



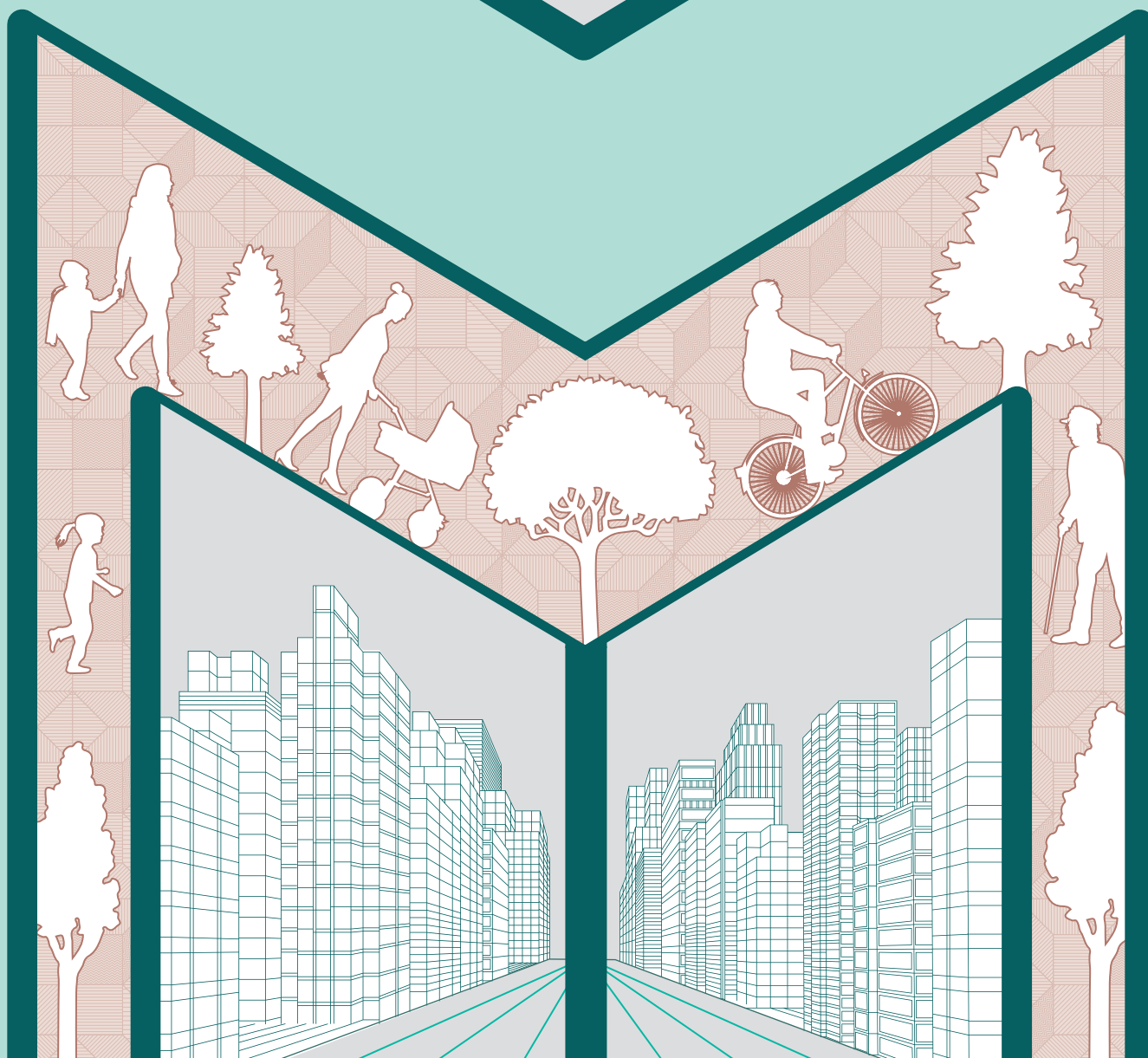
GREENTOWN MANAGEMENT HOLDINGS COMPANY LIMITED

綠城管理控股有限公司

(incorporated in the Cayman Islands with limited liability) (Stock Code: 09979)

2020

INTERIM REPORT





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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 2020, 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 2020, the Group (by its own and through cooperation with business partners) had 267 project management projects located in 85 cities across 27 provinces, municipalities and autonomous regions in the PRC, and we also had one project management project in Cambodia. As at the same day, classified by region according to the area of the projects under management, 38.6% were located in first- and second-tier cities, 61% in third- and fourth-tier cities, and 0.4% were located overseas.



Greentown Management Headquarter (Greentown • Hangzhou Xixi International)

Corporate Information

BOARD OF DIRECTORS

Executive Directors

Mr. Li Jun (*Chief Executive Officer*)
Mr. Lin Sanjiu

Non-executive Directors

Mr. Guo Jiafeng (*Chairman*)
Mr. Zhang Yadong
Mr. Liu Wensheng

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
Mr. James Yu, AICPA

COMPANY SECRETARY

Mr. James Yu, AICPA

LEGAL ADVISORS

as to Hong Kong laws:

Kirkland & Ellis
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as to Cayman Islands law:

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Central Plaza
18 Harbour Road
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as to PRC law:

Zhejiang T&C Law Firm
11/F, Building A, Dragon Century Plaza
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AUDITORS

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COMPLIANCE ADVISOR

GF Capital (Hong Kong) Limited
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REGISTERED OFFICE

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Grand Cayman, KY1-1104
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HEADQUARTER

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Xixi International
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Hangzhou
Zhejiang
The PRC

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

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Central
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PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

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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.lcgljt.com

STOCK CODE

Hong Kong Stock Exchange: 09979

LISTING DATE

10 July 2020



Management Discussion and Analysis

Management Discussion and Analysis

In the first half of 2020, due to the impact of the epidemic, the Company experienced a decrease in overall revenue. However, the net profit attributable to shareholders of the Company after excluding listing expenses increased slightly compared with the same period last year, primarily due to the continued improvement in the management of the Company's projects. From the perspective of the Company's business strategy, commercial project management projects are showing counter-cyclical characteristics, and the quality of new projects have improved significantly over the same period last year. The Company continued to adjust its regional strategy and penetrate into higher-tier cities, and the average selling prices of projects have increased. The Company's push for customer optimization is generating positive effects, as reflected in the gradual increase in the area under construction for projects relating to state-owned enterprises and government clients. The Company's financial collaboration services and industry chain acquisition businesses have also showed signs of progress compared with the same period last year.

The real estate project management market has opportunities for rapid development due to the evolution in the policy and trend in China's real estate market. Due to the strong demand for clients favoring the asset-light model, the volume of the Company's management projects continued to grow, and the scale of construction area under its management continued to lead the industry. As at 30 June 2020, the number of projects under the Company's management had increased to 268 projects from 245 projects in the same period last year, of which 155 were commercial project management projects, accounting for 57.8% of the total number of projects; and 113 were government project management projects, accounting for 42.2% of the total number of projects. As of 30 June 2020, the total GFA of the contracted projects was 73.31 million square meters, representing an increase of 6.9% over the 68.59 million square meters in the same period last year; the area under construction was 38.82 million square meters, representing an increase of 26.2% over the 30.77 million square meters in the same period last year.

The Company has three business segments: commercial project management, government project management and other services. During the Reporting Period, revenue from continuing operations was RMB814.8 million, representing a decrease of 21.3% from RMB1,035.6 million in the same period last year;

the gross profit was RMB339.8 million, representing a decrease of 26.6% from RMB462.9 million in the same period last year; and the profit from continuing operations for the Period was RMB153.1 million, representing a decrease of 28.6% from RMB214.4 million in the same period last year. Due to the impact of the COVID-19 outbreak, the construction and sales progress of the Company's project management projects was delayed by one to two months. The Company records project management revenue according to the construction progress. Therefore, the project management projects were affected by the epidemic as the construction and sales progress were delayed. As a result, the revenue, gross profit and net profit decreased compared with the same period last year. However, as the Company is an asset-light project management service provider, the effect in the delay in construction and sales would be different from traditional property developers, who are faced with reduced sales revenue, increased operating costs and cash flow pressure etc. A delay in the construction and sales progress would affect revenue of the Company for the current period, yet the record of the underlying revenue has not dissipated but postponed to the next project management cycle.

Facing a decline in project management business revenue, the Company maintained its overall operating performance in the first half of 2020 through measures such as strengthening cost control and attempts in growing its financial collaboration services business. The net profit attributable to the shareholders of the Company after excluding listing expenses was RMB163.3 million, representing an increase of 4.1% from RMB156.9 million in the same period last year.



Greentown • Shanghai Sincere Garden

Management Discussion and Analysis

Analysis of the Macro Market

In the first half of 2020, with the domestic epidemic under initial control, the real estate market gradually recovered. Under the current macro-economic environment, it is expected that the growth trend in the real estate market will remain steady. Under city-specific policies, regional structure differentiation is obvious and the real estate market of core urban agglomerations is expected to continue to grow. As the financial regulators continue to strengthen risk management and oversight on financing activities, this will result in further deleveraging in the industry. It is expected that the demand for better-quality housing will increase after the epidemic. In addition, a series of policies to encourage urban renewal and housing transformation have recently been introduced.

