



GREENTOWN MANAGEMENT HOLDINGS COMPANY LIMITED  
綠城管理控股有限公司

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 09979)

# Interim Report 2023



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## Introduction

The Group is the pioneer and leader of China's real estate asset-light development model. Greentown Management was founded in 2010. It is a subsidiary of Greentown China and the main body for exporting the "Greentown" brand and project management model. In July 2020, Greentown Management was listed on the Main Board of The Hong Kong Stock Exchange, becoming the first project management stock in China. From 2017 to 2023, we had consecutively earned the accolade of a Leading Enterprise in Real Estate Project Management Operation (《中國房地產代建運營引領企業》) granted by China Real Estate Top 10 Research Team.

Greentown Management adheres to the core values of "quality, reliance, value and share", integrates resources, exports brand and standards through project management, and creates value for customers with customized solutions and high-quality services. The core business includes commercial project management, government project management and other services. As the pioneer of the Project Management 4.0 system and the "Greentown Star" standard setter, Greentown Management is committed to creating an ecological platform of "co-creating value and sharing benefits" for clients, owners, suppliers, employees and investors to build an exciting quality life.

As at 30 June 2023, the project management projects located in 123 cities across 28 provinces, municipalities and autonomous regions in the PRC.





# Corporate Information

## BOARD OF DIRECTORS

### Executive Directors

Mr. Li Jun (*Vice Chairman*)  
Mr. Wang Junfeng (*Chief Executive Officer*)  
(*appointed on 12 January 2023*)  
Mr. Lin Sanjiu

### Non-executive Directors

Mr. Guo Jiafeng (*Co-Chairman*)  
Mr. Zhang Yadong (*Co-Chairman*)

### Independent Non-executive Directors

Mr. Lin Zhihong  
Dr. Ding Zuyu  
Mr. Chan Yan Kwan Andy

## AUDIT COMMITTEE

Mr. Chan Yan Kwan Andy (*Chairman*)  
Mr. Lin Zhihong  
Dr. Ding Zuyu

## REMUNERATION COMMITTEE

Dr. Ding Zuyu (*Chairman*)  
Mr. Chan Yan Kwan Andy  
Mr. Lin Zhihong

## NOMINATION COMMITTEE

Mr. Lin Zhihong (*Chairman*)  
Mr. Chan Yan Kwan Andy  
Dr. Ding Zuyu

## AUTHORIZED REPRESENTATIVES

Mr. Li Jun  
Ms. Zhang Panpan

## JOINT COMPANY SECRETARIES

Ms. Zhang Panpan  
Ms. Yung Mei Yee

## LEGAL ADVISORS

as to Hong Kong laws:

**Latham & Watkins LLP**  
18th Floor, One Exchange Square  
8 Connaught Place, Central  
Hong Kong

as to Cayman Islands law:

**Maples and Calder (Hong Kong) LLP**  
26th Floor  
Central Plaza  
18 Harbour Road  
Wanchai  
Hong Kong

as to PRC law:

**Zhejiang T&C Law Firm**  
11/F, Building A, Dragon Century Plaza  
No. 1 Hangda Road  
Hangzhou 310007  
Zhejiang  
The PRC

## AUDITOR

Deloitte Touche Tohmatsu  
Registered Public Interest Entity Auditor  
35/F, One Pacific Place  
88 Queensway  
Hong Kong

### REGISTERED OFFICE

PO Box 309, Ugland House  
Grand Cayman, KY1-1104  
Cayman Islands

### HEADQUARTER

9/F, Block C  
Xixi International  
767 Wen Yi West Road  
Xihu District, Hangzhou  
Zhejiang  
The PRC

### PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Room 1004  
10/F, New World Tower 1  
16-18 Queen's Road Central  
Central  
Hong Kong

### PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Maples Fund Services (Cayman) Limited  
PO Box 1093  
Boundary Hall  
Cricket Square  
Grand Cayman  
KY1-1102  
Cayman Islands

### HONG KONG SHARE REGISTRAR

Computershare Hong Kong Investor Services Limited  
Shops 1712-1716, 17th Floor  
Hopewell Centre  
183 Queen's Road East  
Wanchai  
Hong Kong

### PRINCIPAL BANKERS

Hua Xia Bank Co., Limited  
Bank of Hangzhou Co., Ltd.  
Standard Chartered Bank (Hong Kong) Limited  
Agricultural Bank of China Limited  
Industrial and Commercial Bank of China Limited

### COMPANY'S WEBSITE

[www.lcgjlt.com](http://www.lcgjlt.com)

### STOCK CODE

Hong Kong Stock Exchange: 09979

### LISTING DATE

10 July 2020

# Management Discussion and Analysis



# Management Discussion and Analysis

## I. BUSINESS OVERVIEW

With the changes in national policies and the macro-control pressure on the real estate industry, the scale of land and capital resources possessed by state-owned enterprises, local urban investment companies, and financial institutions is expected to increase continuously, which is in line with the trend of “separation of investment and development” in developed countries. The project management model has become an important platform for undertaking development services and will experience growth in scale under the joint influence of policies and market forces.

With the endorsement by central enterprises, its first-mover advantages, leading effects and nationwide presence, and combining with forward-looking market research and judgment, the Company has upgraded its business model, optimized customer structure, focused on regional structure, and provided higher-quality customized services to B-end customers with “M Climbing Model (M登山模型)” and created better community services for C-end owners with “Fortunate Community”. The new business has been growing steadily, with both revenue and profit continuing to rise, and the Company has maintained its position as the leading firm in the project development industry.



Greentown • Tongxiang Puyuan



During the Reporting Period, revenue of the Company reached RMB1,549.0 million, representing an increase of 23.1% from RMB1,258.5 million for the corresponding period of last year. The gross profit was RMB806.2 million, representing an increase of 27.0% from RMB634.7 million for the corresponding period of last year; the comprehensive gross profit margin rate during the Period reached 52.0%, an increase of 1.6 percentage points over 50.4% in the same period last year; the net profit attributable to shareholders of the Company was RMB473.6 million, representing an increase of 31.3% compared with RMB360.8 million for the corresponding period of last year. The net cash flow from operating activities of the Company reached RMB593.0 million during the Reporting Period, and the Company had no bank liabilities and sufficient cash flow.

## II. THE MACRO MARKET

During 2022, the overall newly expanded area in the project management industry exceeded 100 million square meters for the first time. Under the trend of de-financialization of real estate industry and decentralization of investment, with growing business opportunities from clients such as the government, state-owned enterprises, urban investment companies and financial institutions, which will form a diversified investment landscape.



Taizhou Delin Court

**Government services:** Many cities across the country have introduced measures to increase the scale of affordable housing construction. Apart from the traditional resettlement housing, the demands for public rental housing, talent apartments, co-ownership property housing and other new types of affordable housing construction increased. Business opportunities for diversified urban services such as industrial parks, urban and industrial integration, and municipal facilities have also rapidly grown. Provincial-level units have successively introduced the project management model of government investment, which provides broad opportunities for project management of government and receives policy support.

**State-owned enterprise services:** The results of multiple rounds of centralized land supply illustrate that the proportion of land acquisition by state-owned enterprises and local urban investment has increased, and they have accumulated a large pool of construction lands in the past. This type of land owners needs professional project management service providers, so that high-quality development goals will be attained, and preservation and appreciation of state-owned assets will be realized.

**Capital owner services:** During the period of real estate fluctuation, financial institutions continued to intervene in housing-and-land-related rescue projects under the “Ensure the delivery of properties (保交樓)” policy, resulting in rapid growth in scale and more diversified models. Through methods such as brand renewal, sales activation, resumption of work and production, and guaranteed delivery of quality products, the project management model has contributed to improvement of credit for the projects, achieving a win-win situation for all parties involved.

### III. MANAGEMENT MEASURES

Based on the analysis of the macro-market and the Company’s core strengths above, we adopted the following measures in the first half of 2023:

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

In the first half of 2023, the Company maintained its No. 1 position in the field of real estate asset light development. It has maintained a market share of over 20% in the project management market for seven consecutive years, and was awarded the “2023 TOP 1 Enterprise of Project Management in Real Estate Development” (「2023房地產開發企業代建地產TOP 1」) by China Real Estate Association, the “Outstanding Enterprise in Project Management Operation of Listed Companies” (「上市公司代建運營優秀企業」) of 2023 China Real Estate, the “2023 Leading Enterprise in Real Estate Project Management Operation in China” (「2023中國房地產代建運營引領企業」) and “2023 Leading Enterprise in Real Estate Project Management Operation for the Government in China” (「2023中國房地產政府代建運營引領企業」) by the China Index Academy.

As of 30 June 2023, the Company’s project management projects were distributed in 123 major cities in 28 provinces, municipalities and autonomous regions in China. The total GFA of the contracted projects was 113.6 million square meters, representing an increase of 20.4% over the corresponding period last year.

With nationwide presence, major economic regions (including: Bohai Rim Economic Zone, Beijing-Tianjin-Hebei urban agglomeration, Yangtze River Delta Economic Zone, Pearl River Delta Economic Zone, and Chengdu-Chongqing urban agglomeration) continued to maintain a relatively large project proportion: the estimated total saleable value of these contracted projects reached RMB630.3 billion, accounting for 76.6% of the total saleable value, among which projects in the Yangtze River Delta Economic Zone of RMB266.0 billion accounted for 32.3%, projects in the Bohai Rim Economic Zone and Beijing-Tianjin-Hebei urban agglomeration of RMB201.4 billion accounted for 24.5%, projects in the Pearl River Delta Economic Zone of RMB121.1 billion accounted for 14.7%, and projects in Chengdu-Chongqing urban agglomeration of RMB41.8 billion accounted for 5.1%.

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

The Company adapts to changes in the industry landscape and adjusts its business structure in a timely manner. It continuously deepens business opportunities in state-owned enterprises, financial institutions and other fields, and keeps consolidating its own strengths and industry influence.

In the first half of 2023, the Company's new business scale expansion maintained its growth against the downward trend. The total GFA of new contracted project management projects was 17.3 million square meters, representing an increase of approximately 30.6% over the corresponding period last year; among them, the government, state-owned enterprises and financial institutions accounted for 79.9%. The estimated project management fee of new project management project was RMB5.12 billion, an increase of approximately 26.3% over the corresponding period last year; among them, the government, state-owned enterprises and financial institutions accounted for 75.2%.

Besides residential projects, new diversified businesses also include industry parks, public rental housing, talent apartments, co-ownership property housing, future communities, municipal facilities, commercial, hotels, offices, and others.

As of 30 June 2023, according to the total GFA of contracted projects, the government projects were 31.9 million square meters, accounting for 28.1%; the projects entrusted by state-owned enterprise were 34.7 million square meters, accounting for 30.5%; the projects entrusted by private enterprises were 38.7 million square meters, accounting for 34.1%; and the projects entrusted by financial institutions were 8.3 million square meters, accounting for 7.3%.

### 3 Strengthen service capabilities and improve business performance

At the core of the project management business model lies business performance. In order to better improve the business performance and client satisfaction, the Company has implemented the following measures:

The Company has been continuously optimizing its internal system and mechanism, including establishing an evaluation mechanism for business performance, optimizing the assessment and incentive mechanism, and adjusting the organizational structure to further streamline authorization and flatten its management. We have implemented share award schemes to achieve long-term stability for our core team and to incentivize our management. The Company has undertaken measures such as simplifying the decision-making process, improving operation efficiency, enhancing management quality, and upgrading digital infrastructure to improve project business performance and increase client satisfaction from multiple perspectives including product, marketing, operations, and supply chain.

### 4 Accumulate its own experience and share knowledge

The Company summarized its 12-year experience in project management services to launch the “M Climbing Model” for B-end customers. As the first B-end service system in the project management industry, the “M Climbing Model” covering a total of 6 major camps and 23 service actions, comprehensively regulates the B-end service nodes, standards, feedback, assessment and other mechanisms to enhance the service awareness of the project management team. Also, the concrete form of expression employed helps to reduce the cognitive deviations between the customers and the project management team, which facilitates the integration of both teams, improving information transparency, and enabling efficient decision-making.

The Company believes that knowledge sharing is beneficial to social progress. The “M Climbing Model” and the “Greentown M’ app” serve as carriers for sharing the Company’s development experience to the entire industry and society by setting up of a “Visitor Portal”. It aims to promote improvements in overall product quality and services within the industry, lead the development of real estate development services towards standardization, and foster the healthy and high-quality growth of the industry.

### 5 Promote the common prosperity of the industry and establish the project management association

The Company is committed to promoting the mutual visits and value promotion within the project management industry. Since December 2020, it has been preparing to form the Asset Light Alliance and led its establishment in May 2021. In November 2022, the Company had represented the project management enterprises in delivering speeches at the National Housing Association Forum and hosted activities such as the Asset Light Alliance seminar.

The Company is actively communicating with the real estate authorities and industry associations to promote the preparation for the establishment of the China real estate project management sub-committee. By fulfilling the responsibility mission as the industry-leading enterprise and building an alliance ecological platform, the Company aims to promote the overall scale of the project management industry.

#### IV. BUSINESS OUTLOOK

Based on the current downward trend of China's economy and real estate industry, we predict that the development scale of China's real estate market during the medium term will maintain at around 1 billion square meters, of which the new supply of government-led affordable housing and rental properties will account for over 30%; financial institutions' bailout and proactive investment in real estate will be further increased to 20%; and the remaining 50% of the market will be dominated by state-owned enterprises and central enterprises, thus causing the concentration effect of leading companies.

Against the backdrop of more non-professional development enterprises entering the real estate business, the demand for professional project management services will grow steadily, and the penetration rate of China's project management industry is expected to reach over 30%. The Company will maintain and expand its leading position in the industry. We will leverage the endorsement of central enterprises and the credibility of listed companies and other entities, to seize the opportunities raised by policies and trends, optimize our regional and customer structure, and lead the industry development by promoting and establishing industry standards, with the aim of delivering outstanding performance to our customers and stakeholders.

