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GREENTOWN CHINA HOLDINGS LIMITED

綠城中國控股有限公司*

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 03900)

ANNOUNCEMENT OF ANNUAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2022

HIGHLIGHTS

- Revenue amounted to RMB127.153 billion, representing a year-on-year increase of 26.8%; profit for the year amounted to RMB8.895 billion, representing a year-on-year increase of 15.7%;
- Core net profit attributable to owners amounted to RMB6.414 billion, representing a year-on-year increase of 11.3%;
- As at 31 December 2022, bank balances and cash (including pledged bank deposits) totaled RMB70.394 billion (as at 31 December 2021: RMB71.496 billion);
- Cash to short-term debt ratio was 2.6x (as at 31 December 2021: 2.2x); net gearing ratio was 62.6%;
- Weighted average interest cost of total borrowings was 4.4%, representing a decrease of 20 bps as compared to 4.6% in 2021;
- Basic earnings per share was RMB1.03; the Board has recommended payment of a final dividend of RMB0.50 per share for the year ended 31 December 2022 (2021: RMB0.46 per share);
- Total contracted sales achieved RMB300.3 billion;
- 27 projects were newly added, with a total GFA of approximately 4.08 million sqm and estimated saleable amount of RMB103.7 billion.

The board of directors (the “Board”) of Greentown China Holdings Limited (“Greentown”, “Greentown China” or the “Company”) is pleased to announce the audited consolidated annual results of the Company and its subsidiaries (collectively, the “Group”) for the year ended 31 December 2022 (the “Year”) prepared in accordance with the International Financial Reporting Standards, together with comparative audited figures for the year ended 31 December 2021. The following financial information is extracted from the audited consolidated financial statements in the Group’s 2022 annual report which is to be published by the Group.

* For identification purposes only

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Year ended 31 December 2022

	<i>Notes</i>	2022 <i>RMB'000</i>	2021 <i>RMB'000</i>
REVENUE	4	127,153,071	100,240,064
Cost of sales		<u>(105,132,324)</u>	<u>(82,071,584)</u>
Gross profit		22,020,747	18,168,480
Other income	5	3,617,092	3,121,287
Other (losses)/gains	6	(1,382,128)	488,856
Selling expenses		(2,902,443)	(2,874,489)
Administrative expenses		(5,386,876)	(5,159,996)
Finance costs	7	(2,728,633)	(2,298,568)
Impairment losses under expected credit loss model, net		(72,509)	(42,858)
Impairment losses on non-financial assets, net		(1,502,332)	(412,371)
Loss from changes in fair value of investment properties		(108,678)	(117,775)
Gain on disposal of subsidiaries, net		5,244	166,600
Gain on acquisition of subsidiaries, net		12,539	33,383
Share of results of joint ventures		(11,883)	(254,006)
Share of results of associates		<u>1,696,177</u>	<u>1,736,759</u>
PROFIT BEFORE TAXATION		13,256,317	12,555,302
Taxation	8	<u>(4,361,353)</u>	<u>(4,868,272)</u>
PROFIT FOR THE YEAR		<u>8,894,964</u>	<u>7,687,030</u>
Attributable to:			
Owners of the Company		2,756,100	4,469,175
Non-controlling interests		<u>6,138,864</u>	<u>3,217,855</u>
		<u>8,894,964</u>	<u>7,687,030</u>

	<i>Notes</i>	2022 RMB'000	2021 RMB'000
OTHER COMPREHENSIVE INCOME			
Other comprehensive loss that will not be reclassified to profit or loss in subsequent periods:			
Fair value loss on equity investments designated at fair value through other comprehensive income for the year, net of tax		(228,503)	(397,900)
Share of associates' other comprehensive losses		(1,479)	(8,427)
OTHER COMPREHENSIVE LOSS FOR THE YEAR		(229,982)	(406,327)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		8,664,982	7,280,703
Attributable to:			
Owners of the Company		2,533,294	4,061,369
Non-controlling interests		6,131,688	3,219,334
		8,664,982	7,280,703
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY			
Basic	<i>10</i>	RMB1.03	RMB1.31
Diluted	<i>10</i>	RMB1.02	RMB1.30

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

31 December 2022

	<i>Note</i>	2022 <i>RMB'000</i>	2021 <i>RMB'000</i>
NON-CURRENT ASSETS			
Property, plant and equipment		9,613,761	10,220,738
Investment properties		9,370,010	6,936,152
Right-of-use assets		976,336	945,247
Goodwill		981,761	769,241
Intangible assets		588,295	139,269
Interests in associates		27,645,793	25,405,142
Interests in joint ventures		15,893,633	12,008,844
Equity investments designated at fair value through other comprehensive income		1,400,223	1,608,032
Deferred tax assets		6,176,738	4,756,509
Deposit for acquisition of properties		59,192	–
		<hr/>	<hr/>
Total non-current assets		72,705,742	62,789,174
CURRENT ASSETS			
Properties for development		11,097,426	26,447,915
Properties under development		245,909,719	230,489,608
Completed properties for sale		26,673,220	26,760,579
Inventories		997,222	1,359,373
Trade and other receivables, deposits and prepayments	<i>11</i>	9,247,475	9,968,079
Contract assets		3,831,613	3,120,853
Contract costs		803,783	860,553
Amounts due from related parties		76,069,261	64,354,526
Prepaid income taxes		8,979,181	8,229,734
Prepaid other taxes		8,241,748	7,951,604
Financial assets at fair value through profit or loss		126,430	76,031
Pledged bank deposits		4,081,837	3,120,135
Bank balances and cash		66,312,335	68,375,618
		<hr/>	<hr/>
Assets of a disposal group classified as held for sale		–	7,139,843
		<hr/>	<hr/>
Total current assets		462,371,250	458,254,451

	<i>Note</i>	2022 <i>RMB'000</i>	2021 <i>RMB'000</i>
CURRENT LIABILITIES			
Trade and other payables	12	61,454,282	60,574,462
Contract liabilities		147,850,403	148,887,691
Amounts due to related parties		41,711,788	38,633,659
Income taxes payable		10,515,273	10,189,205
Other taxes payable		16,239,567	16,324,092
Lease liabilities		76,963	53,897
Bank and other borrowings		17,689,640	21,959,524
Senior notes		103,509	62,801
Corporate debt instruments		7,364,936	10,027,858
Receipts under securitisation arrangements		1,748,125	2,417
		304,754,486	306,715,606
Liabilities directly associated with the assets classified as held for sale		–	5,674,120
Total current liabilities		304,754,486	312,389,726
NET CURRENT ASSETS		157,616,764	145,864,725
TOTAL ASSETS LESS CURRENT LIABILITIES		230,322,506	208,653,899
NON-CURRENT LIABILITIES			
Bank and other borrowings		81,389,727	70,059,492
Senior notes		8,902,919	4,768,282
Corporate debt instruments		21,979,913	16,951,725
Receipts under securitisation arrangements		942,650	3,626,679
Lease liabilities		376,896	416,584
Deferred tax liabilities		5,228,616	5,185,287
Financial liabilities at fair value through profit or loss		88,867	–
Total non-current liabilities		118,909,588	101,008,049
NET ASSETS		111,412,918	107,645,850
EQUITY			
Equity attributable to ordinary shareholders of the Company			
Share capital		242,475	239,777
Reserves		35,781,282	34,439,628
		36,023,757	34,679,405
Perpetual securities		1,526,799	10,758,446
Non-controlling interests		73,862,362	62,207,999
TOTAL EQUITY		111,412,918	107,645,850

NOTES TO FINANCIAL STATEMENTS

31 December 2022

1. CORPORATE AND GROUP INFORMATION

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

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

2.1 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

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

Amendments to IFRS 3	<i>Reference to the Conceptual Framework</i>
Amendments to IAS 16	<i>Property, Plant and Equipment: Proceeds before Intended Use</i>
Amendments to IAS 37	<i>Onerous Contracts – Cost of Fulfilling a Contract</i>
<i>Annual Improvements to IFRS Standards 2018-2020</i>	Amendments to IFRS 1, IFRS 9, Illustrative Examples accompanying IFRS 16, and IAS 41

2.2 ISSUED BUT NOT YET EFFECTIVE INTERNATIONAL FINANCIAL REPORTING STANDARDS

The Group has not applied the following new and revised IFRSs, that have been issued but are not yet effective, in these financial statements.

