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## **GREENTOWN CHINA HOLDINGS LIMITED**

**綠城中國控股有限公司\***

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 03900)**

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

#### **HIGHLIGHTS**

- Revenue amounted to approximately RMB131.383 billion, representing a year-on-year increase of 3.3%;
- Net profit attributable to owners amounted to approximately RMB3.118 billion, representing a year-on-year increase of 13.1%; core net profit attributable to owners amounted to approximately RMB6.417 billion;
- As at 31 December 2023, bank balances and cash (including pledged bank deposits) totaled approximately RMB73.4 billion (as at 31 December 2022: RMB70.4 billion);
- Weighted average interest cost of total borrowings was 4.3%, representing a decrease of 10 bps as compared to 4.4% in 2022;
- Basic earnings per share was RMB1.22, representing a year-on-year increase of 18.4%; the Board has recommended payment of a final dividend of RMB0.43 per share for the year ended 31 December 2023;
- Total contracted sales achieved approximately RMB301.1 billion with a cash collection rate of over 100%;
- 38 projects were newly added, with a total GFA of approximately 5.57 million sqm and estimated saleable amount of approximately RMB142.5 billion, 84% of which were located in 1&2 tier cities, and the attributable ratio achieved 74%.

The board of directors (the “Board”) of Greentown China Holdings Limited (“Greentown”, “Greentown China” or the “Company”) is pleased to announce the audited consolidated annual results of the Company and its subsidiaries (collectively, the “Group”) for the year ended 31 December 2023 (the “Year”) prepared in accordance with the International Financial Reporting Standards, together with comparative audited figures for the year ended 31 December 2022. The following financial information is extracted from the audited consolidated financial statements in the Group’s 2023 annual report which is to be published by the Group.

\* For identification purposes only

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

31 December 2023

	<i>Notes</i>	<b>2023</b> <b>RMB'000</b>	2022 <b>RMB'000</b>
<b>REVENUE</b>	4	<b>131,383,150</b>	127,153,071
Cost of sales		<u><b>(114,310,289)</b></u>	<u>(105,132,324)</u>
Gross profit		<b>17,072,861</b>	22,020,747
Other income	5	<b>2,857,022</b>	3,617,092
Other gains/(losses)	6	<b>758</b>	(1,382,128)
Selling expenses		<b>(2,727,785)</b>	(2,902,443)
Administrative expenses		<b>(5,139,440)</b>	(5,386,876)
Finance costs	7	<b>(2,916,047)</b>	(2,728,633)
Impairment losses under expected credit loss model, net		<b>(230,054)</b>	(72,509)
Impairment losses on non-financial assets, net		<b>(1,390,501)</b>	(1,502,332)
Loss from changes in fair value of investment properties		<b>(352,008)</b>	(108,678)
Gain on acquisition of subsidiaries, net		<b>385,531</b>	12,539
(Loss)/gain on disposal of subsidiaries, net		<b>(389)</b>	5,244
Share of results of associates		<b>1,773,000</b>	1,696,177
Share of results of joint ventures		<u><b>391,698</b></u>	<u>(11,883)</u>
<b>PROFIT BEFORE TAXATION</b>		<b>9,724,646</b>	13,256,317
Taxation	8	<u><b>(3,046,507)</b></u>	<u>(4,361,353)</u>
<b>PROFIT FOR THE YEAR</b>		<u><b>6,678,139</b></u>	<u>8,894,964</u>
Attributable to:			
Owners of the Company		<b>3,117,684</b>	2,756,100
Non-controlling interests		<u><b>3,560,455</b></u>	<u>6,138,864</u>
		<u><b>6,678,139</b></u>	<u>8,894,964</u>

	<i>Note</i>	<b>2023</b> <b>RMB'000</b>	2022 RMB'000
<b>OTHER COMPREHENSIVE INCOME</b>			
<i>Other comprehensive income that will not be reclassified to profit or loss in subsequent periods:</i>			
Fair value losses on equity investments designated at fair value through other comprehensive income for the year, net of tax		(328,285)	(228,503)
Share of associates' other comprehensive losses		—	(1,479)
		<u>(328,285)</u>	<u>(229,982)</u>
<b>OTHER COMPREHENSIVE INCOME FOR THE YEAR</b>			
		<u>(328,285)</u>	<u>(229,982)</u>
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>			
		<u><b>6,349,854</b></u>	<u>8,664,982</u>
Attributable to:			
Owners of the Company		2,791,727	2,533,294
Non-controlling interests		3,558,127	6,131,688
		<u><b>6,349,854</b></u>	<u>8,664,982</u>
<b>EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY</b>			
Basic	10	<u><b>RMB1.22</b></u>	<u>RMB1.03</u>
Diluted	10	<u><b>RMB1.22</b></u>	<u>RMB1.02</u>

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Year ended 31 December 2023

	<i>Note</i>	<b>2023</b> <i>RMB'000</i>	2022 <i>RMB'000</i>
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment		<b>10,823,203</b>	9,613,761
Investment properties		<b>10,462,662</b>	9,370,010
Right-of-use assets		<b>1,083,143</b>	976,336
Goodwill		<b>981,761</b>	981,761
Intangible assets		<b>571,207</b>	588,295
Interests in associates		<b>28,210,949</b>	27,645,793
Interests in joint ventures		<b>12,113,523</b>	15,893,633
Equity instruments designated at fair value through other comprehensive income		<b>1,093,062</b>	1,400,223
Deferred tax assets		<b>6,120,332</b>	6,176,738
Deposits for acquisition of properties		<b>222,266</b>	59,192
Amounts due from related parties		<b>129,394</b>	–
		<hr/>	<hr/>
Total non-current assets		<b>71,811,502</b>	72,705,742
<b>CURRENT ASSETS</b>			
Properties for development		<b>10,883,425</b>	11,097,426
Properties under development		<b>235,911,626</b>	245,909,719
Completed properties for sale		<b>38,438,742</b>	26,673,220
Inventories		<b>1,279,303</b>	997,222
Trade and other receivables, deposits and prepayments	<i>11</i>	<b>10,273,655</b>	9,247,475
Contract assets		<b>3,838,856</b>	3,831,613
Contract costs		<b>773,104</b>	803,783
Amounts due from related parties		<b>69,619,604</b>	76,069,261
Prepaid income taxes		<b>9,394,274</b>	8,979,181
Prepaid other taxes		<b>8,656,514</b>	8,241,748
Financial assets at fair value through profit or loss		<b>42,324</b>	126,430
Pledged bank deposits		<b>3,686,193</b>	4,081,837
Bank balances and cash		<b>69,758,363</b>	66,312,335
		<hr/>	<hr/>
Assets as held for sale		<b>1,169,489</b>	–
		<hr/>	<hr/>
Total current assets		<b>463,725,472</b>	462,371,250

	<i>Note</i>	<b>2023</b> <i>RMB'000</i>	2022 <i>RMB'000</i>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	12	57,449,257	61,454,282
Contract liabilities		159,812,710	147,850,403
Amounts due to related parties		28,236,762	41,711,788
Income taxes payable		8,036,928	10,515,273
Other taxes payable		16,793,405	16,239,567
Lease liabilities		94,833	76,963
Bank and other borrowings		19,201,042	17,689,640
Senior notes		1,170,550	103,509
Corporate debt instruments		12,175,191	7,364,936
Receipts under securitisation arrangements		–	1,748,125
		<u>302,970,678</u>	<u>304,754,486</u>
Liabilities as held for sale		277,401	–
		<u>303,248,079</u>	<u>304,754,486</u>
<b>TOTAL CURRENT LIABILITIES</b>		<u>303,248,079</u>	<u>304,754,486</u>
<b>NET CURRENT ASSETS</b>		<u>160,477,393</u>	<u>157,616,764</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>232,288,895</u>	<u>230,322,506</u>
<b>NON-CURRENT LIABILITIES</b>			
Bank and other borrowings		88,013,173	81,389,727
Senior notes		8,035,244	8,902,919
Corporate debt instruments		17,546,593	21,979,913
Receipts under securitisation arrangements		–	942,650
Lease liabilities		487,828	376,896
Deferred tax liabilities		4,148,741	5,228,616
Financial liabilities at fair value through profit or loss		122,208	88,867
		<u>118,353,787</u>	<u>118,909,588</u>
Total non-current liabilities		<u>118,353,787</u>	<u>118,909,588</u>
<b>NET ASSETS</b>		<u>113,935,108</u>	<u>111,412,918</u>
<b>EQUITY</b>			
<b>Equity attributable to ordinary shareholders of the Company</b>			
Share capital		242,475	242,475
Reserves		35,887,908	35,781,282
		<u>36,130,383</u>	<u>36,023,757</u>
Perpetual securities		–	1,526,799
Non-controlling interests		77,804,725	73,862,362
		<u>77,804,725</u>	<u>73,862,362</u>
<b>TOTAL EQUITY</b>		<u>113,935,108</u>	<u>111,412,918</u>

## NOTES TO FINANCIAL STATEMENTS

31 December 2023

### 1. CORPORATE AND GROUP INFORMATION

Greentown China Holdings Limited (the “Company”) was incorporated in the Cayman Islands on 31 August 2005 as an exempted company with limited liability under the Companies Law (2004 Revision) and its shares have been listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) with effect from 13 July 2006. The registered office of the Company is located at Maples Corporate Services Limited, PO Box 309, Ugland House, Grand Cayman KY1-1104 Cayman Islands.

The Company is an investment holding company. The principal activity of its subsidiaries (together with the Company referred to as the “Group”) is the development for sale of residential properties in the People’s Republic of China (“PRC”).

### 2.1 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The Group has adopted the following new and revised IFRSs for the first time for the current year’s financial statements.

IFRS 17	<i>Insurance Contracts</i>
Amendments to IAS 1 and IFRS Practice Statement 2	<i>Disclosure of Accounting Policies</i>
Amendments to IAS 8	<i>Definition of Accounting Estimates</i>
Amendments to IAS 12	<i>Deferred Tax related to Assets and Liabilities arising from a Single Transaction</i>
Amendments to IAS 12	<i>International Tax Reform – Pillar Two Model Rules</i>

### 2.2 ISSUED BUT NOT YET EFFECTIVE INTERNATIONAL FINANCIAL REPORTING STANDARDS

The Group has not applied the following revised IFRSs, that have been issued but are not yet effective, in these financial statements. The Group intends to apply these revised IFRSs, if applicable, when they become effective.

