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Analysis of Financial Management in New Perspective - a case of real estate companies

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Abstract: Financial management plays an important role in business management. In the modern economic market, the management of finances is essential if an enterprise is to be competitive. Financial management ensures the flow of funds and plays an important role in the strategic deployment of the enterprise. In the new environment, the objective of financial management is gradually transformed from the original 'profit maximisation' to value maximisation. In the real estate industry, financial management can help enterprises to find quick responses to the problems caused by market regulation and taxation in the new economic environment. Therefore, this paper takes GPT Group and Vicinity Limited as the research object, through the qualitative and quantitative analysis of financial indicators, to study the performance and development trends of Australian real estate companies. The results show that GPT companies outperform Vicinity Group in most financial indicators such as profitability, liquidity, growth trends, etc. The research conclusion of this paper provides theoretical ideas for the company's management and development, and provides theoretical support for the practice of real estate industry.

1. Introduction

Real estate includes land, buildings, rights of intersection, and subsurface rights. The term refers to real or tangible property. Real estate can be divided into four categories: Residential real estate, commercial real estate, industrial real estate, and land. Real estate has never existed alone; it is involved with many other things. It can be improved, bought and sold, or held by the government or by individuals. In the United States, the U.S. Constitution initially restricted the voting rights of real estate owners.

The financial management of the real estate industry has been extensively researched by scholars in various countries. The objective theory of financial management is a conceptual system based on the scientific justification of financial management assumptions or the scientific summary of financial management practice, which is used to explain, evaluate, guide, improve and develop the practice of financial management. In our research on the analysis of financial management in the real estate industry, we applied the theory of financial management objectives.

Financial management objectives refer to the basic purpose that a company wants to achieve through its financial activities. Financial objectives are the starting point and goal of all financial activities of a company as well as the handling of various financial relationships and determine the basic direction of financial management of a company. Financial management has a fundamentail impact on the whole range of business management actives. Reasonable goals are of great importance in optimising financial management behaviour, improving strategic management and corporate governance, and continuously increasing economic efficiency. The main objectives of a company's financial management are the following four points.

1) Profit maximisation. Profit is a very broad objective. The quality of management, the ability to penetrate the market, the cost expenditure and the various financial risks are ultimately reflected in the profit of the company. Profit has a great importance in the financial management of a company. First, profit is the basis for companies to achieve their financial goals. Regardless of what is set as the financial goal, the company can only realise the value of the company and the interests of the company's creditors and shareholders can only be protected if sufficient profit is achieved. Moreover, profit is the financial guarantee for the expansion and reproduction of the enterprise. In the old philosophy, 'profit maximisation' was the main representation of the financial management objectives of a business. Actually, this concept is limited. In addition to profit maximisation, there are also time costs, opportunity costs and risks to be considered. Modern financial theory suggests that neither the goal of maximising profits nor the goal of maximising economic efficiency is adapted or fully adapted to the requirements of a modern enterprise system for financial management [1].

2) Maximise return on capital or surplus per share. Return on capital is the ratio of net income to capital of a non-stock company. Surplus per share is the ratio of a stock company's net income to the number of shares of common stock outstanding. Proponents of the capital margin or EPS maximisation objective argue that a company's profitability should be examined in terms of the capital invested by investors and that using capital margin or EPS maximisation to summarise a company's financial objective avoids the pitfalls of the "profit maximisation" objective. However, this view still does not take into account the time value of money and the risk factor and does not avoid the problem of short-term behaviour in corporate governance.

3) Maximising enterprise value or shareholders' wealth. Enterprise value refers to the market value of all the assets of the enterprise, reflecting the potential or expected profitability of the enterprise. The value of an enterprise lies in its ability to create future profits for its owners. In enterprises, maximising the value of the company means maximising the wealth of shareholders' wealth. In a share economy, shareholder wealth is determined by both the number of shares they own and the market price of the shares, and therefore shareholder wealth maximisation is also ultimately reflected in the share price. The share price represents an objective assessment of the value of a company by the investing public. It is expressed as the price per share and reflects the relationship between capital and profitability; it is influenced by earnings per share and reflects the size of earnings per share and the timing of its acquisition; it is influenced by the level of corporate risk and can reflect the risk of earnings per share. Compared with the profit maximisation objective, it is able to overcome, to a certain extent, the short-term behaviour of enterprises in the pursuit of profits and is a criterion for judging whether the financial decisions of enterprises are correct. However, there are disadvantages to the pursuit of shareholder wealth maximisation. For example, it only applies to listed companies and is difficult to apply to non-listed companies; stock prices are affected by other factors in addition to financial factors, and stock prices do not accurately reflect the business performance of the company; and shareholder wealth maximisation is not broad-based and is less compatible.