Amendments to IFRS 10 and IAS 28	<i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i> ³
Amendments to IFRS 16	<i>Lease Liability in a Sale and Leaseback</i> ²
IFRS 17	<i>Insurance Contracts</i> ¹
Amendments to IFRS 17	<i>Insurance Contracts</i> ^{1,5}
Amendment to IFRS 17	<i>Initial Application of IFRS 17 and IFRS 9 – Comparative Information</i> ⁶
Amendments to IAS 1	<i>Classification of Liabilities as Current or Non-current (the “2020 Amendments”)</i> ^{2,4}
Amendments to IAS 1	<i>Non-current Liabilities with Covenants (the “2020 Amendments”)</i> ²
Amendments to IAS 1 and IFRS Practice Statement 2	<i>Disclosure of Accounting Policies</i> ¹
Amendments to IAS 8	<i>Definition of Accounting Estimates</i> ¹
Amendments to IAS 12	<i>Deferred Tax related to Assets and Liabilities arising from a Single Transaction</i> ¹

¹ Effective for annual periods beginning on or after 1 January 2023

² Effective for annual periods beginning on or after 1 January 2024

³ No mandatory effective date yet determined but available for adoption

⁴ As a consequence of the 2022 Amendments, the effective date of the 2020 Amendments was deferred to annual periods beginning on or after 1 January 2024

⁵ As a consequence of the amendments to IFRS 17 issued in June 2020, IFRS 4 was amended to extend the temporary exemption that permits insurers to apply IAS 39 rather than IFRS 9 for annual periods beginning before 1 January 2023

⁶ An entity that chooses to apply the transition option relating to the classification overlay set out in this amendment shall apply it on initial application of IFRS 17

3. OPERATING SEGMENT INFORMATION

The chief operating decision-maker of the Group has been identified as the executive directors and certain senior management (collectively referred to as the “CODM”). Operating segments are determined based on the Group’s internal reports which are submitted to the CODM for performance assessment and resources allocation. This is also the basis upon which the Group is organised and managed.

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

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

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

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

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

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

3. OPERATING SEGMENT INFORMATION (continued)

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

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

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

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

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

3. OPERATING SEGMENT INFORMATION (continued)

Year ended 31 December 2022

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

Year ended 31 December 2021

	Property development RMB'000	Hotel operations RMB'000	Property investment RMB'000	Project management RMB'000	Others RMB'000	Segment total RMB'000	Eliminations RMB'000	Total RMB'000
Segment Revenue								
Revenue from contracts with customers	89,754,930	758,231	-	2,049,394	7,499,989	100,062,544	-	100,062,544
Rental income	-	-	177,520	-	-	177,520	-	177,520
Total external segment revenue	89,754,930	758,231	177,520	2,049,394	7,499,989	100,240,064	-	100,240,064
Inter-segment revenue	73,853	3,599	25,741	160,321	2,584,180	2,847,694	(2,847,694)	-
Total	89,828,783	761,830	203,261	2,209,715	10,084,169	103,087,758	(2,847,694)	100,240,064
Segment Results	7,234,202	71,725	(30,836)	541,220	198,111	8,014,422	-	8,014,422
Unallocated administrative expenses								(215,618)
Unallocated other income								21,127
Unallocated finance costs								(12,497)
Unallocated taxation								(120,404)
Profit for the year								7,687,030

3. OPERATING SEGMENT INFORMATION (continued)

Segment assets

	2022 <i>RMB'000</i>	2021 <i>RMB'000</i>
Property development	489,094,315	479,429,085
Hotel operations	10,206,819	10,415,837
Property investment	10,077,154	7,536,648
Project management	5,890,895	5,022,558
Others	14,709,191	13,926,819
	<hr/>	<hr/>
Total segment assets	529,978,374	516,330,947
Unallocated	5,098,618	4,712,678
	<hr/>	<hr/>
Consolidated assets	535,076,992	521,043,625

Segment liabilities

	2022 <i>RMB'000</i>	2021 <i>RMB'000</i>
Property development	406,930,745	396,906,997
Hotel operations	1,926,502	3,363,902
Property investment	1,702,109	886,167
Project management	2,009,533	1,657,237
Others	9,702,030	9,440,743
	<hr/>	<hr/>
Total segment liabilities	422,270,919	412,255,046
Unallocated	1,393,155	1,142,729
	<hr/>	<hr/>
Consolidated liabilities	423,664,074	413,397,775

3. OPERATING SEGMENT INFORMATION (continued)

Other Segment information

Year ended 31 December 2022

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

3. OPERATING SEGMENT INFORMATION (continued)

Other segment information (continued)

Year ended 31 December 2021

	Property development RMB'000	Hotel operations RMB'000	Property investment RMB'000	Project management RMB'000	Others RMB'000	Segment total RMB'000	Unallocated RMB'000	Total RMB'000
Amounts included in the measure of segment profit or loss or segment assets:								
Addition to non-current assets*	13,647,734	52,930	539,697	112,659	354,729	14,707,749	36,253	14,744,002
Interests in associates	24,712,584	-	-	70,382	622,176	25,405,142	-	25,405,142
Interests in joint ventures	11,835,200	-	-	173,644	-	12,008,844	-	12,008,844
Impairment losses under expected credit loss model, net	27,774	(1,271)	-	9,963	6,392	42,858	-	42,858
Impairment losses on non-financial assets, net	417,954	(9,638)	-	-	4,055	412,371	-	412,371
Loss from changes in fair value of investment properties	-	-	116,090	-	1,685	117,775	-	117,775
Gain on disposal of subsidiaries, net	(166,600)	-	-	-	-	(166,600)	-	(166,600)
Gain on acquisition of subsidiaries, net	(21,305)	-	-	(522)	(11,556)	(33,383)	-	(33,383)
Depreciation of property, plant and equipment	65,352	339,616	410	12,791	31,359	449,528	6,482	456,010
Depreciation of right-of-use assets	62,560	22,467	2,643	8,192	44,441	140,303	11,024	151,327
Gain on disposal of property, plant and equipment and right-of-use assets	(2,195)	(22)	19	(2,233)	(3,417)	(7,848)	(469)	(8,317)
Interest income	(1,765,007)	(7,552)	(2,258)	(108,265)	(41,961)	(1,925,043)	(9,222)	(1,934,265)
Finance costs	2,139,788	44,789	41,904	12,528	47,062	2,286,071	12,497	2,298,568
Share of results of associates	(1,734,215)	-	-	(2,544)	-	(1,736,759)	-	(1,736,759)
Share of results of joint ventures	265,574	-	-	(11,568)	-	254,006	-	254,006
Taxation	4,557,705	4,286	(1,864)	151,180	36,561	4,747,868	120,404	4,868,272

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

Geographical markets

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

Information about a major customer

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

4. REVENUE

An analysis of revenue is as follows:

	2022	2021
	RMB'000	RMB'000
Revenue from contracts with customers	126,975,532	100,062,544
Revenue from other sources:		
Rental income	177,539	177,520
	<u>127,153,071</u>	<u>100,240,064</u>

Revenue from contracts with customers

Disaggregated revenue information

Geographical markets

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

Timing of revenue recognition

Year ended 31 December 2022

	Property sales RMB'000	Hotel operations RMB'000	Project management RMB'000	Design and decoration RMB'000	Sales of construction materials RMB'000	Others RMB'000	Total RMB'000
Recognised at a point in time	89,776,324	–	–	–	291,395	–	90,067,719
Recognised over time	27,760,301	688,866	2,450,483	4,175,668	–	1,832,495	36,907,813
Revenue from contracts with customers	<u>117,536,625</u>	<u>688,866</u>	<u>2,450,483</u>	<u>4,175,668</u>	<u>291,395</u>	<u>1,832,495</u>	<u>126,975,532</u>

Year ended 31 December 2021

	Property sales RMB'000	Hotel operations RMB'000	Project management RMB'000	Design and decoration RMB'000	Sales of construction materials RMB'000	Others RMB'000	Total RMB'000
Recognised at a point in time	61,905,212	–	–	–	332,246	–	62,237,458
Recognised over time	27,849,718	758,231	2,049,394	3,913,506	–	3,254,237	37,825,086
Revenue from contracts with customers	<u>89,754,930</u>	<u>758,231</u>	<u>2,049,394</u>	<u>3,913,506</u>	<u>332,246</u>	<u>3,254,237</u>	<u>100,062,544</u>

4. REVENUE (continued)

Revenue from contracts with customers (continued)

Disaggregated revenue information (continued)

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

Year ended 31 December 2022

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

Year ended 31 December 2021

	Property development <i>RMB'000</i>	Hotel operations <i>RMB'000</i>	Property investment <i>RMB'000</i>	Project management <i>RMB'000</i>	Others <i>RMB'000</i>	Total <i>RMB'000</i>
Revenue disclosed in segment information						
External customers	89,754,930	758,231	177,520	2,049,394	7,499,989	100,240,064
Inter-segment	73,853	3,599	25,741	160,321	2,584,180	2,847,694
	<u>89,828,783</u>	<u>761,830</u>	<u>203,261</u>	<u>2,209,715</u>	<u>10,084,169</u>	<u>103,087,758</u>
Adjustment for property rental income	–	–	(177,520)	–	–	(177,520)
Eliminations	(73,853)	(3,599)	(25,741)	(160,321)	(2,584,180)	(2,847,694)
Revenue from contracts with customers	<u>89,754,930</u>	<u>758,231</u>	<u>–</u>	<u>2,049,394</u>	<u>7,499,989</u>	<u>100,062,544</u>