Amendments to IFRS 10 and IAS 28	<i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i> <sup>3</sup>
Amendments to IFRS 16	<i>Lease Liability in a Sale and Leaseback</i> <sup>1</sup>
Amendments to IAS 1	<i>Classification of Liabilities as Current or Non-current (the “2020 Amendments”)</i> <sup>1</sup>
Amendments to IAS 1	<i>Non-current Liabilities with Covenants (the “2022 Amendments”)</i> <sup>1</sup>
Amendments to IAS 7 and IFRS 7	<i>Supplier Finance Arrangements</i> <sup>1</sup>
Amendments to IAS 21	<i>Lack of Exchangeability</i> <sup>2</sup>

<sup>1</sup> Effective for annual periods beginning on or after 1 January 2024

<sup>2</sup> Effective for annual periods beginning on or after 1 January 2025

<sup>3</sup> No mandatory effective date yet determined but available for adoption

### 3. OPERATING 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.

For management purposes, the Group is organised into business units based on their products and services and has five reportable operating segments as follows:

- (a) Property development
- (b) Hotel operations
- (c) Property investment
- (d) Project management, and
- (e) Others

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

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

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

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

### 3. OPERATING SEGMENT INFORMATION (continued)

Other operating segments include the sale of construction materials, design and decoration and other business. None of these segments meet the quantitative thresholds for the reportable segments in both current and prior year. Accordingly, these are grouped in “Others”.

Management monitors the results of the Group’s operating segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on reportable segment profit/(loss), which is a measure of adjusted post-tax profit/(loss) from continuing operations. The adjusted post-tax profit/(loss) from continuing operations is measured consistently with the Group’s post-tax profit/(loss) from continuing operations except that certain administrative expenses, other income, finance costs and taxation are excluded from such measurement.

All assets are allocated to operating segments other than certain bank balances and cash, pledged bank deposits, property, plant and equipment, equity investments at fair value through other comprehensive income (“FVTOCI”), trade and other receivables, deposits and prepayments, prepaid income taxes, intangible assets, deferred tax assets, prepaid other taxes and amounts due from related parties pertaining to non-operating group entities.

All liabilities are allocated to operating segments other than certain trade and other payables, amounts due to related parties, income taxes payable, other taxes payable and deferred tax liabilities pertaining to non-operating group entities.

Intersegment sales and transfers are transacted with reference to the selling prices used for sales made to third parties at the then prevailing market prices.

### 3. OPERATING SEGMENT INFORMATION (continued)

#### Year ended 31 December 2023

	Property development RMB'000	Hotel operations RMB'000	Property investment RMB'000	Project management RMB'000	Others RMB'000	Segment total RMB'000	Eliminations RMB'000	Total RMB'000
<b>Segment revenue</b>								
Revenue from contracts with customers	120,580,281	1,046,025	-	3,134,806	6,395,869	131,156,981	-	131,156,981
Rental income	-	-	226,169	-	-	226,169	-	226,169
Total external segment revenue	120,580,281	1,046,025	226,169	3,134,806	6,395,869	131,383,150	-	131,383,150
Inter-segment revenue	99,757	7,734	32,980	126,328	4,090,076	4,356,875	(4,356,875)	-
Total segment revenue	<u>120,680,038</u>	<u>1,053,759</u>	<u>259,149</u>	<u>3,261,134</u>	<u>10,485,945</u>	<u>135,740,025</u>	<u>(4,356,875)</u>	<u>131,383,150</u>
<b>Segment results</b>	<u>5,592,257</u>	<u>76,613</u>	<u>(110,551)</u>	<u>1,029,713</u>	<u>332,358</u>	<u>6,920,390</u>	<u>-</u>	<u>6,920,390</u>
Unallocated administrative expenses								(240,346)
Unallocated other income								48,966
Unallocated finance costs								(14,387)
Unallocated taxation								(36,484)
Profit for the year								<u>6,678,139</u>

#### Year ended 31 December 2022

	Property development RMB'000	Hotel operations RMB'000	Property investment RMB'000	Project management RMB'000	Others RMB'000	Segment total RMB'000	Eliminations RMB'000	Total RMB'000
<b>Segment Revenue</b>								
Revenue from contracts with customers	117,536,625	688,866	-	2,450,483	6,299,558	126,975,532	-	126,975,532
Rental income	-	-	177,539	-	-	177,539	-	177,539
Total external segment revenue	117,536,625	688,866	177,539	2,450,483	6,299,558	127,153,071	-	127,153,071
Inter-segment revenue	-	8,546	52,380	182,231	3,011,969	3,255,126	(3,255,126)	-
Total segment revenue	<u>117,536,625</u>	<u>697,412</u>	<u>229,919</u>	<u>2,632,714</u>	<u>9,311,527</u>	<u>130,408,197</u>	<u>(3,255,126)</u>	<u>127,153,071</u>
<b>Segment results</b>	<u>8,096,506</u>	<u>23,353</u>	<u>(26,976)</u>	<u>701,176</u>	<u>328,253</u>	<u>9,122,312</u>	<u>-</u>	<u>9,122,312</u>
Unallocated administrative expenses								(225,309)
Unallocated other income								25,983
Unallocated finance costs								(13,508)
Unallocated taxation								(14,514)
Profit for the year								<u>8,894,964</u>

### 3. OPERATING SEGMENT INFORMATION (continued)

#### Segment assets

	<b>2023</b> <i>RMB'000</i>	2022 <i>RMB'000</i>
Property development	<b>482,501,389</b>	489,094,315
Hotel operations	<b>10,620,113</b>	10,206,819
Property investment	<b>11,566,891</b>	10,077,154
Project management	<b>6,137,119</b>	5,890,895
Others	<b>19,335,602</b>	14,709,191
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Total segment assets	<b>530,161,114</b>	529,978,374
Unallocated	<b>5,375,860</b>	5,098,618
	<hr/>	<hr/>
Consolidated assets	<b>535,536,974</b>	535,076,992

#### Segment liabilities

	<b>2023</b> <i>RMB'000</i>	2022 <i>RMB'000</i>
Property development	<b>401,748,563</b>	406,930,745
Hotel operations	<b>1,340,844</b>	1,926,502
Property investment	<b>1,268,249</b>	1,702,109
Project management	<b>1,846,961</b>	2,009,533
Others	<b>13,225,909</b>	9,702,030
	<hr/>	<hr/>
Total segment liabilities	<b>419,430,526</b>	422,270,919
Unallocated	<b>2,171,340</b>	1,393,155
	<hr/>	<hr/>
Consolidated liabilities	<b>421,601,866</b>	423,664,074

### 3. OPERATING SEGMENT INFORMATION (continued)

#### Other Segment information

#### Year ended 31 December 2023

	Property development RMB'000	Hotel operations RMB'000	Property investment RMB'000	Project management RMB'000	Others RMB'000	Segment total RMB'000	Unallocated RMB'000	Total RMB'000
Amounts included in the measure of segment profit or loss or segment assets:								
Addition to non-current assets*	7,283,162	226,776	1,984,441	47,471	199,704	9,741,554	6,069	9,747,623
Interests in associates	27,518,557	-	-	99,014	593,378	28,210,949	-	28,210,949
Interests in joint ventures	11,849,790	-	-	16,296	247,437	12,113,523	-	12,113,523
Impairment losses under expected credit loss model, net	188,884	(8)	-	41,185	(7)	230,054	-	230,054
Impairment losses on non-financial assets, net	1,365,199	25,302	-	-	-	1,390,501	-	1,390,501
Loss from changes in fair value of investment properties	-	-	350,675	-	1,333	352,008	-	352,008
Loss on disposal of subsidiaries, net	389	-	-	-	-	389	-	389
Gain on acquisition of subsidiaries, net	(385,531)	-	-	-	-	(385,531)	-	(385,531)
Depreciation of property, plant and equipment	143,392	303,568	50,977	15,716	60,746	574,399	10,640	585,039
Amortisation of right-of-use assets	85,016	26,575	3,920	7,391	25,232	148,134	21,778	169,912
Loss on disposal of property, plant and equipment and right-of-use assets	(2,480)	(9)	-	(1,944)	(1,006)	(5,439)	(2,302)	(7,741)
Interest income	(1,981,361)	(13,160)	(5,558)	(113,386)	(54,767)	(2,168,232)	(20,790)	(2,189,022)
Finance costs	2,762,983	41,975	52,543	5,493	38,666	2,901,660	14,387	2,916,047
Share of results of associates	(1,772,641)	-	-	(3,154)	2,795	(1,773,000)	-	(1,773,000)
Share of results of joint ventures	(348,976)	-	-	(11,740)	(30,982)	(391,698)	-	(391,698)
Taxation	2,837,707	2,568	(69,725)	196,711	42,762	3,010,023	36,484	3,046,507

### 3. OPERATING SEGMENT INFORMATION (continued)

#### Other segment information (continued)

Year ended 31 December 2022

	Property development RMB'000	Hotel operations RMB'000	Property investment RMB'000	Project management RMB'000	Others RMB'000	Segment total RMB'000	Unallocated RMB'000	Total RMB'000
Amounts included in the measure of segment profit or loss or segment assets:								
Addition to non current assets*	10,325,919	125,301	1,971,029	73,298	114,130	12,609,677	17,481	12,627,158
Interests in associates	26,971,882	-	-	79,962	593,949	27,645,793	-	27,645,793
Interests in joint ventures	15,656,812	-	-	236,821	-	15,893,633	-	15,893,633
Impairment losses under expected credit loss model, net	52,560	(1,541)	-	20,611	879	72,509	-	72,509
Impairment losses on non-financial assets, net	1,510,051	(7,719)	-	-	-	1,502,332	-	1,502,332
Loss from changes in fair value of investment properties	-	-	107,363	-	1,315	108,678	-	108,678
Gain on disposal of subsidiaries, net	(5,244)	-	-	-	-	(5,244)	-	(5,244)
Depreciation of property, plant and equipment	109,672	358,722	784	14,111	49,525	532,814	8,092	540,906
Amortisation of right-of-use assets	80,671	18,116	3,419	6,593	41,266	150,065	10,702	160,767
Loss on disposal of property, plant and equipment and right-of-use assets	(420)	(2,855)	-	408	3,511	644	(414)	230
Interest income	(2,304,242)	(11,436)	(2,745)	(123,249)	(39,668)	(2,481,340)	(18,838)	(2,500,178)
Finance costs	2,568,239	53,916	60,618	5,308	27,044	2,715,125	13,508	2,728,633
Share of results of associates	(1,687,028)	-	-	(9,149)	-	(1,696,177)	-	(1,696,177)
Share of results of joint ventures	24,810	-	-	(12,927)	-	11,883	-	11,883
Taxation	4,155,154	1,681	(4,004)	166,301	27,708	4,346,840	14,513	4,361,353

\* Non-current assets mainly included property, plant and equipment, investment properties, right-of-use assets, intangible assets, interests in joint ventures and interests in associates and excluded financial instruments, goodwill and deferred tax assets.

#### Geographical markets

The Group's consolidated revenue and results are mainly attributable to the market in the PRC (country of domicile) and almost all of the Group's consolidated non-current assets are located in the PRC.

#### Information about a major customer

No sales to a single customer accounted for 10% or more of the Group's revenue for the year.

#### 4. REVENUE

An analysis of revenue is as follows:

	<b>2023</b> <b>RMB'000</b>	2022 <i>RMB'000</i>
Revenue from contracts with customers	<b>131,156,981</b>	126,975,532
Revenue from other sources:		
Rental income	<b>226,169</b>	177,539
Total	<b>131,383,150</b>	127,153,071

#### Revenue from contracts with customers

##### *Disaggregated revenue information*

##### *Geographical markets*

The Group's consolidated revenue is mainly attributable to the market in the PRC (country of domicile).