4) Stakeholder wealth maximisation. It is the maximisation of the total value of an enterprise through financially sound management, the adoption of optimal financial policies, the full consideration of the time value of capital and the relationship between risk and reward, while ensuring the long-term stable development of the enterprise. Compared with the financial management objective of maximising shareholder wealth, the objective of maximising stakeholder wealth also takes full account of uncertainty and the value of time, and is more superior. Stakeholder wealth embodies the value concept of win-win cooperation, which is conducive to the unification of economic and social benefits of the cutting enterprise, maximising the fundamental and effective incentive for human capital owners and the long-term development of the enterprise. At the same time, it takes into account the interests of the company's stakeholders as a whole and society as a whole, and guarantees the consistency of economic and sociological objectives. However, the contradictory and competing interests of stakeholders make it impossible for management to balance such contradictions.

Financial management is an integral part of enterprise management, it is an economic management work that organises the financial activities of an enterprise and deals with financial relations according to the principles of financial management in accordance with the financial regulations and systems.

Financial management is an economic management work that organises the financial activities of an enterprise and deals with financial relations.In the new situation, the goal of financial management is to maintain and make rational use of the financial resources of the enterprise's financial resources and daily production, sales and management, so as to realize the survival, development, and profit of the enterprise. The core goal of the company is to obtain the maximum economic benefits with the least consumption. Better financial management helps to save costs, release the potential of enterprises, control costs and reduce consumption. Improve the efficiency of fund utilization and prevent fund wastage through fund raising and allocation. Inventory management, optimize inventory structure, reduce the backlog and realize economic inventory management. Through inventory price management, we can optimize the inventory structure, reduce the backlog and save the inventory. By attracting prices, the company's sales can be increased. Internal asset management enables enterprises to rationally and effectively use internal assets to maintain and increase the value of internal assets. Therefore, if you take full advantage of the leading role of financial management, you can improve the economic benefits more effectively.(Li Xuerong, 2020)

The topic of this study is about the analysis of financial management in the real estate industry. In recent years, most real estate companies have encountered bottlenecks under the influence of the economic situation, national policies and other uncontrollable factors. Problems in the financial management of some real estate companies are gradually being magnified and brought the public eye. Whether large or small company, having a good financial management policy is particularly important at this time. Especially during an epidemic, analysing the problems and finding solutions to them is a priority for those real estate companies that are experiencing problems. In the following, a comparison of the data from GPT and Vicinity is presented to give a lighter perspective on the financial management of the real estate sector in the new context. We will analyse financial performance at several data levels such as gross margin, net profit margin, leverage, return on assets, return on net assets and revenue growth.

2. Data and Method

2.1 Data

Table 1. GPT Group Data Detail Chart

GPT Group	2016-2017	2017-2018	2018-2019	2019-2020	2020-2021
Gross Margin (%)	80.14%	71.26%	69.00%	45.37%	59.30%
Net Profit Margin (%)	79.90%	71.07%	69.15%	44.64%	55.34%
Current Ratio (%)	48.95%	42.41%	24.19%	26.64%	42.66%
Leverage Ratio (%)	1.43	1.42	1.46	1.40	1.45
Return on Asset (%)	10.10%	10.24%	10.47%	5.74%	3.30%
Return on Equity (%)	14.58%	14.60%	15.12%	8.21%	4.71%
Revenue growth (%)	21.43%	6.34%	15.09%	-27.14%	-13.27%
Profit Growth (%)	32.78%	10.10%	14.39%	-39.38%	-40.86%
Equity growth (%)	10.06%	9.96%	10.91%	12.14%	-4.78%

Table 2. Vicinity Group Data Detail Chart

Vicinity Group	2016-2017	2017-2018	2018-2019	2019-2020	2020-2021
Gross Margin (%)	83.44%	80.23%	40.65%	88.52%	8.13%
Net Profit Margin (%)	72.71%	80.23%	40.65%	88.60%	12.02%
Current Ratio (%)	26.68%	24.09%	15.12%	101.29%	27.84%
Leverage Ratio (%)	1.42	1.44	1.47	1.44	1.45
Return on Asset (%)	6.75%	7.14%	2.01%	11.17%	1.75%
Return on Equity (%)	8.60%	10.22%	2.92%	16.26%	2.52%
Revenue growth (%)	1.68%	-3.63%	30.91%	-5.46%	-3.87%
Profit Growth (%)	42.33%	26.83%	-71.60%	420.37%	-85.67%
Equity growth (%)	10.87%	3.06%	-4.28%	-8.88%	-6.42%

2.2 Method

2.2.1 Gross Profit Margin = $\frac{\textit{Gross Profit}}{\textit{Revenues}}$

1) An analysis of the reasons for the difference in sales gross profit margin between different periods of the same enterprise (GPT Group/Vicinity Group) or between different enterprises in the same period. The sales gross profit margin of the two enterprises is directly proportional to the main business income and inversely proportional to the sales cost. We can analyze the reasons for the change of gross profit margin from these two influencing factors.

