

绿城 

 代建 4.0

绿城管理控股有限公司

( 股票代码:9979.HK )

# 2024 年中期业绩发布会

2024 Interim Results Presentation



# CONTENTS

01

**Industry  
Review**

02

**Business  
Overview**

03

**Financial  
Highlights**

04

**Results  
Outlook**

# CONTENTS

01

**Industry  
Review**

02

**Business  
Overview**

03

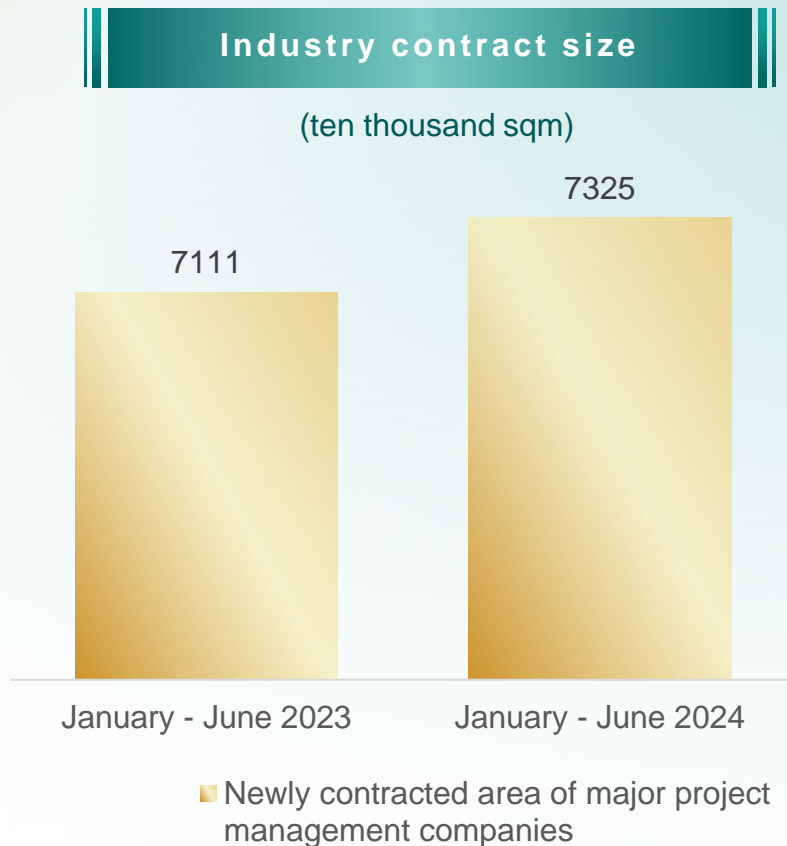
**Financial  
Highlights**

04

**Results  
Outlook**



# 01-Scale: Industry scale grew slightly, with traditional project management declining



**Total scale grew slightly**



**Business model became more diversified**



**The proportion of traditional project management declined**

Note: Data source from China Index Academy.



## 02-Market: The real estate market continued to adjust, putting short-term pressure on new projects

### The real estate market continued to adjust

In the first half of the year, new home sales area in top 100 cities decreased by about 40% year-over-year; second-hand home prices continued to adjust, with a cumulative decline of 3.61%



Certain clients lack confidence in the market and are holding on to their land reserves, observing the market



Certain projects which have not been commenced are “difficult to be profitable”, causing delays in project development



# 03-Competition: More real estate companies are entering the market, and the entry barrier is continuously rising

Ranking of newly contracted area

(ten thousand sqm)



Average newly contracted area of each entry barrier

(ten thousand sqm)



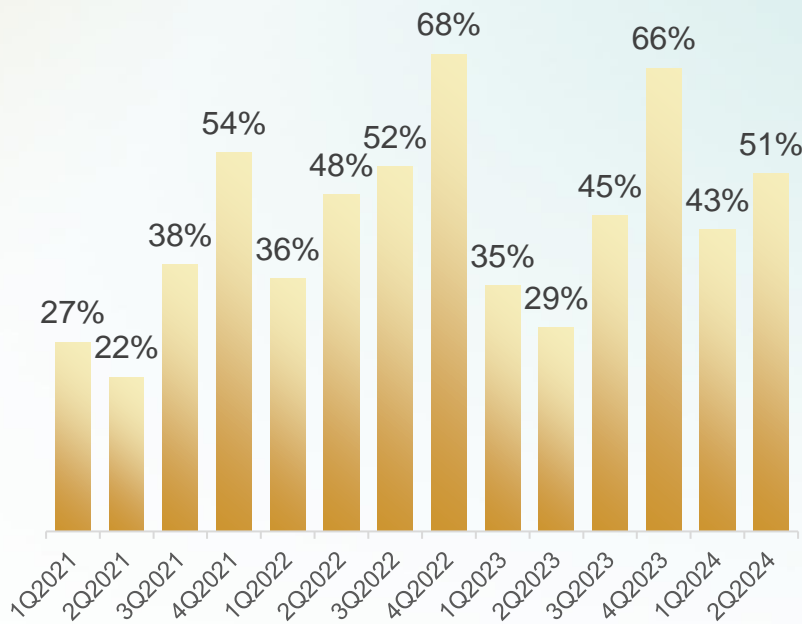
Note: Data source is China Index Academy.



# 04-Opportunity: City investment companies account for 50% of land acquisition, leaving significant potential for cooperation

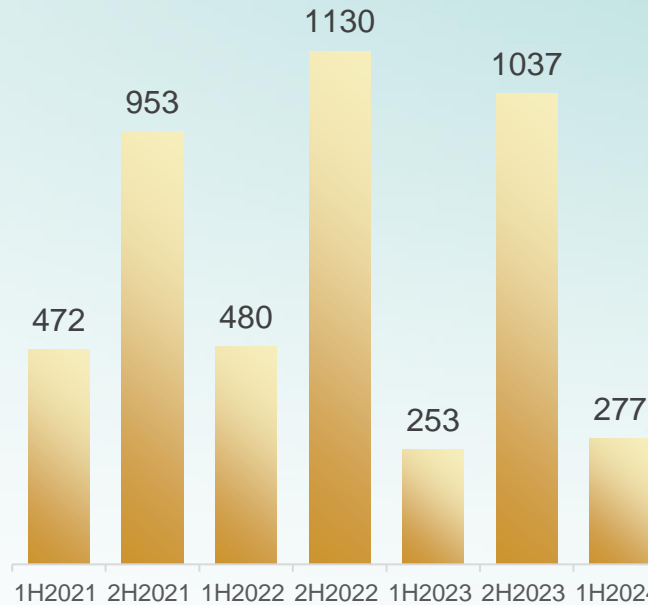
City investment companies' share of transacted land in 30 cities

(percentage of number of parcels)



Statistics on land acquisition scale of city investment companies in 30 cities

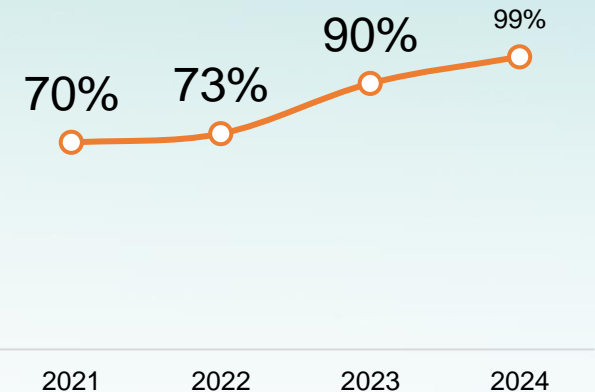
(number of parcels)



Review of city investment companies' demand for project management services

- Overall, the proportion of land that has not yet started construction is 78%
- The planned GFA of the undeveloped land is 330 mn sqm, and the estimated potential for project management opportunities accounts for 15%

Percentage of city investment company land that has not started construction yet



Note: The data source is the CRIC Real Estate Research Institute. The 30 cities include Chongqing, Chengdu, Changsha, Xi'an, Shijiazhuang, Qingdao, Jinan, Hangzhou, Ningbo, Shanghai, Nanjing, Guiyang, Zhengzhou, Wuhan, Hefei, Changchun, Suzhou, Tianjin, Guangzhou, Wuxi, Beijing, Nanning, Fuzhou, Nanchang, Kunming, Taiyuan, Dalian, Shenyang, Shenzhen, and Xiamen..