Set out below is the reconciliation of the revenue from contracts with customers to the amounts disclosed in the segment information:

#### Year ended 31 December 2023

	Property development <i>RMB'000</i>	Hotel operations <i>RMB'000</i>	Property investment <i>RMB'000</i>	Project management <i>RMB'000</i>	Others <i>RMB'000</i>	Total <i>RMB'000</i>
Revenue disclosed in segment information						
External customers	120,580,281	1,046,025	226,169	3,134,806	6,395,869	131,383,150
Inter-segment	99,757	7,734	32,980	126,328	4,090,076	4,356,875
	<u>120,680,038</u>	<u>1,053,759</u>	<u>259,149</u>	<u>3,261,134</u>	<u>10,485,945</u>	<u>135,740,025</u>
Adjustment for property rental income	-	-	(226,169)	-	-	(226,169)
Eliminations	(99,757)	(7,734)	(32,980)	(126,328)	(4,090,076)	(4,356,875)
Revenue from contracts with customers	<u>120,580,281</u>	<u>1,046,025</u>	<u>-</u>	<u>3,134,806</u>	<u>6,395,869</u>	<u>131,156,981</u>

#### Year ended 31 December 2022

	Property development <i>RMB'000</i>	Hotel operations <i>RMB'000</i>	Property investment <i>RMB'000</i>	Project management <i>RMB'000</i>	Others <i>RMB'000</i>	Total <i>RMB'000</i>
Revenue disclosed in segment information						
External customers	117,536,625	688,866	177,539	2,450,483	6,299,558	127,153,071
Inter-segment	-	8,546	52,380	182,231	3,011,969	3,255,126
	<u>117,536,625</u>	<u>697,412</u>	<u>229,919</u>	<u>2,632,714</u>	<u>9,311,527</u>	<u>130,408,197</u>
Adjustment for property rental income	-	-	(177,539)	-	-	(177,539)
Eliminations	-	(8,546)	(52,380)	(182,231)	(3,011,969)	(3,255,126)
Revenue from contracts with customers	<u>117,536,625</u>	<u>688,866</u>	<u>-</u>	<u>2,450,483</u>	<u>6,299,558</u>	<u>126,975,532</u>

## 5. OTHER INCOME

	<b>2023</b>	2022
	<b>RMB'000</b>	RMB'000
Interest income	<b>2,189,022</b>	2,500,178
Comprehensive service income	<b>366,969</b>	759,139
Dividends from equity instruments designated at FVTOCI	<b>42,057</b>	46,226
Government grants	<b>61,973</b>	71,611
Others	<b>197,001</b>	239,938
	<hr/>	<hr/>
Total other income	<b>2,857,022</b>	3,617,092
	<hr/>	<hr/>

## 6. OTHER GAINS/(LOSSES)

	<b>2023</b>	2022
	<b>RMB'000</b>	RMB'000
Foreign exchange losses, net	<b>(38,833)</b>	(1,371,457)
Gain on disposal of an associate	<b>89,640</b>	420
Net gains/(losses) on disposal of property, plant and equipment and right-of-use assets	<b>7,741</b>	(230)
(Losses)/gains from changes in fair value of financial assets measured at fair value through profit or loss	<b>(29,252)</b>	11,455
Loss from changes in fair value of financial liabilities measured at fair value through profit or loss	<b>(33,341)</b>	(61,774)
Gain from the derecognition of financial liabilities measured at amortised cost	<b>4,803</b>	39,458
	<hr/>	<hr/>
Total other gains/(losses)	<b>758</b>	(1,382,128)
	<hr/>	<hr/>

## 7. FINANCE COSTS

An analysis of finance costs from continuing operations is as follows:

	<b>2023</b>	2022
	<b>RMB'000</b>	RMB'000
Interest on bank and other borrowings and amounts due to related parties	<b>6,764,010</b>	6,537,523
Interest on senior notes	<b>437,164</b>	415,227
Interest on corporate debt instruments	<b>1,108,016</b>	1,147,462
Interest on receipts under securitisation arrangements	<b>50,270</b>	161,324
Interest on leases	<b>26,526</b>	18,875
	<hr/>	<hr/>
Total borrowing costs	<b>8,385,986</b>	8,280,411
	<hr/>	<hr/>
Less: Interest capitalised in properties under development and construction in progress	<b>(5,469,939)</b>	(5,551,778)
	<hr/>	<hr/>
Total	<b>2,916,047</b>	2,728,633
	<hr/>	<hr/>

## 8. TAXATION

The major components of the Group's income tax expense are as follows:

	<b>2023</b>	2022
	<b><i>RMB'000</i></b>	<i>RMB'000</i>
Current tax:		
PRC enterprise income tax	<b>2,914,402</b>	4,469,560
PRC land appreciation tax	<b>1,366,115</b>	1,403,285
	<hr/>	<hr/>
Subtotal	<b>4,280,517</b>	5,872,845
	<hr/>	<hr/>
Overprovision in prior years:		
PRC enterprise income tax	<b>(12,986)</b>	(18,181)
	<hr/>	<hr/>
Deferred tax:		
PRC enterprise income tax	<b>(1,186,231)</b>	(1,376,325)
PRC land appreciation tax	<b>(34,793)</b>	(116,986)
	<hr/>	<hr/>
Subtotal	<b>(1,221,024)</b>	(1,493,311)
	<hr/>	<hr/>
Total tax charge for the year	<b>3,046,507</b>	4,361,353
	<hr/>	<hr/>

No provision for income tax has been made for the Company's subsidiaries incorporated in Hong Kong as they had no assessable profits derived from Hong Kong during the year.

Under the Law of the People's Republic of China on Enterprise Income Tax (the "EIT Law") and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiaries is 25% or 15%.

Greentown Architectural Technology Group Co., Ltd., Greentown Construction Management Group Co., Ltd., Zhejiang Greentown Lianhe Design Co., Ltd., Zhejiang Greentown Technology Home Furnishing Co., Ltd., Zhejiang Greentown building Lemei Urban Development Co., Ltd., Zhejiang Greentown building curtain wall engineering Co., Ltd., Greentown Housing Technology Co., Ltd., Zhejiang Greentown Future Digital Intelligence Technology Co., Ltd. and Zhejiang Greentown Jiangxin Architectural Design Co., Ltd. are high-tech enterprises and the applicable income tax rate is 15% for the years ended 31 December 2023 and 31 December 2022. Greentown Shangli Construction Management Co., Ltd. is newly recognised as a high-tech enterprise and the applicable income tax rate is 15% for year ended 31 December 2023. In addition, Beihai Leiyong Investment Co., Ltd. and Xi'an Fuyu Real Estate Development Co., Ltd are also applicable to the income tax rate of 15% for year ended 31 December 2023 by engaging in encouraged industries in the western regions.

The EIT Law provides that qualified dividend income between two resident enterprises that have a direct investment relationship is exempted from income tax. Otherwise, such dividends will be subject to a 5% or 10% withholding tax under the EIT Law. A 10% withholding tax rate is applicable to the Group. During the year, no deferred tax has been recognised for withholding taxes that would be payable on the unremitted earnings that are subject to withholding taxes of the Group's subsidiaries established in Mainland China. In the opinion of the directors, it is not probable that these subsidiaries will distribute such earnings in the foreseeable future.

## 8. TAXATION (continued)

The Group recognised PRC land appreciation tax based on management's best estimates and in accordance with the requirements set forth in the relevant PRC tax laws and regulations. For the year ended 31 December 2023, the Group has estimated and made a provision for PRC land appreciation tax in the amount of RMB1,331,322,000 (2022: RMB1,286,299,000). The actual PRC land appreciation tax liabilities are subject to the determination by the tax authorities upon completion of the property development projects and the tax authorities might disagree with the basis on which the provision for PRC land appreciation tax is calculated.

A reconciliation of the tax expense applicable to profit before tax at the PRC statutory tax rates to the tax expense at the effective tax rate, and a reconciliation of the PRC statutory tax rate to the effective tax rate, are as follows:

	2023 <i>RMB'000</i>	2022 <i>RMB'000</i>
Profit before taxation	9,724,646	13,256,317
Tax at the PRC enterprise income tax rate of 25%	2,431,162	3,314,079
Effect of different tax rates	(149,900)	(74,009)
Tax effect of share of results of associates	(509,966)	(439,320)
Tax effect of share of results of joint ventures	(110,346)	(60,133)
Tax effect of income not taxable for tax purposes	(16,260)	(25,924)
Tax effect of expenses not deductible for tax purposes	467,542	479,032
Overprovision in respect of prior years	(12,986)	(18,181)
Tax effect of deductible temporary differences not recognised	228,111	312,239
Tax effect of tax losses not recognised	264,270	178,789
Recognition of deferred tax assets on tax losses and deductible temporary differences previously not recognised	(365,490)	(210,575)
Utilisation of tax losses previously not recognised	(164,903)	(55,054)
PRC land appreciation tax provision for the year	1,331,322	1,286,299
Tax effect of PRC land appreciation tax	(330,361)	(321,575)
Tax effect of undistributed profits	–	86,335
Tax effect of distribution from perpetual securities deductible for tax purpose	(15,688)	(90,649)
	<u>3,046,507</u>	<u>4,361,353</u>
Tax charge for the year	<u>3,046,507</u>	<u>4,361,353</u>

The share of tax attributable to associates and joint ventures amounting to RMB509,966,000 (2022: RMB439,320,000) and RMB110,346,000 (2022: RMB60,133,000), respectively, is included in "Share of results of associates" and "Share of results of joint ventures" in the consolidated statement of profit or loss and other comprehensive income.

## 9. DIVIDENDS

On 31 July 2023, a final dividend of RMB0.5 per ordinary share, or RMB1,265,999,000 in total, for the year ended 31 December 2022 was paid to the Company's shareholders.

On 29 July 2022, a final dividend of RMB0.46 per ordinary share, or RMB1,154,944,000 in total, for the year ended 31 December 2021 was paid to the Company's shareholders.

The proposed final dividend of RMB0.43 per ordinary share (2022: RMB0.50 per ordinary share) for the year ended 31 December 2023 has been proposed by the directors and is subject to the approval of the Company's shareholders at the forthcoming annual general meeting.

