

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



SCE Intelligent Commercial Management Holdings Limited

中駿商管智慧服務控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 606)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2021

FINANCIAL HIGHLIGHTS

- Revenue increased significantly by approximately 52.7% to approximately RMB1,230.1 million.
- Gross profit margin increased by approximately 2.9 percentage points to approximately 47.2%.
- Profit attributable to owners of the parent increased significantly by approximately 80.2% to approximately RMB280.6 million.
- Core profit attributable to owners of the parent (excluding the effect of one-off share issue expenses) increased significantly by approximately 84.4% to approximately RMB301.7 million.
- The total contracted gross floor area (“GFA”) and GFA under management increased by approximately 25.9% and 37.9% to approximately 46.1 million sq.m. and 22.4 million sq.m., respectively.
- The Board proposed to declare a final dividend of HK5 cents per ordinary share.

The board (the “**Board**”) of directors (the “**Directors**”) of SCE Intelligent Commercial Management Holdings Limited (the “**Company**”) is pleased to announce the consolidated results of the Company and its subsidiaries (collectively, the “**Group**”) for the year ended 31 December 2021 as follows:

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER
COMPREHENSIVE INCOME**

Year ended 31 December 2021

	<i>Notes</i>	2021 <i>RMB’000</i>	2020 <i>RMB’000</i>
Revenue	5	1,230,050	805,284
Cost of sales		<u>(649,181)</u>	<u>(448,707)</u>
Gross profit		580,869	356,577
Other income and gains	5	24,004	6,817
Selling and marketing expenses		(2,332)	(5,351)
Administrative expenses		(218,525)	(135,295)
Finance cost	6	(560)	(43)
Share of profit/(loss) of a joint venture		<u>180</u>	<u>(25)</u>
PROFIT BEFORE TAX	7	383,636	222,680
Income tax expense	8	<u>(97,507)</u>	<u>(60,170)</u>
PROFIT FOR THE YEAR		<u>286,129</u>	<u>162,510</u>
OTHER COMPREHENSIVE LOSS			
Other comprehensive loss that may not be reclassified to profit or loss in subsequent periods:			
Exchange differences on translation of foreign operations		<u>(37,206)</u>	<u>(9,676)</u>
OTHER COMPREHENSIVE LOSS FOR THE YEAR		<u>(37,206)</u>	<u>(9,676)</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u>248,923</u>	<u>152,834</u>

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER
COMPREHENSIVE INCOME (Continued)**

Year ended 31 December 2021

	<i>Note</i>	2021 RMB'000	2020 <i>RMB'000</i>
Profit attributable to:			
Owners of the parent		280,609	155,729
Non-controlling interests		5,520	6,781
		<u>286,129</u>	<u>162,510</u>
Total comprehensive income attributable to:			
Owners of the parent		243,403	146,053
Non-controlling interests		5,520	6,781
		<u>248,923</u>	<u>152,834</u>
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT	<i>10</i>		
Basic and diluted		<u>RMB15.7 cents</u>	<u>RMB11.5 cents</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

31 December 2021

		2021	2020
	Notes	RMB'000	RMB'000
NON-CURRENT ASSETS			
Property and equipment		44,974	11,240
Investment properties		684	491
Goodwill		748	748
Intangible asset		906	1,159
Prepayments		2,176	3,175
Investment in a joint venture		1,655	1,475
Deferred tax assets		9,163	7,841
		<u>60,306</u>	<u>26,129</u>
CURRENT ASSETS			
Trade receivables	11	71,762	73,552
Prepayments, deposits and other receivables		27,056	26,635
Amounts due from related parties		–	487,398
Cash and bank balances		2,899,610	503,944
		<u>2,998,428</u>	<u>1,091,529</u>
CURRENT LIABILITIES			
Trade payables	12	76,800	51,175
Other payables and accruals		253,695	195,982
Amounts due to related parties		47,060	156,864
Contract liabilities		192,437	108,650
Tax payable		37,802	67,013
		<u>607,794</u>	<u>579,684</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (Continued)*31 December 2021*

	2021	2020
	<i>RMB'000</i>	<i>RMB'000</i>
NET CURRENT ASSETS	<u>2,390,634</u>	<u>511,845</u>
TOTAL ASSETS LESS CURRENT LIABILITIES	<u>2,450,940</u>	<u>537,974</u>
NON-CURRENT LIABILITIES		
Lease liabilities	8,214	–
Deferred tax liabilities	<u>226</u>	<u>290</u>
Total non-current liabilities	<u>8,440</u>	<u>290</u>
Net assets	<u><u>2,442,500</u></u>	<u><u>537,684</u></u>
EQUITY		
Equity attributable to owners of the parent		
Issued capital	17,292	7
Reserves	<u>2,415,241</u>	<u>521,702</u>
	2,432,533	521,709
Non-controlling interests	<u>9,967</u>	<u>15,975</u>
Total equity	<u><u>2,442,500</u></u>	<u><u>537,684</u></u>

NOTES:

1. CORPORATE INFORMATION

SCE Intelligent Commercial Management Holdings Limited, formerly known as China SCE Commercial Holdings Limited, is a limited liability company incorporated in the Cayman Islands on 20 August 2019. The registered office address of the Company is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands. The addresses of the principal place of business of the Company in the People's Republic of China (the “**PRC**”) and Hong Kong are 5/F, SCE Tower, No. 2, Lane 1688, Shenchang Road, Hongqiao Business District, Shanghai, China and Room 1017, 10/F, Houston Centre, 63 Mody Road, Tsim Sha Tsui, Kowloon, Hong Kong, respectively. The shares of the Company were listed (the “**Listing**”) on the Main Board of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) on 2 July 2021 (the “**Listing Date**”).

The Group was involved in the provision of property management services and commercial operational services in the PRC during the year.

Pursuant to the reorganisation of the Group in connection with the listing of the shares of the Company on the Stock Exchange (the “**Reorganisation**”), the Company became the holding company of the companies now comprising the Group on 23 January 2021. Details of the Reorganisation are set out in the section headed “History, Reorganisation and Corporate Structure” in the prospectus of the Company dated 21 June 2021.

