A-LIVING SMART CITY SERVICES CO., LTD.*

雅生活智慧城市服務股份有限公司

(A joint stock company incorporated in the People's Republic of China with limited liability)

Stock Code: 3319

2021
INTERIM REPORT

*For identification purposes only

VISION
Develop a national leading and world class living service platform

MISSION
Provide high quality services with ingenuity, build delicate life with sincerity

CORE VALUE
Lifelong caring for a better you

SPIRIT
Develop our future with vision and enthusiasm

BUSINESS PHILOSOPHY
Achieve greater, higher, better, more and flexible business services

Corporate Profile

A-Living Smart City Services Co., Ltd. ("A-Living" or the "Company", together with its subsidiaries, collectively, the "Group") is a reputable property management service provider focusing on mid- to high-end properties. The Group ranks the 4th of the "Top 100 Property Management Companies in China" with five major business segments, namely "property management services", "asset management services", "public services", "city services" and "community commercial services". The Group has developed four business lines, namely property management services, extended value-added services, property owners value-added services and city services, with a nationwide coverage and diversified business portfolio. Through prioritizing the provision of property and living services for city and corporate clients and exploring the mid-to high-end of the value chain of city services, the Group strives to grow into a smart city space operator, providing property owners with the best and most diversified services. As of 30 June 2021, the Group's total contracted GFA and the total GFA under management increased to approximately 584.1 million sq.m. and approximately 424.2 million sq.m., respectively.

On 9 February 2018, the Group successfully spun off from Agile Group Holdings Limited (雅居樂集團控股有限公司) ("Agile Holdings", and together with its subsidiaries, "Agile Group") and became the first property management company in the People's Republic of China (the "PRC" or "China") that officially spun off from a red-chip holding company to list on the H-Share market.

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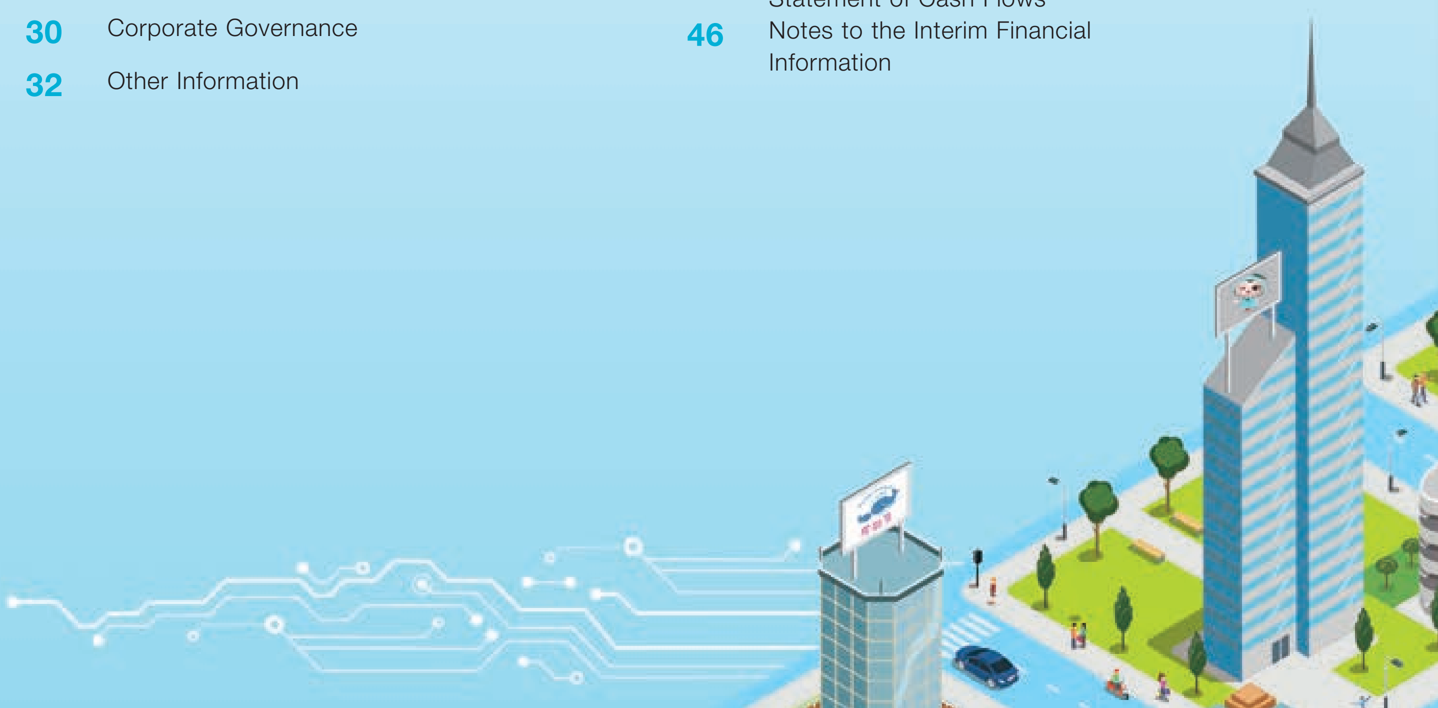

Corporate Information

Board of Directors

Mr. Chan Cheuk Hung* *(Co-chairman)*
Mr. Huang Fengchao* *(Co-chairman)*
Mr. Li Dalong* *(President (General Manager) and Chief Executive Officer)*
Mr. Wei Xianzhong**
Ms. Yue Yuan**
Mr. Wan Kam To#
Ms. Wong Chui Ping Cassie#
Mr. Wang Peng#

* Executive Directors
** Non-executive Directors
\# Independent Non-executive Directors

Board Committees

Audit Committee

Mr. Wan Kam To *(Committee Chairman)*
Ms. Wong Chui Ping Cassie
Mr. Wang Peng

Remuneration and Appraisal Committee

Mr. Wang Peng *(Committee Chairman)*
Mr. Huang Fengchao
Mr. Li Dalong
Mr. Wan Kam To
Ms. Wong Chui Ping Cassie

Nomination Committee

Mr. Huang Fengchao *(Committee Chairman)*
Mr. Li Dalong
Mr. Wan Kam To
Ms. Wong Chui Ping Cassie
Mr. Wang Peng

Risk Management Committee

Mr. Huang Fengchao *(Committee Chairman)*
Mr. Chan Cheuk Hung
Mr. Li Dalong
Mr. Wan Kam To

Supervisory Committee

Mr. Liu Jianrong *(President of the Supervisory Committee, Employee representative Supervisor)*
Ms. Huang Zhixia *(Employee representative Supervisor)*
Mr. Shi Zhengyu *(Shareholder representative Supervisor)*
Mr. Wang Gonghu *(External Supervisor)*
Mr. Wang Shao *(External Supervisor)*

Company Secretary

Ms. Lai Kuen

Authorised Representatives

Mr. Li Dalong
Ms. Lai Kuen

Auditor

PricewaterhouseCoopers
Certified Public Accountant and Registered PIE Auditor

Legal Advisors

as to Hong Kong law:

Sidley Austin LLP

as to PRC law:

King & Wood Mallesons

Principal Bankers
Bank of China, Guangzhou Zhujiang Branch
Industrial and Commercial Bank of China, Zhongshan Sanxiang Wenchang Branch
Industrial and Commercial Bank of China, Lingshui Branch
Agricultural Bank of China, Sanxiang Branch
China Construction Bank, Guangzhou Huacheng Branch

Principal Place of Office in the PRC
35/F, Agile Center
26 Huaxia Road
Zhujiang New Town
Tianhe District, Guangzhou
Guangdong Province, PRC
Postal Code: 510623

Registered Office in the PRC
Management Building, Xingye Road
Agile Garden, Sanxiang Town
Zhongshan
Guangdong Province, PRC

Principal Place of Business in Hong Kong
Level 54, Hopewell Centre
183 Queen's Road East
Hong Kong

H Share Registrar
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Level 54, Hopewell Centre
183 Queen's Road East
Hong Kong
Telephone: (852) 2980 1333
Facsimile: (852) 2861 1465

Investor Relations
Investor Relations Department
E-mail: ir@agileliving.com.cn
Telephone: (852) 2740 8921

Website
www.agileliving.com.cn

Listing Information
Equity Securities
The Company's ordinary shares include domestic shares and overseas listed shares (H shares).

Overseas listed shares (stock code: 3319) are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "Hong Kong Stock Exchange").

Despatch of Corporate Communications
This interim report (both Chinese and English versions) will be delivered to shareholders of the Company (the "Shareholders"). This interim report is also published on the Company's website (www.agileliving.com.cn) and the Hong Kong Stock Exchange's website (www.hkex.com.hk).

For environmental protection reasons, the Company encourages the Shareholders to view this interim report posted on the aforesaid websites where possible.

Financial Summary

Summary of the Consolidated Income Statement

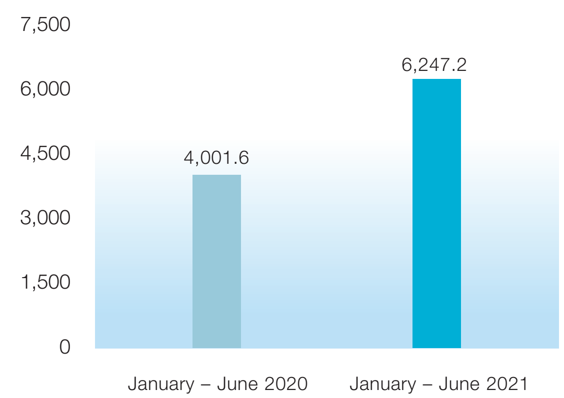
	For the six months ended 30 June	
	2021	2020
Revenue (RMB million)	**6,247.2**	4,001.6
Gross profit (RMB million)	**1,873.9**	1,275.4
Gross profit margin	**30.0%**	31.9%
Net profit (RMB million)	**1,281.0**	873.2
Net profit margin	**20.5%**	21.8%
Profit attributable to shareholders of the Company (RMB million)	**1,142.3**	758.0
Basic earnings per share (RMB)	**0.85**	0.57

Summary of the Consolidated Balance Sheet

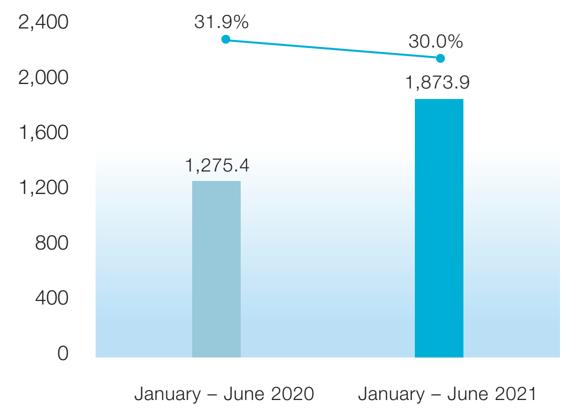
	As at 30 June 2021	As at 31 December 2020
Total assets (RMB million)	**19,466.9**	13,975.0
Cash and cash equivalents (RMB million)	**8,197.6**	5,057.0
Shareholders' equity (RMB million)	**12,148.9**	8,657.4
Return on shareholders' equity attributable to the Company (ROE)*	**25.4%**	25.9%
Total liabilities/total assets	**37.6%**	38.1%

* Profit attributable to Shareholders of the Company for the twelve months ended 30 June 2021 is adopted for calculation of ROE as at 30 June 2021.

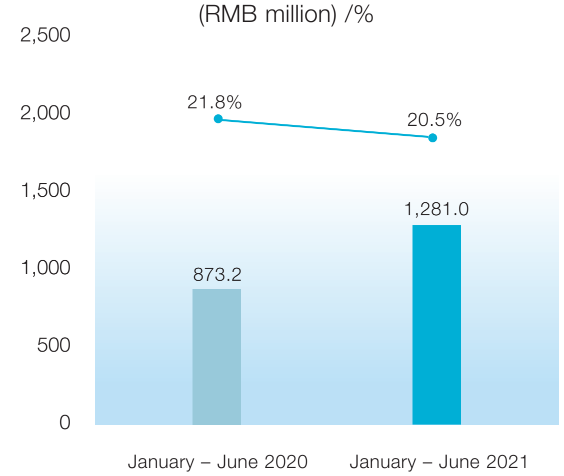
Revenue
(RMB million)



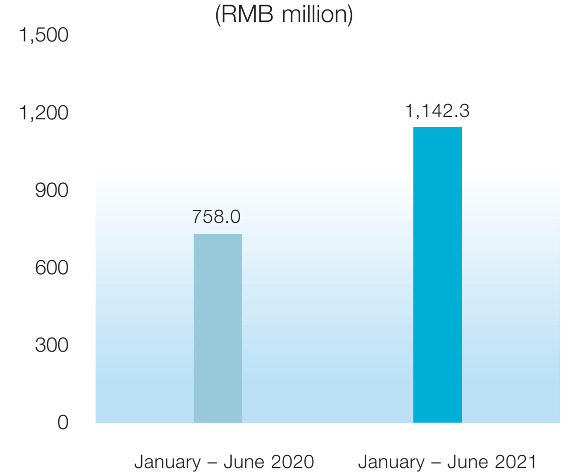
Gross profit and gross profit margin
(RMB million)/%



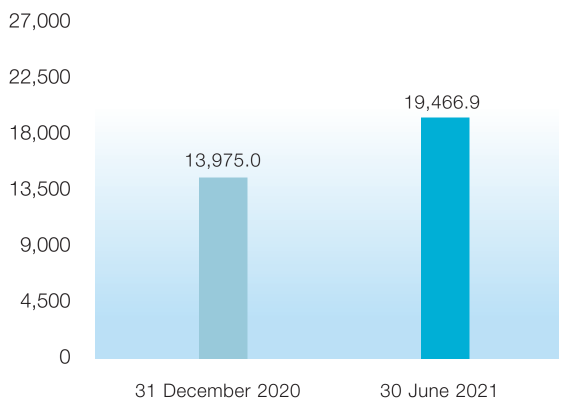
Net profit and net profit margin
(RMB million) /%



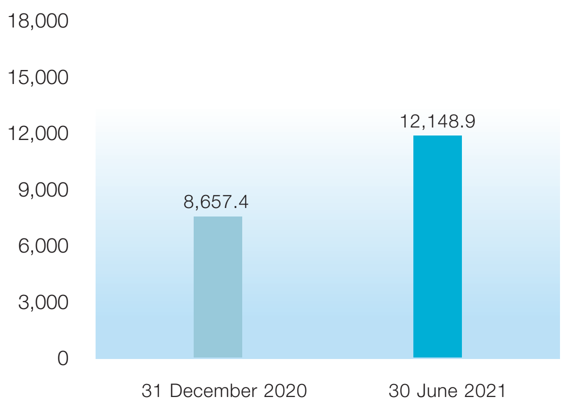
Profit attributable to the shareholders of the Company
(RMB million)



Total assets
(RMB million)



Shareholders' equity
(RMB million)



Major Recognition and Awards

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1. The 4th of the "2021 Top 100 Property Management Companies in China"
2. The 1st of the "2021 Top 10 Property Management Companies in terms of Market Expansion Ability in China
3. The 2nd of the "2021 Top 100 Leading Property Management Companies in terms of Growth Potential in China"
4. The 2nd of the "2021 Leading Property Management Companies in terms of Development of ESG"
5. 2021 Top 100 Leading Property Management Companies in terms of Service Quality in China
6. 2021 Leading Property Management Companies in terms of Customer Satisfaction in China
7. 2021 Leading Property Management Companies in terms of Community Commercial Service in China
8. 2021 Leading Smart City Service Enterprise in China
9. The 4th of the "2021 Top 100 Property Management Companies in terms of Service Capabilities"
10. 2021 Top 20 Enterprises with the Best Office Property Services in China
11. 2021 Top 10 City Services Enterprises in China
12. The 4th of the "2021 Top 100 Blue Chip Property Management Companies"

Dear Shareholders,

We are pleased to present the unaudited consolidated results of the Group for the six months ended 30 June 2021 (the "Period").

The property management industry has ushered in a golden era driven by active policy guidance, upgraded demand for services and strong capital support. In January, ten government departments, including the Ministry of Housing and Urban-Rural Development, jointly issued the Notice on Strengthening and Improving Residential Property Management《關於加強和改進住宅物業管理工作的通知》(the "Notice") to voice their solid support for the development of the property management sector, followed by the introduction of a series of measures by the local governments in order to implement the spirit of the Notice. In China's 14th Five-Year Plan, it is clearly stated that the government will strive to accelerate the development of the service industries, including the property management sector, extend the service coverage, improve service quality and level of standardization, and promote the digital upgrade and transformation of the industry. At the same time, to adapt to the new phase of urbanization, it will innovate the concept, model and means of municipal management so as to lay a solid foundation for the development of intelligent comprehensive city services. These policies fully recognize the social responsibilities shouldered by property management enterprises, tend to speed up the process of elimination of inferior players to ensure the survival of the fittest and elevate the level of market concentration. Property management enterprises are also encouraged to broaden their scope of services and provide diverse "property services + living services" with satisfactory quality that justifies the management fee.

The real estate industry has switched gears to explore the potentials of existing market. A silver lining emerges from property owners' growing demand for property and living services and the market-oriented transformation of non-residential property management services sector, both of which have unleashed a vast array of business opportunities. As the industry grows in scale, it is bound to face an upgrade and extension of its service standards and scope. The leading property management companies with intelligent service capabilities and economies of scale are expected to maintain higher growth momentum than peers and further consolidate and increase their market share.

Leveraging the power of capital and thanks to the policy tailwinds, the property management industry is accelerating its pace of consolidation. The peak of capitalization of the industry continued in 2021, bringing the number of listed property management enterprises exceeding 50. During the first half of the year, property management enterprises accelerated their scale expansion, giving rise to an active merger and acquisition market with more than RMB10 billion involved for industry consolidation activities. At the same time, property management enterprises continued to extend the reach of their services by exploring the upstream and downstream of the property management and value-added services industry chain, and upgrading their intelligent service capabilities, resulting in the formation of a new pattern and a new vision for industry development.

The Group is committed to the mission of bringing lifelong caring to property owners and insists on the development strategy covering diverse business portfolios and the entire industry chain, and has thus transformed into an all-scenario smart city services platform. During the Period, the Group extended its business layout to city services and secured itself a leading player in the industry in terms of scale growth. The Group took advantage of "talent + technology + capital" to continuously enhance its service and brand power and successfully defended its 4th place among the "Top 100 Property Service Companies in China 2021" for the second consecutive year.

Business Review

2021 marks the first year for the Group's march towards the goal of becoming a hundred-billion platform-based company. The Group has managed to maintain a high quality and sustainable growth momentum by focusing on the four major indicators, i.e., "Service Quality, Management Scale, Operating Efficiency and Cash Collection". Leveraging its strong market expansion capabilities, the Group achieved the highest record in third-party market expansion during the Period, securing many large-scale benchmark projects each with an annualized contract amount of RMB10 million or more in the residential, commercial and office, public building and city services sectors. At the same time, the Group's operational efficiency has been steadily improved through refined operations and technology empowerment, because of which the Group achieved remarkable growth in the first half of the year, further optimizing its revenue structure with its core businesses including property services, city services and value-added services for property owners occupying a rising proportion in total.

