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## GREENTOWN MANAGEMENT HOLDINGS COMPANY LIMITED

### 綠城管理控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 9979)

#### ANNOUNCEMENT OF THE ANNUAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2021

The board (the “**Board**”) of directors (the “**Directors**”) of Greentown Management Holdings Company Limited (“**Greentown Management**” or the “**Company**”) is pleased to announce the audited consolidated annual results of the Company and its subsidiaries (collectively, the “**Group**”) for the year ended 31 December 2021 (the “**Reporting Period**” or the “**Period**”) prepared in accordance with International Financial Reporting Standards, together with comparative figures for the previous financial year. The audited consolidated annual results have been reviewed by the audit committee of the Company (the “**Audit Committee**”) and approved by the Board.

A final dividend in respect of the year ended 31 December 2021 of RMB0.20 per share, in an aggregate amount of approximately RMB391,595,000, has been proposed by the Board and is subject to approval by the shareholders at the forthcoming general meeting.

#### BUSINESS HIGHLIGHTS

	<b>2021</b> <b>(Audited)</b> <b>RMB'000</b>	2020 <b>(Audited)</b> <b>RMB'000</b>	Change Increase/ (decrease) %
Revenue	2,243,158	1,812,975	23.7%
Gross Profit	1,040,658	865,829	20.2%
Net profit attributable to owners of the Company from continuing operations	565,224	428,547	31.9%
Cash inflows from operating activities	565,656	903,329	(37.4)%
Earnings per share from continuing operations (ordinary shareholders of the parent company) – Basic and diluted (RMB)	0.29	0.26	11.5%
Final dividend per share (RMB)	0.20	0.17	17.6%
	<b>2021</b> <b>Million sq.m.</b>	2020 <b>Million sq.m.</b>	Change %
Total GFA of contracted projects	84.7	76.1	11.3%
Area under construction	44.0	40.5	8.7%
Total GFA of newly contracted projects	22.8	18.7	21.9%
	<b>2021</b> <b>RMB' billion</b>	2020 <b>RMB' billion</b>	Change %
Project management fee for the newly contracted projects	7.11	5.81	22.3%

The following financial information is extracted from the audited annual consolidated financial statements as set out in the 2021 Annual Report to be published by the Group:

## CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2021

	Notes	Year ended 31 December	
		2021 RMB'000	2020 RMB'000
<b>Continuing operations</b>			
Revenue	3	2,243,158	1,812,975
Cost of services		<u>(1,202,500)</u>	<u>(947,146)</u>
Gross profit		1,040,658	865,829
Other income	4	116,322	48,614
Other gains and losses	5	2,222	(27,011)
Selling and marketing expenses		(92,761)	(48,302)
Administration expenses		(378,047)	(330,611)
Listing fee		–	(33,960)
Finance costs	6	(5,847)	(1,465)
Impairment losses under expected credit loss model, net of reversal		(11,083)	(1,378)
Loss from changes in fair value of investment properties		(1,685)	(2,952)
Gain on acquisition of subsidiaries		521	–
Share of results of associates		(660)	3,403
Share of results of joint ventures		<u>52,602</u>	<u>52,767</u>
Profit before tax	7	722,242	524,934
Income tax expense	8	<u>(151,577)</u>	<u>(117,414)</u>
Profit for the year from continuing operations		<u>570,665</u>	<u>407,520</u>
<b>Discontinued operations</b>			
Gain for the year from discontinued operations	9	<u>–</u>	<u>4,734</u>
<b>Profit for the year</b>		<u><b>570,665</b></u>	<u><b>412,254</b></u>
Other comprehensive income			
<i>Item that will not be reclassified to profit or loss:</i>			
Fair value gain on investments in equity instruments at fair value through other comprehensive income (“FVTOCI”), net of tax		<u>5,512</u>	<u>4,674</u>
Total comprehensive income for the year		<u><b>576,177</b></u>	<u><b>416,928</b></u>

	<i>Notes</i>	<b>Year ended 31 December</b>	
		<b>2021</b>	<b>2020</b>
		<b><i>RMB'000</i></b>	<b><i>RMB'000</i></b>
Profit for the year attributable to owners of the Company			
– from continuing operations		<b>565,224</b>	428,547
– from discontinued operations		–	10,778
		<b>565,224</b>	<b>439,325</b>
Profit (loss) for the year attributable to non-controlling interests			
– from continuing operations		<b>5,441</b>	(21,027)
– from discontinued operations		–	(6,044)
		<b>5,441</b>	<b>(27,071)</b>
		<b>570,665</b>	<b>412,254</b>
Total comprehensive income (expense) for the year attributable to:			
Owners of the Company		<b>570,736</b>	443,999
Non-controlling interests		<b>5,441</b>	(27,071)
		<b>576,177</b>	<b>416,928</b>
<b>EARNING PER SHARE</b>			
From continuing and discontinued operations			
– Basic (RMB)	<i>11</i>	<b>0.29</b>	0.26
– Diluted (RMB)	<i>11</i>	<b>0.29</b>	0.26
From continuing operations			
– Basic (RMB)	<i>11</i>	<b>0.29</b>	0.26
– Diluted (RMB)	<i>11</i>	<b>0.29</b>	0.25

## CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

As at 31 December 2021

		As at 31 December	
		2021	2020
	Notes	RMB'000	RMB'000
<b>Non-Current Assets</b>			
Property, plant and equipment		102,082	97,922
Right-of-use assets		16,516	17,803
Investment properties		46,956	53,361
Goodwill		769,241	769,241
Interests in associates		70,382	67,042
Interests in joint ventures		173,644	93,742
Equity instruments at FVTOCI		100,742	93,393
Other long-term receivables		238,000	210,000
Deferred tax assets		18,431	16,975
Deposit for acquisition of properties		7,080	7,080
		<u>1,543,074</u>	<u>1,426,559</u>
<b>Current Assets</b>			
Trade and other receivables	12	748,847	388,303
Contract assets		482,412	316,795
Financial assets at fair value through profit or loss (“FVTPL”)		75,031	–
Amounts due from related parties		240,049	202,720
Property classified as held for sale		4,600	–
Pledged bank deposits		12,502	15,832
Bank balances and cash		2,137,648	2,397,335
		<u>3,701,089</u>	<u>3,320,985</u>
<b>Current Liabilities</b>			
Trade and other payables	13	943,066	818,670
Amounts due to related parties		245,962	199,496
Income tax payable		179,070	145,798
Other taxes payable		85,504	50,841
Contract liabilities		384,863	396,182
Lease liabilities		5,422	8,504
		<u>1,843,887</u>	<u>1,619,491</u>
<b>Net Current Assets</b>		<u>1,857,202</u>	<u>1,701,494</u>
<b>Total Assets Less Current Liabilities</b>		<u><u>3,400,276</u></u>	<u><u>3,128,053</u></u>