The Company strives to become the largest real estate development service provider in China.

## FINANCIAL ANALYSIS

For the six months ended 30 June 2023, the Group has achieved:

### Revenue

Revenue of RMB1,549.0 million, representing a year-on-year increase of 23.1% compared with RMB1,258.5 million in January to June 2022. Revenue is derived from three types of businesses: (i) commercial project management; (ii) government project management; and (iii) other services, which are listed as follows by business segments:

Revenue	For the six months ended 30 June				
	2023		2022		Change (%)
	RMB'000	% of total	RMB'000	% of total	Increase/ (Decrease)
	(Unaudited)	revenue	(Unaudited)	revenue	
<b>From commercial project management</b>	<b>1,064,837</b>	<b>68.8</b>	<b>764,732</b>	<b>60.8</b>	<b>39.2</b>
(1) Self-operated	670,951	43.3	461,102	36.7	45.5
(2) Cooperation with business partners	393,886	25.5	303,630	24.1	29.7
<b>From government project management</b>	<b>395,187</b>	<b>25.5</b>	<b>381,287</b>	<b>30.3</b>	<b>3.6</b>
(1) Self-operated	381,161	24.6	354,632	28.2	7.5
(2) Cooperation with business partners	14,026	0.9	26,655	2.1	-47.4
<b>Other services</b>	<b>88,985</b>	<b>5.7</b>	<b>112,490</b>	<b>8.9</b>	<b>-20.9</b>
<b>Total</b>	<b>1,549,009</b>	<b>100.0</b>	<b>1,258,509</b>	<b>100.0</b>	<b>23.1</b>

During the Period:

- (i) commercial project management is still the largest source of revenue and profit for the Group, with revenue of RMB1,064.8 million from January to June 2023, accounting for 68.8% of the total revenue, increased by RMB300.1 million or 39.2% compared with RMB764.7 million in the same period of 2022. The main reason for the increase is the trends of de-financialization of real estate industry and decentralization of investment, which has led to an increase in project management opportunities from the government, state-owned enterprises, urban investment companies, financial institutions and other clients. The Company takes advantage of its own brand, management and resource integration, to actively participate in the project management services for bailout and urban investment underpinning projects, resulting in rapid revenue growth.

- (ii) revenue from government project management reached RMB395.2 million, accounting for 25.5% of the overall revenue, representing an increase of 3.6% compared with RMB381.3 million in the same period in 2022. The main reason for the increase was that under the guidance of the national policy, apart from the traditional resettlement housing, the demands for public rental housing, talent apartments, co-ownership property housing and other new types of affordable housing construction increased. Business opportunities for diversified urban services such as industrial parks, urban and industrial integration, and municipal facilities have begun to emerge. The Company has responded to the market demand by proactively expanding its business scope, and the diversification of its business operations has driven the revenue growth.
- (iii) revenue from other services was RMB89.0 million, accounting for 5.7% of the total revenue. The increase was mainly because a project tendered by Greentown Real Estate Group Co., Ltd. and managed by Greentown Project Management Group as the Company did not obtain the grade one qualification for real estate development prior to listing achieved a revenue of RMB66.7 million during the Period.

#### ***Costs of Services***

During the Period, the costs of services were RMB742.9 million, representing an increase of 19.1% from RMB623.8 million in the same period in 2022. The increase was mainly attributable to the increase of revenue from the commercial project management business, leading the labor costs and costs of services paid to business partners increased.

#### ***Gross Profit***

The gross profit was RMB806.2 million, representing an increase of 27.0% from RMB634.7 million in the same period in 2022. The gross profit margin was 52.0%, representing an increase of 1.6 percentage points compared with 50.4% in the same period in 2022.

- The gross profit margins of the three business segments are: 51.5% for commercial project management, 44.8% for government project management and 90.7% for other services, compared to 49.7%, 42.2% and 83.6%, respectively, for the same period in 2022.
- The gross profit margin of commercial project management was 51.5%, representing an increase of 1.8 percentage points compared with 49.7% in the same period in 2022, mainly due to the Company's optimization of the compensation system, strengthening of performance appraisal and cost control measures. The Company was able to effectively control costs even as the income from self-operated projects increased significantly, resulting in an improvement in the overall gross profit margin of commercial project management.

- The gross profit margin of government project management was 44.8%, an increase of 2.6 percentage points from 42.2% in the same period in 2022. The increase in gross profit margin was primarily attributed to the enhancement of management effectiveness resulting from the scale effects of government project management.
- The gross profit margin of other services was 90.7%. The higher gross profit margin was mainly due to the revenue of RMB66.7 million derived from a project during the Period which was tendered by Greentown Real Estate Group Co., Ltd. and managed by Greentown Project Management Group as the Company did not obtain the grade one qualification for real estate development prior to its listing, the service cost of the project was recorded at Greentown Real Estate Group Co., Ltd., and the Company recognized the revenue based on the net gain of the project settled with Greentown Real Estate Group Co., Ltd..

#### ***Other Income***

During the Period, other income of the Group was RMB96.9 million, an increase of 19.3% from RMB81.2 million in the same period in 2022. The increase in other income was mainly due to an increase in revenue from providing financial services for project management projects during the Period by RMB5.5 million compared with the corresponding period of last year, and an increase in dividend received by the Company from financial assets at FVTOCI for the Period by RMB7.0 million compared with the corresponding period of last year.

#### ***Other Gains/Losses***

During the Period, the other losses of the Group was RMB52.4 million, the losses were mainly due to: (1) the equity acquisition of Shangli Company have caused an increase in the evaluation value of the consideration of RMB27.0 million; (2) the decrease in fair value of financial assets of RMB8.9 million; and (3) exchange loss on foreign currency assets and liabilities of RMB16.9 million.

#### ***Administration Expenses***

Administration expenses were RMB229.3 million, representing an increase of 2.1% from RMB224.6 million in the same period in 2022. The increase was mainly due to the fact that the Company has implemented a new round of equity incentive plan in April 2022, and cost sharing of the equity incentive plan led to an increase in administrative expenses during the Period.

#### ***Profit during the Period***

During the Period, the net profit was RMB462.1 million, representing an increase of 26.4% from RMB365.7 million in the same period in 2022. The net profit during the Period attributable to the shareholders of the Company was RMB473.6 million, representing an increase of 31.3% from the net profit attributable to shareholders of the Company of RMB360.8 million in the same period in 2022.

#### ***Trade and Other Receivables***

As at 30 June 2023, trade and other receivables amounted to RMB851.2 million, representing an increase of 3.3% from RMB823.9 million at the end of 2022. The increase was mainly due to an increase of RMB62.8 million in the collection and payment nature of other receivables. Meanwhile, trade receivables decreased by RMB15.1 million at the end of 2022, and the turnover days improved from 29 days in 2022 to 24 days in the Period as a result of 17% improvement in the turnover rate.



Trade and other receivables, amounts due from related parties, and other long-term receivables include loans to independent third parties and related parties, the loans were granted to the relevant parties in order to increase the market share of the Company's project management business and improve client satisfaction, which is beneficial to the development of the Company's main business.

#### ***Contract Asset***

As at 30 June 2023, the Group's contract assets were RMB593.2 million, representing an increase of 3.4% from RMB573.9 million at the end of 2022. Contract assets reflect the amount of the Company's part of the project that has fulfilled its obligations but has not yet reached the collection point agreed in the contract. The increase in the Period was mainly due to the increase in contract assets of commercial project management projects with the business partners, which will be transferred to cash inflows from the Company's operating activities in the future.

#### ***Trade and Other Payables***

As at 30 June 2023, the Group's trade and other payables amounted to RMB1,092.1 million, representing a decrease of 6.9% from RMB1,173.3 million at the end of 2022. The decrease was mainly attributable to a decrease of RMB91.2 million in employees' compensation payables due to the issuance of the previous year's year-end bonus in the Period compared to the beginning of the year.

#### ***Capital Structure***

As at 30 June 2023, the total equity of the Group reached approximately RMB3,617.2 million, representing a decrease of RMB255.8 million from RMB3,873.0 million at the beginning of 2023. Specifically, equity attributable to shareholders of the Company was approximately RMB3,494.2 million, representing a decrease of approximately RMB245.0 million from RMB3,739.2 million at the beginning of 2023, mainly due to the fact that: (1) the Company achieved net profits of approximately RMB462.1 million in January to June 2023; (2) the cost sharing of options of RMB34.3 million led to the increase in equity attributable to shareholders of the Company; and (3) the distribution of cash dividends to shareholders of the Company during the Period resulted in a decrease of RMB748.0 million in equity attributable to shareholders of the Company.

As at 30 June 2023, the Company had a total of 2,010,000,000 shares in issue, and had a total market capitalization of approximately HKD12,315 million (based on the closing price on 30 June 2023).

***Liquidity and Capital Resources***

As at 30 June 2023, the Group had bank deposits and cash (not including pledged bank deposits) of RMB2,533.7 million (31 December 2022: RMB1,933.1 million); and the current ratio was 1.48 times (31 December 2022: 1.85 times). Gearing ratio (interest-bearing debt divided by total equity at the end of the same period) was 1.0% (31 December 2022: 0.9%). The cash flow was very abundant, providing strong support for the Company's future development.

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

***Debt***

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

***Foreign Exchange Risk***

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

***Contingent Liabilities***

The Group did not have any significant contingent liabilities as at 30 June 2023.

***Pledge of Assets***

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

***Asset Transactions and Significant Investments***

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

***Material Acquisitions and Disposals***

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

***Treasury Management***

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

***Employees and Remuneration Policies***

During the Reporting Period, the Group provided diversified training and personal development plans to its employees according to the established human resources policies and systems. The remuneration package offered to the employees was determined by their duties and the prevailing market terms. Discretionary bonuses based on individual performance will be paid to employees as recognition of and reward for their contributions. Staff benefits, including pension, medical coverage, and provident funds are also provided to employees of the Group.

As at 30 June 2023, the Group had 1,492 employees, essentially the same as the total number of employees as of 31 December 2022. The Company's overall headcount remains stable.

# Corporate Governance



# Corporate Governance

## CORPORATE GOVERNANCE PRACTICES

The Board believes that high corporate governance standards are essential in providing a framework for the Group to safeguard the interests of its shareholders and to enhance its corporate value and accountability. The Board and the management of the Company are committed to maintaining good corporate governance practices and procedures.

The Company has adopted the code provisions in the CG Code as set out in Part 2 of Appendix 14 to the Listing Rules as its own code on the corporate governance. To the best knowledge of the Directors, the Company has complied with all applicable code provisions under the CG Code for the six months ended 30 June 2023.

The Directors will use their best endeavours to procure the Company to continue to comply with the CG Code.

## MODEL CODE FOR SECURITIES TRANSACTIONS

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



Greentown • Zhangjiakou Everlasting Oasis

The Board has also adopted the Model Code to regulate all dealings by relevant employees who are likely to be in possession of unpublished inside information of the Company in respect of securities in the Company as referred to in code provision C.1.3 of the Part 2 of the CG Code. Having made reasonable enquiry, no incident of non-compliance with the Model Code by the Company's relevant employees has been noted during the Period.

### REVIEW OF INTERIM RESULTS AND INTERIM REPORT

The announcement of interim results and interim report for the six months ended 30 June 2023 have been reviewed by the Audit Committee and approved by the Board. The auditor of the Company, Deloitte Touche Tohmatsu, has performed a review in accordance with Hong Kong Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" on the interim financial information of the Group for the six months ended 30 June 2023 prepared in accordance with International Accounting Standard 34 "Interim Financial Reporting", and issued a review report dated 31 July 2023.

# Other Information



## Other Information

### DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY

As at 30 June 2023, the interests and short positions of the Directors and chief executives of the Company in the Shares, underlying Shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO), which were required to be entered in the register pursuant to Section 352 of the SFO, or which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code, were as follows:

#### (i) Long positions in the Shares and underlying Shares

Name of Director or chief executive	Nature of interest	Number of ordinary Shares	Number of derivative Shares <sup>(1)</sup>	Total	Approximate percentage of interest in the Company
Mr. Guo Jiafeng	Beneficial owner	2,000,000	0	2,000,000	0.10%
Mr. Zhang Yadong	Beneficial owner	2,000,000	0	2,000,000	0.10%
Mr. Li Jun	Beneficial owner	0	2,450,000	2,450,000	0.12%
Mr. Lin Sanjiu	Beneficial owner	3,570,000	1,400,000	4,970,000	0.25%

Note:

(1) Such interests refer to the interests in the award share units granted under the 2022 Share Award Scheme.

#### (ii) Associated Corporation of the Company

Name of Director	Name of associated corporation of the Company	No. of Shares (including Share Options or Award Shares Granted)	% of issued share capital of the associated corporation <sup>(3)</sup>
Mr. Guo Jiafeng	Greentown China	7,221,563 <sup>(1)</sup>	0.29%
Mr. Zhang Yadong	Greentown China	16,961,550 <sup>(2)</sup>	0.67%

Notes:

(1) It represents (i) 6,280,000 share options under the Greentown China 2016 Share Option Scheme; and (ii) 941,563 shares of Greentown China held as beneficial owner.



## Other Information

- (2) It represents (i) 14,880,000 share options under the Greentown China 2016 Share Option Scheme; and (ii) 2,081,550 shares of Greentown China held as beneficial owner.
- (3) Calculated based on the relevant individual's interest in the relevant shares and the total number of issued shares of Greentown China as at 30 June 2023.

Save as disclosed above, as at 30 June 2023, none of the Directors and chief executives of the Company (including their spouses and children under the age of 18) had any interest in, or had been granted any right to subscribe for the Shares, underlying Shares and debentures of the Company and its associated corporations (within the meaning of the SFO), or had exercised any such rights.