During the Period, the revenue of the Group was RMB6,247.2 million, representing an increase of 56.1% as compared with the corresponding period of last year. Gross profit was RMB1,873.9 million, representing a year-on-year increase of 46.9%, and gross profit margin was 30.0%. Net profit was RMB1,281.0 million, representing a year-on-year increase of 46.7%, and net profit margin was 20.5%. Profit attributable to the shareholders of the Company (the "Shareholders") amounted to RMB1,142.3 million, representing a year-on-year increase of 50.7%. The basic earnings per share amounted to RMB0.85.

As at 30 June 2021, the GFA under management and contracted GFA of the Group were 424.2 million sq.m. and 584.1 million sq.m. respectively. Among which, the contracted GFA from Agile Group Holdings Limited (雅居樂集團控股有限公司) ("Agile Holdings", and together with its subsidiaries, "Agile Group") and Greenland Holdings Group Company Limited (綠地控股集團股份有限公司) ("Greenland Holdings") amounted to 85.5 million sq.m. and 58.0 million sq.m., respectively. The contracted GFA from third-party projects (including acquired companies) amounted to 440.6 million sq.m., accounting for 75.4% of the total contracted GFA.

The Group has a balanced mix of growth sources. During the Period, taking the first-mover advantage of market-oriented development, the Group has delivered satisfactory results in third-party market expansion, newly obtaining more than 35.1 million sq.m. of contracted GFA (excluding the merger and acquisition). In the first half of the year, the Group remained at the forefront of the market in terms of number of third-party projects acquired and ranked the first place in the list of "Listed Property Services Company in China for Market Expansion Capability". The Group also launched the "Prosperous City Plan (繁城計劃)", aiming at increasing its market share in key cities. Through the flexible adoption of different expansion and cooperation strategies tailor-made for each city, the Group obtained 30 projects in different business portfolios, each with an annualized contract value of over RMB10 million, achieving breakthroughs both in diversifying business portfolios and expanding geographical coverage. The Group also gave full play to its experience in managing large-scale residential and tourism property projects and obtained numerous large-scale residential and complex projects in Dalian and Wuhan, etc. In public services, the Group continued to consolidate its leading position in managing government office buildings, public venues, transportation hubs and tourist attractions, and obtained a number of significant projects, such as the world's largest and most advanced planetarium-Shanghai Planetarium, as well as Nanjing Metro. Meanwhile, the Group fully explored the potential needs of existing clients and obtained additional property management projects under the Lhasa Customs. The Group also took a leap forward in managing campus projects and financial institutions by winning bids for a number of benchmark projects, including 132 private-to-public kindergartens in Bao'an District, Shenzhen and the Credit Reference Center of the People's Bank of China. In the commercial building and office services sector, fully utilizing the resources provided by its shareholders and due to its high-end positioning, the Group successfully obtained a number of service projects of high-end commercial and office buildings and complexes such as Greenland Global Commodity Trading Hub in Jinan (綠地(濟南)全球商品貿易港) and Haikou Agile Center (海口雅居樂中心).

In terms of industry consolidation, the Group completed the acquisition of the equity interest in one of the largest independent third-party property management enterprises in Shanghai, Minrui Property Management (Shanghai) Co., Ltd.* (民瑞物業服務(上海)有限公司) ("New CMIG PM"), during the Period. This enabled the Group to set foot in markets without strong presence in Shanghai and the Yangtze River Delta region and strengthen its advantage in the management scale of high-end residential, commercial and office and other niche markets.

The Group has already established its presence in city services and is set to build a comprehensive smart city service platform in order to tap into the blue ocean market with a market value over a trillion yuan. In the first half of the year, the Group formed a preliminary nationwide presence of city services business, covering 19 provinces, municipalities and autonomous regions. Meanwhile, the Group rapidly obtained qualifications in the city services sector, strengthened its supply chain and established a nationwide procurement platform. Leveraging its experience and customer base in the non-residential services, the Group delivered impressive results for market expansion in the first half of the year. In niche markets of city services, the Group obtained its first marine sanitation project, the Yangpu Economic Development Zone Marine Sanitation Project, which marked a new chapter of professional marine services for the Group.

In terms of value-added services to property owners, the Group upgraded its operation and brand matrix, built professional operation capabilities, created service value and introduced resources in a precise manner to increase property owners' consumption frequency. During the Period, by anchoring itself to the "property services + living services" model, the Group enhanced its positioning in community new retail business and managed to optimize the product selection and marketing processes. To address the needs of property owners, the Group put a great deal of effort into promoting selected products, such as alcohol drinks and specialty foods, according to the features of community. Following the previous successful introduction of Wuliangye, the Group also teamed up with other strategic brands such as Luzhou Laojiao. In addition, the Group launched the "Lexiangri (樂享日)" retail service with its high operating and marketing competence and organized several online and offline themed marketing campaigns to effectively monetize resources and boost sales. The Group also extended the industry chain of living service by introducing quality suppliers as well as enriching self-owned services product mix. The Group also continued to promote high-end housekeeping, sale and leasing service for second-hand properties and community nursery business. In the home improvement business, the Group continued to expand its pool of suppliers and has entered into strategic alliances with more than 20 leading home decoration brands to curate a "turnkey furnishing festival" aiming to increase the conversion rate of turning property owners into customers of home decoration services. To serve a large GFA scale of non-residential projects and a broad client base consisting of government departments and enterprises, the Group continued to provide quality professional services such as catering, commuting, conference services, logistics management and space operation during the Period. Meanwhile, to address property owners' needs, the Group provided commercial and governmental clients with catering and commuting services with high stickiness by obtaining relevant certificate and service capability.

The Group always puts quality first and believes that service quality is the foundation of any business development, and has been striving to improve customer satisfaction and service experience. During the Period, in the face of the resurgence of COVID-19 in Guangdong Province and other cities, the Group resumed the normalized epidemic prevention and control work in accordance with the standards set earlier, proactively shouldered its social responsibilities and gave full play to its grid-based service manner at the primary level, in order to guard the lives and health of property owners and employees. In June, lockdown or semi-lockdown was imposed on more than 60 residential projects in Guangzhou in response to the resurgence of COVID-19. During this period, the Group helped more than 600,000 property owners to complete nucleic acid test and conduct health management. To address the practical needs of property owners during the lockdown period, the Group strived to provide convenience to them by offering a wide range of highly needed services, such as seamless delivery of fresh produce, collection of goods and running errands. In terms of industry standard setting, the Group took the lead in compiling the "Residential Property Services Specification" issued by China Property Management Institute and formulated the first advanced standard for managing residential property in Guangdong Province, playing a starring role in setting the industry standards. During the Period, the Group revamped its service image by launching a "5-Star campaign" to apply a series of upgrades in brand image, facilities, environment and activities, which will enable the Group to highlight the quality of service with details and to create a better life for property owners with dedication.

To make technology its core competitiveness and establish an advantage in providing intelligent services, the Group has upgraded and implemented an informatization and technology-driven strategy. On the operation end, the Group focused on the construction and reconstruction of the operation system to realize intelligent management covering contract, operation, billing, fee collection and customer service. On the customer end, the Group upgraded the A-Steward APP (雅管家APP), built and optimized applications and intelligent services, and built a resource management platform for property owners value-added services. On the business end, as part of its effort to offer intelligent solutions, the Group continued to promote the upgrade and transformation of intelligent security, intelligent parking and intelligent maintenance through the application of AI and Internet of Things technologies to effectively improve the standardization of project management and improve manpower efficiency. The Group has also joined hands with strategic partners such as Huawei, Hainayun, LongShine Technology and Hikvision to promote the construction and operation of smart city system and develop applications for various service scenarios. During the Period, the Group kept adopting the BI system to realize the efficient and integrated management of business and finance.

Besides, the operational and management efficiencies of projects and businesses have also been steadily improved by taking advantage of the refined and intelligent management tools.

The Group has a leading edge of consolidation in the industry. During the Period, the Group further scaled up its post-investment integration and collaborative development power, supported and served the long-term sustainable development of its acquired companies, while effectively managing operational risks and enhancing operating efficiency. Through market synergies and empowerment mechanism, the Group and its acquired companies formed a collective effort to forge ahead with market expansion. In the first half of the year, the Group assisted its acquired companies in bidding and successfully won a number of benchmark projects, which also accelerated cross-sector and cross-regional development of its acquired companies. Meanwhile, the Group formulated service standards and product manuals for different portfolios to ensure consistency in standards and quality. As the business scales up and the scope of services continues to expand, the Group further improved the internal mobility mechanism and accelerated the integration of talents between acquired companies and the Group to ensure long-term alignment of interests.

With ever-growing brand influence and comprehensive strength, the Group swept a number of prestigious awards and accolades in the industry. It ranks the 4th place among the "2021 Top 100 Property Management Companies in China" the second straight year. During the Period, it has been included as an eligible stock for trading under Shanghai-Hong Kong Stock Connect. According to the "2021 Property Services Enterprise Brand Valuation Report", the brand value of A-Living has exceeded RMB10 billion, reaching RMB10.872 billion. The Group was awarded the 4th place among the "2021 Top 100 Property Management Companies in terms of Service Capabilities" and is on the list of the "2021 Top 100 Leading Property Management Companies in terms of Service Quality in China" in recognition of the leading customer satisfaction level and quality services. The Group also has extensive influence in various industries and niche markets, and has won the "2021 Top 10 City Services Enterprises in China" award and the "2021 Top 20 Enterprises with the Best Office Property Services in China" award.

Prospects and Strategy

In the midst of accelerated industry consolidation and concentration, property management enterprises are striving to expand their markets and building up differentiated advantages. As one of the largest and most comprehensive property management enterprises in the industry, the Group adheres to the established development strategy covering the entire industry chain and always bears its aspiration of providing "lifelong caring for the property owners" in mind. Closely following China's 14th Five-Year Plan, the Group will ride the trend of urbanization and service upgrades to satisfy the service needs of cities and property owners. By upgrading its brand and development strategies, the Group is committed to providing property owners with the best and most diversified services. Apart from prioritizing the provision of property and living services for city and corporate clients, the Group will also foster a value-added service ecosystem with an innovative mind and develop intelligent service capabilities from the industry-wide viewpoint, so as to realize the digital operation and the intelligent service capability. The Group is set to leap forward with the ambition of transforming into a hundred-billion platform-based company.

The Group will focus on building core competencies in five areas, namely, service capability, market expansion, technology operation, integration and consolidation, and organizational efficiency. As its management scale continues to grow, the Group's ability to replicate the standardized services and management models will be the key to harnessing the super-large business scale. Upholding the quality-first principle, the Group will continue to enhance service standardization, keep innovating and upgrading its services, improve the service quality and reputation, and build benchmark projects under different portfolios. The introduction of national regulations, as well as property owners' active supervision and participation in property management will provide a strong support for the industry to further standardize the development model and accelerate the integration and concentration of the industry. As a result, leading players with a large management scale, high service quality and stringent compliance control are well positioned to grab more market shares.

In a competitive environment full of twists and turns, brand influence and market expansion capability will be the key factors for a property management enterprise to ensure long-term growth. Leveraging its balanced portfolio mix and leading scale in various market segments, the Group will upgrade its brand strategy by reaffirming its two major directions, one being the property and living service business, which mainly offers services to residential properties covering the whole industry chain; another one being the city and enterprise service business, which mainly offers services to non-residential properties. In the future, the Group will further strengthen the ability to cover the entire industry chain, advance its professional standards, optimize the expansion mechanism, deeply integrate and optimize its brand matrix, build brand power through good reputation, and strive to turn brand power into market competitiveness. The Group will continue to consolidate its footholds in different regions, build core business portfolios, improve its strength in various niche markets, and grab more market shares through word-of-mouth effect. Leveraging its experience in high-tier cities and expertise of managing large-scale and high-end projects, the Group will also strive to gain a foothold in low-tier cities. Together with its acquired companies, the Group will form a joint force to help them develop new market expansion channels and set foot in new markets.

With balanced and diverse sources of growth, the Group will continue to provide quality and stable diversified services to its shareholders and strategic partners in the future. The Group has entered into a five-year strategic cooperation agreement with Greenland Holdings to extend their strategic cooperation until 2025. The Group will continue to act as a priority strategic partner of Greenland Holdings and provide quality and diversified services from 2021 to 2025 to various property projects developed by Greenland Holdings with total GFA of not less than 35 million sq.m. The two parties will also actively cooperate in city services, intelligent living services and value-added services for property owners.

The Group has upgraded its positioning as a smart city space operator by exploring the mid-to high-end of the value chain of city services and deeply involving in city governance and intelligent management. It will fully utilize the resources provided by its parent company and the market resources while leveraging its experience in public service and its professional advantages to build benchmark projects for smart city services, so as to accelerate the market expansion and extend the city service industry chain to the niche markets. Meanwhile, the Group will team up with smart technology partners to build a smart city operation and service information platform by incorporating the various applications for different service scenarios. Furthermore, the Group will extend the services from basic level to the upstream of the value chain through cross-sector cooperation to provide services for the maintenance of urban ecology in areas such as transportation, municipal administration, environmental protection and space planning.

With a huge management scale and serving millions of property owners as well as commercial and corporate clients, the Group will selectively develop value-added services and incubate new businesses through diverse cooperation. In the future, the "property services + living services" business encouraged by national policies will be a focus for the Group in view of the huge potential demands for housekeeping and childcare, etc.. The Group will develop its professional capabilities of incubating innovative value-added services and strive to deliver greater value. Meanwhile, it will tap into the potentials of offering various value-added services, such as group catering, commuting and tailor-made enterprise services, to commercial and corporate clients. The Group is determined to enhance its business expertise in order to constantly break the boundaries of the scope of services.

The property management industry has gradually been upgraded and transformed from a labor-intensive to a technology-enabled industry and is set to witness the rise of technology-driven management and intelligent services. Aiming at serving business operation and enhancing corporate operation and management efficiency, the Group will further enhance analysis and operation capabilities on data and operation platform, and will integrate technologies and services to maximize the efficiency of technology applications. Meanwhile, leveraging the experience in managing residential and non-residential properties and the advantages in business scale, the Group will join hands with leading cloud service providers and high-tech companies to incubate and provide benchmark smart services, thereby achieving the comprehensive upgrade of management models and service experience.

The Group is a pioneer in riding the trend of consolidation in the industry. Through years of industry consolidation and extension, the Group has formed a brand matrix covering comprehensive business portfolios and the entire industry chain. The Group will establish a new business-centered post-acquisition management model managed by business segments that "combines investment and operation management into one" backed by stringent risk control. The Group will apply the well contemplated development strategies to each niche market, strengthen the management capabilities in all segments, and turn scale advantages into brand strengths, so as to deeply integrate different brands to form a joint force for market expansion. The Group will further optimize the structure and the coordination mechanisms at execution, expansion and management, and will enhance the capabilities of offering standardized services and digital operation to effectively improve the efficiency in management and operation. In addition, the Group will continue to forge ahead with the establishment and upgrade of the talent team, improve the corporate culture and strengthen the team cohesion, thereby laying a solid foundation for long-term development.

The Group will embrace the opportunities and challenges arising from the rapid development of the industry while upholding the quality-first principle. It will strive for innovation and advancement in four aspects, i.e., "service quality, management scale, operating efficiency and cash collection". The Group will continue to shoulder the social responsibilities, take good care of property owners, give back to the society by generating greater value, and make every effort to transform into a "double hundred billion" platform-based enterprise.

Acknowledgement

On behalf of the board (the "Board") of directors (the "Directors") of the Company, we would like to extend our heartfelt gratitude to the enormous support from our Shareholders and customers, as well as the dedicated efforts of all our staff members, which all greatly contributed to the growth of the Group.

Chan Cheuk Hung/Huang Fengchao
Co-Chairman of the Board

Hong Kong, 16 August 2021

Business Review

In the first half of 2021, the property management industry had blossomed with friendly policy environment. The government successively issued encouraging policies such as the Notice and "Opinions on Promoting the Construction of a Quarter-hour Convenient Living Sphere in the City", and various local governments introduced regulatory policies on property management to actively encourage property management companies to explore the "property service + living service" model, thus supporting and promoting the development of the property management industry.

During the period, the Group clearly stated the "Double Hundred Billion" strategy and promoted the business transformation and upgrade. Internally, it optimized the post-acquisition integration system, enhanced business integration, strengthened technological construction, improved service quality and operating efficiency, thereby promoting the steady growth of its business segments. Externally, the Group strengthened its market expansion capabilities. In the first half of the year, the Group newly obtained a contracted GFA (excluding the merger and acquisition) of 35.1 million sq.m. through third-party expansion and won a number of large-scale benchmarking projects in various niche markets. At the same time, the Group further extended its industrial chain layout by implementing city services business. It actively promoted market expansion in city services sector and entered into some niche markets such as the marine environmental sanitation market.

With the steady implementation of the business layout strategy, the Group has achieved sustainable and steady growth in the profitability and scale. During the Period, revenue of the Group amounted to RMB6,247.2 million, representing an increase of 56.1% from RMB4,001.6 million in the corresponding period of 2020. Profit attributable to shareholders of the Company amounted to RMB1,142.3 million, representing an increase of 50.7% from RMB758.0 million in the corresponding period of last year. As at 30 June 2021, the GFA under management and contracted GFA of the Group, reached 424.2 million sq.m. and 584.1 million sq.m respectively.

In the first half of 2021, the Group implemented normalized epidemic prevention and control works, responded quickly to the resurgence of COVID-19 in Guangdong, fully assisted the nucleic acid testing for all citizens, and strictly implemented epidemic prevention and control measures in each project under management, in order to safeguard the health of property owners and employees.

In addition, with its leading service quality, remarkable achievements in market expansion, mature management capabilities, and outstanding multi-brand operation capabilities, the Group held a title of No. 4 in "2021 Top 100 Property Management Companies in China" during the Period, and its comprehensive strength was recognised again. It also won awards such as "2021 Top 100 Leading Property Management Companies in terms of Service Quality in China", the 2nd of the "2021 Top 100 Leading Property Management Companies in terms of Growth Potential in China", the 4th of the "2021 Top 100 Property Service Companies in terms of Service Quality", and the 4th of the "2021 Top 100 Blue Chip Property Management Companies". Meanwhile, the Group was named a "2021 Leading Smart City Service Enterprise in China" for the first time as a smart city service provider thanks to its outstanding performance in smart city services and innovative service ecosystem construction.

Financial Review

Revenue

For the six months ended 30 June 2021, the Group's revenue amounted to RMB6,247.2 million (the corresponding period of 2020: RMB4,001.6 million), representing an increase of 56.1% as compared with the corresponding period of last year.

The Group's revenue was derived from four major business lines: (i) property management services; (ii) extended value-added services; (iii) property owners value-added services; and (iv) city services.

	For the six months ended 30 June				
	2021 (RMB'000)	Percentage of revenue %	2020 (RMB'000)	Percentage of revenue %	Growth rate %
Property management services	3,976,922	63.6%	2,619,590	65.5%	51.8%
– Residential property projects	1,638,566	26.2%	1,229,112	30.7%	33.3%
– Non-residential property projects	2,338,356	37.4%	1,390,478	34.8%	68.2%
Extended value-added services	1,303,316	20.9%	959,333	24.0%	35.9%
– Sales centre property management services	562,882	9.0%	427,790	10.7%	31.6%
– Other extended value-added services	740,434	11.9%	531,543	13.3%	39.3%
Property owners value-added services	807,472	12.9%	422,704	10.5%	91.0%
City services	159,446	2.6%	–	–	–
Total	6,247,156	100.0%	4,001,627	100.0%	56.1%

Property Management Services

Property management services, which include security, cleaning, greening, gardening, repair and maintenance, etc., constitute the main source of revenue of the Group.