	<b>As at 31 December</b>	
	<b>2021</b>	<b>2020</b>
<i>Notes</i>	<b><i>RMB'000</i></b>	<b><i>RMB'000</i></b>
<b>Capital and Reserves</b>		
Share capital	<b>16,324</b>	16,324
Reserves	<b>3,324,936</b>	3,058,875
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Equity attributable to owners of the Company	<b>3,341,260</b>	3,075,199
Non-controlling interests	<b>30,451</b>	27,010
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<b>Total Equity</b>	<b>3,371,711</b>	3,102,209
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<b>Non-Current Liabilities</b>		
Deferred tax liabilities	<b>18,795</b>	16,958
Lease liabilities	<b>9,770</b>	8,886
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	<b>28,565</b>	25,844
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	<b>3,400,276</b>	3,128,053
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## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

### 1. GENERAL

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

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

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

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

#### *Amendments to IFRSs that are mandatorily effective for the current year*

In the current year, the Group has applied the following amendments to IFRSs issued by the International Accounting Standards Board (“**IASB**”) for the first time, which are mandatorily effective for the annual period beginning on or after 1 January 2021 for the preparation of the consolidated financial statements:

Amendments to IFRS 16	Covid-19-Related Rent Concessions
Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16	Interest Rate Benchmark Reform – Phase 2

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

### *New and amendments to IFRSs in issue but not yet effective*

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

IFRS 17	Insurance Contracts and the related Amendments <sup>3</sup>
Amendments to IFRS 3	Reference to the Conceptual Framework <sup>2</sup>
Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture <sup>4</sup>
Amendments to IFRS 16	Covid-19-Related Rent Concessions beyond 30 June 2021 <sup>1</sup>
Amendments to IAS 1	Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 (2020) <sup>3</sup>
Amendments to IAS 1 and IFRS Practice Statement 2	Disclosure of Accounting Policies <sup>3</sup>
Amendments to IAS 8	Definition of Accounting Estimates <sup>3</sup>
Amendments to IAS12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction <sup>3</sup>
Amendments to IAS 16	Property, Plant and Equipment – Proceeds before Intended Use <sup>2</sup>
Amendments to IAS 37	Onerous Contracts – Cost of Fulfilling a Contract <sup>2</sup>
Amendments to IFRSs	Annual Improvements to IFRS Standards 2018-2020 <sup>2</sup>

<sup>1</sup> Effective for annual periods beginning on or after 1 April 2021.

<sup>2</sup> Effective for annual periods beginning on or after 1 January 2022.

<sup>3</sup> Effective for annual periods beginning on or after 1 January 2023.

<sup>4</sup> Effective for annual periods beginning on or after a date to be determined.

Except for the new and amendments to IFRSs mentioned below, the directors of the Company anticipate that the application of all other new and amendments to IFRSs will have no material impact on the consolidated financial statements in the foreseeable future.

#### ***Amendments to IAS 12 Deferred Tax related to Assets and Liabilities arising from a Single Transaction***

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

As disclosed in Note 3 to the consolidated financial statements, the Group applies IAS 12 requirements to the relevant assets and liabilities separately. Temporary differences on initial recognition of the relevant assets and liabilities are not recognised due to application of the initial recognition exemption.

Upon the application of the amendments, the Group will recognise a deferred tax asset (to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised) and a deferred tax liability for all deductible and taxable temporary differences associated with the right-of-use assets and the lease liabilities.

The amendments are effective for annual reporting periods beginning on or after 1 January 2023, with early application permitted. As at 31 December 2021, the carrying amounts of right-of-use assets and lease liabilities which are subject to the amendments amounted to RMB10,037,000 and RMB9,307,000 respectively. The cumulative effect of initially applying the amendments will be recognised as an adjustment to the opening balance of retained earnings (or other component of equity, as appropriate) at the beginning of the earliest comparative period presented.

### 3. REVENUE AND SEGMENT INFORMATION

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

	Year ended 31 December	
	2021	2020
	<i>RMB'000</i>	<i>RMB'000</i>
Revenue recognised overtime:		
Commercial project management	1,477,635	1,312,454
Governmental project management	571,759	309,845
Others	193,764	190,676
	<u>2,243,158</u>	<u>1,812,975</u>

(ii) Segment information

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

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

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

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

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

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

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

The CODM assesses the performance of the operating segments based on the post-tax profit of the group entities engaged in the respective segment activities, which includes share of results of associates and joint ventures, but exclude certain other income, administrative expenses, finance costs, exchange loss, listing fee and licensing fee.

An operating segment regarding the landscape design operation was discontinued in 2019 and disposed subsequently in 2020.

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

### For the year ended 31 December 2021

#### Continuing operations

	Commercial project management <i>RMB'000</i>	Governmental project management <i>RMB'000</i>	Others <i>RMB'000</i>	Segment total <i>RMB'000</i>	Eliminations <i>RMB'000</i>	Total <i>RMB'000</i>
Segment revenue						
External revenue	1,477,635	571,759	193,764	2,243,158	–	2,243,158
Inter-segment revenue	54,851	351,191	3,696	409,738	(409,738)	–
Total	<u>1,532,486</u>	<u>922,950</u>	<u>197,460</u>	<u>2,652,896</u>	<u>(409,738)</u>	<u>2,243,158</u>
Segment results	<u>475,161</u>	<u>66,059</u>	<u>89,839</u>	<u>631,059</u>	<u>438</u>	<u>631,497</u>
Unallocated other income						249
Unallocated loss from changes in fair value of financial assets mandatorily measured at FVTPL						(550)
Unallocated administrative expenses						(21,897)
Unallocated finance costs						(140)
Unallocated exchange losses						(6,483)
Unallocated license fee						<u>(32,011)</u>
Profit for the year						<u>570,665</u>

## For the year ended 31 December 2020

### Continuing operations

	Commercial project management <i>RMB'000</i>	Governmental project management <i>RMB'000</i>	Others <i>RMB'000</i>	Segment total <i>RMB'000</i>	Eliminations <i>RMB'000</i>	Total <i>RMB'000</i>
Segment revenue						
External revenue	1,312,454	309,845	190,676	1,812,975	–	1,812,975
Inter-segment revenue	37,661	168,739	2,150	208,550	(208,550)	–
Total	<u>1,350,115</u>	<u>478,584</u>	<u>192,826</u>	<u>2,021,525</u>	<u>(208,550)</u>	<u>1,812,975</u>
Segment results	<u>382,290</u>	<u>42,296</u>	<u>89,876</u>	<u>514,462</u>	<u>438</u>	<u>514,900</u>
Unallocated other income						135
Unallocated administrative expenses						(20,430)
Unallocated listing fee						(33,960)
Unallocated finance costs						(92)
Unallocated exchange loss						(38,649)
Unallocated license fee						(14,384)
Profit for the year						<u>407,520</u>