In the opinion of the directors of the Company, Happy Scene Global Limited, a company incorporated in the British Virgin Islands (the “**BVI**”), is the immediate holding company of the Company, and China SCE Group Holdings Limited (the “**China SCE Holdings**”, together with its subsidiaries but excluding the Group, the “**China SCE Group**”), a company incorporated in the Cayman Islands and whose shares are listed on the Main Board of the Stock Exchange, is the controlling shareholder of the Company.

2.1 BASIS OF PRESENTATION

Pursuant to the Reorganisation, the Company became the holding company of the companies now comprising the Group on 23 January 2021. Since the companies now comprising the Group were under the common control of the same controlling shareholders before and after the Reorganisation, these financial statements have been prepared using the principles of merger accounting.

Accordingly, the financial statements have been prepared on a consolidated basis by applying the principles of merger accounting as if the Reorganisation had been completed at the beginning of the earliest period presented.

The consolidated statement of profit or loss and comprehensive income of the Group for the year ended 31 December 2021 include the results of all companies comprising the Group from the earliest date presented or since the date when the subsidiaries and/or businesses first came under common control of the controlling shareholders, where this is a shorter period. The consolidated statement of financial position of the Group as at 31 December 2020 have been prepared to present the assets and liabilities of the subsidiaries using the existing book values of the relevant entities. No adjustments are made to reflect fair values, or recognise any new assets or liabilities as a result of the Reorganisation.

Equity interests in subsidiaries held by parties other than the controlling shareholders, and changes therein, prior to the Reorganisation are presented as non-controlling interests in equity in applying the principles of merger accounting. All intra-group transactions and balances have been eliminated on consolidation.

2.2 BASIS OF PREPARATION

These financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards (“**HKFRSs**”) (which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards (“**HKASs**”) and Interpretations) issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”), accounting principles generally accepted in Hong Kong and the disclosure requirements of the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention. These financial statements are presented in Renminbi (“**RMB**”) and all values are rounded to the nearest thousand (“**RMB’000**”) except when otherwise indicated.

Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries now comprising the Group for the year ended 31 December 2021. The acquisition of subsidiaries and business under common control has been accounted for using merger accounting.

A subsidiary is an entity (including a structured entity), directly or indirectly, controlled by the Company. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee (i.e., existing rights that give the Group the current ability to direct the relevant activities of the investee).

When the Company has, directly or indirectly, less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- (a) the contractual arrangement with the other vote holders of the investee;
- (b) rights arising from other contractual arrangements; and
- (c) the Group’s voting rights and potential voting rights.

The financial statements of the subsidiaries are prepared for the same reporting period as the Company, using consistent accounting policies. The results of subsidiaries acquired under the Reorganisation are consolidated from the earliest date presented or since the respective dates of incorporation of the relevant entities, where this is a shorter period, and continue to be consolidated until the date that such control ceases.

Profit or loss and each component of other comprehensive income are attributed to the owners of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control described above. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises (i) the assets (including goodwill) and liabilities of the subsidiary, (ii) the carrying amount of any non-controlling interest and (iii) the cumulative translation differences recorded in equity; and recognises (i) the fair value of the consideration received, (ii) the fair value of any investment retained and (iii) any resulting surplus or deficit in profit or loss. The Group's share of components previously recognised in other comprehensive income is reclassified to profit or loss or retained profits, as appropriate, on the same basis as would be required if the Group had directly disposed of the related assets or liabilities.

3. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

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

Amendments to HKFRS 9, HKAS 39, HKFRS 7, HKFRS 4 and HKFRS 16	<i>Interest Rate Benchmark Reform — Phase 2</i>
Amendment to HKFRS 16	<i>COVID-19-Related Rent Concessions</i>

The nature and the impact of the revised HKFRSs are described below:

- (a) Amendments to HKFRS 9, HKAS 39, HKFRS 7, HKFRS 4 and HKFRS 16 address issues not dealt with in the previous amendments which affect financial reporting when an existing interest rate benchmark is replaced with an alternative risk-free rate (“**RFR**”). The amendments provide a practical expedient to allow the effective interest rate to be updated without adjusting the carrying amount of financial assets and liabilities when accounting for changes in the basis for determining the contractual cash flows of financial assets and liabilities, if the change is a direct consequence of the interest rate benchmark reform and the new basis for determining the contractual cash flows is economically equivalent to the previous basis immediately preceding the change. In addition, the amendments permit changes required by the interest rate benchmark reform to be made to hedge designations and hedge documentation without the hedging relationship being discontinued. Any gains or losses that could arise on transition are dealt with through the normal requirements of HKFRS 9 to measure and recognise hedge ineffectiveness. The amendments also provide a temporary relief to entities from having to meet the separately identifiable requirement when an RFR is designated as a risk component. The relief allows an entity, upon designation of the hedge, to assume that the separately identifiable requirement is met, provided the entity reasonably expects the RFR risk component to become separately identifiable within the next 24 months. Furthermore, the amendments require an entity to disclose additional information to enable users of financial statements to understand the effect of interest rate benchmark reform on an entity's financial instruments and risk management strategy. The amendments did not have any significant impact on the financial position and performance of the Group.
- (b) Amendment to HKFRS 16 provides a practical expedient for lessees to elect not to apply lease modification accounting for rent concessions arising as a direct consequence of the COVID-19 pandemic. The practical expedient applies only to rent concessions occurring as a direct consequence of the pandemic and only if (i) the change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change; (ii) any reduction in lease payments affects only payments originally due on or before 30 June 2021; and (iii) there is no substantive change to other terms and conditions of the lease. The amendment did not have any significant impact on the financial position and performance of the Group.

4. OPERATING SEGMENT INFORMATION

The Group is principally engaged in the provision of property management services, value-added services and commercial operational services. Information reported to the Group's chief operating decision maker, for the purpose of resource allocation and performance assessment, focuses on the operating results of the Group as a whole as the Group's resources are integrated and no discrete operating segment information is available. Accordingly, no operating segment information is presented.

Geographical information

No geographical information is presented as the Group's revenue from the external customers is derived solely from its operations in Mainland China for the years ended 31 December 2021 and 2020 and the non-current assets of the Group were substantially located in the PRC as at 31 December 2021 and 2020.

Information about major customers

Revenue from the China SCE Group contributed 34% (2020: 39%) of the Group's revenue during the year. Other than the revenue from the China SCE Group, no revenue derived from sales to a single customer or a group of customers under common control accounted for 10% or more of the Group's revenue during the year (2020: Nil).