During the Period, revenue from property management services amounted to RMB3,976.9 million (the corresponding period of 2020: RMB2,619.6 million), representing an increase of 51.8% as compared with the corresponding period of last year. Among which, revenue from residential property projects amounted to RMB1,638.6 million (the corresponding period of 2020: RMB1,229.1 million), representing an increase of 33.3% as compared with the corresponding period of last year; revenue from non-residential property projects amounted to RMB2,338.3 million (the corresponding period of 2020: RMB1,390.5 million), representing an increase of 68.2% as compared with the corresponding period of last year.

The following table sets forth a breakdown of the Group's total GFA under management

Project sources	As at 30 June 2021 ('000 sq.m.)	Percentage of areas %	As at 31 December 2020 ('000 sq.m.)	Percentage of areas %	Growth ('000 sq.m.)	Growth rate %
Agile Group	64,311	15.2%	59,797	16.0%	4,514	7.5%
Greenland Holdings	17,070	4.0%	13,922	3.7%	3,148	22.6%
Third-party projects[1]	342,780	80.8%	301,070	80.3%	41,710	13.9%
Total	424,161	100.0%	374,789	100.0%	49,372	13.2%

Note 1: Including the GFA under management obtained by the Group through third-party expansion and the GFA under management contributed by the subsidiaries of acquired companies.

As at 30 June 2021, the Group's total GFA under management was 424.2 million sq.m., representing an increase of 49.4 million sq.m. from 374.8 million sq.m. as at 31 December 2020, with a growth rate of 13.2%. The increase was mainly attributable to: (i) the Group's continuous effort to take over the projects developed by Agile Group, with newly increased GFA under management of 4.5 million sq.m. during the Period; (ii) newly increased GFA under management of 3.1 million sq.m. from the projects of Greenland Holdings during the Period; (iii) newly increased GFA under management of 41.7 million sq.m. from third-party projects, including newly increased GFA under management of 23.5 million sq.m. converted from third-party expansion during the Period and newly increased GFA under management of 42.6 million sq.m. incorporated from the acquisition of New CMIG PM, and excluding GFA under management of 24.4 million sq.m. from Lanzhou Chengguan Property Services Group Co., Ltd.* (蘭州城關物業服務集團有限公司) ("Lanzhou Chengguan") due to the disposal of it.

Furthermore, the Group acquired equity interest in Shandong Hongtai Property Development Company Limited* (山東宏泰物業發展有限公司) ("Shandong Hongtai") after the Period. Taking into account the GFA under management of Shandong Hongtai, the total GFA under management of the Group would be over 460 million sq.m.

In the first half of 2021, the Group continued to focus on the improvement of service quality by carrying out nationwide quality inspection, conducting specific quality examination by using the intelligent property management system, and strengthening the project risk management and control mechanism. It established a service supervisor mechanism to promote the improvement of front-line service quality from the perspective of customers. It also carried out special inspection and supervision work for engineering, customer service, security and other businesses. During the Period, the Group carried out featured community cultural activities focusing on four major segments, namely health, public welfare, family, and art to enrich the daily life experience of property owners in community. Meanwhile, it provided diversified value-added services for property owners and residents in various types of projects, and strived to improve the property owners' stickiness and satisfaction. In addition, the Group actively participated in the formulation of industry standards. During the Period, the Group took the lead in compiling the "Residential Property Service Specifications", an industry standard issued by the China Property Management Institute, formulating the first advanced standard for managing residential property in Guangdong, and to play a starring role in setting the industry standards.

The project portfolio for GFA under management

The property management industry is still at the peak of consolidation and integration and is focusing on extension and development of diversified business portfolios, among which the non-residential property management and smart city service sector have taken the centre stage. The Group takes the initiative in riding the wave of industrial transformation. It has actively engaged in the extension of its industry chain layout by enhancing market expansion capability in various niche markets to achieve a more diversified business portfolio layout.

Currently, the Group has established balanced and diversified business portfolio layout with first-mover advantage at niche markets including residential property, public buildings and commercial and office buildings, etc. As at 30 June 2021, for the GFA under management of the Group, the proportion of residential property business portfolio accounted for 44.9% (as at 31 December 2020, 40.4%) and the proportion of non-residential property business portfolio accounted for 55.1% (as at 31 December 2020, 59.6%) (public buildings accounting for 42.6%, commercial buildings and others accounting for 12.5%).

The geographic coverage for GFA under management

During the Period, the Group's projects under management reached 3,601, covering 31 provinces, municipalities and autonomous regions nationwide, in 199 cities.

As at 30 June 2021, among the Group's GFA under management by regions, 38.2% were located in the Yangtze River Delta Region, 23.4% were located in the Guangdong-Hong Kong-Macao Greater Bay Area, 9.4% were located in the Chengdu-Chongqing city cluster, while the remaining spread across other regions in the PRC.

The charging mode

The revenue from property management services of the Group was mainly based on a lump sum contract basis, which accounted for 99.7% (the corresponding period of 2020: 99.0%) of revenue from property management services. The lump sum contract basis the Group primarily adopted is conducive to improving service quality and operational efficiency.

The following table sets forth a breakdown of the Group's total contracted GFA

Project Sources	As at 30 June 2021 ('000 sq.m.)	Percentage of areas %	As at 31 December 2020 ('000 sq.m.)	Percentage of areas %	Growth ('000 sq.m.)	Growth rate %
Agile Group	85,521	14.7%	82,085	15.7%	3,436	4.2%
Greenland Holdings	58,030	9.9%	53,089	10.2%	4,941	9.3%
Third-party projects	440,571	75.4%	387,421	74.1%	53,150	13.7%
Total	584,122	100.0%	522,595	100.0%	61,527	11.8%

The contracted GFA, which is defined by the Group as areas agreed in the contracts signed with property owners for providing property management services, includes delivered and to-be-delivered GFA, and the to-be-delivered (reserved) GFA will become the Group's GFA under management and enlarge the source of the Group's revenue in the future.

As at 30 June 2021, the contracted GFA reached 584.1 million sq.m., representing an increase of 61.5 million sq.m. or a growth rate of 11.8% as compared with 522.6 million sq.m. as at 31 December 2020, which was mainly due to (i) the Group's newly increased contracted GFA of 3.4 million sq.m from Agile Group; (ii) newly increased contracted GFA of 4.9 million sq.m from Greenland Holdings, (iii) newly increased contracted GFA of 53.2 million sq.m from third-party projects, in which newly increased contracted GFA of 35.1 million sq.m was obtained from third-party expansion, 42.7 million sq.m was incorporated from the acquisition of New CMIG PM, and Lanzhou Chengguan's contracted GFA of 24.6 million sq.m was excluded due to the disposal of it.

Taking into account the contracted GFA contributed by the acquisition of Shandong Hongtai after the Period, the total contracted GFA of the Group would be over 620 million sq.m.

Extended value-added services

Extended value-added services primarily include sales centre property management services and other extended value-added services for property developers.

During the Period, the Group recorded revenue from extended value-added services of RMB1,303.3 million (the corresponding period of 2020: RMB959.3 million), representing an increase of 35.9% from the corresponding period of last year, and accounting for approximately 20.9% of the total revenue, including:

(1) Sales centre property management services (accounting for 43.2% of the revenue from the extended value-added services): The revenue for the Period amounted to RMB562.9 million, representing an increase of 31.6% as compared with RMB427.8 million in the corresponding period of 2020. The increase of revenue from sales centre property management services was primarily due to the delay of sales centers' opening caused by COVID-19 during the corresponding period of last year, and significant increase of the sales center services provided to third-party property developers during the Period.

(2) Other extended value-added services (accounting for 56.8% of the revenue from the extended value-added services): include property agency services and housing inspection services, etc. The revenue for the Period amounted to RMB740.4 million, representing an increase of 39.3% as compared with RMB531.5 million in the corresponding period of 2020, mainly due to the increase in pre-sale value of the property developers in the first half of 2021.

Property owners value-added services

Property owners value-added services mainly include living and comprehensive services, home improvement services, community space and other services, and value-added services for non-residential projects, which focus on improving the community living experience of property owners and residents at the properties under management and preserving and increasing the value of their properties.

During the Period, revenue from property owners value-added services amounted to RMB807.5 million, representing an increase of 91.0% as compared with RMB422.7 million in the corresponding period of 2020, and accounting for approximately 12.9% of the total revenue.

(1) Living and comprehensive services include property maintenance, housekeeping, courtyard gardening, community group buying, express delivery, community second-hand leasing and sales service and comprehensive consulting services, etc. During the Period, the Group further explored the daily needs of property owners, focused on brand and channel building, and carried out more than 10 marketing activities covering all-season and all-regions. In terms of community new retail, the Group created the new retail brand of A-Living "Lexiangri (樂享日)", introduced high-quality brands such as Luzhou Laojiao and Blue Moon, and improved business coverage and penetration rate through the in-depth integration of online and offline services. In terms of home care services, the Group continued to explore high-end housekeeping services and community laundry business. During the Period, the Group launched the "Household Appliance Cleaning Season" campaign and other special promotions, and introduced more than 30 suppliers through strategic cooperation and business cooperation. During the Period, revenue from living and comprehensive services amounted to approximately RMB295.8 million, representing an increase of 83.3% as compared with RMB161.4 million in the corresponding period of 2020, and accounting for approximately 36.6% of revenue from property owners value-added services.

(2) Home improvement services primarily include decoration, turnkey furnishing and community renewal services, etc. During the Period, the Group promoted the standardised operation of decoration business and pre-sale of home improvement business, introduced a number of suppliers with high unit price in overall improvement and decoration, furniture and home appliances, etc., and organized special promotion activities such as the "Home Decoration and Turnkey Furnishing Festival". During the Period, revenue from home improvement services amounted to approximately RMB129.2 million, representing an increase of 124.7% as compared with RMB57.5 million in the corresponding period of 2020, and accounting for approximately 16.0% of revenue from property owners value-added service.

(3) Community space and other services primarily include club house operation services, property operation services, community-based advertising operation, parking lot management services and community asset operation, etc. During the Period, the Group integrated supply chain resources and expanded advertising agency business to external communities. It had enriched the resource management services, launched pilot scheme of the "site provision + product supply" mode, and provided integrated solutions for space operation. During the Period, revenue from community space and other services amounted to approximately RMB226.1 million, representing an increase of 137.7% as compared with RMB95.1 million in the corresponding period of 2020, and accounting for approximately 28.0% of revenue from property owners value-added service.

(4) Value-added services to institutions and enterprises include featured value-added services for public buildings such as catering, commuting services and material procurement services, as well as featured value-added services for commercial and office buildings such as customised services for enterprises, conferencing services, as well as centralised procurement and retailing for enterprises, etc. Revenue from value-added service to institutions and enterprises amounted to approximately RMB156.4 million, representing an increase of 43.9% as compared with the revenue of RMB108.7 million in the corresponding period of 2020, and accounting for approximately 19.4% of revenue from property owners value-added services.

During the Period, the growth in property owners value-added services was mainly due to the exploration of the needs of property owners in various business portfolios, enrichment of the product and service portfolio, increase in business coverage and penetration rate, as well as value-added services revenue from acquired companies.

City services

City services mainly include street cleaning and maintenance, domestic refuse collection and transportation, refuse classification, landscaping and gardening maintenance, municipal facility maintenance, urban space operation, community coordination and governance, smart city management solutions, etc. Currently, the Group's city service projects are mainly divided into single project contracting model and integrated sanitation services, etc.

The Group has established the city services business segment that focuses on the exploration of comprehensive services including urban space management, urban resource operation, community coordination and governance, and construction of smart city service system, aiming to build a comprehensive city service system covering developed cities, emerging urban and townships, thus establishing a leading all-scenario smart city service platform. During the Period, the Group further developed the city service business segment through the completion of the acquisitions of 51% equity interest in Beijing Huifeng and 60% equity interest in Shaanxi Mingtang, as well as the strong market expansion capabilities of its self-operated Yahao brand and acquired companies. It obtained the first marine sanitation project-Yangpu Marine Sanitation Service Project and a number of urban sanitation projects each with an annualized contract value of over RMB10 million. During the Period, revenue from city services reached RMB159.5 million, accounting for approximately 2.6% of the total revenue.

Cost of sales

The Group's cost of sales primarily consists of employee salaries and benefit expenses, cleaning expenses, security charges, maintenance costs, utilities, greening and gardening expenses, cost of consumables, depreciation and amortisation charges and others.

During the Period, the Group's cost of sales was RMB4,373.3 million (the corresponding period of 2020: RMB2,726.3 million), representing an increase of 60.4% year on year, which was primarily due to the increase in relevant costs in response to the revenue growth. Overall, the Group's growth of the cost of sales was higher than that of revenue, primarily because the further optimization of revenue structure that the proportion of extended value-added services with higher gross profit margin decreased to 20.9% from 24.0% in the corresponding period of last year.

Gross profit and gross profit margin

	For the six months ended 30 June				
	2021		2020		
	Gross profit (RMB'000)	Gross profit margin %	Gross profit (RMB'000)	Gross profit margin %	Changes in gross profit margin percentage points
Property management services	**876,494**	**22.0%**	574,052	21.9%	0.1 percentage point
Extended value-added services	**521,367**	**40.0%**	468,828	48.9%	-8.9 percentage points
Property owners value-added services	**440,811**	**54.6%**	232,486	55.0%	-0.4 percentage point
City services	**35,225**	**22.1%**	–	–	–
Total	**1,873,897**	**30.0%**	1,275,366	31.9%	-1.9 percentage points

During the Period, the Group's gross profit amounted to RMB1,873.9 million, representing an increase of 46.9% as compared with RMB1,275.4 million in the corresponding period of 2020. Gross profit margin decreased by 1.9 percentage points to 30.0% from 31.9% in 2020.

– The gross profit margin of property management services was 22.0% (the corresponding period of 2020: 21.9%), representing an increase of 0.1 percentage point as compared with that of 2020, which was mainly due to the Group's continuous efforts in improving quality and efficiency through refined operation and management and maintaining a high level of gross profit from property management services. Excluding the effect of amortisation of intangible assets due to the merger and acquisition, the core gross profit was RMB942.7 million and the core gross profit margin was 23.7%.

– The gross profit margin of extended value-added services was 40.0% (the corresponding period of 2020: 48.9%), representing a decrease of 8.9 percentage points as compared with that of 2020, which was mainly due to an increase in cost for improving the service satisfaction rate of developers, assisting the destocking of assets and continuous improvement in service quality.

– The gross profit margin of property owners value-added services was 54.6% (the corresponding period of 2020: 55.0%), representing a decrease of 0.4 percentage point as compared with that of 2020, which was mainly due to change in value-added services business combination of the Group.

– The gross profit margin of city services was 22.1%.

Selling and marketing expenses

During the Period, the Group's selling and marketing expenses amounted to RMB61.7 million, representing an increase of 112.7% as compared with RMB29.0 million in the corresponding period of 2020, and accounting for 1.0% of the revenue, an increase of 0.3 percentage point as compared with that of the corresponding period of last year, which was mainly attributable to the increase in marketing expenses brought by the effective market expansion in the first half of the year.

Administrative expenses

During the Period, the Group's administrative expenses amounted to RMB384.7 million, representing an increase of 74.0% as compared with RMB221.1 million in the corresponding period of 2020, and accounting for 6.2% of the revenue, an increase of 0.7 percentage point as compared to 2020, which was mainly due to the Group's active efforts in the development of the new business segment of city services, improving management efficiency and reserving professional talents, and the increase in expenses of information system as a result of building an intelligent service platform in an all-round way.

Other income

During the Period, other income of the Group amounted to RMB74.2 million (the corresponding period of 2020: RMB94.7 million), representing a decrease of 21.6% as compared with that of the corresponding period of last year, which was mainly due to the decrease of government subsidies as compared with the corresponding period of last year.

Income tax

During the Period, the Group's income tax expense was RMB262.3 million (the corresponding period of 2020: RMB267.9 million). The income tax rate was 17.0% (the corresponding period of 2020: 23.5%). The income tax rate for the Period represented a year-on-year decrease of 6.5 percentage points, which was mainly because the Group actively adopted various preferential tax policies issued by the government in recent years and applied for a number of enterprise income tax preferences, such as the preferential income tax treatment for Small and Micro Enterprise, "Hainan Free Trade Port", "Great Western Development Strategy" and High and New Technology Enterprise, etc, which reduced the overall tax burden.

Profit

During the Period, the Group's net profit was RMB1,281.0 million, representing an increase of 46.7% as compared with RMB873.2 million in the corresponding period of 2020, which was mainly attributable to economies of scale brought by the overall business expansion of the Group, and the rapid development of the property owners value-added services. Net profit margin was 20.5%, representing a decrease of 1.3 percentage points as compared with 21.8% in the corresponding period of 2020. Excluding the effect of the amortisation of intangible assets and depreciation of appraisal appreciation of fixed assets due to the merger and acquisition, the core net profit margin was 21.4%. Profit attributable to the equity Shareholders of the Company for the Period was RMB1,142.3 million, representing an increase of 50.7% as compared with RMB758.0 million in the corresponding period of last year. Basic earnings per share were RMB0.85, increased by 49.1% as compared with the corresponding period of last year.

Current assets, reserve and capital structure

During the Period, the Group maintained a sound financial position. As at 30 June 2021, current assets amounted to RMB13,480.3 million, representing an increase of 48.1% from RMB9,100.1 million as at 31 December 2020. Cash and cash equivalents of the Group amounted to RMB8,197.6 million, representing an increase of 62.1% as compared with RMB5,057.0 million as at 31 December 2020, primarily because of the net proceeds of HK$3,242 million (equivalent to RMB2,678 million) from the placing of new H Shares conducted during the Period. As at 30 June 2021, the Group's cash and cash equivalents were mainly held in Renminbi and Hong Kong dollars.

As at 30 June 2021, the Group's total equity was RMB12,148.9 million, representing an increase of RMB3,491.5 million or 40.3% as compared with RMB8,657.4 million as at 31 December 2020, which was primarily due to the placing of new H Shares conducted during the Period resulting in an increase in equity of HK$3,242 million and a significant increase in the profit after tax of the Group.

Property, plant and equipment

The Group's property, plant and equipment mainly comprise buildings, office equipment, machinery equipment and other fixed assets. As at 30 June 2021, the net value of the Group's property, plant and equipment amounted to RMB332.9 million, representing an increase of 30.5% as compared with RMB255.0 million as at 31 December 2020, which was primarily due to the new addition of property, plant and equipment from the consolidation of the New CMIG PM and city services companies, which was partially offset by the depreciation for the Period.

Other intangible assets

As at 30 June 2021, the net book value of other intangible assets of the Group was RMB1,169.5 million, representing an increase of 21.7% as compared with RMB961.2 million as at 31 December 2020. Intangible assets of the Group mainly included (i) RMB28.4 million from the trademark value of acquired companies; (ii) RMB1,352.2 million generated from customer relationship and backlogs attributable to acquired companies; (iii) the software developed and purchased by the Group; and (iv) partially offset by amortisation of trademarks, customer relationships and software. Trademarks, customer relationship and software had a specific validity period and were carried at cost less accumulated amortisation.

