JINKE 金科服务

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Jinke Smart Services Group Co., Ltd.

金科智慧服務集團股份有限公司

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

(Stock Code: 9666)

ANNOUNCEMENT OF UNAUDITED INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2024

RESULTS HIGHLIGHTS

- During the Period, total revenue of the Group was approximately RMB2,410.2 million, representing a decrease of approximately 2.2% from approximately RMB2,464.8 million for the corresponding period in 2023. During the Period, revenue generated from space property management services, local catering services, community value-added services and smart living technology solutions contributed approximately 85.0%, 8.9%, 5.4% and 0.7% to the total revenue, respectively.

- Revenue generated from space property management services of the Group amounted to approximately RMB2,048.1 million, representing an increase of approximately 0.9% from approximately RMB2,029.9 million for the corresponding period in 2023, of which, revenue generated from property management services of core and principal business amounted to approximately RMB2,011.0 million, representing an increase of approximately 3.4% from approximately RMB1,944.7 million for the corresponding period in 2023. The GFA under management of the Group was approximately 247.7 million sq.m. as of 30 June 2024, of which approximately 51.3% belonged to properties developed by Independent Third Parties. The Group's contracted GFA was approximately 326.3 million sq.m., approximately 61.2% of which belonged to properties developed by Independent Third Parties.

- Gross profit of the Group for the Period was approximately RMB464.2 million, representing a decrease of approximately 17.6% from approximately RMB563.5 million for the corresponding period in 2023, and gross profit margin of the Group was 19.3% for the Period, of which the gross profit margin of property management services was 17.8%.

- The Group's loss for the Period amounted to approximately RMB190.3 million, and the loss attributable to owners of the Company for the Period amounted to approximately RMB194.4 million.

- As at 30 June 2024, the Group had cash and cash equivalents and term deposits and restricted cash and current financial assets at fair value through profit or loss in aggregate of approximately RMB2,952.9 million.

INTERIM RESULTS

The board (the "**Board**") of directors (the "**Directors**") of Jinke Smart Services Group Co., Ltd. (the "**Company**") is pleased to announce the unaudited consolidated interim results of the Company and its subsidiaries (the "**Group**" or "**we**") for the six months ended 30 June 2024 (the "**Period**"), together with comparative figures for the six months ended 30 June 2023, as follows:

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE SIX MONTHS ENDED 30 JUNE 2024

		Six months ended 30 June	
		2024	2023
		RMB'000	*RMB'000*
	Note	**(Unaudited)**	(Unaudited)
Revenue	*4*	**2,410,155**	2,464,841
Cost of sales	*5*	**(1,945,947)**	(1,901,329)
Gross profit		**464,208**	563,512
Selling and marketing expenses	*5*	**(10,375)**	(1,242)
Administrative expenses	*5*	**(304,254)**	(252,217)
Net impairment losses on financial assets		**(332,787)**	(146,659)
Other income	*6*	**29,579**	78,936
Other losses -net	*7*	**(35,456)**	(3,086)
Operating (loss)/profit		**(189,085)**	239,244
Finance income		**16,848**	23,002
Finance costs		**(5,895)**	(5,295)
Finance income-net		**10,953**	17,707
Share of net profits of associates and joint ventures accounted for using the equity method		**11,213**	9,301
Impairment loss on investment in an associate		**(17,727)**	–
(Loss)/Profit before income tax		**(184,646)**	266,252
Income tax expenses	*8*	**(5,655)**	(50,168)
(Loss)/Profit and total comprehensive income for the period		**(190,301)**	216,084
(Loss)/Profit and comprehensive income attributable to:			
– Owners of the Company		**(194,430)**	189,479
– Non-controlling interests		**4,129**	26,605
		(190,301)	216,084
(Losses)/Earnings per share (expressed in RMB per share)			
– Basic and diluted (losses)/earnings per share	*9*	**(0.32)**	0.29

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2024

	Note	**As at 30 June 2024 RMB'000 *(Unaudited)***	As at 31 December 2023 RMB'000 *(Audited)*
Assets			
Non-current assets			
Property, plant and equipment		**153,737**	162,297
Right-of-use assets		**213,325**	256,916
Investment properties		**13,676**	18,859
Goodwill	*14*	**309,968**	324,681
Other intangible assets	*14*	**269,516**	289,297
Investments in associates and joint ventures		**189,625**	187,594
Other receivables	*11*	**79,536**	80,271
Prepayments for acquisition of equity interests	*11*	**7,187**	14,219
Term deposits		**500,613**	120,000
Financial assets at fair value through profit or loss ("**FVPL**")		**45,317**	45,317
Deferred income tax assets		**531,645**	490,941
		2,314,145	1,990,392
Current assets			
Inventories		**28,054**	28,452
Other assets		**14,220**	11,673
Loan receivable	*10*	**303,553**	372,200
Trade and bill and other receivables and prepayments	*11*	**1,983,890**	2,093,827
Financial assets at FVPL		**144,862**	3,000
Restricted cash		**339,646**	152,238
Term deposits		**182,673**	100,000
Cash and cash equivalents	*12*	**1,785,129**	2,905,545
		4,782,027	5,666,935
Total assets		**7,096,172**	7,657,327

	Note	As at 30 June 2024 RMB'000 (Unaudited)	As at 31 December 2023 RMB'000 (Audited)
Equity			
Equity attributable to owners of the Company			
Share capital		**623,822**	639,479
Other reserves		**5,419,447**	5,428,993
Accumulated losses		**(2,184,968)**	(1,990,538)
		3,858,301	4,077,934
Non-controlling interests		**9,410**	19,313
Total equity		**3,867,711**	4,097,247
Liabilities			
Non-current liabilities			
Lease liabilities		**92,312**	97,417
Financial instruments issued to investors		**45,950**	44,989
Deferred income tax liabilities		**42,228**	44,871
		180,490	187,277
Current liabilities			
Financial liabilities at fair value through profit or loss		**38,435**	38,435
Trade and bill and other payables	*13*	**2,185,619**	2,372,376
Lease liabilities		**16,701**	26,515
Contract liabilities	*4(a)*	**764,348**	880,682
Current income tax liabilities		**42,868**	54,795
		3,047,971	3,372,803
Total liabilities		**3,228,461**	3,560,080
Total equity and liabilities		**7,096,172**	7,657,327

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2024

1 GENERAL INFORMATION

Jinke Smart Services Group Co., Ltd. (the "Company" or "Jinke Services", formerly known as "Jinke Property Service Group Co., Ltd.") was established in the People's Republic of China (the "PRC") as a limited liability company on 18 July 2000. The address of the Company's registered office is No. 484-1, Panxi Road, Shimahe Street, Jiangbei District, Chongqing, PRC.

The Company's shares were listed on the main board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") on 17 November 2020 (the "Listing").

The Company and its subsidiaries (the "Group") are primarily engaged in the provision of space property management services, local catering services, community value-added services and smart living technology solutions in the PRC.

On 27 September 2022, the Company and Thematic Bridge Investment Pte. Ltd. (the "Offeror") jointly announced that the Offeror would make a voluntary conditional general cash offer to acquire all of the shares of the Company (the "Offer"). The Offeror is an investment holding company incorporated in Singapore which is controlled by funds managed by subsidiaries of Boyu Group, LLC ("Boyu") in their capacity as the general partner of such funds.

Before the completion of the Offer, Boyu was the second largest shareholder of Jinke Services, Boyu and its subsidiaries (the "Boyu Group") owned 22.69% of the total issued share capital of the Company at that moment. The Company's largest shareholder and original parent company was Jinke Property Group Co., Ltd. ("Jinke Property"), a real estate company established in the PRC and listed on the Shenzhen Stock Exchange Co., Ltd., stock code SZ 000656. Jinke Property owned 30.34% of the total issued share capital of the Company.

On 22 November 2022, the Offeror and the Company jointly announced the results of the Offer. Approximately 7.15% of the issued share capital of the Company were purchased by the Offeror on-market, and approximately 4.79% of the issued share capital of the Company had received valid acceptances by the Offeror, hence Boyu Group became the largest shareholder of the Company with shareholding ratio of 34.63%. Both Boyu and Jinke Property have significant influence over Jinke Services as a result of the Offer. As of 30 June 2024, Boyu Group owned 36.24% of the total issued share capital of the Company.

On 26 December 2023, 35,000,000 shares of the Company beneficially owned by Jinke Property had been transferred to a third-party as a result of an enforcement of judicial ruling against Jinke Property. Immediately following the transfer of shares, the shareholding of Jinke Property in the Company has decreased to 162,977,875 Shares, representing approximately 25.49% of the total issued share capital of the Company. As of 30 June 2024, Jinke Property owned 26.13% of the total issued share capital of the Company.

This condensed consolidated interim financial information is presented in Renminbi ("RMB"), unless otherwise stated. This condensed consolidated interim financial information has been approved for issue by the board of directors (the "Board") on 26 August 2024.

The condensed consolidated interim financial information has been reviewed, not audited.

2 ACCOUNTING POLICIES

The accounting policies applied are consistent with those of the annual financial statements for the year ended 31 December 2023, as described in those annual financial statements, except for the estimation of income tax using the tax rate that would be applicable to expected total annual earnings, the adoption of new and amended HKFRSs effective for the financial period beginning on 1 January 2024 below.

(a) New and amended standards adopted by the Group

The following amendments to standards have been adopted by the Group for the financial period beginning on 1 January 2024

HKAS 1 (Amendments)	Classification of Liabilities as Current or Non-current and Non-current liabilities with covenants
HKFRS 16 (Amendments)	Lease liability in sale and leaseback
HKAS 7 and HKFRS 7 (Amendments)	Supplier Finance Arrangements
Hong Kong Interpretation 5 (Revised)	Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause

The adoption of these standards and the new accounting policies disclosed did not have any significant impact on the Group's accounting policies and did not require retrospective adjustments.

(b) New standards and amendments not yet effective for the financial period beginning on 1 January 2024 and not early adopted by the Group.