2) Structural comparative analysis is an analysis of the changes in the constituent elements of sales gross profit margin and its structural proportion, in order to further analyze the specific reasons for the increase and decrease of gross profit margin.

3) The two companies compare and analyze the gross profit margin index of GPT Company and Vicinity Company. Through comparative analysis, we can find the relative strength of enterprise profitability, so as to better evaluate the profitability of the two enterprises.

2.2.2 Net Profit Margin = $\frac{\textit{Net Income}}{\textit{Revenues}}$

1) Net profit margin. Net profit can be used to calculate the ratio between after tax profit and net sales of the two companies, indicating the ability of sales revenue to obtain after tax profit, and it is also an indicator that truly reflects the profitability of the two companies. Encyclopedia of MBA think tanks. (2021). Net profit margin.

2.2.3 Current Ratio $= \frac{\textit{Current asset}}{\textit{Current liabilities}}$

1) As long as the business cycle is short, the current ratio is also low. Because the business cycle is short, it means that it has a high turnover rate of accounts receivable and does not need to store a large amount of inventory, so its current ratio can be relatively reduced. Encyclopedia of MBA think tanks. (2021). Current ratio.

2) On the contrary, if the operating cycle is long, the current ratio. Accordingly, the calculated current ratio can only be compared with the average current ratio of the same industry and the historical current ratio of the enterprise to know whether the ratio is high or low.

2.2.4 Leverage Ratio = $\frac{\textit{Total Assets}}{\textit{Total Equity}}$

1) In the analysis of the two companies, the leverage ratio is the ratio of the actual value represented by the two companies to the amount of cash paid to establish positions. The higher the leverage ratio, the greater the profit or loss that can be brought by the change of market price per unit, which means that the investment risk is higher.

2.2.5 Return on Assets $= \frac{\textit{Net Profit}}{\textit{Average total assets}(\textit{of current and immediate past year})}$

1) The high rate of return on assets indicates that the two enterprises have achieved good results in increasing income and saving money, and the lower the return on assets, the opposite. Bank management usually follows this indicator very closely for strategic management purposes.

2) In actual financial work, there can be many types of returns due to different work perspectives and starting points: 1. Real yield 2. Nominal yield 3. Expected yield 4. necessary yield 5. Risk yield 6. Risk-free yield. Encyclopedia of MBA think tanks. (2021). Return on Assets.

3) We should also pay attention to this indicator when doing the profitability analysis of the two companies. The indicator is mainly compared horizontally with the industries in the same group of two companies, or vertically compared with the historical situation of the two companies. If a company's return on assets continues to decline in the first three quarters of a fiscal year and suddenly rises in the fourth quarter, pay special attention to its profitability. It is likely that individual companies have made special adjustments to year-end statements

2.2.6 Return on Equity $= \frac{\boldsymbol{Net\ Profit}}{\boldsymbol{Average\ Equity(of\ current\ and\ immediate\ past\ year)}}$

1) It is an important index to measure the profitability of listed companies. Refers to the ratio of profit amount to average shareholder's equity, the higher the indicator, the higher the return on investment, and the lower the return on net assets, the weaker the profitability of the owners' equity of the two enterprises. This indicator reflects the ability of its own capital to generate net income.

2) In general, an increase in liabilities leads to an increase in the return on net assets.

3) The main factors affecting the return on net assets are the rate of return on total assets, the interest rate on liabilities, the capital structure of enterprises and the income tax rate

2.2.7 Revenue Growth Rate $= \frac{\boldsymbol{(Current\ Revenue - Revenue\ in\ the\ immediate\ past\ year)}}{\boldsymbol{Revenue\ in\ the\ immediate\ past\ year}}$

1) Using the growth rate of operating income, we can calculate the ratio of the increase in revenue of the two enterprises in one year to the total revenue of the previous year. A ratio greater than indicates an increase in operating income, and a larger ratio indicate that the faster the company's revenue grows, the better the prospects for growth in the market. Only by increasing an enterprise's operating income can it ensure that the enterprise can survive and develop in the trend of economic development.

2) The market share and competitiveness of the two companies can be seen by comparing the growth rate of their revenues. Then there is to help investors to confirm whether a company's net profit is true, there will be a big ups and downs behind the company will certainly have a certain reason. Finally, the size and stability of revenue growth can help investors predict future share prices, which will rise as companies. expand and fall as they reach the top.