Analysis of the Company's Strengths

1. Under the current expectation of a stable economy, the Company's project management business has gradually recovered. As the Company continues to procure new projects, it is expected that the operating conditions in the second half of 2020 will soon return to the same level as that in 2019.
2. The Company has actively adjusted its regional strategy and customer structure to strengthen its strategic investment in the Beijing-Tianjin-Hebei area, the Yangtze River Delta, and the Pearl River Delta, and increase the resource allocation in the three corresponding regional companies.
3. Operating in an asset-light service industry, the Company has no debt and is not affected by financial deleveraging. At the same time, it has a sound understanding of the financing pressure faced by small and medium property developers, thus the Company launched its financial collaboration services to obtain more business opportunities, which is expected to become a source of income growth in the future.
4. The Company is fully immersed in the high-end residential segment which commands a premium price. This helps the Company maintain a leading advantage as the demand for better-quality housing will increase after the epidemic.

5. Combined with the "supply-side reform" policy, it is expected that the future government policies will favor urban renewal and community reconstruction. The Company currently has 24.188 million square meters of government project management projects under construction, representing an increase of 38.9% as compared to 17.417 million square meters in the same period last year, making it China's largest service provider for public housing construction. This business can counter market cycle risks due to its long implementation duration, significant market potential and consistency with reform policies.

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 2020:

Optimizing our Regional Strategy

In the first half of 2020, the Company adhered to the strategic direction and principle of "optimizing regional strategy" and focused on quality projects in core and higher-tier cities. The newly contracted project management projects have laid a solid foundation for the sustainable growth in the Group's operating performance.

In the first half of 2020, we had 29 newly contracted commercial project management projects. The sales volume of the projects was RMB81.1 billion, representing an increase of 33.0% compared with the RMB61 billion in the same period in 2019. The total amount of project management fee for the projects was RMB3.23 billion, representing an increase of 28.7% compared with the RMB2.51 billion in the same period in 2019.

Under the optimization of the Company's regional strategy, the unit price of its projects has also increased. In the first half of 2020, the Company's equity-owned projects achieved contracted sales of approximately RMB25.1 billion, which was largely equal to the contracted sales of RMB24.9 billion in the same period in 2019; and the projects achieved contracted sales area of approximately 1.66 million square meters, representing a decrease of 19.4% compared with that of 2.06 million square meters in the same period in 2019. The unit selling price of projects was approximately RMB15,100 per square meter, representing an increase of 24.8% from RMB12,100 per square meter in the same period last year.

Adjusting our Customer Structure

Despite the spread of the global epidemic, the Company has continued to diversify and expand its high-quality customer base. The Company provides different types of clients with all-rounded project management services for real estate projects. During the six months ended 30 June 2020, we had 268 projects; among which, in terms of total GFA under management, 33.31 million square meters were procured from private property developers, accounting for 45.4% of the total GFA during such period; 25.66 million square meters were procured from state-owned property developers, accounting for 35.0% of the total GFA during such period; and 14.34 million square meters were procured from the government entities, accounting for 19.6% of the total GFA during such period.

In terms of the area under construction, 10.68 million square meters were procured from private property developers, accounting for 27.5% of the total GFA under construction during such period; 17.47 million square meters were procured from state-owned property developers, accounting for 45.0% of the total GFA under construction during such period; and 10.67 million square meters were procured from the government entities, accounting for 27.5% of the total GFA under construction during such period.

Upgrade in Business Model

In the first half of 2020, the Company researched and expanded into the financial collaboration services and industry chain acquisition businesses to complement its core business. Among them, income from financial collaboration services was RMB4.9 million in the first half of 2020; and the investment income of the upstream and downstream acquisition business along the industry chain has also increased. Such businesses can create barriers to competition for the Company and support the development of the Company's core business. In the first half of 2020, the profit attributable to return on investments in acquisitions along the industry chain was RMB9.2 million, representing an increase of 171% from RMB3.4 million recorded in the same period of 2019.

BUSINESS OUTLOOK

We believe that, due to macro-economic measures and industry deleveraging, the asset-light business model will continue to increase in proportion to China's overall real estate development, and companies under such model will display stronger anti-cyclical characteristics. At the same time, the Company is expected to reduce the impact of the epidemic in the second half of 2020 through reasonable construction scheduling and accelerated delivery of service, striving to achieve various operational targets for full year 2020.

The Company will seek to maintain its leading position in the industry, maintain steady growth in its business scale and improve the quality of the regional structure and customer structure. The Company will continue to provide "commercial project management, government project management and other businesses" as its three main services, adhere to the principles of "optimizing its regional strategy" and "adjusting its customer structure", promote financial collaboration services based on customer needs, incubate businesses with high profits and value proposition from upstream and downstream businesses in the real estate industry, build a shield for the project management industry, and establish an ecosystem for the real estate project management industry.



Jiuzhou Greentown • Zhuhai Cuihu Xiangshan International Garden

Management Discussion and Analysis

Financial Analysis

For the six months ended 30 June 2020, the Group has achieved:

Revenue

Revenue of RMB814.8 million, representing a year-on-year decrease of 21.3% compared with RMB1,035.6 million in the same period in 2019. 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				
	2020 RMB' 000 (Unaudited)	% of total revenue	2019 RMB' 000 (Unaudited)	% of total revenue	Change Increase/ (Decrease)
Commercial project management	610,010	74.8%	796,817	77.0%	(23.4%)
attributable to: Self-operated	333,560	40.9%	455,910	44.0%	(26.8%)
Cooperation with business partners	276,450	33.9%	340,907	33.0%	(18.9%)
Government project management	186,997	23.0%	155,662	15.0%	20.1%
attributable to: Self-operated	182,893	22.5%	148,955	14.4%	22.8%
Cooperation with business partners	4,104	0.5%	6,707	0.6%	(38.8%)
Other services	17,817	2.2%	83,150	8.0%	(78.6%)
Total	814,824	100.0%	1,035,629	100.0%	(21.3%)

During the Reporting Period:

- (i) commercial project management is still the largest source of revenue and profit for the Group, with revenue of RMB610.0 million from January to June 2020, accounting for 74.8% of total revenue, down by 23.4% compared with RMB796.8 million in the same period in 2019. The main reason for the decrease is that the epidemic has delayed the sales and development plans of some commercial project management projects;
- (ii) revenue from government project management reached RMB187.0 million, accounting for 23.0% of the overall revenue, representing an increase of 20.1% compared with RMB155.7 million in the same period in 2019. The increase was mainly due to the increase in the area under management and the innovation in business model; and

- (iii) revenue from other services was RMB17.8 million, accounting for 2.2% of the total revenue, down by 78.6% compared with RMB83.2 million in the same period in 2019. The decrease was mainly because the Group no longer had control over most of its previous industry chain investment businesses since September 2019, and revenue from such businesses is no longer accounted as the Company's revenue since then.

Costs of Sales

During the Reporting Period, costs of sales was RMB475.0 million, representing a decrease of 17.1% from RMB572.7 million in the same period in 2019. The decrease was mainly attributable to the decrease in revenue from commercial project management in cooperation with business partners and other services, which resulted in the corresponding decrease in costs of sales.

Management Discussion and Analysis

Gross Profit

During the Reporting Period, the gross profit was RMB339.8 million, representing a decrease of 26.6% from RMB462.9 million in the same period in 2019. The gross profit margin was 41.7%, representing a decrease of 3.0 percentage points compared with 44.7% in the same period in 2019, and a decrease of 2.5 percentage points compared with 44.2% for the full year of 2019.

- The gross profit margins of the three business segments are: 39.9% for commercial project management, 46.5% for government project management and 53.3% for other services, compared to 47.9%, 41.2% and 20.7%, respectively, for the same period in 2019.
- The gross profit margin of commercial project management was 39.9%, down from 47.9% in the same period in 2019 and 46.2% for the full year of 2019. The decrease was mainly attributable to the decrease in the Company's revenue from commercial project management projects due to the impact of the epidemic.
- The gross profit margin of government project management was 46.5%, which was higher than 41.2% in the same period in 2019 and 43.3% for the full year of 2019. The increase was mainly attributable to the increase in the area under the government project management projects, the innovation in business models and the initial occurrence of economies of scale. At the same time, there was no sale of properties associated with government projects, and the impact of the epidemic on the construction period was largely eliminated in the first half of 2020 thus resulting in a steady increase in gross profit margin.
- The gross profit margin of other services was 53.3%, representing a significant increase from 20.7% in the same period in 2019 and 28.3% for the full year of 2019. This is because the Group no longer had control over most of the design businesses since September 2019, and the consulting and other businesses have improved during the Reporting Period.

Selling and Marketing Expenses

Selling and marketing expenses were RMB11.1 million, representing a decrease of 19.0% from RMB13.7 million in the same period in 2019. The decrease was mainly attributable to the reduction in marketing activities caused by the epidemic, the slowdown in business development and the decrease in travel expenses and conference fees for sales and marketing staff.