5. OTHER INCOME

	2022 <i>RMB'000</i>	2021 <i>RMB'000</i>
Interest income	2,500,178	1,934,265
Comprehensive service income	759,139	650,023
Dividends from equity investments designated at FVTOCI	46,226	67,305
Government grants	71,611	51,686
Others	239,938	418,008
	<u>3,617,092</u>	<u>3,121,287</u>

6. OTHER (LOSSES)/GAINS

	2022 <i>RMB'000</i>	2021 <i>RMB'000</i>
Foreign exchange (losses)/gains, net	(1,371,457)	381,831
Gain on acquisition of an associate at discount	–	96,859
Gain on disposal of an associate and a joint venture	420	118
Net (loss)/gain on disposal of property, plant and equipment and right-of-use assets	(230)	8,317
Gain from changes in fair value of financial assets measured at fair value through profit or loss	11,455	1,731
Loss from changes in fair value of financial liabilities measured at fair value through profit or loss	(61,774)	–
Gain from the derecognition of financial liabilities measured at amortised cost	39,458	–
	<u>(1,382,128)</u>	<u>488,856</u>

7. FINANCE COSTS

	2022 <i>RMB'000</i>	2021 <i>RMB'000</i>
Interest on bank and other borrowings and amounts due to related parties	6,537,523	6,624,138
Interest on senior notes	415,227	205,934
Interest on corporate debt instruments	1,147,462	1,111,151
Interest on receipts under securitisation arrangements	161,324	112,076
Interest on leases	18,875	23,025
	<u>8,280,411</u>	<u>8,076,324</u>
Total borrowing costs		
Less: Interest capitalised in properties under development and construction in progress	<u>(5,551,778)</u>	<u>(5,777,756)</u>
	<u>2,728,633</u>	<u>2,298,568</u>

8. TAXATION

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

	2022 <i>RMB'000</i>	2021 <i>RMB'000</i>
Current tax:		
PRC enterprise income tax	4,469,560	3,022,652
PRC land appreciation tax	1,403,285	2,719,517
	<u>5,872,845</u>	<u>5,742,169</u>
Overprovision in prior years:		
PRC enterprise income tax	(18,181)	(36,225)
Deferred tax:		
PRC enterprise income tax	(1,376,325)	(649,408)
PRC land appreciation tax	(116,986)	(188,264)
	<u>(1,493,311)</u>	<u>(837,672)</u>
Total tax charge for the year	<u>4,361,353</u>	<u>4,868,272</u>

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

Under the Law of the People's Republic of China on Enterprise Income Tax (the "EIT Law") and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiaries is 25% or 15%. Greentown Architectural Technology Group Co., Ltd., Greentown Construction Management Group Co., Ltd., Zhejiang Greentown Lianhe Design Co., Ltd., Zhejiang Greentown Technology Home Furnishing Co., Ltd., Zhejiang Lvchuang Xintuo Architectural Planning and Design Co., Ltd., Zhejiang Greentown Building Curtain Wall Engineering Co., Ltd., Greentown Housing Technology Co., Ltd., and Zhejiang Greentown Building Lemei Urban Development Co., Ltd. are new technology enterprises and the applicable income tax rate is 15% for the years ended 31 December 2022 and 31 December 2021. In addition, Zhejiang Greentown Future Digital Intelligence Technology Co., Ltd. and Zhejiang Greentown Jiangxin Architectural Design Co., Ltd. are newly recognised as new technology enterprises and the applicable income tax rate was 15% for year ended 31 December 2022.

In addition, the EIT Law provides that qualified dividend income between two resident enterprises that have a direct investment relationship is exempted from income tax. Otherwise, such dividends will be subject to a 5% or 10% withholding tax under the EIT Law. A 10% withholding tax rate is applicable to the Group.

The Group recognised PRC land appreciation tax based on management's best estimates and in accordance with the requirements set forth in the relevant PRC tax laws and regulations. For the year ended 31 December 2022, the Group has estimated and made a provision for PRC land appreciation tax in the amount of RMB1,286,299,000 (2021: RMB2,531,253,000). The actual PRC land appreciation tax liabilities are subject to the determination by the tax authorities upon completion of the property development projects and the tax authorities might disagree with the basis on which the provision for PRC land appreciation tax is calculated.

8. TAXATION (continued)

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

	2022	2021
	RMB'000	RMB'000
Profit before taxation	13,256,317	12,555,302
Tax at the PRC enterprise income tax rate of 25%	3,314,079	3,138,825
Effect of different tax rates	(74,009)	(45,733)
Tax effect of share of results of associates	(439,320)	(434,190)
Tax effect of share of results of joint ventures	(60,133)	63,501
Tax effect of income not taxable for tax purposes	(25,924)	(202,035)
Tax effect of expenses not deductible for tax purposes	479,032	407,566
Overprovision in respect of prior years	(18,181)	(36,225)
Tax effect of deductible temporary differences not recognised	312,239	33,954
Tax effect of tax losses not recognised	178,789	130,315
Recognition of deferred tax assets on tax losses and deductible temporary differences previously not recognised	(210,575)	(1,340)
Utilisation of tax losses previously not recognised	(55,054)	(50,171)
PRC land appreciation tax provision for the year	1,286,299	2,531,253
Tax effect of PRC land appreciation tax	(321,575)	(632,813)
Tax effect of undistributed profits	86,335	135,000
Tax effect of distribution from perpetual securities deductible for tax purpose	(90,649)	(169,635)
	<hr/> 4,361,353	<hr/> 4,868,272
Tax charge for the year	4,361,353	4,868,272

The share of tax attributable to associates and joint ventures amounting to RMB439,320,000 (2021: RMB434,190,000) and RMB60,133,000 (2021: RMB63,501,000), respectively, is included in “Share of results of associates” and “Share of results of joint ventures” in the consolidated statement of profit or loss and other comprehensive income.

9. DIVIDENDS

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

On 30 July 2021, a final dividend of RMB0.35 per ordinary share, or RMB873,011,000 in total, for the year ended 31 December 2020 was paid to the Company's shareholders.

The proposed final dividend of RMB0.50 per ordinary share (2021: RMB0.46 per ordinary share) for the year ended 31 December 2022 has been proposed by the directors and is subject to the approval of the Company's shareholders at the forthcoming annual general meeting.

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

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

	2022 <i>RMB'000</i>	2021 <i>RMB'000</i>
Earnings:		
Profit for the year attributable to the owners of the Company	2,756,100	4,469,175
Attributed to perpetual securities	<u>(171,650)</u>	<u>(1,213,805)</u>
Earnings for the purpose of basic earnings per share	<u>2,584,450</u>	<u>3,255,370</u>
Earnings for the purpose of diluted earnings per share	<u>2,584,450</u>	<u>3,255,370</u>
Numbers of shares	2022	2021
Shares:		
Weighted average number of ordinary shares for the purpose of the basic earnings per share calculation	2,515,910,111	2,493,393,075
Effect of dilutive potential ordinary shares:		
Share options and share award	<u>20,098,493</u>	<u>8,079,166</u>
Weighted average number of ordinary shares for the purpose of diluted earnings per share	<u>2,536,008,604</u>	<u>2,501,472,241</u>

The calculation of the diluted earnings per share amount is based on the profit for the year ended 31 December 2022 attributable to ordinary equity holders of the parent. The weighted average number of ordinary shares used in the calculation is the number of ordinary shares in issue during the year, as used in the basic earnings per share calculation, and the weighted average number of ordinary shares assumed to have been issued on the deemed exercise of all dilutive potential ordinary shares arising from share options granted by the Company. The computation of diluted earnings per share for the year ended 31 December 2021 does not assume the exercise of some of the share options because the exercise price of these share options was higher than the average market price for shares for 2021.

The computation of diluted earnings per share for the years ended 31 December 2022 and 31 December 2021 does not assume the immaterial impact of dilutive potential ordinary shares of Greentown Management Holdings Company Limited which was immaterial.