Up to the date of issuance of this report, the Hong Kong Institute of Certified Public Accountants has issued the following new amendments to existing standards which are not yet effective and have not been early adopted by the Group:

		Effective for annual periods beginning on or after
HKAS 21 (Amendments)	Lack of Exchangeability	1 January 2025
HKFRS 10 and HKAS 28 (Amendments)	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	To be determined

The Group has already commenced an assessment of the impact of these new standards and amendments. According to the preliminary assessment made by the Group, no significant impact on the Group's consolidated financial statements is expected when they become effective.

3 SEGMENT INFORMATION

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

During the six months ended 30 June 2024 and 2023, the Group is principally engaged in the provision of space property management services, local catering services, community value-added services and smart living technology solutions in the PRC.

During the six months ended 30 June 2024 and 2023, all the segments are domiciled in the PRC and all the revenue are derived in the PRC, and the segments are principally engaged in the provision of similar services to similar customers. All operating segments of the Group were aggregated into a single operating segment.

These assets and liabilities are allocated based on the operations of the segment and the physical location of the assets and liabilities.

As at 30 June 2024, cash and cash equivalents of Hong Kong dollars ("HK$")4,000 (equivalent to RMB3,700) and United States dollars ("US$")6,000 (equivalent to RMB43,000), and term deposit of US$860,000 (equivalent to RMB6,129,000) were temporarily deposited in the Group's bank accounts in Hong Kong. Except for this, all of the Group's assets are situated in the Mainland of PRC.

4 REVENUE

Revenue mainly comprises proceeds from space property management services, local catering services, community value-added services and smart living technology solutions. An analysis of the Group's revenue by category for the six months ended 30 June 2024 and 2023 was as follows:

	Six months ended 30 June	
	2024	2023
	RMB'000	*RMB'000*
	(Unaudited)	*(Unaudited)*
Recognized over time		
– Space property management services	**2,048,071**	2,029,877
– Local catering services	**9,129**	9,204
– Community value-added services	**114,367**	119,686
– Smart living technology solutions	**15,967**	27,590
	2,187,534	2,186,357
Recognized at a point in time		
– Local catering services	**205,035**	232,930
– Community value-added services	**15,133**	40,311
– Smart living technology solutions	**2,453**	5,243
	222,621	278,484
	2,410,155	2,464,841

For the six months ended 30 June 2024 and 2023, revenue from the Jinke Property Group contributed 1% and 3% of the Group's revenue, respectively. Other than the Jinke Property Group, the Group has a large number of customers, none of whom contributed 10% or more of the Group's revenue.

(a) Contract liabilities

The Group has recognized the following revenue-related contract liabilities:

	As at 30 June 2024 ***RMB'000*** ***(Unaudited)***	As at 31 December 2023 *RMB'000* *(Audited)*
Space property management services	**737,974**	856,406
Local catering services	**14,172**	12,297
Community value-added services	**6,632**	8,278
Smart living technology solutions	**5,570**	3,701
	764,348	880,682

5 EXPENSES BY NATURE

	Six months ended 30 June	
	2024	2023
	RMB'000	*RMB'000*
	(Unaudited)	*(Unaudited)*
Employee benefit expenses	**985,754**	894,309
Greening and cleaning expenses	**408,633**	413,819
Security charges	**261,133**	249,749
Utilities	**149,925**	132,621
Maintenance costs	**108,068**	118,703
Consumables, food and beverages	**49,301**	80,075
Depreciation and amortization charges	**48,726**	40,174
Professional fee	**25,315**	16,129
Travelling and entertainment expenses	**21,971**	19,336
Community activities expenses	**17,957**	9,028
Office expenses	**17,746**	22,974
Cost of goods sold	**17,578**	16,690
Taxes and other levies	**10,393**	9,380
Raw materials	**9,809**	10,356
Bank and other payment platforms charges	**9,620**	8,702
Software and IT service fee	**5,726**	1,748
Short-term lease expenses	**5,281**	7,449
Impairment charges of investment properties	**4,803**	–
Audit services		
—Audit services	**2,556**	2,172
—Non-audit services	**486**	1,845
Others	**99,795**	99,529
Total cost of sales, selling and marketing expenses and administrative expenses	**2,260,576**	2,154,788

6 OTHER INCOME

	Six months ended 30 June	
	2024	2023
	RMB'000	*RMB'000*
	(Unaudited)	*(Unaudited)*
Interest income from loans to related parties	**10,994**	59,627
Government grants *(Note (a))*	**10,117**	11,857
Interest income from term deposits	**5,983**	–
Interest income on finance lease	**2,428**	1,816
Value-added tax ("**VAT**") deductible *(Note (b))*	**–**	5,099
Others	**57**	537
	29,579	78,936

(a) The government grants mainly represent financial subsidies granted by local government. There are no unfulfilled conditions or other contingencies attached to these grants.

(b) VAT deductible mainly included additional deduction of input value-added tax applicable to certain subsidiaries based on the VAT policy and the policy terminated on 31 December 2023.

7 OTHER LOSSES - NET

	Six months ended 30 June	
	2024	2023
	RMB'000	*RMB'000*
	(Unaudited)	*(Unaudited)*
Impairment of goodwill	**(14,713)**	–
Loss on provision of compensation	**(8,035)**	–
Impairment of prepayments	**(7,032)**	–
Net foreign exchange (losses)/gains	**(1,506)**	1,787
(Losses)/gains on disposal of subsidiaries	**(435)**	2,067
Gains/(Losses) on disposal of long-term assets and other asset	**9,095**	(3,560)
Gains on early termination of lease contracts	**962**	2,236
Fair value gains on financial assets at FVPL	**898**	–
Others	**(14,690)**	(5,616)
	(35,456)	(3,086)

8 INCOME TAX EXPENSES

	Six months ended 30 June	
	2024	2023
	RMB'000	*RMB'000*
	(Unaudited)	*(Unaudited)*
Current income tax		
— PRC corporate income tax	**51,701**	76,554
Deferred income tax		
— PRC corporate income tax	**(46,046)**	(26,386)
	5,655	50,168

The income tax expense for the period can be reconciled to the (loss)/profit before income tax per the consolidated statement of comprehensive income as follows:

	Six months ended 30 June	
	2024	2023
	RMB'000	*RMB'000*
	(Unaudited)	*(Unaudited)*
(Loss)/Profit before income tax	**(184,646)**	266,252
Tax charge at effective rate applicable to profits in the respective group entities	**(37,480)**	30,569
Tax effects of:		
— Expenses not deductible for tax purposes	**5,710**	3,332
— Tax effect of super deduction	**(755)**	(558)
— Effect of income not subject to income tax	**(1,847)**	(641)
—The impact of change in tax rate applicable to subsidiaries	**1,297**	5,036
—Tax losses and deductible temporary differences for which no deferred tax asset was recognized	**33,401**	12,430
—Under-provision in respect of prior years	**5,329**	–
Total income tax expenses	**5,655**	50,168

Hong Kong profits tax

No Hong Kong profits tax was applicable to the Group for the period ended 30 June 2024. There was a subsidiary incorporated in Hong Kong. No Hong Kong profit tax was provided for this Hong Kong subsidiary as there was no estimated taxable profits that was subject to Hong Kong profits tax during the period ended 30 June 2024 (six months ended 30 June 2023: same).

PRC corporate income tax

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

The general corporate income tax rate in the PRC is 25%. The Company and most of subsidiaries of the Group in the PRC are located in western cities, and they are subject to a preferential income tax rate of 15% for certain years.

Certain operations of the Group in the PRC were qualified as "Small Low-Profit Enterprise" and taxed at reduced tax rate of 20% from 1 January 2008. During the period ended 30 June 2024, the "Small Low-Profit Enterprise" whose taxable income less than RMB3 million can enjoy the preferential income tax treatment with the income tax rate of 20% and is eligible to have their tax calculated based on 25% of their taxable income.

9 (LOSSES)/EARNINGS PER SHARE

The basic (losses)/earnings per share is calculated by dividing the (loss)/profit attributable to owners of the Company by the weighted average number of ordinary shares during the six months ended 30 June 2024 and 2023.

The share award scheme granted and remained unexercised are not included in the calculation of diluted (losses)/earnings per share because performance conditions has not been met at the end of the reporting period.

Diluted (losses)/earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. For the six months ended 30 June 2024 and 2023, the Company had share-based awards. For the six months ended 30 June 2024 and 2023, these potential ordinary shares were not included in the calculation of (losses)/earnings per share as their inclusion would be anti-dilutive. Accordingly, diluted (losses)/earnings per share for the six months ended 30 June 2024 is the same as basic (losses)/earnings per share.

	Six months ended 30 June	
	2024	2023
	(Unaudited)	*(Unaudited)*
(Loss)/Profit attributable to owners of the Company (RMB'000)	**(194,430)**	189,479
Weighted average number of ordinary shares (in thousands)	**613,041**	645,919
Basic and diluted (losses)/earnings per share for (loss)/profit attributable to the owners of the Company during the period (expressed in RMB per share)	**(0.32)**	0.29

10 LOAN RECEIVABLE

	As at 2024	As at 2023
	30 June	31 December
	RMB'000	*RMB'000*
	(Unaudited)	*(Audited)*
Loan to a related party		
— A related party	**1,634,644**	1,623,908
Less: allowance for impairment of loan receivable	**(1,331,091)**	(1,251,708)
	303,553	372,200
Loan to a related party		
Beginning of the period	**372,200**	1,386,666
Interest charged	**10,736**	118,299
Loss allowance charged	**(79,383)**	(1,132,765)
	303,553	372,200

Loan to a related party represented the loan in the principal amount of RMB1,500 million advanced by the Company to Jinke Property (the "Loan"). Pursuant to the loan agreement, the Loan bearing with fixed interest rate 8.6% per annum was secured by certain assets owned by Jinke Property Group as collaterals. The fair value of the collaterals as at 30 June 2024 was RMB1,901,362,000 (31 December 2023: RMB2,067,090,000), which has been valued by an independent professional valuer.

In March 2023, Jinke Property was default in repaying the Loan. In February 2024, Jinke Property submitted the bankruptcy reorganization application to the Fifth Intermediate People's Court of Chongqing, and then the court accepted the bankruptcy reorganization application on 22 April 2024.

