



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)



2021

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 2021, 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 2021, the Group (by its own and through cooperation with business partners) had 334 project management projects located in 96 cities across 28 provinces, municipalities and autonomous regions in the PRC.



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
(*retired and resigned on 13 April 2021*)

Independent non-executive Directors

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

AUDIT COMMITTEE

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

REMUNERATION COMMITTEE

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

NOMINATION COMMITTEE

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

AUTHORIZED REPRESENTATIVES

Mr. Li Jun
Ms. Zhang Panpan

JOINT COMPANY SECRETARIES

Ms. Zhang Panpan
Ms. So Shuk Yi Betty

LEGAL ADVISORS

as to Hong Kong laws:

O'Melveny & Myers
31/F, AIA Central
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Hong Kong

as to Cayman Islands law:

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Wanchai
Hong Kong

as to PRC law:

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

AUDITOR

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Registered Public Interest Entity Auditor
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COMPLIANCE ADVISOR

GF Capital (Hong Kong) Limited
29-30/F, Li Po Chun Chambers
189 Des Voeux Road Central
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REGISTERED OFFICE

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HEADQUARTER

9/F, Block C
Xixi International
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Xihu District, Hangzhou
Zhejiang
The PRC

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

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Wan Chai
Hong Kong

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

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

HONG KONG SHARE REGISTRAR

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

PRINCIPAL BANKERS

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

COMPANY'S WEBSITE

www.lcgljt.com

STOCK CODE

Hong Kong Stock Exchange: 09979

LISTING DATE

10 July 2020

Management Discussion and Analysis



Management Discussion and Analysis

BUSINESS REVIEW

Overview

In the first half of 2021, the overall impact brought by the pandemic on the Company has generally been eliminated. The Company operated in good condition, with a slight increase in gross profit margin and net profit margin, and the net profit attributable to the parent of the Company from continuing operations has increased significantly over the same period last year. With the strengthening of the regulation on real estate market in China, the asset-light model has shown counter-cyclical characteristics, and the Company has been exposed to more demand for project management, where the structure of clients and demand were more diversified. For example, government departments that lead the urban renewal, state-owned enterprises with abundant land resources, and financial institutions with large amounts of non-performing assets have become the major clients of the Company. At the same time, the government project management business had expanded out of Zhejiang to developed provinces and cities, and the quality of new projects had improved significantly over the same period last year. The industry chain incubation business have also showed notable progress compared with the same period last year.

According to the analysis of data from the China Index Academy (the "CIA"), the proportion of the project management market will grow rapidly at an average annual rate of 21.3%. The penetration rate of the project management industry is expected to reach 12.5% by 2025, compared with a penetration rate of only 4.8% in 2021. As the leading company in China's project management industry, the Company has maintained a continuous growth in the volume of management projects, and its scale of construction area management continues to lead the industry. As at 30 June 2021, the number of projects under the Company's management had increased to 334 projects from 268 projects in the same period last year. The total GFA of the contracted projects was 84.0 million square meters, representing an increase of 14.6% over the 73.3 million square meters in the same period last year. The national business of the Company continued to develop, with its business distribution expanding to 96 cities in 28 provinces, municipalities and autonomous regions in China. The total GFA of the management projects in major economic area reached 66.9 million square meters, accounting for approximately 80% of the total GFA of the contracted projects. Specifically, the Yangtze River Delta Economic Zone had a GFA of 44.0 million square meters, accounting for approximately 52.4% of the total; the Bohai Rim Economic Zone and Beijing-Tianjin-Hebei urban agglomeration had a GFA of 15.2 million square meters, accounting for 18.1% of the total; the Pearl River Delta Economic Zone had a GFA of 6.5 million square meters, representing 7.7% of the total; and the Chengdu-Chongqing urban agglomeration had a GFA of 1.2 million square meters, accounting for 1.5% of the total.



Greentown • Linyi Chunjiang Mingyue



In the first half of 2021, the total contracted GFA of the new project management reached 12.0 million square meters, representing an increase of approximately 22.7% over the same period last year; the project management fee receivable from new project management is estimated to be RMB3.22 billion, which is basically the same as the same period last year.

During the Reporting Period, revenue from continuing operations was RMB1,080.8 million, representing an increase of 32.6% from RMB814.8 million in the same period last year; the gross profit was RMB513.1 million, representing an increase of 51.0% from RMB339.8 million in the same period last year; the comprehensive gross profit margin rate during the Period reached 47.5%, an increase of 5.8 percentage points over 41.7% in the same period last year; the net profit from continuing operations attributable to shareholders of the Company reached RMB270.4 million, an increase of 82.8% over RMB147.9 million in the same period last year; and the net profit from continuing operations rate attributable to shareholders of the Company reached 25.0%, an increase of 6.8 percentage points over 18.2% in the same period last year. Besides, the Company's net cash flow from operating activities amounted to RMB260.0 million during the Reporting Period, and the Company has sufficient cash flow.

Analysis of the Macro Market

1. The state continues to regulate and control the financial, land, and consumer aspects of real estate. The light-asset model of "separation of investment and development" is in line with this policy trend and shows a higher growth trend;
2. Governments, state-owned enterprises, financial institutions, etc. have gradually become the main players in the real estate market. There is a huge demand for professional development services, which highlights the value of professional services;
3. Affected by supply-side structural reform, the improvement of China's real estate quality and service upgrades have become the future direction of development, and the real estate development requires more professional management and quality building capability;
4. Policies are favourable for urban renewal, rental housing construction, industrial operations and other urban services, which can support the Company to form new growth points.



Greentown • Nanchang Guiyu Jiangnan

Analysis of the Company's Strengths

1. As the earliest, largest project management company in China with an independent corporate operation, the Company has accumulated over 10 years of project management experience and possess a complete knowledge system for knowledge, brand reputation and supplier system accumulation;
2. Based on the counter-cyclical characteristics and nationwide deployment of the project management model, the expansion of new projects shows a positive trend, and the Company will continue to maintain its industry leadership;
3. As the largest service provider for public housing construction in China, the Company continues to track and study policy hotspots related to government construction and urban services, and will continue to expand the service boundary in the future;
4. 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 will implement a more active management authorization and talent development system.
5. Based on the huge business flow brought by the main business, the Company will build a real estate project management ecosystem platform across the industry chain through mergers and acquisitions of industries with high profits and value proposition from upstream and downstream.

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 2021:

1 Nationwide Regional Strategy

In the first half of 2021, the Company continued to maintain its industry leadership and increase its business scale based on its rich business model, nationwide strategic deployment, on-demand customized service system and diversified customer base.

As at 30 June 2021, the Group had 334 project management projects located in 96 cities across 28 provinces, municipalities and autonomous regions in the PRC. The total GFA of the contracted projects was 84.0 million square meters, representing an increase of 14.6% over the 73.3 million square meters in the same period last year. The total GFA of the contracted commercial project management projects was 47.9 million square meters, representing an increase of 8.1% as compared to the same period last year, and that of the contracted government project management projects was 36.1 million square meters, representing an increase of 24.5% as compared to the same period last year. The area under construction was 43.7 million square meters, representing an increase of 12.6% over the 38.8 million square meters in the same period last year. The area under construction of the commercial project management projects was 17.3 million square meters, representing an increase of 18.1% as compared to the same period last year, and that of the government project management projects was 26.4 million square meters, representing an increase of 9.0% as compared to the same period last year.



2 Diversified Customer Base

The Company has established a national presence and enjoys a diversified and growing high-quality customer base.

For the six months ended 30 June 2021, in terms of the area under management, the projects entrusted by private enterprises covered 35.7 million square meters, accounting for 42.5% of the total; the projects entrusted by state-owned enterprises covered 30.0 million square meters, accounting for 35.7%; the projects entrusted by the government covered 18.3 million square meters, accounting for 21.7%.

In terms of the area under construction in the current period, the projects entrusted by private enterprises covered 11.4 million square meters, accounting for 26.1% of the total; the projects entrusted by state-owned enterprises covered 19.2 million square meters, accounting for 43.9%; the projects entrusted by the government covered 13.1 million square meters, accounting for 30.0%.

3 Substantial Market Potential of Government Project Management

With the scale effect of the government project management business and the impact of favourable policies, the operating efficiency of this business mode has steadily increased.

The Company, the largest service provider for public housing construction in China, currently has the total contracted GFA and the area under construction of public housing of 36.1 million square meters and 26.4 million square meters, respectively. At the same time, benefiting from a series of policies to encourage urban renewal and housing transformation, the government project management will enjoy a vast market in the future.

In the first half of the year, the total GFA of the new contracted government project management projects was 6.1 million square meters, which was more than 5 times the expansion scale of the same period last year. Besides, the Company launched projects in major cities outside Zhejiang province such as Jiangsu, Fujian, Shanxi, and Jiangxi for the first time .



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4 Initial Results in Industry Chain Incubation

Based on its established strategic objectives, the Company continued to incubate upstream and downstream companies in the industry chain in 2021 with a focus on acquiring asset-light industry chain players which command a high profit margin and are engaged in core segments of the real estate industry.

During the Reporting Period, the investment income from such industry chain incubation increased substantially, and its share of results of joint ventures reached RMB29.8 million. Specifically, gains from Commercial Project Management Platform Companies has increased RMB9.7 million that reached RMB8.3 million (same period in 2020: loss of RMB1.4 million); and the investment return from incubation of industry chain companies was RMB21.5 million, representing an increase of 133.7% as compared to RMB9.2 million in the same period in 2020.

5 Prominent Industry Leadership

The Company continues to consolidate its leading position in the industry and lead the innovation and development of the project management industry. It has 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」) for five years.