2.2.8 Profit Growth $= \frac{\boldsymbol{(Current\ Profit - Profit\ in\ the\ immediate\ past\ year)}}{\boldsymbol{Profit\ in\ the\ immediate\ past\ year}}$

1) The higher or more stable the profit growth rate, because the profitability of the business has been rising. From the perspective of long-term investment, the enterprise is always growing, has investment value diligent, profitable. Encyclopedia of MBA think tanks. (2021). Profit growth.

2) By comparing the size of the profit growth rate, we can see the value of the two companies

2.2.9 Equity Growth $= \frac{\boldsymbol{(Current\ Equity - Equity\ in\ the\ immediate\ past\ year)}}{\boldsymbol{Equity\ in\ the\ immediate\ past\ year}}$

1) Equity is net assets, the profits that remain in the equity, also refers to shareholders' equity. The growth rate of equity refers to the rate of increase of equity, the "continuous" speed of profit accumulation in equity, and the ability of shareholders' equity to grow. ROE with a high or low return on net assets that leverages equity profitability different.

3. Results and discussion

Financial analysis is a study of the past, present, and future assets of an enterprise [3]. By analyzing the financial statements, we can derive the company's financial performance and its operations during the year under analysis, as well as the company's future trends. Financial performance results show how well a company generates revenue and manages its assets, liabilities, and the financial interests of its stakeholders and shareholders. It shows investors the overall economic health of the company.

When we analyze financial performance through profitability, liquidity, efficiency, leverage, and growth potential, we use specific financial formulas to calculate ratios. We used nine key ratios widely used in the industry to calculate ratios and evaluate the company's overall performance. These data provide insight into the financial performance of the two groups compared to historical and industry indicators. In specific calculations, we analyzed data from GPT Group and Vicinity Limited for the period 2021-2016.

3.1 Profitability

3.1.1 Gross Profit Margin

Profitability is judged primarily by profit and return. Gross margin is one of the main profit indicators. The chart below shows the gross profit margin of the two companies over the past five years. GPT Group's figures peaked at 83.44% in 2016-17 and lowest in 2019-2020 at 45.37%. The Vicinity Group's data are more volatile. It is the lowest in 2020-2021 (8.13%) and the highest in 2019-2020 (88.52%). The GPT Group will have a more stable gross margin than the other company in the future. Gross Profit Margin represents the difference between revenue and cost of sales and the percentage of sales received when the goods arrive at the customer. This means that GPT will also be more stable in using raw materials and employees [8].

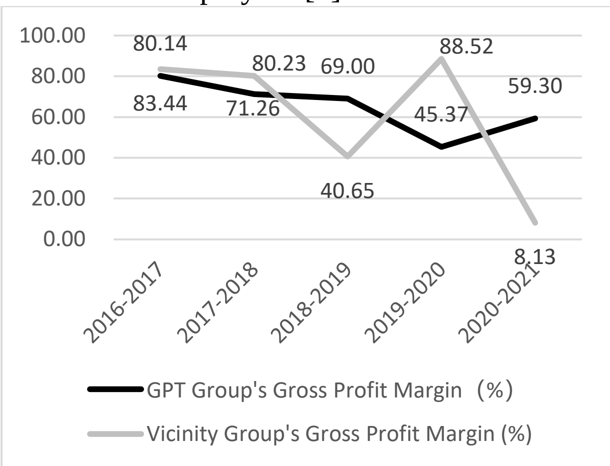

Fig 1 Gross Profit Margin

3.1.2 Net Profit Margin

From the calculation of this ratio, we note that there is a significant gap between the net profit margins of GPT and Vicinity Group over the past five years. The highest value in the GPT group was 79.9 percent in 2016 - 2017, with a slow decline over the next four years and only a slight increase in 2021. Net profit is the final revenue after deducting the cost of selling the product, operating expenses, other expenses, interest, and income [7]. We can infer that in the future GPT Group's Net Profit Margin will be stable than the Vicinity Group. As a result, Vicinity Group's operating costs may increase faster than subsequent operating income in the following years of development. GPT is more likely to make a profit from sales in the future, sufficient to include operating and management expenses [7].