Administrative Expenses

Administrative expenses were RMB118.3 million, representing a decrease of 19.9% from RMB147.7 million in the same period in 2019. The main reason for the decrease was that the Group no longer had control over most of its previous industry chain investment businesses since September 2019, thus decreasing its management expenses on such investment businesses. Meanwhile the Company strengthened the management and control of project management business expenses, which resulted in a significant drop in management expenses compared with the same period in 2019.

Other Income

During the Reporting Period, other income of the Group was RMB19.6 million, increasing from RMB4.9 million for the same period in 2019. The increase in other income was mainly due to the Company's strengthening of the management of return on investment funds during the Period. The average deposit interest rate increased from 2.2% in the same period of 2019 to 2.5% in the first half of 2020. At the same time, the provision of financial services for project management projects resulted in an income of RMB4.9 million.

Share of Results in Joint Ventures

During the Reporting Period, our share of results in joint ventures was RMB5.1 million, an increase from a loss of RMB7.5 million in the same period in 2019. The increase was mainly because the operations of the joint ventures were on track and experienced a turnaround from loss to profit.

Profit during the Period

During the Reporting Period, the net profit was RMB134.5 million, representing a decrease of 30.3% from RMB193.0 million in the same period in 2019. After excluding listing expenses, the adjusted net profit during the Period attributable to the owners of the Company was RMB163.3 million, representing an increase of 4.1% from the same period in 2019.

Management Discussion and Analysis

Trade and Other Receivables

Trade and other receivables amounted to RMB387.8 million, representing an increase of 24.0% from RMB312.8 million at the end of 2019. This was mainly attributable to an increase of RMB34.9 million in the project management fee receivable for the Asian Games Media Village Project, an increase of RMB21.9 million in the deferred issue cost and the undeducted input value-added tax of the Asian Games Media Village Project from the end of 2019. During the Period, due to the pandemic, the balance of trade receivables increased by 14.5% from RMB137.7 million at the end of 2019 to RMB157.6 million at the end of June 2020.

Contract Assets

As at 30 June 2020, the Group's contract assets were RMB348.6 million, representing an increase of 11.8% from RMB311.9 million at the end of 2019. This was mainly attributable to the increase in contract assets for government project management projects, which will be transferred to cash inflows for the Company's operating activities in the future.

Trade and Other Payables

Trade and other payables amounted to RMB901.1 million, representing an increase of 8.5% from RMB830.5 million at the end of 2019. Among them, other payables increased by RMB134.3 million, and salaries payable decreased by RMB67.7 million. The increase in other payables was mainly attributable to: (1) an increase of RMB58.5 million in the construction fees payable for the Asian Games Media Village Project; (2) an increase of RMB29.3 million in listing expenses payable; and (3) an increase of RMB60.4 million in the deposit received from new projects, which reflected the increasing number of newly contracted commercial project management projects.

Contract Liabilities

Contract liabilities amounted to RMB266.5 million, representing an increase of 11.2% from RMB239.6 million at the end of 2019. This increase represents that the Company's actual collection was faster than the status of completion of its delivery of services.

Liquidity and Capital Resources

As at 30 June 2020, the Group had bank deposits and cash (not including pledged bank deposits) of RMB1,207.8 million (31 December 2019: RMB1,139.2 million); and the current ratio was 1.34 times (31 December 2019: 1.23 times). Gearing ratio (interest-bearing debt divided by total equity at the end of the same period) was 0.03% (31 December 2019: 0%). 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.

During the Period, cash outflows from operating activities were RMB49.0 million, representing a RMB183.5 million difference from the net profit of RMB134.5 million. The difference was mainly attributable to the increase in payment for year-end bonuses in 2019, daily operating expenses of projects and working capital for the Asian Games Media Village Project. In July 2020, the Group recovered the advances of RMB461.4 million for the Asian Games Media Village Project incurred in 2019 and during January to June in 2020. The Company's net cash flow from operating activities is expected to improve significantly in the full year of 2020.

Debt

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

Foreign Exchange Risk

The Group conducts substantially all of its business in Mainland China and in Renminbi. Therefore, the Group is exposed to minimal 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 2020.

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.

As of the end of the Reporting Period, the Group has no plans for significant investments or acquisitions of capital asset. However, in the event of any future potential investment plans, the Group will conduct a feasibility study and consider whether the investment opportunities will be beneficial to the Group and to the shareholders of the Company as a whole.

Material Acquisitions and Disposals

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

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 staff was in line with their duties and the prevailing market terms. Discretionary bonuses based on individual performance will be paid to employees as recognition of and reward for their contributions. Staff benefits, including pension, medical coverage, and provident funds are also provided to employees of the Group.

As at 30 June 2020, the Group had 1,427 employees, representing a decrease of 11% from the same period in 2019, which was mainly attributable to the fact that some design institutes were no longer covered in the scope of the report.



Greentown • Haikou Taoli Chunfeng



Corporate Governance

CORPORATE GOVERNANCE PRACTICES

The Company's Shares have been listed on the Stock Exchange since the Listing Date. The Group is committed to maintaining high standards of corporate governance to safeguard the interests of shareholders and to enhance corporate value and accountability.

As at 30 June 2020, the Company was not listed on the Main Board of the Hong Kong Stock Exchange, the CG Code as set out in Appendix 14 to the Listing Rules was not applicable to the Company. The Company has adopted the CG Code and complied with the code provisions set out in the CG Code with no deviation throughout the period from the Listing Date up to the date of this interim report.

The Company will continue to review and enhance its corporate governance practices, and identify and formalize appropriate measures and policies, to ensure compliance 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 to all the Directors of the Company, all the Directors confirmed that they have strictly complied with the required standards set out in the Model Code since the Listing Date and up to the date of this interim report.

REVIEW OF INTERIM RESULTS

The announcement of interim results and interim report for the Reporting Period has 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 2020 prepared in accordance with International Accounting Standard 34 "Interim Financial Reporting", and issued a review report dated 27 August 2020.



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Other Information

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

Except as disclosed below, so far as our Directors are aware, as at the date of this interim report, none of the Directors and chief executive hold any interest or short position in our Shares, underlying Shares and

debentures and any of our associated corporation (within the meaning of Part XV of the SFO) notifiable to us and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they are taken or deemed to have under such provisions of the SFO) or which are required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein, or which are required, pursuant to the Model Code, to be notified to us and the Stock Exchange.

Associated Corporation of the Company

Name of Director	Name of associated corporation of the Company	Interest	% of issued share capital of the associated corporation
Mr. Zhang Yadong	Greentown China	8,270,949 ⁽¹⁾	0.332%
Mr. Liu Wensheng	Greentown China	7,986,129 ⁽²⁾	0.320%

Notes :

- (1) It represents (i) 7,600,000 share options under the share option scheme; and (ii) 670,949 shares under the share award scheme.
- (2) It represents (i) 7,400,000 share options under the share option scheme; and (ii) 586,129 shares under the share award scheme.
- (3) Calculated based on the relevant individual's interest in the relevant shares and the total number of issued shares of Greentown China as of the date of this interim report.

INTERESTS AND SHORT POSITIONS OF SUBSTANTIAL SHAREHOLDERS IN THE SHARES AND UNDERLYING SHARES

So far as our Directors are aware, as at the date of this interim report, the following persons (other than Directors and chief executive of the Company) are expected to have an interest and/or short positions in the Shares or underlying Shares of the Company which would fall to be disclosed to us pursuant to the provisions of Divisions 2 and 3 of Part XV of the SFO:

Name of the substantial shareholder	Nature of interest	Number of Shares	Approximate percentage interest of the Company
Greentown China	Beneficial Owner	1,432,660,000	73.17%

Other Information



Greentown • Haikou Taoli Chunfeng

Save as disclosed above, as at the date of this interim report, 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.

PROCEEDS FROM LISTING

The Company successfully listed on the Main Board of the Stock Exchange on the Listing Date. After the over-allotment option was fully exercised, a total of 525,316,000 new Shares were issued pursuant to the global offering. After deducting underwriting fees, commission and other estimated listing expenses, the total proceeds were approximately HK\$1,213.1 million. These proceeds have been and will be applied in accordance with the Prospectus and the announcement of the offer price and allotment results published on 9 July 2020;

- 22.8% will be used to scale up our business through organic growth and strategic acquisitions of selected businesses along downstream of the value chain of project management to

develop the Group as a comprehensive project management platform through enriching our services along the value chain;

- 13.9% will be used for our development of commercial project management with capital contribution;
- 48.7% will be used to repay the indebtedness to Greentown China in the amount of RMB540.0 million. Such funds have been fully applied and utilised;
- 4.6% will be used to develop the Group's ecosystem, in which 2.3% will be used to build platforms for knowledge and standard sharing and industry participants certification, and 2.3% will be used to optimize our "Greentown Star" standard for our products, operations and services, and suppliers in the property development;
- 10.0% will be used for working capital, marketing and other general corporate purposes.

For the expected timetable for the intended use of the proceeds, please refer to the execution plan as set out in the Prospectus.