# 05-Outlook

While the industry scale is under short-term pressure, there is still significant room for medium to long-term growth

Short-term: Affected by the real estate market adjustment, the industry's growth rate has slowed down and competition has intensified

Slower pace of scale expansion

Declining rates among the industry

Decreasing unit prices

Decreasing gross profit margins

Medium to long-term: After the market adjustment stabilizes, there are still many opportunities and significant room for growth

Urban village redevelopment

Affordable housing implementation

Relief and Protection of Troubled Real Estate Projects

Land acquired by city investment companies as a backstop



# CONTENTS

01

**Industry  
Review**

02

**Business  
Overview**

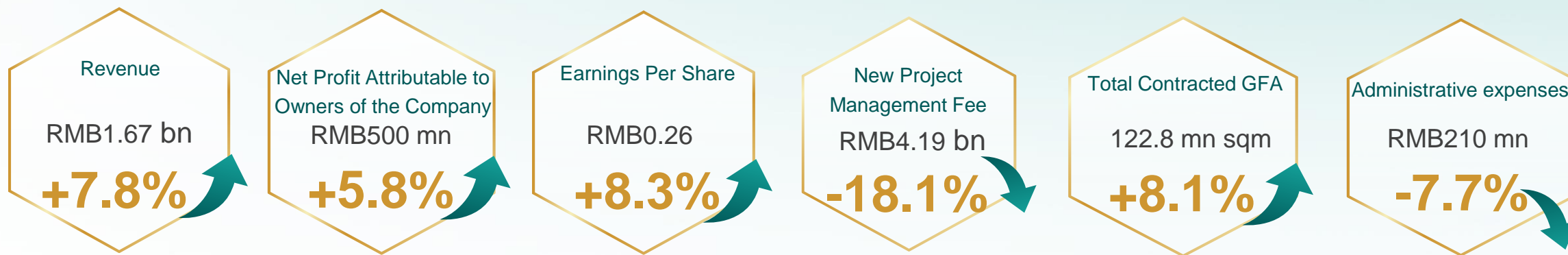
03

**Financial  
Highlights**

04

**Results  
Outlook**

**Focusing on quality improvement and efficiency enhancement,  
emphasizing safety and stability, Maintaining the leading position  
and expanding competitive advantages**





# 01-Scale: Deepening the nationwide layout, with stable yet rising scale

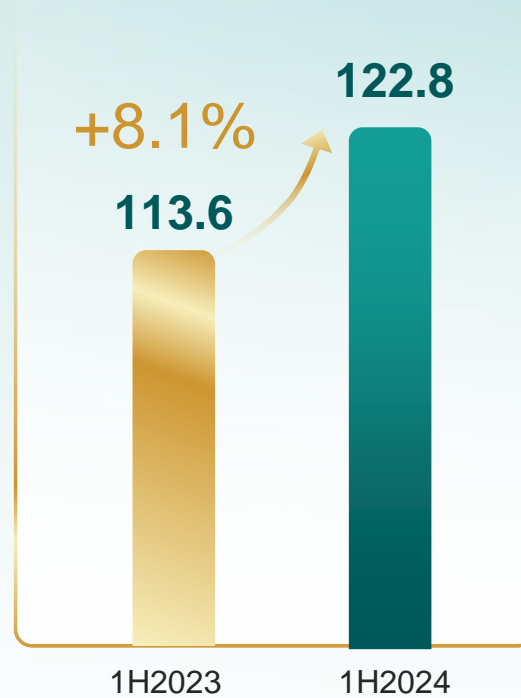
## City Coverage

128



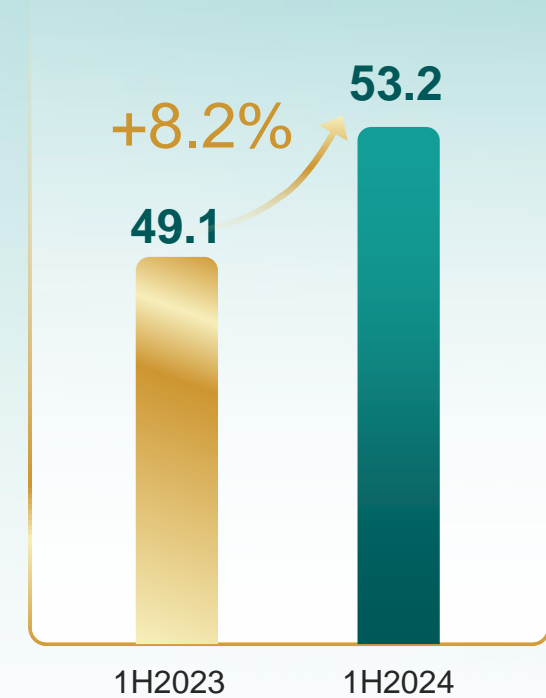
## Total Contracted GFA

(mn sqm)



## Area under construction

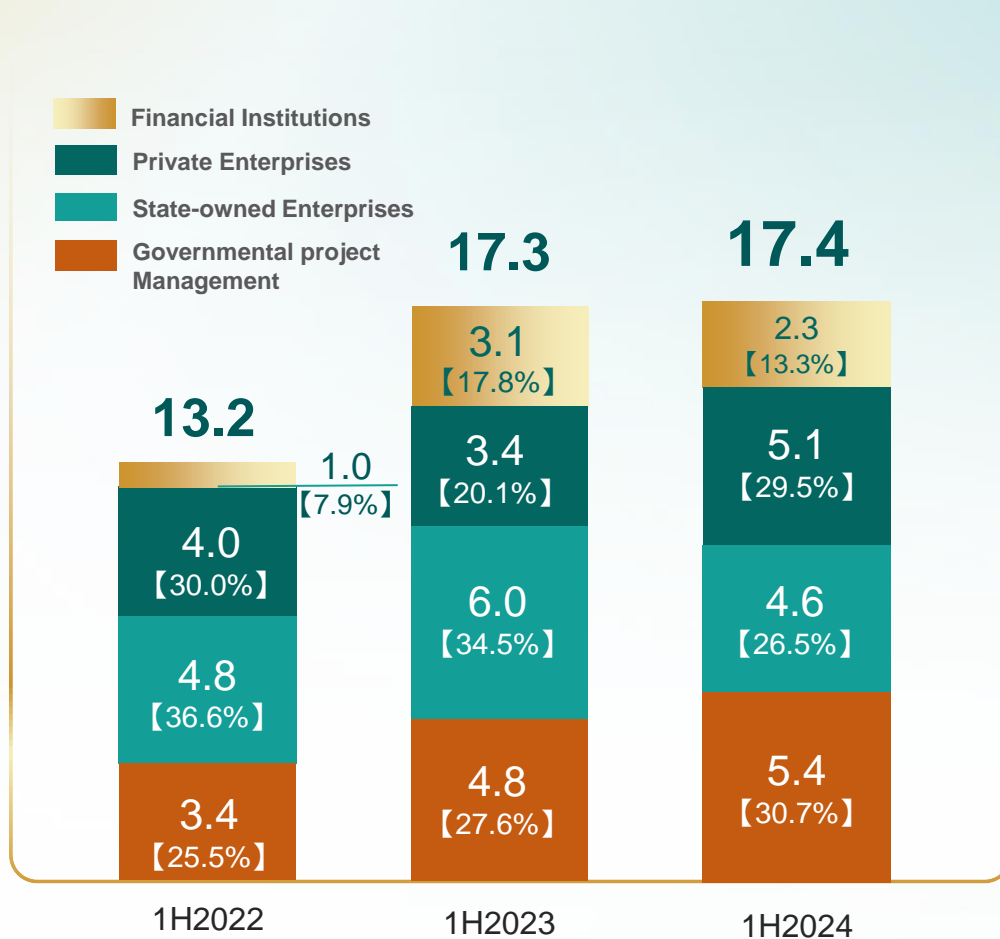
(mn sqm)





