

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

*Lifelong Caring for You,
Heartwarming service to City*



2022
INTERIM REPORT

*For identification purposes only

MISSION

Become a preeminent
quality service provider
in China

VISION

Lifelong caring for you,
heartwarming service
to city

CORE VALUE

Inclusion and diversity;
Relentless pursuit of excellence;
Mutual benefit and common progress;
Value creation with concerted efforts



Corporate Profile

A-Living Smart City Services Co., Ltd. (“A-Living” or the “Company”, together with its subsidiaries, collectively, the “Group”) positions itself as a mid- to high-end provider of nationwide comprehensive property management services, ranking the 3rd of the Top 100 Property Management Companies in China published by China Index Academy. The Group dedicates to providing high-quality and full- scenario services to property owners, undertaking the corporate mission of “becoming the preeminent quality service provider in China”. With the continuous business expansion covering the whole industry chain, the Group is proactively innovating and exploring the value-added service ecosystem. Currently, the Group has developed four business lines, namely, property management services, property owners value-added services, city services and extended value-added services, with a nationwide coverage of 31 provinces, municipalities and autonomous regions, and has developed a balanced business portfolio layout covering residential properties, public buildings and commercial and office buildings. As at 30 June 2022, the Group’s total contracted gross floor area (“GFA”) increased to approximately 706.5 million sq.m. and the total GFA under management reached 528.6 million sq.m..

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.

Contents

1	Corporate Profile
2	Corporate Information
4	Financial Summary
6	Major Recognition and Awards
7	Chairman’s Statement
14	Management Discussion and Analysis
28	Corporate Governance
30	Other Information
36	Interim Condensed Consolidated Income Statement
37	Interim Condensed Consolidated Statement of Comprehensive Income
38	Interim Condensed Consolidated Balance Sheet
40	Interim Condensed Consolidated Statement of Changes in Equity
42	Interim Condensed Consolidated Statement of Cash Flows
43	Notes to the Interim Financial Information



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. Weng Guoqiang#

* 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. Weng Guoqiang

Remuneration and Appraisal Committee

Mr. Weng Guoqiang (*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. Weng Guoqiang

Risk Management Committee

Mr. Huang Fengchao (*Committee Chairman*)
Mr. Chan Cheuk Hung
Mr. Li Dalong
Mr. Wan Kam To
Ms. Wong Chui Ping Cassie

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
Agricultural Bank of China, Guangzhou Zhujiang 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

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.

Principal Place of Business in Hong Kong

17/F, Far East Finance Centre
16 Harcourt Road
Hong Kong

H Share Registrar

Tricor Investor Services Limited
17/F, Far East Finance Centre
16 Harcourt Road
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

Financial Summary

Summary of the Consolidated Income Statement

	For the six months ended 30 June	
	2022	2021
Revenue (RMB million)	7,619.9	6,247.2
Gross profit (RMB million)	2,052.6	1,873.9
Gross profit margin	26.9%	30.0%
Net profit (RMB million)	1,149.5	1,281.0
Net profit margin	15.1%	20.5%
Profit attributable to shareholders of the Company (RMB million)	1,057.9	1,142.3
Basic earnings per share (RMB)	0.75	0.85

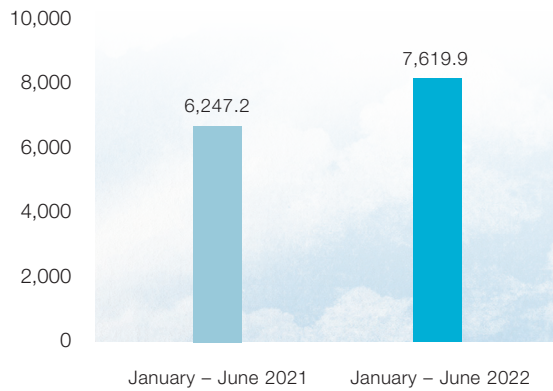
Summary of the Consolidated Balance Sheet

	As at 30 June 2022	As at 31 December 2021
Total assets (RMB million)	21,681.7	20,181.4
Cash and cash equivalents (RMB million)	3,996.9	4,390.5
Shareholders' equity (RMB million)	13,417.6	12,910.9
Return on shareholders' equity (ROE)*	20.1%	24.9%
Total liabilities/total assets	38.1%	36.0%

* Profit attributable to shareholders of the Company for the twelve months ended 30 June 2022 is adopted for calculation of ROE as at 30 June 2022.

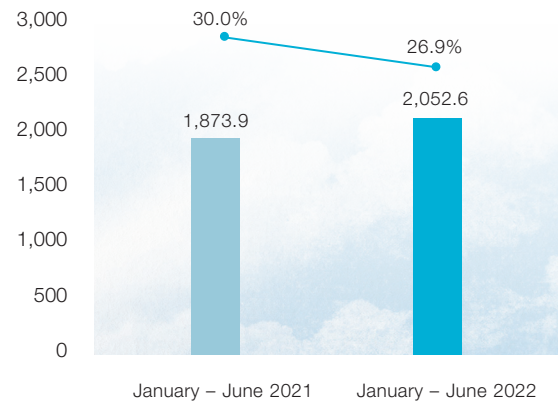
Revenue

(RMB million)



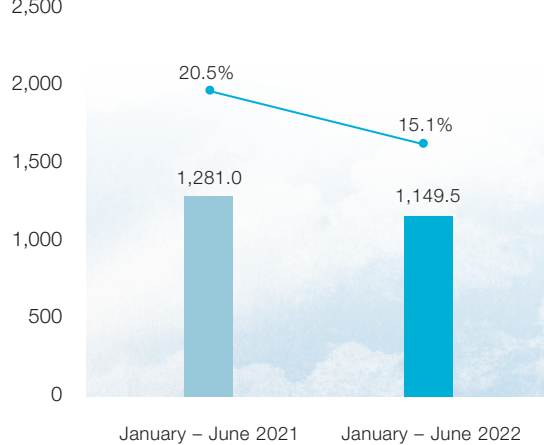
Gross profit and gross profit margin

(RMB million)/%



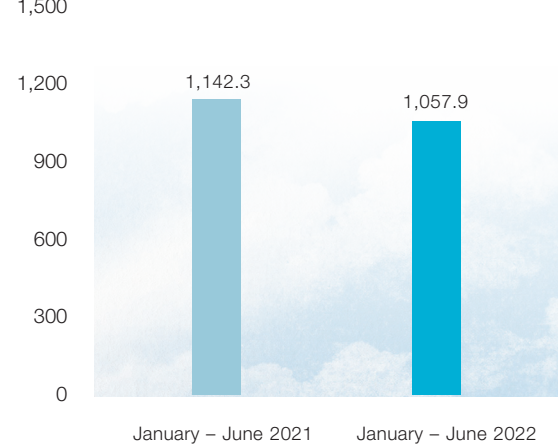
Net profit and net profit margin

(RMB million) / %



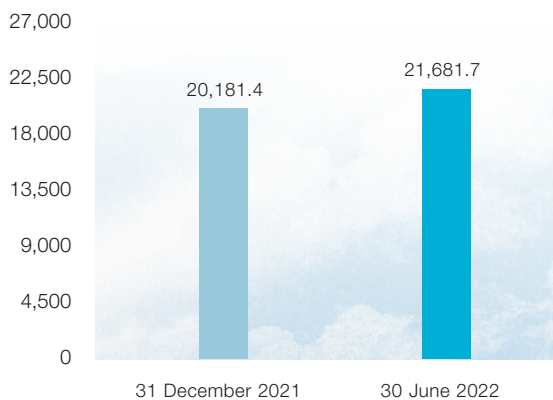
Profit attributable to the shareholders of the Company

(RMB million)



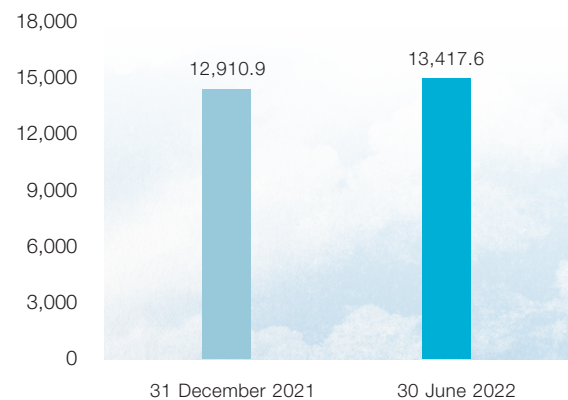
Total assets

(RMB million)



Shareholders' equity

(RMB million)



Major Recognition and Awards



1 The 3rd of the “2022 Top 100 Property Management Companies in China”

2 The 1st of the “2022 Top 100 Property Management Companies in terms of Business Performance in China”

3 The 2nd of the “2022 Top 100 Property Management Companies in terms of Business Scale in China”

4 The 2nd of the Listed Property Management Company in China for Market Expansion Capability

5 The 3rd of the Listed Property Management Company in China for Community Value-added Services

6 2022 Top 100 Leading Property Management Companies in terms of Service Quality in China

7 2022 Top 100 Leading Property Management Companies in terms of Growth Potential in China

8 2022 Leading Companies in High-end Property Management Services in China

9 2022 Leading Companies in Residential Property Management Services in China

10 2022 Leading Companies in Healthcare Property Management Services in China

11 2022 Leading Companies in Industrial Park Management Services in China

12 2022 Leading Smart City Service Company in China

Chairman's Statement



Chan Cheuk Hung
Co-chairman of the Board

Huang Fengchao
Co-chairman of the Board

Dear Shareholders,

We are pleased to present the unaudited consolidated results of the Group for the six months ended 30 June 2022 (the "Period").

In the first half of 2022, the severe situation of COVID-19 pandemic in many parts of China, coupled with the complicated international political and economic situation, posed challenges to the short-term development of various industries. As the backbone of the primary-level pandemic prevention and control, property management enterprises played an important role in preventing and controlling the disease with perseverance at the frontline, safeguarding cities and

communities. The development of real estate market has entered into the era of existing inventory. The property development and sales recovers slowly and the growth in the housing supply is still limited under the current macroeconomic control policies. Thus, the property management market has become more competitive. Some real estate enterprises were exposed to liquidity risk, and the adverse effect has spilled over to property management companies related to such property development enterprises. The situation has put the property management enterprises' capabilities for independent business development and brand building to the test.

In the past few years, the property management industry has been scaling up rapidly and has experienced market consolidation and concentration. Due to the adjustment in the real estate market, the valuation of property management enterprises declined significantly, and the pace of acquisition and industry integration slightly slowed down. Under the new situation, property management enterprises have gradually shifted their focus back to the fundamentals of service quality by enhancing their service capabilities. To cope with the slowdown in the expansion of the residential property market, high-quality property management enterprises were actively extending the scope of their business and accelerating the expansion of their business presence in the market for the management services to a wider variety of properties. Therefore, the industry is seeking opportunities for providing city services and non-residential property management services, exploring and innovating value-added services to property owners. The industry is also improving the management efficiency per square meter to reduce cost and raise efficiency by means of efficient management of centralized resources and by adopting technologies.

Despite the extremely challenging macroeconomic and market environment, during the Period, the Group enhanced its core competence such as service quality and consolidated its market-oriented strategic positioning and proactively assumed social responsibilities. The Group also focused on enhancing its organic growth capabilities and its non-cyclical business segments to achieve high-quality and sustainable development. During the Period, the Group's overall strength was widely recognized. Its industry ranking improved to a new high as it ranked third among the "2022 Top 100 Property Management Companies in China".

Business Review

In the first half of 2022, against the backdrop of an extremely challenging macroeconomic and market environment, the Group adopted a flexible business expansion strategy by leveraging its presence across the whole value chain of the property service industry. It accelerated the market expansion to existing residential projects and non-residential properties services while broadening the source of property projects. The Group continued to be a top-ranked property service provider in third-party expansion in terms of GFA, demonstrating robustness in sustaining growth. During the Period, the Group successfully secured a number of high-quality non-residential projects, and provided services to the venue of Beijing Winter Olympic Games and other major international events. This fully demonstrated the Group's capability to serve all types of properties and the brand influence of its status as a leader in the industry. The Group proactively responded to the cyclical fluctuations in the real estate industry and flexibly adjusted its business strategies, and the proportion of non-cyclical business segments continued to increase.

During the Period, the revenue of the Group was RMB7,619.9 million, representing an increase of 22.0% as compared with the corresponding period of last year. Gross profit was RMB2,052.6 million, representing a year-on-year increase of 9.5%, and gross profit margin was 26.9%. Net profit was RMB1,149.5 million, representing a year-on-year decrease of 10.3%, and net profit margin was 15.1%. Profit attributable to the Shareholders amounted to RMB1,057.9 million, representing a year-on-year decrease of 7.4%. The basic earnings per share were RMB0.75. The revenue and net profit from the Group's property management services, property owners value-added services and city services for the Period rose by 34.1% and 13.8% year on year.

As at 30 June 2022, the GFA under management and contracted GFA of the Group were 528.6 million square meter ("sq.m.") and 706.5 million sq.m., respectively. The third-party projects increased rapidly through the Group's market expansion, merger and acquisition (M&A), with the contracted GFA (including those contributed by the acquired companies) reaching 558.5 million sq.m., and the newly contracted GFA exceeding 43.2 million sq.m., representing an increase of 8.4% compared with that as at 31 December 2021, accounting for 79.1% of the total contracted GFA. The third-party projects were the main source of the growth in the scale of the Group business.