### Other segment information

## For the year ended 31 December 2021

### Continuing operations

	Commercial project management <i>RMB'000</i>	Governmental project management <i>RMB'000</i>	Others <i>RMB'000</i>	Segment total <i>RMB'000</i>	Unallocated <i>RMB'000</i>	Total <i>RMB'000</i>
Amounts included in the measure of segment profit or loss:						
Impairment losses under expected credit loss model, net of reversal	(10,413)	450	(1,120)	(11,083)	–	(11,083)
Loss from changes in fair value of investment properties	–	–	(1,685)	(1,685)	–	(1,685)
Share of results of associates	3,230	(686)	(3,204)	(660)	–	(660)
Share of results of joint ventures	11,568	–	41,034	52,602	–	52,602
Depreciation of property, plant and equipment	(7,247)	(5,544)	(1,054)	(13,845)	(477)	(14,322)
Depreciation of right-of-use assets	<u>(7,534)</u>	<u>(658)</u>	<u>(1,490)</u>	<u>(9,682)</u>	<u>(979)</u>	<u>(10,661)</u>

## For the year ended 31 December 2020

### Continuing operations

	Commercial project management <i>RMB'000</i>	Governmental project management <i>RMB'000</i>	Others <i>RMB'000</i>	Segment total <i>RMB'000</i>	Unallocated <i>RMB'000</i>	Total <i>RMB'000</i>
Amounts included in the measure of segment profit or loss:						
Impairment losses under expected credit loss model, net of reversal	(5,970)	1,323	3,269	(1,378)	–	(1,378)
Loss from changes in fair value of investment properties	–	–	(2,952)	(2,952)	–	(2,952)
Share of results of associates	5,195	–	(1,792)	3,403	–	3,403
Share of results of joint ventures	891	5,516	46,360	52,767	–	52,767
Depreciation of property, plant and equipment	(7,747)	(5,954)	(345)	(14,046)	(222)	(14,268)
Depreciation of right-of-use assets	(7,655)	(144)	(798)	(8,597)	(698)	(9,295)

#### 4. OTHER INCOME

	Year ended 31 December	
	2021	2020
	<i>RMB'000</i>	<i>RMB'000</i>
<b>Continuing operations</b>		
Interest income from:		
– bank balances	43,599	38,245
– loans to related parties	1,370	5,441
– loans to third parties	55,017	3,949
	<b>99,986</b>	47,635
Government grants ( <i>Note</i> )	10,346	–
Dividends from an equity instrument at FVTOCI	5,000	–
Gross rental income from investment properties	592	490
Others	398	489
	<b>116,322</b>	48,614

*Note:* The amounts were mainly accounted for (i) tax refunds and benefits, and (ii) enterprise development supports received from PRC government authorities, which have no condition imposed.

## 5. OTHER GAINS AND LOSSES

	Year ended 31 December	
	2021	2020
	<i>RMB'000</i>	<i>RMB'000</i>
<b>Continuing operations</b>		
Gain arising on financial assets at FVTPL	6,297	3,362
Gain (loss) on disposal/retirement of property, plant and equipment	1,196	(618)
Gain on early termination of leases	668	386
Gain on disposal of investment properties	348	—
Government grants	—	8,552
Exchange losses	(6,483)	(38,649)
Others	196	(44)
	<u>2,222</u>	<u>(27,011)</u>

## 6. FINANCE COSTS

	Year ended 31 December	
	2021	2020
	<i>RMB'000</i>	<i>RMB'000</i>
<b>Continuing operations</b>		
Interest on lease liabilities	(1,035)	(1,065)
Arrangement fee for entrusted loan	(140)	(69)
Interest expenses on loans from related parties	(2,735)	(331)
Interest expenses on loans from third parties	(1,937)	—
	<u>(5,847)</u>	<u>(1,465)</u>

## 7. PROFIT BEFORE TAX

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

	Year ended 31 December	
	2021	2020
	RMB'000	RMB'000
Directors' remuneration	21,864	19,814
Salaries and other benefits	711,402	584,930
Retirement benefits scheme contributions ( <i>Note</i> )	32,761	4,739
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Staff costs (including Directors' emoluments)	766,027	609,483
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Depreciation of property, plant and equipment	14,322	14,268
Depreciation of right-of-use assets	10,661	9,295
Auditors' remuneration	4,013	3,491
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*Note:* The government assistance have been implemented for the relief of the social insurance in respect of Novel Coronavirus (“COVID-19”). According to the notice issued by the Ministry of Social Affairs (2020) No.11, in order to minimise the impact of the COVID-19 on social and economic development, the government has reduced the social security fees for medium-sized enterprises from February to June 2020. The concession period has been extended to December 2020 according to the notice issued by the Ministry of Social Affairs (2020) No.49 afterwards. Such government assistance is no longer implemented in 2021.

## 8. INCOME TAX EXPENSE

	Year ended 31 December	
	2021	2020
	RMB'000	RMB'000
Continuing operations		
Current tax:		
– PRC Enterprise Income Tax (“EIT”)	152,721	119,723
Over provision in prior years:		
– EIT	(233)	(1,694)
Deferred tax:		
– Current year	(911)	(615)
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	151,577	117,414
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The Company is registered as an exempted company and as such is not subject to Cayman Islands taxation.

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

PRC EIT is recognised based on management’s best estimate of the annual income tax rate expected for the full financial year. Under the Law of the PRC on Enterprise Income Tax (the “EIT Law”) and Implementation Regulation of the EIT Law, the EIT rate of the PRC subsidiaries is 25%, with the exception of Greentown Construction Management Co., Ltd. 綠城建設管理集團有限公司 (“Greentown Construction Management”).

Greentown Construction Management was accredited as a “High and New Technology Enterprise” on 4 December 2019 and it may entitle to a preferential tax rate of 15% for a three-year period commencing from the year of 2019, subject to certain conditions. Accordingly, the applicable EIT rate of Greentown Construction Management for the year ended 31 December 2021 is 15% (2020: 15%).