# 02-New Projects: Improved project structure, more stable operational expectations

Total GFA of New Project Management Projects (mn sqm)



New projects for this type of client amounted to 10.0 mn sqm, high-quality clients continuously expanding



Jiaxing Canal Bay New City Urban Organic Renewal Project



Harbin Science & Technology Innovation City Project

Governmental project management further expanding nationwide, Entered the Shandong and Guangdong markets for the first time



Qingdao Shimeian Livable and Business-Friendly Ecological Zone Development Project



Foshan Ronggui Hongji Future Community



# 02-New Projects: Continuous innovation in capital owner project management, Mutual Success through Collaboration

Continuously advancing capital-side project management, establishing new partnerships with financial institutions like Oriental Assets, Great Wall Assets, and Hunan Financial Credit;

Continuously engaging in distressed project management, initial results from distressed projects are showing, with cooperation projects involving China Aviation Trust and COFCO Trust will soon be delivered.

Economic benefits  
Social benefits



Business diversion  
Scaling up

Original developers

Brand renewal, sales relaunch, bailout to ensure delivery

Financial institutions

Credit reconstruction, capital recovery, collaborative risk control

Homebuyers

Quality assurance, service improvement, on-time delivery

Supply chain

Debt settlement, resumption of construction, resource sharing

Local government

Asset revitalization, risk isolation, stabilizing to promote development



Greenview - Yunzhu Zhenni  
(Orient Asset)



Jiangyin Chengjiang Mingyue  
(Delivered)



Greenview - Wuhan Guihu Yuncui  
(Great Wall Asset)



Guangzhou Yangguang Peninsula  
(Delivered)



## 03- Products: Continuous optimization of the system, continuous enhancement of capabilities

### Continuous optimization of supply chain system

First in the project management industry

**Releasing Greentown Management Centralized Procurement Development White Paper**

Improved centralized procurement application

**Centralized procurement application amount increased by 65% year-on-year**

Upgraded the design supplier database

**Added 2 new excellent suppliers**

Strengthened the local construction supplier database

**Expanded the strategic procurement suppliers by 30%, adding 20 new suppliers**

**Connected with high-quality supply chain resources**

### Enhanced capabilities across diverse business pipelines

First in the project management industry

**Releasing Greentown Management Public Facility Capability White Paper**

Delivered 6 non-residential projects

**Delivered 1.3 mn sqm of non-residential area**

Delivered 5 batches of distressed projects

**Delivered 52,800 sqm of distressed projects**

Established the "M Fortunate Home" brand for the post-installation business

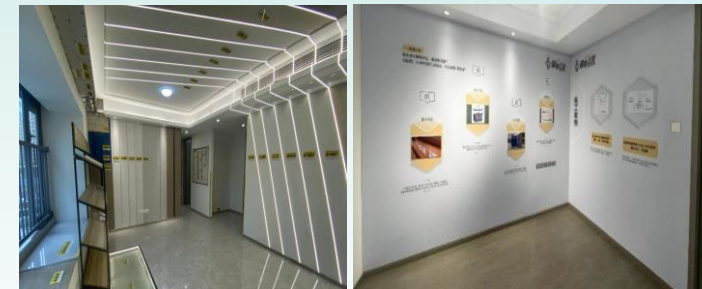
**Signed contracts for 9 projects in the interior renovation package business**

**Strengthened the capability to provide diversified business solutions**

### "M Fortunate System" 2.0



**Implemented the "M Fortunate Community" product system 2.0**



**Launched and implemented the "Fortunate Workshops 2.0"**



# 03- Products: Continuous optimization of the system, continuous enhancement of capabilities

Product-related awards received in the first half of the year

“fortunate” delivery in the first half of the year

1H2024 Awarded **11** international-level awards

1H2024 Awarded **43** provincial and municipal-level awards

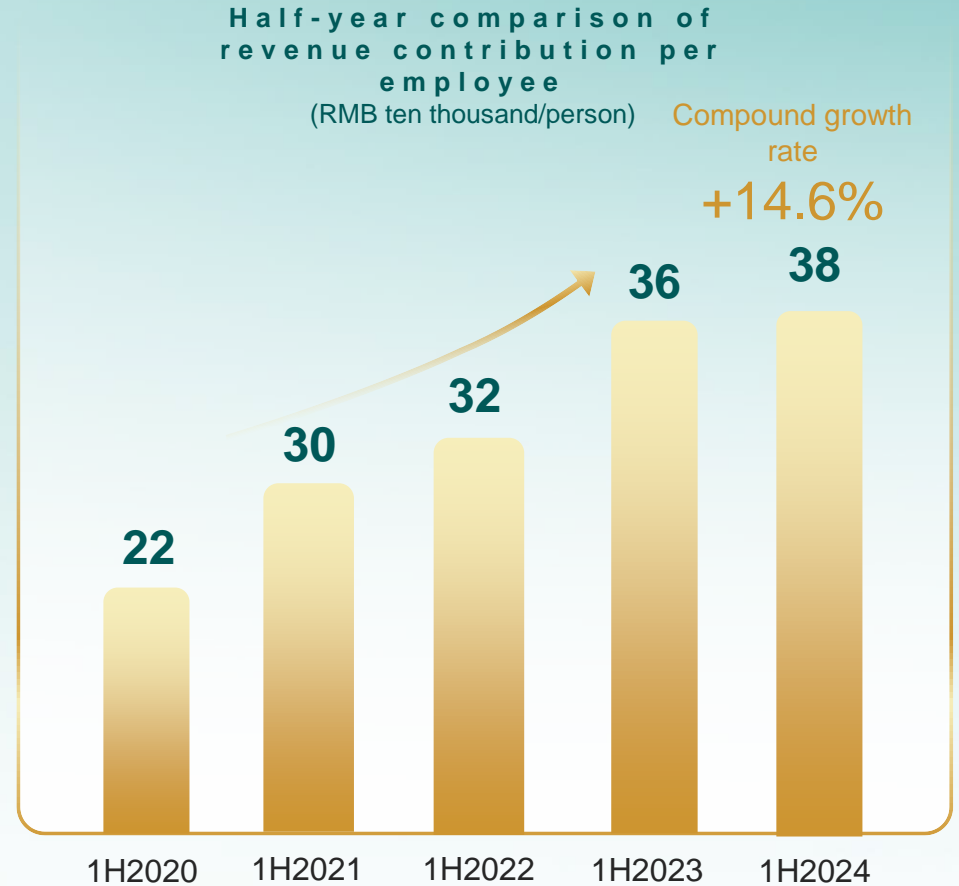


54 product-related awards received in the first half of the year

Delivered of <b>54</b> projects in the first half of the year	Delivered a total area of <b>6.545</b> mn sqm
Created a joyful life for more than <b>29,900</b> homeowners in the first half of the year	Customer satisfaction score reached <b>92</b> points, maintaining industry-leading satisfaction levels
Delivered nearly <b>56.5</b> mn sqm for Governmental project management projects	Creating dream homes for nearly <b>230,000</b> Indigenous residents



## 04- Organization: Optimized systems and mechanisms, with continuous improvement in efficiency



Note: The current calculation of revenue per employee uses the full scope of personnel serving the core business of the Group and its subsidiaries.