Management assessed the provision for impairment of the Loan by considering scenarios weightings, recovery rate of possible bankruptcy reorganization or liquidation and other factors. Management considered the allowance for impairment of the Loan provided at 30 June 2024 is appropriate, and the allowance of the Loan will be subject to the subsequent scenarios weightings, possible bankruptcy reorganization plan and macroeconomic variables.

11 TRADE AND BILL AND OTHER RECEIVABLES AND PREPAYMENTS

	As at 2024 30 June *RMB'000* *(Unaudited)*	As at 2023 31 December *RMB'000* *(Audited)*
Trade receivables *(Note (a))*		
— Third parties	**2,345,616**	2,235,628
— Related parties	**697,736**	676,314
	3,043,352	2,911,942
Less: allowance for impairment of trade receivables	**(1,535,098)**	(1,369,516)
	1,508,254	1,542,426
Bill receivables		
— Third parties	**1,449**	4,018
— Related parties	**15,450**	15,450
	16,899	19,468
Less: allowance for impairment of bill receivables	**(15,450)**	(15,450)
	1,449	4,018
Other receivables		
— Third parties	**730,027**	757,983
— Related parties	**498,515**	510,588
	1,228,542	1,268,571
Less: allowance for impairment of other receivables	**(859,586)**	(815,726)
	368,956	452,845

	As at 2024 30 June RMB'000 (Unaudited)	As at 2023 31 December RMB'000 (Audited)
Prepayments		
— Third parties	**57,318**	57,957
— Related parties	**4,659**	7,184
	61,977	65,141
Finance lease receivables *(Note (b))*		
— Third parties	**1,760**	2,386
— Related parties	**79,520**	79,249
	81,280	81,635
Input VAT to be deducted	**48,697**	42,252
Total	**2,070,613**	2,188,317
Less: non-current portion of other receivables – Finance lease receivables *(Note (b))*	**(79,536)**	(80,271)
Less: non-current portion of prepayments	**(7,187)**	(14,219)
Current portion of trade and bill and other receivables and prepayments	**1,983,890**	2,093,827

(a) Trade receivables mainly arise from space property management services income.

Space property management services income are received in accordance with the terms of the relevant services agreements. Service income from space property management service is due for payment by the residents upon the issuance of demand note and property developers upon the issuance of document of settlement.

(b) Included in the other receivables balance are the finance lease receivables with aggregate carrying amount of approximately RMB81,280,000 (31 December 2023: RMB81,635,000). Certain leased properties were classified as finance leases as the terms of the lease transfer substantially all the risks and rewards incidental to lessees. Amounts due from lessees under finance leases are recognised as finance lease receivables which included in the non-current and current other receivables amounting to approximately RMB79,536,000 and RMB1,744,000 (31 December 2023: RMB80,271,000 and RMB1,364,000), respectively.

As at 30 June 2024 and 31 December 2023 the ageing analysis of the trade receivables based on invoice date were as follows:

	As at 30 June 2024	As at 31 December 2023
	RMB'000	*RMB'000*
	(Unaudited)	*(Audited)*
Up to 1 year	**1,245,991**	1,311,561
Over 1 year	**1,797,361**	1,600,381
	3,043,352	2,911,942

The Group applies the simplified approach to provide for expected credit losses prescribed by HKFRS 9. As at 30 June 2024, a provision of RMB1,535,098,000 was made against the gross amounts of trade receivables (31 December 2023: RMB1,369,516,000).

(c) The movement of loss allowance for trade receivables, loan receivable, other receivables and finance lease receivables and bill receivables are as follows:

	Trade receivables	**Loan receivable, other receivables and finance lease receivables**	**Bill receivables**	**Total**
	RMB'000	***RMB'000***	***RMB'000***	***RMB'000***
At 1 January 2024	**1,369,516**	**2,067,434**	**15,450**	**3,452,400**
Provision for loss allowance recognized in profit or loss	**198,401**	**134,386**	**–**	**332,787**
Receivables written off during the period as uncollectible	**(15,020)**	**(11,067)**	**–**	**(26,087)**
Others	**(17,799)**	**(76)**	**–**	**(17,875)**
At 30 June 2024	**1,535,098**	**2,190,677**	**15,450**	**3,741,225**

12 CASH AND CASH EQUIVALENTS

	As at 30 June 2024	As at 31 December 2023
	RMB'000	*RMB'000*
	(Unaudited)	*(Audited)*
Cash at banks, payment platforms and on hand *(Note (a))*		
— Denominated in RMB	**1,776,283**	2,891,490
— Denominated in HK$	**8,692**	7,904
— Denominated in US$	**154**	6,151
	1,785,129	2,905,545

(a) The conversion of RMB denominated balances into foreign currencies and the remittance of such foreign currencies denominated bank balances and cash out of the PRC are subject to relevant rules and regulation of foreign exchange control promulgated by the PRC government.

13 TRADE AND BILL AND OTHER PAYABLES

	As at 30 June 2024 RMB'000 (Unaudited)	As at 31 December 2023 RMB'000 (Audited)
Trade payables *(Note (b))*		
— Third parties	**773,083**	996,020
— Related parties	**15,889**	17,032
	788,972	1,013,052
Bill payables		
— Third parties	**169,515**	105,572
— Related parties	**7,718**	4,995
	177,233	110,567
Other payables		
—Third parties	**842,045**	864,543
— Related parties	**74,213**	64,282
	916,258	928,825
Accrued payroll	**232,461**	248,303
Other taxes payables	**68,792**	71,629
Amounts received in advance	**1,903**	–
	303,156	319,932
	2,185,619	2,372,376

(a) As at 30 June 2024 and 31 December 2023, the carrying amounts of trade and bill and other payables approximated their fair values.

(b) As at 30 June 2024 and 31 December 2023, the ageing analysis of the trade payables based on invoice date were as follows:

	As at 30 June 2024 RMB'000 (Unaudited)	As at 31 December 2023 RMB'000 (Audited)
Up to 1 year	**650,900**	944,673
Over 1 year	**138,072**	68,379
	788,972	1,013,052

14 INTANGIBLE ASSETS

	Goodwill *RMB'000*	Customer relationship *RMB'000*	Software and others *RMB'000*	Total *RMB'000*
As at 1 January 2024 (Audited)				
Cost	755,192	305,059	55,497	1,115,748
Accumulated amortization	–	(47,296)	(23,963)	(71,259)
Accumulated impairment	(430,511)	–	–	(430,511)
Net book amount	324,681	257,763	31,534	613,978
Six months ended 30 June 2024 (Unaudited)				
Opening net book amount	**324,681**	**257,763**	**31,534**	**613,978**
Additions	**–**	**–**	**959**	**959**
Amortization	**–**	**(15,253)**	**(5,487)**	**(20,740)**
Impairment	**(14,713)**	**–**	**–**	**(14,713)**
Closing net book amount	**309,968**	**242,510**	**27,006**	**579,484**
As at 30 June 2024 (Unaudited)				
Cost	**755,192**	**305,059**	**56,456**	**1,116,707**
Accumulated amortization	**–**	**(62,549)**	**(29,450)**	**(91,999)**
Accumulated impairment	**(445,224)**	**–**	**–**	**(445,224)**
Net book amount	**309,968**	**242,510**	**27,006**	**579,484**

No intangible asset is restricted or pledged as security for liabilities as at 30 June 2024 (31 December 2023: nil).

15 DIVIDENDS

The Board resolved not to declare any interim dividend for the six months ended 30 June 2024 (30 June 2023: nil).

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS OVERVIEW

The Group is China's leading, high-quality third party comprehensive service provider in the PRC and ranked the first in the Southwestern China Region. We have a multi-format, and comprehensive service product matrix covering residential buildings, mid-to-high end commercial office buildings, industrial parks, schools, hospitals, public construction, and urban services. Through our four growth curves "SCLT", namely, (i) space property management services (Space); (ii) local catering services (Catering); (iii) community value-added services (Life); and (iv) smart living technology solutions (Technology), we are committed to providing one-stop, all-time high quality services to various customers.

Relying on our industry-leading overall strength and brand influence, the Group was recognized by the China Index Academy ("**CIA**") as the "Top 10 among the Top 100 China Property Management Companies in terms of Overall Strength" (中國物業服務百強企業綜合實力 Top10) and the "Top 10 among the Top 100 China Property Management Companies in terms of Service Scale" (中國物業服務百強企業服務規模 Top10) for nine consecutive years, and the Group's market share in central and western China Region has ranked the first for eight consecutive years. In 2024, with high service capabilities, we were awarded the "Top 3 of both the Top 100 Property Management Companies in China in Customer Satisfaction Rate" (中國物業服務百強滿意度領先企業) and the "Top 100 Property Management Companies in China in Service Quality" (中國物業服務百強服務質量領先企業). Relying on our multi-format and comprehensive service capabilities, we were awarded the Excellent Service Enterprise by Integrated Facility Management ("**IFM**") for Listed China Property Management Companies and the Leading Chinese Property Service Enterprise in Technology Enablement by the CIA. We insisted on our urban density strategy and were awarded one of the "Top 10 Property Service Companies in Comprehensive Strength" (物業服務企業綜合實力 Top10) in Chongqing, Wuxi, Chengdu, and Zhengzhou by the CIA.

Since 2024, the Group has, on the one hand, remained steadfast in the unshakable foundation of "Service + Ecosystem, Service + Technology"; on the other hand, we insisted on upgrading and transformation and resolutely implemented our business strategy that "revenue shall generate profit and profit shall contain cash flow". We firmly implement our market-oriented and independent development model, with property management at its heart, and constantly improve our service capabilities and product strength. We aim to make progress while maintaining stability, pursuing high-quality, sustainable development. We firmly believe that great changes in the industry is not only a crisis but also an opportunity. We are confident that albeit with competition in the existing market, we will become a top-notched third-party comprehensive service provider in China.

OUTLOOK AND FUTURE PLANS

In the first half of 2024, China's economy as a whole continued to rebound and improve, but still faced the triple pressures of "shrinking demand, overcapacity, and weakening expectations". China's real estate market is still transforming, with the sales area of new properties, investment in new real estate development, and the new construction area continuing to decline, and market confidence weakening. Most real estate enterprises face increasingly severe cash flow shortages, some face acute debt risks, with a significant decline in solvency, and some are actively exploring judicial reorganization to resolve their debt crises.