Goodwill

As at 30 June 2021, the Group recorded goodwill of RMB2,539.5 million, representing an increase of 16.4% as compared with RMB2,182.0 million as at 31 December 2020. The increase of goodwill for the Period was mainly due to the goodwill of RMB216.3 million from the acquisition of the New CMIG PM. The goodwill was primarily derived from the expected future business developments of the acquired companies, expansion of market coverage, diversification of service portfolio, integration of value-added services and improvement of management efficiency.

The management confirmed that there was no significant goodwill impairment risk as at 30 June 2021.

Trade and other receivables

As at 30 June 2021, trade and other receivables (including current and non-current portions) amounted to RMB4,817.1 million, representing an increase of 31.6% from RMB3,659.3 million as at 31 December 2020, which was mainly due to the effect of the consolidation of the New CMIG PM and city services companies.

Trade and other payables

As at 30 June 2021, trade and other payables (including current and non-current portions) amounted to RMB5,091.9 million, representing an increase of 48.8% as compared with RMB3,421.9 million as at 31 December 2020, which was primarily attributable to an increase in the cost of various materials procurement, labor outsourcing and energy consumption brought by the business expansion of the Group.

Borrowings

As at 30 June 2021, the Group had short-term borrowings of RMB55.4 million with a term of less than one year and borrowings of RMB6.0 million with a term of more than one year.

Gearing ratio

The gearing ratio is calculated as total borrowings divided by total equity, which is the sum of long-term and short-term interest bearing bank loans and other loans as at the corresponding date divided by the total equity as at the same date. As at 30 June 2021, the gearing ratio was 0.5%.

Current and deferred income tax liabilities

As of 30 June 2021, the current income tax liabilities of the Group amounted to RMB402.1 million, representing a decrease of 5.5% as compared with RMB425.3 million as of 31 December 2020, which was mainly because the income tax rate of the Group for the Period decreased by 6.5% as compared with the corresponding period of last year. Deferred income tax liabilities increased to RMB305.2 million from RMB225.3 million as of 31 December 2020, which was primarily attributable to the temporary differences arising from the increase of appraised assets value of newly acquired companies.

Proceeds from the Listing

The Company's H Shares were listed on the Main Board of the Hong Kong Stock Exchange on 9 February 2018 (the "Listing"), with a total of 333,334,000 new H Shares issued. After deducting the underwriting fees and relevant expenses, net proceeds from the Listing amounted to approximately HK$3,958.8 million (equivalent to RMB3,199.3 million).

The intended uses of the net proceeds as set out in the prospectus of the Company dated 29 January 2018 (the "Prospectus") were allocated in the following manner:

- approximately 65% will be used to pursue selective strategic investment and acquisition opportunities and to further develop strategic alliances;
- approximately 10% will be used to further develop the one-stop service platform of the Group;
- approximately 15% will be used to develop the "management digitalisation, service specialisation, procedure standardisation and operation automation" of the Group; and
- approximately 10% will be used for working capital and general corporate purposes.

As set out in the announcement of change in use of proceeds from the global offering dated 15 August 2019 (the "2019 Announcement"), the Group adjusted the intended use and allocation of the net proceeds on 15 August 2019 as follows:

- approximately 85% will be used to pursue selective strategic investment and acquisition opportunities and further develop strategic alliances – inject capital into subsidiary companies, acquire (including injecting capital into subsidiary companies for acquisitions) other property management companies and other companies in related businesses and invest in property management industry funds jointly with our business partners;

- approximately 5% will be used to further develop the one-stop service platform of the Group and develop the "management digitalisation, service specialisation, procedure standardisation and operation automation" of the Group; and

- approximately 10% will be used for working capital and general corporate purposes.

Subsequently, as set out in the further announcement of change in use of proceeds from the global offering dated 18 December 2020 (the "2020 Announcement"), the Group further adjusted the intended use and allocation of the net proceeds on 18 December 2020 as follows:

- approximately 82.35% will be used to pursue selective strategic investment and acquisition opportunities and further develop strategic alliances – inject capital into subsidiary companies, acquire (including injecting capital into subsidiary companies for acquisitions) other property management companies and other companies in related businesses and invest in property management industry funds jointly with our business partners;

- approximately 0.46% will be used to further develop the one-stop service platform of the Group and develop the "management digitalisation, service specialisation, procedure standardisation and operation automation" of the Group; and

- approximately 17.19% will be used for working capital and general corporate purposes.

Use of the net proceeds	Percentage of the revised allocation as stated in the 2020 Announcement	Revised allocation as stated in the 2020 Announcement	Used amount as at 30 June 2021[(1)]	Remaining balance as at 30 June 2021	Expected timeline for utilising the remaining unused net proceeds[(2)]
	%	RMB million	RMB million	RMB million	Day/month/year
• Pursue selective strategic investment and acquisition opportunities and further develop strategic alliances – *Inject capital into subsidiary companies, acquire (including injecting capital into subsidiary companies for acquisitions) other property management companies and other companies in related businesses and invest in property management industry funds jointly with our business partners*	82.35%	2,634.65	2,634.65[(3)]	0	–
• Further develop the one-stop service platform of the Group and develop "management digitalisation, service specialisation, procedure standardisation and operation automation" of the Group	0.46%	14.6	14.6	0	–
• Working capital and general corporate purposes	17.19%	550.05	327.27	222.78	On or before 31 December 2022
Total	100%	3,199.30	2,976.52	222.78	

(1) Such used proceeds were allocated in accordance with the purposes set out in the Prospectus, the 2019 Announcement and the 2020 Announcement.

(2) The expected timeline for utilising the remaining unused proceeds is based on the best estimation of the present and future business market conditions in the PRC made by the Board. It will be subject to change based on the current and future development of the market conditions.

(3) As at 30 June 2021, the Group had used approximately RMB2,634.65 million to pursue selective strategic investment and acquisition opportunities and further develop strategic alliances, including RMB1,800.00 million for injecting capital into subsidiaries, RMB594.65 million for acquiring (including injecting capital into subsidiary companies for acquisitions) other property management companies and other companies in related businesses and RMB240.00 million for investing in property management industry funds jointly with our business partners.

The Directors are not aware of any material change to the planned use of net proceeds as of the date of this report. The unutilised net proceeds and its following intended timeframe for utilisation will be applied in the manner consistent with that mentioned in the 2020 Announcement. The unutilised net proceeds are currently held as bank deposits and will be used according to the distribution as set out in the 2020 Announcement.

Placing of new H shares under general mandate

On 28 May 2021, the Company and Citigroup Global Markets Limited (as a placing agent) entered into a placing agreement, pursuant to which the Company agreed to appoint the placing agent, and the placing agent agreed to act as the agent of the Company, to procure, on a fully-underwritten basis, placees for an aggregate of 86,666,800 new H Shares at a placing price of HK$37.60 per H Share.

The gross proceeds and net proceeds to be received by the Company from the placing, after deducting related fees and expenses, were approximately HK$3,259 million and approximately HK$3,242 million respectively, representing a net issue price of approximately HK$37.40 per placing share. Details of the planned use and actual use of net proceeds from the placing were as follows:

Use of the net proceeds	Percentage of the allocation	Available amount	Used amount as at 30 June 2021	Remaining balance as at 30 June 2021	Expected timeline for utilising the remaining unused net proceeds (Note)
	%	RMB million	RMB million	RMB million	Day/month/year
Working capital and general corporate purposes	100%	3,242	0	3,242	On or before 31 December 2024
Total	100%	3,242	0	3,242	

(Note) The expected timeline for utilising the remaining unused proceeds is based on the best estimation of the present and future business market conditions in the PRC made by the Board. It will be subject to change based on the current and future development of the market conditions.

The Board considered that the placing represented an opportunity to raise capital for the Company while broadening its Shareholder and capital base. The Directors were of the view that the placing would strengthen the financial position of the Group and provide working capital to the Group, and the terms of the placing agreement (including the placing price) were fair and reasonable and in the interests of the Company and the Shareholders as a whole.

For details, please refer to the Company's announcement dated 28 May 2021.

Pledge of assets

As at 30 June 2021, the Group had pledged certain property, plant and equipment of its subsidiaries for its loan guarantee. Details of the Group's pledge of assets as at 30 June 2021 are set out in note 13 to the interim financial information contained in this report.

Major acquisitions

Acquisition of equity interest in New CMIG PM

On 25 September 2019, the Company entered into an equity transfer agreement in relation to, inter alia, the acquisition of the 60% equity interest in CMIG Futurelife Property Management Limited* (中民未來物業服務有限公司) ("CMIG PM") at a consideration of approximately RMB1.56 billion. On 12 December 2019, the Group entered into an equity transfer agreement (as supplemented on 30 November 2020 and 22 February 2021, respectively) to conditionally acquire 60% equity interest in New CMIG PM at the final consideration of RMB344,250,000 from Guangdong Fengxin Yinglong Equity Investment Partnership (Limited Partnership). The consideration for these acquisitions was determined after arm's length negotiations between the parties, with reference to 12.5 times of the net profit guarantee set out in the relevant agreements, and was funded in instalments by internal resources of the Group. The Company completed such acquisitions of equity interest in CMIG PM and New CMIG PM in the first half of 2020 and April 2021 respectively. CMIG PM and New CMIG PM are non-wholly owned subsidiaries of the Group.

CMIG PM and New CMIG PM have established an extensive presence in economically developed city clusters across the country, covering a wide range of business portfolios such as public buildings, commercial offices and residential properties. They have several leading brands in the niche property markets to manage numerous city landmark projects, and have leading market shares and strong brand reputation in public buildings and other niche markets in different regions nationwide. Upon completion of these acquisitions, CMIG PM and New CMIG PM can effectively complement the Group's existing businesses and geographical presence, consolidate its leading position and create synergies. In addition, these acquisitions can effectively enhance the management scale, profitability and brand competitiveness of the Group, thereby strengthening the Group's position as a leading property management service enterprise with nationwide layout, comprehensive business portfolio and reputable brands.

Major disposals

During the Period, the Group had no major disposals of subsidiaries and associated companies.

Major investment

During the Period, the Group held no major investment.

Contingent liabilities

As at 30 June 2021, the Group had no significant contingent liabilities.

Foreign exchange risk

The Group primarily operates its business in the PRC. The currency in which the Group denominates and settles substantially all of its transactions is RMB.

As of 30 June 2021, the Group was exposed to the corresponding foreign exchange risks due to its holdings of foreign currency assets which were mainly related to the Hong Kong dollar.

For the Group's PRC subsidiaries whose functional currency is RMB, if Hong Kong dollars had appreciated/ depreciated by 5% against RMB with all other variables held constant, the profit before income tax for the six months ended 30 June 2021 would have been approximately RMB135.97 million higher/lower (the six months ended 30 June 2020: nil) as a result of net foreign exchange gains/(losses) on translation of net monetary assets denominated in Hong Kong dollars.

The Group currently does not engage in any hedging activities designed or intended to manage foreign exchange rate risk. The Group will continue to monitor foreign exchange changes to best preserve the Group's cash value.

Furthermore, the Group had no significant exchange rate risk.

Employees and remuneration policies

As at 30 June 2021, the Group had 70,711 employees, representing an increase of 26.5% as compared with 55,888 employees as at 31 December 2020. Total staff costs amounted to RMB2,332.2 million, representing an increase of 53.8% as compared with RMB1,516.6 million in the corresponding period of 2020. The increase in staff costs was mainly due to (i) the increase brought by the acquired companies; (ii) the increased demand for high-quality talents in response to the requirements of the Group's business development.

The compensation plan of the Group is determined with reference to the market levels as well as employees' performance and contributions. Bonuses are also distributed based on the performance of employees. The Group also provides employees with a comprehensive benefit package and career development opportunities, including retirement schemes, medical benefits, and both internal and external training programs appropriate to the employees' needs.

Apart from taking into account the advice from the remuneration and appraisal committee of the Board and the market levels, the Company also considers the competency, contributions and the responsibilities towards the Company in determining the level of remuneration for Directors. Appropriate benefit schemes are in place for the Directors.

Subsequent events

Acquisition of equity interest in Jinan Hongtai

On 2 July 2021, Tianjin Yachao Enterprise Management Consulting Co., Ltd.* (天津雅潮企業管理諮詢有限公司) ("Tianjin Yachao"), an indirect wholly-owned subsidiary of the Company, as purchaser entered into an agreement with, the partners of Jinan Hongtai Investment Management Partnership (Limited Partnership)* (濟南宏泰投資管理合夥企業(有限合夥)) ("Jinan Hongtai") as vendors, pursuant to which Tianjin Yachao has conditionally agreed to acquire an aggregate of 100% interest in Jinan Hongtai, at a total consideration of RMB282 million (the "Acquisition").

As at the date of the Acquisition, Jinan Hongtai held 65% equity interest in Shandong Hongtai, and CMIG PM, an indirect non-wholly owned subsidiary of the Company, held 35% equity interest in Shandong Hongtai. Following completion of the Acquisition, the Company will indirectly hold 100% equity interest in Shandong Hongtai.

Corporate Governance Practices

The Board is committed to maintaining high corporate governance standards.

The Board believes that high corporate governance standards are essential in providing a framework for the Group to safeguard the interests of the Shareholders, enhance corporate value, formulate its business strategies and policies, and enhance its transparency and accountability.

The Board currently comprises eight members, with three executive Directors, two non-executive Directors and three independent non-executive Directors. Each of the independent non-executive Directors either possesses professional qualifications or experiences in various areas of financial accounting or property management. The Board holds at least four physical Board meetings every year. The Board will review the corporate governance practices of the Group from time to time with an aim to meet international best practices.

The Company has been reporting the business performance and latest development of the Group to its Shareholders and investors through various channels and platforms and a briefing on the businesses of the Company and the question and answer session are available in the annual general meeting of the Company allowing the Shareholders to have a better understanding of the Group's strategies and goals.

Review of interim results

The Company's audit committee has reviewed the unaudited interim results of the Group for the six months ended 30 June 2021.

The interim results of the Group for the six months ended 30 June 2021 had not been audited but had been reviewed by PricewaterhouseCoopers, the auditor of the Company, in accordance with Hong Kong Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Hong Kong Institute of Certified Public Accountants.

Compliance with the Model Code for Securities Transactions by Directors and Supervisors

The Company has adopted a code for securities transactions by the Directors and a code for securities transactions by supervisors of the Company (the "Supervisors") as its own codes of conduct governing Directors' and Supervisors' dealings in the Company's securities (the "Securities Dealing Codes") on terms no less exacting than the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules").

Specific enquiry has been made of all the Directors and Supervisors and they have confirmed that they had complied with the Securities Dealing Codes during the six months ended 30 June 2021.

The Company has also established written guidelines (the "Employees Written Guidelines") on terms no less exacting than the Model Code for securities transactions by employees who are likely to be in possession of unpublished price-sensitive information of the Company. No incident of non-compliance with the Employees Written Guidelines by the employees was noted by the Company during the six months ended 30 June 2021.

Compliance with the Corporate Governance Code

The Company has adopted the principles and code provisions as set out in the Corporate Governance Code (the "CG Code") contained in Appendix 14 to the Listing Rules.

The Board reviewed the Company's corporate governance practices and is satisfied that the Company has been in full compliance with all the applicable code provisions set out in the CG Code during the six months ended 30 June 2021.

Directors', Supervisors' and the Chief Executives' Interests and/or Short Positions in Shares, Underlying Shares or Debentures of the Company or any of its Associated Corporations

As of 30 June 2021, the interests and short positions of the Directors, the Supervisors and chief executives of the Company in the shares, underlying shares and debentures of the Company or its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance ("SFO")), which were required to be notified to the Company and the Hong Kong Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO), or as recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO, or as otherwise notified to the Company and the Hong Kong Stock Exchange pursuant to the Securities Dealing Codes, were as follows:

(i) Interest in Shares of the Company

Name of Director	Nature of Interest	Class of Shares	Number of Shares[1]	Approximate Percentage of the Company's Issued Share Capital
Mr. Chan Cheuk Hung[2]	Beneficiary of a trust	H Shares	721,256,750 (L)	50.79%
Mr. Huang Fengchao[3]	Interest of a controlled corporation	H Shares	80,000,000 (L)	5.63%
Mr. Li Dalong[4]	Interest of a controlled corporation	H Shares	80,000,000 (L)	5.63%
	Spouse	H Shares	200,000 (L)	0.01%

Notes:

(1) The letter "L" denotes the person's long position in the shares.

(2) Mr. Chan Cheuk Hung is the beneficiary of a family trust ("Chen's Family Trust", which is deemed to be interested in 721,256,750 H shares of the Company). Therefore, Mr. Chan Cheuk Hung is deemed under the SFO to be interested in the shares of the Company held by Chen's Family Trust.

(3) Mr. Huang Fengchao is a general partner of and owns 99.8% interest in Shanghai Bingya Business Consultancy Limited Partnership* 上海秉雅商務諮詢合夥企業(有限合夥) ("Shanghai Bingya") which is a limited partner of and owns 50% interest in Shanghai Yongya Business Consultancy Limited Partnership* 上海詠雅商務諮詢合夥企業(有限合夥) ("Shanghai Yongya"). Mr. Huang is also a general partner of and owns 99.8% interest in Shanghai Baoya Business Consultancy Limited Partnership* 上海葆雅商務諮詢合夥企業(有限合夥) ("Shanghai Baoya") which is a general partner of and owns 50% interest in Shanghai Yongya. Shanghai Yongya is a limited partner of and owns 45% interest in Gongqingcheng A-Living Investment Management Limited Partnership* 共青城雅生活投資管理合夥企業(有限合夥) ("Gongqingcheng Investment") which owns 80,000,000 H shares of the Company. Mr. Huang is a limited partner of and owns 4.99% interest in Gongqingcheng Investment. Hence, Mr. Huang Fengchao is deemed under the SFO to be interested in the shares of the Company held by Gongqingcheng Investment.

(4) Mr. Li Dalong is a general partner of and owns 50% interest in Shanghai Yanya Business Consultancy Limited Partnership* 上海焰雅商務諮詢合夥企業(有限合夥) ("Shanghai Yanya") which is a limited partner of and owns 50% interest in Shanghai Yeya Business Consultancy Limited Partnership* 上海燁雅商務諮詢合夥企業(有限合夥) ("Shanghai Yeya"). Mr. Li is also a general partner of and owns 50% interest in Shanghai Chengya Business Consultancy Limited Partnership* 上海澄雅商務諮詢合夥企業(有限合夥)("Shanghai Chengya") which is a general partner of and owns 50% interest in Shanghai Yeya. Shanghai Yeya is a limited partner of and owns 45% interest in Gongqingcheng Investment which owns 80,000,000 H shares of the Company. Mr. Li is a limited partner of and owns 2.5% interest in Gongqingcheng Investment. Hence, Mr. Li Dalong is deemed under the SFO to be interested in the shares of the Company held by Gongqingcheng Investment. By virtue of the SFO, Mr. Li Dalong is deemed to be interested in the shares of the Company held by his spouse, Ms. Fei Fan.

* for identification purposes only

(ii) Interest in Shares of Associated Corporation of the Company

(I) Shares

Name of Director	Name of Associated Corporation	Nature of Interest	Number of Shares	Approximate Percentage of Shareholding Interest
Mr. Chan Cheuk Hung	Agile Group Holdings Limited	Beneficiary of a trust	2,453,096,250 (L)	62.63%
Mr. Huang Fengchao	Agile Group Holdings Limited	Beneficial owner	1,400,000 (L)	0.04%
Ms. Yue Yuan	Agile Group Holdings Limited	Beneficial owner	22,000 (L)	0.00%

Note: The letter "L" denotes the person's long position in the shares.