## 04-Organization: Launched the “Inclusive Recruitment Program”, building a platform-based organization



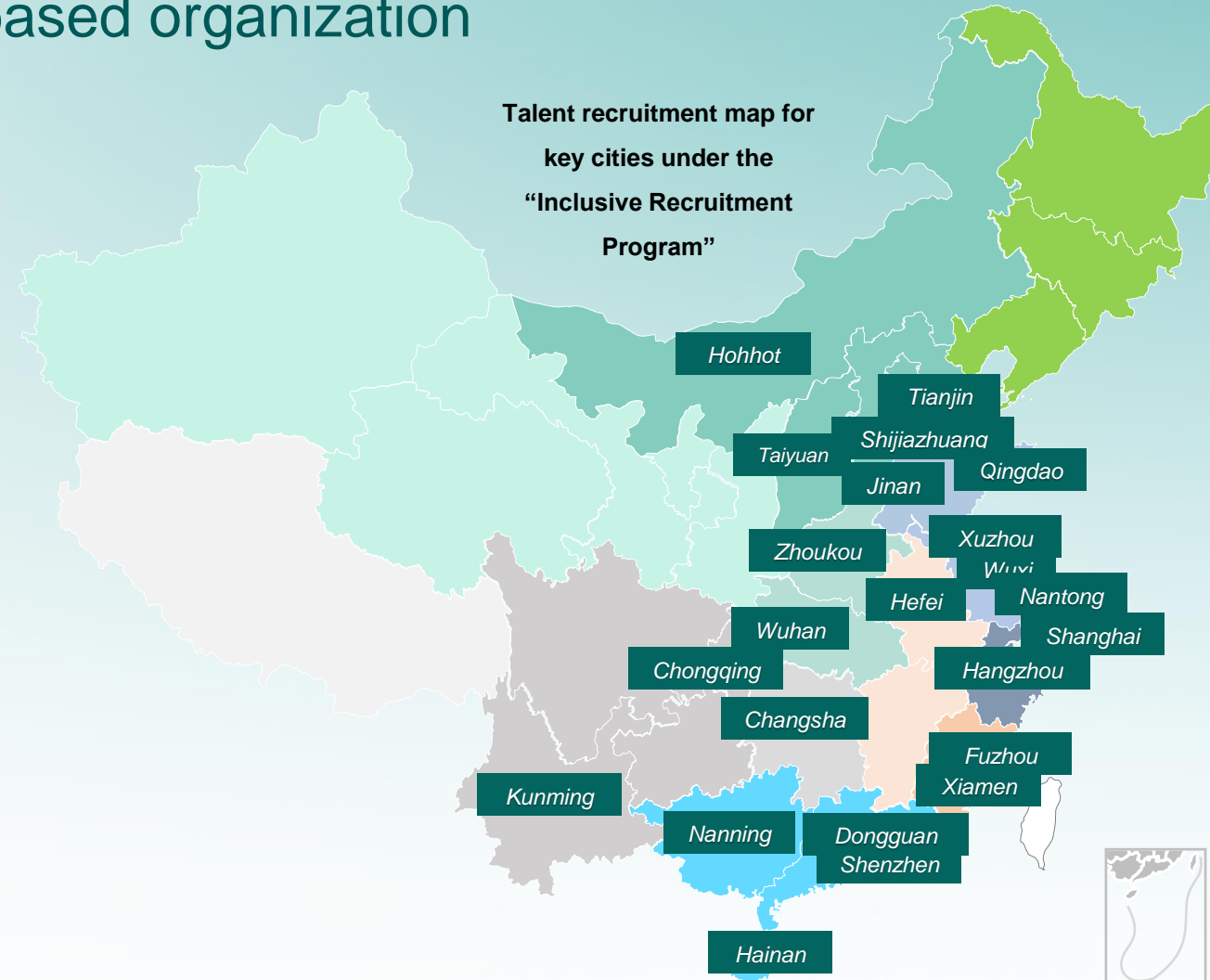
Onboarded **30+** city partners in total

Developed **400+** external city partners

Added **1,000+** new effective project information

Added project information coverage in **150+** cities

Talent recruitment map for key cities under the “Inclusive Recruitment Program”



**Leveraging the association platform, fulfilled the leading role  
to drive the real estate industry's transformation  
towards a new development model**



Organized exchange and visits among project management enterprises



Promoted the formulation of industry standards



Actively participated in industry activities and shared insights



Led the issuance of industry conventions and model contract templates

# CONTENTS

01

**Industry  
Review**

02

**Business  
Overview**

03

**Financial  
Highlights**

04

**Results  
Outlook**



# 01- Key financial indicators

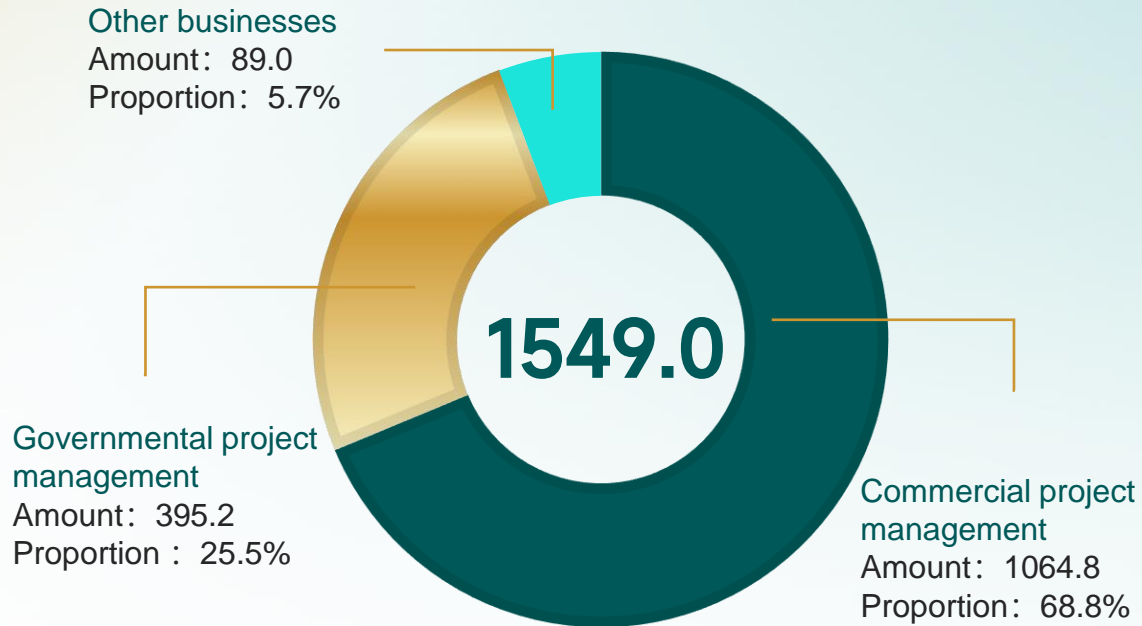
Items	For the six months ended 30 June		
	2024	2023	Change %
	RMB mn	RMB mn	
Revenue	1,669.6	1,549.0	7.8%
Gross profit	860.1	806.2	6.7%
Gross profit margin	51.5%	52.0%	Down 0.5 percentage points
Net profit	491.2	462.1	6.3%
Net profit margin	29.4%	29.8%	Down 0.4 percentage points
Net profit attributable to owners of the Company	501.2	473.6	5.8%
Net profit margin attributable to owners of the Company	30.0%	30.6%	Down 0.6 percentage points
Basic earnings per share, RMB (ordinary shareholders of the parent company)	0.26	0.24	8.3%