On 27 May 2021, the Company took the lead to hold the first China Project Management Value Summit (中國代建價值峰會) together with leading companies in project management industry such as Modern Management, China Resources Land, Gemdale management, Agile Real Estate Management, and Central China Management. According to the calculations of the CIA, the enterprises of project management alliance account for 56.8% of the market share of the entire project management industry. The alliance for project management will promote the transformation and upgrading of the real estate development model, regulate self-discipline of the industry, and jointly create the standard for the industry in the future.

The Company was the first executive member for the summit, and our Chief Executive Officer Li Jun was elected as the first rotating chairman, which brought obvious brand effects and business flow to the Company.

BUSINESS OUTLOOK

Looking forward, the room for development of the project management industry will continue to expand. The Company is confident that it will maintain its leading position in the industry and continuously improve the "Greentown Star" standard of the project management industry. In addition, it will steadily implement an on-demand customized service system, and is committed to building an asset-light model ecological platform.



Financial Analysis

Revenue

For the six months ended 30 June 2021, the Group has achieved:

Revenue of RMB1,080.8 million, representing a year-on-year increase of 32.6% compared with RMB814.8 million in the same period in 2020. Revenue is derived from three types of businesses: (i) commercial project management; (ii) government project management; and (iii) other services, which are listed as follows by business segments:

Revenue	For the six months ended 30 June				Change Increase/ (Decrease)
	2021 RMB' 000 (Unaudited)	% of total revenue	2020 RMB' 000 (Unaudited)	% of total revenue	
Commercial project management	772,273	71.4%	610,010	74.8%	26.60%
attributable to: Self-operated	375,500	34.7%	333,560	40.9%	12.57%
Cooperation with business partners	396,773	36.7%	276,450	33.9%	43.52%
Government project management	219,745	20.4%	186,997	23.0%	17.51%
attributable to: Self-operated	219,745	20.4%	182,893	22.5%	20.17%
Cooperation with business partners	–	0.0%	4,104	0.5%	(100.00%)
Other services	88,751	8.2%	17,817	2.2%	398.13%
Total	1,080,769	100.0%	814,824	100.0%	32.64%

During the Reporting Period:

- (i) commercial project management is still the largest source of revenue and profit for the Group, with revenue of RMB772.3 million for the six months ended 30 June 2021, accounting for 71.4% of total revenue, increased by 26.60% compared with RMB610.0 million in the same period in 2020. The main reason for the increase is that some of the Company's businesses being affected by the epidemic which led to delay during the same period of last year and affected revenue recognition, whereas the impact of the epidemic this year has been basically eliminated. Meanwhile, the number of projects in cooperation with business partners increased and have started operation in succession, which led to a substantial increase in revenue;

- (ii) revenue from government project management reached RMB219.7 million, accounting for 20.4% of the overall revenue, representing an increase of 17.5% compared with RMB187.0 million in the same period in 2020. The increase was mainly due to the acquisition of three companies, including Hangzhou Greentown Binfeng Construction Management Company Limited (杭州綠城濱峰建設管理有限公司), Hangzhou Greentown Jiangbin Construction Management Company Limited (杭州綠城江濱建設管理有限公司) and Hangzhou Greentown Jiangjing Construction Management Company Limited (杭州綠城江景建設管理有限公司), which engage in government project management business by the Company during the Period, resulting in the expansion of business scale; and
- (iii) revenue from other services was RMB88.8 million, accounting for 8.2% of the total revenue, increased by 398.13% compared with RMB17.8 million in the same period in 2020. The increase was mainly because a project tendered by Greentown Real Estate Group Co., Ltd. and managed by Greentown Project Management Group as the Company did not obtain the grade 1 qualification for real estate development prior to listing achieved a revenue of RMB73.3 million during the Period.

Costs of Sales

During the Reporting Period, the costs was RMB567.7 million, representing an increase of 19.5% from RMB475.0 million in the same period in 2020. The increase was mainly attributable to: (1) the increase in income from commercial project management projects in cooperation with business partners, resulting in an increase in service fees that should be allocated to cooperating business partners; (2) the increase in the number of government project management projects and the area under management, leading to increase in staff and increase in labour cost.

Gross Profit

During the Reporting Period, the gross profit was RMB513.1 million, representing an increase of 51.0% from RMB339.8 million in the same period in 2020. The gross profit margin was 47.5%, representing an increase of 5.8 percentage points compared with 41.7% in the same period in 2020, and a decrease of 0.3 percentage points compared with 47.8% for the full year of 2020.

- The gross profit margins of the three business segments are: 45.1% for commercial project management, 44.7% for government project management and 75.0% for other services, compared to 39.9%, 46.5% and 53.3%, respectively, for the same period in 2020.
- The gross profit margin of commercial project management was 45.1%, up from 39.9% in the same period in 2020 and 44.1% for the full year of 2020. The increase was mainly attributable to certain of the Company's businesses being affected by the epidemic which led to delay during the same period of last year and affected revenue recognition, whereas the impact of the epidemic this year has been basically eliminated. Meanwhile, the number of projects in cooperation with business partners increased and have started working, which led to a substantial increase in revenue, thereby increasing the overall gross profit margin for commercial project management business.



- The gross profit margin of government project management was 44.7%, which was lower than 46.5% in the same period in 2020 and 45.4% for the full year of 2020. The decrease of the overall gross profit margin of the government project management projects was mainly attributable to the increase of the government's newly developed project management projects during the Period, and most of those new projects were at an early stage in which revenue has not yet been realized.
- The gross profit margin of other services was 75.0%, representing a significant increase from 53.3% in the same period in 2020 and a slight decrease from 76.8% for the full year of 2020. This is because a project tendered by Greentown Real Estate Group Co., Ltd. and managed by Greentown Project Management Group as the Company did not obtain the grade 1 qualification for real estate development prior to listing achieved a revenue of RMB73.3 million during the Period; the service cost of the project was expensed at Greentown Real Estate Group, and the Company recognized the revenue based on the net gain of the project settled with Greentown Real Estate Group, leading to a higher gross profit margin.

Other Income

During the period, other income of the Group was RMB44.3 million, representing an increase of 126.7% from RMB19.6 million for the same period in 2020. The increase in other income was mainly because: (1) the income from the provision of financial services for project management projects during the Period increased by RMB13.4 million over the same period of last year; (2) the Company obtained sufficient funds after the listing, and such increase in fund balance has led to the interest income from bank deposits to increase by RMB4.5 million over the same period of last year; (3) the receipt of dividend distribution of RMB5.0 million from financial assets at fair value through other comprehensive income during the Period.

Selling and Marketing Expenses

Selling and marketing expenses were RMB45.0 million, representing an increase of 305.2% from RMB11.1 million in the same period in 2020. The increase was mainly (1) the government reduced the fees for social security of enterprises due to the epidemic in the same period of last year, which led to a reduction of the Company's social security expenditures; (2) the government project management business expanded the number of staff to accelerate business development; (3) according to the Company's arrangement on trademark license at its listing, the selling and marketing expenses for the Period newly added trademark license fees of RMB15.0 million payable to the parent company.

Administrative Expenses

Administrative expenses were RMB194.3 million, representing an increase of 64.2% from RMB118.3 million in the same period in 2020. The main reason for the increase was that the Company made adjustment in its three-tier management structure, and appropriately increased staff reserve in regional companies to enhance strengths in regional companies; and also under the impact of factors such as decrease in the Company's social security expenses as the government reduced fees, such as social security contributions, of enterprises due to the epidemic in the same period of 2020.

Share of Results in Joint Ventures

Our share of results in joint ventures was RMB29.8 million, an increase from a profit of RMB5.1 million in the last corresponding period. The increase was mainly because the upstream and downstream investment business along the industry chain achieved significant increase in gains and the operations of the commercial project management platform companies were on track and experienced a turnaround from loss to profit during the Period.

Profit during the Period

During the Period, the net profit from continuing operations was RMB276.0 million, representing an increase of 80.3% from RMB153.1 million in the same period in 2020. The net profit from continuing operations during the Period attributable to the shareholders of the Company was RMB270.4 million, representing an increase of 82.8% from RMB147.9 million in the same period in 2020.

Trade and Other Receivables

Trade and other receivables amounted to RMB490.5 million, representing an increase of 26.3% from RMB388.3 million at the end of 2020. The Company strengthened the collection management of trade receivables in the current period. Trade receivables decreased from RMB141.6 million at the end of 2020 to RMB127.5 million at 30 June 2021; the increase in other receivables was mainly attributable to the addition of new external borrowings of RMB120.0 million for the expansion of project management business during the Period.

Contract Assets

As at 30 June 2021, the Group's contract assets were RMB406.4 million, representing an increase of 28.3% from RMB316.8 million at the end of 2020. Contract assets reflect the amount of the Company's part of the project that has fulfilled its obligations but has not yet reached the collection point agreed in the contract. The increase in the year was mainly attributable to the increase in contract assets for government projects management projects and cooperation projects with business partners, which will be transferred to cash inflows from the Company's operating activities in the future.

Financial Assets at Fair Value through Profit or Loss

As at 30 June 2021, the Group's financial assets at fair value through profit or loss amounted to RMB109.3 million, which were structured investment products purchased by the Company to increase gain on idle funds.

Trade and Other Payables

As at 30 June 2021, trade and other payables amounted to RMB880.8 million, representing an increase of 7.6% from RMB818.7 million at the end of 2020. The increase was mainly attributable to an increase of RMB30.9 million in the deposit received from new projects, which reflected the increase of our newly contracted commercial project management projects and the increase in compensation payable to employee by RMB28.6 million.