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

	<b>Year ended 31 December</b>	
	<b>2021</b>	2020
	<b>RMB’000</b>	RMB’000
Profit before tax	<b>722,242</b>	524,934
Income tax expense calculated at 25% (2020: 25%)	<b>180,561</b>	131,234
Tax effect of share of results of associates	<b>165</b>	(851)
Tax effect of share of results of joint ventures	<b>(13,150)</b>	(13,192)
Effect of income that are non-taxable	<b>(1,380)</b>	–
Effect of expenses that are not-deductible	<b>14,950</b>	17,614
Effect of unused tax losses not recognised as deferred tax assets	<b>230</b>	2,007
Effect of deductible temporary differences not recognised as deferred tax assets	<b>161</b>	200
Utilisation of unused tax losses previously not recognised	<b>(1,702)</b>	(169)
Utilisation of deductible temporary differences previously not recognised	<b>(99)</b>	(859)
Effect of preferential EIT rate applied to deferred tax and current tax	<b>(27,926)</b>	(16,876)
Over provision in prior years	<b>(233)</b>	(1,694)
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Income tax expenses recognised in profit or loss	<b>151,577</b>	117,414
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## 9. DISCONTINUED OPERATIONS

On 30 September 2019, the Directors of the Company resolved to dispose of all of the Group’s landscape design operations. Negotiations with interested party have been subsequently taken place. The assets and liabilities attributable to the business, which are expected to be sold within 12 months, have been classified as a disposal group held for sale and are presented separately in the consolidated statement of financial position (see below). The disposal had been completed in September 2020.

The profit (loss) for the year from the discontinued landscape design operation is set out below:

	For the nine months ended 30 September 2020 <i>RMB'000</i>
Loss for the year/period	(20,876)
Gain on disposal of landscape design operation	25,610
	<hr/>
	4,734
	<hr/> <hr/>

The results of the discontinued landscape design operation are set out below:

	For the nine months ended 30 September 2020 <i>RMB'000</i>
Revenue	103,065
Cost of sales	(107,542)
	<hr/>
Gross loss	(4,477)
Other income	16
Other gains and losses	39
Administration expenses	(1,750)
Finance costs	(2,961)
Impairment losses under expected credit loss model, net of reversal	(11,743)
	<hr/>
Loss before tax	(20,876)
Income tax expense	—
	<hr/>
Loss for the year/period	(20,876)
	<hr/> <hr/>

For the nine  
months ended  
30 September  
2020  
RMB'000

**Loss for the year/period from discontinued  
operations includes the following:**

Cost of inventories recognised as an expense	12,101
Interest on lease liabilities	11
	<u>12,112</u>

During the nine months ended 30 September 2020, the landscape design operation paid RMB10,893,000 in respect of operating activities, paid RMB141,000 in respect of investing activities and paid RMB69,000 in respect of financing activities.

**10. DIVIDENDS**

During the year, a final dividend for the year ended 31 December 2020 of RMB0.17 per share (2020: RMB nil per share for the year ended 31 December 2019) amounting to RMB332,855,000 (2020: RMB nil) in aggregate was declared to the shareholders of the Company, including a dividend of RMB6,052,000 (2020: RMB nil) distributed to the treasury shares held by the Group for share award schemes. The final dividend was wholly paid on 26 July 2021.

Subsequent to the end of the year, a final dividend in respect of the year ended 31 December 2021 of RMB0.20 per share (2020: RMB0.17 per share), in an aggregate amount of approximately RMB391,595,000 (2020: RMB332,855,000) to the shareholders of the Company, including a dividend of RMB4,179,000 (2020: RMB6,052,000) to the treasury shares held by the Group for share award schemes, has been proposed by the directors of the Company and is subject to approval by the shareholders in the forthcoming general meeting.

## 11. EARNINGS PER SHARE

### From continuing operations

The calculation of the basic and diluted earnings per share (2020: basic earnings per share) attributable to the owners of the Company is based on the following data:

Earnings figures are calculated as follows:

	Year ended 31 December	
	2021	2020
	RMB'000	RMB'000
<b>Earnings</b>		
Profit for the year attributable to owners of the Company	565,224	439,325
Less:		
Profit for the year from discontinued operations attributable to owners of the Company	—	10,778
	<u>                    </u>	<u>                    </u>
Earnings for the purpose of basic and diluted earnings per share from continuing operations	<u>565,224</u>	<u>428,547</u>
	'000	'000
 <b>Number of shares</b>		
Weighted average number of ordinary shares for the purpose of basic earnings per share	1,922,472	1,679,767
Effect of dilutive potential ordinary shares:		
Over-allotment options	—	1,121
Share awards	28,813	512
	<u>                    </u>	<u>                    </u>
Weighted average number of ordinary shares for the purpose of diluted earnings per share	<u>1,951,285</u>	<u>1,681,400</u>

## From continuing and discontinued operations

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

	Year ended 31 December	
	2021	2020
	RMB'000	RMB'000
<b>Earnings</b>		
Earnings for the purpose of basic and diluted earnings per share	<u>565,224</u>	<u>439,325</u>

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

## From discontinued operations

Basic earnings per share for the discontinued operations is RMB0.64 cents per share and diluted earnings per share for the discontinued operations is RMB0.64 cent per share for the year ended 31 December 2020 based on the profit for the year from the discontinued operations of approximately RMB10.78 million and the denominators detailed above for both basic and diluted loss per share.

## 12. TRADE AND OTHER RECEIVABLES

	As at 31 December	
	2021	2020
	RMB'000	RMB'000
Trade receivables	145,384	159,035
Less: allowance for credit losses	<u>(19,848)</u>	<u>(17,437)</u>
Trade receivables, net of allowance for credit losses	<u>125,536</u>	<u>141,598</u>
Other receivables	604,492	156,736
Less: allowance for credit losses	<u>(2,201)</u>	<u>(2,562)</u>
Other receivables, net of allowance for credit losses	602,291	154,174
Prepayments	21,020	43,829
Input value-added tax	—	48,702
	<u>748,847</u>	<u>388,303</u>

Included in the trade receivables were bills receivables amounted to RMB66,051,000 (2020: RMB29,806,000). All bills received by the Group are with a maturity period of less than one year.