## 02-Revenue analysis: Structural adjustment with core business prominence

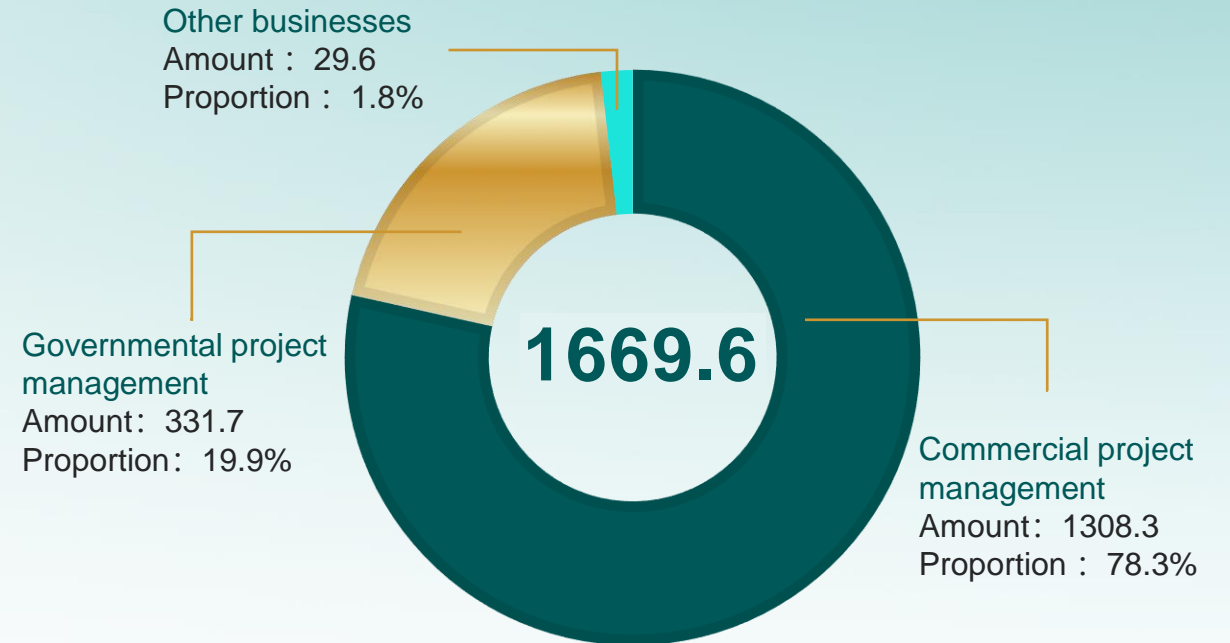
JANUARY-JUNE 2023

RMB mn



JANUARY-JUNE 2024

RMB mn



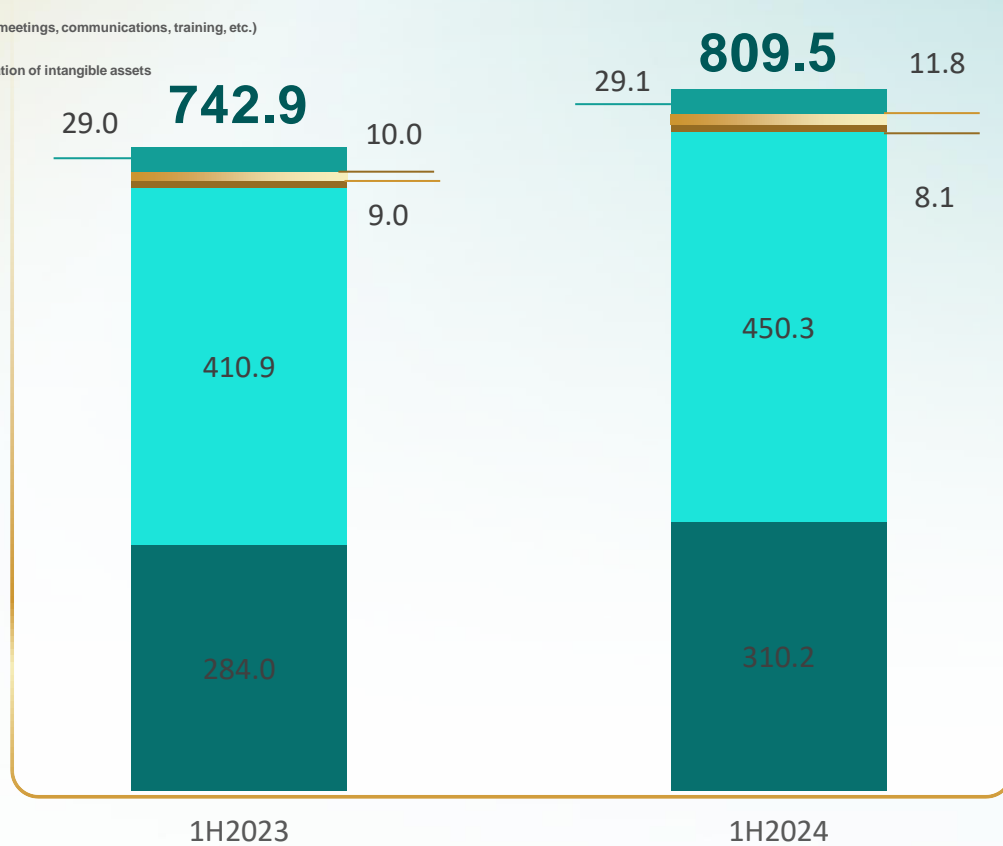


# 03-Cost analysis: Cost control and optimization

- Human resources costs
- Service and outsourcing costs
- Office and travel expenses
- Others (meetings, communications, training, etc.)
- Amortization of intangible assets