5. REVENUE, OTHER INCOME AND GAINS

An analysis of the Group's revenue, other income and gains is as follows:

	2021 <i>RMB'000</i>	2020 <i>RMB'000</i>
Revenue from contracts with customers		
Property management services	601,087	417,892
Value-added services	342,464	193,501
Commercial operational services	286,499	193,891
	<u>1,230,050</u>	<u>805,284</u>
	2021 <i>RMB'000</i>	2020 <i>RMB'000</i>
Other income and gains		
Bank interest income	1,545	1,101
Gain on disposal of items of property and equipment	35	47
Forfeiture income on deposits received	1,436	1,782
Government grants	4,295	3,091
Foreign exchange gain	15,884	–
Gain on termination of a lease	37	–
Others	772	796
	<u>24,004</u>	<u>6,817</u>

6. FINANCE COST

	2021 <i>RMB'000</i>	2020 <i>RMB'000</i>
Interests on lease liabilities	<u>560</u>	<u>43</u>

7. PROFIT BEFORE TAX

The Group's profit before tax is arrived at after charging/(crediting):

	2021 <i>RMB'000</i>	2020 <i>RMB'000</i>
Cost of services provided	649,181	448,707
Depreciation of property and equipment	6,449	3,473
Depreciation of right-of-use assets	4,617	1,202
Depreciation of investment properties	267	1,383
Amortisation of an intangible asset	253	105
Gain on disposal of property and equipment, net	(35)	(47)
Gain on termination of a lease	(37)	–
Share issue expenses	21,068	7,909
Lease payments not included in the measurement of lease liabilities	1,408	4,254
Auditor's remuneration	1,900	–
Employee benefit expense (including directors' remuneration):		
Salaries, bonuses and benefits in kind	452,938	335,509
Share-based payment expenses	1,565	1,354
Pension scheme contributions	<u>74,868</u>	<u>19,846</u>
	<u>529,371</u>	<u>356,709</u>
Impairment/(reversal of impairment) of trade receivables	76	(102)
Foreign exchange gain	<u>(15,884)</u>	<u>–</u>

8. INCOME TAX

Taxes on profits assessable in Mainland China have been calculated at the rates of tax prevailing in the cities in which the Group's subsidiaries operate. No provision for Hong Kong profits tax has been made as the Group did not generate any assessable profits arising in Hong Kong during the year (2020: Nil).

	2021 <i>RMB'000</i>	2020 <i>RMB'000</i>
Current	99,256	58,646
Deferred	<u>(1,749)</u>	<u>1,524</u>
Total tax charge for the year	<u>97,507</u>	<u>60,170</u>

9. DIVIDENDS

	2021 <i>RMB'000</i>	2020 <i>RMB'000</i>
Proposed final — HK5 cents (2020: Nil) per ordinary share	<u>84,826</u>	<u>—</u>

The proposed final dividend for the year is subject to the approval of the Company's shareholders at the forthcoming annual general meeting.

In August 2020, Beijing World City Property Management Co., Ltd declared a special dividend of RMB43,542,000 to its then sole shareholder, Max Fresh Investments Limited (“**Max Fresh**”). Max Fresh was incorporated in the BVI with limited liability and wholly owned by the China SCE Holdings indirectly.

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

For the purpose of computing basic and diluted earnings per share, the number of ordinary shares has been adjusted retrospectively for the effect of the subdivision of shares, new shares issued under the Reorganisation and the Capitalisation Issue on a proportional basis as if these transactions had been completed on 1 January 2020.

The calculation of the basic earnings per share amounts is based on the profit attributable to ordinary equity holders of the parent of RMB280,609,000 (2020: RMB155,729,000), and the weighted average number of ordinary shares of 1,783,767,000 (2020: 1,349,095,000) in issue during the year.

No adjustment has been made to the basic earnings per share amounts presented for the years ended 31 December 2021 and 2020 in respect of a dilution as the Group had no potential dilutive ordinary shares in issue during the years ended 31 December 2021 and 2020.

11. TRADE RECEIVABLES

	2021 <i>RMB'000</i>	2020 <i>RMB'000</i>
Trade receivables from related companies	54,261	60,001
Trade receivables from independent third parties	<u>18,588</u>	<u>14,562</u>
	72,849	74,563
Less: Impairment of trade receivables	<u>(1,087)</u>	<u>(1,011)</u>
	<u>71,762</u>	<u>73,552</u>

Trade receivables represented receivables arising from property management services, commercial operational services and other related services. For trade receivables from property management services, the Group charges property management fees on a quarterly or monthly basis and the payment is generally due upon the issuance of demand notes. For trade receivables from other services, the Group's trading terms with its customers are mainly on credit and the credit period is generally within six months. The Group seeks to maintain strict control over its outstanding receivables. Overdue balances are reviewed regularly by management. Except for the balances with the China SCE Group and joint ventures of the China SCE Group, the Group's trade receivables relate to a number of diversified customers, there is no significant concentration of credit risk. The Group does not hold any collateral or other credit enhancements over its trade receivable balances. Trade receivables are interest-free.

The amounts due from the China SCE Group are repayable on credit terms similar to those offered to the major customers of the Group.

An ageing analysis of the trade receivables as at the end of the reporting period, based on the invoice date and net of loss allowance, is as follows:

	2021	2020
	<i>RMB'000</i>	<i>RMB'000</i>
Current to 90 days	66,154	69,731
91 to 180 days	3,509	2,417
181 to 365 days	1,409	11
Over 365 days	690	1,393
	<u>71,762</u>	<u>73,552</u>

12. TRADE PAYABLES

An ageing analysis of the trade payables as at the end of the reporting period, based on the invoice date, is as follows:

	2021	2020
	<i>RMB'000</i>	<i>RMB'000</i>
Current to 90 days	68,861	43,619
91 to 365 days	2,957	5,079
Over 365 days	4,982	2,477
	<u>76,800</u>	<u>51,175</u>

Trade payables are unsecured and interest-free and are normally settled based on 10 to 90 days' term.