(II) Debentures

Name of Director	Name of Associated Corporation	Type	Personal Interests	Approximate Percentage of the Debentures
Ms. Wong Chui Ping Cassie	Agile Group Holdings Limited	6.7% senior notes in an aggregate principal amount of US$500 million due by 2022	US$200,000	0.04%

Save as disclosed above, as of 30 June 2021, neither any of the Directors, the Supervisors nor the chief executives had or was deemed to have any interests or short positions in the shares, underlying shares or debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) (i) which were required to be notified to the Company and the Hong Kong Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO); or (ii) which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (iii) which were required to be notified to the Company and the Hong Kong Stock Exchange pursuant to the Securities Dealing Codes.

Substantial Shareholders' Interests and Short Positions in Shares or Underlying Shares of the Company

So far as known to any Director or chief executives of the Company, as of 30 June 2021, the persons (other than Directors, Supervisors or chief executives of the Company) or corporations who had interest or short positions in the shares and underlying shares of the Company which were required to be disclosed to the Company under the provisions of Division 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept under section 336 of the SFO were as follows:

Name of Shareholder	Nature of Interest	Class of Shares	Number of Shares[1]	Approximate Percentage of the Company's Issued Share Capital
Zhongshan A-Living Enterprises Management Services Co., Ltd.* (中山雅生活企業管理服務有限公司)	Beneficial owner	H shares	712,800,000 (L)	50.20%
Deluxe Star International Limited[2]	Interest of a controlled corporation	H shares	712,800,000 (L)	50.20%
	Beneficial owner	H shares	7,200,000 (L)	0.50%
Makel International (BVI) Limited[3]	Interest of a controlled corporation	H shares	720,000,000 (L)	50.70%
Genesis Global Development (BVI) Limited[4]	Interest of a controlled corporation	H shares	720,000,000 (L)	50.70%
Eastern Supreme Group Holdings Limited[5]	Interest of a controlled corporation	H shares	721,256,750 (L)	50.79%
Agile Group Holdings Limited[6]	Interest of a controlled corporation	H shares	721,256,750 (L)	50.79%
Full Choice Investments Limited[7]	Trustee of a trust	H shares	721,256,750 (L)	50.79%
Top Coast Investment Limited[8]	Interest of a controlled corporation	H shares	721,256,750 (L)	50.79%
Mr. Chen Zhuo Lin[9]	Beneficiary of a trust	H shares	721,256,750 (L)	50.79%
Mr. Chan Cheuk Yin[9]	Beneficiary of a trust	H shares	721,256,750 (L)	50.79%
Ms. Luk Sin Fong, Fion[9]	Beneficiary of a trust	H shares	721,256,750 (L)	50.79%
Mr. Chan Cheuk Hei[9]	Beneficiary of a trust	H shares	721,256,750 (L)	50.79%
Mr. Chan Cheuk Nam[9]	Beneficiary of a trust	H shares	721,256,750 (L)	50.79%
Ms. Zheng Huiqiong[10]	Spouse	H shares	721,256,750 (L)	50.79%
Ms. Lu Liqing[11]	Spouse	H shares	721,256,750 (L)	50.79%
Ms. Lu Yanping[12]	Spouse	H shares	721,256,750 (L)	50.79%
Ms. Chan Siu Na[13]	Spouse	H shares	721,256,750 (L)	50.79%

Name of Shareholder	Nature of Interest	Class of Shares	Number of Shares[(1)]	Approximate Percentage of the Company's Issued Share Capital
Shenzhen Lvjin Enterprise Management Co., Ltd.* (深圳綠璡企業管理有限公司) (formerly known as Ningbo Lvjin Investment Management Co., Ltd.* (寧波綠璡投資管理有限公司))	Beneficial owner	H shares	100,000,000 (L)	7.04%
Greenland Financial Holdings Group Co., Ltd.* (綠地金融投資控股集團有限公司) [(14)]	Interest of a controlled corporation	H shares	100,000,000 (L)	7.04%
Greenland Holding Group* (綠地控股集團有限公司)[(15)]	Interest of a controlled corporation	H shares	100,000,000 (L)	7.04%
Greenland Holdings Group Company Limited* (綠地控股集團股份有限公司) ("Greenland Holdings")[(16)]	Interest of a controlled corporation	H shares	100,000,000 (L)	7.04%
Gongqingcheng Investment	Beneficial owner	H shares	80,000,000 (L)	5.63%
Gongqingcheng Yagao Investment Management Co., Ltd.* (共青城雅高投資管理有限公司)[(17)]	Interest of a controlled corporation	H shares	80,000,000 (L)	5.63%
Pan Zhiyong[(18)]	Interest of a controlled corporation	H shares	80,000,000 (L)	5.63%
Shanghai Yongya[(19)]	Interest of a controlled corporation	H shares	80,000,000 (L)	5.63%
Shanghai Bingya[(20)]	Interest of a controlled corporation	H shares	80,000,000 (L)	5.63%
Shanghai Baoya[(21)]	Interest of a controlled corporation	H shares	80,000,000 (L)	5.63%
Shanghai Yeya[(22)]	Interest of a controlled corporation	H shares	80,000,000 (L)	5.63%
Shanghai Yanya[(23)]	Interest of a controlled corporation	H shares	80,000,000 (L)	5.63%
Shanghai Chengya[(24)]	Interest of a controlled corporation	H shares	80,000,000 (L)	5.63%
Feng Xin[(25)]	Interest of a controlled corporation	H shares	80,000,000 (L)	5.63%

* for identification purposes only

Notes:

(1) The letters "L" denotes the person's/corporation's long position in the shares.

(2) Zhongshan A-Living Enterprises Management Services Co., Ltd.* is wholly-owned by Deluxe Star International Limited and Deluxe Star International Limited is deemed under the SFO to be interested in the shares of the Company held by Zhongshan A-Living Enterprises Management Services Co., Ltd.*.

(3) Deluxe Star International Limited is wholly-owned by Makel International (BVI) Limited and Makel International (BVI) Limited is deemed under the SFO to be interested in the shares of the Company held by Deluxe Star International Limited.

(4) Makel International (BVI) Limited is wholly-owned by Genesis Global Development (BVI) Limited and Genesis Global Development (BVI) Limited is deemed under the SFO to be interested in the shares of the Company held by Makel International (BVI) Limited.

(5) Genesis Global Development (BVI) Limited is wholly-owned by Eastern Supreme Group Holdings Limited and Eastern Supreme Group Holdings Limited is deemed under the SFO to be interested in the shares of the Company held by Genesis Global Development (BVI) Limited.

(6) Eastern Supreme Group Holdings Limited is wholly-owned by Agile Group Holdings Limited and Agile Group Holdings Limited is deemed under the SFO to be interested in the shares of the Company held by Eastern Supreme Group Holdings Limited.

(7) Full Choice Investments Limited is the trustee of Chen's Family Trust, therefore, Full Choice Investments Limited is deemed under the SFO to be interested in the shares of the Company held by Chen's Family Trust.

(8) Top Coast Investment Limited is the settlor of Chen's Family Trust, therefore, Top Coast Investment Limited is deemed under the SFO to be interested in the shares of the Company held by Chen's Family Trust.

(9) Each of Mr. Chen Zhuo Lin, Mr. Chan Cheuk Yin, Ms. Luk Sin Fong, Fion, Mr. Chan Cheuk Hung, Mr. Chan Cheuk Hei and Mr. Chan Cheuk Nam is the beneficiary of Chen's Family Trust, therefore, Mr. Chen Zhuo Lin, Mr. Chan Cheuk Yin, Ms. Luk Sin Fong, Fion, Mr. Chan Cheuk Hung, Mr. Chan Cheuk Hei and Mr. Chan Cheuk Nam are deemed under the SFO to be interested in the shares of the Company held by Chen's Family Trust. In addition, by virtue of the SFO, Ms. Luk Sin Fong, Fion is deemed to be interested in the shares of the Company held by her spouse, Mr. Chen Zhuo Lin.

(10) By virtue of the SFO, Ms. Zheng Huiqiong is deemed to be interested in the shares of the Company held by her spouse, Mr. Chan Cheuk Yin.

(11) By virtue of the SFO, Ms. Lu Liqing is deemed to be interested in the shares of the Company held by her spouse, Mr. Chan Cheuk Hung.

(12) By virtue of the SFO, Ms. Lu Yanping is deemed to be interested in the shares of the Company held by her spouse, Mr. Chan Cheuk Hei.

(13) By virtue of the SFO, Ms. Chan Siu Na is deemed to be interested in the shares of the Company held by her spouse, Mr. Chan Cheuk Nam.

(14) Shenzhen Lvjin Enterprise Management Co., Ltd.* is wholly-owned by Greenland Financial Holdings Group Co., Ltd. and Greenland Financial Holdings Group Co., Ltd. is deemed under the SFO to be interested in the shares of the Company held by Shenzhen Lvjin Enterprise Management Co., Ltd.*.

(15) Greenland Financial Holdings Group Co., Ltd. is wholly-owned by Greenland Holding Group* and Greenland Holding Group* is deemed under the SFO to be interested in the shares of the Company held by Greenland Financial Holdings Group Co., Ltd.

(16) Greenland Holding Group* is wholly-owned by Greenland Holdings and Greenland Holdings is deemed under the SFO to be interested in the shares of the Company held by Greenland Holding Group*.

(17) Gongqingcheng Yagao Investment Management Co., Ltd.* is a general partner of and has full control over Gongqingcheng Investment. Gongqingcheng Yagao Investment Management Co., Ltd.* is deemed under the SFO to be interested in the shares of the Company held by Gongqingcheng Investment.

(18) Gongqingcheng Yagao Investment Management Co., Ltd.* is wholly-owned by Mr. Pan Zhiyong, and Mr. Pan Zhiyong is a senior management member of Agile Group Holdings Limited. Mr. Pan Zhiyong is deemed under the SFO to be interested in the shares of the Company held by Gongqingcheng Yagao Investment Management Co., Ltd.*.

(19) Shanghai Yongya is a limited partner of and owns 45% interest in Gongqingcheng Investment. Shanghai Yongya is deemed under the SFO to be interested in the shares of the Company held by Gongqingcheng Investment.

(20) Shanghai Bingya is a limited partner of and owns 50% interest in Shanghai Yongya. Shanghai Bingya is deemed under the SFO to be interested in the shares of the Company held by Gongqingcheng Investment.

(21) Shanghai Baoya is a general partner of and owns 50% interest in Shanghai Yongya. Shanghai Baoya is deemed under the SFO to be interested in the shares of the Company held by Gongqingcheng Investment.

(22) Shanghai Yeya is a limited partner of and owns 45% interest in Gongqingcheng Investment. Shanghai Yeya is deemed under the SFO to be interested in the shares of the Company held by Gongqingcheng Investment.

(23) Shanghai Yanya is a limited partner of and owns 50% interest in Shanghai Yeya. Shanghai Yanya is deemed under the SFO to be interested in the shares of the Company held by Gongqingcheng Investment.

(24) Shanghai Chengya is a general partner of and owns 50% interest in Shanghai Yeya. Shanghai Chengya is deemed under the SFO to be interested in the shares of the Company held by Gongqingcheng Investment.

(25) Mr. Feng Xin is a limited partner of and owns 50% interest in Shanghai Yanya and Shanghai Chengya. Hence, Mr. Feng Xin is deemed under the SFO to be interested in the shares of the Company held by Gongqingcheng Investment.

* for identification purposes only

Save as disclosed above, as of 30 June 2021, the Directors, the Supervisors and the chief executives of the Company are not aware of any other person or corporation having an interest or short position in the shares and underlying shares of the Company which would require to be disclosed to the Company under the provisions of Division 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO.

Purchase, Sale or Redemption of the Company's Listed Securities

During the six months ended 30 June 2021, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities.

Changes in Information of Directors, Supervisors and Chief Executives of the Company

Pursuant to Rule 13.51B of the Listing Rules, the changes in information of Directors, Supervisors and chief executives of the Company are set out below:

1. Mr. Wang Peng has resigned as an independent non-executive director of Xinyuan Property Management Service (Cayman) Ltd. (stock code of Hong Kong Stock Exchange: 1895) with effect from 13 April 2021.

2. Mr. Wang Gonghu has resigned as the general manager of Suzhou Yangtze New Materials Co., Ltd. (蘇州揚子江新型材料股份有限公司) (stock code of Shenzhen Stock Exchange: 002652) with effect from 29 June 2021.

3. Mr. Wan Kam To has resigned as an independent non-executive director of Target Insurance (Holdings) Limited (stock code of Hong Kong Stock Exchange: 6161) with effect from 9 August 2021.

Interim Dividend

The Board did not recommend any payment of interim dividend for the six months ended 30 June 2021 (for the six months ended 30 June 2020: nil).

Interim Condensed Consolidated Income Statement

	Notes	Six months ended 30 June 2021 RMB'000 (Unaudited)	2020 RMB'000 (Unaudited)
Revenue	5	**6,247,156**	4,001,627
Cost of sales	6	**(4,373,259)**	(2,726,261)
Gross profit		**1,873,897**	1,275,366
Selling and marketing expenses	6	**(61,663)**	(28,991)
Administrative expenses	6	**(384,724)**	(221,059)
Net impairment losses on financial assets		**(40,396)**	(20,679)
Other income	8	**74,181**	94,715
Other gains – net	9	**60,907**	40,200
Operating profit		**1,522,202**	1,139,552
Finance costs	10	**(12,113)**	(20,457)
Share of post-tax profits of joint ventures and associates	16	**33,268**	21,974
Profit before income tax		**1,543,357**	1,141,069
Income tax expenses	11	**(262,331)**	(267,885)
Profit for the period		**1,281,026**	873,184
Profit attributable to:			
– Shareholders of the Company		**1,142,312**	757,954
– Non-controlling interests		**138,714**	115,230
		1,281,026	873,184
Earnings per share (expressed in RMB per share)			
– Basic and diluted earnings per share	12	**0.85**	0.57

The above interim condensed consolidated income statement should be read in conjunction with the accompanying notes.

Interim Condensed Consolidated Statement of Comprehensive Income

	Six months ended 30 June	
	2021	2020
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Profit for the period	**1,281,026**	873,184
Other comprehensive income		
Item that will not be reclassified to profit or loss		
– changes in fair value of financial assets at fair value through other comprehensive income, net of tax	**3,541**	–
Total comprehensive income for the period	**1,284,567**	873,184
Attributable to:		
– Shareholders of the Company	**1,144,436**	757,954
– Non-controlling interests	**140,131**	115,230
	1,284,567	873,184

The above interim condensed consolidated statement of comprehensive income should be read in conjunction with the accompanying notes.

Interim Condensed Consolidated Balance Sheet

	Notes	As at 30 June 2021 RMB'000 (Unaudited)	As at 31 December 2020 RMB'000 (Audited)
Assets			
Non-current assets			
Property, plant and equipment ("PPE")	13	332,906	254,971
Right-of-use assets	13	48,289	35,119
Investment properties	14	110,337	–
Other intangible assets	15	1,169,479	961,241
Goodwill	15	2,539,549	2,181,967
Deferred income tax assets		79,842	50,304
Investments accounted for using the equity method	16	1,384,593	1,105,391
Prepayments	17	279,989	253,722
Financial assets at fair value through other comprehensive income ("FVOCI")	18	38,868	29,122
Financial assets at fair value through profit or loss ("FVPL")	18	2,813	2,991
		5,986,665	4,874,828
Current assets			
Trade and other receivables and prepayments	17	4,537,108	3,405,566
Inventories		23,037	18,850
Financial assets at fair value through profit or loss	18	690,166	591,161
Restricted cash		32,323	27,572
Cash and cash equivalents		8,197,642	5,056,976
		13,480,276	9,100,125
Total assets		19,466,941	13,974,953
Equity			
Equity attributable to shareholders of the Company			
Share capital	19	1,420,001	1,333,334
Reserves	20	6,033,540	3,402,511
Retained earnings		3,029,874	2,618,957
		10,483,415	7,354,802
Non-controlling interests		1,665,453	1,302,598
Total equity		12,148,868	8,657,400

	Notes	As at 30 June 2021 RMB'000 (Unaudited)	As at 31 December 2020 RMB'000 (Audited)
Liabilities			
Non-current liabilities			
Other payables	22	46,904	51,046
Contract liabilities		117,746	75,271
Borrowings	21	6,044	9,197
Lease liabilities		24,653	16,288
Deferred income tax liabilities		305,229	225,348
Financial liabilities for put option written on non-controlling interests	18	6,611	75,233
		507,187	452,383
Current liabilities			
Trade and other payables	22	5,044,974	3,370,856
Contract liabilities		1,189,207	804,134
Current income tax liabilities		402,067	425,299
Borrowings	21	55,384	224,539
Lease liabilities		25,820	20,800
Financial liabilities for put option written on non-controlling interests	18	93,434	19,542
		6,810,886	4,865,170
Total liabilities		7,318,073	5,317,553
Total equity and liabilities		19,466,941	13,974,953

The above interim condensed consolidated balance sheet should be read in conjunction with the accompanying notes.

The condensed consolidated financial statements on pages 39 to 80 were approved by the Board of Directors on 16 August 2021 and were signed on its behalf.