The property management industry is shifting to a new landscape. Though faced with a shrinking incremental market, fiercer competition in the existing market, pressure on the collection rate, and real estate receivables related risks, property management companies are proactively transforming themselves, reverting to the focus on service quality and operational quality and efficiency, instead of the GFA under management, leading to benign competition and thus the healthy development of the industry.

Looking ahead, we are fully confident in the long-term prospects of the property management industry, which will continue to develop on improvements in specialization, scale, technology, and independence, and the advantages of "rigid demand + long cycles are highlighted". There is still plenty of space for the existing market and value-added services, as property owners' demand for high-quality services and people's aspirations for a better life remain unchanged. We believe that we can achieve sound and steady growth and accelerate sustainable, high-quality development through our comprehensive service product matrix, industry-leading service capability and brand strength, and multi-chain ecological synergies.

Focusing on the existing market and service quality and enhancing regional density and brand image.

Service capability is the cornerstone of our businesses, and quality is the guarantee for service capability. We will continue to center around customer satisfaction and diversified customer needs, iterating various service offerings, strengthening our ability to provide high-quality services in multiple formats, enhancing customer experience, and helping customers achieve the asset preservation and appreciation. We will concentrate superior resources to target the broad existing market in key regions, strengthen the construction of market expansion channels, implement the "grid-based street community" expansion strategy, and carry out the "Better Homes Plan" (美好家園計劃) to improve quality, focusing on expanding existing quality communities and pursuing high-quality, efficient scale growth through reasonable short-term investment. We will continue to voluntarily exit projects with negative contributions in non-core regions for the sustainable and healthy development of the Group. We will also continue to focus on advantageous areas, deeply cultivate core cities in Southwest China and along the Yangtze River, as well as promote development, reduce costs, and improve quality and efficiency with management density, so as to further consolidate our leading position in core markets. We will keep improving our differentiation and distinctiveness in brand communication, building a differentiated brand operations, management and control system, enhancing brand perception, and continuously improving brand image and property owner stickiness by targeting different customer groups, business models, and customer needs.

Strengthening operational capability and ecological synergies and entrenching business enablement and diversified growth.

With local catering services the second growth line of our strategic development, we will focus on light asset operations of catering and hotel management services as well as cultural, sports and tourism, improving our capacities in products, services, and operations and forming a new growth model on complementary resources. We will continue to strengthen our specialized multi-brand catering services development model covering "high-end catering services, comprehensive group catering services, and hotel catering services", emphasizing the coordinated development of group catering plus property services for enterprises and public institutions by creating an ecosystem centered on group catering + non-residential property services, and providing one-stop comprehensive logistics services for enterprise and public institution customers. We will continue to dig deep into big client resources, comprehensively enhance our supply chain management capability, create a benign supply chain ecosystem, cut costs, improve efficiency, and provide enterprises and public institutions with a new model of quality logistics and comprehensive IFM services, thus realizing a new model of win-win cooperation and long-term development.

Optimizing management efficiency and organizational dividends, innovating technologies empowerment, and incentivizing employees.

The Group is dedicated to building a more efficient and dynamic organization and management system. We keep iterating management systems such as the Financial Intelligence Cloud, the Digital Operations Center, and the Jinke Butler system, improving basic underlying data management, refining underlying data granularity, and using data analysis to promote development, prevent risks, and improve efficiency, thus helping operational decision-making. We are streamlining our organizational structure, transitioning from group control to group enablement, strengthening vertical management of our core businesses, effectively combining business development and implementation, and improving the HR effectiveness of frontline employees. We keep carrying out technological reforms, cutting costs and increasing efficiency through technological enablement, optimizing transformation in areas such as intelligent IoT and smart energy management, and promoting technological innovation on employee share ownership to better enable business development. We are improving our long-term stock incentive mechanism to stimulate employees' shareholder spirit. Meanwhile, we encourage an internal partnership mechanism for innovative businesses to cultivate the sense of ownership for key employees. We are deploying in new growth areas to breathe new life into business development.

Emphasizing shareholder returns and social responsibilities and pursuing long-term dividend payouts and steady development.

The Group upholds the ESG concept of sustainable development, deeply integrates long-termism into our culture, actively builds a virtuous cycle centered on employees and customers, and continuously fulfills our social responsibilities. We attach high importance to shareholder returns, and will actively explore a provident fund compensation plan in accordance with the latest provisions of the Company Law of the PRC to further facilitate dividend payouts after undistributed profits turn positive. We plan to increase the dividend distribution ratio to no less than 60%. We believe the Group will rise again soon, and reciprocate our shareholders' trust with healthy results and stable cash dividends. We have the largest repurchase write-off amount among all H-share property management companies. We believe that our current share price is undervalued, and will at our discretion continue to repurchase our shares based on market conditions. We are confident that a clear business strategy will bring us a new dynamic.

FINANCIAL REVIEW

Revenue

The Group derived its revenue from four business lines, namely (i) space property management services (including value-added services to non-property owners); (ii) local catering services; (iii) community value-added services; and (iv) smart living technology solutions.

The following table sets forth the details of the Group's total revenue by business lines for the periods indicated:

	For the six months ended 30 June			
	2024		2023	
	(RMB'000)	*%*	*(RMB'000)*	*%*
Space property management services	**2,048,071**	**85.0**	2,029,877	82.4
— *Property management services*	***2,011,030***	***98.2***	*1,944,682*	*95.8*
— *Value-added services to non-property owners*	***37,041***	***1.8***	*85,195*	*4.2*
Local catering services	**214,164**	**8.9**	242,134	9.8
Community value-added services	**129,500**	**5.4**	159,997	6.5
Smart living technology solutions	**18,420**	**0.7**	32,833	1.3
Total	**2,410,155**	**100.0**	2,464,841	100.0

For the six months ended 30 June 2024, the total revenue of the Group amounted to approximately RMB2,410.2 million, representing a slight decrease of approximately 2.2% compared to the same period in 2023. The details of change of revenue by business lines are set out as below:

(i) Revenue from space property management services increased steadily by approximately 0.9% to approximately RMB2,048.1 million for the Period from approximately RMB2,029.9 million in the same period in 2023. Among which, (a) revenue from property management services increased by approximately 3.4% from approximately RMB1,944.7 million for the same period in 2023 to approximately RMB2,011.0 million, mainly due to the high quality development of the Group's property management services, with a steady increase in saturation revenue from new projects despite a slight decrease in GFA under management for the Period; (b) revenue from value-added services to non-property owners continued to decrease significantly by approximately 56.5% from approximately RMB85.2 million for the same period in 2023 to approximately RMB37.0 million, which was primarily due to the increasingly severe liquidity crisis of the real estate industry. The Group took the initiative to significantly reduce the sales assistance services it provided to real estate developers including Jinke Property Group during the Period, only providing services with guaranteed returns or those necessary for guaranteed delivery of buildings;

(ii) Revenue from local catering services decreased by approximately 11.6% to approximately RMB214.2 million for the Period from approximately RMB242.1 million in the same period of 2023, mainly due to: (a) affected by the macro environment, consumption weakened amid fiercer competition in the group catering and hotel markets, leading to lower revenue from catering and hotel management services; (b) based on prudent considerations, the Group proactively scaled back on some catering services for which returns were not guaranteed;

(iii) Revenue from community value-added services for the Period decreased by approximately 19.1% to approximately RMB129.5 million from approximately RMB160.0 million in the same period of 2023, mainly due to: (a) the Group targeted community value-added services, focused on sustainable businesses with guaranteed cash flows, and changed most of its businesses from self-operations to a platform model, resulting in a decline in revenue; (b) affected by the macroeconomy, consumer demand weakened, with lower overall demand for community value-added services;

(iv) Revenue from smart living technology solutions decreased by approximately 43.9% to approximately RMB18.4 million for the Period from approximately RMB32.8 million in the same period of 2023, mainly due to the fact that affected by the macro environment, demand for such services decreased, while payment collection got difficult, making the Group scale back on such services and prioritize technology enablement and cost reduction and efficiency improvement for its main business.

Revenue from space property management services

Space property management services mainly consist of (i) property management services; and (ii) value-added services to non-property owners.

High-quality growth in revenue generated from property management services

We provide comprehensive services for urban multi-dimensional spaces with ubiquitous five-star care. As the earliest market-oriented and independent third-party property management provider in the industry, we continuously improve our business management ideas and service concepts, offering higher quality service experience to accumulate industry-leading property owner satisfaction and good market reputation, helping us achieve industry-leading market competitiveness. Nowadays, we have formed a comprehensive service product matrix covering residential buildings, mid-to-high end commercial office buildings, industrial parks, schools, hospitals, public construction, and urban services, contributing to our high-quality and healthy development.

As at 30 June 2024, the Group has completed a national strategic layout in 30 provinces and 174 cities in the PRC. We managed a total of 918 residential projects and 361 non-residential projects, and the number of property owners served increased continuously. As at 30 June 2024, the GFA under management of the Group was approximately 247.7 million sq.m., of which approximately 51.3% was attributable to Independent Third Parties, which demonstrated the Group's market-oriented and independent development capabilities. The GFA under management in the core area of Southwestern China Region reached approximately 131.7 million sq.m., accounting for approximately 53.1% of the GFA under management and representing a steady increase of approximately 1.5 percentage points from the same period in 2023, entrenching our regional density advantage. As at 30 June 2024, the total contracted GFA was approximately 326.3 million sq.m., with approximately 61.2% attributable to Independent Third Parties.

The Group resolutely implemented the business idea of "revenue shall generate profit and profit shall contain cash flow", focused on its principal businesses of property management services, and strove for progress while maintaining stability as the main focus. In the first half of 2024, the Group remained cautious on opportunities arising from market-oriented expansion. During the Period, the Group obtained new property management service contracts with a total saturated income of over RMB200 million, and the newly added GFA under management was approximately 10.0 million sq.m., of which the newly added residential GFA under management was approximately 7.2 million sq.m., about 66.0% came from Independent Third Parties. In terms of the existing market, the Better Homes Plan obtained 10 high-quality projects, with a newly added GFA under management of approximately 2.5 million sq.m.. The Group's service and brand capabilities were fully recognized by the market.