MANAGEMENT DISCUSSION AND ANALYSIS

OVERVIEW

The Group is a service provider focusing on commercial property management services with operations in the West Taiwan Strait Economic Zone, the Yangtze River Delta Economic Zone, the Bohai Rim Economic Zone, the Guangdong-Hong Kong-Macao Greater Bay Area and the Central Western Region. As of 31 December 2021, there were 42 contracted commercial properties (including shopping malls and offices) with a total contracted GFA of approximately 5.6 million sq.m. and 16 commercial properties under management with a total GFA under management of approximately 1.6 million sq.m..

The Group provides professional commercial property management and operational services to property owners, tenants and consumers through the “SCE Funworld” brand. “SCE Funworld” has three different product lines: Urban Fashion (都市流行), Quality Life (品質生活) and Urban Outlets (都市奧萊), focusing on the young urban middle class and families, all types of urban families, urban white-collar workers and customers pursuing quality of life, providing them with tailor-made products and services and becoming the initiator and leader of a new lifestyle.

The Group also provides property management services to residential properties. As of 31 December 2021, there were 213 contracted residential projects with a total contracted GFA of approximately 40.5 million sq.m. and 128 residential projects under management with a total GFA under management of approximately 20.8 million sq.m..

BUSINESS REVIEW

During the year ended 31 December 2021 (the “Year”), the Group conducted business activities in the following major business segments, namely (i) commercial property management and operational services; and (ii) residential property management services.

During the Year, the Group’s revenue and gross profit margin by business segment are as follows:

	Year ended 31 December			
	2021		2020	
	Revenue	Gross Profit	Revenue	Gross Profit
	RMB’000	Margin %	RMB’000	Margin %
Commercial property management and operational services	563,073	57.5	373,036	59.0
Residential property management services	666,977	38.5	432,248	31.6
Total	1,230,050	47.2	805,284	44.3

Commercial property management and operational services

During the Year, the Group's commercial property management and operational services segment recorded total revenue of approximately RMB563.1 million, representing a year-on-year significant increase of approximately 50.9%; GFA under management of approximately 1.6 million sq.m., representing a year-on-year significant increase of approximately 57.4%; the number of projects under management of 16 projects, representing a year-on-year increase of six projects; and contracted GFA of approximately 5.6 million sq.m., representing a year-on-year increase of approximately 27.7%.

During the Year, the Group's commercial property management and operational services segment recorded a gross profit margin of 57.5%, representing a slight decrease of 1.5 percentage points year-on-year, mainly due to the increased cost of hiring additional staff to meet future growth in demand for pre-opening management services.

During the Year, the contracted GFA, GFA under management and revenue under the Group's commercial property management and operational services segment by geographical area are as follows:

	Year ended 31 December					
	2021			2020		
	Contracted GFA <i>sq.m.</i>	GFA under Management <i>sq.m.</i> (in thousands)	Revenue <i>RMB</i>	Contracted GFA <i>sq.m.</i>	GFA under Management <i>sq.m.</i> (in thousands)	Revenue <i>RMB</i>
Yangtze River Delta Economic Zone	2,720	698	366,287	2,146	398	248,305
West Taiwan Strait Economic Zone	891	583	140,488	846	538	93,056
Bohai Rim Economic Zone	739	54	39,385	302	54	30,262
Guangdong-Hong Kong-Macao Greater Bay Area	623	111	8,096	623	-	705
Central Western Region	611	112	8,817	456	-	708
Total	5,584	1,558	563,073	4,373	990	373,036

Certain information of the Group's commercial properties under management as of 31 December 2021 and 2020 is set out below:

Project	Opening Date	Property Type	Location	Geographic Region	Occupancy Rate ⁽¹⁾		GFA under Management	
					As of 31 December		2021	2020
					2021 %	2020 %	2021 sq.m.	2020 sq.m.
Xiamen SCE Building ⁽²⁾	January 2007	Office building	Xiamen	West Taiwan Strait Economic Zone	95.2	90.4	50,309	50,309
Beijing CBD SCE Funworld	September 2009	Shopping street	Beijing	Bohai Rim Economic Zone	78.5	81.6	54,484	54,484
Quanzhou SCE Funworld	May 2014	Shopping mall	Quanzhou	West Taiwan Strait Economic Zone	92.8	90.5	180,929	180,929
Gala Fun ⁽²⁾	December 2014	Shopping street	Quanzhou	West Taiwan Strait Economic Zone	71.7	N/A	11,729	N/A
Shanghai SCE Plaza Phase One	June 2017	Office building	Shanghai	Yangtze River Delta Economic Zone	100.0	100.0	218,471	218,471
Shanghai SCE Plaza Phase Two	July 2018	Office building	Shanghai	Yangtze River Delta Economic Zone	56.0	60.0	126,525	126,525
Quanzhou SCE Plaza Office Building	August 2018	Office building	Quanzhou	West Taiwan Strait Economic Zone	82.0	70.3	45,972	45,972
Shishi Fortune Center ⁽²⁾	September 2018	Office building	Quanzhou	West Taiwan Strait Economic Zone	47.1	N/A	33,380	N/A
Nan'an SCE Funworld	December 2018	Shopping mall	Quanzhou	West Taiwan Strait Economic Zone	100.0	97.8	72,618	72,618
Tianyue	October 2020	Office building	Shanghai	Yangtze River Delta Economic Zone	62.8	55.4	52,499	52,499
Shuitou SCE Funworld	December 2020	Shopping mall	Quanzhou	West Taiwan Strait Economic Zone	94.9	98.2	105,290	105,290

Project	Opening Date	Property Type	Location	Geographic Region	Occupancy Rate ⁽¹⁾		GFA under Management	
					As of 31 December			
					2021	2020	2021	2020
%	%	sq.m.	sq.m.					
Xianyou SCE Funworld	December 2020	Shopping mall	Putian	West Taiwan Strait Economic Zone	97.0	97.8	82,678	82,678
Taizhou SCE Funworld	December 2021	Shopping mall	Taizhou	Yangtze River Delta Economic Zone	98.0	N/A	199,625	N/A
Heyuan SCE Funworld	December 2021	Shopping mall	Heyuan	Guangdong-Hong Kong-Macao Greater Bay Area	90.0	N/A	111,084	N/A
Pingdingshan SCE Funworld	December 2021	Shopping mall	Pingdingshan	Central Western Region	100.0	N/A	111,142	N/A
Zhangjiagang SCE Funworld	December 2021	Shopping mall	Suzhou	Yangtze River Delta Economic Zone	100.0	N/A	100,825	N/A
Total					<u>85.4</u>	<u>85.6</u>	<u>1,557,560</u>	<u>989,775</u>

Notes:

- (1) Occupancy rate is calculated as actual leased area divided by available lease area of a commercial property as of the end of each relevant period.
- (2) The Group began to provide basic commercial property management services to these properties in either December 2020 or January 2021 as part of the reorganisation of the Group in preparation of the listing.