11. TRADE AND OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	2022 <i>RMB'000</i>	2021 <i>RMB'000</i>
Trade receivables	1,761,197	1,665,221
Less: Allowance for credit losses	(140,319)	(111,359)
	<u>1,620,878</u>	<u>1,553,862</u>
Other receivables	5,499,253	6,177,494
Less: Allowance for credit losses	(901,972)	(982,457)
	<u>4,597,281</u>	<u>5,195,037</u>
Prepayments and deposits	<u>3,029,316</u>	<u>3,219,180</u>
	<u>9,247,475</u>	<u>9,968,079</u>

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

	2022 <i>RMB'000</i>	2021 <i>RMB'000</i>
Within 90 days	1,035,447	798,485
91 to 180 days	149,565	393,866
181 to 365 days	209,263	148,946
Over 365 days	366,922	323,924
	<u>1,761,197</u>	<u>1,665,221</u>

12. TRADE AND OTHER PAYABLES

	2022 <i>RMB'000</i>	2021 <i>RMB'000</i>
Trade payables	47,721,746	46,718,412
Other payables and accrued expenses	13,638,036	13,761,550
Consideration payables on acquisition of a subsidiary	94,500	94,500
	<u>61,454,282</u>	<u>60,574,462</u>

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

	2022 <i>RMB'000</i>	2021 <i>RMB'000</i>
Within 180 days	35,405,538	36,085,254
181 to 365 days	9,667,848	7,218,294
Over 365 days	2,648,360	3,414,864
	<u>47,721,746</u>	<u>46,718,412</u>

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

MANAGEMENT DISCUSSION AND ANALYSIS

OPERATIONS REVIEW

In 2022, affected by multiple factors, such as the pandemic and regulatory pressures, the real estate industry faced unprecedented challenges brought about by the intensified uncertainty in the macro environment. Regarding the market, the total sales of commercial properties shrank by 27%, with the overall sales volume returning to the level in 2015 and the investment in real estate development decreasing by 10% year-on-year. Regarding real estate developers, the sales scale has generally declined, and financing capacity has been under pressure. With favorable policies, which continuously stimulated the vitality on both the supply and demand sides of the real estate industry, the industry will gradually enter a recovery period in 2023. However, it will take some time for the market to fully revive and for consumers to regain confidence in house purchases.

In 2022, Greentown China vigilantly monitored any changes in the market environment and adjusted its responses actively and accordingly. With the solidarity of all staff, the Company made positive progress and earned respectful recognition from peer companies and companies in other sectors. Greentown China has been awarded the “Top10 among 100 Chinese Real Estate Enterprises by Comprehensive Strength (中國房地產百強企業綜合實力 TOP10)” for 19 consecutive years, and the “China’s Leading Brands in the Real Estate Industry by Customer Satisfaction (中國房地產顧客滿意度領先品牌)” for 11 consecutive years. Additionally, Greentown China was included in the “Hang Seng Mainland Properties Index”¹ and the “Hang Seng Stock Connect Hong Kong Top Shareholding 50 Index”, and its MSCI ESG rating was upgraded to “BBB”. Looking back to 2022, the Company achieved good operating results with steady growth in both revenue and core profit. The financing cost and short-term debt percentage reached a record low. The Company’s industry position was further strengthened through refined management in sell-through, climbing to the fourth place² in sales rankings. By strengthening the foundation for development, acquiring new land bank focused in core cities, and substantially improving safety and efficiency, the Company ranked 8th² nationwide in terms of newly-added saleable value. Greentown’s products maintained its word-of-mouth credibility, ranking top in the list published by several national authorities for its product strength. The projects were delivered as scheduled with quality, hitting historical highs in both the GFA and the number of flats delivered, and thus the Company remained at a industry-leading position in customer satisfaction. Furthermore, the Company elevated its influence in the capital market, with 13 domestic and overseas well-known securities firms initiating research coverage on the Company during the Year.

Note 1: Awarded in 2023

Note 2: CRIC

Steady improvement in operating results

During the Year, the Group generated revenue of RMB127,153 million, representing an increase of RMB26,913 million or 26.8% from RMB100,240 million in 2021. Net profit for the Year amounted to RMB8,895 million, representing an increase of 15.7% from RMB7,687 million in 2021. During the Year, profit attributable to owners of the Company amounted to RMB2,756 million, representing a decrease of 38.3% from RMB4,469 million in 2021, mainly due to 1) provision of net foreign exchange loss of RMB1,371 million was made for RMB depreciation during the Year (2021: net gain of RMB382 million); 2) the impairment loss provision of non-financial assets of RMB1,502 million during the Year (2021: RMB412 million) in response to the changes in market conditions. Excluding foreign exchange gains and losses, gains from acquisitions, the net post-tax effects of provision and reversal of impairment losses on certain assets and fair value changes on certain assets, the core profit attributable to owners of the Company for the Year amounted to RMB6,414 million, representing an increase of RMB649 million or 11.3% from RMB5,765 million in 2021.

The Board has recommended the payment of a final dividend of RMB0.50 per share for the year ended 31 December 2022 (2021: RMB0.46 per share).

Sales ranking top fourth in China

In 2022, the Group's ranking in terms of contracted sales continued to rise to the fourth place¹ in the PRC, with contracted sales amount of self-investment projects rising to among the top ten and ranking in the eighth place¹, and attributable contracted sales amount rising to the eleventh place¹ in the PRC. During the Year, Greentown Group (including Greentown China Holdings Limited and its subsidiaries, together with its joint ventures and associates) recorded a total contracted sales area of approximately 13.80 million sqm and a total contracted sales amount of RMB300.3 billion. Among which, the self-investment projects of Greentown Group contributed a total contracted sales area of 7.93 million sqm and a contracted sales amount of approximately RMB212.8 billion, of which approximately RMB122.4 billion was attributable to the Greentown Group, representing an increase of attributable ratio to 58%. The average selling price of self-investment projects maintained at the industry high of approximately RMB26,823 per sqm (2021: RMB28,416 per sqm). In addition, in 2022, Greentown Group recorded a total contracted sales area of approximately 5.87 million sqm and a total contracted sales amount of approximately RMB87.5 billion from the projects under its project management business with the "Greentown" brand (non-self-investment projects, referred to as "projects under project management").

Note 1: CRIC

Throughout the Year, with the aim of “maximizing project operating results”, the Group conducted dynamic assessments of market conditions and price-volume correlation, and adjusted its sales strategies promptly. In addition to ensuring the turnover rate, the Group intensified its cash collection efforts, encouraged inventory sell-through, and improved the sales structure. The cash collection rate remained at a high level in the industry at 102%, effectively supporting cash flow and reinvestment. The Group constantly strengthened its market presence in high-tier core cities, with the proportion of sales in first- and second-tier cities increasing to 85% and the sell-through rate reaching 63%. In the Yangtze River Delta Area, which has a healthier supply-demand relation, the proportion of sales accounted for 63%. The Group has improved its deep cultivation ability in key cities and has ranked among the top five¹ in term of sales in core cities including Hangzhou, Ningbo, Xi’an, Tianjin and Jinan, and among the top ten¹ in cities such as Beijing, Changsha and Dalian. Nine of its projects, including Beijing Qinyuan, Hangzhou Yueying Begonia and Shanghai Qinglan International, recorded single project sales of over RMB4 billion each.

Targeted investment to improve quality and efficiency

In 2022, despite a certain degree of a downturn in the land market, opportunities for structural investment emerged. The Group adhered to its investment strategy of “targeting acquisition opportunities with precision and efficiency” to improve the quality and efficiency of its investment. During the Year, the Group acquired 27 new projects with a total GFA of approximately 4.08 million sqm. The costs borne by the Group amounted to approximately RMB40.8 billion; with an average land cost of approximately RMB14,620 per sqm. The newly-added saleable value was estimated to reach RMB103.7 billion, ranking eighth in the PRC².

Strengthening presence in cities with sniper-style investment approach. During the Year, the Company focused on core segments in first- and second-tier cities, reinforced its market position in these cities, and secured projects that are safer and more resilient to risks. The newly-added saleable value in Hangzhou, Beijing and Shanghai accounted for 82% of the total, and that in first- and second-tier cities accounted for 92%. In core segments of cities such as Ningbo and Suzhou, the Group adopted a “sniper-style investment” approach to acquire premium projects through targeted investment.

Focusing on residential properties to achieve efficient conversion. The Group adheres to the principle of “liquidity first” and concentrates on developing purely residential properties while avoiding investment in projects with large commercial and office complexes. In 2022, commercial and office properties accounted for only RMB0.5 billion, or 0.5% of the newly-added saleable value, representing a significant year-on-year decrease. During the Year, the Group converted approximately RMB50.1 billion into contracted sales amount from the newly-added saleable value, representing a conversion rate of 48% and a year-on-year growth of 27 percentage points. Its operational efficiency in cities such as Hangzhou and Beijing has improved significantly, as evidenced by the success of sales of all residential flats in its three projects in Hangzhou, known as “Begonia Three (海棠三子)” within just 209 days after land acquisition. Its saleable residential properties generated contracted sales amount of RMB12.1 billion and an average ballot success rate of 14.9%, thus the operating cash flow has returned to positive simultaneously.

Note 1: China Index Academy

Note 2: CRIC

Increasing equity interests in projects to secure profits. In 2022, all of the new projects acquired had the characteristic of safety, high liquidity and profitability, resulting in further improvements to the net profit margin of projects. In addition, the Group aimed to increase the percentage of equity interests in its projects, and for newly-added projects, the average percentage of equity interests increased to 69% during the Year. This strategy has minimized cooperation risks and improved operational efficiency to secure profit attributable to owners of the Company.