## 10. EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

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

	<b>2023</b>	2022
	<b>RMB'000</b>	RMB'000
Earnings:		
Profit for the year attributable to the owners of the Company	<b>3,117,684</b>	2,756,100
Attributed to perpetual securities	<b>(25,954)</b>	(171,650)
	<b><u>3,091,730</u></b>	<u>2,584,450</u>
Earnings for the purpose of basic earnings per share		
	<b><u>3,091,730</u></b>	<u>2,584,450</u>
Earnings for the purpose of diluted earnings per share		
	<b><u>3,091,730</u></b>	<u>2,584,450</u>
<b>Numbers of shares</b>	<b>2023</b>	2022
Shares:		
Weighted average number of ordinary shares for the purpose of the basic earnings per share calculation	<b>2,531,998,690</b>	2,515,910,111
Effect of dilutive potential ordinary shares:		
Share options and share award	<b>714,829</b>	20,098,493
	<b><u>2,532,713,519</u></b>	<u>2,536,008,604</u>
Weighted average number of ordinary shares for the purpose of diluted earnings per share		

The calculation of the diluted earnings per share amount is based on the profit for the year ended 31 December 2023 and 31 December 2022 attributable to ordinary equity holders of the parent. The weighted average number of ordinary shares used in the calculation is the number of ordinary shares in issue during the year, as used in the basic earnings per share calculation, and the weighted average number of ordinary shares assumed to have been issued on the deemed exercise of all dilutive potential ordinary shares arising from share options granted by the Company.

The computation of diluted earnings per share for the years ended 31 December 2023 and 31 December 2022 does not assume the immaterial impact of dilutive potential ordinary shares of Greentown Management Holdings Company Limited.

**11. TRADE AND OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS**

	<b>2023</b> <i>RMB'000</i>	2022 <i>RMB'000</i>
Trade receivables	<b>2,160,467</b>	1,761,197
Less: Allowance for credit losses	<b>(148,585)</b>	(140,319)
	<hr/>	<hr/>
Net carrying amount of trade receivables	<b>2,011,882</b>	1,620,878
	<hr/>	<hr/>
Other receivables	<b>8,363,686</b>	5,499,253
Less: Allowance for credit losses	<b>(812,455)</b>	(901,972)
	<hr/>	<hr/>
Net carrying amount of other receivables	<b>7,551,231</b>	4,597,281
	<hr/>	<hr/>
Prepayments and deposits	<b>710,542</b>	3,029,316
	<hr/>	<hr/>
Total	<b>10,273,655</b>	9,247,475
	<hr/>	<hr/>

The Group allows an average credit period of 90 days to trade customers. The aged analysis of trade receivables, before allowance for credit losses, is based on the invoice date and stated as follows:

	<b>2023</b> <i>RMB'000</i>	2022 <i>RMB'000</i>
Within 90 days	<b>1,594,402</b>	1,035,447
91 to 180 days	<b>62,382</b>	149,565
181 to 365 days	<b>62,683</b>	209,263
Over 365 days	<b>441,000</b>	366,922
	<hr/>	<hr/>
Total	<b>2,160,467</b>	1,761,197
	<hr/>	<hr/>

## 12. TRADE AND OTHER PAYABLES

	<b>2023</b> <i>RMB'000</i>	2022 <i>RMB'000</i>
Trade payables	<b>48,614,483</b>	47,721,746
Other payables and accrued expenses	<b>8,815,874</b>	13,638,036
Consideration payables on acquisition of a subsidiary	<b>18,900</b>	94,500
Total	<b><u>57,449,257</u></b>	<b><u>61,454,282</u></b>

Trade payables principally comprise amounts outstanding for trade purchases and contractor payments. The aged analysis of the trade payables as at the end of the reporting period, based on the invoice date, is as follows:

	<b>2023</b> <i>RMB'000</i>	2022 <i>RMB'000</i>
Within 180 days	<b>36,450,931</b>	35,405,538
181 to 365 days	<b>7,973,190</b>	9,667,848
Over 365 days	<b>4,190,362</b>	2,648,360
Total	<b><u>48,614,483</u></b>	<b><u>47,721,746</u></b>

The trade and other payables are non-interest-bearing and are normally settled on 60-day terms.

## MANAGEMENT DISCUSSION AND ANALYSIS

### OPERATIONS REVIEW

In 2023, China achieved a GDP growth of 5.2%, maintaining a reasonable growth rate. However, facing the complex and severe internal and external situation, the Chinese real estate market is still undergoing deep structural adjustment, and real estate enterprises are facing various challenges. Under the policy tone of “city-specific measures”, policy optimization has been extended from third- and fourth-tier cities to first- and second-tier cities. The policy environment was close to the most relaxed stage since 2014, while the sales of commercial properties in the PRC fell 6.5% year-on-year. The investment in real estate development declined by 9.6% compared with the prior year. The property sales in various markets were uneven, the land auction was more differentiated, the residents’ confidence in buying houses needed to be boosted, and many factors comprehensively tested the comprehensive ability of housing enterprises.

Confronted with the environmental uncertainties, Greentown China has insisted on its clear goal and path, firmly adhered to the path of “comprehensively high quality and sustainable” development, committed to “reform, rebuilding and refinement” with a focus on “improving quality and efficiency”, striving to seek certainty in uncertain times. In 2023, the Company carried out stable operation with steady growth in overall performance while ensuring a secured bottom line; meanwhile, it has achieved promising development with business indicators improved and operational quality enhanced.

In 2023, Greentown China received widespread recognition from peers and the industry, and was awarded the “TOP10 among 100 Chinese Real Estate Enterprises by Comprehensive Strength (中國房地產百強企業綜合實力TOP10)” for 20 consecutive years, was listed on “Forbes Global 2000” for several consecutive years, and was awarded “TOP10 of H-shares Real Estate Listed Companies” and “TOP5 of Real Estate Development Enterprises by Delivery Strength”, and its MSCI ESG rating was upgraded to “A”. Looking back to 2023, the Company’s revenue and profit grew steadily, its funds were abundant and its debt was stable and the dividend yield was further increased. The Company’s investments remained excellence in quantity and quality, with the investment amount ranking 5th in China and the newly added saleable value ranking 6th in China, continuously strengthening the foundation for development. With contracted sales ranking the 3rd place in China and attributable sales scaling new heights, the Company further strengthened its industry position. Through smooth and diversified financing channels, the Company recorded a decrease in finance costs and was highly recognized by the capital market. The operation and management improved in both quality and efficiency, resulting in an evolved development pace of “two harvests in one year”. Its product and service continued to lead, and it ranked 1st in several product evaluation lists, and maintained the 1st position in customer satisfaction in the industry.

## **Results: revenue hitting record high and profit achieving steady growth**

During the Year, the Group generated revenue of RMB131,383 million, representing an increase of RMB4,230 million or 3.3% from RMB127,153 million in 2022. During the Year, profit attributable to owners of the Company amounted to RMB3,118 million, representing an increase of 13.1% from RMB2,756 million in 2022. After deducting foreign exchange gains and losses, gains from acquisitions, the net post-tax effects of provision and reversal of impairment losses on certain assets and the net post-tax effects of fair value adjustments on certain assets for the year, the core profit attributable to owners of the Company for the Year amounted to RMB6,417 million, generally on par with RMB6,414 million in 2022.

The Board has recommended the payment of a final dividend of RMB0.43 per share for the year ended 31 December 2023 (2022: RMB0.50 per share).

## **Investment: focused investment in deep-rooted cities to ensure land reserve quality**

The Group invested strategically with a focus in 2023, following its cash flow, pursuing differentiated opportunities, and strengthening its position in core cities as well as carrying out sniper-style investment in cities with opportunities to ensure high success rate. The Group actively participated in nearly 200 land auctions in first- and second-tier core cities such as Hangzhou, Shanghai, Beijing and Xi'an. During the Year, the Group acquired 38 new projects with a total GFA of approximately 5.57 million sqm. The costs borne by the Group amounted to approximately RMB59.5 billion, with an average land cost of approximately RMB14,231 per sqm. The newly-added saleable value was estimated to reach RMB142.5 billion, ranking 6th in the PRC.

**Strengthening presence in core cities to remain resilient against risks.** We continued to expand our projects in high-potential areas of high-tier cities, with 84% of newly-added saleable value coming from first- and second-tier cities. We added approximately RMB82.3 billion of saleable value in the three cities of Beijing, Shanghai, and Hangzhou, accounting for 58% of the total. At the same time, the Group has made a number of acquisitions in high quality cities such as Xi'an, Ningbo, Suzhou, Nanjing and Chengdu. We further concentrated our investments in market-safe regions, enhancing our ability to withstand risks.

**Delivering synchronized enhancements in quality and efficiency to achieve efficient conversion.** We launched 26 new projects during the Year, accounting for 68% of the number of newly added land reserves in the Year. The Company actively implemented the fast turnover concept of "two harvests in one year" for new projects, and realized sales conversion of about RMB 54.9 billion in the Year, representing a year-on-year growth of approximately 10% and a conversion rate of approximately 39% for the Year.

**Securing profit and increasing equity interests.** In 2023, the new projects acquired continued to maintain a favorable level of net profit margin and the average attributable ratio further increased to approximately 74%. Under the premise of ensuring security, highlighting liquidity and balancing profitability, Greentown China has further ensured the delivery of long-term profit attributable to owners of the Company.

**Table of newly-added land bank in 2023**

No.	Land/Project Name	Equity	Paid by Greentown (RMB million)	Total GFA (sqm)
1	Hangzhou Ting'an Chenfeng Lane	91%	2,954	169,494
2	Hangzhou Yueyi Xinghexuan	49.3%	265	72,511
3	Hangzhou Zitang Garden	49.4%	1,491	170,569
4	Hangzhou Tinggui Lane	63.1%	541	87,116
5	Hangzhou Yongxi Yunlu	43.4%	934	180,270
6	Hangzhou Zhilan Yuehua	87.3%	4,139	143,682
7	Hangzhou Lilanxuan	87.4%	1,890	109,928
8	Hangzhou Jade Begonia	99%	1,614	161,160
9	Hangzhou Guiyue Yuncui	40.3%	1,399	200,612
10	Hangzhou Yunsong Guiyuexuan	98.5%	2,469	139,258
11	Hangzhou Lvting Chunxiao	100%	2,394	177,436
12	Hangzhou Xiyi Mingyue	100%	1,016	79,916
13	Hangzhou Yunyong Mingyue	69.4%	721	99,945
14	Hangzhou Jinhaitang	100%	2,964	320,201
15	Ningbo Fengming Yuncui	26.8%	823	193,765
16	Ningbo Yanyu Chunfeng	89.4%	562	64,699
17	Yuyao Yingcui Xiaoyuan	50.3%	281	98,295
18	Jiaxing Xiaofeng Yinyue Mansion	99.1%	1,097	159,496
19	Linhai Jianglan Mingcui	97.7%	421	60,889
20	Shaoxing Xiaofeng Yinyue	97.9%	1,430	150,067
21	Shengzhou Opera Town	32.2%	39	55,406
22	Lishui Hujing Yunlu	95.5%	664	109,005
23	Taizhou Fengqi Chaoming	51%	1,144	178,490
24	Yiwu Fengqi Chaoming	64%	1,984	255,680
25	Shanghai Qinlanyuan	100%	6,176	195,378
26	Shanghai Liuxiangyuan	100%	4,886	221,124
27	Shanghai Chunxiaoyuan	100%	2,856	114,157
28	Nanjing Jinling Yuehua	41%	2,829	219,634
29	Suzhou Chunyue Jinyuan	96.9%	810	66,740
30	Beijing Xiaoyue Hefeng	48.1%	1,836	184,548
31	Tianjin Guiyu Tinglan Phase II	85.1%	421	75,618
32	Dalian Haiyun Xiaofeng	99%	1,071	100,567
33	Chengdu Jinhaitang	80%	501	73,701
34	Xi'an National Games Village Dangui Garden	51%	547	193,386
35	Xi'an Yueying Begonia	86%	619	94,384
36	Xi'an Chunxi Begonia	86%	1,505	212,029
37	Xi'an Fengming Begonia	86%	1,813	272,244
38	Hainan Blue Town (Haiyun Xiaofeng)	51%	409	109,120
<b>Total</b>			<b>59,515</b>	<b>5,570,520</b>

Benefiting from the effective implementation of investment strategy, the total land reserve of the Group has continuously focused on core segments in core cities, facilitating the Company's stable development. As at 31 December 2023, Greentown Group had a total of 168 land reserve projects (including those under and pending construction) with a total GFA of approximately 37.20 million sqm, of which approximately 23.32 million sqm was attributable to the Group. The total saleable area was approximately 24.99 million sqm, of which approximately 15.57 million sqm was attributable to the Group. The average land cost per GFA was approximately RMB7,982 per sqm. The value of land reserve in first- and second-tier cities accounted for 80% of the total, the high-quality Yangtze River Delta Area accounted for 57%, and 10 strategic core cities such as Beijing, Shanghai and Hangzhou accounted for 59% of the total.