SHARE OPTION SCHEME

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

EQUITY-LINKED AGREEMENTS

Save as disclosed herein, during the Reporting 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

From the Listing Date to date of this interim report, there are no updates on directors' information required to be disclosed under 13.51(2) paragraphs (a) to (e) and paragraph (g) of the Listing Rules.

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 from the Listing Date to the date of this interim report.

INTERIM DIVIDEND

The Board unanimously resolved not to declare any interim dividend for the six months ended 30 June 2020.

APPRECIATION

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

By order of the Board
Executive Director and Chief Executive Officer
Li Jun

Hangzhou, the PRC,
27 August 2020



Hangzhou Xiaoshan Hutouchen Garden (Public Housing)

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 set out on pages 21 to 54, which comprise the condensed consolidated statement of financial position as of 30 June 2020 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.

OTHER MATTER

The comparative condensed consolidated statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flow for the six-month period ended 30 June 2019 and the relevant explanatory notes included in these condensed consolidated financial statements have not been reviewed in accordance with HKSRE 2410.

Deloitte Touche Tohmatsu
Certified Public Accountants
Hong Kong
27 August 2020



Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

(For the six months ended 30 June 2020)

	Notes	Six months ended 30 June	
		2020 RMB'000 (Unaudited)	2019 RMB'000 (Unaudited)
Continuing operations			
Revenue	4	814,824	1,035,629
Cost of sales		(474,988)	(572,705)
Gross profit		339,836	462,924
Other income	5	19,552	4,915
Other gains and losses	6	5,150	4,426
Selling and marketing expenses		(11,103)	(13,709)
Administration expenses		(118,342)	(147,693)
Listing fee		(33,944)	–
Finance costs	7	(603)	(1,059)
Impairment losses under expected credit loss model, net of reversal	8	(3,443)	(4,615)
Gain from changes in fair value of investment properties	14	155	116
Share of results of associates		(2,510)	(1,158)
Share of results of joint ventures		5,143	(7,520)
Profit before tax	9	199,891	296,627
Income tax expense	10	(46,828)	(82,270)
Profit for the period from continuing operations		153,063	214,357
Discontinued operations			
Loss for the period from discontinued operations	11	(18,597)	(21,376)
Profit for the period		134,466	192,981



Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income
(For the six months ended 30 June 2020)

	Notes	Six months ended 30 June	
		2020 RMB'000 (Unaudited)	2019 RMB'000 (Unaudited)
Other comprehensive income			
<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		(5,701)	(1,603)
Total comprehensive income for the period		128,765	191,378
Profit for the period attributable to the owners of the Company			
– from continuing operations		147,914	174,961
– from discontinued operations		(13,477)	(18,111)
		134,437	156,850
Profit for the period attributable to the non-controlling interests			
– from continuing operations		5,149	39,396
– from discontinued operations		(5,120)	(3,265)
		29	36,131
		134,466	192,981
Total comprehensive income for the period attributable to:			
Owners of the Company		128,736	155,247
Non-controlling interests		29	36,131
		128,765	191,378
Earning Per Share			
From continuing and discontinued operations			
– Basic (RMB)	13	0.09	0.11
From continuing operations			
– Basic (RMB)	13	0.10	0.12



Condensed Consolidated Statement of Financial Position

As at 30 June 2020

	Notes	As at 30 June 2020 RMB'000 (Unaudited)	As at 31 December 2019 RMB'000 (Audited)
Non-Current Assets			
Property, plant and equipment	14	102,003	107,253
Right-of-use assets	14	16,501	15,934
Investment properties	14	35,678	29,147
Goodwill		769,241	769,241
Interests in associates		53,558	55,554
Interests in joint ventures		39,964	36,183
Equity instruments at FVTOCI		79,559	87,161
Deferred tax assets		12,537	16,360
Loan to a related party	21(iii)	–	99,912
Deposit for acquisition of property, plant and equipment		21,965	21,965
		1,131,006	1,238,710
Current Assets			
Trade and other receivables	15	387,793	312,842
Contract assets	16	348,555	311,920
Amounts due from related parties	21(ii)	708,041	654,618
Pledged bank deposits		16,289	14,963
Bank balances and cash		1,203,359	1,126,771
		2,664,037	2,421,114
Assets classified as held for sale	11	103,478	99,883
		2,767,515	2,520,997
Current Liabilities			
Trade and other payables	17	901,124	830,489
Amounts due to related parties	21(ii)	723,554	800,753
Income taxes payable		56,104	84,346
Other taxes payable		27,498	29,929
Contract liabilities		266,492	239,580
Lease liabilities		7,369	6,294
		1,982,141	1,991,391
Liabilities associated with assets classified as held for sale	11	86,003	62,849
		2,068,144	2,054,240
Net Current Assets		699,371	466,757
Total Assets Less Current Liabilities		1,830,377	1,705,467

Condensed Consolidated Statement of Financial Position
 As at 30 June 2020

	Notes	As at 30 June 2020 RMB'000 (Unaudited)	As at 31 December 2019 RMB'000 (Audited)
Capital and Reserves			
Share capital	18	11,587	11,587
Reserves		1,711,908	1,583,172
Equity attributable to owners of the Company		1,723,495	1,594,759
Non-controlling interests		84,429	86,430
Total Equity		1,807,924	1,681,189
Non-Current Liabilities			
Deferred tax liabilities		13,501	15,400
Lease liabilities		8,952	8,878
		22,453	24,278
Net Assets		1,807,924	1,681,189

The condensed consolidated financial statements on pages 21 to 54 were approved and authorised for issue by the Board of Directors on 27 August 2020 and are signed on its behalf by:

 Li Jun
 DIRECTOR

 Lin Sanjiu
 DIRECTOR



Condensed Consolidated Statement of Changes in Equity

For the six months ended 30 June 2020

	Equity attributable to owners of the Company									
	Share capital RMB'000	Share premium RMB'000	Statutory reserve RMB'000	Merge reserve RMB'000	Special reserve RMB'000	FVTOCI reserve RMB'000	Retained earnings RMB'000	Attributable to owners of the Company RMB'000	Non-controlling interests RMB'000	Total RMB'000
At 1 January 2020 (Audited)	11,587	1,831,073	53,777	(1,470,967)	79,384	46,208	1,043,697	1,594,759	86,430	1,681,189
Profit for the period	-	-	-	-	-	-	134,437	134,437	29	134,466
Other comprehensive income for the period	-	-	-	-	-	(5,701)	-	(5,701)	-	(5,701)
Total comprehensive income for the period	-	-	-	-	-	(5,701)	134,437	128,736	29	128,765
Distribution of dividend (Note (i))	-	-	-	-	-	-	-	-	(2,030)	(2,030)
At 30 June 2020 (Unaudited)	11,587	1,831,073	53,777	(1,470,967)	79,384	40,507	1,178,134	1,723,495	84,429	1,807,924

	Equity attributable to owners of the Company									
	Share capital RMB'000	Share premium RMB'000	Statutory reserve RMB'000	Merge reserve RMB'000	Special reserve RMB'000	FVTOCI reserve RMB'000	Retained earnings RMB'000	Attributable to owners of the Company RMB'000	Non-controlling interests RMB'000	Total RMB'000
At 1 January 2019 (Audited)	11,587	1,421,073	53,890	(1,478,935)	79,384	35,212	718,815	841,026	60,764	901,790
Profit for the period	-	-	-	-	-	-	156,850	156,850	36,131	192,981
Other comprehensive income for the period	-	-	-	-	-	(1,603)	-	(1,603)	-	(1,603)
Total comprehensive income for the period	-	-	-	-	-	(1,603)	156,850	155,247	36,131	191,378
Capital contribution from shareholder	-	-	-	-	-	-	-	-	3,700	3,700
Acquisition of a subsidiary (Note 20)	-	-	-	-	-	-	-	-	3,000	3,000
Deemed contribution from shareholders for disposal of an associate (Note (ii))	-	-	-	7,968	-	-	-	7,968	-	7,968
At 30 June 2019 (Unaudited)	11,587	1,421,073	53,890	(1,470,967)	79,384	33,609	875,665	1,004,241	103,595	1,107,836

Note:

- (i) The payment of the dividend was offset against the other receivables from the non-controlling interest.
- (ii) The Group disposed all its 30% equity interest of Greentown Ideal House Technology Service Co., Ltd. 绿城理想家房屋科技服务有限公司 ("Greentown Ideal House") to a fellow subsidiary of the Group at the consideration of RMB5,000,000 in March 2019 which was without commercial substance. As at the disposal date, the carrying amount of the equity disposed was RMB nil while the Group has recognised the provision for the share of losses of Greentown Ideal House amounting to RMB2,968,000 regarding that the Group obligated to undertake the share of losses limited to the unfulfilled capital contribution to Greentown Ideal House registered by the Group. The difference between (a) the carrying amount of the equity disposed and the provision recognised and (b) consideration received at RMB7,968,000 was presented as deemed contribution to the Group.