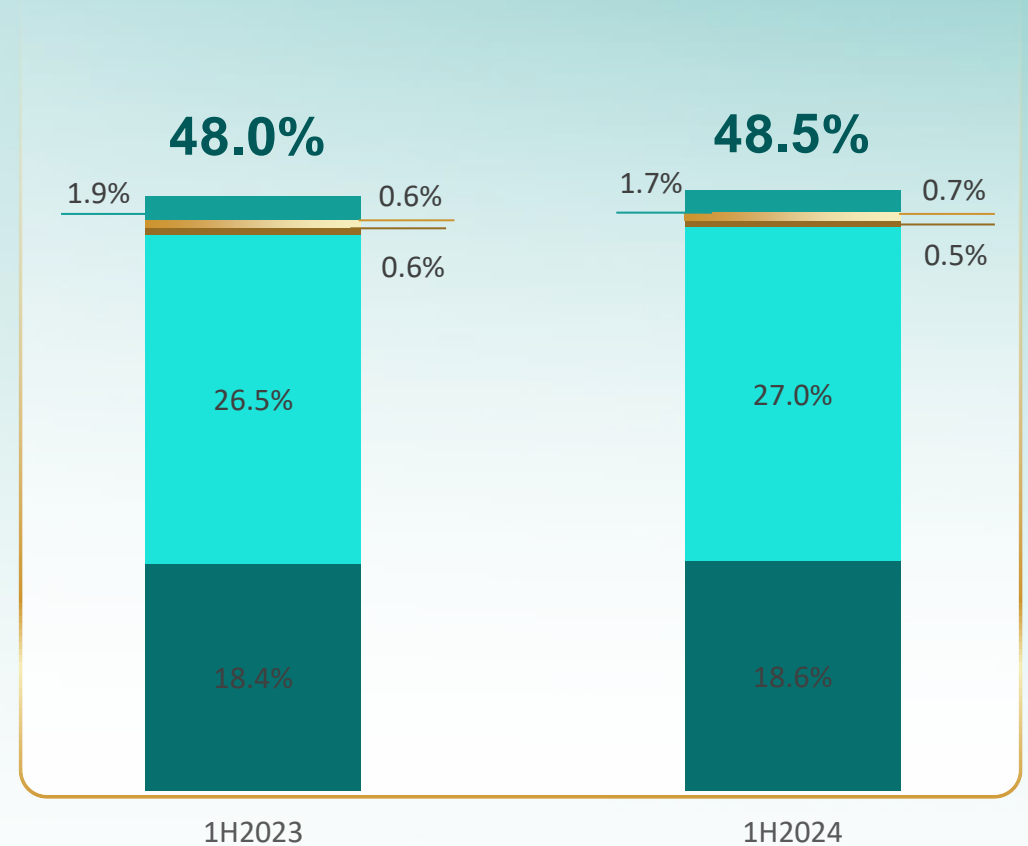
### Composition of costs

(Unit: RMB mn)



### The proportion of cost to revenue

(Unit: %)

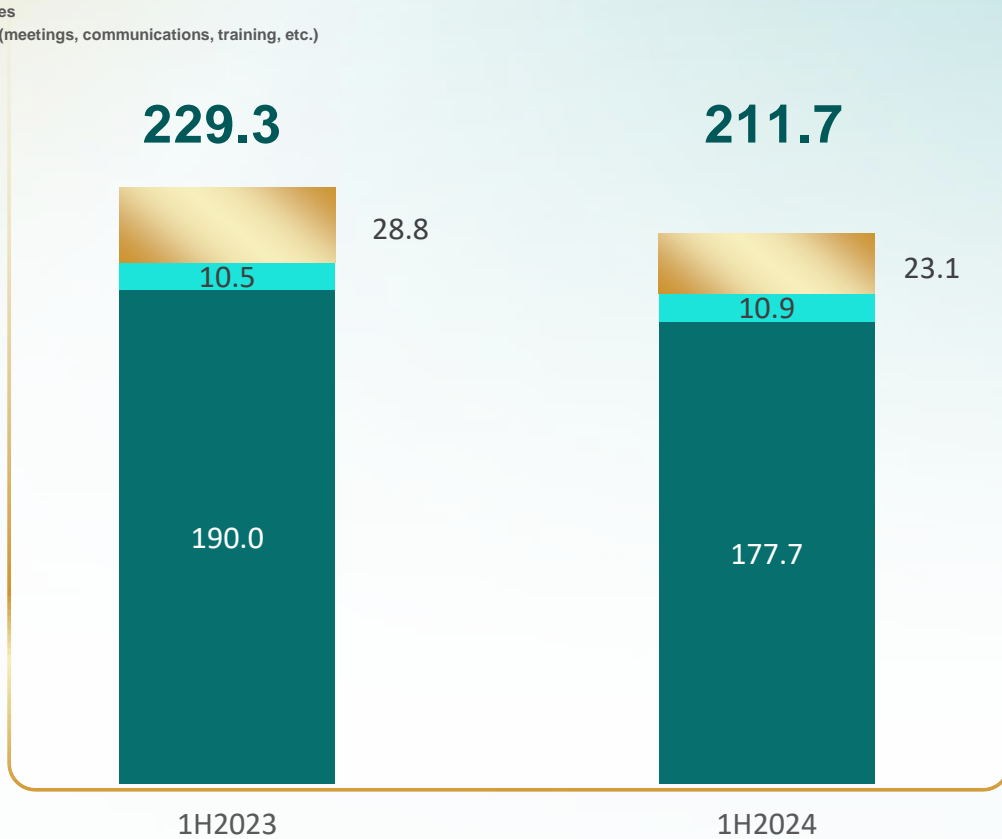




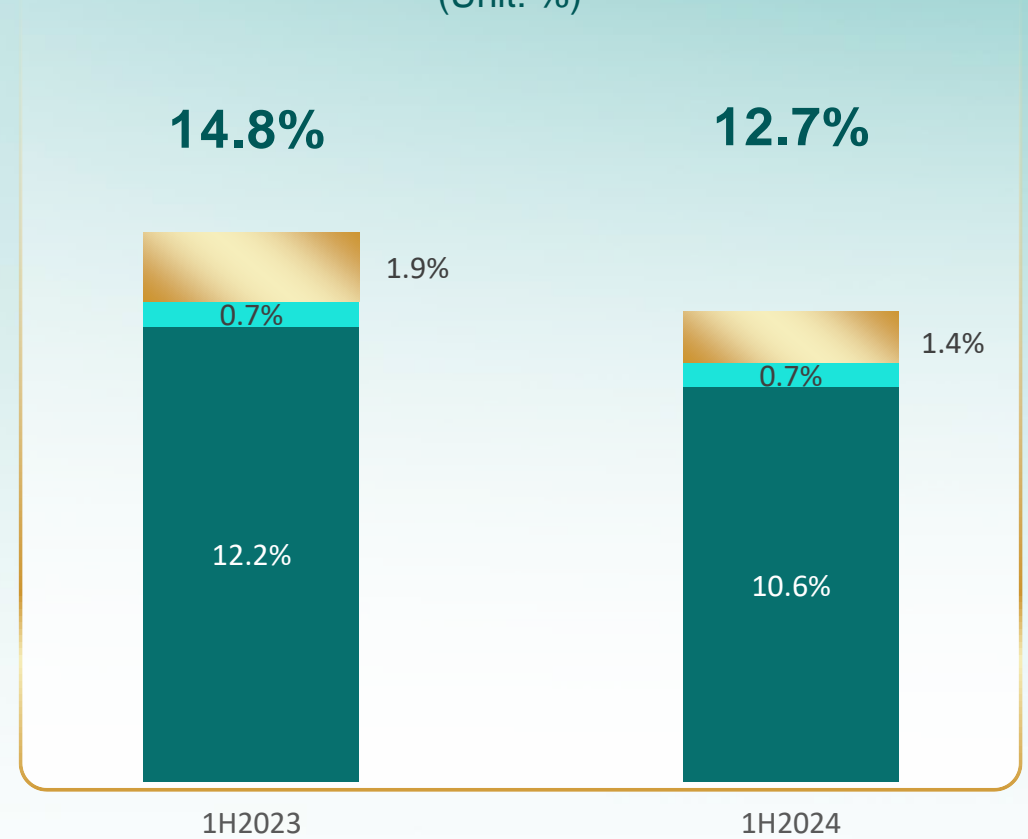
# 04- Administration fee: Reduced costs and improved efficiency to achieve management advancement

### Administration fee composition (Unit: RMB mn)

- Human resources costs
- Office and travel expenses
- Others (meetings, communications, training, etc.)