## INTERESTS AND SHORT POSITIONS OF SHAREHOLDERS DISCLOSEABLE UNDER THE SFO

As at 30 June 2023, as set out in the register kept under Section 336 of the SFO, the following companies and persons (other than the Directors and chief executives of the Company) had interest or short position in the Shares and underlying Shares which fell to be disclosed to the Company under Divisions 2 and 3 of Part XV of the SFO:

Name of substantial shareholder	Nature of interest	Number of ordinary Shares	Approximate percentage of interest in the Company
Greentown China	Beneficial owner	1,432,660,000	71.28%

Save as disclosed above, as at 30 June 2023, our Directors are not aware of any other person (other than Directors and chief executive of the Company) who have any interest and/or short positions in the Shares or underlying Shares of the Company which would fall to be disclosed pursuant to the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under Section 336 of the SFO. Our Directors are also not aware of any pledging of shares by the controlling shareholder as at 30 June 2023.

## SHARE AWARD SCHEMES

The Company has adopted two share award schemes, namely the 2020 Share Award Scheme and the 2022 Share Award Scheme, in which eligible participants of the Group (including any directors) will be entitled to participate.

## 2020 Share Award Scheme

On 28 October 2020, the Company adopted the 2020 Share Award Scheme, pursuant to which the Shares to be awarded will be purchased by the trustee from the open market out of cash contributed by the Group and held on trust for the selected employees until such Shares are vested with the relevant selected employees in accordance with the provisions of the 2020 Share Award Scheme. The scheme is valid and effective for a period of ten (10) years commencing on the adoption date.

The share awards under the 2020 Share Award Scheme is funded by existing shares acquired through on-market transactions. As at the date of the 2022 Annual Report, there were 5,120,961 share awards available for grant and the underlying 5,120,961 shares represented approximately 0.255% of the total issued shares of the Company.

The vesting period for the share awards granted on 24 December 2020 under the 2020 Share Award Scheme is 24 December 2020 to 24 December 2023.

As at the date of 30 June 2023, a total of 28,710,000 awarded shares had been vested and 5,030,000 awarded shares had been lapsed. The Company did not grant any award share under the 2020 Share Award Scheme during the six months ended 30 June 2023.

## 2022 Share Award Scheme

On 24 April 2022, the Company adopted the 2022 Share Award Scheme to issue and allot new shares to the trustee pursuant to the specific mandate and in accordance with the terms of the scheme rules. The new shares to be issued will be held on trust for the grantees until the end of each vesting condition which may differ among the grantees and be transferred to the grantees upon satisfaction of the relevant vesting conditions as may be specified by the Board in the award letter.

The total number of Shares issued in respect of the share awards granted under the 2022 Share Award Scheme during the year 2022 divided by the weighted average number of Shares in issue for the year 2022 was 2.685%.

After the grant of the 52,024,000 share awards on 24 April 2022, the unvested share awards of several employee grantees were forfeited in 2022 due to termination of employment or not reaching the agreed performance targets. The underlying shares of the forfeited share awards were Returned Shares available for further grant pursuant to the scheme rules of the 2022 Share Award Scheme. As at date of the 2022 Annual Report, there were 1,544,000 share awards available for grant under the 2022 Share Award Scheme, with the underlying 1,544,000 shares being existing shares of the Company, representing approximately 0.077% of the total issued shares of the Company.

The vesting period for the share awards granted on 24 April 2022 under the 2022 Share Award Scheme is 24 April 2022 to 24 April 2025. The vesting period for the share awards granted on 28 October 2022 under the 2022 Share Award Scheme is 28 October 2022 to 28 October 2025.

The closing price of the shares of the Company on 22 April 2022, being the trading date immediately before the date of grant of 52,024,000 share awards on 24 April 2022, was HK\$5.75. The closing price of the shares on 27 October 2022, being the trading date immediately before the date of grant of the 2,580,000 share awards on 28 October 2022 was HK\$4.80.

The share awards granted under the 2022 Share Award Scheme will be vested in three tranches: (i) 30% of the share awards shall vest on the first anniversary date of the grant date; (ii) 30% of the share awards shall vest on the second anniversary date of the grant date; and (iii) 40% of the share awards shall vest on the third anniversary date of the grant date. The estimated fair value per share for each tranche of the share awards granted on 24 April 2022 and 28 October 2022 are set out as below:

Grant date	Vesting tranche	Fair value per share
24 April 2022	The first tranche	HKD4.71
	The second tranche	HKD4.39
	The third tranche	HKD4.14
28 October 2022	The first tranche	HKD3.26
	The second tranche	HKD3.13
	The third tranche	HKD2.97

As at the date of 30 June 2023, a total of 11,059,000 awarded shares had been vested and 4,512,000 awarded shares had been lapsed. The Company did not grant any award share under the 2022 Share Award Scheme during the six months ended 30 June 2023.

As at 30 June 2023, the Company had a total of 41,033,000 outstanding award shares, the details of which are as follows:

Name of directors	Date of grant	As at 1 January 2023	Granted during the Period	Number of Award Shares		As at 30 June 2023	Vesting Period
				Vested during the Period	Lapsed during the Period		
<b>Connected Grantees</b> <sup>(Note 1)</sup>							
Mr. LI Jun	24 April 2022 <sup>(Note 3)</sup>	3,500,000	–	1,050,000	–	2,450,000	24 April 2022 to 24 April 2025
Mr. LIN Sanjiu	24 April 2022 <sup>(Note 3)</sup>	2,000,000	–	600,000	–	1,400,000	24 April 2022 to 24 April 2025
<b>Subsidiary Directors</b>							
Ms. ZHAN Liying	24 April 2022 <sup>(Note 3)</sup>	2,000,000	–	600,000	–	1,400,000	24 April 2022 to 24 April 2025
Mr. LUO Yi	24 April 2022 <sup>(Note 3)</sup>	2,000,000	–	600,000	–	1,400,000	24 April 2022 to 24 April 2025
<b>Non-connected Grantees</b>							
32 grantees <sup>(Note 2)</sup>	24 December 2020	2,370,000	–	370,000	–	2,000,000	24 December 2020 to 24 December 2023
69 employees	24 April 2022 <sup>(Note 3)</sup>	38,400,000	–	7,750,000	388,000	30,262,000	24 April 2022 to 24 April 2025
6 employees	28 October 2022 <sup>(Note 4)</sup>	2,580,000	–	459,000	–	2,121,000	28 October 2022 to 28 October 2025
<b>Total</b>		52,850,000	–	11,429,000	388,000	41,033,000	

Notes:

- Among the connected grantees, Mr. Li Jun and Mr. Lin Sanjiu are the executive directors of the Company.
- Selected participants who are not connected with the Company or a connected person of the Company.
- The fair value per Share granted on 24 April 2022: HKD4.71 (first tranche), HKD4.39 (second tranche) and HKD4.14 (third tranche).
- The fair value per Share granted on 28 October 2022: HKD3.26 (first tranche), HKD3.13 (second tranche) and HKD2.97 (third tranche).
- A total of 11,429,000 shares were vested during the Period, and the weighted average closing price of the relevant shares before the vesting date was HKD7.51.
- During the Period, no shares were cancelled under the share award scheme.
- On 30 June 2023, the number of share awards available for grant under the 2020 Share Award Scheme was 5,120,961 shares, and the number of underlying shares was 5,120,961 shares, accounting for approximately 0.255% of the total issued shares of the Company.
- On 30 June 2023, the number of share awards available for grant under the 2022 Share Award Scheme was 1,544,000 shares, of which 1,544,000 shares were the existing shares of the Company, accounting for approximately 0.077% of the total issued shares of the Company.

## SHARE OPTION SCHEME

As at the end of the Period, the Company did not have any share option scheme.

## EQUITY-LINKED AGREEMENTS

During the Period, the Company did not enter into nor the existence of any equity-linked agreements, nor provisions requiring the Company to enter into any agreements, which would lead to or might lead to the issue of new Shares of the Company.

## UPDATES ON DIRECTORS' INFORMATION

As at 30 June 2023, there were no updates on directors' information required to be disclosed under 13.51(2) paragraphs (a) to (e) and paragraph (g) of the Listing Rules.

Changes in information of the Directors with effect from 31 July 2023, were set out below:

- (1) Mr. Zhang Yadong has been appointed as a Co-Chairman of the Board;
- (2) Mr. Guo Jiafeng has been redesignated from the Chairman of the Board to the Co-Chairman of the Board;
- (3) Mr. Li Jun has been appointed as the Vice Chairman of the Board and ceased to act as the chief executive officer of the Company; and
- (4) Mr. Wang Junfeng has been appointed as the chief executive officer of the Company.

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

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

## INTERIM DIVIDEND

The Board unanimously resolved not to declare any interim dividend for the six months ended 30 June 2023 (for the six months ended 30 June 2022: Nil).

## APPRECIATION

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

By order of the Board  
*Vice Chairman and Executive Director*  
**Li Jun**

Hong Kong, the PRC  
31 July 2023

# Report on Review of Condensed Consolidated Financial Statements

## TO THE BOARD OF DIRECTORS OF GREENTOWN MANAGEMENT HOLDINGS COMPANY LIMITED

(Incorporated in the Cayman Islands with limited liability)

### INTRODUCTION

We have reviewed the condensed consolidated financial statements of Greentown Management Holdings Company Limited (the “Company”) and its subsidiaries (collectively referred to as the “Group”) set out on pages 31 to 76, which comprise the condensed consolidated statement of financial position as of 30 June 2023 and the related condensed consolidated statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the six-month period then ended, and certain explanatory notes. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and International Accounting Standard 34 “Interim Financial Reporting” (“IAS 34”) issued by the International Accounting Standards Board. The directors of the Company are responsible for the preparation and presentation of these condensed consolidated financial statements in accordance with IAS 34. Our responsibility is to express a conclusion on these condensed consolidated financial statements based on our review, and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

### SCOPE OF REVIEW

We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410 “Review of Interim Financial Information Performed by the Independent Auditor of the Entity” (“HKSRE 2410”) issued by the Hong Kong Institute of Certified Public Accountants. A review of these condensed consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the condensed consolidated financial statements are not prepared, in all material respects, in accordance with IAS 34.

Deloitte Touche Tohmatsu  
Certified Public Accountants  
Hong Kong  
31 July 2023

# Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

(For the six months ended 30 June 2023)

	Notes	Six months ended 30 June	
		2023 RMB'000 (Unaudited)	2022 RMB'000 (Unaudited)
Revenue	3	1,549,009	1,258,509
Cost of sales		(742,852)	(623,802)
Gross profit		806,157	634,707
Other income	4	96,939	81,207
Other gains and losses	5	(52,438)	3,978
Selling and marketing expenses		(44,559)	(46,552)
Administration expenses		(229,277)	(224,607)
Finance costs	6	(2,722)	(3,610)
Impairment losses under expected credit loss model, net of reversal	16	(1,323)	(7,386)
Loss from changes in fair value of investment properties	11	(708)	(61)
Gain on disposal of an associate		–	420
Share of results of associates		(975)	10,377
Share of results of joint ventures		22,726	18,358
Profit before tax	7	593,820	466,831
Income tax expense	8	(131,672)	(101,132)
<b>Profit for the period</b>		<b>462,148</b>	365,699
Other comprehensive expense			
<i>Item that will not be reclassified to profit or loss:</i>			
Fair value loss on investments in equity instruments at fair value through other comprehensive income ("FVTOCI"), net of tax		(4,930)	(58)
Total comprehensive income for the period		457,218	365,641
Profit (loss) for the period attributable to:			
Owners of the Company		473,615	360,825
Non-controlling interests		(11,467)	4,874
		462,148	365,699
Total comprehensive income (expense) for the period attributable to:			
Owners of the Company		468,685	360,767
Non-controlling interests		(11,467)	4,874
		457,218	365,641
<b>EARNINGS PER SHARE</b>			
– Basic (RMB)	10	0.24	0.19
– Diluted (RMB)	10	0.24	0.18



# Condensed Consolidated Statement of Financial Position

(As at 30 June 2023)

	Notes	As at 30 June 2023 RMB'000 (Unaudited)	As at 31 December 2022 RMB'000 (Audited)
<b>Non-Current Assets</b>			
Property, plant and equipment	11	108,882	109,328
Intangible assets	12	383,246	412,354
Right-of-use assets	11	14,149	18,573
Investment properties	11	44,966	45,641
Goodwill	21	981,761	981,761
Interests in associates		79,764	79,962
Interests in joint ventures		248,750	236,821
Equity instruments at FVTOCI	20	60,857	67,430
Other long-term receivables	13	270,147	265,165
Deferred tax assets		40,640	27,529
Deposits for acquisition of properties	23	159,702	59,192
		<b>2,392,864</b>	2,303,756
<b>Current Assets</b>			
Trade and other receivables	14	851,153	823,930
Contract assets	15	593,202	573,892
Financial assets at fair value through profit or loss ("FVTPL")	20	62,212	75,430
Amounts due from related parties	22(ii)	225,323	298,289
Pledged bank deposits		164,826	152,923
Bank balances and cash		2,533,742	1,933,099
		<b>4,430,458</b>	3,857,563
<b>Current Liabilities</b>			
Trade and other payables	17	1,092,134	1,173,275
Amounts due to related parties	22(ii)	310,099	221,366
Dividends payable		765,547	–
Income tax payable		191,994	217,264
Other taxes payable		28,951	34,556
Contract liabilities		593,432	432,867
Lease liabilities		6,118	7,870
		<b>2,988,275</b>	2,087,198
<b>Net Current Assets</b>		<b>1,442,183</b>	1,770,365
<b>Total Assets Less Current Liabilities</b>		<b>3,835,047</b>	4,074,121

## Condensed Consolidated Statement of Financial Position

(As at 30 June 2023)

	Notes	As at 30 June 2023 RMB'000 (Unaudited)	As at 31 December 2022 RMB'000 (Audited)
<b>Capital and Reserves</b>			
Share capital	18	16,769	16,769
Reserves		3,477,410	3,722,434
Equity attributable to owners of the Company		3,494,179	3,739,203
Non-controlling interests		123,045	133,825
<b>Total Equity</b>		<b>3,617,224</b>	3,873,028
<b>Non-Current Liabilities</b>			
Deferred tax liabilities		95,811	103,088
Lease liabilities		6,145	9,138
Financial liabilities at FVTPL	20	115,867	88,867
		217,823	201,093
		<b>3,835,047</b>	4,074,121