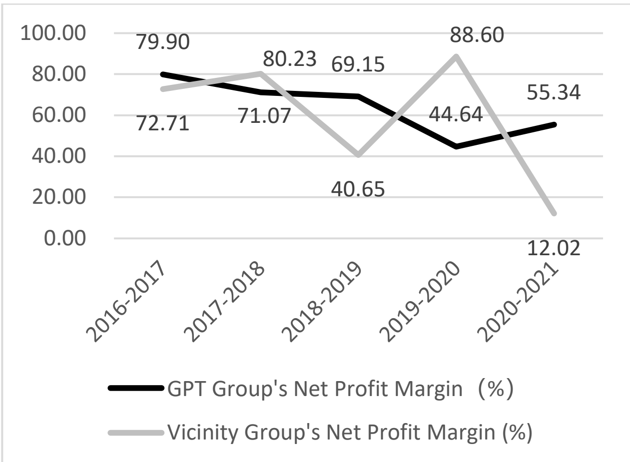

Fig 2 Net Profit Trends

3.2 Liquidity

3.2.1 Current Ratio

In our analysis, GPT Group data has slowly declined over the past five years and then showed an upward trend. From 2016 to 2018, the index fell to 24.19 percent. And then from 2019 to 2021, it rose to 42.66 percent. The current ratio of the Vicinity Group fell from 26.68 percent in 2016 to 15.12 percent in 2019. It then rose sharply to 101.29 percent and eventually fell to 27.84 percent in 2021. Ideally, the current ratio should be greater than 1, and only the Vicinity group reached this standard in 2019. The current ratio of the two companies is in stark contrast. A liquidity ratio below the industry average may indicate a higher risk that a company could get into trouble or default [1]. Vicinity Group's data over five years show a more volatile trend than the GPT Group's. Current ratio unstable means that Vicinity Group's ability to repay its short-term asset debt will decline [1].

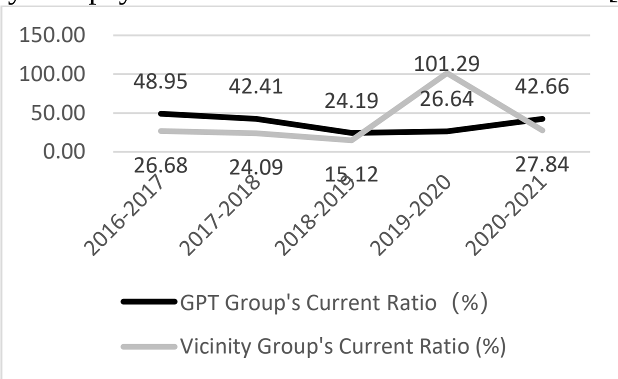

Fig 3 Current Ratio Trends

3.3 Leverage

3.3.1 Leverage Ratio

A leverage ratio is a measure of a company's financial measurement, and it is also one of the most commonly used methods to measure a company's financial status. The company's leverage ratio indicates how much of the company's assets are paid for with borrowed money. If the company does not have enough income to pay for demand, financial leverage will reduce the value of equity, resulting in a decrease in the value of the company[10]. During the period of analysis, GPT Group's leverage ratio fluctuated in the 1.43-1.45 range and was on average higher than Vicinity Group's data of 1.40-1.46. Financial leverage below one is generally considered good by industry standards. A company with a leverage ratio above one may be considered a risky investment by lenders and potential investors. Neither company did very well on the leverage Ratio. Overall, the data show that Vicinity Group has more assets to pay for with debt, with a low percentage of fixed costs and high variable costs [10].

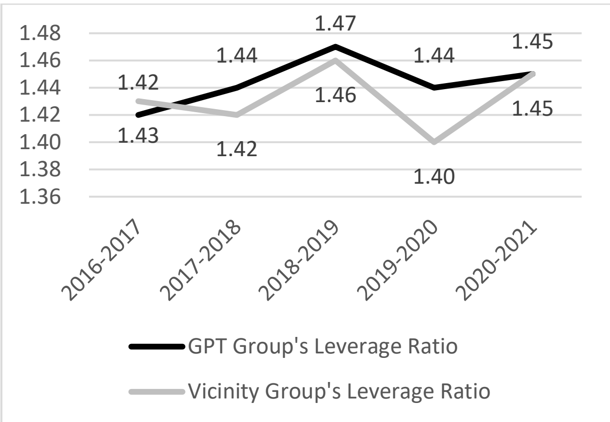

Fig 4 Leverage Ratio Trends

3.4 Efficiency

3.4.1 Return on Asset

From the calculation of the ROA ratio, GPT Group has peaked in 2018-2019 (10.47%) and lowest in 2020-2021 (3.30%). Vicinity Group reached a peak of 19.01% in 2016-2017 and a minimum of 2.01% in 2018-2019. The higher the return on assets, the better for the company. Overall, in the computation cycle, the data of GPT Group is higher than Vicinity Group more times. It shows that the GPT group uses assets to generate profits more efficiently. Through their trends, it can be predicted that the operating data of GPT Group will still be higher than that of Vicinity Group in the next few years. GPT Group will have higher capital intensity, and management will have a stronger ability to use their assets to generate income [2].