Table of Newly-Added Land Bank in 2022

No.	Land/Project Name	Percentage of Equity	Paid by Greentown (RMB million)	Total GFA (sqm)
1	Hangzhou Yonggui Lane	63.3%	1,788	163,441
2	Hangzhou Yueyong Xinchexuan	51.3%	882	125,324
3	Hangzhou Chunzhi Begonia	75.8%	1,540	145,656
4	Hangzhou Yanyu Begonia	49.4%	1,350	198,392
5	Hangzhou Yueying Begonia	75.8%	2,315	222,145
6	Hangzhou Hangyue Runfu	46.8%	1,329	175,003
7	Hangzhou Xiaoyue Hefeng	99.0%	2,699	154,219
8	Hangzhou Chunyong Fenghe	48.0%	436	88,490
9	Hangzhou Yanyu Chunfeng	98.0%	1,726	153,972
10	Hangzhou Hesong Chunfeng	50.5%	721	110,418
11	Hangzhou Chenyu Tinglan Lane	31.4%	363	129,068
12	Hangzhou Ting'an Xiaolu	51.0%	992	94,070
13	Hangzhou Fuxiangyuan	53.3%	3,733	238,429
14	Hangzhou Taoli Guixiangyuan	63.1%	915	130,005
15	Hangzhou Yueming Chunxiaoyuan	85.1%	928	139,884
16	Hangzhou Ting'an Zhilan	98.0%	1,911	99,222
17	Ningbo Chunfeng Qingcui	98.5%	1,649	181,685
18	Zhoushan New Town Block CZ-b-12a,12b and 12c	96.9%	909	272,009
19	Taizhou Xiaofeng Yinyue	63.0%	1,265	217,305
20	Deqing Chunyue Jinlu	77.6%	406	64,405
21	Beijing Xishan Yunlu	76.2%	3,059	199,340
22	Beijing Xiaofeng Yinyue	57.4%	2,493	135,929
23	Beijing Guiyu Tinglan	52.9%	781	66,870
24	Shanghai Qiantan Baiheyuan	90.0%	3,820	102,237
25	Suzhou Yunlu	100.0%	1,440	71,026
26	Nantong Guiyu Chaoyang	58.2%	776	171,702
27	Kunming Willow Breeze	60.0%	590	226,640
Total			40,816	4,076,886

As at 31 December 2022, Greentown Group had a total of 224 land reserve projects (including those under and pending construction) with a total GFA of approximately 49.59 million sqm, of which approximately 28.27 million sqm was attributable to the Group. The total saleable area was approximately 33.33 million sqm, of which approximately 18.92 million sqm was attributable to the Group. The average land cost per GFA was approximately RMB7,582 per sqm. Benefiting from the effective implementation of the targeted investment strategy, the Group's land reserve structure was further optimized. The value of land reserve in first- and second-tier cities accounted for 78% of the total, and the Yangtze River Delta Area accounted for 53%. The saleable value in 10 strategic core cities such as Beijing, Shanghai and Hangzhou were RMB430.7 billion, accounting for 52% of the total.

Continuous optimization of products and services

Product quality and customer satisfaction are the core values that Greentown China always bears in mind. They are regarded as the Company's "No.1 Project" and "No.1 Standard" that embedded in the whole business chain from customer research, investment, design, cost, construction, etc. Our quality products and services constantly stay ahead of the curve in the industry.

Improvement in customer research and services. According to the 2022 Customer Satisfaction Report on Real Estate Developers in China (中國房地產顧客滿意度), Greentown scored 90.2 points, maintaining its position as an industry leader, and, in the cities where it had presence, ranked first in customer satisfaction across 15 cities and in customer loyalty across 10 cities. In addition, the completion rate and the satisfaction rate for customer complaints reached 98.7% and 99.9%, respectively. At the headquarters level, we established a customer research committee and a customer research center to ensure the full implementation of the strategy of "customer-oriented product offering".

Pursuing continuous improvement in product research. We have established a "big design" concept based on customer demands, covering the whole cycle of product research, development and design. More attention was given to areas which customers concern about, such as home flow route, social functioned kitchen and park landscape, to accelerate product upgrades. The Group promoted the implementation of its innovative achievements such as Chunzhi Academy (春知學堂), Ruyi Zone (如意盒子) and Living Street Corner (生活街角). We have constructed comprehensive demonstration areas and established a localized and standardized system for our products to ensure quality and improve efficiency. During the Year, the Group won "No. 1 in Product Strength" respectively awarded by three major institutions, namely China Index Academy, CRIC and EH Consulting, and won 54 domestic and international design awards, evidencing that we are respectfully recognized by the market and professional institutions.

Exquisite craftsmanship for quality delivery. In response to the significant increase of delivery projects during the lockdown period of pandemic, Greentown China took multiple measures by promoting a system managing the full-cycle progress of its projects, upgrading the “Greentown style construction management system” and its construction standards, to ensure quality construction. The Group held 55 open-day events for property owners and 28 construction site visits. In 2022, Greentown Group (including project management) delivered 197 projects in total with zero delay and high quality, serving over 140,000 households. The delivery time of Greentown China’s self-investment projects was 31 days earlier than the contracted dates on average, and it was awarded the “Top10 Chinese Real Estate Enterprises by Delivery” (中國房地產企業交付力 TOP10) by CRIC in 2022. The Group has fulfilled its promises to the property owners and demonstrated its social responsibility.

Controlling costs and expenses while ensuring quality. To implement the guideline of “centralization, standardization and refinement”, the Group set up a tendering and procurement committee to coordinate the tendering and procurement process of each segment, strictly implement the management and control measures including target cost, strategic centralized procurement, etc. In 2022, procurement cost decreased by 2.0% year-on-year, saving 2.4% on cost of delivered projects compared to estimation, and the application rate of procured materials maintained the high level of 100%.

Optimized operation and enhanced management

In 2022, Greentown China continued to implement its strategy of “reform, rebuilding and refinement”, making significant improvements in its management efficiency, optimizing its grand operating system and enhancing its digitalized management. Greentown China has put in place a two-level structure of “group-city companies”, integrated Zhejiang regional group to streamline its management for cost saving. Without compromise on product quality, it strove for accelerating the sales and collection of cash for reinvestment, achieving “two harvests in one year”. The periods from land acquisition to commencement of construction, to launch and to positive operating cash flow of the properties were shortened to 2.7, 5.5 and 7.9 months on average, respectively, greatly shortening 37%, 25% and 34% year-on-year, and the annual completed area year on year increased by 35% to 12.63 million sqm. In 2022, the newly acquired projects in Hangzhou performed well, with 13 out of 16 projects having been launched for sale in the same year, representing the average length from land acquisition to first launch being just 4.7 months, and 5 projects have achieved positive operating cash flow for the Year, with all major operating indicators being well fulfilled.

Steadily developed and industry-leading project management business

In 2022, Greentown Management Holdings Company Limited (“Greentown Management”), a subsidiary of the Company, secured its leadership position in the asset-light development sector in real estate industry by leveraging its advantage as the first-mover, leader’s halo effect and nationwide presence. It maintained its No. 1 place in market share for seven consecutive years, and was awarded more than 20 TOP1 honors in the industry.

Leveraging the characteristics of asset-light operation, resilience against economic cycles, high profitability and zero debt, Greentown Management has continuously refined its development models of three core project management businesses, namely government project management, commercial project management and capital owner project management, and three auxiliary services, namely capital services, industrial city services and industry chain services. It reinforced its seven core capabilities in brand equity, corporate credit, customer equity, team capabilities, knowledge system, supply chain and financial synergy. As at 31 December 2022, Greentown Management has covered 120 cities, with total contracted GFA of approximately 101.4 million sqm, and area under construction of approximately 47.2 million sqm. Net profit attributable to owners of the company for 2022 amounted to RMB745 million, representing a year-on-year increase of 31.7%¹.

Empowering main business and assisting operation

In 2022, the Group continued to refine its strategy of “expanding the industry cluster and extending the industry chain” and cultivate, direct and develop diversified businesses to empower core business and strike out a new path for growth. With regard to town business, we were awarded “Leading Brand in Chinese Characteristic Town Operators (中國特色小鎮運營領軍品牌)” in a successive year, with continuous improvement in industrial operation capabilities. Commercial management business sustained steady operation and was awarded “2022 Benchmark Enterprise in Commercial Real Estate Asset Management (2022年商業地產資產管理標杆企業)”. The industrial finance business has contributed persistent empowerment by building an innovative asset management platform which develops investment and finance simultaneously combining real estate supply chain and industrial chain. The construction technology segment has upgraded product construction and thus it was awarded 137 honors and qualifications for the Year, among which, one of its projects won “China Construction Engineering Luban Prize (魯班獎)”. The living service segment has reinforced business consolidation and provided services to 95 future communities and has completed the rejuvenation of old communities with accumulative areas of two million sqm. It was also awarded “Chinese Pioneer Real Estate Enterprises in Digital Operation (中國房企數字化運營先鋒)”.