During the Year, the Group had provided commercial operational services for certain shopping malls. The table below sets out certain information of the shopping malls for which the Group has contracted to provide basic commercial property management and operational services but which have not yet been delivered to the Group for management, and the shopping malls for which the Group has contracted to provide commercial operational services only, as of 31 December 2021:

Project	Expected Opening Date	Property Type	Location	Geographic Region	Contracted GFA <i>sq.m.</i>
Yangzhou Mingfa Commercial Plaza ⁽¹⁾	N/A ⁽²⁾	Shopping mall	Yangzhou	Yangtze River Delta Economic Zone	300,000
Nanjing Mingfa Commercial Plaza ⁽¹⁾	N/A ⁽²⁾	Shopping mall	Nanjing	Yangtze River Delta Economic Zone	422,000
Hefei Mingfa Commercial Plaza ⁽¹⁾	N/A ⁽²⁾	Shopping mall	Hefei	Yangtze River Delta Economic Zone	360,000
Tangshan SCE Funworld	September 2022	Shopping mall	Tangshan	Bohai Rim Economic Zone	78,048
Gaomi SCE Funworld	December 2022	Shopping mall	Weifang	Bohai Rim Economic Zone	143,634
Beijing West Chang'an SCE Funworld	December 2022	Shopping mall	Beijing	Bohai Rim Economic Zone	103,453
Shantou SCE Funworld	December 2022	Shopping mall	Shantou	Guangdong-Hong Kong-Macao Greater Bay Area	154,710
Fuzhou SCE Funworld	December 2022	Shopping mall	Fuzhou	West Taiwan Strait Economic Zone	136,213
Shanghai Huaqiao SCE Funworld	September 2023	Shopping mall	Suzhou	Yangtze River Delta Economic Zone	148,826
Shaoguan SCE Funworld	December 2023	Shopping mall	Shaoguan	Guangdong-Hong Kong-Macao Greater Bay Area	109,802
Zhumadian SCE Funworld	December 2023	Shopping mall	Zhumadian	Central Western Region	153,094
Haian SCE Funworld	December 2023	Shopping mall	Nantong	Yangtze River Delta Economic Zone	100,581

Project	Expected Opening Date	Property Type	Location	Geographic Region	Contracted GFA <i>sq.m.</i>
Yushan SCE Funworld	December 2023	Shopping mall	Shangrao	West Taiwan Strait Economic Zone	60,000
Nanchang SCE Funworld	May 2024	Shopping mall	Nanchang	West Taiwan Strait Economic Zone	112,232
Tongchuan SCE Funworld	June 2024	Shopping mall	Tongchuan	Central Western Region	122,112
Jieyang SCE Funworld	June 2024	Shopping mall	Jieyang	Guangdong-Hong Kong-Macao Greater Bay Area	116,196
Chizhou SCE Funworld	June 2024	Shopping mall	Chizhou	Yangtze River Delta Economic Zone	116,326
Hefei SCE Funworld	September 2024	Shopping mall	Hefei	Yangtze River Delta Economic Zone	222,100
Rudong SCE Funworld	September 2024	Shopping mall	Nantong	Yangtze River Delta Economic Zone	123,233
Rizhao SCE Funworld	June 2025	Shopping mall	Rizhao	Bohai Rim Economic Zone	112,719
Binzhou SCE Funworld	September 2025	Shopping mall	Binzhou	Bohai Rim Economic Zone	127,152
Meizhou SCE Funworld	November 2025	Shopping mall	Meizhou	Guangdong-Hong Kong-Macao Greater Bay Area	119,083
Tongnan SCE Funworld	December 2025	Shopping mall	Chongqing	Central Western Region	130,392
Xiangtan SCE Funworld	December 2025	Shopping mall	Xiangtan	Central Western Region	106,830
Nantong Haimen SCE Funworld	December 2025	Shopping mall	Nantong	Yangtze River Delta Economic Zone	228,837
Penglai SCE Funworld	December 2025	Shopping mall	Penglai	Bohai Rim Economic Zone	118,999
Total					<u>4,026,572</u>

Notes:

- (1) The Group has been appointed to provide operational consultancy services for these properties only, which the services are market research and positioning services and tenant acquisition services under the pre-opening services sub-section, but has not provided any basic commercial property management services (and therefore does not have any GFA under management).
- (2) The relevant independent third party properties were in operation before the Group was appointed.

The Group ensures the quality of its property management services through operational refinement. Before the opening of SCE Funworld, market research was conducted to understand the distribution of population, age groups, per capita income and consumption levels in the area, so as to match the appropriate product lines and use this as a basis to prepare for the positioning of SCE Funworld. For example, the four SCE Funworlds that opened this year have matched their initial positioning plan, each catering to a different type of customer base to maximise the number of customers. Since the opening, the Group has continued to improve its service standards, focusing on communication with tenants and customers, and on the finest details of shopping malls, such as ensuring smooth access and improving the balance of night lighting and interior lighting at night, so as to enhance customer satisfaction and achieve a win-win situation with the tenants.

The Group opened four SCE Funworlds in the same week at the end of the Year, which were Taizhou SCE Funworld, Heyuan SCE Funworld, Pingdingshan SCE Funworld and Zhangjiagang SCE Funworld. There is no resource competition affecting the results of the opening, but resulted in an excellent performance at the opening. For example, the opening of Pingdingshan SCE Funworld recorded over 300,000 visitors on its opening day and Taizhou SCE Funworld recorded over RMB15 million in sales on its opening day. These opening results are higher than the two SCE Funworlds that opened in the same period last year, proving that the Group's experienced management team is able to cope with the increase in volume while ensuring high service standards. In addition, having all four shopping malls opening at the same time and receiving positive feedback from the market have boosted the confidence of our partners in the brand of SCE Funworld. This will also help to enhance the Group's ability to attract tenants for the future opening of SCE Funworld and maintain and optimise the brand mix of tenants, which will be a major boost to the Group's future development.