### **Marketing: enhanced sales efforts and further strengthened industry position**

In 2023, the Greentown Group (including Greentown China Holdings Limited and its subsidiaries, together with its joint ventures and associates) continuously improved its ranking in terms of contracted sales at the 3rd place in the PRC (up 1 place year-on-year), with self-investment projects sales ranking 7th (up 1 place year-on-year) and attributable sales ranking 8th (up 3 places year-on-year). It recorded a total contracted sales area of approximately 15.47 million sqm and a total contracted sales amount of approximately RMB301.1 billion, representing a year-on-year slight increase of 0.3%. Among which, the self-investment projects of Greentown Group contributed a total contracted sales area of approximately 6.86 million sqm and a contracted sales amount of approximately RMB194.3 billion, of which approximately RMB127.6 billion was attributable to the Greentown Group, representing a year-on-year increase of 4%, and an increase of attributable ratio to a record high of 66%. The average selling price of self-investment projects maintained at the industry high of approximately RMB28,334 per sqm. In addition, for the Year, Greentown Group recorded a total contracted sales area of approximately 8.61 million sqm and a total contracted sales amount of approximately RMB106.8 billion from the projects under its project management business with the "Greentown" brand (non-self-investment projects, referred to as "projects under project management").

**Focusing on core cities and intensifying cash collection effort.** The proportion of sales in first- and second-tier cities accounted for 86%. Based on CRIC's data from 48 cities, in terms of sales, the Group ranked Top 10 in 13 core cities including Beijing, Shanghai, Hangzhou, Xi'an, Tianjin, Suzhou, Dalian and Ningbo. With more precise market analysis and marketing strategies, the sell-through rate of newly-launched properties in 2023 reached 82%, representing an increase of 7 percentage points as compared to 2022. In 2023, the cash collection rate remained high at over 100%, effectively supporting cash flow and reinvestment.

**Diversified strategies and system refinement.** Multiple modes with incentive scheme tilted towards the sell-through of carpark as well as commercial and office were implemented, driving the carpark to residential sales ratio to 1.3 and boosting commercial and office sales growth by 22% compared with 2022. Driven by value marketing, we developed a unique and competitive IP. Three projects in Shanghai, collectively named “Three Chapters of Fanhua (繁花三章)”, recording the first launch sales amount of RMB8.2 billion and achieving sales amount exceeding RMB10 billion in 2023. It only took one month for Hangzhou Zhilan Yuehua to sell out over RMB7 billion of saleable value since first launch. The Company continued to improve digital marketing capability and built both offline and online sales venues, which in turn achieved sales amount of RMB11.7 billion via new media platforms, substantially reducing the marketing expenses.

**Product: practicing product offering and amplifying competitive advantages**

We insist on product quality as our “No.1 Project”, and customer satisfaction as the “No.1 Standard”. Greentown China has again won grand slam in product strength assessments by three major institutions, namely China Index Academy, CRIC and EH Consulting. It also achieved good results in “Chinese Urban Residents’ Satisfaction (中國城市居民居住滿意度)” survey for 12 consecutive years, and ranked 1st in customer satisfaction across 16 cities and in customer loyalty across 7 cities in which the Company has presence in 2023.

**Exquisite craftsmanship and refinement in research and development.** Integrating products and customer research and led by standardization and innovative R&D, we upgraded from product pedigree to product series by establishing 8 major product series including “Yuehua Series” and “Lu Series” to cater to high-end upgrading needs; we also launched 18 “front end innovation” such as living communities (生息社區) and ten park landscaping (園區十景) to improve product innovation efficiency, and winning more than 60 major domestic and international design awards.

**Quality delivery and onsite scenery display.** The Company’s redline is quality delivery. In the self-investment segment, we delivered 17.77 million sqm of properties, representing a 24% increase year-on-year. We shortened the average construction cycle to 28.2 months, representing a 5% decrease year-on-year, and delivered 41 days ahead of schedule on average. Our property quality earned us the highest customer satisfaction in the industry. We also established 16 “full-dimensional real scenery display areas” in China, where customers can see and experience the future life scenarios they will get in our properties, which leads the industry.

## **Operations: strengthening capabilities to improve efficiency**

In 2023, the Company summarized outstanding experience into standardized procedures that can be replicated quickly. The development pace of the “two harvests in one year” mode further evolved, together with efficient operation, enhancing our competitive advantage.

**Efficient decision-making and expedited operation.** In 2023, the periods from land acquisition to commencement of construction and to first launch of the properties were shortened to 2.2 and 4.7 months on average, respectively, and the overall operational efficiency was accelerated by 18%. A number of cities or projects have achieved acceleration for the first launch. The period from land acquisition to pre-sale has reduced to 4.2 months from 4.8 months in Hangzhou, 3.1 months from 5.5 months in Beijing, 4.3 months from 9.6 months in Shanghai, 4.2 months from 4.9 months in Ningbo. For Hangzhou Ting’an Chenfeng Lane specifically, it took only 67 days from land acquisition to first launch, and 81 days from land acquisition to sold-out. Hangzhou Zhilan Yuehua & Lilanxuan with a total saleable value over RMB10 billion, took only 163 days from land acquisition to sold out.

**Cost optimization and construction volume increase.** Through quarterly control and dynamic management, the full-process monitoring and early warning for expenses and rates have been achieved, resulting in a year-on-year decrease of 4.6% in administrative expenses and 6% in selling expenses in 2023. We improved our transparent procurement platform, tendering as much as possible to achieve intensification, with the dynamic construction costs reduced by 1.6% and the centralized procurement prices floated down by 2.8% on year-on-year base, while the application rate of centralized procured materials maintained at 100%. In addition, the completed area increased by 37% year-on-year to approximately 17.32 million sqm, meeting the annual completion requirements with quality and quantity assurance.

## **Organizational structure: organizational optimization and sustainably stimulated manpower efficiency**

In 2023, the Company has further implemented the two-level organizational structure of “Group – City”, continuously diversified synergies in three main business sectors and better allocated manpower to improve efficiency and save cost. Through the active implementation of the “Vibrant flow of talent” plan, the Company promoted more than 600 internal rotations and frontline deployments. The Company also focused on internal training and talent recruitment with introduction of 295 outstanding management talents. The efficiency per capita was continuously improved, recording a year-on-year increase of 28% in per capita sales of RMB72 million for sales employees. The Company achieved an organizational engagement score of 93 points, outperforming its industry peers.

## **Financing: solid financial position with secured debt structure**

The real estate industry faced a challenging environment in 2023, as some peers defaulted on their debts and negative news spread, despite the introduction of supportive financing policies for the sector. In such environment, leveraging its high creditworthiness, steady business development and effective cash flow management, the Group maintained smooth financing channels with its secured debt structure, providing a solid backup for the long-term development of the Group. In 2023, the weighted average interest cost of total borrowings decreased from 4.4% to 4.3%, representing a drop of 10 bps compared to last year despite rising prices of domestic bonds and offshore loans, while debts due within one year accounted for 22.3% of the total debts of the Group as at the end of 2023, remaining at a low level.

In 2023, the Group issued RMB13.853 billion of domestic bonds in 2023, with stable valuation. Meanwhile, we completed offshore refinancing of USD1.172 billion (including the early refinance of USD450 million due in 2024), of which the proportion of Chinese banks and institutions participation was further increased, and the structure of offshore debts was more stable. Up to now, the refinancing of offshore debts due in 2024 has been progressing smoothly, and several banks have issued approvals. The Group plans to complete the refinance of the debts due in 2024 in the first half of the year. All of the above reflect the high recognition of financial institutions and the capital market on the Group.

## **Project management business: insisting on developing both heavy and light assets and consolidating leading position**

Greentown Management Holdings Company Limited (“Greentown Management”), a subsidiary of the Company, continues to lead the industry, with a market share of more than 20% for eight consecutive years. It won a number of awards, including China Index Academy “TOP1 of Leading Enterprise in Real Estate Project Management Operation (中國房地產代建運營引領企業TOP1)” and EH Consulting “TOP1 of Comprehensive Strength of China’s Agent Construction Service Providers (中國代建服務商綜合實力TOP1)”. In 2023, Greentown Management took the lead in the establishment of the Project Management branch of China Real Estate Association, led the industry standards and built an ecological platform to consolidate its leading position.

As of 31 December 2023, Greentown Management had projects under its management in 122 cities, with area under construction of approximately 52.52 million sqm and total contracted GFA of approximately 120 million sqm, of which the total contracted GFA of government project management was approximately 32.03 million sqm. Greentown Management has strong business expansion capabilities, with estimated project management fees for newly-developed projects during the Year reaching RMB10.37 billion, representing a year-on-year increase of 20.5%. Its profitability also continued to strengthen, with net profit attributable to owners of the company reaching RMB970 million for the Year, representing a year-on-year increase of 30.8%.