Chan Cheuk Hung
Director

Huang Fengchao
Director

Interim Condensed Consolidated Statement of Changes in Equity

	Notes	Attributable to shareholders of the Company					
		Share capital RMB'000 (Note 19)	Reserves RMB'000 (Note 20)	Retained earnings RMB'000	Subtotal RMB'000	Non-controlling interests RMB'000	Total equity RMB'000
Balance at 1 January 2021 (Audited)		1,333,334	3,402,511	2,618,957	7,354,802	1,302,598	8,657,400
For the six months ended 30 June 2021 (Unaudited)							
Comprehensive income							
Profit for the period		–	–	1,142,312	1,142,312	138,714	1,281,026
Other comprehensive income, net of tax		–	2,124	–	2,124	1,417	3,541
Total comprehensive income		–	2,124	1,142,312	1,144,436	140,131	1,284,567
Transactions with shareholders of the Company							
Dividends to shareholders of the Company		–	–	(693,334)	(693,334)	–	(693,334)
Dividends to non-controlling interests		–	–	–	–	(79,716)	(79,716)
Placing of new H Shares	19(a)	86,667	2,590,844	–	2,677,511	–	2,677,511
Acquisition of subsidiaries	24	–	–	–	–	372,470	372,470
Disposal of subsidiaries	25	–	–	–	–	(73,680)	(73,680)
Capital injection from the non-controlling interests		–	–	–	–	3,650	3,650
Appropriation of statutory reserves	20(a)	–	38,061	(38,061)	–	–	–
		86,667	2,628,905	(731,395)	1,984,177	222,724	2,206,901
Balance at 30 June 2021 (Unaudited)		1,420,001	6,033,540	3,029,874	10,483,415	1,665,453	12,148,868

	Notes	Attributable to shareholders of the Company Share capital RMB'000 (Note 19)	Reserves RMB'000 (Note 20)	Retained earnings RMB'000	Subtotal RMB'000	Non-controlling interests RMB'000	Total equity RMB'000
Balance at 1 January 2020 (Audited)		1,333,334	3,271,410	1,586,100	6,190,844	314,841	6,505,685
For the six months ended 30 June 2020 (Unaudited)							
Comprehensive income							
Profit for the period		–	–	757,954	757,954	115,230	873,184
Transactions with shareholders of the Company							
Dividends to shareholders of the Company		–	–	(600,000)	(600,000)	–	(600,000)
Dividends to non-controlling shareholders		–	–	–	–	(52,324)	(52,324)
Acquisition of subsidiaries		–	–	–	–	884,586	884,586
Other transactions with non-controlling interests		–	2,943	–	2,943	2,408	5,351
Appropriation of statutory reserves	20(a)	–	28,071	(28,071)	–	–	–
		–	31,014	(628,071)	(597,057)	834,670	237,613
Balance at 30 June 2020 (Unaudited)		1,333,334	3,302,424	1,715,983	6,351,741	1,264,741	7,616,482

The above interim condensed consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

Interim Condensed Consolidated Statement of Cash Flows

	Notes	Six months ended 30 June 2021 RMB'000 (Unaudited)	2020 RMB'000 (Unaudited)
Cash flows from operating activities			
Cash generated from operations		**1,300,731**	1,380,379
Income tax paid		**(338,619)**	(281,156)
Net cash generated from operating activities		**962,112**	1,099,223
Cash flows from investing activities			
Acquisition of subsidiaries (net of cash and cash equivalents acquired)	24	**(109,783)**	(671,036)
Purchases of property, plant and equipment	13	**(20,736)**	(11,823)
Purchases of intangible assets	15	**(39)**	(630)
Purchases of other financial assets at FVPL		**(1,452,380)**	(1,847,065)
Proceeds from disposal of financial assets at FVPL		**1,394,642**	2,317,559
Proceeds from disposal of financial assets at FVOCI		**–**	500
Investments in joint ventures and associates		**(52,790)**	(2,498)
Disposal of an associate		**–**	300,000
Disposal of subsidiaries	25	**133,972**	329
Loans to third parties		**(540,000)**	–
Loans repayments from third parties		**530,000**	–
Prepayment for an acquisition		**(50,000)**	–
Cash advance to related parties		**–**	(54,962)
Proceeds from disposal of PPE		**470**	296
Changes in restricted bank deposits		**(4,751)**	4,993
Loans to related parties		**(150,000)**	–
Loans repayment from related parties		**–**	115,000
Interest received		**20,384**	29,632
Dividends received		**6,133**	19,772
Net cash (used in)/generated from investing activities		**(294,878)**	200,067
Cash flows from financing activities			
Transactions with non-controlling interests		**3,650**	5,263
Proceeds from borrowings		**13,898**	5,270
Repayments of borrowings		**(232,284)**	(13,588)
Loans from a third party		**49,941**	–
Cash advances from related parties		**40,619**	12,029
Principal elements and interest paid of lease payments		**(14,987)**	(13,457)
Interest paid		**(2,933)**	(1,963)
Dividends paid to shareholders		**–**	(553,599)
Dividends paid to non-controlling interests		**(84,640)**	(64,751)
Placing of new H Shares	19(a)	**2,677,511**	–
Net cash generated from/(used in) financing activities		**2,450,775**	(624,796)
Net increase in cash and cash equivalents		**3,118,009**	674,494
Net cash and cash equivalents at beginning of the period		**5,056,976**	4,207,260
Effect of exchange rate changes on cash and cash equivalents		**22,657**	261
Cash and cash equivalents at end of the period		**8,197,642**	4,882,015

The above interim condensed consolidated statement of cash flows should be read in conjunction with accompanying notes.

1 General information

A-Living Smart City Services Co., Ltd. (previously named as “A-Living Services Co., Ltd.”, the “Company”) was established in the People’s Republic of China (the “PRC”) on 26 June 1997. On 21 July 2017, the Company was converted from a limited liability company into a joint stock company with limited liability. The address of the Company’s registered office is Management Building, Xingye Road, Agile Garden, Sanxiang Town, Zhongshan, Guangdong Province, PRC.

The Company was listed on The Stock Exchange of Hong Kong Limited (the “Hong Kong Stock Exchange”) on 9 February 2018.

The Company’s parent company is Zhongshan A-Living Enterprise Management Services Co., Ltd. (“Zhongshan A-Living”), an investment holding company established in the PRC, and its ultimate holding company is Agile Group Holdings Limited (“Agile Holdings”), a company incorporated in the Cayman Islands and its shares are listed on the Hong Kong Stock Exchange.

The Company and its subsidiaries (together the “Group”) are primarily engaged in the provision of property management services, related value-added services and city sanitation and cleaning services in the PRC.

The outbreak of the 2019 Novel Coronavirus (the “COVID-19”) had brought unprecedented challenges and added uncertainties to the economy. COVID-19 may affect the financial performance and position of the industry of property management. Since the outbreak of COVID-19, the Group kept continuous attention on the situation of the COVID-19 and reacted actively to its impact on the financial position and operating results of the Group. As at the date that the condensed consolidated interim financial information is authorised for issue, COVID-19 doesn’t have any material adverse impact on the financial position and operating result of the Group.

These condensed consolidated financial statements are presented in Renminbi, unless otherwise stated.

The condensed consolidated financial statements have been reviewed, not audited.

2 Basis of preparation

This condensed consolidated interim financial information for the six months ended 30 June 2021 (“Interim Financial Information”) has been prepared in accordance with Hong Kong Accounting Standard 34 “Interim Financial Reporting”.

The Interim Financial Information does not include all the notes of the type normally included in an annual financial report. Accordingly, the Interim Financial Information is to be read in conjunction with the annual consolidated financial statements of the Group for the year ended 31 December 2020 and any public announcements made by the Group during the interim reporting period.

3 Accounting policies

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, except for the estimation of income tax (see Note 3(a)), adoption of investment property (see Note 3(b)) and adoption of new and amended standards as set out below.

(a) Income taxes

Taxes on income in the interim periods are accrued using the tax rate that would be applicable to expected total annual earnings.

(b) Investment property

Investment properties, principally freehold office buildings, are held for long-term rental yields and are not occupied by the Group. Investment property is initially measured at cost, including related transaction costs and where applicable borrowing costs. Subsequently, they are carried at fair value. Changes in fair values are presented in consolidated income statement as part of other gains – net.

(c) New and amended standards adopted by the Group

The Group has applied the following standards and amendments for the first time for the reporting period commencing 1 January 2021:

- Interest Rate Benchmark Reform – Phase 2 – Amendments to HKFRS 9, HKAS 39, HKFRS 7, HKFRS 4 and HKFRS 16

The adoption of these new standards, amendments to standards and interpretations does not have significant impact to the results or financial position of the Group.

(d) New and amendments to existing standards have been issued but are not effective for the financial year beginning on 1 January 2021 and have not been early adopted by the Group

		Effective for accounting periods beginning on or after
Amendments to HKAS 16	Property, Plant and Equipment: Proceeds before intended use	1 January 2022
Amendments to HKAS 37	Reference to the Conceptual Framework	1 January 2022
Amendments to HKFRS 3	Onerous Contracts – Cost of Fulfilling a Contract	1 January 2022
Annual Improvements	Annual Improvements to HKFRS Standards 2018-2020 Cycle	1 January 2022
Revised Accounting Guideline 5	Merger Accounting for Common Control Combination	1 January 2022
HKFRS 17	Insurance Contracts	1 January 2023
Amendments to HKAS 1	Classification of Liabilities as Current or Non-current	1 January 2023
Hong Kong Interpretation 5 (2020)	Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause	1 January 2023
Amendments to HKFRS 10 and HKAS 28	Sale or contribution of assets between an investor and its associates or joint ventures	To be determined

The Group has already commenced an assessment of the impact of these new or revised standards, interpretation and amendments. The adoption of these new and amended standards and interpretation is not expected to have a material impact to the results or financial position of the Group.

4 Segment information

Management has determined the operating segments based on the reports reviewed by the chief operating decision maker ("CODM"). The CODM, who is responsible for allocating resources and assessing performance of the operating segment, has been identified as the executive directors of the Company.

During the six months ended 30 June 2021 and 2020, the Group was principally engaged in the provision of (i) property management, (ii) related value-added services, including pre-delivery services, household assistance services, property agency services and other services, (iii) and city sanitation and cleaning services in the PRC.

All the acquired subsidiaries were principally engaged in the provision of property management and city sanitation services and related value-added services. After acquisition, the management integrated the acquired business with the original business and the CODM of the Company reviews the operating results of the integrated business to make decisions about resources to be allocated. Therefore, the CODM of the Company regards that there is only one reportable segment, which is used to make strategic decisions.

For the six months ended 30 June 2021, all the segments are domiciled in the PRC and all the revenues are derived in the PRC.

As at 30 June 2021, all of the assets were located in the PRC except bank deposits of RMB934,564,000 in Hong Kong.

5 Revenue

Revenue mainly comprises proceeds from property management, related value-added services and city sanitation and cleaning services. An analysis of the Group's revenue by category for the six months ended 30 June 2021 was as follows:

	Timing of revenue recognition	**Six months ended 30 June** **2021** **RMB'000** **(Unaudited)**	 2020 RMB'000 (Unaudited)
Property management services	over time	**3,976,922**	2,619,590
Value-added services related to property management			
– Other value-added services	over time	**1,987,291**	1,363,640
– Sales of goods	at a point in time	**123,497**	18,397
City sanitation and cleaning services	over time	**159,446**	–
		6,247,156	4,001,627

6 Expenses by nature

	Six months ended 30 June	
	2021	2020
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Employee benefit expenses (Note 7)	**2,332,188**	1,516,605
Cleaning expenses	**648,951**	385,495
Security charges	**506,308**	270,856
Maintenance costs	**200,124**	152,274
Cost of consumables	**171,441**	104,067
Property agency services fee	**119,638**	83,479
Utilities	**142,789**	74,009
Depreciation and amortisation charges	**118,040**	80,982
Greening and gardening expenses	**110,180**	58,077
Cost of goods sold	**98,360**	18,165
Travelling and entertainment expenses	**54,200**	32,224
Consulting fees	**47,095**	24,500
Transportation expenses and customer service charges	**46,304**	31,520
Office expenses	**39,364**	33,663
Taxes and other levies	**31,349**	21,884
Rental expenses related to short-term and low-value leases	**24,668**	11,416
Advertising expenses	**20,578**	13,720
Property management fee	**8,334**	8,706
Catering outsourcing fee	**11,626**	5,980
Auditors' remuneration	**2,600**	2,592
Others	**85,509**	46,097
	4,819,646	2,976,311

7 Employee benefit expenses

	Six months ended 30 June	
	2021	2020
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Wages and salaries and bonus	**1,935,905**	1,336,317
Contribution to pension scheme (Note (a))	**161,784**	52,153
Housing benefits	**41,015**	30,149
Other employee benefits	**193,484**	97,986
Total (including emoluments of directors and supervisors)	**2,332,188**	1,516,605

7 Employee benefit expenses (continued)

(a) Employees in the Group's PRC subsidiaries are required to participate in a defined contribution retirement scheme administered and operated by the local municipal government. The Group's PRC subsidiaries contribute funds which are calculated based on certain percentages of the average employee salary as agreed by local municipal government to the scheme to fund the retirement benefits of the employees.

The only obligation of the Group with respect to the retirement benefits scheme is to make the specified contributions.

Following the outbreak of COVID-19, a number of policies including the relief of social insurance have been promulgated by the government since February 2020 to expedite resumption of economic activities, which contributed to the relief of certain cost of defined contribution scheme during the period ended 30 June 2020.

8 Other income

	Six months ended 30 June	
	2021	2020
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Interest income		
– from deposits and loans to third parties	**31,831**	45,399
– from loans to related parties	**–**	6,289
Government grants (Note (a))	**21,977**	30,849
Tax incentives (Note (b))	**17,065**	7,457
Late payment charges	**1,392**	1,573
Rental income	**1,559**	–
Miscellaneous	**357**	3,148
	74,181	94,715

(a) Government grants mainly consisted of financial subsidies granted by the local governments.

(b) Tax incentives mainly included additional deduction of input value-added tax applicable to the Company and its certain subsidiaries.

9 Other gains – net

	Six months ended 30 June	
	2021	2020
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Net fair value gains on financial assets at FVPL	**16,739**	39,583
Gains from disposal of subsidiaries (Note 25)	**19,682**	595
Exchange gains	**22,657**	261
Fair value gains on financial liabilities for put options written on non-controlling interests (Note 18)	**1,974**	–
Gains/(losses) on disposal of PPE	**63**	(25)
Miscellaneous	**(208)**	(214)
	60,907	40,200

10 Finance costs

	Six months ended 30 June	
	2021	2020
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Interest expense of borrowings	**2,933**	10,808
Unwinding of discount on financial liabilities for put options written on non-controlling interests (Note 18)	**7,244**	6,406
Interest expense of long-term payables	**753**	2,118
Interest and finance charges paid/payable for lease liabilities	**1,183**	1,125
	12,113	20,457

11 Income tax expenses

	Six months ended 30 June	
	2021	2020
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Current income tax		
– PRC corporate income tax	**345,193**	282,819
– Adjustments for current tax – change in the tax rate of the Company (Note (a))	**(56,777)**	–
	288,416	282,819
Deferred income tax		
– PRC corporate income tax	**(26,085)**	(14,934)
	262,331	267,885

The tax on the Group's profit before income tax differs from the theoretical amount that would arise using the weighted average tax rate applicable to profits of the group entities as follows:

	Six months ended 30 June	
	2021	2020
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Profit before income tax	**1,543,357**	1,141,069
Tax charge at effective rate applicable to profits in the respective group entities	**312,401**	265,245
Tax effects of:		
– Tax losses for which no deferred income tax asset was recognised	**6,086**	3,490
– Expenses not deductible for tax purposes	**8,567**	3,131
– Additional tax deduction for research and development costs	**(376)**	–
– Adjustments for current tax – change in the tax rate of the Company (Note (a))	**(56,777)**	–
– Re-measurement of deferred tax – change in the tax rate of the Company	**783**	–
– Associates' and joint ventures' results reported net of tax	**(7,697)**	(3,853)
– Utilisation of tax losses previously not recognised	**(656)**	–
– Others	**–**	(128)
	262,331	267,885

11 Income tax expenses (continued)

(a) The effective income tax rate was 17% for the six months ended 30 June 2021 (six months ended 30 June 2020: 23%). In April 2021, the Company obtained the Certificate of High and New Technology Enterprise before annual tax filing of 2020 with three-year valid period from 2020 to 2022. Accordingly, the income tax rate applicable to the Company for 2020 to 2022 is 15%. The impact of the change in the applicable tax rate was credited to the income tax expenses in the period ended 30 June 2021.

PRC corporate income tax

Income tax provision of the Group in respect of operations in Mainland China has been calculated at the applicable tax rate on the estimated assessable profits for the year, based on the existing legislation, interpretations and practices in respect thereof.

The corporate income tax rate applicable to the group entities located in Mainland China is 25% (six months ended 30 June 2020: 25%) according to the Corporate Income Tax Law of the PRC.

In 2020, Guangzhou Yatian Network Technology Co.,Ltd. ("Guangzhou Yatian") obtained the Certificate of High and New Technology Enterprise with valid period from 2020 to 2022. As mentioned in Note (a), in April 2021, the Company obtained the Certificate of High and New Technology Enterprise before annual tax filing of 2020 with valid period from 2020 to 2022. According to the Corporate Income Tax Law of the PRC, corporations which obtain the Certificate of High and New Technology Enterprise are entitled to enjoy additional tax deduction for research and development costs and a preferential corporate income tax rate of 15%. The tax rate applicable to Guangzhou Yatian during the six months ended 30 June 2021 was 15% (six months ended 30 June 2020: 15%). The tax rate applicable to the Company during the six months ended 30 June 2021 was 15% (six months ended 30 June 2020: 25%).

Certain subsidiaries of the Group in the PRC are located in western cities and subject to a preferential income tax rate of 15% for certain years. Certain of the Group's subsidiaries enjoy the preferential income tax treatment for Small and Micro Enterprise with the income tax rate of 20% and are eligible to have their tax calculated based on 12.5% (six months ended 30 June 2020: 25%) or 50% of their taxable income. Certain subsidiaries of the Group in the PRC are located in Hainan Free Trade Port and subject to a preferential income tax rate of 15% for certain years (six months ended 30 June 2020: 15%).

Hong Kong income tax

No Hong Kong profits tax was applicable to the Group for the six months ended 30 June 2021. There were two subsidiaries incorporated in Hong Kong. No Hong Kong profits tax was provided for those two Hong Kong subsidiaries as there was no estimated taxable profits that was subject to Hong Kong profits tax during six months ended 30 June 2021 (six months ended 30 June 2020: same).

12 Earnings per share

Basic earnings per share is calculated by dividing the profit attributable to shareholders of the Company by the weighted average number of ordinary shares in issue during the six months ended 30 June 2021 and 2020.

The Company did not have any potential ordinary shares outstanding during the six months ended 30 June 2021 and 2020. Diluted earnings per share was equal to basic earnings per share.

	Six months ended 30 June	
	2021	2020
	(Unaudited)	(Unaudited)
Profit attributable to shareholders of the Company (RMB'000)	**1,142,312**	757,954
Weighted average number of ordinary shares in issue (in thousands)	**1,345,853**	1,333,334
Basic earnings per share for profit attributable to the shareholders of the Company during the period (expressed in RMB per share)	**0.85**	0.57

13 Property, plant and equipment and right-of-use asset

	Buildings	Transportation equipment	Office equipment	Machinery	Subtotal	Right-of-use asset	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
As at 1 January 2021 (Audited)							
Cost	151,711	84,039	32,216	88,103	356,069	79,831	435,900
Accumulated depreciation	(31,440)	(15,128)	(13,689)	(40,841)	(101,098)	(44,712)	(145,810)
Net book amount	120,271	68,911	18,527	47,262	254,971	35,119	290,090
Six months ended 30 June 2021 (Unaudited)							
Opening net book amount	120,271	68,911	18,527	47,262	254,971	35,119	290,090
Additions	55	5,147	3,114	12,420	20,736	19,459	40,195
Acquisition of subsidiaries (Note 24)	64,921	7,123	3,154	84,478	159,676	7,700	167,376
Disposals	(2)	(121)	(84)	(200)	(407)	–	(407)
Disposal of subsidiaries	(53,203)	(3,203)	(3)	(16,182)	(72,591)	(26)	(72,617)
Depreciation charge	(5,534)	(8,979)	(3,529)	(11,437)	(29,479)	(13,963)	(43,442)
Closing net book amount	126,508	68,878	21,179	116,341	332,906	48,289	381,195
As at 30 June 2021 (Unaudited)							
Cost	155,459	89,585	36,636	156,061	437,741	98,313	536,054
Accumulated depreciation	(28,951)	(20,707)	(15,457)	(39,720)	(104,835)	(50,024)	(154,859)
Net book amount	126,508	68,878	21,179	116,341	332,906	48,289	381,195
As at 1 January 2020 (Audited)							
Cost	124,868	23,914	21,625	62,368	232,775	46,471	279,246
Accumulated depreciation	(22,944)	(13,018)	(11,324)	(26,183)	(73,469)	(21,851)	(95,320)
Net book amount	101,924	10,896	10,301	36,185	159,306	24,620	183,926
Six months ended 30 June 2020 (Unaudited)							
Opening net book amount	101,924	10,896	10,301	36,185	159,306	24,620	183,926
Additions	194	5,475	1,670	4,484	11,823	16,976	28,799
Acquisition of subsidiaries	24,103	46,269	8,624	10,072	89,068	13,622	102,690
Disposals	–	(42)	(352)	(142)	(536)	–	(536)
Depreciation charge	(4,050)	(5,134)	(2,153)	(6,665)	(18,002)	(11,756)	(29,758)
Closing net book amount	122,171	57,464	18,090	43,934	241,659	43,462	285,121
As at 30 June 2020 (Unaudited)							
Cost	149,165	75,564	31,062	76,372	332,163	77,069	409,232
Accumulated depreciation	(26,994)	(18,100)	(12,972)	(32,438)	(90,504)	(33,607)	(124,111)
Net book amount	122,171	57,464	18,090	43,934	241,659	43,462	285,121

As at 30 June 2021, certain self-used PPE with net book value of RMB50,184,000 (31 December 2020: RMB78,407,000) were pledged as collateral for the Group's borrowings (Note 21).