The condensed consolidated financial statements on pages 31 to 76 were approved and authorised for issue by the Board of Directors on 31 July 2023 and are signed on its behalf by:

\_\_\_\_\_  
Li Jun  
DIRECTOR

\_\_\_\_\_  
Wang Junfeng  
DIRECTOR

# Condensed Consolidated Statement of Changes in Equity

(For the six months ended 30 June 2023)

	Equity attributable to owners of the Company											Total RMB'000
	Share capital RMB'000	Share premium RMB'000	Statutory reserve RMB'000	Shares held for share award scheme RMB'000	Merge reserve RMB'000	Special reserve RMB'000	FVTOCI reserve RMB'000	Share-based payments reserve RMB'000	Retained earnings RMB'000	Attributable to owners of the Company RMB'000	Non-controlling interests RMB'000	
At 1 January 2023 (Audited)	16,769	2,912,556	292,921	(23,842)	(1,470,994)	79,384	31,410	61,578	1,839,421	3,739,203	133,825	3,873,028
Profit (loss) for the period	-	-	-	-	-	-	-	-	473,615	473,615	(11,467)	462,148
Other comprehensive expense for the period	-	-	-	-	-	-	(4,930)	-	-	(4,930)	-	(4,930)
Total comprehensive income for the period	-	-	-	-	-	-	(4,930)	-	473,615	468,685	(11,467)	457,218
Recognition of equity-settled share-based payments	-	-	-	-	-	-	-	34,318	-	34,318	-	34,318
Vesting of share awards	-	40,368	-	3,636	-	-	-	(44,004)	-	-	-	-
Dividends recognised as distribution (Note 9)	-	-	-	-	-	-	-	-	(748,027)	(748,027)	-	(748,027)
Capital contribution from non-controlling shareholders of subsidiaries	-	-	-	-	-	-	-	-	-	-	760	760
Dividends declared to non-controlling interests	-	-	-	-	-	-	-	-	-	-	(73)	(73)
Liquidation of a subsidiary	-	-	(323)	-	-	-	-	-	323	-	-	-
At 30 June 2023 (Unaudited)	16,769	2,952,924	292,598	(20,206)	(1,470,994)	79,384	26,480	51,892	1,565,332	3,494,179	123,045	3,617,224

	Equity attributable to owners of the Company											Total RMB'000
	Share capital RMB'000	Share premium RMB'000	Statutory reserve RMB'000	Shares held for share award scheme RMB'000	Merge reserve RMB'000	Special reserve RMB'000	FVTOCI reserve RMB'000	Share-based payments reserve RMB'000	Retained earnings RMB'000	Attributable to owners of the Company RMB'000	Non-controlling interests RMB'000	
At 1 January 2022 (Audited)	16,324	2,933,656	198,751	(58,266)	(1,470,994)	79,384	56,394	9,542	1,576,469	3,341,260	30,451	3,371,711
Profit for the period	-	-	-	-	-	-	-	-	360,825	360,825	4,874	365,699
Other comprehensive expense for the period	-	-	-	-	-	-	(58)	-	-	(58)	-	(58)
Total comprehensive income for the period	-	-	-	-	-	-	(58)	-	360,825	360,767	4,874	365,641
Transfer to statutory reserve	-	-	445	-	-	-	-	-	(445)	-	-	-
Issue of ordinary shares	445	-	-	(445)	-	-	-	-	-	-	-	-
Recognition of equity-settled share-based payments	-	-	-	-	-	-	-	22,765	-	22,765	-	22,765
Dividends recognised as distribution (Note 9)	-	-	-	-	-	-	-	-	(387,422)	(387,422)	-	(387,422)
Acquisition of a subsidiary (Note 21)	-	-	-	-	-	-	-	-	-	-	143,048	143,048
Liquidation of a subsidiary	-	-	(3)	-	-	-	-	-	3	-	(22,440)	(22,440)
At 30 June 2022 (Unaudited)	16,769	2,933,656	199,193	(58,711)	(1,470,994)	79,384	56,336	32,307	1,549,430	3,337,370	155,933	3,493,303

# Condensed Consolidated Statement of Cash Flows

(For the six months ended 30 June 2023)

	Note	Six months ended 30 June	
		2023 RMB'000 (Unaudited)	2022 RMB'000 (Unaudited)
<b>OPERATING ACTIVITIES</b>			
Operating cash flows before movements in working capital		641,390	435,563
Increase in trade and other receivables		(59,089)	(4,475)
Increase in contract assets		(23,510)	(78,382)
Decrease in amounts due from related parties		21,289	4,045
(Decrease) increase in trade and other payables		(62,633)	72,236
Increase in amounts due to related parties		90,983	43,562
Increase in contract liabilities		160,565	11,243
Cash generated from operations		768,995	483,792
Income taxes paid		(175,950)	(120,537)
<b>NET CASH FROM OPERATING ACTIVITIES</b>		<b>593,045</b>	<b>363,255</b>
<b>INVESTING ACTIVITIES</b>			
Interest received		23,830	44,008
Dividends received from joint ventures		7,441	8,781
Proceeds on disposal of interest in an associate		–	1,000
Proceeds on disposal of property, plant and equipment		472	328
Proceeds on disposal of an investment property		–	4,600
Investments in associates		–	(2,000)
Investments in joint ventures		(2,550)	(30,000)
Purchases of property, plant and equipment		(8,079)	(7,775)
Payments for investment properties		(33)	–
Payments for right-for-use assets		(142)	(802)
Payments for rental deposits		(339)	–
Withdraw of rental deposits		–	73
Payment for arrangement fee for other long-term receivables		(45)	–
Repayment from other long-term receivables		–	8,000
Advance of loan to related parties		(6,800)	(4,000)
Repayment from loan to related parties		55,984	6,300
Advance of loan to third parties		(65,000)	–
Repayment from loan to third parties		16,000	–
Net cash outflow arising from acquisition of a subsidiary	21	–	(400,000)
Withdraw of pledged bank deposits		55,551	2,467
Placement of pledged bank deposits		(67,454)	(8,995)
Proceeds from disposal of financial assets at FVTPL		74,317	320,524
Purchases of financial assets at FVTPL		(70,000)	(310,000)
<b>NET CASH FROM (USED IN) INVESTING ACTIVITIES</b>		<b>13,153</b>	<b>(367,491)</b>

## Condensed Consolidated Statement of Cash Flows

(For the six months ended 30 June 2023)

	Six months ended 30 June	
	2023	2022
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
<b>FINANCING ACTIVITIES</b>		
Interest paid	(1,830)	(3,110)
Dividends paid	–	(387,391)
Capital contribution from non-controlling shareholders of subsidiaries	760	–
Dividends paid to non-controlling interests	(691)	–
Repayments of lease liabilities	(4,442)	(3,809)
<b>NET CASH USED IN FINANCING ACTIVITIES</b>	<b>(6,203)</b>	<b>(394,310)</b>
Effect of foreign exchange rate changes	648	273
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>600,643</b>	<b>(398,273)</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD</b>	<b>1,933,099</b>	<b>2,137,648</b>
<b>CASH AND CASH EQUIVALENTS AT END OF THE PERIOD</b>	<b>2,533,742</b>	<b>1,739,375</b>

# Notes to the Condensed Consolidated Financial Statements

(For the six months ended 30 June 2023)

## 1. GENERAL INFORMATION AND BASIS OF PREPARATION

The Company was established in the Cayman Islands as an exempted company with limited liability on 12 December 2016. The Company's shares have been listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") since 10 July 2020. The immediate and ultimate holding company of the Company is Greentown China Holdings Limited ("Greentown China"), a company listed on the Main Board of the Stock Exchange and incorporated in the Cayman Islands.

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

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

In addition, the condensed consolidated financial statements have been prepared in accordance with International Accounting Standard 34 "Interim Financial Reporting" issued by the International Accounting Standards Board (the "IASB") as well as with the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on the Stock Exchange.

## 2. PRINCIPAL ACCOUNTING POLICIES

The condensed consolidated financial statements have been prepared on the historical cost basis except for certain properties and financial instruments, which are measured at fair values, as appropriate.

### Application of amendments to IFRSs

In the current interim period, the Group has applied the following new and amendments to IFRSs issued by the IASB, for the first time, which are mandatorily effective for the Group's annual period beginning on 1 January 2023 for the preparation of the Group's condensed consolidated financial statements:

IFRS 17 (including the June 2020 and December 2021 Amendments to IFRS 17)	Insurance Contracts
Amendments to IAS 8	Definition of Accounting Estimates
Amendments to IAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction
Amendments to IAS 12	International Tax Reform-Pillar Two model Rules

The application of the new and amendments to IFRSs in the current interim period has had no material impact on the Group's financial positions and performance for the current and prior periods and/or on the disclosures set out in these condensed consolidated financial statements.

## 2. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

### Impacts on application of Amendments to IAS 8 Definition of Accounting Estimates

The amendments define accounting estimates as “monetary amounts in financial statements that are subject to measurement uncertainty”. An accounting policy may require items in financial statements to be measured in a way that involves measurement uncertainty. In such a case, an entity develops an accounting estimate to achieve the objective set out by the accounting policy. The amendments to IAS 8 clarify the distinction between changes in accounting estimates, and changes in accounting policies and the correction of errors.

The application of the amendments in the current period had no material impact on the condensed consolidated financial statements.

### Impacts and changes in accounting policies on application of Amendments to IAS 12 Deferred Tax related to Assets and Liabilities arising from a Single Transaction

#### *Accounting policies*

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit and at the time of the transaction does not give rise to equal taxable and deductible temporary differences. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

For leasing transactions in which the tax deductions are attributable to the lease liabilities, the Group applies IAS 12 requirements to the lease liabilities, and the related assets separately. The Group recognises a deferred tax asset related to lease liabilities to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised and a deferred tax liability for all taxable temporary differences.

#### *Transition and summary of effects*

As disclosed in the Group’s annual financial statements for the year ended 31 December 2022, the Group previously applied the IAS 12 requirements to assets and liabilities arising from a single transaction separately and temporary differences on initial recognition on the relevant assets and liabilities were not recognised due to application of the initial recognition exemption. In accordance with the transition provision:

- (i) the Group has applied the new accounting policy retrospectively to leasing transactions that occurred on or after 1 January 2022;

## 2. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

### Impacts and changes in accounting policies on application of Amendments to IAS 12 Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Continued)

#### *Transition and summary of effects (Continued)*

- (ii) the Group also, as at 1 January 2022, recognised a deferred tax asset (to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised) and a deferred tax liability for all deductible and taxable temporary difference associated with right-of-use-assets and lease liabilities.

The application of the amendments in the current period had no material impact on the condensed consolidated financial statements.

### Impacts on application of Amendments to IAS 1 and IFRS Practice Statement 2 Disclosure of Accounting Policies

In addition, the Group will apply Amendments to IAS 1 and IFRS Practice Statement 2 Disclosure of Accounting Policies which are mandatorily effective for the Group's annual period beginning on 1 January 2023 for the preparation of the Group's consolidated financial statements for the year ending 31 December 2023.

IAS 1 is amended to replace all instances of the term "significant accounting policies" with "material accounting policy information". Accounting policy information is material if, when considered together with other information included in an entity's financial statements, it can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements.

The amendments also clarify that accounting policy information may be material because of the nature of the related transactions, other events or conditions, even if the amounts are immaterial. However, not all accounting policy information relating to material transactions, other events or conditions is itself material. If an entity chooses to disclose immaterial accounting policy information, such information must not obscure material accounting policy information.

IFRS Practice Statement 2 Making Materiality Judgements (the "Practice Statement") is also amended to illustrate how an entity applies the "four-step materiality process" to accounting policy disclosures and to judge whether information about an accounting policy is material to its financial statements. Guidance and examples are added to the Practice Statement.

The application of the amendments in the current period had no material impact on the condensed consolidated financial statements but is expected to affect the disclosures of the Group's accounting policies in the Group's annual consolidated financial statements for the year ending 31 December 2023.



## Notes to the Condensed Consolidated Financial Statements

(For the six months ended 30 June 2023)

**3. REVENUE AND SEGMENT INFORMATION**

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

	Six months ended 30 June	
	2023	2022
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
<b>Revenue recognised over time:</b>		
Commercial project management	1,064,837	764,732
Governmental project management	395,187	381,287
Others (Note)	88,985	112,490
	<b>1,549,009</b>	1,258,509

Note: During the current interim period, revenue from other services include (i) project management service provided for certain governmental projects amounting to RMB66,739,000 (six months ended 30 June 2022: RMB95,680,000), which were tendered by the subsidiaries of Greentown China and managed by the Group as the Group did not obtain the grade 1 qualification for real estate development prior to August 2020. Such arrangements are no longer entered by the Group since the grade 1 qualification was obtained by the Group in August 2020. As a result, the Group presented the revenue from certain projects as "others" in the disaggregation of revenue; and (ii) construction design and other consulting service amounting to RMB22,246,000 (six months ended 30 June 2022: RMB16,810,000). Revenue from each of other service is less than 10% of the total revenue of the Group. Therefore, all other services are aggregated into one reportable segment as below.