The Group is firmly committed to the path of sustainable development. During the Period, it continued to withdraw from the Projects which were of low quality, low collection rate and negative contribution. During the Period, the Group exited from the projects with a total GFA of approximately 29.9 million sq.m. under its management, including the projects that cannot be guaranteed for payment collection and those that the Group voluntarily unlocked the entrusted management and exited, thus effectively preventing them from continuing to make negative contributions and jeopardizing the Group's long-term development. We believe that the voluntary withdrawal from those projects making negative contributions is the only way to achieve high-quality and sustainable development. Although the GFA under management of the Group dropped slightly during the Period, the Group's revenue from property management services rose steadily by 3.4%, highlighting the achievement of the Group's high-quality development.

In terms of mergers and acquisitions, we believe that the valuation of industry mergers and acquisitions has gradually returned to rationality. With sufficient cash on hand, the Group will continue to pay attention to mergers and acquisitions opportunities in property service projects. We will focus on independent third party boutique property targets in the core areas of our management, and achieve high-quality scale growth brought about by mergers and acquisitions through conducting more detailed due diligence on the potential risks of the target companies and considering the impact of goodwill and integration costs arising from acquisitions in the longer term.

Benefiting from the Group's new development model of the comprehensive logistics services of IFM and catering services, the Group's annual saturation revenue of projects increased steadily, with approximately 2.8 million sq.m. of newly added GFA under management of non-residential projects during the Period, of which over 6 projects were synergy business of IFM models. The synergies between the businesses further emerged, and a moat was gradually established for the Group's non-residential business expansion.

As of 30 June 2024, the average unit property management fee of the Group was RMB2.15 per sq.m./month (31 December 2023: RMB2.18 per sq.m./month). The Group attached great importance to payment collection in businesses and has established a long-term management and control mechanism for payment collection. The Group's resident properties' collection rate remained high at 87.3% for the Period (30 June 2023: 84.5%).

The table below indicates the changes for our contracted GFA and GFA under management for the six months ended 30 June 2024 and 2023 respectively:

	For the six months ended 30 June			
	2024		2023	
	Contracted GFA	**GFA under management**	Contracted GFA	GFA under management
	(sq.m.'000)	***(sq.m.'000)***	*(sq.m.'000)*	*(sq.m.'000)*
As at the beginning of the period	**350,876**	**267,615**	359,822	254,538
New engagements[1]	**8,930**	**9,983**	18,456	24,888
– Properties developed by Jinke Property Group and its joint ventures and associates	**905**	**2,854**	455	6,714
– Properties developed by Independent Third Parties	**7,801**	**6,753**	9,987	11,269
– Properties took over upon mergers & acquisitions[2]	**224**	**376**	8,014	6,905
– Residential properties	**5,828**	**7,210**	9,734	16,325
– Non-residential properties	**3,102**	**2,773**	8,722	8,563
Terminations[3]	**(33,550)**	**(29,867)**	(16,081)	(13,938)
	326,256	**247,731**	362,197	265,488

Notes:

(1) With respect to residential communities under our management, new engagements primarily include preliminary management contracts for new properties developed by property developers and property management service contracts for residential communities replacing their previous property management service providers.

(2) During the Period, the new GFA acquired was mainly due to the continuous delivery of projects acquired in the previous phase.

(3) Such terminations include (a) non-renewal of certain property management service contracts upon expiration due to reallocation of our resources to more profitable projects in order to optimize our portfolio of property management projects; (b) voluntary exit of property management service contracts, which are generally characterized by low operational quality, low fee collection rates, and low real estate depreciation rates, and also includes the projects that the Group voluntarily unlocked the entrusted management and exited; and (c) passive termination of property management service contracts, which are due to the impact of the macro-economy, where some property developers or asset holders either chose to stop paying for the relevant service fees due to the breakdown of their financial chains, or chose to terminate the professional property services and replace them with self-management, or were caught up in the public opinion of the slow delivery of the phased projects which were in a state of dilapidation, which had a far-reaching negative impact on the development of the Group's subsequent services.

During the Period, the Group's revenue derived from properties developed by Independent Third Parties accounted for approximately 48.2% of our total revenue from property management services, representing a slight decrease of approximately 0.6 percentage points as compared to the same period in 2023. Such decrease was mainly in response to changes in the industry. The Group insisted on high-quality sustainable development, and most of the projects with negative contributions from management were due to third-party properties.

The following table sets forth a breakdown of the GFA under management under property management services as at the dates indicated and total revenue from the provision of property management services by type of property developer for the periods indicated:

	As at or for the six months ended 30 June			
	2024		2023	
	GFA under management *(sq.m.'000)*	**Revenue *(RMB'000)***	GFA under management *(sq.m.'000)*	Revenue *(RMB'000)*
Properties developed by Jinke Property Group[(1)]	**101,803**	**885,358**	97,725	853,335
Properties developed by Jinke Property Group's joint ventures and associates[(2)]	**18,835**	**156,366**	16,597	142,091
Properties developed by Independent Third Parties[(3)]	**98,528**	**736,094**	110,174	774,778
Properties took over upon mergers & acquisitions[(4)]	**28,565**	**233,212**	40,992	174,478
Total	**247,731**	**2,011,030**	265,488	1,944,682

Notes:

(1) Refer to properties developed by the Jinke Property Group through its wholly-owned subsidiaries or properties jointly developed by the Jinke Property Group and other property developers (excluding properties developed by the Jinke Property Group's joint ventures and associates) in which the Jinke Property Group held a controlling interest.

(2) Refer to properties developed by the Jinke Property Group's joint venture and associates, in which the Jinke Property Group did not hold a controlling interest.

(3) Refer to properties solely developed by third party property developers independent from the Jinke Property Group. Properties developed by Independent Third Parties include government-owned buildings and other public properties.

(4) Refer to properties acquired through a property right transaction to gain control of the acquired party and then incorporated into the Group's operation and management.

During the Period, a majority of the Group's revenue from property management services was derived from residential properties, which accounted for approximately 81.4% of the Group's total revenue from property management services, representing an increase of approximately 2.7 percentage points as compared to the same period in 2023. With relatively good stability and anti-risk ability, the residential properties have the characteristics of "rigid demand + long-term cycle" and are the ballast for our sustainable development. At the same time, we aimed at the vast residential stock market, and relied on our high-quality service and brand capabilities to actively obtain existing high-quality residential projects. According to the macro environment and changes in the industry, we have continued to improve our standards for non-residential business expansion and regard the solvency of major property owners as an important entry condition. The GFA under management of the non-residential sector decreased slightly as of 30 June 2024, amounting to approximately 38.2 million sq.m..

The table below sets forth a breakdown of the Group's GFA under management and revenue by property type as at the dates or for the periods indicated:

	As at or for the six months ended 30 June			
	2024		2023	
	GFA under management *(sq.m.'000)*	**Revenue *(RMB'000)***	GFA under management *(sq.m.'000)*	Revenue *(RMB'000)*
Residential properties	**209,488**	**1,636,416**	217,447	1,529,253
Non-residential properties				
— Commercial properties and office buildings	**2,450**	**46,207**	3,397	44,002
— Public institutions, enterprises and other properties	**12,945**	**191,658**	14,457	214,378
— Industrial parks	**10,809**	**80,034**	9,725	87,146
— Urban services	**12,039**	**56,715**	20,462	69,903
Subtotal	**38,243**	**374,614**	48,041	415,429
Total	**247,731**	**2,011,030**	265,488	1,944,682

To facilitate management, we divided its geographic coverage into three major regions in China, namely, the Southwestern China Region, the Eastern and Southern China Region, the Central China Region and other regions. The table below sets forth a breakdown of the Group's total GFA under management as at the dates and revenue from property management services for the period indicated by geographic regions:

	As at or for the six months ended 30 June			
	2024		2023	
	GFA under management ***(sq.m.'000)***	**Revenue** ***(RMB'000)***	GFA under management *(sq.m.'000)*	Revenue *(RMB'000)*
Southwestern China Region(1)	**131,665**	**1,160,950**	136,906	1,071,676
Eastern and Southern China Region(2)	**57,638**	**428,053**	60,872	416,493
Central China Region(3)	**39,613**	**245,284**	44,123	278,343
Other regions(4)	**18,815**	**176,743**	23,587	178,170
Total	**247,731**	**2,011,030**	265,488	1,944,682

Notes:

(1) Provinces, municipalities and autonomous regions in which the Group provides property management services to projects in the Southwestern China Region include Sichuan province, Guizhou province, Yunnan province, Tibet Autonomous Region and Chongqing municipality.

(2) Provinces, municipalities and autonomous regions in which the Group provides property management services to projects in the Eastern and Southern China Region include Jiangsu province, Zhejiang province, Fujian province, Jiangxi province, Shandong province, Anhui province, Guangdong province, Hainan province, Guangxi Zhuang Autonomous Region and Shanghai municipality.

(3) Provinces, municipalities and autonomous regions in which the Group provides property management services to projects in the Central China Region include Henan province, Hubei province and Hunan province.

(4) Provinces, municipalities and autonomous regions in which the Group provides property management services to projects in other regions include Hebei province, Shanxi province, Shaanxi province, Gansu province, Qinghai province, Liaoning province, Inner Mongolia Autonomous Region, Ningxia Hui Autonomous Region, Xinjiang Uyghur Autonomous Region, Beijing and Tianjin municipalities.

Revenue from value-added services to non-property owners

We provide value-added services to major property owners primarily in the form of (i) sales assistance services; (ii) pre-delivery services; and (iii) consultancy and other services. The Group continued to proactively reduce the number of projects for which it provided sales assistance services in the first half of 2024, due to the continued impact of the downturn of the real estate industry, whereby real estate developers were in an increasingly severe liquidity crisis and the number of new projects for sale continued to decline, and to focus on third-party sales assistance services with guaranteed cash flow and return or business that must be taken over to ensure the delivery of the properties. During the Period, revenue of approximately RMB37.0 million was realized, representing a year-on-year decrease of approximately 56.5% as compared to approximately RMB85.2 million for the same period in 2023.