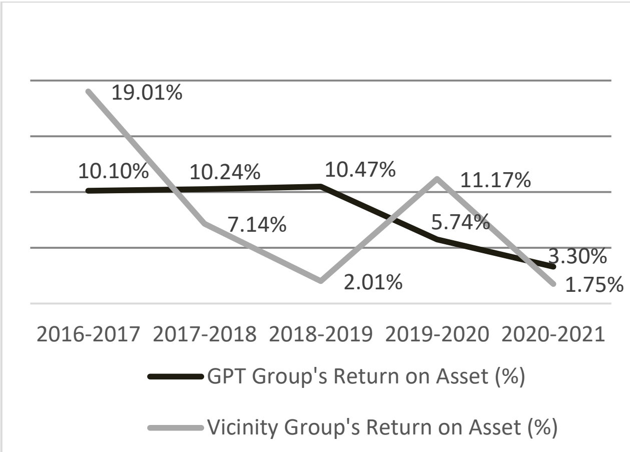

Fig 5 Trends of ROA

3.4.2 Return on Equity

The two companies' ROE has similar values and trends to their ROA. GPT Group is also more stable in terms of return on equity. Its data for the past five years is closer to a good level than Vicinity Limited. And it is easy to maintain a stable level in subsequent development. The Vicinity Group's data is not stable, which means that the group is not operating well or has undergone business restructuring [4]. Overall, in stable economics, a return of more than 12-15% is desirable. GPT's ROE average is higher, indicating that its financial position is better. And it will accumulate more assets, generate more sales, and have more potential benefits in the future [4].

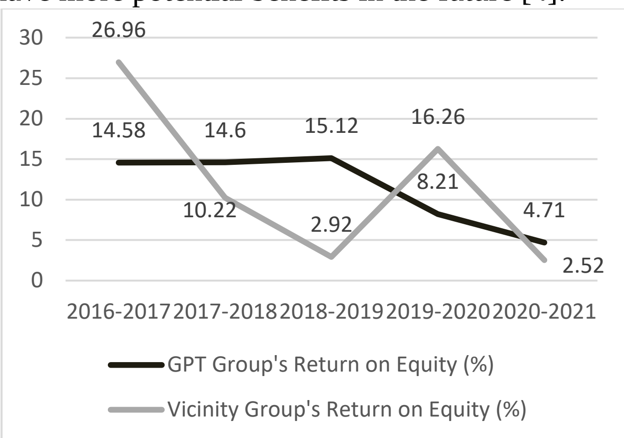

Fig 6 Trends of ROE

3.5 Growth Potential

3.5.1 Revenue Growth

Revenue is the income a company receives from its sales activities. It measures the organization's ability to achieve its strategic goals and the speed of enterprise development [5]. Revenue growth data shows how the sales of the two companies have changed from 2016 to 2021. We can determine business trends through their changes. In the five-year statistics, both companies have similar growth and decline trends. They all reached their lowest levels between 2019 and 2020. In addition, GPT Group has higher revenues than the other company in 2016 -2018. Then, from 2018 to 2021, Vicinity Group surpasses GPT Group. But revenue growth for both companies was negative for 2019-2021, indicating that the ability of both companies to achieve strategic goals and the pace of business growth may have been affected by the COVID-19 pandemic. Overall, it is foreseeable that the revenue development trend of Vicinity Group will continue to be better in the next few years, bringing better prospects for cooperation.

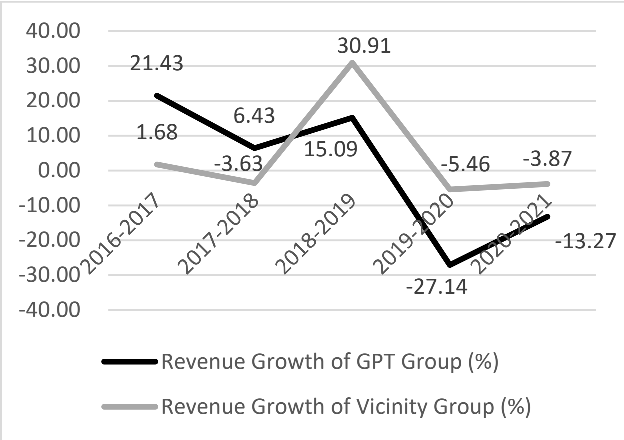

Fig 7 Revenue Growth Trends

3.5.2 Profit Growth Potential

Profit Growth shows the operations of the two companies. When the ratio is high, it indicates a successful business year. Vicinity Group data shows high volatility, with the highest in 2019-2020 (420.4%) and the lowest in 2020-2021 (-71.6%). As a result, its future development will remain unstable, investors need to be a cautious investment. In addition, GPT Group's data has been on an overall downward trend over the past five years, with only a slight increase in 2018-2019. As a result, its profit growth trend is likely to continue to decline in the future. In summary, GPT Group's overall data is more stable than Vicinity's. Therefore, the GPT group will have stronger management capabilities and market competitiveness.