## Notes to the Condensed Consolidated Financial Statements

(For the six months ended 30 June 2023)

## 3. REVENUE AND SEGMENT INFORMATION (CONTINUED)

## (ii) Segment information

An analysis of the Group's revenue and results by reportable and operating segments for the interim period is as follows:

*For the six months ended 30 June 2023*

	Commercial project management RMB'000	Governmental project management RMB'000	Others RMB'000	Segment total RMB'000	Eliminations RMB'000	Total RMB'000
Segment revenue						
External revenue	1,064,837	395,187	88,985	1,549,009	-	1,549,009
Inter-segment revenue	88,643	317,897	1,585	408,125	(408,125)	-
Total	1,153,480	713,084	90,570	1,957,134	(408,125)	1,549,009
Segment results	393,538	71,399	57,006	521,943	219	522,162
Unallocated other income						7
Unallocated loss from changes in fair value of financial assets at FVTPL						(9,616)
Unallocated administrative expenses						(10,123)
Unallocated finance costs						(19)
Unallocated exchange losses						(16,872)
Unallocated license fee (Note 22(i)(e))						(23,391)
Profit for the period						462,148

## Notes to the Condensed Consolidated Financial Statements

(For the six months ended 30 June 2023)

**3. REVENUE AND SEGMENT INFORMATION (CONTINUED)****(ii) Segment information (Continued)**

An analysis of the Group's revenue and results by reportable and operating segments for the interim period is as follows: (Continued)

*For the six months ended 30 June 2022*

	Commercial project management RMB'000	Governmental project management RMB'000	Others RMB'000	Segment total RMB'000	Eliminations RMB'000	Total RMB'000
Segment revenue						
External revenue	764,732	381,287	112,490	1,258,509	-	1,258,509
Inter-segment revenue	30,284	254,497	921	285,702	(285,702)	-
<b>Total</b>	<b>795,016</b>	<b>635,784</b>	<b>113,411</b>	<b>1,544,211</b>	<b>(285,702)</b>	<b>1,258,509</b>
Segment results	284,397	46,029	57,906	388,332	219	388,551
Unallocated other income						9
Unallocated gain from changes in fair value of financial assets at FVTPL						4,504
Unallocated administrative expenses						(7,795)
Unallocated finance costs						(7)
Unallocated exchange gains						273
Unallocated license fee (Note 22(i)(e))						(19,836)
<b>Profit for the period</b>						<b>365,699</b>

## Notes to the Condensed Consolidated Financial Statements

(For the six months ended 30 June 2023)

## 4. OTHER INCOME

	Six months ended 30 June	
	2023	2022
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Interest income from:		
– bank balances	19,757	14,658
– loans to third parties	21,115	36,228
– loans to related parties (Note 22(i)(c))	21,095	480
	61,967	51,366
Dividends from an equity instrument at FVTOCI	22,000	15,000
Government grants (Note)	12,507	14,783
Gross rental income from investment properties	465	55
Others	–	3
	96,939	81,207

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

## 5. OTHER GAINS AND LOSSES

	Six months ended 30 June	
	2023	2022
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Loss from changes in fair value of financial liabilities at FVTPL	(27,000)	(2,458)
Exchange (losses) gains	(16,872)	273
(Loss) gain from changes in fair value of financial assets at FVTPL	(8,901)	6,596
Gain (loss) on disposal of property, plant and equipment	105	(48)
Gain on early termination of leases	215	–
Others	15	(385)
	(52,438)	3,978

## Notes to the Condensed Consolidated Financial Statements

(For the six months ended 30 June 2023)

**6. FINANCE COSTS**

	Six months ended 30 June	
	2023	2022
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Interest expenses on loan from third parties	(1,501)	(1,866)
Interest expenses on loan from related parties (Note 22(i)(f))	(750)	(1,025)
Interests on lease liabilities	(426)	(454)
Others	(45)	(265)
	<b>(2,722)</b>	<b>(3,610)</b>

**7. PROFIT BEFORE TAX**

Profit before tax for the period has been arrived at after charging:

	Six months ended 30 June	
	2023	2022
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Directors' remuneration	10,123	7,795
Salaries and other benefits	453,346	423,268
Retirement benefits scheme contributions	24,169	18,513
Staff costs (including directors' emoluments)	<b>487,638</b>	<b>449,576</b>
Depreciation of property, plant and equipment	8,158	6,756
Amortisation of intangible assets	29,108	24,256
Depreciation of right-of-use-assets	4,478	4,041

Notes to the Condensed Consolidated Financial Statements  
(For the six months ended 30 June 2023)

## 8. INCOME TAX EXPENSE

	Six months ended 30 June	
	2023	2022
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Current tax:		
– PRC Enterprise Income Tax (“EIT”)	<b>153,852</b>	113,426
(Over) under provision in prior years:		
– EIT	<b>(3,172)</b>	1,266
Deferred tax:		
– Current period	<b>(19,008)</b>	(13,560)
	<b>131,672</b>	101,132

The Company is registered as an exempted company and as such is not subject to Cayman Islands taxation.

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

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

Greentown Construction Management was accredited as a “High and New Technology Enterprise” on 4 December 2019 which was renewed on 24 December 2022 and it may entitle to a preferential tax rate of 15% for a three-year period commencing from the year of accreditation, subject to certain conditions. Accordingly, the applicable EIT rate of Greentown Construction Management for the six months ended 30 June 2023 is 15% (six months ended 30 June 2022: 15%).

## Notes to the Condensed Consolidated Financial Statements

(For the six months ended 30 June 2023)

**9. DIVIDENDS**

During the current interim period, a final dividend of RMB0.30 per share (six months ended 30 June 2022: RMB0.20 per share in respect of the year ended 31 December 2021) and a special dividend of RMB0.08 per share (six months ended 30 June 2022: RMBnil) in respect of the year ended 31 December 2022 were declared to owners of the Company, in an aggregate amount of HKD850,661,000 equivalent to RMB766,361,000 (six months ended 30 June 2022: HKD460,391,000 equivalent to RMB391,595,000), including a dividend of HKD20,351,000 equivalent to RMB18,334,000 (six months ended 30 June 2022: HKD4,906,000 equivalent to RMB4,173,000) distributed to the treasury shares held by the Group for share award schemes. The final dividend was subsequently paid on 26 July 2023. As at 30 June 2023, the dividend payable to Greentown China is HKD606,322,000 equivalent to RMB559,029,000.

The directors of the Company have determined that no dividend will be declared in respect of the current interim period (six months ended 30 June 2022: RMB nil).

**10. EARNINGS PER SHARE**

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

	Six months ended 30 June	
	2023	2022
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
<b>Earnings</b>		
Earnings for the purpose of basic and diluted earnings per share for the period attributable to owners of the Company	473,615	360,825
	'000	'000
<b>Number of shares</b>		
Weighted average number of ordinary shares for the purpose of basic earnings per share	1,954,670	1,937,080
Effect of dilutive potential ordinary shares:		
Share awards	39,226	23,751
Weighted average number of ordinary shares for the purpose of diluted earnings per share	1,993,896	1,960,831

## 11. PROPERTY, PLANT AND EQUIPMENT, RIGHT-OF-USE ASSETS AND INVESTMENT PROPERTIES

During the current interim period, the Group incurred additional expenditure on property, plant and equipment in the amount of RMB8,079,000 (six months ended 30 June 2022: RMB7,775,000).

During the current interim period, the Group entered into several new lease agreements with lease terms ranged from two to three years for office premises. The Group is required to make fixed monthly payments. On lease commencement, the Group recognised right-of-use assets of RMB2,643,000 (six months ended 30 June 2022: RMB5,939,000) and lease liabilities of RMB2,501,000 (six months ended 30 June 2022: RMB5,137,000).

The Group's investment properties as at the end of the current interim period were valued by the directors of the Company. The directors of the Company used market approach to determine the fair value of all the investment properties held by the Group, based on market observable transactions of similar properties and adjusted to reflect the locations and conditions of the subject properties. The resulting decrease in fair value of investment properties of RMB708,000 (six months ended 30 June 2022: RMB61,000) has been recognised directly in profit or loss for the six months ended 30 June 2023.

## 12. INTANGIBLE ASSETS

The intangible assets held by the Group are the contractual rights from the project management contracts with the project owners, which were arisen from the acquisition of Greentown Shangli Construction Management Co., Ltd. 綠城熻里建設管理有限公司 ("Greentown Shangli"), formerly named as Zhejiang Shangli Construction Management Co., Ltd. 浙江熻里建設管理有限公司 from third parties during six months ended 30 June 2022. The fair value of the intangible assets acquired at the acquisition date was RMB465,717,000. The details of the acquisition are set out in Note 21.

The intangible assets have finite useful lives and are amortised on a straight-line basis over a period of approximately eight years, which is the estimated weighted average remaining contractual period of the project management contracts acquired. The amortisation of the intangible assets charged for the current interim period is RMB29,108,000 (six months ended 30 June 2022: RMB24,256,000).



## Notes to the Condensed Consolidated Financial Statements

(For the six months ended 30 June 2023)

## 13. OTHER LONG-TERM RECEIVABLES

	As at 30 June 2023 RMB'000 (Unaudited)	As at 31 December 2022 RMB'000 (Audited)
Fixed interest rate other long-term receivables:		
– unsecured and unguaranteed loans to a related party (Note 22 (ii))	271,456	266,653
– secured loans to third parties (Note)	240,000	221,000
	<b>511,456</b>	487,653
Less: allowance for credit losses	1,309	1,488
	<b>510,147</b>	486,165
Analysed as		
Current	240,000	221,000
Non-current	270,147	265,165
	<b>510,147</b>	486,165

Note: As at 30 June 2023, the carrying amount of loans to third parties is amounting to RMB240,000,000 (31 December 2022: RMB221,000,000) with terms of two to two and a half years (31 December 2022: two to two and a half years) and repayable in full on the respective maturity dates. The fixed interest rate of loans is 6% (31 December 2022: 6%) per annum. The loans are pledged with collaterals such as land use rights, shareholders' interests and trade receivables of the borrowers. The Group is not permitted to sell or repledge the collaterals in the absence of default by the borrowers. As at 30 June 2023, the directors of the Company consider there is no significant changes in the debtors' credit quality and their related collateral pledged for the other long-term receivables, and therefore the Group did not recognise a loss allowance for the other long-term receivables as a result of these collaterals.

Details of impairment assessment of other long-term receivables are set out in Note 16.

## Notes to the Condensed Consolidated Financial Statements

(For the six months ended 30 June 2023)

## 14. TRADE AND OTHER RECEIVABLES

	As at 30 June 2023 RMB'000 (Unaudited)	As at 31 December 2022 RMB'000 (Audited)
Trade receivables	201,874	216,948
Less: allowance for credit losses	24,758	27,716
Trade receivables, net of allowance for credit losses	177,116	189,232
Other receivables	653,543	600,957
Less: allowance for credit losses	2,626	3,367
Other receivables, net of allowance for credit losses	650,917	597,590
Dividends receivables	16,000	–
Prepayments	7,120	37,108
	<b>851,153</b>	823,930

Included in the trade receivables were bills receivables amounted to RMB8,922,000 as at 30 June 2023 (31 December 2022: RMB25,166,000). All bills received by the Group are with a maturity period of less than one year.

Included in other receivables were loans to third parties amounting to RMB440,000,000 (31 December 2022: RMB421,000,000) (collectively with interest receivable of RMB21,978,000 (31 December 2022: RMB7,961,000)) as at 30 June 2023. The loans are expected to be recovered within one year which carries fixed interest rate from 6% to 15% (31 December 2022: 6% to 15%) per annum. The loans are pledged with collaterals such as land use rights, shareholders' interests, constructions in progress and trade receivables of the borrowers. The Group is not permitted to sell or repledge the collaterals in the absence of default by the borrower. As at 30 June 2023, the directors of the Company consider there is no significant changes in the debtors' credit quality and their related collateral pledged for such advance, and therefore, the directors of the Company are in the view that there have been no significant increase in credit risk nor default because the balance of loans is not past due as at the reporting date.

The Group does not normally allow a credit period to its customers. For the receivables balance which has been past due more day 90 days, the directors of the Group consider certain past due balances are not in default since certain balances could be recovered based on the historical repayment pattern of overdue receivables and the financial conditions of corresponding customers.

## Notes to the Condensed Consolidated Financial Statements

(For the six months ended 30 June 2023)

**14. TRADE AND OTHER RECEIVABLES (CONTINUED)**

The following is an age analysis of trade receivables (including bills receivables), net of allowance for credit losses, presented based on the invoice date.

	As at 30 June 2023 RMB'000 (Unaudited)	As at 31 December 2022 RMB'000 (Audited)
Within 180 days	149,167	123,689
180 – 365 days	13,663	39,392
Over 365 days	14,286	26,151
<b>Total</b>	<b>177,116</b>	<b>189,232</b>

Details of the impairment assessment are set out in Note 16.

**15. CONTRACT ASSETS**

	As at 30 June 2023 RMB'000 (Unaudited)	As at 31 December 2022 RMB'000 (Audited)
<u>Project management service</u>		
Contract assets	637,261	613,751
Less: allowance for credit losses	44,059	39,859
	<b>593,202</b>	<b>573,892</b>

Details of the impairment assessment are set out in Note 16.

**16. IMPAIRMENT LOSSES UNDER EXPECTED CREDIT LOSS MODEL, NET OF REVERSAL**

	Six months ended 30 June	
	2023	2022
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Impairment losses (recognised) reversed on:		
– contract assets	(4,200)	(4,568)
– trade receivables	1,010	(3,133)
– amounts due from related parties	947	111
– other receivables	741	204
– other long-term receivables	179	–
	(1,323)	(7,386)

During the current interim period, the Group write-off certain trade receivables amounted to RMB1,948,000 (six months ended 30 June 2022: nil).

The basis of determining the inputs and assumptions and the estimation techniques used in the condensed consolidated financial statements for the six months ended 30 June 2023 are the same as those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2022.

## Notes to the Condensed Consolidated Financial Statements

(For the six months ended 30 June 2023)

## 17. TRADE AND OTHER PAYABLES

	As at 30 June 2023 RMB'000 (Unaudited)	As at 31 December 2022 RMB'000 (Audited)
Trade payables	26,845	15,893
Other payables	894,675	889,833
Payroll payable	149,267	240,455
Dividends payable to minority interests	–	618
Provision for share of losses of joint ventures exceeded interests invested	20,512	26,418
Provision for share of losses of associates exceeded interests invested	835	58
	<b>1,092,134</b>	<b>1,173,275</b>

Included in other payables were unsecured and unguaranteed advances from third parties of RMB25,000,000 (31 December 2022: RMB25,000,000) as at 30 June 2023. The advances are expected to be settled within one year which carry interest at 12% to 15% (31 December 2022: 12% to 15%) per annum.