Healthy financial position and smooth financing channels

In 2022, the Group maintained effective cash flow control and smooth financing channels. We have efficaciously optimized the debt structure both onshore and offshore by taking multiple measures, thus providing a solid backup for the long-term development of Greentown China. Against the overall backdrop of shrinking financing sources for the industry, thanks to its high creditworthiness and steady business development, the Group further strengthened its strategic cooperation with various financial institutions and entered into strategic cooperation agreements with 14 banks during the Year, with the total comprehensive credit line over RMB400 billion which is one of the highest in the industry. The weighted average interest cost for total borrowings dropped to 4.4% from 4.6% in 2021. Debts due within one year at the end of 2022 only accounted for 19.2% of the Group’s total, a decrease of 5.9 percentage points compared to that at the end of 2021, a record low and reflecting the optimization of debt structure.

Note 1: Greentown Management (9979.HK) 2022 Annual Results

Smooth onshore financing channels. The Group completed the public issuance of domestic bonds with total principal amount of RMB20.018 billion, including corporate bonds, medium-term notes, supply chain ABS/ABN, and the balance payment ABS for house purchases, with an average term of 2.18 years, an increase of 0.43 years compared to 1.75 years in 2021 and an average interest cost of 3.43%, a drop of 12 bps compared to 2021. As at the end of 2022, the Group still had an unused quota of RMB46.06 billion. All these have effectively consolidated the Group's dominant position in the onshore capital market.

Improved offshore financing structure. By planning ahead, the Group not only successfully redeemed all of its offshore perpetual securities, but also swapped a number of short-term loans through coordinating with both onshore and offshore banks, effectively optimizing debt maturity profile. In 2022, the Group successfully issued its first batch of three-year green credit-enhanced bonds with a principal amount of US\$400 million at a coupon rate of 2.3%, and issued additional senior notes due 2025 with a principal amount of US\$150 million at a coupon rate of 4.7%. During the period when the overseas bond market was virtually frozen, we took advantage of the supportive policies on credit launched by the People's Bank of China to secure an offshore loan with the amount of US\$120 million by way of splitting the credit line granted by Bank of China, which was the first case in the industry. In addition, the Group prepaid a total of US\$631 million syndicated and bilateral loans during the Year, proactively reducing its short-term debts. Despite frequent rating downgrades on real estate enterprises from overseas rating agencies, Greentown China has maintained its ratings stable, with Moody's Ba3 rating and "stable" outlook, and S&P a BB- rating and "stable" outlook.

PROSPECTS

As the real estate industry has been reiterated as the "pillar of the national economy", the principles of "housing without speculation" and "ensuring house delivery, people's livelihood and social stability" are becoming the fundamental guidelines for real estate industry in 2023. Favorable policies are expected to be continuously launched, housing demands will remain stable in the long-run and the trend of divergence will be further highlighted. Simultaneously affected by numerous external factors such as international relations and urbanization process, quality real estate developers will see more opportunities and challenges.

Greentown China will adhere to its core strengths, anchor on the objectives of Strategic 2025, concentrate on the major tasks of "quality sell-through, streamlining management, strengthening capacity and stabilizing development", and uphold the orientation of operating results, the goal of profit increasing and the bottom line of cash security, so as to achieve precise investment, exquisite products, refined service, streamlined operation and expense reduction, promoting "comprehensively high-quality and sustainable" development. Specifically, Greentown China will focus on the implementation of the following measures of "six focuses and one prevention":

First, focusing on sell-through and promoting cash collection: we will promote sales management to improve quality and efficiency, adjust strategies in a timely manner according to the market situation, accelerate cash collection, and ensure rapid conversion of newly-added projects and resolute circulation of inventory resources;

Second, focusing on investment and ensuring realisation: we will strengthen precise and focused investment as well as its realisation, proactively expand the development in 10 strategic cities and structurally deploy projects in other 25 cities.

Third, focusing on delivery and ensuring quality: we will continue to improve our product strength, bolster product innovation and strengthen engineering control to ensure timely and high-quality delivery, so as to firmly hold the top industry position in quality of real estate products in China;

Fourth, focusing on management and efficiency enhancement: we will promote management upgrade, strengthen streamlined operation and improve per capita efficiency;

Fifth, focusing on cost and expense control: through digital, intensive, resourceful and refined management, we will continue to diversify the sources of income, cut costs and enhance efficiency;

Sixth, focusing on reform and optimising the system: we will continue to “reform, rebuild and refine”, strengthen organisational empowerment, optimise system construction and improve management mechanisms;

Seventh, preventing risks and enforcing protection: we will strengthen bottom-line mindset, prevent all kinds of risks and ensure the achievement of business objectives.

Meanwhile, the continued high-quality and sound operation in recent years has laid a solid foundation for the development of 2023 with adequate saleable resources and outstanding project advantages. As of 31 December 2022, the total saleable value in 2023 amounted to RMB360.1 billion (including projects under project management), of which, the saleable value of self-invested projects was approximately RMB247.6 billion (excluding the saleable resources from the newly added projects in 2023), with first- and second-tier cities accounting for 80%. The Group expects the total GFA of completed projects/phases for 2023 to be approximately 18.69 million sqm, representing a year-on-year increase of 48%. As of 31 December 2022, the Group recorded an accumulated unbooked sales of approximately RMB324.5 billion, among which RMB184.6 billion was attributable to equity interests of the Group.

With persistent improvement of management capabilities and high-quality development resources, the Company will adhere to its quality strategy and focus on operational development in 2023 in a processive manner, striving to achieve its annual business targets, gain confidence with solid fundamentals and advance steadily with “special expertise and all-round development”.

FINANCIAL ANALYSIS

Revenue

The revenue of the Group mainly derives from the sales of properties, as well as from project management, design and decoration, and holding properties for operation, etc. During the Year, the revenue of the Group amounted to RMB127,153 million, among which revenue from sales of properties accounted for 92.4%, design and decoration revenue accounted for 3.3%, project management revenue accounted for 1.9% and revenue from holding properties for operation accounted for 2.4%, representing an increase of 26.8% from RMB100,240 million in 2021, which was mainly due to the increase in revenue from sales of properties.

During the Year, the Group's revenue from sales of properties amounted to RMB117,537 million, representing an increase of 31.0% from RMB89,755 million in 2021. The area of properties with recognised revenue amounted to 5,877,103 sqm, representing an increase of 34.0% from 4,385,389 sqm in 2021. The average selling price of properties with recognised revenue was RMB19,999 per sqm, representing a slight decrease from RMB20,467 per sqm in 2021.

Properties with the revenue recognised by subsidiaries in 2022 are as follows:

Project Name	Percentage of equity	Type of Properties	Area Sold (sqm) (Note)	Sales Revenue (RMB million)	% of Total	Average Selling Price (RMB per sqm)
Xi'an National Games Village	51.0%	High-rise Apartment, Low-rise Apartment	809,978	9,301	7.9%	11,483
Wenzhou Fengqi Yuming	37.0%	High-rise Apartment, Commercial	229,670	7,514	6.4%	32,717
Yiwu Wanjia Fenghua	25.8%	High-rise Apartment	354,729	7,202	6.1%	20,303
Hangzhou Xiaofeng Yinyue	99.0%	High-rise Apartment	133,821	6,141	5.2%	45,890
Hangzhou Laurel Oriental	80.0%	High-rise Apartment	105,028	4,509	3.8%	42,931
Suzhou Willow Breeze	74.8%	High-rise Apartment, Low-rise Apartment	147,208	3,517	3.0%	23,891
Ningbo Xiaofeng Yinyue	45.4%	High-rise Apartment	90,802	3,212	2.7%	35,374
Qingdao Ideal City	80.0%	High-rise Apartment, Low-rise Apartment, Commercial	127,070	2,431	2.1%	19,131
Suzhou Yipin Lan'an Huayuan	50.7%	High-rise Apartment	99,287	2,320	2.0%	23,367
Jinan Yulan Garden	50.0%	High-rise Apartment, Low-rise Apartment, Commercial	132,654	2,285	1.9%	17,225
Others			3,646,856	69,105	58.9%	18,949
Total			5,877,103	117,537	100.0%	19,999

Note: Areas sold include aboveground and underground areas.

During the Year, projects in Zhejiang area achieved property sales revenue of RMB63,545 million, accounting for 54.1% of the total property sales and ranking top. Projects in Jiangsu area achieved property sales revenue of RMB18,071 million, accounting for 15.4% of the total property sales and ranking second. Projects in Shaanxi area achieved property sales revenue of RMB9,575 million, accounting for 8.1% of the total property sales and ranking third.