14 Investment properties

	Commercial properties RMB'000 (Unaudited)
As at 1 January 2021 (Audited)	**–**
Acquisition of a subsidiary (Note 24)	**110,337**
As at 30 June 2021 (Unaudited)	**110,337**

Amounts recognised in the consolidated income statement for investment properties:

	Six months ended 30 June 2021 RMB'000 (Unaudited)
Other income (Note 8)	**1,559**

As at 30 June 2021, no investment properties (31 December 2020: nil) were pledged as collateral for the Group's borrowings.

The Group measures its investment properties at fair value. The investment properties were valued by the management at the acquisition date and 30 June 2021. Methods and key assumptions in determining the fair value of the investment as at respective dates are disclosed as follows:

Fair value measurements used significant unobservable inputs (level 3).

Fair values of investment properties are evaluated by using direct comparison approach, which is adopted assuming sale of each of these properties in its existing state with the benefit of vacant possession. By making reference to sales transactions as available in the relevant market, comparable properties in close proximity have been selected and adjustments have been made to account for the difference in factors such as location and property size.

The main Level 3 inputs used by the Group are as follows:

- Market price
- Adopted unit rates

15 Other intangible assets and Goodwill

	Computer software RMB'000	Trademarks RMB'000	Customer relationship and backlogs RMB'000	Subtotal RMB'000	Goodwill RMB'000 (Note (a))	Total RMB'000
As at 1 January 2021 (Audited)						
Cost	**44,751**	**28,400**	**1,079,719**	**1,152,870**	**2,181,967**	**3,334,837**
Accumulated amortisation	**(14,968)**	**(15,374)**	**(161,287)**	**(191,629)**	**–**	**(191,629)**
Net book amount	**29,783**	**13,026**	**918,432**	**961,241**	**2,181,967**	**3,143,208**
Six months ended 30 June 2021 (Unaudited)						
Opening net book amount	**29,783**	**13,026**	**918,432**	**961,241**	**2,181,967**	**3,143,208**
Additions	**39**	**–**	**–**	**39**	**–**	**39**
Acquisition of subsidiaries (Note 24)	**2,120**	**–**	**337,579**	**339,699**	**443,668**	**783,367**
Disposals of subsidiaries	**(118)**	**–**	**(56,784)**	**(56,902)**	**(86,086)**	**(142,988)**
Amortisation	**(2,252)**	**(2,320)**	**(70,026)**	**(74,598)**	**–**	**(74,598)**
Closing net book amount	**29,572**	**10,706**	**1,129,201**	**1,169,479**	**2,539,549**	**3,709,028**
As at 30 June 2021 (Unaudited)						
Cost	**42,163**	**28,400**	**1,352,171**	**1,422,734**	**2,539,549**	**3,962,283**
Accumulated amortisation	**(12,591)**	**(17,694)**	**(222,970)**	**(253,255)**	**–**	**(253,255)**
Net book amount	**29,572**	**10,706**	**1,129,201**	**1,169,479**	**2,539,549**	**3,709,028**
As at 1 January 2020 (Audited)						
Cost	33,370	28,400	404,850	466,620	1,370,928	1,837,548
Accumulated amortisation	(9,304)	(10,734)	(62,126)	(82,164)	–	(82,164)
Net book amount	24,066	17,666	342,724	384,456	1,370,928	1,755,384
Six months ended 30 June 2020 (Unaudited)						
Opening net book amount	24,066	17,666	342,724	384,456	1,370,928	1,755,384
Additions	630	–	–	630	–	630
Acquisition of subsidiaries	1,728	–	670,446	672,174	762,242	1,434,416
Amortisation	(2,355)	(2,320)	(46,549)	(51,224)	–	(51,224)
Closing net book amount	24,069	15,346	966,621	1,006,036	2,133,170	3,139,206
As at 30 June 2020 (Unaudited)						
Cost	35,728	28,400	1,075,296	1,139,424	2,133,170	3,272,594
Accumulated amortisation	(11,659)	(13,054)	(108,675)	(133,388)	–	(133,388)
Net book amount	24,069	15,346	966,621	1,006,036	2,133,170	3,139,206

15 Other intangible assets and Goodwill (continued)

(a) In April 2021, the Group completed the acquisition of 60% of the equity interests in Minrui Property Management (Shanghai) Co., Ltd. ("New CMIG PM") (Note 24). During the period, the Group also acquired 51% equity interests in Beijing Huifeng Qingxuan Environmental Technology Group Co., Ltd.* ("Beijing Huifeng") and 60% equity interests in Shaanxi Mingtang Sanitation Co., Ltd.* ("Shaanxi Mingtang"). The total identifiable net assets of these entities acquired as at their respective acquisition date amounted to RMB532,469,000, including identified customer relationships and backlogs of RMB337,579,000 recognised by the Group. Customer relationships and backlogs acquired in a business combination are recognized at fair value at the acquisition date. The contractual customer relations and backlogs have a finite useful life and are carried at cost less accumulated amortisation. Amortisation is calculated using the straight-line method over the expected life of 2 to 10 years for the customer relationships and backlogs.

The excess of the consideration transferred and the amount of the non-controlling interests in the acquisition over the fair value of the identifiable net assets acquired is recorded as goodwill.

As the result of management assessment, no impairment provision on goodwill was recognised as at 30 June 2021 (31 December 2020: nil).

16 Investments accounted for using the equity method

In the opinion of the directors, there is no associate and joint venture individually material to the Group.

The carrying amount of equity-accounted investments has changed as follows in the six months ended 30 June 2021 and 2020:

	Six months ended 30 June 2021 RMB'000 (Unaudited)	Six months ended 30 June 2020 RMB'000 (Unaudited)
At beginning of the period	**1,105,391**	583,634
Additions	**262,813**	2,498
Additions arising from business combination	**–**	498,373
Share of post-tax profits of joint ventures and associates	**33,268**	21,974
Dividends declared	**(6,133)**	(3,905)
Disposals	**(10,746)**	(300,000)
At end of the period	**1,384,593**	802,574

17 Trade and other receivables and prepayments

	30 June 2021 RMB'000 (Unaudited)	31 December 2020 RMB'000 (Audited)
Trade receivables (Note (a))		
– Related parties (Note 26(d))	**1,278,954**	844,924
– Third parties	**2,291,988**	1,561,635
	3,570,942	2,406,559
Less: allowance for impairment of trade receivables	**(241,194)**	(155,095)
	3,329,748	2,251,464
Other receivables		
– Related parties (Note 26(d))	**210,169**	90,329
– Third parties	**824,596**	914,021
	1,034,765	1,004,350
Less: allowance for impairment of other receivables	**(38,384)**	(23,683)
	996,381	980,667
Prepayments		
– Related parties (Note 26(d))	**251,009**	8,739
– Third parties	**239,959**	418,418
	490,968	427,157
Subtotal	**4,817,097**	3,659,288
Less: non-current portion of prepayments	**(279,989)**	(253,722)
	4,537,108	3,405,566

(a) Trade receivables mainly represented the receivables of outstanding property management and city sanitation service fee and the receivables of value-added service income.

Property management and city sanitation services income and value-added service income are received in accordance with the terms of the relevant services agreements, and due for payment upon the issuance of demand note.

The Group accounts for its credit risk by appropriately providing for expected credit losses on a timely basis. In calculating the expected credit loss rates, the Group considers historical loss rates for each category of receivables and adjusts for forward looking macroeconomic data.

17 Trade and other receivables and prepayments (continued)

As at 30 June 2021 and 31 December 2020, the aging analysis of the trade receivables based on invoice date were as follows:

	30 June 2021 RMB'000 (Unaudited)	31 December 2020 RMB'000 (Audited)
Trade receivables		
0-180 days	**2,014,549**	1,246,625
181-365 days	**800,852**	605,658
1 to 2 years	**406,009**	339,526
2 to 3 years	**189,428**	104,485
Over 3 years	**160,104**	110,265
	3,570,942	2,406,559

(b) During the six months ended 30 June 2021, impairment provision of RMB20,201,000 and RMB20,195,000 was made against the gross amount of trade receivables and other receivables, respectively (six months ended 30 June 2020: impairment provision of RMB16,848,000 and RMB3,831,000 was made against the gross amount of trade receivables and other receivables, respectively).

(c) As at 30 June 2021, trade and other receivables were all denominated in RMB and the fair values of trade and other receivables approximated their carrying amounts.

(d) The carrying amounts of the trade receivables include receivables of RMB7,884,000 with a factoring arrangement. Under this arrangement, the Group has transferred the relevant receivables to the factor in exchange for cash and is prevented from selling or pledging the receivables. However, the Group has retained late payment and credit risk. The Group therefore continues to recognise the transferred assets in their entirely in its balance sheet. The amount repayable under the factoring agreement is presented as secured borrowing. The associated secured borrowing amounted to RMB8,302,000 (Note 21). The Group considers that the held to collect business model remains appropriate for these receivables and hence continues measuring them at amortised cost.

18 Fair value estimation

(a) Fair value hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are recognised and measured at fair value in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Group has classified its financial instruments into the three levels prescribed under the accounting standards. An explanation of each level follows underneath the table.

Recurring fair value measurements At 30 June 2021 (Unaudited)	**Level 1 RMB'000**	**Level 2 RMB'000**	**Level 3 RMB'000**	**Total RMB'000**
Financial assets				
Financial assets at FVPL				
Wealth management products	–	–	677,253	677,253
Hong Kong listed equity securities	12,913	–	–	12,913
Contingent consideration	–	–	2,813	2,813
	12,913	–	680,066	692,979
Financial assets at FVOCI				
Unlisted equity securities	–	–	38,868	38,868
Total financial assets	12,913	–	718,934	731,847
Financial liabilities				
Financial liabilities for put option written on non-controlling interests (Note (i))	–	–	100,045	100,045
Total financial liabilities	–	–	100,045	100,045

Recurring fair value measurements At 31 December 2020	Level 1 RMB'000	Level 2 RMB'000	Level 3 RMB'000	Total RMB'000
Financial assets				
Financial assets at FVPL				
Wealth management products	–	–	576,923	576,923
Hong Kong listed equity securities	14,238	–	–	14,238
Contingent consideration	–	–	2,991	2,991
	14,238	–	579,914	594,152
Financial assets at FVOCI				
Unlisted equity securities	–	–	29,122	29,122
Total financial assets	14,238	–	609,036	623,274
Financial liabilities				
Financial liabilities for put option written on non-controlling interests (Note (i))	–	–	94,775	94,775
Total financial liabilities	–	–	94,775	94,775

18 Fair value estimation (continued)

(a) Fair value hierarchy (continued)

(i) In March 2019, the Company entered into equity interests transfer agreement with the non-controlling interests of Harbin Jingyang Property Management Co.,Ltd. ("Harbin Jingyang"), pursuant to which, the Company issued put option to the non-controlling interests which grant its right to sell the 32% equity interest in Harbin Jingyang back to the Company and would be expired in 2022. The put option written on the non-controlling interests of Harbin Jingyang was then regarded as redemption liabilities determined as the present value of future cash outflows assuming the exercise of the put option by the non-controlling interests, with corresponding charges in equity.

In April 2019, the Company entered equity interests transfer agreement with the non-controlling interests of Qingdao Huaren Property Co., Ltd. ("Qingdao Huaren"), pursuant to which, the Company issued put option to the non-controlling interests which grant its right to sell the all remaining equity interest in Qingdao Huaren back to the Company and would be expired during 2021 to 2023. The put option written on the non-controlling interests of Qingdao Huaren was then regarded as redemption liabilities determined as the present value of future cash outflows assuming the exercise of the put option by the non-controlling interests, with corresponding charges in equity.

The valuation of the redemption liabilities for initial recognition was determined using the discounted cash flow method under the income approach. The significant unobservable inputs are expected discount rate as at the exit date which was determined by the probability-weighted average of floating premiums under three financial projection scenarios prepared by management, and the expected discount rate which was determined using the capital asset pricing model. The redemption liabilities are subsequently accreted through "financial costs".

The different levels have been defined as follows:

Level 1: The fair value of financial instruments traded in active markets (such as publicly traded derivatives and equity securities) is based on quoted market prices at the end of the reporting period. The quoted marked price used for financial assets held by the Group is the current bid price. These instruments are included in level 1.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for some types of wealth management products, structural deposits, contingent consideration and put option liability.

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques.

There were no transfers between levels 1, 2 and 3 for recurring fair value measurements during the period. For transfers into and out of level 3 measurements see (b) below.

18 Fair value estimation (continued)

(b) The Group's financial assets and liabilities at fair values included unlisted equity securities, wealth management products, contingent consideration, and financial liabilities for put option written on non-controlling interests, fair value of which are estimated based on unobservable inputs (level 3). The following table presents the changes in level 3 instruments for six months ended 30 June 2021 and 30 June 2020:

	Financial assets at FVPL			Financial assets at FVOCI	Financial liabilities for put option written on non-controlling interests	
	Wealth management products RMB'000	Structural deposits RMB'000	Contingent consideration RMB'000	Unlisted entity securities RMB'000	RMB'000	Total RMB'000
Opening balance as at 1 January 2021 (Audited)	576,923	–	2,991	29,122	(94,775)	514,261
Addition	1,229,380	223,000	–	–	–	1,452,380
Acquisition of subsidiaries (Note 24)	5,350	19,000	–	5,025	–	29,375
Net fair value gains/(losses) on FVPL	17,412	830	(178)	–	1,974	20,038
Finance costs (Note 10)	–	–	–	–	(7,244)	(7,244)
Disposal	(1,151,812)	(242,830)	–	–	–	(1,394,642)
Gains recognised in other comprehensive income	–	–	–	4,721	–	4,721
Closing balance as at 30 June 2021 (Unaudited)	**677,253**	**–**	**2,813**	**38,868**	**(100,045)**	**618,889**
Including unrealised gains/(losses) recognised in profit attributable to balances held at 30 June 2021	**11,914**	**–**	**(178)**	**–**	**(5,270)**	**6,466**

18 Fair value estimation (continued)

(b) The Group's financial assets and liabilities at fair values included unlisted equity securities, wealth management products, contingent consideration, and financial liabilities for put option written on non-controlling interests, fair value of which are estimated based on unobservable inputs (level 3). The following table presents the changes in level 3 instruments for six months ended 30 June 2021 and 30 June 2020: (continued)

	Financial assets at FVPL			Financial assets at FVOCI	Financial liabilities for put option written on non-controlling interests	
	Wealth management products RMB'000	Structural deposits RMB'000	Contingent consideration RMB'000	Unlisted entity securities RMB'000	RMB'000	Total RMB'000
Opening balance as at 1 January 2020 (Audited)	410,000	20,006	170	–	(70,436)	359,740
Addition	860,065	987,000	–	–	–	1,847,065
Acquisition of subsidiaries	211,154	14,016	–	28,581	–	253,751
Net fair value gains on FVPL	20,362	2,916	4,121	–	–	27,399
Finance costs	–	–	–	–	(6,406)	(6,406)
Disposal	(1,419,333)	(928,676)	–	(700)	–	(2,348,709)
Closing balance as at 30 June 2020 (Unaudited)	82,248	95,262	4,291	27,881	(76,842)	132,840
Including unrealised gains/(losses) recognised in profit attributable to balances held at 30 June 2020	2,582	246	4,121	–	(6,406)	543

18 Fair value estimation (continued)

(c) Quantitative information about fair value measurements using significant unobservable inputs (Level 3) is as follow:

Description	Fair value at 30 June 2021 RMB'000	Valuation techniques	Unobservable input	Range (probability-weighted average)	Relationship of unobservable inputs to fair value
Wealth management products	677,253	Discounted cash flow	Expected interest rate per annum	2.50%-4.00%	A change in expected interest rate per annum +/- 10% results in a change in fair value by RMB1,195,000
Contingent consideration	2,813	Discounted cash flow	Expected net profit	RMB43,840,000-414,960,000	A change in expected net profit +/- 10% results in a change in fair value by RMB -2,574,000/10,420,000
Unlisted equity securities	38,868	Guideline public companies method	P/E Ratio	17.1	A change in PE/Ratio +/- 10% results in a change in fair value by RMB2,369,000
Financial liabilities for put option written on non-controlling interests	100,045	Discounted cash flow	Expected discount rate	16.50%-16.98%	A change in expected discount rate +/- 10% results in a change in fair value by RMB -1,170,000/1,203,000

19 Share capital

	Number of shares		Share Capital	
	30 June 2021	31 December 2020	**30 June 2021 RMB'000 (Unaudited)**	31 December 2020 RMB'000 (Audited)
Issued and fully paid (Note(a))	**1,420,000,800**	1,333,334,000	**1,420,001**	1,333,334

(a) Movements in share capital

	Notes	Number of shares	Share Capital RMB'000
Details			
As at 1 January 2021 (Audited)		**1,333,334,000**	**1,333,334**
Placing of new H Shares	(i)	**86,666,800**	**86,667**
As at 30 June 2021 (Unaudited)		**1,420,000,800**	**1,420,001**

(i) On 28 May 2021, the Company entered into a placing agreement to procure placees for an aggregate of 86,666,800 new H Shares at the HK$37.60 per H Share (the "Placing"). On 4 June 2021, the Company received net proceeds amounted to HK$3,242,127,000 (equivalent to RMB2,677,511,000) from the Placing after deducting related fees and expenses, among of which, RMB86,666,800 was recorded as share capital and RMB2,590,844,200 was recorded as share premium (Note 20).

20 Reserves

	Statutory reserves RMB'000	Share premium RMB'000	Other reserves RMB'000	Total RMB'000
Six months ended 30 June 2021 (Unaudited)				
Balance at 1 January 2021 (Audited)	**249,196**	**3,138,053**	**15,262**	**3,402,511**
Appropriation of statutory reserves (Note (a))	**38,061**	**–**	**–**	**38,061**
Fair value gains on financial assets at FVOCI	**–**	**–**	**2,124**	**2,124**
Placing of new H Shares (Note 19 (a))	**–**	**2,590,844**	**–**	**2,590,844**
Balance at 30 June 2021 (Unaudited)	**287,257**	**5,728,897**	**17,386**	**6,033,540**
Six months ended 30 June 2020 (Unaudited)				
Balance at 1 January 2020 (Audited)	127,642	3,138,053	5,715	3,271,410
Appropriation of statutory reserves (Note (a))	28,071	–	–	28,071
Other transactions with non-controlling interests	–	–	2,943	2,943
Balance at 30 June 2020 (Unaudited)	155,713	3,138,053	8,658	3,302,424

(a) PRC statutory reserves

In accordance with relevant rules and regulations in the PRC, except for sino-foreign equity joint venture enterprises, all PRC companies are required to transfer 10% of their profit after taxation calculated under PRC accounting rules and regulations to the statutory reserve fund, until the accumulated total of the fund reaches 50% of their registered capital. The statutory reserve fund can only be used, upon approval by the relevant authority, to offset losses carried forward from previous years or to increase capital of the respective companies.