Contract Liabilities

Contract liabilities amounted to RMB423.2 million, representing an increase of 6.8% from RMB396.2 million at the end of 2020. This increase represents that certain projects of 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 2021, the Group had bank deposits and cash (not including pledged bank deposits) of RMB2,184.3 million (31 December 2020: RMB2,397.3 million); and the current ratio was 1.64 times (31 December 2020: 2.05 times). Gearing ratio (interest-bearing debt divided by total equity at the end of the same period) was 1.3% (31 December 2020: 0.5%). The cash flow was very abundant, providing strong support for the Company's future development.

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

Debt

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

Foreign Exchange Risk

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

Contingent Liabilities

The Group did not have any significant contingent liabilities as at 30 June 2021.

Pledge of Assets

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

Asset Transactions and Significant Investments

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

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.

Treasury Management

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

Employees and Remuneration Policies

During the Reporting Period, the Group provided diversified training and personal development plans to its employees according to the established human resources policies and systems. The remuneration package offered to the 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 2021, the Group had 1,481 employees, representing a decrease of 3.3% from 31 December 2020. The Company's overall headcount remains stable.



Greentown • Bozhou Rose Garden

Corporate Governance



Corporate Governance

CORPORATE GOVERNANCE PRACTICES

The Company is committed to maintaining and promoting stringent corporate governance. The principle of the Company's corporate governance is to promote effective internal control measures, uphold a high standard of ethics, transparency, responsibility and integrity in all aspects of business, to ensure that its business and operations are conducted in accordance with applicable laws and regulations and to enhance the transparency and accountability of the Board to all Shareholders. The Company's corporate governance practices are based on the principles and code provisions as set out in the CG Code. Save as disclosed herein, the Company has been in compliance with the code provisions set out in the CG Code during the Reporting Period.

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code as the code of conduct for the Directors to conduct securities transactions. After making specific enquiry to all the Directors, all the Directors confirmed that they have complied with the required standard set out in the Model Code during the Reporting Period.

REVIEW OF INTERIM RESULTS

The announcement of interim results and interim report for the six months ended 30 June 2021 have been reviewed by the Audit Committee and approved by the Board. The auditor of the Company, Deloitte Touche Tohmatsu, has performed a review in accordance with Hong Kong Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" on the interim financial information of the Group for the six months ended 30 June 2021 prepared in accordance with International Accounting Standard 34 "Interim Financial Reporting", and issued a review report dated 29 July 2021.



Dajiang Dongnan Shaxingyuan

Other Information



Other Information

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

As at 30 June 2021, the interests and short positions of the Directors and chief executives of the Company in the shares of the Company, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO), which were required to be entered in the register pursuant to Section 352 of the SFO, or which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code, were as follows:

(i) Long positions in the Shares and underlying shares

Name of Director or chief executive	Nature of interest	Number of ordinary Shares	Number of derivative Shares ⁽¹⁾	Approximate percentage of interest in the Company
Mr. Guo Jiafeng	Beneficial owner	–	2,000,000	0.102%
Mr. Zhang Yadong	Beneficial owner	–	2,000,000	0.102%
Mr. Li Jun	Beneficial owner	12,020,000	3,900,000	0.813%
Mr. Lin Sanjiu	Beneficial owner	–	2,880,000	0.147%

Note:

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

(ii) Associated Corporation of the Company

Name of Director	Name of associated corporation of the Company	No. of derivative Shares	% of issued share capital of the associated corporation
Mr. Guo Jiafeng	Greentown China	4,000,000 ⁽¹⁾	0.160%
Mr. Zhang Yadong	Greentown China	13,270,949 ⁽²⁾	0.532%

Notes:

(1) These share options are granted under the share option scheme.

(2) It represents (i) 12,600,000 share options under the share option scheme; and (ii) 670,949 shares under the share award scheme.



Save as disclosed above, as at 30 June 2021, none of the Directors and chief executives of the Company (including their spouses and children under the age of 18) had any interest in, or had been granted any right to subscribe for the Shares and options of the Company and its associated corporations (within the meaning of the SFO), or had exercised any such rights.

INTERESTS AND SHORT POSITIONS OF SHAREHOLDERS DISCLOSEABLE UNDER THE SFO

As at 30 June 2021, as set out in the register kept under Section 336 of the SFO, the following companies and persons (other than the Directors and chief executives of the Company) had interest or short position in the Shares and underlying shares which fell to be disclosed to the Company under Divisions 2 and 3 of Part XV of the SFO:

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

Save as disclosed above, as at 30 June 2021, 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.

2020 SHARE AWARD SCHEME

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

The purpose of the Share Award Scheme is to recognise and reward the contribution of the executives and employees and directors of the Group to the growth and development of the Group through an award of the shares of the Company.

The Company did not grant any award share during the Reporting Period.

During the Reporting Period, the Group has recognised the total expense of RMB10,848,000 in the profit or loss in relation to Shares granted under Share Award Scheme.

During the Reporting Period, no shares were repurchased on the Stock Exchange for use in the Share Award Scheme or as awarded shares. As at 30 June 2021, the Company has granted a total of 35,740,000 shares units to participants in accordance with the Share Award Scheme. No share units have been vested, 3,270,000 share units have forfeited, and 90,961 award shares have not been granted.

The following table sets out the award shares granted to the Director or Connected persons under the Share Award Scheme.

	Number of award shares outstanding as at 1 January 2021	Number of shares awarded during the Reporting Period	Number of shares vested during the Reporting Period	Number of shares lapsed during the Reporting Period	Balance as at 30 June 2021
Connected Grantees*					
Guo Jiafeng	2,000,000	–	–	–	2,000,000
Zhang Yadong	2,000,000	–	–	–	2,000,000
Li Jun	3,900,000	–	–	–	3,900,000
Lin Sanjiu	2,880,000	–	–	–	2,880,000
Other	9,260,000	–	–	500,000	8,760,000
Non-Connected Grantees					
32 Selected Participants who are not connected with the Company or connected persons of the Company	15,700,000	–	–	2,770,000	12,930,000
Total	35,740,000	–	–	3,270,000	32,470,000

* Among the connected grantees, Mr. Guo Jiafeng, Mr. Zhang Yadong, Mr. Li Jun, and Mr. Lin Sanjiu, being the executive Directors/non-executive Directors of the Company. Other grantees including Mr. Liu Wensheng (retired and resigned on 13 April 2021), Mr. Yu Cheeric James (resigned on 13 June 2021 as chief financial officer of the Company and his 500,000 award shares lapsed upon his resignation), and seven directors of certain subsidiaries of the Company).



USE OF PROCEEDS FROM THE INITIAL PUBLIC OFFERING

The Company successfully listed on the Main Board of the Stock Exchange on 10 July 2020 (the “Listing Date”). After the over-allotment option was fully exercised, a total of 525,316,000 new shares were issued pursuant to the global offering. After deducting underwriting fees, commission and other estimated listing expenses, the net proceeds were approximately HK\$1,145.1 million. These proceeds have been and will be applied in accordance with the prospectus dated 29 June 2020 (the “Prospectus”) and the announcement of the offer price and allotment results published on 9 July 2020. The following table sets out the intended use and actual use of the net proceeds as of 30 June 2021:

Use of proceeds	Allocation of use of the net proceeds (HKD million)	Percentage of total net proceeds	Actual use as of 30 June 2021 (HKD million)	Unutilised net proceeds as at 30 June 2021 (HKD million)
Scale up through strategic acquisitions	229.0	20%	16.4	212.6
Development of commercial project management with capital contribution	166.0	14.5%	166.0	–
Repayment of the indebtedness to Greentown China	590.2	51.5%	590.2	–
Development of ecosystem	45.4	4%	15.3	30.1
General working capital	114.5	10%	114.5	–
Total	1,145.1	100%	902.4	242.7

The Company expects to utilise the remaining proceeds of approximately HK\$242.7 million in the coming two years according to 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

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

As at 30 June 2021, 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 during the period.

INTERIM DIVIDEND

The Board unanimously resolved not to declare any interim dividend for the six months ended 30 June 2021.

APPRECIATION

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

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

Hangzhou, the PRC,
29 July 2021



Hangzhou Haichao Yayuan



Report on Review of Condensed Consolidated Financial Statements

TO THE BOARD OF DIRECTORS OF GREENTOWN MANAGEMENT HOLDINGS COMPANY LIMITED

(Incorporated in the Cayman Islands with limited liability)

INTRODUCTION

We have reviewed the condensed consolidated financial statements of Greentown Management Holdings Company Limited (the “Company”) and its subsidiaries (collectively referred to as the “Group”) set out on pages 27 to 66, which comprise the condensed consolidated statement of financial position as of 30 June 2021 and the related condensed consolidated statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the six-month period then ended, and certain explanatory notes. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and International Accounting Standard 34 “Interim Financial Reporting” (“IAS 34”) issued by the International Accounting Standards Board. The directors of the Company are responsible for the preparation and presentation of these condensed consolidated financial statements in accordance with IAS 34. Our responsibility is to express a conclusion on these condensed consolidated financial statements based on our review, and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

SCOPE OF REVIEW

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

CONCLUSION

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

Deloitte Touche Tohmatsu
Certified Public Accountants
Hong Kong
29 July 2021

Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

(For the six months ended 30 June 2021)

	Notes	Six months ended 30 June	
		2021 RMB'000 (Unaudited)	2020 RMB'000 (Unaudited)
Continuing operations			
Revenue	3	1,080,769	814,824
Cost of sales		(567,653)	(474,988)
Gross profit		513,116	339,836
Other income	4	44,330	19,552
Other gains and losses	5	12,451	5,150
Selling and marketing expenses		(44,994)	(11,103)
Administration expenses		(194,273)	(118,342)
Listing fee		–	(33,944)
Finance costs	6	(2,528)	(603)
Impairment losses under expected credit loss model, net of reversal	16	(6,586)	(3,443)
(Loss) gain from changes in fair value of investment properties	12	(1,807)	155
Gain on acquisition of subsidiaries	21	521	–
Share of results of associates		(4,910)	(2,510)
Share of results of joint ventures		29,761	5,143
Profit before tax	7	345,081	199,891
Income tax expense	8	(69,116)	(46,828)
Profit for the period from continuing operations		275,965	153,063
Discontinued operations			
Loss for the period from discontinued operations	9	–	(18,597)
Profit for the period		275,965	134,466



Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

(For the six months ended 30 June 2021)

	Note	Six months ended 30 June	
		2021 RMB'000 (Unaudited)	2020 RMB'000 (Unaudited)
Other comprehensive income			
<i>Item that will not be reclassified to profit or loss:</i>			
Fair value gain (loss) on:			
Investments in equity instruments at fair value through other comprehensive income ("FVTOCI"), net of tax		4,464	(5,701)
Total comprehensive income for the period		280,429	128,765
Profit for the period attributable to the owners of the Company			
– from continuing operations		270,432	147,914
– from discontinued operations		–	(13,477)
		270,432	134,437
Profit for the period attributable to the non-controlling interests			
– from continuing operations		5,533	5,149
– from discontinued operations		–	(5,120)
		5,533	29
		275,965	134,466
Total comprehensive income for the period attributable to:			
Owners of the Company		274,896	128,736
Non-controlling interests		5,533	29
		280,429	128,765
EARNINGS PER SHARE			
From continuing and discontinued operations			
– Basic (RMB)	11	0.14	0.09
– Diluted (RMB)	11	0.14	N/A
From continuing operations			
– Basic (RMB)	11	0.14	0.10
– Diluted (RMB)	11	0.14	N/A

Condensed Consolidated Statement of Financial Position

(As at 30 June 2021)

	Note	As at 30 June 2021 RMB'000 (Unaudited)	As at 31 December 2020 RMB'000 (Audited)
Non-Current Assets			
Property, plant and equipment	12	100,176	97,922
Right-of-use assets	12	18,940	17,803
Investment properties	12	50,326	53,361
Goodwill		769,241	769,241
Interests in associates		63,582	67,042
Interests in joint ventures		119,530	93,742
Equity instruments at FVTOCI	20	99,345	93,393
Other long-term receivables	13	490,000	210,000
Deferred tax assets		26,380	16,975
Deposit for acquisition of properties		7,080	7,080
		1,744,600	1,426,559
Current Assets			
Trade and other receivables	14	490,547	388,303
Contract assets	15	406,381	316,795
Financial assets at fair value through profit or loss ("FVTPL")	20	109,328	–
Amounts due from related parties	22(ii)	229,251	202,720
Pledged bank deposits		14,194	15,832
Bank balances and cash		2,184,291	2,397,335
		3,433,992	3,320,985
Current Liabilities			
Trade and other payables	17	880,822	818,670
Amounts due to related parties	22(ii)	272,163	199,496
Dividends payable	10	332,855	–
Income taxes payable		131,694	145,798
Other taxes payable		40,526	50,841
Contract liabilities		423,226	396,182
Lease liabilities		8,945	8,504
		2,090,231	1,619,491
Net Current Assets		1,343,761	1,701,494
Total Assets Less Current Liabilities		3,088,361	3,128,053



Condensed Consolidated Statement of Financial Position
(As at 30 June 2021)

	Note	As at 30 June 2021 RMB'000 (Unaudited)	As at 31 December 2020 RMB'000 (Audited)
Capital and Reserves			
Share capital	18	16,324	16,324
Reserves		3,011,764	3,058,875
Equity attributable to owners of the Company		3,028,088	3,075,199
Non-controlling interests		32,543	27,010
Total Equity		3,060,631	3,102,209
Non-Current Liabilities			
Deferred tax liabilities		18,448	16,958
Lease liabilities		9,282	8,886
		27,730	25,844
		3,088,361	3,128,053

The condensed consolidated financial statements on pages 27 to 66 were approved and authorised for issue by the Board of Directors on 29 July 2021 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 2021)

	Equity attributable to owners of the Company											
	Share capital	Share premium	Statutory reserve	Shares held for			FVTOCI reserve	Share-based payments reserve	Retained earnings	Attributable to owners of the Company	Non-controlling interests	Total
				share award scheme	Merge reserve	Special reserve						
RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
At 1 January 2021 (Audited)	16,324	2,961,194	125,997	(99,910)	(1,470,994)	79,384	50,882	1,520	1,410,802	3,075,199	27,010	3,102,209
Profit for the period	-	-	-	-	-	-	-	-	270,432	270,432	5,533	275,965
Other comprehensive income for the period	-	-	-	-	-	-	4,464	-	-	4,464	-	4,464
Total comprehensive income for the period	-	-	-	-	-	-	4,464	-	270,432	274,896	5,533	280,429
Recognition of equity-settled share-based payments	-	-	-	-	-	-	-	10,848	-	10,848	-	10,848
Dividends recognised as distribution (Note 10)	-	-	-	-	-	-	-	-	(332,855)	(332,855)	-	(332,855)
Liquidation of a subsidiary	-	-	(2,500)	-	-	-	-	-	2,500	-	-	-
At 30 June 2021 (Unaudited)	16,324	2,961,194	123,497	(99,910)	(1,470,994)	79,384	55,346	12,368	1,350,879	3,028,088	32,543	3,060,631

	Equity attributable to owners of the Company											
	Share capital	Share premium	Statutory reserve	Shares held for			FVTOCI reserve	Share-based payments reserve	Retained earnings	Attributable to owners of the Company	Non-controlling interests	Total
				share award scheme	Merge reserve	Special reserve						
RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	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)	-	-	-	-	-	-	-	-	-	-	(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

Note: The payment of the dividend was offset against the other receivables from the non-controlling interests.

Condensed Consolidated Statement of Cash Flows

(For the six months ended 30 June 2021)

	Note	Six months ended 30 June	
		2021 RMB'000 (Unaudited)	2020 RMB'000 (Unaudited)
OPERATING ACTIVITIES			
Operating cash flows before movements in working capital		305,766	186,448
Decrease (increase) in trade and other receivables		60,346	(93,639)
Increase in contract assets		(89,595)	(51,553)
Increase in amounts due from related parties		(25,559)	(52,577)
Increase in trade and other payables		6,950	83,856
Increase (decrease) in amounts due to related parties		72,146	(77,251)
Increase in contract liabilities		20,807	26,530
Other working capital items		–	450
Cash generated from operations		350,861	22,264
Income taxes paid		(92,294)	(71,246)
NET CASH FROM (USED IN) OPERATING ACTIVITIES		258,567	(48,982)
INVESTING ACTIVITIES			
Interest received		37,439	18,712
Dividends received from a joint venture		7,975	2,448
Dividends received from an equity instrument at FVTOCI		5,000	–
Proceeds on disposal of property, plant and equipment		2,054	155
Proceeds on disposal of an investment property		1,576	–
Proceeds from disposal of an equity investment at FVTOCI in prior year		–	2,000
Investments in associates		(1,450)	–
Investments in joint ventures		(12,240)	–
Payments for liquidation of a joint venture		–	(1,123)
Purchases of property, plant and equipment		(8,479)	(2,630)
Payments for rental deposits		(365)	(478)
Advance of other long-term receivables		(280,000)	–
Payment for arrangement fee for other long-term receivables		(240)	–
Repayment from other long-term receivables		–	100,000
Advance of loan to related parties		(2,000)	–
Repayment from loan to related parties		3,000	–
Advance of loan to third parties		(157,000)	–
Repayment from loan to third parties		16,000	–
Net cash inflow arising from acquisition of subsidiaries	21	8,235	–
Withdraw of pledged bank deposits		1,638	492
Placement of pledged bank deposits		–	(1,818)
Proceeds from disposal of financial assets at FVTPL		1,481,338	368,225
Purchases of financial assets at FVTPL		(1,584,155)	(367,000)
NET CASH (USED IN) FROM INVESTING ACTIVITIES		(481,674)	118,983

Condensed Consolidated Statement of Cash Flows

(For the six months ended 30 June 2021)

	Six months ended 30 June	
	2021	2020
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
FINANCING ACTIVITIES		
Interest paid	(1,606)	(3,510)
Dividends paid	(3,811)	–
Bank and other borrowings raised	–	6,000
Advance from third parties	25,000	–
Repayments of lease liabilities	(5,550)	(3,900)
NET CASH FROM (USED IN) IN FINANCING ACTIVITIES	14,033	(1,410)
Effect of foreign exchange rate changes	(3,970)	26
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(213,044)	68,617
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD*	2,397,335	1,139,162
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD*	2,184,291	1,207,779

* 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 2021)

1. GENERAL INFORMATION AND BASIS OF PREPARATION

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

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

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

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

2. PRINCIPAL ACCOUNTING POLICIES

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

Other than additional accounting policies resulting from application of amendments to International Financial Reporting Standards ("IFRSs"), the accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended 30 June 2021 are the same as those presented in the Group's annual financial statements for the year ended 31 December 2020.

Application of amendments to IFRSs

In the current interim period, the Group has applied 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 2021 for the preparation of the Group's condensed consolidated financial statements:

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

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

Notes to the Condensed Consolidated Financial Statements

(For the six months ended 30 June 2021)

3. REVENUE AND SEGMENT INFORMATION

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

	Six months ended 30 June	
	2021	2020
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Revenue recognised over time:		
Commercial project management	772,273	610,010
Governmental project management	219,745	186,997
Others (Note)	88,751	17,817
	1,080,769	814,824

Note: During the current interim period, revenue from other services include i) project management service provided for certain governmental projects amounting to RMB73,260,000, which were tendered by the subsidiaries of Greentown China and managed by the Group as the Group did not obtain the grade 1 qualification for real estate development prior to August 2020. Such arrangements are no longer entered by the Group since the grade 1 qualification was obtained by the Group in August 2020. As a result, the Group presented the revenue from certain projects as "others" in the disaggregation of revenue; and ii) construction design and other consulting service amounting to RMB15,491,000. Revenue from each of other service is less than 10% of the total revenue of the Group from continuing operations. Therefore, all other services are aggregated into one reportable segment as below.