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

	As at 30 June 2023 RMB'000 (Unaudited)	As at 31 December 2022 RMB'000 (Audited)
Within 1 year	25,301	14,989
1 – 2 years	883	807
2 – 3 years	661	–
More than 3 years	–	97
	<b>26,845</b>	<b>15,893</b>

## 18. SHARE CAPITAL

	Number of shares	Amount Hong Kong Dollars ("HKD")	
<b>Authorised</b>			
Ordinary shares of HKD0.01 each At 1 January 2022, 30 June 2022, 1 January 2023 and 30 June 2023	100,000,000,000	1,000,000,000	
	Number of shares	Amount HKD	Shown in the condensed consolidated statement of financial position as RMB'000
<b>Issued and fully paid</b>			
At 1 January 2022	1,957,976,000	19,579,760	16,324
New shares issued through allotment (Note (i))	52,024,000	520,240	445
At 30 June 2022, 1 January 2023 and 30 June 2023 (Note (ii))	2,010,000,000	20,100,000	16,769

## Notes to the Condensed Consolidated Financial Statements

(For the six months ended 30 June 2023)

**18. SHARE CAPITAL (CONTINUED)**

Notes:

- (i) On 20 June 2022, the Company issued and allotted 52,024,000 ordinary shares of HKD0.01 each for the 2022 Share Award Scheme to Computershare Hong Kong Trustees Limited, the trustee and administrator of the 2022 Share Award Scheme. The amounts of the new shares issued and allotted are equivalent to approximately RMB445,000, which are presented as “shares held for share award scheme” in the condensed consolidated statement of changes in equity.
- (ii) Included in number of shares as at 30 June 2023 are 48,085,961 (31 December 2022: 60,414,961) shares amounted to HKD23,933,000 (31 December 2022: HKD28,238,000) (equivalent to approximately RMB20,206,000 (31 December 2022: RMB23,842,000)) held by the trusts which are constituted by the Company for the share award schemes. Details of the share award schemes are set out in Note 19.

The Company has the power to direct the relevant activities of certain trusts and it has the ability to use its power over the trusts to affect its exposure to returns. Therefore, the assets and liabilities of the trusts are included in the Group’s condensed consolidated statement of financial position and the ordinary shares held for the share award schemes were regarded as treasury shares and presented as a deduction in equity as “shares held for share award scheme” in the condensed consolidated statement of changes in equity of the Group.

**19. SHARE-BASED PAYMENTS****Share award scheme*****2020 Share Award Scheme***

The Company’s share award scheme (the “2020 Share Award Scheme”) was adopted pursuant to a board resolution passed on 28 October 2020 for the primary purpose of providing incentives to directors of the Company and eligible employees to retain them for the continual operation and development of the Group, and will expire on 27 October 2030.

The table below discloses movement of the 2020 Share Award Scheme:

	Number of award shares
Outstanding as at 1 January 2023	1,270,000
Vested	(1,270,000)
Outstanding as at 30 June 2023	–

## 19. SHARE-BASED PAYMENTS (CONTINUED)

### Share award scheme (Continued)

#### 2022 Share Award Scheme

The Company's 2022 share award scheme (the "2022 Share Award Scheme") was adopted pursuant to a board resolution passed on 24 April 2022 for the primary purpose of providing incentives to directors and eligible employees to retain them for the continual operation and development of the Group, and will expire on 23 April 2032. On 24 April 2022 and 28 October 2022, 52,024,000 and 2,580,000 award shares were granted by the Group to its 73 directors and eligible employees and 6 eligible employees respectively, pursuant to the 2022 Share Award Scheme.

The table below discloses movement of the 2022 Share Award Scheme:

Number of award shares	24 April 2022	28 October 2022
Outstanding as at 1 January 2023	47,900,000	2,580,000
Vested	(10,600,000)	(459,000)
Forfeited	(388,000)	–
Outstanding as at 30 June 2023	36,912,000	2,121,000

In the current interim period, no share awards were granted under the 2020 Share Award Scheme and 2022 Share Award Scheme.

## 20. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS

### Fair value of the Group's financial assets and financial liabilities that are measured at fair value on a recurring basis

Some of the Group's financial assets and financial liabilities are measured at fair value at the end of each reporting period. The following table gives information about how the fair values of these financial assets and financial liabilities are determined (in particular, the valuation technique(s) and inputs used), as well as the level of the fair value hierarchy into which the fair value measurements are categorised (Levels 1 to 3) based on the degree to which the inputs to the fair value measurements is observable.

- Level 1 fair value measurements are based on quoted prices (unadjusted) in active market for identical assets or liabilities;
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).



## Notes to the Condensed Consolidated Financial Statements

(For the six months ended 30 June 2023)

**20. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS (CONTINUED)**

Fair value of the Group's financial assets and financial liabilities that are measured at fair value on a recurring basis (Continued)

Financial instrument	Fair value	Fair value hierarchy	Valuation technique and key inputs	Significant unobservable inputs
Unquoted equity investments	Equity instruments at FVTOCI: RMB10,972,000 (31 December 2022: RMB16,307,000)	Level 3	Income approach – in this approach, the discounted cash flow method was used to capture the present value of the expected dividend income and ultimate disposal proceed.	Discount rate of 5.4% (31 December 2022: 5.6%). (Note (i))
	Equity instrument at FVTOCI: RMB26,639,000 (31 December 2022: RMB27,218,000)	Level 3	Market approach – in this approach, the value of an asset or security is based upon development of ratios of market prices which investors are paying for similar assets or securities in the market place.	Adjusted price earnings ratio ("P/E ratio"), determined by reference to the P/E ratio of listed entities in similar industries, of 7.2 (31 December 2022: 7.2). (Note (ii))  Discount for lack of marketability, determined by reference to the share price of listed entities in similar industries, of 30.5% (31 December 2022: 31.1%). (Note (iii))
	Equity instruments at FVTOCI: RMB23,246,000 (31 December 2022: RMB23,905,000)	Level 3	The value of underlying net assets is based on the expected net realisable value of properties under development calculated by the discounted future income generated from the sales of such properties under development in the future less costs to be incurred to reach the sales condition, plus adjusted value of other identifiable assets and liabilities of the underlying net assets.	Discount rate, used to determine the value of properties under development, taking into account weighted average cost of capital (WACC) determined by using a Capital Asset Pricing Model, of 9.8% (31 December 2022: 9.8%). (Note (i))  Expected price per square meter, used to determine the value of properties under development, ranging from RMB9,000 to RMB32,800 (31 December 2022: RMB8,900 to RMB32,800). (Note (iv))

**20. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS (CONTINUED)**

Fair value of the Group's financial assets and financial liabilities that are measured at fair value on a recurring basis (Continued)

Financial instrument	Fair value	Fair value hierarchy	Valuation technique and key inputs	Significant unobservable inputs
Structured deposits	Financial assets at FVTPL: RMB62,212,000 (31 December 2022: RMB75,430,000)	Level 3	Income approach – in this approach, the discounted cash flow method was used to capture the present value of the expected interest income and ultimate disposal proceed.	Discount rate of 2.69% (31 December 2022: 2.2%). (Note (i))
Contingent consideration in a business combination	Financial liabilities at FVTPL: RMB115,867,000 (31 December 2022: RMB88,867,000)	Level 3	Discounted cash flow method was used to capture the present value of the expected future economic benefits that will flow out of the Group arising from the contingent consideration, based on an appropriate discount rate.	Discount rate of 3.6% (31 December 2022: 4.3%). (Note (i))

Notes:

- (i) An increase in the discount rate used in isolation would result in a decrease in the fair value measurement of unquoted equity investments, structured deposits, contingent consideration in a business combination, and vice versa.
- (ii) An increase in the adjusted P/E ratio used in isolation would result in an increase in the fair value measurement of the unquoted equity investments, and vice versa.
- (iii) An increase in the discount for lack of marketability used in isolation would result in a decrease in the fair value measurement of the unquoted equity investments, and vice versa.
- (iv) An increase in the expected price per square meter used in isolation would result in an increase in the fair value measurement of the unquoted equity investments, and vice versa.

## Notes to the Condensed Consolidated Financial Statements

(For the six months ended 30 June 2023)

**20. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS (CONTINUED)**

Fair value of the Group's financial assets and financial liabilities that are measured at fair value on a recurring basis (Continued)

Reconciliation of Level 3 fair value measurements of financial assets and financial liabilities:

	Financial assets at FVTOCI RMB'000	Financial assets at FVTPL RMB'000	Financial liabilities at FVTPL RMB'000
At 1 January 2022 (Audited)	100,742	75,031	–
Fair value gain (loss):			
– in profit or loss	–	6,596	(2,458)
– in other comprehensive expense	(77)	–	–
Acquisition of a subsidiary (Note 21)	–	–	(27,093)
Purchased	–	310,000	–
Disposals	–	(320,524)	–
At 30 June 2022 (Unaudited)	100,665	71,103	(29,551)
At 1 January 2023 (Audited)	67,430	75,430	(88,867)
Fair value loss:			
– in profit or loss	–	(8,901)	(27,000)
– in other comprehensive expense	(6,573)	–	–
Purchased	–	70,000	–
Disposals	–	(74,317)	–
At 30 June 2023 (Unaudited)	60,857	62,212	(115,867)

Of the total gains or losses for the period included in profit or loss, an unrealised loss of RMB13,217,000 relates to financial assets at FVTPL held at the end of current reporting period (six months ended 30 June 2022: unrealised gains of RMB4,407,000). Fair value gains or losses on financial assets at FVTPL are included in "other gains and losses".

All gains and losses were included in other comprehensive income related to unquoted equity instruments at FVTOCI held at the end of current and comparable reporting periods and were reported as changes of FVTOCI reserve. Dividends from an equity instrument at FVTOCI of RMB22,000,000 (six months ended 30 June 2022: RMB15,000,000) for current interim period has been recognised in "other income" line item in the condensed consolidated statement of profit or loss and other comprehensive income.

## 20. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS (CONTINUED)

### Fair value of the Group's financial assets and financial liabilities that are measured at fair value on a recurring basis (Continued)

Of the total gains or losses for the period included in profit or loss, an unrealised loss of RMB27,000,000 relates to financial liabilities at FVTPL held at the end of current reporting period (six months ended 30 June 2022: RMB2,458,000). Fair value gains or losses on financial liabilities at FVTPL are included in "other gains and losses".

The directors of the Company consider that the carrying amounts of financial assets and financial liabilities recorded at amortised cost in the condensed consolidated financial statements approximate their fair values.

## 21. ACQUISITION OF SUBSIDIARIES

No subsidiary was acquired during the six months ended 30 June 2023.

Particulars of the subsidiary acquired during the six months ended 30 June 2022 were as follows:

Acquired company	Principal activities	Acquisition date	Equity interest acquired	Consideration RMB'000
Greentown Shangli (Note)	Project management	27 January 2022	60%	427,093

Note: Greentown Real Estate Construction Management Group Co., Ltd. 綠城房地產建設管理集團有限公司 ("Greentown Construction Management Group"), a wholly-owned subsidiary of the Company acquired 60% equity interest of Greentown Shangli at a fixed cash consideration of RMB400,000,000 with a contingent consideration arrangement. Based on the relevant agreement, the Group is required to pay an additional adjusted incremental consideration determined according to the service fee receivable from the new project management projects of Greentown Shangli during a three-year period following completion of the acquisition. The structure of contingent consideration is tiered with different thresholds of new service fee receivable from new project management projects. The first tier starts at RMB30,000,000 contingent consideration when new service fee receivable is greater or equal to RMB100,000,000 and the ceiling of contingent consideration is set at RMB 200,000,000 when new service fee receivable are greater or equal to RMB 700,000,000. The fair value of the contingent consideration at the acquisition date is RMB27,093,000. As at 30 June 2023, the Group had settled the cash consideration of RMB400,000,000 and the condition of the contingent consideration had not been fulfilled yet. The Group acquired Greentown Shangli so as to continue the expansion of the Group's commercial project management operations.

## Notes to the Condensed Consolidated Financial Statements

(For the six months ended 30 June 2023)

**21. ACQUISITION OF SUBSIDIARIES (CONTINUED)**

A summary effect of acquisition of the subsidiary is as follows:

	Six months ended 30 June 2022 Greentown Shangli RMB'000 (Unaudited)
<b>Fair value of assets and liabilities recognised at the date of acquisition</b>	
Intangible assets	465,717
Trade and other receivables	56,983
Trade and other payables	(48,650)
Deferred tax liabilities	(116,429)
	357,621
Non-controlling interests	(143,048)
	214,573
Consideration transferred, satisfied by:	
Cash	400,000
Contingent consideration arrangement	27,093
	427,093
Goodwill arising on acquisition:	
Consideration transferred	427,093
Less: recognised amounts of net assets acquired	214,573
	212,520
Net cash outflow arising on acquisition:	
Cash paid	(400,000)

The receivables acquired (which principally comprised trade and other receivables) with a fair value of RMB56,983,000 at the date of acquisition had gross contractual amounts of RMB56,983,000, which were expected to be fully collected for Greentown Shangli.

## 21. ACQUISITION OF SUBSIDIARIES (CONTINUED)

The acquisition of the subsidiary has been accounted for using the acquisition method. Goodwill arose on the acquisition of Greentown Shangli because the acquisition included the assembled workforce of Greentown Shangli and some potential contracts which are still under negotiation with prospective new customers as at the date of acquisition. These benefits are not recognised separately from goodwill because they do not meet the recognition criteria for identifiable intangible assets. None of the goodwill arising on these acquisitions is expected to be deductible for tax purposes.

The non-controlling interests recognised at the acquisition date were measured by reference to the proportionate share of the recognised amounts of net assets of the subsidiary and amounted to RMB143,048,000.