Despite the increasingly fierce market competition, the contracted GFA from third-party expansion increased by more than 35.6 million sq.m. during the Period and the corresponding newly increased annualized contract value was over RMB1.2 billion as the Group leveraged its extensive experience in managing various types of properties and its well-developed system for market expansion. The steadily improving quality of the projects was also a testament to the Group's outstanding performance in market expansion. Affected by the cyclical impact of real estate development, the supply of new residential projects on the market was rather limited. By flexibly adjusting its expansion model, the Group focused on the existing non-residential and residential projects which were less affected by the cycle of the property development sector. Meanwhile, the Group adopted the strategy of "city classification" and increased the intensity of the existing projects in cities targeted for further business development in accordance with the Group's established strategies to cultivate and increase the loyalty of its long-term business partners and the enterprise clients. During the Period, the Group focused on the "product branding strategy" and strengthened the resource sharing among its member companies. Leveraging the advantages of its nationwide business presence, the Group successfully won the tenders for the provision of property management services for various business portfolios such as public

buildings and commercial properties, as well as the provision of corporate services. In particular, the Group won several bid sections to serve China Mobile's properties in Guangdong Province, with a total contract value of over RMB100 million, and secured a number of high-end commercial property and office building management projects such as those for Greenland Huxiang Center (綠地湖湘中心), Shanghai Greenland Bund Center Commercial Phase II (上海綠地外灘中心商業二期), and Shanghai International Group Co., Ltd. Bund International Building (上海國際集團有限公司外灘國際大廈). In terms of the business portfolios of government office building, public venues, transportation hubs, campuses in which the Group has advantages, the Group successively won a number of projects for municipal cultural landmarks such as Guangzhou Art Museum (廣州美術館) and Shenzhen Bao An District Cultural Center (深圳寶安區文化中心), government office projects such as Changzhou Municipal Administrative Center (常州市行政中心) and Shenyang Border Control and Inspection Station (瀋陽出入境邊防檢查站) as well as a number of campus services and transit projects, such as Qingdao University of Technology (青島理工大學), Changzhou Metro Line 1 (常州軌道交通1號線), and Anhui Anqing West Railway Station (安徽省安慶西站). In terms of the existing residential market, through acquisition and cooperation, the Group consolidated a mega-sized community project in Beijing and strengthened its business presence in first-tier cities. Through market expansion, it obtained more than 25 property management projects for existing residential properties in such places as Shanghai, Guangdong Province, Shandong Province and Fujian Province.

Property owners' expectations and requirements for service standards and convenient living services are constantly increasing. Regarding quality as the lifeblood of its development, the Group firmly believes that only excellent service quality can enable the industry player to maintain its advantages amid the increasingly fierce market competition. During the Period, the Group carried out various forms of quality inspection,



rectification and return visits, during which the feedback and suggestions from property owners on the Group were sincerely listened to, with a view to improving management efficiency and service experience to property owners. In shouldering its corporate social responsibility, the Group sent thousands of service employees to station at the front line of projects bearing in mind the corporate mission of “lifelong caring” amid the severe COVID-19 outbreaks in Shanghai, Shenzhen, Northeastern China and other places as part of its efforts to shoulder the responsibility of safeguarding the life and health of property owners, effectively solving daily needs of residents in the communities. In addition, leveraging its experience in serving public venues, the Group provided property services and related logistics support for major international and national events and activities such as the Beijing Winter Olympic Games. The Group’s 100-person service team was stationed at the Chongli Taizicheng Ice and Snow Town (崇禮太子城冰雪小鎮), a supporting venue for the Beijing Winter Olympic Games, to contribute the event with high-quality services, demonstrating the level of China’s property management enterprises.

In the era where the property management industry is an industry based on existing projects, value-added services to property owners for increasing the value per square meter of GFA under management is an important driver for the development of the industry. In the first half of the year, the Group further developed its model of “property services + living services” by continuously raising the levels of professionalism and market-oriented approach to services in different service scenarios for communities and families. Although some business expansion and development were temporarily affected by the pandemic, the Group further rationalized the business lines of value-added services and provided more flexible and convenient services based on the needs of property owners and the upgrading and transformation of community living services. The value-added services to property owners maintained steady growth overall. During the Period, the Group continued

to build up its featured value-added living services such as community housekeeping and childcare. The business of such services recovered rapidly as the pandemic was contained. The volume of the long-term orders for housekeeping services increased significantly year on year, and the featured housekeeper services were widely recognized by the market. In March 2022, the Report on the Work of the Government clarified that the expenditures of care services for infants and young children under three years old should be included in the items eligible for special additional deductions from individual income tax so as to vigorously support healthy development of the childcare industry. While broadening the channel for cooperation and further refining its business model, the Group strived to build independent brands of value-added services which are increasingly market-oriented in their development.

In terms of the enhancement of its business operation and technology, the Group continued to upgrade and transform its platforms for smart operation and smart management with a focus on improving the efficiency of operation and management. It also implemented integrated, standardized and smart management systems for various functions such as financial management, operation management, market expansion, quality management and value-added services to property owners. After construction for half a year, the Group’s organizational workflow sharing platform, which had been jointly built by the Group and DingTalk, began the first stage of its operation, thus enabling efficient and collaborative cross-organizational office work, and effectively improving the Group’s collaborative efficiency in operation and management as well as digital operation capabilities. In addition, the Group integrated a number of data systems and upgraded the A-Steward (雅管家) platform to focus on customer needs and experience, and continued to expand its platform operation capabilities to facilitate the Group’s data asset management, the monetization of existing businesses and value appreciation, as well as downstream data empowerment.



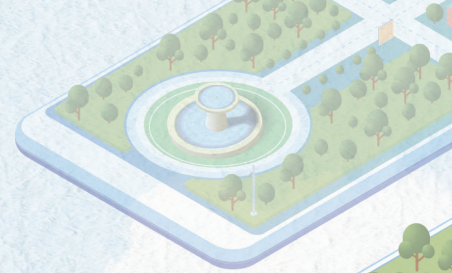
With its leading management scale, diversified business portfolio and outstanding brand influence, the Group is recognized by a number of industry awards and market rankings. The Group scaled new heights in the industry as it ranked third in the “2022 Top 100 Property Management Companies in China” for the first time.

Prospect and Strategy

With the aid of capital, the property management industry experienced a period of rapid growth in scale and fast consolidation and concentration of the market. Under the new environment and situation, the industry has gradually shifted their focus back to the fundamentals of service, where industry position is determined by quality and reputation, and barriers and advantages are formed with market-oriented capabilities and differentiated products.

Looking ahead, the Group will adhere to long-termism in executing its development strategy, balancing short-term growth in performance and long-term value, while working together with the society, property owners, employees and business partners to achieve sustainable development. The Group will work hard and continue to focus on its four major performance indicators of “Service Quality, Operational Efficiency, Cash Collection and Scale Expansion”. Further refining its service quality and standards, the Group will raise the level of its market-oriented practices. It will also optimize its service products, focus on the quality of business growth and accelerate cash collection to maintain a healthy financial status and create a high-quality development model with A-Living characteristics.

Market expansion capability is one of the core competitiveness of the Group. Through years of market-oriented development and in-depth development of service brands, the Group possesses leading market expansion capabilities and a nationwide network for business expansion. In the second half of the year, the Group will press ahead with the business expansion strategy of “city classification” and “product branding” with a focus on key target cities by increasing the intensity of its property management projects in strategically important cities and the cities for further market development so as to grasp opportunities for market expansion, as well as to increase the market share in the first tier and the second tier cities, making up for the delayed plan caused by the pandemic. In addition, leveraging its professional capabilities of servicing various business portfolios, the Group will further enhance its product branding to raise the level of the brands’ professionalism, influence and competitiveness. Facing the sluggish growth in the supply of new property projects on the real estate market, the Group will flexibly adjust its business expansion tactics, focus on the mid-to-high end existing properties and non-residential properties, and ensure steady progress towards the target for growth in the scale of business. Looking ahead, the Group will monitor closely the changes in the market environment with a focus on “widening the variety of business portfolio horizontally and extending the scope of services vertically”, strengthen and improve the capabilities to provide “diverse, full-lifecycle services for all types of properties” with a view to surmounting the ups and downs of the property sector’s cycle and thus achieving sustainable growth in the management scale and maintaining the advantage of the economies of scale. In addition, the Group will further integrate its public service and city service capabilities, improve the products, mechanisms and channels of its city services, balance risk control and opportunities for its development, seek opportunities for undertaking quality projects on the market, create customized solutions for city and public services, and maintain the healthy growth of its city service business.



After years of rapid scale expansion, the property management industry has gradually entered an era when existing property inventory dominates the market. Value-added services to property owners will be the key to increasing the output value of the property management service based on the existing scale. The Group's value-added services are no longer limited to acting only as a channel or restricted to a traffic monetization model. Instead, focusing on the two service scenarios of community and non-residential properties as well as the two cores of living services and professional services, the Group will continue to raise the level of both the professionalism and the market-oriented approach of its value-added services to property owners, while constantly innovating to seek for changes and new models and incubate new businesses. The Group will give full play to its scale and resource advantages, zero in on value-added services that are highly synergistic with service scenarios through strategic investment and professional cooperation, cultivate service teams and professional capabilities under its self-operated platforms, develop market-oriented value-added services and products and independent service brands, further build up its nationwide business presence and the penetration of its living services such as childcare, housekeeping and home improvement, and optimize the business model of value-added services for non-residential properties such as group catering. Moreover, the Group will comprehensively improve the standardization and digitalization of its services, and implement the information system and data application of value-added services, thus creating the second curve of long-term growth for the Group.

The Group is well aware that service quality is the lifeblood of its business. The satisfaction level of property owners and reputation are the cornerstones of long-term development. The Group will facilitate urban development with its refined services and achieve a better life for property owners with quality services. In the future, the Group will continue to adopt the three-level quality control system with a focus on service quality improvement, the entrenchment of the standards of its services and products as well as zero tolerance for quality problems and safety risks, so as to ensure a high standard of services and property owners' good experience. In the second half of the year, the Group will carry out the "Sword Action" (亮劍行動) for quality improvement and problem rectification. Through different forms of quality inspections and strengthened communication with property owners and primary-level employees, the Group will improve service quality and strictly manage risks in a closed-loop manner to effectively enhance the satisfaction level of property owners and employees. Besides, it will further clarify the functions and operation models of the integrated command center, establish and optimize a replicable, sustainable and closed-loop quality management system, and refine the preparation and implementation of service standards for servicing different types of properties. The Group will further streamline the management system and deepen the integration and empowerment with member companies. With its operation management center as the management platform, the Group will improve the management and accountability system for various regions and member companies, so as to raise the levels of the overall operational efficiency and governance. In addition, the Group will forge ahead with the development strategy of raising the levels of market-oriented approach and professionalism, attract outstanding talents in the industry, enhance the professional ability of the team, promote the corporate values and build the team culture, thereby creating a strong talent pool to support the long-term development of the Group.



The Group will continue to build its three major platforms, namely the organizational workflow sharing platform, the technological operation platform and the smart city platform, and strive to raise the level of intelligentization and digitalization of its services, so as to realize the intelligent service capabilities for various business portfolios and throughout the whole value chain of its business in all regions of its business operations. In the second half of the year, the Group will embark on some key digitalization projects, including contract management optimization, master data platform improvement and enhancement of the informatization level of financial management. At present, the Group has a large number of management projects. In the future, it will focus on improving its cross-organization and cross-platform informatization operation and capabilities, realize a standardized and unified information platform, and empower itself with efficient, digitalized collaboration so as to enable its operations to blaze a trail in the development. This will enable the Group to improve operational efficiency and control operating costs effectively.

Facing the challenges from the economic and market environment, the Group will adhere to long-termism as its development strategy. It will remain undaunted by adversities, proactively overcome difficulties, insist on requirements on service quality, stay the course in its market-oriented development, flexibly adjust its business strategies, strive to achieve quality growth, and live up to the corporate mission of providing “lifelong caring for you, heartwarming service to city” to become an outstanding, quality service operator in China.

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, all of which greatly contributed to the growth of the Group.

Chan Cheuk Hung/Huang Fengchao

Co-Chairman of the Board

Hong Kong, 17 August 2022

Management Discussion and Analysis

Business Review

In the first half of 2022, amid a challenging macroeconomic landscape and COVID-19 resurgence in some regions of China, the real estate market remained under pressure and the property management industry also faced complex challenges in its operating environment. As an indispensable part of people's livelihood services, the requirements of the government and society on the service capabilities and management level of property management enterprises also increased gradually as the pandemic normalized. During the Period, the Ministry of Housing and Urban-Rural Development and the State Post Bureau jointly issued the Notice on Ensuring Postal and Express Delivery Service during the Pandemic Prevention and Control Period (《關於做好疫情防控期間寄遞服務保障工作的通知》), which clearly proposed to "include property service enterprises into the system of local pandemic prevention and control". At the same time, the government encouraged the exploration of innovative community service models and products to develop diversified living services such as community elderly care, childcare, housekeeping, catering and retail. In the face of the complex and ever-changing external circumstances as well as development opportunities, the property service enterprises, including the Group, adhered to the development direction of high quality, diversification and intelligence to ensure the orderly development of their business.