Condensed Consolidated Statement of Cash Flows

(For the six months ended 30 June 2020)

	Notes	Six months ended 30 June	
		2020 RMB'000 (Unaudited)	2019 RMB'000 (Unaudited)
Operating Activities			
Operating cash flows before movements in working capital		186,448	302,614
Increase in trade and other receivables		(93,639)	(52,348)
Increase in contract assets		(51,553)	(96,690)
(Increase) decrease in amounts due from related parties		(52,577)	90,665
Increase in trade and other payables		83,856	43,562
(Decrease) increase in amounts due to related parties		(77,251)	7,992
Other working capital items		26,980	(62,442)
Cash generated from operations		22,264	233,353
Income taxes paid		(71,246)	(64,176)
Net Cash (Used in) from Operating Activities		(48,982)	169,177
Investing Activities			
Interest received		18,712	4,605
Dividends received		2,448	800
Proceeds from disposal of financial assets at fair value through profit or loss ("FVTPL")		368,225	–
Proceeds on disposal of property, plant and equipment		155	947
Proceeds from disposal of an equity investment at FVTOCI in prior year		2,000	–
Purchases of financial assets at FVTPL		(367,000)	–
Purchases of property, plant and equipment		(2,630)	(20,523)
Payments for rental deposits		(478)	(451)
Payments for liquidation of a joint venture		(1,123)	–
Net cash inflow arising from acquisition of a subsidiary	20	–	2,381
Withdraw of pledged bank deposits		492	–
Placement of pledged bank deposits		(1,818)	(1,139)
Repayment from loan to a related party		100,000	–
Net Cash from (Used in) Investing Activities		118,983	(13,380)



Condensed Consolidated Statement of Cash Flows
(For the six months ended 30 June 2020)

	Six months ended 30 June	
	2020 RMB'000 (Unaudited)	2019 RMB'000 (Unaudited)
Financing Activities		
Interest paid	(3,510)	(1,312)
Bank and other borrowings raised	6,000	6,000
Contribution from the non-controlling interests	–	3,700
Repayment of bank and other borrowings	–	(10,000)
Repayments of lease liabilities	(3,900)	(5,189)
Net Cash Used in Financing Activities	(1,410)	(6,801)
Effect of foreign exchange rate changes	26	1
Net Increase in Cash and Cash Equivalents	68,617	148,997
Cash and Cash Equivalents at Beginning of the Period*	1,139,162	471,563
Cash and Cash Equivalents at end of the Period*	1,207,779	620,560

* Cash and cash equivalents as at 1 January 2020 and 30 June 2020 included cash and cash equivalents of discontinued operations amounting to RMB12,391,000 and RMB4,420,000 respectively which were presented as assets classified as held for sale as at 1 January 2020 and 30 June 2020 respectively.

Notes to the Condensed Consolidated Financial Statements

(For the six months ended 30 June 2020)

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 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.

The condensed consolidated financial statements have been prepared in accordance with International Accounting Standard 34 ("IAS 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 of Hong Kong Limited.

2. SIGNIFICANT EVENTS IN THE CURRENT INTERIM PERIOD

The outbreak of Novel Coronavirus ("COVID-19") after it was first detected in Wuhan, China in December 2019 has impact on the business and operations of the Group as the Group's operation is located in China. Since the outbreak of COVID-19, the local governments of various provinces and cities in which the Group operates have introduced a series of measures in order to prevent or control the epidemic, including but not limited to temporary suspension of on-site works, restrictions on enterprises from resuming work and stringent control over hygiene measures. The Group has officially resumed work since 17 February 2020. All of the project management projects of the Group under construction had already resumed onsite work as at the reporting date.

3. 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.

Other than the application of certain accounting policies stated below which became relevant to the Group in the current interim period, the accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended 30 June 2020 are the same as those presented in the Group's consolidated financial statements for the year ended 31 December 2019.

Notes to the Condensed Consolidated Financial Statements
(For the six months ended 30 June 2020)

3. PRINCIPAL ACCOUNTING POLICIES (Continued)

Financial instruments

Financial assets

Classification and subsequent measurement of financial assets

Financial assets at FVTPL

Financial assets that do not meet the criteria for being measured at amortized cost or FVTOCI or designated as FVTOCI are measured at FVTPL.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any fair value gains or losses recognised in profit or loss. The net gain or loss recognised in profit or loss excludes any dividend or interest earned on the financial asset and is included in the "other gains and losses" line item.

The financial assets at FVTPL held by the Group during the current interim period were the structured deposits purchased from bank.

Application of amendments to International Financial Reporting Standards ("IFRSs")

In the current interim period, the Group has applied the Amendments to References to the Conceptual Framework in IFRS Standards and the following amendments to IFRSs issued by the IASB, for the first time, which are mandatorily effective for the annual period beginning on or after 1 January 2020 for the preparation of the Group's condensed consolidated financial statements:

Amendments to IAS 1 and IAS 8	Definition of Material
Amendments to IFRS 3	Definition of a Business
Amendments to IFRS 9, IAS 39 and IFRS 7	Interest Rate Benchmark Reform

The application of the Amendments to References to the Conceptual Framework in IFRS Standards and the amendments to IFRSs in the current 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.

4. REVENUE AND SEGMENT INFORMATION

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

	Six months ended 30 June	
	2020	2019
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Revenue recognised overtime:		
Commercial project management	610,010	796,817
Governmental project management	186,997	155,662
Others	17,817	83,150
	814,824	1,035,629

Notes to the Condensed Consolidated Financial Statements
 (For the six months ended 30 June 2020)

4. 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 2020

Continuing operations

	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	610,010	186,997	17,817	814,824	-	814,824
Inter-segment revenue	15,510	98,803	546	114,859	(114,859)	-
Total	625,520	285,800	18,363	929,683	(114,859)	814,824
Segment results	128,758	53,851	11,557	194,166	219	194,385
Unallocated administrative expenses						(7,039)
Unallocated listing fee						(33,944)
Unallocated finance costs						(339)
Profit for the period						153,063



Notes to the Condensed Consolidated Financial Statements
(For the six months ended 30 June 2020)

4. REVENUE AND SEGMENT INFORMATION (Continued)

(ii) Segment information (Continued)

For the six months ended 30 June 2019

Continuing operations

	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	796,817	155,662	83,150	1,035,629	-	1,035,629
Inter-segment revenue	-	86,281	16,228	102,509	(102,509)	-
Total	796,817	241,943	99,378	1,138,138	(102,509)	1,035,629
Segment results	198,478	16,785	6,018	221,281	219	221,500
Unallocated other income						1
Unallocated administrative expenses						(7,112)
Unallocated finance costs						(32)
Profit for the period						214,357

5. OTHER INCOME

	Six months ended 30 June	
	2020	2019
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Continuing operations		
Interest income on bank balances	13,808	4,574
Interest income on loan to a related party (Note 21(i)(c))	4,893	-
Gross rental income from investment properties	362	341
Others	489	-
	19,552	4,915

Notes to the Condensed Consolidated Financial Statements
 (For the six months ended 30 June 2020)

6. OTHER GAINS AND LOSSES

	Six months ended 30 June	
	2020 RMB'000 (Unaudited)	2019 RMB'000 (Unaudited)
Continuing operations		
Government grants (Note)	4,109	4,341
Gain arising on financial assets at FVTPL	1,225	–
Gain on early termination of lease	386	125
Exchange losses	(319)	(22)
(Loss) gain on disposal of property, plant and equipment	(266)	70
Others	15	(88)
	5,150	4,426

Note: The amounts represent government grants received from People's Republic of China ("PRC") government authorities in connection with the enterprise development supports, which have no condition imposed.

7. FINANCE COSTS

	Six months ended 30 June	
	2020 RMB'000 (Unaudited)	2019 RMB'000 (Unaudited)
Continuing operations		
Interests on lease liabilities	(603)	(1,059)

Notes to the Condensed Consolidated Financial Statements
(For the six months ended 30 June 2020)**8. IMPAIRMENT LOSSES UNDER EXPECTED CREDIT LOSS MODEL, NET OF REVERSAL**

	Six months ended 30 June	
	2020 RMB'000 (Unaudited)	2019 RMB'000 (Unaudited)
Continuing operations		
Impairment losses (recognised) reversed on:		
– contract assets	(2,804)	(3,410)
– trade receivables	(2,278)	(5,804)
– other receivables	(1,849)	1,323
– amounts due from related parties	2,874	3,276
– loan to a related party	614	–
	(3,443)	(4,615)

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 2020 are the same as those followed in the preparation of the Group's consolidated financial statements for the year ended 31 December 2019.

9. PROFIT BEFORE TAX

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

	Six months ended 30 June	
	2020 RMB'000 (Unaudited)	2019 RMB'000 (Unaudited)
Profit before tax has been arrived at after charging:		
Directors' remuneration	5,742	4,545
Salaries and other benefits	247,493	289,446
Retirement benefits scheme contributions (Note)	2,633	14,559
Staff costs (including directors' emoluments)	255,868	308,550
Depreciation of property, plant and equipment	7,014	9,020
Depreciation of right-of-use-assets	4,745	5,913

Note: The government assistance have been implemented for the relief of the social insurance in respect of Covid-19. According to the notice issued by the Ministry of Social Affairs (2020) No.11, in order to minimise the impact of the COVID-19 on social and economic development, the government has reduced the social security fees for medium-sized enterprises from February to June 2020.