## **Greentown+: focusing on intensive development and empowering main business**

The business of “Greentown+” took real estate development as the starting point, creating synergy and empowering main business. The contracted value of construction technology sector exceeded RMB10 billion for the first time, with innovative results achieved in the research and development, such as integrated panels and three-dimensional deepening design software; 3 companies were newly recognized as “Specialized, Refined, Differential and Innovative” enterprises, and was awarded “Chinese TOP100 Enterprises in the Construction and Decoration Industry (中國建築裝飾行業百強企業)” for eight consecutive years. The living service segment achieved breakthrough from zero in urban operation service with service area increased by 439,000 sqm, providing service for 215 future communities and accounting for 43% of the future community services market in Zhejiang Province. At the beginning of 2024, these two business segments were merged and streamlined their teams, which will jointly further focus on business integration and profit growth. The town operation business has been awarded “2023 TOP1 China Town Operator by Comprehensive Strength (2023中國小鎮運營商綜合實力TOP1)” successively. Hangzhou Jixiang Lane (吉祥里) is Greentown’s first cultural-themed commercial street acquired by EPC+O (Engineering Procurement Construction + Operation) mode, which is also an urban renewal project with an occupancy rate of 93% during the Year. It has been awarded as the “2023 TOP10 Urban Renewal Benchmarking Projects (2023城市更新標杆項目TOP10)”. During the Year, the commercial operation business recorded income from hotel operations of RMB1.046 billion, representing a year-on-year increase of 51.8%, with indexes such as hotel owner’s return rate and revenue per room achieving record high, and rental income from investment properties of RMB226 million, representing a year-on-year increase of 27.0%. Besides, it successfully completed the event services for the 19th Asian Games Hangzhou.

## **ESG: adhering to sustainable development and fulfilment of social responsibility**

Greentown China has formulated and released its strategic plan for sustainable development and established the strategic goal of “creating a quality green lifestyle and becoming an integrated service provider for an ideal life”, leading the Company’s business development with the concept of sustainability, committing to reaching the long-term dual-carbon goal, as well as exploring and practicing multi-dimensional sustainable development.

**Benchmark of green buildings.** Under the trend of real estate transitioning towards green and low-carbon development, Greentown China adheres to the concept of “healthy, low-carbon, full cycles” and continuously improves the quality of green building. 100% of the new projects Greentown China acquired since 2023 have met the national green building standards. As of 31 December 2023, there had been a total of 293 green building projects, and over 80% of the projects under construction applied the prefabricated technology. At the same time, the Company have created benchmark projects to maintain its leading position in terms of product strength, such as green engineering management in Shanghai Qiantan Baiheyuan, and green and healthcare garden in Beijing Xiaoyue Hefeng and other benchmark projects.

**Fulfilment of social responsibility.** For nine years, we have run the “Growing Spring Breeze” activity, creating over 2,140 mu of Greentown Forest. For fifteen years, our “Dolphin Program” has taught swimming skills to 190,000 children of our property owners. Greentown Healthcare has delivered home care services to 60,000 seniors. Through the Greentown Charity Foundation, we have supported public welfare causes such as the Zhejiang University Education Assistance Program and the No Depression in China.

**Well recognized corporate governance.** International rating agency MSCI upgraded the Company’s ESG rating to A, while the domestic authoritative institution Wind Information rated the Company to AA in terms of ESG. Additionally, the Company was also rated as TOP1 in “2023 China Green and Low-Carbon Real Estate (Operation) TOP10 (2023中國綠色低碳地產 (運行) TOP10)”.

## PROSPECTS

2024 marks a turning point for China’s real estate industry, as it transitions from an old to a new development model, from a stage of expansion to one of consolidation, from a supply-demand imbalance of scarcity to one of surplus, from a market driven by basic needs to one by quality upgrades, and from a housing demand fueled by financial speculation to one based on living use. At the same time, 2024 is also an important year for Greentown China to seek development with higher quality, the Company will further return to the essence of enterprise management, adhere to the principles of “best understanding of customers and best understanding of products”, carry out all-round development with 6 development synergies, to facilitate “comprehensively high-quality and sustainable” development.

In 2024, Greentown China will adhere to the idea of “overcoming challenges collectively and advancing steadily, improving quality and efficiency and achieving comprehensive quality development”, refine the inventories, optimize the increments and reinforce the variables, to dynamically maintain a TOP10 sales ranking, become a quality benchmark and create a “special and excellent” enterprise. Specific arrangements are as follows:

First, improving investment quality. Under the premise of ensuring investment security, highlighting liquidity and balancing profitability, we will make early and accurate investment, and implement the development pace of “two harvests in one year”. We will set inventory clearance as the premise of new investment, rapid sales conversion as the bottom compartment of new investment, and investment review as the support to improve the bidding ability.

Second, improving product quality. Adhering to the product offering, we will continue to make efforts in multi-dimensions such as interaction of product and customer research, product line iteration, innovative research and development, quality establishment, and quality delivery. We will enhance the standardization of bidding and procurement to boost quality and efficiency.

Third, improving marketing quality. We will accelerate the sell-through of inventory value and the disposal of inventory assets, while strengthening the system building of expenses management and control as well as the application of centralized procurement, enhancing the value marketing capabilities and co-creation of value through multi-department collaboration, and ensuring a steady improvement in satisfaction.

Fourth, improving financing quality. By balancing cash flow security and profit realization, as well as reinforcing internal cash flow management, we will continuously improve our fund management capability with rational arrangement of financing structure and reasonable cash flow, so as to achieve “sales-oriented investment”.

Fifth, improving operation quality. Based on strategic foresight in long-term planning, we will manage organizational performance, improve the win-win mechanism, optimize decision making mechanism to improve efficiency, promote successful strategies, continue to improve development efficiency, so as to enhance the systematization and precision of operation management.

Sixth, improving organization quality. We will continue to reform and promote the implementation of two-level structure, ramping up the recruitment of core talents and the internal rotation of talents, and consistently improving the assessment mechanism of reward and punishment to further stimulate staff motivation and value creation.

Seventh, improving in an all-round manner. We will consolidate the leading position of the project management business, integrate Greentown+ business to create synergy and empower main business, and revitalize the commercial inventory assets.

In 2024, Greentown China will have sufficient saleable resources, and its projects will enjoy significant advantages. As of 31 December 2023, the saleable value of self-investment projects was approximately RMB245 billion (excluding the value of projects acquired after January 2024 that can be launched within the year), with first- and second-tier cities accounting for 80%. The Group expects the total GFA of completed projects/phases for 2024 to be approximately 12.68 million sqm. As of 31 December 2023, the Group recorded an accumulated unbooked sales of approximately RMB256.5 billion (attributable: approximately RMB171.2 billion).

In 2024, Greentown China will endeavor to respond to the uncertainty of the changing situation with the certainty of its own work. We will focus on the established strategic goals, fully commit to our work and steadfastly advance on the path of “comprehensively high-quality and sustainable” development.

## FINANCIAL ANALYSIS

### Revenue

The revenue of the Group mainly derives from sales of properties, as well as from project management, design and decoration, and holding properties for operation, etc. During the Year, the revenue of the Group amounted to RMB131,383 million, among which revenue from sales of properties accounted for 91.8%, design and decoration revenue accounted for 2.6%, project management revenue accounted for 2.4% and revenue from holding properties for operation accounted for 3.2%, representing an increase of 3.3% from RMB127,153 million in 2022, which was mainly due to the increase in revenue from sales of properties.

During the Year, the Group's revenue from sales of properties amounted to RMB120,580 million, representing an increase of 2.6% from RMB117,537 million in 2022. The area of properties with recognised revenue amounted to 6,197,536 sqm, representing an increase of 5.5% from 5,877,103 sqm in 2022. The average selling price of properties with recognised revenue was RMB19,456 per sqm, representing a slight decrease from RMB19,999 per sqm in 2022.

Properties with revenue recognised by subsidiaries in 2023 are as follows:

Name of project	Type of property	Area sold (sqm) (Note)	Sales revenue (RMB hundred million)	% of total sales	Average selling price (RMB per sqm)
Hangzhou Lakeside Mansion	High-Rise Apartment	147,139	51.10	4.2%	34,729
Beijing Yihe Jinmao Palace	High-Rise Apartment	62,842	45.08	3.7%	71,735
Ningbo Binhe Mingcui	High-Rise Apartment, Commercial	207,707	42.38	3.5%	20,404
Xi'an Chunfeng Xinyu	High-Rise Apartment, Commercial	325,938	37.21	3.1%	11,416
Quzhou Lixian Future Community	High-Rise Apartment, Commercial	195,148	34.07	2.8%	17,459
Wenzhou Osmanthus Grace	High-Rise Apartment	135,320	30.18	2.5%	22,303
Hangzhou Chaoting Mingyue	High-Rise Apartment, Commercial	138,307	28.74	2.4%	20,780
Hangzhou Spring Lake	High-Rise Apartment, Villa	125,584	27.29	2.3%	21,730
Ningbo Chunxi Chaoming	High-Rise Apartment	71,018	25.65	2.1%	36,118
Qingdao Ideal City	High-Rise Apartment, Low-Rise Apartment, Villa, Commercial	119,455	25.57	2.1%	21,406
Others		4,669,078	858.53	71.3%	18,388
<b>Total</b>		<b>6,197,536</b>	<b>1,205.80</b>	<b>100%</b>	<b>19,456</b>

Note: Areas sold include aboveground and underground areas.

During the Year, projects in Zhejiang area achieved property sales revenue of RMB64,793 million, accounting for 53.7% of the total and ranking top. Projects in Beijing area achieved property sales revenue of RMB9,317 million, accounting for 7.7% and ranking 2nd. Projects in Jiangsu area achieved property sales revenue of RMB6,787 million, accounting for 5.6% and ranking 3rd.

During the Year, the Group's revenue from sales of high-rise apartments, low-rise apartments, serviced apartments, etc. amounted to RMB109,435 million, accounting for 90.8% of the total; sales revenue from villas amounted to RMB9,550 million, accounting for 7.9%; and that from offices amounted to RMB1,595 million, accounting for 1.3%.

During the Year, the Group's revenue from project management service amounted to RMB3,135 million, representing an increase of 28.0% from RMB2,450 million in 2022, which was mainly due to the significant increase in the number of new commercial project management resulting from the continuous implementation of the localised in-depth development strategy, and at the same time, the fact that the Company continued to optimise internal management and improve the conversion rate of commencement of construction, driving revenue growth of commercial project management.

During the Year, the Group recorded RMB3,376 million in the revenue from design and decoration business, representing a decrease of 19.2% from RMB4,176 million in 2022, mainly due to our proactive selection of high-quality customers for cooperation in order to control project risks as a whole in the context of overall downturn in the real estate market.

During the Year, the Group's revenue from hotel operations amounted to RMB1,046 million, representing an increase of 51.8% from RMB689 million in 2022, mainly due to the continued recovery of demand for domestic business travel and leisure travel, leading to a substantial revival in the hotel operations. During the Year, the Group's rental income from investment properties amounted to RMB226 million, representing an increase of 27.0% from RMB178 million in 2022, mainly due to the gradual commencement of operation of new investment properties.

### **Gross profit and gross profit margin**

During the Year, the Group recorded a gross profit of RMB17,073 million, representing a decrease of 22.5% from RMB22,021 million in 2022, mainly due to the decrease in gross profit from property sales during the Year.