During the Period, despite the difficult external challenges, the Group adhered to the principle of quality as lifeblood of its development and consolidated its professional service capabilities in an effort to optimize its service quality. At the same time, the Group focused on the enhancement in market expansion capabilities, actively leveraged the advantages of its diversified business layout, achieved outstanding performance in third-party market expansion in the industry and improved its business scale steadily. During the Period, revenue of the Group amounted to RMB7,619.9 million, representing an increase of 22.0% from RMB6,247.2 million in the corresponding period of 2021. As at 30 June 2022, the GFA under management and contracted GFA of the Group reached 528.6 million sq.m. and 706.5 million sq.m. respectively.

Leverage on its outstanding service quality, leading business scale and remarkable achievements in market expansion, during the Period, the Group was ranked third among the "2022 Top 100 Property Management Companies in China", and came first and second in the "2022 Top 100 Property Management Companies in terms of Operating Results in China" and the "Property Management Listed Companies in terms of Comprehensive Capabilities in China" respectively.

Financial Review

Revenue

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

For the six months ended 30 June 2022, the Group's revenue amounted to RMB7,619.9 million (the corresponding period of 2021: RMB6,247.2 million), representing an increase of 22.0% as compared with the corresponding period of last year.

Among which, for the six months ended 30 June 2022, revenue from property management services, property owners value-added services and city services businesses of the Group totalled RMB6,629.9 million, representing a year-on-year increase of 34.1%, accounted for 87.0% of the Group's total revenue.

	For the six months ended 30 June				
	2022 (RMB'000)	Percentage of revenue	2021 (RMB'000)	Percentage of revenue	Growth rate
		%		%	
Property management services	4,904,086	64.4%	3,976,922	63.6%	23.3%
– Residential property projects	2,063,896	27.1%	1,638,566	26.2%	26.0%
– Non-residential property projects	2,840,190	37.3%	2,338,356	37.4%	21.5%
Property owners value-added services	1,084,146	14.2%	807,472	12.9%	34.3%
City services	641,665	8.4%	159,446	2.6%	302.4%
Subtotal	6,629,897	87.0%	4,943,840	79.1%	34.1%
Extended value-added services	989,969	13.0%	1,303,316	20.9%	-24.0%
– Sales centre property management services	381,710	5.0%	562,882	9.0%	-32.2%
– Other extended value-added services	608,259	8.0%	740,434	11.9%	-17.9%
Total	7,619,866	100.0%	6,247,156	100.0%	22.0%

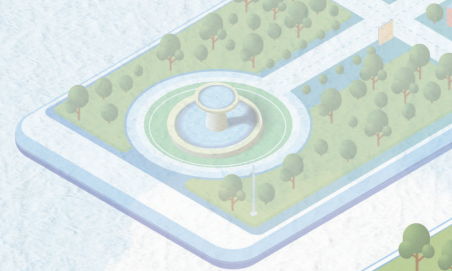
Property Management Services

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 RMB4,904.1 million (the corresponding period of 2021: RMB3,976.9 million), representing an increase of 23.3% as compared with the corresponding period of last year. Among which, revenue from residential property projects amounted to RMB2,063.9 million (the corresponding period of 2021: RMB1,638.6 million), representing an increase of 26.0% as compared with the corresponding period of last year; revenue from non-residential property projects amounted to RMB2,840.2 million (the corresponding period of 2021: RMB2,338.3 million), representing an increase of 21.5% as compared with the corresponding period of last year.

The breakdown of the Group's total GFA under management

As at 30 June 2022, the Group's total GFA under management was 528.6 million sq.m., up 8.1% as compared with 488.9 million sq.m. as at 31 December 2021. Among which, the GFA under management from third-party projects was approximately 441.0 million sq.m., accounting for more than 83.4% of the total GFA under management. Among which, the GFA under management from Agile Group and Greenland Holdings Group Company Limited (綠地控股集團股份有限公司) ("Greenland Holdings") was approximately 87.6 million sq.m.. Third-party projects accounted for the majority of the GFA under management of the Group. During the Period, the newly increased GFA under management converted from third-party expansion projects was approximately 30.6 million sq.m..



The project portfolio for GFA under management

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 2022, for the GFA under management of the Group, the proportion of residential property business portfolio accounted for 43.3% (as at 31 December 2021, 42.5%) and the proportion of non-residential property business portfolio accounted for 56.7% (as at 31 December 2021, 57.5%) (public buildings accounting for 44.8%, commercial buildings and others accounting for 11.9%).

The geographic coverage for GFA under management

During the Period, the Group's projects under management reached 4,383 in 223 cities, covering 31 provinces, municipalities and autonomous regions nationwide.

As at 30 June 2022, among the Group's GFA under management by regions, 33.4% were located in the Yangtze River Delta Region, 20.0% were located in the Guangdong-Hong Kong-Macao Greater Bay Area, 9.7% were located in the Shandong peninsula city cluster, 7.7% 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 99.8% (the corresponding period of 2021: 99.7%) 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 breakdown of the Group's total contracted GFA

The contracted GFA, which is defined by the Group as areas agreed in the contracts signed with property developers or property owners for providing property management services, includes delivered and to-be-delivered GFA, and the to-be-delivered contracted (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 2022, the contracted GFA reached 706.5 million sq.m., up 6.5% as compared with 663.1 million sq.m. as at 31 December 2021. Among which, the contracted GFA from third-party projects was approximately 558.5 million sq.m., accounting for more than 79.1% of the total contracted GFA. The contracted GFA from Agile Group and Greenland Holdings was approximately 148.0 million sq.m.. During the Period, benefiting from the balanced and strong third-party expansion capabilities, the newly increased contracted GFA of 35.6 million sq.m. of the Group was obtained from third-party projects through market expansion, which demonstrated the Group's steady endogenous growth momentum.

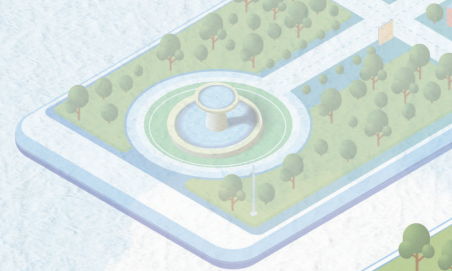


Property owners value-added services

Property owners value-added services mainly include living and comprehensive services, home improvement services, community space and other services, and value-added services to institutions and enterprises, 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 RMB1,084.1 million, representing an increase of 34.3% as compared with RMB807.5 million in the corresponding period of 2021, and accounting for approximately 14.2% 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 continued to focus on household services, enhance the professional capabilities of housekeeping business and foster the development of market-oriented businesses such as new retail business. In the first half of the year, in terms of new retail business, the Group persevered in hot-selling products mode, further explored the special needs in festival seasons, introduced high-quality suppliers in various product lines of beverages, gifts, fresh foods and dairy drinks to meet the diversified needs of property owners, and reinforced its long-term capabilities in products and services by establishing long-term cooperation with well-known quality brands. In terms of housekeeping business, the Group continued to push ahead the home decoration market expansion and expand the business into second-tier cities. In addition, the Group developed featured travel business and laundry business in COVID-free areas, which gained wide recognition from the property owners. During the Period, revenue from living and comprehensive services amounted to approximately RMB418.4 million, representing an increase of 41.5% as compared with RMB295.8 million in the corresponding period of 2021, and accounting for approximately 38.6% 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 actively responded to the objective impact of the pandemic, continued to pay close attention to supplier sourcing and delivery of projects despite the difficulties, vigorously promoted pre-marketing and carried out many marketing activities, achieving a steady increase in business revenue. Besides, the Group set up a joint venture in home improvement field with Kingstar, a notable brand in home improvement market, resulting in a rapid growth of community home decoration business. During the Period, revenue from home improvement services amounted to approximately RMB186.6 million, representing an increase of 44.4% as compared with RMB129.2 million in the corresponding period of 2021, and accounting for approximately 17.2% of revenue from property owners value-added services.



- (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, despite the impact of pandemic outbreaks and the consequent temporary decline in the demand for community space services in some local areas, the Group continued to strengthen resource inventory, revitalized the idle resources by actively deploying people's livelihood businesses such as charging stations, community water-supply stations and smart lockers to effectively increase the utilization rate of venues, while enhancing cost efficiency and improving per capita efficiency. During the Period, revenue from community space operation and other services amounted to approximately RMB300.8 million, representing an increase of 33.0% as compared with RMB226.1 million in the corresponding period of 2021, and accounting for approximately 27.7% of revenue from property owners value-added services.
- (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 customized services for enterprises, conferencing services, as well as centralized procurement and retailing for enterprises, etc. During the Period, the Group continued to carry out value-added services in non-residential projects, and implemented anti-pandemic, disinfection and hygiene business and catering business in response to the new needs of property owners derived from the pandemic. Revenue from value-added services to institutions and enterprises amounted to approximately RMB178.4 million, representing an increase of 14.1% as compared with the revenue of RMB156.4 million in the corresponding period of 2021, and accounting for approximately 16.5% of revenue from property owners value-added services.

During the Period, the growth in property owners value-added services was mainly due to the improvement of refined management capabilities, enrichment of the product and service portfolio, and the continuous increase in business coverage and penetration rate.

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 stuck to market-oriented development strategy and actively carried out market expansion. It obtained many large urban-rural integrated sanitation projects with a total increased annualized contract value of over RMB100 million.

During the Period, revenue from city services reached RMB641.7 million, representing an increase of 302.4% as compared with RMB159.5 million in the corresponding year of 2021, and accounting for approximately 8.4% of the total revenue of the Group.



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 RMB990.0 million (the corresponding period of 2021: RMB1,303.3 million), representing a decrease of 24.0% from the corresponding period of last year, and accounting for approximately 13.0% of the total revenue, including:

- (1) Sales centre property management services (accounting for 38.6% of the revenue from the extended value-added services): the revenue for the Period amounted to RMB381.7 million, representing a decrease of 32.2% as compared with RMB562.9 million in the corresponding period of 2021. The decrease of revenue from sales centre property management services was primarily due to the fact that the property development and sales recovered slowly and the growth of supply was still limited.
- (2) Other extended value-added services (accounting for 61.4% 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 RMB608.3 million, representing a decrease of 17.9% as compared with RMB740.4 million in the corresponding period of 2021, mainly due to the relatively lower volume of marketing services provided as a result of the year-on-year decrease in pre-sales volume of property developers in the first half of 2022.

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 RMB5,567.2 million (the corresponding period of 2021: RMB4,373.3 million), representing an increase of 27.3% year on year, which was primarily due to the increase in relevant costs in response to an increase in revenue and business diversification which was in line with the rapid development of the Group's businesses. Overall, the Group's growth of the cost of sales was higher than that of revenue, primarily because of the adjustment of revenue structure that the proportion of extended value-added services with higher gross profit margin decreased to 13.0% from 20.9% in the corresponding period of last year.

Gross profit and gross profit margin

	For the six months ended 30 June				
	2022		2021		
	Gross profit (RMB'000)	Gross profit margin %	Gross profit (RMB'000)	Gross profit margin %	Changes in gross profit margin (percentage points)
Property management services	1,044,570	21.3%	876,494	22.0%	-0.7 percentage point
Property owners value-added services	522,762	48.2%	440,811	54.6%	-6.4 percentage points
City services	129,808	20.2%	35,225	22.1%	-1.9 percentage points
Subtotal	1,697,140	25.6%	1,352,530	27.4%	-1.8 percentage points
Extended value-added services	355,488	35.9%	521,367	40.0%	-4.1 percentage points
Total	2,052,628	26.9%	1,873,897	30.0%	-3.1 percentage points

During the Period, the Group's gross profit amounted to RMB2,052.6 million, representing an increase of 9.5% as compared with RMB1,873.9 million in the corresponding period of 2021. Gross profit margin decreased by 3.1 percentage points to 26.9% from 30.0% in the corresponding period of 2021.

- The gross profit margin of property management services was 21.3% (the corresponding period of 2021: 22.0%), representing a decrease of 0.7 percentage point as compared with that of 2021, which was mainly due to the increased proportion of the third-party projects and the increase in labour and other costs resulting from pandemic prevention and control. Excluding the effect of amortization of intangible assets due to the M&A, the core gross profit was RMB1,127.2 million and the core gross profit margin was 23.0%.
- The gross profit margin of property owners value-added services was 48.2% (the corresponding period of 2021: 54.6%), representing a decrease of 6.4 percentage points as compared with that of 2021, which was mainly due to the increased proportion of living and comprehensive services and home improvement services with lower gross profit margin and the active exploration of innovative business in the growth stage with relatively low gross profit margin.



- The gross profit margin of city services was 20.2% (the corresponding period of 2021: 22.1%), representing a decrease of 1.9 percentage point as compared with that of 2021, which was mainly due to the pandemic prevention and control work, resulting in an increase in cost, and active development of the third-party market with increasing operating cost in the early stage of projects.
- The gross profit margin of extended value-added services was 35.9% (the corresponding period of 2021: 40.0%), representing a decrease of 4.1 percentage points as compared with that of 2021, which was mainly due to the decrease in business volume of value-added services provided to property developers and changes in business structure under the impact of macro environment.

Selling and marketing expenses

During the Period, the Group's selling and marketing expenses amounted to RMB29.4 million (the corresponding period of 2021: RMB61.7 million), accounting for 0.4% of the revenue, a decrease of 0.6 percentage point as compared with that of the corresponding period of last year, which was mainly attributable to the decrease of marketing activities brought about by the impact of pandemic.