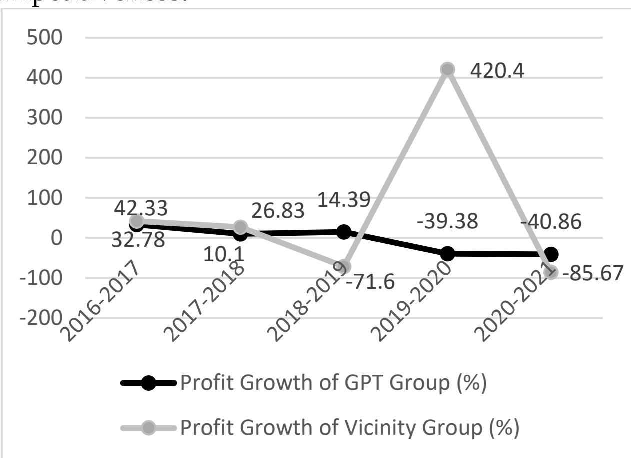

Fig 8Profit Growth Trends

3.5.3 Equity Growth Potential

There is a clear difference between GPT Group's equity growth and that of Vicinity Group's. GPT Group's value rose from 10.06% to 12.14% between 2016 and 2020 and fell to -6.42% in 2021. It has seen the only decline between 2020 and 2021, probably due to Covid-19. The Vicinity Group's figures, by contrast, have fallen from 10.87 percent in 2016 to -8.88 percent in 2020, only to rise slightly to -4.78 percent in 2021. Two different trends are likely to continue in the coming years. This indicates that GPT's asset pool increased over time from 2016 to 2020 [5]. As a result, GPT Group is more likely to maintain an increasing trend in the future than Vicinity Group. This demonstrates GPT Group is more capable of expanding its business and will also provide investors with a better return on investment [5].

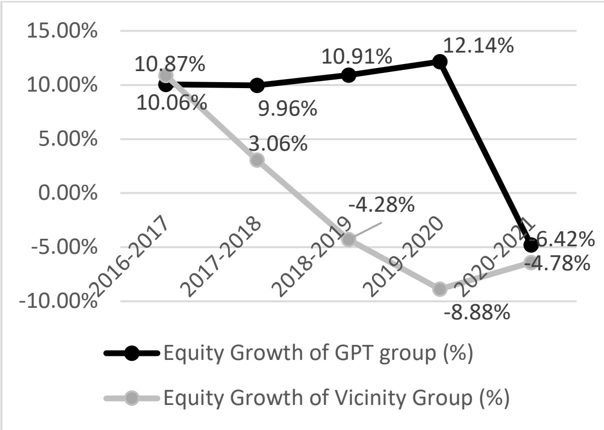

Fig 9 Profit Growth Trends

4. Conclusion

We know from profitability and gross margin calculation that GTP Group has more prospects than another company: Profitability is judged primarily by profit and return. GPT Group data peaked in 2016-2017 and is lowest in 2019-2020, perhaps due to a decrease due to the impact of the new crown outbreak. Vicinity Group's data is more volatile, reaching lows in 2020-2021, significantly lower than GTP Group's, suggesting that GTP is more capable and responsive than Vicinity in dealing with market problems and sudden events. Following this trend, GPT Group's future gross margin will be more stable than that of another company. This means that GPT is more stable in using raw materials and employees.

The GPT Group's data have fallen and then are on the rise. Then the big increase ended up falling sharply. Ideally, the current ratio should be greater than 1, and only Vicinity Group would meet this standard in 2019. The current ratio between the two companies was in stark contrast. Five years of data from Vicinity Group shows that it is more volatile than GPT Group. As a result, its future amount might be lower. This indicated that its liquid assets would be unstable. It also means that Vicinity's ability to repay short-term asset debt will decline.

From the calculation of net profit margin, we note that there is a significant gap between the net profit margin of GPT and Vicinity Group in the past five years. From 2016 to 2017, GPT group reached the highest level, declining slowly in the next four years and rising only slightly in 2021. We can infer that the net profit margin of GPT group will be more stable than Vicinity Group in the future. Therefore, in the development of the next few years, the operating cost of Vicinity Group may grow faster than the subsequent operating revenue. GPT is more likely to profit from sales in the future.