During the Year, the Group achieved a gross profit margin of 13.0%, representing a decrease of 4.3 percentage points from 17.3% in 2022. In particular, the gross profit margin of property sales was 11.3%, representing a decrease of 5.0 percentage points from 16.3% in 2022, which was due to, on one hand, lower-than-expected selling prices resulting from the overall market downturn and the impact of price control, and on the other hand, the Group's focus of land acquisition strategy on first- and second-tier cities, which required projects characterised by high security and strong risk resistance but with lower gross profit margin, ensuring the survival and development of the Company in the context of industry downturn.

## **Other income**

During the Year, the Group recorded other income of RMB2,857 million, which mainly comprised interest income, comprehensive service income, dividends from equity instruments designated at fair value through other comprehensive income and government grants, etc., representing a decrease of RMB760 million or 21.0% from RMB3,617 million in 2022, which was mainly due to the optimisation of the Company's land acquisition strategy in recent years, higher proportion of interests in new projects, decrease in new joint ventures and associations, resulting the decrease of RMB311 million and RMB392 million in the interest income and comprehensive service income, respectively.

## **Administrative expenses**

Administrative expenses include human resources costs, daily operating expenses and other expenses, such as product research and development expenses. During the Year, the Group incurred administrative expenses of RMB5,139 million, representing a year-on-year decrease of RMB248 million or 4.6% from RMB5,387 million in 2022. Human resources costs are the largest single expense among administrative expenses. During the Year, the Group incurred human resources costs of RMB2,647 million (2022: RMB2,909 million), representing a year-on-year decrease of RMB262 million or 9.0%. The Group proactively responded to the changes in the industry, continuously optimised the organizational structure and enhanced its refined management, further improving the efficiency of its staff. During the Year, the Group incurred daily operating expenses of RMB1,795 million, which is generally on par with RMB1,770 million in 2022. During the Year, the administrative expenses of the headquarters and real estate development segments accounted for 2.2% of the self-investment projects sales, representing a decrease of 0.3 percentage points from 2.5% in 2022.

## **Selling expenses**

Selling expenses mainly include human resources costs, marketing activities expenses and daily operating expenses. During the Year, the Group incurred selling expenses of RMB2,728 million, representing a decrease of RMB174 million or 6.0% from RMB2,902 million in 2022. Marketing activities expenses are the largest single expense among selling expenses. During the Year, the Group incurred marketing activities expenses of RMB1,417 million, representing a decrease of 3.7% from RMB1,472 million in 2022, mainly due to the decrease in advertising expenses. During the Year, the Group incurred human resources costs of RMB937 million (2022: RMB1,037 million), representing a year-on-year decrease of RMB100 million or 9.6%. The Group continued to exert its brand advantages, strengthened refined management and control, and further improved its cost effectiveness. During the Year, the Group incurred daily operating expenses of RMB374 million (2022: RMB393 million), representing a decrease of RMB19 million. During the Year, the selling expenses of the headquarters and real estate development segments accounted for 1.9% of the self-investment projects sales, representing a decrease of 0.2 percentage points from 2.1% in 2022.

## **Finance costs**

During the Year, the Group's interest expenses included in the consolidated statement of profit or loss and other comprehensive income amounted to RMB2,916 million, representing an increase of RMB187 million from RMB2,729 million in 2022. Interest expenses of the Group for the Year totalled RMB8,386 million, representing an increase of RMB106 million from RMB8,280 million in 2022. The interest distribution recognized as perpetual bonds for the Year was RMB26 million, representing a decrease of RMB146 million from RMB172 million in 2022. Weighted average interest cost was 4.3% during the Year, representing a decrease of 10 bps as compared to 4.4% in 2022. During the Year, with substantial support from financial institutions and recognition in capital markets, financing channels were smooth for the Group to continue its optimisation of debt structure, allowing us to maintain the finance costs at a relatively low level.

## **Share of results of joint ventures and associates**

During the Year, the Group's share of results of joint ventures was a gain of RMB392 million and its share of results of associates was a gain of RMB1,773 million, which amounted to an aggregate gain of RMB2,165 million, representing an increase of RMB481 million from a gain of RMB1,684 million in 2022, mainly due to the increase in revenue from sales of properties. During the Year, the recognised property sales revenue of joint ventures and associates amounted to RMB112,565 million in aggregate, representing an increase of 47.5% and the average selling price of properties with recognised revenue was RMB23,533 per sqm, representing an increase of 20.5% from RMB19,527 per sqm in 2022, which was mainly because among the projects with recognised revenue during the Year, Shanghai Xinhua Pearl City, Hangzhou Jianghe Mingcui and Hangzhou Yonghe City and other projects accounting for a higher proportion of sales were located in first- and second-tier cities, thus elevating the average selling price to a certain extent.

## **Taxation expenses**

During the Year, taxation included land appreciation tax of RMB1,331 million (2022: RMB1,286 million) and enterprise income tax of RMB1,715 million (2022: RMB3,075 million). During the Year, effective enterprise income tax rate was 22.4% (excluding share of results of joint ventures and associates, the losses of certain offshore subsidiaries and foreign exchange gains and losses, etc.), representing a decrease compared with 24.4% in 2022.

## **Loss from changes in fair value of investment properties**

Investment properties are properties held for the purpose of earning rentals, and should be measured at fair value. The Group has appointed valuers to carry out valuation on certain investment properties located in Hangzhou, Jinan, Dalian and Zhuji. According to the valuation results, the loss from changes in fair value of investment properties for 2023 was RMB352 million (2022: a loss of RMB109 million), mainly due to the decline in the fair value of office buildings resulting from the downturn of the office leasing market.

## **Provision and reversal of impairment losses for certain assets**

In view of the everchanging market conditions, the Group has appointed valuers to carry out valuation on certain of its properties. According to the valuation and impairment test results, the impairment loss provision for non-financial assets of RMB1,391 million (2022: RMB1,502 million) was made for the Year, mainly due to the lower-than-expected selling prices of certain types of properties in projects such as Yancheng Xiaofeng Yinyue, Ningbo Fengyue Yinhu and Tongxiang Fengqi Chunlan, resulting from the downturn of the real estate market. In addition, during the Year, the Group provided for an impairment loss of RMB230 million (2022: RMB73 million) after considering the credit risk of the receivables based on the expected credit loss impairment model in conjunction with the subjects, ageing and other factors of the receivables, which was mainly due to the impairment provision made for the amounts due from joint ventures and associates resulting from the downturn of the real estate market.

## **Contract liabilities**

Contract liabilities mainly represent the amounts received from the pre-sale of properties. As at 31 December 2023, the balance of contract liabilities of the Group was RMB159,813 million, representing an increase of RMB11,963 million or 8.1% from RMB147,850 million as at 31 December 2022, which provided strong support for the subsequent profit realisation. The tax pending for written off in respect of the contract liabilities of the Group as at 31 December 2023 was RMB15,306 million, representing an increase of RMB749 million from RMB14,557 million as at 31 December 2022, which was mainly due to an increase in the contracted sales of the Group during the Year.

As at 31 December 2023, the balance of contract liabilities of joint ventures and associates was RMB59,248 million, representing a decrease of RMB78,825 million from RMB138,073 million as at 31 December 2022, which was mainly due to the significant increase in the recognised revenue of joint ventures and associates and the decrease in the number of new joint ventures and associates resulting from the increase in the equity percentage of newly-developed projects during the Year.

## **Material acquisitions**

On 15 August 2023, Hangzhou Zheqing Investment Company Limited\* (杭州浙慶投資有限公司) (“Hangzhou Zheqing”) (a subsidiary of the Company) entered into an equity transfer agreement with a seller and other parties thereto, pursuant to which Hangzhou Zheqing agreed to acquire 50% equity interest in Hangzhou Zhiyan Investment Co., Ltd.\* (杭州致延投資有限公司) (an investment holding company holding a project company for the development of the Hangzhou Oriental Dawn Project) (the “Hangzhou Target Company”) at a consideration of approximately RMB1,177 million. On the same date, Greentown Real Estate Group Co., Ltd. (“Greentown Real Estate”, a subsidiary of the Company) entered into an equity transfer agreement with two sellers and other parties thereto, pursuant to which Greentown Real Estate agreed to acquire 50% equity interest in Suzhou Jingyu Real Estate Development Co., Ltd.\* (蘇州市景譽房地產開發有限公司) (a company principally engaged in the development of the Langyue Binhe Project) (“Suzhou Target Company A”) and 51% equity interest in Suzhou Zhuoyu Real Estate Development Co., Ltd.\* (蘇州市卓譽房地產開發有限公司) (a

company principally engaged in the development of the Mingyue Binhe Project) (“Suzhou Target Company B”) at an aggregate consideration of approximately RMB895 million. A major part of the consideration for the aforesaid acquisitions was settled by offsetting relevant claims and liabilities, and the remaining consideration was satisfied in cash with the Group’s internal financial resources. The aforesaid acquisitions were completed in August 2023. After the completion of these acquisitions, each of Hangzhou Target Company, Suzhou Target Company A and Suzhou Target Company B became a subsidiary of the Company. The acquisitions constituted a discloseable transaction under Chapter 14 of the Listing Rules.

For further details of these acquisitions, please refer to the Company’s announcement dated 15 August 2023.

### **Material disposals**

On 25 May 2023, the Group entered into an agreement with Sunac Huabei Development Group Co., Ltd. (“Sunac Huabei”) in relation to the disposal of 51% equity interest in Tianjin Greentown National Games Village Construction Development Co., Ltd. (“Tianjin National Games Village”) to Sunac Huabei at a consideration of RMB1,486 million. The transaction was completed in May 2023. The consideration was settled in the following manner: (i) Greentown Real Estate assigned approximately RMB1,435 million of the consideration receivable from Sunac Huabei to Tianjin National Games Village, thereby offsetting against an equivalent amount due from Greentown Real Estate to Tianjin National Games Village; and (ii) the remaining consideration amounting to approximately RMB51 million would be settled by an equivalent amount due from Tianjin Sunac Jieyao Real Estate Co., Ltd. (an indirect subsidiary of the Company owned as to 93% by a subsidiary of Greentown Real Estate and indirectly owned as to 7% by Sunac Huabei as at the date of the agreement) to Tianjin Sunac Real Estate Co., Ltd. (a wholly-owned subsidiary of Sunac Huabei) pursuant to the terms under the agreement. Such disposal contributed a net gain of RMB19 million to the Company. The disposal constituted a discloseable transaction under Chapter 14 of the Listing Rules.

For details of the disposal agreement, please refer to the announcement of the Company dated 29 May 2023.

### **Financial resources and liquidity**

As at 31 December 2023, the Group had bank balances and cash (including pledged bank deposits) of RMB73,445 million (31 December 2022: RMB70,394 million), among which regulated pre-sale funds amounted to RMB23,879 million (31 December 2022: RMB21,865 million). Total borrowings amounted to RMB146,142 million (31 December 2022: RMB140,121 million) and net liabilities (total borrowings less bank deposits and cash) amounted to RMB72,697 million (31 December 2022: RMB69,727 million). Net gearing ratio (net liabilities divided by total equity) was 63.8%, generally on par with 62.6% as at 31 December 2022. Balance of borrowings due within one year amounted to RMB32,547 million, accounting for 22.3% (31 December 2022: 19.2%) of the total borrowings. The closing balance of bank deposits and cash was 2.3 times (31 December 2022: 2.6 times) the balance of borrowings due within one year. The Group has relatively ample cash flow, coupled with a reasonable debt structure, providing strong support for the future development of the Company.