3. REVENUE AND SEGMENT INFORMATION (CONTINUED)

(ii) Segment information

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

For the six months ended 30 June 2021

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	772,273	219,745	88,751	1,080,769	-	1,080,769
Inter-segment revenue	25,679	113,278	4,343	143,300	(143,300)	-
Total	797,952	333,023	93,094	1,224,069	(143,300)	1,080,769
Segment results	231,888	29,833	41,331	303,052	219	303,271
Unallocated other income						228
Unallocated gain from changes in fair value of financial assets mandatorily measured at FVTPL						173
Unallocated administrative expenses						(8,669)
Unallocated finance costs						(68)
Unallocated exchange loss						(3,970)
Unallocated license fee (Note 22(i)(f))						(15,000)
Profit for the period						275,965

Notes to the Condensed Consolidated Financial Statements

(For the six months ended 30 June 2021)

3. REVENUE AND SEGMENT INFORMATION (CONTINUED)

(ii) Segment information (Continued)

*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

4. OTHER INCOME

	Six months ended 30 June	
	2021	2020
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Continuing operations		
Interest income from:		
– bank balances	18,265	13,808
– loans to third parties	20,140	–
– loans to related parties (Note 22(i)(d))	501	4,893
	38,906	18,701
Dividends from an equity instrument at FVTOCI	5,000	–
Gross rental income from investment properties	344	362
Others	80	489
	44,330	19,552

5. OTHER GAINS AND LOSSES

	Six months ended 30 June	
	2021	2020
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Continuing operations		
Government grants (Note)	8,199	4,109
Gain from changes in fair value of financial assets mandatorily measured at FVTPL	6,511	1,225
Gain (loss) on disposal of property, plant and equipment	1,334	(266)
Gain on disposal of an investment property	348	–
Exchange losses	(3,970)	(319)
Gain on early termination of lease	–	386
Others	29	15
	12,451	5,150

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.

Notes to the Condensed Consolidated Financial Statements

(For the six months ended 30 June 2021)

6. FINANCE COSTS

	Six months ended 30 June	
	2021	2020
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Continuing operations		
Interests on lease liabilities	(541)	(603)
Arrangement fee for entrusted loan	(31)	–
Interest expenses on loan from related parties (Note 22(i)(g))	(1,497)	–
Interest expenses on loan from third parties	(459)	–
	(2,528)	(603)

7. PROFIT BEFORE TAX

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

	Six months ended 30 June	
	2021	2020
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Directors' remuneration	8,669	5,742
Salaries and other benefits	375,669	247,493
Retirement benefits scheme contributions (Note)	9,542	2,633
Staff costs (including directors' emoluments)	393,880	255,868
Depreciation of property, plant and equipment	7,397	7,014
Depreciation of right-of-use-assets	5,248	4,745

Note: The government assistance have been implemented for the relief of the social insurance in respect of Novel Coronavirus ("COVID-19"). According to the notice issued by the Ministry of Social Affairs (2020) No.11, in order to minimise the impact of the COVID-19 on social and economic development, the government has reduced the social security fees for medium-sized enterprises from February to June 2020. Such government assistance is no longer implemented in 2021.



8. INCOME TAX EXPENSE

	Six months ended 30 June	
	2021	2020
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Continuing operations		
Current tax:		
– PRC Enterprise Income Tax (“EIT”)	78,210	45,365
Over provision in prior years:		
– EIT	(233)	(2,361)
Deferred tax:		
– Current period	(8,861)	3,824
	69,116	46,828

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, subject to certain conditions. Accordingly, the estimated applicable EIT rate of Greentown Construction Management for the six months ended 30 June 2021 is 15% (six months ended 30 June 2020: 15%).

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9. DISCONTINUED OPERATIONS

On 30 September 2019, the directors of the Company resolved to dispose of all of the Group's landscape design operations. Negotiations with interested party were subsequently taken place and the disposal was completed in September 2020.

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

	Six months ended 30 June	
	2021	2020
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Revenue	–	89,990
Cost of sales	–	(95,391)
Gross loss	–	(5,401)
Other income	–	11
Other gains and losses	–	19
Administration expenses	–	(1,006)
Finance costs	–	(2,907)
Impairment losses under expected credit loss model, net of reversal	–	(9,313)
Loss before tax	–	(18,597)
Income tax expense	–	–
Loss for the period	–	(18,597)
The results of the discontinued operations includes the following:		
Interest on lease liabilities	–	8
Cost of inventories recognised as an expense	–	14,023

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



10. DIVIDENDS

During the current interim period, a final dividend of RMB0.17 per share in respect of the year ended 31 December 2020 (six months ended 30 June 2020: RMB nil per share in respect of the year ended 31 December 2019) was declared to owners of the Company. The aggregate amount of the 2020 final dividend of RMB332,855,000 (six months ended 30 June 2020: RMB nil) was subsequently paid on 26 July 2021.

The directors of the Company have determined that no dividend will be declared in respect of the current interim period (six months ended 30 June 2020: RMB nil).

11. EARNINGS PER SHARE

From continuing and discontinued operations

The calculation of basic and diluted earnings per share (six months ended 30 June 2020: basic earnings per share) from continuing and discontinued operations attributable to owners of the Company is based on the following data:

	Six months ended 30 June	
	2021	2020
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Earnings		
Earnings for the purpose of basic and diluted earnings per share (six months ended 30 June 2020: basic earnings per share) for the period attributable to owners of the Company	270,432	134,437
	'000	'000
Number of shares		
Weighted average number of ordinary shares for the purpose of basic earnings per share	1,922,145	1,432,660
Effect of dilutive potential ordinary shares: Share awards	28,450	N/A
Weighted average number of ordinary shares for the purpose of diluted earnings per share	1,950,595	N/A

No diluted earnings per share from continuing and discontinued operations for six months ended 30 June 2020 was presented as there was no potential ordinary shares in issue for six months ended 30 June 2020.

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11. EARNINGS PER SHARE (CONTINUED)**From continuing operations**

The calculation of basic and diluted earnings per share (six months ended 30 June 2020: basic earnings per share) attributable to owners of the Company is based on the following data:

	Six months ended 30 June	
	2021	2020
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Earnings figures are calculated as follow:		
Profit for the period attributable to owners of the Company	270,432	134,437
Less: loss for the period from discontinued operations attributable to owners of the Company	–	(13,477)
Earnings for the purpose of basic and diluted earnings per share (six months ended 30 June 2020: basic earnings per share) from continuing operations	270,432	147,914

The denominators used are the same as those detailed above for both basic and diluted earnings per share (six months ended 30 June 2020: basic earnings per share).

No diluted earnings per share from continuing operations for six months ended 30 June 2020 was presented as there was no potential ordinary shares in issue for six months ended 30 June 2020.

From discontinued operations

Basic loss per share for the discontinued operations is RMB0.94 cent per share based on the loss for six months ended 30 June 2020 from the discontinued operations of RMB13.48 million and the denominators used are the same as those detailed above for basic earnings per share.

No diluted earnings per share from discontinued operations for six months ended 30 June 2020 was presented as there was no potential ordinary shares in issue for six months ended 30 June 2020.

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

During the current interim period, the Group incurred additional expenditure on property, plant and equipment in the amount of RMB8,479,000 (six months ended 30 June 2020: RMB2,186,000).

12. PROPERTY, PLANT AND EQUIPMENT, RIGHT-OF-USE ASSETS AND INVESTMENT PROPERTIES (CONTINUED)

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 RMB6,385,000 (six months ended 30 June 2020: RMB13,296,000) and lease liabilities of RMB6,385,000 (six months ended 30 June 2020: RMB13,296,000).

The Group's investment properties as at the end of the current interim period were valued by the directors of the Company. The directors of the Company used market approach to determine the fair value of all the investment properties held by the Group, based on market observable transactions of similar properties and adjusted to reflect the locations and conditions of the subject properties. The resulting decrease in fair value of investment properties of RMB1,807,000 (six months ended 30 June 2020: increase of RMB155,000) has been recognised directly in profit or loss for the six months ended 30 June 2021.

In addition, during the current interim period, the Group disposed of an investment property with an carrying amount of RMB1,228,000 (six months ended 30 June 2020: RMB nil) for cash proceeds of RMB1,576,000 (six months ended 30 June 2020: RMB nil), resulting in a gain on disposal of RMB348,000 (six months ended 30 June 2020: RMB nil).

13. OTHER LONG-TERM RECEIVABLES

	As at 30 June 2021 RMB'000 (Unaudited)	As at 31 December 2020 RMB'000 (Audited)
Fixed interest rate other long-term receivables:		
– secured and guaranteed loans to third parties (Note)	490,000	210,000
Analysed as		
Non-current	490,000	210,000

Note: As at 30 June 2021, the carrying amount of loans to third parties is amounting to RMB490,000,000 (31 December 2020: RMB210,000,000) with terms of two to two and half years (31 December 2020: two years) and repayable in full on the respective maturity dates. The fixed interest rate of loans is from 6% to 15% (31 December 2020: 6% to 15%) per annum. The loans are pledged with collaterals such as land use rights, shareholders' interests, constructions in progress and trade receivables of the borrowers. The Group is not permitted to sell or repledge the collaterals in the absence of default by the borrowers. There has not been any significant changes in the debtor's credit quality and their related collateral pledged for the other long-term receivables. The Group did not recognise a loss allowance for the other long-term receivables as a result of these collaterals.