During the Year, the Group's revenue from sales of high-rise apartments, low-rise apartments, serviced apartments, etc. amounted to RMB107,718 million, accounting for 91.6% of the total property sales; sales revenue from villas amounted to RMB7,621 million, accounting for 6.5% of the total property sales; and that from offices and others amounted to RMB2,198 million, accounting for 1.9% of the total property sales.

During the Year, the Group's revenue from project management service amounted to RMB2,450 million, representing an increase of 19.6% from RMB2,049 million in 2021, which was mainly due to, on one hand, the increase in the number of new commercial project management, and on the other hand, the fact that the Company has seized the opportunity emerged from the accelerated release of demand for subsidized housing construction during the "14th Five-Year Plan" period and increased government construction projects nationwide to cater for the general market demand, achieving diversified business operations and driving revenue growth.

During the Year, the Group recorded RMB4,176 million for the revenue from design and decoration business, representing an increase of 6.7% from RMB3,914 million in 2021, mainly because the Group expanded its design and decoration business, and the scale continued to expand gradually.

During the Year, the Group's revenue from hotel operations amounted to RMB689 million, representing a decrease of 9.1% from RMB758 million in 2021, mainly due to the recurring COVID-19, which has affected hotel operations to a certain extent. During the Year, the Group's rental income from investment properties amounted to RMB178 million, generally on par with RMB178 million in 2021.

Gross profit and gross profit margin

During the Year, the Group recorded a gross profit of RMB22,021 million, representing an increase of 21.2% from RMB18,168 million in 2021, mainly due to the increase in gross profit from property sales as the scale of property sales revenue increased during the Year.

During the Year, the Group achieved a gross profit margin of 17.3%, representing a decrease of 0.8 percentage points from 18.1% in 2021. In particular, the gross profit margin of property sales was 16.3%, representing a decrease of 1.2 percentage points from 17.5% in 2021, which was due to, on one hand, the change in the landscape of the real estate industry which results in decrease in the gross profit margin of the industry, and on the other hand, the insufficient reflection of the Company's brand value premium owing to price control in recent years.

Other income

During the Year, the Group recorded other income of RMB3,617 million, which mainly comprised interest income, comprehensive service income, dividends from equity investments designated at fair value through other comprehensive income and government grants, etc., representing an increase of RMB496 million or 15.9% from RMB3,121 million in 2021, which was mainly due to the increase in the interest income and comprehensive service income due from related parties.

Administrative expenses

Administrative expenses include human resource costs, daily operating expenses and other expenses, such as product research and development expenses. During the Year, the Group incurred administrative expenses of RMB5,387 million, representing a year-on-year increase of RMB227 million or 4.4% from RMB5,160 million in 2021. Human resources costs are the largest single expense among administrative expenses. During the Year, the Group incurred human resources costs of RMB2,909 million (2021: RMB2,761 million), representing a year-on-year increase of RMB148 million or 5.4%. During the Year, the Group incurred daily operating expenses of RMB1,770 million (2021: RMB1,687 million), representing a year-on-year increase of RMB83 million or 4.9%, mainly due to the increase in depreciation expenses, which was in line with the increase in properties held and the increase in taxation.

Selling expenses

Selling expenses mainly include human resource costs, marketing activities expenses and daily operating expenses. During the Year, the Group incurred selling expenses of RMB2,902 million, which remained flat basically as compared to RMB2,874 million in 2021. Marketing activities expenses are the largest single expense among selling expenses. During the Year, the Group incurred marketing activities expenses of RMB1,472 million, representing a year-on-year increase of 3.2% from RMB1,426 million in 2021. During the Year, the Group incurred human resource costs of RMB1,037 million (2021: RMB996 million), representing a year-on-year increase of RMB41 million or 4.1%, mainly because allocation was required for the sales commission included in costs of contract acquisition under IFRS 15 – Revenue from Contracts with Customers, resulting in a significant increase of recognised revenue for the Year, and the allocated sales commission increased accordingly. During the Year, the Group incurred daily operating expenses of RMB393 million (2021: RMB452 million), representing a year-on-year decrease of RMB59 million or 13.1%, mainly due to the strict control of various expenses during the Year.

Finance costs

During the Year, the Group's interest expenses included in the consolidated statement of profit or loss and other comprehensive income amounted to RMB2,729 million, representing an increase of RMB430 million from RMB2,299 million in 2021, which was mainly due to the increase in the interest expenses resulting from the sharp rise in the interest rate of foreign currency borrowings. Interest expenses of the Group for the Year totalled RMB8,280 million, representing an increase of RMB204 million from RMB8,076 million in 2021. Weighted average rate of interest cost of total borrowings was 4.4% during the Year, which represented a decrease of 20 bps from 4.6% in 2021. During the Year, with substantial support from financial institutions and recognition in the capital markets, the financing channels were smooth for the Group to continue its optimization of debt structure, allowing us to maintain the finance costs at a lower level.

Share of results of joint ventures and associates

During the Year, the Group's share of results of joint ventures was a loss of RMB12 million and the share of results of associates was a gain of RMB1,696 million, which amounted to an aggregate gain of RMB1,684 million, representing an increase of RMB201 million from a gain of RMB1,483 million in 2021, mainly because the share of the interests held by the Group are higher in Hangzhou Hope Town, Ningbo Chunyue Jianglan, Hefei Orchid Garden and other projects with good profitability, thus elevating the share of results of joint ventures and associates to a certain extent during the Year.

Taxation expenses

During the Year, taxation included land appreciation tax of RMB1,286 million (2021: RMB2,531 million) and enterprise income tax of RMB3,075 million (2021: RMB2,337 million). During the Year, land appreciation tax accounted for 1.0% of revenue, representing a significant decrease compared to 2.5% in 2021, mainly due to the decrease in the gross profit margin from property sales. During the Year, the effective enterprise income tax rate was 24.4% (excluding the share of results of joint ventures and associates as well as the losses of certain offshore subsidiaries and net foreign exchange loss, etc.), representing a decrease compared to 28.3% in 2021.

Provision and reversal of impairment losses for certain assets

In view of the everchanging market conditions, the Group has appointed valuers to carry out valuation on certain of its properties. According to the valuation and impairment test results, the impairment loss provision of non-financial assets of RMB1,502 million (2021: RMB412 million) was made for the Year, mainly due to the lower than expected selling prices of certain types of properties in projects, such as Jinan Chunfeng Xinyu, Wenzhou Chunyue Jianglan and Wuhan Guiyu Chaoyang, resulting from the downturn of the real estate market. In addition, during the Year, the Group applied IFRS 9 and provided for an impairment loss of RMB73 million (2021: RMB43 million) after considering the credit risk of the receivables based on the expected credit loss impairment model in conjunction with the objects, ageing and other factors of the receivables.

Contract liabilities

Contract liabilities mainly represent the amounts received from the pre-sale of properties. As at 31 December 2022, the balance of contract liabilities of the Group was RMB147,850 million, which remained flat basically as compared to RMB148,888 million as at 31 December 2021. The tax to be set off in respect of the contract liabilities of the Group as at 31 December 2022 was RMB14,557 million, representing an increase of RMB961 million from RMB13,596 million as at 31 December 2021.

As at 31 December 2022, the balance of contract liabilities of joint ventures and associates was RMB138,073 million, representing an increase of RMB6,510 million or 4.9% from RMB131,563 million as at 31 December 2021.

Material acquisition

During the Year, Greentown Management acquired 60% equity interest in Greentown Shangli Construction Management Co., Ltd. (former name: Zhejiang Shangli Construction Management Co., Ltd.) on 27 January 2022. The consideration for this acquisition includes: (1) a fixed consideration of RMB400 million; (2) adjusted incremental consideration determined by the future chargeable service fees for the target company's new project management projects during the three-year period after the completion of the acquisition. The maximum amount of the adjusted incremental consideration is RMB200 million.

Financial resources and liquidity

As at 31 December 2022, the Group had bank balances and cash (including pledged bank deposits) of RMB70,394 million (31 December 2021: RMB71,496 million), among which capital for sales monitoring amounted to RMB21,865 million (31 December 2021: RMB10,951 million). Total borrowings amounted to RMB140,121 million (31 December 2021: RMB127,459 million) and net liabilities (total borrowings less bank balances and cash) amounted to RMB69,727 million (31 December 2021: RMB55,963 million). The net gearing ratio (net liabilities divided by total equity) was 62.6%, representing an increase from the ratio of 52.0% as at 31 December 2021, which was at a reasonable level. Balance of borrowings due within one year amounted to RMB26,906 million (31 December 2021: RMB32,053 million), accounting for 19.2% (31 December 2021: 25.1%) of the total borrowings. The closing balance of bank deposits and cash was 2.6 times (31 December 2021: 2.2 times) the balance of borrowings due within one year. The Group has relatively ample cash flow, coupled with a reasonable debt structure, providing a strong support for the future developments of the Company.