The following table sets forth the component of our revenue from value-added services to non-property owners for the periods indicated:

	For the six months ended 30 June			
	2024		2023	
	(RMB'000)	***%***	*(RMB'000)*	*%*
Sales assistance services	**14,562**	**39.3**	51,159	60.0
Pre-delivery services	**11,147**	**30.1**	24,192	28.4
Consultancy and other services	**11,332**	**30.6**	9,844	11.6
Total	**37,041**	**100.0**	85,195	100.0

Revenue from local catering services

The Group provides local catering services to property owners and clients, primarily in the form of (i) catering services; (ii) hotel management services, and (iii) catering supply chain services (e.g. food supply chain services for items such as rice, flour, grain and oil). Revenue from local catering services was approximately RMB214.2 million in the first half of 2024, representing a decrease of approximately 11.6% over the same period in 2023.

Since 2024, consumption continues to be weak as affected by the macro environment, when the Group's revenue from catering services decreased by approximately 11.3% to approximately RMB141.4 million as compared to the same period in 2023. During the Period, in the face of the more competitive catering service market, the Group continued to enhance its product strength and competitiveness, and has established a differentiated multi-brand matrix covering "high-end catering services, comprehensive group catering services and hotel catering services", providing customers with differentiated products by targeting different customer groups. As at the end of the Period, the Group has had more than 70 catering service projects under management, many of which were collaborative management of catering services and basic property services or hotel services. The synergies between the businesses continued to emerge. The ability to expand for catering services and market competitiveness increase steadily. The Company has built a unique second growth point for Jinke Services.

The Group's hotel management services have nearly 20 years of experience in the operation and management of high-star hotels and a professional team, and owns boutique hotel brands such as "Jinke Grand Hotel" (金科大酒店), "Shengjia" (聖嘉) and "Ruijing" (瑞晶), operating a number of mid-to-high-end hotels in core areas of Chongqing and Suzhou. We have possessed industry-leading hotel management and light asset operation capabilities, and room occupancy rates of many of our hotels have been increasing. During the Period, affected by the intense competition in the travelling market, the Group has adopted the strategy of exchanging price for volume. Revenue from hotel management services was approximately RMB63.6 million, representing a decrease of approximately 15.7% as compared to the same period in 2023.

In addition, based on our fast-growing catering service customer base and food ingredient procurement volume, we have continued to integrate and optimize our food ingredient supply chain system, giving full play to our advantages in large-scale procurement and overlaying technological means to achieve refined management and control, to enhance the freshness of food ingredients and reduce the rate of wastage, and to provide food ingredient supply chain services for internal and external customers for the projects. Revenue for the Period was approximately RMB9.2 million.

	For the six months ended 30 June			
	2024		2023	
	(RMB'000)	**%**	*(RMB'000)*	%
Catering services	**141,402**	**66.0**	159,408	65.8
Hotel management services	**63,607**	**29.7**	75,472	31.2
Catering supply chain services	**9,155**	**4.3**	7,254	3.0
Total	**214,164**	**100.0**	242,134	100.0

Revenue from community value-added services

The Group provides community value-added services to property owners, residents and major property owners, primarily in the form of (i) home-living services, mainly consisted of community group purchase, household cleaning services, home delivery services and travel services; (ii) community management services, which are mainly consisted of management of public resources (leasing of public spaces, for instance), community media services and parent-child education; (iii) home-decoration services, which are consisted of one-stop services including interior furnishing, decoration, sales of home furnishings, renovation of older properties, move-in furnishing services and other services; and (iv) asset operation services, which primarily include rental, sale and marketing service for new homes, second-hand homes and parking spaces, and commercial operation services.

Under the influence of factors such as weaker-than-expected recovery of the domestic economy, weaker market confidence and contraction in consumer demand, the overall business demand for community value-added services was on a downward trend. The Group adjusted the business mode of community value-added services based on the business growth potential and maturity. Most of its businesses were converted to platform model. For self-operated businesses, it only maintained core businesses such as asset operation and home improvement services. The Group further reduced its investment in community value-added services and focused on sustainable businesses with high demand and high repeated purchase rate. At the same time, affected by the sluggish performance of the real estate market, the demand for the Group's home improvement business and leasing and sales business continued to decline. During the Period, revenue from community value-added services was approximately RMB129.5 million, representing a decrease of approximately 19.1% as compared to the same period in 2023.

The following table sets forth the component of our revenue from community value-added services for the periods indicated:

	For the six months ended 30 June			
	2024		2023	
	(RMB'000)	*%*	*(RMB'000)*	*%*
Home-living services	**5,952**	**4.6**	10,933	6.8
Community management services	**108,400**	**83.7**	115,323	72.1
Home-decoration services	**6,261**	**4.8**	7,089	4.4
Asset operation services	**8,887**	**6.9**	26,652	16.7
Total	**129,500**	**100.0**	159,997	100.0

Revenue from smart living technology solutions

For our smart living technology solutions, we mainly provide digital and intelligent technology solutions to property management companies, external clients like enterprises and public institutions, and property developers to achieve the purpose of technology empowerment as well as quality and efficiency improvement. Our smart living technology solutions business mainly includes: (i) providing intelligent design services to property developers with full-cycle smart solutions for their project construction; (ii) providing smart sales assistance services to property developers with intelligent and digital on-site technical services during the housing sales stage, such as implementing the Home – Life system (生命家房屋展示系統); and (iii) smart integrated operation platform services by participating in the construction of digital and intelligent cities, digital and intelligent public affairs, digital and intelligent communities and intelligent cultural tourism through development, customization, installation, and operation and maintenance of IBMS (intelligent building management system), thus contributing to national digital transformation.

In the first half of 2024, due to the downward pressure on the economy, the liquidity crisis in the real estate sector and the decrease of the solvency of large customers, the Group continued to phase out its business of smart sales assistance services, smart solutions and software development to some real estate developers and enterprise and public institution customers who had difficulties in making repayments. During the Period, the revenue from the Group's smart living technology solutions decreased by approximately 43.9% to approximately RMB18.4 million from approximately RMB32.8 million in the same period of 2023.

COST OF SALES

The Group's cost of sales primarily consists of (i) employee benefit expenses; (ii) greening and cleaning expenses; (iii) security charges; (iv) utilities; (v) maintenance costs; (vi) consumables, food and beverages; (vii) depreciation and amortization expenses; (viii) travelling and entertainment expenses; (ix) community activities expenses; (x) office expenses; (xi) cost of goods sold; (xii) professional fee and (xiii) other costs.

The cost of sales of the Group increased by approximately 4.9% from approximately RMB2,154.8 million for the six months ended 30 June 2023 to approximately RMB2,260.6 million for the six months ended 30 June 2024, the increase in which was mainly due to the increase in the number of projects under management of the Group and the increase in the salaries and benefits of certain front-line employees of the Group.

GROSS PROFIT AND GROSS PROFIT MARGIN

The following table sets forth the components of the Group's gross profit and gross profit margin by business line for the periods indicated:

	For the six months ended 30 June			
	2024		2023	
	Gross profit *(RMB'000)*	**Gross profit margin *%***	Gross profit *(RMB'000)*	Gross profit margin *%*
Space property management services	**362,294**	**17.7**	421,052	20.7
— Property management services	**358,573**	**17.8**	406,551	20.9
— Value-added services to non-property owners	**3,721**	**10.0**	14,501	17.0
Local catering services	**25,187**	**11.8**	43,573	18.0
Community value-added services	**75,691**	**58.4**	92,352	57.7
Smart living technology solutions	**1,036**	**5.6**	6,535	19.9
Total	**464,208**	**19.3**	563,512	22.9

Gross profit of the Group decreased by approximately 17.6% from approximately RMB563.5 million for the six months ended 30 June 2023 to approximately RMB464.2 million for the six months ended 30 June 2024. Gross profit margin of the Group decreased by 3.6 percentage points to approximately 19.3% for the six months ended 30 June 2024 from approximately 22.9% for the same period in 2023.

During the Period, gross profit from space property management services decreased slightly by approximately 14.0% to approximately RMB362.3 million from approximately RMB421.1 million for the same period in 2023, and gross profit margin decreased by 3.0 percentage points to approximately 17.7% from approximately 20.7% for the same period in 2023, among which: (i) gross profit from property management services decreased by approximately 11.8% from approximately RMB406.6 million for the same period in 2023 to approximately RMB358.6 million, and gross profit margin decreased by 3.1 percentage points to approximately 17.8% from approximately 20.9% for the same period in 2023. Such decreases were primarily attributable to (a) the Group negotiated with some customers to reduce or exempt the property fees for vacant property management fees and vacant parking space which could not be recovered; (b) the increase in one-off expenses incurred by the Group as a result of the Group's proactive withdrawal from certain negative contribution projects in adherence to the business philosophy of "revenue shall generate profit and profit shall contain cash flow"; (c) the amortization expenses of the Group of intangible assets and customer relationship arising from mergers and acquisitions of property companies; (ii) the gross profit of value-added services to non-property owners significantly decreased from approximately RMB14.5 million for the same period in 2023 to approximately RMB3.7 million for the Period, and gross profit margin decreased from approximately 17.0% for the same period in 2023 to approximately 10.0% for the Period. Such decreases were primarily due to that the Group adhered to the path of high-quality development and took the initiative to significantly reduce the number of projects in relation to provision of sales assistance services to real estate developers in liquidity crisis during the Period. At the same time, in line with the national policy of "guaranteeing the delivery of buildings and stabilizing people's livelihood" (保交樓、穩民生), the Group still provided the necessary services for these projects guaranteeing the delivery of buildings, which had a lower gross profit margin of this business.

Gross profit from local catering services decreased by approximately 42.2% to approximately RMB25.2 million for the Period from approximately RMB43.6 million for the corresponding period in 2023, and gross profit margin decreased by 6.2 percentage points to approximately 11.8% for the Period from approximately 18.0% for the corresponding period in 2023, which was mainly attributable to (i) facing intense competition in the catering services and hotel management markets, the Group exchanged price for volume, resulting in a decrease in gross profit margin; and (ii) the amortization of the Group's initial investment in catering services and hotel management services, resulting in an increase in costs.