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13. OTHER LONG-TERM RECEIVABLES (CONTINUED)

The directors of the Company are in the view that there have been no significant increase in credit risk nor default because no Group's other long-term receivables balance is past due as at the reporting date.

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

14. TRADE AND OTHER RECEIVABLES

	As at 30 June 2021 RMB'000 (Unaudited)	As at 31 December 2020 RMB'000 (Audited)
Trade receivables	147,401	159,035
Less: allowance for credit losses	(19,878)	(17,437)
Trade receivables, net of allowance for credit losses	127,523	141,598
Other receivables	297,908	156,736
Less: allowance for credit losses	(3,337)	(2,562)
Other receivables, net of allowance for credit losses	294,571	154,174
Prepayments	25,152	43,829
Input value-added tax	43,301	48,702
	490,547	388,303

Included in the trade receivables were bills receivables amounted to RMB19,478,000 as at 30 June 2021 (31 December 2020: RMB29,806,000). All bills received by the Group are with a maturity period of less than one year.

Included in other receivables were secured and guaranteed advances to a third party of RMB120,000,000 (31 December 2020: RMB nil) as at 30 June 2021. The advances are expected to be recovered within one year which carry interest at 15% (31 December 2020: nil) per annum. The advances are pledged with collaterals comprised by shareholders' interests and trade receivables of the borrowers. The Group is not permitted to sell or repledge the collaterals in the absence of default by the borrower. There has not been any significant changes in the debtors' credit quality and their related collateral pledged for such advance. Therefore, the directors of the Company are in the view that there have been no significant increase in credit risk nor default because the balance of advances is not past due as at the reporting date.

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14. TRADE AND OTHER RECEIVABLES (CONTINUED)

Besides abovementioned advances, there were unsecured and unguaranteed advances to third parties of RMB37,000,000 (31 December 2020: RMB16,000,000) included in other receivables as at 30 June 2021. The advances are interest bearing, and expected to be recovered within one year which carries interest at 10% (31 December 2020: 10%) per annum.

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 2021 RMB'000 (Unaudited)	As at 31 December 2020 RMB'000 (Audited)
Within 180 days	87,989	126,968
180 – 365 days	39,209	14,583
Over 365 days	325	47
Total	127,523	141,598

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

15. CONTRACT ASSETS

	As at 30 June 2021 RMB'000 (Unaudited)	As at 31 December 2020 RMB'000 (Audited)
Project management service		
Contract assets	432,855	338,581
Less: allowance for credit losses	(26,474)	(21,786)
	406,381	316,795

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

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(For the six months ended 30 June 2021)

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

	Six months ended 30 June	
	2021	2020
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Continuing operations		
Impairment losses (recognised) reversed on:		
– contract assets	(4,688)	(2,804)
– trade receivables	(2,450)	(2,278)
– other receivables	(1,137)	(1,849)
– amounts due from related parties	1,689	2,874
– loan to a related party	–	614
	(6,586)	(3,443)

During the current interim period, the Group wrote-off certain trade receivables and other receivables amounted to RMB10,000 (six months ended 30 June 2020: RMB nil) and RMB360,000 (six months ended 30 June 2020: RMB nil) respectively.

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 2021 are the same as those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2020.

17. TRADE AND OTHER PAYABLES

	As at	As at
	30 June	31 December
	2021	2020
	RMB'000	RMB'000
	(Unaudited)	(Audited)
Trade payables	11,881	25,220
Other payables	686,054	626,873
Payroll payable	146,091	117,505
Dividends payable to minority interests	155	3,966
Provision for share of losses of joint ventures exceeded interests invested	36,641	45,106
	880,822	818,670

Included in other payables were unsecured and unguaranteed advances from third parties of RMB25,000,000 (31 December 2020: RMB nil) as at 30 June 2021. The advances are expected to be settled within one year which carry interest at 12% to 15% (31 December 2020: nil) per annum.

**17. TRADE AND OTHER PAYABLES (CONTINUED)**

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

	As at 30 June 2021 RMB'000 (Unaudited)	As at 31 December 2020 RMB'000 (Audited)
Within 1 year	635	5,311
1 – 2 years	9,692	18,385
2 – 3 years	998	970
More than 3 years	556	554
	11,881	25,220

18. SHARE CAPITAL

	Number of shares	Amount Hong Kong Dollars ("HKD")
Authorised		
Ordinary shares of HKD0.01 each		
At 1 January 2020, 30 June 2020, 1 January 2021 and 30 June 2021	100,000,000,000	1,000,000,000
	Number of shares	Amount HKD
		Shown in the condensed consolidated statement of financial position as RMB'000
Issued and fully paid		
At 1 January 2020 and 30 June 2020	1,432,660,000	14,326,600
At 1 January 2021 and 30 June 2021 (Note)	1,957,976,000	19,579,760

Note: Included in number of shares as at 1 January 2021 and 30 June 2021 are 35,830,961 shares amounted to HKD118,363,000 (equivalent to approximately RMB99,910,000) repurchased from market for share award scheme, which are presented as "shares held for share award scheme" in the condensed consolidated statement of changes in equity.

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19. SHARE-BASED PAYMENTS**Share award scheme**

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

The table below discloses movement of the Scheme:

	Number of award shares
Outstanding as at 1 January 2021	35,740,000
Forfeited during the period	(3,270,000)
Outstanding as at 30 June 2021	32,470,000

In the current interim period, no share awards were granted or exercised.

At the end of each interim period, the Group revises its estimates of the number of share awards that are expected to vest ultimately. The impact of the revision of the estimates, if any, is recognised in profit and loss, with a corresponding adjustment to the share-based payments reserve.

20. 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).



20. 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: RMB17,982,000 (31 December 2020: RMB22,616,000)	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 6.1% (31 December 2020: 6.1%). (Note (i))
	Equity instrument at FVTOCI: RMB52,601,000 (31 December 2020: RMB40,503,000)	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 6.9 (31 December 2020: 6.6). (Note (ii))
				Discount for lack of marketability, determined by reference to the share price of listed entities in similar industries, of 30.3% (31 December 2020: 30.3%). (Note (iii))

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20. 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
	Equity instruments at FVTOCI: RMB28,762,000 (31 December 2020: RMB30,274,000)	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 10.7% (31 December 2020: 10.7%). (Note (i)) Expected price per square meter, used to determine the value of properties under development, ranging from RMB9,300 to RMB33,200 (31 December 2020: RMB9,300 to RMB30,100) (Note (iv))
Structured deposits	Financial assets at FVTPL: RMB109,328,000 (31 December 2020: RMB nil)	Level 3	Income approach – in this approach, the discounted cash flow method was used to capture the present value of the expected interest income and ultimate disposal proceed.	Discount rate of 2.4% (31 December 2020: nil). (Note (i))

Notes:

- (i) 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.
- (ii) An increase in the adjusted P/E ratio used in isolation would result in an increase in the fair value measurement of the unquoted equity investments, and vice versa.

20. 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)**

Notes: (Continued)

- (iii) An increase in the discount for lack of marketability used in isolation would result in a decrease in the fair value measurement of the unquoted equity investments, and vice versa.
- (iv) An increase in the expected price per square meter used in isolation would result in an increase in the fair value measurement of the unquoted equity investments, and vice versa.

Reconciliation of Level 3 fair value measurements of financial assets:

	Financial assets at FVTOCI RMB'000	Financial assets at FVTPL RMB'000
At 1 January 2020 (Audited)	87,161	–
Fair value gain (loss):		
– in profit or loss	–	1,225
– in other comprehensive income	(7,602)	–
Purchased	–	367,000
Disposals	–	(368,225)
At 30 June 2020 (Unaudited)	79,559	–
At 1 January 2021 (Audited)	93,393	–
Fair value gain (loss):		
– in profit or loss	–	6,511
– in other comprehensive income	5,952	–
Purchased	–	1,584,155
Disposals	–	(1,481,338)
At 30 June 2021 (Unaudited)	99,345	109,328

Of the total gains or losses for the period included in profit or loss, an unrealised gain of RMB173,000 relates to financial assets at FVTPL held at the end of current reporting period (six months ended 30 June 2020: RMB nil). Fair value gains or losses on financial assets at FVTPL are included in "other gains and losses".

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20. 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)**

All gains and losses were included in other comprehensive income related to unquoted equity instruments at FVTOCI held at the end of current and comparable reporting periods and were reported as changes of FVTOCI reserve. Dividends from an equity instrument at FVTOCI of RMB5,000,000 (six months ended 30 June 2020: RMB nil) for current interim periods has been recognised in "other income" line item in the condensed consolidated statement of profit or loss and other comprehensive income.