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

	<b>As at 31 December</b>	
	<b>2021</b>	2020
	<b><i>RMB'000</i></b>	<i>RMB'000</i>
Within 180 days	<b>100,916</b>	126,968
180-365 days	<b>12,958</b>	14,583
Over 365 days	<b>11,662</b>	47
	<u><b>125,536</b></u>	<u>141,598</u>

### 13. TRADE AND OTHER PAYABLES

	<b>As at 31 December</b>	
	<b>2021</b>	2020
	<b><i>RMB'000</i></b>	<i>RMB'000</i>
Trade payables	<b>7,767</b>	25,220
Other payables	<b>726,278</b>	626,873
Payroll payable	<b>175,468</b>	117,505
Dividend payable	<b>239</b>	3,966
Provision for share of losses of joint ventures exceeded interests invested	<b>33,314</b>	45,106
	<u><b>943,066</b></u>	<u>818,670</u>

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

	<b>As at 31 December</b>	
	<b>2021</b>	2020
	<b><i>RMB'000</i></b>	<i>RMB'000</i>
Within 1 year	<b>5,997</b>	5,311
1-2 years	–	18,385
2-3 years	<b>316</b>	970
More than 3 years	<b>1,454</b>	554
	<u><b>7,767</b></u>	<u>25,220</u>

## **MANAGEMENT DISCUSSION AND ANALYSIS**

The Board is pleased to announce the audited annual results of the Group for 2021 together with comparative figures. The annual results have been reviewed by the Audit Committee.

### **Final Dividend**

The Board recommended the payment of a final dividend for 2021 of RMB0.20 (equivalent to HKD0.25 based on the prevailing exchange rate of HKD1.00 to RMB0.81 published by the People's Bank of China on 22 March 2022) per share to shareholders, subject to shareholders' approval at the annual general meeting to be convened on Thursday, 26 May 2022. The dividend payable to shareholders will be declared in RMB and paid in HKD based on the average exchange rate published by the People's Bank of China for the 5 business days prior to the date of the annual general meeting.

The proposed final dividend is expected to be paid to shareholders on or before 22 June 2022.

## **BUSINESS REVIEW**

### **Business Overview**

In 2021, China's real estate industry was affected by both macro-control and financial policies. There was a huge contrast of the market conditions between the first and second half of the year with differentiated market structure and obvious downward trend. On the one hand, traditional real estate companies were actively deleveraging to ensure delivery and survival and the market shares are concentrating toward high-quality enterprises. On the other hand, the government continued to increase investment in affordable housing and rental properties, and state-owned enterprises and central enterprises have become the main land acquirers.

Based on its asset-light model and professional development capabilities, the Company has fully demonstrated its counter-cyclical characteristics and maintained stable operations amid industry fluctuations. Besides, in correspondence with the policy direction, the business boundary was further expanded, the scale of new business grew steadily, revenue and profit continued to increase, and the performance in respect of operating indicators for the year exceeded the expectation.

During the Reporting Period, revenue from continuing operations reached RMB2,243.2 million, representing an increase of 23.7% from RMB1,813.0 million for the corresponding period of last year. The gross profit was RMB1,040.7 million, representing an increase of 20.2% from RMB865.8 million for the corresponding period of last year. Net profit attributable to shareholders of the Company from continuing operations was RMB565.2 million, representing an increase of 31.9% compared with RMB428.5 million for the corresponding period of last year. During the Reporting Period, the net cash flow from operating activities of the Company reached RMB565.7 million, and the Company had no liabilities and was with sufficient cash flow.

## **Trend Analysis**

Under the general policy of “houses are built to be lived in, not for speculation”, China’s real estate industry will gradually de-financialize in a relatively long period, which will further accelerate the trend of separation of investment and development. Against the backdrop, the enterprises that offer project management service and operate in the light asset model will enjoy new development opportunities, and will stand out with their professional development capabilities and capital market value.

The Company actively responds to market changes and made strategic arrangements in advance. While maintaining the traditional small and medium-sized developer business, the Company vigorously explores new business opportunities with the government, state-owned enterprises and financial institutions:

**Affordable housing:** guided by the policy of “common prosperity”, the project management business for projects such as government resettlement housing, talent housing, rental housing, urban services, and public supporting facilities has rapidly improved;

**State-owned enterprise services:** under the strict financial supervision policy, the proportion of land acquired by local state-owned enterprises and urban investment companies has increased. Such enterprises often choose cooperative development or project management services after acquiring land;

**AMC services:** In the process of real estate industrialization, the number of non-performing assets involving real estate and land have grown rapidly. Financial institutions and asset management companies need professional teams to provide development and consulting services for pre-investment risk control and post-investment management.

## **Management Measures**

Based on the frontline perception and trend judgment of China’s real estate market, while paying close attention to business expansion, the Company accelerated model innovation and capability upgrade in 2021. Externally, it developed a diversified customer structure, innovated the business model of project management, and on demand customized service; internally, it optimized the organizational structure, strengthened standardization and informatization construction to build an efficient service team.

### ***1 Maintain its industry leadership with nationwide business presence***

In 2021, the Company maintained its No. 1 position in the field of real estate asset-light development. It has maintained a market share of 20% or more in the project management market for five consecutive years, and was awarded the “2021 Leading Brand for Real Estate Project Management in China” by the China Index Academy.

As of 31 December 2021, the business of the Company has covered 101 major cities in 28 provinces, municipalities and autonomous regions in China, and the number of projects under management increased from 296 in the corresponding period last year to 345. The total GFA of the contracted projects was 84.7 million square meters, representing an increase of 11.3% over the corresponding period last year; the area under construction was 44.0 million square meters, an increase of 8.7% over the corresponding period last year.

With nationwide presence, major economic regions (including: Bohai Rim Economic Zone, Beijing-Tianjin-Hebei urban agglomeration, Pearl River Delta Economic Zone, and Chengdu-Chongqing urban agglomeration) maintained a relatively large project proportion: the estimated total saleable value of these contracted projects reached RMB384.5 billion, accounting for 74.7% of the total saleable value, among which projects in the Yangtze River Delta Economic Zone of RMB141.4 billion accounted for 27.5%, projects in the Bohai Rim Economic Zone and Beijing-Tianjin-Hebei urban agglomeration of RMB126.1 billion accounted for 24.5%, projects in the Pearl River Delta Economic Zone of RMB104.7 billion accounted for 20.3%, and projects in Chengdu-Chongqing urban agglomeration of RMB12.3 billion accounted for 2.4%.

## **2 *Diversified customer structure to help growth against the downward trend***

The Company has a diverse and expanding high-quality customers base. In the downward cycle of the real estate industry, we focuses on expanding the management of affordable and rental housing projects that are in line with the policy call, and provides services to state-owned enterprises and central enterprises with land resources, as well as financial institutions with strong capital.

In 2021, the Company's business scale expansion maintained its growth against the downward trend. The total contracted GFA of new project management projects was 22.8 million square meters, representing an increase of approximately 21.9% over the corresponding period last year; the estimated project management fee of new project was RMB7.11 billion, an increase of approximately 22.3% over the corresponding period last year.

As of 31 December 2021, according to the area under construction during the same period, the area of projects entrusted by the governments were 14.2 million square meters, accounting for 32.3%; the area of projects entrusted by state-owned enterprise were 18.1 million square meters, accounting for 41.0%; the area of the projects entrusted by private enterprises were 10.8 million square meters, accounting for 24.5%; and the projects entrusted by financial institutions were 1.0 million square meters, accounting for 2.2%.