Residential Property Management Services

During the Year, the Group's residential property management services segment recorded total revenue of approximately RMB667.0 million, representing a year-on-year significant increase of approximately 54.3%; GFA under management was approximately 20.8 million sq.m., representing a year-on-year increase of approximately 36.7%; the number of projects under management was 128 projects, representing an increase of 34 projects; and contracted GFA was approximately 40.5 million sq.m., representing a year-on-year increase of approximately 25.6%. During the Year, the Group's residential property management services segment recorded a gross profit margin of approximately 38.5%, representing an increase of approximately 6.9 percentage points year-on-year. The increase in gross profit margin was mainly due to scale expansion resulting in economies of scale and the higher gross profit margins for value-added services (including car park sale services and exquisite residence services) which commenced in 2021.

During the Year, the contracted GFA, GFA under management and revenue under the Group's residential property management services segment by geographical area are as follows:

	Year ended 31 December					
	2021			2020		
	Contracted GFA sq.m.	GFA under Management sq.m.	Revenue RMB	Contracted GFA sq.m.	GFA under Management sq.m.	Revenue RMB
	(in thousands)			(in thousands)		
Yangtze River Delta						
Economic Zone	7,584	2,996	143,096	5,631	2,057	69,017
West Taiwan Strait						
Economic Zone	15,976	10,930	296,106	14,656	8,849	228,217
Bohai Rim Economic Zone	5,460	3,152	121,672	3,696	2,570	81,726
Guangdong-Hong Kong-						
Macao Greater Bay Area	4,244	783	43,317	3,407	672	23,341
Central Western Region	7,209	2,987	62,786	4,822	1,107	29,947
Total	40,473	20,848	666,977	32,212	15,255	432,248

OUTLOOK

Going forward, the Group will continue to strengthen its market position through organic growth, strategic acquisitions and the support of China SCE Group, focusing on strengthening its strength as a commercial property management services provider. With the positive effect of the opening of the Group's commercial properties and brand confidence gained in recent years, it is expected that five additional SCE Funworlds will be gradually under the Group's management in 2022. In 2023, approximately five additional SCE Funworlds will be under the Group's management to provide a more solid foundation for the Group's portfolio of commercial properties under management.

With the listing of the Group on the Main Board of the Stock Exchange, the availability of sufficient funds will provide the Group with more advantageous conditions for growth. The Group will make efficient use of the proceeds from the listing and adhere to prudent financial management principles by identifying and acquiring companies with potential to increase the Group's market share in the property management segment. Successful acquisitions will be a driving force for the Group's rapid growth in the future, reinforcing and strengthening its market position in the commercial property management industry.

Through the digital business asset operation platform, the Group will connect all independent operation systems, and after a complete automatic data processing, based on the precipitation of business operation logic and algorithm, operation analysis and decision-making information will be visualised in real time. Through the scientific and efficient operation platform capability, the Group will assist managers to enhance the level of intelligent decision-making on the positioning and planning of business assets, the selection of tenant brands, the selection of operation points and solutions, and the judgment of market operation trends, so as to form a competitive advantage in business operation.

FINANCIAL REVIEW

Revenue

Revenue increased significantly by 52.7% from approximately RMB805.3 million in 2020 to approximately RMB1,230.1 million in 2021. This was due to the increase in GFA under management, the increase in the number of shopping malls for which the Group provided pre-opening management services and the increase in the types of value-added services provided by the Group.

A breakdown of the Group's revenue by service category for the years indicated is set out below:

	Year ended 31 December			
	2021		2020	
	Revenue <i>RMB'000</i>	Percentage %	Revenue <i>RMB'000</i>	Percentage %
Commercial property management and operational services				
Basic commercial property management services	186,801	15.2	123,662	15.3
Pre-opening management services	286,499	23.3	193,891	24.1
Other value-added services	89,773	7.3	55,483	6.9
Subtotal	563,073	45.8	373,036	46.3
Residential property management services				
Basic residential property management services	414,286	33.7	294,230	36.5
Value-added services to non-property owners	173,155	14.1	113,178	14.1
Community value-added services	79,536	6.4	24,840	3.1
Subtotal	666,977	54.2	432,248	53.7
Total	1,230,050	100.0	805,284	100.0

Basic Commercial Property Management Services

The Group's basic commercial property management services mainly include cleaning, security, repair and maintenance, tenant assistance, marketing and promotion services provided to property developers, property owners and tenants. The Group's revenue from basic commercial property management services increased significantly by approximately 51.1% from approximately RMB123.7 million in 2020 to approximately RMB186.8 million in 2021, accounting for approximately 15.2% of its total revenue. This was due to the increase in GFA under management.

Pre-opening Management Services

The Group's pre-opening management services mainly include market research and positioning, preliminary consultation and planning, architectural design consultation, tenant acquisition and opening preparation services provided to property developers prior to the opening of commercial properties. The Group's revenue from pre-opening management services increased by approximately 47.8% from approximately RMB193.9 million in 2020 to approximately RMB286.5 million in 2021, accounting for approximately 23.3% of its total revenue. This was due to the increase in the number of shopping malls for which the Group provided pre-opening management services from 22 in 2020 to 30 in 2021.

Other Value-added Services

The Group's other value-added services mainly include tenant management, rental collection, parking lot management, advertising space and other common area management services provided after the opening of commercial properties. The Group's revenue from other value-added services increased significantly by approximately 61.8% from approximately RMB55.5 million in 2020 to approximately RMB89.8 million in 2021, accounting for approximately 7.3% of its total revenue. This was due to the increase in the GFA under management and the alleviated impact of the COVID-19 pandemic on the operations in 2021 as compared with 2020, as well as the change in operation of parking lot and common area from revenue sharing with the China SCE Group in and before 2020 to receiving the entire amount directly from third parties from 2021 onward, resulting in increase in revenue.

Basic Residential Property Management Services

The Group's basic residential property management services mainly include cleaning, security, landscaping and repair and maintenance services provided to property owners, property owners' committees or property developers. The Group's revenue from basic residential property management services increased by approximately 40.8% from approximately RMB294.2 million in 2020 to approximately RMB414.3 million in 2021, accounting for approximately 33.7% of its total revenue. This was due to the increase in GFA under management.