Administrative expenses

During the Period, the Group's administrative expenses amounted to RMB398.7 million, representing an increase of 3.6% as compared with RMB384.7 million in the corresponding period of 2021, and accounting for 5.2% of the revenue, a decrease of 1.0 percentage point as compared to 2021, which was mainly due to the active development of regional integration to integrate regional resources, improve efficiency and control expenditure.

Net impairment losses on financial assets

During the Period, the Group's net impairment losses on financial assets amounted to RMB274.5 million (the corresponding period of 2021: RMB40.4 million), representing an increase of 579.5% as compared with that of the corresponding period of last year, which was mainly due to increased credit risk of several customers, and increased acquisition deposits and loans to third parties, resulting the increase in impairment provision of trade and other receivables.

Other income

During the Period, other income of the Group amounted to RMB86.9 million (the corresponding period of 2021: RMB74.2 million), representing an increase of 17.1% as compared with that of the corresponding period of last year, which was mainly due to the increase of government grants.

Income tax

During the Period, the Group's income tax expense was RMB307.8 million (the corresponding period of 2021: RMB262.3 million). The income tax rate was 21.1% (the corresponding period of 2021: 17.0%). The income tax rate for the Period represented a year-on-year increase of 4.1 percentage points, which was mainly because of the increase in tax burden during the Period as a result of new expansion and M&A business and more preferential tax policies enjoyed in the corresponding period of 2021.

Profit

During the Period, the Group's net profit was RMB1,149.5 million, representing a decrease of 10.3% as compared with RMB1,281.0 million in the corresponding period of 2021, which was mainly attributable to the adjustment of the Group's business structure, the decrease in the business volume of value-added services provided to property developers and the more market-oriented business; at the same time, as the innovative business was in the growth period, which required continuous investment in the upfront costs, and the impact of impairment losses on financial assets during the Period. Net profit margin was 15.1%, representing a decrease of 5.4 percentage points as compared with 20.5% in the corresponding period of 2021. Excluding the effect of the amortization of intangible assets and depreciation of appraisal appreciation of fixed assets due to the M&A, the net profit margin was 16.1%. Profit attributable to the Shareholders for the Period was RMB1,057.9 million, representing a decrease of 7.4% as compared with RMB1,142.3 million in the corresponding period of last year. Basic earnings per share were RMB0.75, decreased by 11.8% as compared with the corresponding period of last year.

	For the six months ended 30 June				
	2022		2021		
	Net profit (RMB'000)	Net profit margin %	Net profit (RMB'000)	Net profit margin %	Growth rate %
Property management services	550,772	11.2%	524,863	13.2%	4.9%
Property owners value-added services	317,874	29.3%	287,392	35.6%	10.6%
City services	85,720	13.4%	26,401	16.6%	224.7%
Subtotal	954,366	14.4%	838,656	17.0%	13.8%
Extended value-added services	195,129	19.7%	442,370	33.9%	-55.9%
Total	1,149,495	15.1%	1,281,026	20.5%	-10.3%

Excluding the impact from extended value-added service businesses, net profit from property management services, property owners value-added services and city services was RMB954.4 million, representing a year-on-year increase of 13.8% as compared with RMB838.7 million in 2021, an increase accounting for the total net profit from 65.5% in the corresponding period of 2021 to 83.0%. The net profit margin of these businesses was 14.4%, representing a year-on-year decrease of 2.6 percentage point.

- The net profit margin in respect of property management services was 11.2% (the corresponding period of 2021: 13.2%), representing a decrease of 2.0 percentage points as compared with that of 2021, which was mainly attributable to the increase in the proportion of third-party expansion projects with more market-oriented margin level; and the slowdown in the overall collection of receivables due to the impact of pandemic prevention and control in the first half of the year, resulting in the increase in net impairment losses on financial assets.
- The net profit margin in respect of property owners value-added services was 29.3% (the corresponding period of 2021: 35.6%), representing a decrease of 6.3 percentage points as compared with that of 2021, which was mainly attributable to innovative business being in the growth stage with relatively high investment cost.

- The net profit margin in respect of city services was 13.4% (the corresponding period of 2021: 16.6%), representing a decrease of 3.2 percentage points as compared with that of 2021, which was mainly attributable to the large number of new expansion projects during the Period and the relatively concentrated investment in operating costs in the early stage, resulting in a temporary decline in profit margin.
- The net profit margin in respect of extended value-added services was 19.7% (the corresponding period of 2021: 33.9%), representing a decrease of 14.2 percentage points as compared with that of 2021, which was mainly attributable to the decrease in business volume of value-added services provided to property developers and the increase in net impairment losses on financial assets considering the prevailing property market conditions and forward-looking factors.

Current assets, reserve and capital structure

During the Period, the Group maintained a sound financial position. As at 30 June 2022, current assets amounted to RMB14,320.5 million, representing an increase of 6.8% from RMB13,411.0 million as at 31 December 2021. Cash and cash equivalents of the Group amounted to RMB3,996.9 million, representing a decrease of 9.0% as compared with RMB4,390.5 million as at 31 December 2021. As at 30 June 2022, the Group's cash and cash equivalents were mainly held in Renminbi and Hong Kong dollars.

As at 30 June 2022, the Group's total equity was RMB13,417.6 million, representing an increase of RMB506.7 million or 3.9% as compared with RMB12,910.9 million as at 31 December 2021, which was primarily due to the contributions from the realised profits and dividend declared in the Period.

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 2022, the net value of the Group's property, plant and equipment amounted to RMB549.5 million, representing an increase of 8.4% as compared with RMB506.8 million as at 31 December 2021, which was primarily due to new procurement in line with business development.

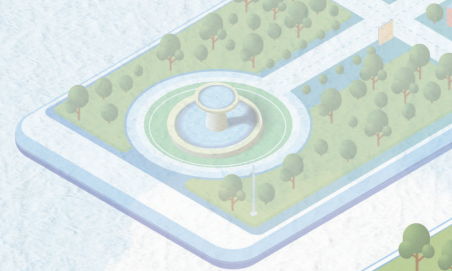
Other intangible assets

As at 30 June 2022, the book value of other intangible assets of the Group was RMB1,475.1 million, representing an increase of 9.2% as compared with RMB1,350.7 million as at 31 December 2021. Intangible assets of the Group mainly included (i) RMB63.3 million from the trademark value of acquired companies; (ii) RMB1,824.1 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 amortization of trademarks, customer relationships and software. Trademarks, customer relationship and software had a specific validity period and were carried at cost less accumulated amortization.

Goodwill

As at 30 June 2022, the Group recorded goodwill of RMB3,314.9 million, representing an increase of 6.1% as compared with RMB3,123.2 million as at 31 December 2021. The increase of goodwill for the Period was mainly due to new M&A business. 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.

There was no significant goodwill impairment risk as at 30 June 2022.



Financial assets at fair value through profit or loss (“FVPL”)

As at 30 June 2022, the Group’s financial assets at FVPL amounted to RMB2,015.3 million, representing an increase of 280.0% as compared with RMB530.3 million as at 31 December 2021, which was mainly due to the Group’s purchase of several funds and trusts to increase the return on its fund.

Trade and other receivables and prepayments

As at 30 June 2022, trade and other receivables and prepayments (including current and non-current portions) amounted to RMB8,568.7 million, representing an increase of 57.0% from RMB5,456.3 million as at 31 December 2021. Among which, trade receivables amounted to RMB6,000.1 million, representing an increase of 52.0% as compared with RMB3,947.9 million as at 31 December 2021, which was mainly due to the slowdown in the overall collection of receivables as a result of the cyclical nature of the real estate industry and the impact of the pandemic in the first half of the year. Other receivables amounted to RMB2,652.3 million, representing an increase of 98.3% from RMB1,337.5 million as at 31 December 2021, which was mainly due to the increase in the balance of guarantee deposits and project cooperation intention funds as a result of business expansion.

Trade and other payables

As at 30 June 2022, trade and other payables (including current and non-current portions) amounted to RMB5,755.9 million, representing an increase of 18.8% as compared with RMB4,843.2 million as at 31 December 2021, which was primarily attributable to an increase in the cost of materials procurement, labor outsourcing and energy consumption brought by the business expansion of the Group and the provision of dividends payables for 2021.

Borrowings

As at 30 June 2022, the Group had long-term borrowings of RMB23.2 million, among which 14.1 million will be repayable within one year. The Group also had short-term borrowings of RMB58.0 million with a term of less 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 2022, the gearing ratio was 0.6%.

Current and deferred income tax liabilities

As of 30 June 2022, the current income tax liabilities of the Group amounted to RMB487.0 million, representing a decrease of 11.0% as compared with RMB547.2 million as of 31 December 2021, which was mainly because of the impact of settlement of PRC corporate income tax payable for 2021 during the Period. Deferred income tax liabilities increased to RMB370.3 million from RMB351.1 million as of 31 December 2021, which was primarily attributable to the temporary differences arising from the increase of appraised assets value of newly acquired companies.



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 (the “Placing Shares”) at a placing price of HK\$37.60 per H Share (the “Placing”). Based on a nominal value of RMB1.00 per Placing Share, the Placing Shares have an aggregate nominal value of RMB86,666,800.

The Placing Shares have been placed by the placing agent to not less than six placees, who/which are professional, institutional and/or other investors procured by the placing agent. To the best knowledge and reasonable belief of the Company, these placees and their ultimate beneficial owners are independent of and not connected with the Company and connected persons of the Company, and none of such placees have become a substantial Shareholder of the Company immediately upon completion of the Placing.

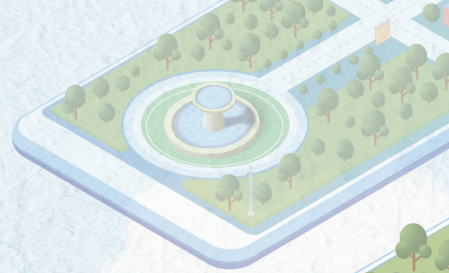
The placing price is HK\$37.60 per H Share and represents: (i) a discount of approximately 6.58% to the closing price of HK\$40.25 per H Share as quoted on the Hong Kong Stock Exchange on 27 May 2021, being the last trading day for the H Shares prior to the signing of the relevant placing agreement (the “Last Trading Day”); (ii) a discount of approximately 1.34% to the average closing price of HK\$38.11 per H Share as quoted on the Hong Kong Stock Exchange for the last five (5) consecutive trading days prior to and including the Last Trading Day; and (iii) a premium of approximately 2.20% over the average closing price of HK\$36.79 per H Share as quoted on the Hong Kong Stock Exchange for the last ten (10) consecutive trading days prior to and including the Last Trading Day.

The gross proceeds and net proceeds 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. The net proceeds from the Placing were planned to be used for replenishment of working capital and general corporate purposes of the Company. For details, please refer to the Company’s announcement dated 28 May 2021.

As disclosed in the annual report of the Company for the year ended 31 December 2021, approximately HK\$28 million of the net proceeds from the Placing, which were used for replenishment of working capital and general corporate purposes of the Company, remained unused. During the Period, the net proceeds from the Placing have been fully utilised as planned and there was no material change between the planned use and actual use of net proceeds from the Placing.

Pledge of assets

As at 30 June 2022, the long-term bank loans amounting to RMB23,196,000 and short-term bank loans amounting to RMB1,197,000 were secured by certain property, plant and equipment of the Group. Details of the Group’s pledge of assets as at 30 June 2022 are set out in note 13 to the interim financial information contained in this report.



Significant investment held, material acquisition or disposal

Save as disclosed in this report, there was no significant investment held, no material acquisition or disposal of subsidiaries, associates and joint ventures by the Group during the Period.

Future plans for material investments or capital assets

Save as disclosed in this report, the Group has no other future plans for material investments and capital assets as at 30 June 2022.

Contingent liabilities

As at 30 June 2022, the Group had no significant contingent liabilities.

Key risk factors and uncertainties

The following content lists out the key risks and uncertainties confronted by the Group. It is a non-exhaustive list and there may be other risks and uncertainties further to the key risk areas outlined below.

Industry risk

The Group's operations are subject to the economy of the PRC and changes in the macro environment of the real estate industry, as well as the regulatory environment and measures affecting the property management industry in the PRC. In particular, the Group's business performance primarily depends on the total contracted and revenue-bearing GFA, level of fees and the number of properties the Group manages, but the Group's business growth is, and will likely continue to be, subject to factors of macro development of the industry and the upstream industries. Should the COVID-19 pandemic persist, part of the Group's business expansion and development may be adversely affected.

Business risk

The Group's ability to maintain or improve the current level of profitability depends on the Group's ability to control operating costs (including labour costs), and the Group's profit margins and results of operations may be adversely affected by the increase in labour or other operating costs; should the Group be unable to procure new property management service contracts or renew existing management service contracts as planned or at desirable pace or price, the Group's revenue may also be adversely affected; should the Group be unable to collect property management fees from customers on time, it may incur impairment losses on receivables; the above may also affect the assessment and impairment risk of goodwill, the performance of operating cash flows and adversely affect the Group's financial position and results of operations.