### **3 *Strengthen regional capabilities and strive to improve quality and efficiency***

To speed up the processing of new operations and enhance customer experience, the Company set up new regional companies in Central China, Zhejiang and Fujian in 2021 to improve the layout of the five regions and strengthen our service capabilities for the project owners.

At the same time, the Company also adjusted the management functions of the Group's headquarters to highlight strategic research and business guidance. It granted authorization for specific operations to major regional companies, optimized organizational assessment and incentive policies to favor our front-line project teams to build an agile organization and improve quality and efficiency.

In 2021, the Company launched the “Digital Honeycomb (數字蜂巢)” plan on the basis of continuous standardization to empower the project management business through digitization and informatization. The initial plan was to build a digital development service platform with light asset characteristics through a three-year robust investment to help organizations at all levels operate efficiently, empower multi-party business decisions, and adapt to the Company's future capacity growth and scale expansion needs.

### **4 *Work with business partners to build an empowerment platform***

Against the backdrop of the changes in the real estate industry and surging demand for project management, the Company actively innovated its business model and service content, and implemented a new development pattern with strong alliances and complementary advantages through cooperation with various external institutions with professional capabilities or excellent resources.

In 2021, the Company entered into government urban investment projects and project management business of industrial parks by developing cooperation platforms with institutes and companies such as Hangzhou Bay Management Committee and Qiantang New Area Management Committee. Through establishing cooperation platforms with Shenzhen Qianhai Runhe and other parties, it successfully obtained urban renewal projects in Shenzhen, Zhuhai and other Greater Bay Areas. It also tapped into financial matching services, and developed project management of non-performing asset and bailout projects by building cooperation platforms with Capital Development Investment Fund, Shenzhen Minsheng Investment and other parties.

Meanwhile, the Company started the equity acquisition of Zhejiang Shangli Construction Management Company Limited, aiming to attract outstanding teams and facilitate the building of core capability of the Group. In the future, the Company will cultivate the opportunities for potential acquisition of project management companies and the companies in the upstream and downstream industry chain depending on the quality of target companies.

## Business Development

Looking forward, the Company will continue to maintain its leadership in the project management industry and further improve the “3+3” business model, namely, adding three supporting services on top of the three main project management operations. The three main operations of project management include: government project management, commercial project management and capital owner project management; and the three supporting services include: financial services, industrial and urban services and industrial chain services.

**Government project management:** the Company’s government project management business is going out of Zhejiang into the whole country. In 2021, among the total GFA of newly contracted government project management projects, the proportion of customers outside Zhejiang province reached 50.3%. In the future, the scope of this business will expand from the construction of traditional affordable housing to multiple services such as future communities, industrial parks, urban and industrial integration, and municipal facilities, so as to further leverage the development potential in the public sector.

**Commercial project management:** the Company has gradually improved the selection criteria for traditional commercial project management projects with preference of projects with land dividends and satisfactory financial guarantees. While continuing to serve high-quality small and medium-sized private enterprises, the Company will focus on expanding multi-faceted cooperation with various state-owned enterprises, and will carry out model innovation and process redevelopment according to the characteristics of state-owned enterprises.

**Capital owner project management:** in the process of disposing of non-performing assets involving housing and land, the bailout projects often require asset reorganization, brand renewal, team optimization, supply chain reorganization, etc. The Company has strong brand effect, professional development team and supply chain resources, which can assist investors, home buyers, suppliers, governments and other parties to achieve a win-win situation. In the future, the Company will actively expand various types of project management business for investors and assist in undertaking services such as front-end risk control, improve the monetary realization of mid-end development value, and integration of back-end operation capability.

**Financial services:** the Company will find matching financial institutions and capital sources for the project owners with capital needs, and provide financial matching services to ensure the stable operation of project under management.

**Urban and industrial integration service:** urban and industrial integration is an inevitable trend in the development of modern cities. The Company plans to integrate various industrial resources, participate in urban renewal and industrial operations, and continue to expand the boundaries of project management services.

**Industry chain services:** the Company will continue to integrate the upstream and downstream asset-light enterprises in the industry chain through self-incubation and external mergers and acquisitions to build a project management ecosystem, realize mutual diversion and empowerment, and create a full value chain project management platform.

## FINANCIAL ANALYSIS

The Group has achieved:

### Revenue

Revenue of RMB2,243.2 million, representing an increase of 23.7% compared with RMB1,813.0 million in 2020. Revenue is derived from three types of businesses: (i) commercial project management; (ii) government project management; and (iii) other services, which are listed by business segment as follows:

	As at 31 December				% Change Increase/ (Decrease)
	2021 RMB'000 (Audited)	% of total revenue	2020 RMB'000 (Audited)	% of total revenue	
<b>From commercial</b>					
<b>project management</b>	<b>1,477,635</b>	<b>65.9</b>	1,312,454	72.4	12.6
(1) Self-operated	710,651	31.7	691,699	38.2	2.7
(2) Cooperation with business partners	766,984	34.2	620,755	34.2	23.6
<b>From government project</b>					
<b>management</b>	<b>571,759</b>	<b>25.5</b>	309,845	17.1	84.5
(1) Self-operated	554,932	24.7	303,463	16.7	82.9
(2) Cooperation with business partners	16,827	0.8	6,382	0.4	163.7
<b>Other services</b>	<b>193,764</b>	<b>8.6</b>	190,676	10.5	1.6
<b>Total</b>	<b><u>2,243,158</u></b>	<b><u>100.0</u></b>	<b><u>1,812,975</u></b>	<b><u>100.0</u></b>	<b>23.7</b>

During the Reporting Period:

- (i) commercial project management is still the largest source of revenue and profit for the Group, with revenue of RMB1,477.6 million during the year, accounting for 65.9% of the total revenue, up by 12.6% compared with RMB1,312.5 million in 2020. The main reason for the increase was the increase in the number of new projects and the successive commencement of construction, resulting in a significant increase in revenue.
- (ii) revenue from government project management reached RMB571.8 million, accounting for 25.5% of the total revenue, up by 84.5% compared with RMB309.8 million in 2020. The main reasons were that: (1) driven by the CPC Central Committee's "common prosperity" policy, the demand for government project management was rapidly released, and the Company accelerated business expansion and strengthened its nationwide presence. The increase in expansion projects and the successive commencement of construction have resulted in an increase in the project management area under the Company's management this year and a corresponding increase in revenue; and (2) the Company responded to market demand, innovated its business model, expanded its business scope, and diversified its business operations to drive revenue growth; and
- (iii) revenue from other services was RMB193.8 million, accounting for 8.6% of the total revenue, mainly due to the revenue of RMB157.8 million derived from a project during the Reporting Period which was tendered by Greentown Real Estate Group Co., Ltd. ("**Greentown Real Estate Group**") and managed by Greentown Project Management Group Co., Ltd. ("**Greentown Project Management Group**") as the Company did not obtain the grade 1 qualification for real estate development prior to listing.