Gross profit of community value-added services decreased from approximately RMB92.4 million to approximately RMB75.7 million for the Period, and the gross profit margin slightly increased from approximately 57.7% for the same period in 2023 to approximately 58.4% for the six months ended 30 June 2024. It was mainly due to (a) the impact of a weaker-than-expected economic recovery and the decline in consumer demand that had led to a general decline in the demand for community value-added services, with a more significant decline in asset operation services (such as housing, parking space rental and sales business); (b) most of the Group's community value-added services businesses were converted to a platform mode, with a slight increase in gross profit margin.

Gross profit of smart living technology solutions was approximately RMB1.0 million for the six months ended 30 June 2024, with gross profit margin decreased to approximately 5.6%. It was mainly due to that smart living technology prioritized the internal technology empowerment of the Group to achieve the purpose of reducing costs and increasing efficiency, and the external business is mainly to build a digital economy public affairs platform, with its business gross profit margin low.

OTHER INCOME

Other income of the Group decreased by approximately 62.5% from approximately RMB78.9 million for the six months ended 30 June 2023 to approximately RMB29.6 million for the six months ended 30 June 2024, which was primarily due to the Group (as the lender) provided a loan of RMB1,500 million (annual interest rate of 8.6%) to Jinke Property Group (as the borrower), as the Group made a significant amount of impairment provision for this loan at the end of 2023, the net amount of the loan decreased, resulting in a decrease in its interest income.

OTHER LOSSES – NET

The Group's other net losses primarily consist of impairment of goodwill and compensation losses. The Group recorded other net loss in the amount of approximately RMB35.5 million for the six months ended 30 June 2024 as compared to the other net losses of approximately RMB3.1 million for the six months ended 30 June 2023, which was mainly due to the Group's continuous impairment of the goodwill recorded by the property management companies acquired during the historical period on a prudent basis as affected by the macro-economy.

ADMINISTRATIVE EXPENSES

The Group's administrative expenses primarily consist of (i) employee benefit expenses for administrative staff; (ii) traveling and entertainment expenses; (iii) office expenses; (iv) bank and other payment platforms charges; (v) depreciation and amortization; (vi) research and development expenses for the development of the Group's smart living technology solutions; and (vii) others, which mainly include professional fee, recruiting costs and advertising expenses. Administrative expenses of the Group increased by approximately 20.6% from approximately RMB252.2 million for the six months ended 30 June 2023 to approximately RMB304.3 million for the six months ended 30 June 2024, which were primarily because (i) the number of senior employees of the Group continued to increase; and (ii) travelling and entertainment expenses increased due to the business development of the Group.

INTANGIBLE ASSETS

The Group's intangible assets primarily consist of customer relationship, goodwill and software patent. The intangible assets of the Group decreased by approximately 5.6% from approximately RMB614.0 million as at 31 December 2023 to approximately RMB579.5 million as at 30 June 2024, mainly due to the amortization and impairment of approximately RMB35.5 million made by the Group during the Period in customer relationship, goodwill and software intangible assets arising from acquisitions during the historical periods.

LOAN RECEIVABLE

Loan receivable of the Group represents the loan in the principal amount of RMB1,500 million provided to Jinke Property. The loan receivable of the Group decreased from approximately RMB372.2 million as of 31 December 2023 to approximately RMB303.6 million as at 30 June 2024, mainly due to the impact of the latest progress of judicial reorganization of Jinke Property Group and the macroeconomic environment taken into consideration by the Group, and the Group made a further impairment provision of approximately RMB79.4 million for loan receivable during the Period.

TRADE AND BILL RECEIVABLES

Carrying balance of trade and bill receivables of the Group increased by approximately 4.4% from approximately RMB2,931.4 million as at 31 December 2023 to approximately RMB3,060.3 million as at 30 June 2024, and provision for impairment of trade and bill receivables increased by approximately 12.0% from approximately RMB1,385.0 million as at 31 December 2023 to approximately RMB1,550.5 million as at 30 June 2024. After provision for impairment of trade receivables was made, the net amount mainly consists of property fees receivables from third-party owners in relation to the property management services of the Group. The Group has established a long-term management and control mechanism for payment collection, and will further strengthen special work of settlement of property fees collection.

TRADE AND BILL PAYABLES

Trade and bill payables primarily represent the Group's obligations to pay for goods and services that have been acquired in the ordinary course of business from suppliers, including service fees and cost of materials. Trade and bill payables of the Group decreased by approximately 14.0% from approximately RMB1,123.6 million as at 31 December 2023 to approximately RMB966.2 million as at 30 June 2024, mainly because the Group scales down in the payment cycle of trade payables from the third party in order to obtain lower service prices from suppliers.

CONTRACT LIABILITIES

Contract liabilities primarily consist of advances of property management fees and other service fees. The Group's contract liabilities decreased by 13.2% from approximately RMB880.7 million as at 31 December 2023 to approximately RMB764.3 million as at 30 June 2024, mainly due to the provision of property management services to private property owners during the Period, who have prepaid for their properties.

LIQUIDITY AND CAPITAL RESOURCES

The Group met and expects to continue meeting its operating capital, capital expenditure and other capital needs with cash generated from operations and proceeds from the Listing.

Cash Position

As at 30 June 2024, the Group had cash and cash equivalents of approximately RMB1,785.1 million (31 December 2023: approximately RMB2,905.5 million).

Term Deposits

As at 30 June 2024, the Group had term deposits of approximately RMB683.3 million (31 December 2023: approximately RMB220.0 million).

Cash Flows

For the six months ended 30 June 2024, the Group's net cash outflow from operating activities was approximately RMB323.0 million, as compared to a net cash outflow from the operating activities of approximately RMB68.6 million for the same period in 2023, which was mainly attributable to (i) the Group gradually scales down in the payment cycle from the suppliers in order to obtain lower service prices in the future, and the payment to suppliers increased in the Period; (ii) the Group usually conducts special collection of property fees in the second half of each year.

For the six months ended 30 June 2024, the Group's net cash outflow from investing activities was approximately RMB720.1 million, as compared to a net cash outflow from the Group's investing activities of approximately RMB89.6 million for the same period in 2023, mainly due to the increase in term deposits and purchase of financial assets with low risk.

For the six months ended 30 June 2024, the net cash outflow from the Group's financing activities was approximately RMB77.5 million, as compared to a net cash outflow from the Group's financing activities of approximately RMB60.3 million for the same period in 2023. Such change was mainly due to the increase in expenses for the Group's share repurchase.

INDEBTEDNESS

Borrowings

As at 30 June 2024, the Group had nil borrowings (31 December 2023: Nil).

GEARING RATIO

As the Group had nil borrowings as at 30 June 2024, the net gearing ratio (as calculated by total interest-bearing bank borrowings as at the end of respective periods divided by total equity as at the same date) was nil as at 30 June 2024 (31 December 2023: Nil).

PLEDGE OF ASSETS

As at 30 June 2024, the Group did not have any pledged assets (31 December 2023: Nil).

FOREIGN EXCHANGE RISKS

The Group's businesses are primarily denominated in RMB, which is the functional currency of the Group companies. Foreign currency transaction included mainly receipts of proceeds from the Listing on the Main Board of the Stock Exchange and payment of professional fees, which are denominated in Hong Kong dollars, and a subsidiary which is mainly denominated in United States dollars. As at 30 June 2024, the cash and cash equivalents of approximately RMB8.7 million and RMB0.2 million denominated in HK$ and US$, the term deposit of approximately RMB6.1 million denominated in US$. Fluctuation of the exchange rates of RMB against foreign currency has a limited impact on the Group's results of operations.

CONTINGENT LIABILITIES

As at 30 June 2024, the Group had no contingent liabilities (31 December 2023: Nil).

COMMITMENTS

As at 30 June 2024, the Group did not have any capital commitments (31 December 2023: Nil).

SIGNIFICANT INVESTMENTS HELD, MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

For the six months ended 30 June 2024, the Group had no significant investments, material acquisitions or disposals of subsidiaries, associates and joint ventures.

USE OF NET PROCEEDS FROM THE LISTING

After deducting the underwriting commission and other expenses payable by the Company in connection with the Listing, the net proceeds from the Listing and the exercise in full of the over-allotment option amounted to approximately HK$6,660.9 million.

As of 30 June 2024, the Group utilized approximately HK$4,768.1 million of the proceeds raised, which were allocated in accordance with the use of proceeds set out in the Prospectus, the announcement on the change of use of proceeds from the global offering dated 10 September 2021, the announcement on the further change in use of proceeds from the global offering dated 18 April 2023 and the announcement on the further change in use of proceeds from the global offering dated 22 December 2023 (the "**Third Announcement**").

The following table sets forth details of the revised use and allocation of net proceeds as at 30 June 2024:

	Planned use of net proceeds disclosed in the Third Announcement		Unutilised net proceeds as at 1 January 2024	Actual use of net proceeds during the six months ended 30 June 2024	Unutilised net proceeds as at 30 June 2024	Expected timeline of the intended use of proceeds
	HK$'million	*approximately %*	*HK$'million*	*HK$'million*	*HK$'million*	
(a) Pursuing selective strategic investment and acquisition opportunities and further developing strategic partnerships to expand the Group's business scale and the depth and breadth of the Group's geographic coverage, by way of investment (direct investment, acquisition, or capital increase of affiliated companies), acquisition of or entering into joint venture arrangement with property management companies or companies engaged in the business of value-added services, and joint investment in relevant industry funds with business partners	3,746.6	56.2%	1,341.3	2,471.2	1,275.4	
(i) Investing in or acquiring property management companies which manage quality residential properties which meet the Group's selection criteria, and/or with the necessary experiences and qualifications, and/or which manage non-residential properties which meet the Group's selection criteria such as public facilities, educational institutions and/or hospitals	2,032.1	30.5%	1,138.7	964.1	1,068.0	On or before December 2025
(ii) Investing in or acquiring suitable targets with business that are complementary to the Group's existing services and can help the Group further integrate its upstream and downstream resources, such as catering services, and enjoy a reputable brand name	868.6	13.0%	202.6	666.0	202.6	On or before December 2025
(iii) Retaining the net proceeds in Hong Kong for the investment in and acquisition of suitable targets with the business scope described in subcategories (i) and (ii) above, and according to the structure of the transaction and acquisition target (such as red chip structure), possibly for direct payment in Hong Kong of such investment and mergers and acquisitions, so that the Company can explore and expand business sources and channels in multiple directions	845.9	12.7%	-	841.1	4.8	On or before December 2025