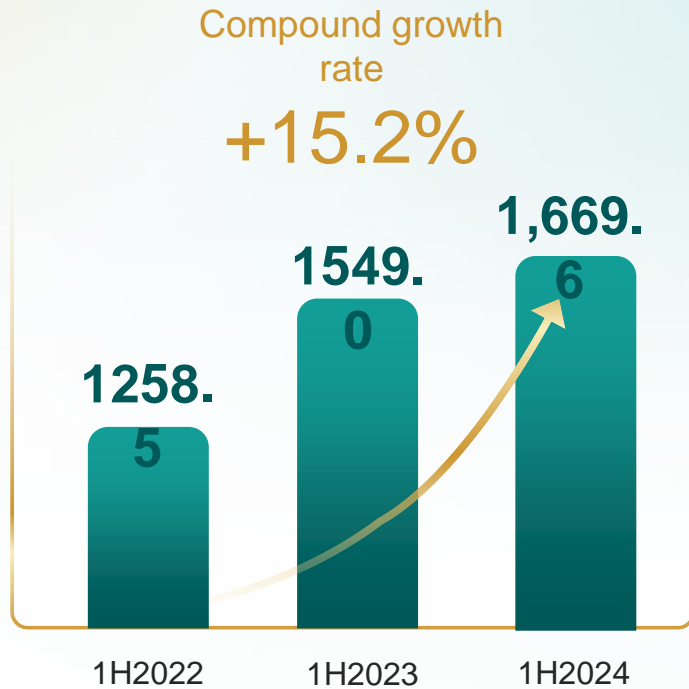
### The proportion of Administration fee to revenue (Unit: %)



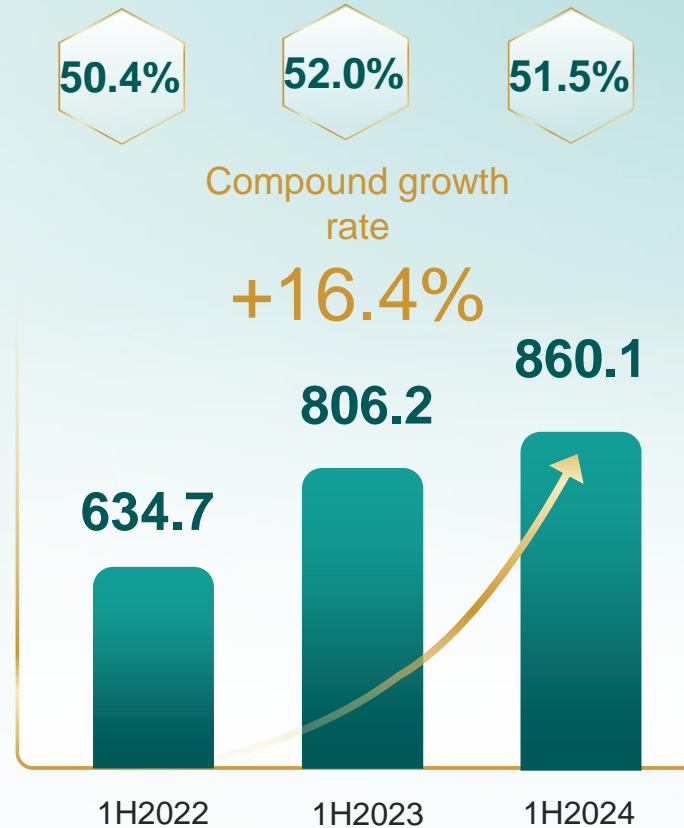


# 05- Operating results: Optimized operations, steady development

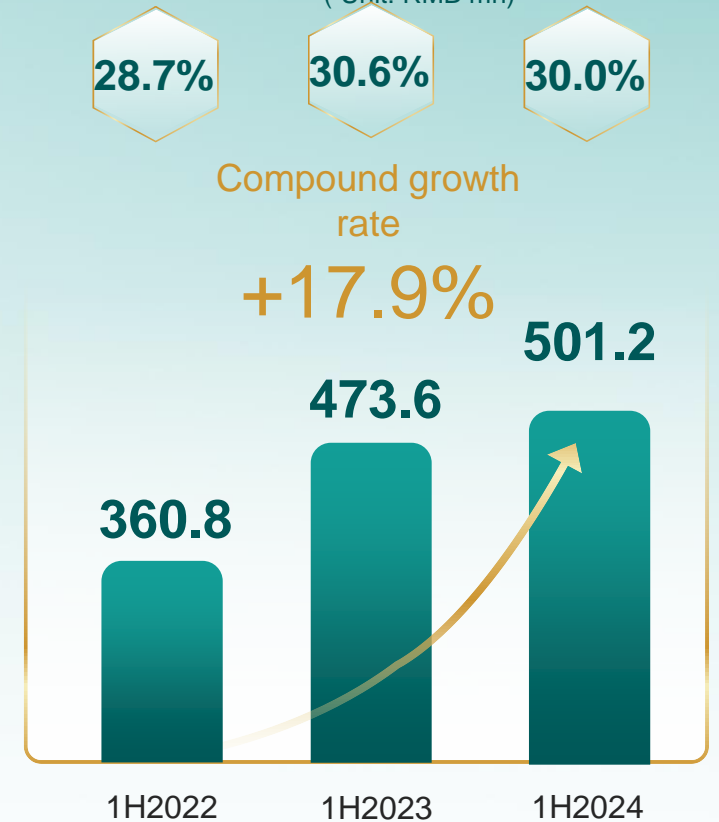
**Revenue**  
(Unit: RMB mn)



**Gross profit amount/margin**  
(Unit: RMB mn)



**Net profit amount/margin attributable to owners of the Company**  
(Unit: RMB mn)





# CONTENTS

01

**Industry  
Review**

02

**Business  
Overview**

03

**Financial  
Highlights**

04

**Results  
Outlook**



# Order inventory

The total GFA of projects in four major economic regions amounted to **92.8 mn sqm**, accounting for **75.5%** of the total GFA of **122.8 mn sqm** with a sufficient saleable value of **892 bn**.



	GFA (mn sqm)	Saleable Value (RMB bn)
Bohai Rim Economic Circle, Beijing-Tianjin-Hebei City Cluster	25.1 20.4%	222 24.9%
Yangtze River Delta Economic Circle	54.4 44.3%	293.6 32.9%
Pearl River Delta Economic Circle	8.4 6.8%	115.9 13.0%
Chengdu-Chongqing City Cluster	4.9 4.0%	43.1 4.8%



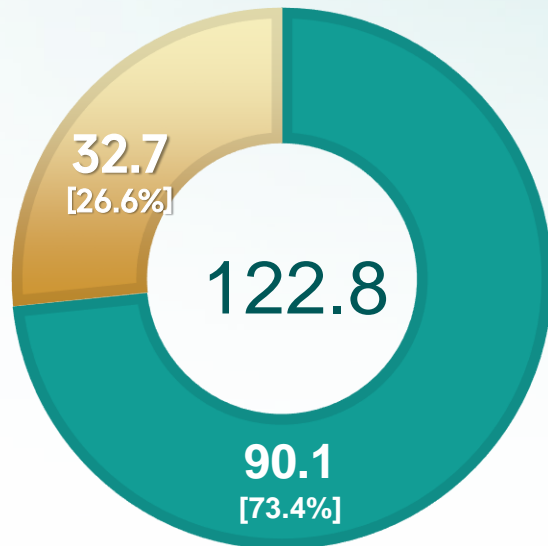
# Project conversion support

58.7 mn sqm of areas to be developed, accounting for 47.8%, and continuous conversion will ensure a stable results going forward.