Value-added Services to Non-property Owners

The Group's value-added services to non-property owner mainly include the provision of pre-sale management services to property developers during pre-sale activities, such as cleaning, security and repair and maintenance services for pre-sale display units and sales offices, pre-delivery inspection services and car park sales services for car parks that remained unsold after the pre-sale period. The Group's revenue from value-added services to non-property owners increased significantly by approximately 53.0% from approximately RMB113.2 million in 2020 to approximately RMB173.2 million in 2021, accounting for approximately 14.1% of its total revenue. This was due to the number of residential properties for which pre-sale management services were provided increased from 102 projects in 2020 to 113 projects in 2021, and the commencement of the car park sales services in the second quarter of 2021.

Community Value-added Services

The Group's community value-added services mainly include housekeeping and cleaning services, exquisite residence services as well as car park management, clubhouse operation and common area management value-added services. The Group's revenue from community value-added services increased significantly by approximately 220.2% from approximately RMB24.8 million in 2020 to approximately RMB79.5 million in 2021, accounting for approximately 6.4% of its total revenue. This was due to the increase in GFA under management, the increase in the types of value-added services provided by the Group and the alleviated impact of the COVID-19 pandemic on the operations in 2021 as compared with 2020.

Gross Profit

Gross profit increased significantly by approximately 62.9% from approximately RMB356.6 million in 2020 to approximately RMB580.9 million in 2021.

The overall gross profit margin increased from approximately 44.3% in 2020 to approximately 47.2% in 2021. The increase in gross profit margin was mainly due to the achievement of economies of scale as a result of business expansion and the launching of new value-added services during the Year, such as car park sales services and exquisite residence services, which had higher gross profit margins.

Other Income and Gains

The Group's other income and gains mainly comprised foreign exchange gain, government subsidies and forfeiture income on deposits received.

Other income and gains increased significantly by approximately 252.1% from approximately RMB6.8 million in 2020 to approximately RMB24.0 million in 2021. The increase in other income and gains was mainly due to the foreign exchange gain arising from appreciation of Renminbi against Hong Kong dollars during the Year.

Selling and Marketing Expenses

The Group's selling and marketing expenses mainly comprise expenses incurred by the Group for advertising and marketing for commercial property management and operational services.

Selling and marketing expenses decreased significantly by approximately 56.4% from approximately RMB5.4 million in 2020 to approximately RMB2.3 million in 2021. The decrease in selling and marketing expenses was mainly attributable to decrease in selling and marketing activities undertaken as a result of cost saving.

Administrative Expenses

The Group's administrative expenses mainly comprised salaries and wages of administrative staff, entertainment expenses, office expenses, travel and transportation expenses and depreciation.

Administrative expenses increased significantly by approximately 61.5% from approximately RMB135.3 million in 2020 to approximately RMB218.5 million in 2021. The increase in administrative expenses was mainly attributable to the business expansion and the one-off share issue expenses incurred during the Year.

Income Tax Expense

Income tax expense increased significantly by approximately 62.1% from approximately RMB60.2 million in 2020 to approximately RMB97.5 million in 2021. Income tax expense as a percentage of profit before taxation decreased from 27.0% in 2020 to 25.4% in 2021 mainly resulted from utilisation of tax losses brought forward from previous periods.

Profit Attributable to Owners of the Parent

Profit attributable to owners of the parent increased significantly by approximately 80.2% from approximately RMB155.7 million in 2020 to approximately RMB280.6 million in 2021. Basic earnings per share amounted to approximately RMB15.7 cents in 2021. Core profit attributable to owners of the parent (excluding the effect of one-off share issue expenses) increased significantly by approximately 84.4% from approximately RMB163.6 million in 2020 to approximately RMB301.7 million in 2021.

LIQUIDITY, FINANCIAL AND CAPITAL RESOURCES

Cash Position

The Group has a solid financial position. As at 31 December 2021, the Group's cash and bank balances amounted to approximately RMB2,899.6 million, representing a significant increase of approximately 475.4% from approximately RMB503.9 million as at 31 December 2020, which was mainly due to cash generated from operating activities and proceeds from initial public offering.

As at 31 December 2021 and 2020, the Group's cash and bank balances were denominated in different currencies as set out below:

	31 December 2021 RMB'000	31 December 2020 RMB'000
Renminbi	2,427,033	503,944
Hong Kong dollars	413,424	–
US dollars	59,153	–
	<hr/>	<hr/>
Total cash and bank balances	<u>2,899,610</u>	<u>503,944</u>

Borrowings and Pledge of Assets

As at 31 December 2021, the Group did not incur any borrowings (31 December 2020: Nil). As at 31 December 2021, none of the Group's property and equipment were restricted or pledged for borrowings (31 December 2020: Nil).

The gearing ratio was calculated by dividing the net amount of interest-bearing borrowings by total equity. As at 31 December 2021, the gearing ratio was nil (31 December 2020: Nil).

Exchange Rate Fluctuation Exposures

The Group's businesses are located in the PRC and all of the revenue and a substantial amount of operating expenses of the Group are denominated in RMB. As of 31 December 2021 and 2020, except for bank deposits which were denominated in foreign currencies, exchange rate changes of RMB against foreign currencies will not have material adverse effect on the results of operations of the Group.

No foreign currency hedging arrangement was made as of 31 December 2021 (31 December 2020: Nil). The Group will closely monitor its exposure to fluctuation in foreign currency exchange rates.

EMPLOYEE AND REMUNERATION POLICIES

As of 31 December 2021, the Group had a total of 4,986 employees (31 December 2020: 3,843 employees). During the Year, the total cost of employees was approximately RMB529.4 million (for the year ended 31 December 2020: approximately RMB356.7 million). The Group provides employees with competitive remuneration and benefits. The Group reviews the employee remuneration plan at least annually to ensure that it maintains market competitiveness and allows the employees to receive fair and equal rewards. The promotion decision is also based on considering the employees' assessment results, experience, skills and personal characteristics. The Group has also launched its management trainee programme for positions in selected functional areas in order to build pipeline for succession.