During the analysis period, the leverage ratio of GPT group was higher than that of vicinity group. By standards, financial leverage below 1 is generally considered good. Companies with a leverage ratio higher than 1, may be regarded as venture capital by lenders and potential investors. Both companies are not doing well in terms of leverage. In general, Vicinity Group has more assets to be paid with debt, and the cost is high.

According to the ROA ratio, GPT group reached the peak in 2018-2019 and the lowest in 2020-2021. In fact, most of the reason is that the company was relatively low in 2020-2021 due to the impact of the epidemic, which cannot represent the poor performance of GPT group. From 2016 to 2017, Vicinity Group reached its peak and reached its lowest level from 2018 to 2019. Overall, during the calculation cycle, the data of GPT group is more times higher than that of vicinity group. This shows that GPT group uses assets to create profits more effectively. Through their trend, it can be predicted that in the next few years, regardless of the impact of the epidemic, the operation data of GPT group will still be higher than that of vicinity group. Therefore, GPT group will have a higher ability to use its assets to generate revenue.

The values and trends of roe and ROA of the two companies are similar. GPT group is also more stable in terms of return on equity. Its data for the past five years are closer to a good level rather than limited. And it is easy to maintain a stable level in subsequent development. However, the data of vicinity group is unstable, which means that the group is poorly operated or has undergone business restructuring. Overall, in a stable economy, a return of more than 12-15% is desirable. The average roe of GPT is high, indicating its good financial position. It will accumulate more assets, generate more sales and generate more potential revenue in the future.

Revenue growth data show that the growth and Decline Trends of the two companies are similar from 2016 to 2021. Both reached their lowest levels between 2019 and 2020. In addition, GPT group's revenue was higher than that of another company in 2016-2018. However, from 2018 to 2021, Vicinity Group surpassed GPT group. But in 2019, New Coronavirus affected the company's revenue growth rate, which indicates that the ability of the two companies to achieve their strategic goals and business growth rate may be affected by the COVID-19. However, on the whole, through this, the revenue growth trend of adjacent groups will continue to be good in the next few years.

According to the data of vicinity group, the volatility is high, the highest in 2019-2020 and the lowest in 2020-2021. Therefore, its future development will remain unstable. In addition, the data of GPT Group has generally shown a downward trend in the past five years, with only a slight increase in 2018-2019. Therefore, its profit growth trend may continue to decline in the future. In a word, the overall data of GPT group is more stable than that of adjacent regions. Therefore, GPT group will have stronger management ability and market competitiveness.

There is a significant difference between the equity growth of GPT group and vicinity group. Between 2016 and 2020, the value of GPT group increased due to the decline of covid-192021. In contrast, vicinity group's data decreased from 2016 to 2020 and only increased slightly by 2021. Two different trends are likely to continue in the coming years. However, GPT group is more likely to maintain the growth trend than another group in the future.

Therefore, based on a large number of data, the advantages and disadvantages of the two groups are analyzed. It is concluded that whether the future development trend is faced with a great deal of sudden problems (such as COVID-19 influence) and whether the company can solve this problem, GPT group performed relatively better.

The project management of the group company is responsible for the start-up of the project coordination, arrangement, control of project progress, submission of project related reports and results, etc. Therefore, the project management plan of the group company, the ability to plan, organize, coordinate, execute and control is an important indicator to measure the project management personnel of the group company.

Advise: For vicinity group, it is recommended to fully implement standardized management and strengthen system construction. Starting with the whole chapter of organizational system, we have established various scientific, reasonable and operable rules and regulations, successively formulated framework systems and supplemented and improved systems, so as to ensure that there are rules to follow in construction and production. The project shall follow the guidelines of science, high standards and strict requirements, take the introduction of high-quality model project as an opportunity, constantly strengthen quality management means and clarify the goal of excellence creation. Strive for excellence in the project by checking at all levels and strengthening monitoring. In terms of cost control, we should first strictly control the project management cost. Secondly, optimize the scheme and reduce the cost. Through on-site investigation and combined with reality, timely put forward change suggestions for unreasonable places to reduce the cost of direct scheme. For some problems involving large costs, we should optimize the scheme and reduce the cost.

Advise: For GPT group, both project completion and project accuracy are very good. But the only shortcoming is that the GPT group is not doing enough to predict the risk of future development. For example, when the 2019-2021 year COVID-19 came, GPT group looked a bit confused. At the same time, the combination of monthly regular and irregular inspection is adopted to inspect and assess the implementation of various systems, so as to effectively promote the improvement of project management. Therefore, next, GPT group should strengthen risk prediction, project filing and other available methods for management, to make progress and development in many aspects.

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