### **Costs of Services**

During the Reporting Period, costs of services was RMB1,202.5 million, representing an increase of 27% from RMB947.1 million in 2020. The main reasons for the increase were: (1) the increase in the scale of revenue from commercial project management and the increase in project service costs; and (2) the increase in the area of government project management under the Company's management and cross-provincial operations leading to an increase in management costs.

### **Gross Profit**

During the Reporting Period, the gross profit was RMB1,040.7 million, representing an increase of 20.2% from RMB865.8 million in 2020. The gross profit margin was 46.4%, representing a decrease of 1.4 percentage points compared with 47.8% for 2020.

- The gross profit margins of the three business segments are: 44.9% for commercial project management, 40.9% for government project management and 74.2% for other services, compared to 44.1%, 45.4% and 76.8%, respectively, for 2020.

- The gross profit margin of commercial project management was 44.9%, up by 0.8 percentage points from 44.1% in 2020, mainly due to the strengthening of cost control and optimization of management model by the Company, thereby improving the overall gross profit margin of commercial project management.
- The gross profit margin of government project management was 40.9%, down by 4.5 percentage points from 45.4% in 2020, mainly due to an increase in the management cost per unit area and a decrease in the gross profit rate during the period due to the cross-provincial operation of the government project management.
- The gross profit margin of other services was 74.2%. The higher gross profit margin was mainly due to the revenue of RMB157.8 million derived from a project during the Period which was tendered by Greentown Real Estate Group and managed by Greentown Project Management Group as the Company did not obtain the grade 1 qualification for real estate development prior to listing on the Stock Exchange; the service cost of the project was recorded at Greentown Real Estate Group, and the Company recognized the revenue based on the net gain of the project settled with Greentown Real Estate Group.

### **Other Income**

During the Reporting Period, other income of the Group was RMB116.3 million, an increase of 139.3% from RMB48.6 million in 2020. The increase in other income was mainly due to (1) an increase in revenue from providing financial services for project management projects during the period by RMB51.1 million compared with the corresponding period of last year; and (2) relatively abundant funds of the Company after listing on the Stock Exchange and an increase of RMB5.4 million in interest income from bank deposits compared with last year due to the increase in capital balance; and (3) a dividend of RMB5.0 million received by the Company from financial assets at fair value through other comprehensive income for the period.

### **Other Gains/Losses**

During the Reporting Period, the other gains of the Group was RMB2.2 million. The other gains of the Group increased by RMB29.2 million from a loss of RMB27.0 million in 2020 during the period, mainly due to a decrease of RMB32.2 million in exchange losses of the Company's funds deposited overseas as a result of a decrease in the balance of assets in Hong Kong dollar for the period.

### **Selling and Marketing Expenses**

Selling and marketing expenses were RMB92.8 million, representing an increase of 92.1% from RMB48.3 million in 2020. The main reasons for the increase were that: (1) under the epidemic situation in 2020, the government reduced or exempted corporate social security and other expenses and the Company's social security expenditures was relatively low; (2) the Company expanded investment and development personnel for the government project management business in order to accelerate business expansion and national

layout; and (3) according to the Company's arrangement on trademark license at the time of listing on the Stock Exchange, the trademark license fee payable to the parent company during the period increased by RMB 17.6 million compared with 2020.

### **Administration Expenses**

Administration expenses were RMB378.0 million, representing an increase of 14.3% from RMB330.6 million in 2020. The increase was mainly due to the combined effect of the cost sharing of the expenses of the Company's equity incentive plan in 2021, and the government's reduction or exemption of corporate social security and other expenses under the epidemic situation in 2020 resulted in the Company's lower social security expenditures.

### **Profit for the Year**

During the Reporting Period, the net profit from the continuing operations of the Group was RMB570.7 million, representing an increase of 40.0% from RMB407.5 million in 2020. The adjusted net profit during the period attributable to the owners of the Company was RMB565.2 million, representing an increase of 31.9% from net profit from continuing operations attributable to shareholders of the Company of RMB428.5 million in 2020.

### **Trade and Other Receivables**

As at 31 December 2021, trade and other receivables reached RMB748.8 million, representing an increase of 92.8% from RMB388.3 million at the end of 2020.

### **Contract Assets**

As at 31 December 2021, the Group's contract assets amounted to RMB482.4 million, representing an increase of 52.3% from RMB316.8 million at the end of 2020. The contract assets reflected the amounts related to certain projects where the Company have fulfilled its obligations but have not yet reached the management fee collection milestone as agreed in the contract. The increase during the year was mainly due to the expansion of the Company's operating scale, the increase in the number of projects, and the increase in revenue lead to a corresponding increase in contract assets.

### **Financial Assets at Fair Value Through Profit or Loss**

As at 31 December 2021, the financial assets at fair value through profit or loss of the Group amounted to RMB75.0 million, which were structured investment products purchased by the Company to increase the income of idle funds.

## **Capital Structure**

As at 31 December 2021, the total equity of the Group reached approximately RMB3,371.7 million, representing an increase of approximately RMB269.5 million from RMB3,102.2 million at the beginning of 2021. Specifically, (a) equity attributable to shareholders was approximately RMB3,341.3 million, representing an increase of approximately RMB266.1 million from RMB3,075.2 million at the beginning of 2021, mainly due to the profit of approximately RMB565.2 million for the year ended 31 December 2021 and the distribution of cash dividends to shareholders amounting to RMB326.8 million during the period.

As at 31 December 2021, the Company had a total of 1,957,976,000 shares in issue, and had a total market capitalization of approximately HKD10,456 million (based on the closing price on 31 December 2021).

## **Liquidity and Capital Resources**

As at 31 December 2021, the Group had bank deposits and cash (not including pledged bank deposits) of RMB2,137.6 million (31 December 2020: RMB2,397.3 million); and the current ratio was 2.01 times (31 December 2020: 2.05 times). Gearing ratio (interest-bearing debt divided by total equity at the end of the same period) was 1.22% (31 December 2020: 0.5%). The cash flow was very abundant, providing strong support for the Company's future development.

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

## **Debt**

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

## **Foreign Exchange Risk**

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

## **Contingent Liabilities**

The Group did not have any significant contingent liabilities as at 31 December 2021.