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

21. ACQUISITION OF SUBSIDIARIES

Particulars of the subsidiaries acquired during the six months ended 30 June 2021 were as follows:

Acquired company	Principal activities	Acquisition date	Equity interest acquired	Consideration RMB'000
杭州綠城江濱建設管理有限公司 Hangzhou Greentown Jiangbin Construction Management Co., Ltd. ("Greentown Jiangbin") (Note (a))	Project management	1 January 2021	100%	10,000
杭州綠城江景建設管理有限公司 Hangzhou Greentown Jiangjing Construction Management Co., Ltd. ("Greentown Jiangjing") (Note (a))	Project management	1 January 2021	100%	-
杭州綠城濱峰建設管理有限公司 Hangzhou Greentown Binfeng Construction Management Co., Ltd. ("Greentown Binfeng") (Note (b))	Project management	1 January 2021	49%	-

21. ACQUISITION OF SUBSIDIARIES (CONTINUED)

Notes:

- (a) Greentown Real Estate Construction Management Group Co., Ltd. 綠城房地產建設管理集團有限公司 (“Greentown Construction Management Group”), a wholly-owned subsidiary of the Company acquired 100% equity interest of Greentown Jiangbin at cash consideration of RMB10,000,000. Greentown Jiangjing is a wholly-owned subsidiary of Greentown Jiangbin, therefore, it has also been consolidated into the Group as a subsidiary subsequent to the acquisition. The Group acquired Greentown Jiangbin and Greentown Jiangjing so as to continue the expansion of the Group’s governmental project management operations.
- (b) Greentown Binfeng was previously a 51%-owned joint venture of the Group. After an acquisition of additional 49% equity interest of Greentown Binfeng by Greentown Construction Management Group, Greentown Binfeng became a wholly-owned subsidiary of the Group. The Group acquired Greentown Binfeng so as to continue the expansion of the Group’s governmental project management operations.

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

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

	Six months ended 30 June 2021		
	Greentown Jiangbin and Greentown Jiangjing RMB'000 (Unaudited)	Greentown Binfeng RMB'000 (Unaudited)	Total RMB'000 (Unaudited)
Fair value of assets and liabilities recognised at the date of acquisition			
Property, plant and equipment	1,310	803	2,113
Deferred tax assets	320	225	545
Trade and other receivables	15,982	7,212	23,194
Contract assets	–	4,679	4,679
Amounts due from parent company	10,000	–	10,000
Bank balances and cash	5,740	2,495	8,235
Trade and other payables	(15,512)	(14,811)	(30,323)
Income tax payable	(96)	(117)	(213)
Other taxes payable	(1,116)	(356)	(1,472)
Contract liabilities	(6,237)	–	(6,237)
	10,391	130	10,521
Less:			
Gain on acquisition of subsidiaries	391	130	521
Consideration payable to Greentown Jiangbin	10,000	–	10,000
	–	–	–
Net cash inflow arising on acquisition:			
Bank balances and cash acquired	5,740	2,495	8,235

21. ACQUISITION OF SUBSIDIARIES (CONTINUED)

The receivables acquired (which principally comprised trade and other receivables and amounts due from parent company) with a fair value of RMB33,194,000 at the date of acquisition had gross contractual amounts of RMB33,194,000, which were expected to be fully collected for Greentown Jiangbin, Greentown Jiangjing and Greentown Binfeng.

The acquisition of the subsidiaries has been accounted for using the acquisition method.

Bargain purchase gain amounting to RMB391,000 and RMB130,000 on acquisition of Greentown Jiangbin and Greentown Binfeng respectively is recognised in profit or loss within the “gain on acquisition of subsidiaries” line item in the condensed consolidated statement of profit or loss and other comprehensive income.

Included in the profit for the interim period is RMB5,861,000 and RMB2,730,000 attributable to the additional business generated by Greentown Jiangbin and Greentown Binfeng respectively. Revenue for the interim period includes RMB14,516,000 and RMB10,255,000 generated from Greentown Jiangbin and Greentown Binfeng respectively.

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22. RELATED PARTY DISCLOSURES

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

(a) Provided project management service to related parties

	Notes	Six months ended 30 June	
		2021 RMB'000 (Unaudited)	2020 RMB'000 (Unaudited)
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)	23,878	4,265
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)	22,040	5,422
浙江綠城時代建設管理有限公司 Zhejiang Greentown Shidai Construction Management Co., Ltd. ("Zhejiang Shidai")	(3)	18,464	–
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)	17,276	14,093
麗水綠星樂居建設管理有限公司 Lishui Lvxing Leju Construction Management Co., Ltd.	(1)	7,032	–
山東綠新萬合房產管理有限公司 Shandong Lvxin Wanhe Construction Management Co., Ltd. ("Lvxin Wanhe")	(3)	4,222	5,962
杭州綠興工程項目管理有限公司 Hangzhou Lvxing Project Management Co., Ltd.	(1)	3,841	–
綠城長裕建設管理有限公司 Greentown Changyu Construction Management Co., Ltd. ("Greentown Changyu")	(3)	2,785	–
綠城房地產集團有限公司 Greentown Real Estate Group Co., Ltd. ("Greentown Real Estate Group")	(1)	2,682	4,658
綠城景豐房地產建設管理有限公司 Greentown Jingfeng Real Estate Construction Management Co., Ltd. ("Greentown Jingfeng")	(3)	2,171	–
杭州方氏織造有限公司 Hangzhou Fangshi Weaving Co., Ltd. ("Hangzhou Fangshi")	(1)	670	1,415
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
Others		685	545
		105,746	38,586

Notes to the Condensed Consolidated Financial Statements

(For the six months ended 30 June 2021)

22. RELATED PARTY DISCLOSURES (CONTINUED)

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

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

	Notes	Six months ended 30 June	
		2021	2020
		RMB'000	RMB'000
		(Unaudited)	(Unaudited)
浙江綠城利普建築設計有限公司 Zhejiang Greentown Lipu Architectural Design Co., Ltd. ("Zhejiang Greentown Lipu")	(3)	392	–
青島綠城華川置業有限公司 Qingdao Greentown Huachuan Real Estate Co., Ltd. ("Qingdao Greentown")	(1)	170	–
西南綠城房地產開發有限公司 Southwest Greentown Real Estate Development Co. Ltd.	(3)	52	–
Others		50	–
		664	–

(c) Rental income arising from a related party

	Note	Six months ended 30 June	
		2021	2020
		RMB'000	RMB'000
		(Unaudited)	(Unaudited)
浙江星鏈營銷策劃有限公司 Zhejiang Star Chain Marketing Planning Management Co., Ltd. ("Zhejiang Star Chain")	(3)	344	–

22. RELATED PARTY DISCLOSURES (CONTINUED)

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

(d) Interest income arising from loans to related parties

	Notes	Six months ended 30 June	
		2021 RMB'000 (Unaudited)	2020 RMB'000 (Unaudited)
杭州綠城都會建築設計有限公司 Hangzhou Greentown Duhui Architectural Design Co., Ltd. ("Greentown Duhui")	(3)	344	–
浙江綠城景道園林工程有限公司 Zhejiang Greentown Landscape Garden Project Co., Ltd. ("Greentown Landscape Garden")	(3)	120	–
綠城田園城市建設發展有限公司 Greentown Tianyuan City Construction Development Co., Ltd. ("Greentown Tianyuan")	(3)	37	–
瀋陽全運村建設有限公司 Shenyang Quanyuncun Construction Co., Ltd.	(4)	–	4,893
		501	4,893

Notes to the Condensed Consolidated Financial Statements

(For the six months ended 30 June 2021)

22. RELATED PARTY DISCLOSURES (CONTINUED)

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

(e) Received consulting and other service from related parties

	Notes	Six months ended 30 June	
		2021 RMB'000 (Unaudited)	2020 RMB'000 (Unaudited)
Zhejiang Shidai 綠城綠明建設管理有限公司 Greentown Lvming Construction Management Co., Ltd. ("Greentown Lvming")	(3)	52,872	27,594
浙江綠城坤業房產建設管理有限公司 Zhejiang Greentown Shenye Real Estate Construction Management Co., Ltd. ("Zhejiang Shenye")	(3)	42,747	15,709
綠城北方建設管理有限公司 Greentown Northern Construction Management Co., Ltd. ("Greentown Northern")	(3)	39,165	31,575
上海輔秦建設工程管理有限公司 Shanghai Fuqin Construction Project Management Co., Ltd. ("Shanghai Fuqin")	(3)	32,368	38,552
綠城創新建設管理有限公司 Greentown Innovation Construction Management Co., Ltd. ("Greentown Innovation")	(3)	21,702	13,860
Greentown Tianyuan 綠城正弘(北京)建設管理有限公司 Greentown Zhenghong (Beijing) Construction Management Co., Ltd. ("Greentown Zhenghong")	(3)	19,628	19,036
	(3)	16,673	18,193
Zhejiang Greentown Lipu 新疆綠城創景建設管理有限公司 Xinjiang Greentown Chuangjing Construction Management Co., Ltd. ("Xinjiang Chuangjing")	(3)	14,267	11,196
	(3)	14,128	255
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)	8,346	1,031
Wenzhou Leju Enterprise Management Wenzhou Leju Project Management	(1)	5,590	82
	(1)	5,213	–
浙江綠城匠信建設管理有限公司 Zhejiang Greentown Jiangxin Construction Management Co., Ltd. ("Zhejiang Jiangxin")	(3)	4,667	–
Lvxin Wanhe Greentown Changyu	(3)	4,517	1,818
	(3)	211	21,831
	(3)	14	5,230
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
Others		1,283	162
		283,391	278,749

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

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

- (f) Licensing fee

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

For the six months ended 30 June 2021, the Group has accrued licensing fee of RMB15,000,000 (six months ended 30 June 2020: RMB nil) pursuant to the license agreement and were presented as “Selling and marketing expenses” in the condensed consolidated statement of profit or loss and other comprehensive income.