21 Borrowings

	30 June 2021 RMB'000 (Unaudited)	31 December 2020 RMB'000 (Audited)
Borrowings included in non-current liabilities:		
Long-term bank borrowings – secured (Note (a))	**18,157**	17,036
Less: current portion of long-term bank borrowings	**(12,113)**	(7,839)
	6,044	9,197
Borrowings included in current liabilities:		
Short-term bank borrowings – secured (Note (b))	**41,271**	8,700
Short-term bank borrowings – unsecured (Note (c))	**2,000**	2,000
Asset-backed securities	**–**	206,000
Add: current portion of long-term bank borrowings	**12,113**	7,839
	55,384	224,539
	61,428	233,736

(a) Secured long term bank loans

The secured long-term bank loans amounting to RMB9,855,000 as at 30 June 2021 were bearing with fixed interest rates of 3.85%-5.46% per annum and secured by certain PPE owned by a subsidiary (Note 13). The principal was repayable monthly at a fixed amount.

The remaining secured long-term bank loan amounting to RMB8,302,000 was related to transferred receivables (Note 17).

(b) Secured short term bank loans

The secured short-term bank loans amounting to RMB41,271,000 as at 30 June 2021 were secured by certain PPE owned by a subsidiary (Note 13) and certain PPE owned by the non-controlling shareholder of the subsidiary. The loans were bearing a fixed interest rate of 5.00% per annum.

(c) Unsecured short-term borrowing amounting to RMB2,000,000 as at 30 June 2021 was bearing an effective interest rate of 4.10% per annum and is repayable by 10 October 2021.

(d) All the borrowings were denominated in RMB as at 30 June 2021.

22 Trade and other payables

	30 June 2021 RMB'000 (Unaudited)	31 December 2020 RMB'000 (Audited)
Trade payables (Note (a))		
– Related parties (Note 26 (d))	**59,166**	69,119
– Third parties	**1,523,715**	1,094,867
	1,582,881	1,163,986
Other payables		
– Related parties (Note 26 (d))	**111,180**	82,140
– Third parties	**1,677,378**	1,126,377
	1,788,558	1,208,517
Dividends payables	**762,158**	91,224
Accrued payroll	**798,696**	781,800
Other taxes payables	**159,585**	176,375
Total trade and other payables	**5,091,878**	3,421,902
Less: non-current portion of other payables	**(46,904)**	(51,046)
Current portion	**5,044,974**	3,370,856

(a) As at 30 June 2021 and 31 December 2020, the aging analysis of the trade payables (including amounts due to related parties in trade nature) based on invoice date were as follows:

	30 June 2021 RMB'000 (Unaudited)	31 December 2020 RMB'000 (Audited)
Trade payables		
Up to 1 year	**1,474,867**	1,116,044
1 to 2 years	**86,127**	17,853
2 to 3 years	**11,118**	14,742
Over 3 years	**10,769**	15,347
	1,582,881	1,163,986

As at 30 June 2021, trade and other payables were all denominated in RMB and the fair values of trade and other payables approximated their carrying amounts (31 December 2020: same).

23 Dividends

The directors do not recommend the payment of an interim dividend for six months ended 30 June 2021 (six months ended 30 June 2020: nil).

A final dividend of RMB0.33 per share and a special dividend of RMB0.19 per share for the year ended 31 December 2020, totalling RMB693,334,000 were declared at the annual general meeting held on 25 May 2021. These dividends have been distributed out of the Company's retained earnings.

24 Business combinations

During the period, the Group completed the acquisition of 60% equity interests in New CMIG PM, 51% equity interests in Beijing Huifeng and 60% equity interests in Shaanxi Mingtang at an aggregated purchase consideration of RMB603,667,000. Total identifiable net assets of these entities as at their respective acquisition date amounted to RMB532,469,000.

Goodwill of RMB443,668,000 primarily arose from the expected future development of these companies' business, improvement on market coverage, enriching the service portfolio, integrating value-added services, and improvement on management efficiency, etc. Goodwill recognised is not expected to be deductible for income tax purposes.

Details of the purchase considerations and the net assets acquired are as follows:

	RMB'000
Cash consideration	603,667
Total purchase consideration	603,667
Recognised amounts of identifiable assets acquired and liabilities assumed	
Cash and cash equivalents	205,854
Financial assets at FVPL	24,350
Financial assets at FVOCI	5,025
Property, plant and equipment (Note 13)	159,676
Right-of-use assets (Note 13)	7,700
Investment properties (Note 14)	110,337
Other intangible assets (Note 15)	2,120
Customer relationship and backlogs (Note 15)	337,579
Deferred income tax assets	22,301
Inventories	1,890
Trade and other receivables (Note (ii))	853,968
Trade and other payables	(885,882)
Current income tax liabilities	(27,889)
Borrowings	(71,078)
Contract liabilities	(101,156)
Lease liabilities	(7,756)
Deferred income tax liabilities	(104,570)
Total identifiable net assets	532,469
Less: non-controlling interests	(372,470)
Identifiable net assets attributable to the Company	159,999
Goodwill (Note 15)	443,668

24 Business combinations (continued)

(i) Net cash outflow arising on acquisition during the six months ended 30 June 2021:

	RMB'000
Total cash considerations	603,667
Less: cash considerations not yet paid as at 30 June 2021	(184,755)
Less: cash considerations paid in prior year	(103,275)
Cash considerations paid in the period	315,637
Less: cash and cash equivalents in the subsidiaries acquired	(205,854)
Cash outflow in the period	**109,783**

(ii) Acquired receivables

The fair value of acquired trade receivables is RMB428,390,000. The gross contractual amount for trade receivables due is RMB511,920,000, of which RMB83,530,000 is expected to be uncollectible.

(iii) Revenue and profit contribution

The acquired businesses contributed revenues of RMB476,990,000 and net profits of RMB47,952,000 to the Group for the period from the respective acquisition date to 30 June 2021.

If the acquisitions had occurred on 1 January 2021, the Group's consolidated pro-forma revenue and comprehensive income for the six months ended 30 June 2021 would have been RMB6,735,267,000 and RMB1,300,532,000, respectively.

(iv) Information not disclosed as not yet available

At the time the interim financial information was authorised for issue, the Group had not yet completed the accounting for the acquisitions. In particular, the fair values of the assets and liabilities disclosed above have only been determined provisionally as the independent valuations have not been finalised.

25 Disposal of subsidiaries

During the six months ended 30 June 2021, a group of subsidiaries were disposed of to third parties at cash considerations of RMB155,000,000 in aggregate.

	Note	**As at the respective dates of the disposals** RMB'000
Disposal considerations		
– Cash consideration received or receivable		155,000
– Remaining unpaid acquisition consideration of a subsidiary disposed of		29,580
		184,580
Less:		
– total net assets of the subsidiaries		(164,898)
Gains from disposal of subsidiaries	9	19,682
Cash proceeds from disposal, net of cash disposed of		
Cash consideration received		150,000
Less: cash and cash equivalents in the subsidiaries		(16,028)
Net cash inflow on disposals		133,972

26 Related party transactions

(a) Name and relationship with related parties

Name	Relationship
Agile Group Holdings Limited and its subsidiaries 雅居樂集團控股有限公司及其附屬公司	Ultimate holding company and its subsidiaries
Founding Shareholders, including Mr. Chen Zhuo Lin, Mr. Chan Cheuk Yin, Ms. Luk Sin Fong, Fion, Mr. Chan Cheuk Hung, Mr. Chan Cheuk Hei, and Mr. Chan Cheuk Nam (the "Founding Shareholders")	Founding shareholders of Agile Holdings
Zhongshan A-Living Enterprises Management Services Co., Ltd.* 中山雅生活企業管理服務有限公司	Controlling shareholder of the Company
Deluxe Star International Limited 旺紀國際有限公司	Intermediate holding company
Greenland Holdings Group Company Limited ("Greenland Holdings") and its subsidiaries 綠地控股集團有限公司及其附屬公司	A shareholder having significant influence on the Company and its subsidiaries
CMIG Futurelife Holdings Group Company Limited* ("CMIG") and its subsidiaries 中民未來控股集團有限公司及其附屬公司	Non-controlling shareholder having significant influence on the Group and its subsidiaries
Zhongshan Agile Changjiang Hotel Co., Ltd* 中山雅居樂長江酒店有限公司	Controlled by the Founding Shareholders
Zhongshan Changjiang Golf Course* 中山長江高爾夫球場	Controlled by the Founding Shareholders
Hainan Agile Lehan Hotel Management Co., Ltd* 海南雅居樂瀚海酒店管理有限公司	Controlled by the Founding Shareholders
Haimen Xinya Real Estate Development Co., Ltd.* 海門新雅房地產開發有限公司	Associate of Agile Holdings

26 Related party transactions (continued)

(a) Name and relationship with related parties (continued)

Name	Relationship
Jinzhong Jintianheyi Property Development Co., Ltd.* 晉中錦添合意房地產開發有限公司	Associate of Agile Holdings
Sichuan Yacan Real Estate Development Co., Ltd.* 四川雅燦房地產開發有限公司	Associate of Agile Holdings
Foshan Changzhong Property Development Co., Ltd.* 佛山市昌重房地產開發有限公司	Associate of Agile Holdings
Foshan Sanshui Qingmei Real Estate Development Co., Ltd.* 佛山市三水區擎美房地產有限公司	Associate of Agile Holdings
Wuxi Yahui Real Estate Development Co., Ltd.* 無錫雅輝房地產開發有限公司	Associate of Agile Holdings
Sichuan Yaheng Real Estate Development Co., Ltd.* 四川雅恒房地產開發有限公司	Associate of Agile Holdings
Xinxing Country Garden Real Estate Development Co., Ltd.* 新興縣碧桂園房地產開發有限公司	Associate of Agile Holdings
Huizhou Bailuhu Tour Enterprise Development Co., Ltd.* 惠州白鷺湖旅遊實業開發有限公司	Joint venture of Agile Holdings
Beihai Yaguang Property Development Co., Ltd.* 北海雅廣房地產開發有限公司	Joint venture of Agile Holdings
Guangxi Fuya Investments Co., Ltd.* 廣西富雅投資有限公司	Joint venture of Agile Holdings
Henan Yafu Property Co., Ltd.* 河南雅福置業有限公司	Joint venture of Agile Holdings
Zhuhai Yahan Real Estate Development Co., Ltd.* 珠海市雅瀚房地產開發有限公司	Joint venture of Agile Holdings
Kaifeng Fenghui Property Co., Ltd.* 開封豐輝置業有限公司	Joint venture of Agile Holdings

26 Related party transactions (continued)

(a) Name and relationship with related parties (continued)

Name	Relationship
Zhongshan Minsen Real Estate Development Co., Ltd.* 中山市民森房地產發展有限公司	Joint venture of Agile Holdings
Foshan Yazhan Property Development Co., Ltd.* 佛山雅展房地產開發有限公司	Joint venture of Agile Holdings
Guangdong Xinmeiju Real Estate Development Co., Ltd.* 廣東新美居房地產發展有限公司	Joint venture of Agile Holdings
Zhuhai Yahao Real Estate Development Co.,Ltd.* 珠海市雅灝房地產開發有限公司	Joint venture of Agile Holdings
Hainan Yihai Rongsheng Real Estate Development Co., Ltd.* 海南伊海榮盛房地產開發有限公司	Joint venture of Agile Holdings
Guangzhou Huibang Property Co., Ltd.* 廣州市暉邦置業有限公司	Joint ventures of Greenland Holdings
Greenland Hangzhou Shuangta Property Co., Ltd.* 綠地控股集團杭州雙塔置業有限公司	Joint ventures of Greenland Holdings
Guangzhou Greenland Baiyun Property Co., Ltd.* 廣州綠地白雲置業有限公司	Joint ventures of Greenland Holdings
Nanjing Haiyue Property Management Co.,Ltd* 南京海玥物業管理有限公司	Associate of the Group
Shenzhen Huilongcheng Property Management Co.,Ltd* 深圳市匯龍城物業管理有限公司	Associate of the Group
Tianjin Zhuosen Business Management Co.,Ltd.* (Note (i)) 天津卓森商業管理有限公司	Associate of the Group
A-Living Mingri Environmental Development Co., Ltd. (formerly known as “Dalian Mingri Environmental Development Co., Ltd.) * 雅生活明日環境發展有限公司(前稱:大連明日環境發展有限公司)	Associate of the Group

26 Related party transactions (continued)

(a) Name and relationship with related parties (continued)

Name	Relationship
ZHS Beautiful Urban and Rural Areas Sanitation Group Co., Ltd.* 中航美麗城鄉環衛集團有限公司	Associate of the Group
Guigang Shenghe Property Service Co., Ltd.* 貴港市盛和物業服務有限公司	Joint venture of the Group
Qingdao Huarong City Services Management Co., Ltd.* 青島華融城市服務管理有限公司	Joint venture of the Group
Qingdao Qinglv City Services Co., Ltd.* 青島青旅城市服務有限公司	Joint venture of the Group
Hangzhou Lvsong Property Services Co., Ltd.* 杭州綠宋物業服務有限公司	Joint venture of the Group

The above table lists the principal related parties of the Group which, in the opinion of the directors, principally affect the results and net assets of the Group.

* The English name of the related parties represents the best effort by the management of the Group in translating their Chinese names as they do not have an official English name.

(i) Tianjin Zhuosen was also an associate of the Agile Holdings before 29 December 2020. On 29 December 2020, Agile Holdings disposed its entire equity interests to an entity controlled by a close family member of the founding shareholder. Since then, Tianjin Zhuosen is significantly influenced by the close family member of the Founding Shareholders and is no longer accounted for as an associate of Agile Holdings.

26 Related party transactions (continued)

(b) Transactions with related parties

	Six months ended 30 June 2021 RMB'000 (Unaudited)	2020 RMB'000 (Unaudited)
Provision of services		
Entities controlled by the Agile Holdings	**1,251,002**	854,759
Greenland Holdings and entities controlled by Greenland Holdings	**202,698**	58,869
Joint ventures and associates of Agile Holdings	**198,600**	118,640
Joint ventures and associates of the Group	**6,244**	2,672
Entities controlled by the Founding Shareholders	**388**	362
Joint ventures of Greenland Holdings	**305**	613
CMIG and entities controlled by CMIG	**101**	2,521
	1,659,338	1,038,436
Purchase of goods and services		
Associates of the Group	**20,514**	27,190
CMIG and entities controlled by CMIG	**175**	–
Greenland Holdings and entities controlled by Greenland Holdings	**1,622**	–
Associates of Agile Holdings	**751**	70
Entities controlled by the Agile Holdings	**3,802**	–
	26,864	27,260
Interest income received on loans due from related parties		
CMIG	**–**	9,357
Rental expenses related to short-term and low-value leases		
Entities controlled by the Founding Shareholders	**1,102**	1,115
Entities controlled by the Agile Holdings	**472**	425
	1,574	1,540
Interest expense for lease liabilities		
Entities controlled by the Agile Holdings	**41**	74
A Founding Shareholder of the Agile Holdings	**–**	18
Entities controlled by the Founding Shareholders	**8**	–
	49	92
Payments of lease liabilities		
Entities controlled by the Agile Holdings	**512**	717
A Founding Shareholder of the Agile Holdings	**–**	202
Entities controlled by the Founding Shareholders	**212**	–
Associates of the Group	**12**	–
	736	919

All of the transactions above were carried out in the normal course of the Group's business and on terms as agreed between the transaction parties.

26 Related party transactions (continued)

(c) Key management compensation

Compensations for key management including emoluments of directors and supervisors during the period were as follows:

	Six months ended 30 June	
	2021	2020
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Salaries and other short-term employee benefits	**4,561**	3,341
Contribution to pension scheme	**120**	40
	4,681	3,381

26 Related party transactions (continued)

(d) Balances with related parties

	30 June 2021 RMB'000 (Unaudited)	31 December 2020 RMB'000 (Audited)
Due from related parties		
– Trade receivables		
Entities controlled by the Agile Holdings	**588,996**	484,856
Greenland Holdings and entities controlled by Greenland Holdings	**472,858**	251,596
Joint ventures and associates of the Agile Holdings	**202,324**	95,490
Joint ventures and associates of the Group	**10,168**	9,048
Joint ventures of Greenland Holdings	**3,756**	3,433
CMIG and entities controlled by CMIG	**852**	501
	1,278,954	844,924
– Other receivables (Note(i))		
Joint ventures and associates of the Group	**159,265**	15,924
Entities controlled by the Agile Holdings	**31,107**	68,005
Joint ventures and associates of the Agile Holdings	**13,747**	4,858
Greenland Holdings and entities controlled by Greenland Holdings	**4,923**	387
Entities controlled by the Founding Shareholders	**902**	909
CMIG and entities controlled by CMIG	**225**	246
	210,169	90,329
– Prepayments		
Greenland Holdings and entities controlled by Greenland Holdings (Note(ii))	**247,397**	7,146
Entities controlled by the Agile Holdings	**2,464**	1,556
Joint ventures and associates of the Agile Holdings	**1,014**	14
Joint ventures and associates of the Group	**134**	23
	251,009	8,739
Total receivables due from related parties	**1,740,132**	943,992

(i) Other receivables due from related parties are unsecured and interest-free. Except for the balances paid as deposits, which are repayable upon maturity of rental period according to the respective contracts, the remaining balances are repayable on demand.

(ii) This mainly represents prepayment for properties developed by Greenland Holdings and entities controlled by Greenland Holdings for resale purpose.

26 Related party transactions (continued)

(d) Balances with related parties (continued)

	30 June 2021 RMB'000 (Unaudited)	31 December 2020 RMB'000 (Audited)
Due to related parties		
– Trade payables		
Associates of the Group	45,853	59,285
Entities controlled by the Agile Holdings	8,942	8,193
Greenland Holdings and entities controlled by Greenland Holdings	3,332	–
Joint ventures and associates of the Agile Holdings	783	70
CMIG and entities controlled by CMIG	256	1,571
	59,166	69,119
– Other payables		
Entities controlled by the Agile Holdings	76,370	65,559
Associates of the Group	23,958	7,617
Greenland Holdings and entities controlled by Greenland Holdings	8,528	3,600
Joint ventures and associates of the Agile Holdings	1,909	3,436
Entities controlled by the Founding Shareholders	223	–
CMIG and entities controlled by CMIG	192	1,483
A Founding Shareholder of the Agile Holdings	–	445
	111,180	82,140
– Contract liabilities		
Entities controlled by the Agile Holdings	287,935	65,654
Joint ventures and associates of the Agile Holdings	24,897	8,256
Greenland Holdings and entities controlled by Greenland Holdings	724	1,579
Entities controlled by the Founding Shareholders	10	10
Associates of the Group	–	6,738
	313,566	82,237
Total payable due to related parties	483,912	233,496

27 Events after the balance sheet date

On 2 July 2021, the Group entered into an agreement to acquire additional equity interests of 65% in an associate at a consideration of RMB282,000,000 in total. The Group was currently holding 35% equity interest in the associate before the acquisition. Upon the completion of the acquisition, the associate will become a wholly-owned subsidiary of the Group.