Risks of foreign exchange fluctuation

The principal place of operation of the Group is in the PRC, and the majority of the income and expenditure was settled in RMB. As the Group had deposits in foreign currencies, amounts due from and to related parties and third parties denominated in foreign currencies, as well as bank borrowings in foreign currencies and overseas senior notes, the Group was exposed to foreign exchange risks. Taking into account that the foreign currency borrowings of the Company accounted for a small proportion of the total borrowings, and that most of the foreign currency borrowings is repaid by new borrowings, foreign exchange fluctuation is in a phased manner, and therefore no foreign exchange hedging arrangements was entered into by the Company during the Year. Net foreign exchange loss of RMB1,371 million (2021: net gain of RMB382 million) was made for RMB depreciation during the Year, which is the provision of loss based on IAS 21 without actual cash outflow.

Contingent liabilities

The Group provided guarantees in respect of certain banks' mortgage granted to the buyers of the Group's properties. As at 31 December 2022, such guarantees for mortgage facilities amounted to RMB45,097 million (31 December 2021: RMB47,857 million).

Pledge of assets

As at 31 December 2022, the Group pledged right-of-use assets, investment properties, properties for development, properties under development, completed properties for sale, property, plant and equipment, pledged bank deposits, with an aggregate carrying value of RMB119,505 million (31 December 2021: RMB94,802 million) to secure general credit facilities granted by banks and other parties to the Group.

Capital commitments

As at 31 December 2022, the Group had contracted, but not provided for, capital expenditure commitments of RMB998 million (31 December 2021: RMB415 million) in respect of investment properties and construction in progress.

CAPITAL EXPENDITURE PLAN

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

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

Issue of credit enhanced bonds

On 20 January 2022, the Company (as issuer) entered into a subscription agreement with a number of joint global coordinators, joint lead managers and joint bookrunners in relation to the issue and sale of its 2.3% credit enhanced bonds due 2025 in the aggregate principal amount of US\$400,000,000, which are listed on the Stock Exchange (stock code: 04463). The bonds are supported by a standby letter of credit issued by China Zheshang Bank Co., Ltd. Hangzhou Branch. For details of the issuance of such bonds, please refer to the announcements of the Company dated 20 January 2022, 21 January 2022, 27 January 2022 and 28 January 2022.

Redemption of senior perpetual capital securities by Champion Sincerity

On 8 February 2022, Champion Sincerity Holdings Limited (冠誠控股有限公司) (“Champion Sincerity”), a wholly-owned subsidiary of the Company, redeemed in full two series of its senior perpetual capital securities, which were listed on the Stock Exchange, namely (i) the senior perpetual capital securities callable 2022 in the aggregate principal amount of US\$400,000,000 (stock code: 05736); and (ii) the senior perpetual capital securities callable 2022 in the aggregate principal amount of US\$100,000,000 (stock code: 05737). The withdrawal of listing of such securities became effective on 16 February 2022. For the details of the redemption of such securities, please refer to the announcements of the Company dated 3 January 2022 and 8 February 2022.

Issue of additional senior notes

On 17 February 2022, the Company (as issuer) and certain of its subsidiaries (as guarantors) entered into a purchase agreement with two initial purchasers in connection with the issue and sale of additional 4.7% senior notes due 2025 in the aggregate principal amount of US\$150,000,000, which was consolidated and formed a single series with the 4.7% senior notes due 2025 in the aggregate principal amount of US\$300,000,000 issued by the Company on 29 October 2020 and listed on the Stock Exchange (stock code: 40447) (the “4.7% Notes”). For details of the issuance of such notes, please refer to the announcements of the Company dated 17 February 2022, 24 February 2022 and 25 February 2022.

Partial repurchase of senior notes

On 13 July 2020, the Company issued 5.65% senior notes due 2025 (ISIN: XS2193529562) listed on the Stock Exchange (stock code: 40300) in the aggregate principal amount of US\$300,000,000 (the “5.65% Notes”). During the Year, the Company has repurchased from the open market (i) an aggregate principal amount of US\$3,500,000 of the 4.7% Notes; and (ii) an aggregate principal amount of US\$5,500,000 of the 5.65% Notes. The repurchased notes will be cancelled according to their respective terms. For details of the partial repurchase of such notes, please refer to the announcement of the Company dated 29 November 2022.

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

HUMAN RESOURCES

As at 31 December 2022, the Group employed a total of 9,387 employees (31 December 2021: 10,120). The employees of the Group were remunerated on the basis of their performance, experience and prevailing industry practices. The Group’s remuneration policies and packages were reviewed by the remuneration committee of the Company and the Board on a regular basis. As an incentive for the employees, bonuses, cash awards and share options or awards may also be granted to the employees based on their individual performance evaluation.

CORPORATE GOVERNANCE CODE OF THE LISTING RULES

In the opinion of the Board, the Company had complied with the requirements of all the applicable code provisions set out in the Corporate Governance Code contained in Appendix 14 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”) throughout the Year.

MODEL CODE OF THE LISTING RULES

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “Model Code”) as set out in Appendix 10 to the Listing Rules as the Company’s code for dealing in securities of the Company by the Directors. Having made specific enquiry to each of the Directors, they have confirmed that they have complied with the Model Code throughout the Year. Relevant employees who are likely to be in possession of unpublished inside information of the Group are also subject to compliance with the written guidelines on same terms as the Model Code.

AUDIT COMMITTEE

The audit committee of the Company (the “Audit Committee”) has reviewed the accounting principles and practices adopted by the Group and discussed on the audit objectives, the scopes and the report of the internal audit department of the Group. The results of the Group for the year ended 31 December 2022 have been reviewed by the Audit Committee.

FORWARD LOOKING STATEMENTS

This announcement includes forward-looking statements. These forward-looking statements can be identified by the use of forward-looking terminology, including the terms “believe”, “estimate”, “anticipate”, “expect”, “intend”, “may”, “will” or “should” or, in each case, their negative, or other variations or similar terminology. These forward-looking statements include all matters that are not historical facts. They appear in a number of places throughout this announcement and include statements regarding our intentions, beliefs or current expectations concerning, among other things, our results of operations, financial condition, liquidity, prospects and growth strategies, and the industry in which the Greentown Group operates. By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. We caution you that forward-looking statements are not guarantees of future performance and that our actual results of operations, financial condition and liquidity, and the development of the industry in which the Greentown Group operates may differ materially from those made in, or suggested by, the forward-looking statements contained in this announcement. In addition, even if our results of operations, financial condition and liquidity, and the development of the industry in which the Greentown Group operates are consistent with the forward-looking statements contained in this announcement, those results or developments may not be indicative of results or developments in subsequent periods.

ANNUAL GENERAL MEETING

The forthcoming annual general meeting of the Company (the “AGM”) is proposed to be held on 16 June 2023 (Friday). A notice convening the AGM will be published and dispatched to the shareholders of the Company (the “Shareholders”) in the manner as required by the Listing Rules in due course.

DIVIDENDS

The Board recommends the payment of a final dividend of RMB0.50 per share for the year ended 31 December 2022 (the “2022 Final Dividend”) to the ordinary Shareholders whose names appear on the Company’s register of members as of 27 June 2023 (Tuesday) (2021: RMB0.46 per share). Subject to approval of the Shareholders at the AGM, the 2022 Final Dividend is expected to be paid before 31 July 2023, and the currency of payment for the 2022 Final Dividend and the relevant exchange rate will be announced in due course.

CLOSURE OF REGISTER OF MEMBERS

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

- (i) From 13 June 2023 (Tuesday) to 16 June 2023 (Friday), both days inclusive, during which period no transfer of shares will be registered, for the purpose of ascertaining Shareholders’ entitlement to attend and vote at the AGM. In order to be eligible to attend and vote at the AGM, all transfers accompanied by the relevant share certificates must be lodged with the Company’s branch share register in Hong Kong, Computershare Hong Kong Investor Services Limited at Shops 1712–1716, 17th Floor, Hopewell Center, 183 Queen’s Road East, Wanchai, Hong Kong for registration no later than 4:30 p.m. on 12 June 2023 (Monday); and

- (ii) From 23 June 2023 (Friday) to 27 June 2023 (Tuesday), both days inclusive, during which period no transfer of shares will be registered, for the purpose of ascertaining Shareholders' entitlement to the 2022 Final Dividend, if approved by the Shareholders at the AGM. In order to be eligible to the 2022 Final Dividend, all transfers accompanied by the relevant share certificates must be lodged with the Company's branch share register in Hong Kong, Computershare Hong Kong Investor Services Limited at Shops 1712–1716, 17th Floor, Hopewell Center, 183 Queen's Road East, Wanchai, Hong Kong for registration no later than 4:30 p.m. on 21 June 2023 (Wednesday).

PUBLICATION OF ANNUAL REPORT

The annual report of the Group for the year ended 31 December 2022 containing all the information required by the Listing Rules will be dispatched to the Shareholders and published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.chinagreentown.com).

APPRECIATION

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

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

Hangzhou, the PRC
27 March 2023

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