## **Pledge of Assets**

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

## **Asset Transactions and Significant Investments**

During the Reporting Period, the Group had no asset transactions or significant investments other than its ordinary business activities.

The Group acquired a 60% equity interests in Zhejiang Shangli Construction Management Company Limited on 27 January 2022. The consideration for this acquisition includes: (1) a fixed consideration of RMB400 million; (2) adjusted incremental consideration determined by the future chargeable service fees for the target company's new project management projects during the three-year period after the completion of the acquisition. The maximum amount of the adjusted incremental consideration is RMB200 million.

## **Material Acquisitions and Disposals**

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

## **Treasury Management**

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

## **OTHER INFORMATION**

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

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

### **EMPLOYEES AND REMUNERATION POLICIES**

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

As at 31 December 2021, the Group had 1,462 employees, representing a decrease of 4.5% from 1,531 employees as at 31 December 2020, the overall headcount of the Company remained stable.

## **MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES**

For the year ended 31 December 2021, we had no material acquisition or disposal of subsidiaries, associates and joint ventures.

## **COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE**

The Company is committed to maintaining and promoting stringent corporate governance. The principle of the Company's corporate governance is to promote effective internal control measures, uphold a high standard of ethics, transparency, responsibility and integrity in all aspects of business, to ensure that its affairs are conducted in accordance with applicable laws and regulations and to enhance the transparency and accountability of the Board to all shareholders. During the year ended 31 December 2021, the Company has adopted the Corporate Governance Code (the "**CG Code**") as set out in Appendix 14 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**").

## **COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS**

The Company has adopted the Model Code as set out in Appendix 10 to the Listing Rules as its code of conduct regarding dealings in the securities of the Company during the Reporting Period. Having made specific enquiry of all the Directors of the Company, all the Directors confirmed that they have strictly complied with the required standards set out in the Model Code during the Reporting Period.

The Board has also adopted the Model Code to regulate all dealings by relevant employees who are likely to be in possession of unpublished inside information of the Company in respect of securities in the Company as referred to in code provision C.1.3 of the CG Code. Having made reasonable enquiry, no incident of non-compliance with the Model Code by the Company's relevant employees has been noted during the Reporting Period.

## **USE OF PROCEEDS FROM THE INITIAL PUBLIC OFFERING**

The Company successfully listed on the Main Board of the Stock Exchange on 10 July 2020 (the "**Listing Date**"). After the over-allotment option was fully exercised, a total of 525,316,000 new shares were issued pursuant to the global offering. After deducting underwriting fees, commission and other estimated listing expenses, the net proceeds were approximately HK\$1,145.1 million. These proceeds have been and will be applied in accordance with the prospectus dated 29 June 2020 (the "**Prospectus**") and the announcement of the offer price and allotment results published on 9 July 2020. The following table sets out the intended use and actual use of the net proceeds as of 31 December 2021:

<b>Use of proceeds</b>	<b>Revised allocation of use of the net proceeds (HKD million)</b>	<b>Revised percentage of total net proceeds</b>	<b>Actual use as of 31 December 2021 (HKD million)</b>	<b>Unutilised net proceeds as at 31 December 2021 (HKD million)</b>
Scale up through strategic acquisitions	229.0	20%	19.90	209.1
Development of commercial project management with capital contribution	166.0	14.5%	166.0	—
Repayment of the indebtedness to Greentown China	590.2	51.5%	590.2	—
Development of ecosystem	45.4	4%	23.7	21.7
General working capital	114.5	10%	114.5	—
<b>Total</b>	<b>1,145.1</b>	<b>100%</b>	<b>914.3</b>	<b>230.8</b>

The Company expects to utilise the remaining proceeds of approximately HK\$230.8 million in the coming two years according to the Prospectus.

## **CLOSURE OF REGISTER OF MEMBERS**

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

The register of members of the Company will be closed from Monday, 23 May 2022 to Thursday, 26 May 2022 (both days inclusive), during which period no transfer of shares will be effected. In order to determine the identity of members who are entitled to attend and vote at the AGM, all share transfer documents accompanied by the relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for registration not later than 4:30 p.m. on Friday, 20 May 2022.

### **(b) For determining the entitlement to the 2021 proposed final dividend**

The register of members of the Company will be closed from Wednesday, 8 June 2022 to Friday, 10 June 2022 (both days inclusive), during which no transfer of shares of the Company will be registered. In order to be eligible for the 2021 proposed final dividend, unregistered holders of shares of the Company should ensure that all transfer forms accompanied by the relevant share certificates must be lodged with the branch share registrar, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for registration no later than 4:30 p.m. on Tuesday, 7 June 2022.

## **AUDIT COMMITTEE AND REVIEW OF FINANCIAL STATEMENTS**

We have established the Audit Committee with written terms of reference in compliance with Rule 3.21 of the Listing Rules and the CG Code and Corporate Governance Report as set out in Appendix 14 to the Listing Rules. The Audit Committee consists of three independent non-executive Directors, namely Mr. Chan Yan Kwan Andy, Mr. Lin Zhihong and Dr. Ding Zuyu. Mr. Chan Yan Kwan Andy has been appointed as the chairman of the Audit Committee.

The Audit Committee has reviewed the Group's annual results for the year ended 31 December 2021, and confirms that the applicable accounting principles, standards and requirements have been complied with, and that adequate disclosures have been made. The Audit Committee has also discussed the auditing, internal control and financial reporting matters.

## **SCOPE OF WORK OF MESSRS. DELOITTE TOUCHE TOHMATSU**

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the year ended 31 December 2021 as set out in the preliminary announcement have been agreed by the Group's auditor, Messrs. Deloitte Touche Tohmatsu, to the amounts set out in the audited consolidated financial statements of the Group for the year. The work performed by Messrs. Deloitte Touche Tohmatsu in this respect did not constitute an assurance engagement and consequently no opinion or assurance conclusion has been expressed by Messrs. Deloitte Touche Tohmatsu on the preliminary announcement.

## **SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD**

Save as disclosed in this announcement, no significant events have taken place subsequent to 31 December 2021 and up to the date of this announcement.

## **PUBLICATION OF ANNUAL RESULTS ANNOUNCEMENT AND ANNUAL REPORT**

This announcement was published on the website of the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) and the website of the Company ([www.lcgljt.com](http://www.lcgljt.com)). The annual report for the year ended 31 December 2021 will be dispatched to shareholders in due course and published on the websites of the Stock Exchange and the Company.

## **APPRECIATION**

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

By order of the Board  
**Greentown Management Holdings Company Limited**  
**Li Jun**  
*Chief Executive Officer and Executive Director*

Hangzhou, PRC, 22 March 2022

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