Notes to the Condensed Consolidated Financial Statements
 (For the six months ended 30 June 2020)

10. INCOME TAX EXPENSE

	Six months ended 30 June	
	2020 RMB'000 (Unaudited)	2019 RMB'000 (Unaudited)
Continuing operations		
Current tax:		
– PRC Enterprise Income Tax (“EIT”)	45,365	60,158
(Over) under provision in prior years:		
– EIT	(2,361)	1,075
Deferred tax:		
– Current period	3,824	21,037
	46,828	82,270

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

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

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

Greentown Construction Management was accredited as a “High and New Technology Enterprise” on 4 December 2019 and it is entitled to a preferential tax rate of 15% for a three-year period commencing from the year of 2019. Accordingly, the applicable EIT rate of Greentown Construction Management for the six months ended 30 June 2020 is 15% (six months ended 30 June 2019: 25%).

11. DISCONTINUED OPERATIONS/DISPOSAL GROUP HELD FOR SALE

On 30 September 2019, the directors of the Company resolved to dispose of all of the Group’s landscape design operations. Negotiations with interested party have been subsequently taken place. The assets and liabilities attributable to the business, which are expected to be sold within twelve months, have been classified as a disposal group held for sale and are presented separately in the condensed consolidated statement of financial position (see below). The net proceeds of disposal are expected to exceed the net carrying amount of the relevant assets and liabilities and accordingly, no impairment loss has been recognised.



Notes to the Condensed Consolidated Financial Statements
(For the six months ended 30 June 2020)

11. DISCONTINUED OPERATIONS/DISPOSAL GROUP HELD FOR SALE (Continued)

The loss for the current interim period from the discontinued landscape design operation are set out below:

	Six months ended 30 June	
	2020 RMB'000 (Unaudited)	2019 RMB'000 (Unaudited)
Revenue	89,990	78,874
Cost of sales	(95,391)	(93,175)
Gross loss	(5,401)	(14,301)
Other income	11	31
Other gains and losses	19	(54)
Administration expenses	(1,006)	(4,948)
Finance costs	(2,907)	(253)
Impairment losses under expected credit loss model, net of reversal	(9,313)	(1,402)
Loss before tax	(18,597)	(20,927)
Income tax expense	–	(449)
Loss for the period	(18,597)	(21,376)
Loss for the period from discontinued operations includes the following:		
Loss on disposal of property, plant and equipment	–	62
Depreciation and amortization of property, plant and equipment	–	442
Depreciation of right-of-use assets	–	386
Interest on lease liabilities	8	14
Cost of inventories recognised as an expense	14,023	24,999

During the six months ended 30 June 2020, the landscape design operation contributed RMB10,799,000 (six months ended 30 June 2019: RMB5,134,000) to the Group's operating cash outflows, paid RMB141,000 (six months ended 30 June 2019: RMB39,000) in respect of investing activities and received RMB2,969,000 (six months ended 30 June 2019: paid RMB4,648,000) in respect of financing activities.

Notes to the Condensed Consolidated Financial Statements
 (For the six months ended 30 June 2020)

11. DISCONTINUED OPERATIONS/DISPOSAL GROUP HELD FOR SALE *(Continued)*

The major classes of assets and liabilities of the landscape design operation as at 30 June 2020, which have been presented separately in the condensed consolidated statement of financial position, are as follows:

	As at 30 June 2020 RMB'000 (Unaudited)	As at 31 December 2019 RMB'000 (Audited)
Property, plant and equipment	4,481	4,340
Right-of-use assets	401	401
Inventories	4,837	4,761
Trade and other receivables	28,800	27,310
Amounts due from related parties	42,355	42,807
Contract assets	18,184	7,873
Bank balances and cash	4,420	12,391
Total assets classified as held for sale	103,478	99,883
Trade and other payables	79,275	61,563
Contract liabilities	482	864
Amounts due to related parties	–	52
Bank and other borrowings	6,000	–
Lease liabilities	246	370
Total liabilities classified as held for sale	86,003	62,849

12. DIVIDENDS

No dividends were paid, declared or proposed during the interim period. The directors of the Company have determined that no dividend will be paid in respect of the interim period.

Notes to the Condensed Consolidated Financial Statements
(For the six months ended 30 June 2020)**13. EARNINGS PER SHARE****From continuing operations**

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

	Six months ended 30 June	
	2020 RMB'000 (Unaudited)	2019 RMB'000 (Unaudited)
Earnings		
Profit for the period attributable to owners of the Company	134,437	156,850
Less:		
Loss for the period from discontinued operations attributable to owners of the Company	(13,477)	(18,111)
Earnings for the purpose of basic earnings per share from continuing operations	147,914	174,961
	'000	'000
Number of shares		
Weighted average number of ordinary shares for the purpose of basic earnings per share	1,432,660	1,432,660

From continuing and discontinued operations

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

	Six months ended 30 June	
	2020 RMB'000 (Unaudited)	2019 RMB'000 (Unaudited)
Earnings		
Profit for the period attributable to owners of the Company	134,437	156,850

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

Notes to the Condensed Consolidated Financial Statements
(For the six months ended 30 June 2020)

13. EARNINGS PER SHARE (*Continued*)

From discontinued operations

Basic loss per share for the discontinued operations is RMB0.94 cent per share (six months ended 30 June 2019: RMB1.26 cent per share) based on the loss for the period from the discontinued operations of RMB13.48 million (six months ended 30 June 2019: RMB18.11 million) and the denominators used are the same as those detailed above for basic earnings per share.

No diluted earnings per share for the six months ended 30 June 2019 and 2020 were presented as there were no potential ordinary shares in issue for the relevant periods.

14. 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 RMB2,186,000 (six months ended 30 June 2019: RMB17,807,000).

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 RMB13,296,000 (six months ended 30 June 2019: RMB5,641,000) and lease liabilities of RMB13,296,000 (six months ended 30 June 2019: RMB5,641,000).

During the current interim period, the right-of-use assets of the Group decreased by RMB7,985,000 (six months ended 30 June 2019: RMB3,311,000), while the lease liabilities of the Group decreased by RMB8,370,000 (six months ended 30 June 2019: RMB3,436,000) due to an early termination of the lease, resulting in a gain amounting to RMB386,000 (six months ended 30 June 2019: RMB125,000).

The Group's investment properties as at the end of the current interim period were valued by the directors. The directors 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 increase in fair value of investment properties of RMB155,000 (six months ended 30 June 2019: RMB116,000) has been recognised directly in profit or loss for the six months ended 30 June 2020.



Notes to the Condensed Consolidated Financial Statements
(For the six months ended 30 June 2020)

15. TRADE AND OTHER RECEIVABLES

	As at 30 June 2020 RMB'000 (Unaudited)	As at 31 December 2019 RMB'000 (Audited)
Trade receivables	177,286	155,095
Less: allowance for credit losses	(19,661)	(17,383)
Trade receivables, net of allowance for credit losses	157,625	137,712
Other receivables	171,418	135,627
Less: allowance for credit losses	(4,491)	(2,642)
Other receivables, net of allowance for credit losses	166,927	132,985
Prepayments	1,544	2,337
Deferred issue cost	13,806	4,226
Input value-added tax	47,891	35,582
	387,793	312,842

Included in the trade receivables were bills receivables amounted to RMB21,077,000 as at 30 June 2020 (31 December 2019: RMB10,692,000). All bills received by the Group are with a maturity period of less than one year.

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

	As at 30 June 2020 RMB'000 (Unaudited)	As at 31 December 2019 RMB'000 (Audited)
Within 180 days	140,621	121,670
180 – 365 days	9,394	14,983
Over 365 days	7,610	1,059
Total	157,625	137,712

Details of the impairment assessment are set out in Note 8.

Notes to the Condensed Consolidated Financial Statements
 (For the six months ended 30 June 2020)

16. CONTRACT ASSETS

	As at 30 June 2020 RMB'000 (Unaudited)	As at 31 December 2019 RMB'000 (Audited)
Project management service Contract assets	369,376	329,937
Less: allowance for credit losses	(20,821)	(18,017)
	348,555	311,920

Details of the impairment assessment are set out in Note 8.