The contingent consideration amounting to RMB27,093,000 in relation to acquisition of Greentown Shangli was subsequently measured at FVTPL. During the current interim period, loss from changes in fair value of contingent consideration for RMB27,000,000 (six months ended 30 June 2022: RMB2,458,000) was included in the "other gains or losses".

Acquisition-related costs were insignificant and have been excluded from the cost of acquisition and were recognised as an expense in the period incurred within the "administration expenses" line item in the condensed consolidated statements of profit or loss and other comprehensive income.

### Impact of acquisition on the results of the Group

Included in the profit for six months ended 30 June 2022 is RMB44,140,000 attributable to the additional business generated by Greentown Shangli. Revenue for six months ended 30 June 2022 includes RMB108,435,000 generated from Greentown Shangli.

Had the acquisition of Greentown Shangli been completed on 1 January 2022, revenue for six months ended 30 June 2022 of the Group would have been RMB108,435,000, and the profit for six months ended 30 June 2022 would have been RMB44,140,000. The pro forma information is for illustrative purposes only and is not necessarily an indication of revenue and results of operations of the Group that actually would have been achieved had the acquisition been completed on 1 January 2022, nor is it intended to be a projection of future results.

In determining the 'pro-forma' revenue and profit of the Group had Greentown Shangli been acquired at the beginning of the interim period, the directors of the Company calculated amortisation of intangible assets based on the recognised amounts of intangible assets at the date of the acquisition.

## Notes to the Condensed Consolidated Financial Statements

(For the six months ended 30 June 2023)

**22. RELATED PARTY DISCLOSURES**

(i) During the current interim period, in addition to those disclosed in other notes to the condensed consolidated financial statements, the Group entered into the following transactions with related parties:

(a) Provided project management service to related parties

	Notes	Six months ended 30 June	
		2023 RMB'000 (Unaudited)	2022 RMB'000 (Unaudited)
杭州錢江綠星樂居建設管理有限公司 Hangzhou Qianjiang Lvxing Leju Construction Management Co., Ltd. ("Hangzhou Qianjiang")	(1)	31,768	29,032
麗水綠星樂居建設管理有限公司 Lishui Lvxing Leju Construction Management Co., Ltd. ("Lishui Lvxing Leju")	(1)	25,153	2,967
杭州綠興工程項目管理有限公司 Hangzhou Lvxing Project Management Co., Ltd. ("Hangzhou Lvxing Project Management")	(1)	12,502	4,265
杭州綠城鼎力建設管理有限公司 Hangzhou Greentown Dingli Construction Management Co., Ltd. ("Greentown Dingli")	(3)	11,052	15,344
浙江綠城時代建設管理有限公司 Zhejiang Greentown Shidai Construction Management Co., Ltd. ("Zhejiang Shidai")	(3)	10,055	9,495
綠城房地產集團有限公司 Greentown Real Estate Group Co., Ltd. ("Greentown Real Estate Group")	(1)	6,708	–
山東綠新萬合房產管理有限公司 Shandong Lvxin Wanhe Construction Management Co., Ltd. ("Lvxin Wanhe")	(3)	6,628	9,023
杭州綠城東部置業有限公司 Zhejiang Greentown East Zhiye Co., Ltd.	(1)	4,176	–
浙江拓峰科技股份有限公司 Zhejiang Tuofeng Technology Co., Ltd.	(1)	2,476	–

## Notes to the Condensed Consolidated Financial Statements

(For the six months ended 30 June 2023)

**22. RELATED PARTY DISCLOSURES (CONTINUED)**

(i) During the current interim period, in addition to those disclosed in other notes to the condensed consolidated financial statements, the Group entered into the following transactions with related parties: (Continued)

(a) Provided project management service to related parties (Continued)

	Notes	Six months ended 30 June	
		2023 RMB'000 (Unaudited)	2022 RMB'000 (Unaudited)
綠城北方建設管理有限公司 Greentown Northern Construction Management Co., Ltd. ("Greentown Northern")	(3)	1,992	500
寧波杭州灣新區綠開建設管理有限公司 Ningbo Hangzhou Bay New District Lvcai Construction Management Co., Ltd. ("Hangzhou Bay")	(3)	1,899	–
首創青旅置業(昆山)有限公司 Capital Youth Travel Real Estate (Kunshan) Co., Ltd. ("Youth Travel")	(2)	1,802	–
綠城景豐房地產建設管理有限公司 Greentown Jingfeng Real Estate Construction Management Co., Ltd. ("Greentown Jingfeng")	(3)	1,690	47
溫州綠城樂居項目管理有限公司 Wenzhou Greentown Leju Project Management Co., Ltd.	(1)	–	38,709
溫州綠城樂居企業管理有限公司 Wenzhou Greentown Leju Enterprise Management Co., Ltd.	(1)	–	21,185
Others		909	607
		<b>118,810</b>	131,174



## Notes to the Condensed Consolidated Financial Statements

(For the six months ended 30 June 2023)

**22. RELATED PARTY DISCLOSURES (CONTINUED)**

(i) During the current interim period, in addition to those disclosed in other notes to the condensed consolidated financial statements, the Group entered into the following transactions with related parties: (Continued)

(b) Provided construction design and education consulting service to related parties

	Notes	Six months ended 30 June	
		2023 RMB'000 (Unaudited)	2022 RMB'000 (Unaudited)
浙江綠城利普建築設計有限公司 Zhejiang Greentown Lipu Architectural Design Co., Ltd. ("Zhejiang Greentown Lipu")	(3)	592	70
浙江綠城都會建築規劃設計有限公司 Zhejiang Greentown Metropolis Architecture Planning and Design Co., Ltd. ("Zhejiang Greentown Duhui")	(3)	242	1,161
西安國際陸港文廣置業有限公司 Xi'an International Land Port Wenguang Real Estate Co., Ltd.	(1)	127	–
青島綠城華川置業有限公司 Qingdao Greentown Huachuan Real Estate Co., Ltd.	(1)	–	85
Others		26	–
		<b>987</b>	1,316

## Notes to the Condensed Consolidated Financial Statements

(For the six months ended 30 June 2023)

**22. RELATED PARTY DISCLOSURES (CONTINUED)**

(i) During the current interim period, in addition to those disclosed in other notes to the condensed consolidated financial statements, the Group entered into the following transactions with related parties: (Continued)

(c) Interest income arising from loans to related parties

	Notes	Six months ended 30 June	
		2023 RMB'000 (Unaudited)	2022 RMB'000 (Unaudited)
杭州蕭山浙企綠城資產管理有限公司 Hangzhou Xiaoshan Zhejiang Enterprise Greentown Asset Management Co., Ltd. ("Xiaoshan Zheqi")	(3)	18,591	–
綠城正弘(北京)建設管理有限公司 Greentown Zhenghong (Beijing) Construction Management Co., Ltd. ("Greentown Zhenghong")	(3)	1,337	–
浙江綠城坤業房產建設管理有限公司 Zhejiang Greentown Shenye Real Estate Construction Management Co., Ltd. ("Zhejiang Shenye")	(3)	258	377
Greentown Jingfeng	(3)	234	–
杭州綠管新原建築設計事務所有限公司 Hangzhou Lvguan Xinyuan Architectural Design Office Co., Ltd. ("Lvguan Xinyuan")	(3)	128	–
綠城創新建設管理有限公司 Greentown Innovation Construction Management Co., Ltd. ("Greentown Innovation")	(3)	127	–
Others		420	103
		<b>21,095</b>	480

## Notes to the Condensed Consolidated Financial Statements

(For the six months ended 30 June 2023)

**22. RELATED PARTY DISCLOSURES (CONTINUED)**

(i) During the current interim period, in addition to those disclosed in other notes to the condensed consolidated financial statements, the Group entered into the following transactions with related parties: (Continued)

(d) Received consulting and other service from related parties

	Notes	Six months ended 30 June	
		2023 RMB'000 (Unaudited)	2022 RMB'000 (Unaudited)
Zhejiang Shidai 海南綠城綠明建設管理有限公司	(3)	<b>47,726</b>	47,869
Hainan Greentown Lvming Construction Management Co., Ltd. ("Hainan Lvming")	(3)	<b>40,130</b>	11,058
Greentown Northern 浙江綠城匠信建設管理有限公司	(3)	<b>33,464</b>	33,466
Zhejiang Greentown Jiangxin Construction Management Co., Ltd. ("Zhejiang Jiangxin")	(3)	<b>23,307</b>	7,072
Zhejiang Shenye 綠城綠明建設管理有限公司	(3)	<b>22,493</b>	13,282
Greentown Lvming Construction Management Co., Ltd. ("Greentown Lvming")	(3)	<b>21,542</b>	19,928
Greentown Innovation 綠城田園城市建設發展有限公司	(3)	<b>19,946</b>	15,720
Greentown Tianyuan City Construction Development Co., Ltd. ("Greentown Tianyuan")	(3)	<b>14,843</b>	15,987
上海綠城輔秦建設工程管理有限公司			
Shanghai Greentown Fuqin Construction Project Management Co., Ltd. ("Shanghai Fuqin")	(3)	<b>13,319</b>	23,362
Zhejiang Greentown Lipu	(3)	<b>11,306</b>	27,935
Zhejiang Greentown Duhui	(3)	<b>8,260</b>	15,327
Greentown Zhenghong 綠城長裕建設管理有限公司	(3)	<b>8,041</b>	12,981
Greentown Changyu Construction Management Co., Ltd. ("Greentown Changyu")	(3)	<b>6,118</b>	6,757
綠城萬合房地產建設管理有限公司			
Greentown Wanhe Real Estate Construction Management Co., Ltd. ("Greentown Wanhe")	(3)	<b>4,623</b>	–

**22. RELATED PARTY DISCLOSURES (CONTINUED)**

(i) During the current interim period, in addition to those disclosed in other notes to the condensed consolidated financial statements, the Group entered into the following transactions with related parties: (Continued)

(d) Received consulting and other service from related parties (Continued)

	Notes	Six months ended 30 June	
		2023 RMB'000 (Unaudited)	2022 RMB'000 (Unaudited)
北京雲溪綠城房地產開發有限公司 Beijing Yunxi Greentown Real Estate Development Co., Ltd. ("Beijing Yunxi Greentown")	(1)	2,830	–
Greentown Jingfeng 綠城樂居科技管理(浙江)有限公司 Greentown Leju Technology Management (Zhejiang) Co., Ltd	(3)	2,634	2,482
浙江星鏈營銷策劃管理有限公司 Zhejiang Xinglian Marketing Planning Management Co. Ltd. ("Zhejiang Xinglian")	(3)	1,190	1,083
浙江綠城商地建設管理有限公司 Zhejiang Greentown Shangdi Construction Management Co., Ltd. ("Zhejiang Greentown Shangdi")	(3)	572	387
Others		12,760	2,250
		<b>295,850</b>	256,997

## Notes to the Condensed Consolidated Financial Statements

(For the six months ended 30 June 2023)

**22. RELATED PARTY DISCLOSURES (CONTINUED)**

- (i) During the current interim period, in addition to those disclosed in other notes to the condensed consolidated financial statements, the Group entered into the following transactions with related parties: (Continued)

- (e) Licensing fee

On 24 February 2020, the Company and Greentown China entered into a license agreement in respect of certain “綠城” (“Greentown”) or related trademarks for a term commencing from its effective date on 24 February 2020 for an initial term of ten years after the Listing Date. Pursuant to the license agreement, there are licensing fees charged by Greentown China to the Company upon 10 July 2020, the Listing Date of the Company in the following manner: (i) for the first year: RMB30,000,000; (ii) for the second year: RMB40,000,000; (iii) for the third year: RMB50,000,000; (iv) for each of the fourth to tenth year: RMB60,000,000; and (v) for each of the eleventh to twentieth year: RMB60,000,000 if applicable, calculated on a pro-rated basis for less than an entire calendar year. The licensing fee for the first to tenth year shall also be subject to a lower amount that may be agreed by Greentown China and the Company, and the licensing fee for the eleventh to twentieth year may also be adjusted as agreed by Greentown China and the Company.

For the six months ended 30 June 2023, the Group has accrued licensing fee of RMB23,391,000 (six months ended 30 June 2022: RMB19,836,000) pursuant to the license agreement and were presented as “selling and marketing expenses” in the condensed consolidated statement of profit or loss and other comprehensive income.