	Planned use of net proceeds disclosed in the Third Announcement		Unutilised net proceeds as at 1 January 2024	Actual use of net proceeds during the six months ended 30 June 2024	Unutilised net proceeds as at 30 June 2024	Expected timeline of the intended use of proceeds
	HK$'million	*approximately %*	*HK$'million*	*HK$'million*	*HK$'million*	
(b) Upgrading the systems of the Group for digitization and smart management	170.9	2.6%	86.2	89.1	81.8	
(i) Developing and upgrading hardware and software	70.8	1.1%	–	70.8	–	–
(ii) Developing and improving the Group's intelligent management systems	100.1	1.5%	86.2	18.3	81.8	On or before December 2024
(c) Further developing the value-added services of the Group	1,199.0	18.0%	283.5	915.5	283.5	
(i) Strategically developing the Group's upstream and downstream services	1,196.9	18.0%	283.5	913.4	283.5	On or before December 2024
(ii) Upgrading hardware and developing smart community	2.1	0.03%	–	2.1	–	–
(d) General business operations and working capital	666.1	10.0%	10.3	655.7	10.4	On or before December 2024
(e) Retaining the net proceeds in Hong Kong and mainland China for the funding of the repurchase of Shares and/or the establishment of incentive programs, such as employee share ownership plan and share award plan, as permitted by the laws of the place where the Company is registered and where the Company's shares are listed	683.2	10.3%	206.3	627.0	56.2	On or before December 2024
(f) Renovating and improving the housing of the old residential communities under the management of the Group or for which the Group is newly contracted to provide property management service	195.2	2.9%	189.4	9.8	185.4	On or before December 2024
Total	6,660.9	100%	2,117.0	4,768.1	1,892.8	

Note: (i) The figures have been subject to rounding adjustments. Therefore, the total amount of each category may not equal the arithmetic total of the relevant sub-category.

FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

Save as disclosed in the section headed "Use of Net Proceeds from the Listing" in this announcement, the Group has no other future plans for material investments and capital assets as at 30 June 2024.

EMPLOYEE AND REMUNERATION POLICY

As at 30 June 2024, the Group had approximately 12,377 employees (30 June 2023: 12,661 employees). During the Period, the staff cost recognised as expenses by the Group amounted to approximately RMB985.8 million (30 June 2023: approximately RMB894.3 million).

The Group enters into individual employment contracts with its employees to cover matters such as wages, salaries, benefits and terms for termination. The Group generally formulates its employees' remuneration package including salary, bonus and various allowances. In general, the Group determines employees' salaries based on each employee's qualification, position and seniority. The Group has designed a periodic review system to assess the performance of its employees, which forms the basis of its determination on salary raise, bonus and promotion. As required by the relevant PRC laws and regulations, the Group makes contributions to social insurance fund (including pension fund, medical insurance, unemployment insurance, work-related injury insurance, and maternity insurance) and housing provident fund for the benefit of its PRC employees.

SUBSEQUENT EVENTS

As at the date of this announcement, no material events were undertaken by the Group after 30 June 2024.

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

The Company has adopted and applied the Corporate Governance Code as its own code on corporate governance. The Board reviewed the Company's corporate governance practices and is satisfied that the Company has complied with all applicable code provisions as set out in the Corporate Governance Code during the Period. The Company will continue to review and enhance its corporate governance practices to ensure compliance with the Corporate Governance Code.

COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS AND SUPERVISORS

The Company has adopted the Model Code as the code of conduct for dealings in the securities by the Directors and Supervisors. Having made specific enquiries to all Directors and Supervisors, all the Directors and Supervisors have confirmed that they have complied with the Model Code during the Period.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

During the six months ended 30 June 2024, the Company repurchased a total of 6,261,000 H Shares on the Stock Exchange at a total consideration of approximately HK$54,126,007. The share repurchase is aimed to enhance the returns to the Shareholders and reflect the Company's confidence in its business prospects, which is beneficial to all Shareholders. The details of the H Shares repurchased were as follows.

Month of repurchases	Number of H Shares repurchased	Highest price per H Shares *(HK$)*	Lowest price per H Shares *(HK$)*	Aggregate consideration *(HK$)*
January 2024	200,000	9.52	9.38	1,894,402
April 2024	436,200	9.28	8.38	3,893,547
May 2024	1,413,300	10.00	8.80	13,153,695
June 2024	4,211,500	9.19	7.85	35,184,363
Total	6,261,000			54,126,007

Note: The Company also repurchased a total of 19,696,600 H Shares on the Stock Exchange in July 2024 at a total consideration of approximately HK$125,446,753. As at the date of this announcement, a total of 25,957,600 H Shares repurchased by the Company during the six months ended June 2024 and July 2024, of which 6,061,000 shares were cancelled on 12 July, 2024 and 200,000 shares were cancelled on February 2, 2024. As of the date of this announcement, there are 19,696,600 shares outstanding and the total number of issued shares of the Company is 617,760,900 shares. For details, please refer to the next day disclosure returns of the Company dated 2 February 2024, 12 July 2024 and 25 July 2024.

Save as disclosed above, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities (including sales of treasury shares (as defined in the Listing Rules)) during the Period. As of 30 June 2024, the Company did not hold treasury shares.

INTERIM DIVIDEND

The Board resolved not to declare any interim dividend for the Period (for the six months ended 30 June 2023: nil).

AUDIT COMMITTEE

The Board established the Audit Committee with written terms of reference in compliance with the Corporate Governance Code. The terms of reference of the Audit Committee has been uploaded to the websites of the Stock Exchange (www.hkexnews.hk) and the Company (http://www.jinkeservice.com).

The primary duties of the Audit Committee are to (i) review and supervise the financial reporting process and internal control system of the Group, risk management and internal audit; (ii) provide advice and comments to the Board and perform other duties and responsibilities as may be assigned by the Board. The Audit Committee consists of five members, namely Mr. Tung Woon Cheung Eric (董渙樟), Mr. Shi Cheng (石誠), Mr. Wu Xiaoli (吳曉力), Ms. Yuan Lin (袁林) and Ms. Xiao Huilin (肖慧琳). The chairman of the audit committee is currently Mr. Tung Woon Cheung Eric, an independent non-executive Director of the Company with appropriate professional qualifications or accounting or related financial management expertise as required under Rule 3.10(2) of the Listing Rules.

REVIEW OF UNAUDITED CONDENSED CONSOLIDATED INTERIM RESULTS

The Audit Committee has discussed with the management and the external auditor of the Company and has reviewed the unaudited condensed consolidated interim results of the Group for the six months ended 30 June 2024. The interim results of the Group for the six months ended 30 June 2024 have not been audited but have been reviewed by PricewaterhouseCoopers, the external auditor of the Company, in accordance with Hong Kong Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Hong Kong Institute of Certified Public Accountants.

PUBLICATION OF INTERIM RESULTS ANNOUNCEMENT AND INTERIM REPORT

This interim results announcement is published on the website of the Stock Exchange at www.hkexnews.hk as well as the website of the Company at www.jinkeservice.com. The Company's 2024 interim report containing all the information required by the Listing Rules will be dispatched (if requested) to the Shareholders and published on the aforementioned websites in due course.

By Order of the Board
Jinke Smart Services Group Co., Ltd.
Xia Shaofei
Chairman

Chongqing, 26 August 2024

As at the date of this announcement, the Board comprises Mr. Xia Shaofei as executive Director, Mr. Wu Xiaoli, Ms. Lin Ke, Mr. Xu Guofu, Mr. Shi Cheng and Mr. Qi Shihao as non-executive Directors, and Ms. Xiao Huilin, Ms. Yuan Lin and Mr. Tung Woon Cheung Eric as independent non-executive Directors.

GLOSSARY AND DEFINITION

In this announcement, unless the context otherwise requires, the following terms have the following meanings.

"Audit Committee"	the audit committee of the Company
"Board"	the board of Directors
"China" or "PRC"	the People's Republic of China
"Company"	Jinke Smart Services Group Co., Ltd.* (金科智慧服務集團股份有限公司), a limited liability company established in the PRC on 18 July 2000 and converted into a joint stock company with limited liability on 28 May 2020, the H Shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 9666)
"Corporate Governance Code"	the Corporate Governance Code contained in Part 2 of Appendix C1 to the Listing Rules
"Director(s)"	the director(s) of the Company
"GFA"	gross floor area
"Group" or "we"	the Company and its subsidiaries
"H Shares"	the overseas listed foreign shares in the ordinary share capital of the Company with a nominal value of RMB1.00 each, which are subscribed for and traded in Hong Kong dollars and listed on the Main Board of the Stock Exchange
"HK$" or "Hong Kong dollars"	Hong Kong dollars, the lawful currency of Hong Kong
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC
"Independent Third Party(ies)"	an individual(s) or a company(ies) who or which is/are not connected with (within the meaning of the Listing Rules) any Directors, chief executive or substantial shareholders of the Company or its subsidiaries, or any of their respective associates (within the meaning of the Listing Rules)
"Jinke Property"	Jinke Property Group Co., Ltd.* (金科地產集團股份有限公司), a joint stock company with limited liability established in the PRC on 29 March 1994, listed on the Shenzhen Stock Exchange (stock code: 000656.SZ)

“Jinke Property Group”	Jinke Property and its subsidiaries
“Listing”	the listing of the H Shares on the Main Board of the Stock Exchange
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Model Code”	the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Listing Rules
“Period”	the six months ended 30 June 2024
“Prospectus”	the prospectus of the Company dated 5 November 2020
“RMB”	Renminbi, the lawful currency of the PRC
“Share(s)”	share(s) in the share capital of the Company, with a nominal value of RMB1.00 each, comprising the H Shares only
“Shareholder(s)”	holder(s) of the Share(s)
“sq.m.”	square meter(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Supervisor(s)”	the supervisor(s) of the Company
“%”	per cent
“US$”	United States dollars, the lawful currency in the United States of America