Among which, the more profitable commercial project accounts for 73.4%, and efficient development will support profit growth.

### Total GFA structure by business type

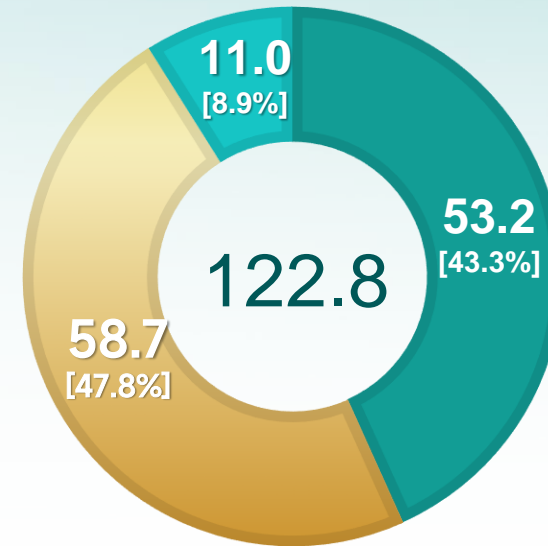
(mn sqm)



Governmental project management    Commercial project management

### Total GFA structure by development status

(mn sqm)



Delivered area    Area to be developed    Area in development



# Industry Opportunities

Project management is a new model for the development of the real estate industry and a future new direction. It is an industry that is still rapidly growing.

In 2024, the penetration rate of project management in typical urban residential projects is about **6.28%**. Compared with nearly **30%** in developed countries, there is still room for growth in the future.

## Main growth engine

### Urban Investment Company model

78% of the land has not yet started construction and is still the main force in land acquisition, accounting for about 50%.

### Government model

The reconstruction of urban villages and the affordable housing are strategic focuses of the "Three Major Projects," and policies are being accelerated

### Distress Relief model

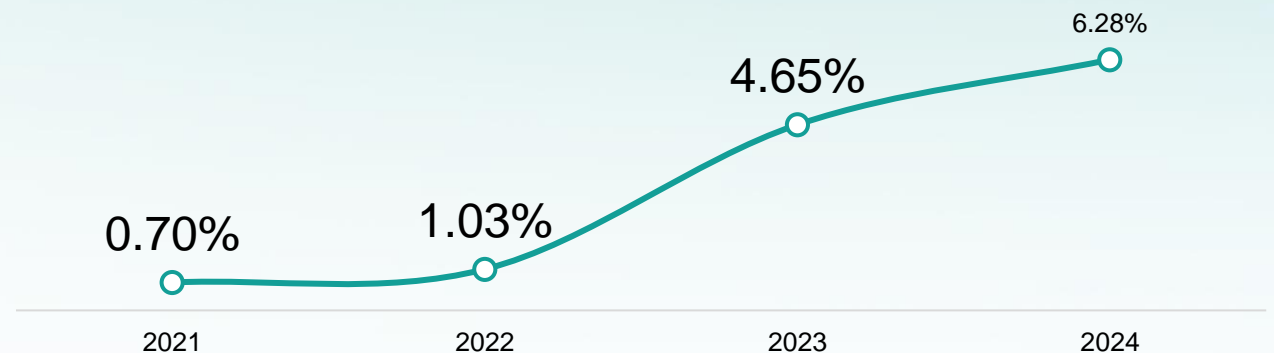
The continuous advancement of the delivery of distress relief project

## Industry future

Popularization of Project management, Asset-light transformation of developers, Trend of separation between investment and development

### Penetration Rate of 29 Typical Cities

( Based on the launch time )



Note: Data source is from CRIC



# Focus on development

## Deeply explore project management opportunities

Channel building

Further improve market information coverage

Major account expansion

High-level coordination and headquarters empowerment support

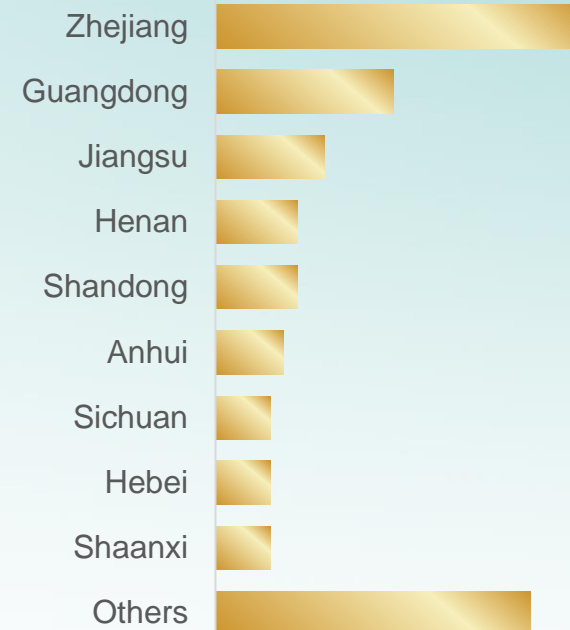
Model innovation

Matching client demands, diversified collaboration

Activating existing inventory

Deeply promote negotiations to speed up contract sign up

## Precise market strategies



Mature and leading markets  
Ensure leading positions

High-potential growth markets  
Consolidate the second growth engine

Other markets to be cultivated  
Improve coverage



# Management Refinement

Guided by mutual benefit and win-win, aiming for customer satisfaction, and focusing on operational fulfillment

## Continuously Refining Internal Capabilities

### Lean Management

Continuously optimize processes and focus on operational efficiency.

### Service Upgrade

Continuously enhance B-end service capabilities in all aspects.

### Operational Fulfillment

Lead with performance incentives and fulfill customer commitments.

### Order Conversion

Strengthen preliminary services and accelerate cash collection.

## Continuously Improve Project Profitability

### Development Efficiency

Accelerate project initiation and shorten development cycles.

### Product Presentation

Continuously innovate products and increase premium potential.

### Sales & Marketing

Precisely position products and strengthen digital marketing.

### Cost Management

Strictly control ineffective costs and reduce expenditure.

# Maintaining the Industry Leading Position

Confidence



Leverage



Opportunity



Focus



Guarantee





# Disclaimer



All information and data in this PowerPoint presentation have not been independently verified and are for reference and general information only.



The information contained in this PowerPoint presentation is made in the context of current circumstances, and the Company will not give notice of the changes to this PowerPoint presentation or guarantee its accuracy, nor will it update this PowerPoint presentation with respect to material developments after this presentation.



No representation, promise or warranty, express or implied, is made by directors, senior management members, employees, consultants or representatives of the Company or any of its affiliates as to the fairness, accuracy, completeness and correctness of the information or opinions contained in this PowerPoint presentation, and no one should rely on such representation.



Neither the Company nor any of its subsidiaries nor its directors, senior management members, employees, consultants or representatives shall be liable for any loss (negligence or otherwise) arising out of any use of this PowerPoint presentation or its contents.



绿城管理控股有限公司

( 股票代码:9979.HK )

管理创造价值

Management creates value