Foreign exchange risk

The Group's businesses were principally located in the PRC. Except for bank deposits and financial assets at FVPL denominated in HK\$ and US\$, the Group was not subject to any other material risk directly relating to foreign exchange fluctuations. The management will continue to monitor the foreign exchange exposure, take prudent measures and develop hedging strategy as appropriate to reduce foreign exchange risks.



Employees and remuneration policies

As at 30 June 2022, the Group had 86,695 employees (as at 31 December 2021: 87,603). Total staff costs amounted to RMB2,850.0 million, representing an increase of 16.2% as compared with RMB2,451.8 million in the corresponding period of 2021. The increase in staff costs was mainly due to (i) the increase brought by the acquired companies; and (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 the Directors. Appropriate benefit schemes are in place for the Directors.

Significant Events after Reporting Period

As at the date of this report, the Group did not have any significant event subsequent to 30 June 2022.

Corporate Governance

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 audit committee of the Company (the "Audit Committee") has reviewed the financial statements of the Group for the six months ended 30 June 2022. The review included discussions with management of the accounting principles and practices adopted by the Group, internal controls and financial reporting matters, and the significant judgments made by management.

The Audit Committee comprises Mr. Wan Kam To, Ms. Wong Chui Ping Cassie and Mr. Weng Guoqiang who are independent non-executive Directors.

The unaudited interim financial information have been approved and authorised for issue by the Board on 17 August 2022.

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 to 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 2022.



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 2022.

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 Part 2 of 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 2022.

Other Information

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 2022, 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	679,700,521 (L)	47.86%
			91,556,229 (S)	6.45%
Mr. Huang Fengchao ⁽³⁾	Interest of a controlled corporation	H Shares	55,310,896 (L)	3.90%
Mr. Li Dalong ⁽⁴⁾	Interest of a controlled corporation	H Shares	55,310,896 (L)	3.90%
	Spouse	H Shares	200,000 (L)	0.01%

Notes:

- (1) The letter "L" denotes the person's long position in the shares, while the letter "S" denotes the person's short 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 679,700,521 long position and 91,556,229 short position in 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 limited partner of and owns 99.9% interest in Tianjin Fengxin Commercial Center (Limited Partnership)* 天津奉欣商業中心(有限合夥) (“Tianjin Fengxin”). Tianjin Fengxin is a limited partner of and respectively owns 94.96% and 95% 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”) and Shanghai Bingya Business Consultancy Limited Partnership* 上海秉雅商務諮詢合夥企業(有限合夥) (“Shanghai Bingya”). Mr. Huang is also a general partner of Shanghai Baoya and Shanghai Bingya respectively, and has full control over Shanghai Baoya and Shanghai Bingya. Shanghai Baoya is a general partner of Shanghai Yongya Business Consultancy Limited Partnership* 上海詠雅商務諮詢合夥企業(有限合夥) (“Shanghai Yongya”) and has full control over Shanghai Yongya. Shanghai Bingya is a limited 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 55,310,896 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 limited partner of and owns 99% interest in Tianjin Chaotai Commercial Center (Limited Partnership)* 天津朝泰商業中心(有限合夥) (“Tianjin Chaotai”). Tianjin Chaotai is a limited partner of and owns 47.5% 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”) and Shanghai Chengya Business Consultancy Limited Partnership* 上海澄雅商務諮詢合夥企業(有限合夥) (“Shanghai Chengya”) respectively. Mr. Li is also a general partner of and owns 2.5% interest in Shanghai Yanya and Shanghai Chengya respectively, and has full control over Shanghai Yanya and Shanghai Chengya. Shanghai Yanya 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”). Shanghai Chengya is a general partner of Shanghai Yeya and has full control over Shanghai Yeya. Shanghai Yeya is a limited partner of and owns 45% interest in Gongqingcheng Investment. Mr. Li is a general partner of Tianjin Fengxin and has full control over Tianjin Fengxin. Tianjin Fengxin is a limited partner of and owns 94.96% interest in Shanghai Baoya. Tianjin Fengxin is a limited partner of and owns 95% interest in Shanghai Bingya. Shanghai Baoya is a general partner of Shanghai Yongya and has full control over Shanghai Yongya. Shanghai Bingya is a limited partner of and owns 50% interest in Shanghai Yongya. Shanghai Yongya is a limited partner of and owns 45% interest in Gongqingcheng Investment which owns 55,310,896 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

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	42,000 (L)	0.00%

Note: The letter “L” denotes the person’s long position in the shares.

Save as disclosed above, as of 30 June 2022, 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 2022, 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	672,500,521 (L) 40,299,479 (S)	47.36% 2.84%
Deluxe Star International Limited ⁽²⁾	Interest of a controlled corporation	H shares	672,500,521 (L) 40,299,479 (S)	47.36% 2.84%
	Beneficial owner	H shares	7,200,000 (L)	0.50%
Makel International (BVI) Limited ⁽³⁾	Interest of a controlled corporation	H shares	679,700,521 (L) 40,299,479 (S)	47.86% 2.84%
Genesis Global Development (BVI) Limited ⁽⁴⁾	Interest of a controlled corporation	H shares	679,700,521 (L) 40,299,479 (S)	47.86% 2.84%
Eastern Supreme Group Holdings Limited ⁽⁵⁾	Interest of a controlled corporation	H shares	679,700,521 (L) 91,556,229 (S)	47.86% 6.45%
Agile Group Holdings Limited ⁽⁶⁾	Interest of a controlled corporation	H shares	679,700,521 (L) 91,556,229 (S)	47.86% 6.45%
Full Choice Investments Limited ⁽⁷⁾	Trustee of a trust	H shares	679,700,521 (L) 91,556,229 (S)	47.86% 6.45%
Top Coast Investment Limited ⁽⁸⁾	Interest of a controlled corporation	H shares	679,700,521 (L) 91,556,229 (S)	47.86% 6.45%

Name of Shareholder	Nature of Interest	Class of Shares	Number of Shares ⁽¹⁾	Approximate Percentage of the Company's
				Issued Share Capital
Mr. Chen Zhuo Lin ⁽⁹⁾	Beneficiary of a trust	H shares	679,700,521 (L)	47.86%
			91,556,229 (S)	6.45%
Mr. Chan Cheuk Yin ⁽⁹⁾	Beneficiary of a trust	H shares	679,700,521 (L)	47.86%
			91,556,229 (S)	6.45%
Ms. Luk Sin Fong, Fion ⁽⁹⁾	Beneficiary of a trust	H shares	679,700,521 (L)	47.86%
			91,556,229 (S)	6.45%
Mr. Chan Cheuk Hei ⁽⁹⁾	Beneficiary of a trust	H shares	679,700,521 (L)	47.86%
			91,556,229 (S)	6.45%
Mr. Chan Cheuk Nam ⁽⁹⁾	Beneficiary of a trust	H shares	679,700,521 (L)	47.86%
			91,556,229 (S)	6.45%
Ms. Zheng Huiqiong ⁽¹⁰⁾	Spouse	H shares	679,700,521 (L)	47.86%
			91,556,229 (S)	6.45%
Ms. Lu Liqing ⁽¹¹⁾	Spouse	H shares	679,700,521 (L)	47.86%
			91,556,229 (S)	6.45%
Ms. Lu Yanping ⁽¹²⁾	Spouse	H shares	679,700,521 (L)	47.86%
			91,556,229 (S)	6.45%
Ms. Chan Siu Na ⁽¹³⁾	Spouse	H shares	679,700,521 (L)	47.86%
			91,556,229 (S)	6.45%
Lazard Asset Management LLC	Investment manager	H shares	71,331,000 (L)	5.02%

* for identification purpose only

Notes:

- (1) The letters “L” denotes the person’s/corporation’s long position in the shares, while the letter “S” denotes the person’s/corporation’s short 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.



Save as disclosed above, as of 30 June 2022, 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 2022, 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

There has been no change in information of Directors, Supervisors and chief executives of the Company which is required to be disclosed pursuant to Rule 13.51B of the Listing Rules.

Interim Dividend

The Board did not recommend any payment of interim dividend for the six months ended 30 June 2022 (for the six months ended 30 June 2021: nil).

Interim Condensed Consolidated Income Statement

	Notes	Six months ended 30 June	
		2022 RMB'000 (Unaudited)	2021 RMB'000 (Unaudited)
Revenue	5	7,619,866	6,247,156
Cost of sales	6	(5,567,238)	(4,373,259)
Gross profit		2,052,628	1,873,897
Selling and marketing expenses	6	(29,416)	(61,663)
Administrative expenses	6	(398,742)	(384,724)
Net impairment losses on financial assets	17(b)	(274,514)	(40,396)
Other income	8	86,901	74,181
Other gains – net	9	197	60,907
Operating profit		1,437,054	1,522,202
Finance costs	10	(9,536)	(12,113)
Share of post-tax profits of joint ventures and associates	16	29,807	33,268
Profit before income tax		1,457,325	1,543,357
Income tax expenses	11	(307,830)	(262,331)
Profit for the period		1,149,495	1,281,026
Profit attributable to:			
– Shareholders of the Company		1,057,908	1,142,312
– Non-controlling interests		91,587	138,714
		1,149,495	1,281,026
Earnings per share (expressed in RMB per share)			
– Basic and diluted earnings per share	12	0.75	0.85

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	
	2022	2021
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Profit for the period	1,149,495	1,281,026
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	(2,338)	3,541
Total comprehensive income for the period	1,147,157	1,284,567
Attributable to:		
– Shareholders of the Company	1,056,505	1,144,436
– Non-controlling interests	90,652	140,131
	1,147,157	1,284,567

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 2022 RMB'000 (Unaudited)	As at 31 December 2021 RMB'000 (Audited)
Assets			
Non-current assets			
Property, plant and equipment ("PPE")	13	549,504	506,831
Right-of-use assets	13	53,420	73,868
Investment properties	14	253,565	88,916
Other intangible assets	15	1,475,121	1,350,661
Goodwill	15	3,314,901	3,123,231
Deferred income tax assets		206,093	137,701
Investments accounted for using the equity method	16	1,137,026	1,111,141
Prepayments	17	347,019	350,952
Financial assets at fair value through other comprehensive income ("FVOCI")	18	20,751	23,868
Financial assets at fair value through profit or loss ("FVPL")	18	3,791	3,249
		7,361,191	6,770,418
Current assets			
Trade and other receivables and prepayments	17	8,221,688	5,105,345
Inventories		39,168	38,533
Financial assets at fair value through profit or loss	18	2,011,508	527,043
Restricted cash		51,246	3,349,493
Cash and cash equivalents		3,996,887	4,390,545
		14,320,497	13,410,959
Total assets		21,681,688	20,181,377
Equity			
Equity attributable to shareholders of the Company			
Share capital	19	1,420,001	1,420,001
Other reserves	20	5,635,358	5,614,759
Retained earnings		4,610,054	4,156,348
		11,665,413	11,191,108
Non-controlling interests		1,752,211	1,719,820
Total equity		13,417,624	12,910,928

Interim Condensed Consolidated Balance Sheet (continued)

	Notes	As at 30 June 2022 RMB'000 (Unaudited)	As at 31 December 2021 RMB'000 (Audited)
Liabilities			
Non-current liabilities			
Other payables	22	40,612	35,190
Contract liabilities		64,824	84,344
Borrowings	21	9,052	12,445
Lease liabilities		20,326	30,590
Deferred income tax liabilities		370,271	351,060
		505,085	513,629
Current liabilities			
Trade and other payables	22	5,715,283	4,808,002
Contract liabilities		1,304,120	1,180,991
Current income tax liabilities		487,033	547,217
Borrowings	21	72,112	66,084
Lease liabilities		36,689	47,168
Financial liabilities for put options	18	143,742	107,358
		7,758,979	6,756,820
Total liabilities		8,264,064	7,270,449
Total equity and liabilities		21,681,688	20,181,377

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

The condensed consolidated financial statements on pages 36 to 76 were approved by the Board of Directors on 17 August 2022 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				Non-	Total equity RMB'000
		Share capital	Other reserves	Retained earnings	Subtotal	controlling interests	
		RMB'000 (Note 19)	RMB'000 (Note 20)	RMB'000	RMB'000	RMB'000	
Balance at 1 January 2022 (Audited)		1,420,001	5,614,759	4,156,348	11,191,108	1,719,820	12,910,928
For the six months ended 30 June 2022 (Unaudited)							
Comprehensive income							
Profit for the period		-	-	1,057,908	1,057,908	91,587	1,149,495
Other comprehensive income, net of tax		-	(1,403)	-	(1,403)	(935)	(2,338)
Total comprehensive income		-	(1,403)	1,057,908	1,056,505	90,652	1,147,157
Transactions with shareholders of the Company							
Dividends to shareholders of the Company	23	-	-	(582,200)	(582,200)	-	(582,200)
Dividends to non-controlling interests		-	-	-	-	(65,725)	(65,725)
Acquisitions of subsidiaries	24	-	-	-	-	2,115	2,115
Capital injections from the non-controlling interests		-	-	-	-	5,349	5,349
Appropriation of statutory reserves	20(a)	-	22,002	(22,002)	-	-	-
		-	22,002	(604,202)	(582,200)	(58,261)	(640,461)
Balance at 30 June 2022 (Unaudited)		1,420,001	5,635,358	4,610,054	11,665,413	1,752,211	13,417,624

Interim Condensed Consolidated Statement of Changes in Equity (continued)