17. TRADE AND OTHER PAYABLES

	As at 30 June 2020 RMB'000 (Unaudited)	As at 31 December 2019 RMB'000 (Audited)
Trade payables	25,950	23,741
Other payables	699,450	565,147
Payroll payable	123,508	191,197
Provision for share of losses of associates exceeded interests invested	514	–
Provision for share of losses of joint ventures exceeded interests invested	51,702	50,404
	901,124	830,489

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

	As at 30 June 2020 RMB'000 (Unaudited)	As at 31 December 2019 RMB'000 (Audited)
Within 1 year	6,302	21,646
1-2 years	18,120	970
2-3 years	970	1,071
More than 3 years	558	54
	25,950	23,741

Notes to the Condensed Consolidated Financial Statements
(For the six months ended 30 June 2020)

18. SHARE CAPITAL

	Number of shares	Amount Hong Kong Dollars ("HKD")	
Authorised			
Ordinary shares of HKD0.01 each			
As at 1 January 2019, 30 June 2019, 1 January 2020 and 30 June 2020	100,000,000,000		1,000,000,000
	Number of shares	Amount HKD	Shown in the condensed consolidated statements of financial position as RMB'000
Issued and fully paid			
As at 1 January 2019, 30 June 2019, 1 January 2020 and 30 June 2020	1,432,660,000	14,326,600.00	11,587

19. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS

Fair value of the Group's financial assets and 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 2020)

19. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS (Continued)

Fair value of the Group's financial assets and 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: RMB19,274,000 (31 December 2019: RMB16,604,000)	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 5.9% (31 December 2019: 6.1%). (Note 1)
	Equity instrument at FVTOCI: RMB28,532,000 (31 December 2019: RMB38,441,000)	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 6.7 (31 December 2019: 8.9). (Note 2) Discount for lack of marketability, determined by reference to the share price of listed entities in similar industries, of 27.0% (31 December 2019: 28.0%). (Note 3)
	Equity instruments at FVTOCI: RMB31,753,000 (31 December 2019: RMB32,116,000)	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 11.1% (31 December 2019: 11.4%). (Note 1) Expected price per square meter, used to determine the value of properties under development, ranging from RMB10,400 to RMB29,200 (31 December 2019: RMB10,400 to RMB28,500) (Note 4)



Notes to the Condensed Consolidated Financial Statements
(For the six months ended 30 June 2020)

19. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS *(Continued)*

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

Note 1: An increase in the discount rate used in isolation would result in a decrease in the fair value measurement of the unquoted equity investments, and vice versa.

Note 2: 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.

Note 3: 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.

Note 4: 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.

Reconciliation of Level 3 fair value measurements of financial assets:

	Total RMB'000
At 1 January 2019 (Audited)	77,503
Unrealised fair value loss	(2,137)
At 30 June 2019 (Unaudited)	75,366
At 1 January 2020 (Audited)	87,161
Unrealised fair value loss	(7,602)
At 30 June 2020 (Unaudited)	79,559

All gains and losses were included in other comprehensive income related to unquoted equity instruments at FVTOCI held at the end of current reporting period and reported as changes of FVTOCI reserve.

Fair value of financial assets and financial liabilities that are not measured at fair value on a recurring basis (but fair value disclosures are required)

The directors 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.

Notes to the Condensed Consolidated Financial Statements
 (For the six months ended 30 June 2020)

20. ACQUISITION OF A SUBSIDIARY

No subsidiary was acquired during the six months ended 30 June 2020.

Particulars of the subsidiary acquired during the six months ended 30 June 2019 were as follows:

Acquired company	Principal activities	Acquisition date	Equity interest acquired	Consideration RMB'000
山東綠城青和建築設計有限公司 Shandong Greentown Qinghe Construction Design Co., Ltd. ("Greentown Qinghe") (Note)	Construction design and consulting	1 February 2019	50.98%	– (Note)

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 Group, obtained 50.98% equity interest of Greentown Qinghe by capital injection of RMB3,120,000. The board of the directors of Greentown Qinghe is authorised to direct the relevant activities of Greentown Qinghe. Four out of five directors of Greentown Qinghe were appointed by the Group while a valid board resolution require a half of the directors' consents. Therefore, the Group can exercise control over Greentown Qinghe. In September 2019, Greentown Qinghe became a joint venture of the Group subsequently.



Notes to the Condensed Consolidated Financial Statements
(For the six months ended 30 June 2020)

20. ACQUISITION OF A SUBSIDIARY (Continued)

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

	Six months ended 30 June 2019 Fair value at acquisition date Greentown Qinghe RMB'000
Right-of-use assets	1,107
Trade and other receivables	758
Bank balances and cash	5,501
Trade and other payables	(220)
Other taxes payable	(30)
Lease liabilities	(996)
	6,120
Non-controlling interests	(3,000)
	3,120
Less: capital injection	(3,120)
	-
Net cash flow arising on acquisition	
Capital injection	(3,120)
Bank balances and cash acquired	5,501
	2,381

Notes to the Condensed Consolidated Financial Statements
 (For the six months ended 30 June 2020)

21. 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	
		2020 RMB'000 (Unaudited)	2019 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)	14,093	-
山東藍城建設管理有限公司 Shandong Bluetown Construction Management Co., Ltd. ("Shandong Bluetown")	(3)	5,962	3,974
溫州綠城樂居項目管理有限公司 Wenzhou Greentown Leju Project Management Co., Ltd. ("Wenzhou Leju Project Management")	(1)	5,422	-
綠城房地產集團有限公司 Greentown Real Estate Group Co., Ltd. ("Greentown Real Estate Group")	(1)	4,658	17,132
溫州綠城樂居企業管理有限公司 Wenzhou Greentown Leju Enterprise Management Co., Ltd. ("Wenzhou Leju Enterprise Management")	(1)	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)	2,226	5,068
杭州方氏織造有限公司 Hangzhou Fangshi Weaving Co., Ltd. ("Hangzhou Fangshi")	(1)	1,415	1,500
山東高速綠城置業投資有限公司 Shandong High Speed Greentown Real Estate Investment Co., Ltd. ("Shandong High Speed")	(4)	(842)	17,820
綠城景豐房地產建設管理有限公司 Greentown Lvcheng Jingfeng Real Estate Construction Management Co., Ltd. ("Greentown Jingfeng")	(3)	-	1,839
Others		1,387	1,894
		38,586	49,227

Notes to the Condensed Consolidated Financial Statements
(For the six months ended 30 June 2020)**21. 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	
		2020 RMB'000 (Unaudited)	2019 RMB'000 (Unaudited)
Wenzhou Leju Project Management	(1)	-	6,504
Greentown Real Estate Group	(1)	-	512
Others		-	2,867
		-	9,883

(c) Interest income arising from loan to a related party

	Notes	Six months ended 30 June	
		2020 RMB'000 (Unaudited)	2019 RMB'000 (Unaudited)
瀋陽全運村建設有限公司 Shenyang Quanyuncun Construction Co., Ltd. ("Shenyang Quanyuncun")	(4)	4,893	-

Notes to the Condensed Consolidated Financial Statements
 (For the six months ended 30 June 2020)

21. 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	
		2020 RMB'000 (Unaudited)	2019 RMB'000 (Unaudited)
浙江綠城繁星管理諮詢有限公司 Zhejiang Greentown Fanxing Management Consulting Co., Ltd. ("Greentown Fanxing")	(3)	72,625	–
綠城北方建設管理有限公司 Greentown Northern Construction Management Co., Ltd ("Greentown Northern")	(3)	38,552	37,486
浙江綠城坤業房產建設管理有限公司 Zhejiang Greentown Sheny Real Estate Construction Management Co., Ltd ("Zhejiang Sheny")	(3)	31,575	34,196
浙江綠城時代建設管理有限公司 Zhejiang Greentown Shidai Construction Management Co., Ltd. ("Zhejiang Shidai")	(3)	27,594	37,948
Shandong Bluetown	(3)	21,831	51,645
綠城創新建設管理有限公司 Greentown Chuangxin Construction Management Co., Ltd ("Greentown Chuangxin")	(3)	19,036	17,966
綠城田園城市建設發展有限公司 Greentown Tianyuan City Construction Development Co., Ltd. ("Greentown Tianyuan")	(3)	18,193	13,247
綠城綠明建設管理有限公司 Greentown Lvming Construction Management Co., Ltd ("Greentown Lvming")	(3)	15,709	35,717
上海輔秦建設工程管理有限公司 Shanghai Fuqin Construction Project Management Co., Ltd. ("Shanghai Fuqin")	(3)	13,860	2,489
綠城正弘(北京)建設管理有限公司 Greentown Zhenghong (Beijing) Construction Management Co., Ltd. ("Greentown Zhenghong")	(3)	11,196	7,050
綠城長裕建設管理有限公司 Greentown Changyu Construction Management Co., Ltd. ("Greentown Changyu")	(3)	5,230	545
浙江綠城匠信建設管理有限公司 Zhejiang Greentown Jiangxin Construction Management Co., Ltd. ("Zhejiang Jiangxin")	(3)	1,818	1,398
新疆綠城創景建設管理有限公司 (Xinjiang Chuangjing Construction Management Co., Ltd.) ("Xinjiang Bluetown")	(3)	1,031	3,050
Others		499	2,179
		278,749	244,916



Notes to the Condensed Consolidated Financial Statements
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21. RELATED PARTY DISCLOSURES (Continued)

- (ii) The Group had balances with related parties, which are all unsecured and non-interest bearing, as follows:

	Notes	As at 30 June 2020 RMB'000 (Unaudited)	As at 31 December 2019 RMB'000 (Audited)
Amounts due from related parties			
<u>Trade related</u>			
Greentown Real Estate Group	(1)	18,411	16,304
Shandong High Speed	(4)	1,000	–
Wenzhou Leju Enterprise Management	(1)	–	8,632
Wenzhou Leju Project Management	(1)	–	4,501
Greentown Changyu	(3)	–	3,895
Others		842	21
		20,253	33,353
<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)	461,443	413,369
Greentown Shengye	(3)	41,736	33,982
Zhejiang Shidai	(3)	38,681	41,413
Greentown Northern	(3)	34,657	35,181
Greentown Tianyuan	(3)	25,116	18,264
Hangzhou Qianjiang	(1)	16,979	8,842
Xinjiang Bluetown	(3)	12,310	6,180
Greentown Chuangxin	(3)	11,332	8,555
Greentown Lvming	(3)	9,306	6,452
Greentown Zhenghong	(3)	7,038	7,201
北京雲溪綠城房地產開發有限公司 Beijing Yunxi Greentown Real Estate Development Co., Ltd	(1)	6,863	6,893
Shanghai Fuqin	(3)	6,618	10,458
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)	6,200	6,300
Greentown Changyu	(3)	6,124	–
Zhejiang Jiangxin	(3)	4,514	4,589
Greentown Real Estate Group	(1)	17	10,603
Greentown Fanxing	(3)	–	5,745
Others		1,633	2,891
		690,567	626,918
		710,820	660,271

Notes to the Condensed Consolidated Financial Statements
 (For the six months ended 30 June 2020)

21. RELATED PARTY DISCLOSURES (Continued)

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

The above 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.

The above amounts due from related parties are presented before accumulative impairment losses of RMB2,779,000 (31 December 2019: RMB5,653,000). Details of impairment assessment of the amounts due from related parties are set out in Note 8.

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 2020 RMB'000 (Unaudited)	As at 31 December 2019 RMB'000 (Audited)
Within 180 days	3,828	20,183
180 – 365 days	16,408	13,149
Over 365 days	17	21
	20,253	33,353

	Notes	As at 30 June 2020 RMB'000 (Unaudited)	As at 31 December 2019 RMB'000 (Audited)
Contract assets to related parties			
Shandong High Speed	(4)	17,482	27,259
Greentown Real Estate Group	(1)	5,406	27,280
		22,888	54,539

Notes to the Condensed Consolidated Financial Statements
(For the six months ended 30 June 2020)**21. RELATED PARTY DISCLOSURES (Continued)**

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

	Notes	As at 30 June 2020 RMB'000 (Unaudited)	As at 31 December 2019 RMB'000 (Audited)
Amounts due to related parties			
Trade related			
Zhejiang Shidai	(3)	22,908	11,085
Greentown Lvming	(3)	22,526	32,474
Greentown Northern	(3)	19,869	17,135
Zhejiang Shenye	(3)	17,121	12,100
Greentown Jingfeng	(3)	13,551	22,174
Greentown Zhenghong	(3)	9,143	2,222
Greentown Chuangxin	(3)	9,067	4,784
Shandong Bluetown	(3)	8,690	–
Greentown Tianyuan	(3)	4,684	6,280
Greentown Changyu	(3)	3,472	280
Shanghai Fuqin	(3)	3,133	–
Shandong Wanhe	(3)	1,441	1,441
Greentown Fanxing	(3)	–	26,777
Others		820	622
		136,425	137,374

Notes to the Condensed Consolidated Financial Statements
 (For the six months ended 30 June 2020)

21. RELATED PARTY DISCLOSURES (Continued)

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

	Notes	As at 30 June 2020 RMB'000 (Unaudited)	As at 31 December 2019 RMB'000 (Audited)
Amounts due to related parties			
<u>Non-trade related</u>			
Greentown China	(2)	550,650	546,903
海南島三亞日出觀光有限公司 Hainan Sanya Richu Sightseeing Co., Ltd.	(1)	20,000	20,000
Shandong Bluetown	(3)	6,761	6,544
Greentown Jingfeng	(3)	3,406	2,320
Shandong High Speed	(4)	3,000	3,000
Xinjiang Bluetown	(3)	1,946	1,946
Hangzhou Fangshi	(1)	1,000	1,000
Hangzhou Qianjiang	(1)	–	37,000
Wenzhou Leju Enterprise Management	(1)	–	27,140
Wenzhou Leju Project Management	(1)	–	17,320
Others		366	206
		587,129	663,379
		723,554	800,753



Notes to the Condensed Consolidated Financial Statements
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21. RELATED PARTY DISCLOSURES (Continued)

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

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

	As at 30 June 2020 RMB'000 (Unaudited)	As at 31 December 2019 RMB'000 (Audited)
Within 1 year	127,774	101,832
1 – 2 years	8,176	35,067
2 – 3 years	–	475
More than 3 years	475	–
	136,425	137,374

All the above balances with related parties are unsecured, interest free and repayable on demand.

Notes:

- (1) Fellow subsidiaries of the Group.
 - (2) Parent company
 - (3) Associates or joint ventures of the Group
 - (4) Associates or joint ventures of the controlling shareholder of the Group
- (iii) Loan to a related party

The loan to a related party presented as the non-current assets of the Group amounting to RMB99,912,000 as at 31 December 2019 was from the Group to Shenyang Quanyuncun, a joint venture of Greentown China. The principal of the loan is RMB100,000,000 with a term of two years and repayable in full on 19 December 2021 with a fixed interest rate of 16% per annum. The interests of the loan will be repaid with principal on the maturity date. The principal of the loan and the interest receivables of the loan amounted to RMB100,526,000 collectively, before accumulative impairment losses of RMB614,000 as at 31 December 2019.

In April 2020, the Group signed a termination agreement with Shenyang Quanyuncun to terminate the abovementioned loan arrangement. Shenyang Quanyuncun repaid the principal and interests occurred up to 30 April 2020 amounting to RMB105,419,000 to the Group on 30 April 2020.

Details of impairment assessment of loan to a related party are set out in Note 8.

Notes to the Condensed Consolidated Financial Statements
(For the six months ended 30 June 2020)

21. RELATED PARTY DISCLOSURES (Continued)

(iv) 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 2020 was as follows:

	Six months ended 30 June	
	2020 RMB'000 (Unaudited)	2019 RMB'000 (Unaudited)
Salaries and other benefits	4,347	3,395
Performance-based bonus	6,709	5,554
Retirement benefits scheme contributions	145	178
	11,201	9,127

The remuneration of key management is determined with reference to the performance of the individuals and market trends.

22. MAJOR NON-CASH TRANSACTIONS

During the current interim period, the Group acquired investment properties from the Group's project owner with a consideration amounting to RMB16,376,000. The consideration was settled by the trade receivables from the project owners. The Company disposed one of above investment properties with the consideration of RMB10,000,000 in June 2020 to Shandong Bluetown, a joint venture of the Group, to offset trade related amounts due to Shandong Bluetown subsequently.

23. EVENTS AFTER THE END OF THE REPORTING PERIOD

Since 10 July 2020, the Company's shares have been listed on the Main Board of The Stock Exchange of Hong Kong Limited. The total of 477,560,000 ordinary shares before any exercise of the over-allotment option were allotted and issued to the shareholders on the register of members of the Company in proportion to their respective shareholdings in the Company of HKD0.01 each at the price of HKD2.50 per share. On 6 August 2020, the Company issued a total of 47,756,000 ordinary shares of HKD0.01 each at the price of HKD2.50 per share by means of full exercise of the over-allotment option. The company received the net proceeds from the Hong Kong public offering and international offering after full exercise of the over-allotment option which were approximately HKD1,258.8 million after deducting the underwriting fees, commissions and sponsor expenses.

On 10 July 2020, the Company used the net proceeds from the offering to repay the amounts due to Greentown China amounting to HKD607,654,000, equivalent to RMB548,396,000.

Definition

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

“Articles” or “Articles of Association”	the Articles of Association of the Company with effect from 10 July 2020, as amended or supplemented from time to time (as amended and restated)
“Audit Committee”	the audit committee of the Company
“Auditor”	independent auditor Deloitte Touche Tohmatsu of the Company
“Board”	the board of directors of the Company
“CG Code”	the Corporate Governance Code and Corporate Governance Report 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)”	have the meanings given to such terms in the Listing Rules
“Controlling Shareholder(s)”	have the meanings given to such terms in 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
“HKD”, “HK\$”, or “Hong Kong Dollar”	Hong Kong Dollar, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC



Definition

“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
“Prospectus”	the prospectus of the Company dated 29 June 2020
“Reporting Period” or “Period”	the six-month period ended 30 June 2020
“RMB” or “Renminbi”	Renminbi Yuan, the lawful currency of China
“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
“Stock Exchange” or “Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subsidiary(ies)”	have the meanings given to such terms in the Listing Rules
“Substantial Shareholder(s)”	have the meanings given to such terms in the Listing Rules
“USD” or “US\$” or “US dollars”	United States Dollars, the lawful currency of the United States of America

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GREENTOWN MANAGEMENT HOLDINGS COMPANY LIMITED

綠城管理控股有限公司