## **Risks of foreign exchange fluctuation**

The principal place of operation of the Group is in the PRC, and the majority of its income and expenditure is settled in RMB. As the Group had deposits in foreign currencies, amounts due from and to related parties and third parties denominated in foreign currencies, as well as bank borrowings in foreign currencies and overseas senior notes, the Group was exposed to foreign exchange risks. Taking into account that the foreign currency borrowings of the Company accounted for a small proportion of the total borrowings, most of the foreign currency borrowings is repaid by new borrowings, and that foreign exchange fluctuation is cyclical in nature, no foreign exchange hedging arrangements were entered into by the Company during the Year. A provision for net foreign exchange loss of RMB39 million was made for RMB depreciation during the Year, which was a provision for loss under IAS 21 without actual cash outflow.

## **Contingent liabilities**

The Group provided guarantees in respect of certain banks' mortgages granted to the buyers of the Group's properties. As at 31 December 2023, such guarantees for mortgage facilities amounted to RMB32,452 million (31 December 2022: RMB45,097 million).

## **Pledge of assets**

As at 31 December 2023, the Group pledged right-of-use assets, investment properties, properties for development, properties under development, completed properties for sale, property, plant and equipment, pledged bank deposits, etc, with an aggregate carrying value of RMB130,808 million (31 December 2022: RMB119,505 million) to secure general credit facilities granted by banks and other parties to the Group.

## **Capital commitments**

As at 31 December 2023, the Group had contracted, but not provided for, capital expenditure commitments of RMB732 million (31 December 2022: RMB998 million) in respect of investment properties and construction in progress.

## **CAPITAL EXPENDITURE PLAN**

In consideration of the complicated and highly uncertain economic environment, the Group takes a prudent approach towards the use of funds to secure the capital chain. Currently, the Group has no material capital expenditure plan.

## **EVENT AFTER THE BALANCE SHEET DATE**

On 28 February 2024, Greentown Real Estate Construction Management Group Co., Ltd. (綠城房地產建設管理集團有限公司) (“Greentown Real Estate Construction Management”), a non-wholly owned subsidiary of the Company, and CCCC Fourth Highway Southeast Engineering Co., Ltd.\* (中交建築集團東南建設有限公司) (“CCCC Southeast Engineering”), a wholly-owned subsidiary of CCCC Construction Group Co., Ltd. (中交建築集團有限公司) (“CCCC Construction”) (which is in turn a subsidiary of China Communications Construction Company Limited (a joint stock company established in the PRC whose H shares are listed on the Stock Exchange, with stock code: 01800; and whose A shares are listed on the Shanghai Stock Exchange, with stock code: 601800)), entered into a project management and construction services agreement with Putian Chaoxiu Real Estate Development Co., Ltd.\* (莆田市朝秀房地產開發有限公司) (“Putian Chaoxiu”), a company owned as to 35% by CCCC Construction and 65% by Putian Xinxiu Real Estate Development Co., Ltd.\* (莆田市新秀房地產開發有限公司) (which is ultimately controlled by the Financial Bureau of Xiuyu District of Putian City), pursuant to which CCCC Southeast Engineering shall undertake construction works for the a construction project located in Xiuyu District, Putian City, Fujian Province, the PRC (the “Project”), while Greentown Real Estate Construction Management shall provide Putian Chaoxiu with project management services in the Project. Pursuant to the terms of the agreement, the consideration receivable by Greentown Real Estate Construction Management for providing project management services to Putian Chaoxiu in the Project shall be RMB123,112,000 based on the specifications of the Project as at the date of the announcement, and barring any unforeseen circumstances, the Company expects that the final consideration will not exceed RMB134,946,656 in any event.

Please refer to the announcement of the Company dated 28 February 2024 for further details of such project management and construction services agreement.

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

### **Partial redemption and cancellation of senior notes**

On 13 July 2020, the Company issued 5.65% senior notes due 2025 (ISIN: XS2193529562) in the aggregate principal amount of US\$300,000,000 (the “5.65% Notes”), which is listed on the Stock Exchange (stock code: 40300). On 29 October 2020, the Company issued 4.7% senior notes due 2025 (ISIN: XS2247552446) in the aggregate principal amount of US\$300,000,000 (the “Original 4.7% Notes”), which is listed on the Stock Exchange (stock code: 40447). On 24 February 2022, the Company issued additional 4.7% senior notes due 2025 (the “Additional 4.7% Notes”) in the aggregate principal amount of US\$150,000,000, which was consolidated and formed a single series with the Original 4.7% Notes (together, the “4.7% Notes”).

In 2022, the Company had repurchased from the open market (i) an aggregate principal amount of US\$3,500,000 of the 4.7% Notes; and (ii) an aggregate principal amount of US\$5,500,000 of the 5.65% Notes. All the repurchased notes have been cancelled according to their respective terms in the Year. For details of the redemption and cancellation of the repurchased notes, please refer to the announcement of the Company dated 28 April 2023.

Save as disclosed above, during the Year, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities.

## **HUMAN RESOURCES**

As at 31 December 2023, the Group employed a total of 9,403 employees (31 December 2022: 9,387). The employees of the Group were remunerated on the basis of their performance, experience and prevailing industry practices. The Group's remuneration policies and packages were reviewed by the remuneration committee of the Company and the Board on a regular basis. As an incentive for the employees, bonuses, cash awards and share options or awards may also be granted to the employees based on their individual performance evaluation.

## **CORPORATE GOVERNANCE CODE OF THE LISTING RULES**

In the opinion of the Board, the Company had complied with the requirements of all the applicable code provisions set out in the Corporate Governance Code contained in Appendix C1 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") throughout the Year.

## **MODEL CODE OF THE LISTING RULES**

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix C3 to the Listing Rules as the Company's code for dealing in securities of the Company by the Directors. Having made specific enquiry to each of the Directors, they have confirmed that they have complied with the Model Code throughout the Year. Relevant employees who are likely to be in possession of unpublished inside information of the Group are also subject to compliance with the written guidelines on same terms as the Model Code.

## **AUDIT COMMITTEE**

The audit committee of the Company (the "Audit Committee") has reviewed the accounting principles and practices adopted by the Group and discussed on the audit objectives, the scopes and the report of the internal audit department of the Group. The results of the Group for the year ended 31 December 2023 have been reviewed by the Audit Committee.

## **FORWARD LOOKING STATEMENTS**

This announcement includes forward-looking statements. These forward-looking statements can be identified by the use of forward-looking terminology, including the terms "believe", "estimate", "anticipate", "expect", "intend", "may", "will" or "should" or, in each case, their negative, or other variations or similar terminology. These forward-looking statements include all matters that are not historical facts. They appear in a number of places throughout this announcement and include statements regarding our intentions, beliefs or current expectations concerning, among other things, our results of operations, financial condition, liquidity, prospects and growth strategies, and the industry in which the Greentown Group operates. By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. We caution you

that forward-looking statements are not guarantees of future performance and that our actual results of operations, financial condition and liquidity, and the development of the industry in which the Greentown Group operates may differ materially from those made in, or suggested by, the forward-looking statements contained in this announcement. In addition, even if our results of operations, financial condition and liquidity, and the development of the industry in which the Greentown Group operates are consistent with the forward-looking statements contained in this announcement, those results or developments may not be indicative of results or developments in subsequent periods.

## **ANNUAL GENERAL MEETING**

The forthcoming annual general meeting of the Company (the “AGM”) is proposed to be held on 14 June 2024 (Friday). A notice convening the AGM will be published on the websites of The Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) and the Company ([www.chinagreentown.com](http://www.chinagreentown.com)) and dispatched to the shareholders of the Company (the “Shareholders”) in the manner as required by the Listing Rules and in accordance with the Company’s electronic communications regime in due course.

## **DIVIDENDS**

The Board recommends the payment of a final dividend of RMB0.43 per share for the year ended 31 December 2023 (the “2023 Final Dividend”) to the ordinary Shareholders whose names appear on the Company’s register of members as of 25 June 2024 (Tuesday) (2022: RMB0.50 per share). Subject to approval of the Shareholders at the AGM, the 2023 Final Dividend is expected to be paid before 31 July 2024, and the currency of payment for the 2023 Final Dividend and the relevant exchange rate will be announced in due course.

## **CLOSURE OF REGISTER OF MEMBERS**

The register of members of the Company will be closed during the following periods:

- (i) From 11 June 2024 (Tuesday) to 14 June 2024 (Friday), both days inclusive, during which period no transfer of shares will be registered, for the purpose of ascertaining Shareholders’ entitlement to attend and vote at the AGM. In order to be eligible to attend and vote at the AGM, all transfers accompanied by the relevant share certificates must be lodged with the Company’s branch share register in Hong Kong, Computershare Hong Kong Investor Services Limited at Shops 1712–1716, 17th Floor, Hopewell Center, 183 Queen’s Road East, Wanchai, Hong Kong for registration no later than 4:30 p.m. on 7 June 2024 (Friday); and
- (ii) From 21 June 2024 (Friday) to 25 June 2024 (Tuesday), both days inclusive, during which period no transfer of shares will be registered, for the purpose of ascertaining Shareholders’ entitlement to the 2023 Final Dividend, if approved by the Shareholders at the AGM. In order to be eligible to the 2023 Final Dividend, all transfers accompanied by the relevant share certificates must be lodged with the Company’s branch share register in Hong Kong, Computershare Hong Kong Investor Services Limited at Shops 1712–1716, 17th Floor, Hopewell Center, 183 Queen’s Road East, Wanchai, Hong Kong for registration no later than 4:30 p.m. on 20 June 2024 (Thursday).

## **PUBLICATION OF ANNUAL REPORT**

The annual report of the Group for the year ended 31 December 2023 containing all the information required by the Listing Rules will be dispatched to the Shareholders and published on the websites of the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) and the Company ([www.chinagreentown.com](http://www.chinagreentown.com)).

## **APPRECIATION**

The Board would like to take this opportunity to express gratitude to our Shareholders, customers, suppliers, banks, professional parties and employees for their continuous patronage and support.

By order of the Board  
**Greentown China Holdings Limited**  
**ZHANG Yadong**  
*Chairman*

Hangzhou, the PRC  
22 March 2024

*As at the date of this announcement, the Board comprises Mr ZHANG Yadong, Mr GUO Jiafeng, Mr ZHOU Changjiang, Mr GENG Zhongqiang, Mr LI Jun and Ms HONG Lei as executive directors, Mr Stephen Tin Hoi NG and Mr WU Yiwen as non-executive directors and Mr JIA Shenghua, Mr HUI Wan Fai, Mr QIU Dong and Mr ZHU Yuchen as independent non-executive directors.*