	Notes	Attributable to shareholders of the Company				Non-controlling interests RMB'000	Total equity RMB'000
		Share capital	Other reserves	Retained earnings	Subtotal		
		RMB'000 (Note 19)	RMB'000 (Note 20)	RMB'000	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		86,667	2,590,844	–	2,677,511	–	2,677,511
Acquisition of subsidiaries		–	–	–	–	372,470	372,470
Disposal of subsidiaries		–	–	–	–	(73,680)	(73,680)
Capital injections 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

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

		Six months ended 30 June	
	Notes	2022 RMB'000 (Unaudited)	2021 RMB'000 (Unaudited)
Cash flows from operating activities			
Cash (used in)/generated from operations		(951,140)	1,300,731
Income tax paid		(480,487)	(338,619)
Net cash (used in)/generated from operating activities		(1,431,627)	962,112
Cash flows from investing activities			
Purchases of PPE		(91,204)	(20,736)
Proceeds from disposal of PPE		7,239	470
Purchases of investment properties		(5,000)	–
Purchases of intangible assets	15	(50)	(39)
Investments in joint ventures and associates		(225)	(52,790)
Loans to related parties		–	(150,000)
Loan repayments from related parties		59,638	–
Loans to third parties		(2,860,800)	(540,000)
Loan repayments from third parties		3,156,000	530,000
Interest received		11,141	20,384
Purchases of other financial assets at FVPL		(2,577,502)	(1,452,380)
Proceeds from disposal of financial assets at FVPL		1,110,338	1,394,642
Acquisition of subsidiaries (net of cash and cash equivalents acquired)	24	36,787	(109,783)
Disposals of subsidiaries	25	(1,000,115)	133,972
Prepayments for an acquisition		–	(50,000)
Payments of the deposits for potential acquisitions		(644,000)	–
Repayments of the deposits for potential acquisitions		674,915	–
Dividends received		–	6,133
Cash advances to related parties		(15,336)	–
Changes in restricted bank deposits		3,300,200	(4,751)
Net cash generated from/(used in) investing activities		1,162,026	(294,878)
Cash flows from financing activities			
Capital injections from non-controlling interests		5,349	3,650
Proceeds from borrowings		61,103	13,898
Repayments of borrowings		(58,468)	(232,284)
Loans from a third party		–	49,941
Cash advances from related parties		46,968	40,619
Cash advances from a third party		6,447	–
Repayments of cash advances to a third party		(6,856)	–
Lease payments		(24,276)	(14,987)
Interest paid		(2,558)	(2,933)
Acquisition of non-controlling interests in a subsidiary		(93,173)	–
Dividends paid to non-controlling interests		(62,101)	(84,640)
Placing of new H Shares		–	2,677,511
Net cash (used in)/generated from financing activities		(127,565)	2,450,775
Net (decrease)/increase in cash and cash equivalents		(397,166)	3,118,009
Net cash and cash equivalents at beginning of the period		4,390,545	5,056,976
Effect of exchange rate changes on cash and cash equivalents		3,508	22,657
Cash and cash equivalents at end of the period		3,996,887	8,197,642

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



Notes to the Interim Financial Information

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, the 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 does not have any material adverse impact on the financial position and operating result of the Group as at and for the six months ended 30 June 2022.

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

The condensed consolidated financial statements have not been audited.

2 Basis of preparation

This condensed consolidated interim financial information for the six months ended 30 June 2022 (“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 report of the Group for the year ended 31 December 2021 and any public announcements made by the Company 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)) and the 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) New and amended standards adopted by the Group

A number of new or amended standards became applicable for the current reporting period. The Group did not change its accounting policies or make retrospective adjustments as a result of adopting these amended standards.

(c) New and amendments to existing standards have been issued but are not effective for the financial year beginning on 1 January 2022 and have not been early adopted by the Group

		Effective for accounting periods beginning on or after
HKFRS 17	Insurance Contracts	1 January 2023
Amendments to HKAS 1	Classification of Liabilities as Current or Non-current	1 January 2023
Amendments to HKAS 1 and HKFRS Practice Statement 2	Disclosure of Accounting Policies	1 January 2023
Amendments to HKAS 8	Definition of Accounting Estimates	1 January 2023
Amendments to HKAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction	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 and amendments. The adoption of these new and amended standards 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 segments, has been identified as the executive directors of the Company.

During the six months ended 30 June 2022 and 2021, the Group was principally engaged in the provision of (i) property management services, (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 services and city sanitation and cleaning services and related value-added services. After acquisition, the management integrated the acquired business with the original business. Management reviews the operating results of the integrated business as a single reporting segment to make decisions about resources to be allocated, as the nature of services, the type of customers for services, the method used to provide their services and the nature of regulatory environment is same in different regions.

For the six months ended 30 June 2022, all the operating segments are domiciled in the PRC and all the revenues are derived in the PRC.

As at 30 June 2022, the non-current assets of the Group were located in the PRC.

5 Revenue

Revenue mainly comprises proceeds from property management services, 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 2022 and 2021 was as follows:

		Six months ended 30 June	
		2022	2021
	Timing of revenue recognition	RMB’000 (Unaudited)	RMB’000 (Unaudited)
Property management services	over time	4,904,086	3,976,922
Value-added services related to property management			
– Other value-added services	over time	1,885,969	1,987,291
– Sales of goods	at a point in time	188,146	123,497
City sanitation and cleaning services	over time	641,665	159,446
		7,619,866	6,247,156

6 Expenses by nature

	Six months ended 30 June	
	2022	2021
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Employee benefit expenses (Note 7)	2,849,956	2,451,826
Cleaning expenses	846,453	648,951
Security charges	682,941	506,308
Maintenance costs	286,166	200,124
Utilities	237,009	142,789
Cost of consumables	209,524	171,441
Depreciation and amortisation charges	175,898	118,040
Cost of goods sold	152,745	98,360
Greening and gardening expenses	137,661	110,180
Travelling and entertainment expenses	57,972	54,200
Consulting fees	47,060	47,095
Transportation expenses and customer service charges	43,238	46,304
Office expenses	31,604	39,364
Taxes and other levies	33,483	31,349
Rental expenses related to short-term and low-value leases	37,659	24,668
Advertising expenses	23,362	20,578
Catering outsourcing fee	13,462	11,626
Others	129,203	96,443
	5,995,396	4,819,646

7 Employee benefit expenses

	Six months ended 30 June	
	2022	2021
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Wages and salaries and bonus	2,331,207	2,055,543
Contribution to pension scheme (Note (a))	245,963	161,784
Housing benefits	59,482	41,015
Other employee benefits	213,304	193,484
Total (including emoluments of directors and supervisors)	2,849,956	2,451,826

- (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.

8 Other income

	Six months ended 30 June	
	2022	2021
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Interest income		
– from deposits and loans to third parties	23,587	31,831
– from loans to related parties	3,848	–
Government grants (Note (a))	31,663	21,977
Tax incentives (Note (b))	24,201	17,065
Late payment charges	1,690	1,392
Rental income	692	1,559
Miscellaneous	1,220	357
	86,901	74,181

- (a) Government grants consisted mainly of financial subsidies granted by the local governments. There are no unfulfilled conditions attached to the government grants recognised during the six months ended 30 June 2022.

- (b) Tax incentives mainly included additional deduction of input value-added tax in relation to the community services carried out by the Company and its certain subsidiaries.

9 Other gains – net

	Six months ended 30 June	
	2022	2021
	RMB'000 (Unaudited)	RMB'000 (Unaudited)
Net fair value gains on financial assets at FVPL	17,843	16,739
(Losses)/gains from disposal of subsidiaries (Note 25)	(1,301)	19,682
Exchange (losses)/gains	(2,484)	22,657
Fair value (losses)/gains on financial liabilities for put options (Note 18)	(31,086)	1,974
Fair value gains on investment properties	15,764	–
Gains on disposal of PPE	1,058	63
Miscellaneous	403	(208)
	197	60,907

10 Finance costs

	Six months ended 30 June	
	2022	2021
	RMB'000 (Unaudited)	RMB'000 (Unaudited)
Interest expenses of borrowings	2,558	2,933
Unwinding of discount on financial liabilities for put options (Note 18)	5,298	7,244
Interest expenses of long-term payables	256	753
Interest and finance charges paid/payable for lease liabilities	1,424	1,183
	9,536	12,113

11 Income tax expenses

	Six months ended 30 June	
	2022	2021
	RMB'000 (Unaudited)	RMB'000 (Unaudited)
Current income tax		
– PRC corporate income tax	409,661	288,416
Deferred income tax		
– PRC corporate income tax	(101,831)	(26,085)
	307,830	262,331

11 Income tax expenses (Continued)

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	
	2022	2021
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Profit before income tax	1,457,325	1,543,357
Tax charge at effective rate applicable to profits in the respective group entities	300,545	312,401
Tax effects of:		
– Tax losses for which no deferred income tax asset was recognised	10,574	6,086
– Expenses not deductible for tax purposes	3,372	8,567
– Additional tax deduction for research and development costs	(633)	(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	(6,028)	(7,697)
– Utilisation of tax losses previously not recognised	–	(656)
	307,830	262,331

- (a) The effective income tax rate was 21.1% for the six months ended 30 June 2022 (six months ended 30 June 2021: 17.0%). 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 six months 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 period, 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 2021: 25%) according to the Corporate Income Tax Law of the PRC.



11 Income tax expenses (Continued)

PRC corporate income tax (Continued)

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. 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 2022 was 15% (six months ended 30 June 2021: 15%). The tax rate applicable to the Company during the six months ended 30 June 2022 was 15% (six months ended 30 June 2021: 15%).

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 2021: 12.5%) or 25% (six months ended 30 June 2021: 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 2021: 15%).

Hong Kong income tax

No Hong Kong profits tax was applicable to the Group for the six months ended 30 June 2022. There were three subsidiaries incorporated in Hong Kong. No Hong Kong profits tax was provided for those three Hong Kong subsidiaries as there was no estimated taxable profits that was subject to Hong Kong profits tax during six months ended 30 June 2022 (six months ended 30 June 2021: 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 2022 and 2021.

The Company did not have any potential ordinary shares outstanding during the six months ended 30 June 2022 and 2021. Diluted earnings per share was equal to basic earnings per share.

	Six months ended 30 June	
	2022	2021
	(Unaudited)	(Unaudited)
Profit attributable to shareholders of the Company (RMB'000)	1,057,908	1,142,312
Weighted average number of ordinary shares in issue (in thousands)	1,420,001	1,345,853
Basic earnings per share for profit attributable to the shareholders of the Company during the period (expressed in RMB per share)	0.75	0.85

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

	Buildings RMB'000	Transportation equipment RMB'000	Office equipment RMB'000	Machinery RMB'000	Subtotal RMB'000	Right-of-use assets RMB'000	Total RMB'000
As at 1 January 2022 (Audited)							
Cost	163,887	121,582	42,353	303,724	631,546	157,479	789,025
Accumulated depreciation	(30,645)	(26,937)	(17,603)	(49,530)	(124,715)	(83,611)	(208,326)
Net book amount	133,242	94,645	24,750	254,194	506,831	73,868	580,699
Six months ended 30 June 2022 (Unaudited)							
Opening net book amount	133,242	94,645	24,750	254,194	506,831	73,868	580,699
Additions	2,982	15,517	2,606	70,099	91,204	2,109	93,313
Acquisition of subsidiaries (Note 24)	-	2,153	729	518	3,400	-	3,400
Disposals	(2,913)	(2,421)	(163)	(684)	(6,181)	-	(6,181)
Depreciation charge	(4,760)	(14,358)	(3,797)	(22,835)	(45,750)	(22,557)	(68,307)
Closing net book amount	128,551	95,536	24,125	301,292	549,504	53,420	602,924
As at 30 June 2022 (Unaudited)							
Cost	163,933	138,997	51,425	368,525	722,880	146,886	869,766
Accumulated depreciation	(35,382)	(43,461)	(27,300)	(67,233)	(173,376)	(93,466)	(266,842)
Net book amount	128,551	95,536	24,125	301,292	549,504	53,420	602,924
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	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 30 June 2022, certain self-used PPE with net book value of RMB22,826,000 (31 December 2021: RMB55,039,000) were pledged as collateral for the Group's borrowings (Note 21).

14 Investment properties

	Commercial properties	
	Six months ended 30 June	
	2022	2021
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
At beginning of the period	88,916	–
Additions	156,292	–
Acquisition of a subsidiary	–	110,337
Revaluation gains recognised in profit and loss accounts (Note 9)	15,764	–
Disposals	(7,407)	–
At end of the period	253,565	110,337

(a) Amounts recognised in the condensed consolidated income statement for investment properties:

	Six months ended 30 June	
	2022	2021
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Rental income (Note 8)	692	1,559

- (b) As at 30 June 2022, no investment properties (31 December 2021: nil) were pledged as collateral for the Group's borrowings.
- (c) As at 30 June 2022, the Group had no unprovided contractual obligations for future repairs and maintenance (31 December 2021: nil).
- (d) Fair value hierarchy

As at 30 June 2022, all of the Group's investment properties were within level 3 of the fair value hierarchy as the valuation were arrived at by reference to certain significant unobservable inputs. There were no transfers between level 1, 2 and 3 during the six months ended 30 June 2022 (six months ended 30 June 2021: nil).

14 Investment properties (Continued)

(e) Valuation processes and techniques

The Group measures its investment properties at fair value. The investment properties were valued by the management as at 30 June 2022. Methods and key assumptions in determining the fair value of the investment properties 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 input used by the Group is market price.

