounted to RMB278.4 million, representing an increase of 16.9% as compared with that of RMB238.1 million at the end of 2020, primarily due to a longer development cycle of projects. Contract assets will be converted into the cash inflow from the Company's operating activities in the future.

Trade and Other Payables

Trade and other payables amounted to RMB75.7 million, representing a decrease of 33.5% as compared with that of RMB113.9 million at the end of 2020. Primarily, remuneration payable to employees decreased by RMB42.3 million.

Contract Liabilities

Contract liabilities amounted to RMB423.9 million, representing a decrease of 10.7% as compared with that of RMB474.9 million at the end of 2020. Contract liabilities represent the payments received before the related project management service is provided.

Proceeds from the Listing

The Company's ordinary shares were listed on the Main Board of Hong Kong Stock Exchange (the “**Listing**”) on 31 May 2021, with a total of 328,172,000 ordinary shares issued pursuant to the global offering. After deducting the underwriting fees and relevant expenses, net proceeds from the Listing amounted to approximately HK\$908.5 million (equivalent to RMB745.4 million).

The following table sets out the intended use and actual use of the net proceeds as of 30 June 2021:

Use of proceeds	Allocation of use of the net proceeds <i>RMB million</i>	Percentage of total net proceeds %	Actual use as of 30 June 2021 <i>RMB million</i>	Unutilised net proceeds as at 30 June 2021 <i>RMB million</i>
Expanding into new markets in the “Greater Central China” region and new service offerings	298.2	40%	1.7	296.5
Pursuing strategic investments and acquisitions	268.3	36%	–	268.3
Enhancing our information technology system	104.4	14%	–	104.4
General working capital	74.5	10%	24.4	50.1
Total	745.4	100%	26.1	719.3

The unused proceeds are expected to be used for the above purposes in the coming three years.

Financial Resources Management and Capital Structure

We have adopted comprehensive treasury policies and internal control measures to review and monitor the Group's financial resources.

As at 30 June 2021, the Group's cash and cash equivalents amounted to approximately RMB2,224.6 million (31 December 2020: approximately RMB384.6 million). The increase was primarily due to the receipt of the amount due from related parties and IPO proceeds. The Group maintained at net cash position as at 30 June 2021 without any borrowings. Subsequent to the Period, the Company has declared an interim dividend of approximately RMB235.8 million in total to the shareholders of the Company in relation to profit attributable to the six months ended 30 June 2021.

The gearing ratio is calculated as total borrowings divided by total equity, and the sum of long-term and short-term interest bearing bank loans and other loans as of the corresponding date divided by the total equity as of the same date. As of 30 June 2021, the gearing ratio was nil.

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 2021, the Group did not have any significant contingent liabilities and capital commitment.

Pledge of Assets

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

Major Acquisition and Disposals

During the Period, the Group did not have any major acquisition and disposals.

Major Investment

As of 30 June 2021, the Group did not hold any significant investment.

Employment and Remuneration Policies

As at 30 June 2021, the Group had approximately 1,228 full-time employees, including 709 employees assigned to relevant project companies to carry out property development projects under the Group's management.

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

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

CORPORATE GOVERNANCE PRACTICES

The Group is committed to achieving high corporate governance standards to safeguard the interests of its stakeholders. The Company has applied the principles in the Corporate Governance Code ("CG Code") in Appendix 14 of 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 from 31 May 2021 (the "Listing Date") to 30 June 2021.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS OF LISTED ISSUERS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") in Appendix 10 to the Listing Rules as the code of conduct for the Directors in their dealings in the Company's securities. Having made specific enquires with each Director, the Company confirmed that all Directors had complied with the required standard as set out in the Model Code throughout the period from the Listing Date to 30 June 2021.

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

During the six months ended 30 June 2021, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company’s listed securities.

CHANGE IN DIRECTORS’ BIOGRAPHICAL DETAILS UNDER RULES 13.51(2) AND 13.51B(1) OF THE LISTING RULES

There is no other change in the Directors’ biographical details which is required to be disclosed pursuant to rules 13.51(2) and 13.51B(1) of the Listing Rules since the publication of the prospectus by the Company on 18 May, 2021.

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 (the “**Audit Committee**”). As at the date of this announcement, the Audit Committee consists of three independent non-executive Directors, namely Mr. Zhu Baoguo, Mr. Xu Ying and Mr. Siu Chi Hung. Mr. Siu Chi Hung is the chairman of the Audit Committee.

The Audit Committee of the Company has discussed with the management and external auditors the accounting principles and policies adopted by the Group and has reviewed the Group’s unaudited interim consolidated financial statements for the Period.

The interim financial report for the six months ended 30 June 2021 is unaudited, but has been reviewed by KPMG, in accordance with Hong Kong Standard on Review Engagements 2410 “Review of interim financial information performed by the independent auditor of the entity”, issued by the Hong Kong Institute of Certified Public Accountants, whose unmodified review report is included in the interim report to be sent to shareholders.

INTERIM DIVIDEND

The Board declared an interim dividend (the “**Interim Dividend**”) of HK8.60 cents per ordinary share for the Period. The Interim Dividend will be paid on or around Tuesday, 21 September 2021 to the shareholders of the Company whose names appear on the register of members of the Company on Monday, 6 September 2021.

CLOSURE OF REGISTER OF MEMBERS

For the purpose of determining the entitlement of the shareholders to the Interim Dividend, the register of members of the Company will be closed from Thursday, 2 September 2021 to Monday, 6 September 2021. In order to qualify for the Interim Dividend, all properly completed share transfer forms accompanied by the relevant share certificates must be lodged with the Company's Hong Kong share registrar, Computershare Hong Kong Investor Services Limited at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, no later than 4:30 p.m. on Wednesday, 1 September 2021, for registration. The Interim Dividend will be paid on or around Tuesday, 21 September 2021.

PUBLICATION OF INTERIM RESULTS ANNOUNCEMENT AND INTERIM REPORT

The announcement has been 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 2021 (containing all information set forth in Appendix 16 to 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.

By Order of the Board

CENTRAL CHINA MANAGEMENT COMPANY LIMITED

Wu Po Sum

Chairman

Hong Kong, 16 August 2021

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 and Mr. Ma Xiaoteng; (3) the non-executive Director is Ms. Wu Wallis (alias Li Hua); and (4) the independent non-executive Directors are Mr. Zhu Baoguo, Mr. Xu Ying and Mr. Siu Chi Hung.