- (g) Interest expenses on loans from related parties

	Notes	Six months ended 30 June	
		2021 RMB'000 (Unaudited)	2020 RMB'000 (Unaudited)
浙江綠城佳園建設工程管裏有限公司 Zhejiang Greentown Jiayuan Construction Engineering Management Co., Ltd. ("Greentown Jiayuan")	(3)	999	–
Greentown Zhenghong	(3)	498	–
		1,497	–

Notes to the Condensed Consolidated Financial Statements

(For the six months ended 30 June 2021)

22. RELATED PARTY DISCLOSURES (CONTINUED)

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

	Notes	As at 30 June 2021 RMB'000 (Unaudited)	As at 31 December 2020 RMB'000 (Audited)
Amounts due from related parties			
<u>Trade related</u>			
Greentown Real Estate Group	(1)	6,562	8,028
Greentown Landscape Garden	(3)	700	700
Zhejiang Greentown Lipu	(3)	416	–
Qingdao Greentown	(1)	180	–
Wenzhou Leju Enterprise Management 山東高速綠城置業投資有限公司	(1)	–	9,212
Shandong High Speed Greentown Real Estate Investment Co., Ltd. ("Shandong High Speed")	(4)	–	5,319
Hangzhou Fangshi	(1)	–	710
Wenzhou Leju Project Management	(1)	–	357
Others		20	21
		7,878	24,347
<u>Non-trade related</u>			
Zhejiang Shenye	(3)	39,272	40,517
Zhejiang Shidai	(3)	28,707	5,364
Greentown Tianyuan	(3)	27,242	22,721
Greentown Northern	(3)	25,081	27,436
Shanghai Fuqin	(3)	14,603	6,731
Xinjiang Chuangjing	(3)	13,912	13,987
Greentown Zhenghong	(3)	12,494	9,081
Shandong Wanhe	(3)	11,685	6,200
Greentown Innovation	(3)	10,134	8,587
北京雲溪綠城房地產開發有限公司 Beijing Yunxi Greentown Real Estate Development Co., Ltd.	(1)	9,473	9,473
Greentown Lvming	(3)	7,714	7,938
Greentown Duhui	(3)	7,464	7,120
Zhejiang Jiangxin	(3)	5,842	5,966
Greentown Landscape Garden	(3)	5,110	8,207
海南綠城綠明建設管理有限公司 Hainan Greentown Lvming Construction Management Co., Ltd.	(3)	2,426	–
Greentown Real Estate Group	(1)	1,490	1,417
Greentown Changyu	(3)	937	1,518
Others		–	12
		223,586	182,275
		231,464	206,622

22. RELATED PARTY DISCLOSURES (CONTINUED)

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

Except for the non-trade related amounts due from Greentown Landscape Garden of RMB5,000,000 (31 December 2020: RMB8,000,000) (collectively with interest receivable of RMB110,000 (31 December 2020: RMB207,000)), Greentown Duhui of RMB6,885,000 (31 December 2020: RMB6,885,000) (collectively with interest receivable of RMB579,000 (31 December 2020: RMB235,000)) and Greentown Tianyuan of RMB2,000,000 (31 December 2020: RMB nil) (collectively with interest receivable of RMB37,000 (31 December 2020: RMB nil)) are unsecured advances to related parties, which carry interest at 10% (31 December 2020: 10%), 10% (31 December 2020: 10%) and 10% (31 December 2020: nil) per annum respectively and are expected to be recovered within 12 months, the other abovementioned non-trade related amounts due from related parties are mainly related to the performance deposits paid to the related parties and funds paid in advance to the related parties in connection with the project management business which are all expected to be received on demand or within normal operating cycle are all interest free.

The above amounts due from related parties are presented before accumulative impairment losses of RMB2,213,000 (31 December 2020: RMB3,902,000). Details of impairment assessment of the amounts due from related parties are set out in Note 16.

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 2021 RMB'000 (Unaudited)	As at 31 December 2020 RMB'000 (Audited)
Within 180 days	595	22,334
180 – 365 days	6,545	–
Over 365 days	738	2,013
	7,878	24,347

Notes to the Condensed Consolidated Financial Statements

(For the six months ended 30 June 2021)

22. RELATED PARTY DISCLOSURES (CONTINUED)

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

	Notes	As at 30 June 2021 RMB'000 (Unaudited)	As at 31 December 2020 RMB'000 (Audited)
Prepayments (included in trade and other receivables)			
Greentown Northern	(3)	13,176	15,756
Shanghai Fuqin	(3)	3,771	5,463
Xinjiang Chuangjing	(3)	2,171	8,782
Greentown Changyu	(3)	1,118	–
Greentown Lvming	(3)	531	–
Zhejiang Shidai	(3)	–	11,067
浙江綠城商地建設管理有限公司 Zhejiang Greentown Shangdi Construction Management Co., Ltd.	(3)	–	987
		20,767	42,055
Contract assets to related parties			
Shandong High Speed	(4)	5,044	23,312
Greentown Real Estate Group	(1)	2,601	7,911
		7,645	31,223

Notes to the Condensed Consolidated Financial Statements

(For the six months ended 30 June 2021)

22. RELATED PARTY DISCLOSURES (CONTINUED)

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

	Notes	As at 30 June 2021 RMB'000 (Unaudited)	As at 31 December 2020 RMB'000 (Audited)
Amounts due to related parties			
<u>Trade related</u>			
Greentown Lvming	(3)	32,729	31,520
Greentown China	(2)	29,384	14,384
Zhejiang Shidai	(3)	26,216	–
Zhejiang Shenye	(3)	25,225	15,387
Greentown Innovation	(3)	13,638	13,205
Greentown Zhenghong	(3)	12,256	8,882
Lvxin Wanhe	(3)	9,337	–
Greentown Jingfeng	(3)	6,760	20,414
Greentown Tianyuan	(3)	6,257	3,923
Zhejiang Jiangxin	(3)	5,344	3,937
Zhejiang Greentown Lipu	(3)	5,217	–
Shandong Wanhe	(3)	–	4,521
Others		1,659	1,789
		174,022	117,962
<u>Non-trade related</u>			
海南島三亞日出觀光有限公司 Hainan Sanya Sunrise Sightseeing Co., Ltd.	(1)	20,000	20,000
Zhejiang Shidai	(3)	19,600	17,050
綠城楊柳郡房地產有限公司 Greentown Yangliujun Real Estate Co., Ltd.	(1)	15,502	5,836
Greentown Jiayuan	(3)	10,796	10,288
Greentown Dingli	(3)	6,300	–
Greentown Zhenghong	(3)	6,057	6,043
Xinjiang Chuangjing	(3)	5,821	5,865
Lvxin Wanhe	(3)	4,586	4,586
浙江綠城市政園林建設有限公司 Zhejiang Greentown Public City Garden Construction Co., Ltd.	(3)	2,970	2,970
Greentown China	(2)	2,404	2,407
Zhejiang Star Chain	(3)	2,259	–
Shandong High Speed	(4)	1,000	3,000
Greentown Jingfeng	(3)	–	2,695
Wenzhou Leju Enterprise Management	(1)	–	125
Wenzhou Leju Project Management	(1)	–	21
Others		846	648
		98,141	81,534
		272,163	199,496

Notes to the Condensed Consolidated Financial Statements

(For the six months ended 30 June 2021)

22. RELATED PARTY DISCLOSURES (CONTINUED)

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

Except for the non-trade related amounts due to Greentown Jiayuan of RMB10,000,000 (31 December 2020: RMB10,000,000) (collectively with interest payable of RMB796,000 (31 December 2020: RMB288,000)) and Greentown Zhenghong of RMB6,000,000 (31 December 2020: RMB6,000,000) (collectively with interest payable of RMB57,000 (31 December 2020: RMB43,000)) are advances from related parties, which carry interest at 15% (31 December 2020: 15%) and 16% (31 December 2020: 16%) per annum respectively, the other advances are interest free. All of the abovementioned non-trade related amounts due to related parties are unsecured and repayable on demand.

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

		As at 30 June 2021 RMB'000 (Unaudited)	As at 31 December 2020 RMB'000 (Audited)
Within 1 year		173,144	117,487
1 – 2 years		403	–
2 – 3 years		–	–
More than 3 years		475	475
		174,022	117,962

	Note	As at 30 June 2021 RMB'000 (Unaudited)	As at 31 December 2020 RMB'000 (Audited)
Dividends payable to a related party			
Greentown China	(2)	243,552	–



22. RELATED PARTY DISCLOSURES (CONTINUED)

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

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) 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 2021 was as follows:

	Six months ended 30 June	
	2021	2020
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Salaries, directors' fees and other benefits	6,598	4,347
Performance-based bonus	2,280	6,709
Retirement benefits scheme contributions	368	145
Share-based payments	6,416	–
Termination benefits	157	–
	15,819	11,201

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

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"	Deloitte Touche Tohmatsu, the independent auditor 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)"	has the meaning prescribed to it under the Listing Rules
"Controlling Shareholder(s)"	has the meaning prescribed to it under the Listing Rules
"Director(s)"	the director(s) of the Company
"GFA"	gross floor area
"Greentown China"	Greentown China Holdings Limited, an exempted company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 03900), our Controlling Shareholder



Definition

“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”	Hong Kong Special Administrative Region of the PRC
“IFRS”	International Financial Reporting Standards
“Listing Date”	10 July 2020, being the date on which the Shares of the Company were listed on the Stock Exchange
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Model Code”	the Model Code for Securities Transactions by Directors of Listed Issuers contained in Appendix 10 to the Listing Rules
“Prospectus”	the prospectus of the Company dated 29 June 2020
“Reporting Period” or “Period”	the six-month period ended 30 June 2021
“RMB” or “Renminbi”	Renminbi Yuan, the lawful currency of the PRC
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	ordinary share(s) of HK\$0.01 each in the issued share capital of the Company
“Share Award Scheme”	the share award scheme for the award of Shares to eligible participant, adopted by the Company on 28 October 2020, pursuant to the announcement made by the Company on 28 October 2020
“Stock Exchange” or “Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subsidiary(ies)”	has the meaning prescribed to it under the Listing Rules
“Substantial Shareholder(s)”	has the meaning prescribed to it under the Listing Rules
“USD” or “US\$” or “US dollars”	United States dollars, the lawful currency of the United States of America