(f) Valuation inputs and relationships to fair value

Description	Fair value at 30 June 2022 RMB'000	Unobservable inputs	Range of inputs	Relationship of unobservable inputs to fair value
Office buildings	253,565	Market price (RMB/square meter)	15,000-56,000	The higher the market price, the higher the fair value

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 2022 (Audited)						
Cost	49,694	63,342	1,592,110	1,705,146	3,123,231	4,828,377
Accumulated amortisation	(17,657)	(20,984)	(315,844)	(354,485)	–	(354,485)
Net book amount	32,037	42,358	1,276,266	1,350,661	3,123,231	4,473,892
Six months ended 30 June 2022 (Unaudited)						
Opening net book amount	32,037	42,358	1,276,266	1,350,661	3,123,231	4,473,892
Additions	50	–	–	50	–	50
Disposals	(32)	–	–	(32)	–	(32)
Acquisition of subsidiaries (Note 24)	–	–	232,033	232,033	191,670	423,703
Amortisation charges	(2,743)	(3,485)	(101,363)	(107,591)	–	(107,591)
Closing net book amount	29,312	38,873	1,406,936	1,475,121	3,314,901	4,790,022
As at 30 June 2022 (Unaudited)						
Cost	48,348	63,342	1,824,143	1,935,833	3,314,901	5,250,734
Accumulated amortisation	(19,036)	(24,469)	(417,207)	(460,712)	–	(460,712)
Net book amount	29,312	38,873	1,406,936	1,475,121	3,314,901	4,790,022
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	2,120	–	337,579	339,699	443,668	783,367
Disposals of subsidiaries	(118)	–	(56,784)	(56,902)	(86,086)	(142,988)
Amortisation charges	(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

15 Other intangible assets and Goodwill (Continued)

- (a) In January 2022, the Group completed the acquisition of 100% of the equity interests in Tiantongyuan Community Management Services Group Limited ("Tiantongyuan") and 90% of the equity interests in Tianjin Moruisi Real Estate Management Services Co., Ltd. ("Tianjin Moruisi") (Note 24). The excess of the acquisition consideration 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 2022 (31 December 2021: 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 2022 and 2021:

	Six months ended 30 June	
	2022 RMB'000 (Unaudited)	2021 RMB'000 (Unaudited)
At beginning of the period	1,111,141	1,105,391
Additions	225	262,813
Share of post-tax profits of joint ventures and associates	29,807	33,268
Dividends declared	(1,000)	(6,133)
Disposals	(3,147)	(10,746)
At end of the period	1,137,026	1,384,593

17 Trade and other receivables and prepayments

	30 June 2022 RMB'000 (Unaudited)	31 December 2021 RMB'000 (Audited)
Trade receivables (Note (a))		
– Related parties (Note 26(d))	2,666,126	1,524,003
– Third parties	3,334,018	2,423,908
	6,000,144	3,947,911
Less: allowance for impairment of trade receivables	(600,168)	(329,312)
	5,399,976	3,618,599
Other receivables		
– Related parties (Note 26(d))	834,520	278,178
– Third parties (Note (c))	1,817,784	1,059,295
	2,652,304	1,337,473
Less: allowance for impairment of other receivables	(53,956)	(24,024)
	2,598,348	1,313,449
Prepayments		
– Related parties (Note 26(d))	290,563	288,788
– Third parties	279,820	235,461
	570,383	524,249
Subtotal	8,568,707	5,456,297
Less: non-current portion of prepayments	(347,019)	(350,952)
	8,221,688	5,105,345

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

Property management services income, value-added service income and city sanitation and cleaning 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 2022 and 31 December 2021, the aging analysis of the trade receivables based on invoice date were as follows:

	30 June 2022 RMB'000 (Unaudited)	31 December 2021 RMB'000 (Audited)
Trade receivables		
0-180 days	4,142,525	2,504,546
181-365 days	891,313	657,041
1 to 2 years	534,395	429,257
2 to 3 years	206,122	188,457
Over 3 years	225,789	168,610
	6,000,144	3,947,911

- (b) During the six months ended 30 June 2022, impairment provision of RMB249,929,000 and RMB24,585,000 was made against the gross amount of trade receivables and other receivables, respectively (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).
- (c) As at 30 June 2022, the Group provided short-term loans to third parties amounting to RMB724,800,000, which bear interest at rates of 4% to 8% per annum and amongst which the loans of RMB210,000,000 are secured by pledge of certain non-listed equity investments held by the corresponding parties and the loans of RMB10,000,000 are guaranteed by certain third parties.
- (d) As at 30 June 2022, trade and other receivables were all denominated in RMB and the fair values of trade and other receivables approximated their carrying amounts.

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 2022	Level 1 RMB'000	Level 3 RMB'000	Total RMB'000
Financial assets			
Financial assets at FVPL			
Wealth management products	–	390,924	390,924
Funds and Trusts	–	1,617,155	1,617,155
Hong Kong listed equity securities	3,429	–	3,429
Contingent consideration	–	3,791	3,791
	3,429	2,011,870	2,015,299
Financial assets at FVOCI			
Unlisted equity securities	–	20,751	20,751
Total financial assets	3,429	2,032,621	2,036,050
Financial liabilities			
Financial liabilities for put options (Note (i))	–	143,742	143,742
Total financial liabilities	–	143,742	143,742
Recurring fair value measurements at 31 December 2021	Level 1 RMB'000	Level 3 RMB'000	Total RMB'000
Financial assets			
Financial assets at FVPL			
Wealth management products	–	511,537	511,537
Structural deposits	–	10,000	10,000
Hong Kong listed equity securities	5,506	–	5,506
Contingent consideration	–	3,249	3,249
	5,506	524,786	530,292
Financial assets at FVOCI			
Unlisted equity securities	–	23,868	23,868
Total financial assets	5,506	548,654	554,160
Financial liabilities			
Financial liabilities for put options (Note (i))	–	107,358	107,358
Total financial liabilities	–	107,358	107,358

18 Fair value estimation (Continued)

(a) Fair value hierarchy (Continued)

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 market 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.

- (i) In March 2019, the Company entered into an acquisition agreement with third parties to acquire 60% equity interest of Harbin Jingyang Property Management Co., Ltd. ("Harbin Jingyang") pursuant to which the original shareholders were guaranteed a put option to sell the remaining 32% equity interest of Harbin Jingyang to the Company at their discretion in 2022. The consideration for the transfer of the remaining 32% equity interest shall be determined based on the audited net profit of Harbin Jingyang for year ended 31 December 2021 after certain adjustments. A financial liability being the fair value of the redemption amount for the acquisition of the remaining 32% equity interest upon the exercise of the put option is recognised as financial liabilities for put options, and is subsequently measured at fair value with the change in carrying amount being recognised in profit or loss. As at 30 June 2022, the transfer of the remaining 32% equity interest is still under negotiation.

In April 2019, the Company entered into an acquisition agreement with third parties to acquire 89.6643% equity interest of Qingdao Huaren Property Co., Ltd. ("Qingdao Huaren") pursuant to which the original shareholders were guaranteed a put option to sell the remaining 10.3144% equity interest of Qingdao Huaren to the Company at their discretion during 2021 to 2023. The consideration for the transfer of the remaining 10.3144% equity interest shall be determined based on the audited net profit of Qingdao Huaren for year ended 31 December 2020 after certain adjustments. A financial liability being the fair value of the redemption amount for the acquisition of the remaining 10.3144% equity interest upon the exercise of the put option is recognised as financial liabilities for put options, and is subsequently measured at fair value with the change in carrying amount being recognised in profit or loss.

18 Fair value estimation (Continued)

(a) Fair value hierarchy (Continued)

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”.

- (b) The Group’s financial assets and liabilities at fair values included unlisted equity securities, wealth management products, funds and trusts, contingent consideration and financial liabilities for put options, 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 2022 and 2021:

	Financial assets at FVPL RMB'000	Financial assets at FVOCI RMB'000	Financial liabilities for put options RMB'000	Total RMB'000
Opening balance as at 1 January 2022 (Audited)	524,786	23,868	(107,358)	441,296
Addition	2,577,502	–	–	2,577,502
Net fair value gains/(losses) on FVPL	19,920	–	(31,086)	(11,166)
Finance costs (Note 10)	–	–	(5,298)	(5,298)
Disposal	(1,110,338)	–	–	(1,110,338)
Losses recognised in other comprehensive income	–	(3,117)	–	(3,117)
Closing balance as at 30 June 2022 (Unaudited)	2,011,870	20,751	(143,742)	1,888,879
Includes unrealised gains/(losses) recognised in profit or loss attributable to balances held at 30 June 2022	14,031	2,845	(81,563)	(64,687)
Opening balance as at 1 January 2021 (Audited)	579,914	29,122	(94,775)	514,261
Addition	1,452,380	–	–	1,452,380
Acquisition of subsidiaries	24,350	5,025	–	29,375
Net fair value gains on FVPL	18,064	–	1,974	20,038
Finance costs (Note 10)	–	–	(7,244)	(7,244)
Disposal	(1,394,642)	–	–	(1,394,642)
Gains recognised in other comprehensive income	–	4,721	–	4,721
Closing balance as at 30 June 2021 (Unaudited)	680,066	38,868	(100,045)	618,889
Includes unrealised gains/(losses) recognised in profit or loss attributable to balances held at 30 June 2021	11,736	–	(5,270)	6,466

18 Fair value estimation (Continued)

- (c) The Group invested in various wealth management products. They have an expected return rate ranging from 1.2% to 3.8%. The fair values of these investments were determined based on the expected return as stipulated in relevant contracts with the counterparties.

The fair value of investment in funds and trusts and certain wealth management product was determined based on the value reports provided by the fund management company, the trustees and the asset manager respectively.

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

Description	Fair value at 30 June 2022 RMB'000	Valuation techniques	Unobservable input	Range of inputs	Relationship of unobservable inputs to fair value
Contingent consideration	3,791	Discounted cash flow	Expected net profit	RMB414,960,000 -42,208,000	A change in expected net profit +/- 10% results in a decrease in fair value by RMB3,530,000/ an increase in fair value by RMB17,444,000
Unlisted equity securities	20,751	Guideline public companies method	Expected net profit	RMB21,134,000	A change in expected net profit +/- 10% results in a change in fair value by RMB2,058,000
Financial liabilities for put options	143,742	Discounted cash flow	Expected discount rate	16.1%-16.3%	A change in expected discount rate +/- 10% results in a decrease in fair value by RMB78,000/ an increase in fair value by RMB80,000

19 Share capital

	Number of shares		Share Capital	
	30 June 2022	31 December 2021	30 June 2022 RMB'000 (Unaudited)	31 December 2021 RMB'000 (Audited)
Issued and fully paid	1,420,000,800	1,420,000,800	1,420,001	1,420,001

20 Other reserves

	Share premium RMB'000	Statutory reserve RMB'000	Others RMB'000	Total RMB'000
As at 1 January 2022 (Audited)	5,270,220	327,152	17,387	5,614,759
Revaluation – gross	–	–	(1,871)	(1,871)
Deferred tax	–	–	468	468
Other comprehensive income	–	–	(1,403)	(1,403)
Appropriation of statutory reserves (Note (a))	–	22,002	–	22,002
As at 30 June 2022 (Unaudited)	5,270,220	349,154	15,984	5,635,358
As at 1 January 2021 (Audited)	3,138,053	249,196	15,262	3,402,511
Revaluation – gross	–	–	2,832	2,832
Deferred tax	–	–	(708)	(708)
Other comprehensive income	–	–	2,124	2,124
Appropriation of statutory reserves (Note (a))	–	38,061	–	38,061
Placing of new H Shares	2,590,844	–	–	2,590,844
As at 30 June 2021 (Unaudited)	5,728,897	287,257	17,386	6,033,540

(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 2022 RMB'000 (Unaudited)	31 December 2021 RMB'000 (Audited)
Borrowings included in non-current liabilities:		
Long-term bank borrowings – secured (Note (a))	23,196	28,850
Less: current portion of long-term bank borrowings	(14,144)	(16,405)
	9,052	12,445
Borrowings included in current liabilities:		
Short-term bank borrowings – secured (Note (b))	56,728	49,679
Short-term bank borrowings – unsecured	1,240	–
Add: current portion of long-term bank borrowings	14,144	16,405
	72,112	66,084
	81,164	78,529

(a) Secured long term bank loans

The secured long-term bank loans amounting to RMB23,196,000 as at 30 June 2022 were bearing with fixed interest rates of 3.85%-7.49% per annum and secured by certain PPE of the Group (Note 13). The principal was repayable monthly at a fixed amount.

(b) Secured short term bank loans

The secured short-term bank loans amounting to RMB56,728,000 as at 30 June 2022 were bearing a fixed interest rate of 5.00%-5.50% per annum, and secured by certain PPE of the Group (Note 13) and non-controlling interest.

(c) All the borrowings were denominated in RMB as at 30 June 2022.