The employees of the Group employed in Hong Kong and the PRC are participated in the Mandatory Provident Fund scheme and the central pension scheme operated by the local municipal government in the PRC, respectively. These schemes are defined contribution schemes to which a certain proportion of the employees' payroll is contributed monthly. The contributions are vested with the employees when contributed and no contribution would be forfeited by the Group to reduce existing levels of contribution if the employee resigned.

USE OF NET PROCEEDS FROM INITIAL PUBLIC OFFERING

The Company's ordinary shares of HK\$0.01 each were listed on the Main Board of the Stock Exchange on 2 July 2021. The Listing constituted a spin-off from China SCE Holdings. In connection with the Listing, the Company issued 575,000,000 ordinary shares (including the ordinary shares issued from the full exercise of the over-allotment option) with an offer price of HK\$3.7. The Company raised a total net proceeds (including the net proceeds from the full exercise of the over-allotment option) of approximately HK\$2,037.5 million (the "**Net Proceeds**").

As disclosed in the prospectus of the Company dated 21 June 2021, the intended use of the Net Proceeds is as follows: (i) approximately 50% (or approximately HK\$1,018.8 million) will be used for strategic acquisitions and investments in other property management companies and service providers to expand the Group's business and diversify the types of services; (ii) approximately 25% (or approximately HK\$509.4 million) will be used for investment in technology to improve service quality, customer experience and engagement and enhance operational efficiency; (iii) approximately 10% (or approximately HK\$203.7 million) will be used to expand businesses along the value chain and diversify the types of value-added services; (iv) approximately 5% (or approximately HK\$101.9 million) will be used to attract, develop and retain talents to support the Group's development; and (v) approximately 10% (or approximately HK\$203.7 million) will be used for general business purposes and as working capital.

ANNUAL GENERAL MEETING

The forthcoming annual general meeting (the “**Annual General Meeting**”) of the Company will be held on Friday, 24 June 2022. Notice of the Annual General Meeting will be published and dispatched in accordance with the Rules (the “**Listing Rules**”) Governing the Listing of Securities on the Stock Exchange in due course.

DIVIDEND

The Board has proposed the payment of a final dividend of HK5 cents per ordinary share for the year ended 31 December 2021. The proposed final dividend, subject to approval by the shareholders of the Company at the forthcoming Annual General Meeting, will be paid on or around Wednesday, 17 August 2022 to the shareholders whose names appear on the register of members of the Company on Friday, 8 July 2022.

CLOSURE OF REGISTER OF MEMBERS

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

- (a) for the purpose of determining shareholders who are entitled to attend and vote at the Annual General Meeting to be held on Friday, 24 June 2022, the register of members of the Company will be closed from Tuesday, 21 June 2022 to Friday, 24 June 2022, both days inclusive, during which no transfer of shares can be registered. In order to qualify for attending and voting at the Annual General Meeting, all transfer documents should be lodged for registration with the Company’s Hong Kong share registrar, Computershare Hong Kong Investor Services Limited at Shops 1712–1716, 17/F, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong not later than 4:30 p.m. on Monday, 20 June 2022; and
- (b) for the purpose of determining shareholders who are qualified for the proposed final dividend, subject to the approval by the shareholders of the Company at the forthcoming Annual General Meeting, the register of members of the Company will be closed from Thursday, 7 July 2022 to Friday, 8 July 2022, both days inclusive, during which no transfer of shares can be registered. In order to qualify for the proposed final dividend, all transfer documents should be lodged for registration with the Company’s Hong Kong share registrar, Computershare Hong Kong Investor Services Limited at Shops 1712–1716, 17/F, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong not later than 4:30 p.m. on Wednesday, 6 July 2022.

AUDIT COMMITTEE

The Company established an audit committee of the Board (the “**Audit Committee**”) on 10 June 2021 in compliance with rule 3.21 of the Listing Rules. The Audit Committee comprises two independent non-executive Directors, namely Mr. Wang Yongping and Mr. Pang Hon Chung, and the non-executive Director, namely Mr. Huang Youquan. Mr. Pang Hon Chung is the chairman of the Audit Committee and has considerable experience in accounting and financial management, which is in line with the requirement of rule 3.10(2) of the Listing Rules.

The Audit Committee has reviewed the accounting policies adopted by the Group, the consolidated financial statements of the Group for the year ended 31 December 2021 and this annual results announcement.

SCOPE OF WORK OF ERNST & YOUNG

The figures in respect of the Group’s consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income and the related notes to the consolidated financial statements thereto for the year ended 31 December 2021 as set out in this announcement have been agreed by the Company’s external auditor, Ernst & Young (“**EY**”), to the amounts set out in the Group’s draft consolidated financial statements for the year. The work performed by EY in this respect did not constitute an assurance engagement performed in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the HKICPA and consequently no assurance has been expressed by EY on this announcement.

MODEL CODE FOR SECURITIES TRANSACTIONS BY THE DIRECTORS

From the Listing Date up to 31 December 2021, the Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix 10 to the Listing Rules (the “**Model Code**”) as its code of conduct for securities transactions by Directors. The Company has made specific enquiries of all Directors and all Directors have confirmed that they have strictly complied with the Model Code from the Listing Date up to 31 December 2021.

PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES OF THE COMPANY

Neither the Company, nor any of its subsidiaries purchased, redeemed or sold any of the Company’s listed securities during the Year.

CORPORATE GOVERNANCE

From the Listing Date up to 31 December 2021, the Company and the Board had been in compliance with the code provisions of the Corporate Governance Code effective during the Year as set out in Appendix 14 to the Listing Rules.

PUBLICATION OF INFORMATION ON THE WEBSITES OF THE HONG KONG STOCK EXCHANGE AND OF THE COMPANY

This results announcement of the Company for the year ended 31 December 2021 is published on the website of the Hong Kong Stock Exchange at www.hkexnews.hk and the website of the Company at www.sce-icm.com.

By order of the Board
SCE Intelligent Commercial Management Holdings Limited
Wong Lun
Chairman

Hong Kong, China, 30 March 2022

As at the date of this announcement, the Board comprises Mr. Wong Lun, Mr. Niu Wei, Mr. Sun Qiang, Mr. Zheng Quanlou and Ms. Ku Weihong as executive Directors, Mr. Huang Youquan as non-executive Director, Dr. Ding Zuyu, Mr. Wang Yongping and Mr. Pang Hon Chung as independent non-executive Directors.