- (f) Interest expenses on loans from related parties

	Notes	Six months ended 30 June	
		2023 RMB'000 (Unaudited)	2022 RMB'000 (Unaudited)
浙江綠城佳園建設工程管理有限公司 Zhejiang Greentown Jiayuan Construction Engineering Management Co., Ltd. ("Greentown Jiayuan")	(3)	750	625
Greentown Zhenghong	(3)	–	400
		<b>750</b>	1,025

**22. RELATED PARTY DISCLOSURES (CONTINUED)**

(ii) The Group had balances with related parties, which are all unsecured, as follows:

	Notes	As at 30 June 2023 RMB'000 (Unaudited)	As at 31 December 2022 RMB'000 (Audited)
<b>Amounts due from related parties</b>			
<u>Trade related</u>			
Greentown Real Estate Group	(1)	<b>2,630</b>	17,310
Zhejiang Shidai	(3)	<b>2,242</b>	2,674
Greentown Landscape Garden	(3)	<b>700</b>	700
Zhejiang Greentown Lipu	(3)	<b>628</b>	–
Others		<b>265</b>	800
		<b>6,465</b>	21,484
<u>Non-trade related</u>			
Greentown Tianyuan	(3)	<b>28,436</b>	35,900
Zhejiang Shenye	(3)	<b>25,634</b>	37,748
Greentown Northern	(3)	<b>24,500</b>	19,936
Zhejiang Shidai	(3)	<b>24,249</b>	29,537
山東綠城萬合房地產建設管理有限公司 Shandong Greentown Wanhe Real Estate Construction Management Co., Ltd. ("Shandong Wanhe")	(3)	<b>16,946</b>	19,028
Greentown Innovation	(3)	<b>15,918</b>	14,300
Greentown Wanhe	(3)	<b>11,900</b>	–
Xinjiang Chuangjing	(3)	<b>11,416</b>	13,897

## Notes to the Condensed Consolidated Financial Statements

(For the six months ended 30 June 2023)

**22. RELATED PARTY DISCLOSURES (CONTINUED)**

(ii) The Group had balances with related parties, which are all unsecured, as follows: (Continued)

	Notes	As at 30 June 2023 RMB'000 (Unaudited)	As at 31 December 2022 RMB'000 (Audited)
<b>Amounts due from related parties (continued)</b>			
<u>Non-trade related</u> (continued)			
Zhejiang Jiangxin	(3)	11,059	9,185
Greentown Zhenghong	(3)	10,377	36,735
Shanghai Fuqin	(3)	9,243	10,370
Hainan Lvming	(3)	7,963	8,883
Greentown Jingfeng	(3)	5,234	5,103
Beijing Yunxi Greentown	(1)	3,642	6,473
Greentown Wanjia	(3)	3,160	–
Lvguan Xinyuan	(3)	3,128	–
Greentown Dingli	(3)	3,000	285
Hangzhou Bay	(3)	2,000	2,000
Greentown Real Estate Group	(1)	1,425	1,425
Greentown Lvming	(3)	1,314	27,114
Greentown Landscape Garden	(3)	365	365
Greentown Changyu	(3)	196	408
Others		485	1,792
		<b>221,590</b>	280,484
		<b>228,055</b>	301,968

## 22. RELATED PARTY DISCLOSURES (CONTINUED)

- (ii) The Group had balances with related parties, which are all unsecured, as follows: (Continued)

Except for the non-trade related amounts due from Greentown Tianyuan of RMB8,000,000 (31 December 2022: RMB11,000,000) (collectively with interest receivable of RMB979,000 (31 December 2022: RMB1,003,000)) and Zhejiang Shenye of RMB nil (31 December 2022: RMB7,000,000) (collectively with interest receivable of RMB nil (31 December 2022: RMB802,000)), Greentown Zhenghong of RMB nil (31 December 2022: RMB23,984,000) (collectively with interest receivable of RMB nil (31 December 2022: RMB nil)), Greentown Lvming of RMB nil (31 December 2022: RMB25,000,000) (collectively with interest receivable of RMB nil (31 December 2022: RMB nil)), Greentown Jingfeng of RMB5,000,000 (31 December 2022: RMB5,000,000) (collectively with interest receivable of RMB234,000 (31 December 2022: RMB103,000)), Greentown Innovation of RMB3,800,000 (31 December 2022: RMB nil) (collectively with interest receivable of RMB127,000 (31 December 2022: RMB nil)), Lvguan Xinyuan of RMB3,000,000 (31 December 2022: RMB nil) (collectively with interest receivable of RMB128,000 (31 December 2022: RMB nil)) and Greentown Landscape Garden of RMB nil (31 December 2022: RMB nil) (collectively with interest receivable of RMB365,000 (31 December 2022: RMB365,000)) are unsecured advances to related parties, which carry interest rate from 4% to 16% (2022: 4% to 16%) per annum respectively and are expected to be recovered within 12 months, the other abovementioned non-trade related amounts due from related parties are mainly related to the performance deposits paid to the related parties and funds paid in advance to the related parties in connection with the project management business which are all expected to be received on demand or within normal operating cycle are all interest free.

The above amounts due from related parties are presented before accumulative impairment losses of RMB2,732,000 (31 December 2022: RMB3,679,000). Details of impairment assessment of the amounts due from related parties are set out in Note 16.



Notes to the Condensed Consolidated Financial Statements  
(For the six months ended 30 June 2023)

## 22. RELATED PARTY DISCLOSURES (CONTINUED)

(ii) The Group had balances with related parties, which are all unsecured, as follows: (Continued)

The following is an aged analysis of gross amounts of trade related amounts due from related parties presented based on the invoice dates.

	As at 30 June 2023 RMB'000 (Unaudited)	As at 31 December 2022 RMB'000 (Audited)
Within 180 days	5,182	15,529
Over 365 days	1,283	5,955
	<b>6,465</b>	21,484

	As at 30 June 2023 RMB'000 (Unaudited)	As at 31 December 2022 RMB'000 (Audited)
<b>Prepayments (included in trade and other receivables)</b>		
Greentown Northern (3)	–	14,203
Greentown Innovation (3)	–	3,866
Hainan Lvming (3)	–	781
Greentown Jingfeng (3)	–	741
	<b>–</b>	19,591

**22. RELATED PARTY DISCLOSURES (CONTINUED)**

(ii) The Group had balances with related parties, which are all unsecured, as follows: (Continued)

	Note	As at 30 June 2023 RMB'000 (Unaudited)	As at 31 December 2022 RMB'000 (Audited)
<b>Other long-term receivables</b>			
Xiaoshan Zheqi	(3)	271,456	266,653

The other long-term receivables due from Xiaoshan Zheqi amounted to RMB260,000,000 (31 December 2022: RMB260,000,000) (collectively with interest receivable of RMB11,456,000 (31 December 2022: RMB6,653,000)), are unsecured advances to related parties, which carry interest 15% per annum with term of two years.

The above other long-term receivables are presented before accumulative impairment losses of RMB1,309,000 as at 30 June 2023 (31 December 2022: RMB1,488,000).

	Notes	As at 30 June 2023 RMB'000 (Unaudited)	As at 31 December 2022 RMB'000 (Audited)
<b>Amounts due to related parties</b>			
<u>Trade related</u>			
Zhejiang Shidai	(3)	56,806	25,944
Greentown Tianyuan	(3)	31,444	30,055
Greentown Real Estate Group	(1)	23,866	475
Zhejiang Shenye	(3)	20,980	29,603
Hainan Lvming	(3)	17,656	–
Greentown Lvming	(3)	17,427	25,259
Greentown Zhenghong	(3)	15,185	10,756
Greentown Innovation	(3)	9,518	–
Greentown Changyu	(3)	6,435	4,008
Zhejiang Jiangxin	(3)	5,351	1,250
Shanghai Fuqin	(3)	4,999	837
Greentown Northern	(3)	4,766	–
Lvxin Wanhe	(3)	3,594	3,594

## Notes to the Condensed Consolidated Financial Statements

(For the six months ended 30 June 2023)

**22. RELATED PARTY DISCLOSURES (CONTINUED)**

(ii) The Group had balances with related parties, which are all unsecured, as follows: (Continued)

	Notes	As at 30 June 2023 RMB'000 (Unaudited)	As at 31 December 2022 RMB'000 (Audited)
<b>Amounts due to related parties (continued)</b>			
<u>Trade related (continued)</u>			
Shandong Wanhe	(3)	3,322	3,455
Greentown Jingfeng	(3)	986	917
Xinjiang Chuangjing	(3)	–	6,891
Others		834	315
		<b>223,169</b>	143,359
<u>Non-trade related</u>			
綠城楊柳郡房地產有限公司 Greentown Yangliujun Real Estate Co., Ltd. ("Greentown Yangliujun")	(1)	27,264	23,895
Zhejiang Shidai	(3)	20,510	17,760
Greentown Jiayuan	(3)	13,800	13,050
Greentown Jingfeng	(3)	5,000	5,000
Lvxin Wanhe	(3)	4,586	4,586
浙江綠城市政基礎設施建設管理有限公司 Zhejiang Greentown Public City Garden Construction Co., Ltd.	(3)	2,970	2,970
Xinjiang Chuangjing	(3)	2,452	2,452
Greentown China	(4)	2,432	2,423
成都綠晟置業有限公司 Chengdu Lvsheng Real Estate Co., Ltd.	(1)	2,063	2,063
浙江綠城築樂美城市發展有限公司 Zhejiang Zhulemei City Development Co., Ltd.	(1)	1,907	–
Greentown Northern	(3)	1,447	1,447
Zhejiang Xinglian	(3)	481	250
Others		2,018	2,111
		<b>86,930</b>	78,007
		<b>310,099</b>	221,366

**22. RELATED PARTY DISCLOSURES (CONTINUED)**

(ii) The Group had balances with related parties, which are all unsecured, as follows: (Continued)

Except for the non-trade related amounts due to Greentown Jiayuan of RMB10,000,000 (31 December 2022: RMB10,000,000) (collectively with interest payable of RMB3,800,000 (31 December 2022: RMB3,050,000)) are advances from related parties, which carry interest at 15% (31 December 2022: 15%) per annum, the other advances are interest free. The abovementioned non-trade related amounts due to related parties are unsecured and repayable on demand.

The following is an aged analysis of trade related amounts due to related parties presented based on the invoice dates.

	As at 30 June 2023 RMB'000 (Unaudited)	As at 31 December 2022 RMB'000 (Audited)
Within 1 year	219,043	139,290
1 – 2 years	57	3,594
2 – 3 years	3,594	–
More than 3 years	475	475
	<b>223,169</b>	143,359

	Notes	As at 30 June 2023 RMB'000 (Unaudited)	As at 31 December 2022 RMB'000 (Audited)
<b>Contract liabilities</b>			
Youth Travel	(2)	17,944	17,681
Greentown Real Estate Group	(1)	–	6,708
		<b>17,944</b>	24,389

Notes:

- (1) Fellow subsidiaries of the Group
- (2) Associates or joint ventures of the controlling shareholder of the Group
- (3) Associates or joint ventures of the Group
- (4) Parent company

## Notes to the Condensed Consolidated Financial Statements

(For the six months ended 30 June 2023)

**22. RELATED PARTY DISCLOSURES (CONTINUED)**

## (iii) Compensation of key management personnel

The remuneration of the directors of the Company and other members of key management of the Group during the six months ended 30 June 2023 was as follows:

	Six months ended 30 June	
	2023	2022
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Salaries, directors' fees and other benefits	6,949	6,590
Performance-based bonus	2,773	2,550
Retirement benefits scheme contributions	515	428
Share-based payments	12,643	8,349
	<b>22,880</b>	17,917

The remuneration of directors and key executives is determined by the remuneration committee having regard to the performance of individuals and market trends.

**23. MAJOR NON-CASH TRANSACTIONS**

During the current interim period, the Group entered into agreements with certain project owners to settle trade receivables amounted to RMB100,510,000 in exchange for certain properties owned by the project owners. Since the transfers of these properties had not been completed as at the reporting date, the amounts were classified as "deposits for acquisition of properties" and are presented separately as current assets in the condensed consolidated statement of financial position as at 30 June 2023.

In June 2023, Zhoushan Greentown Leju Construction Management Co. Ltd 舟山綠城樂居建設管理有限公司, an equity instrument at FVTOCI of the Group, declared a total dividend of RMB6,000,000 to the Group, which is set off against the Group's outstanding other payables due to Zhoushan Greentown Leju Construction Management Co. Ltd.

On 19 January 2023, the Group entered into an agreement with Greentown Tianyuan, a joint venture of the Group, to set off loan payables due to and loan receivables due from Greentown Tianyuan amounted to RMB3,000,000.

In this interim report, unless the context otherwise requires, the following expressions have the following meanings:

"Articles" or "Articles of Association"	the amended and restated Articles of Association of the Company adopted on 25 May 2023, as amended or supplemented from time to time (as amended and restated)
"Audit Committee"	the audit committee of the Company
"Auditor"	Deloitte Touche Tohmatsu, the independent auditor of the Company
"Board"	the board of directors of the Company
"CG Code"	the Corporate Governance Code set out in Appendix 14 of the Listing Rules
"China" or "PRC"	the People's Republic of China, for the purposes of this report only, excluding Hong Kong and Macau Special Administrative Region and Taiwan
"Company", "Greentown Management" or "the Company"	Greentown Management Holdings Company Limited (綠城管理控股有限公司), an exempted company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the Hong Kong Stock Exchange (Stock code: 09979)
"Companies Law"	the Companies Law of the Cayman Islands, Cap. 22 (Law 3 of 1961, as consolidated and revised), as amended or supplemented or otherwise modified from time to time
"connected person(s)"	has the meaning prescribed to it under the Listing Rules
"controlling shareholder(s)"	has the meaning prescribed to it under the Listing Rules
"Director(s)"	the director(s) of the Company
"GFA"	gross floor area
"Greentown China"	Greentown China Holdings Limited, an exempted company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 03900), our Controlling Shareholder
"Group", "the Group", "we", "us", or "our"	the Company and its subsidiaries

## Definition

“HKD”, “HK\$”, or “Hong Kong Dollar”	Hong Kong dollar, the lawful currency of Hong Kong
“Hong Kong”	Hong Kong Special Administrative Region of the PRC
“IFRS”	International Financial Reporting Standards
“Listing Date”	10 July 2020, being the date on which the Shares of the Company were listed on the Stock Exchange
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Model Code”	the Model Code for Securities Transactions by Directors of Listed Issuers contained in Appendix 10 to the Listing Rules
“Reporting Period” or “Period”	the six-month period ended 30 June 2023
“RMB” or “Renminbi”	Renminbi Yuan, the lawful currency of the PRC
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	ordinary share(s) of HK\$0.01 each in the issued share capital of the Company
“2020 Share Award Scheme”	the share award scheme for the award of Shares to eligible participant, adopted by the Company on 28 October 2020, pursuant to the announcement made by the Company on 28 October 2020
“2022 Annual Report”	the annual report for the year ended 31 December 2022 published by the Company on 21 April 2023
“2022 Share Award Scheme”	the share award scheme for the award of Shares to eligible participant, adopted by the Company on 24 April 2022, pursuant to the announcement made by the Company on 24 April 2022
“Stock Exchange” or “Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subsidiary(ies)”	has the meaning prescribed to it under the Listing Rules
“Substantial Shareholder(s)”	has the meaning prescribed to it under the Listing Rules
“USD” or “US\$” or “US dollars”	United States dollars, the lawful currency of the United States of America