22 Trade and other payables

	30 June 2022 RMB'000 (Unaudited)	31 December 2021 RMB'000 (Audited)
Trade payables (Note (a))		
– Related parties (Note 26 (d))	47,644	66,818
– Third parties	1,951,154	1,691,101
	1,998,798	1,757,919
Other payables		
– Related parties (Note 26 (d))	154,203	107,235
– Third parties	1,853,269	1,676,774
	2,007,472	1,784,009
Dividends payables	713,133	127,309
Accrued payroll	922,292	1,039,706
Other taxes payables	114,200	134,249
Total trade and other payables	5,755,895	4,843,192
Less: non-current portion of other payables	(40,612)	(35,190)
Current portion of trade and other payables	5,715,283	4,808,002

- (a) As at 30 June 2022 and 31 December 2021, 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 2022 RMB'000 (Unaudited)	31 December 2021 RMB'000 (Audited)
Trade payables		
Up to 1 year	1,856,224	1,656,020
1 to 2 years	102,770	79,110
2 to 3 years	25,978	10,711
Over 3 years	13,826	12,078
	1,998,798	1,757,919

As at 30 June 2022, trade and other payables were all denominated in RMB and the fair values of trade and other payables approximated their carrying amounts (31 December 2021: same).

23 Dividends

The directors do not recommend the payment of an interim dividend for six months ended 30 June 2022 (six months ended 30 June 2021: nil).

A final dividend of RMB0.41 per share for the year ended 31 December 2021, totalling RMB582,200,000 were declared at the annual general meeting held on 17 June 2022. These dividends have been distributed out of the Company's retained earnings.

24 Business combinations

During the period, the Group completed the acquisition of 100% equity interests in Tiantongyuan at a consideration of RMB400,000,000 and 90% of the equity interests in Tianjin Moruisi at a consideration of RMB3,910,000 respectively. Total identifiable net assets of these entities as at their respective acquisition date amounted to RMB214,355,000.

Goodwill of RMB191,670,000 primarily arose from the expected future development of these companies' business, improvement on market coverage, 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:

	As at respective acquisition date
	RMB'000 (Unaudited)
Cash consideration	403,910
Total purchase consideration	403,910
Recognised amounts of identifiable assets acquired and liabilities assumed	
Cash and cash equivalents	325,225
Property, plant and equipment (Note 13)	3,400
Customer relationship (Note 15)	232,033
Deferred income tax assets	2,289
Inventories	1,108
Trade and other receivables (Note (ii))	27,262
Trade and other payables	(267,445)
Current income tax liabilities	(8,143)
Contract liabilities	(43,366)
Deferred income tax liabilities	(58,008)
Total identifiable net assets	214,355
Less: non-controlling interests	(2,115)
Identifiable net assets attributable to the Company	212,240
Goodwill (Note 15)	191,670

24 Business combinations (Continued)

(i) Net cash outflow arising on acquisition during the six months ended 30 June 2022:

	RMB'000 (Unaudited)
Total cash considerations	403,910
Less: cash considerations paid in prior year	(120,000)
Add: cash considerations paid for a company acquired in the previous years	4,528
Cash considerations paid in the period	288,438
Less: cash and cash equivalents in the subsidiaries acquired	(325,225)
Cash inflow in the period	(36,787)

(ii) Acquired receivables

The fair value of acquired trade and other receivables is RMB27,262,000. The gross contractual amount for trade and other receivables due is RMB36,484,000, of which RMB9,222,000 is expected to be uncollectible.

(iii) Revenue and profit contribution

The acquired businesses contributed revenue of RMB135,386,000 and net profit of RMB9,492,000 to the Group for the period from the respective acquisition date to 30 June 2022.

If the acquisitions had occurred on 1 January 2022, the Group's consolidated pro-forma revenue and net profit for the six months ended 30 June 2022 would have been RMB7,619,866,000 and RMB1,149,495,000, respectively.

No contingent liability has been recognised for the business combination during the six months ended 30 June 2022.

(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 2022, a subsidiary was disposed of to a third party.

	Note	As at date of disposal RMB'000 (Unaudited)
Disposal considerations		
– Cash consideration received or receivable		–
Less:		
– total net assets of the subsidiary		(1,301)
Losses from disposal of subsidiary	9	(1,301)
Cash proceeds from disposal, net of cash disposed of		
Cash consideration received		–
Less: cash and cash equivalents in the subsidiary		(1,000,115)
Net cash outflow on disposal		(1,000,115)

26 Related party transactions

(a) Name and relationship with related parties

Name	Relationship
Agile Holdings 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 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 and its subsidiaries 綠地控股及其附屬公司	A shareholder having significant influence on the Company and its subsidiaries
CMIG Futurelife Holding Group Co., Ltd.* ("CMIG") and its subsidiaries 中民未來控股集團有限公司(「中民」)及其附屬公司	Non-controlling shareholder with significant influence 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
Chengdu Xueling Enterprise Management Co., Ltd.* 成都雪瓚企業管理有限公司	Associate of Agile Holdings
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

26 Related party transactions (Continued)

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

Name	Relationship
Guangzhou Lihe Real Estate Development Co., Ltd.* 廣州利合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
Sichuan Yaheng Real Estate Development Co., Ltd.* 四川雅恒房地產開發有限公司	Associate of Agile Holdings
Fuzhou Shengquan Real Estate Development Co., Ltd.* 福州盛全房地產開發有限公司	Associate of Agile Holdings
Guangzhou Zhongjian Longyuetai Real Estate Co., Ltd.* 廣州中建瓏悅臺置業有限公司	Associate of Agile Holdings
Avic Meili urban and Rural Sanitation Group Co.,Ltd.* 中航美麗城鄉環衛集團有限公司	Associate of the Group
Chongqing Weishi Property Management Co.,Ltd* 重慶衛士物業管理有限公司	Associate of the Group
Nanjing Haiyue Property Management Co.,Ltd* 南京海玥物業管理有限公司	Associate of the Group
Shanghai Zunrong Security Service Co., Ltd.* 上海尊榮保安服務有限公司	Associate of the Group

26 Related party transactions (Continued)

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

Name	Relationship
Shenzhen Huilongcheng Property Management Co.,Ltd* 深圳市匯龍城物業管理有限公司	Associate of the Group
Square Asset Management Limited.*	Associate of the Group
Tianjin Zhuosen Business Management Co.,Ltd.* 天津卓森商業管理有限公司	Associate of the Group
Jianfa A-Living Urban Services Co., Ltd.* 建發雅生活(青島)智慧城市運營服務有限公司	Associate of the Group
Guangzhou Huibang Property Co., Ltd.* 廣州市暉邦置業有限公司	Joint venture 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 venture of Greenland Holdings
Guangzhou Greenland Baiyun Property Co., Ltd.* 廣州綠地白雲置業有限公司	Joint venture of Greenland Holdings
Huizhou Huiyang Agile Real Estate Development Co., Ltd* 惠州市惠陽雅居樂房地產開發有限公司	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
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
Weihai Yalan Investment Co., Ltd.* 威海雅藍投資開發有限公司	Joint venture of Agile Holdings

26 Related party transactions (Continued)

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

Name	Relationship
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
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
Kaifeng Fenghui Property Co., Ltd.* 開封豐輝置業有限公司	Joint venture of Agile Holdings
Wenhua Zhongshan Real Estate Co., Ltd.* 中山市文華房地產有限公司	Joint venture of Agile Holdings
Yangzhou Yahao Business Management Co., Ltd.* 揚州雅昊商務管理有限公司	Joint venture of Agile Holdings
Chengdu Xueling Enterprise Management Co., Ltd.* 成都雪瓚企業管理有限公司	Joint venture of Agile Holdings
Jiangxi Jianda Investment Co., Ltd.* 江西建大投資有限公司	Joint venture of Agile Holdings
Guigang Shenghe Property Service Co., Ltd.* 貴港市盛和物業服務有限公司	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
Qingdao Qinglv City Services Co., Ltd.* 青島青旅城市服務有限公司	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.

26 Related party transactions (Continued)**(b) Transactions with related parties**

	Six months ended 30 June	
	2022	2021
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Provision of services		
Entities controlled by Agile Holdings	1,046,599	1,251,002
Greenland Holdings and entities controlled by Greenland Holdings	124,395	202,698
Joint ventures and associates of Agile Holdings	122,842	198,600
Joint ventures and associates of the Group	723	6,244
Entities controlled by the Founding Shareholders	267	388
Joint ventures of Greenland Holdings	123	305
CMIG and entities controlled by CMIG	–	101
	1,294,949	1,659,338
Purchase of goods and services		
Associates of the Group	9,131	20,514
CMIG and entities controlled by CMIG	–	175
Greenland Holdings and entities controlled by Greenland Holdings	2,357	1,622
Associates of Agile Holdings	–	751
Entities controlled by Agile Holdings	6,007	3,802
	17,495	26,864
Interest income on loans due from related parties		
Associates of the Group	3,848	–
Rental expenses related to short-term and low-value leases		
Entities controlled by the Founding Shareholders	1,527	1,102
Entities controlled by Agile Holdings	1,880	472
A Founding Shareholder of Agile Holdings	223	–
	3,630	1,574
Interest expense for lease liabilities		
Entities controlled by Agile Holdings	91	41
Entities controlled by the Founding Shareholders	–	8
	91	49
Payments of lease liabilities		
Entities controlled by Agile Holdings	589	512
Entities controlled by the Founding Shareholders	–	212
Associates of the Group	–	12
	589	736
Payments of deposits (Note (i))		
Entities controlled by Agile Holdings	700,000	–

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)

(b) Transactions with related parties (continued)

- (i) On 22 April 2022, the Company entered into the Parking Space Leasing and Sales Agency Services Framework Agreement with Agile Holdings, pursuant to which Agile Holdings agreed to grant the exclusive agency right to the Group for sales and lease of parking spaces of Agile Holdings and its subsidiaries for the period ending 31 December 2024, and the Group should pay the deposits to the Agile Group not exceeding 30% of the estimated minimum selling price or rental price of the parking spaces. The deposits were unsecured and should be returned for the parking spaces sold or leased on a monthly basis, the remaining balance of such deposits shall be repayable within one month either after the expiration of the relevant service periods or the termination of the relevant agreements.

(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	
	2022	2021
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Salaries and other short-term employee benefits	4,812	4,561
Contribution to pension scheme	112	120
	4,924	4,681

26 Related party transactions (Continued)**(d) Balances with related parties**

	30 June 2022 RMB'000 (Unaudited)	31 December 2021 RMB'000 (Audited)
Due from related parties		
– Trade receivables		
Entities controlled by Agile Holdings	1,719,163	631,094
Greenland Holdings and entities controlled by Greenland Holdings	517,499	544,532
Joint ventures and associates of Agile Holdings	405,181	323,270
Joint ventures and associates of the Group	16,256	15,882
Joint ventures of Greenland Holdings	3,887	3,757
CMIG and entities controlled by CMIG	4,140	5,468
	2,666,126	1,524,003
– Other receivables (Note (i))		
Joint ventures and associates of the Group	33,881	208,960
Entities controlled by Agile Holdings	750,075	28,291
Joint ventures and associates of Agile Holdings	21,885	18,090
Greenland Holdings and entities controlled by Greenland Holdings	25,581	19,760
Entities controlled by the Founding Shareholders	3,098	2,912
CMIG and entities controlled by CMIG	–	165
	834,520	278,178
– Prepayments		
Greenland Holdings and entities controlled by Greenland Holdings (Note (ii))	288,610	285,142
Entities controlled by Agile Holdings	1,769	1,412
Joint venture and associates of Agile Holdings	184	234
Associates of the Group	–	2,000
	290,563	288,788
Total receivables due from related parties	3,791,209	2,090,969

26 Related party transactions (Continued)

(d) Balances with related parties (continued)

	30 June 2022 RMB'000 (Unaudited)	31 December 2021 RMB'000 (Audited)
Due to related parties		
– Trade payables		
Associates of the Group	19,211	42,730
Entities controlled by Agile Holdings	22,291	21,439
Entities controlled by the Founding Shareholders	16	–
Greenland Holdings and entities controlled by Greenland Holdings	4,763	320
Joint ventures and associates of Agile Holdings	308	253
CMIG and entities controlled by CMIG	1,055	2,076
	47,644	66,818
– Other payables		
Entities controlled by Agile Holdings	97,119	92,599
Associates of the Group	16,739	7,661
Greenland Holdings and entities controlled by Greenland Holdings	37,811	3,883
Joint ventures and associates of Agile Holdings	2,311	2,647
A Founding Shareholder of Agile Holdings	223	445
	154,203	107,235
– Contract liabilities		
Entities controlled by Agile Holdings	26,017	37,382
Associate of the Group	5	–
Joint ventures and associates of Agile Holdings	7,136	8,042
Greenland Holdings and entities controlled by Greenland Holdings	5,737	3,461
	38,895	48,885
Total payable due to related parties	240,742	222,938

- (i) Other receivables due from related parties are unsecured and repayable on demand, except for the rental deposits which are repayable upon maturity of rental period according to the respective contracts and the deposits paid for the Parking Space Leasing and Sales Agency Services Framework Agreement (Note 26(b)(i)). Part of other receivables due from related parties are interest-bearing, see Note 26(e) below.
- (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)**(e) Loans and interest receivables due from related parties**

	Six months ended 30 June	
	2022	2021
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
As at beginning of the period	197,243	–
Addition	–	150,000
Interest income (Note 8)	3,848	–
Non-cash changes (Note 24 (i))	(120,000)	–
Repayments from related parties	(64,974)	–
As at end of the period	16,117	150,000

Loans due from related parties bear an interest rate of 5.0% per annum and are repayable in one year.